



Molalla City Council – Meeting Agenda
Meeting located at: Molalla Adult Center
315 Kennel Ave, Molalla, OR 97038

August 10, 2016 – REVISED

WORK SESSION BEFORE MEETING 6:30PM

Business meeting will begin at 7:00PM. The Council has adopted Public Participation Rules. Public comment cards are available at the entry desk. Request to speak must be turned into to the Mayor prior to the start of the regular Council meeting.

Executive Session : N/A

1. CALL TO ORDER – 1,763rd Regular Meeting

- A. Call the meeting to order
- B. Flag Salute and Roll Call

2. COMMUNICATIONS AND PUBLIC COMMENT

3. NEW BUSINESS

- A. Authorization to Purchase a Pump the Waste Water Treatment Plant – Fisher
- B. Bio Solids Hauling – Fisher
- C. Pavement Management Budget Options – Fisher
- D. Approval of OLCC Application for the Molalla Market – Huff

4. CONTINUING BUSINESS

- A. Banner Project Update – Childress

5. RESOLUTIONS

- A. 2016-15: A Resolution of the City Of Molalla Supporting the Clackamas County Motor Vehicle Tax
- B. 2016-16: A Resolution Approving The Formation Of An Aquatic District Under ORS Chapter 266 Which Will Include The City Within Its Territory And Establishing The City As A Joint Petitioner For The Formation Of Such District
- C. 2016-17: Declaring the Vacancy of Councilor Pottle and Councilor Riggs Positions - Huff

6. REPORTS AND ANNOUNCEMENTS

- League of Oregon Cities Conference
- Future Council Appointment to Citizen Committees

7. ADJOURNMENT

City Of Molalla

City Council Meeting



Agenda Category: New Business

Subject: Public Works Bio-solids Hauling Request

Recommendation: Council Approval

Date of Meeting to be Presented: August 10, 2016

Fiscal Impact: Estimated Cost \$50,000

Background:

During fiscal year 2015-2016, City staff requested bids for a two year period for bio-solids hauling and land application. Heard Farms, Inc. was the lowest responsible bidder at \$0.045 per gallon. The solids removal was performed in fiscal year 2015-2016 and is scheduled for fiscal year 2016-2017. This is the second and final year of the contract to perform bio-solids hauling and land application and the price per gallon remains at \$0.045.

SUBMITTED BY: Gerald Fisher, Public Works Director
APPROVED BY: Dan Huff, City Manager

Heard Farms, Inc.

578 Rogers Road
Roseburg, OR 97471

(541) 459-7529 phone
(541) 459-7538 fax
WPCF Permit #102449
WQ Douglas File #109363

July 13, 2015

Jennifer Cline
City of Molalla
Public Works
PO Box 248
Molalla, OR 97038

Jennifer:

Our quote to haul and apply your biosolids for 2015 is 4.5 (.045) cents per gallon.

We appreciate the opportunity to quote your job and hope we can serve you this year.

Sincerely,


Heard Farms, Inc.

Richard Heard
President



Public Works Department

117 N Molalla Avenue

PO Box 248

Molalla, Oregon 97038

Phone: (503) 829-6855

Fax: (503) 829-3676

July 24, 2015

Heard Farms, Inc.
578 Rogers Road
Roseberg, OR 97471
(541) 459-7529
(541) 459-7538 fax

RE: Hauling and Applying Bio-solids for City of Molalla

Dear Richard:

Thank you for your bid. The city council has accepted your bid for \$0.045 per gallon to haul and apply a total volume up to 1,100,000 gallons of Bio-solids for the City of Molalla. Please contact Jason Clifford, Wastewater Plant Operator, (503) 829-5407 or myself, (503) 759-0218 if you have any questions. We will be contacting you soon to schedule the work.

Regards,

Jennifer Cline, P.E.

Cc: Dan Huff, City Manager;
Jason Clifford, WWTP Operator;

Gerald Fisher

From: richard heard <richardheard2339@icloud.com>
Sent: Wednesday, July 27, 2016 1:37 PM
To: Gerald Fisher
Subject: Re: Biosolids Removal Quote

Gerald,
Thank you for contacting us. The price would not change from last year. \$.045 cents per gallon.
Thank you
Richard Heard Farms
President

On Jul 27, 2016, at 10:49 AM, Gerald Fisher <gfisher@cityofmolalla.com> wrote:

Hi Dick,

Jennifer took a job with another City. As I understand it, you hauled biosolids for us and we have a cost of \$0.045 per gallon to haul and apply biosolids. Could you send me an updated cost quote for this work? I need to take it to Council for approval in advance of our work. If you have any questions, please feel free to contact me at the number below. The coordination of the work will still be done by Jason Clifford and I will notify both of you when we've received funding approvals for this work. Thanks for your assistance with this.

Regards,

Gerald Fisher, P.E. | Public Works Director

City of Molalla

117 N Molalla Ave. | PO Box 248 | Molalla, OR 97038

Office: 503.829.6855 | Direct: 503.759.0218

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Thank you.

From: Jennifer Cline [<mailto:jcline@cityofmolalla.com>]
Sent: Monday, June 27, 2016 11:10 AM
To: Gerald Fisher <gfisher@cityofmolalla.com>
Subject: FW: Biosolids Removal Quote

Jennifer Cline, P.E. | Public Works Director

Licensed in OR, WA

[City of Molalla](http://www.cityofmolalla.com)

117 N Molalla Ave. | PO Box 248 | Molalla, OR 97038

O: 503.759.0218 | F: 503.829.3676

From: richard heard [<mailto:richardheard2339@icloud.com>]
Sent: Monday, June 27, 2016 9:38 AM
To: Jennifer Cline <jcline@cityofmolalla.com>
Subject: Re: Biosolids Removal Quote

Jennifer,

Our price shouldn't change. Are biggest challenged at the moment is finding qualified drivers, but we should be able to accomplish that by August let's keep in touch so that we can get the job done right. Thanks Dick

On Jun 23, 2016, at 6:10 PM, Jennifer Cline <jccline@cityofmolalla.com> wrote:

Hi Dick,

It's getting to be that time of year again and the City would like to request a quote for your services to haul Biosolids to Piuser's fields. These would be the same field locations the City used for Biosolids last year. I have attached last year's quote just as a reference.

Additionally, we would like to know your schedule availability for the work. As in previous years, we would prefer late August.

Please contact Jason Clifford, 503-793-5283 with any questions or schedule opportunities.

Looking forward to hearing from you soon.

Best,

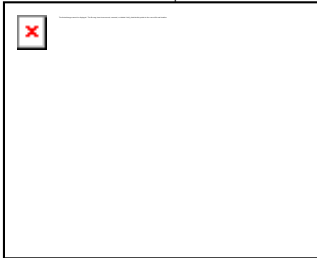
Jennifer Cline, P.E. | Public Works Director

Licensed in OR, WA

[City of Molalla](#)

117 N Molalla Ave. | PO Box 248 ✉ | Molalla, OR 97038

O: 503.759.0218 | F: 503.829.3676



<HeardFams_2015BiosolidsQuote.pdf>

City Of Molalla

City Council Meeting



Agenda Category: New Business

Subject: City of Molalla April 2016 Pavement Management Budget Options Report

Recommendation: Council Approval

Date of Meeting to be Presented: August 10, 2016

Fiscal Impact: Estimated Cost \$50,000

Background:

The City, under contract with Project Delivery Group (PDG), requested professional services to perform a pavement condition index study and pavement management options report. Capitol Asset and Pavement Services, a sub-consultant to PDG specializing in pavement condition studies, performed the survey of approximately 27 centerline miles of roadway under the jurisdictional control of the City of Molalla. Four cost scenarios were run to determine possible maintenance strategies: Unconstrained, PCI to 70 in 5 years, PCI to 75 in 5 years, and PCI to 75 in 10 years. The resulting annual expenditures and maintenance backlog for each of the scenarios are provided in the attached report and staff is prepared to answer and questions related to the report and next steps once the report is accepted by City Council. Appendix B thru F detailing data output have been removed from the attached report to reduce the number of pages in the Council Packet.

Staff recommends a motion to “Accept the April 2016 Pavement Management Budget Options Report from Capitol Asset and Pavement Services.”

SUBMITTED BY: Gerald Fisher, Public Works Director
APPROVED BY: Dan Huff, City Manager

Pavement Management Budget Options Report



April, 2016

City of Molalla

Executive Summary

Capitol Asset & Pavement Services, Inc. was contracted by the City of Molalla Public Works department to perform a full pavement management implementation and visual inspections of all of the paved streets in the City of Molalla (City). All 27.16 centerline miles of paved streets maintained by the City were evaluated in accordance with MTC standards, and the Streetsaver Online 9.0 database was updated with the inspection data. Inspections were completed in April 2016.

The maintenance decision tree treatments and costs were reviewed and updated to reflect current pavement maintenance practices and treatment prices. Budgetary Needs analysis was performed based on the updated inspections and treatment costs and four budget scenarios were evaluated to compare the effects of various funding levels.

The City's street network consists of 27.16 centerline miles of streets. A detailed visual inspection of the City's streets resulted in a calculated average PCI of 61. Using a 0-100 PCI scale, with 100 being the most favorable, a rating of 61 places the City's street network in the 'Fair' condition category.

