



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

October 26, 2016

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 : None

1. **CALL TO ORDER – 1,767th Regular Meeting**
 - A. Call the meeting to order
 - B. Flag Salute and Roll Call

2. **COMMUNICATIONS AND PUBLIC COMMENT**
 - A. Minutes of September 14, 2016
 - B. Library Minutes – Informational Only

3. **NEW BUSINESS**
 - A. Molalla Library Tagging Proposal – Hadley
 - B. Warrant Register and Quarterly Financials – Seifried
 - C. Planning Commission Application – Huff
 - D. Warming Center Use of PAL Building – Huff

4. **CONTINUED BUSINESS**
 - A. Pacific Fibre Products Enterprise Zone Authorization Application and Extended Abatement Agreement – Huff/Pacific Fibre Representatives

5. **PROCLAMATION**
 - A. Veteran’s Appreciation Month

6. **REPORTS AND ANNOUNCEMENTS**

7. **ADJOURNMENT**

Minutes of the Molalla City Council Regular Meeting
Molalla City Hall
117 N. Molalla Ave., Molalla, OR 97038
Wednesday – September 14, 2016

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

STAFF IN ATTENDANCE: City Manager Dan Huff, Present; Gerald Fisher, Public Works Director, Present; Chaunee Seifried, Finance Director Present.

MINUTES

Councilor Klein abstained she was not present at that meeting. Thompson made the motion to approve the presented minutes of August 10, 2016. Clark seconded. Motion carried 5-0.

COMMUNICATIONS AND PUBLIC COMMENT

Lucy Allison Pursley of N. Molalla Avenue updated the Council about the progress of the petitioning of the Aquatic Center measure for the May Special Election. She reported that progress moving along and signatures collection is being done. Reception of the measure to re-open the pool has been positive.

Susan Hansen of Bearcreek Recovery PO Box 50 in Molalla read Exhibit “A” (see attached) to the Council regarding issues of transparency and goal one citizen involvement.

NEW BUSINESS

CIP Updates were presented by Fisher regarding the City’s transportation, water, wastewater, and storm water capital improvement plans. The project list has been updated to include all master planned projects not currently completed, known operation and maintenance capital projects, and inclusion of the Lola Avenue improvements which received Community Development Block Grant (CDBG) approvals. The capital improvement plans also identify system development charge fee funding based on capacity increases attributed to growth.

SDC funding is restricted to portions of capital projects attributable to growth. To receive SDC funding, projects must be included in the capital improvement plan project list. ORS 223.309 permits local governments to modify their project lists. No modification of system development charges are requested at this time and an update to the system development charge methodology is currently underway. Advertisement of the update will be published on September 14, 2016 in the Molalla Pioneer.

Fisher reported the “notice of proposed modification to the methodology for calculating system development charges for water, wastewater, storm water, and transportation services” has been done. Pursuant to ORS 223.304 (6) & (7), public notice is hereby given of the City of Molalla’s intent to change the methodology for calculating System Development Charges (SDCs) for water, wastewater, storm water, and transportation services. A public hearing on the new methodology is scheduled before the Molalla City Council on December 14, 2016. The proposed methodology will be available for public review at the City’s web site and at Molalla city hall no later than October 14, 2016. The city hall street address is 117 North Molalla Avenue, Molalla Oregon

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97038. Questions concerning this matter can be referred Mr. Gerald Fisher, Public Works Director; (503) 829-6855, or email at gfisher@cityofmolalla.com

Huff discussed the Bear Creek Byway administered by the Ford Family Foundation Cohort with Council. There is a need to complete this community construction project, the Bear Creek Byway administered by the Cohort. The City has agreed to accept responsibility to complete the project and take transfer of all the Cohort assets the exception of necessary funding to construct a commemorative plaque. The City will complete the Byway project, pursuant to the approved plans, by November 30, 2016. Council needs to authorize Huff to enter into the MOU as presented in the packet. Thompson made the motion to authorize Huff to sign the MOU and expend up to \$30,000 on this project. Boreth seconded. Motion carried 6-0.

REPORTS AND ANNOUNCEMENTS

Fisher reported:

- That several signs that have been put I the public right away have been picked up and stored at City Hall if anyone needs them back. This is in accordance with the Municipal Code.
- Second Notices have been sent to those who have not completed their back flow testing. There are 100 people who are not in compliance. This test is required to protect the city water system from being contaminated.
- Bid opening for for the City Hall remodel will be done on September 15th. He has 2 qualified contracts.
- The leak test meter will arrive soon for the Waste Water Treatment Plant and lagoon testing will be done.
- Construction of N. Molalla Avenue is moving faster than anticipated.
- Sewer line video tapping will be done to take inventory of lines that need to be fixed.

Griswold invited the public to attend the POW MIA Veterans event at Fox Park this Friday at 6pm.

ADJOURNMENT

Boreth made the motion to adjourn. Clark seconded. Motion carried 6-0 at 7:48pm.

Sadie Cramer, City Recorder

Mayor Debbie Rogge

September 14, 2016



City Council:

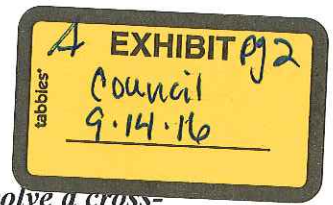
Bear Creek Recovery has concerns about Molalla Planning's lack of transparency and disrespect for Goal One citizen involvement.

First, a request was made to see the conditions of approval for Stoneplace phase III. Molalla Planning claims it needs at least \$30 dollars to find that simple information, so our request has been amended to view the file in its entirety in city offices. Today, Estacada, Sandy, Silverton, Mt. Angel, Canby, Oregon City, and Clackamas County planning all indicated that citizen access to view planning files was as simple as a walk in request or by filing a public information request for a no charge appointment to read files. Molalla needs to provide similar transparency. Stoneplace phase III was approved via hearings last fall; Bear Creek Recovery participated in the hearings and achieved standing, yet never received detailed conditions of final approval. Construction is currently underway so the city certainly has that file readily available. DLCDC's Goal One site requires that technical information be available to the public: ***"A copy of all technical information shall be available at a local public library or other location open to the public."*** <https://www.oregon.gov/LCD/docs/goals/goal1.pdf>

Second, City Manager Huff gave improper instructions to the new Planning Commission members on August 3 regarding their ability to interface with the public on planning issues. Mr. Huff told the PC it could only talk to the City Manager or the planner about all planning. There are two planning paths in Oregon, quasi-judicial and legislative. The PC should not discuss quasi-judicial matters with the public, like hearings on specific proposed development. However, in the legislative path, which includes urban growth proposals, comp plans, codes and urban reserves, it is permissible and highly desirable for the PC to solicit wide input in advance of any hearings. An Introductory Guide to Land Use Planning for Small Cities and Counties in Oregon states: ***"There can be pre-hearing contact between citizens and the decision makers on legislative matters. That is, "ex parte contact" is not a concern. Decision makers are seeking all the input they can get on the issues in order to make a reasonable decision on the proposed amendments."***

http://www.oregon.gov/LCD/docs/publications/introductory_guide_to_land_use_planning_in_oregon.pdf

Finally, there is blatant and ongoing bias regarding so-called "outsiders" participating in planning. Oregon's Goal One never excludes participation in planning based on where people live. Molalla's development has huge impacts on people who live outside the city. The city disposes its waste water and sewage sludge on outside lands, it impacts water resources, it impacts state and county roads, it uses grants from Oregon taxpayers, it seeks customers for city businesses, it wants funding for a pool district and it involves a huge urban/rural school district. Note that land speculators who live north of the city have engaged Winterbrook consultants to lobby for urban growth. Everyone is fully empowered to participate in all planning. DLCDC's Goal One states: ***"To provide for***



widespread citizen involvement. The citizen involvement program shall involve a cross-section of affected citizens in all phases of the planning process.”

<https://www.oregon.gov/LCD/docs/goals/goal1.pdf>

Please have your staff review these issues and respect Goal One.

