



## ADMINISTRATIVE SERVICES COMMITTEE

### Agenda

Wednesday, March 7, 2012

4:00 pm

Madison Avenue Meeting Room  
500 SW Madison

- |                            |   |
|----------------------------|---|
| Discussion/Possible Action | I. Second Quarter Operating Report<br>(Attachment)                        |
| Discussion/Possible Action | II. Visit Corvallis Second Quarter Report<br>(Attachment)                 |
| Discussion/Possible Action | III. Municipal Code Review: Chapter 7.04, "Alarm Control"<br>(Attachment) |
| Information                | IV. Other Business  |

### Next Scheduled Meeting

Wednesday, 21, 2012 at 4:00 pm

Madison Avenue Meeting Room, 500 SW Madison Ave

### Agenda

Ambulance Rate Review

Economic Improvement District Reauthorization

Single-Use Plastic Bag Reduction Update

## MEMORANDUM

February 22, 2012

TO: Administrative Services Committee  
FROM: Nancy Brewer, Finance Director *NB*  
SUBJECT: Second Quarterly Operating Report

### I. Issue

To review and accept the Second Quarterly Operating Report for FY 11-12.

### II. Discussion

The Second Quarterly Operating Report (QOR) has been published on the City's web site and is available for review. Total revenues at the end of the second quarter of the fiscal year were nearly 57% of budgeted total revenues, with the operating component of that being roughly comparable to the prior year. The City received its major installment of property taxes in the second quarter as anticipated, which this year also included nearly 87% of the \$1.79 million anticipated from the 2011 Operating Levy. Most funds appear to be on target with revenue expectations year-to-date.

Operating expenditures across departments were roughly as expected and comparable to the prior year at nearly 45% of the amended budget. Most departments are continuing to experience some personal service savings as the result of holding vacant positions open in consideration of the very tight budget established for FY 11-12. It is noteworthy that as of the end of the second quarter, the City still has almost 30 unfilled FTE (not including Seasonal positions); only about 25% of these are expected to be filled in the third quarter. Nevertheless, financial performance in all funds is generally at expected levels, with the following noteworthy situations:

- General Fund receipts for both revenue sharing and municipal court fine payments in the second quarter are very similar to last year's levels, which ended below the FY 10-11 adopted budget. While both transient room taxes and franchise fees are so far trending higher than budget and last year's results, it may not be enough to offset a total budget shortfall again in FY 11-12.
- The Transit Fund was in receipt of over \$622,000 in business energy tax credits related to prior year operations, after extensive and diligent efforts by Public Works staff to secure two local pass-through partners. Nevertheless, this funding source remains tenuous for this year and in the future, due to a combination of the continuing challenging economy where fewer partners with significant tax liabilities are available to absorb this program and also due to State legislation where these type of credits are expected to soon sunset.
- The Street and Wastewater fund revenues are lower than expected as of the second quarter of FY 11-12. Conservation of gas (highway taxes impacted) and water use (meter revenue impacted), along with ending the production line at Hewlett-Packard where the reduction in water use has been significant, is leading to insufficient receipts to cover budgeted expenditures. Both of these funds are being closely monitored, along with the other utility funds, for long-term fiscal health and potential changes in spending plans to ensure fiscal viability.
- The Community Development Revolving Fund is also experiencing current year imbalances. Based on the timing of its loan project spend downs, reimbursements are lagging at a rate which may lead to a temporary deficit position at year-end. While the situation is being closely monitored by the Housing staff and the budget office, and is anticipated to be remedied early in FY 12-13 as CDBG and HOME drawdowns are received, there may be a need for an interfund loan to ensure a balanced fund this year end.

Attached to this memo is the executive summary for the Second QOR (Attachment A) and the Property Tax Funds Combined income statement (Attachment B). The executive summary includes some basic economic information, an analysis of any significant variances from expected financial performance, an income statement for all funds combined, and a summary of operating expenditures by fund and by department. The summary also includes a table showing all the budget amendments approved so far this fiscal year by the City Council. These amendments all have the effect of increasing total appropriations for the City above what was in the adopted budget.

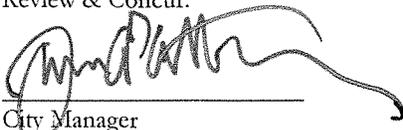
The Capital Project budget is just over 34% expended at the end of the second quarter. Capital project work and the related spending are typically lower early in the year, awaiting assurance of funding for projects to proceed. Key projects substantially completed in the second quarter include: replacement of electrical system components and emergency generator at the Wastewater Reclamation Plant (WWRP); reconstruction of existing water line from 6 inch to standard 8 inch line at Spruce Avenue, between 9th Street and Highland Ave. as part of the Water Distribution System Rehabilitation project; street reconstruction work at 9th Street between Jefferson & Monroe Avenues; pavers removed (donated to Habitat for Humanity) and replaced, plus drainage system installed, for the Central Park Plaza; and the Library building masonry repair and seal work.

The Quarterly Operating Report also includes an update on the status of City Council Goals as of December 31, 2011.

### **III. Requested Action**

Review the Second Quarterly Operating Report, and recommend the City Council accept the report.

Review & Concur:



\_\_\_\_\_  
City Manager

# SECOND QUARTERLY OPERATING REPORT FISCAL YEAR 2011-2012

## EXECUTIVE SUMMARY

February 17, 2012

The Quarterly Operating Report is produced and published on the City's web site within 45 days of the close of each fiscal quarter based on Financial Policy 10.04.050, then shared with the City Council's Administrative Services Committee to provide citizens, the Budget Commission and City Council with information about the City's financial performance for the quarter.

This Executive Summary provides highlights of the City's financials, and includes, as an appendix, a reader's guide to some of the terminology used throughout the report. The remainder of the report covers:

- The revenue and expenditure performance for each of the operating funds in an income statement format that includes operating and non-operating revenues, expenditures and total fund activities. The first income statement presented in that section shows results year-to-date for all property tax funds combined.
- Departmental information including updated performance measures for the quarter as well as accomplishments and pending work plan items. This section also includes a report on vacancies;
- Capital Improvement Program (CIP) status report on the various projects underway year-to-date; and
- An update on City Council Values and Goals.

