



ADMINISTRATIVE SERVICES COMMITTEE

Agenda

Wednesday, April 6, 2011
4:00 pm

Madison Avenue Meeting Room
500 SW Madison

- | | |
|------------------------------------|--|
| Discussion/ Possible Action | I. da Vinci Days Loan Agreement Status Annual Report
(Attachment) |
| Discussion/ Possible Action | II. GASB 54 Update
(Attachment) |
| Information | III. Other Business |

Next Scheduled Meeting

Wednesday, April 20, 2011 at 4:00 pm
Madison Avenue Meeting Room, 500 SW Madison Ave

Agenda

None at this time

MEMORANDUM



To: Administrative Services Committee
From: Karen Emery, Director *KE*
Steve DeGhetto, Assistant Director *SD*
Date: February 23, 2011
Subject: da Vinci Days 2010 Annual Report

Issue:

To review and recommend to the City Council the acceptance of the annual report from da Vinci Days in compliance with both FY 2009-2010 Economic Development Allocation and Bridge Loan funding.

Background:

The City Council approved \$16,658 in Economic Development Funds for the 2010 da Vinci Days event. According to the agreement between the City and da Vinci Days, the funds are to be applied to the cost of marketing and advertising the da Vinci Days summer festival and the da Vinci Film Festival held in March, 2010.

In addition to the Economic Development allocation, the City authorized a \$20,000 loan as bridge funding in February, 2005. This annual report is required according to both the Economic Development and Bridge Loan funding agreements.

Discussion:

The da Vinci Days 2010 annual report cites \$32,844 was expended for marketing the 2010 da Vinci Days event, demonstrating the use of the Economic Development Allocations.¹ The Bridge Loan balance was \$12,000 as of December 2010. The da Vinci Days Board of Directors requests a deferment on the 2010 payment of \$2,000 on the Bridge Funding Loan. da Vinci Days has complied with all requirements of the agreements and all funds have been properly accounted for according to the City's internal financial review process. The overall event showed a net income of \$4,228 in 2010.

Noteworthy 2010 event items are:

- Festival attendance--20,000 people. The figure includes paid and complimentary admissions for volunteers, sponsors, donors and exhibitors.
- Free events included electric car races, kinetic sculpture race, Leo's Kinetic Parade and the Community Art Project which attracted an estimated 2,500 people to the event.
- The Grand Kinetic Challenge included twenty-three human powered machines racing through mud, sand, roads and water.

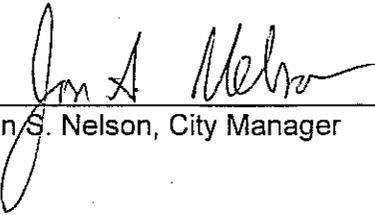
¹ 2010 da Vinci Days Annual Report, page 21

- Green Town hosted twenty-nine exhibits showcasing green technology and practices.

Recommendation:

The Administrative Services Committee recommends City Council accept the da Vinci Days 2010 annual report and the request for a deferment on the 2010 payment on the Bridge Funding Loan.

Review and Concur:



Jon S. Nelson, City Manager



Nancy Brewer, Finance Director

Attachments: 1. Finance Department's review of FY 2010 Financials
2. da Vinci Days Annual Report



Finance Department
500 SW Madison Avenue
Corvallis, OR 97333
541-766-6990
541-754-1729

MEMORANDUM

February 14, 2011

TO: Steve DeGhetto, Assistant Parks and Recreation Director

CC: Julian Contreras, Financial Services Manager

FROM: Jeanna Yeager, Accountant

SUBJECT: da Vinci Days Annual Financial Review Fiscal Year 2010

This review consists of inquiries and analytical procedures and is very limited in its nature. The da Vinci Days Annual Report and Statement of Activities are unaudited financial reports that are the representation of the management of da Vinci Days.

This review is based on da Vinci Days fiscal year, September 1, 2009 through August 31, 2010. During the year, da Vinci Days received a total of \$218,687 in revenues and other support. The City supplied 7.6% of their revenue during their fiscal year 2010, consisting of Economic Development Funds of \$16,658. This amount is included in the "Contributions" line on the Statement of Activities. Total expenditures (including COGS) were reported at \$214,460, resulting in a Net Income of \$4,228.

For the year ending August 31, 2010, da Vinci Days reported total assets of \$118,831, an increase of 16% from the prior fiscal year and total liabilities of \$57,390, an increase of 27%. Da Vinci Days' current assets to current liabilities ratio is 2.41, indicating the organization is in a relatively strong financial position to meet its short-term obligations.

In 2005, the City made a \$20,000 loan to da Vinci Days. The loan balance was \$12,000 as of August 31, 2010, representing 21% of total liabilities. The amended loan requires an annual minimum payment of \$2,000.

Da Vinci Days requested deferment of their 2010 payment to the City due to "the continuing decline in the economy and the reduced funding available." The organization would like to focus debt reduction efforts on its more costly Wells Fargo Bank loan.

Based on this review, I recommend acceptance of the da Vinci Days Annual Report.



**2010 da Vinci Days
Annual Report**

Submitted to the City of Corvallis
By Brenda VanDevelder, Executive Director

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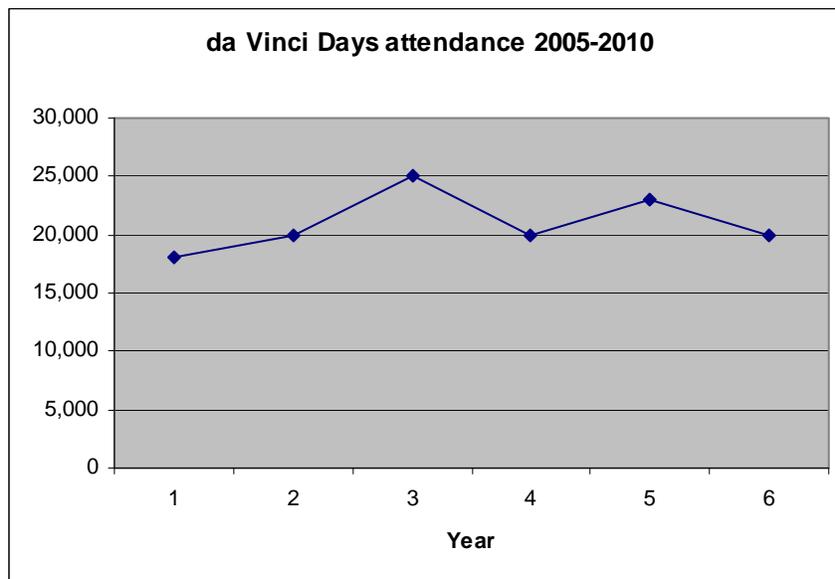
EXECUTIVE SUMMARY

For twenty two years, da Vinci Days has served as a unique celebration and tourism activity for the City of Corvallis. It engages the local community through volunteer and organizational opportunities and draws local and out of town visitors through creative and innovative programming. As Oregon's premier art and science festival, da Vinci Days garners publicity from major media including television, magazines, and web sites focused on arts, education, and travel.

According to research by Dean Runyon Associates, a leisure traveler has an estimated expenditure of \$85/day. Using data from our exit surveys, da Vinci Days draws nearly 25% of attendees from out of the area. Based on 2010 attendance, \$425,000 in new spending was generated by da Vinci Days in July. For every \$1 invested by the City, da Vinci Days generated \$25 of new tourism spending.

Friday	Saturday	Sunday	Total attendance
5,000	9,000	6,000	20,000

Attendance was consistent with budget expectations this year. Total attendance declined by 15% from 23,000 last year to a cumulative Festival attendance of 20,000 for 2010. This figure includes paid and complimentary admissions. Complimentary admissions were provided to volunteers, sponsors, donors, and exhibitors. Three hundred scholarship admissions were also donated through local organizations including Home Life, the ARC of Benton County, Jackson Shelter Youth House, Health and Human Services, and the Benton County Juvenile Department. Children aged five and under are admitted free and are not included in attendance totals.

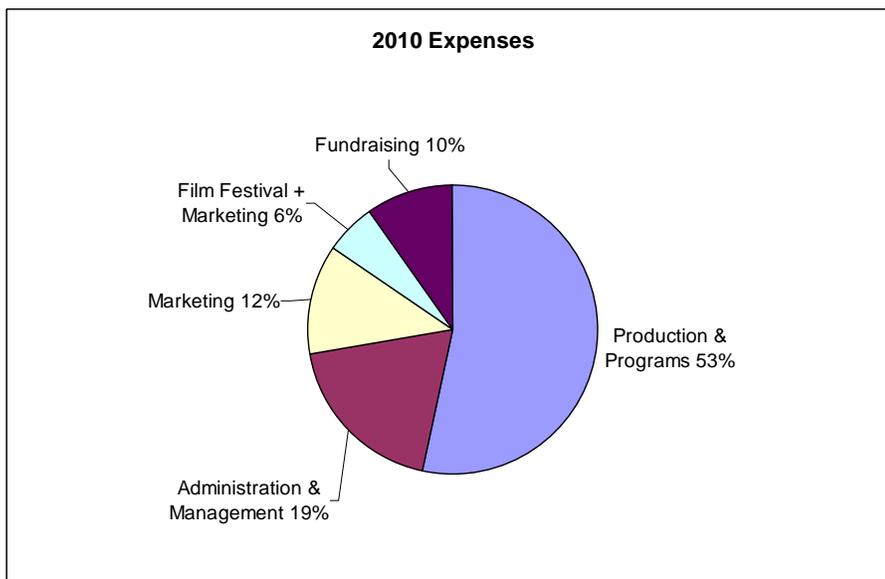
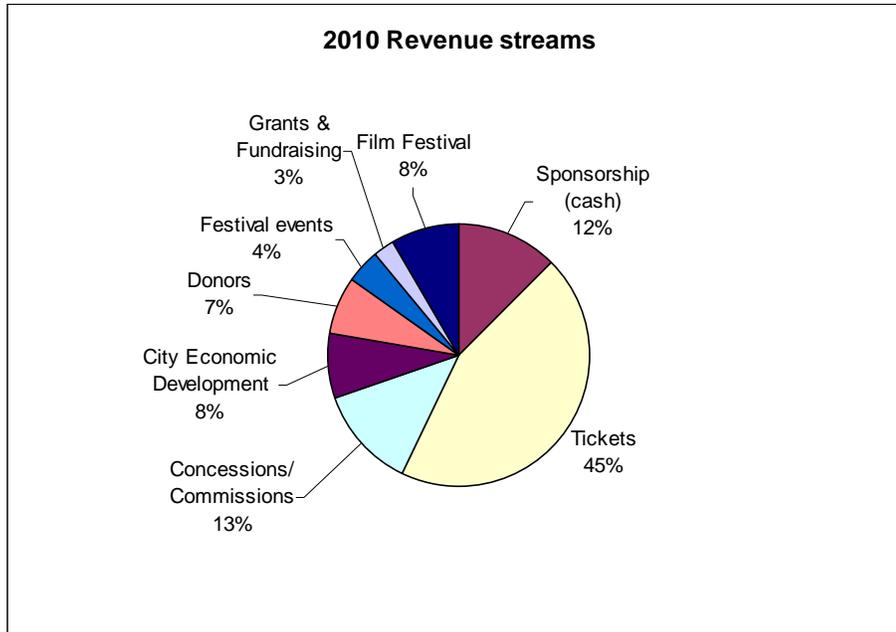


Attendance continues to grow at the events located outside the festival gates. We do not include those numbers in our total attendance but estimate that another 2,500 people enjoyed Festival events in 2010 without paying an admission fee. Free events include the electric car races, kinetic sculpture race events, Leo's Kinetic Parade, and the Community Art Project.

