



## AGENDA

### MOLALLA CITY COUNCIL MEETING

July 25, 2018

7:00 PM

Molalla Adult Center

315 Kennel Ave., Molalla, OR 97038

*Mayor Jimmy Thompson*

*Council President Elizabeth Klein  
Councilor Leota Childress  
Councilor DeLise Palumbo*

*Councilor Glen Boreth  
Councilor Cindy Dragowsky  
Councilor Keith Swigart*

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#### **CALL TO ORDER**

Convene Meeting and Roll Call  
Pledge of Allegiance

#### **PUBLIC COMMENT/COMMUNICATIONS AND PRESENTATIONS**

1. Tobacco Retail Licensing

*(Citizens are allowed up to 3 minutes to present information relevant to the City but not listed as an item on the agenda. Prior to speaking, citizens shall complete a comment form and deliver it to the City Recorder. The City Council does not generically engage in dialog with those making comments but may refer the issue to the City Manager. Complaints shall first be addressed at the department level prior to addressing the City Council.)*

#### **ADOPTION OF AGENDA**

#### **CONSENT AGENDA**

2. City Council Minutes July 11, 2018
3. Resolution 2018-13 , Resolution 2018-14 & Resolution 2018-15

#### **PUBLIC HEARING**

4. Hearing Regarding Application P-29-2018 Regarding a Zone Change Ordinance 2018-11

#### **ORDINANCES, RESOLUTIONS, PROCLAMATIONS**

5. Ordinance 2018-11 Zone Change.

#### **NEW BUSINESS**

6. League of Oregon Cities Legislative Priorities
7. Discussion of future topics.

#### **OLD BUSINESS**

8. Ordinance 2018-07 Utility Billing Payments Section

#### **REPORTS AND ANNOUNCEMENTS**



## **AGENDA**

### **MOLALLA CITY COUNCIL MEETING**

**July 25, 2018**

**7:00 PM**

**Molalla Adult Center**

**315 Kennel Ave., Molalla, OR 97038**

### ***ADJOURN***

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Agenda posted at City Hall, Senior Center, Library and the City Website at <http://www.cityofmolalla.com/meetings>  
This meeting location is wheelchair accessible. Disabled individuals requiring other assistance must make their request known 48 hours preceding the meeting by contacting the City Recorder's Office at 503-829-6855

# City of Molalla

## City Council Meeting



### Agenda Category: Presentation

<b>Subject:</b>	Tobacco Retail Licensing
<b>Recommendation:</b>	Unknown
<b>Date of Meeting to be Presented:</b>	July 25, 2018
<b>Fiscal Impact:</b>	Unknown
<b>Submitted By:</b>	Scott France, Clackamas County Health
<b>Approved By:</b>	City Manager, Dan Huff

**Background:** City Manager Huff was asked if they could address Council regarding this subject matter.

# Protecting Youth Through Tobacco Retail Licensing

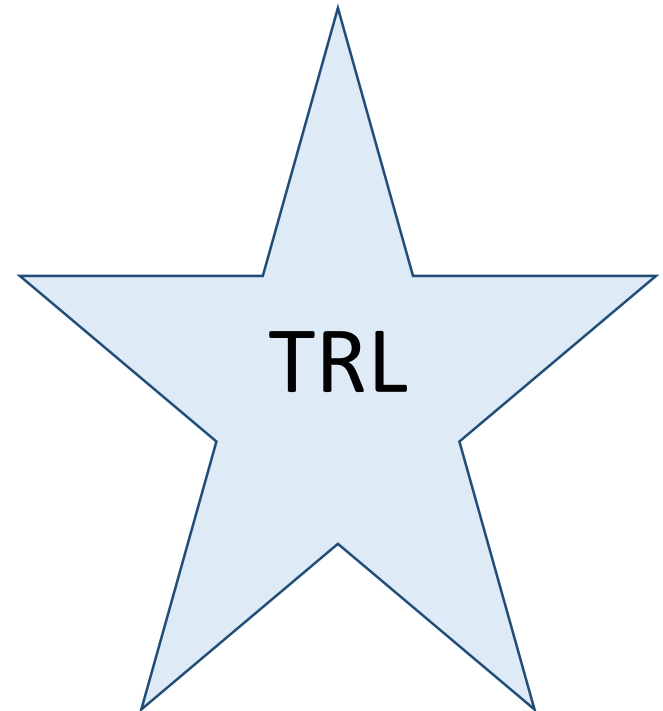
*Clackamas County Public Health Division*

*Dawn Emerick, Ed.D, Director*

# Objectives

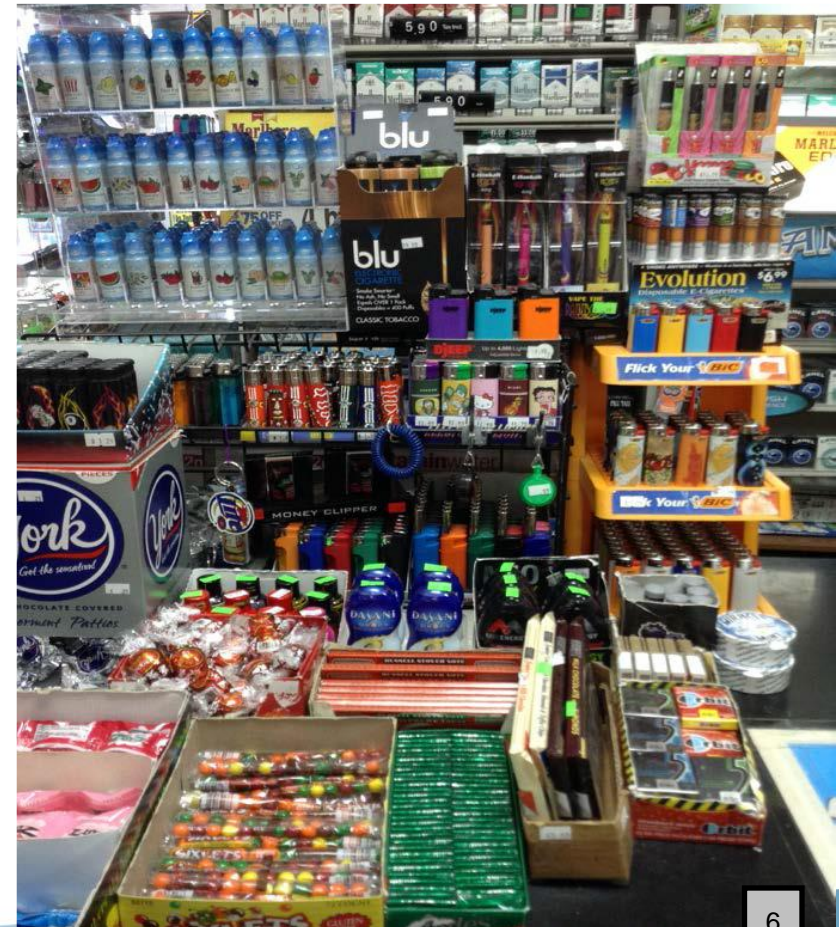
Explain Tobacco Retail  
Licensing and the benefits

Gain cities' support for a  
county-wide TRL



# What is Tobacco Retail Licensing (TRL)?

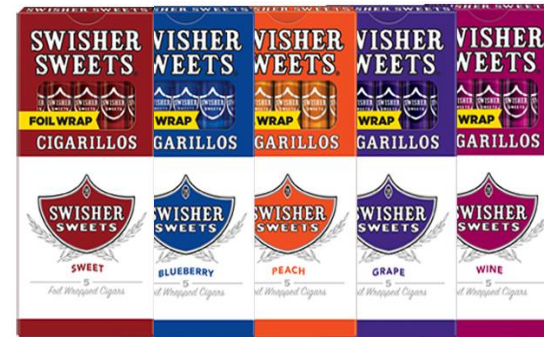
- Requires businesses to purchase a license to sell tobacco & nicotine products
- Retailer education & support
- Annual license fee
- Enforcement system



# Youth are vulnerable to nicotine

*Clackamas County 11<sup>th</sup> graders in last 30 days....*

- 25% used any tobacco product
- 41% have used any form of tobacco before age 18
- 1 in 3 youth said it would be “very easy” to get tobacco



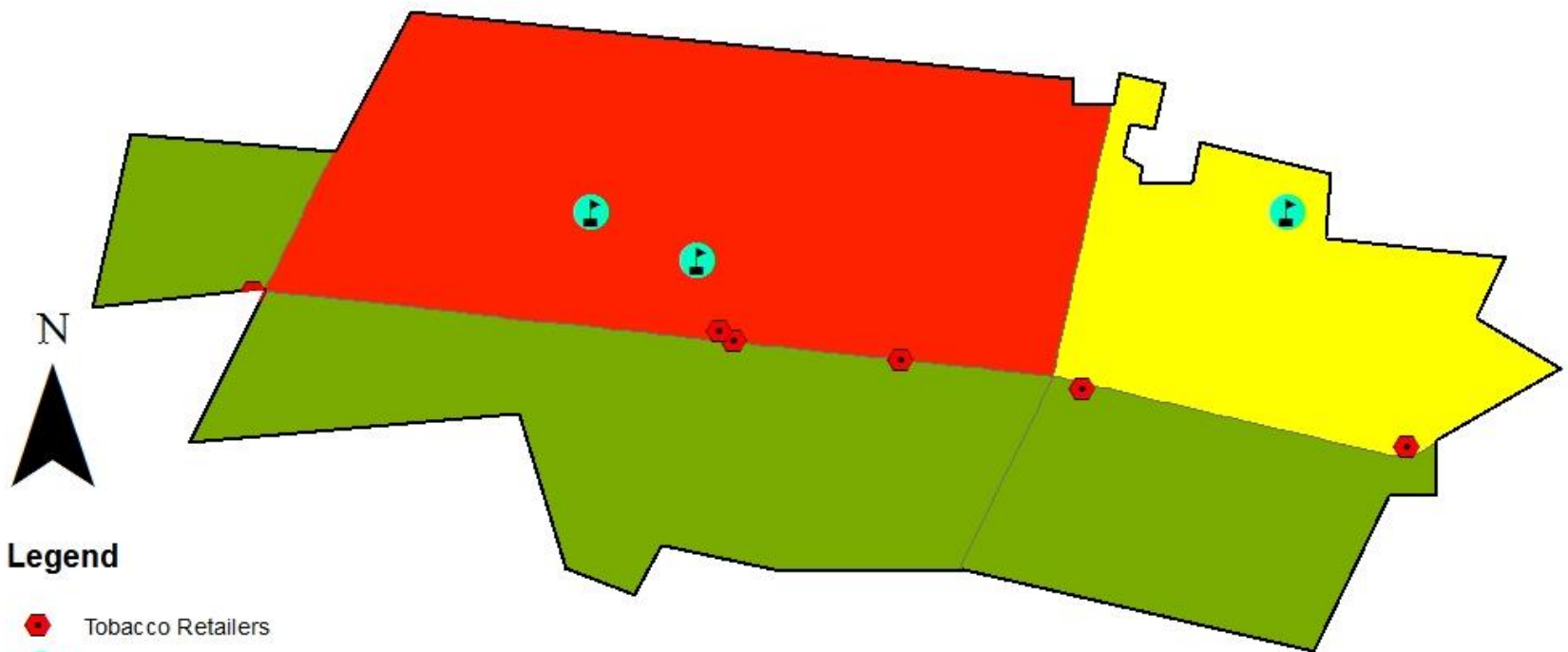
**Oregon Healthy Teen Survey 2017**

# “He Started Vaping As A Teen And Now Says Habit Is Impossible To Let Go”



National Public Radio, 06/07/2018






# Molalla: Youth Under 21 and Tobacco Retail Locations



## Legend

-  Tobacco Retailers
-  Schools
-  Molalla City Limits

## Population Under 21

-  0 - 250
-  251 - 500
-  501 - 750
-  751 - 1000
-  1001 - 2150

Approximately 3,700 youth under the age of 21 live in the Molalla area. In this same area, there are 6 tobacco retail locations.

Clackamas County Public Health Division, Data Source: ACS 5 year estimate 2012-2016, and Oregon Department of Education

0 0.375 0.75 1.5 Miles

Health, Housing  
& Human Services



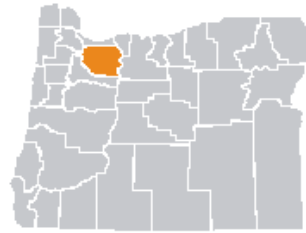
CLACKAMAS COUNTY Public Health

Tobacco's toll in one year



**50,400** Adults who regularly smoke cigarettes

**11,634** People with a serious illness caused by tobacco



Population

Youths 88,342  
 Adults 297,738  
 Total residents 386,080



**595**

Tobacco-related deaths



**\$118.7 Million**

spent on tobacco-related medical care

**\$95.1 Million**

In productivity losses due to premature tobacco-related deaths

Among tobacco retailers assessed in Clackamas County



More than **1 in 2** was located within 1,000 feet of a school or park



**2 in 3** advertised tobacco outside



Nearly **8 in 10** sold tobacco at discounted prices



**\$1.23** was the average price of a single, flavored little cigar



The Tobacco Industry spent **\$112 million** a year promoting tobacco products in Oregon stores in 2012.

Components of a comprehensive tobacco prevention program



Oregon's Tobacco Prevention and Education Program (TPEP) supports local public health authorities to serve all 36 counties and nine federally-recognized tribes. TPEP works to:

- Engage communities in reducing the tobacco industry influence in retail stores
- Increase the price of tobacco
- Promote smokefree environments
- Provide support and resources to Oregon smokers who want to quit
- Engage diverse populations of Oregonians

Top three causes of death

- 1) Major cardiovascular disease
- 2) Cancer (lung, breast, lymphoid)
- 3) Chronic lower respiratory diseases (emphysema)

Clackamas County Community Health Assessment

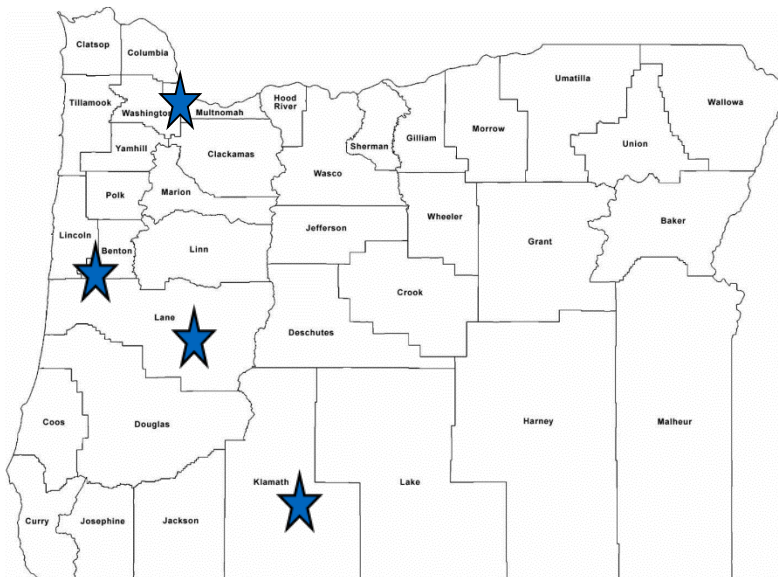
# Why TRL?

- Opportunity for relationships with retailers (similar to restaurant inspections)
- Enforce Tobacco 21 and other tobacco laws
- TRL effectively decreases illegal tobacco sales to minors

# TRL in Oregon

## Jurisdictions Passed TRL

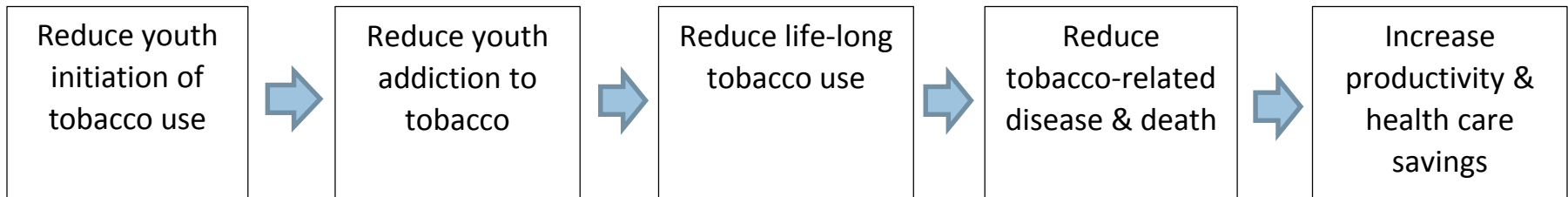
- Benton County
- Clackamas County
- Lane County
- Multnomah County



## Lessons Learned

- Most effective county-wide
- License fee to cover education & enforcement
- Public Health Authorities are best positioned to implement TRL

# Impact of TRL



No significant adverse economic impact

	Total	Reduction
<b>Employees (FTE)</b>	7,127	-4.12
<b>Labor income</b>	\$204,899,969	-\$129,185

**THANK YOU!**

## Implementing a Tobacco Retail License in Clackamas County

### **Tobacco Remains a Major Source of Harm**

Tobacco use remains the most preventable cause of illness and death in America and Clackamas County. In the United States, cigarette smoking is responsible for more than 480,000 deaths per year, including more than 41,000 deaths resulting from secondhand smoke exposure. This is more deaths than from fire arms, HIV, motor vehicle injuries, and illegal drug use combined<sup>i</sup>.

All Clackamas County residents deserve opportunities for good health. Clackamas County is committed to preventing youth from using tobacco and nicotine products, and supporting our communities that bear the highest health burden from tobacco-related illnesses and deaths. Recent examples of Clackamas County's efforts include our support of the statewide Tobacco 21 initiative and tobacco retailer licensing.

### **Inequities Persist Among Tobacco Users**

Tobacco disproportionately affects lower-income populations, communities of color, people living with mental illness, and the LGBTQI community. Tobacco retailer location is a factor in tobacco and other nicotine product use by adults, particularly for minority communities. Neighborhoods that have higher numbers or densities of tobacco retail outlets are more likely to be where more people of color and people experiencing economic hardship live. High densities of tobacco retailers have been linked to increased smoking rates among adults living in the surrounding neighborhoods<sup>ii</sup>.

### **Youth are More Vulnerable to Nicotine**

Preventing nicotine dependence before it starts can help us reduce the inequitable burden of tobacco use. More than three quarters of smokers begin smoking before their 20<sup>th</sup> birthday. Adolescents who start smoking before their 19<sup>th</sup> birthday have on average a 20% higher risk of dying from a smoking-related illness<sup>iii</sup>. Tobacco and other nicotine products remain too accessible for youth to use and purchase in Clackamas County. The percent of teens who smoke cigarettes has increased from 2013-2015. In that same time period, the fraction of 11<sup>th</sup> graders who have used electronic cigarettes has almost doubled. 8<sup>th</sup> grade use has more than tripled in two years. Overall smoking rates in Clackamas County are higher than the Oregon average for both age groups.

### **Clackamas Strategy to Reduce Tobacco Burden**

Beginning in January 2018, Oregon increased the state's tobacco and nicotine product possession age to 21 (Tobacco 21). Increasing the age to purchase these products, in combination with stronger local enforcement laws, are part of Clackamas County's comprehensive strategy to prevent youth from using nicotine products and end the burden of tobacco-related diseases and deaths. Because of this, the Clackamas County Board of County Commissioners, in their role as the County Board of Health, is considering a tobacco retail license where businesses located in the County must obtain a license to sell tobacco and other nicotine products, including electronic cigarettes. TRL is a mechanism to reduce youth access to tobacco and nicotine products by enforcing age restrictions on the purchase of tobacco

## Frequently Asked Questions about Tobacco Retail Licensing

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### **What is Tobacco Retail Licensing (TRL)?**

Tobacco retail licensing requires businesses located in the county to obtain an annual license to sell tobacco and other nicotine products, including electronic cigarettes. It is part of Clackamas County's comprehensive strategy to prevent youth from using nicotine products and end the burden of tobacco-related disease and death.

### **What does TRL propose to do?**

TRL is a tool that can be used to improve enforcement of existing federal, state, and local tobacco laws. TRL enables local jurisdictions to identify retailers, monitor their compliance with these laws, and enforce penalties if tobacco is sold to persons under the age of 21. TRL provides a platform for retailer education and consequences if tobacco is sold illegally. Penalties, such as fines or suspending retailers' ability to sell tobacco, deter retailers from selling tobacco to youth.

### **Why focus on tobacco regulation in the retail environment?**

Convenience stores are top sellers of cigarettes nationwide. In Clackamas County, more than half of tobacco retailers are located within 1,000 feet of a school or park, and two thirds of all known retailers advertise tobacco outside.<sup>i</sup> Youth who have more opportunities to obtain tobacco and see more tobacco advertising are more likely to use tobacco and nicotine products due to their susceptibility to marketing and imaging.

### **How does TRL prevent youth access to tobacco?**

TRL reduces illegal sales to minors through retailer education and enforcement of laws.

### **Why is a tobacco retail license separate from other business license requirements?**

Tobacco is a hazardous product that causes disease and death, there are no safe levels of tobacco use. Tobacco retail licensing is the mechanism to identify stores that sell tobacco so they can be informed when laws change and monitored for compliance. A license to sell tobacco and nicotine products is similar to licenses required to sell alcohol and marijuana.

### **What is the economic impact of TRL?**

Portland State University's Northwest Economic Research Center determined that a license fee of \$500 – \$600 will not have a significant effect on the Clackamas County economy. A \$500 - \$600 fee amounts to \$1.37 - \$1.64 per day to sell tobacco and nicotine products. The impact of TRL on store revenue would be minimal as retailers are able to raise tobacco prices to offset the cost of the license.

### **Why are electronic cigarettes and other vaping products included in this licensing?**

Many youth today are being introduced to nicotine through e-cigarettes rather than conventional cigarettes and tobacco products.<sup>ii</sup> A 2015 survey found that among e-cigarette users aged 19-24, 40% had never been regular cigarette smokers.<sup>iii</sup> Vaping is outpacing conventional cigarettes among youth.

### **How would tobacco retailers be monitored for compliance with the minimum legal sales age?**

Clackamas County Public Health Division (CCPHD) proposes two inspections per year, one unannounced minor decoy and one with public health staff to ensure compliance with local, state and federal laws. Inspections would include education and penalties for violations.

### **How effective is TRL in reducing youth access to tobacco?**

Communities across the country, including four counties and a number of cities within Oregon, are implementing TRL to prevent youth from illegally purchasing nicotine products. While it is too soon to see the results in Oregon, a recent assessment of 33 communities in California that implemented a tobacco retail license, showed dramatically decreased rates of illegal youth sales since passing TRL.<sup>iv</sup>

### **What does TRL mean for cities?**

TRL will reduce youth access to and initiation of tobacco and nicotine products protecting them from a lifetime of addiction and tobacco-related disease, ultimately improving quality of life, increased productivity, and health care savings. Allocating responsibility to the Board of Health to pass TRL shifts the administration and implementation to CCPHD resulting in consistent education and enforcement county-wide.

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<sup>i</sup> Oregon Health Authority, Tobacco Fact Sheet, 2014

<sup>ii</sup> E-Cigarette Fact Sheet, Oregon Health Authority, 2016.

[http://www.co.lincoln.or.us/sites/default/files/fileattachments/health\\_amp\\_human\\_services/page/585/e-cigfactsheet.pdf](http://www.co.lincoln.or.us/sites/default/files/fileattachments/health_amp_human_services/page/585/e-cigfactsheet.pdf)

<sup>iii</sup> MMWR via Centers for Disease Control and Prevention, [https://www.cdc.gov/tobacco/basic\\_information/e-cigarettes/index.htm](https://www.cdc.gov/tobacco/basic_information/e-cigarettes/index.htm)

<sup>iv</sup> See "Table of youth sales rates before and after the adoption of a strong tobacco retailer licensing ordinance". The American Lung Association in California, 2013. <http://center4tobaccopolicy.org/wp-content/uploads/2016/10/Tobacco-Retailer-Licensing-is-Effective-September-2013.pdf>

and nicotine products. TRL enables the Local Public Health Authority (LPHA) to monitor compliance with laws and enforce penalties if tobacco is sold to persons under the age of 21.

### **Effectiveness of Tobacco Retail Licensing**

Communities across the country, including four counties and a number of cities in Oregon, are using a tobacco retail license to prevent youth from illegally purchasing nicotine products. A number of these communities are demonstrating positive implementation results. For example, a recent assessment of 33 communities in California that implemented a tobacco retail license showed decreased rates of illegal youth sales<sup>iv</sup>.

A tobacco retail license is also useful as a surveillance and evaluation tool, and allows for greater local control of retailer education and enforcement activities. A tobacco retail license, in conjunction with Tobacco 21, would enable the County to educate businesses about tobacco laws, ensure accountability with tobacco laws, and evaluate where these business are located relative to schools and other youth-populated areas.

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<sup>i</sup> [Mokdad](#) AH, Marks JS, Stroup DF, Gerberding JL. Actual Causes of Death in the United States. *JAMA: Journal of the American Medical Association* 2004; 291(10):1238-45 [cited 2017 Apr 20].

<sup>ii</sup> Public Health Law Center. (2014). Location, location, location: Regulating tobacco retailer locations for public health. Accessed at <http://www.publichealthlawcenter.org/sites/default/files/resources/tclc-guide-regulating-retailer-locations-2014.pdf>

<sup>iii</sup> Choi, S.H., & Stommel, M. (2017). Impact of age at smoking initiation on smoking-related morbidity and all-cause mortality. *American Journal of Preventive Medicine*, 53, 33-41.

<sup>iv</sup> American Lung Association. (2013). Tobacco retailer licensing is effective. Accessed at <http://center4tobaccopolicy.org/wp-content/uploads/2016/10/Tobacco-Retailer-Licensing-is-Effective-September-2013.pdf>



**Minutes of the Molalla City Council Meeting  
Molalla Adult Center  
315 Kennel Ave., Molalla, OR 97038  
Wednesday, July 11, 2018**

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**CALL TO ORDER OF THE MOLALLA CITY COUNCIL MEETING; the regular meeting of July 11, 2018 was called to order by Mayor Jimmy Thompson at 7:01 P.M.**

**COUNCIL ATTENDANCE:**

Mayor Jimmy Thompson – Present  
Councilor Elizabeth Klein – Present  
Councilor Leota Childress – Present  
Councilor DeLise Palumbo – Present  
Councilor Glen Boreth – Present  
Councilor Open Position – N/A  
Councilor Keith Swigart – Absent

**STAFF IN ATTENDANCE**

Dan Huff, City Manager – Absent  
Gerald Fisher, Public Works Director – Present  
Chaunee Seifried, Finance Director – Present  
Rod Lucich, Police Chief – Absent  
Kelly Richardson, City Recorder – Present  
Diana Hadley, Library Director – Present  
Chad Jacobs, City Attorney – Absent

**PUBLIC COMMENT/COMMUNICATIONS AND PRESENTATIONS**

1. Library Board Application: Both applicants Fincher and Bloebaum briefly discussed their interests of serving on the board.  
Motion made by Councilor Boreth, to approve Mayor Thompson to appoint Fincher and Bloebaum to the Library Board. Second by Councilor Childress.  
Voting Yea: Mayor Thompson, Councilor Klein, Councilor Boreth, Councilor Childress, Councilor Palumbo
2. National Night Out Invitation  
Mayor Presented the information on the flyer regarding *National Night Out*. There was nothing discussed.

*(Citizens are allowed up to 3 minutes to present information relevant to the City but not listed as an item on the agenda. Prior to speaking, citizens shall complete a comment form and deliver it to the City Recorder. The City Council does not generically engage in dialog with those making comments but may refer the issue to the City Manager. Complaints shall first be addressed at the department level prior to addressing the City Council.)*

**ADOPTION OF AGENDA**

Motion made by Councilor Boreth, to adopt the agenda as presented. Second by Councilor Klein.  
Voting Yea: Mayor Thompson, Councilor Klein, Councilor Boreth, Councilor Childress, Councilor Palumbo

**CONSENT AGENDA**

Motion made by Councilor Childress, to approve the consent agenda items as presented. Second by Councilor Boreth.  
Voting Yea: Mayor Thompson, Councilor Klein, Councilor Boreth, Councilor Childress, Councilor Palumbo



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3. City Council Minutes June 27, 2018
4. Resolution 2018-12 Declaring Dragowsky Seat Vacant and then Creating an Open Seat
5. Award Professional Engineering Services

***ORDINANCES, RESOLUTIONS, PROCLAMATIONS***

6. Ordinance 2018-10 Amending Molalla Municipal Code Chapter 2.08 Library Board

Library Director Hadley presented the information to Council.

Motion made by Councilor Childress, to approve by title only the 1st reading of Ordinance 2018-10. Second by Councilor Boreth.

Voting Yea: Mayor Thompson, Councilor Klein, Councilor Boreth, Councilor Childress, Councilor Palumbo

Motion made by Councilor Klein, to approve 2nd reading by title only. Second by Councilor Palumbo.

Voting Yea: Mayor Thompson, Councilor Klein, Councilor Boreth, Councilor Childress, Councilor Palumbo.

Motion made by Councilor Boreth to adopt Ordinance 2018-10. Second by Councilor Klein.

Voting Yea: Mayor Thompson, Councilor Klein, Councilor Boreth, Councilor Childress, Councilor Palumbo

7. Resolution 2018-11 Regarding Alarm Fees.

Motion made by Councilor Childress, to approve Resolution 2018-11 updating alarm fees. Second by Councilor Boreth.

Voting Yea: Mayor Thompson, Councilor Klein, Councilor Boreth, Councilor Childress, Councilor Palumbo

***NEW BUSINESS***

8. Discuss Future Topic Items

Mayor Thompson explained the concept behind this item. Councilor Boreth commented that this process is already a part of the Council rules regarding placing an item on the agenda.

Councilor Klein pointed out the LOC projects would be an example of a future topic.

***OLD BUSINESS***

9. Utility Billing Memo and Proposed Ordinance Language

Council discussed the memo submitted by staff.

Councilor Childress agreed with the staff report and does not support a payment plan option nor a once a year late fee waiver. The City is not set up to do payment plans nor tracking of late fees. This would be a hardship on staff and increased costs to implement.

Councilor Boreth agreed with Councilor Childress. Boreth explained he felt customers need to comply with deadlines. Councilor Klein was not opposed to payment plan necessarily, however, felt the City was not able to offer payment plans until they can be implemented properly.



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Councilor Palumbo explained she first and foremost appreciated the staff's time and effort spent on this matter. Palumbo disagreed with staff's assessment of the payment plan option or lack thereof.

Mayor Thompson took a consensus of the Council and all but Councilor Palumbo was in favor of not allowing payment plans as the City is not set up to administer them properly.

Following a long discussion staff is asked to bring back language regarding the proposed one-time emergency late fee waiver idea from FD Seifried's memo.

Councilor Boreth was opposed to all and agreed with staff's memo.

#### **REPORTS AND ANNOUNCEMENTS**

##### **Staff:**

**PWD Fisher:** Followed up on a request for information from Councilor Childress. Fisher informed Childress that Ona Way was considered a low volume road and therefore striping would not be considered by Clackamas County. Fisher then provided an update to the following scheduled item.

Transportation Master Plan Joint Work session will be July 18 and referred to the draft TSP in the packets. However, the safe routes to school will be in the final document.

- August 15: Waste Water Master Plan will be presented at the meeting.
- September 5<sup>th</sup>: normal Planning meeting; hearing for TSP.
- September 12: hearing on the Waste Water Master Plan is tentative at this point.  
September 26: hearing at Council on the TSP.
- The July 10<sup>th</sup> Recycle Use Plan hearing with DEQ it was well attended. Most of the attendees were from outside the city limits and special interest groups.

Mayor Thompson asked the status of the request of ODOT to put in a crosswalk On Highway 211 near Hezzie Lane.

**CR Richardson:** Had nothing to report.

**FD Seifried:** Had nothing to report.

**Library Director Hadley** informed Council of the very successful reptile man event that took place at the library. Hadley informed Council of the many scheduled events for the summer reading programs.

##### **Councilors:**

**Councilor Boreth:** Informed Council he would be interested in filling the library liaison position. Boreth was also very pleased with the success of the recent Buckeroo events.

**Councilor Childress:** informed Council of her recent visit to the Library and was pleasantly surprised of the many creative events and the staff's involvement. Childress also pointed out the success of the run that took place over the 4th of July. It set a record of over 600 runners to participate in the run.

Childress informed Council that the Molalla Celebration committee met and went over the forms that will be used for the various vendors.



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**Councilor Klein:** Reiterated the praises for the success of all the 4th July events. Klein commented “hats off to the running club, Buckeroo and the attendees. It all went well.” Klein spoke to a Costco employee who was amazed at the many events.

Klein informed Council that next week on the July 17 the Art Walk members would be meeting with and presenting the designs concepts to the Grande Ronde Tribal Council.

**Mayor Thompson:** stated he had an opportunity to partner with Scott Salathe in the donkey race event.

*EXECUTIVE SESSION*

**ADJOURN**

Motion made by Councilor Boreth, to adjourn the July 11, 2018 meeting at 8:12 pm. Second by Councilor Klein.

Voting Yea: Mayor Thompson, Councilor Klein, Councilor Boreth, Councilor Childress, Councilor Palumbo

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Mayor, Jimmy Thompson

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Date

ATTEST: \_\_\_\_\_

Kelly Richardson, CMC

City Recorder

# City of Molalla

## City Council Meeting



### Agenda Category: Consent Agenda

<b>Subject:</b>	Resolution 2018-13 , Resolution 2018-14 & Resolution 2018-15
<b>Recommendation:</b>	House keeping item to close funds that are no longer in use.
<b>Date of Meeting to be Presented:</b>	July 25, 2018
<b>Fiscal Impact:</b>	None
<b>Submitted By:</b>	Finance Director, Chaunee Seifried
<b>Approved By:</b>	City Manager, Dan Huff

**Background:** ORS 294.353 provides the legal basis for the City Council to declare by resolution the elimination of unnecessary funds and requires the disposition of residual balances to the General Fund and/or Proprietary Fund as appropriate.

**RESOLUTION 2018-13**

**A RESOLUTION TO CLOSE THE DEBT SERVICE FUND TITLED  
WATER GENERAL OBLIGATION BOND AND TO TRANSFER RESIDUAL  
REVENUE TO GENERAL FUND PROPERTY TAX RECEIVABLE.**

**WHEREAS;** the City of Molalla is committed to the highest standards for financial reporting of public resources; and

**WHEREAS;** the Water General Obligation Bond fund was created for the sole purpose of accounting this debt repayment; and

**WHEREAS;** the City of Molalla has fulfilled all debtor responsibilities of the 2010 General Obligation Water Bond; and

**WHEREAS;** the current account balance was collected as property taxes and all remaining funds will be transferred to the General Fund Prior Property Tax Receivable; and

**WHEREAS;** after the transfer the account balance will be zero as of July 31, 2018;

**NOW, THEREFORE, THE CITY OF MOLALLA RESOLVES:** as follows:

1. Authorizes the Finance Director, or designee, to perform the following transfer:  
\$64,964.00 410-411-520-6400 GO Water Bond Transfer to Close Fund  
(\$64,964.00) 101-102-310-1200 Prior Property Taxes
2. Authorized the Finance Director, or designee, to close the Water General Obligation Fund and carry the accounting in the inactive fund portion of the budget for three years in accordance with Oregon Budget Law.
3. This resolution shall take effect July 31, 2018.

Adopted by the City Council on \_\_\_\_\_ day of \_\_\_\_\_, 2018 by a vote of \_\_\_\_\_ ayes and \_\_\_\_\_ nays.

\_\_\_\_\_  
Jimmy Thompson, Mayor

ATTEST:

\_\_\_\_\_  
Kelly Richardson, City Recorder, CMC

**RESOLUTION 2018-14**

**A RESOLUTION TO CLOSE THE WATER/SEWER DEPOSIT FUND AND CARRY OBLIGATION ON THE BALANCE SHEET AS A LIABILITY PAYABLE.**

**WHEREAS;** the City of Molalla is committed to the highest standards for financial reporting of public resources; and

**WHEREAS;** the Water General Obligation Bond fund was created for the sole purpose of accounting this debt repayment; and

**WHEREAS;** the City of Molalla has fulfilled all debtor responsibilities of the 2010 General Obligation Water Bond; and

**WHEREAS;** the current account balance was collected as property taxes and all remaining funds will be transferred to the General Fund Prior Property Tax Receivable; and

**WHEREAS;** after the transfer the account balance will be zero as of July 31, 2018;

**NOW, THEREFORE, THE CITY OF MOLALLA RESOLVES:** as follows:

1. Authorized the Finance Director, or designee, to close the Water/Sewer Deposit Fund and hold all deposits on the balance sheet and carry the accounting in the inactive fund portion of the budget for three years in accordance with Oregon Budget Law.
2. This resolution shall take effect July 31, 2018.

Adopted by the City Council on \_\_\_\_ day of \_\_\_\_\_, 2018 by a vote of \_\_\_\_ ayes and \_\_\_\_ nays.

\_\_\_\_\_  
Jimmy Thompson, Mayor

ATTEST:

\_\_\_\_\_  
Kelly Richardson, City Recorder, CMC

**RESOLUTION 2018-15**

**A RESOLUTION TO CLOSE THE WATER/SEWER DEPOSIT FUND AND CARRY OBLIGATION ON THE BALANCE SHEET AS A LIABILITY PAYABLE.**

**WHEREAS;** the City of Molalla is committed to the highest standards for financial reporting of public resources; and

**WHEREAS;** the Water/Sewer Deposit Fund was created for the sole purpose of creating holding fund for the deposits; and

**WHEREAS;** the City of Molalla may account for the deposits on the balance sheet and the need for an additional fund is removed; and

**WHEREAS;** the current account balance and all remaining funds will be transferred to the balance sheet and the fund closed; and

**WHEREAS;** after the transfer the account balance will be zero as of July 31, 2018;

**NOW, THEREFORE, THE CITY OF MOLALLA RESOLVES:** as follows:

1. Authorized the Finance Director, or designee, to close the Water/Sewer Deposit Fund and hold all deposits on the balance sheet and carry the accounting in the inactive fund portion of the budget for three years in accordance with Oregon Budget Law.
2. This resolution shall take effect July 31, 2018.

Adopted by the City Council on \_\_\_\_ day of \_\_\_\_\_, 2018 by a vote of \_\_\_\_ ayes and \_\_\_\_ nays.

\_\_\_\_\_  
Jimmy Thompson, Mayor

ATTEST:

\_\_\_\_\_  
Kelly Richardson, City Recorder, CMC



Planning & Community Dev.  
117 N Molalla Avenue  
PO Box 248  
Molalla, Oregon 97038  
Phone: (503) 759-0219  
communityplanner@cityofmolalla.com

## **Staff Report**

**To:** Molalla City Council

**From:** Community Planner - Aldo Rodriguez

**Via:** City Manager

**Subject:** Comprehensive Plan Amendment & Zone Change

**Applicant:** Hix Snedeker Development, LLC

**Date of Hearing:** July 25, 2018

### **Background**

Planning & Land Use Application P29-2018 proposes a re-zone and comprehensive map amendment located at 31176 S Hwy 213 in the City of Molalla. This application is submitted concurrently with a proposed development. The subject parcel is 8.75 +/- acres in size, and adequate infrastructure exists nearby to facilitate the proposed development. The parcel currently contains two buildings, and four accessory structures. The property currently zone light Industrial zone and the property abuts General Commercial retail stores to the South and the Northern parcel abuts an Industrial zone. The access to the parcel will be located off Hwy. 213. The proposed zone change/comprehensive plan amendment will affect only parcel 1.

### **Planning Commission Recommendation:**

The Planning Commission held a public hearing regarding this request on August 2, 2017. The Planning Commission voted to forward a recommendation of approval to the City Council, specifically stating the following recommendation:

1. Approve planning permit P29-2018 to amend the comprehensive plan map and re-zone the proposed parcel 1 from M-1 Light Industrial to C-2 General Commercial.
2. The applicant shall abide by the Oregon Department of Transportation recommendations/standards.
3. The applicant shall abide by the conditions prescribe by the Public Works Department (Exhibit B)
4. The applicant shall be required to acquire any State or Federal permits applicable to this development.

**Updates Post Planning Commission:**

- Proposed two parcel partition on subject property was approved on July 16, 2018

**Decision Making Criteria 19.04.050 F.**

The City Council decision shall be based on the following factors:

A. If the proposal involves an amendment to the Comprehensive Plan, the amendment must be consistent with the Statewide Planning Goals and relevant Oregon Administrative Rules;

- *Compliance shown in attached Findings*

B. The proposal must be consistent with the Comprehensive Plan (the Comprehensive Plan may be amended concurrently with proposed changes in zoning);

- *Compliance shown in attached Findings*

C. The City Council must find the proposal to be in the public interest with regard to community conditions; the proposal either responds to changes in the community, or it corrects a mistake or inconsistency in the subject plan or code; and

- *Compliance shown in attached Findings*

D. The amendment must conform to Section 17-4.6.050 Transportation Planning Rule Compliance. (Ord. 2017-08 §1)

- *Compliance shown in attached Findings*

**Type of Action Requested:**

<input type="checkbox"/>	<input type="checkbox"/>	<b>Resolution</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<b>Ordinance</b>
<input type="checkbox"/>	<input type="checkbox"/>	<b>Formal Action</b>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Report Only</b>

**City Council Options:**

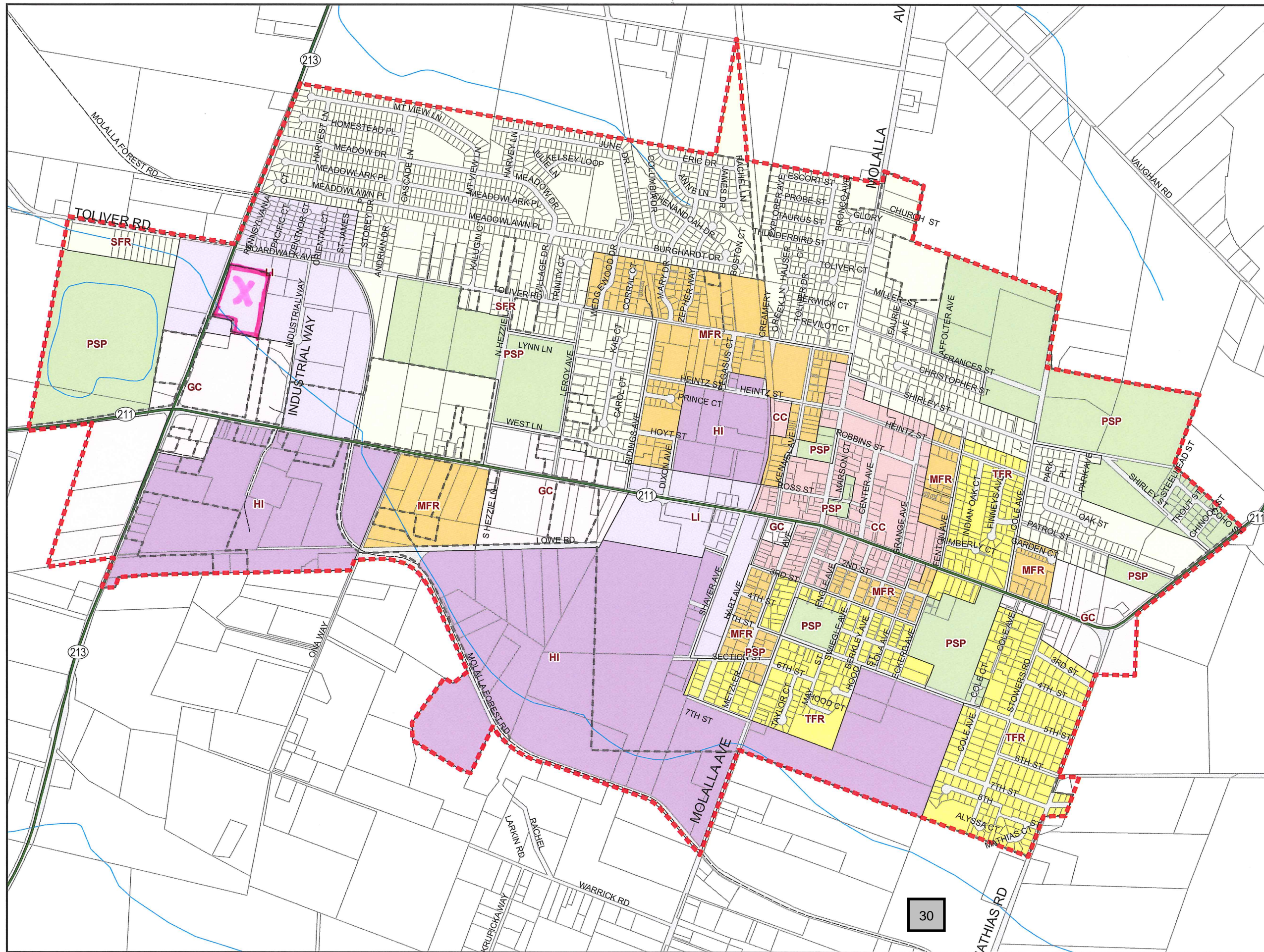
1. Approve the amendment application, adopt the findings in P29-2018 Staff report dated July 25, 2018, and approve the proposed ordinance.
2. Amend or modify the proposal ordinance language.
3. Adopt findings demonstrating that the application does not comply with the Molalla Municipal Code and deny the application.

**Recommendation:** The Molalla Planning Commission has recommended that Council approve the amendment application and the ordinance for the Snedecker Development (P29-2018). Staff concurs with the recommendation. (Option 1 above).

**Attachments**

- Exhibit 1: Planning Commission Minutes – June 6, 2018
- Exhibit 2: Staff Findings
- Exhibit 3: Partition Plat

# City of Molalla Comprehensive Plan

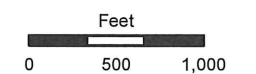


Legend

### Comp. Plan Designations

- Single-Family Residential
- Two-Family Residential
- Multi-Family Residential
- Public or Semi-Public
- General Commercial
- Central Commercial
- Light Industrial
- Heavy Industrial
- Urban Growth Boundary
- City Boundary

1:12,800



GEOGRAPHIC INFORMATION SYSTEMS

DEPARTMENT OF INFORMATION SERVICES/GEOGRAPHIC INFORMATION SYSTEMS  
121 LIBRARY COURT  
OREGON CITY, OREGON 97045


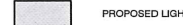








The information on this map was derived from digital databases from Clackamas County's GIS. Care was taken in the creation of this map but is provided "as is". Clackamas County cannot accept any responsibility for any errors, omissions, or positional accuracy, and therefore, there are no warranties which accompany this product. Although information from Land Surveys may have been used in the creation of this product, in no way does this product represent or constitute a Land Survey. Users are cautioned to field verify information on this product before making any decisions.

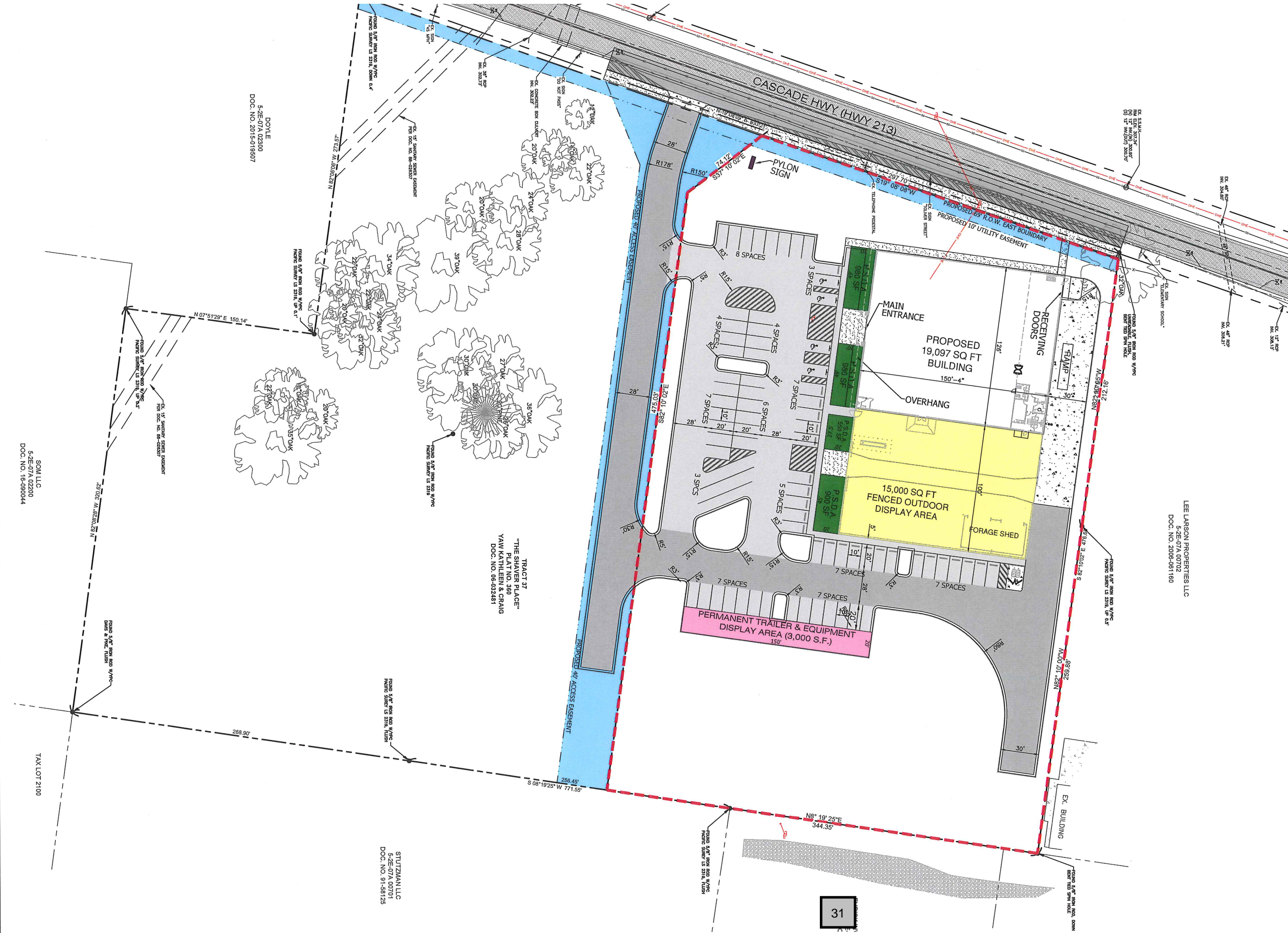
**SITE DATA**

STATE OF OREGON  
COUNTY OF CLATSOP  
CITY OF MOLLA

EXIST. TAX PARCEL ID:	
ZONING (PROPOSED):	
<b>YARD SETBACK</b>	
FRONT:	
SIDE:	
REAR:	
PARKING REQUIRED:	190
PARKING PROVIDED:	75