The FY 11-12 budget was prepared and adopted during a time of moderate economic recovery from the previous year's economic recession, but in a highly fiscally constrained City environment. High unemployment, stagnant property values, and slowed development, as well as lower than historical revenues in both FY 09-10 and FY 10-11, were all taken into account when preparing the budget. Despite these factors, demand for many City services continues to be robust, which in the face of the relatively flat or declining revenue stream is having a negative impact on fund balances across the organization.

The Federal Open Market Committee (FOMC) released a statement in December, following their November meeting, stating that the economy has been expanding moderately, notwithstanding some apparent slowing in global growth. Indicators point to some improvement in overall labor market conditions, but the unemployment rate remains elevated. Household spending has continued to advance, but business fixed investment appears to be increasing less rapidly and the housing sector remains depressed. The FOMC expects economic growth over the coming quarters to be modest, and further anticipates that the unemployment rate will decline only gradually. Strains in global financial markets also continue to pose significant downside risks to the economic outlook. At the end of December, the national unemployment rate was 8.5% while Oregon's unemployment decreased slightly to 8.9%, leaving 175,830 Oregonians jobless; however, at 8.9% in December, Oregon is at its lowest rate since November 2008, when the rate was 8.4%. At 6.0% unemployment on a seasonally adjusted basis, Corvallis has continued to fare better than the State in general, and remains the lowest for this statistic of all Metropolitan Statistical Areas in Oregon.

Overall, the City's financial performance through the second quarter of the fiscal year generally has been as expected. Revenue and expenditure timing is close to historical patterns (i.e., City Manager's Office spends nearly 75% of its risk management fund budget on liability and general insurance premiums in the first quarter of the year; the majority of Property Tax revenue is received in the second quarter). The economy continues to impact the pace of residential building and there was some improvement achieved last year, but still not at the levels seen prior to the economic downturn. While percentages of budgeted revenues are generally in a similar range to the prior year, it should be noted that total revenues are up in the first half of the year by nearly \$6 million over the same time last year. This is primarily attributable to cashflow timing, rather than an actual increase in total revenues expected by year-end. Receipts are earlier than typical for grant funding related to Community Development housing loans and capital projects as well as for business energy tax credits for the Transit program. Additionally, about 13% of FY 12-13 budgeted "transfers in" relate to a new source of funds, the 2011 operating levy, which were 87% collected by the end of the second quarter.

As of the end of the second quarter for the fiscal year, total expenditures are generally less than 50% of budgeted expenditures, but are approximately \$2.5M higher than last year's spending levels driven partly by Fire and Public Works spending a higher percentage of their capital outlay (i.e. vehicle replacements) budgets earlier in the year. Public Works had increased spending associated with the completion of summer projects in Transportation, as well as various special projects, including the Water Fund Flexnet System project and several grant-related activities. Increases in Community Development spending are due to large CDBG and HOME grant funded projects for non-profits (i.e. CARDV, Willamette Neighborhood Housing Services (WNHS), and Corvallis Homeless Shelter Coalition/Partners Place). Departments are continuing to actively control expenditures in an effort to attain adequate fund balances by year end.

The following table compares year-to-date actuals with budget for all funds in both FY 11-12 and FY 10-11:

REVENUE	AMENDED BUDGET	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	AMENDED BUDGET	Y-T-D FY 10-11	FY 10-11 % REC/EXPEND
Budgeted Fund Balance	\$31,590,966					
Property Taxes	\$24,194,090	\$21,346,172	88.23%	\$21,208,240	\$19,009,104	89.63%
Other Tax	1,151,190	567,518	49.30%	1,036,190	520,614	50.24%
Licenses/Permits	8,025,850	3,538,037	44.08%	6,844,580	2,953,450	43.15%
Charges for Service	38,363,030	20,838,435	54.32%	38,375,510	20,607,371	53.70%
Intergovernmental	17,909,231	6,058,442	33.83%	18,538,917	4,892,126	26.39%
Fines/Forfeitures	1,385,740	608,213	43.89%	1,365,570	583,140	42.70%
Miscellaneous	3,206,010	1,363,440	42.53%	2,648,600	975,511	36.83%
Other Financing Sources/Transfers in	14,049,368	7,253,839	51.63%	15,646,822	6,274,963	40.10%
<b>TOTAL CURRENT REVENUE</b>	<b>\$108,284,509</b>	<b>\$61,574,096</b>	<b>56.86%</b>	<b>\$105,664,429</b>	<b>\$55,816,279</b>	<b>52.82%</b>
<b>EXPENDITURE BY DEPARTMENT</b>						
City Manager's Office	\$3,060,210	\$1,661,480	54.29%	\$3,149,270	\$1,725,381	54.79%
Community Development	8,711,800	3,174,092	36.43%	8,276,960	2,422,222	29.26%
Finance	5,017,380	2,394,460	47.72%	4,995,400	2,318,047	46.40%
Fire	11,384,830	5,506,403	48.37%	10,626,930	5,137,696	48.35%
Library	6,561,530	2,856,900	43.54%	6,434,610	2,961,087	46.02%
Park & Recreation	6,096,500	2,998,535	49.18%	5,795,480	2,874,163	49.59%
Police	13,129,775	6,298,290	47.97%	12,585,424	6,143,082	48.81%
Public Works	30,378,230	12,830,681	42.24%	29,330,670	11,558,391	39.41%
Non-Departmental	1,317,300	627,218	47.61%	1,539,260	738,920	48.00%
<b>TOTAL OPERATING EXPENDITURES</b>	<b>\$85,657,555</b>	<b>\$38,348,059</b>	<b>44.77%</b>	<b>\$82,734,004</b>	<b>\$35,878,989</b>	<b>43.37%</b>
Debt Service	\$8,182,690	\$4,373,966	53.45%	\$8,228,600	\$4,734,713	57.54%
Capital Projects	12,242,808	4,175,114	34.10%	14,282,447	2,174,669	15.23%
Transfers Out / Other Financing Uses	14,049,368	7,245,814	51.57%	13,089,352	4,151,070	31.71%
Contingencies/Reserves	1,419,840	0	0.00%	1,217,520	0	0.00%
<b>TOTAL ALL EXPENDITURES</b>	<b>\$121,552,261</b>	<b>\$54,142,953</b>	<b>44.54%</b>	<b>\$119,551,923</b>	<b>\$46,939,441</b>	<b>39.26%</b>
<b>CURRENT REVENUES LESS</b>						
<b>TOTAL EXPENDITURES</b>	<b>(\$13,267,752)</b>	<b>\$7,431,143</b>		<b>(\$13,887,494)</b>	<b>\$8,876,838</b>	