Festival support in the community also continues to grow, with more than 100 local and regional partners contributing to the success of the Festival and 1,400 volunteers staffing Festival venues and exhibits.

FINANCIAL SUMMARY

We have focused on keeping administrative costs low while continuing to provide a high quality event. All Film Festival cost/revenues are shown separately in the breakout charts below but are compiled within our complete financial reports in the addendum. Cash revenues and expenses are shown below. Non-cash donations are not included here but are shown in the financial reports.



VISION AND MISSION

The vision of da Vinci Days is to draw inspiration from the genius of artist and inventor Leonardo daVinci and provide a unique festival that fosters and celebrates creativity, innovation, and knowledge of art, science, and technology.

The mission is to present da Vinci Days and other events that showcase the educational, artistic, scientific, and technological assets of the region, while promoting and contributing to the economic well-being of the City of Corvallis and Benton County.

The volunteer Board of Directors meets monthly for organizational governance, to establish policies, and to provide a strategic direction for the Festival. The current Board consists of ten members and a non-voting liaison appointed by the Mayor.

2010 Board Officers

Kavinda Arthenayake, President
OSU Conferences and Special Events

Michael Laport, Vice President
Peak Internet

Bonnie Humphrey Anderson, Treasurer
OSU Federal, Your Community Credit Union

Barbara Bull, Secretary
Planner

Lainie Turner, Past President
Marketing Consultant

Ex-Officio

Joel Hirsch
Corvallis City Council

Staff

Brenda VanDevelder
Executive Director

Caitlin Garets
Office Assistant

Directors

Michael Dalton
OSU College of Education

Blake Rodman
Corvallis 509J Board Member

Laurie Russell
Insights Now

Jose Vega
Datalogic Mobile, Inc.

Curtis Wright
Marketing Consultant

FESTIVAL HIGHLIGHTS

The 2010 Festival theme “Cosmos” provided the marketing focus for publicity and promotions. Friday night featured the keynote talk “Is Pluto a Planet?” at the OSU LaSells Stewart Center. Free events included the Grand Prix Electrathon and hugely popular “Space Odyssey” Community Art Project with nearly 150 locally produced works of art on display. Inside the gates, the Friday night headline was Grupo Fantasma from Austin, Texas and the Saturday headline was the Grammy nominated group from New Orleans, The Dirty Dozen Brass Band. Attendance was good at both musical events and festival venues, but did not reach 2009 levels. Ticket sales are primarily driven by the ‘name recognition’ of the main stage acts. This is a continuing balancing act for da Vinci Days- the evening musical acts are a major factor for attendance and ticket sales and national acts require a significant financial investment. The Cabiri Performance Troupe provided aerial dance performances throughout the weekend, enthraling crowds with their elaborately engineered stage and costumes. Sunday attendance continues to be strong due to the popularity of the Mud Bog and River Exit events. VIP guests included OSU President Ed Ray and Beth Ray and their guest Senator Ron Wyden and Representative Sara Gelser and her guest, governor elect John Kitzhaber.

Highlights of the year:

- This year marked the third season for the freestanding da Vinci Film Festival in March. Volunteers organized and managed the event and a growing audience bought more tickets and watched more films than in the prior year. The Board of Directors ultimately has determined that organizational resources do not support a separate film event and the Film Festival will return to the summer festival to reduce the costs of hosting two large events.
- A new da Vinci Days website was launched with a new URL, www.davincidays.org. The new design was implemented to convey the creativity and energy of this one of a kind Corvallis festival. The site was designed to generate excitement about being a part of the da Vinci Days community through social media including Facebook, Twitter, and Flickr.

Highlights of the 2010 Festival:

- Due to the alignment of their filming schedule, viral media pioneers “OK Go” made a special appearance at da Vinci Days. The band screened some of their well known music videos and provided a special Q&A session to a sold out crowd at the Majestic Theatre.
- Through a successful partnership with the Festival Sustainability Committee, OSU Campus Recycling, Boy Scout Troup 123, Allied Waste, and local start up EcNow Tech, da Vinci Days is leading the way among local festivals by implementing a composting program. Adjusted for attendance, the Festival generated half the amount of trash as the prior year.
- The Graand Kinetic Challenge included twenty three human powered machines slogging through the mud, sand, road and water including eleven teams from California, Washington, and other Oregon regions.
- Green Town hosted twenty-nine exhibits showcasing green technology and practices. The Toyota Prius Hybrid display generated buzz for the Festival and local drivers were invited to sign up for a contest to be part of a pilot driver project in Oregon. 361 entries were submitted through the da Vinci Days web site. Mayor Charlie Tomlinson was instrumental in coordinating the logistics for this program.

Festival Volunteers and Partners

The organizational structure of da Vinci Days depends on a strong base of volunteer leaders for Festival production, programs, marketing, fundraising, and publicity. This year, da Vinci Days recruited nearly 700 volunteers for the Festival crew. An additional 700 volunteers staffed exhibitor booths throughout the Festival weekend.

Total volunteers: 1400

Total partners: 114

Program chairs & key volunteers

Terri Allen, da Vinci Store
Dennis Anderson, FIRST Robotics
Kavinda Arthenayake, OSU coordinator
Anne Baker, Food Court Auditor
Chris Bates, Leo's Kinetic Parade coordinator
Rebecca Barrett, Sidewalk Chalk
Bob Bernhard, Main Gate Ticket Sales
Chris Bielenberg, Benton County
Barbara Bull, Film Festival Co-Director
Boys & Girls Club of Corvallis, Leo 500
Harrison Branch, Food Court
Rich Brookes, OSU Facilities
Dale Claussen, Production team
Melanie Davis, Graand Kinetic Challenge
Gary Evans, Food Court
Barb Eveland, Food Court
Justin Fleming, Production team
Mike Fischer, Mud Bog ticket sales
Maia Fischler, Community Art Project
Festival photographers
John Ginn, coordinator
Andy Purviance
Patricia Thomas
Dick Gaskill, City of Corvallis Public Works
John Ginn, Film Festival
Cheryl Good, Graand Kinetic Challenge
Hai Yue Han, Electrathon
Kathy Holman, Database
Bonnie Humphrey-Anderson, Collections

Melissa Jones, Marketing
Tina Kerrigan, Graand Kinetic Challenge
Jenette Kane, Graand Kinetic Challenge
Pete Lepre, OSU Trash/Recycling manager
Tim Leslie, press release writer
Ron Lommen, Trash/recycling coordinator
Joe Majeski, OSU Facilities
Mary McKillop, Main Gate coordinator
Steve McGettigan, Astronomy
Lindsay Meyers, Children's Village
Pete Meyers, City of Corvallis Parks & Rec
Eric Nepom, OK Go Q&A Host
Andrea Norris, Composting/Recycling
Karen Nousen, Film Festival
Susan Pachuta, Arts Activities Coordinator
Jason Palmer, Bike Valet Co-Coordinator
Michelle Portera, Canine Frisbee
Kate Sanders, Discover OSU
Susie Semenek, Leo's Kinetic Parade
Theresa Stephens, Performing Arts
Roni Sue, Graand Kinetic Challenge
Barbara Swain, Ambassador Coordinator
Maria Tomlinson, Volunteer Breakfast
Shawn Tucker, Geocaching
Lainie Turner, Film Festival Co-Director
Linda Varsell Smith, Poetry Slam
Dave Warneking, Volunteer Coordinator
Seth Waddell, Bike Valet Co-Coordinator
Raam Young, Graand Kinetic Challenge

Our partners are vital to the success of da Vinci Days. Partners are typically organizations participating in some way in the Festival, as exhibitors, production support, or prize donors, and/or providing volunteer teams.

Astronomy

Heart of the Valley Astronomers
Friends of Pine Mountain Observatory

Canine Frisbee

Animal Crackers
Best Friends Obedience School
Willamette Veterinary Clinic

Children's Village

Allied Waste
Avery House Nature Center
Benton County Breastfeeding Coalition
CASA Voices for Children
City of Corvallis Parks & Recreation
City of Corvallis Public Works
Corvallis Environmental Center
Corvallis Indoor Parks
Corvallis Sports Park
Corvallis Waldorf School
Evergreen Aviation & Space Museum
Golden Naga Martial Arts
Good Samaritan Regional Medical Center
Heartland Humane Society
Keller Williams Mid-Willamette Realty
Muddy Creek Charter School
Old Mill Center for Children & Families
Oregon State University
 Bug School
 KidSpirit
 SMILE Program
Pajaggle, Inc.
Starker Forests
The Little Gym
The Toy Factory

da Vinci Poetry Slam

Mary's Peak Poets

Art Exhibits

Albany Historic Carousel & Museum
The Arc of Benton County
Corvallis Art Guild
International Plastic Modelers Society
Henna by Rebecca
Jeremy Smith
Willamette Ceramics Guild
Willamette Photo Arts Guild
Writers on the River

da Vinci Film Festival

Coffee Culture Café
Corvallis Community Access Television
First Alternative Co-op
Great Harvest Bread Company
The Book Bin
The Inkwel Home Store
Oregon Coffee & Tea
OSU LaSells Stewart Center
OSU Theater Department
Solstice Café
Special Occasions

Discover OSU

College of Engineering
College of Forestry
College of Oceanic & Atmospheric Science
College of Science
Oregon Sea Grant
Oregon Explorer
Oregon State Flying Club
OSU Solar Vehicle Team
University Housing & Dining
University Libraries/Valley Libraries
University Marketing

OK Go Special Event

Majestic Theatre Management
The Inkwel Home Store

Partners continued

Graand Kinetic Challenge

American Dream Pizza
BCARES
Benton County Fairgrounds
Benton County Public Works
City of Corvallis Parks & Recreation
Colorwheel Company
Cyclotopia
Fred's Honda
Griffo Brothers
Practical Bookkeeping
Riverside Window and Door
Squirrels Tavern
Sunnyside Up
Tina Kerrigan Photography
WL Construction
Working Glass Art

