



ADMINISTRATIVE SERVICES COMMITTEE

Agenda

Wednesday, October 19, 2011

4:00 pm

Madison Avenue Meeting Room
500 SW Madison

- | | |
|------------------------------------|---|
| Discussion/ Possible Action | I. Land Use Application Fees Recommendation (Attachment) |
| Discussion/ Possible Action | II. Council Policy Review and Recommendation:
08-1.11, "Identity Theft Prevention and Red Flag Alerts"
(Attachment) |
| Discussion/ Possible Action | III. Council Policy Review and Recommendation:
93-1.06, "Guidelines for Use of the City Logo" (Attachment) |
| Discussion/ Possible Action | IV. Council Policy Review and Recommendation:
91-2.03, "Expense Reimbursement" (Attachment) |
| Discussion/ Possible Action | V. Council Policy Review and Recommendation:
91-2.02, "Council Process" (Attachment) |
| Discussion/ Possible Action | VI. Council Policy Review and Recommendation:
94-2.09, "Council Orientation" (Attachment) |
| Discussion/ Possible Action | VII. Financial Policies Review – Introduction and Fund Balance
Policies (Attachment) |
| Information | VIII. Other Business |

Next Scheduled Meeting

Wednesday, November 9, 2011 at 4:00 pm

Madison Avenue Meeting Room, 500 SW Madison Ave

Agenda

Council Policy Review and Recommendation: 91-3.04, "Separation Policy"

Utility Rate Annual Review Recommendation

Comprehensive Annual Financial Report Recommendation

First Quarter Operating Report

MEMORANDUM

From: Ken Gibb, Community Development Director 
To: Administrative Services Committee (ASC)
Date: October 12, 2011
Re: Yearly Review of Land Use Application Fees - Public Comment Opportunity

I. Issue

Each year, the City Council conducts a review of Land Use Application Fees. State law requires these fees to be based on the actual or the average cost of processing such applications. Corvallis has been basing fees on the average cost since at least 1998. The average costs are based on the funding for Current Planning in the Community Development Department's budget and an analysis of the efforts associated with each type of application. Further direction is requested.

II. Background

On September 21, 2011, the Administrative Services Committee reviewed the Community Development Director's Yearly Review of Land Use Application Fees. The Committee preliminarily decided to maintain fees at the 70% cost recovery level, which would result in an 8% increase in land use application fees for 2012.

The City Council heard a report on the ASC meeting at the October 3, 2011, City Council meeting and authorized the ASC to hold a public comment opportunity on land use fees at the October 19, 2011, ASC meeting, with preliminary direction to maintain the 70% cost recovery level. Notice of the October 19, 2011, public comment opportunity (**Attachment A**) was sent on October 6, 2011. The notice was sent to interested parties, boards and commissions, and Planning Division customers. At this time, no written comments have been received.

III. Discussion

The previous (September 14, 2011) Staff Report to USC is contained in **Attachment B**.

With past reviews of Land Use Application Fees, the Administrative Services Committee has asked staff to prepare fees based on direction given at an initial meeting and then to provide notice to the general public and the development community of an Administrative Services Committee meeting to allow review and comment on those proposed fees. After consideration of the Staff Report and public comment, the Administrative Services Committee is asked to

forward a recommendation to the City Council regarding land use application fees for the next year.

IV. Action Requested

ASC is asked to provide direction on 2012 Land Use Application fees. Staff will then prepare a resolution that will be presented to the City Council for approval.

Attachments:

- A. Notice of October 19, 2011, public comment opportunity regarding 2012 Land Use Application Fees
- B. September 14, 2011, Memorandum from the Community Development Director to the Mayor and City Council regarding the Yearly Review of Land Use Application Fees.

Review and Concur:



Ellen Volmert, City Manager Pro Tem



Nancy Brewer, Finance Director



The City of Corvallis is Reviewing Land Use Application Fees

Administrative Services Committee Meeting Public Comment Opportunity

The City of Corvallis charges fees for the review of land use applications. These fees may increase as described below. In 2011, fees for Director-level actions (General Development) and fees for actions that go to the Planning Commission and/or the City Council (Special Development) were set to recover up to 70 percent of the Planning Division's actual cost of processing an individual application. The Council is considering maintaining fees at the 70 percent cost recovery level (which would result in an 8% increase in fees). Brief descriptions of how fees are calculated and what changes are being considered are described below:

- State law allows the City to set land use application fees at either the actual or the average cost of processing an application.
- The costs are based on the Planning Division's FY 2010-2011 budget for Current Planning services only. Costs for Long Range Planning services and other non-application related planning activities are not included in the calculations used to determine the fees.
- In 2011, fees were set to recover up to 70 percent of the Planning Division's cost of processing an individual application. The Council is considering maintaining a 70 percent cost recovery level this year. The current fee schedule, as well as a fee schedule to maintain 70 percent cost recovery, is attached to this notice. Where several land use applications are considered concurrently, the highest fee would be charged, and the fees for the additional applications would continue to be reduced to 75 percent of the adopted fee.
- As established by City Ordinance in 2010, the Planning Division would continue to not charge fees for historic preservation permits.
- No changes are proposed for appeal fees. However, because appeal fees for some types of land use decisions are charged as a percentage of land use application fees, the cost of appealing those decisions would increase slightly with an increase in application fees.

**See Reverse Side for Information about the Administrative Services
Committee Meeting**

What is This? This is an **Administrative Services Committee** meeting. Its purpose is to provide an opportunity to review the information regarding the costs of providing the Community Development Department's review of land use applications and information regarding potential fee adjustments that reflect these costs.

Who is Invited? Everyone is welcome to participate.

Why is This Important? The public input received during this meeting will be evaluated by the Administrative Services Committee in relation to the cost of service information. A recommendation regarding fee-setting policies and adjustment of the fees will be forwarded to the City Council for its review and action.

When? The meeting will occur on **Wednesday, October 19, 2011, at 4:00 p.m.**

Where? Madison Avenue Meeting Room
500 SW Madison Avenue
Corvallis, OR

Where can I Find More Information? A staff report describing the issues to be addressed at this meeting is available from the Planning Division at City Hall, 501 SW Madison Avenue, or on the web at:

<http://archive.ci.corvallis.or.us/0/doc/317038/Electronic.aspx>

(Go to page 22, or bookmark item "Land Use Application Fees" in the left-hand column)

How can I Participate? Written Comments can be mailed to: Kevin Young, Planning Division Manager; P.O. Box 1083; Corvallis, OR 97339. E-mails may be sent to kevin.young@ci.corvallis.or.us. Written or e-mail comments received by 5 p.m. on October 11, 2011, will be included with the staff report to the Administrative Services Committee. Comments submitted after that time, but before the meeting, will be distributed to committee members at the meeting. You may also give verbal or written testimony during the meeting.

MEMORANDUM

From: Ken Gibb, Community Development Director 

To: Administrative Services Committee (ASC)

Date: September 14, 2011

Re: Yearly Review of Land Use Application Fees

I. Issue

Each year, the City Council conducts a review of Land Use Application Fees. State law requires these fees to be based on the actual or the average cost of processing such applications. Corvallis has been basing fees on the average cost since at least 1998. The average costs are based on the funding for Current Planning in the Community Development Department's budget and an analysis of the efforts associated with each type of application. This year's update is presented below, and further direction is requested.

II. Background

Each time Land Use Application Fees are updated, an analysis is conducted to determine the average number of land use actions considered and the associated level of effort. Dividing the cost of providing the service by this yearly level of effort allows the average cost to be determined. The 2008 analysis included calendar years 2000 through 2007 (eight years). However, in 2009 staff proposed, and the City Council endorsed, a methodology that incorporated a five year "rolling average." For this reason, the following analysis is based on Planning Division data from 2006 through 2010 (see Table 1).

For each type of Land Use Application, staff have determined a relative level of effort. The most complex application type is the Annexation. This has been given a level of effort of 1.0. The various types of actions associated with Planned Developments range from a 0.25 level of effort for a Minor Modification to a 0.85 level of effort for a combined Conceptual and Detailed Development Plan. A standard Zone change is 0.4, and a standard Subdivision is 0.7 (see Table 1). Table 1 calculates the average number of each application type that is processed per year over the five year period. This is done in order to minimize pronounced trends that may occur on an annual basis (for example, 39 Historic Preservation Permits were processed by the Historic Resources Commission in 2009; which is a sharp increase from prior years). The average number of each type of application is multiplied by the associated level of effort for that application type, to determine average yearly units of effort for each type of application. These numbers are totaled. In this year's analysis, 29.19 average yearly units of effort were calculated for Special Development applications (generally these are applications that would require a public hearing), and 5.4 average yearly units of effort were calculated for General Development applications

(generally, these are Staff-level review items). The two numbers are then added for a total of 34.59 average yearly units of effort. The total average yearly units of effort is then divided into the cost of providing the Land Use Application review effort in order to determine the cost of one unit of effort. This information is shown in the small shaded rectangle towards the bottom of Table 1.

Once the cost for one unit of effort is determined, the cost/unit is then multiplied by the level of effort for each application type to determine the average cost for each type of Land Use Application (see Table 2). For this year's update, the cost for the review of Land Use Applications is based upon the FY10-11 budget for Current Planning, with the recognition that 2.75 Planner-level FTE were dedicated to current planning over that time period. (Last year, 3.5 FTE were dedicated to current planning. The reasons for the reduced allocation of FTE to current planning over the past year are discussed later in this staff report).

Prior to 2008, the Council's cost-recovery policy for Land Use Application Fees was to recover 50 percent of the Community Development Department's average costs for processing these applications. Costs associated with the development review activities of the Public Works, Parks and Recreation, Fire, and Police Departments have never been included in the fees. Additionally, the cost of the time spent by Public Works Engineering Staff and City Attorneys in the development of staff reports, formal findings, and other materials is not captured under the current methodology.

In 2008, the City Council made a change to its cost-recovery policy for Land Use Applications, and consequently, the 2008 fees were designed to recover approximately 60 percent of Land Use Application processing costs. Staff were also given direction that each year, fee increases were to be considered such that after the fifth year, 100 percent of these costs would be recovered. In 2009, the City Council increased the cost recovery ratio to 70%. In 2010, the City Council decided to maintain the 70% cost recovery ratio for 2011. Direction is needed in regard to this year's fee adjustment. Should the fees be designed to recover 70% or 80% of Land Use Application processing costs? Further information is presented in this memo regarding the methodology used by staff to determine proposed fees, as well as an analysis of recent land use application trends and fees charged by comparator Oregon cities.

III. Analysis

Staff have created a series of tables to show how this year's process affects Land Use Application Fees. **Table 1** provides data regarding land use applications processed in calendar years from 2006 to 2010. Based on that information, Table 1 then calculates the average yearly units of effort expended per application type and also totals the average yearly units of effort expended (34.59 units of effort). This number is then divided by the total estimated costs of current planning services to provide a cost per unit of effort (\$18,628 per unit of effort).

Table 2 incorporates 2010 land use application and current planning cost data to arrive at a figure for 70% of the average cost of each application type. As noted in the data in the right-hand column, this generally represents an 8% cost increase over this year's application fees in order to maintain the 70% cost recovery ratio that was approved by the City Council last year. It should be noted that the 70% of average cost figures shown on Table 2 will not correspond in all cases to the 70% cost recovery fee schedule shown on Table 5. This is because, for many application types, per-unit add-on fees will be added to the base fee in order to arrive at 70% cost recovery.

Similarly to Table 2, **Table 3** incorporates 2010 land use application and current planning cost data to arrive at a figure for 80% of the average cost of each application type. As noted in the right-hand column, this generally represents a 24% cost increase over this year's application fees in order to continue the Council's direction to increase land use application fees 10% each year until 100% cost recovery is achieved. As with Table 2, the 80% average cost figures shown on Table 3 will not correspond in all cases to the 80% cost recovery fee schedule shown in Table 6, for reasons explained above.

Table 4 is provided for comparative purposes and shows the current land use application fee schedule for 2010.

Table 5 illustrates the land use application fee schedule that would be put in place in 2012 if the Council decides to maintain the current 70% cost recovery ratio. The cost increase per application would be approximately 8% above current fees. Per-unit add-on costs have been calculated such that the "average" scale application will achieve 70% cost recovery. Smaller applications will pay proportionately less and larger applications will pay proportionately more to reflect the relative levels of effort (and cost) of small and large applications.

Table 6 illustrates the land use application fee schedule that would be put in place in 2012 if the Council decides to increase the cost recovery ratio from 70% to 80%. The cost increase per application would be approximately 24% above current fees. Per-unit add-on costs have been calculated such that the "average" scale application will achieve 80% cost recovery. Smaller applications will pay proportionately less and larger applications will pay proportionately more to reflect the relative levels of effort (and cost) of small and large applications.

Table 7 provides information regarding typical land use application fees currently charged by comparator cities in Oregon. Additionally, Table 7 provides information regarding what current Corvallis fees would be for the same applications, along with fees at the 80% cost recovery ratio and our estimate of the total cost of such applications.

A number of trends are evident from a close review of the tables. Generally, the number of applications received per year has declined from 2006 to 2010, with 96 in 2006, 70 in 2007, 84 in 2008, 83 in 2009, and 54 in 2010. Certainly, the recent downturn in the economy is likely one factor that reduced application numbers. Another factor to note is the adoption of the new Land Development Code in December of 2006. The Planning Division experienced a flurry of land use applications prior to adoption of the new code from applicants seeking to develop under the "old"

rules, and a relative paucity of applications in the year following adoption (2007). Additionally, because the 2006 Land Development Code was developed to provide a “clear and objective” path for development proposals that comply with all applicable code standards, it is anticipated that the number of discretionary land use reviews will be reduced. This may also partially account for the decrease in the number land use applications received over the past five years.

Changes to the City’s Historic Preservation Program over the past five years are also reflected in land use application permit data. Six months prior to the adoption of the updated Land Development Code, in June of 2006, the City adopted revisions to LDC Chapter 2.9, which restructured the City’s Historic Preservation program, and formed the Historic Resources Commission (HRC) as a quasi-judicial decision-making body. Prior to this, all decisions by the Historic Preservation Advisory Board (HPAB) were recommendations to the Community Development Director. This explains why the number of Director-level historic preservation permits fell markedly between 2006 and 2007, and why quasi-judicial historic preservation permits began to appear in 2006. The sharp increase in quasi-judicial historic preservation permits in 2009 is due in part to the establishment of a historic district on the OSU campus in June of 2008.