Susan Hansen
Bear Creek Recovery Board of Directors
PO Box 50, Molalla 97038

Molalla Library Advisory Board

Meeting Date: 9-15-2016

Meeting brought to order by Kelly Andrews at 6:30 P.M.

Members Present: Mary Gilson; Angela Patton; Kelly Andrew; Paula Beck and Sandy Nelson (excused)

City Council Liaison: Elizabeth Klein

Staff Present: Diana Hadley

The minutes from the August meeting were approved as read.

- Our new City Council Liaison, Elizabeth Klein, introduced herself and told us about her experience.
- Director's Report: (See Diana if you didn't receive one.)
 - 1) Eight people showed up for the first session on FASFA. This was a good turn-out as the high school was also offering a session at the same time. The library session was in a smaller more intimate setting.
 - 2) Story Time starts up again towards the end of September.
- Old Business: none
- New Business:
 - 1) Diana proposed that we meet every other month or quarterly since we have so little business. Angela said she would like to have more information on a new library facility and/or updating our present facility. She would like Elizabeth's help through her role as a City Councilor. We are hoping Elizabeth can gather information which could help us make a decision as to what direction we are going to follow. We also need to look back at our Strategic Plan for help. No matter which direction we go, it will take the collaboration of the city, library, Friends of the Library and the school district at least. Fund raising will be important as well. When we meet in October we will try to make a decision as to how often we will meet depending on the work we need to do.

The meeting was adjourned at 7:45 P.M. The next meeting will be held on October 15th.

Submitted by Mary Gilson, Secretary

City Of Molalla

City Council Meeting



Agenda Category: New Business

Subject: Authorization to purchase radio frequency identification equipment and tags, and hire company to tag materials as contracted through the Library Network office. This is part of our commitment as one of the Libraries in Clackamas County (LINCC) network.

Recommendation: Council Approval

Date of Meeting to be Presented: October 12, 2016

Fiscal Impact: Not to exceed \$48,000

Background:

The tagging of materials with radio frequency identification tags (RFID) has been discussed by all libraries in Clackamas County for seven to ten years. It is a library technology already in use in libraries throughout the state and nation. This is a LINCC wide project coordinated by the Network office, including a rigorous bidding process by which a vendor will be named after agreement by the library directors to commit to the costs. By doing this as a group, it keeps costs lower for everyone. Tagging will provide:

- Better tracking of inventory
- Patrons will have an easier time checking materials in and out
- Improved ergonomics, reducing stress on staff when handling materials
- Minimize materials handling

This was budgeted for in the approved FY 16-17 budget.

SUBMITTED BY: Diana Hadley, Library Director
APPROVED BY: Dan Huff, City Manager



Office of Financial Management
117 N Molalla Avenue
PO Box 248
Molalla, Oregon 97038
Phone: (503) 829-6855
finance@cityofmolalla.com

October 20, 2016

To: Molalla City Council
Dan Huff, City Manager
From: Chaunee Seifried, Finance Director

RE: 1st Quarter 2016/2017 Report

Attached are the quarterly financials for the 1st quarter of FY 2016-2017. Here is a brief summary with a few exceptions to that report. Property taxes start coming in November of each year. So in order to be in compliance with Oregon Budget Law we count on fund balance to cover our cash that is needed for operations until property taxes comes in for the General Fund.

The first quarter of the fiscal year usually includes a lot of upfront annual expenditures for operations such as property, liability, and workers comp insurance, police dispatch, membership and dues, debt service payments, and other miscellaneous expenditures that are not spread out over the 12 months of the fiscal year. SDC revenues are trending low due to the seasonal slow down over the winter months. Other than that most expenditures were within budget projections as we completed 25% of the fiscal year.

We had a minor setback in our audit this year but are currently working with Merina & Company to complete the FY 2015/2016 audit. We are still expecting to meet the December 31, 2016 deadline for completion. Currently, an appointment to meet with the City Council has not been confirmed.

In Urban Renewal, North and South Molalla Avenue project is underway and anticipated to be completed this year.

Exhibits: (a) Quarterly report with % of budget by appropriation
(b) July - Sept 2016 Warrant Register for checks exceeding \$10,000.00

GENERAL FUND		Budget	Actual		
Beginning Balance	\$ 1,050,000.00		\$ 1,107,447.55		
Resources	Budget	1st Quarter	YTD Total	% of Budget	
Property Taxes	\$ 2,705,000.00	\$ 14,810.25	\$ 14,810.25	0.55%	
Fees/Licenses/Permits/Fines	\$ 975,126.19	\$ 151,693.16	\$ 154,524.81	15.85%	
Fed/State/Grant Allocation	\$ 192,750.00	\$ 78,326.03	\$ 84,621.83	43.90%	
All Other Resources	\$ 102,000.00	\$ 68,142.86	\$ 68,142.86	66.81%	
TOTAL RESOURCES	\$ 3,974,876.19	\$ 312,972.30	\$ 322,099.75	8.10%	
Requirements	Budget	1st Quarter	YTD Total	% of Budget	
<u>Personnel Services</u>					
Office of Governance & Mgmt.	\$ 636,725.00	\$ 147,489.65	\$ 147,489.65	23.16%	
Police Service	\$ 1,857,250.00	\$ 453,647.54	\$ 453,647.54	24.43%	
Municipal Court	\$ 147,450.00	\$ 36,322.35	\$ 36,322.35	24.63%	
<u>Materials & Services</u>					
Office of Governance & Mgmt.	\$ 317,750.00	\$ 72,150.24	\$ 72,879.73	22.94%	
Police Service	\$ 509,500.00	\$ 162,920.18	\$ 162,920.18	31.98%	
Municipal Court	\$ 87,700.00	\$ 23,575.98	\$ 23,575.98	26.88%	
<u>Capital Expenditures</u>					
Office of Governance & Mgmt.	\$ 400,000.00	\$ 47,662.13	\$ 47,662.13	11.92%	
Police Service	\$ 55,000.00	\$ -	\$ -	0.00%	
<u>Transfers</u>					
Office of Governance & Mgmt.	\$ 300,000.00	\$ -	\$ -	0.00%	
General Fund Contingency	\$ 100,000.00	\$ -			
General Fund Reserve	\$ 200,000.00	\$ -			
TOTAL REQUIREMENTS	\$ 4,611,375.00	\$ 943,768.07	\$ 944,497.56	20.48%	
Net Resources over Requirements	\$ 413,501.19				
Net ROR Accumulative		\$ 476,651.78			
Unappropriated Ending Balance	\$ 413,501.19				
Balance	\$ (0.00)				

LIBRARY FUND	Budget	Actual		
Beginning Balance	\$ 1,390,000.00	\$ 1,396,039.47		
Resources	Budget	1st Quarter	YTD Total	% of Budget
Fees/Licenses/Permits/Fines	\$ 19,000.00	\$ 5,493.15	\$ 5,707.10	30.04%
Fed/State/Grant Allocation	\$ 1,678,500.00	\$ -	\$ -	0.00%
All Other Resources	\$ 1,000.00	\$ 610.42	\$ 660.42	66.04%
TOTAL RESOURCES	\$ 1,698,500.00	\$ 6,103.57	\$ 6,367.52	0.37%
Requirements	Budget	1st Quarter	YTD Total	% of Budget
Personnel Services	\$ 567,600.00	\$ 108,635.51	\$ 108,635.51	19.14%
Materials & Services	\$ 273,016.39	\$ 46,983.19	\$ 46,983.19	17.21%
Capital Expenditures	\$ 2,076,500.00	\$ 22,602.85	\$ 22,602.85	1.09%
Library Contingency	\$ 100,000.00	\$ -	\$ -	0.00%
TOTAL REQUIREMENTS	\$ 3,017,116.39	\$ 178,221.55	\$ 178,221.55	5.91%
Net Resources over Requirements	\$ 71,383.61			
Net ROR Accumulative		\$ 1,223,921.49		
Unappropriated Ending Balance	\$ 71,383.61			
Balance	\$ (0.00)			