Leo 500

Boys & Girls Club of Corvallis

Robotics Exhibition

FIRST® Force Robotic teams

Production/Promotion

American Dream Pizza – Bike Valet
Benton County Public Works - Facilities
Boy Scout Troop 163 – Trash & Recycle
City of Corvallis- Facilities
Parks & Recreation Operations/YVC
Transit System
Corvallis/Albany Farmer's Market
Keller Williams Realty – Safety Station
Kiwanis Sunrisers – Ticket sales
Oregon State University - Facilities
Athletics, Guest Services
Campus Recycling
Department of Public Safety & OSP
Facilities Services
Office of Conferences & Special Events
Network Services
Transit & Parking Services
Peak Internet – Wireless service

Green Town

Abundant Solar
Allied Waste
Benton County Master Gardeners
Benton Habitat for Humanity
Benton Soil & Water Conservation
Blue Sky Renewable Energy Program
CanBuild
City of Corvallis Public Works
City of Corvallis Transit
Committee for Citizen Involvement
Corvallis Environmental Center
Corvallis Sustainability Coalition
EcNow Tech
Energy Wise Lighting, Inc.
Enviofuel
First Alternative Natural Foods Co-op
Gaia Landscapes, Inc.
Green Planet Dreams
Greenbelt Land Trust
Institute for Applied Ecology
John & Phil's Toyota
Oregon State University
Department of Horticulture
Sustainability Office
Our Ocean
Solar Ki
Sunwize Technologies
Sustainable Building Network
The Natural Step-Corvallis
University Honda

Grand Prix Electrathon

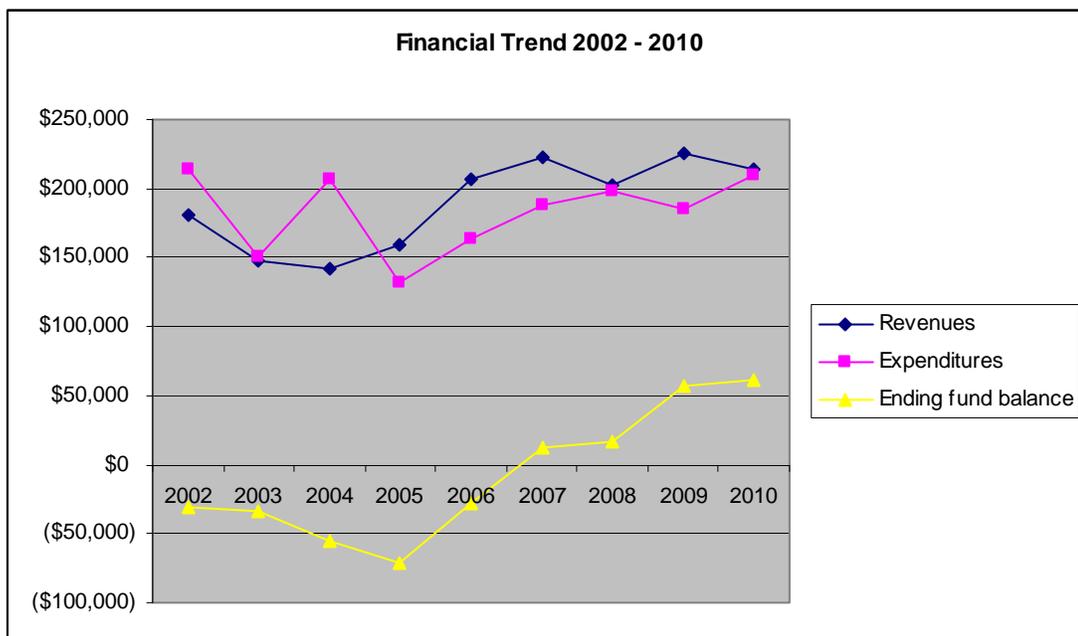
City of Corvallis Public Works
Electrathon America
Les Schwab Tire Service
Mike Hodgert, West Eugene HS
Oregon State Police

FINANCIAL RESULTS

Da Vinci Days ended the fiscal year with cash on hand by managing closely to the budget and carrying forward reserves from the prior year. Reserves are crucial during the off-season and provide a buffer in the event of decreased event revenues due to factors including lower attendance, bad weather, or variables tied the economy. The Board of Directors continues to monitor the costs and benefits of paying down debt and maintaining adequate levels of cash to fund annual operations.

Sponsorships and other contributions were \$66,603, 12% greater than the prior year and close to FY10 budget goals. The increase is due primarily to significantly higher contributions from a few individual donors with grant support, a special sponsorship from Pacific Power for their 100th anniversary, and an equipment donation valued at \$3,500. Combined with a gloomy economy and lesser known main stage music, ticket revenues dropped 15% from last year for a total of \$99,148. Similar to the prior year, this includes both Film Festival ticket sales and summer festival tickets.

Expenditures for 2010 were 3% over budget and nearly 13% higher than the prior year. The highest costs for the event are related to performers and contracted services (performers, security, stage and sound technicians). Monthly interest payments are being made on the Wells Fargo loan and a \$2,000 payment was made to the City in November, 2009. A request to defer the FY11 loan payment to the City is included in this report in the Addendum. As shown in the chart below, the financial trend for da Vinci Days has been positive since 2005.



Revenues

Revenue categories are similar to the prior year. Total revenue was \$218,687, nearly 6% below last year's total. Grants were up again this year, requiring specific uses of funds. *In-kind (non-cash) sponsor donations were valued at \$88,435 in services and products and are not included in the percentage breakout.*

Admissions (tickets/45%)

Admission fees are the greatest source of cash revenue for da Vinci Days. Ticket sales are not the only way that attendance is counted as we provide nearly two thousand complimentary one day and weekly tickets in addition to tickets sold.

The Film Festival ticket sales are included in the total ticket figure. Total ticket revenue for the Film Festival was \$6,543, a \$2,000 increase from the prior year. Theaters were near capacity and ticket prices were \$10/one day and \$20/weekend with a student discount available.

The sold out special event with OK Go was a revenue sharing activity with Majestic Theatre Management. Ticket prices were \$12 in advance and \$20 at the door. The net income of \$1,758 from this event is included in the 2010 admissions total.

Summer festival ticket prices were the same as the prior year: \$15/adult weekend pass, \$10/adult 1 day, \$10/child weekend pass, \$5/child 1 day. Children five and under were admitted at no charge and were not tracked in attendance totals. On-line ticket sales were processed through the da Vinci Days office via the da Vinci Days website, using Pay Pal and five area businesses served as ticket outlets. Ticket revenue of \$90,846 for the summer Festival was down nearly \$20,000 from the prior year. This is attributed to lesser known musical acts and cooler than normal weather on Saturday evening.

Concessions, Merchandise (13%)

Fifteen vendors sold food and beverages at the Festival and paid a booth fee and 15% commission on gross sales. Beer sales were managed by da Vinci Days through an agreement with Clodfelters Pub. Concessions income was down 9.4% from the prior year, consistent with a smaller overall crowd and cool weather on Saturday night. Merchandise sales includes posters, da Vinci store items, and souvenir t-shirts.

Festival Events (4%)

Festival Events income includes registrations for programs including Sidewalk Chalk Art, Kinetic Challenge, Electrathon, and Commercial Booth fees for Green Town and the Art Village. Festival events (registrations and exhibit fees) income grew 4.5% to \$13,565.

Donors/Fundraising/Grants (10%)

Individual donations were 3% below budget and decreased by 12.7% from the prior year. The commitment of the Graand Kinetic Challenge race committee continues to drive consistent donations to the Festival. A trailer to haul the kinetic sculpture was also donated and is recorded as a non-cash donation on the financial statements.

In partnership with Cart de Frisco, da Vinci Days participated in Corvallis Fall Festival as a food vendor for the second year. By teaming up with this popular vendor, da Vinci Days had a net profit of \$1,654 and additional community exposure.

Grants are not a large funding source for da Vinci Days due to the amount of staff time required in researching, writing, and reporting. Grants this year included funding from the Benton County

Cultural Coalition, through the Oregon Cultural Trust for support of the Film Festival and a Young Filmmakers Workshop; The Pacific Power Foundation, The Benton County Foundation, sponsoring low-income admission scholarships and grants from individual donors designated for repairs to a kinetic sculpture machine owned by da Vinci Days and used to promote the Festival at area events and parades.

City of Corvallis Economic Development Funds (8%)

Public funding and in-kind support from the City is vitally important to da Vinci Days. Each year, da Vinci Days staff prepares and presents a request for funding to the Economic Development Allocations Committee for an allocation of funds from the Economic Development Allocations process. This year's request included a presentation for the Film Festival as a separate event to attract out of town visitors. The total allocation for the \$20,000 request was \$16,658.

Sponsorships (12%)

Total sponsorship relationships held steady at twenty one cash sponsors (two new sponsors) and fifteen sponsors in-kind. In-kind sponsorships offset actual festival costs and are an important part of the Festival's financial viability. Total cash sponsorship contributions increased \$4,600 over the prior year.

Cash sponsorships ranged from \$500 to \$2,500. Sponsor donations were up this year, partially due to the Film Festival event. Non-cash sponsorships include goods and services valued at \$88,435, a 5% increase from the prior year. Our founding sponsors, the City of Corvallis, Benton County and Oregon State University provide non-cash sponsor support in the facilities and production of the Festival. These three institutions are key partners in the success of the Festival.

The list below includes cash and in-kind sponsors. There were 21 cash sponsors with an average donation of \$1,264 compared to last year's 22 cash sponsors with an average donation of \$1,045. There were 22 in-kind sponsors, with average support valued at \$4,019, up slightly from 2009.

Breakthrough \$2000+

CH2M Hill
The Corvallis Clinic
Corvallis Radiology
Entek International
Full Color Press
Hewlett-Packard
Hilton Garden Inn
OSU Federal, Community Credit Union
No Dinx
Valley Eye Care

Peak Internet
Samaritan Health Services
Stephen M. Sever, Inc.

Inspiration \$500+

American Dream Pizza
Citizens Bank
Coffee Culture Café
Corvallis Fall Festival
Evanite Fiber Corporation
First Alternative Co-op
Footwise
Gracewinds Music
Pepsi-Cola of Corvallis

Exploration \$1000+

Allied Waste
Benton County Fair & Rodeo
Columbia Distributing
Darkside Cinema
Energy Trust of Oregon
Invitrogen Life Technologies
Lassen RV
Mario & Alma Pastega Family Foundation

Media sponsors

BiCoastal Media
Eugene Weekly
Corvallis Gazette Times
KEZI-9 TV

Expenditures

Operating expenses have been held to the lowest possible levels since 2005 by leveraging non-cash support and maintaining healthy partnerships with multiple organizations. Total operating costs were \$209,120, 3.3% over budget and 12.8% more than the prior year.

Community partnerships are fundamental to our success as we work to align organizational interests of potential partners with the mission of da Vinci Days. As noted in the listing of Festival partners, we continue to reach out to a wide variety of local and regional organizations with opportunities for participation in mutually beneficial relationships.