Staffing demands in current planning have stayed relatively constant over that time period. The main reason for this is that the adoption of the new Land Development Code in 2006 has resulted in a higher level of complexity for nearly all land use applications. For example, Planned Development applications now must address Pedestrian Oriented Design Standards, Natural Features, and Natural Hazard provisions, if applicable to the subject development site. These are just some of the new standards that were added into the 2006 Land Development Code, for which one of the goals was to establish clear and objective decision criteria. These decision criteria are necessarily more detailed than past code language, which was more discretionary. The result is that most land use applications are more complex than they were prior to 2006. Because the relative effort required of each application type is basically the same in relation to the most complex application type (annexations) under both the old code and the new code, the “relative effort” proportions shown on Table 1 have not fundamentally changed since 2005. What has changed is that nearly all application types (with the possible exception of Lot Line Adjustments) take more staff time to process and are more complex than they used to be.

Notwithstanding those observations, Staff resources dedicated to current planning were reallocated in 2010 from approximately 3.5 FTE to 2.75 FTE, in response to the reduced volume of land use applications during that time. Staff that would have otherwise been engaged in current planning work have been working on other projects, such as the 2010 Land Development Information Report, Land Development Code Amendments to Chapter 2.9 (Historic Preservation), an update to the Airport Industrial Park Master Plan (in progress), and Benton County’s Health Impact Assessment Project. This reallocation of resources should not be perceived as a permanent restructuring of the Planning Division, and the FY11-12 Budget continues to reflect 3.5 FTE in current planning, because this is believed to be the minimum level of staffing necessary in current planning to process land use applications in a robust economy. It has been difficult to forecast the number of land use applications submitted in recent years. For example, it remains

to be seen whether the current high level of interest in developing multi-family housing in the community will translate into a high volume of land use applications in the near future.

A trend noted last year that continues this year is the high proportion of current land use applications for which costs are not recovered at the 70% level. In 2010, Historic Preservation Permits (HPPs) and appeals of land use decisions represented a large proportion of the total number of land use applications submitted (67% of Special Development applications, and 43% of all submitted land use applications). Consistent with Council direction, the Planning Division charges no fees for HPPs. The City Council established a new fee for appeals of land use decisions last year (10% of the base fee for the decision being appealed for most appeals); however, given the estimated average total cost of \$11,177 to process an appeal, the 10% appeal fee collects significantly less than 70% of the cost. Because of this, it should be noted that although land use application fees cover some current planning costs at the City, they do not in reality come close to the 70% cost recovery level. It should also be noted that many of the current planning functions, such as answering public inquiries regarding the City's land use regulations, staffing pre-application meetings, and providing feedback to potential applicants regarding development projects that may be processed at a building permit level, or which may never make it to the land use application stage, are not supported by land use application fees, but by general fund resources.

Table 2 shows that in order to maintain the 70% cost recovery level, an 8% increase in fees is necessary. This increase in costs is largely attributable to increased personnel costs for the current planning function within the Planning Division. Personal service costs account for approximately 90% of the Planning Division's annual budget. It is important to note that these costs were arrived at in relation to the FY10-11 Planning Division budget, not the FY11-12 budget, which assumes no cost of living or benefit increases. Table 3 calculates land use fees at the 80% cost recovery level, based on the City Council's prior direction to increase fees by 10% increments until 100% cost recovery is reached. The 80% cost recovery schedule (Table 6) represents a 24% increase in land use application fees from the 2011 fee schedule.

Table 7 shows how the City's current land use application fees (as well as proposed 80% cost recovery fees and estimated actual costs) compare to the fees of other jurisdictions in Oregon for selected land use applications. Generally, the City's current- and 80%-cost-recovery-level-fees are below the average of the fees charged by the other jurisdictions. In some cases, the City's current and proposed fees are well below the average. One anomaly is also notable: Corvallis' current and proposed fees for Conditional Development applications exceed the average charged by other cities. One possible explanation for this is that our decision criteria for conditional developments may be more rigorous than those criteria that other jurisdictions apply to conditional developments. This could explain the higher effort and cost that we ascribe to conditional development applications. As can be seen from Table 7, some of the selected cities are much more aggressive in setting fees to cover costs than others. For this reason, in some land use application categories, there is a significant difference between average and median land use application fees. Consequently, of the six land use application types that are surveyed, current Corvallis land use application fees are above the median cost for a Comprehensive Plan Map

Amendment, Annexation, and Conditional Use Permit, but below the median cost for a Zone Change, Residential Planned Development and Subdivision, and regular Subdivision.

It should also be noted that most of the comparator cities did not raise their fees significantly between last year and this year, with the exception of the City of Bend and the City of Albany. Albany has increased its land use application fees by 3.6% above last year's level, as of July 1, 2011.

III. Direction Requested

With past reviews of Land Use Application Fees, the Administrative Services Committee has asked staff to prepare fees based on direction given at an initial meeting and then to provide notice to the general public and the development community of an Administrative Services Committee meeting to allow review and comment on those proposed fees. Staff are prepared to follow this process again this year. Based on the information presented in this memo, staff have identified three options, which rely on the five-year averaging of Land Use Application data. These options are as follows: the continuation of 70 percent cost-recovery, with an increase based on increased costs for FY10-11; an increase to 80 percent cost-recovery, including an increase based on costs for FY10-11; or maintaining the current 2011 fee schedule, with no adjustment for increased costs in FY10-11.

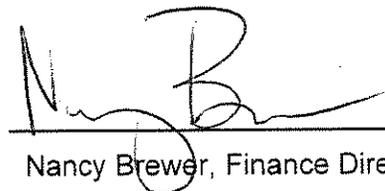
	Option	Potential Fee Increase
1.	5-yr Average @ 70% Cost Recovery	+8% Fee Increase for Special and General Development Application Types (Table 5)
2.	5-yr Average @ 80% Cost Recovery	+24% Fee Increase for Special and General Development Application Types (Table 6)
3.	Maintain current fee schedule	0% Fee Increase for Special and General Development Application Types (Table 4)

Based on direction from the ASC, Staff will prepare and distribute a notice for publication and distribution to the public and to the development community regarding an upcoming ASC meeting at which public comment regarding the proposed fees will be heard. Following that meeting, Staff will make any ASC-recommended adjustments to the fee schedule for presentation to the full City Council.

Review and Concur:



Ellen Volmert, City Manager Pro Tem



Nancy Brewer, Finance Director

Table 1- Average Yearly Units of Effort Based on 5 Years

Land Use Application Fees

Description	2006	2007	2008	2009	2010	Average # Done (2006-2010)	Relative Effort	Avg. Yearly Units of Effort
Special Development (S)								
Appeal	6	2	14	6	4	6.40	0.60	3.84
Annexation	0	0	0	2	1	0.60	1.00	0.60
Health Hazard Annexation (Minor)	0	0	2	0	0	0.40	0.20	0.08
Comprehensive Plan Amendment	1	1	1	0	0	0.60	0.85	0.51
Conditional Development	5	7	3	2	2	3.80	0.70	2.66
Modification to CD	4	2	1	3	1	2.20	0.25	0.55
District Change	1	5	5	2	2	3.00	0.40	1.20
HPO	0	0	1	0	0	0.20	0.20	0.04
Health Hazard (w/ Minor Annexation)	0	0	2	0	0	0.40	0.10	0.04
Administrative	NA	3	2	0	0	1.25	0.20	0.25
Planned Development (Total-all PD Types)								
Conceptual Development Plan	0	0	0	0	0	0.00	0.75	0.00
Detailed Development Plan	1	0	0	1	0	0.40	0.80	0.32
Detailed Dev. Plan w/ Conceptual	3	5	5	2	2	3.40	0.85	2.89
Major Modification to PD	4	1	6	2	2	3.00	0.75	2.25
PD Nullification	0	0	0	0	0	0.00	0.40	0.00
Minor Modification	11	5	4	4	4	5.60	0.25	1.40
Tentative Plat	7	5	5	1	1	3.80	0.70	2.66
Modification to Tentative Plat (New Action)	0	0	0	0	1	0.20	0.25	0.05
Major Replat	1	0	1	1	0	0.60	0.60	0.36
Administrative	NA	1	5	0	0	1.50	0.65	0.98
Extension of Services	0	0	0	0	0	0.00	0.70	0.00
Historic Preservation Permit	21	26	20	39	24	26.00	0.25	6.50
Director-level	29	4	3	14	8	11.60	0.1	1.16
Director's Interpretation	1	0	2	4	0	1.40	0.15	0.21
Land Development Code Text Amendment	1	3	2	0	2	1.60	0.40	0.64
Total	96	70	84	83	54	77.40		29.19

Expenditures Allocated to Current Planning	\$ 644,256
Total Yearly Units of Effort Expended	34,59
Cost per unit	\$ 18,628

General Development (G)	2007	2008	2009	2010	Ave. # Done	Effort	Yrly. Effort
Minor Replat	6	16	8	7	9.25	0.1	0.93
Lot Development Option	30	23	15	5	18.25	0.1	1.83
Major Lot Development Option*			3	4	3.50	0.3	1.05
Lot Line Adjustment	20	9	1	2	8.00	0.025	0.20
Partition	10	5	2	3	5.00	0.25	1.25
Plan Compatibility Review	6	1	5	0	3.00	0.05	0.15
Total	72	54	34	21	45.25		5.40

* Major LDO option began in 2009

Table 2- Land Use Application Fees - 70% Cost Recovery

Averages # of applications over the past 5 years and maintains the 70% cost-recovery approved in 2009

Description	Average # Done (2006-2010)	Relative Effort	Avg. Yearly Units of Effort	Average Cost (Effort * Unit Cost)	70% of Average Cost	Current Base Fee	Percent Increase
Special Development (S)							
Appeal	6.40	0.60	3.84	\$ 11,177	\$ 7,824	varies	NA
Annexation*	0.60	1.00	0.60	\$ 18,628	\$ 9,073	\$ 8,401	8%
Health Hazard Annexation (Minor)	0.40	0.20	0.08	\$ 3,726	\$ 2,608	\$ 2,410	8%
Comprehensive Plan Amendment	0.60	0.85	0.51	\$ 15,834	\$ 11,084	\$ 10,244	8%
Conditional Development*	3.80	0.70	2.66	\$ 13,040	\$ 6,857	\$ 6,349	8%
Modification to CD***	2.20	0.25	0.55	\$ 4,657	\$ 2,796	\$ 2,589	8%
District Change	3.00	0.40	1.20	\$ 7,451	\$ 5,216	\$ 4,820	8%
HPO	0.20	0.20	0.04	\$ 3,726	\$ 2,608	no fee	
Health Hazard (w/ Minor Annexation)	0.40	0.10	0.04	\$ 1,863	\$ 1,304	\$ 1,205	8%
Administrative	1.25	0.20	0.25	\$ 3,726	\$ 2,608	\$ 2,410	8%
Planned Development (Total- all PD Types)	12.40						
Conceptual Development Plan*	0.00	0.75	0.00	\$ 13,971	\$ 7,347	\$ 6,803	8%
Detailed Development Plan*	0.40	0.80	0.32	\$ 14,902	\$ 7,838	\$ 7,257	8%
Detailed Dev. Plan w/ Conceptual*	3.40	0.85	2.89	\$ 15,834	\$ 8,328	\$ 7,711	8%
Major Modification to PD*	3.00	0.75	2.25	\$ 13,971	\$ 7,347	\$ 6,803	8%
PD Nullification	0.00	0.40	0.00	\$ 7,451	\$ 5,216	\$ 4,820	8%
Minor Modification	5.60	0.25	1.40	\$ 4,657	\$ 3,260	\$ 3,013	8%
Non-Residential Tentative Plat*	3.80	0.70	2.66	\$ 13,040	\$ 6,857	\$ 6,349	8%
Modification to Tentative Plat (New Action)	0.20	0.25	0.05	\$ 4,657	\$ 3,260	\$ 3,013	8%
Major Replat*	0.60	0.60	0.36	\$ 11,177	\$ 7,809	\$ 7,231	8%
Residential (Administrative)*	1.50	0.65	0.98	\$ 12,108	\$ 6,368	\$ 5,896	8%
Extension of Services	0.00	0.70	0.00	\$ 13,040	\$ 9,128	\$ 8,436	8%
Historic Preservation Permit	26.00	0.25	6.50	\$ 4,657	\$ 3,260	\$ 0	NA
Director-level	11.60	0.1	1.16	\$ 1,863	\$ 1,304	\$ 0	NA
Director's Interpretation	1.40	0.15	0.21	\$ 2,794	\$ 1,956	\$ 1,808	8%
Land Development Code Text Amendment	1.60	0.40	0.64	\$ 7,451	\$ 5,216	\$ 4,820	8%
Total	77.95		29.19				
Expenditures Allocated to Current Planning		\$644,256					
Total Yearly Units of Effort Expended		34.59					
Cost per unit		\$ 18,628					
General Development (G)							
Minor Replat	9.25	0.1	0.93	\$ 1,863	\$ 1,304	\$ 1,205	8%
Lot Development Option	18.25	0.1	1.83	\$ 1,863	\$ 1,304	\$ 1,205	8%
Major Lot Development Option**	3.50	0.3	1.05	\$ 5,568	\$ 3,912	\$ 3,615	8%
Lot Line Adjustment	8.00	0.025	0.20	\$ 466	\$ 326	\$ 301	8%
Partition	5.00	0.25	1.25	\$ 4,657	\$ 3,260	\$ 3,013	8%
Plan Compatibility Review	3.00	0.05	0.15	\$ 931	\$ 652	\$ 603	8%
Totals:	47.00		5.40				

* Base Fee does not represent 70% of cost because per unit fees are added to these application types to arrive at 70% cost recovery

** Major LDO option began in 2009

***Fee does not represent 70% of average cost, but has been increased commensurate with other fees since the establishment of the CD Modification process.