STREET FUND	Budget	Actual		
Beginning Balance	\$ 475,000.00	\$ 398,151.75		
Resources	Budget	1st Quarter	YTD Total	% of Budget
Fees/Licenses/Permits/Fines	\$ 220,000.00	\$ -	\$ -	0.00%
Fed/State/Grant Allocation	\$ 675,742.00	\$ 132,292.48	\$ 132,292.48	19.58%
Transfers In	\$ 600,000.00	\$ -	\$ -	0.00%
All Other Resources	\$ 10,000.00	\$ 5,241.40	\$ 5,241.40	52.41%
TOTAL RESOURCES	\$ 1,505,742.00	\$ 137,533.88	\$ 137,533.88	9.13%
Requirements	Budget	1st Quarter	YTD Total	% of Budget
Personnel Services	\$ 348,075.00	\$ 76,865.86	\$ 76,865.86	22.08%
Materials & Services	\$ 418,001.54	\$ 80,805.07	\$ 80,805.07	19.33%
Capital Expenditures	\$ 887,927.00	\$ 31,279.05	\$ 31,279.05	3.52%
Contingency	\$ 150,738.46	\$ -	\$ -	0.00%
TOTAL REQUIREMENTS	\$ 1,804,742.00	\$ 188,949.98	\$ 188,949.98	10.47%
Net Resources over Requirements	\$ 176,000.00			
Net ROR Accumulative		\$ 346,735.65		
Unappropriated Ending Balance	\$ 176,000.00			
Balance	\$ -			

SEWER FUND	Budget	Actual		
Beginning Balance	\$ 475,000.00	\$ 457,625.13		
Resources	Budget	1st Quarter	YTD Total	% of Budget
Fees/Licenses/Permits/Fines	\$ 2,171,920.00	\$ 546,856.83	\$ 546,856.83	25.18%
All Other Resources	\$ 5,000.00	\$ 30,590.85	\$ 30,590.85	611.82%
TOTAL RESOURCES	\$ 2,176,920.00	\$ 577,447.68	\$ 577,447.68	26.53%
Requirements	Budget	1st Quarter	YTD Total	% of Budget
Personnel Services	\$ 558,675.00	\$ 136,173.10	\$ 136,173.10	24.37%
Materials & Services	\$ 984,832.18	\$ 234,387.93	\$ 235,901.96	23.95%
Transfers Out	\$ 465,550.00	\$ -	\$ -	0.00%
Capital Expenditures	\$ 333,427.00	\$ 94,339.66	\$ 94,339.66	28.29%
Contingency	\$ 193,341.00	\$ -	\$ -	0.00%
TOTAL REQUIREMENTS	\$ 2,535,825.18	\$ 464,900.69	\$ 466,414.72	18.39%
Net Resources over Requirements	\$ 116,094.82			
Net ROR Accumulative		\$ 570,172.12		
Unappropriated Ending Balance	\$ 116,094.82			
Balance	\$ 0.00			

WATER FUND	Budget	Actual		
Beginning Balance	\$ 810,000.00	\$ 790,605.25		
Resources	Budget	1st Quarter	YTD Total	% of Budget
Fees/Licenses/Permits/Fines	\$ 1,652,000.00	\$ 516,054.87	\$ 516,054.87	31.24%
All Other Resources	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	100.00%
TOTAL RESOURCES	\$ 1,655,000.00	\$ 519,054.87	\$ 519,054.87	31.36%
Requirements	Budget	1st Quarter	YTD Total	% of Budget
Personnel Services	\$ 645,905.00	\$ 138,901.67	\$ 138,901.67	21.50%
Materials & Services	\$ 633,717.38	\$ 115,693.42	\$ 117,207.46	18.50%
Transfers Out	\$ 449,105.08	\$ -	\$ -	0.00%
Capital Expenditures	\$ 362,000.00	\$ 30,304.43	\$ 30,304.43	8.37%
Water Contingency	\$ 100,000.00	\$ -	\$ -	0.00%
TOTAL REQUIREMENTS	\$ 2,190,727.46	\$ 284,899.52	\$ 286,413.56	13.07%
Net Resources over Requirements	\$ 274,272.54			
Net ROR Accumulative		\$ 1,024,760.60		
Unappropriated Ending Balance	\$ 274,272.54			
Balance	\$ -			

STORM WATER FUND	Budget	Actual		
Beginning Balance	\$ 54,500.00	\$ 51,243.11		
Resources	Budget	1st Quarter	YTD Total	% of Budget
Fees/Licenses/Permits/Fines	\$ 130,000.00	\$ 33,989.01	\$ 33,989.01	26.15%
TOTAL RESOURCES	\$ 130,000.00	\$ 33,989.01	\$ 33,989.01	26.15%
Requirements	Budget	1st Quarter	YTD Total	% of Budget
Personnel Services	\$ 73,815.00	\$ 13,854.16	\$ 13,854.16	18.77%
Materials & Services	\$ 46,645.70	\$ 10,345.07	\$ 10,345.07	22.18%
Capital Expenditures	\$ 37,000.00	\$ 10,646.14	\$ 10,646.14	28.77%
Storm Contingency	\$ 6,503.00	\$ -	\$ -	0.00%
TOTAL REQUIREMENTS	\$ 163,963.70	\$ 34,845.37	\$ 34,845.37	21.25%
Net Resources over Requirements	\$ 20,536.30			
Net ROR Accumulative		\$ 50,386.75		
Unappropriated Ending Balance	\$ 121.96			
Balance	\$ -			

PD RESTRICTED REVENUE	Budget	Actual		
Beginning Balance	\$ 24,000.00	\$ 23,400.50		
Resources	Budget	1st Quarter	YTD Total	% of Budget
Other Resources Except Taxes	\$ 13,540.00	\$ 1,366.79	\$ 1,366.79	10.09%
TOTAL RESOURCES	\$ 13,540.00	\$ 1,366.79	\$ 1,366.79	0.00%
Requirements	Budget	1st Quarter	YTD Total	% of Budget
Materials & Services	\$ 37,540.00	\$ 1,000.00	\$ 1,000.00	2.66%
TOTAL REQUIREMENTS	\$ 37,540.00	\$ 1,000.00	\$ 1,000.00	0.00%
Net Resources over Requirements	\$ -			
Net ROR Accumulative		\$ 23,767.29		
Balance	\$ -			

UTILITY DEPOSIT FUND	Budget	Actual		
Beginning Balance	\$ 8,000.00	\$ 10,940.33		
Resources	Budget	1st Quarter	YTD Total	% of Budget
Other Resources Except Taxes	\$ 22,000.00	\$ 10,294.87	\$ 10,594.87	48.16%
TOTAL RESOURCES	\$ 22,000.00	\$ 10,294.87	\$ 10,594.87	0.00%
Requirements	Budget	1st Quarter	YTD Total	% of Budget
Materials & Services	\$ 30,000.00	\$ 7,646.71	\$ 7,646.71	25.49%
TOTAL REQUIREMENTS	\$ 30,000.00	\$ 7,646.71	\$ 7,646.71	0.00%
Net Resources over Requirements	\$ -			
Net ROR Accumulative		\$ 13,588.49		
Balance	\$ -			

BONDED DEBT	Budget	Actual		
Beginning Balance	\$ 65,788.50	\$ 66,539.00		
Resources	Budget	1st Quarter	YTD Total	% of Budget
Property Taxes	\$ 67,337.50	\$ -	\$ -	0.00%
TOTAL RESOURCES	\$ 67,337.50	\$ -	\$ -	0.00%
Requirements	Budget	1st Quarter	YTD Total	% of Budget
Debt Service	\$ 64,963.00	\$ -	\$ -	0.00%
Reserve	\$ 68,163.00	\$ -	\$ -	0.00%
TOTAL REQUIREMENTS	\$ 133,126.00	\$ -	\$ -	0.00%
Net Resources over Requirements	\$ -			
Net ROR Accumulative Balance	\$ -	\$ 66,539.00		