Administration and management (19%)

Administrative expenses include administrative & management staff payroll and taxes, office and storage rental, supplies, and professional expenses for accounting services. Da Vinci Days shares office space and equipment with Corvallis Fall Festival to keep office expenses low at the lowest possible level. The Executive Director is the only year round paid staff of da Vinci Days and payroll is divided on federal tax reports between fundraising, festival production, and administration and management.

Fundraising (10%)

Fundraising expenses include a portion of staff payroll for time spent recruiting sponsors, planning fundraising activities, and includes actual costs for donor mailings and the Corvallis Fall Festival food booth.

Production and Programs (53%)

Through the commitment and service of dedicated volunteer workers, da Vinci Days continues to provide a high quality festival that delivers a good return on the City's investment. Nearly half of the expenditures of the organization go directly towards the cost of the weekend festival. Quality programming depends on dozens of partnerships, thousands of volunteer hours, and the creative efforts of da Vinci Days leadership including the Executive Director, Board members, and Festival Committee members. Many aspects of the event remain the same from year to year and our goal is to enhance and improve elements of the Festival each year.

Coordination with City and County employees is instrumental in the smooth flow of operations. Oregon State University contributed significant in-kind services and Kavinda Arthenayake served as OSU liaison and coordinated planning meetings with key OSU staff.

With the enthusiasm and expertise of members of the Festival's Sustainability Committee, da Vinci Days took a leadership role with a new recycling and composting program in 2010. The composting program was a dramatic success with the following results:

- recycled and composted an entire TON of material (27 cubic yards)
- cut festival trash in half over last year
- only 22% of attendee waste (not including vendor operations)
- the Green Team consisted of 69 recycling station volunteers who gave 196 hours to educate and assist attendees. This doesn't include the Boy Scout Troop 163, and OSU Campus Recycling coordinators and staff)
- new educational 'monster' cartoon characters were created to for trash, compost, and recycling signage

Other guest services included:

- Free Shuttles provided transportation to Kinetic race venues on Saturday and Sunday.
- Free parking in all OSU parking lots.
- Free city bus service was provided by the Corvallis Transit System on Festival weekend.
- Safety and Information area, located at the main entrance and the Children’s Village.
- Family Rest Area, located in the Children’s Village.
- Free bike valet, with parking for more than 800 bicycles.

Festival programs are categorized in six general areas, Art Activities and Exhibits, Children’s Village, Music & Performances, Races & Revelry, Science and Technology, and Film Festival. The following subsections provide a brief description of summer festival programs:

Art Activities and Exhibits

The Community Art Project committee continues to be a driving force in creating an early “buzz” about Festival involvement. The 2010 theme “Space Odyssey” drew close to 150 entries, with their projects displayed during the Festival weekend. Other highlights included strong participation in the Sidewalk Chalk Art event and exhibits by eight groups.

Willamette Ceramics Guild

Corvallis Arts Guild- the da Vinci Draw

Albany Historic Carousel and Museum

International Plastic Modelers Society

Willamette Valley Photo Arts Guild

Henna by Rebecca

Writers on the Range

Arts for All adaptive arts activity

Children’s Village

The Children’s Village entertained hundreds of families with children with twenty-four local and regional organizations offering hands-on science and art activities. Artistic face painting, and the Amazama Juggling School and the Amazing Maze rounded out the dozens of free activities in the “Village”. Children’s Village exhibitors were primarily non-profit organizations and are listed with other Festival partners in this report.

Music and Performances

The primary costs for entertainment are performance fees, stage and sound equipment rentals and sound technician fees. Total expenses for this category were \$47,308, up \$9,222 from the prior year. Sixteen performance groups provided non-stop entertainment on two stages throughout the weekend. The Main Stage schedule included the Friday opening with Grupo Fantasma, a Grammy nominated Latin band from Austin Texas and Saturday night featured The Dirty Dozen Brass Band, from New Orleans.

The Shady Stage served as the daytime musical venue with a variety of performers on Saturday featuring Common Pulse, a local drumming group and performances by groups from various musical genres. A small stage in the food court area provided a more intimate setting for the Sunday afternoon Poetry Slam, hosted by Mary’s Peak Poets.

The Cabiri Performance Troupe provided aerial dance performances throughout the weekend, enthralling crowds with their elaborately engineered stage and costumes.

Races and Revelry

The races and parades have become iconic events for Corvallis and da Vinci Days. Spectator attendance continues to grow and we appreciate the good flow of communication and coordination with OSU, City, and County staff on road closures and impacts on transit and parking in the Festival area.

Grand Prix Electrathon

Teams travel to Corvallis from around the Willamette Valley for the opportunity to promote electric powered vehicles and to race for cash prizes. The Electrathon course took place Friday evening primarily on campus streets. Nine race teams enjoyed a large crowd on Friday evening as they sped around a .8 mile closed loop course along 14th Street, near the lower campus festival location. A second race was run at OSU's Reser Stadium on Saturday.

Kinetic Sculpture Race

The Graand Kinetic Challenge race committee meets throughout the year to plan and organize the da Vinci Days race. There were 181 race volunteers and 132 racers. A total of 23 teams registered, eleven teams traveled to Corvallis from more than 50 miles away. Events at the Benton County Fairgrounds "Sand Dune", the Crystal Lake Sports Park "Mud Bog", and the North Willamette boat landing "River Exit" continue to be popular spectator locations.

Leo's Kinetic Parade included entries from local organizations including local electric vehicle owners, big puppets, and a delegation of OSU International Students in their country's traditional dress. This year's parade participation and spectators were similar to the prior year and the parade continues to evolve as a community event.

Canine Frisbee Competition

Canine Frisbee is held in the open area of Madison Field and was held on Saturday morning with an estimated crowd of 200 spectators, consistent with the prior year.

Science and Technology

Astronomy Exhibit and Stargazing Party

The Heart of the Valley Astronomers hosted their annual exhibit at the Lower Campus with a hands-on display of telescopes. The Stargazing Party was held Saturday evening at Central Park after the Main Stage music performance.

Keynote presentation

This year's keynote at The LaSells Stewart Center on the OSU campus was Oregon astronomer and author Richard Berry, presenting his talk "Is Pluto a Planet?" An appreciative audience of 250 enjoyed the presentation and engaged in a lively Q&A session after the talk.

Discover OSU

Eleven exhibits were hosted by various colleges at OSU. This area provided people of all ages with dozens of interactive and educational displays.

FIRST Robotics

Local and regional high school FIRST Robotics teams and their mentors provided exhibition competitions on Sunday. The mission of FIRST Robotics (For Inspiration and Recognition of Science and Technology) is to inspire young people to be science and technology leaders, by engaging them in exciting mentor-based programs that build science, engineering and technology skills.

Geocaching

Interest continues to grow in GPS technology and the sport of geocaching. This year, included Geocaching events on Saturday and Sunday where participants were provided a card with waypoints and had to locate ten hidden caches around the Festival grounds and downtown.

Green Town

This popular venue was open Friday evening through Sunday and featured 29 local and regional exhibitors to educate and inspire attendees to consider the environmental impacts of modern living. Exhibitors included the City of Corvallis, local businesses, educational and non-profit organizations. New this year was the Toyota Prius Plug-in Hybrid contest and display, providing Corvallis residents an opportunity to sign up to participate in a two month pilot project of Toyota's newest hybrid technology.

Film Festival

Da Vinci Days Board Members Lainie Turner and Barbara Bull served as co-coordinators of the Film Festival. With good volunteer recruitment and continued support from OSU Conference Services, the Film Festival was a successful event. Budget goals were met with increased ticket sales and increased revenues through filmmaker workshop fees, film submission fees and program ad sales. Over sixty films were screened, including a block of local films and an invited film (and audience favorite) "Between the Folds". Some changes this year that enhanced the event included a more focused effort to invite out of town guest filmmakers, lobby activities that related to featured films, and food service available at all hours from First Alternative Co-op. Film Festival sponsors included B-Side Entertainment, Darkside Cinema, Downtown Dental, Eugene Weekly, Full Color Press, Oregon State University, Peak Internet, and Special Occasions.

The stand-alone film festival event was initiated as a result of the 2005 Strategic Plan created the Board of Directors in 2004. Assumptions were built into that goal that the event would generate additional revenue for the organization. The stand-alone events of 2008 – 2010 were stressful to the organization; they did not contribute substantial revenue to the organization, and did increase the workload to staff. Marketing and other administrative activities were increased by moving the time of the festival to the spring, and sponsorship relationships were confused.

After a Board sub-committee review, the da Vinci Days Board of Directors voted to move the Film Festival back to the summer event. It will resume as being an additional offering during the summer festival in 2011.

MARKETING

Our marketing objectives are to invite participation in da Vinci Days through event participation and attendance and to draw more local attendees through increased publicity efforts including social media (Blog, Twitter, Facebook), printed collateral maximizing advertising dollars by utilizing matching funds from media sponsors where possible, cross-market with other local events, and increasing promotion outside the local area to attract out-of-town attendees.

The target audience for the festival is geographically located in the Willamette Valley and farther north and south along the I-5 corridor. Attendees are interested in learning new things and enjoy participating in cultural events while supporting their community. Out of town guests are participants in the events, family members of Corvallis residents, and leisure travelers who are attracted through travel web sites. The marketing budget was higher this year due to allocations for web site construction and the separate film festival event. Marketing consists of publicity activities, supplies, print collateral, and advertising. Actual marketing expenses were \$1,500 below budget.

Print/Online Ads

Advertising expenses included print, radio, web, and television for a total cash investment of \$10,666. This annual figure includes \$2,732 ad expenditures for the Film Festival held in March. Ad buys were leveraged with in-kind donations valued at \$22,629. This annual figure includes \$6,416 in-kind ads for the Film Festival.

Publication	Distribution	Media
Oregon Events Calendar	Travel Centers throughout Oregon	Print
Corvallis Parks & Rec	40,000 households	Print
Co-op Thymes	Household circulation to 10,000 members	Print
Eugene Weekly	Circulation 40, 123	Print
Corvallis GT Community Bulletin	Circulation 35,000	Print
Corvallis GT Entertainer	Circulation 35,000	Print
The Alchemist		Print
Valley Parent	Circulation 22,000	Print
BiCoastal Media		Radio
OPB	380,000 weekly listeners	radio
KEZI TV	200,000 households	television
Corvallis Tourism group buy	No data available	web
Corvallis GT banner ad	No data available	Web
Film Festival ads		multiple



New da Vinci Days characters Lil Eddie, Miles the recycler, and Denson the compost monster.

Publicity

More than a dozen publicity events and activities provided low cost, high touch opportunities to promote da Vinci Days. Multiple press releases were distributed to local, regional, and national media outlets. Sev Williams of Public Good PR provided professional public relations services to da Vinci Days including writing and distributing public service announcements, event advisories, and press releases. Da Vinci Days was provided with an up to date media list of 433 media outlets throughout the country.