Table 3- Land Use Application Fees - 80% Cost Recovery

Averages # of applications over the past 5 years and provides the 80% cost-recovery to be considered for 2012

Description	Average # Done (2006-2010)	Relative Effort	Avg. Yearly Units of Effort	Average Cost (Effort * Unit Cost)	80% of Average Cost	Current Base Fee	Percent Increase
Special Development (S)							
Appeal	6.40	0.60	3.84	\$ 11,177	\$ 8,941	varies	NA
Annexation	0.60	1.00	0.60	\$ 18,628	\$ 10,417	\$ 8,401	24%
Health Hazard Annexation (Minor)	0.40	0.20	0.08	\$ 3,726	\$ 2,980	\$ 2,410	24%
Comprehensive Plan Amendment	0.60	0.85	0.51	\$ 15,834	\$ 12,667	\$ 10,244	24%
Conditional Development	3.80	0.70	2.66	\$ 13,040	\$ 7,873	\$ 6,349	24%
Modification to CD***	2.20	0.25	0.55	\$ 4,657	\$ 3,210	\$ 2,589	24%
District Change	3.00	0.40	1.20	\$ 7,451	\$ 5,961	\$ 4,820	24%
HPO	0.20	0.20	0.04	\$ 3,726	\$ 2,980	no fee	
Health Hazard (w/ Minor Annexation)	0.40	0.10	0.04	\$ 1,863	\$ 1,490	\$ 1,205	24%
Administrative	1.25	0.20	0.25	\$ 3,726	\$ 2,980	\$ 2,410	24%
Planned Development (Total- all PD Types)	12.40						
Conceptual Development Plan	0.00	0.75	0.00	\$ 13,971	\$ 8,436	\$ 6,803	24%
Detailed Development Plan	0.40	0.80	0.32	\$ 14,902	\$ 8,999	\$ 7,257	24%
Detailed Dev. Plan w/ Conceptual	3.40	0.85	2.89	\$ 15,834	\$ 9,562	\$ 7,711	24%
Major Modification to PD	3.00	0.75	2.25	\$ 13,971	\$ 8,436	\$ 6,803	24%
PD Nullification	0.00	0.40	0.00	\$ 7,451	\$ 5,961	\$ 4,820	24%
Minor Modification	5.60	0.25	1.40	\$ 4,657	\$ 3,726	\$ 3,013	24%
Tentative Plat	3.80	0.70	2.66	\$ 13,040	\$ 7,873	\$ 6,349	24%
Modification to Tentative Plat (New Action)	0.20	0.25	0.05	\$ 4,657	\$ 3,726	\$ 3,013	24%
Major Replat	0.60	0.60	0.36	\$ 11,177	\$ 8,966	\$ 7,281	24%
Administrative	1.50	0.65	0.98	\$ 12,108	\$ 7,311	\$ 5,896	24%
Extension of Services	0.00	0.70	0.00	\$ 13,040	\$ 10,432	\$ 8,436	24%
Historic Preservation Permit	26.00	0.25	6.50	\$ 4,657	\$ 3,726	\$ 0	NA
Director-level	11.60	0.1	1.16	\$ 1,863	\$ 1,490	\$ 0	NA
Director's Interpretation	1.40	0.15	0.21	\$ 2,794	\$ 2,235	\$ 1,808	24%
Land Development Code Text Amendment	1.60	0.40	0.64	\$ 7,451	\$ 5,961	\$ 4,820	24%
Total	77.95		29.19				
Expenditures Allocated to Current Planning		\$644,256					
Total Yearly Units of Effort Expended		34.59					
Cost per unit		\$ 18,628					
General Development (G)							
	Ave. # Done	Effort	Yrly. Effort	Cost	80% of Cost	Current Fee	Increase
Minor Replat	9.25	0.1	0.93	\$ 1,863	\$ 1,490	\$ 1,205	24%
Lot Development Option (Minor)	18.25	0.1	1.83	\$ 1,863	\$ 1,490	\$ 1,205	24%
Major Lot Development Option**	3.50	0.3	1.05	\$ 5,588	\$ 4,471	\$ 3,615	24%
Lot Line Adjustment	8.00	0.025	0.20	\$ 466	\$ 373	\$ 301	24%
Partition	5.00	0.25	1.25	\$ 4,657	\$ 3,726	\$ 3,013	24%
Plan Compatibility Review	3.00	0.05	0.15	\$ 931	\$ 745	\$ 603	24%
Totals:	47.00		5.40				

* Base Fee does not represent 80% of cost because per unit fees are added to these application types to arrive at 80% cost recovery

** Major LDO option began in 2009

***Fee does not represent 80% of average cost, but has been increased commensurate with other fees since the establishment of the CD Modification process.

Table 4 - Current (2011) Land Use Application Fees¹

Table 1: Special Development (70% Cost Recovery, unless otherwise noted)		Base Fee	Per Unit Add-on
Appeal			
	<i>Appeal of Administrative-Level Decision</i>	\$250	
	<i>General</i>	10% of Base Fee ²	
	<i>Recognized Neighborhood Association</i>	5% of Base Fee ²	
Annexation (with per acre add-on)			
	<i>Major</i>	\$8,401	\$122
	<i>Minor (including Health Hazard)</i>	\$2,410	
Comprehensive Plan Amendment		\$10,244	
Conditional Development (including Willamette River Greenway CD)			
	<i>Residential (per lot add-on)</i>	\$6,349	\$38
	<i>Non-residential (per 100 sq. ft. add-on)</i>	\$6,349	\$8
	<i>Modification</i>	\$2,589	
District Change			
	<i>Standard</i>	\$4,820	
	<i>Minor Annexation (including Health Hazard)</i>	\$1,205	
	<i>Historic Preservation Overlay (0% cost recovery/5-yr. average)</i>	no fee	
	<i>Administrative</i>	\$2,410	
Planned Development			
Conceptual Development Plan			
	<i>Residential (per acre add-on)</i>	\$6,803	\$75
	<i>Non-residential (per acre add-on)</i>	\$6,803	\$75
Detailed Development Plan			
	<i>Residential (per lot add-on)</i>	\$7,257	\$43
	<i>Non-residential (per 100 sq. ft. add-on)</i>	\$7,257	\$9
Conceptual and Detailed Development Plan			
	<i>Residential (per lot add-on)</i>	\$7,711	\$46
	<i>Non-residential (per 100 sq. ft. add-on)</i>	\$7,711	\$9
Major Modification to P.D.			
	<i>Residential (per lot add-on)</i>	\$6,803	\$41
	<i>Non-residential (per 100 sq. ft. add-on)</i>	\$6,803	\$8
P.D. Nullification		\$4,820	
Minor Modification		\$3,013	
Subdivision Tentative Plat			
	<i>Non-residential</i>	\$6,349	\$38
	<i>Modification</i>	\$3,013	
	<i>Major Replat</i>	\$7,231	\$1
	<i>Residential (Admin.)</i>	\$5,896	\$35
Historic Preservation Permit			
	<i>HRC-level (0% cost recovery/5-yr. average)</i>	no fee	
	<i>Director-level (0% cost recovery/5-yr. average)</i>	no fee	
Director's Interpretation		\$1,808	
Land Development Code Text Amendment		\$4,820	
Extension of Services		\$8,436	

Table 2: General Development (70% Cost Recovery)		
Minor Replat	\$1,205	
Lot Development Option (Minor)	\$1,205	
Lot Development Option (Major)	\$3,615	
Lot Line Adjustment	\$301	
Partition	\$3,013	
Plan Compatibility Review	\$603	
Vacation	\$1,205	
Sign Permit	\$57	
Sign Variance	\$3,013	

Notes

1. Deposit - With the exception of appeal fees and historic preservation permits, Special Development land use applications (Table 1) shall be submitted with a \$1,000 deposit. General Development land use applications (Table 2) shall be submitted with a \$100 deposit. Following a determination of the actual extent of the request, the remainder of the fees shall be charged to the applicant. Applications shall be deemed incomplete until all fees have been paid.

Concurrent Application Fees - Where development requires concurrent actions, the largest of the fees determined from Table 1 or Table 2 shall be charged, and 75 percent of the fee for each additional action shall be charged.

2. For appeals of concurrent applications, a percentage of the single highest base fee shall be charged, without inclusion of add-on fees.

Table 5 - 70% Cost Recovery Land Use Application Fee Schedule¹ (2012)

Table 1: Special Development (70% Cost Recovery, unless otherwise noted)

		Base Fee	Per Unit Add-on
Appeal			
	<i>Appeal of Administrative-Level Decision</i>	\$250	
	<i>General</i>	10% of Base Fee ²	
	<i>Recognized Neighborhood Association</i>	5% of Base Fee ²	
Annexation (with per acre add-on)			
	<i>Major</i>	\$9,073	\$132
	<i>Minor (including Health Hazard)</i>	\$2,608	
Comprehensive Plan Amendment		\$11,084	
Conditional Development (including Willamette River Greenway CD)			
	<i>Residential (per lot add-on)</i>	\$6,857	\$41
	<i>Non-residential (per 100 sq. ft. add-on)</i>	\$6,857	\$8
	<i>Modification</i>	\$2,796	
District Change			
	<i>Standard</i>	\$5,216	
	<i>Minor Annexation (including Health Hazard)</i>	\$1,304	
	<i>Historic Preservation Overlay (0% cost recovery/5-yr. average)</i>	no fee	
	<i>Administrative</i>	\$2,608	
Planned Development			
Conceptual Development Plan			
	<i>Residential (per acre add-on)</i>	\$7,347	\$81
	<i>Non-residential (per acre add-on)</i>	\$7,347	\$81
Detailed Development Plan			
	<i>Residential (per lot add-on)</i>	\$7,838	\$47
	<i>Non-residential (per 100 sq. ft. add-on)</i>	\$7,838	\$9
Conceptual and Detailed Development Plan			
	<i>Residential (per lot add-on)</i>	\$8,328	\$50
	<i>Non-residential (per 100 sq. ft. add-on)</i>	\$8,328	\$10
Major Modification to P.D.			
	<i>Residential (per lot add-on)</i>	\$7,347	\$44
	<i>Non-residential (per 100 sq. ft. add-on)</i>	\$7,347	\$9
P.D. Nullification		\$5,216	
Minor Modification		\$3,260	
Subdivision Tentative Plat			
	<i>Non-residential</i>	\$6,857	\$41
	<i>Modification</i>	\$3,260	
	<i>Major Replat</i>	\$7,809	\$1
	<i>Residential (Admin.)</i>	\$6,368	\$38
Historic Preservation Permit			
	<i>HRC-level (0% cost recovery/5-yr. average)</i>	no fee	
	<i>Director-level (0% cost recovery/5-yr. average)</i>	no fee	
Director's Interpretation		\$1,956	
Land Development Code Text Amendment		\$5,216	
Extension of Services		\$9,128	

Table 2: General Development (70% Cost Recovery)		
Minor Replat	\$1,304	
Lot Development Option (Minor)	\$1,304	
Lot Development Option (Major)	\$3,912	
Lot Line Adjustment	\$326	
Partition	\$3,260	
Plan Compatibility Review	\$652	
Vacation	\$1,301	
Sign Permit	\$62	
Sign Variance	\$3,254	

Notes

1. Deposit - With the exception of appeal fees and historic preservation permits, Special Development land use applications (Table 1) shall be submitted with a \$1,000 deposit. General Development land use applications (Table 2) shall be submitted with a \$100 deposit. Following a determination of the actual extent of the request, the remainder of the fees shall be charged to the applicant. Applications shall be deemed incomplete until all fees have been paid.

Concurrent Application Fees - Where development requires concurrent actions, the largest of the fees determined from Table 1 or Table 2 shall be charged, and 75 percent of the fee for each additional action shall be charged.

2. For appeals of concurrent applications, a percentage of the single highest base fee shall be charged; without inclusion of add-on fees.

Table 6 - 80% Cost Recovery Land Use Application Fee Schedule¹ (2012)

Table 1: Special Development (80% Cost Recovery, unless otherwise noted)		Base Fee	Per Unit Add-on
Appeal			
	<i>Appeal of Administrative-Level Decision</i>	\$250	
	<i>General</i>	10% of Base Fee ²	
	<i>Recognized Neighborhood Association</i>	5% of Base Fee ²	
Annexation (<i>with per acre add-on</i>)			
	<i>Major</i>	\$10,417	\$150
	<i>Minor (including Health Hazard)</i>	\$2,980	
Comprehensive Plan Amendment		\$12,667	
Conditional Development (<i>including Willamette River Greenway CD</i>)			
	<i>Residential (per lot add-on)</i>	\$7,873	\$47
	<i>Non-residential (per 100 sq. ft. add-on)</i>	\$7,873	\$9
	<i>Modification</i>	\$3,210	
District Change			
	<i>Standard</i>	\$5,961	
	<i>Minor Annexation (including Health Hazard)</i>	\$1,490	
	<i>Historic Preservation Overlay (0% cost recovery/5-yr. average)</i>	no fee	
	<i>Administrative</i>	\$2,980	
Planned Development			
Conceptual Development Plan			
	<i>Residential (per acre add-on)</i>	\$8,436	\$91
	<i>Non-residential (per acre add-on)</i>	\$8,436	\$91
Detailed Development Plan			
	<i>Residential (per lot add-on)</i>	\$8,999	\$53
	<i>Non-residential (per 100 sq. ft. add-on)</i>	\$8,999	\$11
Conceptual and Detailed Development Plan			
	<i>Residential (per lot add-on)</i>	\$9,562	\$56
	<i>Non-residential (per 100 sq. ft. add-on)</i>	\$9,562	\$11
Major Modification to P.D.			
	<i>Residential (per lot add-on)</i>	\$8,436	\$50
	<i>Non-residential (per 100 sq. ft. add-on)</i>	\$8,436	\$10
P.D. Nullification		\$5,961	
Minor Modification		\$3,726	
Subdivision Tentative Plat			
	<i>Non-residential</i>	\$7,873	\$47
	<i>Modification</i>	\$3,726	
	<i>Major Replat</i>	\$8,966	\$1
	<i>Residential (Admin.)</i>	\$7,311	\$43
Historic Preservation Permit			
	<i>HRC-level (0% cost recovery/5-yr. average)</i>	no fee	
	<i>Director-level (0% cost recovery/5-yr. average)</i>	no fee	
Director's Interpretation		\$2,235	
Land Development Code Text Amendment		\$5,961	
Extension of Services		\$10,432	

**Table 7 - Land Use Application Review Fees Update
Selected Special Development Fee Comparisons
(Fiscal Year 2010 – 2011 Comparators)**

Jurisdiction	Comp. Plan Map Amendment (5-acre)	Zone Change (5-acre)	Annexation (200 lots; 50 Acres)	Conditional Use Permit (Non-residential)	Residential PD & Subdivision (100 lots; 25 acres)	Straight Subdivision (100 Lots; 25 acres)
Albany	\$3,088 ¹	\$3,088 ²	\$4,500 ³	\$3,360 ⁴	\$14,762 ⁵	\$9,328 ⁶
Bend ⁷	\$25,053	\$25,053	\$97,698 ^(+LA)	\$4,268	\$148,289	\$96,486
Eugene	\$6,339	\$6,339	\$5,156	\$6,797	\$41,408	\$18,210
Gresham	\$11,516	\$11,516	\$5,970	\$6,203 ⁸	\$66,376	\$44,051
Lake Oswego	\$9,745	\$9,745	\$138,400	\$4,784	\$25,950	\$25,950
Salem	\$1,035 (+ hourly rate)	\$1,035 (+ hourly rate)	\$6,810 ⁹	\$2,269	\$13,323	\$6,880
Springfield	\$40,026	\$40,026	\$104,542	\$4,404	\$135,670 ¹⁰	\$135,670
Other City - Averages:	\$15,961¹¹	\$18,536¹¹	\$70,353	\$4,504	\$59,069	\$54,541
Other City - Median Values:	\$9,745	\$9,745	\$6,810	\$4,404	\$41,408	\$25,950
Corvallis (Current)	\$10,244	\$4,820	\$14,501	\$6,349 (base fee)	\$19,358	\$9,396
Corvallis (at 70%)	\$11,084	\$5,216	\$15,673	\$6,857 (base fee)	\$20,954	\$10,168
Corvallis (at 80%)	\$12,667	\$5,961	\$17,917	\$7,873 (base fee)	\$23,870	\$11,611
Corvallis Cost (avg., not per unit)	\$15,834	\$7,451	\$18,628	\$13,040	\$24,915	\$12,108

¹ Combined Comprehensive Plan / Zone Map Amendment Application Fee is \$4,324

² Combined Comprehensive Plan / Zone Map Amendment Application Fee is \$4,324

³ Approximate fee. Actual fee depends on location / type of annexation. Also, fee of only \$100 applies for property with single home that has failing septic system or inadequate well.

