

FISCAL YEAR 2023 - 2024



ANNUAL PROPOSED BUDGET

City Of Molalla, Oregon &
Molalla Urban Renewal



Cover photo is of Strawberry Park various members of City Council, Molalla Communications Board, and both staffs, posing for the photo.

READER'S GUIDE TO BUDGET DOCUMENT

This document provides citizens with a comprehensive overview of the City of Molalla's budget, the budget process, City services and operations, and the resources that fund them. This document first outlines the process, policies, goals, and issues involved in developing the budget. It then discusses the financial structure of the City with an overview of the City's various funds, including where the money comes from and how it is spent. Details about the budget, forecasted revenue and appropriated expenditures follow, along with an in-depth look at the City's departments and programs. You will see many connecting links to documents and services within the document this year. Look for the **Go,HERE!** This document is divided into the following sections:

Introduction

The purpose of this section is to provide the reader with general information about the City's history, demographics, and economy. The City's vision, mission, goals and strategic initiatives, organizational structure, and a message from the City Manager are also included.

Budget Overview

Information in this section gives the reader an understanding about the services the City provides to our citizens and the costs incurred in the provision of those services. It includes the sources of funding, including long-term debt financing that support the City's capital needs. This section also contains summaries of the budget process, the budget, a fund structure matrix, a description of major fund types and a discussion of revenue and expenditures and how they are forecasted.

Long-Range Plan & Capital Budget

The section presents a Five-Year Road map for the operations and finances of the City.

This section provides detail on the Capital Budget and the 5-Year Capital Improvement Plan (CIP) that was adopted by resolution.

Revenue Overview

This overview provides information on the City's major revenues that are received primarily from outside sources.

Budget Detail

This section includes summaries of the overall budget by fund, sources of revenue, types of expenditures and costs by department, along with the authorized staffing levels by department. For comparison, two years of historical results and the prior year amended budget are presented alongside the budget. There is also a fund balance summary for each fund. Following each fund summary is information at the department level, including explanations of significant budget variances, prior year accomplishments, goals for the current year, authorized positions and significant changes within the department or division.

Appendix This section contains a copy of the signed budget ordinance, demographic information, and a glossary.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Molalla
Oregon**

For the Fiscal Year Beginning

July 01, 2022

Christopher P. Morill

Executive Director

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **City of Molalla, Oregon**, for its Annual Budget for the fiscal year beginning **July 01, 2022**. We anticipate our fifth award to be presented in the upcoming year. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.



The Government Finance Officers Association
of the United States and Canada

presents this

CERTIFICATE OF RECOGNITION FOR BUDGET PREPARATION

to

Finance Department
City of Molalla, Oregon



The Certificate of Recognition for Budget Preparation is presented by the Government Finance Officers Association to those individuals who have been instrumental in their government unit achieving a Distinguished Budget Presentation Award. The Distinguished Budget Presentation Award, which is the highest award in governmental budgeting, is presented to those government units whose budgets are judged to adhere to program standards.

Executive Director

Christopher P. Morill

Date: September 16, 2022

(Chicago, Illinois)--Government Finance Officers Association is pleased to announce that **City of Molalla, Oregon**, has received GFOA's Distinguished Budget Presentation Award for its budget.

The award represents a significant achievement by the entity. It reflects the commitment of the governing body and staff to meeting the highest principles of governmental budgeting. In order to receive the budget award, the entity had to satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well an entity's budget serves as:

- a policy document
- a financial plan
- an operations guide
- a communications device

Budget documents must be rated "proficient" in all four categories, and in the fourteen mandatory criteria within those categories, to receive the award.

When a Distinguished Budget Presentation Award is granted to an entity, a Certificate of Recognition for Budget Presentation is also presented to the individual(s) or department designated as being primarily responsible for having achieved the award. This has been presented to **Finance Department**.

There are over 1,700 participants in the Budget Awards Program. The most recent Budget Award recipients, along with their corresponding budget documents, are posted quarterly on GFOA's website. Award recipients have pioneered efforts to improve the quality of budgeting and provide an excellent example for other governments throughout North America.

Section 1 – Introduction and Overview

- ✓ Table of Contents
- ✓ Strategic Goals & Strategies
- ✓ Priorities and Issues facing the City of Molalla
- ✓ Complete Budget Overview, Processes, & Structures
- ✓ Personnel & Position Schedules

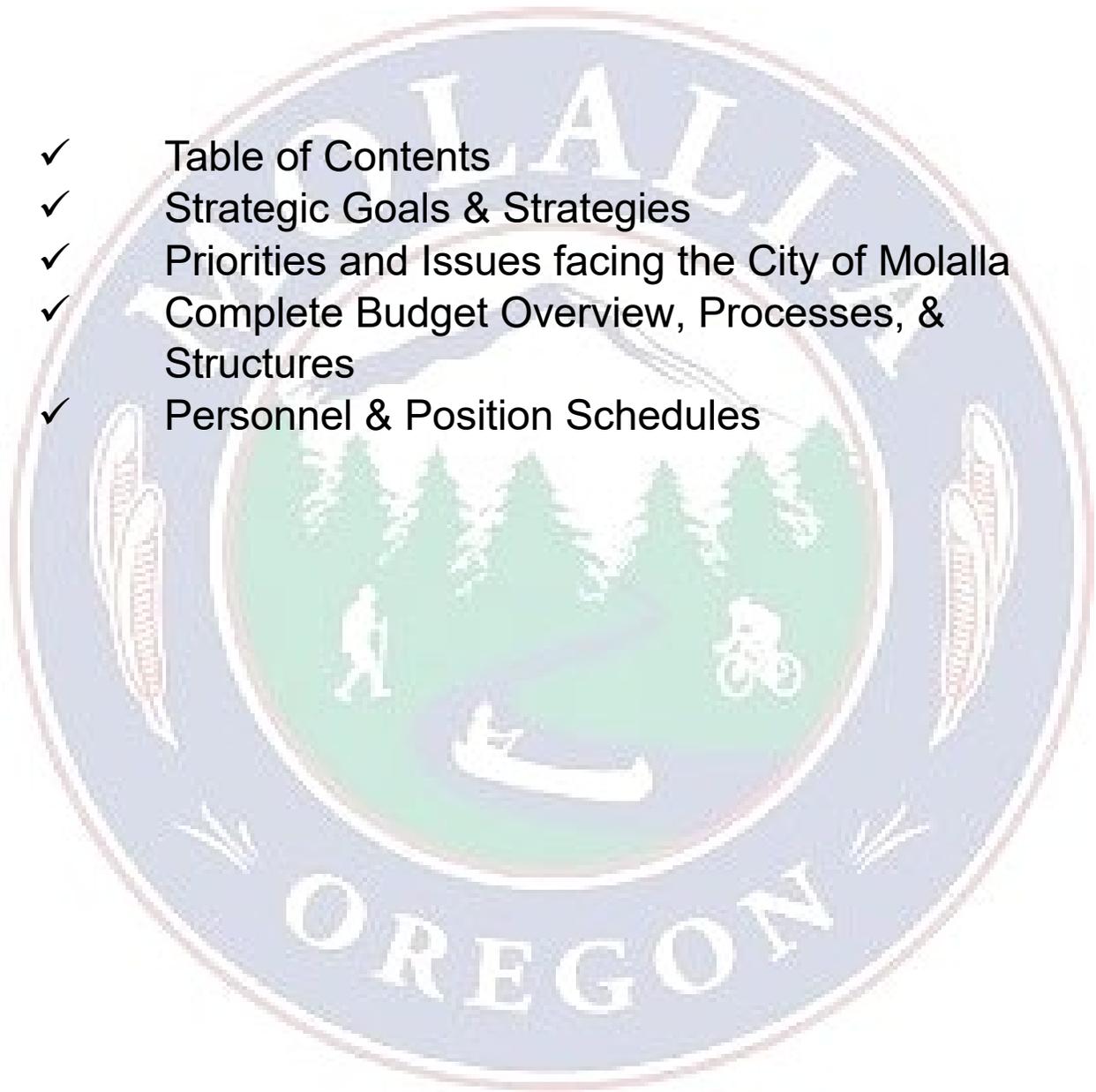


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Phone: (503) 829-6855 Ext. 291 | Fax: (503) 829-3676

May 1, 2023

Honorable Mayor Scott Keyser
City Councilors
Budget Committee Members
Citizens of the City of Molalla

RE: 2023-2024 Budget Transmittal Message

Each year the City of Molalla produces and adopts an annual Budget. Each year the City of Molalla receives an audit. Each year the Budget is balanced and prepared according to Oregon Budget Law. Each year we are faced with new and more intense regulatory requirements. Each year we talk with you all about what we all have accomplished and what our expectations are for next year. And finally, each year we are pleased to present a proposed Budget to you all.

Molalla’s overall budget has grown once again, and this is due to large projects that are planned. One is the new Wastewater Treatment Plant, and the second project is a new Police Facility. The inclusion of each of these projects has increased the overall Budget from \$55 million to \$85 million. This budget is vastly different from the \$15 million overall Budget of years past.

As I stated earlier, Molalla is consistently faced with regulatory change. Part of that change is due to Molalla’s consistent population growth (currently 10,298). The balance of the change is due to new rules and mandates handed out by our State Legislative body. Rules and mandates consume staff time and cost the City scarce resources. Part of what we do as a Staff is figure out how to focus on service provision, Council Goals, and accomplishing more for this community.

The 2020 Vision and Action Plan uses words such as *resilience*, *welcoming*, *economically sound* as descriptors of who and what Molalla hopes to maintain and become. This Visioning Plan continues to guide our progress and keeps the word *livability* in the forefront of our work. Livability can take on a different meaning for different individuals, depending on their opinion of Molalla being a place worth residing or operating a business in. We contemplate these issues daily.

Within the 2022 – 2023 Budget message I placed a list of nine important projects and concepts that we expected to make progress on during the Fiscal Year. Before I go into the 2023 – 2024 Budget discussion I wanted to give the Committee an update on each of those items:

1. **New Police Facility Progression** – Demolition of the old bowling alley is under way and a schematic design of the new facility is complete.
2. **Chief Yelkus Park** – Slow progress.
3. **Library Bookmobile** - Complete
4. **Molalla Forest Road Examination** – Examination is complete and progressing forward north of Main Street. South of Main Street will take additional time.
5. **Economic and Community Development** – We continue to participate in a multitude of opportunities to increase economic opportunities.
6. **Solutions to the Street Fund** – Over the next two construction cycles we will be conducting some pavement improvements, but funding continues to be an issue.
7. **Solutions to the Park Fund** – Park CPC members are raising funds to bolster this fund.
8. **Continued Progress on the Wastewater Treatment Plant Reconstruction** – Design is at 90% and project should be out for bid in November or December. Staff have been furiously working on funding sources for this project.
9. **Focus on Community Engagement** – Constant and continuous.

Each one of these projects are important and sustained progress is attributable to our capable Staff and supportive City Council.

We have two large projects beginning next fiscal year that will occupy much of our time at the Council and Staff level in the new Wastewater Treatment Plant and the new Police Facility. However, it is important that all other areas of need are addressed as best we can. Council’s Goals for the next fiscal year include the following:

- Promote DEI Opportunities
- Update Parks Master Plan
- Park Naming Policy
- Create a Police Traffic Unit
- Promote Community Development
- Visioning Focus Area Update
- New Library Facility
- Create/Examine an Industrial Business Park
- Update the Emergency Management Plan
- Create a Community CONNECT (This is a Council task)
- Examine Architectural Standards
- Combine Art with the new Police Facility
- Finalize a Mural Code

All items may not be specific budget items but do assume scarce staff time to administer. For example, Committee members will not find a line item for a “new library,” but we do have \$2,516,909.00 identified in Capital Construction. We will pursue these items and much of the cost falls under general staff duties, general materials, and services or professional services.

Staffing

We are proposing limited staffing increases within the 2023-2024 Fiscal Year. Our need for Compliance/Code Enforcement has exceeded our willingness to wait for the budget process and Council approved hiring this staff position early. We are proposing that we bring on two additional Police Officers and one additional Wastewater Operator.

Property Tax-General Overview

Property Tax estimated revenues total \$3,910,828 which is estimated amounting to \$80,828 in additional General Fund revenue. Our overall Budget has increased from \$ 51,737,143 to \$81,752,097 within the Proposed Budget. Personnel Services are up 1 % and Material and Services are down 5.9 %.

2023-2024 Budget/Project Highlights

Police Department – The Police Department is proposing that we hire two (2) additional officers. One officer will be pursued at the beginning of the Fiscal Year (July) the other officer will be pursued after November.

The other important project that is more of a multi-departmental project is the new Police Station. This project assumes time from not only the City Council but Administration, Police personnel, Community Development and Finance.

Community Development – This Department consists of multiple disciplines and controls the largest portion of the Budget.

Planning – Our Planning Department will be focusing on Economic Development, Emergency Operations Plan, Parks Master Plan, and the potential expansion of the Urban Growth Boundary.

Public Works – Our largest project is the new Wastewater Treatment Plant. Our expectation is that this project will commence in November of 2023 and take approximately two (2) years to complete. Along with coordination of the Toliver Road Roundabout, Public Works has numerous smaller to medium sized projects identified. One of the more ambitious projects to date is our On-Call Paving service where the community will see visible road improvements.

Library – The Molalla Library is the oldest public Library in Clackamas County and has prided itself on consistently providing service to the Molalla Community. Consideration of the future location or expansion of the Library will be on the Library Staff list for project participation.

Administration/Finance – It is unquestionable that our main internal departments of Administration (including Human Resources, City Recorder and City Manager’s Office) and Finance are busy with each department and staffing needs.

Parks – Our Park system is burdened by a lack of funding. However, we have an excellent group of Community Program Committee Members who are pursuing funding to improve and enhance our park system. 2022- 2023 provided us with Strawberry Park, a new playground at Fox Park, Disc Golf at Ivor Davies Park, and Pickleball courts at Long Park. In 2023-2024 we will be focusing on infrastructure at Chief Yelkus Park and Clark Park.

Budget In Brief FY 23/24

	2021-22 ACTUAL	2022-23 BUDGET	2023-24 PROPOSED	Variance	% change
General Fund					
Admin	2,438,770	4,873,277	3,741,728	-1,131,549	-23%
Police	3,696,772	4,473,300	3,819,170	-654,130	-15%
Court	194,176	246,900	232,985	-13,915	-6%
City Council	45,605	70,350	64,810	-5,540	-8%
Parks	244,744	167,625	195,669	28,044	17%
Planning	253,766	449,950	324,719	-125,231	-28%
Total General Fund	6,873,834	10,281,402	8,379,081	-1,902,321	-19%
Special Revenue Funds					
Library	920,261	3,888,851	4,330,428	441,577	11%
Street	724,446	4,645,677	2,923,253	-1,722,424	-37%
PD Restricted	96,665	57,300	57,465	165	0%
Total Special Revenue Funds	1,741,371	8,591,828	7,311,146	-1,280,682	-15%
Capital Project Funds					
Capital Projects	2,301,399	14,453,454	25,544,741	11,091,287	77%
Fleet Replacement	167,072	729,518	659,261	-70,257	-10%
Total Capital Project Funds	2,468,470	15,182,972	26,204,002	11,021,030	73%
Debt Service Funds					
Sewer Debt Retirement	381,487	403,325	658,320	254,995	63%
CWSRF Debt Retirement	0	59,000	0	-59,000	-100%
Total Debt Service Funds	381,487	462,325	658,320	195,995	42%
SDC Funds					
Sewer SDC's	854	1,069,437	1,348,482	279,045	26%
Water SDC's	144,265	575,935	339,374	-236,561	-41%
Street SDC's	84,933	1,543,892	2,277,981	734,089	48%
Park SDC's	485,952	1,557,979	1,557,174	-805	0%
Stormwater SDC's	0	203,480	235,819	32,339	16%
Total SDC Funds	716,004	4,950,723	5,758,830	765,623	16%
Enterprise Funds					
Sewer	3,751,165	7,233,677	27,512,239	20,278,562	280%
Water	1,665,420	4,448,791	5,191,209	742,418	17%
Stormwater	245,388	585,425	737,271	151,846	26%
Total Enterprise Funds	5,661,973	12,267,893	33,440,719	21,172,826	173%
Total City of Molalla	17,843,140	51,737,143	81,752,097	29,972,470	58%
URBAN RENEWAL	1,628,608	3,279,554	3,500,789	221,235	7%
TOTAL ALL FUNDS	19,471,748	55,016,697	85,252,886	30,236,189	55%

Financial Forecast

Longstanding Budget Committee members may recall that our long-term financial forecasts and analysis identifies future financial challenges and opportunities, and then identifies strategies to secure financial sustainability in consideration of those challenges and opportunities. Our five-year forecast has been the cornerstone of our Budget preparation process. We continue to balance the service we provide as local government and reflect on the cost burden that is borne by the community. Staff have been creative with our Street Fund, and we continue to find opportunities to improve our Parks without a revenue stream.

We provide more detailed information on our annual five-year capital improvement plans within the Budget document. There is again a focus on Master Planning and projections to plan better for future year decision making. Based on our annual Audit information from June of 2022, the City of Molalla Statement of Net Position is \$45,831,845 million. The Statement of Net Position in our annual Audit is a snapshot of the overall health of the City. Molalla is prepared for what the future may hold with respect to our projections for staffing, capital costs, infrastructure, and service provision. Based on our audits and comparisons with other entities, we believe our five-year forecast is positive. As a general comparison, the City's Statement of Net Position is up \$2.7 million from last year.

Conclusion

As a City, Molalla is healthy, yet we understand that the list of unmet needs is large. However, this Budget is balanced and in compliance with Oregon Budget Law. We are in this position today because of the arduous work of a few and we can address some of the needs that exist in our community. Molalla continues to move in the right direction.

Your role as the Budget Committee is to approve total allocations within each of the sixteen funds. I state this each year but “not spending” can create as much damage as spending too much. The City has experienced this exponentially with our wastewater program. It is important for the Budget Committee to consider that we have a participatory process established in our local government and the Budget process is one of your opportunities, as a resident, to weigh in and effect change. Our budget process works best when the community is active and hears about the proposed Budget.

Again, we would like to thank and compliment everyone involved with the Budget Committee and the budget process for the 2023-24 fiscal year. I would especially like to thank Staff members responsible for preparation of this proposed Budget. Specifically, I would like to commend the Finance Department who once again have raised the Budgeting bar throughout the budget process. As always, good things happen in Molalla, and we appreciate the opportunity to be part of that process.

Sincerely,



Dan Huff

City Manager, Budget Officer

FORM OF GOVERNMENT

The City of Molalla maintains all authority granted to municipal corporations under Oregon State Statute, including the authority to issue debt, levy taxes on real property within its boundaries; and extend its corporate city limits by annexation. The City provides a full range of services: law enforcement; public library; street operation and maintenance; parks; treatment and distribution of municipal water; collection and treatment of wastewater; storm water collection; current and long-range planning; finance and administration; urban renewal district and enterprise zone.

Our proud City is governed by a Mayor, Council President, and five members of City Council. For more information on the City's forms of government [GO, HERE!](#) To be to hold any of these offices you must meet some criteria points:

- Registered Voter
- Residence in the City
- Cannot be employed by the City

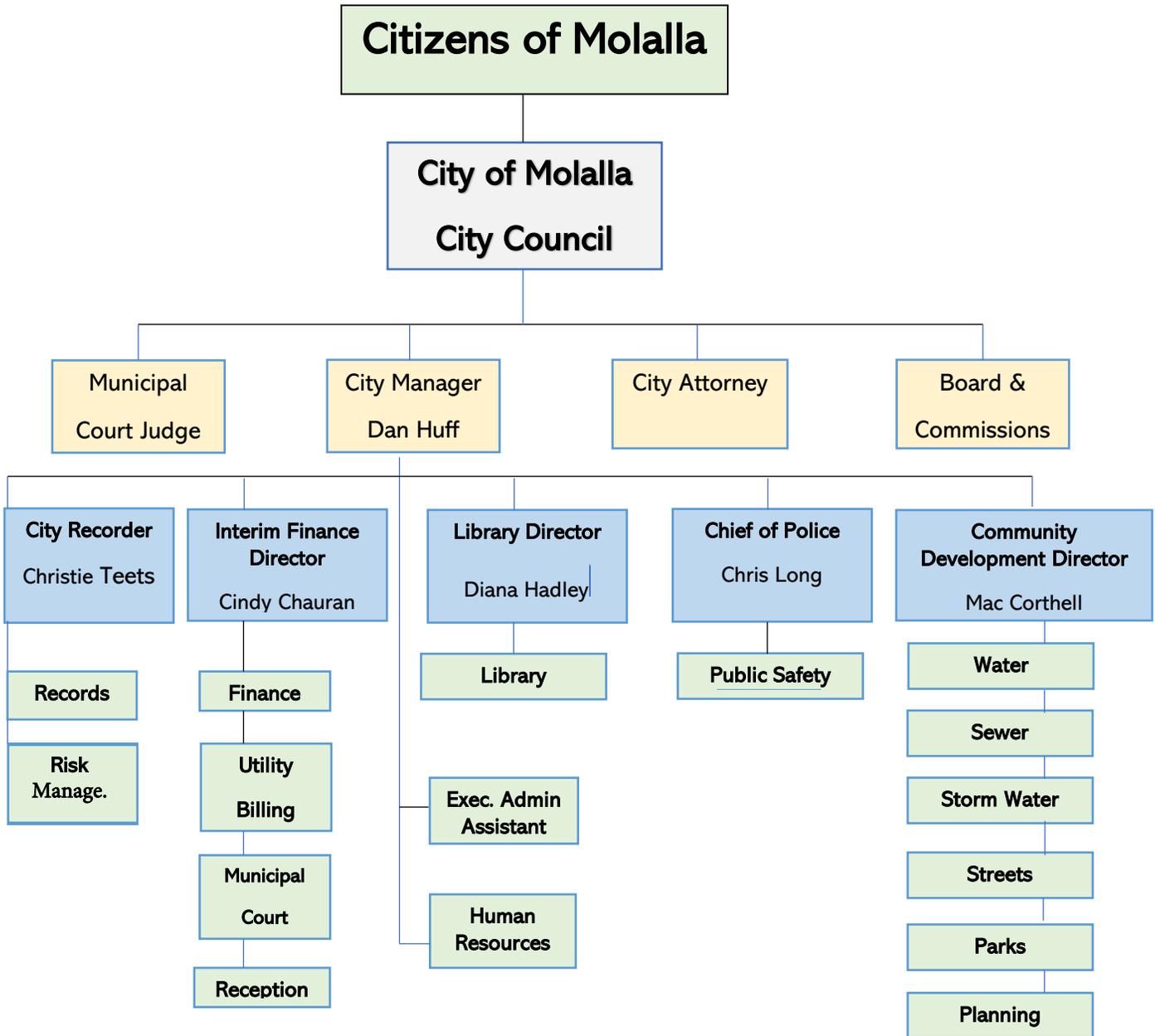
The Mayor is the presiding officer over meetings and deliberations. Responsibilities include preserving order, and enforcing rules set by the council. The Mayor can only vote if there is a need to break a tie vote. Council meetings are the 2nd and 4th Wednesday of each month. Meetings will be held at the Civic Center located at 315 Kennel Avenue at 7:00pm. Meetings are also held live on Face Book and the public is welcomed to attend. Tune in [Live Here!](#)

If you would like to read about our City Council members or get in contact with them, please follow the link below and you will be re-directed to the City of Molalla Website.

[City Council Members 2022-2023](#)



Organizational Chart



Strategic Goals and Visioning Strategies

To see the complete Vision and Action Plan, go [Go,HERE!](#)

To learn more about the activities surrounding our community visioning project, go [Go,HERE!](#)

Please Note:

Below is a summary of the Visioning Action Plan. In order to show how the City is incorporating these goals and actions, “**Focus Area #2**” was used in all budget narratives showing how that department supports that focus area.

FOCUS AREA #1 Molalla is... a resilient community that passionately recognizes and builds on its history, culture, and location.

Strategies

- Be deliberate about building identity.
- Embed collaborative thinking and practice in all actions.
- Identify, support, and build on local culture including arts, history, heritage, and humanities.

Action

Develop an awareness campaign that:

- a) Celebrates the unique and interesting aspects of the area.
- b) Builds local pride of place of confidence in the Molalla community.
- c) Increases awareness about managed growth efforts.
- d) Highlights community achievements (Share the Love, Running Club Charitable Giving, service organizations efforts on behalf of those in need.

➤ Potential Partners

- Chamber of Commerce, (Chamber), City of Molalla (City), media partners, nonprofits, Molalla River School District (MRSD), student groups, businesses, Kiwanis, Elks, Rotary, VFW, etc.

Action

- a) Create a live, work and play promotion video for Molalla

➤ Potential Partners

- Chamber, City of Molalla

Action

a) Cultivate and continue to build on relationships with heritage partners

➤ **Potential Partners**

- Confederated Tribes of Grand Ronde, Molalla Area Historical Society, City of Molalla



Action

a) Inventory local arts, heritage, historical sites, and other cultural assets, and make information available online (such as Dibble House, galleries, Apple Festival, Celebrate Molalla, farmers market, Future Farmers of America)

➤ **Potential Partners**

- Chamber, City, heritage partners, non-profits

Action

a) Preserve significant buildings and other visible elements of local history

➤ **Potential Partners**

- Molalla Area Historical Society, business owners, City of Molalla

Action

a) Build relationships by incentivizing collaborative work projects and be inclusive in planning and decision making

➤ **Potential Partners**

- City, Chamber, service organizations, community, MRSD, Molalla Fire District (MFD)

FOCUS AREA #2 Molalla is... a welcoming, friendly, and vibrant community with an attractive hometown feel that is safe, hospitable, and inclusive of all residents, businesses and visitors.

*****Focus area #2 is demonstrated throughout all depart narratives. Go to each department narrative for the detailed example.*****

STRATEGIES

- Develop the physical infrastructure needed to support a welcoming community.
- Foster socially welcoming activities and embrace diversity as our strength.
- Engage youth.

Action

Build a new police station. Develop and implement a property reuse/redevelopment/new development strategy for properties along Highway 211 and in downtown. Ensure that K–12 educational facilities meet community needs. Improve downtown curb appeal: paint buildings, add vibrant colors with flowers/landscaping, artwork, banners, lighting. Improve awareness about free public parking locations in the downtown area. Create centrally located information board for community announcements and information.

➤ **Potential Partners**

- City, landowners, Chamber, MRSD, community

Action

Develop clear, consistent, effective ways of communicating with local people, including those whose first language is not English, as well as visitors • Monthly newsletter • Community calendar • Resource directory • Facebook, Next Door Neighbor (social media) • Molalla Communications reader boards. Enhance City website to add event information and cross promote with Chamber and other entities. Develop system for collecting and updating email address list for monthly community newsletter. Promote and utilize “Just Serve” website for connecting volunteers and volunteer opportunities.

➤ **Potential Partners**

- Service organizations, City, Clackamas County and specifically Health, Housing, and Human Services. Police Department, MRSD, Library, City, Chamber.

FOCUS AREA #3 Molalla is... an economically sound and growing community which is evident in the diversity of businesses, partnerships, education, innovation, and the strong work ethic of its people

STRATEGIES

- Develop and sustain an environment for successful economic development and managed growth.
- Encourage youth participation in job development.

Actions

Develop directory of small to large businesses. Create an economic development plan that identifies a foundation to grow resources and services for the community, i.e. shopping, entertainment, dining, and generating jobs. Host a conference with local businesses, City of Molalla, and the MRSD Board of Directors on innovation and possible areas for growth in Molalla’s local workforce.

➤ **Potential Partners**

- City, Chamber, Clackamas County, Local businesses, MRSD

Actions

Create a branding and marketing plan to encourage entrepreneurs and attract new businesses. Strengthen promotion and support of local businesses, craftspeople, artisans, etc. (Made in Molalla). Develop a “start a new business” checklist for City website. Promote career technical education for youth, job development, and continuing education.

➤ **Potential Partners**

- Clackamas Community College, MRSD, Oregon Universities, Colleges, Extension Services. Businesses, Chamber of Commerce.

FOCUS AREA #4 Molalla is... a full-service hub of resources.

STRATEGIES

- Inventory and promote available services, resources, and opportunities in Molalla.

Action

Identify regional community needs and the infrastructure required to support them. Study successful models of collaborative efforts that have addressed such needs. Attract missing services to Molalla (Social Security Administration, Oregon Health Authority, health care, expanded bus service, language interpreters) and encourage greater collaboration across non-profits serving families.

➤ **Potential Partners**

- County, City/police, state agencies, non-profit agencies.

Focus Area #5 Molalla is a beautiful and tranquil area where people are deeply connected to its unique natural features.

STRATEGIES

- Strengthen regional partnerships, natural resource areas.

ACTION

Promote Private Groups; Add Signage, engage in partnerships within the community.

Organize volunteer groups.

➤ **Potential Partners**

- Molalla River Alliance, ODOT, Molalla River Watch

About Molalla

Location

Molalla is part of the Mt. Hood Territory located at the foothills of the Cascade Range, near the Mount Hood National Forest, 15 miles south of Oregon City, and 13 miles east of Interstate 5. The city of Molalla is surrounded by the Molalla River Corridor, rich agriculture, ranches, and rural residential development.



History

Prior to the arrival of the first Euro-American settlers, the area now known as the City of Molalla was populated by the Molalla Peoples, a Native American tribe that occupied the greater Cascade Mountain range in modern day Oregon, from Mt. Hood in the north to Mt. McLoughlin in the south. The Molalla Peoples subsisted primarily on large game (e.g. deer and elk), fish (e.g. salmon and steelhead), and naturally occurring vegetation (e.g. huckleberries and hazelnuts). The best documented aspect of Molalla culture is the language through which it was transmitted.

Descendants of the Molalla's are now part of the Confederated Tribes of Grande Ronde. However, their presence and heritage exist today throughout our community. The City of Molalla, Molalla River School District, and other non-profits have worked hard, and will continue to do so, to bring healing and a more prominent Tribal presence back to the Molalla area. Seeking fertile soils, ample water and rich grasses, pioneers were attracted to the Molalla area, and in 1840 William Russel filed the first land claim in the area. The community continued to grow around the crossing of two Indian trails, and in 1850 the first local post-office opened. By 1856, the first schools opened, and the town had become a thriving timber, agricultural, and trade center. The year 1857 brought the first general store. The City of Molalla was incorporated in 1913, a year that would prove to be full of "firsts" for the new city. Molalla welcomed her first steam train, first Molalla Buckeroo Rodeo, first bank, and first locally published weekly newspaper. Over time, timber production became the community's largest commodity; at one point five sawmills were present!

Molalla was a true Oregon timber town, and while the local economy has grown far more diverse today, still retains the frontier spirit and "can do" attitude that comes with the dangerous, difficult work of logging and milling. Today, Molalla is a community of 10,298 residents where citizens, business, and City government work together to

ensure the community retains its hometown identity, livability, and natural beauty. Molalla's rich past and beautiful setting is still reflected today in our commitment to our quality of life. Molalla has a rich past and beautiful setting which is reflected today in its commitment to quality of life. The population is estimated to grow to 13,400 by 2030.

Points of Interest Community Events

Celebrate Molalla!

Every September the town celebrates this beautiful city! This event is hosted by our Councilor Leota Childress. For more information about this annual event. Go [HERE!](#)

Heritage Art Walk

In 2015 a Ford Family Foundation Cohort and the Confederated Tribes of Grand Ronde Tribe helped create a light pole banner project celebrating Molalla's community and its history. Imagery from the banner project may be used and interpretive signage to expand on the stories of Molalla's heritage and in particular the Molalla Tribe. Sculptures have been placed throughout Molalla in various locations; Fox Park, Clark Park, Long Park, Bear Creek Byway, The Dentist Off Main, and the park near Bi-Mart. For more images and information regarding the Heritage Art Walk, go [HERE!](#)

National Night Out

Every August at Clark Park, the Police Department participates in National Night Out. Participants are invited to present displays, demonstrations, and/or handouts relating to child safety and welfare. Current participants include Molalla Fire Department, Molalla Communications (w/free bike helmets), CCSO Sheriff's Posse, Oregon Humane Society, OR Dept. of Forestry (w/Smokey the bear), NW Natural Gas, school buses, Molalla Public Works (with specialized equipment) and many more! We do not allow vendors or individuals to sell products or their services while at the event. However, participants may have business cards or handouts with contact information on them to promote their services/business later.



Molalla Statistics

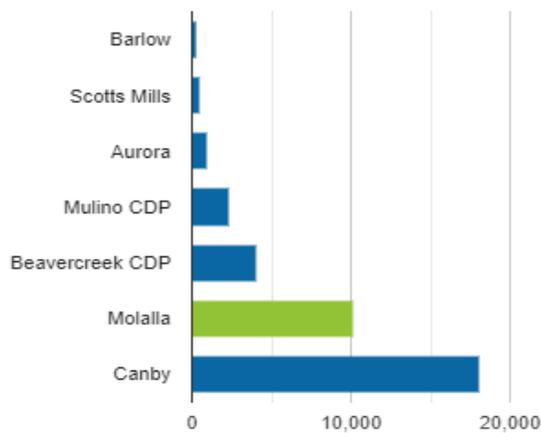
POPULATION PATTERNS

- ✓ 2010 Population 8,108
- ✓ 2022 Population 10,298

Note: The percent change from 2010-2020 is 27%

Cited Portland State University [Go, HERE!](#)

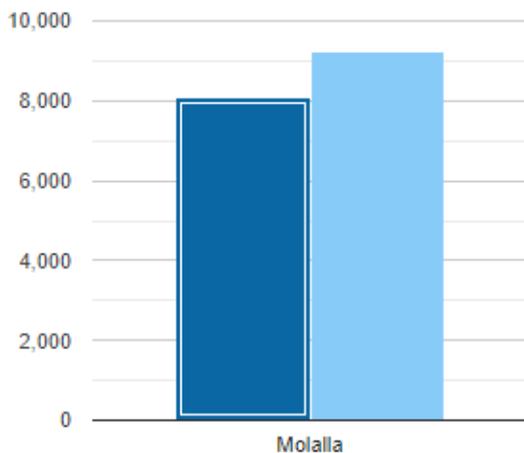
Figure 1: Molalla, OR and Area 2021 Population Data



[Figure 1](#)

Molalla is the second most populous of all the places in the greater Molalla region. The city with the highest population in the area is [Canby](#) which depicts a population of 18,078 (79.7% larger).

Figure 3: Molalla, OR Population Change 2010 to 2020



[Figure 3](#)

Molalla population data for a comparison of the population growth/population change estimates from the years 2010 to 2020 and Molalla Oregon shows an increase of 1,116 (14%).

Figure 4: Molalla, OR 2010 to 2020 Population Percent Change

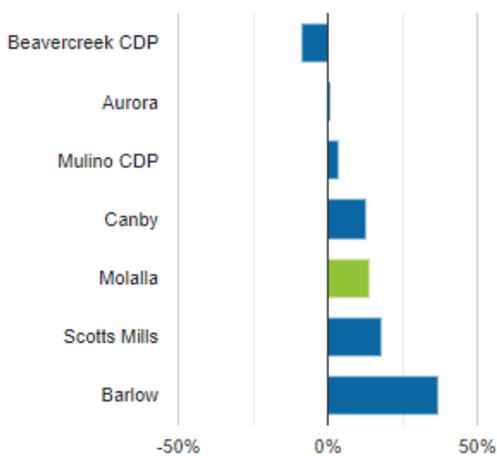


Figure 4

The total Molalla Oregon greater area population percent change for all areas for the years from 2010 to 2020 is shown and for [Molalla](#) depicts it has a Population Change of **13.8% which is the third most population percent change of all other places in the greater Molalla region.**

Figure 5: Molalla, OR Population Density

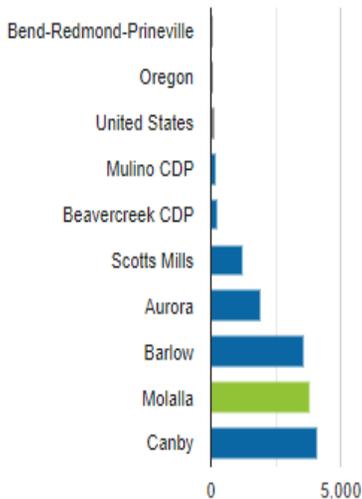


Figure 5

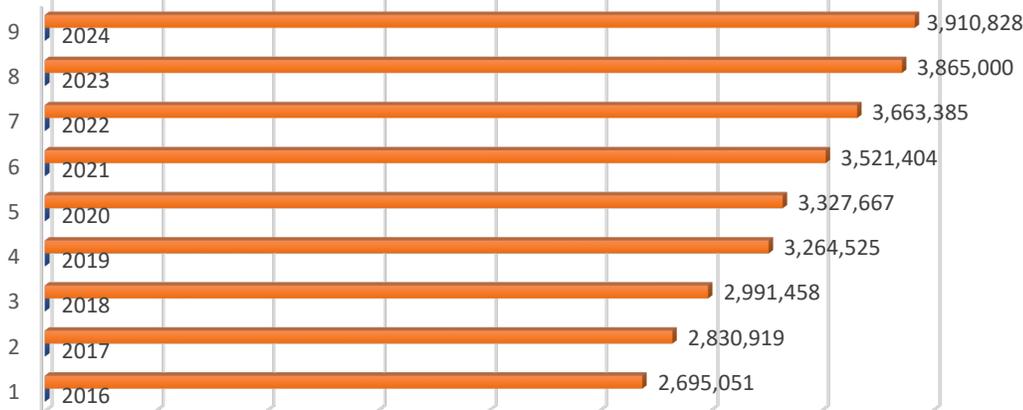
Looking at the Molalla population density (measured as people per square mile) and providing comparisons to both the national and state average population density in [Molalla Oregon indicates it has 3,789 people per square mile which is the second most people per square mile of all the places in the greater Molalla region.](#) The next lower population density is [Barlow](#) about 6.8% smaller with population density of 3,547. The city with the highest population density in the area is [Canby](#) which shows a people per square mile of 4,089 (7.9% larger).

(Below is a hyperlink that will take you to cited information above.)

[Cited Population Graphs](#)

Population vs Tax Dollars

Tax Dollars by Year



2024 – Proposed
 2023 – Budgeted
 2016-2022 Actual

**Table 4. Populations for Oregon and Its Counties and Incorporated Cities and Towns:
 July 1, 2020 - July 1, 2022 estimates; Census Counts 2000-2020**

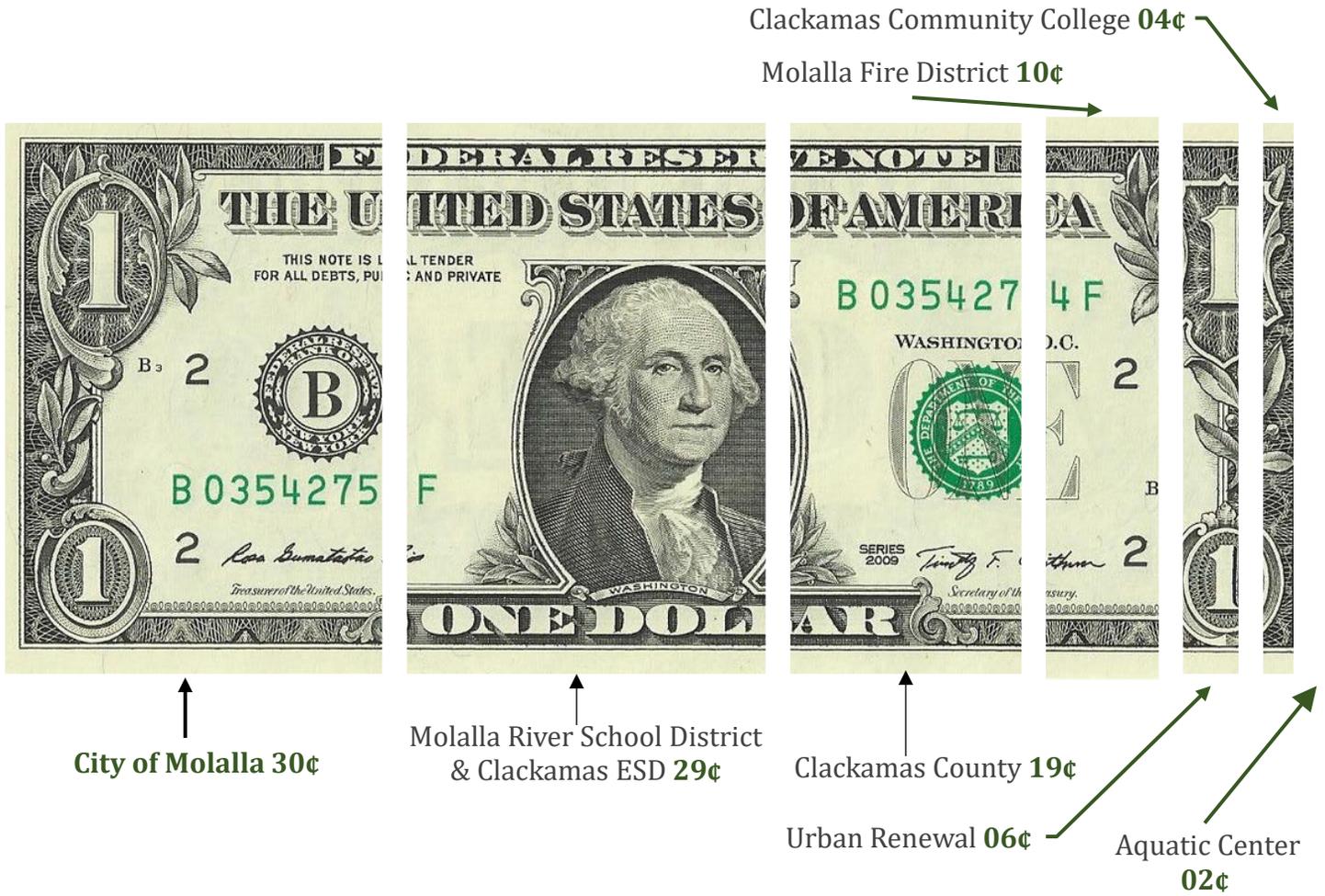
Prepared by Population Research Center, PSU, April 2023.

County and Cities	July 1 Population Estimates			April 1 Census Population		
	2022	2021rev	2020rev	2020	2010	2000
OREGON	4,281,851	4,263,581	4,243,959	4,237,256	3,831,074	3,421,436
CLACKAMAS	430,421	426,818	422,193	421,401	375,992	338,391
Barlow	138	133	133	133	135	140
Canby	18,979	18,731	18,206	18,171	15,829	12,790
Estacada	5,373	5,009	4,434	4,356	2,695	2,371
Gladstone	12,170	12,056	12,009	12,017	11,497	11,438
Happy Valley	26,689	25,823	23,969	23,733	13,903	4,519
Johnson City	527	535	539	539	566	634
Lake Oswego (part)*	38,524	38,164	38,118	38,107	34,066	32,989
Milwaukie	21,305	21,209	21,209	21,119	20,291	20,490
Molalla	10,298	10,237	10,221	10,228	8,108	5,647
Oregon City	37,786	37,691	37,608	37,572	31,859	25,754
Portland (part)*	767	767	842	843	744	747
Rivergrove (part)*	506	501	495	495	257	287
Sandy	12,991	12,854	12,660	12,612	9,570	5,385
Tualatin (part)*	3,129	3,136	3,154	3,156	2,862	2,664
West Linn	27,420	27,343	27,386	27,373	25,109	22,261
Wilsonville (part)*	25,274	25,014	24,582	24,522	17,371	13,987
Unincorporated	188,545	187,615	186,628	186,425	170,591	176,288

For more information on populations in Oregon as of **April 24, 2023**

[**Go, HERE!**](#)

Property Tax Dollar.....where does the money go?



Above is a snapshot of where the tax revenue is distributed for every dollar collected by the County Assessor.

PERSONNEL

Summary of Personnel

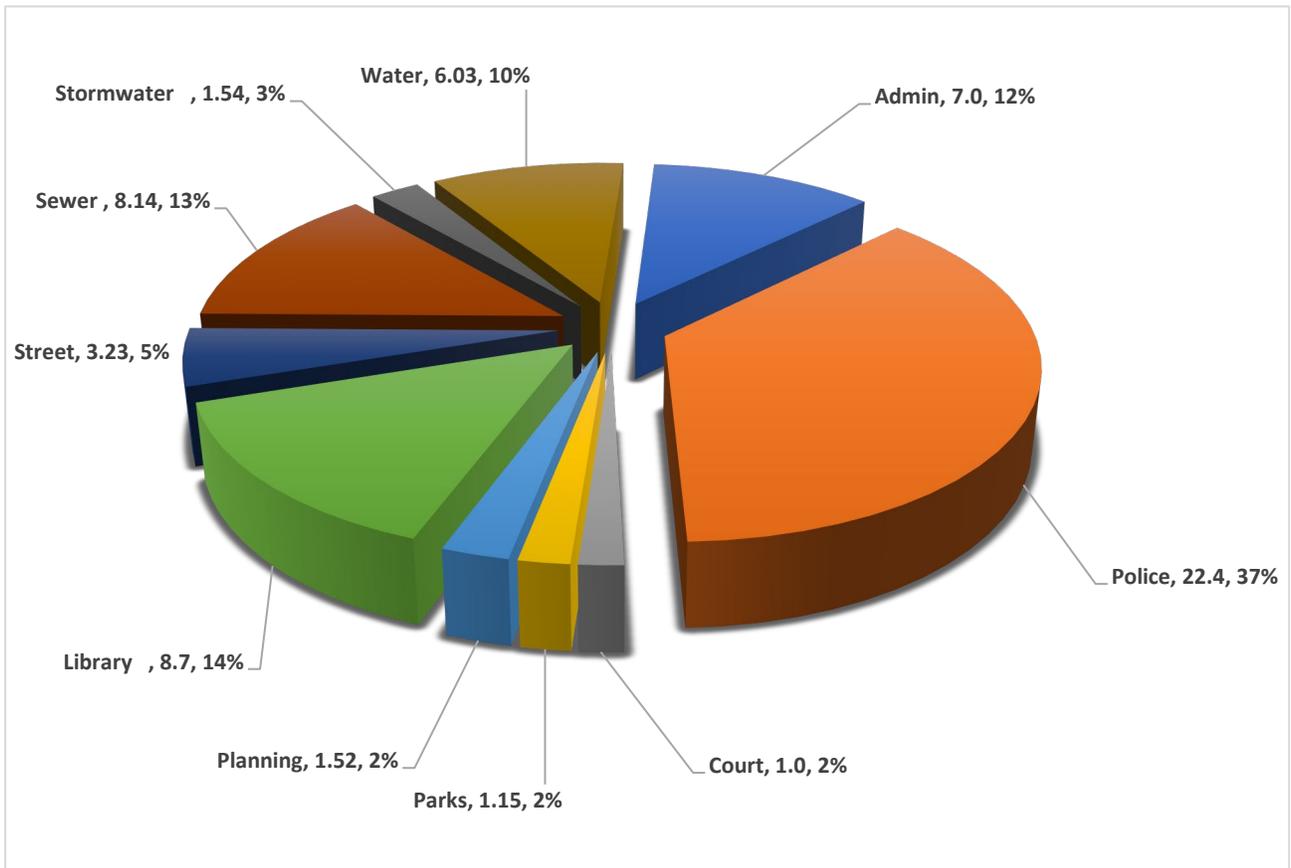
The presented budget has a combined total number of full-time equivalent positions at **60.71**. Molalla is growing every year and development has been at a high. With housing developments being built population growth is expected to continue to rise. With that said, the City's need is also growing to accommodate the rise in population growth. The city works hard to fill vacant positions as they arise.

The City has two unions that represent employees of the City of Molalla: Teamsters Local 223 Go, [HERE!](#), and the CCPOA Clackamas County Peace Officers Association. [Go, HERE!](#) Public Works employees fall under the Teamsters and the Police Department fall under the CCPOA. Administrative staff is not represented by a union.

FULL-TIME EQUIVALENT (FTE'S) EMPLOYEES

	20-21	21-22	22-23	23-24	Varian
GENERAL FUND					
Admin	5.00	6.00	7.00	7.00	0.00
Police	18.50	19.00	20.00	22.40	2.40
Court	0.75	1.00	1.00	1.00	0.00
Parks	0.86	0.86	1.00	1.15	0.15
Planning	2.50	2.50	1.50	1.52	0.02
Total General Fund	27.61	29.36	30.50	33.07	2.57
SPECIAL REVENUE FUNDS					
Library	8.20	8.70	8.70	8.70	0.00
Street	3.34	3.34	2.86	3.23	0.37
Total Special Revenue	11.54	12.04	11.56	11.93	0.37
ENTERPRISE FUNDS					
Sewer	7.85	7.85	6.69	8.14	1.45
Water	5.84	5.84	5.58	6.03	0.45
Stormwater	1.47	1.47	1.37	1.54	0.17
Total Enterprise	15.16	15.16	13.64	15.71	2.07
Total FTE	54.31	56.56	55.70	60.71	5.01

PERSONNEL FTE City Wide Chart



CHANGES FROM THE PRIOR YEAR

Personnel Changes

- Adding (2) Police Officers
- Adding a Utility Maintenance I Position
- Adding a WWTP Op I Position
- Added Code Compliance Specialist Position

Position SCHEDULE FOR MOLALLA

<u>Position</u>	<u>Salaried</u>	<u>Hourly</u>
City Manager	✓	
Police Chief	✓	
Community Development Director	✓	
Finance Director	✓	
Library Director	✓	
Lieutenant Police	✓	
PW Division Manager	✓	
City Recorder / Senior Accountant PW Maintenance Section Supervisor / Senior Engineer Building Maintenance- New, HR Supervisor / Risk- New	✓	
Sergeant Police	✓	
Human Resource Coordinator	✓	
Senior Planner	✓	
Finance Accountant / Senior Engineering Tech	✓	
Support Services Supervisor	✓	
Exec Admin Asst/Dep City Recorder	✓	
OSIV – UB / AP Clerk, Office Specialist IV COURT	✓	
Plan & Admin Support Specialist / OS-V Payroll Clerk Assistant Library Director / Program & Outreach Librarian	✓	
FT Circulation Assistant II	✓	
PT Circulation Assistant II		✓
PT Circulation Assistant I		✓
Police Officer	✓	
Records Specialist / Evidence Tech	✓	
Code Compliance Specialist	✓	
Utility Maintenance I	✓	
Utility Maintenance III	✓	
Utility Maintenance Lead	✓	
Water Plant Operator I	✓	
Water Plant Operator II	✓	
Wastewater Plant Operator Lead	✓	
Wastewater Plant Operator I	✓	
Wastewater Plant Operator II	✓	

Budget Overview

The pages that follow summarize the City of Molalla's fiscal year 2023-24 budget. More details will be explained in each fund's narratives.