Four scenarios were analyzed for various street maintenance funding levels. The budget includes preventative maintenance and rehabilitation work for existing paved street surfaces. The recommended strategy of street maintenance, along with current prices for the treatments, was entered into a decision tree matrix. This matrix defines what treatments need to be applied to streets in varying PCI condition. Utilizing this decision matrix, it was determined that the City will need to spend \$16.4 million over the next ten years to bring the street network into 'optimal' condition, or an overall street network PCI of 84. At this level, the City should be able to maintain the street network in the future with mostly cost-effective preventative maintenance treatments (crack seals and surface seals). Scenarios were also run to determine the funding level required to increase the overall network PCI to 70 by 2020, 75 in 2020, and 75 in 2025. The City will need to invest significant funding for street rehabilitation in order to meet these goals. Table 1 summarizes the findings of the Scenarios.

Table 1 – Summary of outcome of different funding levels (Scenarios)

Scenario Name	Budget	Final PCI (change)	Deferred maintenance	2025 % good	2025 % Very Poor
1 – Unconstrained	\$16.4 million over 10 years	84 (+23)	\$0	96.4%	3.6%
2 – Increase PCI to 70 in 5 years	\$4.25 million over 5 years	70 (+9)	\$10.6 million	73.0%	18.0%
3 – Increase PCI to 75 in 5 years	\$8.0 million over 5 years	75 (+14)	\$6.7 million	79.9%	11.0%
4 – Increase PCI to 75 in 10 years	\$11.0 million over 10 years	75 (+14)	\$7.1 million	85.9%	10.0%
	2016 Values	61	\$6.35 million	40.6%	10.8%

Purpose

This report is intended to assist the City of Molalla with identifying street maintenance priorities specific to the City.

The report examines the overall condition of the street network and highlights the impacts of various funding levels on the network pavement condition and deferred maintenance funding shortfalls. The Metropolitan Transportation Commission, MTC, Streetsaver Pavement Management Program (PMP) was used for this evaluation. The intent of this program is to develop a maintenance strategy that will improve the overall condition of the street network to an optimal Pavement Condition Index (PCI) in the low to mid 80's and also to maintain it at that level.

The MTC Streetsaver program maximizes the cost-effectiveness of the maintenance treatment plan by recommending a multi-year street maintenance and rehabilitation plan based on the most cost-effective repairs available. A comprehensive preventative maintenance program is a critical component of this plan, as these treatments extend the life of good pavements at a much lower cost than rehabilitation overlay or reconstruction treatments. To this end, various 'what-if' analyses (scenarios) were conducted to determine the most cost-effective plan for maintaining the City's street network over ten years and at various funding levels.

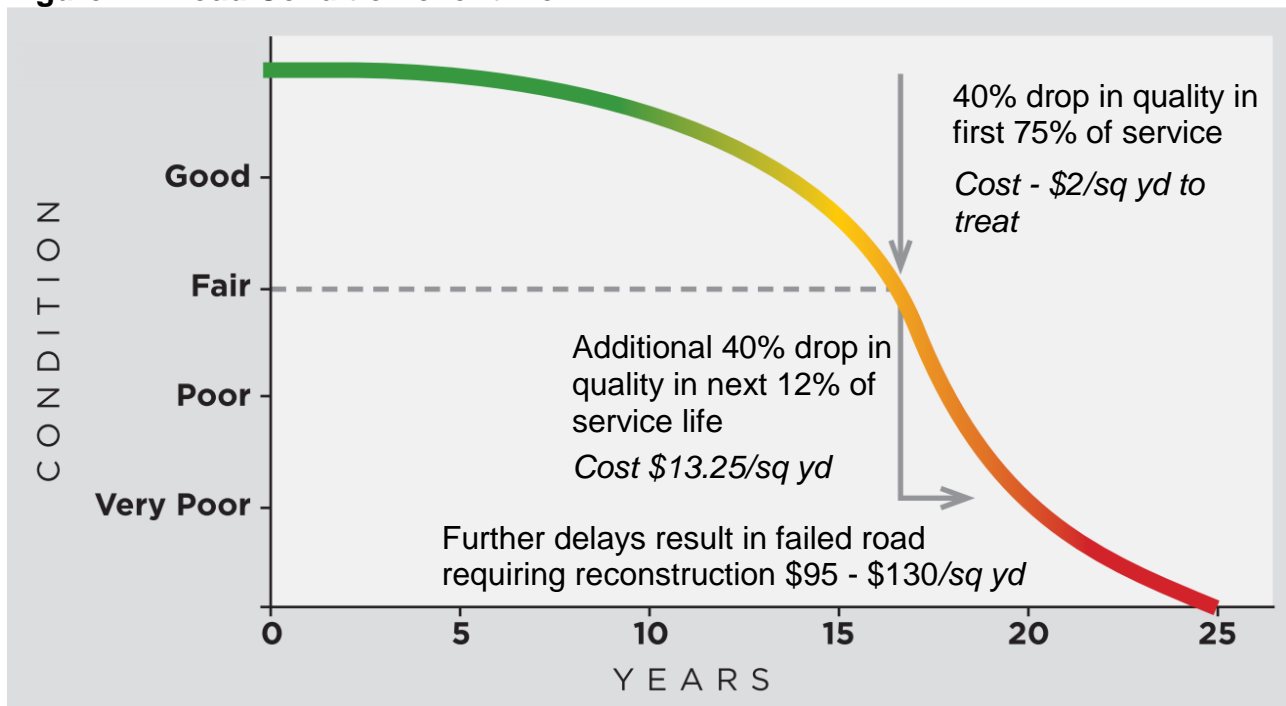
Pavement Management Strategy

Pavement Management is a set of tools and philosophies designed to manage the maintenance activities of Asphalt Concrete and Portland Concrete Pavements. A Pavement Management System consists of a module to keep track of existing and historical pavement condition data and a decision making process to help choose the most cost-effective maintenance strategies and which streets to treat when.

Conventional wisdom of most public works and street department agencies has been to treat streets in a “worst-first” philosophy. Under this “worst-first” policy, streets are allowed to deteriorate to a nearly failed condition before any rehabilitation (such as Overlays or Reconstructions), are applied. This can also be called the “don’t fix if it aint broke” mentality.

Pavement Management Systems are designed with a more cost-effective, “Best-first” approach. The reasoning behind this philosophy is that it is better to treat streets with lower-cost, preventative maintenance treatments, such as Slurry Seals, Chip Seals, and Crack Seals, and extend their life cycle, before the street condition deteriorates to a state where it requires more costly rehabilitation and reconstruction treatments. Generally, paved streets spend about three-quarters of their life-cycle in fair to excellent condition, where the street shows little sign of deterioration, and has a high service level. After this time, the street condition begins to deteriorate at a rapid rate and, if not maintained properly, soon reaches a condition where it will require costly overlays and reconstructions. If treated with a surface seal and other preventative measures, the street condition will remain at a good level for a longer period of time. Figure 1 shows a typical condition deterioration curve for a street.

Figure 1 – Road Condition over time



Existing Pavement Condition

The City is responsible for the repair and maintenance of 27.16 centerline miles of paved streets. The City’s street network replacement value is estimated at \$52.4 million.¹ This asset valuation assumes replacement of the entire street network in present day dollars. This represents a significant asset for City officials to manage.

The average overall network Pavement Condition Index (PCI) of the City’s street network is 61, which indicates that the street network is in ‘Fair’ condition. The Pavement Condition Index is a measurement of pavement condition that ranges from 0 to 100. A newly constructed or overlaid street would have a PCI of 100, while a failed street (requiring complete reconstruction) would have a PCI under 25. Appendix B contains a report detailing the PCI information for each street.

Table 2 details the network statistics and pavement condition by functional class. Table 3 and Figure 2 present the Percent Network Area by Functional and Condition classes.

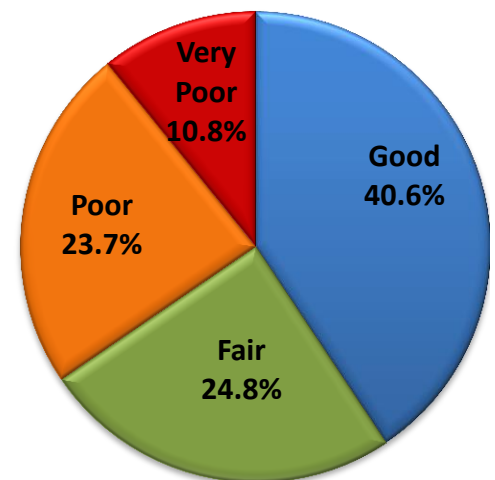
Table 2 – Street Network Statistics and Average PCI by Functional Class

Functional Class	Centerline Miles	Lane Miles	# of Sections	% of Network (by Area)	Average PCI
Arterial	1.21	2.41	8	5.7%	41
Collector	5.09	10.18	25	18.6%	63
Residential	20.87	41.73	175	75.7%	62
Totals	27.16	54.33	208	--	61

Table 2 details the percentage of the street network area by each PCI range or condition category.

Table 3 and Figure 2 – Percent Network Area by Functional Class and Condition Class

Condition Class	PCI Range	Arterial	Collector	Residential	Total
Good (I)	70-100	0.0%	5.8%	34.8%	40.6%
Fair (II/III)	50-69	0.0%	8.4%	16.4%	24.8%
Poor (IV)	25-49	5.7%	4.4%	13.7%	23.7%
Very Poor (V)	0-24	0.0%	0.0%	10.8%	10.8%
Totals		5.7%	18.6%	75.7%	



¹ Replacement value is calculated as the current cost to reconstruct each street in the network

Present Cost to Repair the Street Network

The MTC Pavement Management Program (PMP) is designed to achieve an optimal network PCI somewhere between the low and mid 80's, which is in the middle of the good condition category. In other words, the system will recommend maintenance treatments in an attempt to bring all of the streets in the City to a 'good' condition, with the majority of the streets falling in the low to mid 80's PCI range. Streets with a PCI in the 80's (as opposed to 70's) will likely remain in the 'good' condition category for a longer period of time if relatively inexpensive preventive maintenance treatments are used. Once the PCI falls below 70, more expensive rehabilitation treatments will be needed.