⁴ Lesser fee may apply depending on type of use, whether use is in existing or new building, if Design Standards apply, and whether TIA is required

⁵ Assumes Traffic Impact Analysis is required

⁶ Assumes Traffic Impact Analysis is required

⁷ City of Bend Planning fees are subject to an additional 14% surcharge to fund long range planning. Additional charges apply for applications requiring Hearings Officer review (+HO) and development of legal agreements (+LA).

⁸ Gresham has provisions for "Community Services" rather than "Conditional Uses". "Type III Community Services" include uses such as schools, hospitals, and child care facilities, which are similar to Conditional Uses allowed by the Corvallis Land Development Code.

⁹ Includes Comp Plan / Zone Changes and Voter Publication Costs

¹⁰ Springfield utilizes "Cluster Subdivision Development" option rather than Planned Development. No fee difference from conventional subdivision development. Springfield Planning fee also includes Public Works review fees.

¹¹ Average does not include Salem, which has hourly fee.

Table 2: General Development (70% Cost Recovery)		
Minor Replat	\$1,490	
Lot Development Option (Minor)	\$1,490	
Lot Development Option (Major)	\$4,471	
Lot Line Adjustment	\$373	
Partition	\$3,726	
Plan Compatibility Review	\$745	
Vacation	\$1,494	
Sign Permit	\$71	
Sign Variance	\$3,736	

Notes

1. Deposit - With the exception of appeal fees and historic preservation permits, Special Development land use applications (Table 1) shall be submitted with a \$1,000 deposit. General Development land use applications (Table 2) shall be submitted with a \$100 deposit. Following a determination of the actual extent of the request, the remainder of the fees shall be charged to the applicant. Applications shall be deemed incomplete until all fees have been paid.

Concurrent Application Fees - Where development requires concurrent actions, the largest of the fees determined from Table 1 or Table 2 shall be charged, and 75 percent of the fee for each additional action shall be charged.

2. For appeals of concurrent applications, a percentage of the single highest base fee shall be charged, without inclusion of add-on fees.

MEMORANDUM

TO: Administrative Services Committee
FROM: Nancy Brewer, Finance Director NB
DATE: October 3, 2011
SUBJECT: CP 2008-1.11, Identity Theft Prevention & Red Flag Alerts Policy

I. Issue

Staff review of CP 2008-1.11, Identity Theft & Red Flag Alerts adopted by City Council October 20, 2008.

II. Discussion

The purpose of the CP 2008-1.11 is to have a policy that is consistent with the size and complexity of the City's operations and develop solutions to meet the combined provisions of the Fair and Accurate Credit Transaction Act and the Oregon Consumer Identity Theft Protection Act.

The policy consists of eight areas of compliance:

- Personal Identifying Information
- Covered Accounts
- Red Flags
- Safeguarding Personal Identifying Information
- Third Party Vendors
- Notice of Theft
- Notice of Security Breach
- Policy Implementation

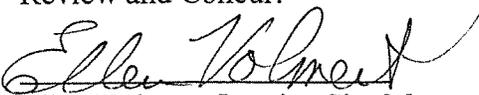
The policy provides examples of a number of Red Flag patterns, practices or specific activities that may indicate the possible existence of identity theft and the appropriate actions for staff to take. Unusual or suspicious activities are highlighted to ensure staff awareness of situations that could result in identity theft. The policy provides for appropriate responses to detected red flags commensurate with the degree of risk posed.

To assist staff to meet the objectives of this policy, the Finance Department meets with each department to discuss policy objectives and to complete a red flag checklist to clarify department processes and potential red flag issues. Each department reviews the red flag checklist and upon completion, sign and return to the Finance Department. The Finance Department maintains a record of each department's red flag compliance progress and audit each department's procedures on an annual basis with a goal to establish a system of checks and balances to reach and maintain compliance.

III. Recommendation

The Finance Department is required to review CP 2008-1.11, Identity Theft Prevention and Red Flag Alerts once each year in October. The review has been completed and no revisions to the policy are recommended.

Review and Concur:


Ellen Volmert, Interim City Manager

CITY OF CORVALLIS
COUNCIL POLICY MANUAL

POLICY AREA 1 - GENERAL

CP 08-1.11 Identity Theft Prevention & Red Flag Alerts

Adopted **October 20, 2008**
Amended May 4, 2009
Affirmed November 1, 2010

1.11.010 Purpose of Policy

Pursuant to Oregon Revised Statute (ORS) 646A.600, the Oregon Consumer Identity Theft Protection Act (OCITPA) and the Fair and Accurate Credit Transaction Act (FACTA) provisions of the federal Fair Credit Reporting Act, the City of Corvallis (City) must take appropriate measures to safeguard Personal Identifying Information and Covered Accounts from Identity Theft. The purpose of this policy shall be to identify the City's response when patterns, practices, or specific activities occur that indicate the possible existence of Identity Theft and to take all reasonable steps to prevent, and mitigate the theft of Personal Identifying Information. As general guidance, this policy will apply to any City account, program, or procedure which allows multiple household or personal payments or collects, transfers, stores, or records a person's personally identifiable information.

1.11.020 Definitions

1.11.021 **Covered Accounts** are accounts the City offers or maintains for personal, family, or household purposes that involve multiple payments or transactions and include deferred payments for services or property. Covered Accounts may include utility accounts, ambulance accounts, lien/loan accounts or any customer account where the extension of credit is offered resulting in a continuing relationship and therefore subject to provisions of the Fair and Accurate Credit Transaction Act of 2003.

1.11.022 **Identity Theft** is a fraud committed or attempted using the Personal Identifying Information of another person without authority.

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1.11.023 Personal Identifying Information is any person's first name and last name in combination with any other information, that can be used to identify a specific person, so long as the information obtained would be sufficient to permit a person to commit Identity Theft against the person whose information was compromised. Other information may include but not be limited to a Social Security Number, date of birth, official State or government issued driver's license or identification number, alien registration number, government passport number, employer or taxpayer identification number or address.

1.11.024 Red Flag is a pattern, practice or specific activity that indicates the possible existence of Identity Theft.

1.11.030 Policy

Pursuant to State and federal law, the City shall adopt the following general administrative rules to identify and detect Red Flags that raise concerns that Personal Identifying Information or Covered Account information is potentially being misused or stolen and outline procedures for safeguarding this information. The policy shall include eight primary areas of compliance:

- Personal Identifying Information
- Covered Accounts
- Red Flags
- Safeguarding Personal Identifying Information
- Third Party Vendors
- Notice of Theft
- Notice of Security Breach
- Policy Implementation

1.11.040 Personal Identifying Information

The City collects a substantial amount of Personal Identifying Information through multiple processes requiring staff to assess and address risks associated with the collection of this information. Departments are responsible for assessing current compliance and documenting appropriate safeguard practices in writing.

1.11.050 Covered Accounts

Covered Accounts may include utility accounts or any customer account where the extension of credit is offered resulting in a continuing relationship. Covered Accounts or any other account where there may be a reasonably foreseeable risk to customers from Identity Theft are subject to provisions of the Fair and Accurate Credit Transaction Act which requires the City to take

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additional precautions to eliminate the threat of Identity Theft. Before a customer can open an account with the City, staff must make a good faith attempt to verify the identity of the person opening the account. Prospective applicants who wish to receive a specific service must provide Personal Identifying Information as required by staff.

1.11.060 **Red Flags**

Red Flag patterns, practices or specific activities that indicate the possible existence of Identity Theft may include alerts, notifications, or other warnings received from local law enforcement or other governmental organizations. Such information may include a fraud alert or the United States Post Office providing a notice of address discrepancy. Categories of Red Flags associated with customer accounts or the ability to initiate a customer account may include:

- inquiries inconsistent with the history and usual pattern of activity of a customer including such things as a recent and significant increase in the volume of inquiries; an unusual number of recently established credit relationships; a material change in the use of services, or other unusual activity associated with the account;
- an account that was closed for cause or identified for abuse of account privileges;
- documents provided for identification that appear to have been altered or forged;
- the photograph or physical description on the identification is not consistent with the appearance of the applicant or customer presenting the identification;
- other information on the identification is not consistent with information provided by the person opening a new account or customer presenting the identification;
- other information on the identification is not consistent with readily accessible information that is on file, such as a prior customer file; or
- an application appears to have been altered or forged, or gives the appearance of having been destroyed and reassembled.

Other potential Red Flags such as the presentation of suspicious information that may include Personal Identifying Information that is inconsistent when compared against other information sources such as:

- an address that does not match any address in the financial system data file;
- a Social Security Number that does not match previous history for the same customer;
- Personal Identifying Information provided by the customer that is not

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consistent with other Personal Identifying Information provided by the customer;

- Personal Identifying Information provided is associated with known fraudulent activity as indicated by internal or third-party sources;
- an address on an application is the same as the address provided on a fraudulent application;
- a phone number on an application is the same as the number provided on a fraudulent application;
- Personal Identifying Information provided is of a type commonly associated with fraudulent activity as indicated by internal or third-party sources;
- an address on an application is fictitious, a mail drop, or a prison;
- a phone number that is invalid, or is associated with a pager or answering service;
- a Social Security Number provided is the same as that submitted by other persons opening an account or other customer;
- an address or telephone number provided is the same as or similar to the account number or telephone number submitted by an unusually large number of other persons opening accounts or other customers;
- a person opening the account fails to provide all required Personal Identifying Information on an application or in response to notification that the application is incomplete;
- Personal Identifying Information provided is not consistent with information that is on file with the City; or
- the person opening the account or the customer cannot provide authenticating information beyond that which generally would be available from a wallet or consumer report in response to a challenge question.

Unusual or suspicious activity may include:

- shortly following the notice of a change of address for a customer account, the City receives a request for the addition of authorized users on the account;
- mail sent to the customer is returned repeatedly as undeliverable although transactions continue to be conducted in connection with the customer's Covered Account;
- the City is notified that the customer is not receiving their bill;
- payments are made in a manner associated with fraud; or
- an existing account with a stable history shows irregularities.

The policy shall provide appropriate responses to detected Red Flags to prevent and mitigate Identity Theft. The MIS Manager and Customer Service Manager will determine an appropriate response commensurate with the degree of risk posed.

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1.11.070 Safeguarding Personal Identifying Information

The City shall implement and maintain reasonable safeguards to protect the security and confidentiality of Personal Identifying Information, including its proper disposal. In the event a report indicates an information discrepancy, the discrepancy will be reported to the supervisor for further review and verification of the information, including verifying identification in person at the City, if necessary.

Staff shall also report to their supervisor when it appears that account documents have been altered or forged when compared to other documents in a customer or employee file. It shall be brought to a supervisor's attention immediately if any customer, employee or applicant presents invalid identification, or identification that appears forged for the purpose of obtaining access to account information.

Access to account information will be permitted in person at the City, only after verifying the person's identity through photo identification or by providing information known only to that person. Account information can also be obtained over the Internet with secure password protection. Access to customer account information via telephone or Internet shall require the customer to verify his or her identity using information that would only be known to the customer as reflected in the customer's account. Staff will notify their supervisor and make note in a customer's file when there is a lack of correlation between information provided by a customer and information contained in a file for the purposes of gaining access to account information. Information will not be given without first clearing any discrepancies in the information provided.

In addition, staff will no longer request Personal Identifying Information on certain forms if the data is determined no longer needed for operational purposes. Documents that have reached retention periods will be purged and destroyed in a manner that maintains Personal Identifying Information in a secure manner. Documents with Personal Identifying Information will be stored in locking files or behind locked doors. Any documents containing Personal Identifying Information will be destroyed or shredded prior to disposal.

Staff will note unusual use of accounts, or suspicious activities related to accounts and promptly notify their supervisor when there are an unusually high number of inquiries on an account, coupled with a lack of correlation in the information provided by the customer or employee.

Council Policy 08-1.11

When a supervisor is notified of a discrepancy, the supervisor will immediately contact (by telephone or email) the MIS Manager or Customer Services Manager. The supervisor will then submit a Red Flag Discrepancy Report (Appendix A) detailing the event, to the MIS Manager and the Customer Services Manager within 24 hours. The MIS Manager and the Customer Services Manager will determine an appropriate response commensurate with the degree of risk posed. The supervisory form for reporting potential red flag discrepancies is attached hereto and made a part of the Policy hereof.

Printing Social Security Numbers on any mailed materials unless redacted; or on cards used to access products, services, or City buildings (such as ID cards); or publicly posting or displaying Social Security Numbers is prohibited. Exemptions include requirements by the state of Oregon; federal laws, including statute, such as W2s, W4s, 1099s, etc; records that are required by law to be made available to the public; records for use for internal verification or administrative processes; and records used for enforcing a judgment or court order.

Staff will monitor transactions and verify the validity of change of address requests, in the case of existing accounts. Social Security Numbers or Tax Identification Numbers will not be provided by staff either verbally or in writing, even where a customer is asking for his/her own information.

If the City discovers that any of its customers or employees have become a victim of Identity Theft through Personal Identifying Information used by the organization in opening or maintaining an account or associated with any document, the MIS Manager and the Customer Services Manager will take appropriate steps that it deems necessary to mitigate the impacts of such Identity Theft.

The Management and Information Systems (MIS) group is responsible to safeguard Personal Identifying Information stored in electronic format and to document safeguard practices in writing.

1.11.080 Third Party Vendors

The City has various business relationships with third party contractors. Under these business relationships, the third party contractor may have access to customer information covered under this policy. The City will ensure that the third party contractor's work for the organization is consistent with this policy by:

- amending City contracts to incorporate these requirements; or

Council Policy 08-1.11

- by determining through written acknowledgment that the third party contractor has reasonable alternative safeguards that provide the same or a greater level of protection for Personal Identifying Information as provided by the organization.

1.11.090 Notice of Theft

Notice from customers or employees, victims of Identity Theft, law enforcement authorities, or other persons regarding possible Identity Theft in connection with customer or employee information can potentially be a Red Flag for Identity Theft. Upon notice of Identity Theft to a supervisor, the MIS Manager and the Customer Services Manager will be notified to determine an appropriate response commensurate with the degree of risk posed.

1.11.100 Notification of Security Breach

In the event that Personal Identifying Information has been subject to a security breach, the City will comply with OCITPA, ORS 646A.600.

1.11.110 Implementation

The Human Resources Office is responsible to include this Identity Theft Protection and Red Flag Alert Policy as part of new employee orientation by documenting review of this policy and the concepts.