SEWER DEBT RETIREMENT	Budget	Actual		
Beginning Balance	\$ 315,800.00	\$ 315,050.00		
Resources	Budget	1st Quarter	YTD Total	% of Budget
Transfers In	\$ 315,550.00	\$ -	\$ -	0.00%
TOTAL RESOURCES	\$ 315,550.00	\$ -	\$ -	0.00%
Requirements	Budget	1st Quarter	YTD Total	% of Budget
Debt Service	\$ 316,550.00	\$ 45,775.00	\$ 45,775.00	14.46%
Reserve	\$ 314,800.00	\$ -	\$ -	0.00%
TOTAL REQUIREMENTS	\$ 631,350.00	\$ 45,775.00	\$ 45,775.00	0.00%
Net Resources over Requirements	\$ -			
Net ROR Accumulative Balance	\$ -	\$ 269,275.00		
Unappropriated Ending Balance	\$ -			
Balance	\$ -			

WATER DEBT RETIREMENT	Budget	Actual		
Beginning Balance	\$ 396,044.92	\$ 400,694.92		
Resources	Budget	1st Quarter	YTD Total	% of Budget
Transfers In	\$ 299,105.08	\$ -	\$ -	0.00%
TOTAL RESOURCES	\$ 299,105.08	\$ -	\$ -	0.00%
Requirements	Budget	1st Quarter	YTD Total	% of Budget
Debt Service	\$ 344,950.00	\$ 334,975.00	\$ 334,975.00	97.11%
Reserve	\$ 350,200.00	\$ -	\$ -	0.00%
TOTAL REQUIREMENTS	\$ 695,150.00	\$ 334,975.00	\$ 334,975.00	0.00%
Net Resources over Requirements	\$ -			
Net ROR Accumulative Balance	\$ -	\$ 65,719.92		
Unappropriated Ending Balance	\$ -			
Balance	\$ -			

CWSRF DEBT RETIREMENT		Budget	Actual		
Beginning Balance	\$	187,343.00	\$	187,343.00	
Resources		Budget	1st Quarter	YTD Total	% of Budget
Transfers In	\$	183,156.00	\$ -	\$ -	0.00%
TOTAL RESOURCES	\$	183,156.00	\$ -	\$ -	0.00%
Requirements		Budget	1st Quarter	YTD Total	% of Budget
Debt Service	\$	183,809.00	\$ 89,307.00	\$ 89,307.00	48.59%
Reserve	\$	186,690.00	\$ -	\$ -	0.00%
TOTAL REQUIREMENTS	\$	370,499.00	\$ 89,307.00	\$ 89,307.00	0.00%
Net Resources over Requirements	\$	-			
Net ROR Accumulative			\$	98,036.00	
Unappropriated Ending Balance	\$	-			
Balance	\$	-			

SEWER SDC FUND		Budget	Actual		
Beginning Balance	\$	775,000.00	\$	851,406.00	
Resources		Budget	1st Quarter	YTD Total	% of Budget
Fees/Licenses/Assessments	\$	663,610.00	\$ 36,324.00	\$ 36,324.00	5.47%
TOTAL RESOURCES	\$	663,610.00	\$ 36,324.00	\$ 36,324.00	0.00%
Requirements		Budget	1st Quarter	YTD Total	% of Budget
Materials & Services	\$	10,000.00	\$ 1,433.25	\$ 1,433.25	14.33%
Capital Improvements	\$	650,000.00	\$ -	\$ -	0.00%
Transfers	\$	183,156.00	\$ -	\$ -	0.00%
Reserve	\$	595,454.00	\$ -	\$ -	0.00%
TOTAL REQUIREMENTS	\$	1,438,610.00	\$ 1,433.25	\$ 1,433.25	0.00%
Net Resources over Requirements	\$	-			
Net ROR Accumulative			\$	886,296.75	
Unappropriated Ending Balance	\$	-			
Balance	\$	-			

WATER SDC FUND		Budget	Actual		
Beginning Balance	\$	2,000,000.00	\$	1,989,591.63	
Resources		Budget	1st Quarter	YTD Total	% of Budget
Fees/Licenses/Permits/Assessments	\$	470,750.00	\$ 33,024.00	\$ 33,024.00	7.02%
TOTAL RESOURCES	\$	470,750.00	\$ 33,024.00	\$ 33,024.00	0.00%
Requirements		Budget	1st Quarter	YTD Total	% of Budget
Materials & Services	\$	10,000.00	\$ 1,433.25	\$ 1,433.25	14.33%
Capital Improvements	\$	1,350,000.00	\$ 749.70	\$ 749.70	0.06%
Reserve	\$	1,110,750.00	\$ -	\$ -	0.00%
TOTAL REQUIREMENTS	\$	2,470,750.00	\$ 2,182.95	\$ 2,182.95	0.00%
Net Resources over Requirements	\$	-			
Net ROR Accumulative			\$	2,020,432.68	
Unappropriated Ending Balance	\$	-			
Balance	\$	-			

STREET SDC FUND		Budget	Actual		
Beginning Balance	\$	550,000.00	\$	468,428.85	
Resources		Budget	1st Quarter	YTD Total	% of Budget
Fees/Licenses/Permits/Assessments	\$	432,010.00	\$	32,199.00	\$ 32,199.00 7.45%
TOTAL RESOURCES	\$	432,010.00	\$	32,199.00	\$ 32,199.00 0.00%
Requirements		Budget	1st Quarter	YTD Total	% of Budget
Materials & Services	\$	10,000.00	\$	5,612.00	\$ 5,612.00 56.12%
Capital Improvements	\$	475,000.00	\$	4,759.94	\$ 4,759.94 1.00%
Reserve	\$	497,010.00	\$	-	\$ - 0.00%
TOTAL REQUIREMENTS	\$	982,010.00	\$	10,371.94	\$ 10,371.94 0.00%
Net Resources over Requirements	\$	-			
Net ROR Accumulative			\$	490,255.91	
Unappropriated Ending Balance	\$	-			
Balance	\$	-			

PARK SDC FUND		Budget	Actual		
Beginning Balance	\$	1,300,000.00	\$	1,378,859.60	
Resources		Budget	1st Quarter	YTD Total	% of Budget
Fees/Licenses/Permits/Assessments	\$	570,000.00	\$	55,157.00	\$ 55,157.00 9.68%
TOTAL RESOURCES	\$	570,000.00	\$	55,157.00	\$ 55,157.00 0.00%
Requirements		Budget	1st Quarter	YTD Total	% of Budget
Materials & Services	\$	10,000.00	\$	11,901.25	\$ 11,901.25 119.01%
Capital Improvements	\$	1,100,000.00	\$	570.00	\$ 570.00 0.05%
Reserve	\$	760,000.00	\$	-	\$ - 0.00%
TOTAL REQUIREMENTS	\$	1,870,000.00	\$	12,471.25	\$ 12,471.25 0.00%
Net Resources over Requirements	\$	-			
Net ROR Accumulative			\$	1,421,545.35	
Unappropriated Ending Balance	\$	-			
Balance	\$	-			

STORM SDC FUND		Budget	Actual		
Beginning Balance	\$	136,237.37	\$	134,685.37	
Resources		Budget	1st Quarter	YTD Total	% of Budget
Fees/Licenses/Permits/Assessments	\$	99,500.00	\$	7,763.00	\$ 7,763.00 7.80%
TOTAL RESOURCES	\$	99,500.00	\$	7,763.00	\$ 7,763.00 0.00%
Requirements		Budget	1st Quarter	YTD Total	% of Budget
Materials & Services	\$	10,000.00	\$	1,433.25	\$ 1,433.25 14.33%
Capital Improvements	\$	126,237.37	\$	41,999.37	\$ 41,999.37 33.27%
Reserve	\$	99,500.00	\$	-	\$ - 0.00%
TOTAL REQUIREMENTS	\$	235,737.37	\$	43,432.62	\$ 43,432.62 0.00%
Net Resources over Requirements	\$	-			
Net ROR Accumulative			\$	99,015.75	
Unappropriated Ending Balance	\$	-			
Balance	\$	-			