In general, the status of the City's finances was in line with expectations at the end of the second quarter. Year-to-date revenues of \$61,574,096 are at 56.86% of the Amended Total Revenue Budget of \$108,284,509. The Amended Budget reflects the adopted budget, plus any amendments approved by the City Council via resolution during the course of the fiscal year. In the first six months of FY 11-12, the following amendments to the budget were approved:

Date	Amendment Type	Resource	Fund	Department	Net Expenditure Impact
8/15/2011	Res - Grant	OR State Parks&Rec Dept Grant	CIP	Parks & Rec	\$ 5,000
8/15/2011	Res - Grant	LSTA Grant	Library	Library	\$ 75,000
9/6/2011	Res - Grant	ODOT Grant	CIP	Public Works	\$ 237,603
9/6/2011	Res - Grant	DOJ Byrne Grant	General	Police	\$ 10,284
10/3/2011	Res - Grant	ODOT Grant	CIP	Public Works	\$ 74,500
10/3/2011	Res - Grant	USDAP Grant - CRSF	Water Timber	Public Works	\$ 6,400
11/21/2011	Res - Grant	DOJ Byrne Grant	General	Police	\$ 85,411
11/21/2011	Res - Grant	ODOT Grant	Stormwater Constr.	Public Works	\$ 106,072
				Total Increase	\$ 600,270

Significant revenue highlights include:

- **Property taxes** totaled \$21,346,172 through the second quarter which equals 88.23% of the budgeted property tax revenue. The majority of property taxes for the fiscal year are typically collected in the second quarter. FY 11-12 year-to-date property tax revenues are comparable with last fiscal year's rate of collection.
- **Other Taxes** are collected from hotels in the form of room taxes and totaled \$567,518 or 49.30% of budget as of second quarter-end. Summer seasonality and early football season hotel stays have led to slightly better total dollar results thus far in FY 11-12 compared to last year at this time, but are trending slightly below budgeted cashflows in the second quarter.
- **Licenses, Fees and Permits** totaled \$3,538,037 which represents 44.08% of the amended budget and is aligned with revenue as a percentage of budget received during the same time last year. While franchise fees are underperforming year-to-date, Consumers Power implemented a residential rate increase in October and PacificCorp is estimated to increase rates 3-5% in January, which could offset projected shortfalls brought on by utility conservation efforts. Comcast is also expected to pay an additional \$47,570

in franchise fees due to the outcome of its recent audit. The transportation maintenance and sustainability initiative fees are on target and Development Service permit fees are trending higher than expected due to ongoing projects at OSU.

- **Charges for Services** were \$20,838,435 which represents 54.32% of the amended budget. These revenues appear to be on target with budget and last year. However, given the seasonal influence on most of these receipts, the summer months would normally have higher percentage results; a wet summer, slow-to-recover economy, and virtually no residential development are considered to have dampened the levels attained.
- **Intergovernmental** revenues have increased from first quarter and are higher than last year's actuals at \$6,058,442 or 33.83%. The receipt of grant monies tends to be volatile and highly dependent on timing of related expenditures.
- **Fines & Forfeiture** receipts related to Municipal court remain under budget but are increasing relative to last year based on concentrated efforts related to collection of past due traffic and parking fines. Since beginning collection efforts in FY 10-11, results through the end of Q2 FY 11-12, are summarized in the following table:

	<u>Overdue Fines</u>	<u>Written Off</u>	<u>Collected</u>	<u>Balance</u>
	<u>Turned Over</u>			<u>Outstanding</u>
Traffic	\$ 1,974,763.50	\$ 37,679.60	\$ 71,281.88	\$ 1,865,802.02
Parking	\$ 343,255.10	\$ 6,925.61	\$ 82,027.43	\$ 254,302.06

- **Interest earnings** totaled \$138,350 at the end of the second quarter, which represents 36.39% of the budgeted interest and is about 92% of last year's earnings at this same point in time. The reduced receipts level is attributed to the continued decline of interest rates. While it is felt that City's investment advisory firm has helped bolster what earnings there are in this category, concern remains that budget may not be attainable given that the market is expected to continue to hover at historic lows for the next year or more.

Operating expenditures for all funds totaled \$38,348,057 or 44.77% of the Amended Operating Expenditure Budget which is higher than last year both in total dollars expended and percentage of budget. These results are primarily due to the explanations outlined above for Public Works and Community Development, and particularly the latter, which in the past has traditionally underexpended its grant appropriations due to the length of time to fruition of housing loan projects. The higher current year spending is also partly reflective of increased personal service costs due to hiring for vacancies that were unfilled at the same time last year. Non-operating expenditures, which include capital projects, transfers, debt service, and contingency, totaled \$15,794,895 or 44.00% of the \$35,894,706 Amended Non-Operating Budget. In total, expenditures through the second quarter were \$54,142,952 or 44.54% of the \$121,552,261 budgeted, compared to 39.26% for the second quarter of last fiscal year. A breakdown of departmental expenditures by category is provided below:

### OPERATING EXPENDITURES BY DEPARTMENT

DEPARTMENT	AMENDED BUDGET	PERSONAL SERVICES	SUPPLIES & SERVICES	CAPITAL OUTLAY	TOTAL EXPENDITURES	% OF AMENDED BUDGET
<i>Total Budget by Category</i>		\$47,193,309	\$35,918,286	\$2,545,960	\$85,657,555	
City Manager's Office	\$3,060,210	\$575,005	\$1,086,475	\$0	\$1,661,480	54.29%
Community Development	8,711,800	1,774,730	1,399,362	0	3,174,092	36.43%
Finance	5,017,380	1,692,287	681,392	20,780	2,394,460	47.72%
Fire	11,384,830	4,367,649	924,253	214,502	5,506,403	48.37%
Library	6,561,530	1,892,414	964,486	0	2,856,900	43.54%
Parks & Recreation	6,096,500	1,974,197	1,024,339	0	2,998,535	49.18%
Police	13,129,775	4,755,780	1,487,109	55,401	6,298,290	47.97%
Public Works	30,378,230	5,577,305	6,804,894	448,482	12,830,681	42.24%
Non Department	1,317,300	0	627,218	0	627,218	47.61%
<b>TOTAL</b>	<b>\$85,657,555</b>	<b>\$22,609,365</b>	<b>\$14,999,528</b>	<b>\$739,165</b>	<b>\$38,348,057</b>	<b>44.77%</b>
Percent of Budget		47.91%	41.76%	29.03%	44.77%	

Significant expenditure highlights include:

- **Personal services** totaled \$22,609,365 or 47.91% of the amended budget of \$47,193,309 and was in line with the percent of budget spent in FY 10-11, though \$643,916 higher due to contractual step increases, associated payroll tax increases, and retirement cashouts year-to-date. Payroll expenditures should stay relatively close to the FY 10-11 actuals through FY 11-12 based on Exempt, AFSCME and IAFF agreeing to no COLA increases, although PERS rate increases across all units will have an impact. The CPOA agreement was still pending at the end of the quarter, so their membership has also not received a COLA year-to-date. AFSCME health benefit cost increases are anticipated to be partly offset by the agreed upon 2-day furlough.

- **Supplies and Services** totaled \$14,999,528 or 41.76% of the amended budget of \$35,918,286 . The dollars spent in FY 11-12 are approximately 10% higher than the amount spent in FY 10-11 due primarily to the increases in Community Development and Public Works noted above.
- **Capital Outlay** totaled \$739,165 or 29.03% of the amended budget of \$2,545,960 . The dollars spent in FY 11-12 are approximately \$557,000 more than the same period in FY 10-11 due in part to many departments expending their capital budgets early in the fiscal year as compared to last year; the Fire Department expended monies for ambulance replacements that were bid in FY 10-11 for purchase in FY 11-12, and Public Works made a significant down payment on its Flexnet meter-reading software. At the same time in FY 10-11, only \$182,124 had been spent on capital outlay (i.e. vehicle replacements). Capital purchases do not tend to follow a regular pattern other than to typically weight toward the end of the fiscal year to ensure that sufficient budget remains for the acquisition.

#### **NON OPERATING EXPENDITURES**

- **Capital projects** totaled \$4,175,114 or 34.10% of the amended budget of \$12,242,808. Capital project expenditures tend to fluctuate year-over-year, and there are always projects that are either carried forward into following years or simply do not come to fruition. For FY 11-12, several projects have yet to begin.
- **Debt service** payments totaled \$4,373,966 or 53.45% of the total budget of, \$8,182,690 which is lower than last year's levels, due to the 1994 Advanced Refunding General Obligation bonds having been fully paid off in the first quarter of FY 10-11.
- **Transfers and Other Financial Uses** totaled \$7,245,814 or 51.57% of the amended budget of \$14,049,368. The majority of the transfers are related to capital projects. See the Capital Improvement Program section for information on the status of capital projects.

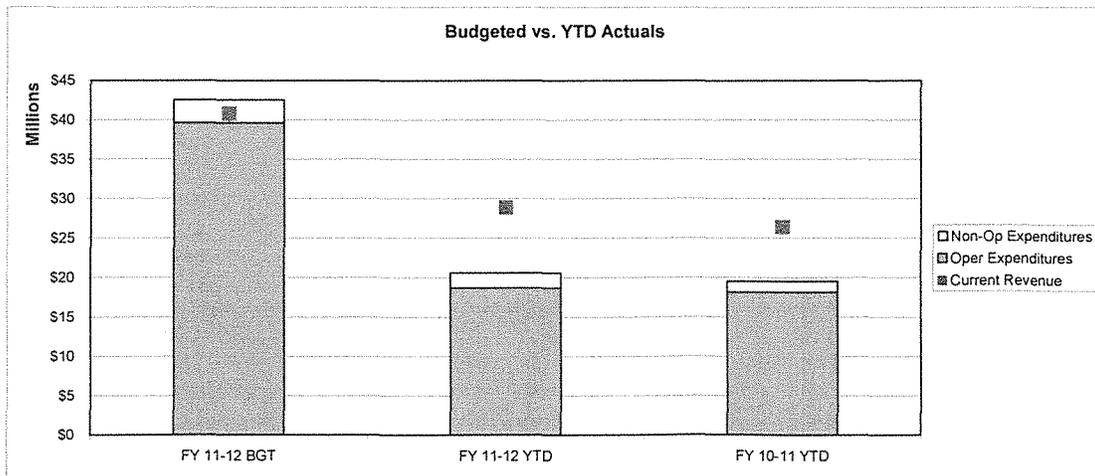
As always, if you have questions or concerns about the information in this report, please do not hesitate to contact me at (541) 766-6990 or via e-mail at [nancy.brewer@ci.corvallis.or.us](mailto:nancy.brewer@ci.corvallis.or.us).