Department directors are responsible to be familiar with the Identity Theft Protection Acts and to meet with their staff to assess current compliance and document appropriate safeguard practices in writing.

Employees are responsible to comply with this policy and any internal processes as directed by their department. Noncompliance may result in formal disciplinary action up to and including termination of employment. Employees should contact their supervisor if they have questions about compliance with this policy.

The Finance Department is responsible to audit departments on an annual basis for compliance verification. A security checklist will be provided to each department to act as a guideline to ensure compliance and proper procedures are followed. The checklist will include sections on program elements, employees, safeguarding electronic information, vendor compliance, and information storage and disposal. Upon review and compliance with the checklist, each department must return a signed copy to the Finance Department.

Council Policy 08-1.11

The MIS Manager and Customer Service Manager are responsible for oversight of the program and program implementation.

1.11.120 Review and Update

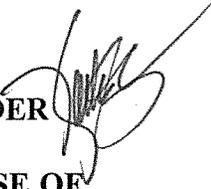
As new ways are discovered to perpetrate Identity Theft, organizations subject to the Red Flag Rules must establish reasonable policies and procedures to ensure that the organizations' Identity Theft Prevention Policy is updated periodically to reflect changes in risks to customers, employees and to the safety of the organization.

This policy shall be reviewed annually in October by the Finance Department and updated as necessary.

***** MEMORANDUM *****

OCTOBER 11, 2011

TO: ADMINISTRATIVE SERVICES COMMITTEE

FROM: KATHY LOUIE, ASSISTANT TO CITY MANAGER/CITY RECORDER 

SUBJECT: COUNCIL POLICY REVIEW – CP 93-1.06, "GUIDELINES FOR USE OF THE CITY LOGO"

ISSUE

Council Policy CP 93-1.06, "Guidelines for Use of the City Logo," is scheduled for review every five years.

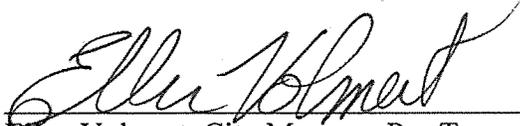
DISCUSSION

The Policy was established to provide consistency in how the City's logo is utilized and has served well as a guideline for use of the City logo by all interested parties. Staff recommends minor housekeeping changes to Policy Section 1.06.040, "Review and Update."

REQUESTED ACTION

Staff requests that Administrative Services Committee recommend that the Council amend Council Policy CP 93-1.06, "Guidelines for Use of the City Logo."

Reviewed and Concur:



Ellen Volmert, City Manager Pro Tem

CITY OF CORVALLIS
COUNCIL POLICY MANUAL

POLICY AREA 1 - GENERAL

CP 93-1.06 **Guidelines for Use of the City Logo**

Adopted September 7, 1993

Affirmed 1994

Revised October 16, 1995

Affirmed May 15, 2000

Revised February 6, 2006

Revised _____, 2011

1.06.010 Purpose

To establish a policy regarding the use of the City's copyrighted logo.

1.06.020 Definitions

1.06.021 Government A federal, State, or local body or agency, or a combination thereof, created and designed to enact and enforce legislation, implement policies, design and carry out mandates, coordinate certain activities or projects, and facilitate and regulate certain activities.

1.06.021 Logo The logo is a semicircle with the Courthouse, Mary's Peak, tree and building outlines, and a goal statement "Enhancing Community Livability." A copy of the logo is attached.

1.06.022 Nonprofit A nonprofit corporation, organization, or group whose income is used for the benefit of the community, or local charitable purpose, and no part of which is distributed to members, directors, or officers.

1.06.023 City Partners An organization currently receiving financial support or an organization receiving dues and membership support from the City.

1.06.030 Policy

1.06.031 It is the policy of the City Council that use of the City's logo may be permitted by other governmental bodies, nonprofit organizations, and City partners under certain conditions:

Council Policy 93-1.06

- 1) The usage will benefit the City of Corvallis in some manner or degree.
- 2) The cost of manufacturing the symbol or printing the document may be recouped, but no profit may be realized from the sale thereof by the approved user.
- 3) The design of the logo shall not be modified for any usage by any user without specific, prior approval of the City Manager.
- 4) The City may ask for reimbursement for the costs of its involvement in the approval process, if the process turns out to be a lengthy one.
- 5) The usage of the City's logo shall have a local focus or benefit; i.e., City of Corvallis, Benton County, Willamette Valley, or State of Oregon.
- 6) The usage of the City's logo shall not be of a lengthy, prolonged, or continuing duration.
- 7) Permission to use the City's logo shall be requested at least six weeks in advance of the proposed usage dates.
- 8) A permit shall be issued for each usage of the logo stating the purpose, design use, sponsoring organization(s), location(s), and dates, and shall be signed by all parties to the agreement. (Copy attached)
- 9) The City Manager may approve exceptions to 6), 7), and 8) for a City partner.

1.06.032 Examples of permitted uses of the logo include: imprimature on an official document, as the symbol of a specific event or occasion, as an award or symbol thereof, advertising a specific event, and others which may from time to time occur.

1.06.033 No usage of the City's logo shall be made by any entity other than the municipal government of the City of Corvallis without authorization by the City Manager.

1.06.034 The City's logo shall not be used for commercial purposes or ventures.

1.06.040 Review and Update

This General Policy shall be reviewed every five years by the City Manager ~~every five years, beginning in October 1995,~~ and updated as appropriate.

CITY OF CORVALLIS

LOGO

USAGE AUTHORIZATION PERMIT

RETURN COMPLETED FORM TO ASSISTANT TO CITY MANAGER/CITY RECORDER

Requesting Organization: _____

Purpose: _____

Designated Usage: _____

Dates of Usage: _____

Location(s): _____

Other: _____

Date Approved by City Manager: _____

City's Approving Authority

Organization's Representative



***** MEMORANDUM *****

OCTOBER 11, 2011

TO: ADMINISTRATIVE SERVICES COMMITTEE

FROM: KATHY LOUIE, ASSISTANT TO CITY MANAGER/CITY RECORDER 

SUBJECT: COUNCIL POLICY REVIEW - CP 91-2.03, "EXPENSE REIMBURSEMENT"

ISSUE

Council Policy CP 91-2.03, "Expenditure Reimbursement," is scheduled for review every five years and was last reviewed during November 2006.

DISCUSSION

The Policy has served well as a guideline for responding to and reimbursing expenses incurred by the Mayor and Councilors in discharging their responsibilities to the City. Staff recommends minor housekeeping amendments to Section 2.03.030, "Review and Update."

REQUESTED ACTION

Staff requests that Administrative Services Committee discuss the Policy and recommend that the Council amend Council Policy CP 91-2.03, "Expense Reimbursement," as suggested by staff and any other amendments by the Committee.

Reviewed and Concur:


Ellen Volmert, City Manager Pro Tem

CITY OF CORVALLIS
COUNCIL POLICY MANUAL

POLICY AREA 2 - COUNCIL PROCEDURES

CP 91-2.03 **Expense Reimbursement**

Adopted June 6, 1983

Affirmed October 7, 1991

Amended November 4, 1996

Reviewed March 5, 2001

Affirmed November 20, 2006

Affirmed _____, 2011

2.03.010 **Purpose**

To establish a policy regarding expense reimbursement and reporting requirements for the Mayor and City Council.

2.03.020 **Policy**

2.03.021 **Mayor Stipend; Work/Time Loss**

To cover miscellaneous expenses inherent with her/his duties, the Mayor will receive a \$100 monthly stipend. This stipend is not subject to the reporting requirements outlined below. In addition, Council members and the Mayor will be eligible for reimbursement for additional out-of-pocket expenses, as outlined below, but shall not be compensated for any time or work lost at their jobs.

2.03.022 **Reporting Requirements**

Out-of-pocket expenses directly attributable to Council service and incurred during incumbency, as well as expenses in excess of the Mayor's stipend, shall be reimbursed at the same rates and in conformance with the reporting requirements as established by the Administrative Policy for City employees.

Council Policy 91-2.03

2.03.023 Reimbursement Limits

No specific dollar limit is established for reimbursement of expenses, but each individual is obligated to use prudent judgement in relation to expenses incurred.

2.03.024 Policy Clarification

Necessary clarification of the reimbursement policy will be presented to the Administrative Services Committee.

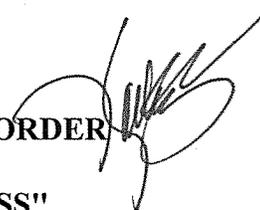
2.03.030 Review and Update

This ~~Council Procedures~~ Policy shall be reviewed every five years by the City Council and updated as appropriate.

***** MEMORANDUM *****

OCTOBER 11, 2011

TO: ADMINISTRATIVE SERVICES COMMITTEE

FROM: KATHY LOUIE, ASSISTANT TO CITY MANAGER/CITY RECORDER 

SUBJECT: COUNCIL POLICY REVIEW – CP 91-2.02, "COUNCIL PROCESS"

ISSUE

Council Policy CP 91-2.02, "Council Process," is scheduled for review every five years and was last reviewed during December 2006.

DISCUSSION

Staff has reviewed the Policy and recommends minor amendments to reflect the sunseting of some City advisory bodies and community agencies and the re-naming of others.

REQUESTED ACTION

Staff asks that Administrative Services Committee recommend that the City Council amend Council Policy CP 91-2.02, "Council Process."

Reviewed and Concur:



Ellen Volmert, City Manager Pro Tem

CITY OF CORVALLIS
COUNCIL POLICY MANUAL

POLICY AREA 2 - COUNCIL PROCEDURES

CP 91-2.02 **Council Process**

Adopted October 7, 1991

Revised November 4, 1996

Revised March 5, 2001

Revised October 15, 2003

Revised December 18, 2006

Revised _____, 2011

2.02.010 **Purpose**

To establish a policy regarding Council's public hearings, rules of order, and standing committees.

2.02.020 **Policy - Public Hearings**

~~The Council has determined that it is its policy~~ **It is the policy of the City Council to ensure full, complete, and orderly participation at all public hearings and to ensure this participation is done in a fair yet and succinct manner for all concerned; the Council adopts this policy.**

2.02.021 As each public hearing item is announced, a specific time limit may be established by the Mayor. The Mayor shall determine the number of speakers and allocate the time accordingly. The time limit may vary according to the complexity and/or controversial nature of the hearing matter, but equal time will be provided to both proponents and opponents. The time limit will not include answers to questions or staff reports. Rebuttal time will be allocated if requested.

2.02.022 If, as the public hearing develops, more time is necessary, by majority vote of the Council, the time limit for both sides may be extended.

2.02.023 Should either the original or extended time limit expire and parties have not had an opportunity to speak, the hearing may be continued until the next regular Council meeting and the process may be repeated for the

Council Policy 91-2.02

continued hearing at that meeting.

2.02.024 Copies of this Council Policy shall be made available to the general public.

2.02.030 Policy - Standing Committees

2.02.031 Formation

There shall be three standing committees:

Administrative Services Committee;
Human Services Committee; and
Urban Services Committee.

2.02.032 Areas of Responsibility

a. Administrative Services Committee

General Areas of Policy Review and Oversight

Cable TV issues
Financial policies
Fiscal impact review
Capital Improvement Program fiscal strategy
Risk management/litigation issues
Personnel/labor relations issues
Council appointee evaluation
Legal administration
Budget strategies
Franchise renewal/rates
Audit services
Associated advisory board recommendations
Utility rates
Intergovernmental agreements
Economic development
Associated Boards and Commissions

City: Budget Commission
City Legislative Committee
Economic Development Commission

External: Economic Development Partnership
Economic Vitality Partnership

Council Policy 91-2.02

Oregon Cascades West Council of Governments
(OCWCOG)
Willamette Criminal Justice Council
Appropriate Economic Development funded agencies

b. Human Services Committee

General Areas of Policy Review and Oversight

Internet issues
Social services
Park master plan
Law enforcement issues
Open space
Library service issues
Intergovernmental agreements
Recreation service issues
Library master plan
Arts and cultural issues
Housing issues
Associated advisory board recommendations

Associated Boards and Commissions

City: Arts and Culture Commission
Citizens Advisory Commission on Civic Beautification and
Urban Forestry
Committee for Citizen Involvement
Community Police Review Board
Housing and Community Development Commission
~~Library 2010 Legal Reserve Allocation Board~~
Library Board
Commission for Martin Luther King, Jr.
~~Open Space Advisory Commission~~
Parks, Natural Areas, and Recreation Advisory Board
Public Art Selection Commission

External: ArtCentric Art Center Board of Directors
Community Alliance For Diversity
Community Policing Forum
Visit Corvallis Tourism
Madison Avenue Task Force
Majestic Theatre
United Way of Benton and Lincoln Counties

Council Policy 91-2.02

c. Urban Services Committee

General Areas of Policy Review and Oversight

Annexations
Planning Commission recommendations
Watershed issues
Airport development
~~Housing issues~~
Structural Code enforcement
Hazardous materials
Water quality
Street construction/maintenance
Fire master plan
Capital Improvement Program
Facility/systems planning
Infrastructure issues
Intergovernmental agreements
Associated advisory board recommendations

Associated Boards and Commissions

City: Airport Commission
 Bicycle and Pedestrian Advisory Commission
 Capital Improvement Program Commission
 Citizens Advisory Commission on Transit
 Downtown Parking Commission
 Historic Resources Commission
~~Housing and Community Development Commission~~
 Planning Commission
~~Riverfront Commission~~
 Storm Water Planning Committee
 Watershed Management Advisory Commission

External: Benton County Solid Waste Advisory Board
 Willamette Neighborhood Housing Services
 Downtown Corvallis Association
 Traffic Committee, OSU
 Transit Committee, Linn-Benton

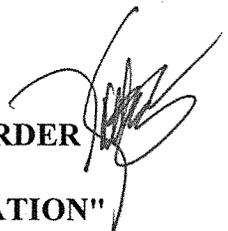
2.02.040 Review and Update

This ~~Council Procedures~~ Policy shall be reviewed every five years by the ~~City~~ Council and updated as appropriate.

***** MEMORANDUM *****

OCTOBER 11, 2011

TO: ADMINISTRATIVE SERVICES COMMITTEE
FROM: KATHY LOUIE, ASSISTANT TO CITY MANAGER/CITY RECORDER
SUBJECT: COUNCIL POLICY REVIEW – CP 94-2.09, "COUNCIL ORIENTATION"



ISSUE

Council Policy CP 94-2.09, "Council Orientation," is scheduled for its biannual review.

BACKGROUND

The Policy has been affirmed, amended, and updated since its adoption in 1994. The Policy provides an extensive guideline for a comprehensive orientation program for Mayoral and Councilor candidates and those recently elected to those positions.

Orientation begins in July of Council election years and continues after the election with several opportunities for procedural feedback from candidates and newly elected officials.