**LEGEND**

-  DEMISED PROPERTY
-  PROPOSED LIGHT
-  PROPOSED HEAVY
-  PROPOSED LIGHT (BROOM FINISH)
-  PROPOSED HEAVY (BROOM FINISH)
-  FENCED OUTDOOR
-  PERMANENT SIDE
-  PERMANENT TRAILER DISPLAY AREA
-  EASEMENT/SHAR
-  PYLON SIGN



LEE LARSON PROPERTIES LLC  
5-2E-07A 00702  
DOC. NO. 2008-061160

TRACT 37  
"THE SHAWEN PALACE"  
LAWRENCE, 180  
YAW KATHLEEN CRAIG  
DOC. NO. 06-032481

DOYLE  
5-2E-07A 02300  
DOC. NO. 2015-019507

SOM LLC  
5-2E-07A 02200  
DOC. NO. 16-090044

STUTZMAN LLC  
5-2E-07A 00701  
DOC. NO. 91-58125

APPROX. 3.95  
PROPOSED COMMERCIAL  
STATE HWY  
MOLALLA,



## **ORDINANCE NUMBER 2018-11**

### **AN ORDINANCE OF THE CITY OF MOLALLA, OREGON AMENDING THE ZONE MAP AND COMPREHENSIVE PLAN MAP REGARDING THE PROPOSED ZONE CHANGE.**

**WHEREAS**, on March 9, 2018, the City received an application for a Zone Change and Comprehensive Plan Amendment of certain property within the City's boundaries from M1 (Light Industrial) to C2 (General Commercial), Application P29-2018 (the "Application"); and

**WHEREAS**, on March 29, 2019, City staff deemed the Application complete and;

**WHEREAS**, on May 16, 2018 Notice of a Hearing scheduled for June 6, 2018 was provided as required by applicable provisions of the Molalla Municipal Code and State law; and

**WHEREAS**, on June 6, 2018, the Planning Commission held a hearing on the Application and voted to recommend approval of the Application, with the inclusion of certain approval conditions, to City Council; and

**WHEREAS**, on July 25, 2018 the City Council held a hearing on the Application and voted to approve the Application subject to certain conditions of approval.

**Now, Therefore, the City of Molalla does ordain as follows:**

**Section 1.** The Council hereby approved the Zone Change and Comprehensive Plan Amendment for the property described as Township 5 South, Range 2 East, Section 07A, Tax Lot 00700 (the "Property"), as more particularly described in Exhibit "A" and depicted in Exhibit "B", both of which are attached hereto.

**Section 2.** The zoning designation of the Property in the Comprehensive Plan and Current Zoning Map is changed from M1 (Light Industrial) to C2 (General Commercial).

**Section 3.** As support for its decision, the City Council adopts the findings in Exhibit "C" attached hereto.

**Section 4. Effective date.** This ordinance is effective 30 days after passage by Council and approved by the Mayor this date \_\_\_\_\_.

Read the first time on \_\_\_\_\_ and moved to second reading by \_\_\_\_\_ vote of the City Council.

Read the second time and adopted by the City Council on \_\_\_\_\_.

Signed by the Mayor on \_\_\_\_\_.

\_\_\_\_\_  
Jimmy Thompson, Mayor

ATTEST:

APPROVED AS TO FORM:  
Beery Elsner & Hammond, LLP

\_\_\_\_\_  
Kelly Richardson, CMC, City Recorder

\_\_\_\_\_  
City Attorney

# City of Molalla

## City Council Meeting



### Agenda Category: New Business

<b>Subject:</b>	League of Oregon Cities Legislative Priorities
<b>Recommendation:</b>	To review and discuss priorities.
<b>Date of Meeting to be Presented:</b>	July 25, 2018
<b>Fiscal Impact:</b>	None
<b>Submitted By:</b>	City Manager Huff
<b>Approved By:</b>	CM Huff

<b>Background:</b>
See attached.



1201 Court Street NE, Suite 200 • Salem, Oregon 97301  
(503) 588-6550 • (800) 452-0338 • Fax: (503) 399-4863  
[www.orcities.org](http://www.orcities.org)

June 6, 2018

Dear Chief Administrative Official:

For the past three months, eight policy committees have been working to identify and propose specific actions as part of the League's effort to develop a pro-active legislative agenda for the 2019 session. They have identified legislative objectives as set forth in the enclosed ballot and legislative recommendation materials. These objectives span a variety of issues and differ in the potential resources required to seek their achievement. Therefore, it is desirable to prioritize them in order to ensure that efforts are focused where they are most needed.

While the attached ballot reflects the top policies developed in each of the policy committees, each undertook a broad look at a range of issues impacting cities. Many issues reflect the League's ongoing mission to support cities' work and their home rule authority to develop and use a variety of tools to meet the needs of residents but were not included in the ballot. Additional issues, such as addressing the housing shortage and the opioid crisis, are multifaceted and did not fit concisely into policy priorities. However, they remain as work the League intends to accomplish as it works with large groups of stakeholders in search of solutions.

Each city is being asked to review the recommendations of the policy committees and provide input to the LOC Board of Directors as it prepares to adopt the League's 2019 legislative agenda. After your city council has had the opportunity to review the proposals and discuss them with your staff, please return the enclosed ballot indicating the top four issues that your city council would like to see the League focus on during the 2019 session. **The deadline for response is August 3, 2018.** The board of directors will then review the results of this survey of member cities, along with the recommendations of the policy committees, and determine the League's 2019 legislative agenda.

Your city's participation and input will assist the board in creating a focused set of specific legislative targets that reflect the issues of greatest importance to cities. Thank you for your involvement, and thanks to those among you who gave many hours of time and expertise in developing these proposals.

Do not hesitate to contact me or Craig Honeyman, Legislative Director, with questions.

Sincerely,

Mike Cully  
Executive Director

Craig Honeyman  
Legislative Director

P.S. If you are reviewing the hard copy of this ballot and would like to view the linked material please visit the following web address and click on the links there:

<http://www.orcities.org/Portals/17/Legislative/2019PolicyBallotInformation.pdf>

## INSTRUCTIONS

1. Each city should submit one form that reflects the consensus opinion of its city council on the **top four** legislative priorities for 2018.
2. Simply place an **X or a check mark** in the space to the left of the city's top four legislative proposals (last pages of the packet).
3. The top four do not need to be prioritized.
4. Return by **August 3rd** via mail, fax or e-mail to:

Jenna Jones  
League of Oregon Cities  
1201 Court St. NE, Suite 200  
Salem, OR 97301  
Fax – (503) 399-4863  
[jjones@orcities.org](mailto:jjones@orcities.org)

**Thank you for your participation.**

Please check or mark 4 boxes with an X that reflects the top 4 issues that your city recommends be added to the priorities for the League's 2019 legislative agenda.

City of: \_\_\_\_\_

**Legislation**

<b>A. 9-1-1 Tax</b>	
<b>B. Annexation Flexibility</b>	
<b>C. Auto Theft</b>	
<b>D. Beer and Cider Tax Increase</b>	
<b>E. Broadband Infrastructure</b>	
<b>F. Carbon Cap-and-Invest Program Adoption</b>	
<b>G. City Comparability for Compensation</b>	
<b>H. Green Energy Technology Requirement Changes</b>	
<b>I. Infrastructure Financing and Resilience</b>	
<b>J. Least Cost Public Contracting</b>	
<b>K. Local Control Over Speed Limits on City Streets</b>	
<b>L. Lodging Tax Definition Broadening</b>	
<b>M. Mental Health Investment</b>	
<b>N. Permanent Supportive Housing Investment</b>	
<b>O. PERS Reform</b>	
<b>P. PERS Unfunded Liability Revenue Stream Dedication</b>	
<b>Q. Place-Based, Water Resource Planning (Program Support)</b>	
<b>R. Property Tax Reform</b>	
<b>S. Qualification Based Selection (QBS)</b>	
<b>T. Right-of-Way and Franchise Fee Authority</b>	
<b>U. Safe Routes to School Match</b>	
<b>V. Small Area Cell Deployment</b>	
<b>W. Speed Cameras</b>	
<b>X. Speed Limit Methodology</b>	
<b>Y. Third Party Building Inspection</b>	
<b>Z. Tobacco Taxes Share Increase</b>	
<b>AA. Waste Water Technical Assistance Program</b>	
<b>BB. Wetland Development Permitting</b>	
<b>CC. Wood Smoke Reduction Program Support</b>	

In addition to your ranking of the priorities shown above, please use this space to provide us with any comments (supportive or critical) you may have on these issues, or thoughts on issues or potential legislative initiatives that have been overlooked during the committee process.):

## A. 9-1-1 Tax

### **Legislation:**

Support legislation enhancing the effectiveness of the state’s emergency communications system by increasing the 9-1-1 tax and/or seeking other sources of revenue and prohibiting legislative “sweeps” from emergency communications accounts managed by the Oregon Office of Emergency Management.

### **Background:**

The League worked with other stakeholder groups in 2013 to extend the sunset date on the statewide 9-1-1 emergency communications tax to January 1, 2022 ([HB 3317](#)). In 2014, the League also worked to pass legislation including prepaid cellular devices and services under the 9-1-1 tax ([HB 4055](#)). As concerns mount with regard to disaster preparedness and recovery and as upgrades to communications technology become available, it is apparent that state and local governments do not have the resources necessary to address challenges or take advantage of opportunities (see an analysis in the League’s 2018 State Shared Revenue Report, [here](#), and the Oregon Office of Emergency Management’s “Emergency Communications Tax” webpage, [here](#)). Additional funding is needed and the practice of periodically sweeping funds out of the state’s emergency management account for other uses must cease. It is worthy of note that the practice of “sweeps” disqualifies the state from receiving federal funds for emergency communications. It is unknown how many federal dollars have been foregone as a result of this policy.

*Presented by the Telecom, Broadband & Cable Committee and endorsed by the Finance & Taxation Committee*

## B. Annexation Flexibility

### **Legislation:**

The League will work to increase the flexibility for cities to annex residential areas and to encourage voluntary annexations, with a primary focus on improving the island annexation process.

### **Background:**

There is a significant disconnect between the state’s land use process and the [process of annexation](#), which has created issues for a variety of cities. The annexation process requirements are particularly difficult for areas known as “islands”. Even though cities can involuntarily annex islands, most cities have adopted a policy to only engage in voluntary annexation. This has left significant islands un-annexed. In addition, waiting for surrounding properties to voluntarily annex often means the process and order of annexation does not necessarily match the plans for infrastructure development. Unannexed lands remain on the buildable land supply but much of it will contain some level of development that was approved by the county, but is often underdeveloped when compared to the comprehensive plan.

However, there have been bills that have been introduced over the last few sessions that aim to make non-voluntary annexation more difficult (see e.g., [HB 2039](#) and [HB 2040](#)). As these bills have gotten hearings, the League has taken the opportunity to discuss how annexation and land use are very disconnected. This is particularly of interest as interest in housing development remains at the top of the list of legislative priorities. If local governments have greater control over the annexation process and can better incentivize voluntary annexation, they can better meet the development expectations of the land use system and their comprehensive plans. It also assists in the orderly development of infrastructure.

Tools that were recommended to consider included partial island annexation in residential areas, relaxation of the limit of 10 years to bring a property fully onto the city’s property tax level, changing the boundary requirements for islands, and looking at how the withdrawal of special district territory can be better regulated.

*Presented by the Community Development Committee*

## C. Auto Theft

### **Legislation:**

Address the deficiencies in the Unauthorized Use of a Motor Vehicle statute that were created after an adverse court ruling.

### **Background:**

A 2014 Oregon Court of Appeals ruling requires that prosecutors prove beyond a reasonable doubt that a person driving a stolen car knew they were in violation of the law prohibiting the unauthorized use of a motor vehicle. Because of this ruling, unless confesses to the crime, obtaining a conviction for stealing a car is near impossible. The National Insurance Crime Bureau's 2017 "Hot Spots" report stated that Oregon experienced a 19 percent increase in auto theft over 2016. News stories on this issue may be found [here](#), [here](#) and [here](#).

Because of the ruling, auto theft has increased exponentially across rural and urban Oregon. A legislative fix was proposed in 2018 and was generally agreed to but was never voted on by either chambers due to the fiscal impact it would have on the state. A copy of the legislation can be found [here](#). This issue was brought to the Committee by a representative of the Oregon Association of Chiefs of Police and they have requested the League's supported in seeking to fix this issue. Of particular concern to the General Government Committee was the fact that vehicles being stolen tend to be older cars and trucks that are more likely to be owned by people of more modest means who would be unable to readily replace their vehicles without considerable impact.