Nancy Brewer  
Finance Director

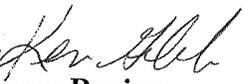
## PROPERTY TAX FUNDS COMBINED\*

REVENUE	AMENDED BUDGET	2nd Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	2nd Quarter FY 10-11	Y-T-D FY 10-11	FY 10-11 % REC/EXPEND
Budgeted Fund Balance	\$4,951,425						
Property Taxes	\$20,274,090	\$17,800,779	\$17,966,096	88.62%	\$17,176,445	\$17,314,343	90.02%
Other Tax	1,151,190	336,911	567,518	49.30%	312,898	520,614	50.24%
Licenses/Permits	5,624,980	1,296,183	2,158,888	38.38%	1,167,574	1,988,853	36.49%
Charges for Service	5,470,200	1,986,453	3,266,330	59.71%	1,981,162	3,250,636	61.25%
Intergovernmental	4,954,615	2,517,339	2,751,516	55.53%	2,407,032	2,642,534	52.32%
Fines/Forfeitures	976,510	203,802	396,695	40.62%	193,842	375,489	39.21%
Miscellaneous	378,880	139,280	239,448	63.20%	76,743	292,292	85.53%
Other Financing Sources	1,936,060	1,552,389	1,562,389	80.70%	0	19,002	4.41%
<b>TOTAL CURRENT REVENUE</b>	<b>\$40,766,525</b>	<b>\$25,833,137</b>	<b>\$28,908,880</b>	<b>70.91%</b>	<b>\$23,315,695</b>	<b>\$26,403,763</b>	<b>69.84%</b>
<b>EXPENDITURE BY DEPARTMENT</b>							
Community Development	\$1,356,480	\$325,052	\$652,956	48.14%	\$356,789	\$723,504	44.71%
Finance	677,700	167,967	334,301	49.33%	140,973	285,008	46.05%
Fire	11,384,830	2,656,414	5,506,403	48.37%	2,568,616	5,137,696	48.35%
Library	6,531,530	1,355,674	2,856,900	43.74%	1,397,190	2,960,961	46.02%
Parks and Recreation	6,096,500	1,348,101	2,998,535	49.18%	1,242,911	2,874,163	49.59%
Police	10,597,875	2,512,945	5,115,367	48.27%	2,414,248	4,971,493	49.42%
Public Works	1,642,760	331,971	616,082	37.50%	241,995	460,260	25.33%
Non-Departmental	1,315,950	306,792	626,368	47.60%	336,262	738,070	47.95%
<b>TOTAL OPERATING EXPENDITURES</b>	<b>\$39,603,625</b>	<b>\$9,004,915</b>	<b>\$18,706,912</b>	<b>47.24%</b>	<b>\$8,698,984</b>	<b>\$18,151,154</b>	<b>47.13%</b>
Debt Service	\$244,430	\$0	\$216,080	88.40%	\$0	\$0	0.00%
Transfers	2,337,440	1,190,110	1,694,510	72.49%	858,350	1,368,130	75.24%
Contingencies/Reserves	368,290	0	0	0.00%	0	0	0.00%
<b>TOTAL ALL EXPENDITURES</b>	<b>\$42,553,785</b>	<b>\$10,195,025</b>	<b>\$20,617,502</b>	<b>48.45%</b>	<b>\$9,557,334</b>	<b>\$19,519,284</b>	<b>47.97%</b>
<b>CURRENT REVENUE LESS</b>							
<b>TOTAL EXPENDITURES</b>	<b>(\$1,787,260)</b>	<b>\$15,638,112</b>	<b>\$8,291,378</b>		<b>\$13,758,361</b>	<b>\$6,884,480</b>	

\* Includes General, Parks & Recreation, Fire & Rescue, and Library Funds



## MEMORANDUM

**DATE:** February 6, 2012  
**TO:** Administrative Services Committee  
**FROM:** Ken Gibb, Community Development Director   
**SUBJECT:** Second Quarter FY 11-12 Visit Corvallis Program Review

### I. Issue

Review and acceptance of Visit Corvallis' second quarter report for FY 11-12.

### II. Background

In FY 11-12, Visit Corvallis received \$335,450 in dedicated funding. This represents 30% of the Transient Occupancy Tax (TOT) received by the City in calendar year 2010. The agency has received \$167,724.00 through the second quarter. The City's contract with Visit Corvallis requires the agency to submit quarterly reports on its activities.

Attached is the second quarter report submitted by Visit Corvallis (Attachments A and B). Financial statements submitted by Visit Corvallis were reviewed by Finance Office staff and found to be in compliance with their agreement. A copy of the Finance staff review is attached (Attachment C). As additional information, the second quarter Destination Report is also attached (Attachment D).

Visit Corvallis has been provided with a copy of this report and invited to attend and address the Committee.

### IV. Action Requested

That the Administrative Services Committee consider this report and recommend City Council approve acceptance of the second quarter report.

REVIEW AND CONCUR:

  
\_\_\_\_\_  
Nancy Brewer, Finance Director

REVIEW AND CONCUR:

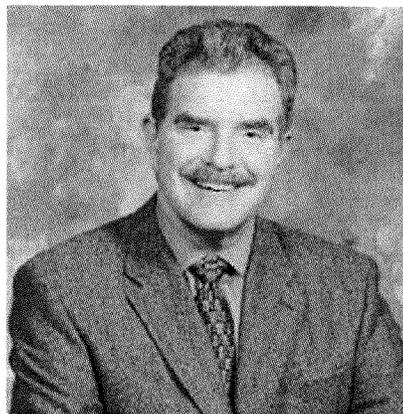
  
\_\_\_\_\_  
James A. Patterson, City Manager

## DIRECTOR'S REPORT

The second quarter of fiscal year 2011-2012 sustained a positive trend for occupancy and subsequent transient tax revenues for Corvallis and Benton County. According to revenues numbers compiled by Smith Travel Research, revenue for the twelve month period ending November 30, 2011, were up \$850,075, a 6% increase over the comparative period ending November 30, 2010. This is very encouraging as Destination Marketing Organization for similar sized communities have struggled to maintain stable funding. Several highlights of our second quarter of fiscal year 2011-2012:



- 1) We continue to be quite encouraged by the response to our focus on social media. Our analytics were up in all categories and continue to improve in January. We are grateful to our "Corvallis Maven," Marci Sischo, for her great work in this area.
- 2) We continue to cooperate with Total Sports NW and the Northwest Volleyball Classics to support their upcoming tournaments in February and May of 2012. These events are significant contributors to the lodging industry throughout the Willamette Valley. We are working with the Downtown Corvallis Association to foster better communication between these events and downtown business in hopes of maximizing the opportunities for our restaurants and retailers.
- 3) We continue to work on a significant cycling event for August of 2012. We are optimistic that Corvallis may truly become "Cycle City" in the future. Visit Corvallis now owns the domain name "RideCorvallis.com".
- 4) We are working with the Oregon Sports Authority (OSA) to promote sporting events in Corvallis. We met with Drew Mahalic, Executive Director of OSA, and representatives of the Oregon State University wrestling program to discuss possible university and USA Wrestling events in the future. We also met with Tyler Childers, who spearheaded the Corvallis Half-Marathon last spring, in hopes of increasing the attendance for that event through better regional marketing.
- 5) We are working diligently to better relations with OSU Conference Services and all hotels throughout the city. We have assisted conferences coming to Corvallis, both directly and in support of the excellent work done at Oregon State.
- 6) We have reduced the administration and personnel components of our budget by 11.2% YTD and are able to increase the marketing funds. This is primarily the result of significantly less compensation paid for our social media director and executive director.

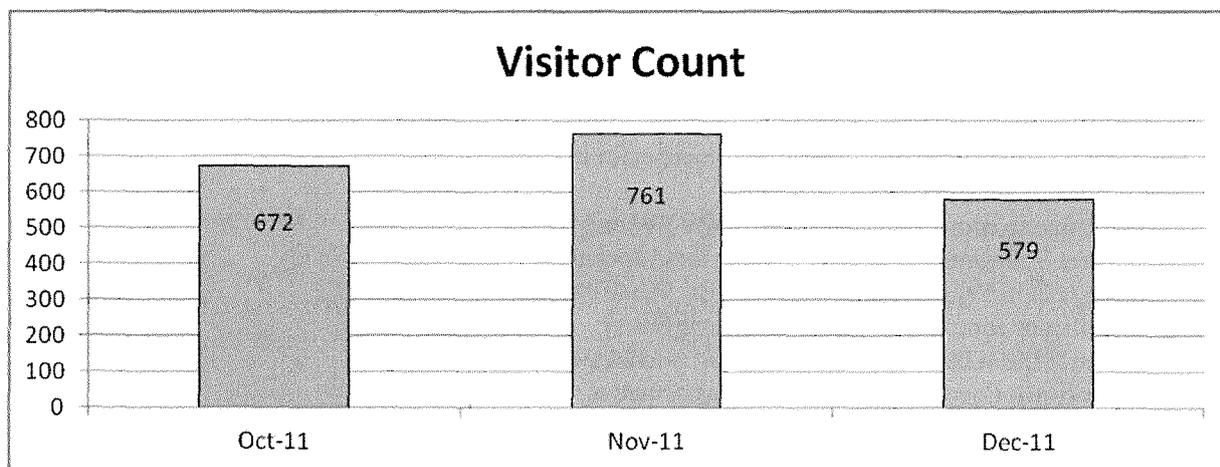


In conclusion, we are very pleased with the efforts of our leadership team and look forward to continuing improvement in tourism in Corvallis.

## VISITOR INFORMATION

We distributed 960 visitor guides and 1,050 maps to our lodging properties and 1,380 visitor guides to various businesses within Benton County. In addition, we sent out 722 guides in response to inquiries from our website, the WVVA website, and Go-Oregon.net. A total of 814 table tents promoting local events, were distributed to 41 different sites.

Smith Travel Research Update	October 2011 compared to October 2010	November 2011 compared to November 2010
Smith Travel Research reports indicate that Corvallis lodging properties continue to show an increase in Occupancy and Room Demand as well as Average Daily Rate.	Occupancy and Room Demand: increase of 4.6%; YTD increase of 3.3%  Average Daily Rate: increase of 2.8%; YTD increase of 1.7%	Occupancy and Room Demand: decrease of 3.4%; YTD increase of 3.0%  Average Daily Rate: decrease of 2.5%; YTD increase of 1.9%



#### DIGITAL AND SOCIAL MEDIA STATISTICS

According to Google Analytics, between October and December of 2011 we had 33,338 unique visitors to [www.VisitCorvallis.com](http://www.VisitCorvallis.com). About 72% were first-time visitors to our site, and the average visit lasted about two minutes.

#### Top 5 Traffic Drivers Oct - Dec

Google  
(28,120)  
Direct traffic  
(5,014)  
Bing  
(1,329)  
Yahoo  
(946)  
OregonState.edu  
(765)

#### Top 5 Referral Sites Oct - Dec

OregonState.edu  
(765)  
[ci.Corvallis.or.us](http://ci.Corvallis.or.us)  
(607)  
[VisitCorvallis.Tumblr.com](http://VisitCorvallis.Tumblr.com)  
(508)  
Facebook.com  
(486)  
[Calendar.OregonState.edu](http://Calendar.OregonState.edu)  
(343)

#### Top 5 Pages Visited Oct - Dec

Home page  
(14,213)  
Events calendar  
(10,783)  
Places to Eat  
(6,850)  
Thing to Do  
(5,482)  
Places to Stay  
(2,653)

#### Top 5 Search Keywords Oct - Dec

Corvallis Oregon  
Corvallis restaurants  
Corvallis  
Corvallis events  
Visit Corvallis

#### Facebook Insights for Corvallis Oregon (October - December)

416 new page "likes" for a 2.4% decrease compared to the previous quarter. Weekly and monthly active users remained mostly steady, with a decrease in activity in late December, likely due to the holidays. Post views are up 168% compared to the previous quarter. Post feedback is up 225% compared to the previous quarter.