DISCUSSION

Staff received some verbal feedback from candidates and Councilors-elect regarding the 2011 orientation program. One questionnaire was returned, and comments included:

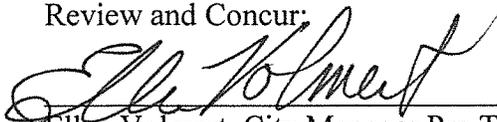
- Highlight key dates on the election timeline.
- Provide a written list of names of everyone serving on the Council and advisory bodies.
- Provide written information from Benton County Elections Office regarding the Voters' Pamphlet and where to find key information on the County's Web site.

Staff updated Exhibits A and B to reflect current practice and a suggestion from Council Leadership to include Senior Staff in team building. Staff also seeks further feedback from the Council regarding potential Policy amendments.

RECOMMENDATION

Staff requests that the Committee recommend that the Council amend Council Policy CP 94-2.09, "Council Orientation," and any other changes by the Committee.

Review and Concur:


Ellen Volmert, City Manager Pro Tem

Attachment

CITY OF CORVALLIS
COUNCIL POLICY MANUAL

POLICY AREA 2 - COUNCIL PROCEDURES

CP 94-2.09 **Council Orientation**

Adopted August 15, 1994

Revised August 19, 1996
Revised September 3, 1996
Affirmed April 19, 1999
Revised June 18, 2001
Revised October 20, 2003
Revised November 7, 2005
Revised October 15, 2007
Revised October 19, 2009
Revised _____, 2011

2.09.010 **Purpose**

To assist citizens seeking election to City office and to aid elected or re-elected City officials in understanding their roles and responsibilities.

2.09.020 **Background**

2.09.021 Elected officials in the City of Corvallis must fulfill a variety of functions and have numerous commitments on their time. Additionally, the performance of their official duties is governed by numerous legal and procedural regulations and guidelines beginning immediately upon their taking office.

2.09.022 In order to provide the best possible support for newly elected officials as they assume these responsibilities, a plan is needed to ensure that they receive all the information and assistance they require in a timely manner. The Orientation Plan provides this support through the materials and processes described in this Policy.

Council Policy 94-2.09

2.09.030 Policy

2.09.031 General:

- a. An Orientation Plan is hereby adopted which supports newly elected and potential elected officials through the Matrix of Materials (Exhibit A) and the Process Schedule (Exhibit B).
- b. The Plan allows for input from the participants at each phase of the process: Pre-Candidate, Candidate, Post Election, First Months, and Later.
- c. The Plan provides for participation from existing elected and appointed officials as well as other City staff and representatives from the media.
- d. The Plan provides both general information about the City and the role of elected officials and more specific information on essential issues such as land use planning, budgetary procedures, municipal law, State and Federal regulations, goal setting, and team building.
- e. The Plan is designed to facilitate participation by every candidate or elected official.
- f. The Plan is designed to be consistently updated to reflect current needs.

2.09.040 Review and Update

This ~~Council Procedures~~ Policy shall be reviewed biennially (every two years) by the City Council and updated as appropriate.

Council Policy 94-2.09

EXHIBIT "A"

COUNCIL ORIENTATION

MATRIX OF MATERIALS

Pre-Candidate (by Assistant to City Manager/City Recorder)

Election timeline

"Elections" manual, selected sections/forms

Petition for nomination

Charter

Ward boundary map

Municipal Code, selected sections

Organization charts (~~BCCs, overall City, and departments~~)

LOC Newsletter article "What's Your Role?"

Candidate Statement form, Benton County Voters' Pamphlet

Six-month calendar; invitation to attend meetings of the City Council, Council committees, Planning Commission, and other advisory boards

Candidate (by Assistant to City Manager/City Recorder)

~~"Campaign Finance Manual"~~

~~Candidate Statement form, Benton County Voters' Pamphlet~~

Current year City Council mission/goals

Current year budget summary

Electronic links to City Council packets

Electronic links to Council Standing Committee and Planning Commission agendas

ICMA brochure "The Council Manager Plan: Answers to Your Questions"

Parking Permit (good through election day)

Post-Election (by various)

Mayor/City Council Handbook (Assistant to City Manager/City Recorder)

Current year Budget, ~~Budget Guide~~, and next fiscal year budget timeline (Finance)

Five-year Capital Improvement Plan (Public Works)

Electronic link to Quarterly Operating Report (most recent) (Finance)

Map of City facilities (Public Works)

City Attorney memo on various items (reference State Attorney General's Public Records and Meetings Manual) (City Attorney)

Council Policy 94-2.09

Post-Election (Continued)

City Procedural Manual: Quasi-Judicial Land Use Decisions (Community Development)

Council Policy manual (Assistant to City Manager/City Recorder)

Comprehensive Plan; Land Development Code; Map, Transportation Plan (Community Development)

"Participating in Public Hearings" (pamphlet, citizens guide) (Community Development)

~~City Manager memo summarizing major issues of concern (City Manager)~~

~~Departmental Initiatives (City Manager)~~

~~Advisory Boards, Commissions, and Committees Charge and Activity Summary (Assistant to City Manager/City Recorder)~~

~~League of Women Voters Land Use (Community Development)~~

~~Planning Guide (developed from the slide show) (Community Development)~~

Parking Permit (post-election and current term) (Assistant to City Manager/City Recorder)

Boards, Commissions, and Committees directory (Assistant to City Manager/City Recorder)

For Reference Only (not immediate comprehensive reading)

Web Resources

~~IGMA Handbook for Elected Officials (5 books) (Assistant to City Manager/City Recorder)~~

~~Oregon Government Standards and Practices (Assistant to City Manager/City Recorder)~~

Council Policy 94-2.09

EXHIBIT "B"

COUNCIL ORIENTATION

PROCESS SCHEDULE

Pre-Candidate

Packets are given to individuals as they come to City Hall to request them. Packets include materials identified for "pre-candidate" in Exhibit "A" of this policy.

Survey all those who took out packets at the end of the filing period to receive feedback on the materials.

Candidate

Candidates receive materials identified for "candidate" in Exhibit "A" of this policy.

Initial briefing with Mayor, ~~current Councilors~~ Council Leadership, City Manager – schedule two or three sessions at different times to accommodate candidates' schedules. Distribute current Council's mission/goals, current budget summary, etc. Explain process, scheduled meetings, and agendas/packets candidates will receive. Round table discussion on Council roles, Council President and Vice-President roles, observations, time commitment, etc. (Approximately one to two hours).

Open House with Department Directors – departmental "stations" may include short presentations and question/answer period. Provide departmental hand-outs. (Approximately one to two hours)

Survey candidates after the election to obtain feedback on the process and materials contained in this section.

Post-election

Provide materials to elected officials as identified for "post election" in Exhibit "A" of this policy.

Meeting with City Manager, Community Development Director, and Assistant to City Manager/City Recorder to discuss land use, legal issues, Visitors Propositions, Council meetings, etc. (Approximately one to two hours)

Meeting with City Attorney to discuss various legal issues, open meetings, conflict of interest, *ex parte* discussions, etc. (Approximately one to two hours)

Council Policy 94-2.09

~~The Mayor and City Council attend the League of Oregon Cities annual conference. (Late September)~~

Meeting with advisory Board and Commission Chairs (as many as can attend) to discuss key issues, roles, and concerns. Hand-outs include the current listing of Boards and Commissions, Municipal Code sections describing each one's charge, the latest Board and Commission newsletter, etc. (One hour)

Meeting with a media panel including the Corvallis Gazette-Times editor, a cable television representative, and at least one radio representative regarding roles/expectations of the media vis a vis Councilors. (One-half to one hour)

Training with Assistant to City Manager/City Recorder and MIS on E-mail, laptop, and electronic Council meeting packets.

During Mayoral election years, a briefing for the new Mayor by the current Mayor. (Two to four hours)

Joint session of new and existing elected officials summarizing major issues of concern and current and upcoming projects, etc. (Two to four hours)

~~Mayor/Councilors-Elect work session on team building; include a component with Senior Staff (Two hours)~~

Mayor/Councilor-elect work session on goals and objectives. (Two days)

Orientation session with the Budget Commission to discuss process, schedule, what to look for, etc. Finance Director distributes quarterly report, budget documents, CIP, etc. (One to two hours)

Individual meetings scheduled for newly elected officials regarding specific areas of interest (special meetings with staff members involved in that issue, etc.) Repeat tours as needed. (As needed)

Swearing in ceremony at Council. (First meeting in January)

Survey new Councilors ~~after they are sworn in~~ to receive feedback on the ~~Post-election phase of the process~~ overall Council orientation program (February).

**CITY OF CORVALLIS
2010 MAYOR AND CITY COUNCIL ORIENTATION PROGRAM
FEEDBACK QUESTIONNAIRE**

Feedback on Pre-Candidate Information

Please answer each question in the space provided and return the questionnaire via email to kathy.louie@ci.corvallis.or.us. Thank you!

1. Did the materials you received as a "pre-candidate" provide sufficient decision-making information regarding your candidacy for City Council?

Yes. Initially, the most useful part of the material was the explanation on how to register. Now that I'm registered, I'll spend more time reviewing the other material.

2. Were the materials you received clear and understandable?

Yes. The material was clear.

On the "Election Timeline" sheet, it might help to highlight the most important dates so that the candidate knows which dates to focus on. For instance,

Aug 3 – Submit signatures

July 26 – Aug 13 -- Complete nomination packets.

Sept 7 – Last day to file voter pamphlet.

Jan 3 – Swearing-in Ceremony.

3. Did the materials give you a sense of the time commitment involved in serving on the City Council?

Yes.

4. What additional information, if any, would you have liked to receive at the "pre-candidate" stage?

Include a list of the names of everyone on the city council, advisory boards, committees, commissions, etc. I think this information is on the City web site but it would be helpful if it was included in the hand-out.

Also include a handout from Benton County Elections about the voter's pamphlet

information. Such as: (1) Where on the county web site is the electronic PDF version that you can fill in on the computer and then print out, (2) Should you also submit an electronic copy of the text and photo on a CD when you hand in the printed form, and (3) Where are voter pamphlets from previous elections located on the county web site so that you can view them as examples of what to write.

I was able to get this information when I talked to Benton County Elections. But it would be helpful if it was included in the handout.

5. Please list any additional comments you have about specific items and/or your overall impression of these materials.

The material was very well put together. Kathy Louie was a big help in explaining the process and making sure I filled out the correct documents. She made the registration process very easy and straightforward.

Thank you for your time

MEMORANDUM

October 10, 2011

TO: Administrative Services Committee

FROM: Nancy Brewer, Finance Director 

SUBJECT: **Financial Policies Review – Introduction and Fund Balance Policies**

I. Issue

To review draft language changes and recommend updates for two sections of the Council's Financial Policies.

II. Discussion

This staff report continues work begun in September when the scope of the Financial Policies review was discussed. As requested, this review focuses the discussion on only two sections of the policies, and poses some questions for Council feedback. A draft of the sections of the Financial Policies is included as Attachment A (please note – as a draft, there are a number of formatting issues/errors/cross references that will be addressed when the policies are closer to final).

A. Format – the Financial Policies introduction section has been modified to include the Council's preferred organizational structure by adding a mission, goals, purpose, and background section. Much of the language in these sections is from previous Financial Policies language. The mission statement is new. The goals were formerly called objectives, and have not been changed significantly. The purpose statement has been modified slightly. The background section is a combination of new language and information that was there previously but listed as part of the purpose.

This draft of the policies also includes a new section for purpose and background for the fund balance policies.

- Council is asked to review the new mission, goals, purpose, and background language and edit as necessary to clarify their intent.
- Council is asked to provide feedback on whether or not each policy section (i.e., fund balance, revenues, expenditures) should have its own purpose and background as drafted in the fund balance section, or if the overarching purpose and background in the 10.01 policies would be adequate.

B. Definitions – Councilor O'Brien is the only one who has identified terms he would like included in a definitions section. A few of these terms have previously been included in the Glossary in the annual budget; many of the terms requested had not been defined previously in financial documents. The complete Glossary from the FY 11-12 Adopted Budget is included as Attachment B. Options for including definitions include:

- Include the definitions in the location identified in this draft (and any more that may be identified) – following the background in section 10.01.050.

- Include definitions in each specific policy section that are important to that policy (i.e., this would move the definition of fund balance to be part of the existing fund balance definitions in 10.02.030; move definitions of accrual/modified accrual to the Accounting Policies).
- Include all definitions at the end of the Financial Policies.
- Not include definitions unless they are specific to the policy language (i.e., fund balance definitions) and necessary to fully understand the policy language and reference the Glossary in the annual budget as a location for more information.

C. Appropriate Fund Balance – The Financial Policies draft still references a targeted ending fund balance at three months of payroll costs. For FY 11-12, this would be just about \$6.5 million. As noted in the last review, the Government Finance Officers Association best practice (Attachment C) recommends a minimum fund balance at two months (16% of the year) of operating revenue or operating expenditures. Other common fund balance targets include 5% to 10% of operating revenues or operating expenditures. The dollar amount of each of these benchmarks in the property tax supported funds is identified below:

		16%	5%	10%
Three months of payroll	\$6,500,000	n/a	n/a	n/a
Operating Revenues	n/a	6,185,563	1,932,988	3,965,977
Operating Expenditures		6,309,269	1,971,646	3,943,293

- Council direction on a target to use in the Financial Policies is requested.

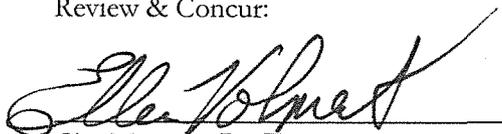
D. Fund Balance Policy – section 10.02.040 begins the discussion of the policy surrounding fund balances. New language has been added in 10.02.040.A.c to allow the City Council to develop a strategy for re-building the fund balance over time. This matches the intent from the last discussion about allowing the Council to set a multi-year target to re-build the fund balance.

- Council direction on whether the proposed language meets its intent is requested.

III. Requested Action

Council is requested to review the attachments for potential modifications to the Financial Policies and provide direction to staff on the issues identified above. This feedback will be used by staff to continue work on modifications to the policies.

Review & Concur:


 City Manager Pro Tem

FINANCIAL POLICIES

Adopted November 27, 1989

Last Revised July 18, 2011

CP 10.01 FINANCIAL POLICIES MISSION, GOAL, PURPOSE AND OBJECTIVES BACKGROUND

10.01.010 Mission

To provide policy direction from the City Council to the City of Corvallis organization about sustainable financial management to ensure the City continues to operate in perpetuity.