The Budget Needs module of the PMP estimates a necessary funding level for the City's Pavement Preservation and Rehabilitation Program of \$16.4 million² over the next ten-year period (2016 – 2025) in order to improve and maintain the street network PCI at an optimal level in the lower to mid 80's. The majority of this spending, \$14.0 million, occurs in the first five years.

As mentioned earlier, the average PCI for the City's streets is 61, which is in the 'Fair' condition category. Why then, does it cost so much to repair the City's streets, and why bother improving them?

First, the cost to repair and maintain a pavement depends on its current PCI. In the 'Good' category, it costs very little to apply preventive maintenance treatments. Such repairs extend the life of the pavement at relatively low costs, and prevent the pavement from deteriorating into conditions requiring more expensive treatments. Preventive maintenance treatments include slurry seals, chip seals, and crack sealing, which can extend the life of a pavement by correcting minor faults and reducing further deterioration. Minor treatments are applied before pavement deterioration becomes severe and usually costs less than \$2.10/sq. yd³. 40.6% of the City's street network would benefit from these relatively inexpensive, life-extending treatments.

Once the PCI falls below 70, more expensive rehabilitation treatments may become necessary. Rehabilitation treatments, such as overlays (with or without mill), inlays, and reconstructions, add structure to the road and correct more serious distresses.

24.8% of the City's street network falls into the 'Fair' condition category. Pavements in this range show some form of distress caused by traffic load related activity or environmental distress that requires more than a life-extending treatment. At this point, a well-designed pavement will have served at least 75 percent of its life with the quality of the pavement dropping approximately 40 percent. The street surface may require a slurry seal with crack seal at \$3.05/sq yd or 2.5" overlay at \$13.25/sq yd.

23.7% of the Town's street network is in the 'Poor' condition category. These pavements are near the end of their service lives and often exhibit major forms of distress such as potholes, extensive cracking, etc. At this stage, a streets usually requires a thick overlay at \$13.25/sq yd.

² Treatment costs are based on this year's average costs per square yard, with future years including a 3% inflation adjustment per year after 2016.

³ For detailed treatments and costs used in analysis for this report, see appendix C – Decision Tree report

10.8% of the Town's street network is in the 'Very Poor' condition category. Streets in the 'Very Poor' condition category indicate that the street has failed. These pavements are at the end of their service lives and have major distresses, often indicating the failure of the sub base. Streets at this stage require major rehabilitation, usually the complete reconstruct of the street. Estimated costs to reconstruct the street surface are \$95 to \$130/sq yd.

One of the key elements of a pavement repair strategy is to keep streets that are in the 'Good' or 'Fair' categories from deteriorating. This is particularly true for streets in the 'Fair' range, because they are at the point where pavement deterioration accelerates if left untreated. However, the deterioration rate for pavements in the 'Poor' to 'Very Poor' range is relatively flat and the condition of these streets will not decline significantly if repairs are delayed. As more 'Good' streets deteriorate into the 'Fair', 'Poor', and 'Very Poor' categories, the cost of deferred maintenance will continue to increase. The cost of the deferred maintenance backlog will stop increasing only when enough funds are provided to prevent streets from deteriorating into a worse condition category, or the whole network falls into the 'Very Poor' category (i.e. can not deteriorate any further). The deferred maintenance backlog refers to the dollar amount of maintenance and rehabilitation work that should have been completed to maintain the street in "good" condition, but had to be deferred due to funding deficiencies for preventative maintenance and/or pavement rehabilitation programs. The actual repairs that are being deferred are often referred to as a "backlog."

Budget Needs

Based on the principle that it costs less to maintain streets in good condition than bad, the MTC PMP strives to develop a maintenance strategy that will first improve the overall condition of the network to an optimal PCI somewhere between the low and mid 80's, and then sustain it at that level. The average PCI for the City is 61, which is in the 'Fair' condition category. Current funding strategies demonstrate there is a \$11.0 million deferred maintenance backlog⁴ in the first year of the scenario. If these issues are not addressed, the quality of the street network will inevitably decline. In order to correct these deficiencies, a cost-effective funding and maintenance and rehabilitation strategy must be implemented.

The first step in developing a cost-effective maintenance and rehabilitation strategy is to determine, assuming unlimited revenues, the maintenance "needs" of the City's street network. Using the PMP Budget Needs module; street maintenance needs are estimated at \$16.4 million over the next ten years. If the City follows the strategy recommended by the program, the average network PCI will increase to 84. If, however, current pavement maintenance funding is exhausted and little or no maintenance is applied over the next ten years, already distressed streets will continue to deteriorate, and the network PCI will drop to 40. The results of the Budget Needs analysis are summarized in Table 5.⁵

⁴ Definition of deferred maintenance backlog can be found in Appendix A

⁵ Actual program outputs are included in Appendixes B through F

Table 5. Summary of Results from Needs Analysis

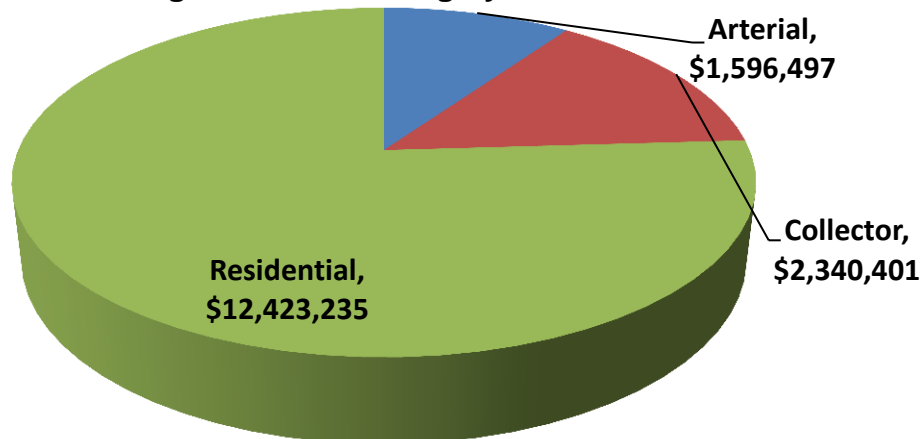
<i>Fiscal Years</i>	2016	2017	2018	2019	2020	5 year subtotal
PCI with Treatment	77	77	79	83	84	
PCI, no Treatment	60	58	56	54	51	
Budget Needs	\$6,367,393	\$1,435,124	\$1,890,285	\$3,330,094	\$969,078	\$13,991,974
Rehabilitation	\$6,151,976	\$1,377,317	\$1,871,508	\$3,297,386	\$944,527	\$13,642,714
Preventative Maintenance	\$215,417	\$57,807	\$18,777	\$32,708	\$24,551	\$349,260

<i>Fiscal Years</i>	2021	2022	2023	2024	2025	10 year Total
PCI with Treatment	84	84	83	85	84	---
PCI, no Treatment	49	47	44	42	40	---
Budget Needs	\$208,551	\$1,002,109	\$132,688	\$848,217	\$176,594	\$16,360,133
Rehabilitation	\$169,738	\$928,452	\$0	\$390,644	\$16,728	\$15,148,276
Preventative Maintenance	\$38,813	\$73,657	\$132,688	\$457,573	\$159,866	\$1,211,857

Table 5 shows the level of expenditure required to raise the City’s pavement condition to an optimal network PCI of 84 and eliminate the current maintenance and rehabilitation backlog. The results of the Budget Needs analysis represent the ideal funding strategy recommended by the MTC PMP. Of the \$16.4 million in maintenance and rehabilitation needs shown, approximately \$1.2 million or 7.4 percent is earmarked for preventative maintenance or life-extending treatments, while \$15.2 or 92.6 percent is allocated for the more costly rehabilitation and reconstruction treatments.

Figure 3 illustrates the funding distribution by street functional classification.

Figure 3. Budget Needs Funding by Functional Class



Budget Scenarios

Having determined the maintenance and rehabilitation needs of the City’s street network, the next step in developing a cost-effective maintenance and rehabilitation strategy is to conduct ‘what-if’ analyses. Using the PMP budget scenarios module, the impact of various budget scenarios can be evaluated. The program projects the effects of the different scenarios on pavement condition PCI and deferred maintenance (backlog). By examining the effects on these indicators, the advantages and disadvantages of different funding levels and maintenance strategies become clear.

1. *Unconstrained (zero “deferred” maintenance)* — The annual amounts, as identified in the Budget Needs analysis totaling \$16.4 million over 10 years, were input into the Budget Scenarios module. This scenario shows the effects of implementing the ideal investment strategy (as recommended by the MTC PMP Needs module).
2. *Increase PCI to 70 in 5 years* — An average annual budget of \$850,000 was evaluated over ten years, for a total of \$4.25 million. This funding level increases the overall PCI to 70 by 2020.
3. *Increase PCI to 75 in 5 years* — An annual funding level of \$1.6 million per year, for a ten year total of \$8.0 million, was evaluated. This funding level increases the overall PCI to 75 by 2020.
4. *Increase PCI to 75 in 10 years* — An annual budget of \$1.1 million was evaluated over ten years, for a total of \$11.0 million. This funding level increases the overall PCI to 75 by 2025.