Revenues

This budget includes total resources in the amount of \$81,752,097. After excluding transfers the difference between estimated actual of prior year and current year is an increase of \$23,698,549.

Highlights:

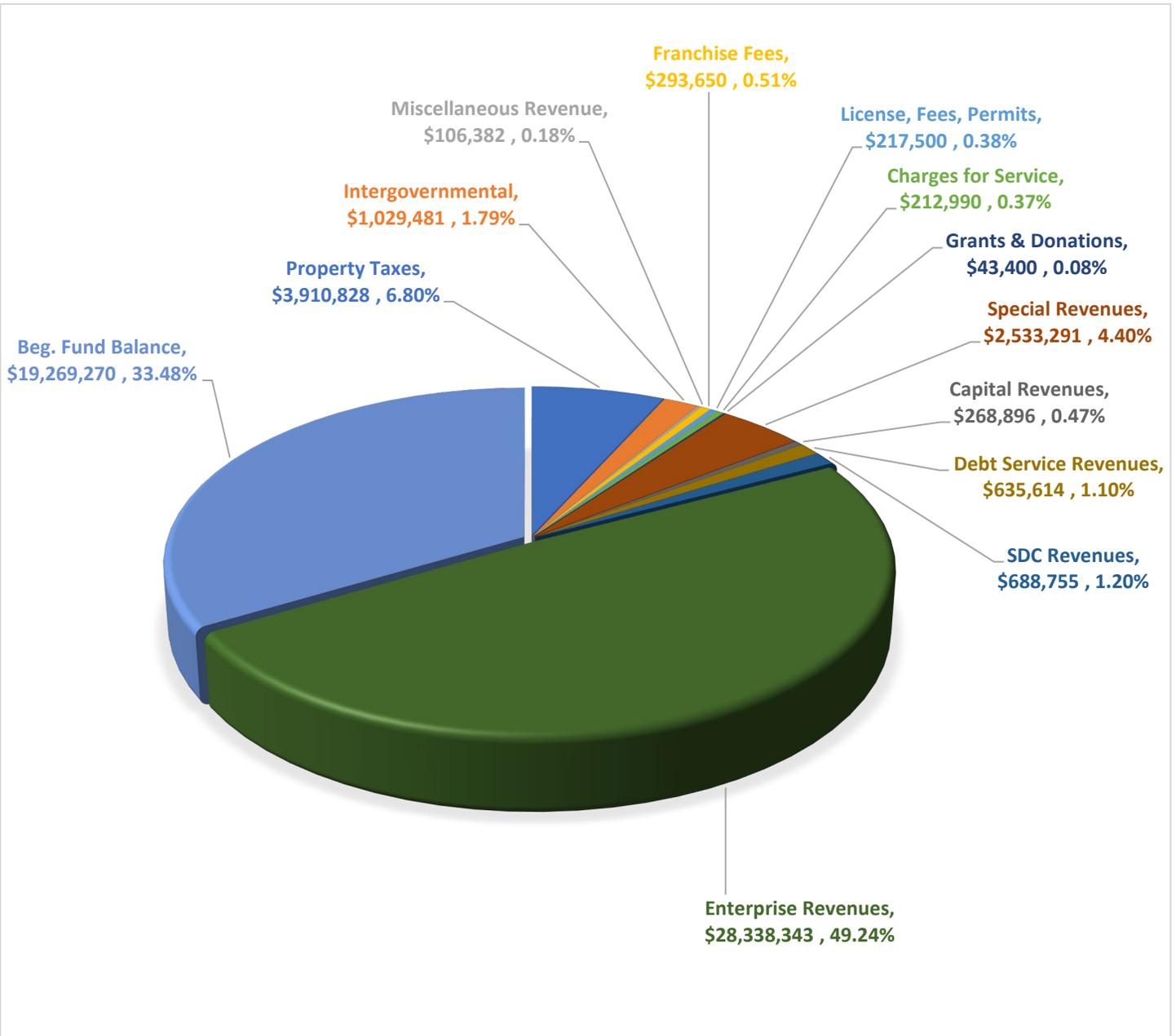
- Property tax revenue reflects an increase in budgeted revenue for fiscal year 23/24 of \$185,828 over prior year estimated balances.
- Franchise tax revenue decreased by \$5242. This is mainly due to telephone and cable amounts declining due to customers moving away from those services.
- Intergovernmental revenue reflects an increase of \$153,281 due to small increases in government revenues, but mainly due to an increase in our cost allocation revenue.
- Licenses and Fees decreased by \$4,210
- Special Revenue decreased due to one time money and larger transfers from prior year.
- Misc. Revenue decreased due to a re-evaluation performed by finance of the interest revenue line item. The best practice is to divide the interest revenue between the funds. You will notice interest revenue spread out through all the funds rather than just in the General Fund Revenue.
- Overall revenue has increased by \$23,698,549 million. Outside regular revenue projections, the large sum is due to the debt funding for the new sewer plant.

Revenue Source	FY 2023/2024 Proposed Budget			
	FY 2023-2024	FY 2023-2024	FY 2022-2023	over/under
	Proposed Total All Revenue	Proposed Minus Transfers	Estimated Actual	
			PY	
Property Taxes	\$ 3,910,828	\$ 3,910,828	\$ 3,725,000	\$ 185,828
Intergovernmental	\$ 1,029,481	\$ 1,029,481	\$ 876,200	\$ 153,281
Miscellaneous Revenue	\$ 106,382	\$ 106,382	\$ 587,882	\$ (481,500)
Franchise Fees	\$ 293,650	\$ 293,650	\$ 298,892	\$ (5,242)
License, Fees, Permits	\$ 217,500	\$ 217,500	\$ 221,710	\$ (4,210)
Charges for Service	\$ 212,990	\$ 212,990	\$ 158,000	\$ 54,990
Grants & Donations	\$ 43,400	\$ 43,400	\$ 1,031,047	\$ (987,647)
Special Revenues	\$ 2,533,291	\$ 2,533,291	\$ 2,827,450	\$ (294,159)
Capital Revenues	\$ 24,467,593	\$ 268,896	\$ 968,778	\$ (699,882)
Debt Service Revenues	\$ 635,614	\$ 635,614	\$ 397,625	\$ 237,989
SDC Revenues	\$ 688,755	\$ 688,755	\$ 347,160	\$ 341,595
Enterprise Revenues	\$ 28,343,343	\$ 28,338,343	\$ 3,209,025	\$ 25,129,318
Beg. Fund Balance	\$ 19,269,270	\$ 19,269,270	\$ 19,201,082	\$ 68,188
	\$ 81,752,097	\$ 57,548,400	\$ 33,849,851	

*Includes federal grant funding for ARPA in Prior Year

*Estimates Actual Year End are computed during the budget process.

FY 23/24 Budget Revenues All Funds including Beginning Fund Balances

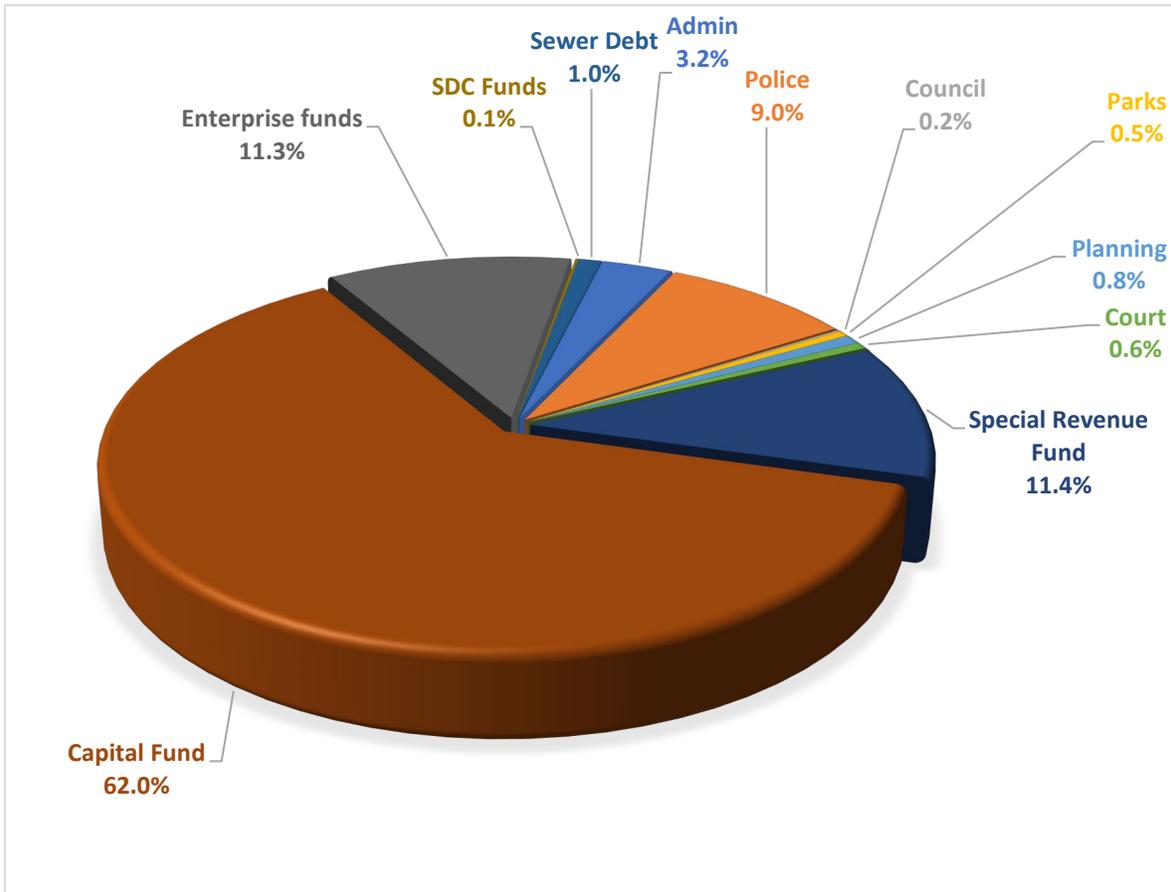


The above chart shows the percentages of where the money comes from of the 2023/2024 Budgeted Revenues.

Budget Overview, Expenditures

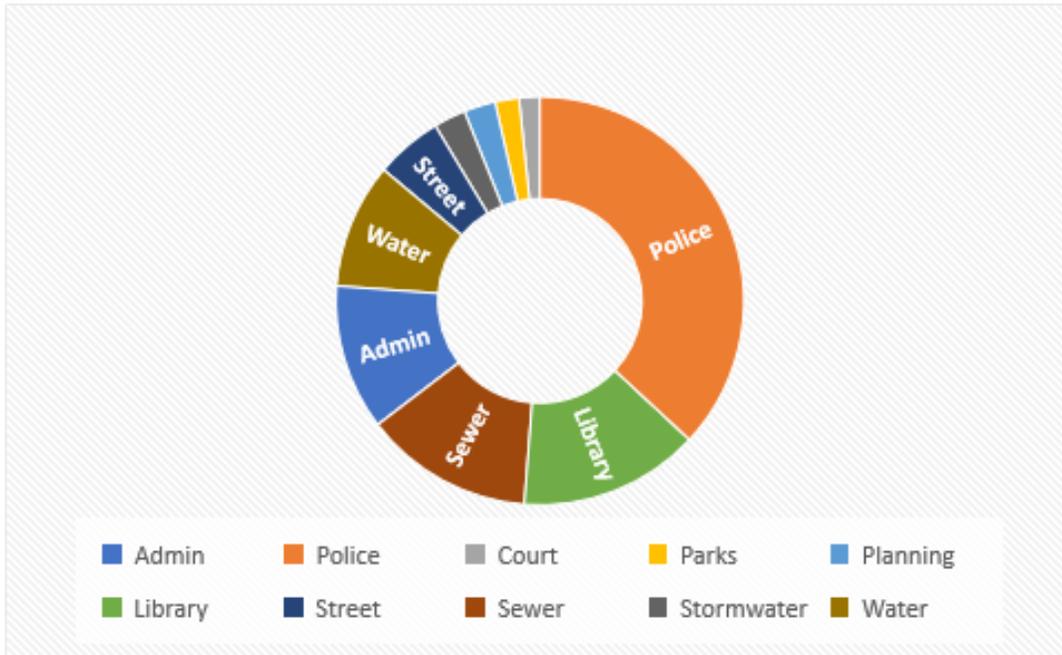
The budget appropriates \$42,147,736 million in expenditures, excluding inter fund transfers, reserves, & contingencies.

Expenditure	FY 2023/2024 Proposed Budget		
	Proposed	minus transfers, reserves, & Conting.	Totals
<i>Admin</i>	\$ 1,360,859		\$ 1,360,859
<i>Police</i>	\$ 3,777,798		\$ 3,777,798
<i>Council</i>	\$ 64,810		\$ 64,810
<i>Parks</i>	\$ 195,641		\$ 195,641
<i>Planning</i>	\$ 324,652		\$ 324,652
<i>Court</i>	\$ 232,985		\$ 232,985
<i>Special Revenue Fund</i>	\$ 7,311,146	\$ (2,517,668)	\$ 4,793,478
<i>Capital Fund</i>	\$ 26,204,002	\$ (57,232)	\$ 26,146,770
<i>Enterprise funds</i>	\$ 33,440,719	\$ (28,682,458)	\$ 4,758,261
<i>SDC Funds</i>	\$ 5,758,830	\$ (5,708,830)	\$ 50,000
<i>Sewer Debt</i>	\$ 658,320	\$ (215,838)	\$ 442,482
	\$ 79,329,762.00	\$ (37,182,026.00)	\$ 42,147,736.00



FY 23/24 Budget Expenditures All Funds minus interfund transfers, reserves, & Contingency.

Budget Overview, Expenditures Continued



The budget includes a total City-wide count of 60.71 FTE. Changes in personnel expenditures include:

General Fund

- The elimination of the Finance Accountant position
- Addition of a HR Supervisor Position currently vacant
- Addition of (2) Police officers. One is expected to be hired at the beginning of the fiscal year; the other in November with assistance from the COPS grant.
- Addition of a Code Compliance Specialist (hired at the end of last fiscal year.) The City received council approval for the hiring of this position 55% of the position is allocated through the General Fund.
- Adding Utility Maintenance I position: 10% of position allocated to parks fund.

Library Fund

- Personnel Costs went down \$14,953 mainly due to a prior year one time health benefit insurance payment.

Water Fund

- The reclassification of the Sr Engineer to Sr Engineer / Building Maintenance; 30% of position allocation
- Adding Utility Maintenance I position; 28% of position allocated to water fund.
- Code Compliance position; 15% is allocated to water fund.

Budget Overview, Expenditures Continued

Sewer Fund

- New position Wastewater Treatment Plant Operation I
- Adding Utility Maintenance I position: 28% of position allocated to sewer fund.
- Code Compliance Specialist position: 15% is allocated to water fund.
- The reclassification of the Sr Engineer to Sr Engineer / Building Maintenance: 30% of position allocation

Street Fund

- Adding Utility Maintenance I position: 25% of position allocated to street fund.
- Code Compliance Specialist position: 10% is allocated to water fund.
- The reclassification of the Sr Engineer to Sr Engineer / Building Maintenance: 30% of position allocation

Stormwater Fund

- Adding Utility Maintenance I position: 10% of position allocated to stormwater fund.
- The reclassification of the Sr Engineer to Sr Engineer / Building Maintenance: 30% of position allocation
- Code Compliance Specialist position: 5% is allocated to the water fund.





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City of Molalla Budget Summary-Proposed FY 2023-2024 - CURRENT YEAR

	Expenditures							Resources			
	Personnel Services	Material & Services	Capital Outlay	Transfers	Contingency	Debt Service	Reserve	Total Expenses	BFB	Revenues	Total Revenues
General Fund								0	2,564,850	5,814,231	8,379,081
Administration	1,000,145	260,800	97,533	0				1,358,478			
Police	3,145,164	674,006	0	0				3,819,170			
Court	103,185	129,800						232,985			
City Council		64,810						64,810			
Parks	132,197	63,472	0	0			0	195,669			
Planning	191,569	133,150						324,719			
Capital Outlay								0			
Transfers								0			
Contingency/Reserve					1,500,000		883,250	2,383,250			
Total General Fund	4,572,260	1,326,038	97,533	0	1,500,000	0	883,250	8,379,081	2,564,850	5,814,231	8,379,081
Special Revenue Funds											
Library	714,200	486,978	2,516,909	0	400,000		212,341	4,330,428	3,093,589	1,236,839	4,330,428
Street	388,430	679,496	0	348,300	500,000		1,007,027	2,923,253	1,681,916	1,241,337	2,923,253
PD Restricted		7,465	0	50,000				57,465	2,350	55,115	57,465
Utility Deposits								0			0
Total Special Revenue	1,102,630	1,173,939	2,516,909	398,300	900,000	0	1,219,368	7,311,146	4,777,855	2,533,291	7,311,146
Capital Project Funds											
Capital Projects			25,487,509				57,232	25,544,741	1,348,555	24,196,186	25,544,741
Fleet Replacement			659,261				0	659,261	387,854	271,407	659,261
Total Capital	0	0	26,146,770	0	0	0	57,232	26,204,002	1,736,409	24,467,593	26,204,002
Debt Service Funds											
Bonded Debt								0			0
Sewer Debt Retirement						442,482	215,838	658,320	22,706	635,614	658,320
Water Debt Retirement						0	0	0	0	0	0
CWSRF Debt Retirement		0				0	0	0	0	0	0
Total Debt Service	0	0	0	0	0	442,482	215,838	658,320	22,706	635,614	658,320
SDC Funds											
Street SDC's				850,000			1,427,981	2,277,981	2,081,187	196,794	2,277,981
Park SDC's				75,000			1,482,174	1,557,174	1,449,581	107,593	1,557,174
Sewer SDC's		50,000		0			1,298,482	1,348,482	1,118,446	230,036	1,348,482
Water SDC's		0		100,000			239,374	339,374	266,895	72,479	339,374
Stormwater SDC's				60,763			175,056	235,819	153,966	81,853	235,819
Total SDC's	0	50,000	0	1,085,763	0	0	4,623,067	5,758,830	5,070,075	688,755	5,758,830
Enterprise Funds											
Sewer	926,288	2,036,498	15,000	22,137,022	800,000		1,597,431	27,512,239	2,103,522	25,408,717	27,512,239
Water	704,008	747,600	6,000	1,176,725	500,000		2,056,876	5,191,209	2,619,156	2,572,053	5,191,209
Stormwater	200,835	121,032	2,000	26,400	100,000		287,004	737,271	374,698	362,573	737,271
Total Enterprise	1,831,131	2,905,130	23,000	23,340,147	1,400,000	0	3,941,311	33,440,719	5,097,376	28,343,343	33,440,719
Total City of Molalla	7,506,021	5,455,107	28,784,212	24,824,210	3,800,000	442,482	10,940,065	81,752,098	19,269,271	62,482,827	81,752,098
Urban Renewal		45,608	2,363,670			9,300	532,211	3,500,789	2,501,265	999,524	3,500,789
Total All Funds	7,506,021	5,500,715	31,147,882	24,824,210	3,809,300	974,693	11,490,065	85,252,887	21,770,536	63,482,351	85,252,887

City of Molalla Budget Summary-Adopted FY 2022-2023 - *PRIOR YEAR*

	Expenditures								Resources		
	Personnel Services	Material & Services	Capital Outlay	Transfers	Contingency	Debt Service	Reserve	Total Expenses	BFB	Revenues	Total Revenues
General Fund								0	3,576,352	6,705,050	10,281,402
Administration	1,092,280	329,600	327,000	1,412,397				3,161,277			
Police	3,076,100	787,200	0	610,000				4,473,300			
Court	113,300	133,600						246,900			
City Council		70,350						70,350			
Parks	111,650	48,075	0	7,900				167,625			
Planning	184,450	265,500						449,950			
Contingency					1,422,000			290,000			
Total General Fund	4,577,780	1,634,325	327,000	2,030,297	1,422,000	0	290,000	10,281,402	3,576,352	6,705,050	10,281,402
Special Revenue Funds											
Library	729,153	393,640	2,516,909	0	244,149		5,000	3,888,851	1,982,401	1,906,450	3,888,851
Street	366,021	699,994	30,000	2,409,300	1,115,362		25,000	4,645,677	1,322,677	3,323,000	4,645,677
PD Restricted		7,300	0	50,000				57,300	0	57,300	57,300
Total Special Revenue	1,095,174	1,100,934	2,546,909	2,459,300	1,359,511	0	30,000	8,591,828	3,305,078	5,286,750	8,591,828
Capital Project Funds											
Capital Projects			14,453,454					14,453,454	411,057	14,042,397	14,453,454
Fleet Replacement			729,518				0	729,518	453,468	276,050	729,518
Total Capital	0	0	15,182,972	0	0	0	0	15,182,972	864,525	14,318,447	15,182,972
Debt Service Funds											
Bonded Debt								0			0
Sewer Debt Retirement						380,618	22,707	403,325	22,700	380,625	403,325
Water Debt Retirement						0		0	0	0	0
CWSRF Debt Retirement		0				15,000	44,000	59,000	42,000	17,000	59,000
Total Debt Service	0	0	0	0	0	395,618	66,707	462,325	64,700	397,625	462,325
SDC Funds											
Street SDC's				405,000			1,138,892	1,543,892	1,478,892	65,000	1,543,892
Park SDC's				350,000			1,207,979	1,557,979	1,522,979	35,000	1,557,979
Sewer SDC's		20,000		0			1,049,437	1,069,437	879,937	189,500	1,069,437
Water SDC's		20,000		320,000			235,935	575,935	522,935	53,000	575,935
Stormwater SDC's				150,000			53,480	203,480	198,820	4,660	203,480
Total SDC's	0	40,000	0	1,225,000	0	0	3,685,723	4,950,723	4,603,563	347,160	4,950,723
Enterprise Funds											
Sewer	816,119	2,211,094	86,200	3,079,350	940,914		100,000	7,233,677	2,119,177	5,114,500	7,233,677
Water	769,817	718,895	46,500	1,196,725	1,616,854		100,000	4,448,791	2,363,291	2,085,500	4,448,791
Stormwater	176,800	90,207	13,900	30,400	249,118		25,000	585,425	269,925	315,500	585,425
Total Enterprise	1,762,736	3,020,196	146,600	4,306,475	2,806,886	0	225,000	12,267,893	4,752,393	7,515,500	12,267,893
Total City of Molalla	7,435,690	5,795,455	18,203,481	10,021,072	5,588,397	395,618	4,297,430	51,737,143	17,166,611	34,570,532	51,737,143
Urban Renewal		262,620	1,776,427		150,000	540,507	550,000	3,279,554	2,513,504	766,050	3,279,554
Total All Funds	7,435,690	6,058,075	19,979,908	10,021,072	5,738,397	936,125	4,847,430	55,016,697	19,680,115	35,336,582	55,016,697

BUDGET PROCESS

OREGON BUDGET LAW

A budget is a financial plan containing estimates of revenues and expenditures for a single fiscal year (July 1 through June 30). Besides outlining programs for the coming year, the budget controls the local government's spending authority and encourages community involvement. Oregon's local budget law is a group of statutes, ORS 294.305 to 294.565, that require local governments to prepare and adopt annual or biennial budgets following a very specific process. Chapter 294.321 defines the six major purposes of local budget law:

1. To establish standard procedures for the preparation, presentation, administration, and appraisal of budgets of municipal corporations.
2. To provide for a brief description of the programs of a municipal corporation and the fiscal policy which is to accomplish these programs.
3. To provide for estimation of revenues, expenditures, and proposed taxes.
4. To provide specific methods for obtaining public views in the preparation of fiscal policy.
5. To provide for the control of revenues and expenditures for the promotion of efficiency and economy in the expenditure of public funds.
6. To enable the public, taxpayers, and investors to be apprised of the financial policies and administration of the municipal corporation in which they are interested.

Publications such as the ["Local Budgeting Manual"](#) provide detailed budgeting guidelines and statutory interpretations: ["Local Budgeting in Oregon"](#) is an overview of the budgeting process and is especially designed for the public and budget committee members.

BUDGET PROCESS

PREPARE – The Finance Department, under the direction of the City Manager and Finance Director and with department directors, prepares a requested budget. The budget document is in a format prescribed by the Oregon Department of Revenue, meeting the requirements set out in statute. The Finance Department performs financial, economic, budgetary and statistical forecasting and analyses in support of management decisions, including development of revenue forecasting models, cost variance analyses, preparation of long-term financial plans.

BUDGET PROCESS, Continued

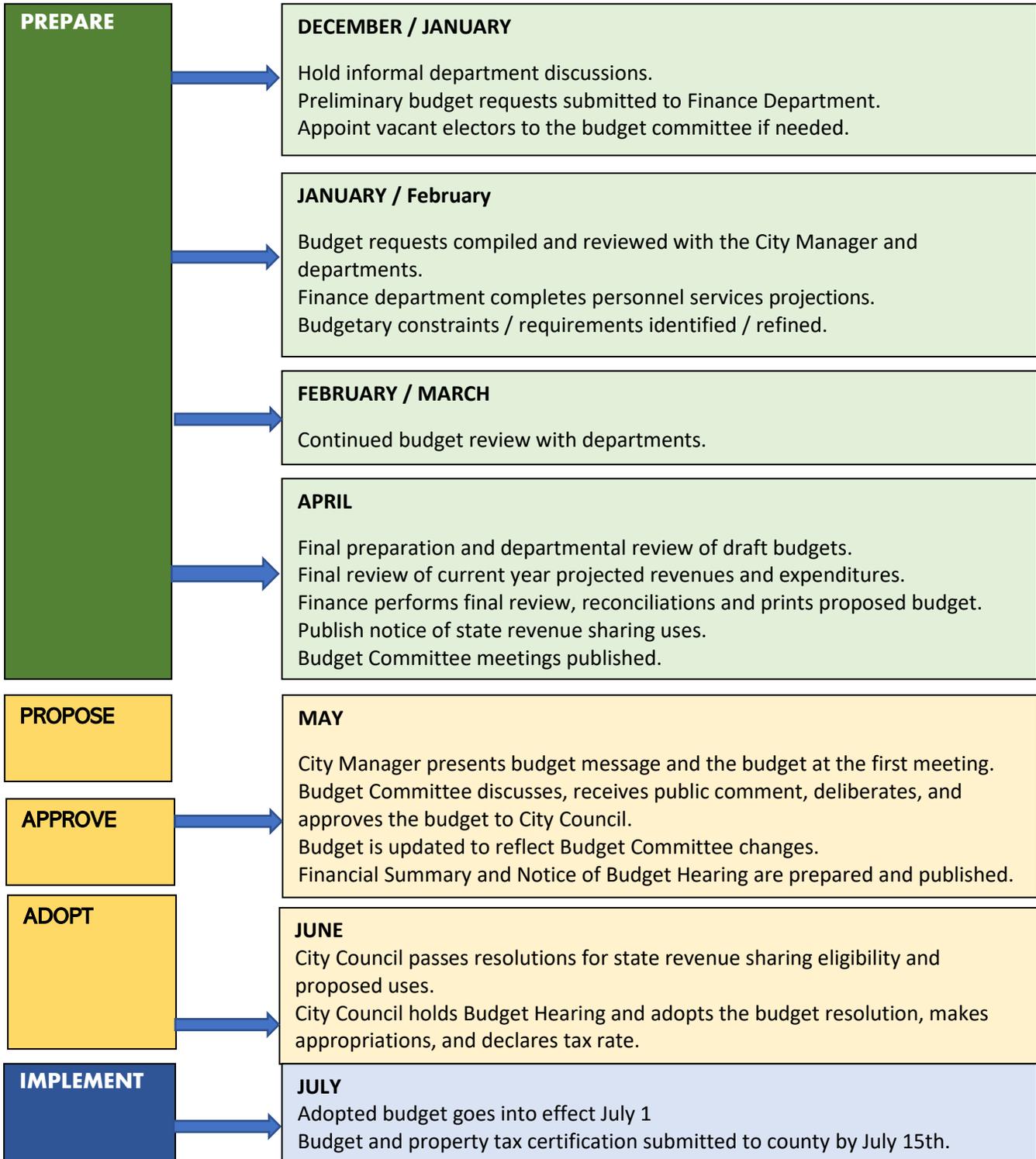
PROPOSE – The Budget Officer (City Manager) is responsible for delivering the budget message and presenting a proposed budget that is balanced. The City Manager in collaboration with the Finance Director and department directors adjust the requested budget. The Proposed Budget must be balanced; total resources consisting of beginning fund balance, current year revenue, transfers, and other resources must equal total requirements consisting of expenditures, transfers, contingency and other requirements.

APPROVE – The Budget Committee reviews and approves the budget. At the Budget meeting, the budget message is delivered. The budget message explains the proposed budget and significant changes in the local government's financial position. The Budget Committee reviews the proposed budget, listens to comments from community members, considers any changes, and then approves the budget. Public notices are required before the Budget Committee's first meeting. These requirements encourage public participation in the budget-making process and give public exposure to budgeted programs and fiscal policies before their adoption.

ADOPT – After the budget is approved, a budget hearing must be held by the governing body. The purpose of the hearing is to receive community testimony on the budget approved by the Budget Committee. All hearings are open to the public. After the budget hearing, and after considering public testimony, the governing body enacts a resolution or ordinance to 1) formally adopt the budget, 2) make appropriations, 3) levy, and 4) categorize any tax. The budget is the basis for making appropriations and certifying the tax levy. The resolution must be adopted no later than June 30. Public notices are required before the hearing, including a summary of the approved budget.

IMPLEMENT – This phase occurs during the budget period when the City is operating under the adopted budget. The City implements responsible budget management, monitoring, and review. Revisions to the adopted budget may require budget adjustments, resolution or supplemental budgets. By transferring appropriations, a governing body usually has enough flexibility to carry out the programs prescribed in an adopted budget. The governing body may adopt a supplemental budget at a regular public meeting if prior notice is given and the expenditures in the supplemental budget are **10 % or less** than of the budget fund being adjusted. If the expenditures are more, the governing body must publish a summary of the changes in the supplemental budget and hold a special hearing.

BUDGET CALENDAR



Budget Committee FY 2023-2024

City Council Members:

Scott Keyser, *Mayor*

Jody Newland, *Council President*

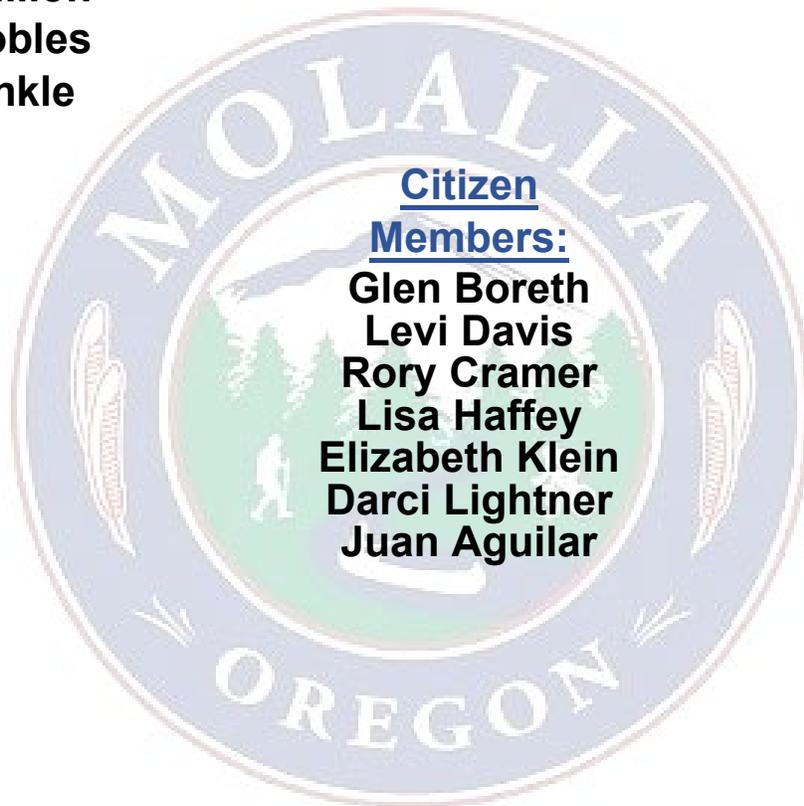
Rae Lynn Botsford

Leota Childress

Eric Vermillion

Crystal Robles

Terry Shankle



Citizen

Members:

Glen Boreth

Levi Davis

Rory Cramer

Lisa Haffey

Elizabeth Klein

Darci Lightner

Juan Aguilar

Staff:

Dan Huff, City Manager

Cindy Chauran, Interim Finance Director

Christie Teets, City Recorder

Chris Long, Chief of Police

Mac Corthell, Community Development Director

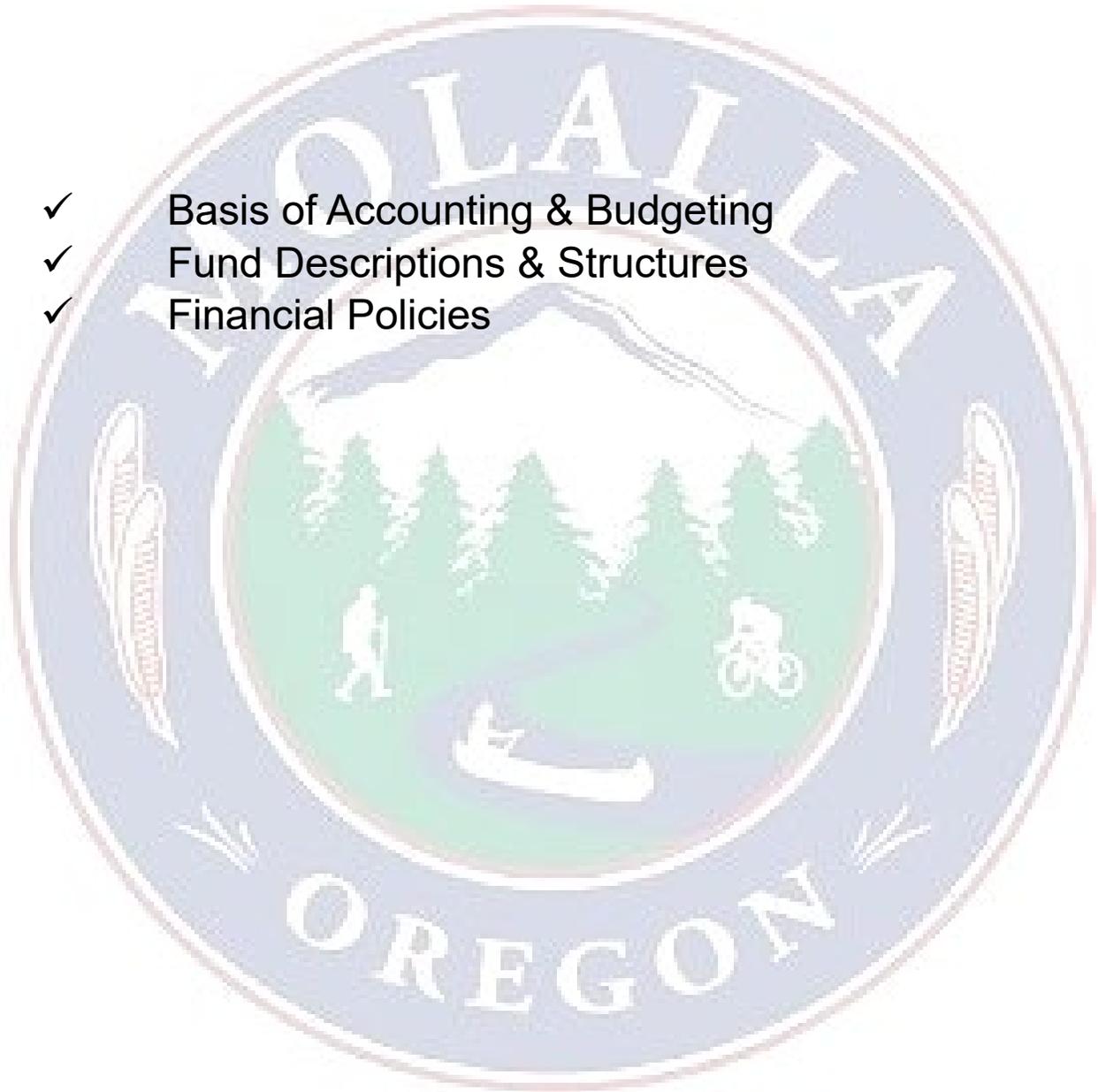
Diana Hadley, Library Director



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Section 2 – Financial Structure, Policy, and Process

- ✓ Basis of Accounting & Budgeting
- ✓ Fund Descriptions & Structures
- ✓ Financial Policies



BASIS OF ACCOUNTING AND BUDGETING

Measuring Focus, Basis of Accounting & Budgeting

The “basis of accounting” and “basis of budgeting” determine when revenues and expenditures are recognized for the purposes of financial reporting and budget control. The city of Molalla employs a hybrid basis of accounting that is called “modified accrual”. Under this system revenues are recognized when they become measurable and available; expenditures are recognized when the obligation to pay is incurred. However, capital expenditures are recognized at the time of purchase. This leads to significant increases and decreases in total expenditures from year to year. Capital expenses tend to be large and unevenly timed.

Accounting on a “cash basis” means that revenues and expenditures are recorded when cash is received or paid out. This method is used by many small businesses. The City of Molalla currently uses the cash basis of accounting for all budgets of the City. All annual appropriations lapse at fiscal yearend. The City is currently working with current auditors with an expectation to move to a “full accrual budgeting and accounting” by FY24/25.

Molalla’s governmental fund financial statements are reported using the [current financial resources measuring focus](#) and the modified accrual bases of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within a period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Significant revenues, which are susceptible to accrual under the modified accrual basis of accounting, include property taxes and federal and state grants. Other revenue items are considered to be measurable and available when received by the City. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgment’s, are recorded only when payment is due.



FUND ACCOUNTING

Financial Analysis

The proposed budget for FY 2023/2024 for the City of Molalla has been prepared in accordance with Oregon budget law and generally accepted accounting principles. This is a lean budget with continued focus on expenditure controls, building working capital, contingencies, and reserves, and focus on capital improvements to city infrastructure.

Fund Descriptions

The financial structure of the City is organized and operated based on fund accounting. There are both federal and state requirements for local governments to budget by fund as a means of maintaining records for resources which are designated to carry out specific activities or meet objectives. Oregon Administrative rules define a fund as, “a fiscal and accounting entity with self-balancing accounts to record cash and other financial resources, related liabilities, balances and changes, all segregated for specific, regulated activities and objectives with special regulations, restrictions, or limitations.”

Government Funds

Government funds house most of the City’s functions and include the General Fund, Special Revenue Funds, and Debt Service Funds.

GENERAL FUND – The General Fund is the general operating fund of the city. It is used to account for all financial resources except those required to be accounted for in another fund.

- Police
- Administration
- Municipal Court
- City Council
- Parks
- Planning

SPECIAL REVENUE – Accounts for money that is earmarked for a specific purpose, for example, gas tax or special district revenue.

- Library Fund
- Street Fund
- Police Restricted
- Capital Projects
- Fleet Reserve
- Transportation SDC’s
- Parks SDC’s

FUND ACCOUNTING, Continued

DEBT SERVICE FUNDS

The City maintains a dedicated fund for repayment of long-term.

- Sewer Debt Retirement

SDC Fund

(The City collects systems development charges for streets, water, sewer, storm water, and parks).

ENTERPRISE (or Proprietary) FUNDS – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs of providing the services to the general public on a continuing basis be financed primarily through user charges. These funds represent three segments of operations – Water, Sewer, and Storm Water. Included in these segments are:

Water Operations

Water Fund

The Water Fund accounts for water services for residents of the City. The principal revenues source is from user fees. The primary expenditure is for system operations.

Water SDC Fund

The Water SDC Fund is used to implement the Water System Master Plan. The resource is SDC fee charged on new development.

Sewer Operations

Sewer Fund

The Sewer Fund accounts for sewer services for residents of the City. The principal revenue source is from user fees. The primary expenditure is for system operations.

Sewer SDC Fund

The Sewer SDC Fund accounts for expenditures on major construction projects or equipment acquisition. Resources are system development charges and fees charged on new development.

FUND ACCOUNTING, Continued

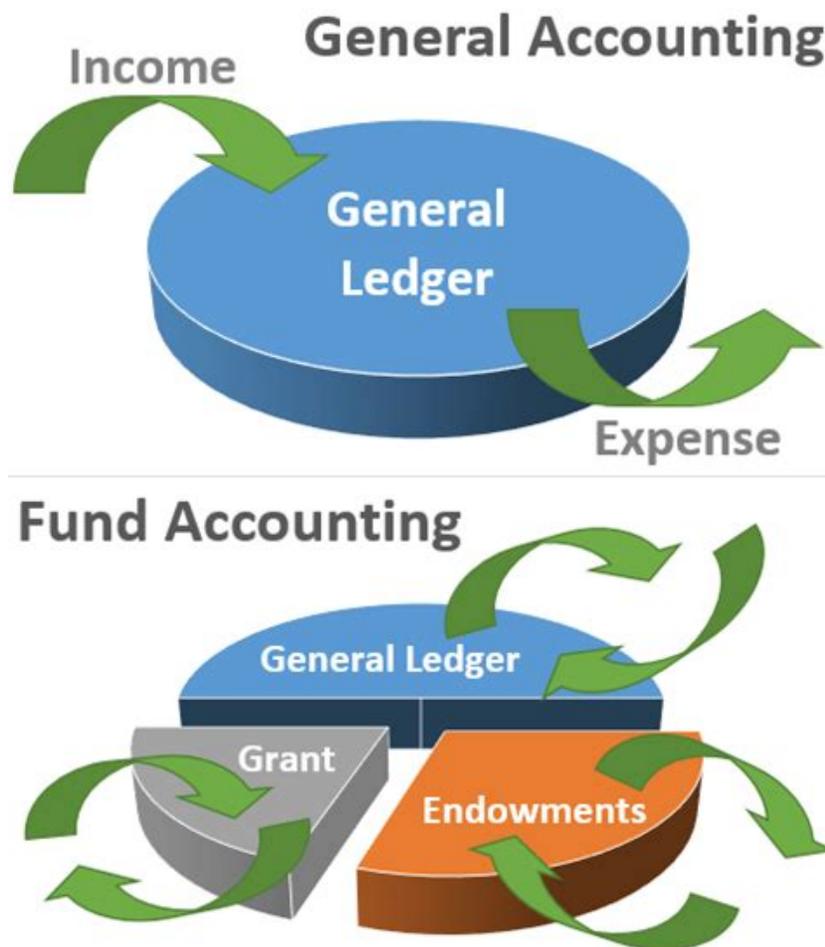
Storm Water Operations

Storm Water Fund

The Storm Water Fund accounts for storm drain services for residents of the City. The principal revenue source is from user fees. The primary expenditure is for system operations.

Storm Water SDC Fund

The Storm Water Fund is used to implement the Storm Sewer System Master Plan. Resources are SDC fees charged in new development.



Financial Policies

Financial Objectives

Financial Goals:

The City of Molalla's financial goals seek to:

- a. Ensure the financial integrity of the City.
- b. Improve financial information for decision makers at all levels.
- c. Assist policy makers as they contemplate decisions affecting the City on a long-term basis and be a manager as they implement policy on a day-to-day basis.

Financial Policy

The City of Molalla's fiscal policies address the following major areas:

1. Revenue policy - Addresses property taxes, user charges, and other sources to adequately fund desired services. **Go HERE!** For complete policy.
2. Operating budget policy - Relating to budgeting guidelines. **Go HERE!** For complete policy.
3. Debt policy - Dealing with long-term financing of the City's capital needs and its bond rating. **Go HERE!** For complete policy.
4. Reserve policy - For establishing reserves and contingency funding as needed for the various activities of the City. **Go HERE!** For complete policy.
5. Grant Policy - To assist City of Molalla (City) personnel involved in pursuing, acquiring, and administering federal grant funding **Go HERE!** For complete policy.
6. Expenditure Policy - The purpose of this policy is to establish guidelines for the City of Molalla to process expenditure transactions efficiently and effectively. **Go Here!** For complete policy.

Note: Complete policy details are in the back of this document. Take the short cut link where it says **GO HERE!** and you will be directed to the policy details immediately.

Reserve Policy

Below is an illustration of the City's reserve policy. Percentages and amounts show that the City is in compliance with this policy.

CITY OF MOLALLA

Contingency

FY 2023-2024

FUND	Total Budget	Operating Expenses	% of Operating Budget	Amount
General Fund	\$8,379,081	\$5,898,298	25%	\$1,500,000
Library	\$4,330,428	\$1,201,178	33%	\$400,000
Streets	\$2,923,253	\$1,067,926	47%	\$500,000
Sewer	\$27,512,239	\$2,962,786	27%	\$800,000
Water	\$5,191,209	\$1,451,608	34%	\$500,000
Storm	\$737,271	\$321,867	31%	\$100,000
Urban Renewal	\$3,500,789	\$45,608	20%	\$9,300

Operating expenses includes personnel services and material & services.

FUND	Recommended per Policy
General Fund	3 months or 20%
Library	3 months or 20%
Streets	3 months or 20%
Sewer	3 months or 15%
Water	3 months or 15%
Storm	3 months or 15%
Urban Renewal	2 months or 5%

FUND STRUCTURE

The City of Molalla has 16 budgeted funds. All the funds with budgetary appropriations in the FY 2023-2024 budget are presented below.

	Governmental Funds				Proprietary Funds		
	General Fund	Special Revenue Funds	Capital Projects Fund	Reserve Fund	Enterprise Funds	Special Revenue Funds	Debt Service Fund
General Fund	✓						
Library Fund		✓					
Street Fund		✓					
PD Restricted		✓					
Street SDC		✓					
Park SDC Fund		✓					
Capital Improvement			✓				
Fleet Replacement				✓			
Sewer Fund					✓		
Water Fund					✓		
Storm Water Fund					✓		
Sewer SDC Fund						✓	
Water SDC Fund						✓	
Storm Water SDC Fund						✓	
Sewer Debt Fund							✓
Urban Renewal		✓					

A “fund”, as defined by Oregon Administrative Rule 150-294-0420(1), is a fiscal and accounting entity with self-balancing accounts to record cash and other financial resources, related liabilities, balances, and changes, all segregated for specific, regulated activities and objectives. Governmental accounting systems are organized and operated on a fund basis. The diverse nature of governmental operations and the need for legal compliance preclude recording and summarizing financial transactions in a single accounting entity.

The table above illustrates fund types required under Oregon Budget Law, as well as the Governmental versus Proprietary Fund distinction required under Generally Accepted Accounting Principles (GAAP). Major Funds are noted in **Bold**.

FUNCTIONAL UNITS

	General Government	Public Safety	Highways and Streets	Culture and Recreation	Community Development	Enterprise Utility Services
General Fund	✓	✓		✓	✓	
Library Fund				✓		
Street Fund			✓			
PD Restricted		✓				
Street SDC			✓			
Park SDC				✓		
Capital Improvement	✓	✓	✓	✓	✓	✓
Fleet Replacement	✓	✓	✓	✓	✓	✓
Sewer Fund						✓
Water Fund						✓
Storm						✓
Sewer SDC						✓
Water SDC						✓
Storm SDC						✓
Sewer Debt						✓
Urban Renewal Agency					✓	

The above table provides where the City's functional units are accounted for by fund type and fund.