Publicity Events

Eugene Celebration Parade	September
Port Townsend Kinetic Sculpture Race	October
Corvallis Christmas Parade	November
Corvallis Sustainability Coalition Town Hall	January
Art & Science Night Hoover Elementary School	February
Earth Day Fair & Parade	April
Web launch party	April
Spring Garden Festival	May
Eureka Kinetic Sculpture Race	June
Corvallis Farmer's Market	June (two Saturdays)
Portland Rose Festival Starlight Parade	June
Footwise window display	June & July (total 4 weeks)
Harrison Blvd banner display	July (2 weeks)
Book Bin window display	July (2 weeks)
Citizens Bank window display	July (2 weeks)

Press coverage and calendar Listings

	URL/publication
Chamber Connections	www.cbcchambercoalition.com
Eugene Weekly	www.eugeneweekly.com
KEZI-TV	www.kezi.com/community
Oregon Art Beat	www.opb.org/programs/artbeat
KBOO community radio	www.kboo.fm/node/1793
KMTR-TV	www.kmtr.com/ugc/cat/calendar/default.aspx
KLCC Public radio	www.klcc.org/index.asp
Corvallis Sustainability Coalition	www.sustainablecorvallis.org
Visit Corvallis	www.visitcorvallis.org
Oregon Festival & Events Association	www.oregonfestivals.org
Travel Oregon	www.traveloregon.com
INCorvallis magazine	Pre-festival story
The Co-op Thymes	Pre-festival composting story
The Alchemist	Pre-festival story
Rand McNally Road Atlas- Festivals edition	Featured alongside Portland Rose Festival for Oregon festivals

NPR Science Friday blog	http://www.sciencefriday.com/arts/2010/07/ha-ve-fun-get-muddy-see-ok-go-live-at-da-vinci-days-festival/
Chicago Daily Herald	http://www.dailyherald.com/story/?id=391433
KEZI-9 (ABC affiliate) Eugene	http://kezi.com/news/local/181685
KVAL TV- Portland	http://www.kval.com/news/98628324.html
TravelBlog	http://www.travelblog.org/North-America/United-States/Oregon/Corvallis/blog-516355.html
Mid-Valley Newspaper- Corvallis/ Albany	http://grahamkislbury.mvourtown.com/2010/07/18/da-vinci-days-was-a-feast-for-the-eyes/
The Oregonian	http://blog.oregonlive.com/themombeat/2010/07/family_fun_july_16-22_festival.html

Website and Social media

The website was completely rebuilt, incorporating a new URL, www.davincidays.org (the hyphen was dropped) and a content management system that easily allows for updates, news, and content changes. Beyond marketing, an additional goal of the new site was to enhance operational efficiencies for registrations and ticket sales. The new site design incorporated the artwork from the 2010 poster and conveys the creativity and innovation of da Vinci Days. The new site also features multiple ways to be a part of the da Vinci Days on-line community through social media sites including Twitter, Facebook, and Flickr. In 2009, a website was created for the da Vinci Film Festival. The film festival URL, www.davincifilmfest.org will point to the existing da Vinci Days site and will no longer be used.

In coordination with office staff, da Vinci Days volunteers provided a steady stream of Facebook profile updates and twitter feeds. The da Vinci Days Facebook page has 733 community members and #davincidays on Twitter has 297 followers.

Web analytics for www.davincidays.org during the week of July 12-19, 2010:

- 13,823 total visits
- Oregon generated 11,488 visits, 5,124 from outside Corvallis
- 58,522 pageviews (the equivalent of impressions in advertising speak)
- 9,573 unique visitors
- The event schedule was viewed 7,165 times
- The ticket admission info page was viewed 4,850 times
- The event map was viewed 2,097 times

SUMMARY

With more than twenty years of bridging the town and gown dynamic of Corvallis, da Vinci Days has become the iconic summer event for Corvallis. We have thriving relationships with dozens of organizations, businesses, and the university and we continue to explore better ways to partner, showcase, and celebrate as we find new ways to build the social capital of our community and attracting visitors to the event.

We continue to make new connections between organizations and support the efforts of our business, education, and non-profit partners. The ongoing support of our founding organizations, the City of Corvallis, Benton County, and OSU have been integral to our continued viability. We are grateful for the support from city staff and the City Council to ensure the continued success of da Vinci Days in our community.

Addendum

Financial Reports
City Loan repayment request

da Vinci Days Statement of Activities with comparison to prior year

*City allocation of \$16,658 included in Contributions

	FY 2010	FY 2009	\$ Change	% Change
Ordinary Income/Expense				
Income				
4000 · *Contributions*	66,603.00	59,256.17	7,346.83	12.4%
4300 · * Program Revenue*	143,213.74	163,298.06	-20,084.32	-12.3%
4400 · Fundraising Events	1,814.16	1,948.30	-134.14	-6.89%
4500 · Festival Merchandise Sales	7,026.00	8,276.00	-1,250.00	-15.1%
4998 · Interest Income	30.39	0.00	30.39	100.0%
Total Income	218,687.29	232,778.53	-14,091.24	-6.05%
Cost of Goods Sold				
5500 · *Festival Merchandise*	5,339.80	6,810.60	-1,470.80	-21.6%
Total COGS	5,339.80	6,810.60	-1,470.80	-21.6%
Gross Profit	213,347.49	225,967.93	-12,620.44	-5.59%
Expense				
6100 · *Payroll Expenses	58,819.84	55,335.04	3,484.80	6.3%
6200 · Awards & Prizes	3,492.00	3,436.47	55.53	1.62%
6250 · Bank Fees	1,498.99	2,149.53	-650.54	-30.26%
6300 · Contracted Services	49,962.87	44,074.08	5,888.79	13.36%
6400 · Depreciation expense	2,463.33	2,565.96	-102.63	-4.0%
6450 · Dues & Subscriptions	145.65	136.00	9.65	7.1%
6500 · Equipment Rentals	25,320.31	19,606.75	5,713.56	29.14%
6650 · Facility Rentals	800.00	600.00	200.00	33.33%
6700 · *Hospitality	5,590.39	4,137.85	1,452.54	35.1%
6800 · Insurance	3,955.00	3,622.00	333.00	9.19%
6900 · Interest Expense	2,732.27	2,724.89	7.38	0.27%
6950 · IT Expenses	472.33	0.00	472.33	100.0%
7000 · Marketing & Publicity	32,844.56	25,840.41	7,004.15	27.11%
7050 · Miscellaneous expense	0.00	30.00	-30.00	-100.0%
7100 · Occupancy-Rent	6,761.03	6,552.66	208.37	3.18%
7150 · Postage	833.06	838.94	-5.88	-0.7%
7200 · Printing & Publications	108.94	435.63	-326.69	-74.99%
7250 · Permits & Licenses	801.00	758.00	43.00	5.67%
7300 · *Professional Services*	1,898.75	1,888.15	10.60	0.56%
7400 · Scholarships & Donations	500.00	1,000.00	-500.00	-50.0%
7500 · Supplies	7,551.28	7,142.24	409.04	5.73%
7600 · Telephone & Web Communications	2,006.24	1,818.92	187.32	10.3%
7650 · Training & Development	219.00	400.00	-181.00	-45.25%
7700 · Travel & Mileage Reimburse	343.10	225.05	118.05	52.46%
Total Expense	209,119.94	185,318.57	23,801.37	12.84%
Net Ordinary Income	4,227.55	40,649.36	-36,421.81	-89.6%
Other Income/Expense				
8000 · In-Kind Donations	88,435.25	84,127.41	4,307.84	5.12%
Total Other Income	88,435.25	84,127.41	4,307.84	5.12%
8050 · In-Kind Marketing	33,498.00	43,053.06	-9,555.06	-22.19%
8055 · In-Kind Services	46,473.00	30,273.00	16,200.00	53.51%
8060 · In-Kind Supplies & Equip	8,464.25	10,801.35	-2,337.10	-21.64%
Total Other Expense	88,435.25	84,127.41	4,307.84	5.12%
Net Other Income	0.00	0.00	0.00	0.0%
Net Income	4,227.55	40,649.36	-36,421.81	-89.6%

da Vinci Days Statement of Financial Position with comparison to prior year

	<u>Aug 31, 10</u>	<u>Aug 31, 09</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS				
Current Assets				
Checking/Savings				
1001 · Petty Cash	49.74	23.20	26.54	114.4%
1002 · Checking-Citizens	0.00	91,043.53	-91,043.53	-100.0%
1003 · OSU Fed checking	100,613.12	0.00	100,613.12	100.0%
1005 · OSU Fed savings	4,835.67	0.00	4,835.67	100.0%
Total Checking/Savings	105,498.53	91,066.73	14,431.80	15.85%
Accounts Receivable				
1200 · Accounts Receivable	1,571.25	2,171.25	-600.00	-27.63%
Total Accounts Receivable	1,571.25	2,171.25	-600.00	-27.63%
Other Current Assets				
1250 · Merchandise Inventory	1,898.00	0.00	1,898.00	100.0%
1400 · Prepaid expenses	280.80	540.80	-260.00	-48.08%
Total Other Current Assets	2,178.80	540.80	1,638.00	302.89%
Total Current Assets	109,248.58	93,778.78	15,469.80	16.5%
Fixed Assets				
1501 · Donated Equipment	10,003.00	6,503.00	3,500.00	53.82%
1500 · Equipment	9,079.57	9,079.57	0.00	0.0%
1590 · Accumulated Depreciation	-9,500.57	-7,037.24	-2,463.33	35.0%
Total Fixed Assets	9,582.00	8,545.33	1,036.67	12.13%
TOTAL ASSETS	118,830.58	102,324.11	16,506.47	16.13%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
2000 · Accounts Payable	0.00	157.35	-157.35	-100.0%
Total Accounts Payable	0.00	157.35	-157.35	-100.0%
Other Current Liabilities				
2200 · Deferred Revenue*	14,421.00	0.00	14,421.00	100.0%
2310 · Wells Fargo LOC	30,969.33	30,954.06	15.27	0.05%
Total Other Current Liabilities	45,390.33	30,954.06	14,436.27	46.64%
Total Current Liabilities	45,390.33	31,111.41	14,278.92	45.9%
Long Term Liabilities				
2330 · City of Corvallis- Loan	12,000.00	14,000.00	-2,000.00	-14.29%
Total Long Term Liabilities	12,000.00	14,000.00	-2,000.00	-14.29%
Total Liabilities	57,390.33	45,111.41	12,278.92	27.22%
Equity				
3100 · Unrestricted Net Assets	57,212.70	16,563.34	40,649.36	245.42%
Net Income	4,227.55	40,649.36	-36,421.81	-89.6%
Total Equity	61,440.25	57,212.70	4,227.55	7.39%
TOTAL LIABILITIES & EQUITY	118,830.58	102,324.11	16,506.47	16.13%

GL 2200 Deferred Revenue is the FY2010/11 Economic Development funding allocation. The funds allocated in May 2010 will be included in the da Vinci Days FY11 financials.