Table 6. Scenario Summary

Scenario Name	Budget	Final PCI (change)	Deferred maintenance	2025 % good	2025 % Very Poor
1 – Unconstrained	\$16.4 million over 10 years	84 (+23)	\$0	96.4%	3.6%
2 – Increase PCI to 70 in 5 years	\$4.25 million over 5 years	70 (+9)	\$10.6 million	73.0%	18.0%
3 – Increase PCI to 75 in 5 years	\$8.0 million over 5 years	75 (+14)	\$6.7 million	79.9%	11.0%
4 – Increase PCI to 75 in 10 years	\$11.0 million over 10 years	75 (+14)	\$7.1 million	85.9%	10.0%
	2016 Values	61	\$6.35 million	40.6%	10.8%

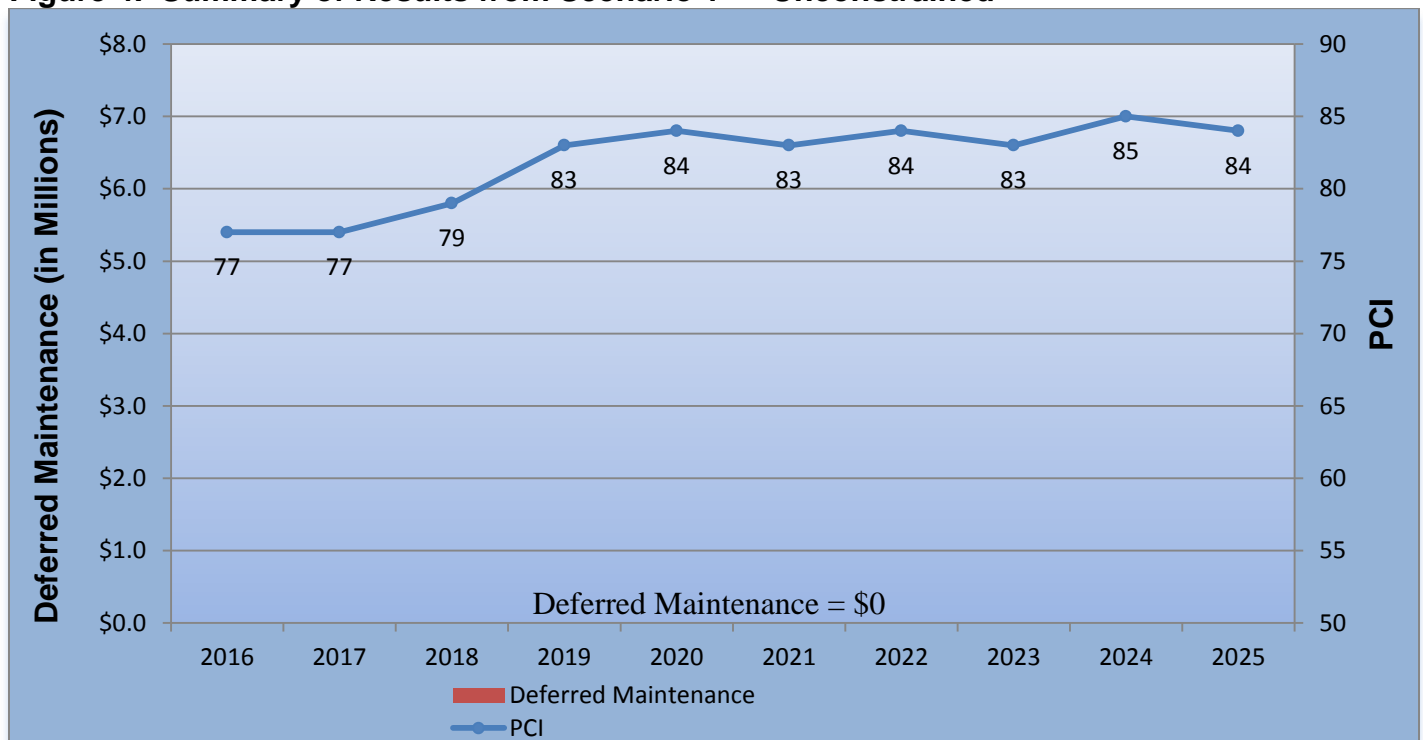
Scenario 1 — Unconstrained (zero deferred maintenance)

This scenario shows the effects of implementing the ideal investment strategy (as recommended by the MTC PMP Needs module). Because it is more cost-effective to eliminate the deferred maintenance backlog as quickly as possible, the bulk of the maintenance needs are addressed in the first five years of the ten-year program, raising the overall average network PCI to 84. The PCI maintains at an optimal level through 2025. By 2025, 96.4% of the network improves into the ‘Good’ condition category, a significant increase from the current level of 40.6% in ‘Good’ condition. These results are shown in both Table 7 and Figure 4.

Table 7. Summary of Results from Scenario 1 — Unconstrained

	2016	2017	2018	2019	2020	
Budget	\$6,367,393	\$1,435,124	\$1,890,285	\$3,330,094	\$969,078	
Rehabilitation	\$6,151,976	\$1,377,317	\$1,871,508	\$3,297,386	\$944,527	
Preventative	\$215,417	\$57,807	\$18,777	\$32,708	\$24,551	
Deferred	\$0	\$0	\$0	\$0	\$0	
PCI	77	77	79	83	84	
	2021	2022	2023	2024	2025	Total
Budget	\$208,551	\$1,002,109	\$132,688	\$848,217	\$176,594	\$16,360,133
Rehabilitation	\$169,738	\$928,452	\$0	\$390,644	\$16,728	\$15,148,276
Preventative	\$38,813	\$73,657	\$132,688	\$457,573	\$159,866	\$1,211,857
Deferred	\$0	\$0	\$0	\$0	\$0	---
PCI	83	84	83	85	84	

Figure 4. Summary of Results from Scenario 1 — Unconstrained



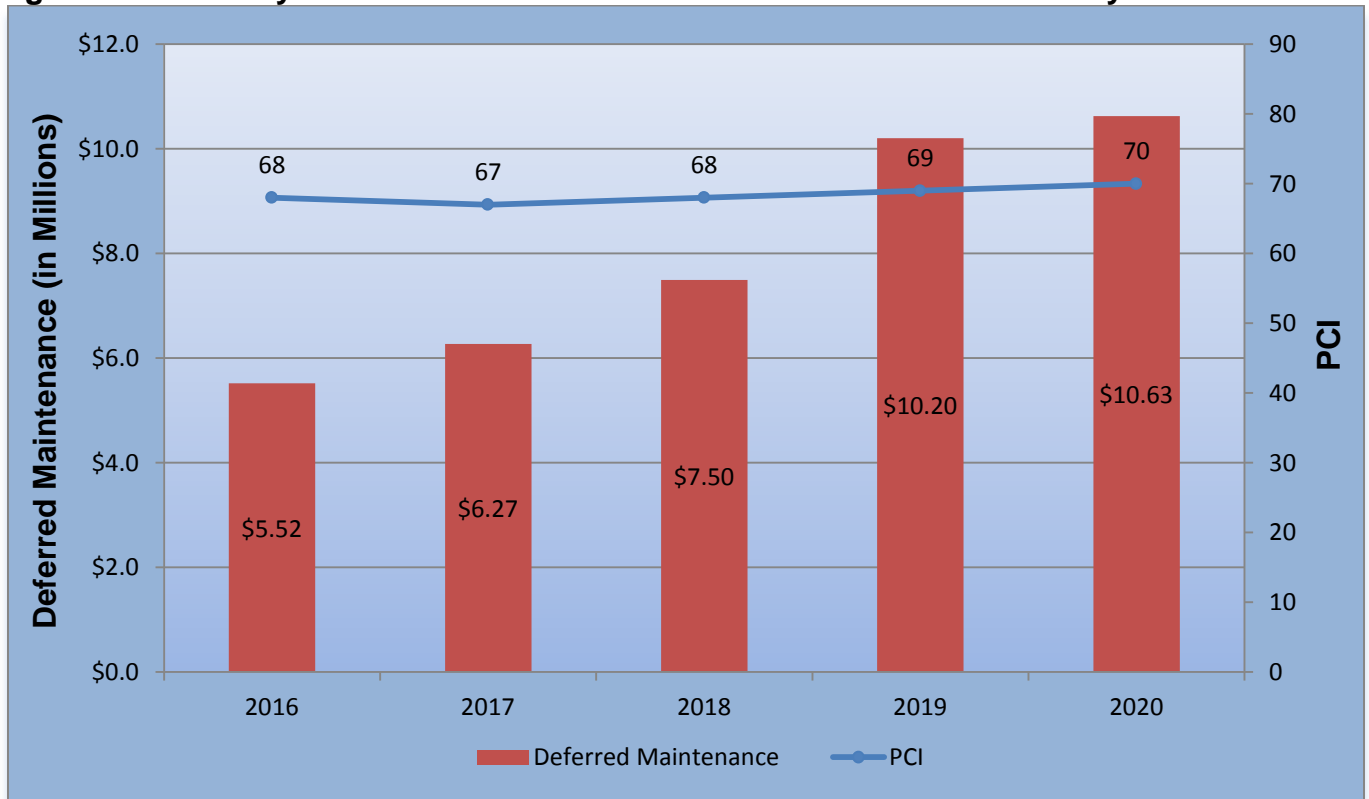
Scenario 2 — Increase PCI to 70 in 5 years

This scenario determines the funding level that would be required to increase the overall network PCI by 9 points, to 70 over the next five years. An annual investment level of \$850,000, for a total of \$4.25 million over five years, would be needed. At this funding level, the deferred maintenance increases by \$5.1 million, from \$5.5 million in 2016, to \$10.6 million in 2020. The percentage of the street network in the ‘Good’ condition category increases from 40.6% currently, to 73.0% in 2020. The percentage of roads in ‘Very Poor’ condition increases to 18.0% from the current level of 10.8%. These results are illustrated in Table 8 and Figure 5.