Section 3 – Financial Summaries

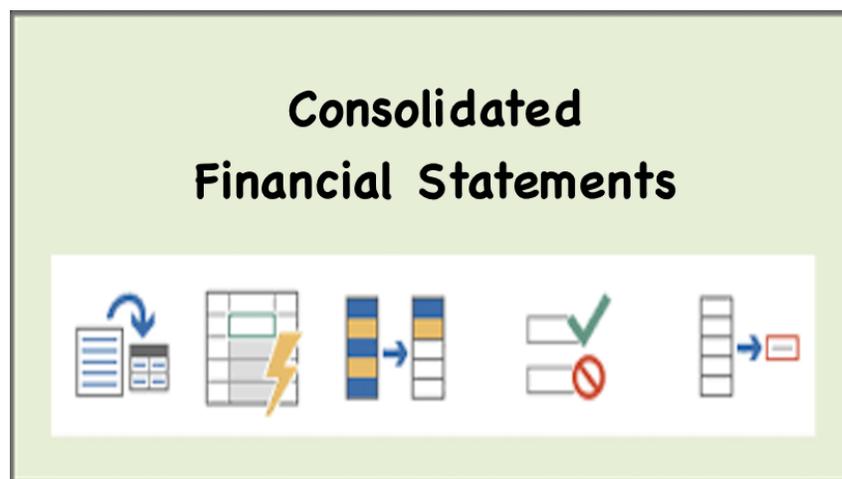
- ✓ Consolidated Schedules & Graphs
- ✓ Revenue Overview
- ✓ Five Year Forecasts
- ✓ Five Year Capital Forecasting



Consolidated Schedules

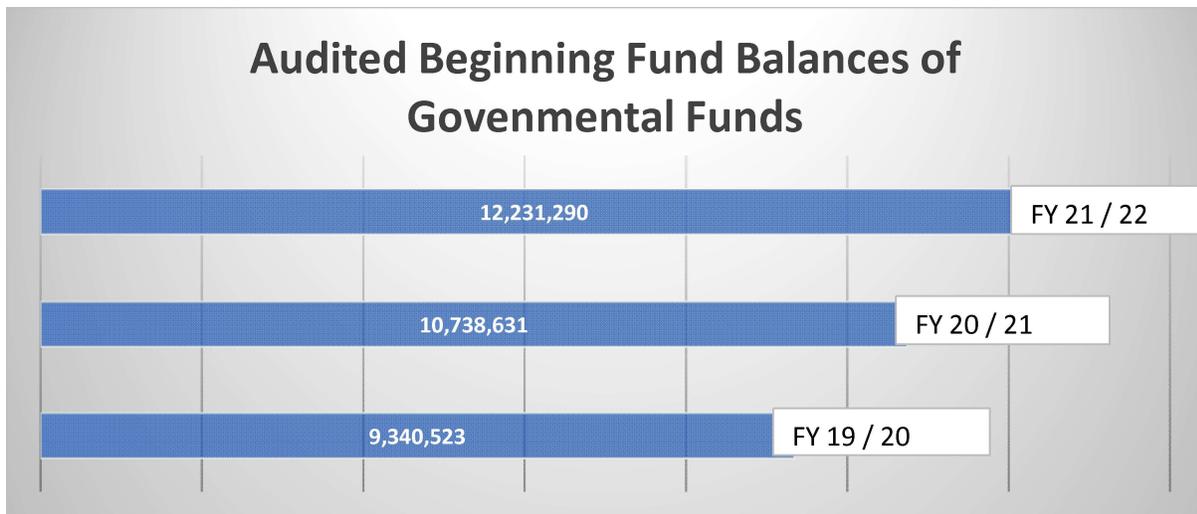
The consolidated schedule section first shows the audited General Fund revenues and expenses. As well as audited General Fund revenue and expenses. The General Fund inserts also include this budget year as well. The purpose of this model is to show the sources of revenue by their type, some examples are property taxes, intergovernmental, etc. Also showing the same information for expenditures by presenting them by function, and or program. Example General Government, Public Safety, etc. Percentages and pie charts also show the relationships between the different types of revenues and expenses. The beginning fund balances of the General Fund and the audited Governmental funds are also shown for reference.

- ✓ Consolidated Audited All Governmental Funds (3 Years) not including current budget.
- ✓ Consolidated General Fund Audited, Actual, Estimated, and Proposed.
- ✓ Consolidated General Fund presenting GF Revenues Audited, Actual, and Proposed.
- ✓ Consolidated General Fund presenting GF Expenditures Audited, Actual, and Proposed.



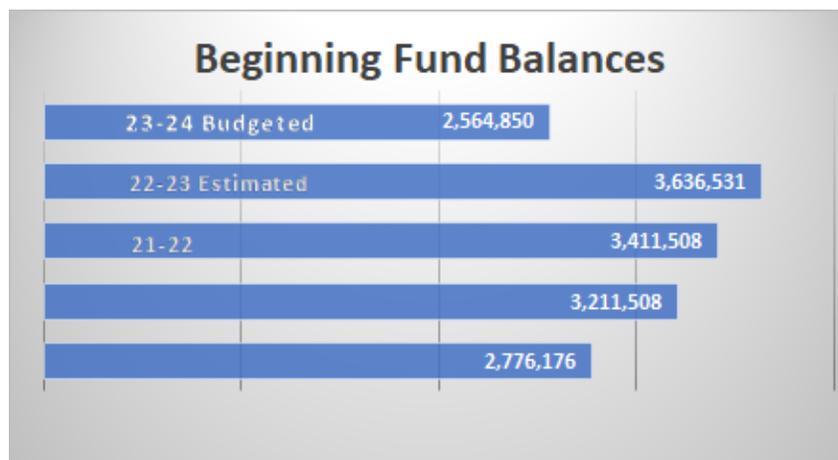
Consolidated Schedules of Resources, Expenditures, and changes in fund balance

All Funds - Fiscal Years 2020-22 Governmental Funds	19-20 Audited Actual	20-21 Audited Actual	21-22 Audited Actual
Revenues			
Property Taxes	3,334,731	3,516,069	3,658,175
Franchise Fees	420,041	414,214	443,159
Licenses, permits, and fees	72,495	272,729	282,647
Intergovernmental	2,072,929	2,172,224	4,100,474
Grants	81,358	351,405	
Fuel Taxes			807,914
Fines and Forfeitures	9,179	240,515	154,731
Charges for Service	644,259	570,988	143,315
Interest Income	335,518	167,935	125,314
Misc Income	49,872	14,119	88,357
Contributions and Donations	11,557	60,900	108,752
System Development Charges	233,442	944,550	81,765
Transfers In	3,745,057	2,453,894	3,048,415
Total Resources	11,010,438	11,179,542	13,043,018
Expenditures			
Current:			
General Government	1,260,822.00	1,102,095	2,168,966
Public Safety	2,994,324.00	3,212,226	3,278,318
Highways and Streets	632,273.00	713,313	565,249
Cultural and Recreation	1,054,556.00	992,675	1,016,225
Community Development		380,632	282,948
Principal	67,606.00		
Interest	3,547.00		
Capital Outlay	3,696,779.00	2,228,385	2,856,036
Transfers Out	941,332.00	1,072,238	1,420,082
Total Requirements	10,651,239.00	9,701,564	11,587,824
Resources over (under) expenditures	359,199.00	1,477,978.00	1,455,194.00
Beginning Fund Balance	8,981,324	9,340,523	10,738,631
Prior Period Adjustment		-79870	37465
Ending Fund Balance	9,340,523	10,738,631	12,231,290



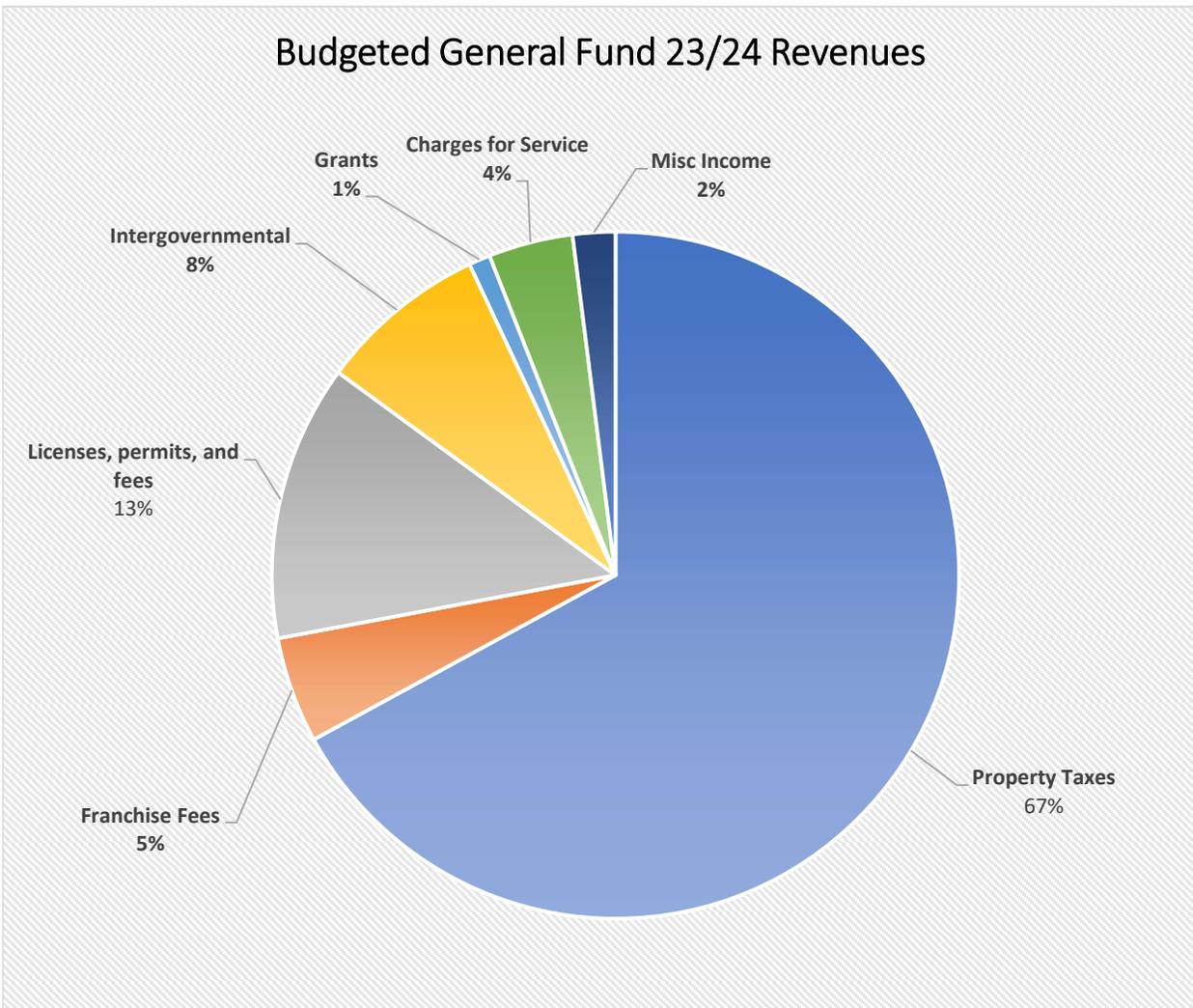
Consolidated Schedules of Resources, Expenditures, and changes in fund balance

All Funds - Fiscal Years 2020-22 General Fund	19-20 Audited Actual	20-21 Audited Actual	21-22 Audited Actual	22-23 Estimated	23-24 Budgeted
Revenues					
Property Taxes	3,327,667	3,521,404	3,663,384	3,826,633	3,910,828
Franchise Fees	243,639	197,605	193,649	198,550	293,650
Licenses, permits, and fees	31,405	72,002	51,014	733,000	757,831
Intergovernmental	367,422	435,813	2,180,047	406,700	424,300
Grants	70,889	306,21		1,028,000	43,400
Fuel Taxes					
Fines and Forfeitures		240,377	152,806		
Charges for Service	641,982	547,194	494,392	577,681	212,990
Interest Income	335,518	167,935	125,029		
Misc Income	48,757	10,730	71,933	153,800	106,382
Contributions and Donations	500	53,102	101,600		
System Development Charges					
Transfers In					
Total Resources	5,067,779	5,552,376	7,033,854	6,924,364	5,814,231
Expenditures					
Current:					
Administration	1,241,059	1,114,985	2,438,395	1,747,471	1,358,478
Police	2,994,324	3,212,226	3,130,598	3,777,678	3,819,170
Municipal Court		144,859	194,176	228,166	232,985
City Council		380,632	45,606	38,140	64,810
Parks			234,773	180,635	195,669
Capital Outlay	12,072	41,484			
Planning	156,359		289,706	275,715	324,652
Debt					
Principal	67,606				
Interest	3,547				
Contingency					2,383,250
Transfers Out	157,900	377,900	577,900	1,748,240	
Total Requirements	4,632,867.00	5,272,086	6,911,154	7,996,045	8,379,081
Resources over (under) expenditures	434,912.00	280,290.00	122,700	-1,071,681	-2,564,850
Beginning Fund Balance	2,776,176	3,211,508	3,411,508	3,636,531	2,564,850
Prior Period Adjustment		-79870	102323		
Ending Fund Balance	3,211,088	3,411,928	3,636,531	2,564,850	0



Consolidated Schedule of General Fund Resources BUDGETED

All Funds - Fiscal Years 2020-24 General Fund	19-20 Audited Actual	20-21 Audited Actual	21-22 Audited Actual	23-24 Budgeted
Revenues				
Property Taxes	66%	63%	52%	67%
Franchise Fees	5%	4%	3%	5%
Licenses, permits, and fees	1%	1%	1%	13%
Intergovernmental	7%	8%	31%	8%
Grants	1%	6%	0%	1%
Fines and Forfeitures	0%	4%	2%	0%
Charges for Service	13%	10%	7%	4%
Interest Income	7%	3%	2%	0%
Misc Income	1%	0%	1%	2%
Contributions and Donations	0%	1%	1%	0%
Total Resources	100%	100%	100%	100%



Consolidated Schedule of General Fund Expenditures BUDGETED

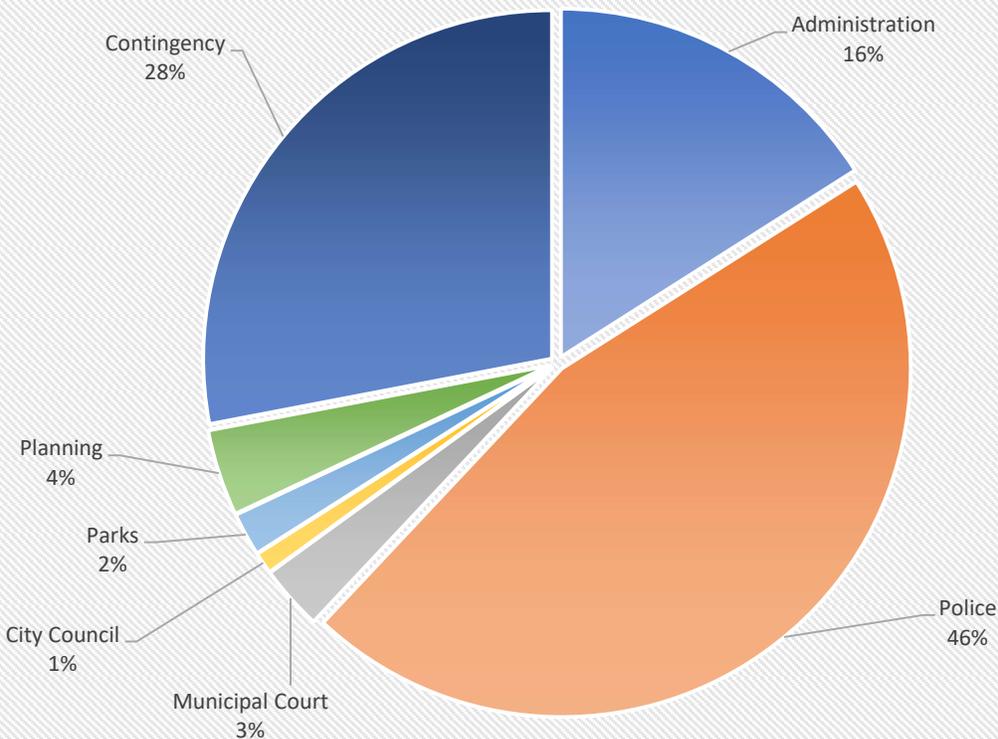
All Funds - Fiscal Years 2020-22	19-20	20-21	21-22	22-23	23-24
General Fund	Audited Actual	Audited Actual	Audited Actual	Estimated	Budgeted

Expenditures

Current:

Administration	27%	21%	35%	22%	16%
Police	65%	61%	45%	47%	46%
Municipal Court	0%	3%	3%	3%	3%
City Council	0%	7%	1%	0%	1%
Parks	0%	0%	3%	2%	2%
Capital Outlay	0%	1%	0%	0%	0%
Planning	3%	0%	4%	3%	4%
Debt	1%	0%	0%	0%	0%
Contingency	0%	0%	0%	0%	28%
Transfers Out	3%	7%	8%	22%	0%
Total Requirements	100%	100%	100%	100%	100%

Budgeted General Fund Expenditures FY 23 / 24

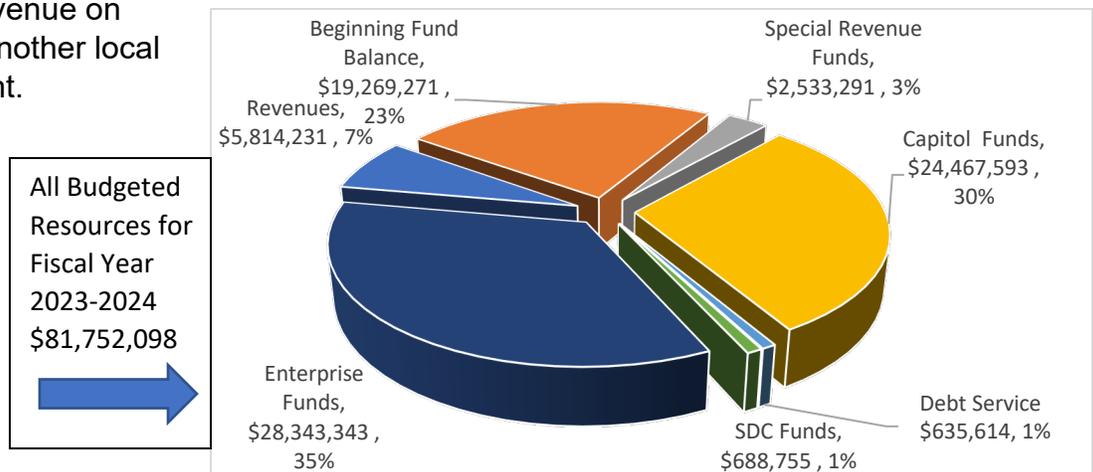


Revenue Overview

Each local government estimates its budget resources for the ensuing fiscal year by funds and sources. [\(ORS 294.361\(1\)\)](#) Budgeting resources is the total of beginning fund balance (net resources available in a fund at the beginning of the fiscal year) and revenues received into a fund from outside the fund during the fiscal year. All resources and revenue estimates are based on “Good Faith.” That is, they should be reasonable and be reasonably likely to prove correct, based on the known facts at the time.

REVENUE CATEGORIES

- **Taxes** include property taxes (permanent, local option, and general obligation) and local surcharge taxes. Urban renewal incremental taxes are not included within this budget—they may be found in Molalla Urban Renewal Agency section. **GO HERE for URA**
- **Fees, Licenses & Permits** are typically required by ordinance, such as franchise fees or City services fees.
- **Charges for Service** include user or customer charges (utility service, building plan reviews and inspections), equipment or building rentals, and system development charges.
- **Intergovernmental** includes revenue received from other local, state, and federal agencies, such as grant agreements, intergovernmental agreements, and State Shared Revenues distributed under Oregon Revised Statutes.
- **Fines & Forfeitures** include traffic, municipal citations, and other imposed penalties.
- **Miscellaneous/Other revenue** includes donations, interest on investments, bad debts recovered, and other revenues that cannot be categorized above.
- **Interfund Transfers** are transfers of resources from one fund to another. The fund receiving the transfer shows it as a revenue.
- **Other Financing Sources** includes pass-through transfers and debt proceeds from financing of debt. Pass-through transfers are when one local government collects revenue on behalf of another local government.



Revenue Overview, Continued

Property Taxes

Property Taxes in Molalla

The City of Molalla tax revenue is based off of a permanent tax rate of \$5.3058 / \$1000, converted to a tax rate of .0053058%. Full payment of taxes is due by November 15th to receive a discount. No discount is allowed on a 1/3 payment and additional 1/3 payments are due on February 15th and May 15th.

Intergovernmental

This revenue category includes allocations from State Revenue Sharing, State Gas Tax, State liquor, cigarette, and targeted grants that are issued by the State of Oregon.

Franchise Fees

The city has four franchise agreements. Revenue from these sources has proved to remain steady even as rates and inflation moves up and down. Since this is based from customer behaviors it shows a direct relation to the growth in Molalla. The only franchise fees that are on the decline are TV and Cable Franchise fees, due to customers moving away from these services.

Franchise	Budget	Increase
NWNG – Natural Gas	60,000	+11,000
TELEPHONE	6,100	-2,900
TV- Cable	12,500	-3,000
PGE - Electric	402,402	+27,544

The above referenced numbers are from budgeted amounts. Actual numbers will vary.

Charges for Service

Below is the revenue budgeted from charges for service this fiscal year. Utilities make up a large portion of the budgeted amount.

	Budgeted
Water Monthly User Fees	2,500,000
Sewer Monthly User Fees	4,100,000
Stormwater Fund	350,000
SDC Revenues	688,755

Revenue Overview, Continued

Licenses, Permits, Fees

Approximately \$54,500 has been budgeted for licenses, permits, and fees for the General Fund. The bulk of this revenue is from:

	Budgeted
Celebrate Molalla	7,500
Police Fees	7,000
Business Licenses	35,000
Lien Searches	5,000

Fines and Forfeitures

Approximately \$162,500 has been budgeted for licenses, permits, and fees for the General Fund. The bulk of this revenue is from:

	Budgeted
Court Revenues	155,000
Code Enforcement Revenue (New)	7,500

Administrative Overhead

The process of allocating administration costs is necessary to ensure that all funds contribute to the costs of providing administrative oversight (such as City Manager and Council), human resources, payroll, accounts payable, receivables, legal costs, and liability insurance. Methodology of calculating the allocation varies from city to city. Two of the most common bases are operating costs and FTE's.

There is a two-step process involved. The first allocation that must be determined is the broad allocation of costs between general fund operating departments (Police, Court, Parks, and Planning) and other (non-general) funds.

The second step of the process is to re-allocate the overall percentage of each of the non-general funds to develop the actual transfer ratio for each fund (Library, Streets, Water, Storm, Urban Renewal.) The same methodology (i.e operating costs) should be used to develop those ratios as well.

This makes sure that all operating expenses incurred by the general fund are allocated to all departments for reimbursement of those said costs. Based on the figures described we are budgeting \$540,331 to recoup the costs of those services.

Miscellaneous

Approximately \$106,382 is budgeted for misc. revenue. Sources include interest and donations.

Five-Year Financial & Capital Forecasts

Summary

Finance has completed a five-year financial forecast for all operating funds. Capital, SDC's, capital transfers, are reviewed and scheduled by the Community Development Department. Internal transfers will also not be included as they are driven by financial health during the budget process. Please go to the [Molalla Current](#) for current and upcoming Capital Projects. Also refer to the Capital Projects Fund within this document for more forecasting information on future projects. Molalla continues to take a conservative approach to spending. The goal with this forecast is to preserve capital and continue to grow as a City while staying relevant and sustainable. This is why Contingency/Reserve is part of the General Fund Projections.

Assumptions

Below are the assumptions for the 5-year Financial Plan. Amounts and percentages are projected very conservatively. That way projections can be made for a worst case scenario, then when the actual numbers are entered the growth can be recognized with the hopes of an upward trend forming. The Capital Fund will be omitted since Capital will have its own 5-year plan. No capital in other funds, transfers, or SDC's will be included in the financial assumptions.

All Funds

- Personnel Services will be estimated at up to a 5% increase.
- Materials & Services will be estimated up to a 3% increase.
- PERS will be estimated at an increase up to 4% Increase.
- Health Insurance Estimated at a 5% increase.
- Recurring revenues will increase at 3 - 5%

For 5 Year Capital Plan.

The Capital plan was adopted by resolution on April 27, 2022. Complete details of this plan can be found on the City's website of [GO,HERE!](#) and you will be routed there.

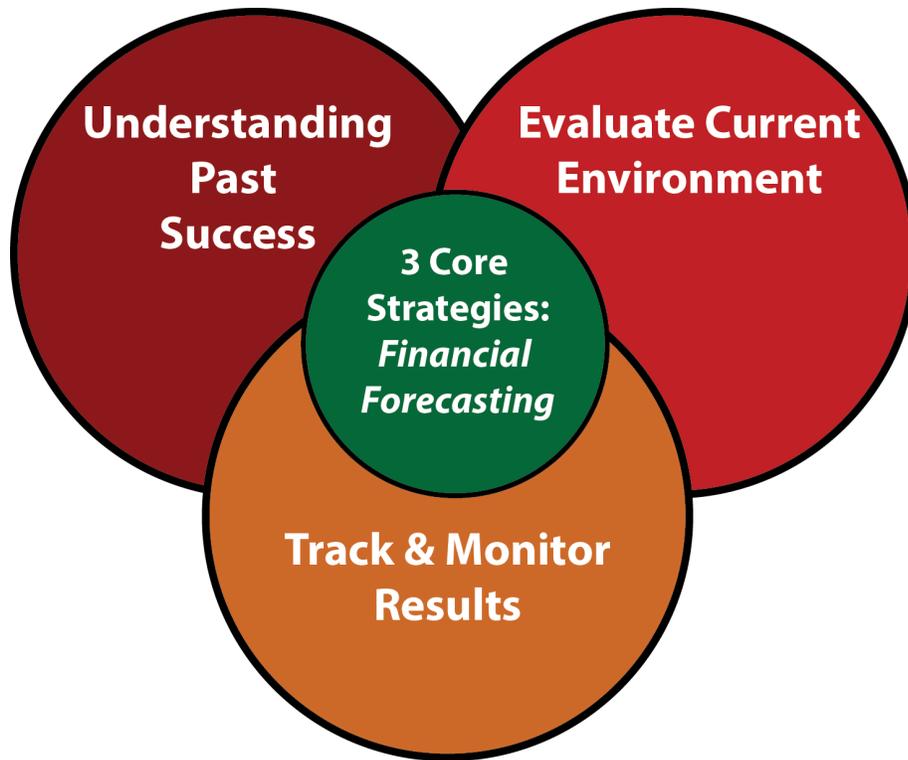
Financial Forecasts

Current year through 2027-2028

Expenditures

Resources

	23/24	24/25	25/26	26/27	27/28		24/25	25/26	26/27	27/28
	Total Expenses						BFB			
General Fund						BFB	2,809,717	3,009,717	3,209,717	3,409,717
Administration	1,349,238	1,443,685	1,544,743	1,652,875	1,768,576	Revenues	6,012,272	6,277,241	6,553,329	6,861,742
Police	3,772,798	4,036,894	4,319,477	4,621,840	4,945,369					
Court	232,985	249,294	266,745	285,417	305,396					
City Council	58,310	59,310	60,310	65,532	70,119					
Parks	195,641	209,336	223,990	239,669	256,446					
Planning	324,652	347,378	371,694	397,713	425,553					
Contingency/Reserve	2,403,974	2,476,093	2,500,000	2,500,000	2,500,000					
Total General Fund	8,337,598	8,821,989	9,286,958	9,763,046	10,271,459		8,821,989	9,286,958	9,763,046	10,271,459
Special Revenue Funds										
Library	4,330,428	4,633,558	4,957,907	5,304,960	5,676,307	BFB	3,093,589	3,293,589	3,493,589	3,693,589
Street	2,934,149	3,139,539	3,359,307	3,594,458	3,846,070	BFB	1,692,812	1,892,812	2,092,812	2,292,812
						Revenues	2,986,696	3,130,813	3,313,018	3,535,976
Total Special Revenue	7,264,577	7,773,097	8,317,214	8,899,419	9,522,377		7,773,097	8,317,214	8,899,419	9,522,377
Enterprise Funds										
Sewer	7,512,239	8,038,096	8,600,763	9,202,816	9,847,013	BFB	2,103,522	3,271,695	3,471,695	3,671,695
Water	5,191,209	5,554,594	5,943,416	6,359,455	6,804,617	BFB	2,619,156	2,572,053	2,772,053	2,972,053
Stormwater	737,271	788,880	844,102	903,189	966,412	BFB	374,698	362,573	437,573	512,573
						Revenues	9,284,193	9,181,959	9,784,140	10,461,721
Total Enterprise	13,440,719	14,381,569	15,388,280	16,465,461	17,618,042		14,381,569	15,388,280	16,465,461	17,618,042





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Section 4 – Department Information

- ✓ Program Descriptions
- ✓ Goals / Descriptions
- ✓ Narratives
- ✓ Activity Measures



Historical Data		
Actual		Adopted Budget
2nd Preceding Year 2020-2021	1st Preceding Year 2021-2022	This Year Year 2022-2023
\$3,106,533.67	\$3,474,080.85	\$3,576,352.00

GENERAL FUND RESOURCES

Budget for Next FY 2023-2024		
Proposed By Budget Officer	Approved By Budget Com.	Adopted By Gov. Body

\$3,481,697.37	\$3,603,401.42	\$3,830,000.00
\$39,706.73	\$59,983.30	\$35,000.00
\$121,750.37	\$123,776.89	\$120,000.00
\$112,737.86	\$85,423.05	\$80,000.00
\$191,868.46	\$187,785.37	\$196,700.00
\$9,456.13	\$8,506.47	\$10,000.00
\$240,104.17	\$0.00	\$0.00
\$0.00	\$1,028,947.38	\$1,028,000.00
\$0.00	\$500,000.00	\$0.00
\$167,934.65	\$125,028.97	\$140,000.00
\$46,939.07	\$48,313.80	\$49,000.00
\$7,914.68	\$6,355.57	\$9,000.00
\$17,729.37	\$13,964.15	\$15,500.00
\$75,000.00	\$125,000.00	\$125,000.00
\$0.00	\$14.84	\$50.00
\$4,512,838.86	\$5,916,501.21	\$5,638,250.00

BEGINNING FUND BALANCE

\$2,564,850.00

GENERAL REVENUES

CURRENT PROPERTY TAXES	\$3,910,828.00
PRIOR PROPERTY TAXES	\$64,850.00
REVENUE SHARING - State OR DAS	\$136,100.00
STATE/LOCAL SHARED REVENUES	\$82,000.00
LIQUOR TAX	\$198,000.00
CIGARETTE TAX	\$8,200.00
GRANTS-CRF COVID-19	\$0.00
GRANTS-ARP#1	\$0.00
GRANTS-CRF-PARKS	\$0.00
INTEREST	\$95,182.00
NWNG FRANCHISE FEES	\$60,000.00
TELEPHONE FRANCHISE FEES	\$6,100.00
TV FRANCHISE FEES	\$12,500.00
PGE FRANCHISE FEES	\$215,000.00
GENERAL FRANCHISE FEES	\$50.00
TOTAL GENERAL REVENUES	\$4,788,810.00

ADMINISTRATION REVENUES

\$33,860.00	\$34,560.00	\$34,000.00	BUSINESS LICENSES	\$35,000.00
\$13,376.61	\$5,280.00	\$30,000.00	LIEN SEARCHES	\$5,000.00
\$33,086.80	\$5,798.00	\$10,000.00	SDC ADMINISTRATION FEE	\$12,990.00
\$15,198.78	\$3,973.60	\$10,000.00	GENERAL-MISCELLANEOUS	\$6,000.00
\$423,556.91	\$352,205.74	\$466,000.00	COST ALLOCATION PLAN	\$540,331.00
\$0.00	\$0.00	\$0.00	CODE ENFORCEMENT REVENUE	\$7,500.00
\$519,079.10	\$401,817.34	\$550,000.00	TOTAL ADMINISTRATION REVENUES	\$606,821.00

Parks Revenue

\$53,103.40	\$101,000.00	\$100.00	PARK-DONATIONS	\$100.00
-\$25.00	\$50.00	\$100.00	PARK-KEY DEPOSITS	\$100.00
\$0.00	\$3,500.00	\$3,000.00	PARK-SPECIAL EVENT RENTAL FEE	\$3,000.00
\$20,006.85	\$29,844.22	\$0.00	PARK-MISCELLANEOUS	\$500.00
\$0.00	\$0.00	\$0.00	PARK FUN-RAISER DONATIONS	\$500.00
\$123,085.25	\$134,394.22	\$3,200.00	TOTAL PARKS REVENUES	\$4,200.00

Court Revenue

\$240,376.88	\$152,806.13	\$175,000.00	COURT-PD FINES	\$150,000.00
\$0.00	\$0.00	\$10,000.00	COURT-NUISANCE/PLANNING FINES	\$5,000.00
\$240,376.88	\$152,806.13	\$185,000.00	TOTAL COURT REVENUES	\$155,000.00

GENERAL FUND RESOURCES

Budget for Next FY 2023-2024

2nd Preceding Year 2020-2021	1st Preceding Year 2021-2022	Adopted Budget This Year Year 2022-2023	RESOURCES-continued	Proposed By Budget Officer	Approved By Budget Com.	Adopted By Gov. Body
Police Revenue						
\$3,358.91	\$5,258.76	\$11,000.00	PD-ALARM PERMITS	\$3,500.00		
\$0.00	\$280.00	\$0.00	PD-FINGERPRINTS	\$750.00		
\$1,600.00	\$1,600.00	\$1,000.00	PD-TOW FEES	\$1,600.00		
\$1,060.00	\$1,052.50	\$1,000.00	PD-REPORTS	\$1,650.00		
\$1,037.20	\$31,524.68	\$600.00	PD-MISCELLANEOUS	\$1,000.00		
\$50,000.00	\$50,000.00	\$50,000.00	PD-SCHOOL RESOURCE OFFICER	\$50,000.00		
\$0.00	\$412.40	\$0.00	PD-DUII GRANT	\$0.00		
\$0.00	\$0.00	\$0.00	PD-COPS OFFICER GRANT	\$42,000.00		
\$0.00	\$800.00	\$0.00	PD-GRANTS	\$300.00		
\$0.00	\$600.00	\$0.00	PD-DONATIONS	\$1,100.00		
\$1,038.00	\$0.00	\$0.00	PD-VEST GRANT	\$0.00		
\$58,094.11	\$91,528.34	\$63,600.00	TOTAL POLICE REVENUES	\$101,900.00		
City Council Revenue						
\$38,251.84	\$0.00	\$0.00	COMM VISIONING GRANT&DONAT	\$0.00		
\$160.00	\$6,590.00	\$5,000.00	CELEBRATE MOLALLA	\$7,500.00		
\$38,411.84	\$6,590.00	\$5,000.00	TOTAL CITY COUNCIL REVENUES	\$7,500.00		
Planning Revenue						
\$58,626.17	\$85,802.91	\$70,000.00	PLANNING FEES	\$90,000.00		
\$0.00	\$0.00	\$40,000.00	UGB STUDY GRANT	\$60,000.00		
\$0.00	\$0.00	\$75,000.00	EMER MGMT PLAN GRANT	\$0.00		
\$0.00	\$2,980.00	\$75,000.00	TRAVEL OR DEST READY GRANT	\$0.00		
\$58,626.17	\$88,782.91	\$260,000.00	TOTAL PLANNING REVENUES	\$150,000.00		
\$5,550,512.21	\$6,792,420.15	\$6,705,050.00	TOTAL GENERAL FUND REVENUES	\$5,814,231.00		
\$3,106,533.67	\$3,474,080.85	\$3,576,352.00	TOTAL FUND BALANCE	\$2,564,850.00		
\$8,657,045.88	\$10,266,501.00	\$10,281,402.00	TOTAL ALL GENERAL FUND RESOURCES	\$8,379,081.00		
TOTAL GENERAL FUND NET						
\$8,657,045.88	\$10,266,501.00	\$10,281,402.00	TOTAL GENERAL FUND RESOURCES AND FB	\$8,379,081.00		
			TOTAL GENERAL FUND REQUIREMENTS	\$8,379,081.00		
\$8,657,045.88	\$10,266,501.00	\$10,281,402.00	TOTAL NET GENERAL FUND	\$0.00		

Administration Department



The Administration Department is the core functioning unit for the City of Molalla. General Fund Administration includes the City Manager's office, City Recorder's office, Human Resource, and Finance. Administration is where the City connects with the public and provides the organizational and business foundation for the City. This

department provides many external services such as civic leadership, communication, engagement, as well as administrative support, city management, financial management and services, customer service, human resources, records management, risk management, and information technology. A percentage of costs that are recorded to the General Fund are recovered through cost allocations. These percentages are reviewed each fiscal year by the Finance Department.

City Manager Office

The City Manager works to unite political leadership (City Council) with skilled administrative Staff. The City Manager does this through broad authority to run the City by providing an annual Budget (adopted by Council), hiring Staff (personnel) and provision of public services such as streets, water sanitary sewer, parks, storm drainage, public safety (police), finance administration, etc. (City Charter Chapter VIII, Section 34).

City Recorders Office

The City Recorder serves as the clerk for the City Council through recording and archiving official records, city proceedings and legislative history of the City of Molalla, and acts as the City's Elections Officer. The Recorder also provides internal support to all City departments regarding record management, legal records, deeds, liens, record requests, risk management, minutes, and decisions for City Council and all Committees and Commissions.

Finance Department

The Finance Department, under the administrative direction of the City Manager and Finance Director plans, organizes and directs the Finance, Court, Reception, and Utility Billing departments. Finance also provides internal management to Staff responsible for accounting, financial reporting, reception, investments, debt management grants, purchasing, budgeting, general ledger, payroll, personnel, utility billing, court, annual audit, and workers compensation.



Human Resource Office

Processes payroll and pays all vendors associated with payroll. Researches and stays up to date on all FMLA, BOLI, Paid Leave Oregon, FMLA (Family Medical Leave Act), and current issues affecting staffing and payroll, job recruiting, employment listings, and processes all new hires. Also works with our insurance company to process Risk Management.

Activity Measures from Last Year, with Performance Percentage From Prior Year

Activity Measures	FY 2020-21	FY 2021-22 Estimated	Did the City Meet Estimates?	Performance Percentage	FY 2022-23 Projected
City Council Meetings	17	24	No 21	88%	24
City Council Executive Sessions	13	8	No 7	88%	10
URA Meetings & Work sessions	18	10	Yes 21	210%	20
Resolutions Adopted	19	15	Yes 22	147%	18
Ordinance Adopted	12	8	Yes exactly 8	0%	10
Public Records Requests	32	65	Yes 67	103%	70

Explanation of Significant Budget Variances

2024 Adopted Budget vs 2023 Projected Actual

- Increased amount of reserves and contingency funds by \$605,853.
- No transfers out of General Fund.

Summary of Explanations Above

The intention is to reserve a beginning fund balance for the 24/25 Budget Year. To support this intention, it was agreed not to have transfers going out of the General Fund (GF). Historically, the GF has transferred funds into the Fleet and Capital Funds for the new Police Facility construction costs. Since the City will be seeking funding for the facility, it was agreed to hold that transfer in order to support the Goal.

Goals for 2024

- ✓ Prepare an ACFR (Annual Comprehensive Financial Report) for submission to the GFOA.
- ✓ Receive fifth Budget Award.

2023 Accomplishments

- ✓ Received GFOA Distinguished Budget award for a 4th year.

Goals Aligned with Molalla Area Vision and Action Plan 2030 (Focus Area #2)

Develop the physical infrastructure needed to support a welcoming community.

- Increased communication through the [Molalla Current](#), which supports infrastructure needs and a welcoming community.

Foster socially welcoming activities and embrace diversity as our strength.

- Participates and sponsors Celebrate Molalla.
- Participates in Town Halls.

Engage youth:

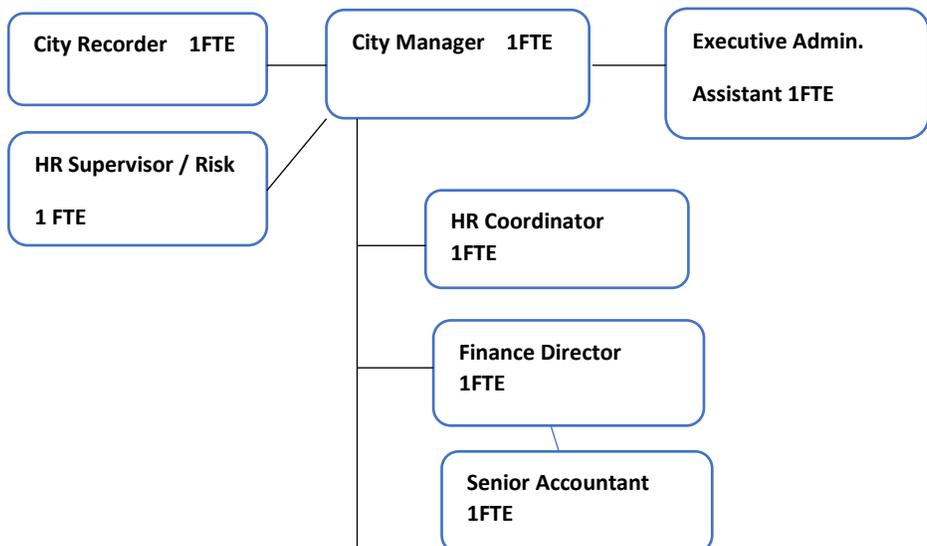
- Participated in the Career Fair at Molalla High School to encourage professional development.

Staffing

	FY 2021-22	FY 2022-23 Projected	FY 2023-24 Budgeted
City Manager	1	1	1
Finance Director	1	1	1
Senior Accountant	1	1	1
Exec Admin Assistant	1	1	1
Finance Accountant	0	1	0
HR Coordinator	1	1	1
HR Supervisor/Risk (Vacant)		1	1
City Recorder	1	1	1

Changes to staffing from Prior Year

- Discontinued the Finance Accountant Position
- Created an HR Supervisory position to be filled in the future.
- The Finance Director has retired, causing Interim positions allowing the vacancy to fill an HR Supervisory position.



Historical Data			Budget for Next FY 2023-2024			
Actual		Adopted Budget		Proposed By	Approved By	Adopted By
2nd Preceding	1st Preceding	This Year		Budget Officer	Budget Com.	Gov. Body
Year 2020-2021	Year 2021-2022	Year 2022-2023				
			PERSONNEL SERVICES			
\$238,001.18	\$294,085.01	\$398,180.00	BENEFITS AND TAXES	\$287,587.00		
\$501,998.20	\$613,101.84	\$694,100.00	SALARIES AND WAGES	\$712,558.00		
\$739,999.38	\$907,186.85	\$1,092,280.00	TOTAL PERSONNEL SERVICES	\$1,000,145.00		
5.00	6.00	7.00	FTE	7.00		
			MATERIALS & SERVICES			
\$2,519.80	\$4,943.47	\$5,000.00	POWER	\$5,000.00		
\$15,881.10	\$16,474.87	\$17,500.00	PHONE	\$17,000.00		
\$26,052.28	\$26,685.31	\$18,000.00	OPERATIONS & MAINTENANCE	\$20,000.00		
\$38,851.63	\$6,352.51	\$10,000.00	BUILDING MAINTENANCE	\$6,000.00		
\$4,151.46	\$6,381.59	\$12,500.00	TRAINING & CONF. TRAVEL	\$12,500.00		
\$10,746.46	\$11,217.44	\$12,000.00	DUES & MEMBERSHIP	\$12,500.00		
\$1,465.59	\$3,339.58	\$2,800.00	POSTAGE	\$3,700.00		
\$4,015.45	\$585.47	\$5,000.00	PRINTING & PUBLICATIONS	\$500.00		
\$540.82	\$14,691.16	\$57,300.00	PROFESSIONAL SERVICES	\$8,000.00		
\$22,481.29	\$20,163.73	\$23,000.00	INSURANCE/LIABILITY/GEN	\$29,000.00		
\$0.00	\$0.00	\$0.00	PARK-KEY DEPOSIT REFUNDS	\$0.00		
\$2,661.27	\$5,213.56	\$4,000.00	CUSTODIAN	\$6,500.00		
\$0.00	\$0.00	\$0.00	CUSTODIAL SUPPLIES	\$0.00		
\$6,514.88	\$4,878.41	\$6,500.00	OFFICE SUPPLIES	\$12,000.00		
\$8,418.64	\$8,273.63	\$30,000.00	CITY ATTORNEY	\$12,500.00		
\$50,375.76	\$46,358.54	\$46,000.00	COMPUTER SERVICES	\$50,000.00		
\$0.00	\$0.00	\$10,000.00	EMERGENCY MANAGEMENT	\$10,000.00		
\$13,006.90	\$13,855.84	\$20,000.00	RECORDS MANAGEMENT	\$14,000.00		
\$31,632.55	\$32,920.83	\$50,000.00	AUDITS & BUDGETS	\$41,600.00		
\$175.00	\$0.00	\$0.00	MEETINGS	\$0.00		
\$239,490.88	\$222,335.94	\$329,600.00	TOTAL MATERIALS & SERVICES	\$260,800.00		

GENERAL FUND ADMINISTRATION

Budget for Next FY 2023-2024

Historical Data			<i>Continued</i>			
2nd Preceding Year 2020-2021	Adopted Budget This Year Year 2021-22	Adopted Budget This Year Year 2022-23		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
CAPITAL OUTLAY						
\$41,483.80	\$294,053.72	\$100,000.00	CAPITAL IMPROVEMENTS		\$0.00	
\$0.00	\$927,890.41	\$227,000.00	GRANT-ARP#1		\$97,533.00	
\$0.00	\$87,303.34	\$0.00	GRANT-CRF-PARKS		\$0.00	
\$41,483.80	\$1,309,247.47	\$327,000.00	TOTAL CAPITAL OUTLAY		\$97,533.00	
TRANSFERS OUT						
\$0.00	\$0.00	\$801,000.00	TRANSFER TO CAPITAL-ARPA		\$0.00	
\$0.00	\$0.00	\$611,397.00	TRANSFER CAPITAL		\$0.00	
\$0.00	\$0.00	\$1,412,397.00	TOTAL TRANSFERS OUT		\$0.00	
CONTINGENCY						
\$0.00	\$0.00	\$1,422,000.00	OPERATING CONTINGENCY		\$1,500,000.00	
\$0.00	\$0.00	\$1,422,000.00	TOTAL OPERATING CONTINGENCY		\$1,500,000.00	
FUND BALANCE/RESERVES						
\$0.00	\$0.00	\$200,000.00	FB RESERVE/PERS		\$25,000.00	
\$0.00	\$0.00	\$90,000.00	FB RESERVE		\$833,250.00	
\$0.00	\$0.00	\$0.00	RESERVE/PLANNING DIGITAL SVC		\$25,000.00	
\$0.00	\$0.00	\$290,000.00	TOTAL RESERVES		\$883,250.00	
\$1,020,974.06	\$2,438,770.26	\$4,873,277.00	TOTAL ADMINISTRATION REQUIREMENTS		\$3,741,728.00	

Police Department



The 2023-2024 budget for the Molalla Police Department reflects the growing needs of our police department to meet community expectations. The police department and the city continue to face legislation that gives us the opportunity to think outside of the box. The 2023-2024 budget will provide the police department as well as community development with a full-time code compliance specialist. This will allow the city to have a more proactive and less reactive approach to neighborhood livability issues. This budget will also allow us to hire additional police officers to keep up with the growth of the city. This will also allow for more participation in specialized units, which will have a direct benefit and impact on the citizens of the City.

The police department has had many accomplishments during this fiscal year that would not have been possible without a strong collaboration with other city departments and leadership. We have fully implemented our body worn cameras which have been fully embraced by not only the police officers but by the community. In keeping with the visioning goals set by council and staff we have increased supervision with the promotion of a sergeant. This sergeant not only supervises patrol officers, but also supervises our detective unit, which is something we have never had.

The police department is making great progress in building a new police facility. We have hired a great architectural firm that has expertise in police facilities from large to small. We have also hired a general contractor who has expertise in public safety facilities and has built several local public safety facilities in Clackamas County. We have also hired an elections consultant to engage public input and feelings around a general obligation bond to build the new facility. With all three of these pieces in motion we are very close to seeing this project come to fruition.

The goals and accomplishments would not have been successful without the hard work from all police department staff and the collaboration of all city departments and management.

Activity Measures from Last year, with Performance Percentage from prior year.

	FY 2020-21	FY 2021-22 Estimated	Did Police Department Meet Expectations	Performance Percentage	FY 2022-23 Projected
Offenses	1123	1155	Yes 1229	106%	1170
Citations (Not Warnings)	721	730	No 673	92%	700
Arrests	212	400	Yes 402	101%	400

Explanation of Significant Budget Changes

2024 Adopted Budget vs, 2023 Projected Actual

- Computer SVC, Rep & Upgrades down \$80,000.
- Supplies Equipment down \$74,000.
- No Transfer to Capital Projects
- No Transfer to Police Fleet

Summary of Explanations above

To reserve the beginning fund balances and to conserve spending the City agreed to not transfer money to the fleet fund this fiscal year. Prior transfers have allowed enough saved to purchase the cars and equipment needed for the upcoming new hires. New equipment and computers were added last year and not needed in the new year.

Goals for 2024

- ✓ Successfully pass a bond for a New Police Facility.
- ✓ Reach 90% completion of the New Police Facility.
- ✓ Hire (2) additional officers to proactively serve the community.
- ✓ Have an active role in specialty units, SWAT, Crisis Negotiation Team, Threat Assessment Team, Interagency Taskforce, etc.

2023 Accomplishments

- ✓ Fully implemented our body worn cameras.
- ✓ Secured architectural firm that has expertise in police facilities.

Goals Aligned with Visioning

Develop the physical infrastructure needed to support a welcoming community.

- By adding a Code Compliance Specialist there is a more proactive and less reactive approach to neighborhood livability issues.
- Hiring of (2) additional police officers to keep up with the growth of the city. Also allows for more participation in specialized units, having a direct benefit and impact on the citizens of the City.

Foster socially welcoming activities and embrace diversity as our strength.

- National Night Out first Tuesday in August. Embracing welcoming activities and community strength.

Engage youth.