#### eBlast Tracking (October - December)

Rate of opens – those opening our newsletter when they receive it in their email - for our eBlasts have stayed steady at about 1,000 views per message. Our rate of opens is 23%, well above the industry standard of 18%. Our click rate is 20%, beating the industry standard of 11%.



## **Quarterly Report**

**(October - December 2011)**

Visit Corvallis  
**Balance Sheet**  
As of December 31, 2011  
Dec 31, 11

**ASSETS**

**Current Assets**

**Checking/Savings**

Checking - OSUFCU	59,138.12
Money Market-OSUFCU	20,403.55
Paypal Checking	463.45
Savings - OSUFCU	5.00

**Total Checking/Savings** 80,010.12

**Accounts Receivable**

Accounts Receivable	8,989.75
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**Total Accounts Receivable** 8,989.75

**Other Current Assets**

Petty Cash	40.00
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**Total Other Current Assets** 40.00

**Total Current Assets** 89,039.87

**Fixed Assets**

Accumulated Depreciation	-28,511.99
Office Equipment & Furniture	36,060.30

**Total Fixed Assets** 7,548.31

**TOTAL ASSETS** 96,588.18

**LIABILITIES & EQUITY**

**Liabilities**

**Current Liabilities**

**Other Current Liabilities**

Bounty of Benton Co Ticket Sale	-150.00
Payroll Liabilities	-120.39
Payroll liabilities - Other	
Accrued Vacation	3,074.00
SIMPLE payable	-184.90
<b>Total Payroll liabilities - Other</b>	<u>2,889.10</u>

**Payroll tax liabilities**

FUTA Payable	269.36
FWT/FICA FWT payable	3,377.39
OR Withholding Payable	646.00
OR Workmen's Comp payable	43.74
OR State Unemployment Payable	411.66

**Total Payroll tax liabilities** 4,748.15

Visit Corvallis  
**Balance Sheet**  
As of December 31, 2011  
Dec 31, 11

<b>Total Other Current Liabilities</b>	<u>7,366.86</u>
<b>Total Current Liabilities</b>	<u>7,366.86</u>
<b>Total Liabilities</b>	7,366.86
<b>Equity</b>	
<b>Net Assets</b>	54,937.72
<b>Net Income</b>	<u>34,283.60</u>
<b>Total Equity</b>	<u>89,221.32</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>96,588.18</u></u>

Visit Corvallis  
**Profit & Loss**  
October through December 2011  
Oct - Dec 11

**Income**

City of Corvallis	83,862.00
Co-op Advertising Revenues	1,077.60
Interest Income	13.14
Membership	10,549.20
Souvenir Income	<u>259.64</u>
<b>Total Income</b>	<b>95,761.58</b>

**Expense**

**Administration**

**Accounting**

Audit	1,000.00
Form 990	1,000.00
Stover Neyhart & Company	<u>750.00</u>
<b>Total Accounting</b>	<b>2,750.00</b>

**Auto Mileage**

Staff Mileage	172.30
Executive Director Mileage	<u>208.00</u>
<b>Total Auto Mileage</b>	<b>380.30</b>

**Bank Charges**

Service Charge	<u>109.38</u>
<b>Total Bank Charges</b>	<b>109.38</b>

Corporation Expenses	50.00
Equipment Maintenance	91.50
Insurance/Bonds	1,189.00
Janitorial Services	487.00
Legal Fees	137.43
Newspaper	175.00
Office Supplies	422.17
Office/Copier Lease	1,355.93
Office/Misc Services	653.83
Personnel-Misc	128.05
<b>Postage</b>	
Meter Lease	<u>197.02</u>
<b>Total Postage</b>	<b>197.02</b>

Rent	5,301.00
Storage	90.00
<b>Telephone/Office</b>	
Employee cell phone(s)	871.10
Integra	<u>835.57</u>
<b>Total Telephone/Office</b>	<b>1,706.67</b>

Visit Corvallis  
**Profit & Loss**  
October through December 2011  
Oct - Dec 11

<b>Utilities</b>	
Disposal	52.35
Electricity	319.91
Gas	299.75
Water	100.12
<b>Total Utilities</b>	<u>772.13</u>
<b>Total Administration</b>	15,996.41
<b>Conferences/Education</b>	
ODMO	175.00
<b>Total Conferences/Education</b>	<u>175.00</u>
<b>Marketing/Advertising</b>	
COCA Cntrl Oregon Coast Assoc	1,675.00
Corvallis Pedicab (State Fair)	1,100.00
Culinary Week	900.00
Google Adwords Campaigns	2,027.86
US West Dex	103.30
<b>Total Marketing/Advertising</b>	<u>5,806.16</u>
<b>Marketing/Community Relations</b>	
Benefactors	10.25
Chamber/DCA after hrs	30.00
Misc	5.65
Rotary	195.50
Marketing/Community Relations - Other	30.00
<b>Total Marketing/Community Relations</b>	<u>271.40</u>
<b>Marketing/Dues</b>	
ODMO	350.00
Oregon Sports Authority	500.00
OSAM	225.00
OTTA	195.00
SGMP	350.00
<b>Total Marketing/Dues</b>	<u>1,620.00</u>
<b>Marketing/Entertainment</b>	
Entertainment	7.00
OSAM Lunches	29.00
<b>Total Marketing/Entertainment</b>	<u>36.00</u>
<b>Marketing - Festivals</b>	
Corvallis Fall Festival	<u>5,785.00</u>