Proposed Payment towards Bridge Funding Loan

Da Vinci Days would like to request to defer the 2010 payment to the City of Corvallis.

In November, Executive Director Brenda VanDevelder met with city staff to determine if the status of the loan should be reviewed and to discuss the probable reduced funding through the economic development allocations process in the coming years.

Due to the continuing decline in the economy and the reduced funding available for da Vinci Days through the Economic Development Allocations process, the da Vinci Days Board of Directors requests a deferment on the 2010 payment on the Bridge Funding Loan.

The \$20,000 City loan was extended interest free in 2005 and the balance is currently \$12,000. The \$48,000 Wells Fargo Bank variable rate loan balance has been paid down and the balance is currently \$31,000. We would like to focus the debt reduction efforts on the more costly loan.

The financial picture for the next few years is challenging on all fronts and da Vinci Days continues to focus on sustaining annual revenues and managing cash flow to maintain a viable community festival and tourist attraction. In light of these challenges, we believe this is a prudent course of action. The da Vinci Days Board of Directors appreciates your consideration of this request.

MEMORANDUM

March 28, 2011

TO: Administrative Services Committee

FROM: Nancy Brewer, Finance Director *NB*

SUBJECT: Implementing GASB 54 – Part 2

I. Issue

To classify certain revenues and reserves as committed.

II. Background

The Governmental Accounting Standards Board (GASB) issues pronouncements from time-to-time to address certain financial reporting issues. A large portion of GASB's work focuses on developing common standards for governmental financial reporting so that there is consistency in how numbers are reported and what that means. GASB Statement 54 – Fund Balance Reporting and Governmental Fund Type Definitions is scheduled for implementation by Corvallis in the June 30, 2011 Comprehensive Annual Financial Report (CAFR). GASB Statement 54 applies to an organization's governmental funds – the General, Special revenue, Capital Construction, and Debt Service Funds; it does not apply to proprietary funds (Water, Wastewater, Storm Water, Airport and the internal service funds).

The first phase of implementation for GASB 54 for Corvallis was in the modifications made to the City Council's Financial Policies to align the City's definition and use of reserves terms with the GASB's terms (Attachment A). Though the definitions are not required for proprietary funds, for consistency in financial reporting, staff will use the same terms for the financial plans throughout the budget process.

Staff has completed work on the "governmental fund type definitions" and a review of existing revenues and reserves, which is what is addressed in this phase of implementation.

III. Discussion

This discussion has two primary areas of focus:

A. Revenues

The focus of the "governmental fund type definitions" is primarily on Special Revenue Funds since the City's General, Debt Service and Capital Construction Funds already meet GASB's updated definitions. For Corvallis, the Special Revenue (SR) Funds are the: Street, Parks & Recreation, 9-1-1, Development Services, Fire and Rescue, Community Development Revolving Loan, Parking, Transit and Library Funds.

GASB 54 requires each SR fund to have substantial restricted or committed revenues; restricted and committed have the same basic meaning for revenues as they do for reserves. Without either a restriction (placed by an outside agency) or a commitment (placed by the City Council via ordinance)

of revenues, the SR fund can exist, but all data would be rolled into the General Fund for financial reporting purposes. Financial Services staff has completed a review of the revenue streams for each of the SR funds. Since the GASB is silent on what constitutes “substantial” revenue streams, staff has defined substantial as making up 20% or more of the revenue in the fund. This is a level used by the State of Oregon to determine a substantial state revenue.

Staff’s review has identified the following funds as meeting the restricted/committed test:

Fund	How Restricted/ Committed	Proportion of Revenues	“Available Fund Balance” will be reported as:
Street	Gas Tax and Street SDCs	61.5%	Restricted
9-1-1	State Shared Revenue	25.5%	Restricted
Development Services	Licenses and Permits are restricted by the State and committed by the Council via ordinance	41.7%	Restricted
Community Development Revolving Loan	Federal CDBG and HOME Grants are restricted by the federal government	85.7%	Restricted
Parking	Meter revenues are committed via Council ordinance and CMC 6.11.160	27.0%	Committed
Transit	Operating grants are restricted by the federal government	31%	Restricted
Library	Benton County Library Service Agreement restricts the use of the intergovernmental revenue	36.7%	Restricted

The remaining two funds will require additional work if past practice to treat significant revenue streams are to continue to be treated as committed revenues.

Parks & Recreation Fund – this fund was initially established to account for specific, Corvallis voter-approved Charter amendments to create property tax levies to fund Parks operations – a restricted revenue. The Charter levies were preempted by the State when Measures 47/50 passed statewide and the single, permanent tax rate was established. Until that time, the fund had included revenue from the levies as well as all other operating revenue raised from permits for park use, registration fees for activities, swimming admission fees, rental payments, etc. to pay the operating costs for Parks & Recreation. Since the passage of M 47/50, the property tax allocation has been a matter for the City Council to determine, and the amount changes each fiscal year. As a result, property taxes, which formerly were a restricted revenue, are now considered to be assigned as a revenue. The Parks & Recreation permit and fee revenue has never been “legally” committed by the City Council as being available only for Parks & Recreation operations, even though it has been treated as a committed revenue stream for many, many years. When these two revenues are combined with Parks SDC monies and the intergovernmental agreement limits on Osborn Aquatic Center revenues (including admissions, pro shop, etc.) which create about 17% of the revenue as legal restrictions, the revenue restricted or committed would be about 25% of the fund’s total revenues.

Fire and Rescue Fund – like the Parks & Recreation Fund, the Fire and Rescue Fund was initially established to account for specific, voter approved Charter amendments to create property tax levies – a restricted revenue -- to fund Fire operations and capital replacement. These Charter levies were also preempted by the State when M 47/50 passed statewide and the single, permanent tax rate was established. Until that time, the fund had included revenue from the levies as well as payments from the Corvallis Rural Fire Protection District and charges for ambulance transportation. Since the passage of M 47/50, the property tax allocation has been a matter for the City Council to determine, and the amount changes each fiscal year. As a result, property taxes, which formerly were a restricted revenue, are now considered to be assigned. The rural district payment (about 11.5% of total revenues) is restricted by way of the intergovernmental agreement. Ambulance fees have never been formally committed by the City Council, though as with the other revenues being discussed there is a common understanding that those fees are used specifically to fund transport ambulance services. If ambulance revenues were committed by the City Council, about 29% of the fund's total revenues would be restricted or committed.

City Council adoption of an ordinance that identifies these revenue streams as “committed” would allow these two funds to continue to operate as special revenue funds, and to be reported on in the CAFR as stand alone funds. An ordinance that completes this action is included as Attachment B. If the City Council does not commit these revenue streams, the two funds can continue to exist, but for the purposes of financial reporting will be rolled into the General Fund.

B. Reserves

The General and Special Revenue Funds have several reserves which have been established by the City Council via a wide variety of mechanisms (motion, Council Policy, etc.). Upon review of these reserves, staff believes that Council's intent was that these would be treated as committed reserves – requiring specific City Council action to use these monies for any purpose other than that stated for the existing reserves. GASB's Statement 54 requires reserves that are to be treated and reported on as committed be established using the highest form of Council decision making. According to the GASB, that would require defining these reserves as committed via ordinance. A summary of the reserves where prior Council action shows an intent for these monies to be committed are:

General Fund, PEG Access Facilities – established via Council Resolution #2002-46, this reserve was originally established at \$355,000 using a one-time payment from Comcast. Use of the reserves is for future public access operating expenses and PEG/I-Net capital expenses. The June 30, 2010 balance was \$293,131. Additions to the reserve come from interest earnings; other monies from a similar payment could also be added to the reserve, but staff does not expect this to occur. The reserve is expected to be fully expended at some time in the future, and would go away when that occurs.

Street Fund – Payments-in-lieu of Street Improvements – established via Council Policy 99-7.14, revenue in this reserve comes from payments made by developers who would be required to make street improvements on current substandard streets when the development is infill according to the Land Development Code. The policy states the monies will be held in reserve, tracked by street name, and then used when the City or a developer undertakes complete reconstruction of the street. The June 30, 2010 balance was \$17,082. Additions to the reserve would come from additional development projects. The reserve may be fully expended if no additional street were added and if the street improvements already funded were implemented; however, it is more likely this reserve would exist in perpetuity as streets are added/constructed.

Parks & Recreation Fund – Civic Beautification Endowment – established via Council Resolution #2005-12. This resolution was based in part on auditors' questions about whether or not permanent funds (which the Civic Beautification Fund had been) were truly permanent by the

GASB's definitions, which required a permanent or trust fund to be based on an externally enforceable trust agreement. In the case of Civic Beautification, staff found a number of donations had been made to establish and add to an endowment, but that there was no trust agreement behind these monies. As a result, the balances were moved from the permanent fund to the Parks & Recreation Fund as an endowment to be reserved with the designation that one-half of the annual interest earnings would be available for the Civic Beautification and Urban Forestry Commission to use as grants until the endowment principal had grown to \$100,000 when the full annual interest earnings would be available. The June 30, 2010 balance was \$89,368, with \$78,941 as non-expendable. Additions to the reserve would come from interest earnings and donations for the purpose of the reserve. This reserve is expected to exist in perpetuity.

Parks & Recreation Fund – Majestic Theatre Endowment – established via Council Resolution #2005-12, the MTM endowment has a similar history as the Civic Beautification endowment. In the case of the MTM endowment, annual interest earnings are paid to the Majestic Theatre Management, Inc. as part of their contract to manage the theatre. The June 30, 2010 balance was \$428,888, with \$425,239 as non-expendable. The endowment could grow based on donations to the City where the specific request is to add to the endowment, or based on City Council designation of monies to be added to the endowment (regardless of source). This reserve is expected to exist in perpetuity, but the City Council could designate the expenditure of most of the balance for the Majestic Theatre.

Parking Fund – Fee-in-Lieu Parking Program – established via Council Policy 02-7.15, this reserve holds monies paid to the City when improvements in the Central Business (CB) and River Front (RF) districts are made that would otherwise require the developer to put in place certain parking improvements. The City holds these monies and then uses them to either make improvements, or to reimburse a developer who makes the improvements. The June 30, 2010 balance was \$37,323. The reserve may be fully expended if no additional development downtown occurred and if the parking improvements already funded were implemented; however, it is more likely this reserve would exist in perpetuity as development occurs, the improvements occur, then more development, etc.

Library Fund – Library 2010 -- this was originally established as a separate trust fund (Library 2010 Trust Fund), with monies that were remaining after the 1990 remodel and expansion of the main Corvallis Library. As with the other reserves mentioned above, the trust fund was eliminated when GASB 34 was implemented because there was no third party trust agreement. The reserve holds \$400,000 in a principal amount, with interest earnings used to fund major Library automation, furnishings, and/or structural maintenance. The June 30, 2010 balance was \$421,169. The reserve may be fully expended if the City Council directed; however, staff anticipates that the reserve will continue in perpetuity, funding the goods identified in the Council Policy.