- Participated at the job fair with Molalla High School to encourage professional development.
- (1) Full Time School Resource Officer

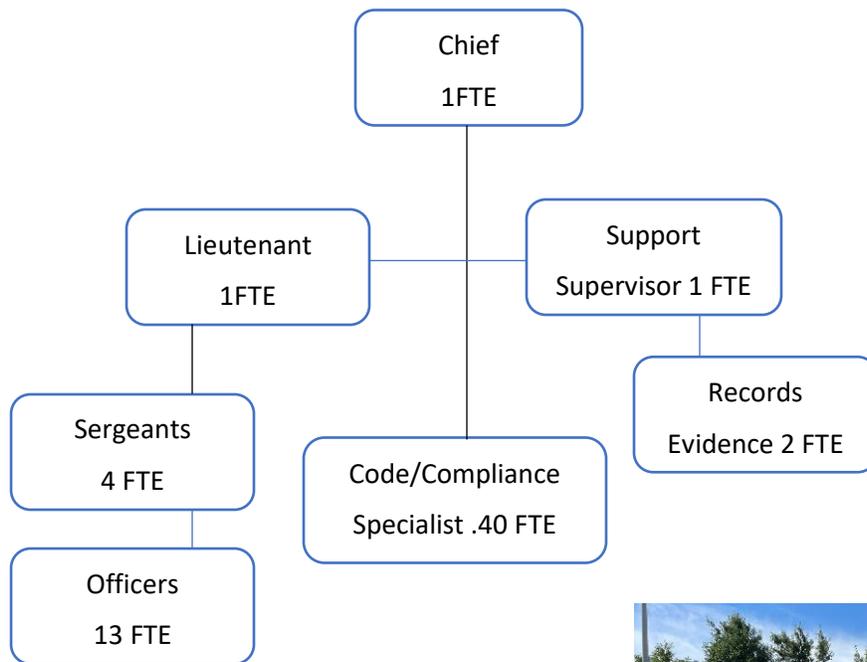


Staffing

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24 Projected
Full Time FTE's	18.5	19.0	20.0	22.4

Changer from Prior Year

- Addition of 2 new officers
- Addition of Code Compliance Specialist shared Position with Community Development .40



GENERAL FUND POLICE DEPARTMENT

Budget for Next FY 2023-2024

Historical Data						
Actual						
2nd Preceding Year 2020-2021	1st Preceding Year 2021-2022	Adopted Budget This Year Year 2022-2023		Proposed By Budget Officer	Approved By Budget Com.	Adopted By Gov. Body
			PERSONNEL SERVICES			
\$817,032.04	\$867,044.08	\$1,159,000.00	BENEFITS AND TAXES		\$1,045,041.00	
\$1,671,610.12	\$1,706,912.91	\$1,917,100.00	SALARIES AND WAGES		\$2,100,123.00	
\$2,488,642.16	\$2,573,956.99	\$3,076,100.00	TOTAL POLICE PERSONNEL SERVICES		\$3,145,164.00	
18.5	19.00	20.00	FTE		22.40	
			MATERIALS & SERVICES			
\$6,219.87	\$5,700.88	\$7,500.00	POWER		\$11,000.00	
\$23,545.12	\$17,689.39	\$25,000.00	PHONE		\$25,000.00	
\$43,638.00	\$61,817.08	\$70,000.00	CONNECTIVITY/INTERNET		\$70,000.00	
\$10,944.45	\$18,316.79	\$20,000.00	OPERATIONS & MAINTENANCE		\$18,000.00	
\$798.94	\$1,613.01	\$5,000.00	BUILDING MAINTENANCE		\$2,100.00	
\$18,925.17	\$22,832.41	\$20,000.00	TRAINING & CONF. TRAVEL		\$25,000.00	
\$1,700.30	\$1,795.50	\$2,000.00	DUES & MEMBERSHIP		\$3,500.00	
\$443.75	\$1,176.23	\$2,000.00	POSTAGE		\$1,000.00	
\$64,734.45	\$59,475.18	\$70,000.00	CONTRACTS & OBLIGATIONS		\$85,000.00	
\$7,029.63	\$1,426.53	\$10,000.00	PROFESSIONAL SERVICES		\$5,500.00	
\$47,500.00	\$39,312.54	\$42,000.00	INSURANCE/LIABILITY/GEN		\$50,706.00	
\$39,263.25	\$67,474.35	\$70,000.00	VEHICLE FUEL		\$80,000.00	
\$38,604.80	\$29,111.76	\$35,000.00	VEHICLE REPAIR		\$35,000.00	
\$16,048.09	\$16,523.59	\$17,000.00	UNIFORMS		\$18,000.00	
\$9,504.57	\$11,004.15	\$12,000.00	JANITOR		\$16,000.00	
\$0.00	\$2,591.77	\$700.00	OFFICE SUPPLIES		\$1,200.00	
\$107,657.00	\$122,204.75	\$133,000.00	CENTRAL DISPATCH		\$135,000.00	
\$2,268.46	\$2,897.17	\$5,000.00	LEGAL SERVICES		\$5,000.00	
\$3,841.94	\$3,673.83	\$4,000.00	OFFICE MACHINES & MAINT		\$4,000.00	
\$15,942.65	\$15,972.02	\$18,000.00	FIREARMS		\$18,000.00	
\$14,307.78	\$12,016.75	\$105,000.00	COMPUTER SVC, REP & UPGRADES		\$25,000.00	
\$16,055.45	\$38,189.68	\$114,000.00	SUPPLIES / EQUIPMENT		\$40,000.00	
\$488,973.67	\$552,815.36	\$787,200.00	TOTAL MATERIALS & SERVICES		\$674,006.00	

Historical Data			Budget for Next FY 2023-2024			
Actual			GENERAL FUND			
			POLICE			
2nd Preceding Year 2020-2021	1st Preceding Year 2021-2022	Adopted Budget This Year Year 2022-2023		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
			CAPITAL OUTLAY			
\$0.00	\$0.00	\$0.00	TOTAL CAPITAL OUTLAY		\$0.00	
			TRANSFERS OUT			
\$300,000.00	\$500,000.00	\$500,000.00	TRANSFER TO CAP PROJECTS-PD		\$0.00	
\$70,000.00	\$70,000.00	\$110,000.00	TRANSFER TO POLICE FLEET RES		\$0.00	
\$370,000.00	\$570,000.00	\$610,000.00	TOTAL TRANSFERS OUT		\$0.00	
\$3,347,615.83	\$3,696,772.35	\$4,473,300.00	TOTAL POLICE REQUIREMENTS		\$3,819,170.00	

Municipal Court Department



The Molalla Municipal Court is a service to our community and as such it is important that our staff be available to answer the needs of the public. As of November 1, 2021 the courthouse relocated to the new Molalla Civic Center located at 315 Kennel Avenue, Molalla, OR 97038.

Municipal Court for the City of Molalla constitutes the City's chartered judicial tribunal and hears cases arising under the [Molalla Municipal Code](#), the Oregon Vehicle Code, all misdemeanor charges, both traffic and non-traffic, and most recently driving under the influence of intoxicants (DUI) crimes.

As of December 13th, 2022, Molalla Municipal Court switched from scheduling court sessions at night to scheduling court during the day. The dates have changed from 3 nights a month to 2 half days of the month, now hearing traffic and criminal cases each day. Additional days are added in the month as needed for court jury trials. Please refer to the court calendar. [Go Here!](#) For information regarding the court about fines, parking, forms, payment options, etc. [Go Here!](#) For more detailed information.

Activity Measures from Last Year, with Performance Percentages from prior year.

Activity Measures	FY 2020-21	FY 2021-22 Projected	Did the Court Meet Expectations?	Performance Percentage	FY 2022-23 Projected
Misc. Violations, (MIP, Tobacco/MJ, Bikes, etc.)	10	14	No 6	43%	10
Misdemeanor	120	147	Yes 165	112%	160
Traffic	544	595	No 512	86%	520

Explanations of Significant Budget Variances

2024 Adopted Budget vs, 2023 Projected Actual

- Budgeted revenues have declined due to hardships caused by the COVID-19 pandemic and changes in state law.
- New Security Contractor

Summary of Explanations above

Due to the decline in revenues from prior years the court is taking a conservative approach to spending this fiscal year. In the past when the Court operated in the evenings certain Public Works staff members would act as bailiffs. Now that the court is operating on a daytime schedule, we decided to contract with Oregon Patrol Services for security and bailiff needs.

Goals for 2024

- ✓ Continue with efforts to clean up databases of cases that are deemed uncollectable by state law. (20 years old)

2023 Accomplishments

- ✓ Successfully transitioned to Day Court

Goals Aligned with Visioning

Develop the physical infrastructure needed to support a welcoming community.

- Moved to a Daytime Court, more accessible schedule for community.

Foster socially welcoming activities and embrace diversity as our strength.

- The court offers a phone interpreter service, when needed, handling cases in the courtroom, at the court counter, and via phone. The interpreter service provides a wide array of languages they can handle, including ASL via video. So far, we've utilized the Spanish, Russian, and ASL interpreters.

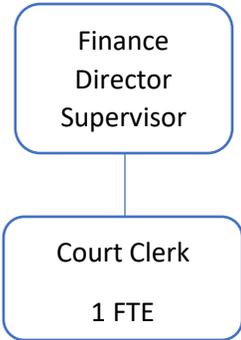
Engage youth.

- Encourage diversion programs and educational classes as substitutes for convictions when youth find themselves in court to promote educational opportunities and keep their records clean.

Staffing

Full Time FTE's	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24 Projected
Court Clerk	.75	1.0	1.0	1.0

No changes in staffing from Prior year.
The Judge and Prosecutor are under Contract.



GENERAL FUND MUNICIPAL COURT

Budget for Next FY 2023-2024

Historical Data						
Actual						
2nd Preceding Year 2020-21	1st Preceding Year 2021-22	Adopted Budget This Year Year 2022-23		Proposed By Budget Officer	Approved By Budget Com.	Adopted By Gov. Body
\$35,984.79	\$35,772.66	\$45,800.00	PERSONNEL SERVICES			
			BENEFITS AND TAXES	\$35,908.00		
\$114,280.35	\$66,022.10	\$67,500.00	SALARIES AND WAGES	\$67,277.00		
\$150,265.14	\$101,794.76	\$113,300.00	TOTAL PERSONNEL SERVICES	\$103,185.00		
0.75	0.75	1.00	FTE	1.00		
			MATERIALS & SERVICES			
\$621.99	\$570.08	\$750.00	POWER	\$1,000.00		
\$7,933.04	\$7,064.83	\$8,300.00	PHONE/COMPUTER/CONNECTIVITY	\$7,000.00		
\$11,669.99	\$3,920.29	\$4,200.00	OPERATIONS & MAINTENANCE	\$2,950.00		
\$2,934.23	\$17.82	\$3,000.00	BUILDING MAINTENANCE	\$850.00		
\$100.00	\$1,151.64	\$500.00	TRAINING & CONF. TRAVEL	\$1,000.00		
\$370.70	\$327.00	\$400.00	DUES & MEMBERSHIP	\$50.00		
\$459.00	\$417.45	\$550.00	POSTAGE	\$400.00		
\$0.00	\$109.89	\$500.00	PRINTING & PUBLICATIONS	\$100.00		
\$7,507.85	\$60,307.90	\$90,000.00	PROFESSIONAL SERVICES	\$88,000.00		
\$3,644.09	\$2,791.88	\$2,900.00	INSURANCE/LIABILITY/GEN	\$5,000.00		
\$1,265.65	\$2,128.75	\$2,000.00	JANITOR	\$1,000.00		
\$2,731.77	\$1,062.68	\$1,500.00	OFFICE SUPPLIES	\$500.00		
\$10,950.00	\$9,450.00	\$15,000.00	COURT APPOINTED ATTORNEY	\$11,500.00		
\$0.00	\$349.00	\$2,000.00	COMPUTER SERVICES	\$250.00		
-\$5.00	\$0.00	\$500.00	BAIL REFUND	\$250.00		
\$23,400.31	\$1,285.36	\$0.00	CLACKAMAS COUNTY	\$0.00		
\$10,303.53	\$0.00	\$0.00	OR DEPT OF REVENUE	\$0.00		
\$25.00	\$300.00	\$0.00	OS AGENCY FINES DUE	\$200.00		
\$0.00	\$0.00	\$0.00	SECURITY	\$9,500.00		
\$822.87	\$1,127.00	\$1,500.00	VICTIM RESTITUTION	\$250.00		
\$84,735.02	\$92,381.57	\$133,600.00	TOTAL MATERIALS & SERVICES	\$129,800.00		
\$235,000.16	\$194,176.33	\$246,900.00	TOTAL COURT REQUIREMENTS	\$232,985.00		

City Council Department

The City Council consists of the Mayor and six Councilors. This duly elected body serves the City of Molalla as the highest-ranking elected body within the Molalla city limits. Council provides input and governance over policy, approval of certain contracts, goal setting, adopting the annual budget, employing the City Manager and Municipal Court Judge and offers guidance to ensure and establish rules and regulations for the City of Molalla. Council meetings are held the second and fourth Wednesday of each month. Council meeting agendas, minutes, and videos can be found on the City of Molalla website or [Go, HERE!](#) for more information.



City Council Members

If you could like additional information on council members or would like to get in touch with them, please refer to the City of Molalla's website or [Go, HERE!](#)

	Mayor Scott Keyser Elected 11/3/2020 Term Ends 12/31/2024	
Councilor Crystal Robles Elected 11/3/2020 Term Ends 12/31/2024	Councilor Terry Shankle Elected 11/6/2018 Term Ends 12/31/2025	Council President Jody Newland Elected 11/3/2020 Term Ends 12/31/2024
Councilor Leota Childress Elected 11/6/2018 Term Ends 12/31/2025	Councilor Eric Vermillion Appointed 12/22/2021 Term Ends 12/31/2024	Councilor Rae Botsford Elected 11/8/2022 Term Ends 12/31/2026

Historical Data			GENERAL FUND CITY COUNCIL DEPARTMENT	Budget for Next FY 2023-2024		
Actual				Proposed By	Approved By	Adopted By
2nd Preceding Year 2020-2021	1st Preceding Year 2021-2022	Adopted Budget This Year Year 2022-2023		Budget Officer	Budget Com.	Gov. Body
			MATERIALS & SERVICES			
\$1,212.15	\$1,346.89	\$1,100.00	OPERATIONS & MAINTENANCE		\$2,500.00	
\$1,208.92	\$4,622.59	\$5,000.00	TRAINING		\$6,000.00	
\$618.00	\$414.00	\$800.00	DUES & MEMBERSHIP		\$500.00	
\$4.00	\$0.00	\$50.00	POSTAGE		\$50.00	
\$0.00	\$0.00	\$6,500.00	LEGAL SERVICES		\$1,100.00	
-\$2,248.16	\$575.00	\$19,400.00	VISIONING GRANT		\$23,060.00	
-\$313.75	\$16,142.86	\$12,000.00	CELEBRATE MOLALLA		\$4,000.00	
\$5,628.23	\$8,105.00	\$6,500.00	BANNER PROJECT		\$6,500.00	
\$13,900.00	\$13,154.82	\$14,000.00	MEETINGS AND STIPENDS		\$20,500.00	
\$5,124.58	\$1,243.90	\$5,000.00	SPECIAL COUNCIL PROJECTS		\$600.00	
\$25,133.97	\$45,605.06	\$70,350.00	TOTAL MATERIALS & SERVICES		\$64,810.00	
\$25,133.97	\$45,605.06	\$70,350.00	TOTAL COUNCIL REQUIREMENTS		\$64,810.00	

Parks Department

The Parks Department is part of the General Fund budget and provides the funding for the staffing, equipment, and supplies necessary to operate and maintain city parks and park structures.

Fiscal Year 2022-2023 was a big one for Molalla Parks. First, the City was fortunate enough to receive substantial funding support from Molalla Communications Company (MCC) to assist in constructing the new tot park on Mary Drive known as "[Strawberry Park.](#)" Additionally, the City was able to replace the playground equipment at Fox Park, and construct a 9-hole Disk Golf Course at Ivor Davies Park.



This fiscal year will be just as busy and just as important to Molalla Parks, but with a little bit less visibility. The Pickleball Courts slated to go into Long Park will be a big boost to the Downtown Core, and the upgrade of Molalla Forest Road adjacent to Chief Yelkus Park will enhance the city's bike and trail system, but the bulk of the work will be in development of the Parks Master Plan update.

Each infrastructure system in the community has a Master Plan attached to it. The plan lays out the improvements and work to be done on the system to meet customer demand over the next 10-20 years as well as the costs associated with and eligibility for System Development Charges. The Parks Master Plan provides City Staff with our marching orders for improvement of the City's Parks and Trails System. The planning process includes substantial public outreach and attempts to roll in the desires of the community to the extent practicable.



This year's Parks budget marks a decrease in Capital spending as funds are preserved while Master Planning occurs, and maintenance costs are balanced to account for the new parks and equipment added to Molalla's inventory in FY22-23.



Activity Measures from Last Year, Performance Percentage from prior year.

	FY 2019-20	FY 2020-21	FY 2021-22 Estimate	Parks Meet Estimates	Performance Percentages	FY 2022-23 Estimate
Park Rentals	26	15	30	Yes 77	257%	50

Explanation of Significant Budget Variances

2024 Adopted Budget vs 2023 Projected Actual

- No transfers to fleet this year.
- Professional Services increased by \$9,350.

Summary of Explanations Above

Budgeting conservatively, we decided to not transfer any funds from the General Fund this budget year. The intention is to increase the beginning fund balances moving forward into the next budget FY 24/25. Professional fees increased due to re-establishing a contract with TruGreen to keep our parks looking beautiful.

Goals for 2024

- ✓ To Complete Chief Yelkus Park
- ✓ To complete the Pickle Ball Courts in Long Park
- ✓ Upgrade Molalla Forest Road adjacent to Chief Yelkus Park
- ✓ Increase bike and trail systems.

2023 Accomplishments

- ✓ Purchased and installed new playground Equipment at Fox Park.
- ✓ Finished Strawberry Park.

Goals Aligned with Molalla Area Vision and Action Plan 2030 (Focus Area #2)

Develop the physical infrastructure needed to support a welcoming community.

- Increased communication through the [Molalla Current](#), which supports infrastructure needs and a welcoming community.

Foster socially welcoming activities and embrace diversity as our strength.

- Designed and constructed [Strawberry Park](#) last year.
- Finished the Disc Golf Course at Ivor Davies Park.

Engage youth:

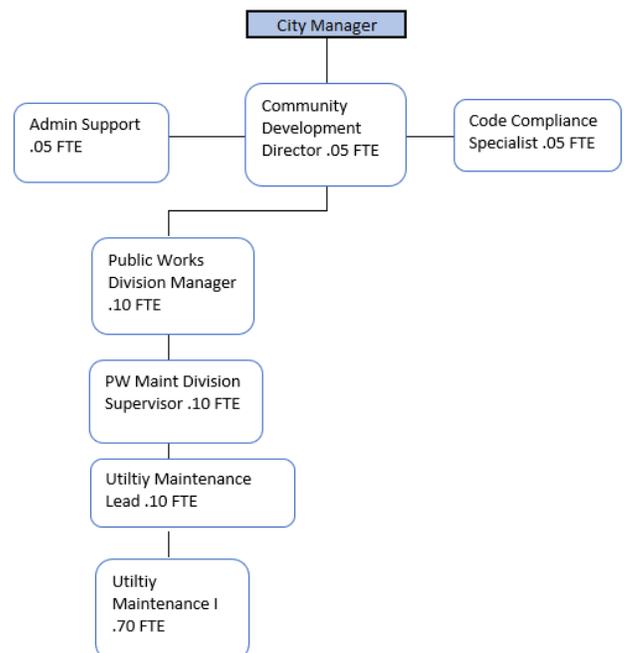
- Participated in the Career Fair at Molalla High School to encourage professional development.
- Adding parks that offer activities to youth of all ages.

Staffing

Changes from Prior Year

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Full Time FTE's	.86	.86	1.0	1.15

- Increase staffing by .15 FTE.
- Added .05 FTE for Compliance Specialist.
- Added .10 DTE for UM1, New Position to be allocated throughout Community Development



GENERAL FUND PARKS DEPARTMENT

Budget for Next FY 2023-2024

Historical Data						
Actual						
2nd Preceding Year 2020-2021	1st Preceding Year 2021-2022	Adopted Budget This Year Year 2022-2023	PERSONNEL SERVICES	Proposed By Budget Officer	Approved By Budget Com.	Adopted By Gov. Body
\$33,540.47	\$31,602.61	\$44,400.00	BENEFITS AND TAXES	\$43,837.00		
\$61,823.82	\$70,169.23	\$67,250.00	SALARIES AND WAGES	\$88,360.00		
\$95,364.29	\$101,771.84	\$111,650.00	TOTAL PERSONNEL SERVICES	\$132,197.00		
1.00	0.86	0.86	FTE	1.15		
			MATERIALS & SERVICES			
\$621.98	\$223.47	\$550.00	POWER	\$250.00		
\$0.00	\$97.43	\$0.00	NATURAL GAS	\$0.00		
\$22,501.12	\$44,270.65	\$30,000.00	OPERATIONS & MAINTENANCE	\$30,000.00		
\$2,476.86	\$795.44	\$2,500.00	BUILDING MAINTENANCE	\$1,500.00		
-\$25.00	\$99.00	\$650.00	TRAINING & CERTIFICATES	\$650.00		
\$130.70	\$127.00	\$175.00	DUES & MEMBERSHIP	\$175.00		
\$109.00	\$0.00	\$50.00	POSTAGE	\$0.00		
\$0.00	\$1,593.71	\$0.00	COMPUTER NETWORK	\$2,032.00		
\$9,392.25	\$3,129.00	\$2,650.00	PROFESSIONAL SERVICES	\$12,000.00		
\$7,700.00	\$6,653.14	\$5,600.00	INSURANCE/LIABILITY/GEN	\$9,665.00		
\$1,209.19	\$1,811.35	\$2,000.00	GAS & VEHICLE MAINTENANCE	\$2,500.00		
\$2,777.51	\$4,361.48	\$2,500.00	VEHICLE REPAIR	\$2,500.00		
\$737.67	\$772.30	\$200.00	UNIFORM & SAFETY GEAR	\$1,000.00		
\$1,646.80	\$1,210.20	\$1,000.00	SMALL EQUIPMENT/TOOLS	\$1,000.00		
\$216.49	\$481.76	\$200.00	SIGNS	\$200.00		
\$49,494.57	\$65,625.93	\$48,075.00	TOTAL MATERIALS & SERVICES	\$63,472.00		
			CAPITAL OUTLAY			
\$0.00	\$69,445.80	\$0.00	CAPITAL IMPROVEMENTS	\$0.00		
\$0.00	\$69,445.80	\$0.00	TOTAL CAPITAL OUTLAY	\$0.00		
			TRANSFERS OUT			
\$7,900.00	\$7,900.00	\$7,900.00	TRANSFER TO FLEET REPLACEMENT	\$0.00		
\$7,900.00	\$7,900.00	\$7,900.00	TOTAL TRANSFERS OUT	\$0.00		
\$152,758.86	\$244,743.57	\$167,625.00	TOTAL PARKS REQUIREMENTS	\$195,669.00		

Planning Department

Planning is a Division of the Community Development Department that is responsible for the short and long-range planning programs, implementation of the Comprehensive Plan, management of the Economic Development program, facilitation of the Planning Commission, assisting in the development of master planning documents, and community outreach.

The City continues to see record development numbers with 15 Type III (major land use actions) approvals, 3 Type II (minor land use actions) approvals, and 36 building permit approvals since July of 2021. The large number of land use and building actions will continue to impact the division's capacity for several years as the project's payout.



On the Economic Development front in FY22-23, the Planning Division completed an expansion of the City's Enterprise Zone, facilitated the Beautification and Culture Community Program

Committee (B&C CPC) in hosting a community art contest associated with the Wayfinding Kiosk grant (project completed last year), completed a grant funded Travel Oregon Destination Ready Assessment, and is in the process of using grant funds from Travel Oregon and Mount Hood Territory (Clackamas County) to develop and disseminate a Molalla River Corridor recreation map. Additionally, the B&C CPC, with support from the Planning Division has taken over responsibility for the Molalla Spring Clean and City-Wide garage sale. For the first time this year, a Molalla Current page has been published to help provide information on the event and sign-ups for the garage sale.

Planning Division staff is also in the process of conducting a Housing Needs Analysis and Production Strategy, largely funded by a DLCD Planning grant, in order to comply with HB 2003, and to facilitate exploration and potential expansion of Molalla's out of date Urban Growth Boundary.

This year's budget anticipates some slowing of the record development seen in Molalla over the past few years, continuation of the HB2003/UGB studies with additional grant support, and exploration of digital permitting as potentially required by a new state law under consideration at the state legislature.

More information on the planning department as well as contact information, City Maps, and Public Notices can be found on our website or [Go, HERE!](#)



Register for the Molalla Current,
[Go, HERE!](#)

Planning Commission

The Planning Commission is comprised of citizens (2 from outside the city limits and 5 from inside) that review certain land use decisions, decide upon appeals and make recommendations to the City Council on land use proposals. The Planning Commission is also responsible for maintaining and updating the city's comprehensive plan and supporting documents, the development code, and urban growth boundary.

Interested in being a part of the Planning Commission? To qualify, applicants must be U.S. citizens and submit a [completed *Application for Appointment to a Citizen Committee*](#). Forms are also available at City Hall. Each applicant shall include a brief statement of why you wish to serve on the Planning Commission. Applicants may include a resume with their applications. Appointments to the Planning Commission will be made by the Mayor.

Planning Commissioners and City Councilors are required to fill out a [Statement of Economic Interest](#) on or before April 15th of each calendar year.

Meetings are scheduled on the first Wednesday of each month.

Current Roster:

- **Doug Eaglebear, Chair** - deaglebear@cityofmolalla.com
- **Jennifer Satter** - jsatter@cityofmolalla.com
- **Connie Sharp** - csharp@cityofmolalla.com
- **Rick Deaton** - rdeaton@cityofmolalla.com
- **Clint Ancell** - cancell@cityofmolalla.com
- **Greg Hillhouse** - ghillhouse@cityofmolalla.com
- **Martin Ornelas** - mornelas@cityofmolalla.com

Activity Measures from Prior Year

Planning Measures Processed	2019	2020	2021	2022
# of all land use decisions & authorizations issued	102	89	198	89
# of Single-Family Units Permitted	11	11	20	11
# of Multi-Family Units Permitted	2	40	8	40
# of Commercial and Industrial Units Permitted	4	6	7	6

Explanation of Significant Budget Variances

2024 Adopted Budget vs 2023 Projected Actual

- No significant Variances

Summary of Explanations Above

Keeping our focus on conservative spending with the intention to increase beginning fund balances for the 24/25 budget year.

Goals for 2024

- ✓ Select and Implement a Digital Permitting Platform
- ✓ Reconcile Public/Semi-Public Land Uses with the Comprehensive Plan
- ✓ Comply with HB2003 and continue to advance the Sequential UGB Expansion process by:
 - Adopting the Housing Needs Analysis and Housing Production Strategy
 - Obtaining a Planning Grant for an Employment Opportunities Analysis
- ✓ Enhance the Economic Development webpage

2023 Accomplishments

- ✓ Awarded a Planning Grant from DLCD
 - Completed an adoption ready Housing Needs Analysis and Buildable Lands Inventory
- ✓ Awarded a Destination Ready Grant from Travel Oregon
 - Completed a Destination Ready Assessment that identified 1-, 5-, and 10-year projects to enhance Molalla Tourism
 - Completed and disseminated a Recreation Map featuring Molalla and the Molalla River Corridor.
- ✓ Awarded a Community Development Block Grant to increase ADA accessibility in the Molalla Civic Center.
- ✓ Completed an Expansion of the Molalla Enterprise Zone

Goals Aligned with Molalla Area Vision and Action Plan 2030 (Focus Area #2)

Develop the physical infrastructure needed to support a welcoming community.

- Increased communication through the [Molalla Current](#), which supports infrastructure needs and a welcoming community.

Foster socially welcoming activities and embrace diversity as our strength.

- Engaged KATU Channel 2 to Feature the Molalla Buckeroo on their Morning Show and other Platforms.

- Participated Heavily in coordination, and execution of the Celebrate Molalla event.

Engage youth

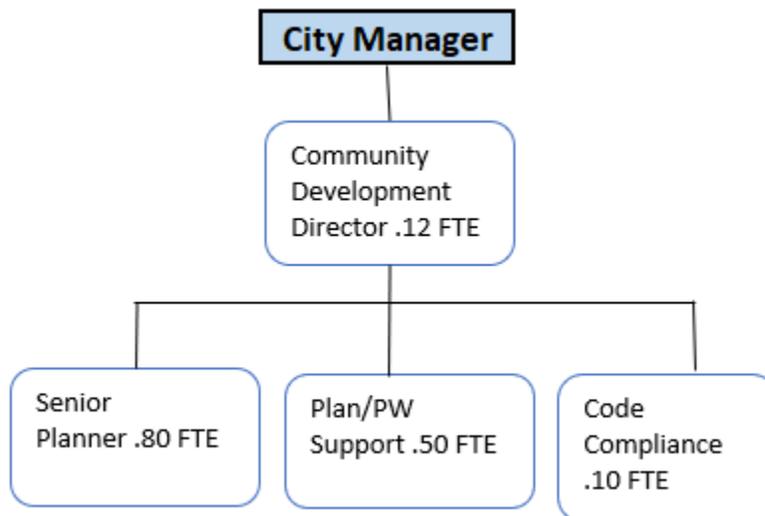
- Participated in the Career Fair at Molalla High School to encourage professional development and recruit potential interns.
- Developed and advertised a local government internship program, and the “student Councilor” program.

Staffing

	FY 20-21	FY 21-22	FY 22-23	FY 23/24
Staffing Full Time FTE's	2.5	2.5	1.50	1.52

Changes from Prior Year

- Only a .02 increase mainly due to reallocation and the addition of the Code Compliance Specialist.



GENERAL FUND PLANNING DEPARTMENT

Budget for Next FY 2023-2024

Historical Data						
Actual						
2nd Preceding Year 2020-2021	1st Preceding Year 2021-2022	Adopted Budget This Year Year 2022-2023	REQUIREMENTS	Proposed By Budget Officer	Approved By Budget Com.	Adopted By Gov. Body
			PERSONNEL SERVICES			
\$75,890.00	\$66,795.83	\$65,100.00	BENEFITS AND TAXES	\$65,511.00		
\$150,887.53	\$137,367.89	\$119,350.00	SALARIES AND WAGES	\$126,058.00		
\$226,777.53	\$204,163.72	\$184,450.00	TOTAL PERSONNEL SERVICES	\$191,569.00		
2.50	2.50	2.50	FTE	1.52		
			MATERIALS & SERVICES			
\$621.98	\$1,081.26	\$1,300.00	POWER	\$1,700.00		
\$2,965.45	\$7,992.35	\$9,000.00	PHONE	\$8,100.00		
\$6,787.38	\$8,695.94	\$5,000.00	OPERATIONS & MAINTENANCE	\$5,000.00		
\$32.21	\$219.09	\$500.00	BUILDING MAINTENANCE	\$1,500.00		
\$429.00	\$99.00	\$2,500.00	TRAINING & CONF. TRAVEL	\$2,500.00		
\$516.00	\$460.90	\$1,500.00	DUES & MEMBERSHIP	\$500.00		
\$1,026.41	\$918.38	\$1,500.00	POSTAGE-PLANNING	\$1,200.00		
\$1,702.00	\$732.37	\$2,500.00	PRINTING & PUBLICATIONS	\$1,500.00		
\$3,305.55	\$4,629.53	\$7,500.00	PROFESSIONAL SERVICES	\$31,300.00		
\$26,241.95	\$225.73	\$0.00	ECONOMIC DEVELOPMENT PLAN	\$0.00		
\$3,644.09	\$2,653.14	\$3,900.00	INSURANCE/LIABILITY/GEN	\$4,850.00		
\$1,520.70	\$1,531.94	\$2,500.00	CUSTODIAN	\$2,000.00		
\$1,498.23	\$1,268.61	\$1,000.00	OFFICE SUPPLIES	\$1,000.00		
\$99,508.34	\$14,961.34	\$12,000.00	CITY ATTORNEY-PLANNING	\$5,000.00		
\$1,938.60	\$2,295.50	\$2,300.00	COMPUTER SERVICES	\$3,000.00		
\$2,116.60	\$1,837.50	\$2,500.00	MEETINGS AND BOARDS	\$4,000.00		
\$0.00	\$1,130.00	\$40,000.00	UGB STUDY GRANT	\$55,000.00		
\$0.00	\$5,000.00	\$0.00	UGB STUDY GRANT-MATCH	\$5,000.00		
\$0.00	\$0.00	\$90,000.00	EMER MGMT PLAN GRANTAND MATCH	\$0.00		
\$0.00	\$0.00	\$80,000.00	DESTINATION READY GRANT& MATCH	\$0.00		
\$153,854.49	\$49,602.58	\$265,500.00	TOTAL MATERIALS & SERVICES	\$133,150.00		
\$380,632.02	\$253,766.30	\$449,950.00	TOTAL PLANNING REQUIREMENTS	\$324,719.00		

Library Fund



The Molalla Public Library is funded by the Clackamas County Library District and operated by the City of Molalla. The permanent rate is 0.3974 per thousand assessed property value. The Ready to Read grant is available to all public libraries in Oregon and pays for most of our summer reading program for elementary-aged children. It is administered through the State of Oregon Library.

The library continues to be a community Resource Hub and provides educational and entertainment materials and programs for our community. This past year, the library expanded its services to include bookmobile stops for underserved populations such as Plaza Los Robles and the Colton community as well as attending National Night Out, Celebrate Molalla, and local school programs.

Elementary age programs are offered monthly, engaging children of all ages. All programs are facilitated by library staff. Programs include:

- Homeschooling Huddle provides a connection for our homeschooling families as well as a learning-based enrichment program.
- LEGO CLUB encourages a love for design and building.
- STEAM (Science, Technology, Engineering, Arts, and Math) Powered Fun! Immerse children and their caregivers in a scientific topic each month with hands-on experiments.
- Teen STEAM and Teen Book Boxes

The library also offers many monthly adult programs. Programs include:

- Presentations from Bigfoot to Acupressure, there is something for everyone
- Citizen Preparation classes for exam
- Make it Monday offers a wide variety of craft projects
- Adult monthly book boxes
- Molalla Adult Center Bookmobile Monthly Stops
- Homebound services to individuals and care facilities upon request
- Group/Family activities all year long



Library staff continue to provide curbside service when requested, in addition to the activities above. Visits to local daycare and other care facilities occur on a regular basis. Our staff members remain committed to serving our community.

The budget prepared for next year reflects the increasing demand for streaming audio and e-materials as well as the continued need for books, DVDs, and books on CD, and music. Our programming budget allows us to maintain the quality of performers and the materials used for our many craft and educational programs. Increases also reflect the rising cost of doing business day to day.

Our budget is healthy and sustainable. It allows Library staff to continue to welcome our patrons, reach out to those who are unable to come to the library, and grow with our community with updated resources, outreach, and educational and family friendly events.



Music in the Park



Butterfly Storytime



Reptile Man



Fairy Gardens

Activity Measures from Last Year, with Performance Percentages from prior year

	FY 2020-21	FY 2021-22	Did Library Meet Expectations	Performance Percentage	FY 2022-23 Estimated
Materials Circulation	109237	159,777	No 159,571	99.99 %	160,000
Downloads / Streaming Circulation	20,631	18,500	Yes 21,519	116%	22,000
Participation in Programs	3,549	5,400	Yes 6,831	127%	6,900

Explanation of Significant Budget Changes

2024 Adopted Budget vs, 2023 Projected Actual

- Increase in building maintenance by \$45,000 for contract building maintenance
- Operations and maintenance increased by \$23,000
- Interest revenue new \$76,989
- Increased operating contingency & reserve by \$363,192 from previous year

Summary of Explanations Above

The intention is to preserve the beginning fund balance for the 24/25 budget year. This is why there is an increase in the contingency/reserve. The operation and maintenance increase is due to the need to replace the sidewalk and remove some trees. If the budget permits, it is possible to resurface the parking lot. In the past city employees have performed maintenance requests at the Library. To ensure availability and that the correct professional trade is involved we are moving away from this practice.

Goals for 2024

- Increase patron visits at bookmobile stops
- Increase outreach by 10%
- Refresh the library in cosmetic ways – e.g. sidewalk and planters
- Increase the availability of popular titles

2023 Accomplishments

- ✓ Purchased and received the bookmobile allowing more outreach services in the community and beyond City limits
- ✓ Increased outreach to daycare centers, care facilities, schools, underserved areas, and low-income housing
- ✓ Refreshed collection with duplicate titles, newer covers of older titles, and patron requests
- ✓ Worked to ensure multiple viewpoints are represented in our materials
- ✓ Established a solid core of regular programs our patrons count on
- ✓ Increased curated book boxes for adults and teens
- ✓ Purchased colorful book drop boxes outside with greater capacity and visibility

Goals Aligned with Visioning

Develop the physical infrastructure needed to support a welcoming Community.

- Constantly increasing communication through monthly events at the library. See full monthly schedule and activities on the City Calendar [Go, HERE!](#)
- For all programs and activities [Go, HERE!](#)



Foster socially welcoming activities and embrace diversity as our strength.

- Adult Programs such as Citizenship Preparation for the civic testing portion of the US Citizenship application.
- Presentations with a wide variety of speakers
- Regular visits with the bookmobile to Plaza Los Robles to present storytimes, crafts, and offer materials in Spanish for check out to residents
- Mexican cooking classes, Mexican Bingo (Loteria), and a celebration of Día de Los Muertos, celebrating heritage and ancestors through this Mexican holiday



Engage youth.

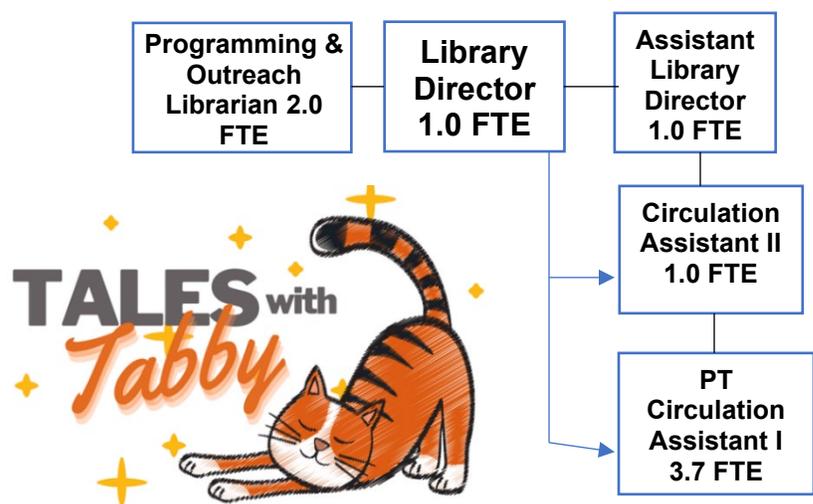
- Participated in the career fair with the Molalla High School to encourage professional development
- Regular visits to area daycare facilities
- Weekly storytime for ages 0-5 years
- Homeschooling Huddle, LEGO Club, and STEAM Powered Fun!
- Teen Book Boxes

Staffing

Changes from prior year:

*None

Staffing	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24 Projected
Full Time FTE	8.2	8.7	8.7	8.7



Historical Data
Actual

LIBRARY FUND

Budget for Next FY 2023-2024

2nd Preceding Year 2020-2021	1st Preceding Year 2021-2022	Adopted Budget This Year Year 2022-2023	RESOURCES	Proposed By Budget Officer	Approved By Budget Com.	Adopted By Gov. Body
\$1,873,941.24	\$2,073,666.18	\$1,982,401.00	BEGINNING FUND BALANCE	\$3,093,589.00		
			REVENUE			
\$1,003,215.00	\$1,025,811.00	\$1,045,000.00	COUNTY FUNDS	\$1,150,000.00		
\$0.00	\$850,000.00	\$850,000.00	LIBRARY DISTRICT CAPITAL FUNDS	\$0.00		
\$4,304.00	\$4,602.83	\$4,600.00	GRANTS	\$5,000.00		
\$0.00	\$1,128.87	\$1,500.00	COPIER INCOME	\$1,300.00		
\$95.00	\$108.50	\$100.00	MISC	\$300.00		
\$138.14	\$4,709.78	\$4,500.00	FINES	\$2,000.00		
\$1,200.00	\$2,113.70	\$750.00	DONATIONS	\$1,250.00		
\$0.00	\$0.00	\$0.00	INTEREST	\$76,989.00		
\$1,008,952.14	\$1,888,474.68	\$1,906,450.00	TOTAL FUND REVENUES	\$1,236,839.00		
\$1,873,941.24	\$2,073,666.18	\$1,982,401.00	TOTAL BEGINNING FUND BALANCE	\$3,093,589.00		
\$2,882,893.38	\$3,962,140.86	\$3,888,851.00	TOTAL LIBRARY FUND RESOURCES	\$4,330,428.00		

Historical Data
Actual

LIBRARY FUND

Budget for Next FY 2023-2024

2nd Preceding Year 2020-2021	1st Preceding Year 2021-2022	Adopted Budget This Year Year 2022-2023	REQUIREMENTS	Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
			PERSONNEL SERVICES			
\$159,937.72	\$197,619.56	\$272,204.00	BENEFITS AND TAXES	\$209,900.00		
\$323,864.47	\$421,398.21	\$456,949.00	SALARIES AND WAGES	\$504,300.00		
\$483,802.19	\$619,017.77	\$729,153.00	TOTAL PERSONNEL SERVICES	\$714,200.00		
8.20	8.20	8.70	FTE	8.70		
			MATERIALS & SERVICES			
\$6,453.53	\$6,630.24	\$9,500.00	POWER	\$11,000.00		
\$6,117.82	\$5,688.19	\$12,000.00	PHONE	\$6,250.00		
\$1,452.43	\$1,612.51	\$2,000.00	NW NATURAL GAS	\$2,000.00		
\$4,417.27	\$6,062.73	\$7,500.00	OPERATIONS & MAINTENANCE	\$30,500.00		
\$18,674.78	\$36,771.45	\$40,000.00	BUILDING MAINTENANCE	\$85,000.00		
\$1,930.39	\$1,196.52	\$5,000.00	TRAINING & CONF. TRAVEL	\$7,000.00		
\$798.10	\$758.00	\$1,000.00	DUES & MEMBERSHIP	\$1,000.00		
\$310.16	\$3,211.84	\$750.00	POSTAGE	\$500.00		
\$0.00	\$122.50	\$5,000.00	PROFESSIONAL SERVICES	\$4,500.00		
\$16,634.35	\$16,306.27	\$21,000.00	INSURANCE/LIABILITY/GEN	\$25,000.00		
\$59,487.10	\$63,671.94	\$64,000.00	BOOKS	\$63,000.00		
\$10,340.91	\$10,186.10	\$17,500.00	E-PUBLICATIONS	\$16,500.00		
\$5,716.93	\$4,472.48	\$4,600.00	READY TO READ MATERIAL	\$5,000.00		
\$22,182.04	\$21,032.83	\$32,000.00	AUDIO-VISUAL MATERIAL	\$27,000.00		
\$1,556.81	\$2,636.97	\$7,500.00	DATA BASES	\$10,000.00		
\$15,529.03	\$18,454.53	\$27,000.00	CUSTODIAN	\$25,000.00		
\$14,819.91	\$10,966.39	\$15,000.00	OFFICE SUPPLIES	\$13,500.00		
\$94,343.45	\$44,987.28	\$59,490.00	COST ALLOCATION AGREEMENT	\$86,528.00		
\$1,475.35	\$2,558.90	\$5,000.00	FURNITURE & FIXTURES	\$7,000.00		
\$5,162.15	\$5,103.45	\$6,500.00	COPIER EXPENSES	\$5,500.00		
\$23,749.20	\$31,931.80	\$32,000.00	PROGRAMS	\$35,000.00		
\$2,088.25	\$1,731.60	\$2,300.00	PERIODICALS	\$2,200.00		
\$4,259.33	\$5,148.37	\$17,000.00	EQUIPMENT	\$18,000.00		
\$317,499.29	\$301,242.89	\$393,640.00	TOTAL MATERIALS & SERVICES	\$486,978.00		

Historical Data
Actual

LIBRARY FUND

Budget for Next FY 2023-2024

2nd Preceding Year 2020-2021	1st Preceding Year 2021-2022	Adopted Budget This Year Year 2022-2023	REQUIREMENTS -cont	Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
			CAPITAL OUTLAY			
\$0.00	\$0.00	\$2,516,909.00	CAPITAL PROJECT - CONSTRUCTION	\$2,516,909.00		
\$0.00	\$0.00	\$2,516,909.00	TOTAL CAPITAL OUTLAY	\$2,516,909.00		
			TRANSFERS OUT			
\$0.00	\$0.00	\$0.00	TRANSFER TO FLEET REPLACEMENT	\$0.00		
\$0.00	\$0.00	\$0.00	TOTAL TRANSFERS OUT	\$0.00		
			CONTINGENCY			
\$0.00	\$0.00	\$244,149.00	OPERATING CONTINGENCY	\$400,000.00		
\$0.00	\$0.00	\$244,149.00	TOTAL OPERATING CONTINGENCY	\$400,000.00		
			RESERVES			
\$0.00	\$0.00	\$5,000.00	FB RESERVE/PERS	\$5,000.00		
\$0.00	\$0.00	\$0.00	FB RESERVE	\$207,341.00		
\$0.00	\$0.00	\$5,000.00	TOTAL RESERVES	\$212,341.00		
\$801,301.48	\$920,260.66	\$3,888,851.00	TOTAL LIBRARY REQUIREMENTS	\$4,330,428.00		
\$2,882,893.38	\$3,962,140.86	\$3,888,851.00	TOTAL RESOURCES AND FUND BAL	\$4,330,428.00		
\$801,301.48	\$920,260.66	\$3,888,851.00	TOTAL FUND REQUIREMENTS	\$4,330,428.00		
\$2,081,591.90	\$3,041,880.20	\$0.00	TOTAL NET LIBRARY FUND	\$0.00		

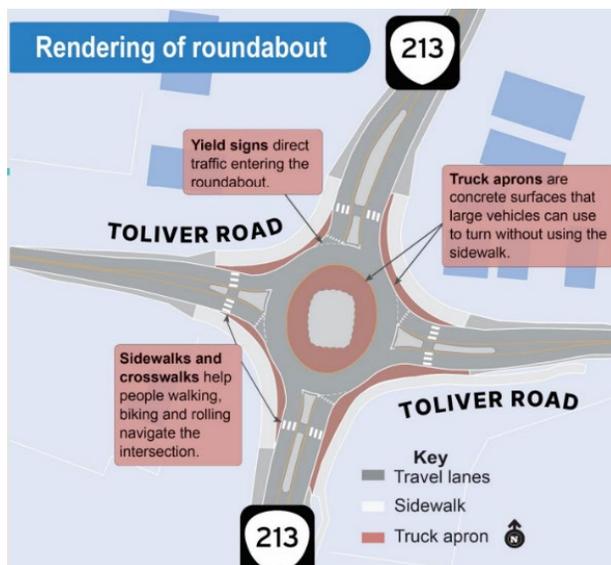
Street Fund

The Street Fund is an Special Revenue Fund that provides the labor, equipment, and supplies necessary to operate and maintain city streets and rights-of-way. Primary sources of revenue for this fund are State Gas Tax, Vehicle Registration Fees, and PGE Franchise Fees. Each is expected to be only slightly higher than last year.



Sidewalk Infill in conjunction with an Emergency Water Main Repair on Toliver at N Leroy Ave

FY23-24 will be a year of firsts for Molalla's Street Fund. First, a sidewalk infill program has been proposed in the budget to assist residents in construction and/or maintenance of sidewalks. Second, the City has added contract paving services. The purpose of the service is to address a set of paving projects each year through a budget line item that is generated exclusively to rehabilitate existing streets. The streets are prioritized using an analytical framework that looks at each road for such things such as traffic loads, past and future projects scheduled, nearby development patterns, available budget, and so on. Additional projects scheduled for FY23-24 include completion of the S Leroy Ave extension to Lowe Rd., extension of the Cascade Center cross section of OR-211 to just west of Ona Way, improvement of Molalla Forest Road north of OR-211, and resurfacing of Molalla Forest Road south of OR-211, improvement of Industrial Way just north of OR-211, and improvement of Ona Way just south of OR-211.



Rendering of the Roundabout Project at Toliver and OR-213

In FY22-23, the City was able to advance several of the projects scheduled for completion in FY23-24, and complete the Traffic Signal at Molalla Ave. and OR-211, correct the curb extensions on Shirley and Cole, complete an overlay of Heintz St., and an overlay of Eckerd Ave. The City was also able to complete the purchase of a new backhoe that will be used heavily in Street maintenance, repair, and construction.

Activity Measures from Prior Year, with Performance Percentages from prior year.

	FY 2019-20	FY 2020-21	FY 2021-22 Estimated	Did Streets Meet Estimates?	Performance Percentages	FY 2022-23 Estimated
# of local road feet paved/resurfaced	0	33 FT	1300 FT	Yes 3780	291%	4,000
TONS of debris was removed from roads.	0	17	55	Yes 166.6	303%	150
# of work orders completed	3948	4105	3906	Yes 4170	107%	4,200

Explanation of Significant Budget Variances

2024 Adopted Budget vs 2023 Projected Actual

- Building Maintenance Increased \$19,700
- New Road Resurfacing Program Increase \$250,000
- Increased Contingency Reserve by \$366,665

Summary of Explanations Above

Increase building maintenance in order to paint Pole shed, repair building roof, and to repair civic center leaks. Road resurfacing program will address current paving projects each year. By increasing the contingency reserve, the intention is to reserve beginning fund balance for the 24/25 FY.

Goals for 2024

- ✓ Complete S Leroy Ave extension to Lowe Rd.
- ✓ Extend Cascade Center cross section of OR-211 to just west of Ona Way.
- ✓ Improvement of Molalla Forest Road N OR-211.
- ✓ Improvement of Industrial Way N of OR-211.
- ✓ Improvement of Ona Way S of OR-211.

Accomplishments for 2023

- ✓ Completed traffic signal at Molalla Ave.
- ✓ Corrected curb extensions on Shirley & Cole.

Goals Aligned with Molalla Area Vision and Action Plan 2030 (Focus Area #2)

Develop the physical infrastructure needed to support a welcoming community.

- Increased communication through the [Molalla Current](#), which supports infrastructure needs and a welcoming community.

Foster socially welcoming activities and embrace diversity as our strength.

- Participates in the City-Wide Newsletter that offers a bilingual version.
- Molalla Current can also be easily converted to Spanish.

Engage youth:

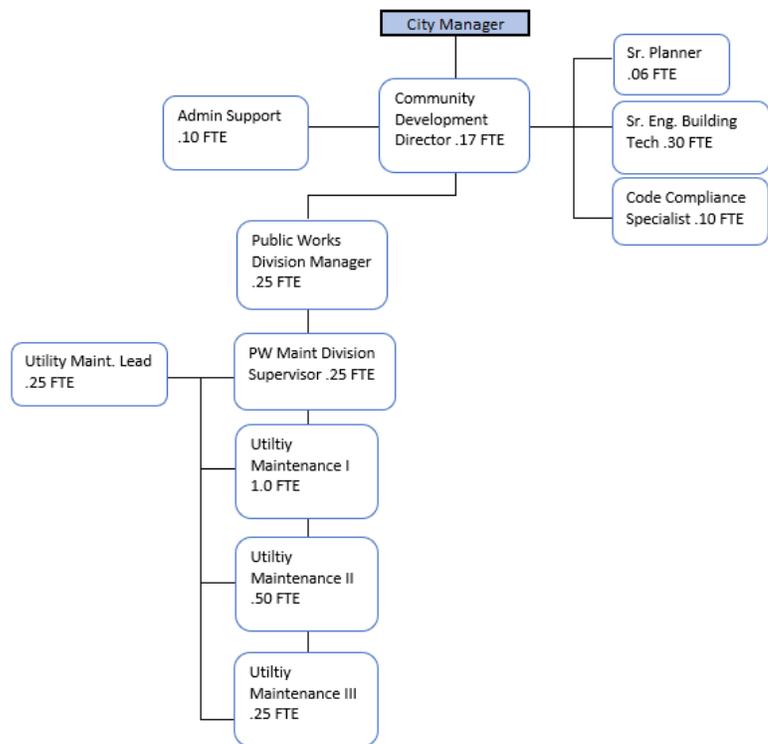
- Participated in the Career Fair at Molalla High School to encourage professional development.

Staffing

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Full Time FTE	3.34	3.34	2.86	3.23

Changes from Prior Year

- Increase of .37 FTE
- Addition of a Code Compliance Specialist
- Addition of a Shared UMI



Historical Data			STREET FUND	Budget for Next FY 2023-2024		
Actual		Adopted Budget				
2nd Preceding Year 2020-2021	1st Preceding Year 2021-2022	This Year Year 2022-2023	RESOURCES	Proposed By Budget Officer	Approved By Budget Com.	Adopted By Gov. Body
\$659,253.04	\$1,055,815.00	\$1,322,677.00	BEGINNING FUND BALANCE	\$1,681,916.00		
\$631,867.73			REVENUE			
\$712,141.76	\$803,240.25	\$778,000.00	STATE GAS TAX	\$815,000.00		
\$179,941.35	\$175,543.96	\$160,000.00	VEHICLE REGISTRATION FEE	\$205,000.00		
\$218,897.73	\$249,857.89	\$180,000.00	PGE FRANCHISE FEE	\$180,000.00		
\$0.00	\$0.00	\$2,000,000.00	STP ALLOCATION	\$0.00		
\$3,294.05	\$16,378.00	\$200,000.00	MISCELLANEOUS	\$0.00		
\$0.00	\$0.00	\$0.00	INTEREST	\$36,337.00		
\$20,635.48	\$24,000.23	\$5,000.00	PLAN REVIEW AND PERMITS	\$5,000.00		
\$1,134,910.37	\$1,269,020.33	\$3,323,000.00	TOTAL STREET FUND REVENUES	\$1,241,337.00		
\$659,253.04	\$1,055,815.00	\$1,322,677.00	TOTAL BEGINNING FUND BALANCE	\$1,681,916.00		
\$1,794,163.41	\$2,324,835.33	\$4,645,677.00	TOTAL STREET FUND RESOURCES	\$2,923,253.00		

Historical Data			STREET FUND		Budget for Next FY 2023-2024	
Actual		Adopted Budget	REQUIREMENTS	Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
2nd Preceding Year 2020-2021	1st Preceding Year 2021-2022	This Year Year 2022-2023				
			PERSONNEL SERVICES			
\$114,943.12	\$112,723.03	\$136,321.00	BENEFITS AND TAXES	\$137,130.00		
\$213,622.19	\$206,636.02	\$229,700.00	SALARIES AND WAGES	\$251,300.00		
\$328,565.31	\$319,359.05	\$366,021.00	TOTAL PERSONNEL SERVICES	\$388,430.00		
3.14	3.34	3.34	FTE	3.23		
			MATERIALS & SERVICES			
\$97,604.09	\$92,440.05	\$110,000.00	POWER	\$130,000.00		
\$9,186.84	\$9,324.09	\$11,000.00	PHONE	\$11,000.00		
\$1,486.80	\$2,319.43	\$3,000.00	NATURAL GAS	\$1,500.00		
\$17,436.60	\$15,416.28	\$49,200.00	O&M	\$15,000.00		
\$1,884.49	\$435.58	\$1,300.00	BUILDING MAINTENANCE	\$21,000.00		
\$936.88	\$856.96	\$5,000.00	TRANING & CONF. TRAVEL	\$2,000.00		
\$660.34	\$337.17	\$1,200.00	DUES & MEMBERSHIP	\$1,000.00		
\$446.00	\$300.56	\$500.00	POSTAGE	\$0.00		
\$7,418.90	\$10,970.78	\$12,000.00	COMPUTER NETWORK	\$15,000.00		
\$2,621.65	\$4,700.78	\$19,460.00	PROFESSIONAL SERVICES	\$6,000.00		
\$16,237.50	\$579.83	\$10,000.00	LEGAL & RECORDING	\$6,000.00		
\$27,000.00	\$27,306.27	\$28,000.00	INSURANCE/LIABILITY/GEN	\$35,000.00		
\$7,243.28	\$9,345.23	\$9,500.00	VEHICLE FUEL	\$18,000.00		
\$25,984.00	\$13,581.25	\$20,000.00	VEHICLE REPAIR	\$7,000.00		
\$1,022.65	\$2,638.85	\$3,600.00	UNIFORMS & SAFETY GEAR	\$3,600.00		
\$69,037.54	\$80,981.56	\$67,373.00	COST ALLOCATION AGREEMENT	\$64,896.00		
\$51,953.74	\$48,788.51	\$280,861.00	SIDEWALK / STREET REPAIRS	\$50,000.00		
\$0.00	\$0.00	\$0.00	ROAD SURFACING PROGRAM	\$250,000.00		
\$573.21	\$831.23	\$2,500.00	SMALL EQUIPMENT / TOOLS	\$2,500.00		
\$0.00	\$0.00	\$500.00	PERMITS	\$0.00		
\$17,852.41	\$21,358.10	\$40,000.00	SIGNAGE & STRIPING	\$30,000.00		
\$0.00	\$4,256.80	\$25,000.00	NEW STREET LIGHTS	\$10,000.00		
\$356,586.92	\$346,769.31	\$699,994.00	TOTAL MATERIALS & SERVICES	\$679,496.00		

Historical Data			STREET FUND		Budget for Next FY 2023-2024	
Actual			REQUIREMENTS- <i>cont</i>	Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
2nd Preceding Year 2020-2021	1st Preceding Year 2021-2022	Adopted Budget This Year Year 2022-2023				
			CAPITAL OUTLAY			
\$197.50	\$5,910.84	\$30,000.00	STREET EQUIPMENT	\$0.00		
\$197.50	\$5,910.84	\$30,000.00	TOTAL CAPITAL OUTLAY	\$0.00		
			TRANSFERS OUT			
\$16,007.68	\$14,106.77	\$2,356,000.00	TRANSFER TO CAPITAL PROJECT F	\$310,000.00		
\$19,800.00	\$38,300.00	\$38,300.00	TRANSFER TO FLEET REPLACE FUND	\$38,300.00		
\$0.00	\$0.00	\$15,000.00	TRANSFER TO DEBT SVC STP OTOB	\$0.00		
\$35,807.68	\$52,406.77	\$2,409,300.00	TOTAL TRANSFERS OUT	\$348,300.00		
			CONTINGENCY			
\$0.00	\$0.00	\$1,115,362.00	OPERATING CONTINGENCY	\$500,000.00		
\$0.00	\$0.00	\$1,115,362.00	TOTAL OPERATING CONTINGENCY	\$500,000.00		
			RESERVE			
\$0.00	\$0.00	\$25,000.00	FB RESERVE/PERS	\$25,000.00		
\$0.00	\$0.00	\$0.00	FB RESERVE	\$982,027.00		
\$0.00	\$0.00	\$25,000.00	TOTAL RESERVE	\$1,007,027.00		
\$721,157.41	\$724,445.97	\$4,645,677.00	TOTAL STREET FUND REQUIREMENTS	\$2,923,253.00		
\$1,794,163.41	\$2,324,835.33	\$4,645,677.00	TOTAL RESOURCES AND FUND BAL	\$2,923,253.00		
\$721,157.41	\$724,445.97	\$4,645,677.00	TOTAL FUND REQUIREMENTS	\$2,923,253.00		
\$1,073,006.00	\$1,600,389.36	\$0.00	TOTAL NET STREET FUND	\$0.00		

PD Restricted Fund

The PD Restricted Fund houses several smaller accounts designed to be protected or set-aside. For example, when citizens or a business entity donates money for a particular cause (like K9) those funds need to be held separately to ensure they are used for the reason they were designated.



When funds are donated to the police department and are not designated to a particular area, they go into a Youth Athletic or Activity fund which the Department uses to pay for registration fees for families that otherwise could not afford to let their children participate. This category is also funded from any auctions or sales of surplus equipment. Similarly, our officers and staff personally donate monthly funds to a Youth Scholarship fund which awards an annual \$1000 college scholarship to a worthy graduating senior at Molalla High School. There is also a small portion of revenue that comes from traffic citations that is directed to be used for emergency vehicle replacement and related issues. Below are direct Hyperlinks to the application if you are viewing this online.

[Youth Activity Fund Application](#)



Historical Data			PD RESTRICTED FUND		Budget for Next FY 2023-2024		
Actual							
2nd Preceding Year 2020-2021	1st Preceding Year 2021-2022	Adopted Budget This Year Year 2022-2023	RESOURCES		Proposed By Budget Officer	Approved By Budget Com.	Adopted By Gov. Body
\$35,905.38	\$41,404.93	\$0.00	BEGINNING FUND BALANCE		\$2,350.00		
			REVENUE				
\$4,072.05	\$2,952.85	\$5,000.00	EMERGENCY VEHICLE FUND		\$3,000.00		
\$1,347.50	\$1,210.00	\$1,300.00	POLICE PAYROLL DONATIONS		\$1,400.00		
\$1,180.00	\$874.87	\$1,000.00	POLICE AUCTION / YOUTH FUND		\$350.00		
\$50,000.00	\$50,000.00	\$50,000.00	SHARED REVENUES		\$50,000.00		
\$0.00	\$223.06	\$0.00	EXPIRED PROPERTY/EVIDENCE		\$300.00		
\$0.00	\$0.00	\$0.00	INTEREST		\$65.00		
\$56,599.55	\$55,037.72	\$57,300.00	TOTAL PD RESTRICTED FUND REVENUES		\$55,115.00		
\$35,905.38	\$41,404.93	\$0.00	TOTAL BEGINNING FUND BALANCE		\$2,350.00		
\$92,504.93	\$96,442.65	\$57,300.00	TOTAL PD RESTRICTED FUND RESOURC		\$57,465.00		
			REQUIREMENTS				
			MATERIALS & SERVICES				
\$0.00	\$0.00	\$1,751.00	K9 (Donation)		\$1,751.00		
\$1,100.00	\$1,150.00	\$1,900.00	YOUTH FUND		\$1,900.00		
\$0.00	\$2,000.00	\$1,000.00	H.S. SCHOLARSHIP (eeDonation)		\$1,000.00		
\$0.00	\$593.85	\$2,649.00	SUPPLIES / EQUIPMENT		\$2,814.00		
\$1,100.00	\$3,743.85	\$7,300.00	TOTAL MATERIALS & SERVICES		\$7,465.00		
			TRANSFERS OUT				
\$50,000.00	\$92,921.00	\$50,000.00	TRANSFER TO FLEET REPLACEMENT		\$50,000.00		
\$50,000.00	\$92,921.00	\$50,000.00	TOTAL TRANSFERS OUT		\$50,000.00		
\$51,100.00	\$96,664.85	\$57,300.00	TOTAL FUND REQUIREMENTS		\$57,465.00		
\$92,504.93	\$96,442.65	\$57,300.00	TOTAL RESOURCES AND FUND BAL		\$57,465.00		
\$51,100.00	\$96,664.85	\$57,300.00	TOTAL FUND REQUIREMENTS		\$57,465.00		
\$41,404.93	-\$222.20	\$0.00	TOTAL NET PD RESTRICTED FUND		\$0.00		

Capital Improvement Fund

The Capital Improvement Fund is used to account for resources and expenditures needed to finance the building or acquisition of capital facilities that are non-recurring major expenditures. In FY23-24, the Capital Improvement fund will receive revenues from:

- 1) Transfers in from the Capital Improvement line of each of the City's System Development Charge funds except Sewer which is being preserved for the new wastewater treatment plant.
- 2) Transfers in from the Capital Improvement line of each of the City's Enterprise funds.
- 3) Loan funds for the Wastewater Treatment Plant.
- 4) Various awarded Capital Improvement Grants.

The revenues received from each of the above resources will be used primarily to implement the City's 5-Year Capital Improvement Plan, and secondarily to respond to emergency capital repairs and take advantage of opportunities to complete Capital projects in the 20-year Capital Plan when the circumstances allow for a discount. The following is the list of planned projects for Fiscal Year 23-24 and two new project accounts that the city expects to fund annually if able.

New Program - Sidewalk Infill – This program will support a proposed new sidewalk infill program. The program will be devised and implemented in consultation with the City Council. Staff will propose a program to assist individual residents in constructing sidewalks along their frontage. This will help bring underdeveloped neighborhoods up to modern standards and provide assistance to small residential developments.

New Program - Cured in Place Piping – This program will support continued work to reduce inflow and infiltration into the Wastewater System. This new strategy is not used on every existing pipe in need of repair or refurbishment but is reserved for use on pipes that will ensure the strategy is effective. In essence, this line offers pipe refurbishment at a discount of 90%-95%!

Wastewater Treatment Plant Upgrade – This project will design, construct, and permit a new Wastewater Treatment Plant in Molalla. The new plant is of the Sequenced Batch Reactor type and will replace the existing facultative lagoon system, which means less room needed for treatment and more room for clean water storage, as well as a reduced carbon footprint and the potential for better quality treated effluent. In FY 22-23 the City is projected to finalize design and financing. City staff is hard at work soliciting forgivable funding assistance (instead of loans) from various state and federal agencies as well as state and federal legislators.

Civic Center Improvements – This project provides needed upgrades, completes deferred maintenance, and ensures ADA accessibility at the Molalla Civic Center. Most of this project was completed in FY22-23 through use of ARPA funds, building maintenance funds, and Molalla Urban



Molalla's Newest Park - Strawberry Park - made possible in part by a generous donation from Molalla Communications Company!

Renewal Funds. A CDBG grant for \$100,000 is also being used to perform ADA upgrades that will continue into FY23-24.

Molalla Forest Road Project Phase 3 – This project will complete the roadway improvements on Molalla Forest Road from the bike ped bridge adjacent to OR-211 North to Toliver Road. It includes a continuation of the bike ped path north of the bridge, then completes the connection of Forest Ln and improves Molalla Forest Road between Toliver and the bridge.

S Molalla Ave waterline from 5th St to Molalla Forest Road – This project will provide a new 12”



A New Water Main is Installed in the 500 block of W Main St. – Water loss was reduced by 15% this Fiscal Year!

water main to serve the undeveloped Industrial area on the south side of town. Over the last year Molalla has lost two potential developments that would have brought up to 100 jobs to the City due to the underdeveloped infrastructure in the Industrial area (Power and Water). This project will greatly reduce the cost to locate and do business in Molalla’s industrial area which ultimately provides new, good paying jobs, to the community.

Section St. – Two years ago, Section St. was designated as part of the truck route in Molalla but lacks the sidewalks and paved width that should accompany such a route. In that vein, the city has budgeted to bring most of Section St. up to par using a Fund Exchange Grant from ODOT.

Stormwater Master Plan – Notably absent from the list of public projects is any project aimed at improving the City’s stormwater system (though many street projects do). This is due to an out-of-date Stormwater Master Plan. In FY22-23 the City procured consultant services to complete the master plan update. This work should take approximately one year and be completed in mid-2024.

2MG Water Tank and Water Intake Move – Both of these projects are slated for design in FY23-24. In FY22-23 the City entered into a purchase option agreement for the property necessary to construct the 2mg tank, this year will be spent in due diligence and design.

Water Pressure Zones – City staff identified this project as an emergency effort in FY 22-23; this is due to an inordinate number of main breaks associated with high pressure in the system, and with siphoning that occurred during a break due again to those pressures. This project is currently in design and should begin construction circa late summer of 2023.



Basket #3 of the New Disk Golf Course at Ivor Davies Park!

Pickleball in Long Park – This project is being completed with substantial financial support from MCC and Sports Court. The project is ready to go whenever the weather complies, and if it does this project may be completed by the time this budget is adopted. If not, it will be completed in FY23-24.

Parks Master Plan – City Staff is preparing to solicit bids for a Parks Master Plan update. This plan is again quite out of date, which means reduced opportunities for funding and project completion. The Parks have gotten a great deal of attention over the last couple of years, so this will be a good

pause to engage the community and determine how the remainder of the City's parkland, and any new dedications, are developed.

Summary of Ongoing Projects

Project	Start	Percentage Completed as of April 2023
Bartell Partition & Development (Patrol Street)	12/1/2021	64%
Molalla Forest Road - Park Road	10/26/2021	27%
Sewer Rate Model and Resolution Update	3/2/2023	33%
Molalla Petroleum 710 W Main Street	2/2/2023	12%
Emergency Operations Plan (EOP) Update	1/27/2023	9%
Water Treatment Plant Auto Shutdown Upgrade	12/19/2023	52%
1000 W. Main St (Affordable Apartments)	3/16/2022	55%
Parks Master Plan	10/21/2022	3%
Stormwater Masterplan	10/21/2022	4%
WWTP Aeration Bypass Engineering	10/6/2022	6%
Cascade Place Apartments	2/24/2022	61%
New 2.0 MG Tank at Water Treatment Plant	1/24/2022	2%
Establishing a Temperature Allocation for Molalla in the Willamette TMDL	8/22/2022	8%
Water Distribution System Pressure Zoning and PRV Installation	8/15/2022	3%
Fifth Street Duplex with Storm and Alley Improvements	8/10/2022	5%
On Call Paving Services (Road Maintenance Resurfacing Program)	8/2/2022	2%
Toliver at Trinity Estates, Mainline Replacement	8/1/2022	86%
Sewer Pipe Lining 2022 (Toliver, S. Molalla)	6/24/2022	94%
Goodwill	4/12/2022	42%
River Meadows Subdivision	4/4/2023	52%
New Police Facility	10/28/2011	5%
Molalla Civic Center Improvements	10/29/2011	41%
Eckerd Ave, 2nd St, Lola Ave Sewer and Water line replacement	10/26/2015	64%
City Shops Decant Facility	10/26/2021	58%
OR 213 / Toliver Roundabout	10/28/2011	9%
Biosolids Removal	10/29/2016	59%

Projects Completed or Slated for Completion in FY22-23

23-05 Long Park Pickleball	23-02 Emergency Operations Plan	23-01 Ivor Davies Disk Golf
22-35 H2O Plant Auto Shutdown	22-30 Wastewater Plant Aeration Basin Bypass	22-25 City Hall HVAC Emergency Replacement
22-20 Toliver at Trinity Water Mainline	22-17 Sewer Pipe Lining Toliver & S Molalla Ave	22-01 City Hall Sewer Main Emergency Repair
21-11 Fox Park Playground Upgrade	21-06 500 block of W Main Water Mainline	21-04 City Hall Upstairs Remodel
20-07 Strawberry Park Development	20-04 Shops/School/WWTP Water line	20-03 Eckerd, Lola, 2 nd Sewer and Water Main replacements
19-09 OR 211/Molalla Ave Signal	18-16 OR 213 Box Culvert	18-14 City Shops Decant Facility

CAPITAL PROJECTS FUND

Budget for Next FY 2023-2024

Historical Data			Adopted Budget			RESOURCES			Proposed By	Approved By	Adopted By	
Actual									Budget Officer	Budget Com.	Gov. Body	
2nd Preceding Year 2020-2021	1st Preceding Year 2021-2022	Adopted Budget This Year Year 2022-2023										
\$96,236.76	\$391,267.00	\$411,057.00				BEGINNING FUND BALANCE				\$1,348,555.00		
						REVENUE						
\$0.00	\$0.00	\$700,000.00				FUND EXCHANGE				\$141,670.00		
\$0.00	\$0.00	\$500,000.00				HB 5006 GRANT				\$0.00		
\$0.00	\$0.00	\$100,000.00				CDBG GRANT				\$70,000.00		
\$0.00	\$0.00	\$3,400,000.00				WWTP GRANT				\$0.00		
\$0.00	\$0.00	\$801,000.00				TRANSFER FROM GF ARPA				\$0.00		
\$0.00	\$0.00	\$611,397.00				TRANSFER FROM GENERAL FUND				\$0.00		
\$16,007.68	\$14,106.77	\$2,356,000.00				TRANSFER FROM STREETS				\$310,000.00		
\$321,626.22	\$721,262.07	\$1,600,000.00				TRANSFER FROM SEWER				\$21,226,521.00		
\$0.00	\$0.00	\$1,070,000.00				TRANSFER FROM SEWER/I&I				\$150,000.00		
\$398,274.90	\$472,422.63	\$1,175,000.00				TRANSFER FROM WATER				\$1,155,000.00		
\$0.00	\$0.00	\$320,000.00				TRANSFER FROM WATER IMP-SDC				\$100,000.00		
\$0.00	\$0.00	\$405,000.00				TRANSFER FROM STREET IMP-SDC				\$350,000.00		
\$0.00	\$0.00	\$350,000.00				TRANSFER FROM PARKS IMP-SDC				\$75,000.00		
\$0.00	\$0.00	\$150,000.00				TRANSFER FROM STORM IMP-SDC				\$60,763.00		
\$0.00	\$0.00	\$0.00				TRANSFER FROM STREET REIMB-SDC				\$500,000.00		
\$0.00	\$0.00	\$0.00				INTEREST				\$57,232.00		
\$15,153.28	\$2,738.43	\$4,000.00				TRANSFER FROM STORMWATER				\$0.00		
\$239.34	\$0.00	\$0.00				TRANSFER FROM SEWER SDC				\$0.00		
\$594,498.14	\$135,822.99	\$0.00				TRANSFER FROM WATER SDC				\$0.00		
\$110,593.22	\$84,933.12	\$0.00				TRANSFER FROM STREET SDC				\$0.00		
\$497,936.62	\$485,951.52	\$0.00				TRANSFER FROM PARKS SDC				\$0.00		
\$239.34	\$0.00	\$0.00				TRANSFER FROM STORM SDC				\$0.00		
\$300,000.00	\$500,000.00	\$500,000.00				TRANSFER FROM GF-POLICE DEPT				\$0.00		
\$2,254,568.74	\$2,417,237.53	\$14,042,397.00				TOTAL FUND REVENUES				\$24,196,186.00		
\$96,236.76	\$391,267.00	\$411,057.00				TOTAL BEGINNING FUND BALANCE				\$1,348,555.00		
\$2,350,805.50	\$2,808,504.53	\$14,453,454.00				TOTAL CAPITAL PROJECTS FUND RESOURCES				\$25,544,741.00		

**Historical Data
Actual**

CAPITAL PROJECTS FUND

Budget for Next FY 2023-2024

2nd Preceding Year 2020-2021	1st Preceding Year 2021-2022	Adopted Budget This Year Year 2022-2023	REQUIREMENTS	Proposed By Budget Officer	Approved By Budget Com.	Adopted By Gov. Body
\$0.00	\$0.00	\$700,000.00	ODOT FUND EXCHANGE	\$642,528.00		
\$0.00	\$0.00	\$801,000.00	ARPA FUNDS	\$0.00		
\$0.00	\$0.00	\$412,697.00	HB5006 GRANT	\$262,697.00		
\$478,930.12	\$470,240.37	\$128,700.00	PARK CAPITAL PROJECTS	\$75,000.00		
\$0.00	\$0.00	\$500,000.00	CHIEF YELKUS PARK IMPROVEMENTS	\$0.00		
\$0.00	\$0.00	\$350,000.00	PARK IMP SDC CAPITAL PROJECTS	\$75,000.00		
\$0.00	\$0.00	\$405,000.00	STREET IMP SDC CAPITAL PROJ	\$467,000.00		
\$0.00	\$0.00	\$0.00	STREET REIMB SDC CAPITAL PROJ	\$500,000.00		
\$126,600.91	\$99,039.87	\$2,356,000.00	STREET CAPITAL PROJECTS	\$310,000.00		
\$328,780.58	\$721,262.06	\$1,600,000.00	SEWER CAPITAL PROJECTS	\$21,226,521.00		
\$0.00	\$0.00	\$1,070,000.00	SEWER FUND I&I CAPITAL PROJ	\$150,000.00		
\$0.00	\$0.00	\$3,400,000.00	WWTP GRANT/LOAN CAPITAL PROJ	\$0.00		
\$1,004,864.55	\$623,956.79	\$1,175,000.00	WATER CAPITAL PROJECTS	\$1,155,000.00		
\$0.00	\$0.00	\$320,000.00	WATER IMP SDC CAPITAL PROJ	\$150,000.00		
\$15,392.62	\$2,738.44	\$4,000.00	STORM WATER CAPITAL PROJECTS	\$0.00		
\$0.00	\$0.00	\$150,000.00	STORM IMP SDC CAPITAL PROJ	\$160,763.00		
\$4,969.72	\$384,161.35	\$911,057.00	POLICE FACILITY CAPITAL PROJ	\$243,000.00		
\$0.00	\$0.00	\$70,000.00	GENERAL FUND CAPITAL PROJ	\$0.00		
\$0.00	\$0.00	\$100,000.00	CDBG GRANT CAPITAL PROJ	\$70,000.00		
\$1,959,538.50	\$2,301,398.88	\$14,453,454.00	TOTAL CAPITAL OUTLAY	\$25,487,509.00		
\$0.00	\$0.00	\$0.00	RESERVED FOR FUTURE EXPENDITUR	\$57,232.00		
\$1,959,538.50	\$2,301,398.88	\$14,453,454.00	TOTAL CAPITAL PROJECT FUND REQUIR.	\$25,544,741.00		
\$2,350,805.50	\$2,808,504.53	\$14,453,454.00	TOTAL FUND RESOURCES AND FUND BAL	\$25,544,741.00		
\$1,959,538.50	\$2,301,398.88	\$14,453,454.00	TOTAL FUND REQUIREMENTS	\$25,544,741.00		
\$391,267.00	\$507,105.65	\$0.00	TOTAL NET CAPITAL PROJECTS FUND	\$0.00		

Fleet Replacement Fund

The Fleet Replacement Fund is a Special Revenue fund that accounts for the purchase and replacement of vehicles and other fleet equipment. Revenues for this fund are exclusively transfers in from enterprise funds, and governmental funds for fleet vehicle purchases. In addition to the purchase of fleet vehicles, this fund acts as a savings account for future vehicle purchases which allows the city to avoid interest payments and other fees associated with financing by having cash on hand for these purchases.

The FY23-24 budget continues a budgeting strategy that allows city staff to more easily account for funds carried from year to year, and to provide flexibility for vehicle purchasing as needed. This flexibility allows the city to use vehicles right up to the end of their useful life when the cost to maintain exceeds the value of the asset. Instead of preordaining vehicle purchases to replace vehicles that may not need replacing or failing to anticipate a seemingly reliable vehicle becoming unusable, staff can use and maintain a vehicle until it does not make fiscal sense to do so, then replace it when necessary.



FLEET REPLACEMENT FUND

Budget for Next FY 2023-2024

Historical Data						
Actual						
2nd Preceding Year 2020-2021	1st Preceding Year 2021-2022	Adopted Budget This Year Year 2022-2023	RESOURCES	Proposed By Budget Officer	Approved By Budget Com.	Adopted By Gov. Body
\$254,869.61	\$270,548.38	\$453,468.00	BEGINNING FUND BALANCE	\$387,854.00		
			REVENUE			
\$70,000.00	\$70,000.00	\$110,000.00	TRANSFER FROM POLICE	\$0.00		
\$7,900.00	\$7,900.00	\$7,900.00	TRANSFER FROM GF PARKS	\$0.00		
\$19,800.00	\$38,300.00	\$38,300.00	TRANSFER FROM STREETS	\$38,300.00		
\$21,725.00	\$21,725.00	\$21,725.00	TRANSFER FROM SEWER	\$121,725.00		
\$22,000.00	\$21,725.00	\$21,725.00	TRANSFER FROM WATER	\$21,725.00		
\$7,900.00	\$26,400.00	\$26,400.00	TRANSFER FROM STORMWATER	\$26,400.00		
\$0.00	\$0.00	\$0.00	INTEREST	\$13,257.00		
\$50,000.00	\$92,921.00	\$50,000.00	TRANSFER FROM PD REST	\$50,000.00		
\$199,325.00	\$278,971.00	\$276,050.00	TOTAL FUND REVENUES	\$271,407.00		
\$254,869.61	\$270,548.38	\$453,468.00	TOTAL BEGINNING FUND BALANCE	\$387,854.00		
\$454,194.61	\$549,519.38	\$729,518.00	TOTAL FLEET REPLACEMENT FUND RESOURCE	\$659,261.00		
			REQUIREMENTS			
			CAPITAL OUTLAY			
\$114,012.42	\$154,367.54	\$266,675.00	POLICE FLEET	\$158,657.00		
\$0.00	\$12,704.00	\$32,958.00	PARKS FLEET	\$10,175.00		
\$17,408.45	\$0.00	\$141,752.00	STREET FLEET	\$142,189.00		
\$17,408.46	\$0.00	\$114,378.00	SEWER FLEET	\$197,710.00		
\$17,408.45	\$0.00	\$115,203.00	WATER FLEET	\$99,993.00		
\$17,408.45	\$0.00	\$58,552.00	STORM FLEET	\$50,537.00		
\$183,646.23	\$167,071.54	\$729,518.00	TOTAL CAPITAL OUTLAY	\$659,261.00		
			RESERVES			
\$0.00	\$0.00	\$0.00	TOTAL RESERVE	\$0.00		
\$183,646.23	\$167,071.54	\$729,518.00	TOTAL FUND REQUIREMENTS	\$659,261.00		
\$270,548.38	\$382,447.84	\$0.00	TOTAL NET FLEET REPLACEMENT FUND	\$0.00		

Sewer Fund



These Lagoons have served for the City's needs for many years, but population now exceeds their capacity. A new Plant is in Design.

The Sewer Fund is an Enterprise fund that is required to function like a utility business. This fund accounts for income received through sewer user fees and costs associated with the sewer system including operations, maintenance, personnel, and some capital improvements of the City's sewer system and wastewater treatment plant.

FY 23-24 is projected to be more of the same for the Sewer fund which has been performing limited capital projects in deference to the new wastewater treatment plant required to be operational before January of 2026. The new plant is currently at 90% design completion and construction bidding is expected to begin circa October to November of 2023. City staff continues to pursue forgivable funding sources to help

offset the debt service costs for the new facility and will continue to hold substantial funds in reserve for potential match funds if a funding resource is attainable. The reserved funds will be used to offset construction costs either at face value, or as part of a larger grant package.

In FY22-23 the City completed the 5th of 7 high priority sewer system projects to reduce Inflow and Infiltration which ultimately improves the lifespan of a Wastewater Treatment Plant by ensuring less ground water makes it into the treatment process. Additionally, City staff is in the process of mitigating damage to the aeration basin through installation of aeration pumps in the lagoons. This project is a necessary stop gap between the old plant and the new plant that mitigates the outrageous cost of reconstructing the aeration basin just to turn around and remove it one year later. City staff has also adopted the Cured in Place Pipe (CIPP) method to increase the lifespan of existing sewer pipes by 30-40 years. This approach reduces the cost of repairing/replacing most sewer lines by about 80%. This year City staff were able to complete an emergency sewer main replacement near Molalla Ave & OR-211, and used the CIPP method to renew the lifespan of sewer mains on Toliver and on S Molalla Ave.



Biosolids Removal is now a continuous operation at Molalla's Wastewater Treatment Plant

Activity Measures from Prior Year

	2019	2020	2021	2022
Sewer TV Inspected (Feet)	No data	No data	1500	5280
Sewer Cleaned (Feet)	No data	No data	9,727	11,616
Mainline Replaced (Feet)	No data	200	02,900	0
Manholes Repaired (Each)	0	0	105	20
Laterals Repaired (Each)	No data	4	9	10

Explanation of Significant Budget Variances

2024 Adopted Budget vs 2023 Projected Actual

- Funding of DEQ Loan for WWTP increase of \$21,226,521
- Merged Sewer “Operations & Maintenance” account lines
- Vehicle Repair increase by \$13,000
- Increased Contingency / Reserve by \$1,356,517 from prior year

Summary of Explanations Above

The full funding of the DEQ Loan constitutes most of the growth in this year’s budget compared to last year’s budget. It’s possible that we will draw down the entire loan in the upcoming budget year, that is why we are allocating money to do so in our projections. Having (2) separate account lines named the same was no longer a necessary distinction needed between Sewer Operations & Sewer Maintenance. To simply create less work for staff we merged the two accounts into one. Vehicle repair is due to replacing a truck bed with a flatbed to use as a fuel transfer. By increasing the contingency reserve, the intention is to reserve beginning fund balance for the 24/25 FY.

Goals for 2024

- ✓ To continue I&I Biosolid Removal work.
- ✓ To continue work on new Wastewater Plant have operational by 2026.
- ✓ To continue to reduce costs by repairing/replacing sewer lines.

2023 Accomplishments

- ✓ The City has completed 5 of its 7 high priority sewer projects to reduce inflow and infiltration.
- ✓ Adopted a (CIPP) Cured in Place Pipe method to increase the lifespan of the existing sewer pipes.

Goals Aligned with Molalla Area Vision and Action Plan 2030 (Focus Area #2)

Develop the physical infrastructure needed to support a welcoming community.

- Increased communication through the [Molalla Current](#), which supports infrastructure needs and a welcoming community.

Fostering Socially welcoming activities and embrace diversity as our strength.

- Participates in the City-Wide Newsletter that offers a bilingual version.
- Molalla Current can also be easily converted to Spanish.

Engage youth:

- Participated in the Career Fair at Molalla High School to encourage professional development.

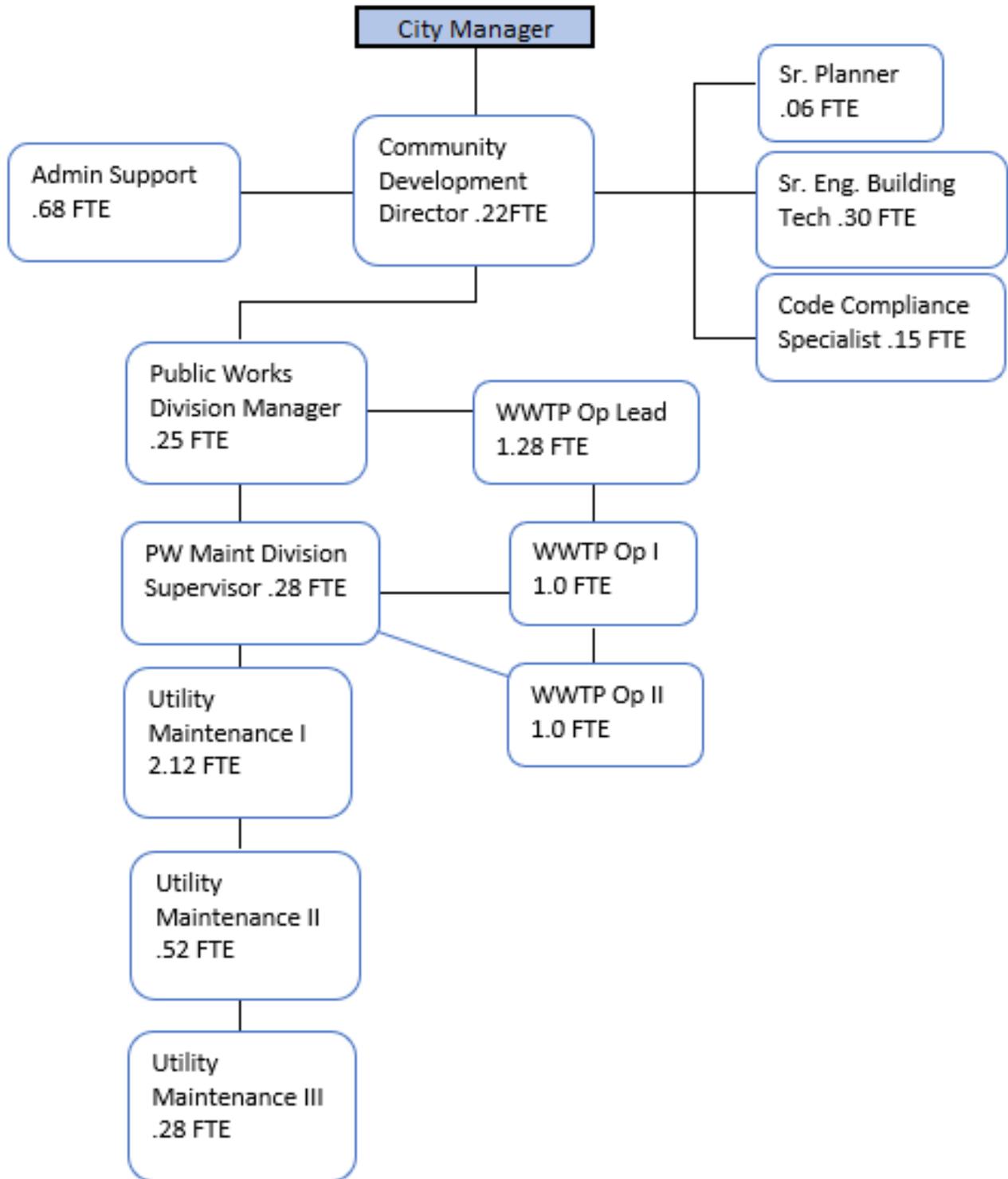
Staffing

	FY 20-21	FY 21-22	FY 21-23	FY 22-23
FTE	7.85	7.85	6.69	8.14

Changes from Prior Year

- Increase in staffing by 1.45
- Added a Utility Maintenance I position
- Added a WWTP Operator I
- Added a Code Compliance Specialist

Personnel Sewer FTE Chart



Historical Data

SEWER FUND

Budget for Next FY 2023-2024

Actual

2nd Preceding Year 2020-2021	1st Preceding Year 2021-2022	Adopted Budget This Year Year 2022-2023	RESOURCES	Proposed By Budget Officer	Approved By Budget Com.	Adopted By Gov. Body
\$948,255.42	\$1,780,544.03	\$2,119,177.00	BEGINNING FUND BALANCE	\$2,103,522.00		
			REVENUE			
\$63,874.15	\$7,850.00	\$1,000.00	MISCELLANEOUS	\$1,000.00		
\$60,000.00	\$53,000.00	\$30,000.00	WASTEWATER DECREE ALLOCATION	\$30,000.00		
\$9,705.73	\$6,935.40	\$1,000.00	PLAN REVIEW AND PERMITS	\$10,000.00		
\$3,214,483.13	\$3,458,696.16	\$3,475,000.00	MONTHLY USER FEE	\$4,100,000.00		
\$7,800.00	\$7,800.00	\$7,500.00	SERVICE CONNECTIONS	\$3,000.00		
\$0.00	\$0.00	\$0.00	INTEREST	\$38,196.00		
\$208,572.00	\$623,069.00	\$1,600,000.00	DEQ LOAN	\$21,226,521.00		
\$3,564,435.01	\$4,157,350.56	\$5,114,500.00	TOTAL FUND REVENUES	\$25,408,717.00		
\$948,255.42	\$1,780,544.03	\$2,119,177.00	TOTAL BEGINNING FUND BALANCE	\$2,103,522.00		
\$4,512,690.43	\$5,937,894.59	\$7,233,677.00	TOTAL SEWER FUND RESOURCES	\$27,512,239.00		

REQUIREMENTS

PERSONNEL SERVICES

\$243,136.58	\$237,822.29	\$306,923.00	BENEFITS AND TAXES	\$297,000.00		
\$472,933.04	\$467,495.06	\$509,196.00	SALARIES AND WAGES	\$629,288.00		
\$716,069.62	\$705,317.35	\$816,119.00	TOTAL PERSONNEL SERVICES	\$926,288.00		
5.90	7.85	7.85	FTE	8.14		

MATERIALS & SERVICES

\$184,627.54	\$186,021.53	\$205,000.00	POWER	\$245,000.00		
\$23,294.05	\$9,835.82	\$11,000.00	PHONE	\$12,000.00		
\$274.71	\$755.02	\$500.00	NATURAL GAS	\$750.00		
\$32,099.21	\$33,000.41	\$25,000.00	OPERATIONS & MAINTENANCE	\$140,000.00		
\$1,706.84	\$740.50	\$5,000.00	BUILDING MAINTENANCE	\$50,000.00		
\$1,488.16	\$2,052.83	\$3,500.00	TRAINING & CONF. TRAVEL	\$9,500.00		
\$1,607.80	\$485.16	\$2,500.00	DUES & MEMBERSHIP	\$3,900.00		
\$9,886.55	\$10,157.29	\$12,700.00	POSTAGE	\$13,300.00		
\$6,960.30	\$10,970.77	\$11,130.00	COMPUTER NETWORK	\$17,000.00		

Historical Data			SEWER FUND	Budget for Next FY 2023-2024		
Actual			REQUIREMENTS	Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
2nd Preceding Year 2020-2021	1st Preceding Year 2021-2022	Adopted Budget This Year Year 2022-2023				
SEWER MAINTENANCE DIVISION						
\$33,447.10	\$14,606.11	\$35,000.00	PROFESSIONAL SERVICES	\$20,000.00		
\$51,908.60	\$96,354.79	\$127,200.00	LEGAL & RECORDING	\$150,000.00		
\$27,000.00	\$29,306.27	\$31,270.00	INSURANCE/LIABILITY/GEN	\$35,000.00		
\$4,306.54	\$4,998.21	\$5,300.00	VEHICLE FUEL	\$18,500.00		
\$11,602.43	\$9,758.65	\$15,000.00	VEHICLE REPAIR	\$28,000.00		
\$3,828.30	\$1,128.39	\$2,200.00	UNIFORMS & SAFETY GEAR	\$6,000.00		
\$124,501.74	\$139,634.18	\$224,364.00	COST ALLOCATION AGREEMENT	\$248,767.00		
\$385,948.17	\$79,735.98	\$0.00	INFLOW & INFILTRATION	\$0.00		
\$0.00	\$0.00	\$30,000.00	WASTEWATER DECREE ALLOCATION	\$0.00		
\$18,434.77	\$23,022.87	\$25,000.00	SEWER LINE REPAIR	\$10,000.00		
\$3,351.00	\$44.80	\$1,000.00	PERMITS	\$19,781.00		
\$476.88	\$942.21	\$2,500.00	SMALL EQUIP/TOOLS	\$2,500.00		
\$3,390.63	\$21,663.79	\$21,200.00	LIFT STATION MAINT	\$7,500.00		
\$930,141.32	\$675,215.58	\$796,364.00	TOTAL MAINT. MATERIALS & SERVICES	\$1,037,498.00		
SEWER OPERATIONS DIVISION						
MATERIALS & SERVICES						
\$129,308.36	\$146,232.47	\$100,000.00	OPERATIONS & MAINTENANCE	\$0.00		
\$2,528.32	\$13,149.80	\$20,000.00	BUILDING MAINTENANCE	\$0.00		
\$605.00	\$1,442.33	\$4,000.00	TRANING & CONF. TRAVEL	\$0.00		
\$69.33	\$884.00	\$1,500.00	DUES & MEMBERSHIP	\$0.00		
\$15,705.80	\$4,374.25	\$3,180.00	VEHICLE FUEL	\$0.00		
\$2,177.50	\$3,811.97	\$4,240.00	VEHICLE REPAIR	\$0.00		
SEWER OPERATIONS DIVISION -CONT						
\$14,381.66	\$14,218.86	\$26,500.00	IRRIGATION FUEL	\$26,500.00		
\$788.47	\$2,082.12	\$2,500.00	UNIFORMS & SAFETY GEAR	\$0.00		
\$69,160.08	\$731,120.16	\$1,000,000.00	BIOSOLIDS REMOVAL	\$700,000.00		
\$10,339.30	\$8,559.93	\$8,480.00	EFFLUENT MONITORING	\$2,500.00		
\$13,457.89	\$19,416.22	\$26,500.00	LAB SUPPLIES/EQUIPMENT	\$20,000.00		
\$149,575.44	\$215,059.80	\$201,400.00	CHLORINE & CHEMICALS	\$250,000.00		
\$904.00	\$4,144.60	\$16,430.00	PERMITS	\$0.00		
\$409,001.15	\$1,164,496.51	\$1,414,730.00	TOTAL OPERATIONS-MATERIALS & SERVICE	\$999,000.00		

Historical Data			SEWER FUND	Budget for Next FY 2023-2024		
Actual		Adopted Budget	REQUIREMENTS- <i>cont</i>	Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
2nd Preceding Year 2020-2021	1st Preceding Year 2021-2022	This Year Year 2022-2023				
			CAPITAL OUTLAY			
\$0.00	\$74,662.53	\$86,200.00	SEWER EQUIPMENT	\$15,000.00		
\$0.00	\$74,662.53	\$86,200.00	TOTAL CAPITAL OUTLAY	\$15,000.00		
			TRANSFERS OUT			
\$319,748.00	\$381,486.00	\$380,625.00	TRANSFER TO SEWER DEBT	\$633,776.00		
\$59,897.00	\$0.00	\$2,000.00	TRANSFER TO CWSRF	\$0.00		
\$0.00	\$2,000.00	\$0.00	TRANSFER TO CWSRF#2	\$0.00		
\$25,000.00	\$5,000.00	\$5,000.00	TRANSFER TO WATER	\$5,000.00		
\$321,626.22	\$721,262.07	\$2,670,000.00	TRANSFER TO CAPITAL PROJECT F	\$21,376,521.00		
\$21,725.00	\$21,725.00	\$21,725.00	TRANSFER TO FLEET REPLACE FUND	\$121,725.00		
\$747,996.22	\$1,131,473.07	\$3,079,350.00	TOTAL TRANSFERS OUT	\$22,137,022.00		
			CONTINGENCY/Reserve			
\$0.00	\$0.00	\$940,914.00	CONTINGENCY	\$2,372,431.00		
\$0.00	\$0.00	\$100,000.00	FB RESERVE/PERS	\$25,000.00		
\$0.00	\$0.00	\$1,040,914.00	TOTAL OPERATING CONTINGENCY	\$2,397,431.00		
\$2,803,208.31	\$3,751,165.04	\$7,233,677.00	TOTAL SEWER REQUIREMENTS	\$27,512,239.00		
\$4,512,690.43	\$5,937,894.59	\$7,233,677.00	TOTAL FUND RESOURCES AND FUND BAL	\$27,512,239.00		
\$2,803,208.31	\$3,751,165.04	\$7,233,677.00	TOTAL FUND REQUIREMENTS	\$27,512,239.00		
\$1,709,482.12	\$2,186,729.55	\$0.00	TOTAL NET SEWER FUND	\$0.00		

Water Fund



Various Pictures of Molalla's Water Treatment Plant

The Water Fund is an Enterprise fund that is required to function like a utility business. This fund accounts for income received through water user fees and costs associated with the water system including operations, maintenance, personnel, and some capital improvements of the City's water system and water treatment plant.

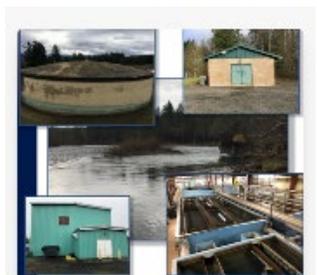
Beginning fund balance is projected to increase slightly. While revenues from monthly user fees are expected to increase slightly based on the new rate schedule adopted in 2021, and the annual inflationary adjustment based on the Consumer Price Index.

Materials and Services costs for the overall system are projected to shrink by approximately 3% due to a reduction in the budget for water lab supplies that are only purchased at multi-year intervals.

In FY 22-23, the City entered a purchase option agreement to acquire land for the addition of a 2.0mg Water Storage Tank, complete a major water main replacement on Eckerd/Lola/2nd, completed a water main replacement adjacent to 525 W Main St., completed an emergency Water Main replacement on Toliver near Trinity Estates, and completed another major water main replacement on Toliver at the Elementary School/City Shops/Wastewater Treatment Plant.

All of this work helped bring Molalla's overall **water loss down from 36% to 21%**, a massive reduction and well on the way to the industry standard of 16%!

More about Molalla's Water System on the Molalla Current! [Go, HERE!](#)



Molalla's Water System

Learn about the system, the projects, the plans, and ask your questions!

[View Project](#)

The budget for FY23-24 continues the aggressive capital improvement approach from FY22-23. It features a set of projects with the general aim of ensuring resiliency in the water system, and the specific aims included below:

1. Continuing design for the Water Intake relocation – to ensure raw water collection capacity is reliable.
2. Due Diligence and Land Use for the 2.0mg tank property – to ensure water storage capacity is sufficient.
3. 12” water main on S Molalla Ave (5th St. to Molalla Forest Road) – to mitigate water loss and prepare the industrial areas on the south side of town for industrial development.
4. Installation of pressure reducing valves – to drastically reduce the number of water main breaks and eliminate siphoning when a main break does occur.

Activity Measures from Prior Year, with Performance Percentages from prior year.

	FY 2019-20	FY 2020-21	FY 2021-22 Estimated	Did Water Meet Estimates	Performance Percentage	FY 2022-23 Projected
Water Usage Billed (cubic feet)	35,042,673	40,862,016	35,289,922	Yes 36,479,822	103%	37,479,000
New Water Meters Installed	31	39	97	No 81	84%	90
Service Orders Processed	625	807	700	Yes 815	116%	775
Water Meters Read	35,453	35,853	32,000	Yes 32,892	103%	33,000
Service Connections EDU's	0	3,451	3,500	No 3,363	96%	3,500

Explanation of Significant Budget Variances

2024 Adopted Budget vs 2023 Projected Actual

- Merged Water “Operations & Maintenance” Account Lines
- Increased Contingency / Reserve by \$840,022 from prior year.

Summary of Explanations Above

Having (2) separate account lines named the same was no longer a necessary distinction needed between Water Operations & Water Maintenance. To simply create less work for staff we merged the two accounts into one. By increasing the contingency reserve, the intention is to reserve beginning fund balance for the 24/25 FY.

Goals for 2024

- ✓ Continuing design for the Water Intake move
- ✓ To mitigate water loss and prepare the industrial areas.
- ✓ Install pressure reducing valves to reduce the amount of water main breaks and to eliminate siphoning.
- ✓

2023 Accomplishments

- ✓ Completed a water main replacement adjacent to 525 W Main St
- ✓ Completed an emergency Water Main replacement on Toliver near Trinity Estates
- ✓ Water main replacement on Toliver at the Elementary School/City Shops/Wastewater Treatment Plant
- ✓ Water loss down from 36% to 21%.
- ✓ Supported FOCUS AREA #2 (see below)

Goals Aligned with Molalla Area Vision and Action Plan 2030 (Focus Area #2)

Develop the physical infrastructure needed to support a welcoming community.

- Increased communication through the [Molalla Current](#), which supports infrastructure needs and a welcoming community.

Fostering Socially welcoming activities and embrace diversity as our strength.

- Participates in the City-Wide Newsletter that offers a bilingual version.
- Molalla Current can also be easily converted to Spanish.

Engage youth:

- Participated in the Career Fair at Molalla High School to encourage professional development.

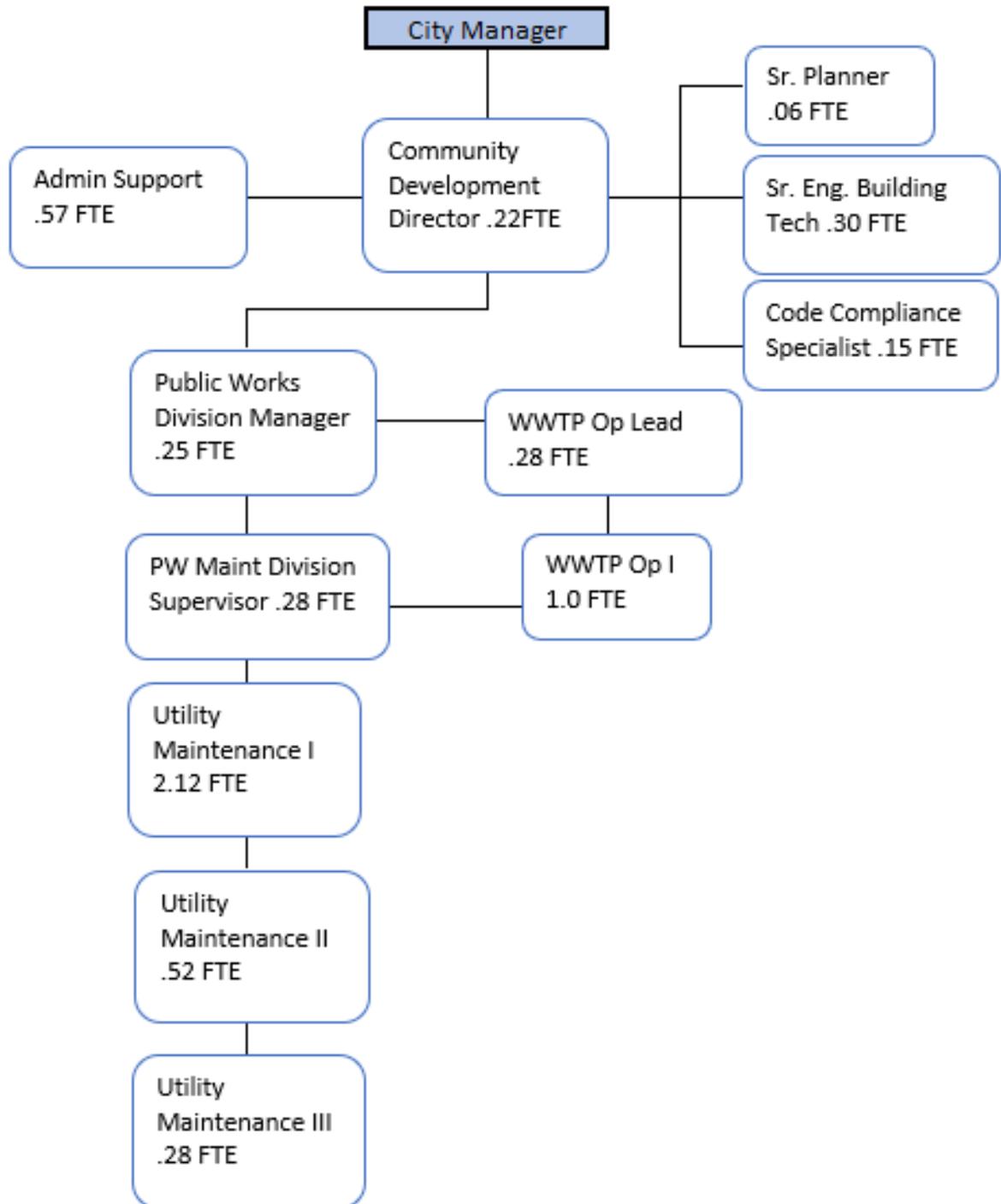
Staffing

	FY 20-21	FY 21-22	FY 22-23	FY 23/24
Water	5.84	5.84	5.58	6.03

Changes from Prior Year

- Increase of .45 FTE
- Addition of a Code Compliance Specialist
- Addition of a UMI Position

Personnel Water FTE Chart



Historical Data

WATER FUND

Budget for Next FY 23-24

Actual		Adopted Budget
2nd Preceding Year 2020-2021	1st Preceding Year 2021-2022	This Year Year 2022-2023
\$2,418,093.14	\$2,709,580.10	\$2,363,291.00
\$16,065.56	\$1,413.73	\$500.00
\$12,731.42	\$14,605.22	\$10,000.00
\$1,805,693.80	\$1,776,761.63	\$2,060,000.00
\$7,900.00	\$9,000.00	\$10,000.00
\$0.00	\$0.00	\$0.00
\$25,000.00	\$5,000.00	\$5,000.00
\$1,867,390.78	\$1,806,780.58	\$2,085,500.00
\$2,418,093.14	\$2,709,580.10	\$2,363,291.00
\$4,285,483.92	\$4,516,360.68	\$4,448,791.00

RESOURCES

Proposed By Budget Officer Approved By Budget Com. Adopted By Gov. Body

BEGINNING FUND BALANCE \$2,619,156.00

REVENUE

MISCELLANEOUS	\$0.00
PLAN REVIEW AND PERMITS	\$12,000.00
MONTHLY USER FEE	\$2,500,000.00
SERVICE CONNECTIONS	\$3,000.00
INTEREST	\$52,053.00
TRANSFER FROM SEWER	\$5,000.00
TOTAL FUND REVENUES	\$2,572,053.00
TOTAL BEGINNING FUND BALANCE	\$2,619,156.00
TOTAL WATER FUND RESOURCES	\$5,191,209.00

PERSONNEL SERVICES

BENEFITS AND TAXES	\$238,920.00
SALARIES AND WAGES	\$465,088.00
TOTAL PERSONNEL SERVICES	\$704,008.00
FTE	6.03

WATER MAINTENANCE DIVISION

MATERIALS & SERVICES

POWER	\$90,000.00
PHONE	\$12,500.00
OPERATIONS & MAINTENANCE	\$143,000.00
BUILDING MAINTENANCE	\$29,000.00
OFFICE SUPPLIES	\$1,500.00
NATURAL GAS	\$200.00
CONTRACT SERVICES	\$13,500.00
TRAINING & CONF. TRAVEL	\$8,500.00
DUES & MEMBERSHIP	\$2,400.00
POSTAGE	\$12,500.00
COMPUTER NETWORK	\$15,500.00
PROFESSIONAL SERVICES	\$20,000.00
LEGAL & RECORDING	\$2,500.00

\$35,000.00	\$34,306.27	\$36,000.00	INSURANCE/LIABILITY/GEN	\$45,000.00
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Historical Data

WATER FUND

Budget for Next FY 23-24

Actual

REQUIREMENTS

2nd Preceding Year 2020-2021	1st Preceding Year 2021-2022	Adopted Budget This Year Year 2022-2023		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
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MAINTENANCE DIVISION *cont*

MATERIALS & SERVICES

\$4,803.50	\$4,941.12	\$7,000.00	VEHICLE FUEL	\$20,500.00
\$5,830.34	\$7,111.09	\$15,000.00	VEHICLE REPAIR	\$20,000.00
\$4,159.96	\$1,438.42	\$3,000.00	UNIFORMS & SAFETY GEAR	\$5,400.00
\$96,083.21	\$56,008.69	\$86,695.00	COST ALLOCATION AGREEMENT	\$113,100.00
\$0.00	\$0.00	\$1,000.00	CHLORINE & CHEMICALS	\$35,000.00
\$54,823.99	\$33,985.09	\$75,000.00	WATER LINE REPAIR	\$90,000.00
\$1,690.88	\$980.06	\$7,500.00	NEW WATER CONNECTIONS	\$2,500.00
-\$50.00	\$0.00	\$500.00	PERMITS	\$9,500.00
\$781.74	\$1,310.94	\$2,000.00	SMALL EQUIP/TOOLS	\$2,500.00
\$21,962.70	\$31,430.67	\$35,000.00	NEW WATER METERS	\$45,000.00
\$402,201.16	\$389,868.36	\$526,595.00	TOTAL MAINTENANCE-MATERIALS & SERVICES:	\$739,600.00

OPERATIONS DIVISION

MATERIALS & SERVICES

\$69,803.79	\$38,925.65	\$75,000.00	OPERATIONS & MAINTENANCE	\$0.00
\$7,120.28	\$9,985.46	\$18,000.00	BUILDING MAINTENANCE	\$0.00
\$1,135.00	\$663.33	\$2,500.00	TRAINING & CONF. TRAVEL	\$0.00
\$69.33	\$0.00	\$1,000.00	DUES & MEMBERSHIP	\$0.00
\$14,189.57	\$4,420.08	\$5,000.00	VEHICLE FUEL	\$0.00
\$2,414.95	\$1,968.02	\$5,000.00	VEHICLE REPAIR	\$0.00
\$998.79	\$1,306.85	\$1,800.00	UNIFORMS & SAFETY GEAR	\$0.00
\$0.00	\$0.00	\$20,000.00	LAB SUPPLIES/EQUIPMENT	\$8,000.00
\$26,373.74	\$31,825.85	\$30,000.00	CHLORINE & CHEMICALS	\$0.00
\$1,062.00	\$3,178.20	\$14,000.00	PERMITS	\$0.00
\$0.00	\$0.00	\$20,000.00	WATER RESERVOIR MAINTENANCE	\$0.00
\$123,167.45	\$92,273.44	\$192,300.00	TOTAL OPERATIONS-MATERIALS & SERVICES	\$8,000.00

CAPITAL OUTLAY

\$0.00	\$0.00	\$46,500.00	WATER EQUIPMENT	\$6,000.00
\$0.00	\$0.00	\$46,500.00	TOTAL CAPITAL OUTLAY	\$6,000.00

Historical Data			WATER FUND	Budget for Next FY 23-24		
Actual				REQUIREMENTS- <i>cont</i>	Proposed By	Approved By
2nd Preceding Year 2020-2021	1st Preceding Year 2021-2022	Adopted Budget This Year Year 2022-2023		Budget Officer	Budget Committee	Governing Body
			TRANSFERS OUT			
\$398,274.90	\$472,422.63	\$1,175,000.00	TRANSFER TO CAPITAL PROJECT F	\$1,155,000.00		
\$22,000.00	\$21,725.00	\$21,725.00	TRANSFER TO FLEET REPLACE FUND	\$21,725.00		
\$420,274.90	\$494,147.63	\$1,196,725.00	TOTAL TRANSFERS OUT	\$1,176,725.00		
			CONTINGENCY			
\$0.00	\$0.00	\$1,616,854.00	OPERATING CONTINGENCY	\$500,000.00		
\$0.00	\$0.00	\$1,616,854.00	TOTAL OPERATING CONTINGENCY	\$500,000.00		
			RESERVE			
\$0.00	\$0.00	\$100,000.00	FB RESERVE	\$2,056,876.00		
\$0.00	\$0.00	\$100,000.00	TOTAL RESERVE	\$2,056,876.00		
\$1,629,144.41	\$1,665,420.39	\$4,448,791.00	TOTAL WATER REQUIREMENTS	\$5,191,209.00		
\$4,285,483.92	\$4,516,360.68	\$4,448,791.00	TOTAL RESOURCES AND FUND BAL	\$5,191,209.00		
\$1,629,144.41	\$1,665,420.39	\$4,448,791.00	TOTAL FUND REQUIREMENTS	\$5,191,209.00		
\$2,656,339.51	\$2,850,940.29	\$0.00	TOTAL NET WATER FUND	\$0.00		

Stormwater Fund

The Storm Fund is an Enterprise Fund that provides the labor, equipment, and supplies necessary to operate and maintain the City Storm / Sewer System.

The mission of the Storm System is twofold, (1) to handle flooding adequately, and (2) achieve compliance with environmental regulations. The primary source of revenue for this fund is a User Fee, which appears on the City's utility bills monthly, and is expected to increase slightly due to an annual inflation increase based on the Consumer Price Index.



The City of Molalla teaches the community about Stormwater at the Giant Street Parade!

In FY22-23 the City received a new street sweeper, completed a decant facility, completed a required Mercury amendment to the City's Total Maximum Daily Load plan (TMDL), and began the procurement and public contracting work to update the City's out of date Stormwater Master Plan.



The new Decant Facility located at the PW Shops

The new Decant Facility will take sludge debris from catch basins and storm sewers for the purpose of drying to minimize haul-away costs which are normally based on weight. Notably, the City has been named a "Designated Management Agency" in the new Willamette Basin Mercury Total Maximum Daily Load (TMDL). The City has proposed to DEQ that compliance with these new rules will be largely centered around the Decant Facility and its operation, which will eventually include testing of decanted stormwater

for mercury and other constituents.

In FY23-24 the Stormwater Fund will limit project spending to updating the Stormwater Master Plan. The new plan will provide Molalla with a Capital Improvement Plan purposed to eliminate flood prone areas and continue to develop a stormwater system that mitigates any future flooding concerns while ensuring appropriate treatment and retention of stormwater.

Activity Measures from Prior Year, with Performance Percentages from prior year.

	2021	2022 Estimated	Did Stormwater Meet Expectations For 2022	Performance Percentages	2023 Projected
Sweeping Debris Removed	340,000	110,000	Yes 588,000	535%	500,000

Explanation of Significant Budget Variances

2024 Adopted Budget vs 2023 Projected Actual

- Increased Contingency / Reserve by \$137,886

Summary of Explanations Above

By increasing the contingency reserve, the intention is to reserve beginning fund balance for the 24/25 FY.

Goals for 2024

- ✓ Continue working on the stormwater masterplan.

2023 Accomplishments

- ✓ Completed the Decant Facility.
- ✓ Completed a required Mercury amendment to the City's Total Maximum Daily Load plan (TMDL)

Goals Aligned with Molalla Area Vision and Action Plan 2030 (Focus Area #2)

Develop the physical infrastructure needed to support a welcoming community.

- Increased communication through the [Molalla Current](#), which supports infrastructure needs and a welcoming community.

Fostering Socially welcoming activities and embrace diversity as our strength.

- Participates in the City-Wide Newsletter that offers a bilingual version.
- Molalla Current can also be easily converted to Spanish.

Engage youth:

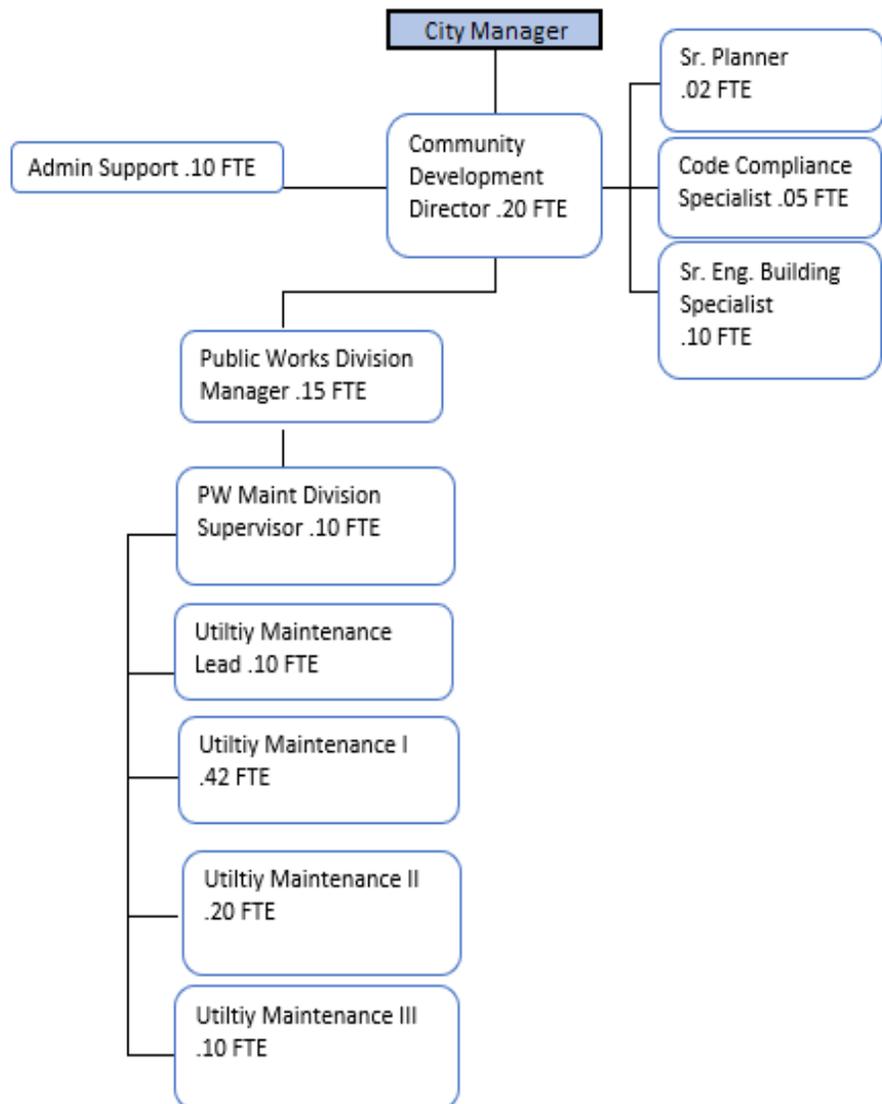
- Participated in the Career Fair at Molalla High School to encourage professional development.

Staffing

	FY 20-21	FY 21-22	FY 22-23	FY 23-24
Full Time FTE	1.47	1.47	1.37	1.54

Changes from Prior Year

- Increase to FTE by .17
- Added Code Compliance Specialist
- Added UMI Position



Historical Data
Actual

STORM WATER FUND

Budget for Next FY 2023-2024

Historical Data			STORM WATER FUND			Budget for Next FY 2023-2024		
Actual			RESOURCES					
2nd Preceding Year 2020-2021	1st Preceding Year 2021-2022	Adopted Budget This Year Year 2022-2023				Proposed By Budget Officer	Approved By Budget Com.	Adopted By Gov. Body
\$137,053.55	\$243,763.49	\$269,925.00	BEGINNING FUND BALANCE			\$374,698.00		
			REVENUE					
\$375.00	\$0.00	\$0.00	MISCELLANEOUS			\$0.00		
\$6,053.31	\$13,672.31	\$500.00	PLAN REVIEW AND PERMITS			\$5,000.00		
\$0.00	\$0.00	\$0.00	INTEREST			\$7,573.00		
\$313,372.74	\$316,409.14	\$315,000.00	MONTHLY USER FEE			\$350,000.00		
\$319,801.05	\$330,081.45	\$315,500.00	TOTAL FUND REVENUES			\$362,573.00		
\$137,053.55	\$243,763.49	\$269,925.00	TOTAL BEGINNING FUND BALANCE			\$374,698.00		
\$456,854.60	\$573,844.94	\$585,425.00	TOTAL STORM WATER FUND RESOURCES			\$737,271.00		

Historical Data		
Actual		Adopted Budget
2nd Preceding Year 2020-2021	1st Preceding Year 2021-2022	This Year Year 2022-2023
\$45,033.99	\$52,131.47	\$65,391.00
\$84,137.28	\$99,041.78	\$111,409.00
\$129,171.27	\$151,173.25	\$176,800.00
1.07	1.47	1.47

STORM WATER FUND

Budget for Next FY 2023-2024

REQUIREMENTS

PERSONNEL SERVICES

	Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
BENEFITS AND TAXES		\$64,661.00	
SALARIES AND WAGES		\$136,174.00	
TOTAL PERSONNEL SERVICES		\$200,835.00	
FTE		1.54	

MATERIALS & SERVICES

\$17,707.57	\$15,254.60	\$18,000.00	OPERATIONS & MAINTENANCE	\$18,000.00
\$0.00	\$0.00	\$0.00	DECANTED WASTE DISPOSAL	\$25,000.00
\$167.45	\$121.03	\$1,300.00	BUILDING MAINTENANCE	\$1,300.00
\$516.82	\$170.50	\$2,700.00	TRANING & CONF. TRAVEL	\$1,000.00
\$518.88	\$148.50	\$800.00	DUES & MEMBERSHIP	\$700.00
\$2,462.88	\$2,123.58	\$3,000.00	POSTAGE	\$3,000.00
\$2,391.48	\$1,864.75	\$3,000.00	COMPUTER NETWORK	\$3,000.00
\$2,996.94	\$4,967.75	\$10,600.00	PROFESSIONAL SERVICES	\$20,000.00
\$202.50	\$0.00	\$500.00	LEGAL & RECORDING	\$500.00
\$9,110.22	\$7,806.27	\$11,000.00	INSURANCE/LIABILITY/GEN	\$13,000.00
\$1,194.90	\$1,452.04	\$3,000.00	VEHICLE FUEL	\$5,400.00
\$7,486.68	\$3,167.82	\$12,800.00	VEHICLE REPAIR	\$5,000.00
\$3,258.08	\$532.75	\$1,800.00	UNIFORMS & SAFETY GEAR	\$2,500.00
\$20,086.53	\$21,050.89	\$15,207.00	COST ALLOCATION AGREEMENT	\$21,632.00
\$0.00	\$0.00	\$500.00	PERMITS	\$0.00
\$129.32	\$483.14	\$1,000.00	SMALL EQUIP/TOOLS	\$1,000.00
\$0.00	\$50.75	\$5,000.00	STORM DRAINS	\$0.00
\$68,230.25	\$59,194.37	\$90,207.00	TOTAL MATERIALS & SERVICES	\$121,032.00

Historical Data			STORM WATER FUND	Budget for Next FY 2023-2024		
Actual		Adopted Budget		REQUIREMENTS- <i>cont</i>	Proposed By	Approved By
2nd Preceding Year 2020-2021	1st Preceding Year 2021-2022	This Year Year 2022-2023			Budget Officer	Budget Committee
			CAPITAL OUTLAY			
\$0.00	\$5,881.81	\$13,900.00	STORM EQUIPMENT	\$2,000.00		
\$0.00	\$5,881.81	\$13,900.00	TOTAL CAPITAL OUTLAY	\$2,000.00		
			TRANSFERS OUT			
\$15,153.28	\$2,738.43	\$4,000.00	TRANSFER TO CAPITAL PROJECT F	\$0.00		
\$7,900.00	\$26,400.00	\$26,400.00	TRANSFER TO FLEET REPLACE FUND	\$26,400.00		
\$23,053.28	\$29,138.43	\$30,400.00	TOTAL TRANSFERS OUT	\$26,400.00		
			CONTINGENCY			
\$0.00	\$0.00	\$249,118.00	CONTINGENCY	\$100,000.00		
\$0.00	\$0.00	\$25,000.00	FB RESERVE/PERS	\$25,000.00		
\$0.00	\$0.00	\$0.00	FB RESERVE	\$262,004.00		
\$0.00	\$0.00	\$249,118.00	TOTAL OPERATING CONTINGENCY	\$387,004.00		
\$220,454.80	\$245,387.86	\$560,425.00	TOTAL STORM WATER REQUIREMENTS	\$737,271.00		
\$456,854.60	\$573,844.94	\$585,425.00	TOTAL FUND RESOURCES AND FUND BAL	\$737,271.00		
\$220,454.80	\$245,387.86	\$560,425.00	TOTAL FUND REQUIREMENTS	\$737,271.00		
\$236,399.80	\$328,457.08	\$25,000.00	TOTAL NET STORM WATER FUND	\$0.00		

System Development Charges

System Development Charges (SDC's) are the fees collected from new development to account for their impacts on the existing systems and to pay their portion for required increases in system capacity; they are classified as Reimbursement SDC's and Improvement SDC's. Each city managed infrastructure system collects its own SDC's, those systems are Water, Sewer, Stormwater, Transportation (Streets), and Parks (for residential development only).

Improvement SDC's may only be used on projects that are in the adopted Capital Improvement Plan and have been determined to increase system capacity. Additionally, they may only contribute to that portion of the project that actually increases system capacity.

Reimbursement SDC's may be used on any capital project within the system for which they were collected.

SDC METHODOLOGY OVERVIEW

Oregon Revised Statutes 223.297 through 223.314 provide the statutory basis for application of System Development Charges. These statutes are intended to provide a uniform framework for the development of equitable funding to support orderly growth.

The City's updated methodologies identify current "replacement value" for all existing improvements to establish the basis of the Reimbursement Fee. The basis for the Improvement Fee is the "estimated cost" of improvements not yet constructed, but needed, to serve future populations.



An example of the SBR type Wastewater Treatment Plant that will be built in Molalla, in part with Sewer SDC's

Existing improvements typically have surplus capacity for future users as well as deficiencies in serving the existing users. Similarly, projects on the Capital Improvement Plan list are required to provide capacity for future users. They also frequently resolve deficiencies in service to the existing users. To account for the available capacity in the City's infrastructure and the concurrent need to undertake capital improvements to resolve deficiencies, the Molalla SDC Methodologies include a combination of both Reimbursement Fees and Improvement Fees.

To assure an equitable allocation of costs between existing and future users, the value of all existing facilities and the estimated cost of all future improvements are allocated to all users, current and future equally, based on their proportionate use of the available capacity. This methodology avoids double charging for capacity and is also independent of current population. With this approach there is no need to identify the percentage of remaining capacity to serve future users, nor to estimate future population growth. This allocation is dependent only upon the ultimate capacity of the facility and the value or cost of the facility.

SDCs are typically collected with the issuance of building permits, or at the time of an increase in system impacts. As a result, the unit of measure for allocating SDC costs is defined in various unique

forms for each infrastructure system but is generally based on the impact of one single-family residential unit which is adopted to be one Equivalent Dwelling Unit (EDU).

SDC ADMINISTRATION REQUIREMENTS

Per ORS 223.311, System Development Charge revenues must be deposited in dedicated accounts and an annual accounting prepared identifying amounts collected for each utility, amounts spent on each qualified project, and the annual cost of complying with these requirements.

The statute mandates that Reimbursement fees may be expended on any capital improvements or associated debt service within the subject infrastructure. Improvement Fees may only be spent on projects included in the Capital Improvement Plan for each infrastructure, including associated debt service. Accordingly, it is important to account for reimbursement and improvement fees separately.

Projects Using SDC's in FY22-23

The City is required to create and post an annual SDC report on the City's website. To review that report please visit the Engineering page of the City Website [Go, HERE!](#)

Projects Projected to Use SDC's in FY23-24

Several projects have been identified for FY 23-24 that will utilize system development charge fees for increasing system capacity. The following is a list of those projects:



Various Members of the Molalla City Council, Molalla Communications Board, and both staffs, pose for a picture at the new Strawberry Park. This park was funded by a generous grant from MCC and Parks SDC funds!

Sewer SDC

- Sewer SDC's are being preserved to facilitate the New Wastewater Treatment Plant project.

Water SDC

- New Water Intake Design
- New 2.0mg Water Storage Tank property acquisition, due diligence, and design

Street SDC

- Sidewalk Infill Program – this project will create a fund to assist property owners in developing sidewalks where none has yet been placed.
- Metzler & OR-211 Sidewalk Infill
- Molalla Forest Road & Bike Ped Path development between OR-211 and Toliver
- Sidewalk infill along OR-211 from Hezzie Ln. to Ona Way

Parks SDC

- Parks Master Plan Update

Stormwater SDC

- Stormwater Master Plan Update

Historical Data

SEWER SDC FUND

Budget for Next FY 2023-2024

Actual

2nd Preceding Year 2020-2021	1st Preceding Year 2021-2022	Adopted Budget This Year Year 2022-2023	RESOURCES	Proposed By Budget Officer	Approved By Budget Com.	Adopted By Gov. Body
\$754,785.31	\$433,591.00	\$879,937.00	BEGINNING FUND BALANCE-REIMB	\$392,398.71		
-\$371,369.85	\$0.00	\$0.00	BEGINNING FUND BALANCE-IMP	\$726,047.29		
			REVENUE			
\$0.00	\$0.00	\$0.00	INTEREST - SEWER IMP SDC	\$16,524.00		
\$8,229.60	\$990.00	\$4,500.00	SEWER SDC - REIMBURSEMENT FEE	\$5,000.00		
\$0.00	\$0.00	\$0.00	INTEREST - SEWER REIMB SDC	\$8,512.00		
\$390,971.57	\$53,115.00	\$185,000.00	SEWER SDC - IMPROVEMENT FEE	\$200,000.00		
\$399,201.17	\$54,105.00	\$189,500.00	TOTAL FUND REVENUES	\$230,036.00		
\$754,785.31	\$433,591.00	\$879,937.00	TOTAL BEGINNING FUND BALANCE	\$1,118,446.00		
			TOTAL SEWER SDC FUND RESOURCES	\$1,348,482.00		
\$1,153,986.48	\$487,696.00	\$1,069,437.00				
			REQUIREMENTS			
			MATERIAL & SERVICES			
\$0.00	\$854.00	\$20,000.00	PROFESSIONAL SERVICES	\$50,000.00		
\$0.00	\$854.00	\$20,000.00	TOTAL MATERIALS & SERVICES	\$50,000.00		
			TRANSFERS OUT			
\$68,680.00	\$0.00	\$0.00	TRANSFER TO SEWER CWSRF FUND	\$0.00		
\$2,760.00	\$0.00	\$0.00	TRANSFER TO SEWER DEBT FUND	\$0.00		
\$239.34	\$0.00	\$0.00	TRANSFER TO CAPITAL PROJECTS	\$0.00		
\$71,679.34	\$0.00	\$0.00	TOTAL TRANSFERS OUT	\$0.00		
			RESERVE			
\$0.00	\$0.00	\$1,027,706.00	FB RESERVE-IMPROVEMENT	\$892,571.29		
\$0.00	\$0.00	\$21,731.00	FB RESERVE-REIMBURSEMENT	\$405,910.71		
\$0.00	\$0.00	\$1,049,437.00	TOTAL RESERVE	\$1,298,482.00		
\$71,679.34	\$854.00	\$1,069,437.00	TOTAL SEWER SDC FUND REQUIREMENTS	\$1,348,482.00		
\$1,153,986.48	\$487,696.00	\$1,069,437.00	TOTAL FUND RESOURCES AND FUND BAL	\$1,348,482.00		
\$71,679.34	\$854.00	\$1,069,437.00	TOTAL FUND REQUIREMENTS	\$1,348,482.00		
\$1,082,307.14	\$486,842.00	\$0.00	TOTAL NET SEWER SDC FUND	\$0.00		

WATER SDC FUND

Budget for Next FY 2023-2024

Historical Data						
Actual		Adopted Budget				
2nd Preceding Year 2020-2021	1st Preceding Year 2021-2022	This Year Year 2022-2023	RESOURCES	Proposed By Budget Officer	Approved By Budget Com.	Adopted By Gov. Body
\$1,852,277.05	\$1,852,277.05	\$87,882.43	BEGINNING FUND BALANCE-REIMB	\$102,822.00		
-\$851,085.55	-\$1,237,342.29	\$435,052.57	BEGINNING FUND BALANCE-IMP	\$164,073.00		
			REVENUE			
\$0.00	\$0.00	\$0.00	INTEREST - WATER IMP SDC	\$4,211.00		
\$30,544.80	\$7,016.00	\$8,000.00	WATER SDC - REIMBURSEMENT FEE	\$11,000.00		
\$0.00	\$0.00	\$0.00	INTEREST - WATER REIMB SDC	\$2,268.00		
\$177,696.60	\$39,270.00	\$45,000.00	WATER SDC - IMPROVEMENT FEE	\$55,000.00		
\$208,241.40	\$46,286.00	\$53,000.00	TOTAL FUND REVENUES	\$72,479.00		
\$1,001,191.50	\$614,934.76	\$522,935.00	TOTAL BEGINNING FUND BALANCE	\$266,895.00		
\$1,209,432.90	\$661,220.76	\$575,935.00	TOTAL WATER SDC FUND RESOURCES	\$339,374.00		
			REQUIREMENTS			
			MATERIAL & SERVICES			
\$0.00	\$8,442.34	\$0.00	PROFESSIONAL SERVICES-Imp	\$0.00		
\$0.00	\$0.00	\$20,000.00	PROFESSIONAL SERVICES-Reimb	\$0.00		
\$0.00	\$8,442.34	\$20,000.00	TOTAL MATERIALS & SERVICES	\$0.00		
			CAPITAL OUTLAY			
\$0.00	\$0.00	\$0.00	TOTAL CAPITAL OUTLAY	\$0.00		
			TRANSFERS OUT			
\$594,498.14	\$135,822.99	\$0.00	TRANSFER TO CAPITAL PROJ	\$0.00		
\$0.00	\$0.00	\$320,000.00	TRANSFER TO CAP-IMPROVE	\$100,000.00		
\$594,498.14	\$135,822.99	\$320,000.00	TOTAL TRANSFERS OUT	\$100,000.00		
			RESERVE			
\$0.00	\$0.00	\$140,043.00	FB RESERVE-IMPROVEMENT	\$123,284.00		
\$0.00	\$0.00	\$95,892.00	FB RESERVE-REIMBURSEMENT	\$116,090.00		
\$0.00	\$0.00	\$235,935.00	TOTAL TRANSFERS OUT	\$239,374.00		
\$594,498.14	\$144,265.33	\$575,935.00	TOTAL WATER SDC FUND REQUIREMENTS	\$339,374.00		
\$1,209,432.90	\$661,220.76	\$575,935.00	TOTAL FUND RESOURCES AND FUND BAL	\$339,374.00		
\$594,498.14	\$144,265.33	\$575,935.00	TOTAL FUND REQUIREMENTS	\$339,374.00		
\$614,934.76	\$516,955.43	\$0.00	TOTAL NET WATER SDC FUND	\$0.00		

STREET SDC FUND

Budget for Next FY 2023-2024

Historical Data
Actual

2nd Preceding Year 2020-2021	1st Preceding Year 2022-2023	Adopted Budget This Year Year 2022-2023	RESOURCES	Proposed By Budget Officer	Approved By Budget Com.	Adopted By Gov. Body
\$606,476.22	\$606,476.22	\$1,478,892.00	BEGINNING FUND BALANCE-REIMB	\$712,308.00		
\$289,702.36	\$1,000,579.54	\$0.00	BEGINNING FUND BALANCE-IMP	\$1,368,879.00		
			REVENUE			
\$0.00	\$0.00	\$0.00	INTEREST - STREET IMP SDC	\$24,333.00		
\$139,296.20	\$5,797.00	\$5,000.00	TRANSPORTATION - REIMBURSEMENT	\$25,000.00		
\$0.00	\$0.00	\$0.00	INTEREST - REIMBURSEMENT	\$22,461.00		
\$682,174.20	\$42,282.00	\$60,000.00	TRANSPORTATION - IMPROVEMENT	\$125,000.00		
\$821,470.40	\$48,079.00	\$65,000.00	TOTAL FUND REVENUES	\$196,794.00		
\$606,476.22	\$606,476.22	\$1,478,892.00	TOTAL BEGINNING FUND BALANCE	\$2,081,187.00		
\$1,427,946.62	\$654,555.22	\$1,543,892.00	TOTAL STREET SDC FUND RESOURCES	\$2,277,981.00		
			REQUIREMENTS			
\$0.00	\$0.00	\$0.00	TOTAL MATERIALS % SERVICES	\$0.00		
			CAPITAL OUTLAY			
\$0.00	\$0.00	\$0.00	TOTAL CAPITAL OUTLAY	\$0.00		
			TRANSFERS OUT			
\$110,593.22	\$84,933.12	\$0.00	TRANSFER TO CAPITAL PROJECTS	\$0.00		
\$0.00	\$0.00	\$0.00	TRANSFER TO CAP-IMPROVE	\$350,000.00		
\$0.00	\$0.00	\$405,000.00	TRANSFER TO CAP-REIMBURSE	\$500,000.00		
\$110,593.22	\$84,933.12	\$405,000.00	TOTAL TRANSFERS OUT	\$850,000.00		
			RESERVE			
\$0.00	\$0.00	\$1,077,922.00	FB RESERVE-IMPROVEMENT	\$1,168,212.00		
\$0.00	\$0.00	\$60,970.00	FB RESERVE-REIMBURSEMENT	\$259,769.00		
\$0.00	\$0.00	\$1,138,892.00	TOTAL RESERVES	\$1,427,981.00		
\$110,593.22	\$84,933.12	\$1,543,892.00	TOTAL STREET SDC FUND REQUIREMENTS	\$2,277,981.00		
\$1,427,946.62	\$654,555.22	\$1,543,892.00	TOTAL FUND RESOURCES AND FUND BAL	\$2,277,981.00		
\$110,593.22	\$84,933.12	\$1,543,892.00	TOTAL FUND REQUIREMENTS	\$2,277,981.00		
\$1,317,353.40	\$569,622.10	\$0.00	TOTAL NET STREET SDC FUND	\$0.00		

Historical Data
Actual

PARK SDC FUND

Budget for Next FY 2022-2023

2nd Preceding Year 2019-2020	1st Preceding Year 2020-2021	Adopted Budget This Year Year 2021-2022	RESOURCES	Proposed By Budget Officer	Approved By Budget Com.	Adopted By Gov. Body
\$1,476,440.59	\$1,476,440.59	\$1,522,979.00	BEGINNING FUND BALANCE-REIMB	\$0.00		
\$943,571.73	\$557,903.11	\$0.00	BEGINNING FUND BALANCE-IMP	\$1,449,581.00		
			REVENUE			
\$0.00	\$0.00	\$0.00	INTEREST	\$32,593.00		
\$112,268.00	\$33,686.00	\$35,000.00	PARK SDC - IMPROVEMENT FEE	\$75,000.00		
\$112,268.00	\$33,686.00	\$35,000.00	TOTAL FUND REVENUES	\$107,593.00		
\$1,476,440.59	\$1,476,440.59	\$1,522,979.00	TOTAL BEGINNING FUND BALANCE	\$1,449,581.00		
\$1,588,708.59	\$1,510,126.59	\$1,557,979.00	TOTAL PARK SDC FUND RESOURCES	\$1,557,174.00		
			REQUIREMENTS			
			MATERIAL & SERVICES			
\$0.00	\$0.00	\$0.00	TOTAL MATERIALS % SERVICES	\$0.00		
			CAPITAL OUTLAY			
\$0.00	\$0.00	\$0.00	TOTAL CAPITAL OUTLAY	\$0.00		
			TRANSFERS OUT			
\$0.00	\$0.00	\$0.00	TRANSFER TO CAP-IMPROVE	\$75,000.00		
\$497,936.62	\$485,951.52	\$350,000.00	TRANSFER TO CAPITAL PROJECTS	\$0.00		
\$497,936.62	\$485,951.52	\$350,000.00	TOTAL TRANSFERS OUT	\$75,000.00		
			RESERVE			
\$0.00	\$0.00	\$1,207,979.00	FB RESERVE-IMPROVEMENT	\$1,482,174.00		
\$0.00	\$0.00	\$1,207,979.00	TOTAL RESERVES	\$1,482,174.00		
\$497,936.62	\$485,951.52	\$1,557,979.00	TOTAL PARK SDC FUND REQUIREMENTS	\$1,557,174.00		
\$1,588,708.59	\$1,510,126.59	\$1,557,979.00	TOTAL FUND RESOURCES AND FUND BAL	\$1,557,174.00		
\$497,936.62	\$485,951.52	\$1,557,979.00	TOTAL FUND REQUIREMENTS	\$1,557,174.00		
\$1,090,771.97	\$1,024,175.07	\$0.00	TOTAL NET PARK SDC FUND	\$0.00		

STORM WATER SDC FUND

Budget for Next FY 2023-2024

Historical Data					
Actual					
2nd Preceding Year 2020- 2021	1st Preceding Year 2021- 2022	Adopted Budget This Year Year 2022- 2023			
\$137,026.96	\$221,115.78	\$198,820.00			
\$0.00	\$0.00	\$0.00			
\$3,672.20	\$246.00	\$205.00			
\$0.00	\$0.00	\$0.00			
\$80,655.96	\$9,404.00	\$4,455.00			
\$84,328.16	\$9,650.00	\$4,660.00			
\$137,026.96	\$221,115.78	\$198,820.00			
\$221,355.12	\$230,765.78	\$203,480.00			
			RESOURCES	Proposed By Budget Officer	Approved By Budget Com.
			BEGINNING FUND BALANCE-REIMB	\$3,446.00	Adopted By Gov. Body
			BEGINNING FUND BALANCE-IMP	\$150,520.00	
			REVENUE		
			INTEREST - STORM IMP SDC	\$3,319.00	
			STORM SDC - REMIBURSEMENT FEE	\$3,500.00	
			INTEREST - STORM REIMBURSEMENT	\$34.00	
			STORM SDC - IMPROVEMENT FEE	\$75,000.00	
			TOTAL FUND REVENUES	\$81,853.00	
			TOTAL BEGINNING FUND BALANCE	\$153,966.00	
			TOTAL STORM WATER SDC FUND RESOURCES	\$235,819.00	
			REQUIREMENTS		
			MATERIAL & SERVICES		
			TOTAL MATERIALS & SERVICES	\$0.00	
			CAPITAL OUTLAY		
			TOTAL CAPITAL OUTLAY	\$0.00	
			TRANSFERS OUT		
			TRANSFER TO CAP-IMPROVE	\$60,763.00	
			TRANSFER TO CAPITAL PROJECTS	\$0.00	
			TOTAL TRANSFERS OUT	\$60,763.00	
			RESERVE		
			FB RESERVE-IMPROVEMENT	\$168,076.00	
			FB RESERVE-REIMBURSEMENT	\$6,980.00	
			TOTAL RESERVES	\$175,056.00	
			TOTAL STORM WATER SDC FUND REQUIREMENTS	\$235,819.00	
			TOTAL FUND RESOURCES AND FUND BAL	\$235,819.00	
			TOTAL FUND REQUIREMENTS	\$235,819.00	
			TOTAL NET STORM WATER SDC FUND	\$0.00	

Sewer Debt Retirement Fund

The sewer debt retirement fund is the fund from which debt principal and interest is paid. In the 2022/23 budget, the sole debt being processed through this fund is the sewer portion of the Full Faith & Credit Financing Series 2020 bond. That bond paid off the 2005 CWSRF Bond. For the 2023/24 budget, the fund is being set up to include all sewer-related debt. Sewer debt is paid by transfers from the Sewer Fund.

Outstanding Debt and Debt Service Payments Fiscal Years June 30, 2023 – 2028

City of Molalla

	Loan Balance	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028
Full Faith & Credit Financing Series 2020 <i>(Sewer Only – see MURA for that portion)</i>	1,160,000	379,384	377,889	148,335	148,321	148,175
Clean Water State Revolving Fund Loan R66101	1,406,584	63,098	117,551	117,148	116,740	116,328
Total	2,566,584	442,482	495,440	265,483	264,649	264,503

Explanation of Significant Budget Variances

The Clean Water State Revolving Fund Loan drawn thus far is for the design phase of required Wastewater Treatment Plant improvements. Additional funding through this program is available and will be accessed for construction. The process of securing the agreement is underway, but currently there is insufficient information to budget potential debt service payments. A supplemental budget may be required if any new loan agreement includes debt payments in 23/24.

There are no reserve funds required by the 2020 agreement. The current CWSRF loan reserve requirement is budgeted.

2023 Accomplishments

- ✓ Total City bonded debt per capita as of June 30, 2022 was \$323.
- ✓ Total City bonded debt as of June 30, 2022 utilized less than 14% of the statutory debt limit.
- ✓ By consolidating all sewer-related debt into a single fund, we have enabled more flexibility as we partner with governmental agencies for funding.
- ✓ To begin preparing for additional future debt service needs, we have budgeted an additional \$150,000 to the debt reserve.

Historical Data
Actual

SEWER DEBT RETIREMENT

Budget for Next FY 2023-2024

2nd Preceding Year 2020-2021	1st Preceding Year 2021-2022	Adopted Budget This Year Year 2022-2023
\$315,250.00	\$22,700.00	\$22,700.00
\$319,748.00	\$381,486.00	\$380,625.00
\$2,760.00	\$0.00	\$0.00
\$319,748.00	\$381,486.00	\$380,625.00
\$315,250.00	\$22,700.00	\$22,700.00
\$634,998.00	\$404,186.00	\$403,325.00

RESOURCES

Proposed By Budget Officer Approved By Budget Com. Adopted By Gov. Body

BEGINNING FUND BALANCE	\$22,706.00
REVENUE	
TRANSFER FROM SEWER FUND	\$633,776.00
INTEREST	\$1,838.00
TRANSFER FROM SEWER SDC FUND	\$0.00
TOTAL FUND REVENUES	\$635,614.00
TOTAL BEGINNING FUND BALANCE	\$22,706.00
TOTAL SEWER DEBT RETIREMENT FUND RESOURCES	\$658,320.00

REQUIREMENTS

\$26,444.44	\$0.00	\$0.00	2010 SEWER REV BOND - INTEREST	\$0.00
\$1,400,000.00	\$0.00	\$0.00	2010 SEWER REV BOND - PRINCIPA	\$0.00
\$253,700.00	\$27,886.42	\$22,618.00	2020 SEWER FF&C LOAN -INT	\$17,284.00
\$0.00	\$0.00	\$0.00	2020 CWSRF/DEQ - INTEREST	\$63,098.00
\$10,908.00	\$353,600.42	\$358,000.00	2020 SEWER FF&C LOAN - PRIN	\$362,100.00
\$1,691,052.44	\$381,486.84	\$380,618.00	TOTAL DEBT SERVICE	\$442,482.00
RESERVE				
\$0.00	\$0.00	\$22,707.00	DEBT RESERVE	\$215,838.00
\$0.00	\$0.00	\$22,707.00	TOTAL RESERVE	\$215,838.00
\$1,691,052.44	\$381,486.84	\$403,325.00	TOTAL SEWER DEBT RETIREMENT FUND REQUIREMENTS	\$658,320.00
\$634,998.00	\$404,186.00	\$403,325.00	TOTAL FUND RESOURCES AND FUND BAL	\$658,320.00
\$1,691,052.44	\$381,486.84	\$403,325.00	TOTAL FUND REQUIREMENTS	\$658,320.00
-\$1,056,054.44	\$22,699.16	\$0.00	TOTAL NET SEWER DEBT RETIREMENT FUND	\$0.00

CWSRF DEBT RETIREMENT FUND

This fund was created to service the Clean Water Services Revolving Fund loan incurred in 2008. The loan funded capacity improvements at the Wastewater Treatment Plant and was paid off with the 2020 refunding bond.

This fund is no longer needed and was closed by resolution #2023-05 on 4/12/2023.

CWSRF DEBT RETIREMENT

Historical Data						
Actual						
2nd Preceding Year 2020-2021	1st Preceding Year 2021-2022	Adopted Budget This Year Year 2022-2023	RESOURCES	Proposed By Budget Officer	Approved By Budget Com.	Adopted By Gov. Body
\$184,618.00	\$40,000.00	\$42,000.00	BEGINNING FUND BALANCE			\$0.00
REVENUE						
\$68,680.00	\$0.00	\$0.00	TRANSFER FROM SEWER SDC FUND			\$0.00
\$59,897.00	\$2,000.00	\$2,000.00	TRANSFER FROM SEWER			\$0.00
\$0.00	\$0.00	\$15,000.00	TRANSFER FROM STREETS			\$0.00
\$128,577.00	\$2,000.00	\$17,000.00	TOTAL FUND REVENUES			\$0.00
\$184,618.00	\$40,000.00	\$42,000.00	TOTAL BEGINNING FUND BALANCE			\$0.00
\$313,195.00	\$42,000.00	\$59,000.00	AL CWSRF DEBT RETIREMENT FUND RESOU			\$0.00
REQUIREMENTS						
MATERIAL & SERVICES						
\$0.00	\$0.00	\$0.00	CWSRF - ADMIN FEE			\$0.00
\$0.00	\$0.00	\$0.00	TOTAL MATERIALS % SERVICES			\$0.00
DEBT SERVICE						
\$14,035.00	\$0.00	\$0.00	2005 CWSRF - INTEREST			\$0.00
\$1,272,262.00	\$0.00	\$0.00	2005 CWSRF - PRINCIPAL			\$0.00
\$0.00	\$0.00	\$15,000.00	2020 CWSRF/DEQ - INTEREST			\$0.00
\$0.00	\$0.00	\$0.00	2020 CWSRF/DEQ - PRINCIPAL			\$0.00
\$1,286,297.00	\$0.00	\$15,000.00	TOTAL DEBT SERVICE			\$0.00
RESERVE						
\$0.00	\$0.00	\$44,000.00	CWSRF - RESERVE			\$0.00
\$0.00	\$0.00	\$44,000.00	TOTAL RESERVE OUT			\$0.00
\$1,286,297.00	\$0.00	\$59,000.00	CSWRF DEBT RETIREMENT FUND REQUIREI			\$0.00
\$313,195.00	\$42,000.00	\$59,000.00	TOTAL FUND RESOURCES AND FUND BAL			\$0.00
\$1,286,297.00	\$0.00	\$59,000.00	TOTAL FUND REQUIREMENTS			\$0.00
-\$973,102.00	\$42,000.00	\$0.00	TOTAL NET CWSRF DEBT RETIREMENT FUNC			\$0.00

Section 5 – URA
Urban Renewal Agency





City of Molalla – Urban Renewal Agency
Director’s Office
117 N Molalla Avenue | PO Box 248 | Molalla, Oregon 97038
Phone: (503) 829-6855 Fax: (503) 829-3676

May 1, 2023

Members of the Urban Renewal Agency
Chair, Scott Keyser, and Agency Members
Molalla Citizens

RE: Molalla Urban Renewal Agency – 2023-2024 Budget Transmittal Memo

I am pleased to submit the proposed Budget for the City of Molalla Urban Renewal Agency for the Fiscal Year 2023-2024. This proposed Budget includes action items and projects identified within the Urban Renewal Plan. Each of these projects is identified to promote community Economic Development and revitalization through transportation, infrastructure, and streetscape improvements.

Urban Renewal is a tool used to help improve and spur Economic Development within a specific district by using Tax Increment Financing (TIF) to implement capital improvements and other projects within the District. The basic purpose of Urban Renewal is to increase the total assessed value of the District, and during the District timeline, use the funds derived from that increase in assessed value to fund various projects in the Urban Renewal Plan. Once the District expires, the full assessed value of the District comes back on the tax rolls and the increased revenue goes into the City’s General Fund.

We began our current push to use MURA funds to improve Molalla in 2020 when the Urban Renewal Agency updated the Urban Renewal Plan. Project development and completion have a longer timeline today, but we made substantial progress on identified and approved projects since the adoption of the updated Plan as follows:

1. Future Police Facility property purchase – Complete
2. Molalla Avenue/Highway 211 signalization- Complete
3. Main Street/Hwy 211 widening – Partial completion/Additional projects commencing
4. Percentage/preparation for new Police Facility and property acquisition – On-going
5. Opportunity/Streetscape projects – On-going
6. Sawyers Trucking – On going

We have scaled back large project emphasis on new projects for 2023 – 2024, except for due diligence and smaller scale improvements to the Molalla Forest Road. However, two other projects we are proposing are Opportunity Partnerships or public/private partnerships within the district and ongoing work toward the new Police Facility.

2023 – 2024 MURA Projects as presented:

1. Molalla Forest Road - \$500,000
2. Opportunity Partnerships - \$200,000
3. Police Facility Progression - \$1,623,670 (Gap Funding/Early Procurement)

One area of note is that many projects today require additional time to either begin or be completed. We have projects that have been identified for opportunity partnerships that have yet to commence. Rather than discontinue these projects Staff has carried these projects forward amounting to funding of \$600,000 for projects identified but yet to be funded, over a 3 year period.

TIF revenue for the 2022-2023 tax year continues to increase at a greater rate than anticipated. Within the 2022-2023 Budget we anticipated \$756,000 in TIF revenue for the Fiscal Year. By April of our Fiscal Year, we have received \$864,395. We expect that number to increase to approximately \$873,000 by the end of the Fiscal Year. Based on anticipated development and redevelopment within the District, we will see revenue increase to \$1,000,000 over the next two years. We have budgeted \$532,211 in debt service for the 2023-2024 fiscal year.

The significance of Molalla’s continued increases in our level of revenue is that we are generating funds to pay back debt. This tax financing option is used to create debt to initiate development and projects that would not be financially feasible without the infrastructure improvements made possible by Urban Renewal.

The proposed FY 2023-2024 Budget for the MURA is balanced as required by Oregon State Budget Law.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dan Huff', written in a cursive style.

Dan Huff
Agency Director

Historical Data
Actual

2nd Preceding Year 2020-2021	1st Preceding Year 2021-2022	Adopted Budget This Year Year 2022-2023
\$1,500,597.32	\$3,836,503.50	\$2,513,504.00
\$761,294.23	\$716,595.28	\$756,000.00
\$0.00	\$10,943.21	\$10,000.00
\$952.59	\$284.96	\$50.00
\$2,530,400.00	\$0.00	\$0.00
\$3,292,646.82	\$727,823.45	\$766,050.00
\$1,500,597.32	\$3,836,503.50	\$2,513,504.00
\$4,793,244.14	\$4,564,326.95	\$3,279,554.00

URBAN RENEWAL

Budget for Next FY 2023-2024

RESOURCES

	Proposed By Budget Officer	Approved By Budget Com.	Adopted By Gov. Body
BEGINNING FUND BALANCE			\$2,501,265.00
REVENUE			
PROPERTY TAX-CURRENT		\$910,000.00	
PROPERTY TAX-PRIOR		\$12,500.00	
INTEREST		\$77,024.00	
BOND/LOAN		\$0.00	
TOTAL FUND REVENUES		\$999,524.00	
TOTAL BEGINNING FUND BALANCE			\$2,501,265.00
TOTAL URBAN RENEWAL FUND RESOURCES			\$3,500,789.00

Historical Data		
Actual		Ασφαλεία
2nd Preceding	1st Preceding	Budget
Year 2020-2021	Year 2021-	This Year
		Year 2022-

URBAN RENEWAL REQUIREMENTS

Budget for Next FY 2023-2024		
Proposed By	Approved By	Adopted By
Budget Officer	Budget Committee	Governing Body

MATERIAL & SERVICES

\$1,367.65	\$12,064.53	\$90,000.00	OPERATION & MAINTENANCE	\$40,200.00
\$16,575.00	\$3,277.56	\$160,000.00	PROFESSIONAL SERVICES	\$0.00
\$20,086.54	\$9,543.14	\$12,620.00	COST ALLOCATION AGREEMENT	\$5,408.00
\$38,029.19	\$24,885.23	\$262,620.00	TOTAL MATERIALS % SERVICES	\$45,608.00

DEBT SERVICE

\$165,000.00	\$180,000.00	\$200,000.00	2015 URA BOND- PRINCIPAL	\$200,000.00
\$82,449.77	\$75,799.76	\$68,600.00	2015 URA BOND- INTEREST	\$60,600.00
\$258,600.00	\$237,800.00	\$241,300.00	2020 URA FF&C- PRINCIPAL	\$244,900.00
-\$9,862.96	\$33,849.82	\$30,607.00	2020 URA FF&C- INTEREST	\$26,711.00
\$496,186.81	\$527,449.58	\$540,507.00	TOTAL DEBT SERVICE	\$532,211.00

CAPITAL OUTLAY

\$380,213.54	\$1,076,273.10	\$476,427.00	CAPITAL IMPROVEMENTS	\$40,000.00
\$0.00	\$0.00	\$500,000.00	MOLALLA FOREST ROAD	\$500,000.00
\$0.00	\$0.00	\$600,000.00	OPPORTUNITY PARTNERSHIPS	\$200,000.00
\$0.00	\$0.00	\$200,000.00	POLICE FACILITY	\$1,623,670.00
\$380,213.54	\$1,076,273.10	\$1,776,427.00	TOTAL CAPITAL OUTLAY	\$2,363,670.00

CONTINGENCY

\$0.00	\$0.00	\$150,000.00	CONTINGENCY	\$9,300.00
\$0.00	\$0.00	\$150,000.00	TOTAL CONTINGENCY	\$9,300.00

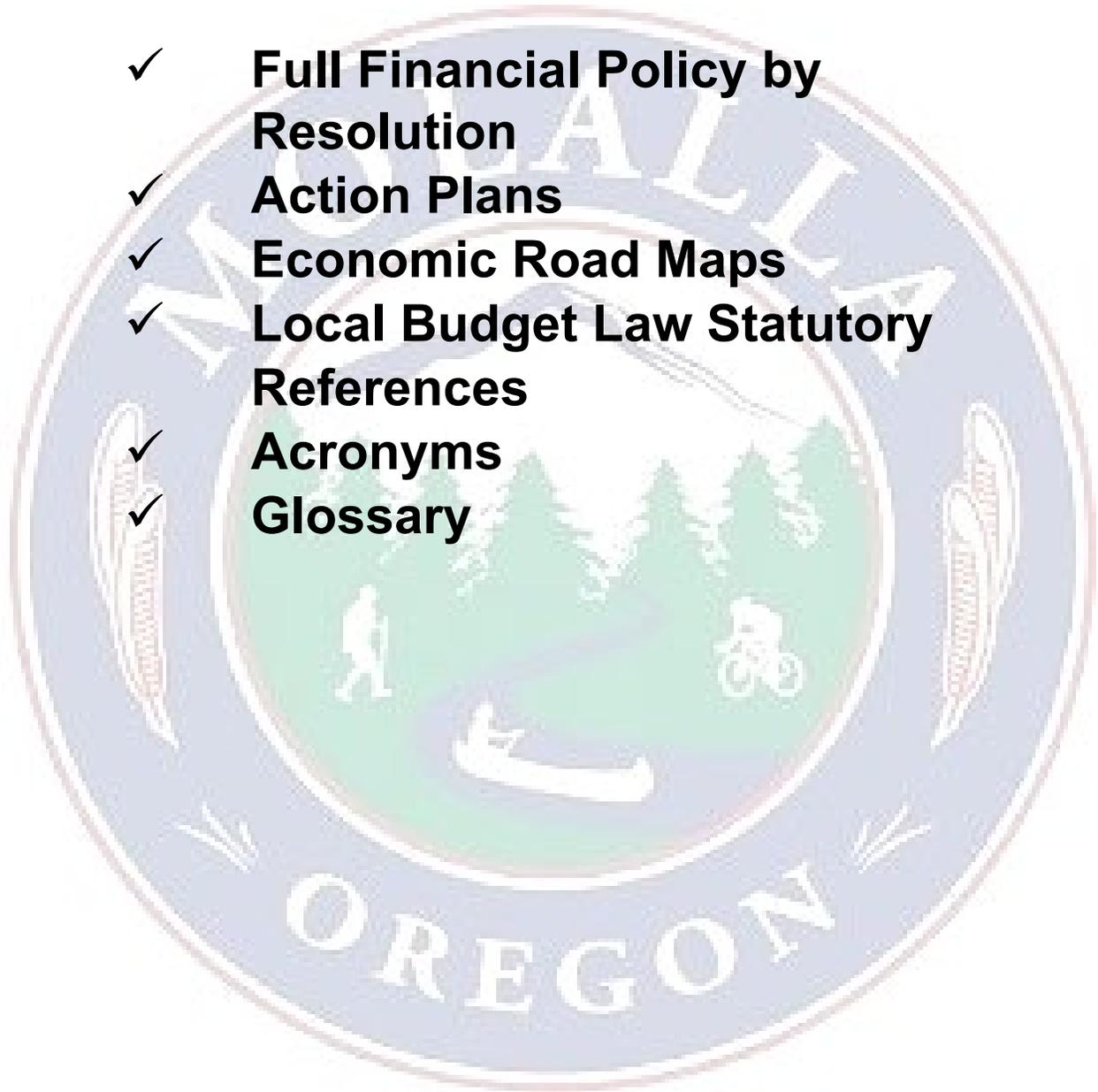
RESERVE

\$0.00	\$0.00	\$0.00	RESERVE	\$0.00
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\$0.00	\$0.00	\$550,000.00	URA BOND - RESERVE	\$550,000.00
\$0.00	\$0.00	\$550,000.00	TOTAL RESERVES	\$550,000.00
\$914,429.54	\$1,628,607.91	\$3,279,554.00	TOTAL URBAN RENEWAL FUND REQUIREMENTS	\$3,500,789.00
\$4,793,244.14	\$4,564,326.95	\$3,279,554.00	TOTAL FUND RESOURCES AND FUND BAL	\$3,500,789.00
\$914,429.54	\$1,628,607.91	\$3,279,554.00	TOTAL FUND REQUIREMENTS	\$3,500,789.00
\$3,878,814.60	\$2,935,719.04	\$0.00	TOTAL NET URBAN RENEWAL FUND	\$0.00

Section 6 – Appendix & Legal

- ✓ **Full Financial Policy by Resolution**
- ✓ **Action Plans**
- ✓ **Economic Road Maps**
- ✓ **Local Budget Law Statutory References**
- ✓ **Acronyms**
- ✓ **Glossary**





RESOLUTION NUMBER 2019-17

A RESOLUTION ADOPTING THE CITY OF MOLALLA FINANCIAL POLICIES.

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

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

WHEREAS, the auditing firm for the City has recommended that Council adopt financial policies that promote sound financial management practices designed to meet Council's goals and objectives; and

WHEREAS, staff has prepared the City of Molalla Financial Policies document that outlines procedures, safeguards, and internal controls for public fund management; and

WHEREAS, the City of Molalla Financial Policies document, attached hereto as Exhibit A,

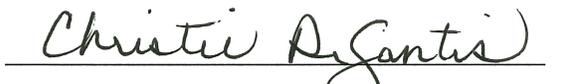
NOW, THEREFORE BE IT RESOLVED, That the City of Molalla Finance Policies document, attached hereto as Attachment A, is hereby adopted.

PASSED AND ADOPTED by the City of Molalla City Council and signed by me, and the City Recorder, in authentication of its passage.

Duly Appointed this 24th day of July, 2019


Keith Swigart, Mayor

ATTEST:


Christie DeSantis, Interim City Recorder



RESOLUTION NO. 2022-01

**A RESOLUTION OF THE CITY OF MOLALLA, OREGON
AMENDING THE FINANCIAL POLICY - DEBT POLICY SECTION**

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

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

WHEREAS, the auditing firm for the City has recommended that Council adopt financial policies that promote sound financial management practices designed to meet Council's goals and objectives; and

WHEREAS, staff has prepared the City of Molalla Financial Policies document that outlines procedures, safeguards, and internal controls for public fund management; and

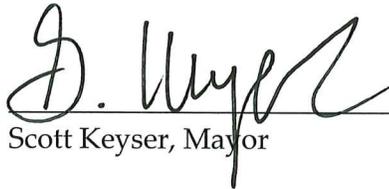
WHEREAS, the City of Molalla Financial Policies document, attached hereto as Exhibit A,

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

Section 1. That the City of Molalla Finance Policies amending the Debt Policy document, hereby referred to as Exhibit A.

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

Signed this 9th day of March.



Scott Keyser, Mayor

ATTEST:



Christie Teets, City Recorder

City of Molalla



Budget Policy

Adopted July 24, 2019
Resolution 2019-17

This document supersedes any and all previous budget policies.

I. Purpose

The purpose of this policy is to establish guidelines for The City of Molalla (City) to account for public funds, to manage municipal finances wisely, and to plan for the provision of services desired by the public through the budget cycle.

This policy is designed to provide conceptual standards for financial decision-making, enhance consistency in financial decisions, and establish parameters to use in directing the day-to-day financial affairs of the City.

II. Scope

This policy governs the budgeting process, monitoring of budget execution, performance monitoring, and any revision of the budget.

III. Objectives

The primary objectives of budget activities shall be:

- To ensure that the annual budgeting process is performed timely and supports the City's financial and operational planning objectives and processes.
- To ensure actual versus budget is reviewed and monitored for significant variances.
- To ensure that expenditures made are in line with program objectives.
- To ensure that budgets are reviewed periodically for relevance and revised as necessary.

To the extent possible, the City's budget process will:

- Incorporate a long-term perspective,
- Establish linkages to broad organizational goals,
- Focus budget decisions on results and outcomes,
- Involve and promote effective communication with stakeholders, and

IV. Policy Statement

A. Oregon Local Budget Law

The City is subject to the requirements of Oregon Local Budget Law under ORS Section 294.

B. Long-term Focus

The City recognizes the importance of long-term strategic planning. Similarly, it recognizes that prudent financial planning considers the multi-year implications of financial decisions. The City shall maintain a long-term focus in its financial planning that is mindful of the long-term objectives of the City.

C. Conservatism

Revenues will be projected conservatively, but realistically, considering:

1. past experience,

2. the volatility of the revenue source,
3. inflation and other economic conditions, and
4. the costs of providing the related service.

Expenditures will be projected conservatively considering:

1. a conservative but likely scenario of events (versus “worst case”),
2. specific, identified needs of the program or service,
3. historic consumption and trends, and
4. inflation and other economic trends.

D. Matching Concept

The City will make an effort to match one-time resources with one-time uses in the development of the budget. Similarly, recurring resources will be identified with recurring uses to the extent possible.

If it becomes necessary to use one-time resources to balance the City’s budget, a plan for achieving a structural balance will be developed simultaneously that identifies revenue enhancements or expenditure decreases to bring the budget back into balance

E. Contingencies and Unappropriated Ending Fund Balance

Contingencies will be budgeted in all operating funds to provide flexibility and to address unforeseen circumstances that may arise after the budget is adopted. There shall be no expenditures from contingencies. Transfers of appropriations to expenditure categories may be made with City Council approval.

The City will report an unappropriated ending fund balance in the debt service funds equal to the first scheduled debt service payment of the subsequent year. Unappropriated fund balances may not be appropriated or spent. Unappropriated balances will then be available and appropriated in the following year to ensure adequate resources to cover debt service.

F. Budget Development

1. The operating budget is the City’s financial operating plan. All funds will be subject to appropriation by the City Council.
2. The budget will be balanced for each fund. The proposed cash resources of each fund (beginning of year fund balance plus estimated receipts) will equal or exceed appropriations. When necessary, the following budget-balancing strategies will be used, in order of priority:
 - a. Reduce expenditures through improved productivity.
 - b. Create new service fees or increase existing fees and charges.
 - c. Reduce or eliminate services.
3. Unencumbered appropriations lapse at the end of the fiscal year.

4. The City Manager shall serve as the City's Budget Officer, and as such will present the proposed budget to the Budget Committee for consideration and eventual approval. The Finance Director is the City Manager's alternate.
5. Public hearings will be held to obtain public input on the City's proposed and approved budget.
6. The City's budget shall be prepared on a budgetary basis. The budget will be sufficiently detailed to identify all significant sources and uses of funds. Adopted budget for current year data, second proceeding year actuals, and first proceeding year actual results will be presented for comparative purposes.
7. The budget will be adopted by the City Council no later than June 30.

G. Budget Modification

1. The adopted budget may be amended to transfer appropriations between funds or budget categories through resolution of the City Council.
2. A supplemental budget may be adopted by the City Council, following a public hearing, to increase the adopted appropriations of any fund.

City of Molalla



Debt Policy

Revised 03-09-2022

Resolution 2022-01

This document supersedes any and all previous debt policies.

I. Purpose

This Debt Policy for the City of Molalla (City) is established to help ensure that all debt is issued both prudently and cost effectively. This policy sets forth comprehensive guidelines for the financing of capital expenditures of the City. Adherence to the policy is essential to ensure that the City Council maintains a sound debt position and protects the credit quality of its obligations.

II. Governing Authority

The City’s debt policy shall be operated in conformance with Oregon Revised Statutes, applicable federal law and other regulatory requirements. The Finance Director will maintain the debt policy and develop recommendations for debt financing.

III. Scope

This policy applies to all financing activities of the City.

IV. Objectives

The objectives of the policy shall be that:

- i. the City obtain financing only when necessary,
- ii. the process for identifying the timing and amount of debt or other financing be as efficient as possible,
- iii. the most favorable interest rate and other related costs be obtained, and
- iv. when appropriate, future financial flexibility be maintained.

V. Conditions of Debt

1. Debt Limits

i. Legal Restrictions

- The City shall observe and comply with all legal restrictions including State constitution or law, local charter, by-laws, resolution or ordinance, or covenant, and bond referenda approved by voters.

ii. Public Policies

- The City shall observe and support appropriate public policy considerations including the purposes for which debt proceeds may be used or prohibited,
- The types of debt that may be issued or prohibited, the relationship to and integration with the Capital Improvement Program, and policy goals related to economic development, including potential public-private partnerships.

iii. Financial Restrictions

A. Direct Debt

The City shall develop and maintain financial information in the consideration and evaluation of its debt position including the ratio of debt

per capita, the ratio of debt to personnel income, the ratio of debt to taxable property value, and debt service payments as a percentage of general fund revenues or expenditures.

B. Revenue Debt

The City may consider issuance of revenue bonds as an alternative to other types of financing when the situation and conditions of the borrowing so indicate, and upon advice from financial advisors and/or bond counsel.

C. Conduit Debt

The City shall not engage in the issuance of conduit debt.

D. Short-term Debt

The City may engage in short-term financing if cash or working capital needs so dictate. All short-term borrowings should reflect the same objectives as those identified for debt financing above.

E. Variable Rate Debt

The City may consider issuance of variable rate debt as an alternative to other types of financing when the situation and conditions of the borrowing so indicate, and upon advice from financial advisors and/or bond counsel.

2. Debt Structuring Practices

The City shall consult with financial advisors and bond counsel, and within the framework of applicable accounting and reporting requirements to identify and implement sound debt structuring practices for each type of bond to the best advantage of the City, including:

- Maximum term
- Average maturity
- Debt service pattern (i.e. equal payments or equal principal amortization)
- Use of optional redemption features that reflect market conditions and/or needs of the City,
- Use of variable or fixed-rate debt, credit enhancements, short-term debt, and limitations as to when, and to what extent, each can be used, and
- Other structuring practices should be considered, such as capitalizing interest during the construction of the project and deferral of principal, and/or other internal credit support, including general obligation pledges.

3. Debt Issuance Practices

The City shall employ sound practices for debt issuance in the context of best practices and strong internal controls, including:

- Selection and use of professional service providers, including an independent financial advisor, to assist with determining the method of sale and the selection of other financing team members,

- Criteria for determining the sale method (competitive, negotiated, private placement) and investment of proceeds,
- Use of comparative bond pricing services or market indices as a benchmark in negotiated transactions, as well as to evaluate final bond pricing results,
- Criteria for issuance of refunding bonds, ~~and~~
- [Require external input and review regarding the specific methodology of recording new or refunded debt at the time such activity occurs, and](#)
- Use of credit ratings, minimum bond ratings, determination of the number of ratings, and selection of rating services.

4. Debt Management Practices

The City shall manage outstanding debt to the direct advantage of the City, and ultimately to the benefit of citizens. In doing so, the City shall:

- Establish and maintain appropriate funds and accounting structures to properly support budgeting, recording, and reporting of debt service activities,
- Establish, document, and maintain a system of internal control over debt activities including proper approvals for debt issuance and debt service payments, and
- Provide for periodic review of the City's debt position for purposes of reporting to the City Council and evaluation of opportunities for refunding or other adjustments to the portfolio.

City of Molalla



Expenditure Policy

Adopted July 24, 2019
Resolution 2019-17

This document supersedes any and all previous expenditures policies.

I. Purpose

The purpose of this policy is to establish guidelines for the City of Molalla to efficiently and effectively process expenditure transactions.

II. Scope

This policy is applicable to all expenditure transactions of the City.

III. Objectives

- A. To ensure a fundamental level of integrity, directness, and transparency in how the City spends public funds.
- B. To ensure City expenditures directly support services to customers and citizens.

IV. Policy Statements

- A. All payments due shall be paid as agreed . The City shall take advantage of vendor discounts to the extent practicable and available.
- B. All payments must be properly authorized and supported by appropriate documentation. Proper authorization may consist of an approved purchase order or direct approval on an original invoice or payment request. Approval is based on City Charter limits. Appropriate documentation consists of an original invoice or payment request and proof of receipt of goods and services. Payment shall not be made on copies of invoices.
- C. All checks require two (2) signatures, one of which is the Mayor or a City Councilor if available. Signers include the City Manager, Department Head, at least 2 Councilors and the Mayor. Payments other than by check require the same approval process.
- D. Expenditure-related duties shall be assigned to City staff in such a manner that there is appropriate separation of duties. Specifically, the initiation, authorization, and processing of expenditures shall be assigned to separate individuals.
- E. Access shall be restricted to City staff with direct responsibilities for expenditure-related functions, and only those functions as assigned.
 - 1. System access shall be assigned and maintained according to specific functional assignments and accessed by unique login and password, by employee.
 - 2. Access to blank check stock shall be restricted and under the control of the Finance Director. All check numbers in sequence shall be properly accounted for.
 - 3. Voided checks shall be appropriately cancelled (stamped or marked "void" and the signature lines removed) and retained until after completion of the annual audit.

City of Molalla



Fund Balance and Reserve Policy

Adopted July 24, 2019
Resolution 2019-17

This document supersedes any and all previous fund balance and reserve policies.

I. Purpose

The City wishes to maintain existing service levels and maintain a stable financial position during periods of economic uncertainty. To that end, the City will establish prudent reserves in certain funds in order to ensure financial stability throughout the fiscal year including provision for unforeseen contingencies and consideration to revenue timing. This policy establishes threshold minimums for the City's funds and is intended to serve as a guide for operational, budgetary, and policy decisions made by the City Council and management.

II. Definition

Fund balance is defined as the difference between assets and liabilities in a fund. Reserves are broadly referred to as the portion of fund balance held in reserve to provide a buffer against risk, unforeseen circumstances, or for planned future expenditures.

For purposes of this policy, the terms "fund balance" and "reserves" may be used together and interchangeably to refer to amounts retained in the City's various funds for purposes of offsetting risk, providing flexibility and stability, or for specific future expenditures.

An adequate fund balance is critical to lessen the impact of revenue shortfalls and/or unanticipated expenditures over time and provide a lower level of financial risk. Fund balance also serves as a source of bridge funding from year to year, allowing the City to maintain or transition to sustainable service levels.

III. Policy Statement

The City will establish and maintain a minimum fund balance in identified funds to:

1. Provide sufficient resources to meet cash flow needs;
2. Maintain an investment grade bond rating capacity;
3. Cover unforeseen emergencies;
4. Avoid short-term borrowing to fund operations; and
5. Set aside funds for major capital projects or equipment purchase when deemed appropriate.

Fund balance targets for respective funds are as follows:

General Fund

A minimum fund balance equal to three (3) months of operations or 20% of budgeted expenditures in the Fund.

Library Fund

A minimum fund balance equal to three (3) months of operations or 8% of budgeted expenditures in the Fund.

Street Fund

A minimum fund balance equal to three (3) months of operations or 15% of budgeted expenditures in the Fund.

Urban Renewal Agency Fund

A minimum fund balance equal to two (2) months of operations or 5% of budgeted expenditures in the Fund.

Enterprise Funds:

Water Fund

A minimum fund balance equal to three (3) months of operations or 15% of budgeted expenditures in the Fund.

Sewer Fund

A minimum fund balance equal to three (3) months of operations or 15% of budgeted expenditures in the Fund.

Storm Water Fund

A minimum fund balance equal to three (3) months of operations or 15% of budgeted expenditures in the Fund.

City of Molalla



Grants Management Policy

Adopted July 24, 2019
Resolution 2019-17

This document supersedes any and all previous grants management policies.

I. Purpose

To assist City of Molalla (City) personnel involved in pursuing, acquiring, and administering federal grant funding by providing clear guidelines for alignment with the overall purpose of the City and with specific project goals. While specifically addressing requirements of federal funding, this policy shall also be applied to non-federal grants and programs as appropriate.

II. Authority

The City Council shall ensure federal funds received by the City are administered in accordance with federal requirements including, but not limited to, the federal Uniform Grant Guidance¹.

The City Council designates the City Manager or the Finance Director as the City’s primary contact for all federal programs and funding. Administration and management of individual funding programs shall be accomplished by the respective departments working in conjunction with the Finance Director or designee.

III. Policy Statement

The City encourages the consideration of grants as a funding source for established or planned projects as appropriate. Grant funding should only be pursued as it relates to current or planned projects, and not funding for projects yet to be identified.

The Finance Director shall establish and maintain a sound financial management system. The system shall ensure internal controls and federal grant management standards address the receipt of both direct and pass-through federal grants, track costs and expenditures of funds associated with grant awards, maintain a high level of transparency and accountability, and document all applicable procedures².

A. Guidelines

Financial management standards and procedures shall ensure that the following responsibilities are fulfilled:

1. Identification

The City must identify in its accounts, all federal awards received and expended and the federal programs under which they were received.

2. Financial Reporting

Accurate, current, and complete disclosure of the financial results of each federal award or program must be made in accordance with the financial reporting requirements of the Governmental Accounting Standards Board (GASB) and generally accepted accounting principles for government.

3. Accounting Records

The City must maintain records which adequately identify the source and application of funds provided for federally-assisted activities.

4. Internal Controls

¹ Ref. 2 CFR Part 200

² Ref. 2 CFR Part 200

Effective control and accountability must be maintained for all funds, real and personnel property, and other assets. The City must adequately safeguard all such property and must ensure that it is used solely for authorized purposes.

5. Budget Control

Actual expenditures or outlays must be compared with budgeted amounts for each federal award. Procedures shall be developed to establish determination for allowability of costs with respect to federal programs.

6. Cash Management

The City recognizes Uniform Grant guidance with respect to cash management requirements and incorporate by reference..

7. Allowability of Costs

The City shall ensure that allowability of all costs charged to each federal award is accurately determined and documented.

B. Training

The City shall provide annual training to those employees with direct responsibility over various aspects of federal award management and administration. Training will include, but not be limited to, identification and differentiation of federal grants from other funding sources, identification of direct and material compliance requirements of federal awards, establishing and documenting effective internal controls over compliance, and proper use of the City's centralized grants management system.

C. Standards of Conduct

The City shall maintain standards of conduct covering conflicts of interest and the actions of the City Council and City employees engaged in the selection, award, and administration of federal grants and of all contracts.

All employees shall be informed of conduct that is required for federal fiscal compliance and the disciplinary actions that may be applied for violation of Council policies, administrative regulations, rules, and procedures.

The City shall communicate to all employees the importance of ethical and legal actions in dealing with grant-related programs and funds. The City shall reinforce its zero-tolerance position as appropriate to ensure proper awareness and attention to policies and procedures guiding appropriate employee activities related to federal award programs.

D. Grant Project Management

The City shall establish clear roles and responsibilities for post-award, close-out, and audit activities related to federal grant awards. Key personnel in consideration of those roles and responsibilities include, but are not limited to departmental Project Manager, Finance Director, City Manager, and the City Council.

The City shall establish a grants project team for each federal award consisting at a minimum of the departmental Project Manager and the Finance Director or his/her designee. This team shall have primary responsibility for managing all aspects of the award

program including, but not limited to, implementation and documentation of effective internal controls, compliance with stated program requirements, effective accounting and reporting to support both financial and compliance needs of the City and the federal program, and monitoring activities.

Roles and responsibilities will be identified with appropriate parties so as to provide efficient and effective administration of federal grant monies, effective internal control over financial reporting and related compliance, and effective project management.

E. Annual Risk Assessment

The Finance Director shall have responsibility to perform an annual risk assessment with respect to potential noncompliance related to the City's federal award programs. Such risk assessment will be documented and serve as the basis for further efforts to provide reasonable assurance of compliance with all applicable compliance requirements.

The City's departmental Project Manager identified to each respective federal grant program shall have primary responsibility for compliance with applicable requirements of the federal award. The Project Manager shall also have primary responsibility for establishing and documenting internal controls over compliance with respect to each identified compliance requirement so as to provide reasonable assurance that compliance is achieved.

F. Expenditure Review and Approval

Consistent with a strong system of internal controls, all grant-related expenditures shall follow established City policies and procedures with respect to procurement, approvals, and documentation. All grant expenditures shall require review and approval by the applicable departmental Project Manager to ensure compliance with all applicable requirements. Such review and approval shall be evidenced by an appropriate method (initials and date on expenditure documentation (purchase order, invoice, pay request, etc.), email, electronic approval, etc.). All grant-related expenditures shall be coded with the appropriate general ledger and project account numbers to accommodate proper accounting and reporting of grant amounts in the City's financial records and reporting to federal granting agencies.

G. Employee Time and Effort Reporting

All City employees paid with federal funds shall, in accordance with law, document the time they expend in work performed in support of each federal program. Time and effort reporting requirements do not apply to contracted individuals.

City employees shall be reimbursed for travel costs incurred in the course of performing services related to official business as a federal grant recipient. Such reimbursements shall be made on the basis of documentation as required under City policy.

The City shall establish and maintain employee policies on hiring, benefits and leave, and outside activities as approved by the City Council.

H. Procurement

The City shall establish and maintain a written procurement policy. The City shall follow that policy for all grant-related procurements.

I. Record Keeping

The City shall develop, document, and maintain a written Records Management Plan and related policy and administrative rules for the retention, retrieval, and disposition of manual and electronic records including email³.

The City shall ensure the proper maintenance of federal fiscal records documenting⁴:

1. Amount of federal funds.
2. How federal funds are used.
3. Total cost of each federally-funded project.
4. Share of total cost of each project provided from other, non-federal sources.
5. Evidence of the design and maintenance of effective internal controls over compliance.
6. Evidence of compliance with federal program requirements.
7. Significant project experiences and results (programmatic).

All records must be retrievable and available for federal monitoring, programmatic or financial audit purposes.

The City shall provide the federal awarding agency, Inspectors General, the Comptroller General of the United States, pass-through entities, or any of their authorized representatives, the right of access to any documents, papers, or other City records which are pertinent to federal funding awards. The City shall also permit timely and reasonable access to the City's personnel for the purpose of interview and discussion related to such documents⁵.

The Plan shall include identification of staff authorized to access records, appropriate training, and preservation measures to protect the integrity of records and data.

The City shall ensure that all personally identifiable information (PII) protected by law or regulations is handled in accordance with the requirements of applicable law, regulations, policy, and administrative regulations.

J. Subrecipient Monitoring

In the event the City awards subgrants of federal funds, the City shall establish written procedures⁶ to:

1. Assess the risk of noncompliance on the part of the subrecipient.

³ Ref 2 CFR Part 200.333-337

⁴ Ref. 34 CFR Sec. 75.730-732

⁵ Ref. 2 CFR Sec. 200.336

⁶ Ref. 2 CFR Sec. 200.330-331

2. Monitor grant subrecipients to ensure compliance with federal compliance requirements, state and local laws and policy and procedures.
3. Ensure the City 's record retention schedule addresses document retention on assessment and monitoring.

K. Compliance Violations

Employees and contractors involved in federally-funded programs and subrecipients shall be made aware of all identifying information and federal compliance requirements associated with the award. They shall also be made aware that failure to comply with federal requirements, law, regulation or terms and conditions of a federal award may result in the federal awarding agency or pass-through entity imposing additional conditions or terminating the award in whole or in part.

City of Molalla



Revenue Policy

Adopted July 24, 2019
Resolution 2019-17

This document supersedes any and all previous revenue policies.

I. Purpose

The purpose of this policy is to establish guidelines for City of Molalla to encourage diversification and stabilization of the revenue base in order to minimize the effects of fluctuations in revenue yield.

II. Scope

This policy is designed to provide general principles and guidelines to promote effective control over, and proper accounting of revenues from external sources and the related accounts receivable.

III. Objectives

- Revenue received by the City shall be utilized in accordance with this policy.
- Revenue received for specific funds within the City shall be utilized for expenses and obligations of that fund.
- All revenue is accurately recorded in the City 's accounting system in the period in which it is earned.
- Appropriate internal controls and sound financial business practices are adopted for the recognition and billing of revenue, the collection and timely recording and deposit of cash receipts, and the management of accounts receivable.

IV. Policy Statements

A. High level Roles and Responsibilities

The City will assign roles and responsibilities according to skills, knowledge, and expertise necessary to accomplish the respective tasks, and to maintain an appropriate separation of duties consistent with strong internal controls.

- The City Manager
 1. Provide guidance and advice on compliance to the political structures, political office-bearers and officials of the City.
- The Finance Director
 1. Administratively in charge of the budget;
 2. Advise the City Manager on the exercise of powers and duties assigned to the City Manager;
 3. Advise Senior Managers and other officials in the exercise of powers and duties assigned to them; and
 4. Must perform such budgeting, accounting, analysis, financial reporting, cash management, debt management, supply chain management, financial management, review and other duties as delegated by the City Manager to the Finance Director.
- Senior Management
 1. Managing and coordinating the financial administration of the City.
- Any Official or External Consultant duly appointed
 1. Performs any operation in respect to the revenue management given by the Finance Director or City Manager.

B. Determination of Fees and Charges

The City shall ensure that all fees and charges have a basis in the associated cost of

providing the related service. Full costing shall be determined for all services, including direct costs of materials, labor, and related services as well as any appropriate allocation of overhead or indirect costs. The City Council will decide full cost recovery or the percentage to be recovered.

C. Utility Billing

The City shall ensure the completeness and accuracy of billings to all utility customers as a basis for revenues collected.

- Water services

1. Application for water service shall be made in writing by the owner of the premises to be served, or the owner's agent duly authorized in writing on regular application forms furnished by the City. No service will be rendered until such application has been completed and the required payments made. All applications shall include signature of applicant, location of premises for which service is requested, address to which all bills shall be sent, and such additional data as the Council from time to time may require.
 - a. Applications for service shall be considered merely as a request for service, and they shall not bind the City or Council to provide service.
2. Meters shall be read on a regular cycle as a basis for accurate billing of usage to customers.
3. All charges for utility service shall be due and payable monthly on the date of mailing and become delinquent on the 16th of each month. A late fee set by resolution shall be assessed on any utility accounts, which become delinquent. After a customer's utility bill is delinquent, the Finance Director or designee shall mail to customer a notice stating:
 - a. That the utility bill is delinquent;
 - b. The amount necessary to cure the delinquency;
 - c. That the utility service to the property will be shut off 20 days after the date of the notice, unless the delinquency is paid in full.
 - d. After termination of utility service, the full account balance including the fees will be required before service can be restored. If notice is mailed as provided in this section, the City may shut off utility service to the property 20 days after mailing of the notice unless the total amount due is paid in full, but subject to the City's compliance with the options specified in subsection
4. Utility services disconnected for lack of payment of the utility bills will be assessed a disconnect/reconnect fee as set by resolution and shall not be restored until all past-due-bills, late fees, and any other utility charges or connection fees are paid in full.
 - a. The customer may request in writing a one-time emergency extension of payment (not to exceed 10 days) to avoid service

being shut off and a disconnect fee being charged. If customer defaults on this agreement the utility account will be shut off the morning after the agreement expires and a disconnect fee will then be charged.

- b. Any customer may request a waiver of their late fee in writing providing no other late fees have been assessed in the prior 12 months.
 - c. A customer may appeal a notice of utility shut-off by filing a written request for an informal hearing with the City within 15 days after the date of mailing of the notice. The appeal shall be filed with the City Manager and shall specify the reasons for the appeal. If an appeal is so filed, utility service shall not be disconnected before the business day after the announcement of the result of the hearing. The informal hearing shall be held as soon as is practically possible before the City Manager or designee. The City shall provide the customer reasonable notice of the date of the hearing. The customer may be represented by an attorney at the hearing, and any probative evidence shall be admissible. The hearing officer may affirm, overrule, or modify the notice of utility shut-off, considering applicable law and the nature of any hardship of the customer.
5. All payments shall be made to the City either by mail, online bill pay, at the office of the City, placed in drop box, or such other place as the Council may from time to time designate.
- Wastewater services
 1. Wastewater usage fees will be based on the winter average usage of water at the physical address listed for the account and will be reevaluated annually.
 - Surface water services
 - a. There is hereby established a surface water utility user charge, which shall be set by the City Council by resolution. The rate shall be in an amount reasonable and necessary to fund the administration, planning, design, construction, operation, maintenance and repair of the surface water management system. The surface water utility user charge shall be based upon the amount of developed impervious surface used by a customer. Owners or occupants of undeveloped property shall not be charged. Each customer using a location for one single-family residential use shall be charged a uniform rate based upon one equivalent development unit (EDU). For multifamily residential uses, the charge shall be one EDU per each residential unit. The charge for all other uses shall be based upon the total amount of measured impervious surface used, divided by one EDU and rounded to the nearest whole number. The actual service charge shall be computed by multiplying the amount of EDUs measured for each use by the rate established

for each EDU; provided, however, that the amount of EDUs measured shall be limited to 20 EDUs per use.

D. Detailed Role of Finance Director

- That the City had effective revenue collection systems
- That the revenue due to the City is calculated on a monthly basis;
- That all money received is promptly deposited in the City 's primary and other bank accounts;
- That the City has and maintains a management, accounting and information system which—
 1. recognize revenue when it is earned;
 2. accounts for debtors; and
 3. accounts for receipts of revenue;
- That the City has and maintains a system of internal control in respect of debtors and revenue, as may be prescribed;
- That the City charges interest on arrears, except where the Council has granted exemptions in accordance with its budget-related policies and within a prescribed framework; and
- That all revenue received by the City, including revenue received by any collecting agent on its behalf, is reconciled at least on a weekly basis.

E. Receipt of Revenue to the City

- Cash transactions are verified by two employees to ensure that cash is properly recorded and deposited.
- Receipts are given to all customers who pay with cash. Customers paying with check are offered a receipt and customers who pay with debit/credit are offered a confirmation number.

ACTION ITEM	GOAL (ongoing/in progress)	EXPECTATION (yearly function)	ACCOMPLISHED (task completed)
2021 Action Items			
<i>(Administration/City Manager)</i>			
DUII prosecution in Molalla Municipal Court (FA 1, 3)	✓	✓	
Revisit Wildfire Emergency Response program (FA 1)	✓		
Promote Diversity, Equity, Inclusion Opportunities (FA 1, 2)	✓	✓	✓
Community Partnership (FA 2)	✓		
Marketing/Social Media Firm (PIO?) (FA 2)	✓		
Update Emergency Operation Plan (FA 2)	✓		
Reestablish Student Liaison with City Council (FA 3)	✓		
Inventory and Promote available resources, services, and opportunities in Molalla (FA 4)			
Community Outreach via Molalla Current (FA 4, 5)	✓	✓	✓
Investigate Community Development bonding (FA 5)	✓		
Work with Molalla Hope to provide space for Warming/Cooling Shelter (FA 4)	✓		✓
Create and Implement a Parks CPC (FA 2)	✓	✓	✓
Oversee Parks CPC for creation of Chief Yelkus Park – Molalla Forest Road (FA 1, 2, 5)	✓	✓	

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ACTION ITEM	GOAL (ongoing/in progress)	EXPECTATION (yearly function)	ACCOMPLISHED (task completed)
Oversee Parks CPC for creation of Strawberry Park (FA 1, 2, 5)	✓		✓
<i>(City Recorder)</i>			
Provide prompt service when fulfilling Public Records Requests (FA 3, 4)	✓	✓	✓
<i>(Finance Department)</i>			
Develop Human Resources Department (FA 4)	✓		✓
Assist all departments with funding for projects (FA 4)	✓	✓	✓
Annually receive Budget Award (FA 4)	✓	✓	✓
Annually receive good audit (FA 4)	✓	✓	✓
Continual Grant Management (ARPA, CRF, CDBG, etc.) (FA 4)	✓	✓	
Organize and secure funding for Police Facility	✓		
Organize and secure funding for Park Property Purchase (FA 1, 2, 4, 5)	✓		✓
Financial Health – 5 yr plan Auditors state that we are better than most Cities our size (FA 4)	✓	✓	

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LIBRARY

MOLALLA AREA VISION AND ACTION PLAN 2030

Approved by City Council – February 23, 2022

ACTION ITEM	GOAL (ongoing/in progress)	EXPECTATION (yearly function)	ACCOMPLISHED (task completed)
2021 Action Items			
Actively participate in Celebrate Molalla and National Night Out (FA 1, 2)		✓	
Coordinate with Molalla Current for updates and monthly newsletter (FA 1, 2)		✓	
Promote local musicians through summer Music in the Park series (FA 1, 2)		✓	
Plans programs promoting all holidays, increasing awareness of diversity of culture and celebrations (FA 1, 2, 5)		✓	
Library employs Spanish speaking staff to assist in all aspects of communication with Hispanic community (FA 2)		✓	
Provide materials and online databases to assist in career and test taking skills for local high school students (FA 3)		✓	
The Molalla Library is a full-service resource hub. (FA 4)		✓	
Provide a variety of resources to community regarding the environment and sustainability (FA 5)		✓	
		✓	
ACTION ITEM	GOAL	EXPECTATION	ACCOMPLISHED

1

LIBRARY

MOLALLA AREA VISION AND ACTION PLAN 2030

Approved by City Council – February 23, 2022

	(ongoing/in progress)	(yearly function)	(task completed)
2022 Action Items			
Collaborate with Todos Juntos to provide outreach programs (FA 1, 2)		✓	
Collaborate with local daycare centers to promote literacy skills (FA 1)		✓	
Collaborate with Lutheran Family Services to restart Citizenship Classes (FA 1)		✓	
Create additional teen activities for local students, providing a safe place for teens to gather (FA 3)		✓	
Introducing a Tree Planting Program to celebrate Earth Day 2022 (FA 5)	✓	✓	

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POLICE DEPARTMENT

MOLALLA AREA VISION AND ACTION PLAN 2030

Approved by City Council – February 23, 2022

ACTION ITEM	GOAL (ongoing/in progress)	EXPECTATION (yearly function)	ACCOMPLISHED (task completed)
2021 Action Items			
New Policy Facility (FA 1-5)	✓		
Police Department Webpage Update (FA 1, 2, 5)	✓		
Public Information Officer (FA 1, 2, 5)	✓		
Expand Bike Patrol (FA 2)		✓	
Establish Police Facility CPC (FA 1-5)			✓
Develop Bicycle Registration & Education Program (FA 2, 3)	✓		
Sustainable Police Department Staff (FA 2, 3)	✓		
Pursue Traffic Unit Grants (FA 2, 3, 4)		✓	
Develop Drug Recognition Expert (FA 2, 3)	✓		
Investigate Use of Drone (FA 2, 3)	✓		
Maintain Police Accreditation (FA 2, 3)		✓	

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POLICE DEPARTMENT

MOLALLA AREA VISION AND ACTION PLAN 2030

Approved by City Council – February 23, 2022

ACTION ITEM	GOAL (ongoing/in progress)	EXPECTATION (yearly function)	ACCOMPLISHED (task completed)
2022 Action Items			
Participate in Molalla Current Updates (FA 1)		✓	
Collaborate with Molalla & Colton Fire Departments (active shooter training) (FA 1)		✓	
Collaborate with MRSD to create an Emergency Management Plan (FA 1)	✓		
Collaborate with local businesses – Evaluating security measures in event of active shooter or similar emergencies (FA 1)	✓		
Coordinate community events with other agencies (Buckeroo, 5K run, Chamber Parade) (FA 2)		✓	
Partner with DEA – National Drug Take Back Day, including year-round kiosk at PD (FA 2)			✓

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VISION & ACTION PLAN	GOAL (ongoing/in progress)	EXPECTATION (yearly function)	ACCOMPLISHED (task completed)
2021 Goals			
Complete Clark Park Phase 4 (FA 1, 2, 5)	Completed - In warranty	20-05: N/A	Project Closed.
Complete Creamery Creek Park *Now Strawberry Park* (FA 1, 2, 5)	In progress	20-07: Complete Project 2022	Equipment on order, infrastructure in engineering.
Establish Bohlander Field Vision (FA 1, 2, 5)	None Yet	Adopt Vision (Council) 2022	Included on 2022 Goals
Recruit and Implement Parks CPC (FA 1, 2, 5)	Ongoing (CPC Seated)	Meet regularly on Park Development, and Master Plan	Fox Park & Strawberry Park Developing, Chief Yelkus Park Named and Designing
Complete Molalla Forest Road Bike & Ped Path Phase 1 (FA 1, 5)	Completed - In warranty	19-07: N/A	Project Closed.
Replace Park equipment at Fox Park (FA 2)	In progress	21-11: Complete 2022	Equipment on order, infrastructure in engineering.
Investigate Use of Marketing Firm (FA 1, 2)	None Yet	Determine potential scopes of work and pricing 2022	None
Complete Water Master Plan (FA 3)	Completed	19-02: N/A	Project Closed - Adopted 5/26/21
Continue Transportation Projects on OR 211 and OR 213 (Traffic Signal) (FA 2, 3)	Ongoing	18-08: 213/Toliver RAB, Complete 2023; 19-04: Cascade Center, Complete 2022; 19-09: 211/Molalla Signal, Complete 2022; 1000 W Main frontage/220 W Main frontage/1522 W Main frontage/501 E Main frontage /31330 Hwy 213 frontage – All Complete 2022.	19-04: Cascade Center full street improvements complete, 211 & Molalla Ave signal nearly complete; 17-04 211 Bike/Ped path complete; New ADA ramps along 211 complete; Executing private improvements on 211/213; 18-08 Row acquisition in work.
Right-of-Way acquisition and development of Leroy Avenue (FA 2)	In progress	19-04: obtain ROW through to Lowe Rd., complete existing S Leroy frontage improvements	Completed S Leroy improvements except portion developing with new Apt's, and unowned ROW at end.

Designate Truck Route to ease congestion and improve safety of Molalla Avenue (FA 2)	Completed	N/A	Truck Route Completed: Ord 2020-12, adopted 11/18/2020.
Street Utility Fee (FA 3)	Ongoing	Review street utility fee options, begin public process, pass fee or other tax as applicable	Added to Council's Goals for 2022.
Park Utility Fee or Park Use Fee (FA 5)	None	Removed from list until street fee work is done.	Removed from Council's Goals for 2022.
Examine Funding Options for Acquisition of Railroad Right of Way (FA 5)	Ongoing	Begin regional discussions with County and Canby.	Determined that RR Company only interested in selling all ROW, not just city portion.
Explore Travel Oregon Grant – Wayfinding Kiosks (FA 1)	Completed	N/A	Grant awarded, kiosks and maps placed, art contest ongoing. Grant closed.
Managed Growth Efforts – Molalla Current Established (FA 1)	Completed	Additional Implementation Steps 2022.	Completed: Molalla Current procured, developed, marketed and functioning.
Community Identity – Branding Action (Real People, Real Adventure, Real Fun) (FA 1)	Ongoing	Facilitate a community branding initiative to incorporate new logo/slogan into the community.	Logo/Slogan Adopted and Being Implemented on Community Development initiatives.
Coordinate with Chamber to develop digital map to be used on wayfinding kiosks (FA 1)	Ongoing	Licensing agreements implemented; non-chamber businesses allowed on map.	Map product with list of tourism/travel developed. Digital space created and included.
Collaborate with Chamber to bring Business Resource Center to Molalla Business Community (FA 1)	Completed	N/A	Negotiated with BRC to include Molalla, brought Chamber rep to BRC rep, Chamber offered funding from BRC's to host ½ time BRC employee. Chamber did not approve.
Establish Beautification & Culture CPC – Dissolve Arts & Culture and Economic Dev. CPC's (FA 2)	Ongoing (CPC Seated, others dissolved)	Meet regularly to discuss beautification and culture initiatives. Gateways, mural code, architectural standards... etc.	Working on Destination Ready Assessment and Kiosk Art Contest.
Involved with negotiation of new Police Facility project (FA 1-5)	Completed	N/A	Several months of negotiation on purchase of property, price lowered from \$1.1 mil, to \$500k

COMMUNITY DEVELOPMENT DEPARTMENT

MOLALLA AREA VISION AND ACTION PLAN 2030

Approved by City Council – March 23, 2022

Conduct Phase I environment on new Police Facility property (FA 1 – 5)	Completed	N/A	Enviro 1 completed, no issues of major concern.
Police Facility Stormwater/drainage improvements scheduled in Phase II (ARPA Funding) (FA 1-5)	In progress	Contract with project manager, design/engineer storm/drainage improvements based on selected design... complete improvements 2022	Real property acquired, personal property auctioned, project manager contract under review.
Purchase Reader Board for City Hall (FA 2)	Completed	Establish use policy for regular and special posting to board.	Board fully installed and fully functioning.
Develop and Install Public Parking Signs at City Hall public areas (FA 2)	Completed	N/A	Public parking signs added on N Molalla Ave, adjacent to lots on Ross, in lots, and on kiosks.
Monthly Newsletter via Molalla Current (FA 2)	Ongoing	Continue monthly newsletter, enhance as opportunity allows.	Established the Molalla Current Monthly E-Newsletter using the tool on Molalla Current.
Local Government Internship hosted by Planning Department (FA 2, 3)	Ongoing	Disseminate opportunity to home and charter school as well as public school.	Hosted one H.S. intern with great success.
Provided Description for non-degree seeking City internship to MRSD program manager (FA 2)	Completed	N/A	Developed and provided non-degree seeking internship, then MHS advised the program was cancelled.
Economic Development Plan created and adopted by City Council (FA 3)	Completed	Continue to work on ED plan task list...	Conducted numerous meetings, significant research, and other public outreach in development of plan. Adopted by Council on 6/9/21.
How to "Start a New Business" checklist created and posted on website (FA 3)	Ongoing	Upgrade checklist to include any/all new processes and policies. Integrate in Planning Handbook.	Developed and posted start a business checklist.

COMMUNITY DEVELOPMENT DEPARTMENT

MOLALLA AREA VISION AND ACTION PLAN 2030

Approved by City Council – March 23, 2022

VISION & ACTION PLAN	GOAL (ongoing/in progress)	EXPECTATION (yearly function)	ACCOMPLISHED (task completed)
2022 Goals – Carried Forward from 2021			
Complete Creamery Creek Park *Now Strawberry Park* (FA 1, 2, 5)	In progress	20-07: Complete Project 2022	Equipment on order, infrastructure in engineering.
Establish Bohlander Field Vision (FA 1, 2, 5)	None Yet	Adopt Vision (Council) 2022	Included on 2022 Goals
Replace Park equipment at Fox Park (FA 2)	In progress	21-11: Complete 2022	Equipment on order, infrastructure in engineering.
Investigate Use of Marketing Firm (FA 1, 2)	None Yet	Determine potential scopes of work and pricing 2022	None
Continue Transportation Projects on OR 211 and OR 213 (Traffic Signal) (FA 2, 3)	Ongoing	18-08: 213/Toliver RAB, Complete 2023; 19-04: Cascade Center, Complete 2022; 19-09: 211/Molalla Signal, Complete 2022; 1000 W Main frontage/220 W Main frontage/1522 W Main frontage/501 E Main frontage /31330 Hwy 213 frontage – All Complete 2022.	19-04: Cascade Center full street improvements complete, 211 & Molalla Ave signal nearly complete; 17-04 211 Bike/Ped path complete; New ADA ramps along 211 complete; Executing private improvements on 211/213; 18-08 Row acquisition in work.
Right-of-Way acquisition and development of Leroy Avenue (FA 2)	In progress	19-04: obtain ROW through to Lowe Rd., complete existing S Leroy frontage improvements	Completed S Leroy improvements except portion developing with new Apt's, and unowned ROW at end.
Street Utility Fee (FA 3)	Ongoing	Review street utility fee options, begin public process, pass fee or other tax as applicable	Added to Council's Goals for 2022.
Examine Funding Options for Acquisition of Railroad Right of Way (FA 5)	Ongoing	Begin regional discussions with County and Canby.	Determined that RR Company only interested in selling all ROW, not just city portion.
Community Identity – Branding Action (Real People, Real Adventure, Real Fun) (FA 1)	Ongoing	Facilitate a community branding initiative to incorporate new logo/slogan into the community.	Logo/Slogan Adopted and Being Implemented on Community Development initiatives.

Coordinate with Chamber to develop digital map to be used on wayfinding kiosks (FA 1)	Ongoing	Licensing agreements implemented; non-chamber businesses allowed on map.	Map product with list of tourism/travel developed. Digital space created and included.
Police Facility Stormwater/drainage improvements scheduled in Phase II (ARPA Funding) (FA 1-5)	In progress	Contract with project manager, design/engineer storm/drainage improvements based on selected design... complete improvements 2022	Real property acquired, personal property auctioned, project manager contract under review.
How to “Start a New Business” checklist created and posted on website (FA 3)	Ongoing	Upgrade checklist to include any/all new processes and policies. Integrate in Planning Handbook.	Developed and posted start a business checklist.
2022 Goals – Newly Established			
Develop a tracking system to account for needed data points for DLCD annual reporting requirements (over 10k population)	In Progress	Integrate datapoints into tracking system. Backlog 1-year of data and report.	Data points identified.
Complete Housing Needs Analysis and associated plan amendments	In Progress	Contract consultant, conduct studies and public outreach, complete studies, adopt findings.	Grant awarded. RFP out for bids.
Identify funding for, and begin Employment Lands Studies to aid in UGB exploration	None Yet		
Reconcile PSP Zoning and complete associated plan amendments	In Progress	Complete rezoning/comp plan amendments.	Improperly zone properties identified.
Emergency Management Plan Update	In Progress	Identify and apply for funding to complete update; begin plan update with expected completion in 2023.	Potential grant funding sources identified.
Travel Oregon Destination Ready Assessment and Projects	In Progress	Complete assessment, identify priority projects, seek funding	Grant awarded, community advisory committee seated, first 2 meetings complete
Kiosk Art Contest	In Progress	Establish contest rules and timelines, disseminate, and select. Seek options for sustainability of contest.	B & C Committee researching Art contests and working to develop proposed rules.
Mural Program	In Progress	Finalize and adopt comprehensive local mural program	B & C Committee researching mural programs.

Developer Assistance Programs	In Progress	Complete MURA Opportunity Fund Grant Program and adopt, Adopt expanded enterprise zone, manage IOF – Dansons project.	Outline for MURA opportunity fund complete, Enterprise Zone Expansion in beginning stages, ODOT IOF grant awarded for Dansons improvements.
Develop integrated project management program and procedures to include Engineering, Finance, Public Works, Planning, and Administration.	In Progress	Map all processes and develop digital tools.	Opening checklist prototype complete, private development checklist complete.
Secure property for 2.0 MG Water Tank	Ongoing	Determine costs, identify and obtain funding.	Land owner talks and tank design/placement costs and options explored.
Water Intake Structure	Ongoing	Determine design and costs.	Put into CIP as a priority water project.
Complete Water Service Leak Repairs	In Progress	Conduct actual repairs.	21-06: Out for bids, other service leaks in engineering.
Wastewater Treatment Plant	In Progress	Identify funding sources, determine what (if any) property may be acquired to continue design. Ensure continued compliance with DEQ consent decree.	Substantial research into potential funding sources currently underway. Negotiating for potential property purchase.
Wastewater Consent Decree Compliance	In Progress	Continue removal of biosolids, I & I mitigation, and TMDL Mercury plan	Developed and implemented bio-solid removal plan, conducted substantial I & I mitigation, and turned in draft TMDL Mercury plan to DEQ.
Molalla Forest Road Exploration	None yet	Determine what it will take to open MFR from S Molalla to OR-211	Walked road and observed potential issues.
Develop Stormwater Master Plan, CIP, and Rate Study	None yet	Identify potential funding resources to complete plan. Contract with consultant and begin planning process.	N/A
Mitigate Flooding in the Community	None yet	Identify flood prone areas and determine action/costs to mitigate.	N/A
Chief Yelkus Park Development	In Progress	Complete park and roadway design. Assess funding availability	Parks CPC has solicited public input on the park proper. Design &

		and proceed with construction as funding allows.	Engineering work being done on roadway in front of park
Civic Center Renovation	In Progress	Complete Council/Court Chamber and Executive Session room in 2022. Complete CDB Grant improvements in 2023.	21-10: Digital upgrades complete, dais on order, construction contracted.
City Hall Upstairs Renovation	In Progress	Construction in progress, complete 2022.	21-04: design, engineering, bids, all complete.
System Development Charges and Capital Improvement Plan reconciliation and adoption	Ongoing	Hire consultant to reconcile and present options to Council, adopt. Create a new baseline with certainty of appropriateness.	Multiple work sessions and discussions on this topic.

Repeating Annual Goals/Tasks	
Provide Exceptional Customer Service (FA 1-5)	Manage and Facilitate Parks CPC (FA 1, 2, 5)
Manage and Facilitate Beautification & Culture CPC (FA 1, 2, 5)	Implement Economic Development Plan (FA 1-5)
Produce and Disseminate the Molalla Current E-Newsletter (FA 1-5)	Host Local Government Internship Program (FA 2, 3)
Manage the Molalla Current and Use it to Engage the Molalla Community (FA 1-5)	Manage, Facilitate and Train the Planning Commission
Implement Water Master Plan	Implement Wastewater Master Plan
Implement Stormwater Master Plan	Implement Transportation Master Plan
Implement Downtown Master Plan	Implement Parks Master Plan
Implement Development Code	Implement Comprehensive Plan



June 9, 2021



VISION PLAN: 5 FOCUS AREAS

5 Focus Areas based on City aspirations for 2030:

1. A resilient community that passionately recognizes and builds on its history, culture, and location
2. A welcoming, friendly and vibrant community with an attractive hometown feel that is safe, hospitable, and inclusive of all residents, businesses, and visitors
3. An economically sound and growing community which is evident in the diversity of businesses, partnerships, education, innovation, and the strong work ethic of its people
4. A full-service hub of resources
5. A beautiful and tranquil area where people are deeply connected to its unique natural features



THE MOLALLA ECONOMIC DEVELOPMENT COMMITTEE

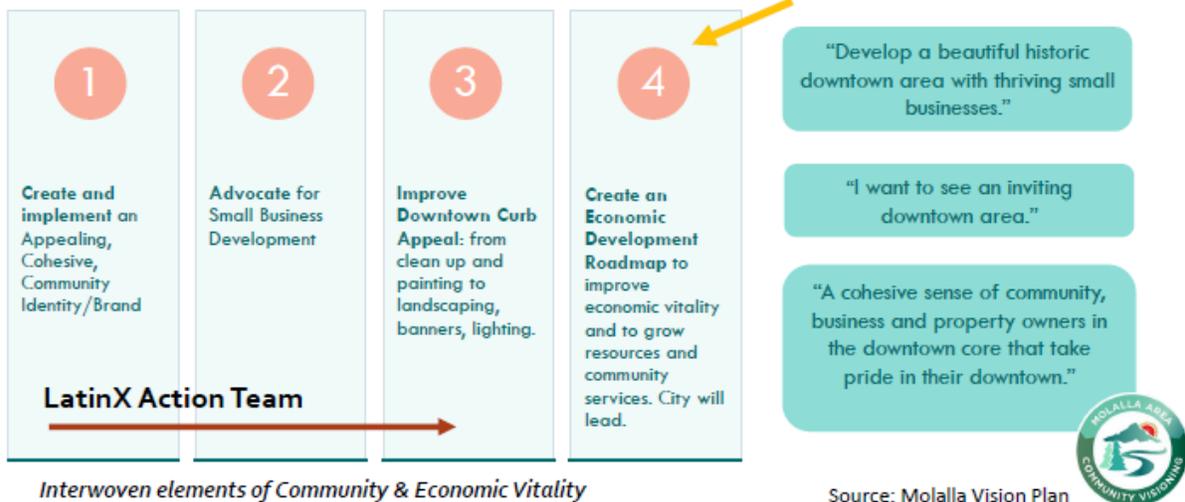
PURPOSE: To assist with the creation of a tangible economic development action plan and encourage community engagement in implementation

- Pamela Lucht - NW Transplants LLC
- Elizabeth (Lizz) Klein – City Council
- Crystal Robles - City Council
- Brad Berzinski - Molalla High School
- Robert Thompson - Welcome to Molalla & eXp Realty LLC
- Mac Corthell - City Planning Director



Guided by a Community-based Process

PRIORITIES FOR ACTION – 2021



Sample of Results:

- Story Walk Storyboards are underway
- Clean-up Day planning
- Organized Advocacy for Highway improvements
- Small Business Outreach & Survey Completed
- Engagement of LatinX residents
- Draft Molalla Identity & Market Position Statement
- Flower baskets/planter program underway
- Engaged and committed Steering Committee meeting monthly

Nearly 40 community members are engaged with moving Molalla's Vision Plan to Action!



WHAT MAKES AN ECONOMIC BASE?



"It's not one thing!"



In this work, stay focused on:

BUSINESS INTERESTS & RESOURCES

- Workforce – Talent, Education
- Competitive Business Costs
- Market (access, consumer base)
- Quality of Life
- Government/Regulation (positive)
- Real Estate
- Incentives, Financing, Capital
- Housing



Assessment and Next Steps Highlights.....



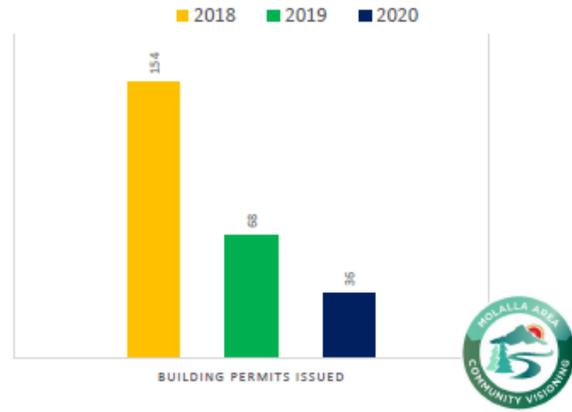
OUR COMMUNITY is
Growing and Changing



GROWTH TRENDS: *Building Permits Issued*

2020	
Residential	32
Commercial	4
Industrial	0
2019	
Residential	64
Commercial	4
Industrial	0
2018	
Residential	152*
Commercial	1
Industrial	1

*includes Bear Creek



In May 2021, 16 commercial & industrial projects are active.

As of May 2021, 16 active projects in pipeline:
12 commercial & 4 industrial



Nearly \$28 million in investment
233 jobs anticipated

- Self Storage - Cascade Center
- AutoZone - Cascade Center
- Grocery Outlet - Cascade Center
- Dollar Tree - Cascade Center
- Goodwill - Cascade Center
- Burger King - Cascade Center
- Dollar General - Cascade Center
- Dairy Queen
- Dansons
- Molalla Market Place Bank
- Molalla Market Place Retail
- Scandia
- Center Market
- B & I Construction and Office Space
- Industrial Landscaping Company
- Industrial Landscaping Company Retail Space
- Mobile Food Unit Pod
- By Design Steel Company





ECONOMIC DIVERSITY IS A KEY ASSET

3200 local jobs - From agriculture and manufacturing to tourism and retail



WHAT LOCAL BUSINESSES ARE SAYING...



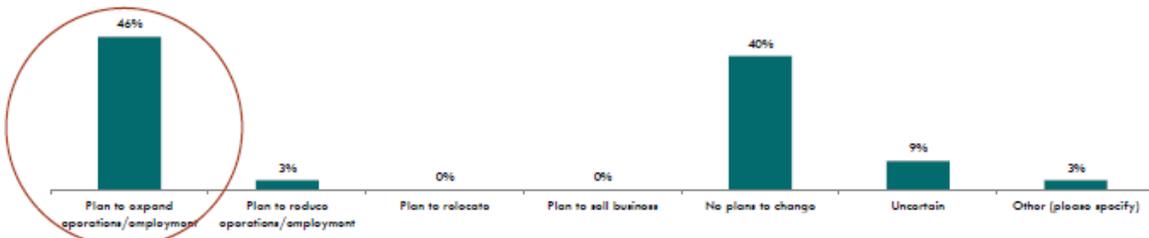
Molalla's Small Business Advocacy Action Team created a Small Business Survey, garnering 35 responses from local business owners and/or operators in March 2021. What follows are a few key highlights from results.

- Business owners are **generally optimistic** despite a tumultuous 2020 – with most saying they either will expand or stay steady
- When asked about the top advantages of doing business in Molalla, an overwhelming majority pointed to the **small town feel and local community**

Q10 What are the top advantages of doing business within Molalla? List up to three.

area Day access Small town other home close local Close home
 people great business easy town work
 community advantage growing products Molalla
 Customer live help supporting by love

Which phrase best describes your plans to expand or reduce your operations in the next 1 or 2 years?



BUSINESS CLIMATE SUMMARY

ASSETS



- Well-rated high school
- Community feel, neighborly support
- Natural beauty and resources
- Economic diversity

CHALLENGES



- The availability and skill level of workforce
- Ability to navigate and keep up with the tax laws and government regulation
- Limited land availability
- Market support/shoppers
- Downtown parking is limited
- Limited roads in and out of town

Source: Molalla Small Business Survey



CHALLENGES



"There are way too many vacant buildings and small businesses have a hard time. Something needs to be done to help small businesses and encourage property owners to maintain their buildings and work with renters."



"We really need another store out here. I shop Winco, Trader Joe's and Costco because Safeway is always understaffed and overpriced. Maybe a lower priced store would keep people local for shopping!"



Available Industrial Space exists but is limited and little is 'on the market'

Only 1 Industrial space actively marketed (spring 2021)

- Molalla Forest Road Industrial Park
- 17,800 SF building on 14.55 AC lot

Undeveloped; but What's Buildable?

Vacant Heavy Industrial (M-2)
Within UGB: 128.99 ac

Vacant Light Industrial (M-1)
In UGB: 13.41 ac



Sources: Loonet. City of Molalla

OPPORTUNITIES



Retail Business Development

- Fill vacant business spaces;
- Expand retail base
- Marketing campaigns

Tourism Development

"More shopping and food options."

"More grocery stores!"

Quality of Life Improvements

- Home prices
- Schools
- Recreation
- Crime

"Bring back a vital Main Street to the heart of town -- a bustling 'old-town,' busy with hometown business, like it once was."

Industry Cluster Expansion



How to: Grow the Economy?

Economic Development Core Services

1. Build Your ED Network & Synergies
2. Business Assistance & Facilitation
3. Business Attraction & Marketing
4. Entrepreneurial Development
5. Economic Snapshots & Benchmarks
6. Branding
7. Marketing (e.g., website)



1. Get active within the economic development profession.



2. Tap Economic Development Partners and Resources (many!)



3. Tell Your Story – Promote Your Successes!

Ex: VISITOR INDUSTRY

Travel Oregon Molalla page features Molalla Train Park, the Buckaroo and Rosso Passo Across Elk Farm

- There are opportunities to draw more visitors in to Molalla. Key to success = Partner with key attraction and visitor industry leaders in and around the area to increase Molalla's market exposure.

DON'T MISS IN MOLALLA		
Golden Avenue Food Center	Japan Park	Tule Buck Wilderness
Elk & Vibe	White Horse Restaurant and Saloon	Elk Area Distillery

- Welcome to Molalla page has space for upcoming events and offers a comprehensive spot for visitors to see businesses and restaurants. Continue to build on the momentum on that page!



4. Get a clear picture of your real estate: commercial and industrial and how to expand 'market-ready' properties.

.....*Investment is a must*

Staff. Marketing and Visibility. Planning for continued economic growth.



2021 – 2022 FY Workplan



Strategy 1	Support and guide the Economic Development Steering Committee(SC) and Action Teams
Strategy 2	Encourage and support formation of Latinx Action Team
Strategy 3	Strengthen partnerships with and leverage resources of economic and business development organizations to serve Molalla business community
Strategy 4	Meet 1-on-1 with Molalla's largest employers (starting w/ traded sector) to build relationship and understand and help address key challenges and opportunities
Strategy 5	Follow-up with small business survey respondents
Strategy 6	Help new and expanding commercial/industrial businesses offset cost of infrastructure improvements
Strategy 7	Promote City's commitment to economic development and provide businesses 1-stop info center by adding economic development webpage to website
Strategy 8	For Visitor Marketing, clarify organizational roles and responsibilities of City, Ec Dev Steering Committee, Welcome to Molalla and Chamber + next steps
Strategy 9	Increase positive media coverage of Molalla's accomplishments, events, community spirit

Statutory and Administrative Rule References

	ORS/OAR
I. Time of Making Budget	
A. Budget message.	294.408
II. Budget Officer	
A. Appointed by the governing body.	294.331
B. Under supervision of executive officer or governing body.	294.331
C. Prepares or supervises preparation of budget.	294.331
D. Publishes notice of meeting of budget committee including notice of where a copy of the budget is available.	294.426(3)(a)
If published only in a newspaper of general circulation, the notice is published twice between five to 30 days before the meeting. If published once in a newspaper of general circulation, the notice is also published on the district's website, and the website address is included in the newspaper publication. If published by mailing or hand delivery, the notice is published not later than 10 days before the meeting.	294.426(5)
E. Provides copy of budget to committee.	294.426(2)&(6)
F. Files copy of budget in office of governing body immediately following presentation of budget to committee.	294.426(7)
III. Budget Document	
A. Coming year budget shown:	294.358
1. Proposed	
2. Approved	
3. Adopted	
B. Current year budget shown.	294.358
C. First preceding year actual resources and expenditures.	294.358
D. Second preceding year actual resources and expenditures.	294.358
E. Each fund to contain estimates of expenditures for:	150-294.388
1. Personnel services	294.388
2. Materials and services	294.388
3. Capital outlay	294.388
4. Special payments and interfund transfers	294.388
5. General operating contingencies	150-294.388(7)
F. Budget Resources	
A. Estimate of beginning cash balances for the ensuing year.	294.361(2)
B. Estimate for delinquent tax collection included if fund has been tax-supported.	294.361(2)(k)
C. Transfers budgeted as requirements in other funds.	294.361(2)(q)
D. Resources must be equal to requirements.	294.388(1)
	150-294.352(1)(B)

E. Excess of actual revenues over actual expenditures in second preceding year must equal the beginning balance in first preceding year.

V. Debt Service Fund

- A. Principal and interest payments identified for each bond issue. 294.388(6)
- B. Requirement shown in unappropriated ending fund balance. 294.398
(For payments between end of coming fiscal year and receipt of taxes in second coming year.) 150-294.398

VI. Budget Committee

- A. A budget committee is established by each local government subject to Local Budget Law. 294.414(1)
- B. Committee shall consist of the members of the governing body and an equal number of qualified electors. 294.414(2)
- C. Committee shall at its first meeting elect a presiding officer from its members. 294.414(9)
- D. The purpose of the budget committee is to receive the budget document and budget message, and to provide the public with an opportunity to ask questions and comment on the budget. 294.426(1)
- E. Duty of the committee to review, or revise and approve the budget document. 294.428(1)
- F. Committee may compel any official or employee of the municipality to furnish information regarding the budget. 294.428(3)

VII. Financial Summary

- A. Publish Financial Summary, LB-1, UR-1, CC-1 or ED-1 five to 30 days prior to the public hearing. 294.438(1)
- B. Summary of indebtedness is shown on Form LB-1, UR-1, or ED-1. 294.438(7)

VIII. Publication of Notice of Budget Hearing

- A. Notice of budget hearing advertised five to 30 days prior to hearing. 294.448(2)
- B. If budget requirements do not exceed \$100,000 and no newspaper is published in district, the financial summary and notice of hearing can be posted for at least 20 days prior to the hearing. 294.448(1)

IX. After Public Hearing of Budget

- A. Changes, if made after hearing, cannot increase estimated expenditures of any fund more than \$5,000 or 10 percent, whichever is greater, of the amounts approved by the budget committee. 294.456(1)(c)(A)
- B. Budget adopted prior to June 30. 294.408

C. Levy the taxes. 294.456(1)
150-294.456(1)-(A)

D. Make appropriations: 294.456(3)
150-294.456(3)

1. By organizational unit or program for personnel services, materials and services, and capital outlay.
2. When not allocated to organizational unit or program by:
 - a. personnel services
 - b. materials and services
 - c. capital outlay
 - d. special payments
 - e. transfers
 - f. general operating contingency
 - g. debt service

X. Certify Tax to Assessor by July 15

- A. Two copies of the notice of tax; LB-50, UR-50, or ED-50. 150-310.060(A)
294.458(3)(a)
310.060(2)
294.456(1)(c)
150-294.456(1)-(A)
310.060(2)(b), (c)
1. Total tax certified cannot exceed amount approved by the budget committee.
 2. Local option taxes are detailed on LB-50 or ED-50 showing:
 - a. Purpose of tax.
 - b. Date of approval by voters.
 - c. Total amount or rate to be imposed.
 - d. Amount to be imposed each year.
 - e. First year of tax.
 - f. Last year of tax.
 3. Levies for the payment of bond principal and interest. 310.060(2)(d), (e)
 4. Categorization of tax. 294.458(3)(c)
- B. Two copies of the resolutions adopting the budget, making appropriations, levying tax, and categorizing tax. 294.458(3);
310.060(1)
- C. Two copies of successful tax ballot measures. 150-294.458(3)-(a),(c)
- D. File a copy of the budget with the county clerk by September 30. 294.458(5)
- E. School districts file a budget with the county Educational Service District (ESD) and State Department of Education.

XI. Supplemental Budgets

150-294.480

- A. One or more of the following circumstances must exist:
1. An occurrence, condition or need which had not been ascertained 294.471(1)(a)&(b)
at the time the budget was adopted.
 2. Funds were made available by another unit of federal, state 294.471(1)(c)&(d)
or local government or the costs are to be born by a private individual corporation or company, and the availability of funds could not have been known at the time the budget was adopted.

3. Proceeds from the involuntary destruction, involuntary conversion, or sale of property has necessitated the immediate purchase, construction, or acquisition of different facilities in order to carry on the government operation.	294.471(1)(e)
4. Ad valorem taxes are received during the fiscal year in an amount greater than the amount estimated to be collected.	294.471(1)(f)
5. A reduction in available resources that requires reduced appropriations.	294.471(1)(h)
B. A supplemental budget shall not authorize any levy of taxes.	294.471(4)
C. A supplemental budget shall not extend beyond the end of the fiscal year during which it is submitted.	294.471(2)

XII. Other

A. Interfund Transfers.	294.463
	150-294.463(3)
1. Transfers may be made between appropriations within a fund by board resolution.	294.463(1)
2. Contingency appropriation transfers not to exceed 15 percent of total fund without supplemental budget.	294.463(2)
3. Transfers of appropriations, or appropriations and a like amount of resources, may be made from the general fund to any other fund by board resolution.	294.463(3)
B. Expenditures outside of the budget.	294.338
1. Specific purpose grants or gifts.	294.338(2)
2. Unforeseen occurrence with non-tax funds.	294.338(3)
3. Bond exceptions.	294.338(4)&(5)
4. Bond redemptions expenditures.	294.338(5)
5. Expenditure of assessments for local improvements.	294.338(6)
6. Payment of deferred compensation.	294.338(7)
7. Refunds when purchased items are returned.	294.338(9)
8. Newly formed municipal corporations.	294.338(10)
C. Interfund loans.	294.468
D. Elimination of unnecessary fund.	294.353
E. Major emergencies or public calamities.	294.481
F. Basis of accounting.	294.333
1. Cash	
2. Accrual	
3. Modified Accrual	



DEPARTMENT OF ASSESSMENT AND TAXATION

DEVELOPMENT SERVICES BUILDING
150 BEAVERCREEK ROAD | OREGON CITY, OR 97045

MEMORANDUM

TO: CITY MOLALLA
CHAUNEE SEIFRIED, FINANCE DIRECTOR

FROM: Bronson W. Rueda, County Assessor

DATE: March 15, 2023

SUBJECT: 2023-2024 Value Growth Estimates

Oregon’s property tax system limits the rate of growth of property value subject to taxation. Assessed value grows each year by a statutory 3% growth test on maximum assessed value and by new construction. Below is our estimated percentage of assessed value growth anticipated for your district in the 2023-2024 tax year.

<u>2022-2023</u> <u>Assessed Value (AV)</u>	<u>2023-2024</u> <u>Estimated Growth in (AV)</u>
\$746,492,690	3% - 3.5%

Your district’s permanent rate and Measure 5 compression loss for certified tax year 2022-23.

- Permanent tax rate: \$5.3058 per \$1,000 of Assessed Value
- Measure 5 compression loss: (\$ 3.44)

Measure 5 tax limits are \$10 per 1,000 in the government category and are calculated individually on every property. Depending on annual adjustments to Real Market Value, Measure 5 limits reducing revenue to districts can vary each year.

Annexations will cause the growth estimate to vary, so please consider that in your final analysis.

Other Factors can affect AV growth such as possible value reductions from appeals or changes in State industrial and Centrally Assessed property values outside of our authority. Additionally, this year we have noticed a significant decline in permits for construction. Due to these unknown changes, we are taking a conservative approach in our estimate.

This is an estimate only and is intended to provide assistance in your budgeting process. It is important to note actual AV growth can vary due to the unknown changes stated. Please call if you have any questions

BR/dlm

PROPERTY TAX WORKSHEET

1. Permanent Rate Limit		\$5.3058 / \$1000	
			Enter your Permanent Rate levy
2. Est. Assessed Value		\$746,492,690.00	Enter your estimated total Assessed Value.
		3.50% <small>est gr</small>	
		26,127,244.15 <small>est growth amt</small>	
		772,619,934.15	
3. Tax rate (per dollar) <i>(converts rate to a decimal)</i>	X	0.0053058	
4. Amount the Rate would raise		\$4,099,366.85	
5. Estimate Measure 5 loss (compression)	-	(\$4.20)	
		\$38.63	Gain/Loss from truncati
<i>Assessor sends report in Oct each yr shows current yr information referred to as the Table 4a - Summary of Assessment & Levies (SAL) - This inform is entered on LB- 1 & 3 form, line 14a</i>			
6. Tax to be billed	=	\$4,099,401.28	
7. Average Collection Factor <i>See your forms & instructions booklet - Page 17 for a 5 year report - by county</i>	X	0.954	Clack County
8. Taxes Estimated to be Received <i>Gets entered on LB- 1 & 3 form, line 11</i>	=	\$3,910,828.82	
9. Loss due to discount & uncollectables (line 6 minus line 8) <i>Gets entered on LB- 1 & 3 form, line 14b</i>	=	\$188,572.46	

Appendix - Acronyms

AED	Automated External Defibrillator
AV	Assessed Value
BLM	Bureau of Land Management
CAFR	Comprehensive Annual Financial Report
CIP	Capital Improvement Projects
CPI	Consumer Price Index
CWSRF	Clean Water State Revolving Loan Fund
DEQ	Department of Environmental Quality
DHS	Department of Human Services
DMV	Department of Motor Vehicles
FASB	Financial Accounting Standards Board
FTE	Full Time Employee
FY	Fiscal Year
GAAP	Generally Accepted Accounting Practices
GASB	Government Accounting Standards Board
GFOA	Government Finance Officers Association
LEDS	Law Enforcement Data System
LOC	League of Oregon Cities
MAC	Molalla Aquatic Center
MCC	Molalla Communications Company
OACA	Oregon Association of Court Administrators
OAMR	Oregon Association of Municipal Recorders
ODOT	Oregon Department of Transportation
OSHA	Oregon Safety & Health Association
OSP	Oregon State Police
PERS	Public Employees Retirement System
PGE	Portland General Electric
SAIF	State Accident Insurance Fund
SDC'S	System Development Charges
STP	Surface Transportation Program
TAP	Tourism Action Plan
TEAM	Team for Economic Action in Molalla
UPS	United Parcel Service
UR	Urban Reserve
URA	Urban Reserve Area
W & S	Weed & Seed
WTP	Water Treatment Plant
WWTP	Wastewater Treatment Plan

Appendix - Glossary

Accrual basis. Method of accounting recognizing transactions when they occur without regard to cash flow timing [ORS 294.311(1)].

Activity. That portion of the work of an organizational unit relating to a specific function or class of functions, a project or program, a subproject or subprogram, or any convenient division of these. [ORS 294.311(2)].

Adopted budget. Financial plan that is the basis for appropriations. Adopted by the governing body [ORS 294.435].

Ad valorem tax. A property tax computed as a percentage of the assessed value of taxable property.

Agent. Generally, someone who is authorized to act for the local government, or who can make commitments or sign contracts in the name of the local government. Agency is the fiduciary relationship that arises when one person (a 'principal') manifests assent to another person (an 'agent') that the agent shall act on the principal's behalf and be subject to the principal's control, and the agent manifests assent or otherwise consents so to act.

Appropriation. Authorization for spending a specific amount of money for a specific purpose during a fiscal year. It is based on the adopted budget, including supplemental budgets, if any. It is presented in a resolution or ordinance adopted by the governing body [ORS 294.311(3)].

Approved budget. The budget which has been approved by the budget committee. The data from the approved budget is published in the Financial Summary before the budget hearing [ORS 294.406].

Assessed value. The value set on real and personnel property as a basis for imposing taxes. It is the lesser of the property's maximum assessed value or real market value.

Assessment date. The date on which the value of property is set, January 1 [ORS 308.210, 308.250].

Audit. The annual review and appraisal of a municipal corporation's accounts and fiscal affairs conducted by an accountant under contract or the Secretary of State [ORS 297.425].

Audit report. A report in a form prescribed by the Secretary of State made by an auditor expressing an opinion about the propriety of a local government's financial statements, and compliance with requirements, orders, and regulations

Balanced budget. A budget in which the resources equal the requirements in every fund.

Bequest. A gift by will of personnel property; a legacy.

Biennial budget. A budget for a 24-month period.

Billing rate. The tax rate used to compute ad valorem taxes for each property

Budget. Written report showing the local government’s comprehensive financial plan for one fiscal year. It must include a balanced statement of actual revenues and expenditures during each of the last two years and estimated revenues and expenditures for the current and upcoming year [ORS 294.311(5)].

Budget committee. Fiscal planning board of a local government, consisting of the governing body plus an equal number of legal voters appointed from the district [ORS 294.336].

Budget message. Written explanation of the budget and the local government’s financial priorities. It is prepared and presented by the executive officer or chairperson of the governing body [ORS 294.391].

Budget officer. Person appointed by the governing body to assemble budget material and information and to physically prepare the proposed budget [ORS 294.331].

Budget period. For local governments on a biennial budget, the 24-month period beginning July 1 and ending June 30 of the second following calendar year. See also “Fiscal year.”

Budget transfers. Amounts moved from one fund to finance activities in another fund. They are shown as expenditures in the originating fund and revenues in the receiving fund.

Capital outlay. Items which generally have a useful life of one or more years, such as machinery, land, furniture, equipment, or buildings [ORS 294.352 (6)].

Capital projects fund. A fund used to account for resources, such as bond sale proceeds, to be used for major capital item purchase or construction [OAR 150-294.352 (1)].

Cash basis. System of accounting under which revenues are accounted for only when received in cash and expenditures are accounted for only when paid [ORS 294.311 (9)].

Category of limitation. The three categories in which taxes on property are placed before the constitutional limits can be tested—education, general government, excluded from limitation [ORS 310.150].

Consolidated billing tax rate. The combined total of the billing rates for all taxing Districts in a code area. Does not include the billing rate for any urban renewal special levies or non-ad valorem taxes, fees, or other charges.

Constitutional limits. The maximum amount of tax on property that can be collected from an individual property in each category of limitation (Art. XI, sect. 11b, OR Const.).

Debt service fund. A fund established to account for payment of general long-term debt principal and interest [OAR 150-294.352 (1)].

Devise. A gift by will of the donor of real property.

District. See “Local government.”

Division of tax. Division of tax refers to the process of, and revenue from, apportioning tax to urban renewal agencies based on the relationship of the excess to frozen value, a.k.a. tax increment revenue.

Double majority. A term that refers to an election where at least 50 percent of the registered voters eligible to vote in the election cast a ballot and more than 50 percent voting approve the question.

Education category. The category for taxes that will be used to support the public school system and are not used to pay exempt bonded indebtedness [ORS 310.150(2)].

Encumbrance. An obligation chargeable to an appropriation and for which part of the appropriation is reserved [ORS 294.311(10)].

Enterprise fund. A fund established to account for operations financed and operated in a manner similar to private business enterprises. They are usually self-supporting. Examples of enterprise funds are those for water, gas, and electric utilities, swimming pools, airports, parking garages, transit systems, and ports [OAR 150-294.352(1)].

Estimate. (v) To arrive at a rough calculation or an opinion formed from imperfect data. (n) The resulting amount.

Excluded from limitation category. The category for taxes used to pay principal and interest on exempt bonded indebtedness [ORS 310.150(2)].

Exempt bonded indebtedness. 1) Bonded indebtedness authorized by a specific provision of the Oregon Constitution, or 2) bonded indebtedness issued as a general obligation on or before November 6, 1990, incurred for capital construction or capital improvements, or 3) bonded indebtedness issued as a general obligation after November 6, 1990, incurred for capital construction or capital improvements with the approval of the electors of the local government. Bonded indebtedness issued to refund or refinance any bonded indebtedness described above is also included [ORS 310.140(7)].

Existing plan. An existing urban renewal plan is defined as a plan that existed in December 1996 and 1) chose an option and 2) established a maximum amount of indebtedness by July 1998 and has not been amended to increase the land area or maximum indebtedness [ORS 457.101(4) (a)].

Expenditures. Total amount incurred if accounts are kept on an accrual basis; total amount paid if accounts are kept on a cash basis [ORS 294.311(16)].

Fiscal year. A 12-month period to which the annual operating budget applies. The fiscal year is July 1 through June 30 for local governments [ORS 294.311(17)].

Fund. A fiscal and accounting entity with self-balancing accounts to record cash and other financial

resources, related liabilities, balances, and changes, all segregated for specific, regulated activities and objectives.

Fund balance. The fund equity of government funds.

Fund type. One of nine fund types: General, special revenue, debt service, capital projects, special assessment, enterprise, internal service, trust and agency, and reserve [OAR 150-294.352 (1) and ORS 280.100].

Gap bonds. Any portion of a local government's property tax levy used to repay qualified taxing district obligations. This portion was exempted from the calculation of the permanent rate limit. When the debt is paid, the permanent rate is adjusted. Qualified obligations include principal and interest on certain bonds or formal, written borrowings of moneys issued before December 5, 1996, and pension and disability plan obligations that commit property taxes to fulfill those obligations.

General fund. A fund used to account for most fiscal activities except for those activities required to be accounted for in another fund [OAR 150-294.352 (1)].

General government category. The category for taxes used to support general government operations other than schools that are not for the purposes of paying exempt bonded indebtedness [ORS 310.150(1)].

Good Faith. The standard for estimating budget resources and requirements. Good faith estimates are reasonable and are reasonably likely to prove accurate, based on the known facts at the time.

Governing body. County court, board of commissioners, city council, school board, board of trustees, board of directors, or other managing board of a local government unit [ORS 294.311(15)].

Grant. A donation or contribution in cash by one governmental unit to another unit which may be made to support a specified purpose or function, or general purpose [ORS 294.311(19)].

Inter-fund loans. Loans made by one fund to another and authorized by resolution or ordinance (ORS 294.460).

Internal service fund. A fund used to account for fiscal activities when goods or services are provided by one department or agency to other departments or agencies on a cost-reimbursement basis (ORS 294.470).

Legal opinion. The opinion as to legality rendered by an authorized official, such as the Oregon attorney general or city attorney.

Levy. (v) To impose a property tax. (n) Ad valorem tax certified by a local government.

Local government. Any city, county, port, school district, education service district, community college, special district, public or quasi-public corporation (including a municipal utility or dock commission) operated by a separate board or commission; a municipality or municipal corporation under ORS

294.311(25).

Local option tax. Voter-approved taxing authority in addition to the taxes generated by the permanent tax rate. Local option taxes can be for general operations, a specific purpose, or capital projects. It is limited to five years unless it is for a capital project, then it is limited to the useful life of the project or 10 years, whichever is less [Art. XI, section 11(4) OR Const.].

Maximum assessed value (MAV). A constitutional limitation on the taxable value of real or personal property. It can increase a maximum of 3% each year. The 3% limit may be exceeded if there are qualifying improvements made to the property, such as a major addition or new construction.

Maximum authority. The limitation on the amount of revenue an existing urban renewal plan may raise from the property tax system [ORS 457.435(3)]. The assessor calculated this amount for the 1997-98 tax year for each existing plan based on the taxes each urban renewal plan area would have been entitled to prior to Measure 50. This amount is adjusted each year based on the growth of excess value in the plan area.

Maximum indebtedness. The amount of the principal of the indebtedness necessary to complete an urban renewal plan. This does not include indebtedness incurred to refund or refinance existing indebtedness [ORS 457.010(10)]. It is specified in dollars and cents and based on good faith estimates of the scope and costs of the anticipated project or projects. All existing plans are required to have an ordinance which establishes a maximum indebtedness.

Measure 5. A constitutional amendment (Art. XI, section 11b OR Const.) passed in 1990 that limits the amount of operating tax which can be imposed on a property to \$5 per \$1,000 of real market value for education and \$10 per 1,000 for general government.

Measure 50. A constitutional amendment (Art. XI, section 11 OR Const.) passed in 1997 that limits the growth in a property's assessed value to 3% per year. It also limits a local government's taxing authority by creating permanent rate limits.

Municipal Corporation. See "Local government."

Municipality. See "Local government."

Net working capital. The sum of the cash balance, accounts receivable expected to be realized during the ensuing year, inventories, supplies, prepaid expenses less current liabilities and, if encumbrance method of accounting is used, reserve for encumbrances [ORS 294.311(26)].

Object classification. A grouping of expenditures, such as personnel services, materials and services, capital outlay, debt services, and other types of requirements [ORS 294.311(28)].

Operating rate. The rate determined by dividing the local government's operating tax amount by the estimated assessed value of the local government. This rate is needed when a local government wants to impose less tax than its permanent rate will raise.

Option, urban renewal. Financing arrangement chosen by existing urban renewal plans. Cannot be changed. The options are as follows:

Option 1 [ORS 457.435(2) (a)], allows the plan to collect division of tax as computed under ORS 457.440. If the amount collected from the division of tax is insufficient, a special levy may be imposed against all taxable property of the municipality that activated the urban renewal agency. Option 1 plans are “reduced rate” (do not divide local option or bond levies approved by voters after October, 2001).

Option 2 [ORS 457.435(2) (b)]. The Cascade Locks Plan in Hood River County was the only Option 2 Urban Renewal Plan and that plan has been completed. May impose a special levy, but does not collect division of tax.

Option 3 [ORS 457.435(2) (c)], provides that Option 3 plans can obtain funds from both the division of tax and a special levy. Like Option 1, the agency may limit the amount to be received from the special levy, but unlike Option 1 the agency limited the amount of funds received from the division of tax when the Option was chosen. Option 3 plans are “standard rate” (divide all tax levies).

Other “standard rate” plan was adopted between December 1996 and October 2001. Receives division of tax, but no special levy.

Other “reduced rate” plan was adopted after October 2001, or was an Option 1 or 2 plan that was substantially amended. Receives division of tax only.

Ordinance. A formal legislative enactment by the governing board of a municipality.

Organizational unit. Any administrative subdivision of the local government, especially one charged with carrying on one or more specific functions (such as a department, office, or division) [ORS 294.311 (30)].

Personnel services expenses. Expenses related to the compensation of salaried employees, such as health and accident insurance premiums, Social Security and retirement contributions, civil service assessments.

Permanent rate limit. The maximum rate of ad valorem property taxes a local government can impose. Taxes generated from the permanent rate limit can be used for any purpose. No action of the local government or its voters can change a permanent rate limit.

Principal act. The Oregon Revised Statutes which describe how a certain type of municipal corporation is formed and selects its governing body, the powers it may exercise, and the types of taxing authority its voters may authorize.

Prior years’ tax levies. Taxes levied for fiscal years preceding the current one.

Program. A group of related activities to accomplish a major service or function for which the local government is responsible [ORS 294.311 (32)].

Program budget. A budget based on the programs of the local government.

Property taxes. Ad valorem tax certified to the county assessor by a local government unit.

Proposed budget. Financial plan prepared by the budget officer. All funds must balance. It is submitted to the public and the budget committee for review.

Publication. Public notice given by publication in a newspaper of general circulation within the boundaries of the local government; mailing through the U.S. Postal Service by first class mail to each street address within the boundaries of the local government; and hand delivery to each street address within the boundaries of the local government [ORS 294.311 (34)].

Real Market Value (RMV). The amount in cash which could reasonably be expected by an informed seller from an informed buyer in an arm's-length transaction as of the assessment date. For most properties, the value used to test the constitutional limits [ORS 308.205].

Reserve fund. Established to accumulate money from year to year for a specific purpose, such as purchase of new equipment [ORS 294.525].

Resolution. A formal order of a governing body; lower legal status than an ordinance.

Resource. Estimated beginning funds on hand plus anticipated receipts [ORS 294.361].

SAL Report. Summary of Assessments and Levies [ORS 309.330].

Special levy. A special levy is an ad valorem tax, imposed for an urban renewal plan on the entire municipality that adopted the plan. It is not a result of a division of tax.

Special revenue fund. A fund used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) legally restricted to expenditure for specific purposes [OAR 150-294.352 (1)].

Special payment. A budget expenditure category for pass-through payments, grants made to other organizations and other one-time or unusual expenditures which do not fall into the other categories of personnel services, materials and services, capital outlay, etc.

Supplemental budget. A financial plan adopted during a budget period to meet unexpected needs or to appropriate revenues not anticipated when the regular budget was adopted. It cannot be used to authorize a tax [ORS 294.480].

Tax increment financing. A financial mechanism for urban renewal plans which captures the tax from the growth in property value within a designated geographical area by dividing the taxes of local governments.

Tax on property. Any tax, fee, charge, or assessment imposed by any government unit upon property or upon a property owner as a direct consequence of ownership of that property [ORS 310.140(1)].

Tax rate. The amount of tax stated in terms of a unit of tax for each \$1,000 of assessed value of taxable

property.

Tax roll. The official listing of the amount of taxes imposed against each taxable property.

Tax year. The fiscal year from July 1 through June 30.

Trust fund. A fund used to account for fiscal activities of assets held in trust by a local government.

Unappropriated ending fund balance. Amount set aside in the budget to be carried over to the next year's budget. It provides the local government with cash until tax money or other revenues are received later in the year. This amount cannot be transferred by resolution or used through a supplemental budget, unless necessitated by a qualifying emergency [ORS 294.371, ORS 294.455].