*Presented by the General Government Committee*

## D. Beer and Cider Tax Increase

### **Legislation:**

The League proposes increasing the state taxes on malt beverages and cider to assist with rising public safety costs, improve public health, reduce alcohol consumption by minors, and provide alcohol tax equity with wine and liquor.

### **Background:**

Oregon's tax has not been increased since 1978 and is currently \$2.60 per barrel which equates to about 8 cents on a gallon of beer. The tax is by volume and not on the sales price. (Yes, the bottle deposit is 60 cents and the tax is only about 4 cents on a six-pack!) Oregon is tied with Kentucky for the lowest beer taxes of all [states](#) (see page 98 in link). To get to the middle, Oregon would need to raise the tax to 80 cents per gallon (10-fold increase). Cities are [preempted](#) from imposing alcohol taxes. In exchange, cities receive approximately [34% of the state alcohol revenues](#) (see page 9 in link)(beer and wine taxes, license fees, and liquor profit sharing) as state shared revenues. However, because the tax is so small on beer, the share is also small. The beer tax brings in only about \$7 million per year state-wide; thus, the city share is about \$2.3 million of the total shared revenues. The total share for cities for all alcohol-based state shared revenues is estimated at over \$86 million. The League anticipates that excise tax increases including those on alcohol will be a part of revenue package discussions in 2019, and the League sees this concept as an important leveraging tool.

*Presented by the Finance and Tax Committee and endorsed by the General Government Committee*

## E. Broadband Infrastructure

### **Legislation:**

Seek additional state support and funding for increased and equitable broadband infrastructure deployment, especially in rural areas. Oppose legislative efforts to restrict existing municipal authority to provide broadband services.

### **Background:**

The deployment of broadband and telecommunications networks and services (public and/or private) throughout Oregon is critical to economic development, education, health and safety and the ability of residents to be linked to their governments. Mapping research shows large areas of the state either not served or underserved by competitive broadband technology. A significant barrier to the deployment of broadband infrastructure is funding. Cities need additional funding and support from various sources, including the state and federal government, allocated for increased or new broadband infrastructure, especially for fiber connections to schools, community libraries, and public safety buildings. Also, oppose efforts by private internet service providers to restrict local efforts to make broadband technology available within their jurisdiction.

*Presented by the Telecom, Broadband & Cable Committee*

## F. Carbon Cap-and-Invest Program Adoption

### **Legislation:**

The League's Energy & Environment Policy Committee has recommended support, if specific principles are recognized and codified, of legislation that would implement a statewide cap on carbon emissions over time and that would generate revenues for strategic investments that further Oregon's greenhouse gas reduction goals. The cap on emissions would apply to certain "regulated entities" with carbon emissions over 25,000 metric tons annually. Regulated entities would receive allowances, or would generate offset credits, to emit carbon. The revenue from the purchase of allowances would be invested in specified programs aimed at furthering GHG reductions and mitigating program impacts. It is anticipated that funds generated from a cap on the transportation fuel industry may be subject to use per state Constitutional requirements related to the state highway fund. The statewide cap on carbon would be reduced over time to meet updated greenhouse gas reduction goals for Oregon.

For the League to support a statewide cap on carbon, the following principles would need to be recognized and codified in any legislation:

- The legislation and subsequent rulemaking processes would need to establish a forum to generate meaningful dialogue with rural Oregon communities and those with energy-intensive, trade-exposed industries. Equity considerations should be considered throughout this process by including cities and counties representing a variety of populations, regions of the state, and community demographics (e.g. low-income and underserved populations). Specific action should be taken to have representation from cities with populations of less than 1,500.
- The cap would need to apply to all sectors including utilities, industry and the transportation fuels sector (e.g. fuel producers) if annual carbon emissions exceed 25,000 metric tons.
- The program should be designed to link to the Western Climate Initiative which has a multi-jurisdictional carbon market (linking with programs in California, Ontario and Quebec)
- The revenue from the purchase of allowances would be invested in evidence-based technologies to reduce emissions from regulated sectors with excess revenues being invested in statewide programs to support climate resilience and rural Oregon economies. Requiring the reinvestment of allowance revenue will help regulated sectors become more efficient over time and less carbon intensive.

- In addition, LOC will advocate that additional revenues generated be dedicated to support programs including:
  - Technical assistance grants that local governments could access to help fund the adoption and implementation of local climate action/sustainability plans.
  - Funding for local woodstove smoke reduction programs to help communities in, or at risk of, non-attainment from woodstove smoke.
  - Funding to study and incentivize an expanded, yet sustainable, cross-laminated timber industry in Oregon with the intent of stimulating job creation in rural Oregon communities.
  - Funding for drought mitigation planning and resilience for Oregon water systems.

**Background:**

The League anticipates that the Legislature is very likely to pass legislation during the 2019 session that would implement a “cap-and-invest” program in Oregon, similar to the program adopted by California. Similar legislation has been considered by the Oregon Legislature during previous legislative sessions, but has failed to be brought for a vote. The political will to pass such a policy/program for Oregon appears to be incredibly strong; the Speaker of the House and President of the Senate are co-chairing the Joint Interim Committee on Carbon Reduction and the Governor’s team is staffing a new Carbon Policy Office to assist in the Committee’s efforts. The League’s Energy & Environment Committee has spent considerable time discussing this policy, including how best to craft a policy recommendation that makes both environmental and economic sense for the state and cities.

*Presented by the Energy & Environment Committee*

**G. City Comparability for Compensation**

**Legislation:**

The League will seek legislation to ensure that cities are compared only with cities of a similar cost of living when negotiating with strike prohibited bargaining units.

**Background:**

Oregon labor law doesn’t allow police officers, firefighters, emergency communicators and other public safety critical employees to strike. Instead when an impasse is reached when bargaining with labor unions that represent those workers, the state proscribes a set procedure involving an outside arbitrator to resolve those contract disputes. In that process the arbitrator will compare the city to other cities of similar size. As a result, the cities in rural areas are being compared with to cities in metropolitan areas that have different economic circumstances. Klamath Falls with 20,000 people in it and a median home value of \$160,000 could be compared to Tualatin with a similar population and a median home value of \$355,000. This is not a reasonable comparison.

The Human Resources Committee notes that the Legislature created a variable minimum wage in Oregon in recognition of the different costs of living across the state. Each Oregon county is assigned to one of three wage zones with one being the Portland Metropolitan area, that second are less populous regions and the third are rural counties. The Committee recommends that cities only be compared to cities in the same wage zones. A detailed explanation and graphics of the proposal may be found here.

*Presented by the Human Resources Committee*

## H. Green Energy Technology Requirement Changes

### **Legislation:**

Advance legislation to statutorily modify the existing “1.5 percent green energy technology for public buildings” requirement to allow for alternative investment options such as offsite solar or energy efficiency projects.

### **Background:**

Oregon statute currently requires public contracting agencies to invest 1.5% of the total contract price for new construction or major renovation of certain public buildings on solar or geothermal technology. The requirement allows for offsite technology, but only if the energy is directly transmitted back to the public building site and is more cost-effective than onsite installation. Removing the requirement that an offsite project be directly connected to the public building project could result in increased flexibility for local governments to invest in solar projects that are more cost-effective and provide for increased solar energy generation. In addition, the League will advocate to allow 1.5 percent funds to be invested in alternative projects that provide a greater economic or social return on investment including energy efficiency.

*Presented by the Energy & Environment Committee*

## I. Infrastructure Financing and Resilience

### **Legislation:**

The League will advocate for an increase in the state’s investment in key infrastructure funding sources, including, but not limited to, the Special Public Works Fund (SPWF), Brownfield Redevelopment Fund, and Regionally Significant Industrial Site loan program. The advocacy will include seeking an investment and set aside through the SPWF for seismic resilience planning and related infrastructure improvements to make Oregon water and wastewater systems more resilient.

### **Background:**

A key issue that most cities are facing is how to fund infrastructure improvements (both to maintain current and to build new). Increasing state resources in programs that provide access to lower rate loans and grants will assist cities in investing in vital infrastructure. Infrastructure development impacts economic development, housing, and livability. The level of funding for these programs has been inadequate compared to the needs over the last few biennia and the funds are depleting and unsustainable without significant program modifications and reinvestments.

The funds are insufficient to cover the long-term needs across the state. While past legislative sessions have focused on finding resources for transportation infrastructure, the needs for water, wastewater, and storm water have not been given the same attention. A LOC survey of cities in 2016 identified a need of \$7.6 billion dollars over the next 20 years to cover water and wastewater infrastructure projects for the 120 cities who responded. This shows a significant reinvestment in the Special Public Works Fund (SPWF) is needed to help meet the needs of local governments. Without infrastructure financing options, cities cannot meet the needs of new housing or new business – high priorities for cities across the state.

In addition, there is a critical need to improve upon the seismic resilience of public drinking water and wastewater systems. The Oregon Resilience Plan (2013) identified Oregon’s water and wastewater systems as especially vulnerable to damage resulting from a Cascadia subduction zone earthquake. The plan recommended all public water and wastewater systems complete a seismic risk assessment and mitigation plan for their system. This plan would help communities identify and plan for a backbone water system that would be capable of supplying critical community water needs after a significant seismic event.

However, there is currently no dedicated funding to assist communities with this planning effort and the funding needed to repair/retrofit water infrastructure is significantly inadequate. Investments have been made in Oregon to seismically retrofit public safety facilities and schools, but without planning for infrastructure resilience, communities may not have access to water for critical needs, including drinking water and water for fire suppression, in the immediate aftermath of a seismic event.

This priority will focus on maximizing both the amount of funding and the flexibility of the funds to meet the needs of more cities across the state to ensure long-term infrastructure investment.

*Presented by the Community Development Committee and endorsed by the Finance & Taxation and Water/Wastewater committees*

## **J. Least Cost Public Contracting**

### **Legislation:**

Introduce and/or support legislation repealing Section [45\(2\)\(a\)\(G\)](#) and Section [45\(3\)\(a\)\(G\)](#) of HB 2017 (enacted in 2017) relating to compliance with least cost public contracting requirements as a condition for fuel tax increases after 2020.

### **Background:**

As a matter of public policy, the League fundamentally disagrees with this linkage of transportation projects funding with public contracting standards applicable to specific local projects. Under HB 2017 (enacted in 2017) cities must comply with least cost public contracting standards set forth by [ORS 279C.305](#) for subsequent the two-cent increases in the state gas tax to occur in 2020, 2022 and 2024. Literally interpreted, one recalcitrant city *might* be able to stop the next gas tax increase by its failure to comply with this statute.

*Presented by the Transportation Committee and endorsed by Finance and Taxation Policy Committee*

## **K. Local Control Over Speed Limits on City Streets**

### **Legislation:**

Introduce legislation that allows Oregon cities to opt-in (voluntarily) to adjust their speed limits on residential streets 5 mph lower than the statutory speed limit.

### **Background:**

[HB 2682](#) (enacted in 2017) allows the city of Portland to establish by ordinance a designated speed for a residential street under the jurisdiction of the city that is five miles per hour lower than the statutory speed provided the street is not an arterial highway. This authority should be extended to all cities and be considered permissive (not required). Cities should be able to determine speeds that are adequate and safe for their communities.

*Presented by the Transportation Committee*

## **L. Lodging Tax Definition Broadening**

### **Legislation:**

The League proposes adjusting and broadening the definitions of tourist, tourism promotion, and tourism-related facility as those terms are defined in the lodging tax statutes to ensure state-wide continued tourism and related [economic](#) (see page 17 of link) and [tax growth](#) (see page 223 of link), assist with city tourist costs, and provide local choice and revenue flexibility.

**Background:**

In 2003, when the state imposed a state lodging tax, the Legislature preempted cities by imposing restrictions on the use of local lodging tax revenues. (The percentage of restricted revenues varies by city.) Restricted tax revenues must be used for tourism promotion or tourism-related facilities. While the League will support all legislation that provides more flexibility on local tax usage, the League will advocate for lodging tax legislation that broadens those terms to clearly cover city costs of tourist events, tourism-related facility maintenance, tourist amenities, tourist attraction enhancement and public safety costs for special tourist events. Language from Section 3 of the [dash 1 amendment to HB 2064](#) (2017) and [Section 1 of HB 2064 \(2017\)](#) will likely serve as a starting place. See also this [power point presentation](#) and this [LOC testimony](#) (supporting HB 2064) for further information.

*Presented by the Finance and Tax Committee*

**M. Mental Health Investment****Legislation:**

The League will seek to protect and enhance the investments made to Oregon's treatment of the mentally ill.