URBAN RENEWAL AGENCY		Budget	Actual		
Beginning Balance	\$ 2,000,000.00		\$ 2,098,958.92		
Resources	Budget	1st Quarter	YTD Total	% of Budget	
Revenue from Division of Taxes	\$ 295,000.00	\$ 2,398.03	\$ 2,398.03	0.81%	
Other Resources Except Taxes	\$ 1,000.00	\$ 260.56	\$ 260.56	26.06%	
TOTAL RESOURCES	\$ 296,000.00	\$ 2,658.59	\$ 2,658.59	0.00%	
Requirements	Budget	1st Quarter	YTD Total	% of Budget	
Materials & Services	\$ 125,000.00	\$ -	\$ -	0.00%	
Debt Service	\$ 218,750.00	\$ -	\$ -	0.00%	
Capital Improvements	\$ 1,477,100.00	\$ 335,105.00	\$ 335,105.00	22.69%	
Contingency	\$ 150,000.00	\$ -	\$ -	0.00%	
Reserve	\$ 325,150.00	\$ -	\$ -	0.00%	
TOTAL REQUIREMENTS	\$ 2,296,000.00	\$ 335,105.00	\$ 335,105.00	14.60%	
Net Resources over Requirements	\$ -				
Net ROR Accumulative				\$ 1,766,512.51	
Unappropriated Ending Balance	\$ -				
Balance	\$ -				

Report Criteria:

Report type: Invoice detail
 Check Detail.Amount = {>} 10000.00
 Check.Type = {<>} "Adjustment"

Payee	Check Issue Date	Check Number	Invoice Number	Description	Check Amount
BEERY, ELSNER & HAMMOND, LLP	08/29/2016	78961	13101	CITY ATTORNEY	29,364.02
CASCADE COLUMBIA DISTRIBUTION	09/19/2016	79089	674945	Aluminum Chlorohydrate	16,612.60
CIS TRUST	08/26/2016	78958	MOL-12016-00	PROPERTY/LIABILITY INSURANCE	133,288.00
CLACKAMAS 800 RADIO GROUP	08/22/2016	78925	16-185R	16/17 SYSTEM OPERATION COSTS	16,272.00
COMMERCIAL BANK	08/01/2016	729161	PR0725160	Federal Withholding Tax Pay Period: 7/25/2016	13,471.72
COMMERCIAL BANK	08/22/2016	8151699	PR0810160	Federal Withholding Tax Pay Period: 8/10/2016	14,540.59
COMMERCIAL BANK	07/27/2016	71520161	PR0710160	Federal Withholding Tax Pay Period: 7/10/2016	18,310.03
COMMERCIAL BANK	08/26/2016	82616001	PR0910160	Federal Withholding Tax Pay Period: 8/25/2016	13,278.46
COMMERCIAL BANK	09/12/2016	91216001	PR0910160	Federal Withholding Tax Pay Period: 9/10/2016	14,093.61
COMMERCIAL BANK	09/26/2016	92616001	PR0925160	Federal Withholding Tax Pay Period: 9/25/2016	14,228.68
M L HOUCK CONSTRUCTION CO.	08/01/2016	30043	3	MOLALLA AVE. IMPROVEMENTS	175,228.31
M L HOUCK CONSTRUCTION CO.	08/29/2016	30047	15-1670.4	MOLALLA AVE. IMPROVEMENTS	150,400.67
M L HOUCK CONSTRUCTION CO.	08/01/2016	78812	15-1670-3	MOLALLA AVE. IMPROVEMENTS	29,744.53
O.T.E.T.	08/01/2016	729163	PR0725160	Health Insurance Pay Period: 7/25/2016	46,452.49
O.T.E.T.	08/26/2016	8261604	PR0910160	Health Insurance Pay Period: 8/25/2016	44,105.15
O.T.E.T.	09/26/2016	92616004	PR0925160	Health Insurance Pay Period: 9/25/2016	44,105.15
OREGON DEPT OF REVENUE	07/27/2016	71520163	PR0710160	State Withholding Tax Pay Period: 7/10/2016	10,611.28
OREGON DEQ	09/06/2016	78973	080116	CWSRF Loan - Interest	25,337.00
OREGON DEQ	09/06/2016	79005	080116.1	CWSRF Loan - Principal	63,970.00
OREGON PERS	07/27/2016	71520164	PR0710160	PERS - Employer Portion Pay Period: 7/10/2016	11,184.73
PORTLAND GENERAL ELECTRIC	07/25/2016	78807	072516	ELECTRICITY	11,958.33
PORTLAND GENERAL ELECTRIC	08/15/2016	78913	080116	ELECTRICITY	11,998.90
PORTLAND GENERAL ELECTRIC	09/12/2016	79062	091216	ELECTRICITY	11,998.25
PROJECT DELIVERY GROUP, LLC	08/15/2016	78881	20160328	15078:07	11,222.71
PROJECT DELIVERY GROUP, LLC	09/27/2016	79173	20160424	CLARK PARK/BUCKEROO	11,901.25
THE BANK OF NEW YORK TRUST TAS	07/05/2016	78709	07/2016	MOLALLA WATER REVENUE REF BONDS 20	325,000.00
WESTECH	08/15/2016	78918	59884	ANTHRACITE & SILICA SAND	13,890.00
WESTECH	08/15/2016	78918	59898	ANTHRACITE & SILICA SAND	13,890.00
WESTECH	09/19/2016	79124	60231	ANTHRACITE/SILICA SAND	13,800.00
Grand Totals:					1,310,258.46



City of Molalla
Application for Appointment to Citizen Committee

Date: 09/15/2016

Board/Committee of Interest: planning commission

Name:
Address:
State/Province:
Zip/Postal Code:
Home Phone:
Work Phone: *E-Mail

Jamie Hinkel
Molalla 97038

Years of Residence Inside City/outside (4)

Current or Previous Community
Affiliations or Activities:

I am currently running ^{for} as a board member of Emar - our local real estate association. I am also meeting w/ directors of Habitat for Humanity Oct 7th so I can get involved. Our office is involved w/ Sitka

Why would you like to serve on this committee and give any other background you might have in this area.

I would love to serve on committee because I have fallen in love with this town + would like to be more involved. I think my background in real estate and my love for real estate and my community will be a

If applying for re-appointment to this Commission/Board/Committee/Task Force, please indicate what has been the key accomplishment of the group during your service.

Big asset

If you could make any improvement to the Commission/Board/Committee/Task Force, what would it be?

I am not sure because I have never served but to serve with others that care about our community and neighbors and the future of Molalla

*Signature:

Jamie Hinkel

Molalla Warming Center
A Mission of the Molalla Christian Church

The Molalla Christian Church dba Molalla Warming Center is seeking an agreement with the City of Molalla to lease the building referred to as the PAL Building, located at 200 Kennel Ave., Molalla, for the 2016/17 winter season.

The season typically runs from November to March of the following year. Over the three years the Center has been in operation, it has been open an average of 32 nights per season.

The Steering Committee is: Bob Laver, Joni Laver, George Pottle, Sherrie Rhodes, and Leota Childress.