10.01.020 Goals

To meet this mission, the goals for financial management include the following:

- A. To protect the policy-making ability of the City Council by ensuring that important policy decisions are not controlled by financial problems or emergencies.
- B. To enhance the policy-making ability of the City Council by providing accurate information on program costs.
- C. To assist sound management of the City by providing accurate and timely information on financial condition.
- D. To provide sound principles to guide the important decisions of the City Council and of management which have significant fiscal impact.
- E. To set forth operational principles which minimize the cost of government and financial risk, and safeguard the City's assets.
- F. To employ revenue policies which prevent undue or unbalanced reliance on certain revenues, which distribute the costs of municipal services fairly, and which provide adequate funds to operate desired programs.
- G. To provide adequate resources to operate and maintain essential public facilities and the City's infrastructure.
- H. To protect and enhance the City's credit rating and prevent default on any debt issue of the City.
- I. To ensure the legal use of all City funds through a sound system of administrative policies and internal controls.

10.01.030 Purpose

~~Primary among the~~ These Financial Policies summarize the responsibilities of the City of Corvallis to its citizens is for the care of public funds and wise management of municipal finances while providing for the adequate funding for the services desired by the public and the maintainingence of the community's public facilities and infrastructure.

10.01.040 Background

Municipal financial operations have a wide variety of oversight or standard setting agencies, including multiple departments within both the State and Federal governments, the Securities and

Exchange Commission, and the Governmental Accounting Standards Board. The City of Corvallis manages public funds within all of these oversight agency requirements. These financial management policies, designed to ensure the fiscal stability of the City of Corvallis municipal corporation, provide guidance in financial management when oversight agencies are otherwise silent or to reiterate best practices that may be codified by another entity. The City Council's Financial Policies have been reviewed and updated each year since they were first adopted to ensure the policy direction is current.

~~These financial policies address fund balances, revenues, expenditures, capital improvement, debt management, risk management, investments, and accounting and financial reporting.~~

10.01.020 Financial Policy Objectives

~~10.01.021 To protect the policy-making ability of the City Council by ensuring that important policy decisions are not controlled by financial problems or emergencies.~~

~~10.01.022 To enhance the policy-making ability of the City Council by providing accurate information on program costs.~~

~~10.01.023 To assist sound management of the City by providing accurate and timely information on financial condition.~~

~~10.01.024 To provide sound principles to guide the important decisions of the City Council and of management which have significant fiscal impact.~~

~~10.01.025 To set forth operational principles which minimize the cost of government and financial risk, and safeguard the City's assets.~~

~~10.01.026 To employ revenue policies which prevent undue or unbalanced reliance on certain revenues, which distribute the costs of municipal services fairly, and which provide adequate funds to operate desired programs.~~

~~10.01.027 To provide adequate resources to operate and maintain essential public facilities and the City's infrastructure.~~

~~10.01.028 To protect and enhance the City's credit rating and prevent default on any debt issue of the City.~~

~~10.01.029 To insure the legal use of all City funds through a sound system of administrative policies and internal controls.~~

10.01.050 Definitions

A. Accrual Basis of Accounting - The basis of accounting under which transactions are recognized when they occur, regardless of the timing of related cash flows.

B. Capital Asset – vehicles, equipment, land, and infrastructure or improvements on land with a value of more than \$5,000 and a useful life of more than one year. Beginning in 2010 capital assets also includes intangible assets such as water rights and software with costs in excess of \$100,000. Capital assets are accounted for as an expenditure in the budget when the asset is acquired and as an asset in the comprehensive annual financial report in the year acquired and then depreciated over the asset's useful life.

C. Capital Improvement – a subset of capital assets, a capital improvement is only for the acquisition of land and/or improvements to (or attached to) infrastructure/improvements on the land with a value of \$10,000 or more. Capital improvements do not include rolling

- stock. Almost all capital improvements are planned through the annual update to the five-year Capital Improvement Program.
- D. Contingencies - An appropriation of funds to cover unforeseen events which occur during the budget year. City Council must authorize the use of any contingency appropriations.
- E. Debt – represents the repayment for monies the City has borrowed. Short-term debt is generally re-paid within the year the monies are borrowed; long-term debt has a longer term, most often 15 to 30 years.
- F. Debt Service - The amount of principal and interest that a local government must pay each year on debt. Annual debt service payments are appropriated in the associated fund.
- G. Enhancements – used during budget discussions to identify new or increased levels of service.
- H. Expenditure - Total costs incurred if accounts are kept on an accrual basis; total amount paid if accounts are kept on a cash basis.
- I. Franchise Fees – the fees paid by licensed franchisees for the use of the public right-of-way, usually utilities.
- J. Fund Balance - The difference between fund assets and fund liabilities of governmental and similar trust funds. The equivalent terminology within proprietary funds is Retained Earnings. When the term "Fund Balance" is used in reference to Proprietary Funds, it is normally referring to the estimated budgetary-basis amount available for appropriations for budgeting purposes.
- K. HNA – the “Historic Norming Adjustment” is the term applied to the projected difference between budget estimates and actual financial performance for a fiscal year. The HNA is generally based on a five year historical average, cannot be tied to a specific department or source due to annual fluctuations, cannot be used as part of the budget appropriations, but is used to reflect a more likely ending fund balance for future year financial planning purposes.
- L. In Kind – the services provided by an entity in the completion of a work task. In kind services can be monetized and used as a match for certain grant opportunities.
- M. Local Option Levy – a short-term (maximum 10 years for capital; 5 years for operating) property tax levy. A local option levy must be approved by voters. Local Option Levies can be re-approved by voters in subsequent years.
- N. Modified Accrual Basis of Accounting - The accrual basis of accounting adapted to the governmental fund type under which revenues are recognized when they become both "measurable" and "available to finance expenditures of the current period." Expenditures are generally recognized when the related fund liability is incurred.
- O. Property Tax Base – this is an older term that was used extensively in Oregon prior to the 1997 Measure 50 adoption. Most local governmental units had a voter approved property tax base, stated in whole dollars, that was allowed to increase by 6% annually, without any additional action by voters. Voters could approve a permanent increase in the property tax base. Voters could also approve temporary tax measures called serial levies, which operated very similar to a local option levy.

- P. Revenue - Monies received or anticipated by a local government from either tax or non-tax sources. In Corvallis for budget discussions, revenue is the term used for monies expected to be received during the fiscal year; resources is the term for all available monies and includes both revenues, reserves, and ending fund balances from the prior year.
- Q. Risk Management – the program of services and activities within the organization designed to reduce the risk of accident/injury to City employees and members of the public, and to appropriately mitigate risks through acquisition of insurance coverage.
- R. Tax Levy – this term is most often used to refer to the City’s permanent property tax rate of \$5.1067 per \$1,000 of assessed value. The City also has a debt levy, which is exempt from both Measure 5 and Measure 50 limitations, and is calculated each year by Benton County based on the whole dollar debt levy the City certifies in its tax filing.

10.021.060 Achieving Financial Policy Goals Objectives

Annual Analysis

To achieve and maintain the ~~forementioned objectives~~ goals outlined in 10.01.020, the Finance Department, at the direction of the City Manager, will conduct an annual analysis of projected financial condition and key financial indicators. This budget capacity analysis shall be reviewed by the Budget Commission and the City Council prior to the budget process.

Focus of the Analysis

It is the focus of this analysis to:

- A. identify the areas where the city is already reasonably strong in terms of protecting its financial condition;
- B. identify existing or emerging problems in revenue sources, management practices, infrastructure conditions, and future funding needs;
- C. forecast expenditures and revenues for the next three to seven years, with consideration given to such external factors as state and federal actions, the municipal bond market, management options being explored and used by other local governments; and
- D. review internal management actions taken during the last budget cycle.

10.012.070 Review & Update

The Financial Policies shall be reviewed by the Finance Director annually in November and updated as appropriate.

CP 10.02 FUND BALANCE POLICIES

10.02.010 Purpose

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. Maintaining a positive ending fund balance is a best financial management practice, and is important to maintain the City’s credit rating, and to meet state law requirements for no deficit spending.

10.02.020 Background

Budgetary fund balance is a critical component of the City’s financial management policies. Large ending fund balance targets may be viewed as reducing resources to provide direct services to citizens; small

ending balances may be viewed as leaving the City open to too much risk from emergencies or temporary economic downturns. This policy is designed to provide guidance for maintaining an ending fund balance that is adequate to manage risk while maximizing the services provided to citizens.

The budgetary ending 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. 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.

10.02.010.02.030 Fund Balance Definitions

The Governmental Accounting Standards Board (GASB) has defined fund balance categories 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 via a resolution or ordinance.
- 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.

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.

10.02.020.02.040 Fund Balance Policy~~Budgetary Fund Balance~~

10.02.020.040 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 ratings, 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.~~

- A. 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 projected ending 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 estimated 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 property tax funds,
- c. establishing a strategy including the time period over which to re-build a fund balance that is at any time lower than the target identified in b. above,
- ~~e.~~d. establishing the time period over which to allocate any surplus budgetary balance for one-time or ongoing service enhancements,
- ~~e.~~e. 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

B. 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 and covenants;
 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.

C. ~~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.

D. ~~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.

GLOSSARY OF BUDGETARY TERMS

Accountability - The condition, quality, fact or instance of being obliged to reckon or report for actions or outcomes.

Accrual Basis of Accounting - The basis of accounting under which transactions are recognized when they occur, regardless of the timing of related cash flows.

Ad Valorem Tax - A tax based on the assessed value of taxable property.

AFSCME - American Federation of State, County, and Municipal Employees.

Annexation - The incorporation of land into an existing city with a resulting change in the boundaries of that city.

Appropriation - Legal authorization granted by City Council to make expenditures and incur obligations.

Appropriation Resolution - The official enactment by the legislative body establishing the legal authority for officials to obligate and expend resources.

Assessed Value - The value set by the County assessor on real and personal taxable property as a basis for levying taxes.

Assessments - An amount levied against a property for improvements specifically benefiting that property.

Balanced Budget - A budget in which the resources equal the requirements in every fund.

Benefits - Employee benefits mandated by state and federal law, union contracts, and/or Council policy. The most common forms of fringe benefits are pension plans, health and life insurance, vacation, sick and holiday leave, deferred compensation, automobile allowances, disability insurance, and educational and incentive pay.

Bonds - A written promise to pay a sum of money (principal or face value) at a future date (maturity date) along with periodic interest paid at a specified percentage of the principal (interest rate). Bonds are typically used to finance long-term capital improvements.

Budget - A plan of financial operation, embodying an estimate of proposed expenditures for a given period (typically a fiscal year) and the proposed means of financing them (revenue estimates). Upon approval by the City Council, the budget appropriation resolution is the legal basis for expenditures in the budget year.

Budget Calendar - The schedule of key dates or milestones which a government follows in the preparation and adoption of the budget.

Budgetary Control - The monitoring or oversight of expenditures against budget at the level of appropriation, which is by department within funds.

CAFR (Comprehensive Annual Financial Report) - Prepared at the close of each fiscal year to show the actual audited condition of the City's funds and serves as the official public record of the City's financial status and activities.

Capital Budget - A plan of proposed capital expenditures and the means of financing them. The capital budget is usually enacted as part of the complete annual budget which includes both operating and capital outlays. The capital budget should be based on a capital improvement program.

Capital Improvement Program (CIP) - A plan for capital expenditures to be incurred each year over a fixed period of several future years, setting forth each capital project, identifying the expected beginning and ending date for each project, the amount to be expended in each year, and the method of financing those expenditures.

Capital Outlay - Expenditures for operating equipment drawn from the operating budget. Capital outlay items normally include equipment that will last longer than one year and having an initial cost above \$5,000. Capital outlay does not include capital budget expenditures for construction of infrastructure such as streets, buildings, or bridges.

Cash Basis of Accounting - A basis of accounting under which transactions are recognized only when cash changes hands.

CDBG - Community Development Block Grant.

Contingencies - An appropriation of funds to cover unforeseen events which occur during the budget year. City Council must authorize the use of any contingency appropriations (not to be confused with Reserves).

Contractual Services - A professional service provided by an outside individual or agency in accordance with contractual specifications.

Cost Allocation - A costing of local government services to identify the full cost of municipal services.

Council Goals - Broad goals established by the City Council at the outset of each two-year term to guide the organization in its activities and focus.

CPI - Consumer Price Index. This typically used as a benchmark for inflation.

CPOA - Corvallis Police Officers Association.

CR (Current Revenue) - Those revenues received within the present fiscal year.

CRCCA – Corvallis Regional Communications Center Association

Debt Service - The amount of principal and interest that a local government must pay each year on net, direct-bonded, long-term debt plus the interest it must pay on direct short-term debt.

Deficit - (1) The excess of an entity's liabilities over its assets (see Fund Balance). (2) The excess of expenditures or expenses over revenues during a single accounting period.

DEQ - Department of Environmental Quality.

Depreciation – the systematic and rational distribution of the cost of a tangible capital asset (less salvage value) over its estimated useful life.

Direct Cost - A cost directly related to producing and/or providing services. Direct costs consist chiefly of the materials and supplies used to provide a service, and the wages and salaries of personnel working to provide a service. Such direct cost is usually readily identifiable, as opposed to *indirect cost* that is allocated among the various products or services provided.

EMS - Emergency Medical Services.

Enterprise Fund Accounting - Accounting used for self-sufficient government operations financed and operated in a manner similar to business enterprises, and for which preparation of an income statement is desirable.

EPA – Environmental Protection Agency

Equipment Replacement Schedule - A schedule of annual purchases to replace major equipment and vehicles that have met or exceeded their useful life to the City.

Expenditure - Total amount incurred if accounts are kept on an accrual basis; total amount paid if accounts are kept on a cash basis.

Financial Audit - A systematic examination of resource utilization concluding in a written report. It is a test of management's internal accounting controls and is intended to:

- Ascertain whether financial statements fairly present financial position and results of operations,
- Test whether transactions have been legally performed,
- Identify areas for possible improvements in accounting practices and procedures,
- Ascertain whether transactions have been recorded accurately and consistently, and
- Ascertain the stewardship of officials responsible for governmental resources.

Financial Condition - The City's ability to pay all costs of doing business and to provide services at the level and quality that are required for the health, safety, and welfare of the community, and that its citizens desire.

Financial Plans - Provide information about the expected future fiscal stability of City operations. The projections are for the major operating funds of the City. Each financial plan, or proforma, includes a discussion about issues that are addressed in the proforma, as well as footnotes about the assumptions made about both revenues and expenditures for each fund.

Financial Policies - Administrative and Council policies established to govern the City's accounting, investment management, revenue collection, disbursement, financial management, budgetary, and fund maintenance practices and procedures to ensure the long-term viability of the City's resources and services.

Fixed or Mandated Costs - These include expenditures to which the government is legally committed (such as debt service and pension benefits), as well as expenditures imposed by higher levels of government (such as for wastewater treatment facilities).

FTE (Full time equivalent) – measurement used to represent the portion of hours equivalent to a “full-time regular worker” for a given employee.