**Background:**

In 2015, the Legislature funded rental and housing assistance for persons suffering from mental illness, specialized training for police officers to assist people in mental health crisis, multi-disciplinary crisis intervention teams and expanded access to treatment. While providing direct mental health services is not a standard city service, the state of care for persons in crisis had deteriorated to the point city police officers were regularly the primary public employee to provide interventions. The December, issue of Local Focus was devoted to cities and mental health, those articles may be found [here](#).

Because of the anticipated budget shortfalls in 2019, the General Government Committee would like the League to ensure that services established in 2015 are not cut and to capitalize on any opportunities that may exist or be created to enhance those investments.

*Presented by the General Government Committee*

**N. Permanent Supportive Housing Investment****Legislation:**

The League will support increased investments in the services that are provided to people who are living in permanent supportive housing.

**Background:**

[Permanent supportive housing](#) serves specific populations that traditionally face difficulty in remaining in housing due to additional, complex needs by providing housing and other services at the same time. A [variety of populations](#), such as seniors, veterans, families, and those with mental health conditions, have different services that accompany their housing support. Permanent supportive housing models that use a Housing First approach have been proven to be highly effective for ending homelessness, particularly for people experiencing chronic homelessness who have higher service needs. Investment in the services is as important as the housing because residents that do not receive these additional supports often end up returning to homelessness based on issues related to their other issues.

However, in many areas the funding for housing is not well matched with the funding for the services. The state is the primary funding source for these services. However, there is some disconnect between the housing support provided by the [Oregon Housing and Community Services Department \(OHCS\)](#) and the [Oregon Health Authority \(OHA\)](#).

To help communities that are working to provide opportunities for permanent supportive housing and those seeking to find long-term solutions to local homelessness issues, better investment in the services is vital to success of these programs. By supporting appropriations to OHCS and OHA for these services, more support services can be provided to those that are in permanent supportive housing and lead to better outcomes.

*Presented by the Community Development Committee*

## **O. PERS Reform**

### **Legislation:**

The League will seek legislation to modernize the PERS investment pool, ensure proper financial controls are adhered to, and give cities a greater voice in how their monies are invested. The League will also seek legislation that shares the risk and costs of the pension benefit with employees but does so in a manner that impacts employees based on the generosity of the benefit plan they will retire under.

### **Background:**

Oregon's Public Employee Retirement System (PERS) is a three-tiered program that provides a defined benefit pension (a pension that pays a retiree and their beneficiary a set amount for the length of their retirement) and a deferred compensation program that is funded through employee contributions. Each of the three tiers pays a different benefit and an employee's placement in a given tier is based on the date they were hired. Tier I is the most generous benefit and has an option for an annuity based retirement that has been incredibly expensive to maintain. Tier I was replaced by Tier II in 1996. Tier II costs, though reduced, were also unsustainable and were replaced with a third tier, known as the Oregon Public Service Retirement Plan (OPSRP) which is designed to provide a 45 percent salary replacement after a full career. A primer on the PERS system may be found [here](#).

The cost to employers for this system has risen steadily since the market crash of 2008, and will increase again on July 1, 2019 (projected individual employer rates may be found [here](#)) and then again in 2021 and possibly again in 2023. Rates are anticipated to remain at a system wide average of around 29 percent of payroll and remain at that level until 2035 without reforms.

Adverse court rulings to previous attempts at reforms have limited our options to addressing benefits not yet earned. With that in mind the Human Resources Committee recommends reforms in the three following areas:

- Ensure that investments into the PERS system are achieving the maximum possible return in the most efficient manner possible while safeguarding the funds with proper financial controls.
- Requiring that employees absorb some of the costs for the pension system but ensure that OPSRP employees are impacted more favorably than Tier I and Tier II employees who will receive more generous retirement benefits.
- Establishing a fourth tier that provides similar benefits to employees but is funded in a more sustainable manner. Providing incentives to retirees and current employees in the other tiers to switch to the fourth tiers should be explored as well.

*Presented by the Human Resources Committee*

## **P. PERS Unfunded Liability Revenue Stream Dedication**

### **Legislation:**

The League proposes that a new state revenue stream be dedicated to paying down the unfunded liability over a period of years to sustain the Public Employees Retirement System (PERS).

**Background:**

The present unfunded liability has grown extraordinarily large and is causing rate increases for most local governments and schools that are not sustainable. The League would support all reasonable revenue stream ideas. Ideas include but are not limited to a new temporary limited sales tax, a new payroll tax, and a new temporary state property tax. The League will advocate that PERS cost-containment measures be pursued along-side revenue raising efforts to pay down the liability; both seem necessary to address the state-created problem.

*Presented the Finance and Tax Committee and endorsed by the Human Resources Committee*

**Q. Place-Based, Water Resource Planning (Program Support)****Legislation:**

The League will advocate for the funding needed to complete existing place-based planning efforts across the state.

**Background:**

Oregon's water supply management issues have become exceedingly complex. Lack of adequate water supply and storage capacity to meet existing and future needs is an ongoing concern for many cities in Oregon and is a shared concern for other types of water users including agricultural, environmental and industrial. Most of the surface water in Oregon (during peak season months) is fully allocated with no new water available. As a result, the ability to meet existing and future demand for various water uses will require collaboration, improved management and coordinated conservation among a variety of stakeholders, including municipalities. For this reason, the Legislature passed legislation to create a place-based planning pilot program in Oregon. This program, administered through the Oregon Water Resources Department, is providing a framework and funding for local stakeholders to collaborate and develop solutions to address water needs within a watershed, basin or groundwater area. Place-based planning is intended to provide an opportunity for coordinated efforts and the creation/implementation of a shared vision to address water supply challenges. Four place-based planning efforts are currently underway across the state in the Malheur Lake Basin, Lower John Day sub-basin, Upper Grande Ronde sub-basin and mid-coast region. Without continued funding, these efforts will not be able to complete their work. The LOC Water & Wastewater Policy Committee recognized that while this funding is limited to specific geographic areas, they also recognize the importance of successfully completing these pilot efforts and conducting a detailed cost/benefit analysis. It is a critical step in order to demonstrate the benefits of this type of planning. If these local planning efforts prove to be successful, there will likely be future efforts to secure additional funding for other place-based planning projects across the state.

**R. Property Tax Reform****Legislation:**

The League of Oregon Cities proposes that the property tax system should be constitutionally and statutorily reformed as part of the 2019 session work on state and local tax reform and improving funding for [schools](#) (see pages 69-72 of link; property taxes make up 1/3 of school funding).

**Background:**

The property tax system is [broken and in need of repair](#) due to [Measures 5 and 50](#), which are both now over 20 years old. All local governments and schools rely heavily on property tax revenues to pay for services and capital expenses. Therefore, the League will participate in coalitions to help draft and advocate for both comprehensive and incremental property tax reform option packages. The League will remain flexible to support all legislation that improves the system, with a focus on a property tax package with these elements:

- To achieve equity, a system that transitions to a market-based property tax valuation system (RMV) rather than the present complex valuation system from Measure 50 (requires constitutional referral).
- To enhance fairness and adequacy, a system that makes various statutory changes, some of which would adjust the impact of a return to RMV. For example, the League supports a new reasonable homestead exemption (percentage of RMV with a cap) but also supports limiting or repealing various property tax exemptions that do not have a reasonable return on investment.
- To restore choice, a system that allows voters to adopt tax levies and establish tax rates outside of current limits (requires constitutional referral).

[SJR 3](#) (see page 50 of link)(constitutional referral with return to real market value system) and [SB 151](#) (see page 48 of link) (homestead exemption bill) from the 2017 session will likely serve as starting points. City property tax data including real market values and assessed values can be accessed [here](#).

*Presented by the Finance and Tax Committee*

## **S. Qualification Based Selection (QBS)**

### **Legislation:**

The League will seek to reform the Qualification Based Selection (QBS) requirements to allow for the consideration of price in the initial selection of architects, engineers, photogrammetrists and surveyors.

### **Background:**

The state currently prohibits the consideration of price when making an initial selection when awarding contracts for certain design professionals when conducting public improvements. Instead of issuing a request for proposals as is done with most public improvement projects, contracting agencies issue “requests for qualifications” on a project. Cities may negotiate price only after the initial selection of a contractor is made. Under this system a city or other contracting agency will never know the price of other qualified and responsible bidders on a project.

The League’s General Government Committee concluded that this process is not in the interests of cities or tax payers as it precludes the use of competitive bids. There is no other area in which a consumer, public or private, would procure a service or product without considering the price.

*Presented by the General Government Committee*

## **T. Right-of-Way and Franchise Fee Authority**

### **Legislation:**

Oppose legislation that, in any way, preempts local authority to manage public rights-of-way and cities’ ability to set the rate of compensation for the use of such rights-of-way.

### **Background:**

In its commitment to the protection of Home Rule and local control, the League consistently opposes restrictions on the rights of cities to manage their own affairs. From time to time, in the context of public rights-of-way management authority discussions, proposals to restrict to this authority arise. Such was the case during the 2017 legislative session with [SB 202](#) and [SB 840](#). These efforts to restrict local authority often include proposals for a statewide right-of-way access policy and compensation system as well as limiting the ability of cities to charge fees of other government entities. This is contrary to local government management authority; the ability to enter into agreements with users of the right-of-way either by agreement/contract or ordinance; and to set the rate of compensation.

*Presented by the Telecom, Broadband & Cable Committee*

## U. Safe Routes to School Match

### **Legislation:**

Introduce legislation lowering the local Safe Routes to Schools matching grant requirement to 20 percent from 40 percent and lowering the matching grant requirement for areas qualifying for exceptions to 10 percent from 20 percent.

### **Background:**

[Section 123 of HB 2017](#) (enacted in 2017) authorizes the Oregon Transportation Commission to provide matching grants for safety improvement projects near schools. To receive the grant cities must provide a 40 percent cash match unless the school is located in a city with a population of less than 5,000; is within a safety corridor; or qualifies as a Title I school in which case the cash match requirement is reduced to 20 percent. While cities support the availability of matching grant funds provided by the state, the current cash match requirements are too high for most cities to participate in the program.

*Presented by the Transportation Committee*

## V. Small Area Cell Deployment (also known as “Small Cell Deployment”)

### **Legislation:**

Oppose legislation that preempts local authority to manage public property while supporting deployment of wireless technology, including small area cell and 5G.

### **Background:**

Legislative efforts involving the deployment of small area cell facilities are increasing around the nation. Currently 20 states ([Arizona](#), [Colorado](#), [Delaware](#), [Florida](#), [Hawaii](#), [Illinois](#), [Indiana](#), [Iowa](#), [Kansas](#), [Minnesota](#), [North Carolina](#), [New Mexico](#), [Ohio](#), [Oklahoma](#), [Rhode Island](#), [Tennessee](#), [Texas](#), [Utah](#), [Virginia](#), and [Washington](#)) have passed bills that limit cities ability to collect appropriate and fair rights-of-way, permitting, and lease fees on municipal property; to control their own design and aesthetics; or otherwise manage wireless technology deployment within their jurisdictions. This type of legislation is not going away. In fact, it is just beginning.

During the 2017 session, the League was approached independently by representatives of two wireless companies with draft concepts that could have resulted in legislation compromising local authority to manage the deployment of small area cell and 5G technology. Issues raised included “shot clock” (time allowed for cities to rule on applications), fee structures and limits, contract terms and duration, land use issues etc. These efforts are expected to continue in 2019 and with greater urgency as the technology approaches deployment status. While cities in Oregon support the advent of new wireless technology including small cell and 5G, authority to ensure their deployment complies with local laws and policies must be maintained.

*Presented by the Telecom, Broadband & Cable Committee*

## W. Speed Cameras

### **Legislation:**

Introduce and/or support legislation authorizing cities to use fixed speed cameras at locations other than intersections.

**Background:**

Speeding is a public safety issue. The Oregon Transportation Safety Action Plan envisions no deaths or life-changing injuries on Oregon’s transportation system by 2035. Currently, cities have the authority as a result of [HB 2409](#) (enacted in 2017) to issue a speeding citation from the same camera and sensor system used to enforce red light compliance at intersections.

Further, speeding does not only occur at intersections. Additional automated enforcement, outside of intersections, would be a valuable a tool allowing cities to mitigate dangerous behaviors and speeding. In 2015, the Oregon Legislature granted the city of Portland the authority to implement a fixed speed safety camera program ([HB 2621](#)). The fixed speed camera systems have been operating on “urban high crash corridors” that are also part of the city of Portland’s High Crash Network. While this program has not been in place long, the comparison of before and after speeds near the fixed photo radar system is indicating that the automated enforcement is positively influencing speed reduction (see [PBOT report](#)). This legislation would extend the authority to all Oregon cities to implement fixed speed safety camera programs to help reduce the number of deaths and serious injuries that occur as a result of speeding.

*Presented by the Transportation Committee*

## **X. Speed Limit Methodology**

**Legislation:**

Introduce legislation that directs the Oregon Department of Transportation to develop a new speed setting methodology for cities and other urban areas that uses a safe systems approach validated by expert system tools as recommended by [NTSB Safety Study SS-17/01](#).

**Background:**

The NTSB safety recommendations represent current data-driven best practices to determine speed limits. Currently, Oregon speed limits are set based on the guidance that speed limits in speed zones within cities should be within 10 mph of the 85th percentile speed as determined by .... [The NTSB Safety Study SS-17/01](#), “Reducing Speeding-Related Crashes Involving Passenger Vehicles” concludes,

- “Speed increases the injury severity of a crash;”
- “...that unintended consequences of the reliance on using the 85th percentile speed for changing speed limits in speed zones include higher operating speeds and new, higher 85th percentile speeds in the speed zones, and an increase in operating speeds outside the speed zones;”
- “...that the safe system approach to setting speed limits in urban areas is an improvement over conventional approaches because it considers the vulnerability of all road users.”

*Presented by the Transportation Committee*

## **Y. Third Party Building Inspection**

**Legislation:**

The League will clarify the ability for local government programs to have private party building officials and building inspectors provide services for local building inspection programs, including recognizing that privately employed specialized inspectors can to perform specialized inspections.

**Background:**

Beginning in 2017, the League has been working to defend local building inspection programs that contract with third-party companies to provide building official and inspectors to run the local program. However, the Oregon Building Codes Division (BCD) has stated that the Oregon Department of Justice (DOJ) [has informed BCD](#) that programs that are structured this way violate the constitutional prohibition on delegating government authority. The League has repeatedly asserted that we disagree with that legal assessment. There was a bill introduced in 2018, [HB 4086](#), that would have adopted new requirements for

local governments running programs. The League worked with other stakeholders to prevent passage of the bill, but we committed to working on a legally defensible solution that does not prevent these locally run programs from continuing.

After the session, the BCD determined that it would implement new rules for locally run inspection programs to meet the asserted legal opinion on delegation. On April 23, the BCD enacted [emergency, temporary rules](#) that added significant requirements for local building inspection programs. The new rules required local programs to designate a government employee as a city's building official. The rules also required the city to have a government- employed, certified electrical inspector. Both positions could be filled by hiring the person directly or by an agreement between municipalities to share the employee(s). The rules further stated that a shared employee could only service three jurisdictions.

In May, the Director of the Consumer and Business Services, who oversees the BCD, informed the League that the temporary rules were rescinded. The Department's decision to rescind the rules included a statement that they would seek a formal opinion from the DOJ to clarify the issue of delegation. However, the BCD did replace the rescinded rules with [another temporary, emergency rule](#). This new rule was enacted on May 18 and states that a local government must appoint a government-employed building official.

In addition to the concerns about using third-party building officials, there is currently statutory prohibition on specialized inspectors that are employed in the private sector to complete specialized inspections. There are a limited number of these inspectors, and, without removal of this prohibition, larger scale projects will not be able to move forward because they cannot be inspected and permitted. This issue was the catalyst for the overall discussion related to third-party building officials, but is not related to the asserted legal claims.

There is a commitment to work on this issue in the 2019 session, but it remains an issue of high concern as it directly impacts the flexibility of local government choice on how to provide services at the local level. Using third-party providers allows smaller jurisdictions to have local, efficient programs that provide clarity for the local development community. It also allows a base of business for these companies, which also serve to provide over-flow capacity to programs that primarily staff these programs with government staff. Therefore, this issue is vital to the long-term success of locally run building inspection programs.

*Presented by the Community Development Committee*

## **Z. Tobacco Taxes Share Increase**

### **Legislation:**

The League proposes seeking a share of all state tobacco product tax revenues .to assist with rising public safety costs and provide state shared revenue equity.

### **Background:**

Only cigarette tax revenues are included in the [state-shared revenue](#) distribution to cities and those revenues are decreasing; cities receive about 2% of the cigarette tax revenues or \$3.6 million a year under the formula. [Other tobacco](#) (chew, snuff, cigars, pipe tobacco, etc.) is also taxed by the state and those revenues have been increasing ([now over \\$60 million a year](#)), but those revenues are distributed only to the state. Cities are preempted from taxing cigarettes and other tobacco products. However, cities are often left to enforce tobacco laws and handle sales and use complaints. The League proposes that cities should receive a fair share of all the tobacco tax revenues. The League anticipates that excise tax increases to cigarettes and other tobacco products, and a new vaping tax will be a part of revenue package discussions in 2019, and the League sees this concept as an important leveraging tool.

*Presented by the Finance and Tax Committee*

## AA. Waste Water Technical Assistance Program

### **Legislation:**

The League will advocate for the creation of a circuit rider program, within the Department of Environmental Quality, to provide needed technical assistance for communities on water quality issues, including wastewater treatment and permit compliance options. Staffing for the circuit rider program would be provided through a third-party contract (or contracts). The League will work to identify funding resources to support this program, including a possible set aside of Oregon's federal Clean Water State Revolving funds.

### **Background:**

As Clean Water Act requirements for public wastewater systems continue to evolve, with new and more stringent requirements being placed on a number of Oregon communities; cities have expressed concern over how best to comply with those requirements, especially with the limited technical and financial resources that many face. The League's Water & Wastewater Committee discussed the need for technical assistance for communities experiencing these challenges and looked to an existing program within the Oregon Health Authority's (OHA) Drinking Water Services division as a template for addressing this need. The OHA funds a circuit rider program through a third-party contract. The program is funded through federal Drinking Water State Revolving Loan Funds. The program is intended to help more communities be successful in complying with state and federal requirements. The services provided through the program are free for communities with populations of less than 10,000.

*Presented by the Water/Wastewater Committee*

## BB. Wetland Development Permitting

### **Legislation:**

The League shall work to establish legislative authority for the Department of State Lands to assume the federal program from the U.S. Army Corps of Engineers under section 404 of the Clean Water Act.

### **Background:**

In many communities looking to develop in the wetlands creates regulatory uncertainty, particularly where development is occurring in previously un-identified wetlands, because there are two agencies that must provide permits, the Oregon Department of State Lands (DSL) and the U.S. Army Corps of Engineers (USACE). The state's process has set deadlines which provides certainty for developers. However, the USACE process is much less consistent or timely. This uncertainty increases risk related to development that can cause projects to stop before they start. In a time where cities are trying to encourage development to meet the housing shortages and economic development goals to support citizens, any increased barriers can impact success.

There is a process in place at the federal level that would allow for the state to assume the USACE permitting process increasing the efficiency and certainty in the process. The [state has taken steps](#) in the past to ensure alignment of the state program to the requirements for federal approval. However, there were concerns raised at the time that the process related to the Endangered Species Act and cultural resource protections. The DSL has continued to work on these conflicts and believes it is positioned to work with the federal government to assume the federal permitting process if so authorized by the state legislature. For further information, the DLS provided a presentation for the committee, available [here](#).

*Presented by the Community Development Committee*

## CC. Wood Smoke Reduction Program Support

**Legislation:** Support increased funding to support local wood smoke reduction programs and efforts. The League will advocate the need for an additional \$3-5 million, recognizing that any additional funding to assist communities is helpful.

**Background:** Woodstove smoke is one of the most significant sources of fine particulate and toxic air pollution in Oregon, often jeopardizing public health and putting communities at risk of violating federal air quality standards. Woodstove smoke is a problem for many Oregon communities that struggle with both the public health impacts and economic threat of being designated as nonattainment under the federal Clean Air Act. To address this challenge, local governments need access to funding for wood smoke reduction programs. Such programs have proven effective at reducing wood smoke in communities and include public education, enforcement, incentives for woodstove change-outs (to ductless heat pumps or certified stoves, weatherization assistance for low-income households and providing residents with dry, seasoned fire wood which burns cleaner. A 2016 taskforce report that was submitted to the Legislature indicated that there are approximately 150,000 uncertified stoves in the state, and that while Oregon has a long and successful history of replacing woodstoves in certain communities, money is sporadic and limited. The report went on to suggest that “an allocation in the range of \$3-5 million per biennium could target high-risk communities and would support a meaningful level of effort to replace old, dirty woodstoves.”

In 2017, the Legislature provided \$250,000 in funding for community wood smoke reduction programs. The need for local communities, including a number of small cities, is much greater.

*Presented by the Energy & Environment Committee*

# City of Molalla

## City Council Meeting



### Agenda Category: Old Business

<b>Subject:</b>	Ordinance 2018-07 Utility Billing Payments Section
<b>Recommendation:</b>	Approve Ordinance 2018-07
<b>Date of Meeting to be Presented:</b>	July 25, 2018
<b>Fiscal Impact:</b>	
<b>Submitted By:</b>	Finance Director Chaunee Seifried
<b>Approved By:</b>	Dan Huff

**Background:** Council wants to put language in the ordinance that gives staff the ability to help a citizen that has an emergency situation as well as waiving fees with stipulations that are stated in the ordinance.



**ORDINANCE NUMBER 2018-07**

**AN ORDINANCE OF THE CITY OF MOLALLA, OREGON  
CREATING CHAPTER 13.02 UTILITY PAYMENTS FOR PUBLIC SERVICES.**

**WHEREAS**, due to the recent updates to the Molalla Municipal Code Title 13 Public Services; and

**WHEREAS**, certain sections of the code overlap one another, to make sure this doesn't continue; and

**WHEREAS**, section 13.04.240 water payments and 13.08.760 sewer payments set late payment provisions.

**Now, Therefore, the City of Molalla does ordain as follows:**

Section 1. Title 13 Public Services will now include Chapter 13.02 Utility Payments for Public Services as shown in Exhibit A.

Section 2. Effective date. This Ordinance is effective 30 days after passage by Council and approved by the Mayor this date. \_\_\_\_\_.

Read the first time on \_\_\_\_\_ and moved to second reading by \_\_\_\_\_ vote of the City Council.

/ / /

/ / /

Read the second time and adopted by the City Council on \_\_\_\_\_.

Signed by the Mayor on \_\_\_\_\_.

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Jimmy Thompson, Mayor

ATTEST:

APPROVED AS TO FORM:  
Beery Elsner & Hammond, LLP

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Kelly Richardson, CMC, City Recorder

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City Attorney

**EXHIBIT A.**

**13.02.010 Payments for utility service.**

A. All charges for utility service shall be due and payable monthly on the date of mailing and become delinquent on the ~~15th day thereafter~~ 16<sup>th</sup> of each month. A late fee set by resolution shall be assessed on any utility accounts, which become delinquent. After a customer's utility bill is delinquent, the Finance Director or designee shall mail to customer a notice stating:

1. That the utility bill is delinquent;
2. The amount necessary to cure the delinquency;
3. That the ~~water-utility~~ service to the property will be shut off 20 days after the date of the notice, unless the delinquency is paid in full.

4. After termination of ~~utility/water~~ service, the full account balance including the fees will be required before service can be restored. If notice is mailed as provided in this section, the City may shut off utility service to the property 20 days after mailing of the notice unless the total amount due is paid in full, but subject to the City's compliance with the ~~options specified in section C.~~

B. ~~Utility services disconnected for lack of payment of the utility bills will be assessed a disconnect/reconnect fee as set by resolution and shall not be restored until all past-due-bills, late fees, and any other utility charges or connection fees are paid in full.~~

~~C. 1. The customer may request in writing a One-Time Emergency extension of payment (not to exceed 10 days) to avoid service being shut off and a disconnect fee being charged. If customer defaults on this agreement the utility account will be shut off the morning after the agreement expires and a disconnect fee will then be charged.~~

~~2. Any customer may request a waiver of their late fee in writing providing no other late fees have been assessed in the prior 12 months.~~

~~3. A customer may appeal a notice of ~~water-utility~~ shut-off by filing a written request for an informal hearing with the City within 15 days after the date of mailing of the notice. The appeal shall be filed with the City Manager and shall specify the reasons for the appeal. If an appeal is so filed, ~~water utility~~ service shall not be disconnected before the business day after the announcement of the result of the hearing. The informal hearing shall be held as soon as is practically possible before the City Manager or designee. The City shall provide the customer reasonable notice of the date of the hearing. The customer may be represented by an attorney at the hearing, and any probative evidence shall be admissible. The hearing officer may affirm, overrule, or modify the notice of ~~water-utility~~ shut-off, considering applicable law and the nature of any hardship of the customer.~~

D. All payments shall be made to the City either by mail, online bill pay, at the office of the City, ~~placed in drop box~~, or such other place as the Council may from time to time designate.

**Comment [KRC1]:** This gives a firm date and is currently what we are doing.

If we were to give a due date of the 10<sup>th</sup> and then delinquent on the 16<sup>th</sup> there would be issues and Finance Director Chaunee can address those.

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**Comment [CR2]:** This is not new language however it used to be labeled as B under #5.

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