The Molalla Warming Center will:

- ❖ operate the Center at no cost to the City.
- ❖ pay all utilities.
- ❖ provide liability and property damage insurance and name the City as an additional insured.
- ❖ maintain a working relationship with the City.
- ❖ improve the condition and value of the building by painting and cleaning the carpets. The paint color is subject to approval by the City.
- ❖ make other improvements as deemed necessary during the term of the lease. Any and all work done to the building is subject to approval by the City. (At this time, there is a question about the heating system, as to whether or not it works. If it is deemed that the system needs major repairs and the cost exceeds funds available, the Church will not pursue the lease agreement.)
- ❖ replace the refrigerator.
- ❖ put doors back on hinges if the doors are available.
- ❖ be subject to an inspection by the Fire Department to ensure the building meets fire standards. They also determine how many individuals will be allowed to occupy the building when it is used in a sheltering capacity. They will issue a certificate of inspection and occupancy that will become part of the contract with Clackamas County. A copy of that certificate will be given to the City.
- ❖ not allow smoking in the building but will have a smoking section outside the back door, at least ten feet from the door and there will be a receptacle for cigarette butts.
- ❖ keep the building and surrounding property clean at all times

A few things to know about the Center.

Big Successes

There is a national effort to house the homeless and the Center has done their part.

In 2013/14, the first year in operation, the County informed the Center of two openings for housing assistance. Volunteers helped one of the Center's clients apply and he was successful. This is not free housing. He is still in the house he got that year.

In 2015/16, the Center, joined by one local supporter, assisted two clients in getting housing by funding one half of their deposit. (The money was paid directly to the landlord.) Both are still in housing and working.

The members of the Warming Center steering committee value our US Veterans. Clackamas County has numerous services that address the needs of the ever growing homeless population of veterans. The Warming Center has connections and access to these services and volunteers make a special effort to assist and guide veterans to the services they need.

The Mission: The Molalla Warming Center exists to provide a welcoming and safe overnight refuge to un-housed individuals of the Molalla area during periods of extreme weather.

Clackamas County Department of Health, Housing & Human Services contracts to provide these services. Molalla represents 10% of the total funds allocated by Clackamas County.

The Molalla Community has offered overwhelming support for the Warming Center since it opened.

- ❖ In the **2013/14 season**, the Center was open 36 nights and provided 173 beds to 14 clients.
The value of volunteer hours, donated food, and property rental totaled **\$40,360**.
There was no value placed on clothing, bedding, games, etc. that was donated.
Cash contributions from the community were **\$220**.
- ❖ In the **2014/15 season**, the Center was open 23 nights and provided 128 beds to 21 clients.
The value of volunteer hours, donated food and property rental totaled **\$26,085**.
Cash contributions from the community were **\$502**.
- ❖ In the **2015/16 season**, the Center was open 36 nights and provided 116 beds to 23 clients.
The value of volunteer hours, etc. has not been calculated.
Cash contributions from the community were **\$1,550**.

- ❖ Every season, donations of clothing and bedding have poured in, so much so that the Center has shared with warming centers in Oregon City and Clackamas. (Donors are asked if it's ok to share some of their items with other warming centers.)

The Warming Center Steering Committee is community minded and has poured funds back into several projects that benefit the less fortunate.

- Provided an AED for the church that hosted the Center.
- Replaced gutters on the portion of the church that housed the Center operation.
- Donated to a fund that provides bus tickets to low income individuals.
- Donated to the completion of the Bear Creek Byway project to help ensure safe passage for individuals who may be forced to walk due to their financial situation.
- Purchased jeans for The Father's Heart, a warming center in Oregon City.
- Provided tarps and new clothing to the Clackamas Service Center during the torrential rains in early 2015. The need was announced on Facebook and the community came together and donated clothing and bedding, too.

The Center cares about its neighbors.

One of the rules of the Center is that there is no loitering allowed. Clients can't hang around the building during hours the Center is closed and they can't hang around the building when it is open. Those who violate this rule can eventually be banned from the Center if the behavior continues. One of these two signs is displayed throughout the season.



The Center has a good working relationship with the Molalla Police Department. Officers occasionally drop in and are welcomed.

During three years of operation, there has been no situation that required an intervention by the Police.



State of Oregon
FIRST-SOURCE HIRING AGREEMENT
Clackamas Enterprise Zone Program

This First Source Agreement for referral of qualified job applicants is entered into between WorkSource Oregon (Oregon Employment Department, (OED)), 7995 SW Mohawk Street, Tualatin , OR., 97062 hereinafter referred to as "OED," which coordinates job referrals for and represents the publicly funded job training fund administrator, for Clackamas County WIB (Workforce Investment Board) Clackamas Workforce Partnership and their training providers for the Portland Metro area covered in the Interagency Agreement under OAR 123-070-12100, hereinafter referred to as "PROVIDER", and the following business firm located in this geographic area, Pacific Fibre Products, Inc., 410 Section Street, Molalla, OR 97038, iMatchSkills Employer ID # 18214, hereinafter referred to as the 'EMPLOYER.'

The EMPLOYER is or will be receiving benefits from the following program or programs (check those that apply):

Enterprise zone program: Specify yes or no - YES if seeking an extended exemption period (up to five years)

Other: specify _____.

I. GENERAL TERMS

Under this First Source Agreement, the EMPLOYER will use the OED as its first source for referral of Qualified Applicants for all external job openings of the EMPLOYER at the following location(s) Pacific Fibre Products, Inc., 410 Section Street, Molalla, OR 97038, such that the EMPLOYER agrees to the following:

To provide the EMPLOYER'S designated internal liaison, if they are not the APPROVED contract signer on this FSH Agreement, and who will serve as the single point of contact for communications with OED related to job openings. Employer will notify OED immediately of any change for this internal liaison.

II. AS JOBS ARE OPENED, THE EMPLOYER AGREES TO:

Effectively notify OED of all external job openings, no later than when notification is received by any other job referral source external to the EMPLOYER or any public announcement for the job opening, throughout the term of this agreement;

That each such notice to OED shall include job qualifications and a deadline for referrals;
To ensure that the OED and the PROVIDERS will have:

Sufficient lead time (minimum lead time is 10 business days before the job application close date, (except in temporary or emergency situations); and complete information to make meaningful referrals for jobs that will be filled by the EMPLOYER;

Sufficient lead time (minimum lead time is 10 business days before the job application close date, (except in temporary or emergency situations); and complete information to make meaningful referrals for jobs that will be filled by the EMPLOYER;

That all job information may be shared with all PROVIDERS for which referrals are coordinated by the OED; and

That all job openings shall be listed in the PUBLIC LABOR EXCHANGE SYSTEM of the state Employment Department, insofar as a local office of that State agency is a PROVIDER.

For purposes of this Agreement long-term jobs will be defined as those positions 180 days or more in duration. Jobs lasting less than 180 days will be considered temporary and will not be subject to the terms of this Agreement.

Positions filled by internal transfers, promotions or recall of laid off employees on recall status will not be subject to the terms of this Agreement.

Give permission for OED to share the job posting and hire information with the **City of Molalla** Economic Development Program Representative. Other than the above permission, it is understood that OED will hold all information regarding the company and the job seekers in the strictest confidence.

III. UPON RECEIPT OF THE JOB OPENING NOTIFICATION, OED AGREES TO:

That to the extent Qualified Applicants are available through OED and among the relevant PROVIDERS, to refer those individuals to the EMPLOYER for job openings; and

To facilitate and implement the listing of all job openings in the "PUBLIC LABOR EXCHANGE SYSTEM", in cooperation with other PROVIDERS (though, not necessarily to the exclusion of other referral methods).

To provide OED's designated internal liaison, if they are not the APPROVED contract signer on this FSH Agreement, and who will serve as the single point of contact for communications with the EMPLOYER'S related to job openings.

IV. UPON RECEIPT OF REFERRALS FROM WORKSOURCE, THE EMPLOYER AGREES TO:

Fully consider for employment any Qualified Applicant referred by the OED by the referral deadline;

Notify OED with the name of the Qualified Applicant when a Qualified Applicant is hired by the EMPLOYER; and

Provide after-the-fact information to the OED about applicable overall hiring and job vacancies in a prescribed manner, or as requested by OED, in accordance with OAR 123-070-1900(1) to (3).