Previous City Council action on these reserves shows the Council's intent to treat each reserve as a committed reserve. However, GASB's Statement 54 requires the Council to act in a more deliberate manner than motion, or policy to continue to report these as committed reserves. City Council adoption of an ordinance that specifies that these reserves are committed will continue to allow staff to report on these balances in the annual CAFR and the financial plans through the budget process as committed reserves. An ordinance that takes this action is included as Attachment C. Because Oregon law looks to the intent of the City, rather than the form or title of a resolution or ordinance, if the City Council does not act to commit the reserves as identified above, the PEG Access, Civic Beautification, and Majestic Theater reserves, which were established by resolution, could continue to be treated as committed reserves, consistent with the intent at the time those funds were established. However, the other reserves would be reported in the CAFR as "assigned" reserves, and as such could be made available for appropriation for other uses. The ordinance

proposed by staff includes these three reserves mostly as a matter of convenience – staff will have all committed reserves identified in a single document.

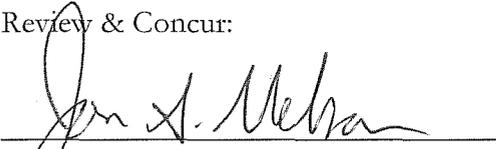
As a note, staff recommends renaming the Library 2010 Reserve to the Library Improvement Reserve since 2010 is now past. The Ordinance in Attachment C makes this name change in establishing the committed reserve; section 1.16 of the Corvallis Municipal Code Chapter also needs to be updated where the Library Board functions are defined (Attachment D).

IV. Requested Action

Review this information and recommend the City Council adopt:

1. An ordinance to be read by the City Attorney committing certain revenue streams for certain uses; and
2. An ordinance to be read by the City Attorney committing certain reserves in the General and Special Revenue Funds; and
3. An ordinance to be read by the City Attorney amending Corvallis Municipal Code Chapter 1.16.

Review & Concur:



City Manager

CP 10.02 FUND BALANCE POLICIES**10.02.010 Fund Balance Definitions**

- 10.02.010.010 The Governmental Accounting Standards Board (GASB) has defined fund balance for financial reporting to be classified as follows:
- a. Non-spendable: Amounts inherently non-spendable or that must remain intact according to legal or contractual restrictions.
 - b. Restricted: Amounts constrained to specific purposes by externally enforceable legal restrictions, such as those provided by creditors, grantors, higher levels of government, through constitutional provisions, or by enabling legislation.
 - c. Committed: Amounts constrained by the City Council.
 - d. Assigned: Amounts the City intends to use for a specific purpose. The authority to assign resources lies with the City's Finance Director.
 - e. Unassigned: Amounts that are not categorized into one of the aforementioned classifications; these resources may be used for anything. Only the General Fund should show a positive unassigned fund balance. For other funds, a negative unassigned balance should be reported if more resources are used than are available in the fund.
- 10.02.010.020 The City of Corvallis will use the GASB's definitions of Fund Balance for the Comprehensive Annual Financial Report (CAFR) and for all other financial reporting. For all financial planning purposes, the term Budgetary Fund Balance will be used and will include any portion of the fund balance that is available for appropriation. Portions of the fund balance that are not available for appropriation will be identified as a Reserved Balance.

10.02.020 Budgetary Fund Balance**10.02.020.010 Introduction**

The budgetary fund balance describes the net financial assets of governmental funds; in lay terms it represents the net revenues in excess of expenditures since the fund's inception. Fund balance is used to provide stable resources for times when service levels might otherwise be impacted by taxes or fees that temporarily underperform, or to cover one-time unexpected expenditures. As a best financial management practice, to maintain the City's credit rating, and to meet state law requirements for no deficit spending, the City shall have a positive budgetary fund balance for each fund of the City. Actual fund balances for each fund shall be reported in the Comprehensive Annual Financial Report, issued as of June 30 of each fiscal year. Budgetary fund balances shall be reported in the annual budget, and shall be projected for each operating fund as part of the financial planning process to prepare the budget each year.

10.02.020.020 Property Tax Funds Combined – Budgetary Fund Balance for Financial Planning Purposes

Prior to each year's initial Budget Commission meeting, the City Council shall review the Property Tax Funds – Combined fund balance for the purpose of determining whether resources exist to consider activities in 10.02.020.050. This review may include:

- a. determining the budgetary ending fund balance which may include a review of any restricted, committed, or assigned balances identified as reserves, and the potential ending fund balance that includes the Historic Norming Adjustment (HNA) that approximates the five-year average difference between budgeted and actual revenues and expenditures,
- b. preserving sufficient budgetary fund balance to cover at least three months' payroll expenses for the combined funds,
- c. establishing the time period over which to allocate any surplus budgetary balance for one-time or ongoing service enhancements,
- d. reserving funds for future year commitments and assumption modeling to determine if capacity exists based upon the Property Tax Funds -- Combined budgetary fund balance in the third year.

Results of this City Council review will be forwarded to the Budget Commission. Subsequent actions by the Budget Commission and/or the City Council may result in the budgetary ending fund balance for the Property Tax Funds being different than this recommendation.

10.02.020.030 Appropriate Budgetary Fund Balance

- a. Each operating fund shall have a positive budgetary ending fund balance for the budget year under discussion.

- b. Through the annual budget development process the Finance Director recommends the appropriate ending budgetary fund balance for each fund. The Finance Director shall take into account the following factors:
 1. the current budgetary fund balance;
 2. the City Council's recommended budgetary fund balance for the property tax funds combined;
 3. cash flow requirements to support expenditures, including up to three months of payroll costs;
 4. future capital needs;
 5. significant revenue and expenditure trends including the HNA;
 6. relative rate stability from year to year for enterprise funds;
 7. susceptibility of the fund to emergency or unanticipated expenditures;
 8. credit worthiness and capacity to support debt service requirements;
 9. legal or regulatory requirements affecting revenues, expenditures, and fund balances;
 10. reliability of outside revenues; and
 11. any other factors pertinent to that fund's operations.

10.02.020.040 Ending Budgetary Fund Balance Below Recommended

If the annual budget is recommended by the Budget Commission and accepted by the City Council to be adopted with a budgetary fund balance below either the minimum or the recommended ending budgetary fund balance, the budgetary ending fund balance for the then current fiscal year will be re-calculated as soon as the audit work for the prior fiscal year is complete. If at that point, the audited ending fund balance contributes to a budgetary fund balance which is lower than this policy would dictate, staff shall develop a plan for City Council consideration through the Administrative Services Committee, that addresses the shortfall.

10.02.020.050 Ending Budgetary Fund Balance Above Recommended

In the event the ending budgetary fund balance is higher than either the minimum or recommended level, the difference may be used to fund the following activities:

- a. one-time capital expenditures or reserves for future capital expenditures which do not significantly increase ongoing City costs;
- b. undesignated assigned or committed balances for future basic operations;
- c. other one-time costs; and
- d. ongoing or new City programs, provided such action is considered in the context of Council approved multi-year projections of revenue and expenditures.

ORDINANCE 2011- _____

**AN ORDINANCE RELATING TO COMMITTING REVENUES FOR SPECIFIC USES,
AMENDING CORVALLIS MUNICIPAL CODE CHAPTER 8.03, "FEES CHAPTER," AS
AMENDED**

THE CITY OF CORVALLIS ORDAINS AS FOLLOWS:

Section 1. Municipal Code Section 8.03.500.010 is hereby amended as follows:

Section 8.03.500.010 Fire Permits and Fees.

The fire permits and fees identified in this section of the Municipal Code are committed to fund the operations, of the Fire Department. The permits and fees applicable under Chapter 8.03 shall be:

- 1) Aerosol Products, Level 2 or 3 > 500 lbs. - \$80
- 2) Ambulance Fees for Transportation – Fees shall be reviewed annually and set by Council Motion.
- 3) Amusement Buildings - \$80
- 4) Aviation Facilities, Group H or S used for repair or fuel-servicing - \$80
- 5) Battery Systems, Stationary Lead-Acid > 50 gal. - \$80
- 6) Carnivals and Fairs - \$80
- 7) Cellulose Nitrate Film, in Group A Occupancies - \$80
- 8) Combustible Dust-Producing Operations - \$80
- 9) Combustible Fiber Storage or Handling > 100 cf (Chapter 29) - \$80
- 10) Combustible Storage > 2,500 cf (Chapter 3) - \$80
- 11) Compressed Gas (CFC Table 105.6.9) - \$80
- 12) Covered Mall Buildings; Use for Displays, Gas-fueled Equipment, Open Flame or Flame-Producing Equipment - \$80
- 13) Cryogenic Fluids (CFC Table 105.6.11) - \$80
- 14) Dry Cleaning Plants - \$80
- 15) Exhibits/Trade Shows - \$80
- 16) Explosives, Manufacture, Storage, Handling, Sale or Use - \$80
- 17) Fire Hydrants and Valves - \$80
- 18) Fireworks, agricultural - \$80
- 19) Fireworks
 - a. public display - \$80
 - b. sales - \$40
- 20) Fireworks, wholesale - \$80
- 21) Flammable/Combustible Liquids (Chapter 34) - \$80
 - a. Storage or Use of Class I > 5 gal inside or > 10 gal outside - \$80
 - b. Storage, Handling or Use of Class II or III-A > 25 gal inside or 60 gal outside (except fuel oil) - \$80
 - c. Removal of Class I or II liquids from underground tanks (other than approved, onsite pumps) - \$80
 - d. Operation of tank vehicles, equipment, plants, fuel-dispensing stations, refineries, distilleries - \$80
 - e. Place tanks (above- or below-ground) temporarily out of service
 - f. Change of contents in tank - \$80
 - g. Manufacture, process, blend or refine flammable/combustible liquids - \$80
 - h. Fuel dispensing of any kind in any location - \$80
- 22) Floor Finishing > 350 sf using Class I or II Liquids - \$80
- 23) Fruit/Crop Ripening - \$80