Fund - An independent fiscal and accounting entity with a self-balancing set of accounts, recording cash and/or resources together with all related liabilities, obligations, reserves, and equities, which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

Fund Balance - The difference between fund assets and fund liabilities of governmental and similar trust funds. The equivalent terminology within proprietary funds is Retained Earnings. (When the term "Fund Balance" is used in reference to Proprietary Funds, it is normally referring to the estimated budgetary-basis amount available for appropriations for budgeting purposes.)

GAAP- Generally Accepted Accounting Principles.

General Obligation Bonds - When a government pledges its full faith and credit to the repayment of the bonds it issues, then those bonds are general obligation (GO) bonds. Sometimes the term is also used to refer to bonds which are to be repaid from taxes and other general revenues.

Goal - The long-term continuing mission of a department, division, or program. Goals define the strategic results to be achieved and therefore indicate the relevance, permanence, scope, and effectiveness of that outcome.

Government Funds - These funds subscribe to the modified accrual basis of accounting and include the following types of funds:

- General Fund - The major source of revenue for this fund is taxes. There are no restrictions as to the purposes in which the revenues in this fund can be used
- Special Revenue Funds - The resources received by these funds are limited to a defined use, such as the Street Fund.
- Debt Service Funds - Funds used for paying principal and interest of debt on non-enterprise funds.
- Capital Project Funds - Resources from these funds are used for purchase or construction of long-term fixed assets.
- Permanent Funds - The resources received by these funds are limited to a defined use and only earnings may be spent. The Davidson Fund is the city's only permanent fund.

Grant - A contribution of assets by one entity to another. Grants are generally designated for a specific expenditure.

IAFF - International Association of Firefighters.

ICMA - International City/County Management Association. In the context of the budget document and performance measurement, this company has created a database of indicators for comparator information.

Indirect Cost - A cost incurred in the production and/or provision of a service that usually cannot be directly associated with any one particular good or service but rather results from general productive activity. In effect, indirect cost is any cost of production other than direct labor and direct materials cost. Examples include the wages of supervisory and administrative personnel, occupancy and maintenance of buildings, and utility costs.

Intergovernmental Revenue - Revenues received from another governmental entity.

Internal Charges - Various, specific charges set to recover the cost of providing goods and/or services to particular funds or departments within the organization. Examples include administrative service charge, data processing charge, and telephone charges.

Investment - Securities and real estate purchased and held for the production of income in the form of interest, dividends, rentals, or base payments.

Liabilities - The sum of all amounts that are owed at the end of the fiscal year, including all accounts payable, accrued liabilities, and debt.

Long-Term Debt - Present obligations that are not payable within a year. Bonds payable, long-term notes payable, and lease obligations are examples of long-term debt.

Master Plan - A comprehensive plan, normally covering a 5-10 year period, developed to guide delivery of specific services, identify future needs and challenges, and identify future infrastructure needs.

Millage - Taxation stated as one tenth of a cent per dollar of valuation; as \$.001 used in calculations.

Modified Accrual Basis of Accounting - The accrual basis of accounting adapted to the governmental fund type under which revenues are recognized when they become both "measurable" and "available to finance expenditures of the current period." Expenditures are generally recognized when the related fund liability is incurred.

Municipal Code - A system of rules which are compiled and arranged by a municipal corporation, i.e. the City, and adopted and used to regulate the conduct of its inhabitants and government.

One-Time Revenue - Revenue that cannot reasonably be expected to continue, such as a single-purpose federal grant, an interfund transfer, or use of a reserve. Continual use of one-time revenues to balance the annual budget can indicate that the revenue base is not strong enough to support current service levels.

Operating Budget - The appropriated budget supporting current operations. Most operations are found in the General, Special Revenue, Permanent, Enterprise, and Internal Service Funds.

OPSRP - Oregon Public Service Retirement Program, the pension plan for employees hired after August 28, 2003.

Operating Deficit - When current expenditures exceed current revenues.

Overlapping Debt - The net direct bonded debt of another jurisdiction that is issued against a tax base within part or all of the boundaries of the community.

Pay-As-You-Go Basis - A term used to describe the financial policy of a government which finances all of its capital outlays and/or improvements from current revenues rather than by borrowing.

Performance Indicators - Specific quantitative or qualitative measures of work performed within an activity or program (e.g., total miles of streets cleaned). Also, a specific quantitative measure of results obtained through a program or activity (e.g., reduced incidence of vandalism due to new street lighting program). These indicators strive to measure an organization's effectiveness and efficiency of service provision, and are particularly useful when examined against comparators' results where available.

Permanent Funds - Permanent Funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal may be used for purposes that support the City's programs for the benefit of the City or its citizens.

PERS - Public Employee Retirement System, the pension plan for employees hired before August 28, 2003.

Personal Services - A category encompassing all salaries, fringe benefits, and miscellaneous costs associated with employee expenditures.

Property Tax Levy - The tax levy combining the general operating levy and the debt service levy imposed by the City.

Proposed Budget - The financial and operating document submitted by the City Manager to the Budget Commission and the governing body for consideration.

Proprietary Funds - These funds subscribe to an accrual basis of accounting and include the following types of funds:

- Enterprise Funds - Account for distinct, self-sustaining activities that derive the major portion of their revenue from user fees.
- Internal Service Funds - Account for goods and/or services provided to other funds or departments within the organization. Examples include the Vehicle and Equipment Maintenance and Data Processing Funds.

Reserves - An account used to indicate that a portion of fund equity is restricted for a specific purpose or not available for appropriation and subsequent spending. Three specific types of reserves are used by the City of Corvallis:

- Assigned – these reserves are used by management as tools to accommodate fluctuations in the budget. The most frequent use of management reserves is for vehicle and equipment replacements where monies are saved over a period of time for the purchase or replacement of equipment, vehicles or computer software that would cause a substantial financial hardship to purchase if the monies had not been saved.
- Committed – these are reserves the City Council has identified to be saved for a future purpose (i.e. PERS rate savings in a reserve to pay for future rate increases).
- Restricted – these are reserves that have the widest variety, but they all have an outside organization's applied restriction on the use. Examples of the legally restricted balances include:

Debt Reserves – from time to time the City borrows money where the terms of the agreement include a requirement to hold the equivalent of one year's average debt service payment as a cash reserve. These reserves are most often seen in an enterprise fund as a requirement for a revenue bond or a revenue-backed loan.

SDC Reserves – these monies are held within the Street, Parks & Recreation, Water, Wastewater, and Storm Water Funds for future capital construction projects that are additions to the capacity of the infrastructure system as the result of growth. The resources for SDC Reserves are Systems Development Charges.

Construction Reserves – these monies are held in the Capital Construction, Water, Wastewater, Storm Water, and Airport Funds and are monies specifically designated for one or more capital projects. These would be cash balances held at the end of a fiscal year for a project where the time line crosses fiscal years, or bond or grant monies being held for a designated project.

Resolutions - A legal document adopted by the City Council that directs a course of action. In relationship to the budget, resolution refers to the document that levies taxes and sets legal appropriation levels.

Restricted Revenue - Legally earmarked for a specific use, as may be required by state law, bond covenants, or grant requirements. For example, many states require that gas tax revenues be used only for street maintenance or street construction.

Revenue - Monies received or anticipated by a local government from either tax or non-tax sources.

Revenue Estimates - A formal estimate of how much revenue will be earned from a specific revenue source for some future period; typically, a future fiscal year.

Revenue Shortfalls - Differences between revenue estimates and revenues actually received during the fiscal year.

Supplies and Services - A category of operating expenditures which include items such as contractual services, conference and training, charges for service, office supplies, and operating supplies.

System Development Charge (SDC) - A charge levied on new construction to help pay for additional expenses created by this growth or to compensate for already existing capacity in key facilities and systems already in place which support the new development.

Transfer - Amounts distributed from one fund to finance activities in another fund. Shown as an expenditure in the originating fund and a revenue in the receiving fund.

Unfunded Liability - A liability that has been incurred during the current or a prior year, that does not have to be paid until a future year, and for which reserves have not been set aside. It is similar to long-term debt in that it represents a legal commitment to pay at some time in the future.

BEST PRACTICE

Appropriate Level of Unrestricted Fund Balance in the General Fund (2002 and 2009) (BUDGET and CAAFR)

Background. Accountants employ the term *fund balance* to describe the net assets of governmental funds calculated in accordance with generally accepted accounting principles (GAAP). Budget professionals commonly use this same term to describe the net assets of governmental funds calculated on a government's budgetary basis.¹ In both cases, fund balance is intended to serve as a measure of the financial resources available in a governmental fund.

Accountants distinguish up to five separate categories of fund balance, based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts can be spent: *nonspendable fund balance*, *restricted fund balance*, *committed fund balance*, *assigned fund balance*, and *unassigned fund balance*.² The total of the last three categories, which include only resources without a constraint on spending or for which the constraint on spending is imposed by the government itself, is termed *unrestricted fund balance*.

It is essential that governments maintain adequate levels of fund balance to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures) and to ensure stable tax rates. Fund balance levels are a crucial consideration, too, in long-term financial planning.

In most cases, discussions of fund balance will properly focus on a government's general fund. Nonetheless, financial resources available in other funds should also be considered in assessing the adequacy of unrestricted fund balance (i.e., the total of the amounts reported as committed, assigned, and unassigned fund balance) in the general fund.

Credit rating agencies monitor levels of fund balance and unrestricted fund balance in a government's general fund to evaluate a government's continued creditworthiness. Likewise, laws and regulations often govern appropriate levels of fund balance and unrestricted fund balance for state and local governments.

Those interested primarily in a government's creditworthiness or economic condition (e.g., rating agencies) are likely to favor increased levels of fund balance. Opposing pressures often come from unions, taxpayers and citizens' groups, which may view high levels of fund balance as "excessive."

Recommendation. The Government Finance Officers Association (GFOA) recommends that governments establish a formal policy on the level of unrestricted fund balance that should be maintained in the general fund.³ Such a guideline should be set by the appropriate policy body and

¹ For the sake of clarity, this recommended practice uses the terms GAAP fund balance and budgetary fund balance to distinguish these two different uses of the same term.

² These categories are set forth in Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which must be implemented for financial statements for periods ended June 30, 2011 and later.

³ Sometimes restricted fund balance includes resources available to finance items that typically would require the use of unrestricted fund balance (e.g., a contingency reserve). In that case, such amounts should be included as part of unrestricted fund balance for purposes of analysis.

should provide both a temporal framework and specific plans for increasing or decreasing the level of unrestricted fund balance, if it is inconsistent with that policy.⁴

The adequacy of unrestricted fund balance in the general fund should be assessed based upon a government's own specific circumstances. Nevertheless, GFOA recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures.⁵ The choice of revenues or expenditures as a basis of comparison may be dictated by what is more predictable in a government's particular circumstances.⁶ Furthermore, a government's particular situation often may require a level of unrestricted fund balance in the general fund significantly in excess of this recommended minimum level. In any case, such measures should be applied within the context of long-term forecasting, thereby avoiding the risk of placing too much emphasis upon the level of unrestricted fund balance in the general fund at any one time.

In establishing a policy governing the level of unrestricted fund balance in the general fund, a government should consider a variety of factors, including:

- The predictability of its revenues and the volatility of its expenditures (i.e., higher levels of unrestricted fund balance may be needed if significant revenue sources are subject to unpredictable fluctuations or if operating expenditures are highly volatile);
- Its perceived exposure to significant one-time outlays (e.g., disasters, immediate capital needs, state budget cuts);
- The potential drain upon general fund resources from other funds as well as the availability of resources in other funds (i.e., deficits in other funds may require that a higher level of unrestricted fund balance be maintained in the general fund, just as, the availability of resources in other funds may reduce the amount of unrestricted fund balance needed in the general fund);⁷
- Liquidity (i.e., a disparity between when financial resources actually become available to make payments and the average maturity of related liabilities may require that a higher level of resources be maintained); and
- Commitments and assignments (i.e., governments may wish to maintain higher levels of unrestricted fund balance to compensate for any portion of unrestricted fund balance already committed or assigned by the government for a specific purpose).

Furthermore, governments may deem it appropriate to exclude from consideration resources that have been committed or assigned to some other purpose and focus on unassigned fund balance rather than on unrestricted fund balance.

Naturally, any policy addressing desirable levels of unrestricted fund balance in the general fund should

⁴ See Recommended Practice 4.1 of the National Advisory Council on State and Local Budgeting governments on the need to "maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures" (Recommended Practice 4.1).

⁵ In practice, a level of unrestricted fund balance significantly lower than the recommended minimum may be appropriate for states and America's largest governments (e.g., cities, counties, and school districts) because they often are in a better position to predict contingencies (for the same reason that an insurance company can more readily predict the number of accidents for a pool of 500,000 drivers than for a pool of fifty), and because their revenues and expenditures often are more diversified and thus potentially less subject to volatility.

⁶ In either case, unusual items that would distort trends (e.g., one-time revenues and expenditures) should be excluded, whereas recurring transfers should be included. Once the decision has been made to compare unrestricted fund balance to either revenues or expenditures, that decision should be followed consistently from period to period.

⁷ However, except as discussed in footnote 4, not to a level below the recommended minimum.

be in conformity with all applicable legal and regulatory constraints. In this case in particular, it is essential that differences between GAAP fund balance and budgetary fund balance be fully appreciated by all interested parties.

Approved by the GFOA's Executive Board, October, 2009.



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Attachment 1

DATE: 19 October 2011
TO: Administrative Services Committee, City of Corvallis
FROM: League of Women Voters of Corvallis
SUBJECT: Land Use Application Fees

In September 2010, the League of Women Voters provided testimony to the Administrative Services Committee and the City Council recommending against the increase in the fees for appealing land use decisions and for cost recovery to be returned to 50%. This year we make the same recommendations because we believe strongly that a good democracy depends on active participation of citizens in government at all levels. We hope that your committee will recommend that the City Council:

1. Reduce appeals fees - We believe that Corvallis is one of the most livable cities in the country because, over the years, citizens have played a major role in creating this livability. Now, at this annual review of land use application fees, you have an opportunity to adjust the appeal fees so that not only the well-to-do or the well-connected can have a voice in the appeal process. High appeal fees make it very difficult, if not impossible, for individuals and non-profit organizations to appeal the large projects that will have major impacts on the livability of our community. Moreover, Oregon, a national leader in statewide land use planning, has put Citizen Involvement Goal #1 of its 19 planning goals.

2. Return cost recovery to 50% - League would like the City to return to the policy in effect prior to 2008 when the developer and the city participated equally in the cost of processing land use applications. When costs are shared, staff works equally for the public, as well as for the developer in the analysis of development requests. League's interactions with staff under the current formula of 70% recovery have been helpful and timely, but if fees to cover the full 100% of processing were charged, wouldn't staff feel obligated to give less time to the public's concerns?

We realize that the City is struggling to find funds to pay for expected services, but we urge you to consider mechanisms for revenue generation that will not jeopardize citizen involvement in the land use process.

Thank you for the opportunity to provide our input.