Comply with all relevant laws regarding employment of Qualified Applicants of this State or the Federal Government, including but not limited to not discriminating on the basis of race, color, religion, ancestry, national origin, political affiliation, sex, age, marital status, sexual orientation, physical or mental disability, or any other reason prohibited by such laws.

The EMPLOYER will make all final decisions on hiring new employees. After the EMPLOYER has hired the employees, the EMPLOYER assumes full responsibility for them as employees. All persons hired under this Agreement are subject to the EMPLOYER's regular personnel policies and procedures and have no special or additional rights arising from this Agreement.

If the terms of this Agreement conflict with the provisions of a collective bargaining agreement to which the EMPLOYER is a party, the bargaining agreement shall prevail.

Both OED and EMPLOYER agree to attempt to resolve all areas of misunderstanding, disagreement or dissatisfaction with each other as soon as they arise. If the parties are unable to resolve the issue, either may:

Initiate a meeting between the EMPLOYER and either OED, all of the PROVIDERS; the Portland Development Commission; or request assistance from the Oregon Economic and Community Development Department.

This agreement shall take effect on the date of the last signature by the contracting parties below, and shall be in full force and effect until DECEMBER 31 OF THE LAST YEAR OF THE EXEMPTION PERIOD (for Enterprise Zone Businesses) or, until the end of the term, period or periods as described in OAR 123-070-1600

APPROVING PARTIES

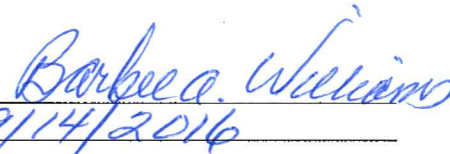
WorkSource Oregon

Name: Tracy Calderon
Title: Office Manager, Tualatin
Address: 7995 SW Mohawk St.
Tualatin, OR 97062
Phone: 503.612.4240 FAX 503.612.4250
Email: Tracy.K.Calderon@oregon.gov

Signature 
Date 9-14-2016


OED INTERNAL LIAISON

Name: Barbee Williams
Title: Business and Employment Specialist
Address: 7995 SW Mohawk St.
Tualatin, OR 97062
Phone: 503.612.4216 FAX 503.612.4348
Email: Barbee.A.Williams@oregon.gov

Signature 
Date 9/14/2016

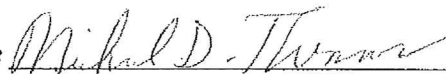
Pacific Fibre Products, Inc.

Federal Employer ID Number 93-1173167
State Business ID Number 3847172
Name: Mark Fahey
Title: Chief Financial Office
Address: PO Box 278 Longview, WA 98632
Phone: 360-577-7112
Fax: 360-577-1362
Email: mfahey@pacfibre.com

Signature 
Date August 23, 2016

EMPLOYER INTERNAL LIAISON

Name: Mike Thomas
Title: Personnel/Safety Supervisor
Address: PO Box 278 Longview, WA 98632
Phone: 360-577-7112
Fax: 360-577-1362
Email: mthomas@pacfibre.com

Signature 
Date: August 23, 2016

WRITTEN AGREEMENT WITH THE MOLALLA ENTERPRISE ZONE SPONSOR
TO EXTEND PROPERTY TAX EXEMPTION TO FIVE CONSECUTIVE YEARS IN
TOTAL FOR CAPITAL INVESTMENT BY PACIFIC FIBRE PRODUCTS INC.

The sponsor of the Molalla Enterprise Zone comprising the governing body of the City of Molalla (hereinafter "The Zone Sponsor") and Pacific Fibre Products (hereinafter "The Firm") do hereby enter into an agreement for extending the period of time in which The Firm shall receive an exemption on its proposed investments in qualified property in the Molalla Enterprise Zone contingent on certain special requirements, under ORS 285C.160.

The Zone Sponsor and The Firm jointly acknowledge: that subject to timely submission and approval of an application for authorization and the satisfaction of other requirements under ORS 285C.050 to 285C.250, The Firm is eligible for three years of complete exemption on its qualified property; that nothing in this agreement shall modify or infringe on this three-year exemption or the requirements thereof, and that this agreement becomes null and void if The Firm does not qualify for these three years of the exemption.

The Zone Sponsor extends The Firm's property tax exemption an additional two years on all property that initially qualifies in the Molalla Enterprise Zone on or before the assessment year beginning on January 1, 2017 and, thus, sets a total period of exemption of five consecutive years during which statutory requirements for the standard three-year enterprise zone exemption must also be satisfied and maintained.

CONFIRMATION OF STATUTORY PROVISIONS

In order to receive the additional two years of enterprise zone exemption granted herein, The Firm agrees herewith under 285C.160(3)(a)(A) that for each year of the entire exemption period, all of The Firm's new employees shall receive an average level of compensation equal to or greater than 150 percent of the county average annual wage, in accordance with the specific definitions and guidelines in Oregon Administrative Rules (OAR), Chapter 123, Division 674 (123-674-0600) which provides that:

1. Such compensation may include non-mandatory benefits that can be monetized;
2. The county average annual wage is set at the time of authorization, except as pursuant to ORS 285C.160(4), according to the 2014 Clackamas County average annual payroll rate of \$46,414, for which 150 percent equals \$69,621.
3. Only employees working at jobs filled for the first time after the application for authorization but by *December 31* of the first full year of the initial exemption and performed within the current boundaries of the MOLALLA Enterprise Zone are counted; and

4. Only full-time, year-round and non temporary employees engaged a majority of their time in The Firm's eligible operations consistent with ORS 285C.135 & 285C.200(3) are counted, regardless if such employees are leased, contracted for or otherwise obtained through an external agency or are employed directly by The Firm.

ACCEPTING FOR THE SPONSOR OF THE
MOLALLA ENTERPRISE ZONE:

ACCEPTING FOR PACIFIC FIBRE INC.

Signature: _____

Signature: _____

Printed Name: _____

Printed Name: _____

Date: _____

Date: _____

OREGON ENTERPRISE ZONE AUTHORIZATION APPLICATION

• Complete form and submit to the local enterprise zone manager **before** breaking ground or beginning work at the site. • Please type or print neatly.

APPLICANT

Enterprise Zone or Rural Renewal Energy Development Zone (where business firm and property will be located) <u>Molalla</u>		County <u>Clackamas</u>	
Name of Business Firm <u>Pacific Fibre Products, Inc</u>		Telephone Number <u>(360) 577-7112</u>	
Mailing Address <u>PO Box 278</u>	City <u>Longview</u>	State <u>WA</u>	ZIP Code <u>98632</u>
Location of Property (street address if different from above) <u>410 Section street</u>	City <u>Molalla</u>	State <u>OR</u>	ZIP Code <u>97038</u>
Map and Tax Lot Number of Site <u>see attached</u>	Contact Person <u>Mark Fahey</u>	Title <u>CFO</u>	

My firm expects to first claim the standard property tax exemption in the following year(s): 2017 - 2018

- Check here if your firm has or has had another exemption in this enterprise zone. Note the first year of such exemption: 2016-2017
- Check here that your firm commits to renew this authorization application. Renew this application on or before April 1 every two calendar years, until the tax exemption on qualified property is claimed.
- Check here if you are requesting an **extended abatement** of one or two additional years of exemption. This is subject to minimum average annual "compensation" for employees and written agreement with local zone sponsor. Sponsor may request additional requirements.

Zone Manager Use Only (after written agreement but before authorizing firm):

County Average Annual Wage: \$ _____ For Year _____ Total Exemption Period: 4 or 5 Consecutive Years (check one)

BUSINESS ELIGIBILITY

Eligible Activity—Check all activities that apply to proposed investment within the enterprise zone:

- Manufacturing Fabrication Bulk Printing Shipping Agricultural Production Energy Generation
- Assembly Processing Software Publishing Storage Back-office Systems
- Other—describe the activities that provide goods, products, or services to other businesses (or to other operations of your firm): _____

Check here if your business firm does or will engage in **ineligible activities** within the enterprise zone (such as retail sales, health care, professional services, or construction). Describe below (or in an attachment) these activities and their physical separation from "eligible activities" checked above: _____

Special Cases—Check all that apply:

- Check here if a **hotel, motel, or destination resort** in an applicable enterprise zone.
- Check here if a **retail/financial call center**. Indicate expected percent of customers in local calling area: _____ %.
- Check here if a **"headquarters" facility**. (Zone sponsor must find that operations are statewide or regional in scope and locally significant.)
- Check here if an **electronic commerce investment** in an e-commerce enterprise zone. (This also provides for an income tax credit.)

EMPLOYMENT IN THE ENTERPRISE ZONE (see worksheets on last page)

Do **not** count temporary, seasonal, construction, FTE, part-time jobs (32 hours or less per week), or employees working at ineligible operations.

Existing Employment—My business firm's average employment in the zone over the past 12 months is 7 jobs.

New Employees—Hiring is expected to begin on (date or month and year):

Hiring is expected to be completed by (month and year):

Estimated total number of new employees to be hired with this investment is: 6 additional jobs

Commitments—By checking all boxes below, you agree to the following commitments as required by law for authorization:

- By April 1 of the first year of exemption on the proposed investment in qualified property, I will increase existing employment within the zone by one new employee or by 10 percent, whichever is greater.
- My firm will maintain at least the above minimum level as an annual average employment during the exemption period.
- When the exemption claim is also filed by April 1 following each calendar year of exemption, total employment in the zone will not have shrunk by 85 percent at one time or by 50 percent twice in a row, compared to any previous year's figure.
- My firm will comply with local additional requirements as contained in: (1) a written agreement for an extended agreement, (2) zone sponsor resolution(s) waiving required employment increase, or (3) an **urban** enterprise zone's adopted policy, if applicable.
- My firm will verify compliance with these commitments, as requested by the local zone sponsor, the county assessor or their representative, or as directed by state forms or administrative rules.
- My firm will enter into a **first-source hiring agreement** before hiring new eligible employees. (This **mandatory** agreement entails an obligation to consider referrals from local job training providers for eligible job openings within the zone during at least the exemption period.)

OREGON EMPLOYMENT OUTSIDE THE ENTERPRISE ZONE

Check only those that apply:

- Check here if your firm or a commonly controlled firm is, or will be, closing or curtailing operations in the state **beyond 30 miles of the zone's boundary**. Indicate timing, location, number of any job losses, and relationship to the proposed enterprise zone investment:

- Check here if you are transferring any operations into the zone from site(s) **within 30 miles of the zone boundary** (existing businesses only): My firm's average employment at the site(s) over the past 12 months is _____ jobs.
- Check here if your firm commits to increase the combined employment at the site(s) (within 30 miles) and in the zone to 110 percent of the existing combined level by April 1 and on average during the first year of exemption.

PROPOSED INVESTMENT IN QUALIFIED PROPERTY

Anticipated Timing—Enter dates or months/years

Action	Site and Building & Structures			Machinery and Equipment		
	Preparation	Construction*	Placed in Service	Procurement**	Installation	Placed in Service
To commence or begin on	Sept 2016	Jan 2017	March 2017	Sept 2016	Sept 2016	Sept 2016
To be completed on	Oct 2017	Oct 2017		March 2017	March 2017	

* And/or new reconstruction, additions to, or modifications of existing building(s) or structure(s).
 ** May precede application by up to three months.

Special Issues:

- Check here for building/structure acquired/leased for which construction, reconstruction, additions, or modifications began prior to this application (attach executed lease or closing documents).
- Check here for **Work-in-Progress** tax exemption for qualified property that is not yet placed in service and is located on site as of January 1. (Attach description and list of such probable property. See "Special Issues Worksheet," on the last page.)

Qualifying Property: Estimates of cost (please attach a preliminary list of machinery and equipment).

Type of Property		Number of Each/Item	Expected Estimated Value	Check if any Item will be Leased
Real Property	Building or structure to be newly constructed	see attached	\$ 710,000	<input type="checkbox"/>
	New addition to or modification of an existing building/structure	see attached	\$ 340,000	<input type="checkbox"/>
	Heavy or affixed machinery and equipment	See attached	\$ 340,000	<input type="checkbox"/>
Personal Property Item(s) Costing:	\$50,000 or more		\$	<input type="checkbox"/>
	\$1,000 or more (E-commerce zone or used exclusively for tangible production)		\$	<input type="checkbox"/>
Total Estimated Value of Investment			\$ 1,050,000	

Additional Description: In addition to what is explained elsewhere, briefly comment below (or in an attachment) on the scope of your investment, the particular operations and output that are planned, and the intended uses of the qualifying property.

see attached

DECLARATION

I declare under penalties of false swearing [ORS 305.990(4)] that I have examined this document and attachments, and to the best of my knowledge, they are true, correct, and complete. If any information changes, I will notify the zone manager and the county assessor and submit appropriate written amendments. I understand that my business firm will receive the tax exemption for property in the enterprise zone, only if my firm satisfies statutory requirements (ORS Chapter 285C) and complies with all local, Oregon, and federal laws that are applicable to my business.

MUST BE SIGNED BY AN OWNER, COMPANY EXECUTIVE, OR AUTHORIZED REPRESENTATIVE OF THE BUSINESS FIRM

Signature: Mark [Signature] Date: 9-1-2016
 Title (if not an owner or executive, attach letter attesting to appropriate contractual authority): Chief Financial Officer

Local enterprise zone manager and county assessor must approve this application (with Enterprise Zone Authorization Approval, form 150-303-082)

Pacific Fibre Products

Molalla Enterprise Zone application

9-1-2016

Description of project

Pacific Fibre will operate a whole log chipping facility in Molalla. The facility will be designed to acquire pulp wood from local tree farms, and process these pulp logs through a specialized whole log chipper. Bunkers will be added to make loading of trucks efficient. Pacific Fibre anticipates operating the facility initially on a single shift, but will continue to expand the capabilities of the manufacturing operation and the size of our Molalla workforce over the next few years. The products to be made in Molalla will be similar to those made at our Longview, Washington and North Plains, Oregon facilities.

Parcels of land

Street address—410 Section Street Molalla, OR 97038

Map number	Parcel	Approx. acreage
52E17 02400	01107947	16.23
52E17 02490	01107974	24.07
52E17AA 03400	01108349	n/a

Also see attached legal description of the land comprising these parcels.

Pacific Fibre Products

Molalla Enterprise Zone application

9-1-16

Building or structures to be newly constructed (in thousands):

Lunchroom building	40
Bunkers	150
Light poles	80
Fencing	40
Asphalt	500
Total	710

Heavy or affixed machinery (in thousands):

Conveyors	100
Starters, electrical equipment and switch gear	200
Miscellaneous equipment	40
Total	340

Total investment 1050

City of Molalla, Oregon

PROCLAMATION

Veterans Appreciation Month

WHEREAS, On November 11, 2016 known as Veterans Day we honor those men and women who in defense of our freedom have served in the military branches of the United States, and

WHEREAS, to those who have served our country in uniform and who serve today in the Army, Navy, Air Force, Marines and Coast Guard, who stand in harm's way without complaint but with exemplary courage and honor, our debt is beyond calculation; and

WHEREAS, to those men and women who, in the service of our nation and to secure our freedom paid the ultimate sacrifice, our gratitude is beyond measure; and

WHEREAS, it is therefore most fitting that we honor these heroes, living and dead, for their valor, loyalty, dedication and their sacrifices on our behalf;

NOW, THEREFORE, I, Debbie Rogge, Mayor of the City of Molalla, Oregon, do hereby join with my fellow Americans in observing November 11, 2016 and do solemnly proclaim the as Veterans Appreciation Month in Molalla. I urge my fellow citizens to recognize, honor and express our gratitude to our military veterans for their service and sacrifice.

IN WITNESS WHEREOF, I have here unto set my hand this 26th day of October, 2016.

Mayor Debbie Rogge