- 24) Fumigation/Thermal Insecticidal Fogging (commercial) - \$80
- 25) Hazardous materials (CFC Table 105.6.21) - \$80
- 26) Hazardous Production Materials, use or handling - \$80
- 27) High-Piled Combustible Storage, > 500 sf (Chapter 23) - \$80
- 28) Hot Work Operations (Chapter 26) - \$80
- 29) Industrial Ovens (Chapter 21) - \$80
- 30) Institutions - \$80
 - a. Congregate Residences/Greek Housing - \$100
- 31) Lumber Yards / Woodworking Plants > 100,000 bd ft - \$80
- 32) Liquid- or Gas-Fueled Vehicles/Equipment in Assembly Buildings - \$80
- 33) LPG Storage & Use - \$80
- 34) Magnesium Working - \$80
- 35) Open Burning (does not include recreational fires) - \$80
- 36) Open Flames and Torches - \$80
- 37) Open Flames and Candles in Assembly, Dining, or Drinking areas - \$20 / \$80
- 38) Organic Coatings, Manufacture > 1 gal per day - \$80
- 39) Places of Assembly - \$80
- 40) Private Fire Hydrants, Use or Removal - Notify
- 41) Pyrotechnic Special Effects Materials - \$80
- 42) Pyroxylin Plastics, storage or handling > 25 lbs - \$80
- 43) Refrigeration Equipment (Chapter 6) - \$80
- 44) Repair Garages/Motor Fuel-Dispensing - \$80
- 45) Rooftop Heliports - \$80
- 46) Spraying/Dipping Operations (Chapter 15) - \$80
- 47) Tire Storage (Scrap) > 2,500 cf - \$80
- 48) Tents > 200 sf, Canopies > 400 sf, Temporary Membrane Structures - \$80
- 49) Tire Rebuilding Plants - \$80
- 50) Waste Handling Facilities - \$80
- 51) Welding/Cutting Operation (in any occupancy) - \$80
- 52) Wood Products > 200 cf - \$80
- 53) Auto Fire Extinguishing System Installation or Modification - \$80
- 54) Compressed Gas System Installation, Repair, Removal or Modification (CFC Table 105.6.9) - \$80
- 55) Fire Alarm Installation or Modification - \$80
- 56) Fire Pump Installation or Modification - \$80
- 57) Flammable / Combustible Liquids, Installation, Repair or Modification - \$80
- 58) Haz. Materials Installation, Repair or Modification (CFC Table 105.6.21) - \$80
- 59) Industrial Oven Installation - \$80
- 60) LP Gas Installation or Modification - \$80
- 61) Private Fire Hydrant Installation or Modification - \$80
- 62) Spray Booth/Room, Dip Tank Installation or Modification - \$80
- 63) Standpipe Installation, Modification or Removal - \$80
- 64) Tents > 200 sf, Canopies > 400 sf, Temporary Membrane Structures - \$80

* Base Fee. If processing/inspection(s) involve more than two hours of staff time or multiple field inspections, that time shall be added to the base fee and charged at an additional \$40.00 per hour or fraction thereof.

(Ord. 2011- § 1, 4/4/2011; Ord. 2006-27 §1, 11/20/2006; Ord. 98-27 § 2, 1998)

Section 2. Corvallis Municipal Code Chapter 8.03 "Fees Chapter" is hereby amended by adding the following section as follows:

Section 8.03.100.090 Parks & Recreation Fees

Permits for use of parks facilities and fees charged for attendance at and participation in programs coordinated, managed, and or hosted by the Parks & Recreation Department are committed to be used for the operations and maintenance of the City's park system, and for the operations of the City's recreation programs. Permit and fee amounts are reviewed each year and adopted by motion of the City Council. (Ord. 2011-__§ 2, 4/4/2011)

PASSED by the City Council this _____ day of _____, 2011.

APPROVED by the Mayor this _____ day of _____, 2011.

EFFECTIVE this _____ day of _____, 2011.

Mayor

ATTEST:

City Recorder

ORDINANCE 2011- ____

AN ORDINANCE RELATING TO COMMITTING RESERVES FOR SPECIFIC USES.

WHEREAS, the Governmental Accounting Standards Board (GASB) has adopted Statement #54 – Fund Balance Reporting and Governmental Fund Type Definitions that change the definitions and financial reporting treatment of certain reserves; and

WHEREAS, the City of Corvallis has several long-standing reserves that have previously been treated as committed reserves based on the City Council’s stated intent at the time the reserve was created; and

WHEREAS, these reserves have been established using a variety of City Council adopted vehicles, but the GASB has stated that an ordinance is required to continue to treat these reserves as committed;

NOW, THEREFORE, THE CITY OF CORVALLIS ORDAINS AS FOLLOWS:

Section 1. General Fund, PEG Access Facilities Committed Reserve

The City Council hereby establishes the PEG Access Facilities Reserve as a committed reserve in the General Fund. Resources were established in 2002 from a settlement payment from Comcast. Uses of monies are for public access operating expenses and Public, Education, Government/Institutional Network (PEG/I-Net) capital expenses.

Section 2. Street Fund, Payments-in-Lieu of Street Improvements Committed Reserve

The City Council hereby establishes the Payments-in-Lieu of Street Improvements Reserve as a committed reserve in the Street Fund. Resources are from payments made by developers in lieu of making required street improvements on current substandard streets for infill development. Uses of monies are for construction by the City or a contractor to complete the reconstruction of the street to City standards. Monies are tracked within the reserve by street name.

Section 3. Parks & Recreation Fund, Civic Beautification Endowment Committed Reserve

The City Council hereby establishes the Civic Beautification Endowment as a committed reserve in the Parks & Recreation Fund. Resources are from donations and interest earnings on the balance. Uses are for civic beautification projects which may be completed as grants to other entities.

Section 4. Parks & Recreation Fund, Majestic Theatre Endowment Committed Reserve

The City Council hereby establishes the Majestic Theatre Endowment as a committed reserve in the Parks & Recreation Fund. Resources are from donations and interest earnings on the balances. Uses are for the Majestic Theatre, with annual interest earnings available for operations cost and the donation balance available for spending on the Theatre only on Council direction.

Section 5. Parking Fund, Fee-in-Lieu of Parking Program Committed Reserve

The City Council hereby establishes the Fee-in-Lieu of Parking Program as a committed reserve in the Parking Fund. Resources are from payments made by developers in-lieu-of constructing required parking

improvements in the Central Business and Riverfront Districts. Uses are for construction or other improvements in parking made by the City or by a contractor in the Central Business and Riverfront Districts.

Section 6. Library Fund, Library Improvement Committed Reserve

The City Council hereby establishes the Library Improvement Reserve as a committed reserve in the Library Fund. Resources are from monies remaining following the remodel and construction of the addition in 1990 and interest earnings on the balance. Uses are for Library automation, furnishings, and/or structural maintenance.

PASSED by the City Council this _____ day of _____, 2011.

APPROVED by the Mayor this _____ day of _____, 2011.

EFFECTIVE this _____ day of _____, 2011.

Mayor

ATTEST:

ORDINANCE 2011- ____

AN ORDINANCE RELATING TO BOARD FUNCTION, AMENDING CORVALLIS MUNICIPAL CODE CHAPTER 1.16, "BOARDS AND COMMISSIONS," AS AMENDED

THE CITY OF CORVALLIS ORDAINS AS FOLLOWS:

Section 1. Municipal Code Section 1.16.220 is hereby amended as follows:

Section 1.16.220 Library Board.

- 1) A Corvallis Benton County Library Board is hereby created.
- 2) The Board shall consist of ten members. Five shall be appointed by the Mayor. The Benton County Board of Commissioners shall appoint five members to the Board.
- 3) The Board shall advise Council on all matters pertaining to the operation, expansion, and level of service provided by the Library. In addition, the Board shall have all of the powers and duties authorized by State and City laws.
- 4) This Chapter shall not be construed to prevent those members of the Board appointed by the Board of Commissioners of Benton County, Oregon, from acting simultaneously as the County Library Board under State law.
- 5) The Board shall advise the City Council on all matters related to allocating annual Library Improvement Reserve funds.

(Ord. 2011-__ § 1, 4/18,2011; Ord. 2009-12 §2, 10/19/2009; Ord. 81-99 §56, 1981)

PASSED by the City Council this _____ day of _____, 2011.

APPROVED by the Mayor this _____ day of _____, 2011.

EFFECTIVE this _____ day of _____, 2011.

Mayor

ATTEST:

ORDINANCE 2011- _____

AN ORDINANCE RELATING TO COMMITTING RESERVES FOR SPECIFIC USES.

WHEREAS, the Governmental Accounting Standards Board (GASB) has adopted Statement #54 – Fund Balance Reporting and Governmental Fund Type Definitions that change the definitions and financial reporting treatment of certain reserves; and

WHEREAS, the City of Corvallis has several long-standing reserves that have previously been treated as committed reserves based on the City Council’s stated intent at the time the reserve was created; and

WHEREAS, these reserves have been established using a variety of City Council adopted vehicles, but the GASB has stated that an ordinance is required to continue to treat these reserves as committed;

NOW, THEREFORE, THE CITY OF CORVALLIS ORDAINS AS FOLLOWS:

Section 1. General Fund, PEG Access Facilities Committed Reserve

The City Council hereby establishes the PEG Access Facilities Reserve as a committed reserve in the General Fund. Resources were established in 2002 from a settlement payment from Comcast. Uses of monies are for public access operating expenses and Public, Education, Government/Institutional Network (PEG/I-Net) capital expenses.

Section 2. Street Fund, Payments-in-Lieu of Street Improvements Committed Reserve

The City Council hereby establishes the Payments-in-Lieu of Street Improvements Reserve as a committed reserve in the Street Fund. Resources are from payments made by developers in lieu of making required street improvements on current substandard streets for infill development. Uses of monies are for construction by the City or a contractor to complete the reconstruction of the street to City standards. Monies are tracked within the reserve by street name.

Section 3. Parks & Recreation Fund, Civic Beautification Endowment Committed Reserve

The City Council hereby establishes the Civic Beautification Endowment as a committed reserve in the Parks & Recreation Fund. Resources are from donations and interest earnings on the balance. Uses are for civic beautification projects which may be completed as grants to other entities.

Section 4. Parks & Recreation Fund, Majestic Theatre Endowment Committed Reserve

The City Council hereby establishes the Majestic Theatre Endowment as a committed reserve in the Parks & Recreation Fund. Resources are from donations and interest earnings on the balances. Uses are for the Majestic Theatre, with annual interest earnings available for operations cost and the donation balance available for spending on the Theatre only on Council direction.

Section 5. Parks & Recreation Fund, Senior Center Committed Reserve

The City Council hereby establishes the Senior Center Reserve as a committed reserve in the Parks & Recreation Fund. Resources are from donations, including the initial donation from the Thompson family,

and interest earnings on the balance. Uses of interest earnings are for the Chintimini Senior Center to purchase equipment or to provide programs and direct program support.

Section 6. Parking Fund, Fee-in-Lieu of Parking Program Committed Reserve

The City Council hereby establishes the Fee-in-Lieu of Parking Program as a committed reserve in the Parking Fund. Resources are from payments made by developers in-lieu-of constructing required parking improvements in the Central Business and Riverfront Districts. Uses are for construction or other improvements in parking made by the City or by a contractor in the Central Business and Riverfront Districts.

Section 7. Library Fund, Library Improvement Committed Reserve

The City Council hereby establishes the Library Improvement Reserve as a committed reserve in the Library Fund. Resources are from monies remaining following the remodel and construction of the addition in 1990 and interest earnings on the balance. Uses are for Library automation, furnishings, and/or structural maintenance.

PASSED by the City Council this _____ day of _____, 2011.

APPROVED by the Mayor this _____ day of _____, 2011.

EFFECTIVE this _____ day of _____, 2011.

Mayor

ATTEST:
