



Molalla City Council

Meeting located at: Molalla Adult Community Center
315 Kennel Avenue Molalla, OR 97038

August 28, 2013

Regular Meeting Agenda

EXECUTIVE SESSION: 6:30PM

Work session: NO WORK SESSION

Business meeting: The meeting will begin at **7:00PM**. The Council has adopted Public Participation Rules. Copies of these rules and public comment cards are available at the entry desk. Public comment cards must be turned into to the City Recorder prior to the start of the Council meeting. The City will endeavor to provide a qualified bilingual interpreter, at no cost, if requested at least 48 hours prior to the meeting. Contact (503) 829-6855 Ext. 291.

1. CALL TO ORDER – 1,022nd Regular Meeting

A. Flag salute and roll call

2. COMMUNICATIONS AND PUBLIC COMMENT

A. Minutes: August 14, 2013 – Motion to Approve

3. AWARDS & RECOGNITIONS

4. PUBLIC HEARINGS

5. CONTINUING BUSINESS

A. Pal Building Mitigation – Discussion Item/Staff Direction

6. ORDINANCES

A. 2013-06: Parking Ordinance Amendment

7. NEW BUSINESS

A. Finance – Fiscal Overview

B. Ratification of Union Contract(s)

8. RESOLUTIONS

9. PROCLAMATIONS

10. REPORTS AND ANNOUNCEMENTS

A. City Manager Report – Dan Huff

B. September 11, 2013 – Will Council Hold a Regular Session?

C. October 23, 2013 – Council Training in lieu of Regular Session

11. EXECUTIVE SESSION

ORS 192.660 (2) (D) to conduct deliberations with persons designated by the governing body to carry on labor negotiations.

12. ADJOURNMENT

Minutes of the Molalla City Council Regular Meeting
Molalla Adult Center
315 Kennel Ave., Molalla, OR 97038
Wednesday August 14, 2013

ATTENDANCE: Mayor Rogge, Present; Councilor Pottle, Present; Councilor Clark, Absent; Councilor Thompson, Present; Councilor Wise, Absent; Councilor Griswold, Present.

STAFF IN ATTENDANCE: City Manager Huff, Present; City Recorder Cramer, Present.

COMMUNICATIONS AND PUBLIC COMMENT:

Minutes

Councilor Pottle made a motion to approve the minutes from the July 24, 2013 meeting. Councilor Thompson Seconded. Motion approved (4-0) Mayor Rogge, Aye; Councilor Pottle, Aye; Councilor Thompson, Aye; Councilor Griswold, Aye.

Library Board Minutes

Library board minutes from July, 2013 were distributed to Council for information only.

Park and Recreation Board Minutes

Library board minutes from July, 2013 were distributed to Council for information only.

Continuing Business

Pal Building Mitigation

Mayor Rogge advised that this agenda item will be put on the next council agenda.

New Business

Council Appointment to Fill Vacancy

Steve Morris, 211 Hauser Ct., introduced himself to Council and answered the appointment questions.

Hardeep Singh, 682 June Dr., introduced himself to Council and answered the appointment questions.

Laura Ferris, 300 Stowers, introduced herself to Council and answered the appointment questions.

Glen Boreth, 623 S. Molalla Ave., introduced himself to Council and answered the appointment questions.

Chris Cook, 835 Meadowlawn, introduced himself to Council and answered the appointment questions.

Councilor Griswold nominated Laura Ferris, he stated that her answers were strongest.

Councilor Thompson nominated Glen Boreth, he stated that in the past 2 elections, Glen would have been the next councilor chosen. He has worked with Glen in the past and always has been a pleasure to work with.

Councilor Pottle nominated Glen Boreth, he stated that Glen would not have the learning curve that the other candidates would have because of his experience.

Mayor Rogge nominated Chris Cook, she stated that his involvement with Big Meadow and TEAM would make him an asset to council.

With the vote being 2, 1 and 1 Glen Boreth was seated as the city council member.

Mayor Rogge asked the candidates to consider joining the planning commission.

Annual IGA for Clackamas County Planning Services

City Manager Huff gave an overview of the IGA. He stated that this is an annual contract that will provide land use services for the City of Molalla.

Councilor Thompson made a motion to allow City Manager Huff to sign the IGA for Clackamas County Planning Services. Councilor Griswold seconded. Motion approved (4-0) Mayor Rogge, Aye; Councilor Pottle, Aye; Councilor Thompson, Aye; Councilor Griswold, Aye

REPORTS & ANNOUNCEMENT

City Manager's Report

City staff has been working on wastewater permitting and plan updates.

City staff is also working on methodology and CIP improvements.

City Manager Huff stated that he had attended a TEAM meeting working on economic development and where to go from here.

He asked how the weekly e-mails have been received. He was informed that they are being received favorably.

Councilor Thompson thanked all the city council candidates for showing interest in being part of moving the city forward.

Councilor Pottle thanked the candidates, showing that there are people that care about Molalla.

Mayor Rogge stated that Molalla's 100th birthday celebration will be held August 24th at 2:00 at Fox Park the time capsule will be displayed.

ADJOURNMENT:

Councilor Pottle made a motion to adjourn, Councilor Thompson seconded, Motion approved (4-0) Mayor Rogge, Aye; Councilor Pottle, Aye; Councilor Thompson, Aye; Councilor Griswold, Aye.

Sadie Cramer, City Recorder

Mayor Debbie Rogge

City Of Molalla

City Council Meeting

Agenda Category: Continuing Business

Subject: Current status of the PAL Building Mitigation

Staff Recommendation: *Discussion Item*

Date of Meeting to be Presented: August 14, 2013

Fiscal Impact: \$40,000-\$50,000

Background:

Included with this cover sheet is a Mitigation Report provided by the City Recorder to the former Interim City Manager back in February of this year regarding the PAL Building water damage. At this point we do know that the general mitigation requirements will be approximately \$1,800. However, this action will not cover drainage improvement or repairs for the interior portion of the building in order for the building to be used by the public.

General Estimates:

- | | |
|-----------------------------------|----------------------|
| 1. Mitigation | \$1,800 |
| 2. Drainage Improvements | \$3,000 |
| 3. Interior Repair Including HVAC | \$30,000 to \$50,000 |
| 4. Demolition | \$10,000+ |

SUBMITTED BY: Dan Huff, City Manager

ADMIN USE ONLY

Agenda Item

ALL AGENDA ITEMS MUST BE SUBMITTED BY NOON THE WEDNESDAY BEFORE THE SCHEDULED COUNCIL MEETING. ALL ITEMS MUST BE SUBMITTED TO THE CITY MANAGER FOR CONSIDERATION.

Insurance:

Our Risk management Insurance Carrier, CIS, has participated in the assessment of the structure and has indicated that our deductible is set at \$25,000. So, the first \$25,000 will need to be funded by the City through our facility budget before insurance coverage can be obtained.

Future Use:

It may be a good opportunity for Council to examine the future plan for this structure as well as the surrounding area. We may be able to construct a new structure at the same cost of needed repairs for the existing structure but we will need specific bid prices to provide a comparison. The City has not budgeted for these repairs for the 2013-2014 fiscal year and we will need to examine our options for funding.

The other aspect of this structure is taking a look at the area itself. What does Council see as the future use of this area? How does it connect with the skate park, Long Park and the Adult Center. The City can own and maintain a facility but is in no position to fund a program.

Recommendation:

Staff would suggest preparing a scope of options for bidding purposes detailing needed repairs including demolition and bring back those options for future consideration. In the meantime, developing a plan or vision of what this public area should be for the future may be beneficial to making a decision.

Sadie Cramer

From: Sadie Cramer [cityrecorder@molalla.net]
Sent: Monday, February 11, 2013 10:58 AM
To: 'Mark Gervasi'; 'Marc Howatt'; 'Heather Penni'
Subject: PAL Building - Mitigation of Water Damage
Attachments: CIS - PAL Building Mitigation Report and Photos 020713.pdf

Importance: High

Good Morning,

I met with CIS adjustors on Thursday. Management needs to meet to discuss how we are going to proceed. Please look at your calendars and let me know if Tuesday 2/12/13 at 2:30 works for you.

The major issue is the high deductible and where the \$25,000 would come from. It was expressed by CIS the deductible would be paid to Horizon and they might be willing to break the deductible up into payments over 2-3 fiscal cycles. CIS is urging us to mitigate this ASAP and to consider this a urgent action item, since the building is used by the public.

We need to discuss:

- The future of the building
- The \$25,000 Insurance deductible and impact on COM finances
- How the COM intends to proceed with mitigation process

My initial and report of issue with CIS, Beth Faulhaber and staff took place between January 25th February 1st.

- 2/4/13 – Received call from Insurance agent Ron Cutter.
- 2/4/13 – Per Ron Cutter, contacted Horizon Restoration.
- 2/4/13 – David Ford of CIS contacted me to get contact info for Beth and DPW.
- 2/4/13 – Horizon Restoration came on site to do assessment.
- 2/7/13 – David Ford of CIS made an onsite visit
- 2/11/13 – Report and meeting request to management team
- 02/12/13 – 2:30PM meeting with management team at City Hall **(Tentative)**

CIS advised the COM of how we should proceed:

1. **Heat** – Space heaters should be used at the facility in lieu of the heating system at this time.
2. **Furnace** – It looks like the furnace is ran by natural gas.
 - Contact NWNG and have them come out to inspect the line and furnace.
 - Contact HVAC rep to get quotes/recommendations of the following:
 - Inspect the furnace unit and any damage
 - Cost for cleaning the unit
 - If the air ducts need to be cleaned
3. **Removal of water under building** –
 - Find out if the city has staff and equipment to get any standing water out from under the building.
 - Find out if the city has staff and equipment to remove visqueen
 - Find out if the city has staff and equipment to begin dry down

- If city does not have staff, equipment or both contact River City or Horizon so they can organize this effort for COM
- 4. **Removal of Insulation –**
 - Once the dry down is complete Horizon will begin the process of removing the damaged insulation and building materials
 - Begin repairs
- 5. **Mitigate Flooding issue –**
 - COM to discuss drainage options for the location to prevent re-occurrence
 - French Drain
 - Rock Bed Drainage Ditch
 - Other

Once we have this notched out with a firm direction, we can inform Beth Faulhauber.

Thanks,

Sadie

Sadie Cramer
City Recorder, MMC
City of Molalla
503-829-6855 Ext. 291



citycounty insurance services
www.cisoregon.org

Acknowledgement Report

February 12, 2013

City of Molalla
PO Box 248
Molalla, OR 97038

Attn: Sadie Cramer

Claimant: City of Molalla

Claim #: PRPMOL2013060123

Date of Loss: 2/4/2013

The above listed claim has been submitted to our office for handling. We will forward a final report to you when this file is concluded. Please contact us if you have any questions.

Alleged Facts

The City reports property damages to the building from ground and surface water.

Accident Location: Community Resource Center, 209 Kennel St., Molalla, OR 97038

Claims Representative: David Ford

cc: Beecher Carlson Insurance Agency, LLC - Portland



ServiceMaster Restoration by Horizon

Mitigation Initial Damage Report

Owner Name: Police Activities League/City of Molalla

Owner contact #:

Tenant Name:

Tenant Contact: (Info on file.)

Email:

Unit # (when applicable):

Insurance Carrier: David Ford P/L Senior Claims Consultant PO Box 1469 Lake Oswego, OR

Claim # (when applicable): 035 p503-763-3872, 800-922-2684x3872, f503-763-3972

Source: Ground Water

The follow information is to be relayed to the project manager within the first 15 minutes of arriving.

1) Rooms Effected: Crawl Space

2) Will extraction be required? YES ! No

3) What are the Temp and RH?

Inside: Temp 65 RH 70 (close to effected area)

Outside: Temp 51 RH 86

4) How much equipment do you anticipate using?

Air Movers: 4

Dehumidifiers: 1

Special Equip:

5) What materials are damaged? (ex. Carpet in hall, drywall ceiling, laminate flooring) Crawlspace: Ducting, insulation

6) What is the anticipated drying time for this project? 3 days

-Is there any reason the dry out is going to take more than 3 days? Class 4

Sadie Cramer

From: Marc Howatt [dpw@molalla.net]
Sent: Friday, February 15, 2013 5:05 PM
To: 'Mark Gervasi'
Cc: 'Heather Penni'; 'Sadie Cramer'
Subject: FW: Molalla PAL

Hey all, Beth Faulhaber' response to a phone call I made to her the other night regarding PAL.

From: Beth Faulhaber [mailto:beth_faulhaber@hotmail.com]
Sent: Thursday, February 14, 2013 9:11 PM
To: Marc Howatt
Cc: Shilo
Subject: Molalla PAL

Marc,

Hello! I have communicated with the Board regarding the City's upcoming recommendation to the Council regarding the Molalla Youth Center. Our regularly scheduled Board meeting for February is on the 28th. We will discuss the decision made at the Council meeting on the 27th at our Board meeting on the 28th, and then get back to you regarding a timeline for vacating if that is determined to be the course of action by the Council.

Thank you,
Beth Faulhaber, MPAL Executive Director

Become a "Friend of Molalla PAL"....visit www.molallapal.org to see how!
"Children are apt to live up to what you believe of them." -Lady Bird Johnson

City Of Molalla

City Council Meeting

Agenda Category: Ordinance

Subject: Ordinance 2013-06: Parking Ordinance Amendment

Staff Recommendation: (Council to Adopt, approve or information etc)

Date of Meeting to be Presented: August 28, 2013

Fiscal Impact: \$0.00

Background: (Type a brief detailed summary of the item to be presented.)

This amendment is brought before Council to address recent complaints regarding vehicles being parked and blocking mailboxes. Both citizens and Post Office staff have complained recently and when this occurs, mail is not delivered. Our City ordinance did not have a provision regarding this issue and officers were therefore unable to issue a citation.

This amendment is inserted into chapter 10.41.090 (Prohibited stopping, standing and parking) **under sub section B, item 3.**

SUBMITTED BY: Chief Rod Lucich

APPROVED BY: Dan Huff, City Manager

ALL AGENDA ITEMS MUST BE SUBMITTED BY NOON THE WEDNESDAY BEFORE THE SCHEDULED COUNCIL MEETING. ALL ITEMS MUST BE SUBMITTED TO THE CITY MANAGER FOR CONSIDERATION.

City of Molalla
ORDINANCE No. 2013-06
**AN ORDINANCE AMENDING CHAPTER 10.41 PARKING, STANDING AND STOPPING OF THE MOLALLA
MUNICIPAL CODE**

Whereas: On January 10, 1996, the Molalla City Council adopted Ordinance 1995-10 an ordinance of the City of Molalla establishing requirements for parking on the city streets and imposing penalties for violations Chapter 10.41 of the Molalla Municipal Code; and

Whereas: Complaints have been received by the Molalla Police Department and the City of Molalla regarding vehicles blocking mailboxes; and

Whereas: the blockage of the mailboxes is prohibiting the United State Postal Service from delivering residents mail; and

Now, therefore, the City of Molalla ordains as follows:

Section 1. Section 10.41.090 - Prohibited Stopping, standing and parking is amended to read as follows:

A. No person shall stop, stand or park a vehicle in such a manner or location that it constitutes a hazard to public safety or an obstruction to vehicle, bicycle or pedestrian traffic on the street, which shall include but not be limited to, stopping, standing or parking:

1. On a sidewalk;
2. Within an intersection;
3. On a crosswalk;
4. Alongside or opposite a street excavation or obstruction when stopping, standing or parking would obstruct traffic;
5. On any railroad tracks or within seven and one-half feet of the nearest rail at a time when the parking of vehicles would conflict with railroad operations or repair of the railroad tracks;
6. Any place where official signs or markings prohibit stopping, standing or parking.

B. Except to momentarily pick up or discharge a passenger, no person shall stand or park a vehicle in such a manner or location that it constitutes a hazard to public safety or an obstruction to vehicle, bicycle or pedestrian traffic on the street, which shall include but not be limited to, standing or parking:

1. On the roadway side of a vehicle stopped or parked at the edge or curb of a street;
2. In front of a public or private driveway;

3. ~~In front of and 10 feet on either side of a delivery mailbox, between 8 a.m. and 6 p.m., except Sundays and official postal holidays;~~

Deleted: .

4. Within 10 feet of a fire hydrant;

5. Within 20 feet of a crosswalk at an intersection;

6. Within 50 feet upon the approach to an official flashing signal, stop sign, yield sign or traffic-control signal located at the side of the street if the standing or parking of the vehicle obstructs the view of the official traffic-control device located at the side of the street;

Deleted: 5

7. Within 15 feet of the driveway entrance to a fire station and on the side of the street opposite the entrance to the fire station within 75 feet of the entrance;

Deleted: 6

8. Within an area marked by yellow paint on the street or on the curb;

Deleted: 7

9. On a street or portion thereof designated by official signs as a "tow-away zone";

Deleted: 8

10. Other than a motorbus in a bus stop which has been designated by official signs or other than a taxicab in a taxicab stand which has been designated by official signs, or at any time in interference with any motorbus or taxicab waiting to enter or about to enter the officially designated space;

Deleted: 9

11. A motorbus or taxicab on a street in a business district at a place other than a bus stop or taxicab stand, respectively.

Deleted: 0

C. In the event a vehicle has been found standing or parked in violation of subsections A and B of this section, in addition to and after issuance of a citation for violation, the vehicle may be removed and impounded, and a hearing and sale provided for, as provided in Chapter 10.70 of this code. (Ord. 1995-10 §2)

Adopted this ____ day of August 2013.

Approved:

Debbie Rogge, Mayor

ATTEST this ____ day of _____ 2013.

Sadie Cramer, City Recorder



CITY OF MOLALLA FINANCE DEPARTMENT City Council Fiscal Overview

August 21, 2013

To: Debbie Rogge, Mayor
George Pottle, Council President
Glen Boreth, Councilor
Stephen Clark, Councilor
Jason Griswold, Councilor
Jimmy Thompson, Councilor
Dennis Wise, Councilor

Via: Dan Huff, City Manager

From: Heather Penni, Finance Director

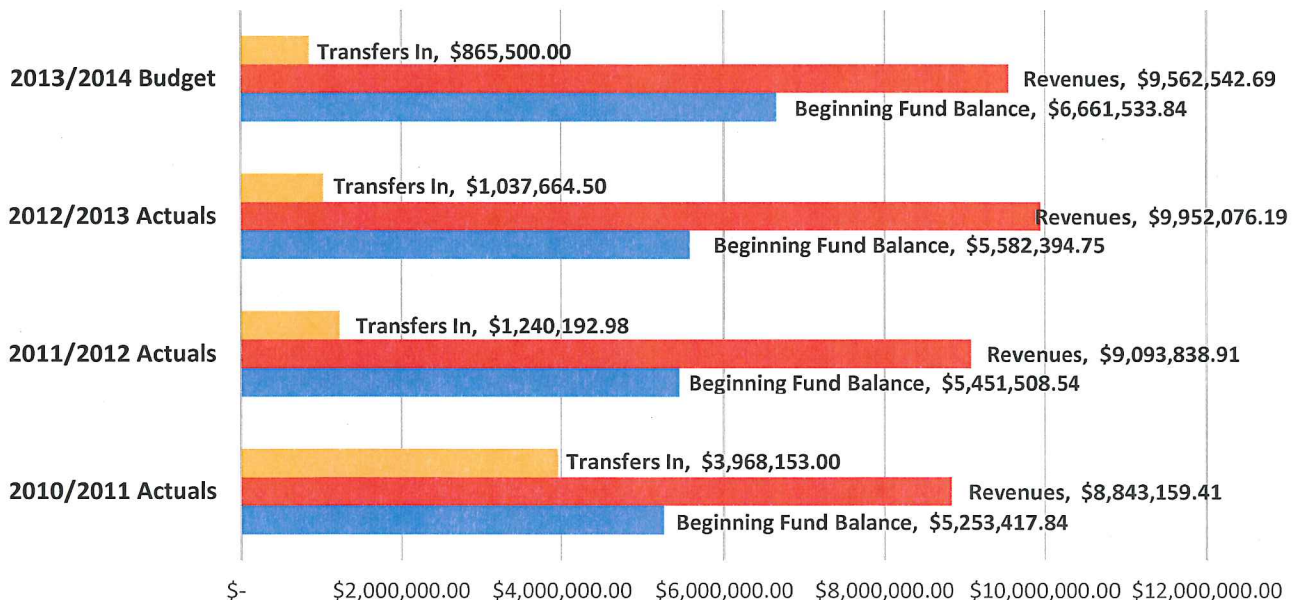
RE: Financial Update and Presentation for City Council meeting dated 08/28/2013.

City Manager, Mayor, and Council:

The following report is presented to provide a fiscal overview of the City of Molalla's current financial position in preparation for council training and goal setting in the next few months.

RESOURCES

The following graph represents resources received by the City of Molalla into three categories:



Yellow – Transfers In. Transfers from one fund into another fund are received as revenue. The source of the transfers can range from inter-fund loans to fund revenue support to debt retirement. The finance department has made it a goal to minimize transfers between funds, this goal is in partnership with the City Council direction to discontinue inter-fund borrowing.

Transfers have been reduced from \$3,968,153.00 in FY 10/11 to \$865,500.00 in FY 13/14. This totals to a \$3,102,653.00 reduction in revenue movement between funds. In the current year of 2013/14, the City transfers are at the maximum they can be reduced. Currently, transfers are for debt retirement and aquatic center support. Forecasting into future fiscal years shows no reduction in those categories.

Orange – Revenues. After the financial crash of 2008 the revenue projections have seen some dramatic flexuations. Revenues are budgeted with a decline in FY 13/14 from the actual revenues received in FY 12/13. The City of Molalla has seen changes in the following areas:

Property Tax: As fewer properties are owned outright, thus allowing for property tax payment plans. The City is seeing a larger increase in tax revenue in November as banks and mortgage holders are taking advantage of the full payment discount. This trend should hold steady for at least the next decade.

Cost Allocation Plan: The City of Molalla introduced in the 4th quarter of FY 11/12 a cost allocation plan to provide stable funding for the general fund and to offset indirect costs/services performed by the administration in behalf of all City departments. Cost allocation has been successful and will continue to be in future forecasting. Methods of approach for cost allocation are discussed during the budget deliberations.

Grants: Resources from grants have seen a significant decline over the last four fiscal cycles. Largely due to completing the Weed and Seed program and transfer of adult center services to the private sector. As the City forecasts into the next few fiscal cycles we need to seek other grant opportunities for project specific revenue sources.

Blue – Beginning Fund Balance. This line provides the most positive news in the fiscal health of the City. We have increased our beginning fund balance in all funds from \$5,253,417.84 in FY 10/11 to a projected \$6,661,533.84 in FY 13/14. If current data holds we will actually see a beginning fund balance for FY 13/14 of \$6,797,306.78, an increase of \$135,772.94 over budget. If the current trend remains the City of Molalla will meet the beginning fund balance goals set by City Council within 5-7 fiscal cycles. The rate of increase has to be modified for future forecasting as a proportion of the increase is due to the system development charge balances being corrected in the accounting.

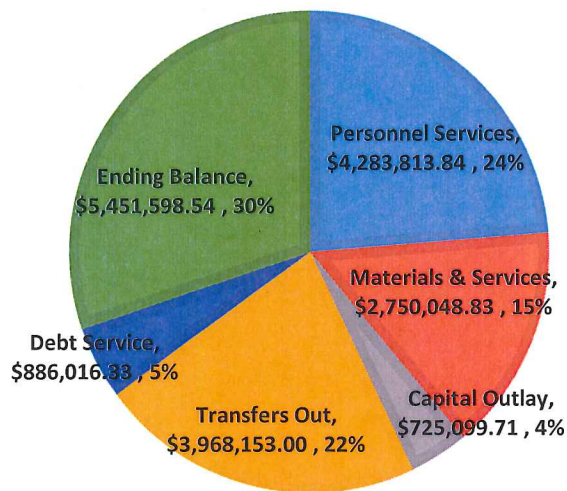
2013/2014 Beginning Fund Balance Analysis

	Budget	Unaudited Actuals	Difference
TOTALS	\$6,661,533.84	\$6,797,306.78	\$135,772.94

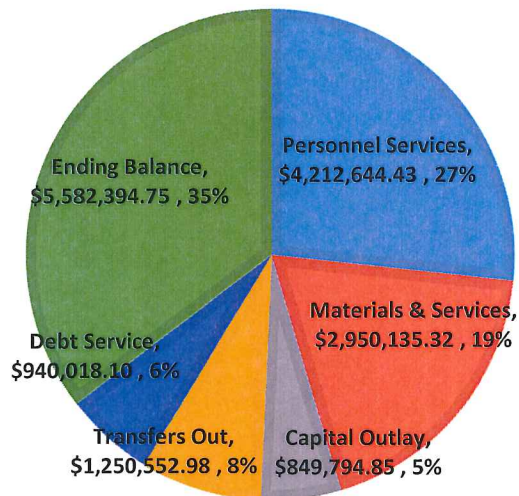
It is important to note that the majority of revenue in beginning fund balances have restrictions, these are not funds available for expenditure. In addition, the beginning fund balances are subject to change as a result of the audit of records for FY 2012/2013.

REQUIREMENTS

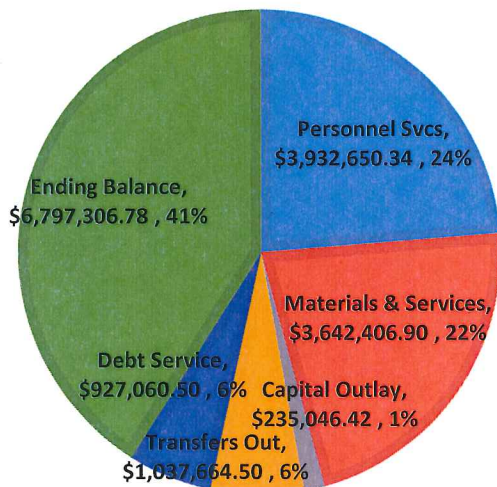
FY 2010/2011 ACTUAL EXPENDITURES



FY 2011/2012 ACTUAL EXPENDITURES



FY 2012/2013 ACTUAL EXPENDITURES



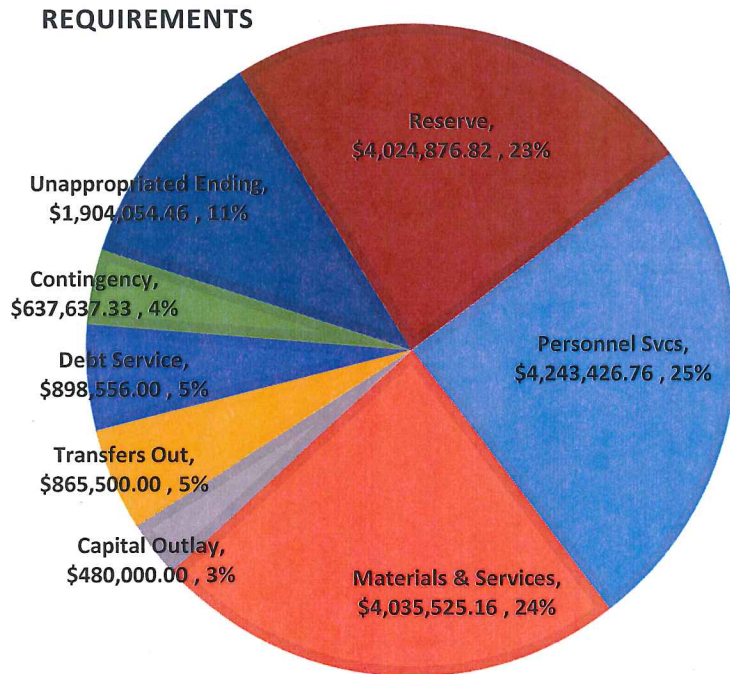
In expenditures, the most significant change is the increase of ending fund balance and the decrease in transfers out. As noted in the resources section the City has reached the goal of minimizing inter-fund transfers.

Personnel Services shows a consistent decrease in human capital costs. Primarily due to staff reductions and the CPI being so low that cost of living adjustments have been minimal. This is not a trend we can forecast into the future. CPI indicators project between 1%-2% increase for 2014, this will be the first time over 1% in three fiscal years. Adjustments have been made for position changes and/or merit increases.

Material and Services have seen an increase due to the cost allocation plan and the PW personnel service allocation. Initially, these funds were set up to function with transfers. Now, we cost the expense out of material and services and receive the funds as revenue. This reduces the transfer activity and accounts for the transactions according to GAAP (Generally Accepted Accounting Principles).

FY 2012/2013 reports a significant decrease in capital outlay costs. CDBG and STP monies contributed largely to the reduction. This will not be a trend to forecast into future years. Development of the capital improvement plan in conjunction with the SDC methodologies should provide an excellent forecast tool for future fiscal years.

FISCAL YEAR 2013/2014



A conservative approach to budgeting for fiscal year 2013/2014 was used to position the City of Molalla to continue with the Council directive of improving our financial position by creating reserves within the funds.

The budget has an unappropriated ending balance of \$1,904,054.46 and when combined with the \$4,024,876.82 in reserve we are positioned to end the year with \$5,928,931.28. That is 87.22% of last fiscal year's ending fund balance. This also includes an assumption of 100% of budget being exhausted. Forecasted projections do not show 100% consumption, so this will add to the ending balance.

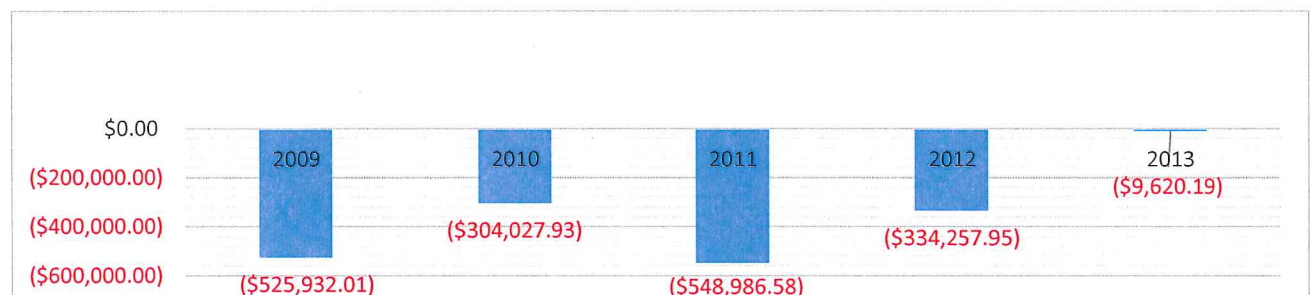
The increase in the capital improvements is to accommodate the purchase of the vector truck.

Moving forward through 2013/2014 the City will need to continue a miserly approach to all expenditures and continue sourcing new revenue options. Finance will be focusing on the following areas:

- 2012/2013 Audit
- Personnel policy / apply negotiated contracts into books.
- Internal control audit

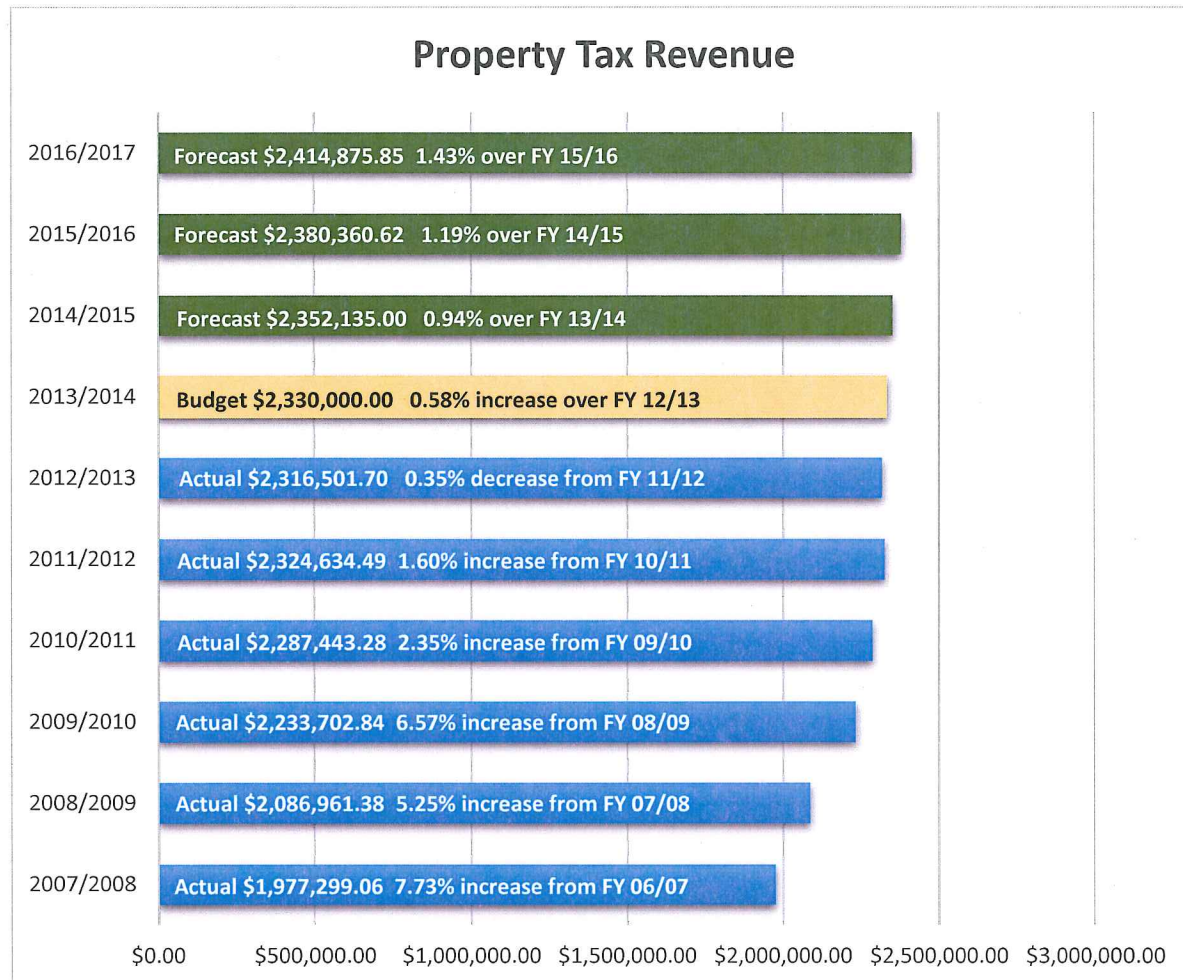
The City needs to develop financial policies and a 3 year forecast. Staff is developing the needed data to present a useable forecast, for example; updating the capital improvement plan, SDC methodologies, and looking at internal controls. Without this information the budget forecast is very status quo. We are also looking for Council direction as to where they would like to see the City of Molalla in 3-5 years so we can manage our departmental goals to achieve those standards.

Overall, the forecast is optimistic. Standard and Poors released our rating and we are up from B+ unstable to A stable. The July 2013 general fund month end balance is also an indicator we are on the mend:



2014 will bring the City new challenges as we digest and manage the change in health care. The City has weathered the PERS storm for now and seems to be sailing calmer waters, finance will continue to monitor this as we approach 2015/2016. Property tax reform is on the horizon and in future years will be addressed, as for now the City has come through the 2008 crash relatively well in comparison to other smaller cities.

Property tax actuals with forecasts:



The modest recovery rate projected three fiscal years in the future validate the need for alternative revenue sources. This report presents data showing that the City is on the mend but clearly not in any position to re-establish expenditure levels of previous years. Frugal governing of each tax dollar spent is mandatory as we navigate the next few fiscal cycles.

Staff is working on bringing to Council for consideration a Capital Improvement Plan inclusive of a public facility improvement need evaluation. Some of the current City facilities limit our ability to provide appropriate service levels to the citizen of Molalla.

Council could consider another SDC moratorium, for example; a \$1.5M moratorium for commercial construction that is shovel ready within 18 months. Place a cap of \$100,000 per project maximum therefore allowing a potential of 15 different project to receive a benefit. This would be an excellent time to consider this as the SDC methodologies are under a re-structure evaluation at the current time.

A good option would be networking with cities and Councils around us to find what is working. The fiscal crash of 2008 has proved that the old adage of 'we have always done it this way' will no longer work. We need to think outside the box, the City of Oregon City has done an excellent job with that kind of thinking.

Oregon City has a Right of Way Franchise Fee, not a Utility Franchise fee. Therefore, they can assess charges to anyone that uses their rights of way like Clackamas County with the dark fiber lines and City of West Linn across the bridge. Alternative revenue sources!

The calendar for the audit for fiscal year 2012/2013 is expected to move at an appropriate pace as we will not need to wait for the capital asset evaluation. Our current system is functioning well. The audit team is on site in Molalla August 26-30, 2013 and again for a final week in November. Oster Professional Group and Finance anticipate a completed audit presentation in December 2013.

As we move forward and develop new Council goals, please feel free to call on me at any time to glean information needed to make informed decisions. Monthly reports and warrant registers are currently being submitted to the City Manager for review and approval. Fiscal reports for Council will be presented quarterly, although the monthly data is available electronically.

Respectfully submitted,



Heather Penni
Finance Director
City of Molalla