Table 8. Summary of Results from Scenario 2 — Increase PCI to 70 in 5 years

	2016	2017	2018	2019	2020	Total
Budget	\$850,000	\$850,000	\$850,000	\$850,000	\$850,000	\$4,250,000
Rehabilitation	\$777,028	\$795,987	\$752,399	\$798,807	\$799,915	\$3,924,136
Preventative	\$72,864	\$53,087	\$97,613	\$50,686	\$49,866	\$324,116
Deferred	\$5,517,483	\$6,269,057	\$7,497,408	\$10,202,930	\$10,628,993	---
PCI	68	67	68	69	70	

Figure 5. Summary of Results from Scenario 2 — Increase PCI to 70 in 5 years



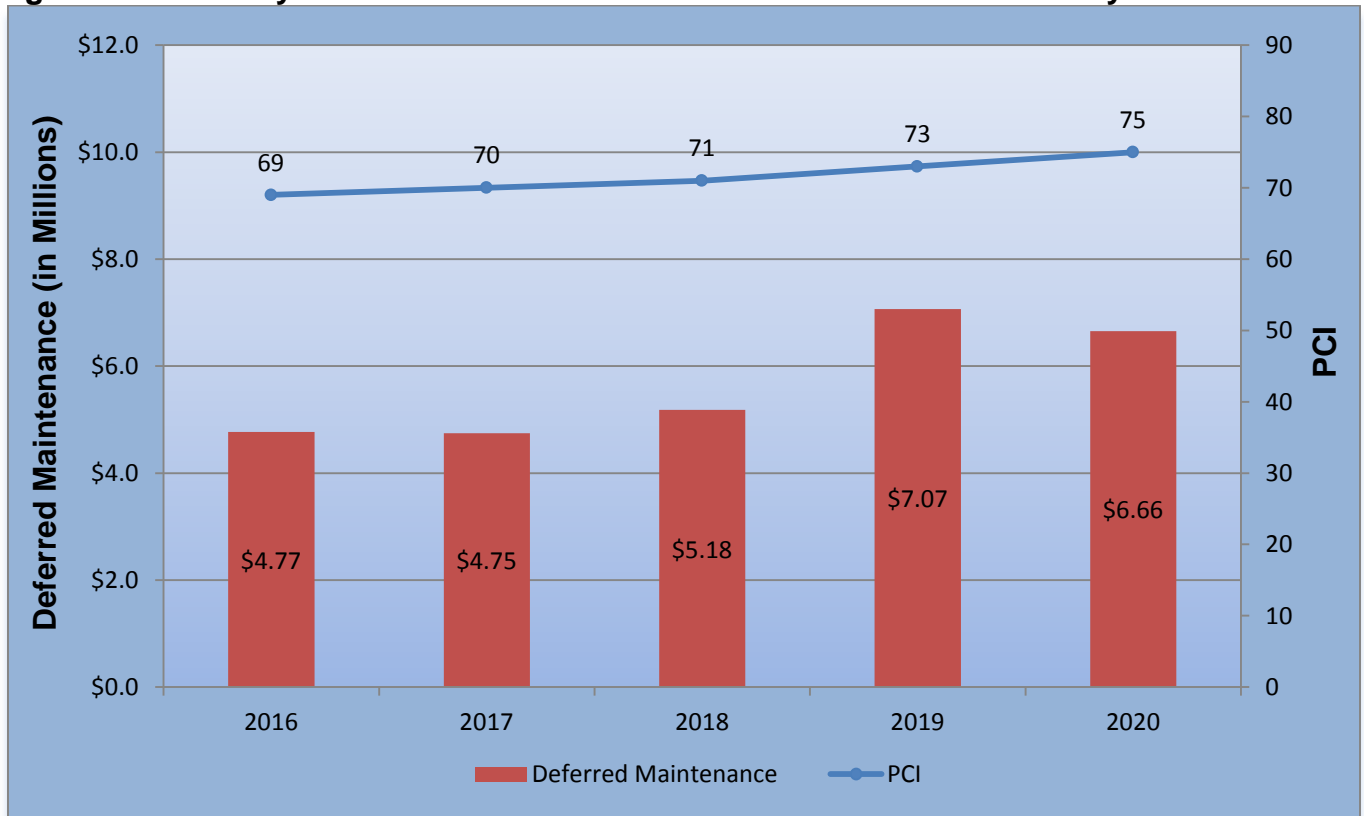
Scenario 3 — Increase PCI to 75 in 5 years

This scenario determines the funding level that would be required to increase the overall network PCI by 14 points, to 75 over the next five years. An annual investment level of \$1.6 million, for a total of \$8.0 million over five years, would be needed. At this funding level, the deferred maintenance increases by \$1.9 million, from \$4.8 million in 2016, to \$6.7 million in 2020. The percentage of the street network in the ‘Good’ condition category increases from 40.6% currently, to 79.9% in 2020. The percentage of roads in ‘Very Poor’ condition increases slightly, to 11.0% from the current level of 10.8%. These results are illustrated in Table 9 and Figure 6.

Table 9. Summary of Results from Scenario 3 — Increase PCI to 75 in 5 years

	2016	2017	2018	2019	2020	Total
Budget	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000	\$8,000,000
Rehabilitation	\$1,547,911	\$1,518,742	\$1,563,337	\$1,534,342	\$1,512,176	\$7,676,508
Preventative	\$51,265	\$80,720	\$35,648	\$62,925	\$85,843	\$316,401
Deferred	\$4,768,197	\$4,746,910	\$5,180,619	\$7,068,866	\$6,655,608	---
PCI	69	70	71	73	75	

Figure 6. Summary of Results from Scenario 3 — Increase PCI to 75 in 5 years



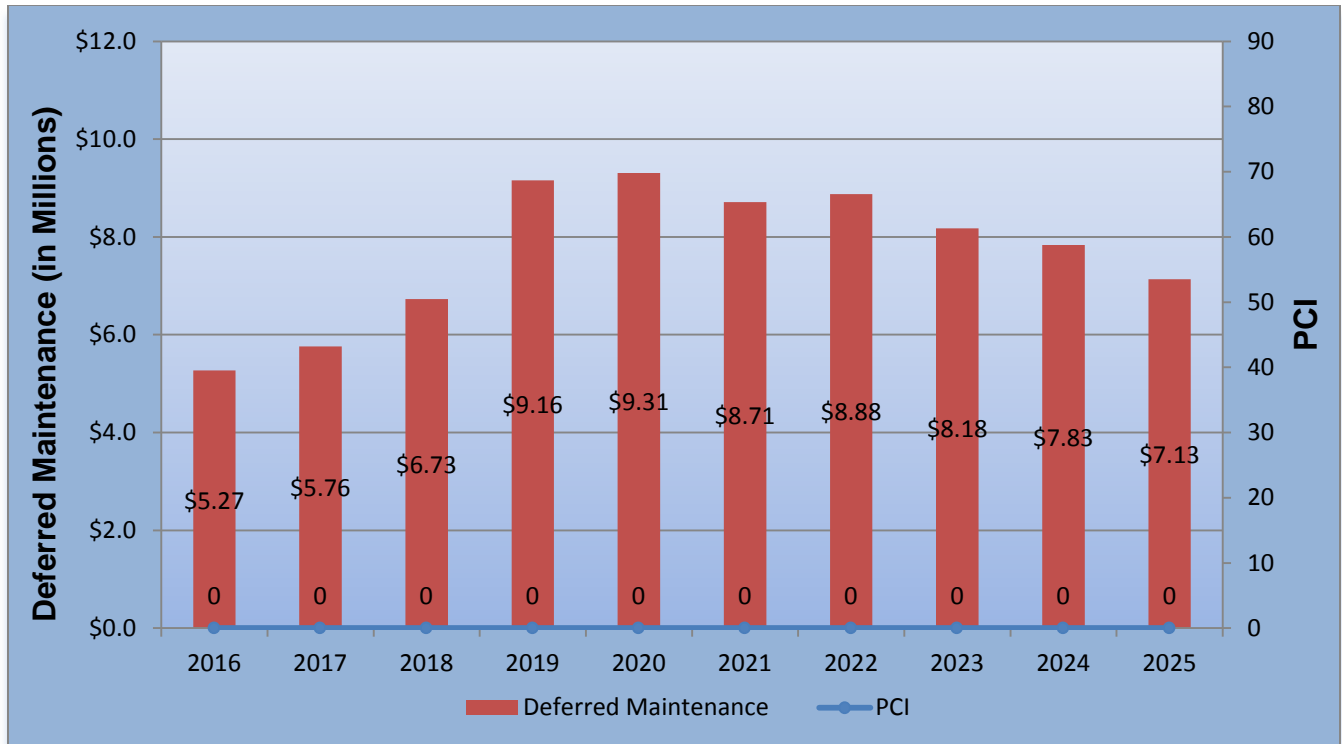
Scenario 4 — Increase PCI to 75 in 10 years

This scenario determines the funding level that would be required to increase the overall network PCI by 14 points, to 75 over the next ten years. An annual investment level of \$1.1 million, for a total of \$11.0 million over ten years, would be needed. At this funding level, the deferred maintenance increases by \$1.8 million, from \$5.3 million in 2016, to \$7.1 million in 2025. The percentage of the street network in the ‘Good’ condition category increases from 40.6% currently, to 85.9% in 2025. The percentage of roads in ‘Very Poor’ condition decreases from 10.8% currently, to 10.0% in 2025. These results are illustrated in Table 10 and Figure 7.

Table 10. Summary of Results from Scenario 4 — Increase PCI to 75 in 10 years

	2016	2017	2018	2019	2020	
Budget	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000	
Rehabilitation	\$1,041,413	\$1,033,480	\$1,031,725	\$1,018,376	\$1,036,750	
Preventative	\$58,066	\$65,046	\$66,910	\$81,306	\$61,715	
Deferred	\$5,267,895	\$5,762,531	\$6,727,060	\$9,159,286	\$9,305,270	
PCI	68	68	69	70	71	
	2021	2022	2023	2024	2025	Total
Budget	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000	\$11,000,000
Rehabilitation	\$1,018,532	\$1,038,813	\$1,032,292	\$926,596	\$938,286	\$10,116,263
Preventative	\$61,602	\$60,190	\$67,254	\$172,501	\$161,723	\$856,313
Deferred	\$8,712,885	\$8,877,768	\$8,177,433	\$7,834,473	\$7,134,406	---
PCI	72	73	73	74	75	

Figure 7. Summary of Results from Scenario 4 — Increase PCI to 75 in 10 years



Recommendations

Of the various maintenance and funding options considered, the *ideal* strategy for the City is presented in Scenario 1, with a ten-year expenditure total of \$16.4 million. Not only does this surface management plan improve the network PCI to an optimal level of 84, it also eliminates the entire deferred maintenance backlog. As examined scenarios deviate from this strategy, the cost to the City will increase in the long term. However, the amount of funds in the first year of expenditure, approximately \$12.1 million, may make this strategy unrealistic for the City.

A funding increase to \$850,000 per year would increase the overall network PCI to 70 over the next five years. At this funding level, the deferred maintenance backlog would nearly double however, increasing by \$5.1 million, from \$5.5 million in 2016, to \$10.6 million in 2020. This is mainly due to the increase in the portion of the street network that would be in a 'Very Poor' condition, and require expensive reconstruction treatments.

At a \$1.1 million funding level, the overall network PCI would increase to 75 over the next ten years. 85.9% of the street network would be in 'Good' condition, a vast improvement from the current level of 40.6% in 'Good' condition. This also slows the increase in deferred maintenance, from \$4.8 million in 2016, to \$6.7 million in 2020. Most of this increase is due to inflation. At present day costs, the increase is only \$250,000. The percentage of roads in 'Very Poor' condition decreases from 10.8% currently, to 10.0% in 2025.

As demonstrated in the different scenarios, the City needs to invest a significant amount of money on expensive rehabilitation and reconstruction projects. This will reduce the deferred maintenance backlog, increase the network PCI, and allow money to be spent for less capital-intensive treatments such as slurry seals, crack sealing, and thin overlays in the future.

The PMP Budget Needs Module is recommending \$14.8 million for streets in the 'Poor' to 'Very Poor' condition. Because these categories require extensive rehabilitation and reconstruction work, the work will consume approximately 90.4% of the planned costs, as estimated by the PMP. This places the city in a challenging position of trying to avoid increasing future street rehabilitation costs coupled with the risk of a substantial increase in an already significant ten year shortfall projection. Currently, 10.8% of the street network is in 'Very Poor' condition. However, this is likely to increase to 33.1% in ten years if current funding levels continue. This conclusion is noteworthy to the City Council. Unless funding is allocated to support an increase in the City's street rehabilitation program, the City may lose the opportunity to utilize lower cost preventative maintenance and light overlay treatment options.

The City should seek to increase funding for street maintenance. One strategy may be to implement a local fee dedicated solely to street maintenance and rehabilitation, such as a local gas tax or Transportation Utility Fee. A Transportation Utility Fee (sometimes known as a Street Maintenance Fee, Road User Fee, or Street Utility Fee) is a monthly fee based on use of the transportation system that is collected from residences and businesses within the City limits. The fee is based on the number of trips a particular land use generates and is collected through the City's regular utility bill. Adjustments can also be made for certain business types based on the nature of the traffic they create. For example garbage companies may be charged a higher rate due to the added damage heavy garbage trucks cause to streets. The fee is designated for use in the maintenance and repair of the City's transportation system. Users of the street system share the costs

of the rehabilitative and preventive maintenance needed to keep the street system operating at an adequate level.

Preparation of a budget options report is just one step in using the MTC PMP to build an effective street maintenance program. Recommendations for further steps are:

- Obtain detailed subsurface information on selected sections before major rehabilitation projects are contracted. Costs for large rehabilitation projects are extremely variable and estimates can sometimes be reduced following project-level engineering analysis. It is possible that only a portion of a street recommended for reconstruction actually requires such heavy-duty repair.
- Evaluate the specific treatments and costs recommended by the PMP, and modify them to reflect the actual repairs and unit costs that are expected to be used.
- Test other budget options with varying revenues and preventive maintenance and rehabilitation splits.
- Prepare a brief memo to City Officials outlining the recommended ten-year maintenance program. The memo should include the amount of revenues available for pavement repair, a list of streets to be repaired, and the type of repair to be completed (listed in order of year of scheduled treatment), as well as any requests for specific budgetary actions.

In addition to performing cyclic pavement condition inspections, unit cost information for the applications of various maintenance and rehabilitation treatments should be updated annually in the PMP 'Decision Tree Module'. If this data is not kept current, the City runs the risk of understating actual funding requirements to adequately maintain the street network. A pavement inspection cycle that would allow for the inspection of arterial and collector streets every two years and residential streets every four to four years is recommended.

The City has completed the foundation work necessary to execute a successful pavement management plan. The street system is 'Fair' condition, indicating that the City has not consistently applied sufficient funds to maintain their large capital investment in the street system. At the current investment level, the street condition will continue to deteriorate. To improve the condition of the street system and reduce the maintenance backlog, additional revenues and support from various decision-making bodies are required.

As more 'Good' streets deteriorate into the 'Poor' and 'Very Poor' categories, the cost of deferred maintenance will continue to increase. The cost of the deferred maintenance backlog will stop increasing only when enough funds are provided to prevent streets from deteriorating into a worse condition category, or when the whole network falls into the 'Very Poor' category (i.e. can not deteriorate any further). At that time, the network would have to be replaced at a cost of \$52.4 million.

Appendix A

Definitions

The *pavement condition index*, or PCI, is a measurement of the health of the pavement network or condition and ranges from 0 to 100. A newly constructed street would have a PCI of 100, while a failed street would have a PCI of 10 or less. The PCI is calculated based on pavement distresses identified in the field.

Network is defined as a complete inventory of all streets and other pavement facilities in which the City has jurisdiction and maintenance responsibilities. To facilitate the management of streets, they are subdivided into management sections identified as a segment of street, which has the same characteristics.

Urban Arterial street system carries the major portion of trips entering and leaving the urban area, as well as the majority of through movements desiring to bypass the central City. In addition, significant intra-area-travel such as between central business districts and outlying residential areas exists.

Urban Collector Street provides land access service and traffic circulation within residential neighborhoods, commercial, and industrial areas. It differs from the arterial system in that facilities on a collector system may penetrate residential neighborhoods.

Urban Local Street system comprises all facilities not one of the higher systems. It serves primarily to provide direct access to abutting land and access to the higher systems.

Preventive Maintenance refers to repairs applied while the pavement is in “good” condition. Such repairs extend the life of the pavement at relatively low costs, and prevent the pavement from deteriorating into conditions requiring more expensive treatments. Preventive maintenance treatments include slurry seals, crack sealing, and deep patching. Treatments of this sort are applied before pavement deterioration has become severe and usually cost less than \$2.00/sq. yd.

Deferred Maintenance refers to the dollar amount of maintenance and rehabilitation work that should have been completed to maintain the street in “good” condition, but had to be deferred due to funding deficiencies for preventative maintenance and/or pavement rehabilitation programs. The actual repairs that are being deferred are often referred to as a “backlog.”

Stop Gap refers to the dollar amount of repairs applied to maintain the pavement in a serviceable condition (e.g. pothole patching). These repairs are a temporary measure to stop resident complaints, and do not extend the pavement life. Stopgap repairs are directly proportional to the amount of deferred maintenance.

Surface Types – AC is an Asphalt Concrete street that has one year’s asphalt, for example a street that has been newly constructed reconstructed. In contrast AC/AC (in reports marked as O – AC/AC) is a street that has an overlay treatment over the original asphalt construction. Streets marked as ST do not have an asphalt concrete layer, only a surface composed of layers of oil and rock (macadam or chip seal).

‘Good’ Condition Category – Roads in ‘Good’ condition have no to little distresses found on them. These roads may have some minor surface weathering or small amounts of light cracking, and generally do not yet require any maintenance.

'Satisfactory' Condition Category – Roads in 'Good' condition have no to little distresses found on them. These roads may have some minor surface weathering or light cracking, but can generally be maintained with cost-effective preventative maintenance treatments (surface seals and crack seals).

'Fair' Condition Category – Roads in 'Fair' condition show some form of distress caused by traffic load related activity or environmental distress that requires more than a life-extending treatment. The MTC Streetsaver program separates these into two condition categories for the purposes of the analysis. Category II – 'non-load' and Category III – 'load-related', based on whether a majority of the distresses found had load or environmental related causes

'Poor' Condition Category – Roads in 'Poor' condition are near the end of their service lives and often exhibit major forms of distress such as potholes, extensive alligator cracking, and/or pavement depressions.

'Very Poor' Condition Category - Roads in the 'Very Poor' condition category indicate that the road has failed. These pavements are at the end of their service lives and have major distresses, often indicating the failure of the sub base

Load related distress - . Load related distresses, such as alligator cracking, rutting, and depressions are usually a sign of a sub-base issue, caused by repeated traffic loads.

Non-load related distress - Non-load (or environmental), distresses typically have environmental causes related to the pavement becoming older and less elastic (brittle). Typical non-load distresses are longitudinal or transverse cracking, block cracking, and surface weathering and raveling.



OREGON LIQUOR CONTROL COMMISSION LIQUOR LICENSE APPLICATION

KH

Application is being made for:

LICENSE TYPE:

- Full On-Premises Sales (\$402.60/yr)
- Commercial Establishment
- Caterer
- Passenger Carrier
- Other Public Location
- Private Club
- Limited On-Premises Sales (\$202.60/yr)
- Off-Premises Sales (\$100/yr)
 - with Fuel Pumps
- Brewery Public House (\$252.60)
- Winery (\$250/yr)
- Other: _____

ACTIONS

- Change Ownership
- New Outlet
- Greater Privilege
- Additional Privilege
- Other _____

L 233118
P 47937

90-DAY AUTHORITY

Check here if you are applying for a change of ownership at a business that has a current liquor license, or if you are applying for an Off-Premises Sales license and are requesting a 90-Day Temporary Authority

APPLYING AS:

- Limited Partnership
- Corporation
- Limited Liability Company
- Individuals

CITY AND COUNTY USE ONLY

Date application received: _____

The City Council or County Commission:

(name of city or county)

recommends that this license be:

- Granted
- Denied

By: _____
(signature) (date)

Name: _____

Title: _____

OLCC USE ONLY

Application Rec'd by: _____

Date: 7-11-16

90-day authority: Yes No

1. Entity or Individuals applying for the license: [See SECTION 1 of the Guide]

① Rafael Rojas Sosa ③ _____
② _____ ④ _____

2. Trade Name (dba): Molalla Market

3. Business Location: 109 ENGIE AVE Molalla Clatsop OR 97038
(number, street, rural route) (city) (county) (state) (ZIP code)

4. Business Mailing Address: 204 Berkley Ave Molalla OR 97038
(PO box, number, street, rural route) (city) (state) (ZIP code)

5. Business Numbers: (971) 283-3057
(phone) (fax)

6. Is the business at this location currently licensed by OLCC? Yes No

7. If yes to whom: Duice Duran Type of License: _____

8. Former Business Name: Molalla Market → 971-235-7478

9. Will you have a manager? Yes No Name: Jacqueline Rojas Sosa (sister)
(manager must fill out an Individual History form)

10. What is the local governing body where your business is located? Molalla
(name of city or county)

11. Contact person for this application: Rafael Rojas Sosa - (971) 283-3057
(name) (phone number(s))
204 Berkley Ave Molalla OR 97038 rafaelrojas71949@gmail.com
(address) (fax number) (e-mail address)

I understand that if my answers are not true and complete, the OLCC may deny my license application.

Applicant(s) Signature(s) and Date:

① Rafael Rojas Sosa Date 6-27-16 ③ _____
② _____ Date _____ ④ _____

Initials: _____ Date: JUL 2016
Oregon Liquor Control Commission

RESOLUTION 2016 - 15

A RESOLUTION OF THE CITY OF MOLALLA SUPPORTING THE CLACKAMAS COUNTY MOTOR VEHICLE TAX.

WHEREAS, Clackamas County will submit a ballot measure in November 2016 for a countywide, seven-year \$0.06 per gallon motor vehicle fuel tax;

WHEREAS, Oregon law expressly prohibits using property taxes for road maintenance;

WHEREAS, Smooth pavement, well-marked intersections, unobstructed sight lines, and clear lane markings are all critical to maintaining safe roads;

WHEREAS, More than 50% of county roads are in fair to poor condition, and the county lacks the funds to continue maintenance at the level needed to fix, protect, and preserve its roads;

WHEREAS, Clackamas County held a summit on June 9, 2016 seeking feedback from the cities about means to address county road maintenance funding needs that could also support city transportation funding needs;

WHEREAS, feedback from the cities at the summit on June 9 included support for a “gas” tax contingent upon the County’s commitment to split the revenues with the cities – 60% to the County and 40% to the cities – and contingent upon the cities signing a resolution in support of the ballot measure;

WHEREAS, at a Clackamas County policy session on June 28, 2016, the Clackamas County Board of Commissioners (BCC) agreed to pursue a \$0.06 cent per gallon fuel tax and confirmed the intent for cities to sign an Inter-Governmental Agreement (IGA) to memorialize the 60/40 percentage split should the measure succeed;

WHEREAS, at a Clackamas County policy session on July 12, 2016, the BCC agreed the terms of an IGA should include the County’s commitment to only use 60% of the revenue from a fuel tax, while 40% of the fuel tax revenue would be shared only among cities that sign the IGA by September 1, 2016;

WHEREAS, the County has agreed to spend its 60% share of revenue to address road maintenance needs for 7 paving packages and safety projects in unincorporated Clackamas County;

WHEREAS, cities within Clackamas County are encouraged to create similar project lists and are required to spend their share of the 40% of revenue on transportation projects;

WHEREAS, the motor vehicle fuel tax is scheduled to sunset 7 years after it begins;

WHEREAS, cities and the County have the opportunity, with a successful vote, to work together to improve the transportation network through the cities and county.

NOW THEREFORE, IT IS RESOLVED by the City Council of the City of Molalla as follows:

1. The City of Molalla supports the motor vehicle fuel tax measure proposed by Clackamas County.
2. The City of Molalla supports the distribution of 40% of the revenue with participating cities within Clackamas County to address their identified transportation needs.
3. The City of Molalla commits to use its share of received revenue to address transportations needs within the city.

DULY ADOPTED AND EFFECTIVE the 10th day of August. 2016, by a vote of _____ ayes and _____ nays.

Mayor, Debbie Rogge

Attest this 10 day of August , 2016:

City Recorder, Sadie Cramer

**INTERGOVERNMENTAL AGREEMENT
BETWEEN
CLACKAMAS COUNTY
AND
THE SUPPORTING CITIES OF CLACKAMAS COUNTY**

I. PARTIES

This intergovernmental agreement is entered into between Clackamas County (COUNTY) and the Cities of Barlow, Canby, Estacada, Gladstone, Happy Valley, Johnson City, Lake Oswego, Milwaukie, Molalla, Oregon City, Portland, Rivergrove, Sandy, Tualatin, West Linn, and Wilsonville (CITIES). This Agreement is authorized pursuant to ORS 190.110.

II. PURPOSE

The purpose of this agreement is to memorialize a revenue sharing plan between the COUNTY and supporting CITIES for the net receipt of motor vehicle fuel tax revenues collected in Clackamas County pursuant to ORS 319.950.

III. SCOPE OF WORK AND COOPERATION

A. CITIES agree to:

1. Support COUNTY'S effort to obtain voter approval of a \$0.06 per gallon, seven-year, county-wide motor vehicle fuel tax at the November 2016 general election by on or before September 1, 2016, adopting a resolution or proclamation supporting the imposition of a voter approved \$0.06 per gallon, seven-year, county-wide motor vehicle fuel tax; and
2. To devote its share of all net revenues derived from the motor vehicle fuel tax for the purposes of construction, reconstruction, improvement, repair, maintenance, operation and use of city highways, roadways and streets within the jurisdictional boundaries of the city as set forth under Art. IX, Section 3a of the Oregon Constitution.

B. COUNTY agrees to:

1. Submit to the voters of Clackamas County a measure seeking voter approval of a temporary \$0.06 per gallon motor vehicle fuel tax. The tax would sunset after a period of seven years after the tax implementation date;
2. Place the measure on the ballot for the November 2016 general election;

3. Receive net revenues from the state and distribute 40% of those net revenues of the motor vehicle fuel tax revenues to all supporting CITIES within the COUNTY; and
4. To devote the COUNTY'S share of all net revenues derived from the motor vehicle fuel tax for the purposes of construction, reconstruction, improvement, repair, maintenance, operation and use of public highways within the jurisdictional boundaries of the COUNTY and as more specifically set forth in the County's ballot measure and Art. IX, Section 3a of the Oregon Constitution.

IV. DISTRIBUTION

- A. COUNTY shall receive motor vehicle fuel tax net revenues from the Oregon Department of Transportation (ODOT);
- B. As used herein, net revenues mean the total revenues generated from collection of the fuel tax, less any collection and administration fee paid to ODOT on all revenues collected and less ODOT start-up costs for staff and equipment. ODOT currently estimates that the start-up costs will be a one-time charge of approximately \$40,000. There will be no cost associated with the County's collection and distribution of fuel tax
- C. revenues;
- D. COUNTY will distribute 40% of the net revenues received to the supporting CITIES;
- E. Distributions to the supporting CITIES will be every six months;
- F. Distributions to the supporting CITIES shall be pro-rated based on the population of that City located within the jurisdictional boundaries of the County; and
- G. CITIES population shall be determined from the most current figures provided annually by Portland State University Population Research Center.

V. SPECIAL REQUIREMENTS

- A. COUNTY and CITIES agree that in order for an individual city to be eligible to receive any motor vehicle fuel tax revenues under this Agreement, the City must first comply with the terms of this Agreement by September 1, 2016; and
- B. COUNTY and CITIES agree to comply with all applicable local, state, and federal ordinances, statutes, laws and regulations.

VI. AMENDMENT

This agreement may be amended at any time with the concurrence of all parties. Amendments become a part of this agreement only after the written amendment has been signed by all parties.

VII. TERM OF AGREEMENT

This Agreement shall become effective upon signing by the jurisdictional representative. The terms of this Agreement become operative and enforceable only after the successful passage of the scope of work and cooperation provisions in Section III of this Agreement. Unless earlier terminated or extended, this Agreement shall expire seven years after the tax is first implemented.

IN WITNESS WHEREOF, the parties hereto have caused this Intergovernmental Agreement to be executed by their duly authorized officers. This Agreement may be signed in any number of counterparts, each of which is an original and all of which taken together form this Agreement.

CITIES

**CLACKAMAS COUNTY
BOARD OF COUNTY COMMISSIONERS**

Signing on Behalf of the Board:

CITY OF BARLOW

John Ludlow, Chair

Date: _____

Date: _____

CITY OF CANBY

Date: _____

CITY OF ESTACADA

Date: _____

CITY OF GLADSTONE

Date: _____

CITY OF HAPPY VALLEY

Date: _____

CITY OF JOHNSON CITY

Date: _____

CITY OF LAKE OSWEGO

Date: _____

CITY OF MILWAUKIE

Date: _____

CITY OF MOLALLA

Date: _____

CITY OF OREGON CITY

Date: _____

CITY OF PORTLAND

Date: _____

CITY OF RIVERGROVE

Date: _____

CITY OF SANDY

Date: _____

CITY OF TUALATIN

Date: _____

CITY OF WEST LINN

Date: _____

CITY OF WILSONVILLE

Date: _____

In the Matter Referring
A Ballot Measure Authorizing
A Motor Vehicle Fuel Tax for
County Road Maintenance

RESOLUTION NO. 2016-_____

WHEREAS, ORS 319.950 authorizes a County to enact an ordinance taxing fuel for motor vehicles after submitting the proposed tax to the electors of the County for their approval; and

WHEREAS, Clackamas County will submit a ballot measure in November 2016 for a countywide, seven-year \$0.06 motor vehicle fuel tax; and

WHEREAS, Clackamas County held a summit on June 9, 2016 seeking feedback from the cities about means to address county road maintenance funding needs that could also support city transportation funding needs; and

WHEREAS, feedback from the cities at the summit on June 9 included support for a “gas” tax contingent upon the County’s commitment to split the revenues with the cities – 60% to the County and 40% to the cities – and contingent upon the cities signing a resolution in support of the ballot measure; and

WHEREAS, a Clackamas County policy session on June 28, 2016, the Clackamas County Board of Commissioners (BCC) agreed to pursue a \$0.06 per gallon fuel tax and confirmed the intent for cities to sign an Inter-Governmental Agreement (IGA) to memorialize the 60/40 percentage split should the measure succeed; and

WHEREAS, at a Clackamas County policy session on July 12, 2016, the BCC agreed the terms of an IGA should include the County’s commitment to only use 60% of the revenue from a fuel tax, while 40% of the fuel tax revenue would be shared only among cities that sign the IGA by September 1, 2016; and

WHEREAS, the County has agreed to spend its 60% share of revenue to address road maintenance needs for 7 paving packages and safety projects in unincorporated Clackamas County; and

WHEREAS, cities within Clackamas County are encouraged to create similar project lists and are required to spend their share of the 40% of revenue on transportation projects; and

WHEREAS, the motor vehicle fuel tax is scheduled to sunset 7 years after it begins; and

WHEREAS, cities and the County have the opportunity, with a

successful vote, to work together to improve the transportation through the cities and county;

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS THAT:

1. A measure is hereby referred to the voters of Clackamas County regarding road funding substantially in the form attached hereto as Exhibit A and related explanatory statement, subject only to ministerial correction by staff.
2. The measure election hereby called shall be held in Clackamas County on Tuesday, November 8, 2016.
3. The County hereby authorizes the Chair, the County Administrator, the County Counsel or their designees to submit, sign and otherwise take all necessary action to effectuate the foregoing and to file the ballot title with the County Clerk for publication.

DATED this 11th day of August, 2016.

BOARD OF COUNTY COMMISSIONERS

Chair

Recording Secretary

EXHIBIT A
BALLOT TITLE

CAPTION (10 words):

Temporary 6-Cent Per Gallon Vehicle Fuel Tax

QUESTION (20 words):

Shall Clackamas County adopt a seven-year, 6-cent-per-gallon motor vehicle fuel tax dedicated to road maintenance projects?

BALLOT SUMMARY (175 words):

The measure imposes a temporary 6-cent-per-gallon tax on motor vehicle fuel sales within Clackamas County. The tax revenues must be used as required by the Oregon Constitution for construction, reconstruction, improvement, repair, maintenance, operation and use of public roads and streets within the county. The tax is estimated to raise approximately \$9 million per year. The County will use 60 percent of the net revenue for specific County road paving and safety projects, and will distribute the remaining 40 percent of the net revenue to supporting cities in Clackamas County to use for their own transportation projects. To be eligible to receive fuel tax revenues, a city must have entered into an Inter- Governmental Agreement with the County prior to September 1, 2016. A list of county projects and their estimated costs can be found at <http://theroadahead.us/>.

The tax is implemented in March 2017 and will expire seven years after the implementation date. The County will adopt an ordinance for the administration of the motor vehicle fuel tax and establish and implement licensing requirements.

EXPLANATORY STATEMENT

Road funds primarily come from motor vehicle fuel taxes and vehicle registration fees. Oregon law prohibits using ad valorem (property) taxes for roads. The county uses road funds efficiently, but is unable to keep pace with maintenance needs. There is a \$17 million annual gap between funds needed to maintain roads and revenue.

Over 50% of Clackamas County's 1,400 road miles are in fair or poor condition. Every year, a larger percentage of county roads slip into disrepair, and the county doesn't have the necessary revenue to keep up. Waiting also comes at a price, as the cost to reconstruct a road in the future is more than 10 times greater than the cost of providing preventive maintenance today.

Ongoing preventive maintenance is critical to safe roads. Smooth roadways, clear lane markings, unobstructed sightlines, drainage and well-marked intersections help reduce crashes and keep travelers safe.

Oregon law allows the voters of a county to vote to impose a motor vehicle fuel tax. The measure would impose a 6-cent per gallon tax on motor vehicle fuel sold in Clackamas County. Annual revenues generated by the vehicle fuel tax are estimated to be \$9 million. The tax would be collected by the Oregon Department of Transportation. The County will distribute 40% of the tax net revenues collected to supporting cities in Clackamas County. The County and Cities will enter into an Inter-governmental Agreement to memorialize this arrangement. To be eligible to receive fuel tax revenues, each City must enter into the Inter-governmental Agreement before September 1, 2016. The tax must be used as required by the Oregon Constitution for construction, reconstruction, improvement, repair, maintenance, operation and use of public highways, roads, streets and roadside rest areas in the county. The tax would expire after seven years.

Explanatory Statement Furnished by Clackamas County Board of Commissioners

Authorized Signature

Date: _____, 2017

RESOLUTION 2016-16

A RESOLUTION APPROVING THE FORMATION OF AN AQUATIC DISTRICT UNDER ORS CHAPTER 266 WHICH WILL INCLUDE THE CITY WITHIN ITS TERRITORY AND ESTABLISHING THE CITY AS A JOINT PETITIONER FOR THE FORMATION OF SUCH DISTRICT.

WHEREAS, the City and the Molalla River School District (MRSD) have worked together to provide an aquatic center that serves the constituents of each entity; and

WHEREAS, the City and MRSD can no longer afford to provide this service to their respective constituents on a long-term basis; and

WHEREAS, the City and MRSD desire to work together towards the formation of an aquatic district under ORS Chapter 266, which would be able to provide an aquatic center that serves the constituents of each entity.

NOW, THEREFORE, THE CITY OF MOLALLA RESOLVES AS FOLLOWS:

- Section 1.** The City shall be a joint petitioner along with MRSD for the formation of an aquatic district under ORS Chapters 198 and 266 (the “District”).
- Section 2.** The District shall include all of the City of Molalla within its territory:
- Section 3.** Pursuant to ORS 198.720(1), the City hereby approves the inclusion of the City in the District and the petition seeking formation of the District.
- Section 4.** The City Manager is authorized to take all steps necessary to implement the intent of this resolution.
- Section 5.** This resolution is effective upon its adoption by the City Council.

DULY ADOPTED AND EFFECTIVE the ____ day of _____, 2016, by a
vote of _____ ayes and _____ nays.

Mayor Debbie Rogge

ATTEST this ____ day of _____, 2016:

City Recorder, Sadie Cramer

City of Molalla

RESOLUTION 2016-17
A RESOLUTION DECLARING THE COUNCIL POSITION
HELD BY GEORGE POTTLE AND RUSS RIGGS TO BE VACANT

WHEREAS, Section 19 B. 6. Of the Molalla City Charter provides that the City Council shall declare a vacancy on the Council in the event of an incumbent's resignation from the office, and

WHEREAS, Councilor George Pottle and Councilor Russ Riggs have submitted resignations as a member of the Council, effective immediately,

NOW, THEREFORE, the City Council of the City of Molalla resolves that:

1. The Council position held by George Pottle and Russ Riggs are declared vacant.
2. This resolution shall take effect immediately.

Adopted by the City Council, governing body of the City of Molalla, Clackamas County, Oregon this 10th day of August, 2016.

Attest:

City of Molalla

Sadie Cramer, City Recorder

By: _____
Debbie Rogge, Mayor