Visit Corvallis  
**Profit & Loss**  
October through December 2011  
Oct - Dec 11

<b>Total Marketing - Festivals</b>	<u>5,785.00</u>
<b>Marketing/Internet</b>	
Constant Contact	150.00
Internet Security & Backup	108.25
ISP Monthly Charges	306.70
Provide Support LLC	45.00
<b>Website</b>	
Changes	236.25
Domain Registration	12.00
Hosting	50.00
<b>Total Website</b>	<u>298.25</u>
<b>Total Marketing/Internet</b>	908.20
<b>Marketing/Postage-Shipping</b>	
Destination Guide - Postage	83.43
Postage - Marketing response	577.42
<b>Total Marketing/Postage-Shipping</b>	<u>660.85</u>
<b>Marketing/Printing</b>	
Tent Cards	112.00
<b>Total Marketing/Printing</b>	<u>112.00</u>
<b>Marketing/Promotions</b>	
WVVA Promotions	465.74
<b>Total Marketing/Promotions</b>	<u>465.74</u>
<b>Marketing/Public Relations</b>	104.10
<b>Marketing/Research</b>	
Smith Travel Research	100.00
<b>Total Marketing/Research</b>	<u>100.00</u>
<b>Marketing/Sports Commission Exp</b>	
Ride Corvallis	100.00
<b>Total Marketing/Sports Commission Exp</b>	<u>100.00</u>
<b>Marketing/Visitor Services</b>	
Contract Services	52.50
Distribution Services	695.00
Souvenirs	85.00
Marketing/Visitor Services - Other	300.00
<b>Total Marketing/Visitor Services</b>	<u>1,132.50</u>
<b>Payroll Expenses</b>	

Visit Corvallis  
**Profit & Loss**  
October through December 2011

	<u>Oct - Dec 11</u>
Intuit direct deposit fees	23.75
<b>Total Payroll Expenses</b>	<b>23.75</b>
<b>Personnel</b>	
<b>Benefits</b>	
<b>Health/Dental Insurance premium</b>	
Regence - Health	4,009.85
United Healthcare - Dental	448.04
<b>Total Health/Dental Insurance premium</b>	<b>4,457.89</b>
Simple Plan	412.50
Workmans Comp	-42.00
<b>Total Benefits</b>	<b>4,828.39</b>
<b>Payroll taxes</b>	
Employer Taxes & Contribution	3,141.37
<b>Total Payroll taxes</b>	<b>3,141.37</b>
<b>Salaries</b>	
Executive Director	13,337.49
Social Media Coordinator	7,500.00
Visitor Manager	8,700.33
<b>Total Salaries</b>	<b>29,537.82</b>
<b>Total Personnel</b>	<b>37,507.58</b>
<b>Total Expense</b>	<b>70,804.69</b>
<b>Net Income</b>	<b>24,956.89</b>

Visit Corvallis  
**Profit & Loss Budget vs. Actual**  
October through December 2011

	<u>Oct - Dec 11</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
<b>Income</b>				
City of Corvallis	83,862.00	83,862.00	0.00	100.0%
Co-op Advertising Revenues	1,077.60			
Interest Income	13.14	0.00	13.14	100.0%
Membership	10,549.20	10,000.00	549.20	105.49%
Relocation Packets	0.00	81.00	-81.00	0.0%
Souvenir Income	259.64	450.00	-190.36	57.7%
<b>Total Income</b>	<b>95,761.58</b>	<b>94,393.00</b>	<b>1,368.58</b>	<b>101.45%</b>
<b>Expense</b>				
<b>Administration</b>				
<b>Accounting</b>				
Audit	1,000.00	1,100.00	-100.00	90.91%
Form 990	1,000.00			
Stover Neyhart & Company	750.00	750.00	0.00	100.0%
<b>Total Accounting</b>	<b>2,750.00</b>	<b>1,850.00</b>	<b>900.00</b>	<b>148.65%</b>
<b>Auto Mileage</b>				
Staff Mileage	172.30	165.00	7.30	104.42%
Executive Director Mileage	208.00	375.00	-167.00	55.47%
<b>Total Auto Mileage</b>	<b>380.30</b>	<b>540.00</b>	<b>-159.70</b>	<b>70.43%</b>
<b>Bank Charges</b>				
Service Charge	109.38	135.00	-25.62	81.02%
<b>Total Bank Charges</b>	<b>109.38</b>	<b>135.00</b>	<b>-25.62</b>	<b>81.02%</b>
Board Expense	0.00	195.00	-195.00	0.0%
Chamber Expenses	0.00	90.00	-90.00	0.0%
Corporation Expenses	50.00	50.00	0.00	100.0%
Equipment Maintenance	91.50			
Insurance/Bonds	1,189.00	756.00	433.00	157.28%
Janitorial Services	487.00	210.00	277.00	231.91%
Legal Fees	137.43	125.00	12.43	109.94%
Newspaper	175.00	90.00	85.00	194.44%
Office Supplies	422.17	2,250.00	-1,827.83	18.76%
Office/Copier Lease	1,355.93	900.00	455.93	150.66%
Office/Misc Services	653.83	300.00	353.83	217.94%
Personnel-Misc	128.05			
<b>Postage</b>				
Administration	0.00	150.00	-150.00	0.0%
Meter Lease	197.02	197.50	-0.48	99.76%
<b>Total Postage</b>	<b>197.02</b>	<b>347.50</b>	<b>-150.48</b>	<b>56.7%</b>
Rent	5,301.00	5,301.00	0.00	100.0%

Visit Corvallis  
**Profit & Loss Budget vs. Actual**  
October through December 2011

	<u>Oct - Dec 11</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
<b>Storage</b>	90.00	145.00	-55.00	62.07%
<b>Telephone/Office</b>				
Employee call phone(s)	871.10	420.00	451.10	207.41%
Integra	835.57	1,125.00	-289.43	74.27%
<b>Total Telephone/Office</b>	<u>1,706.67</u>	<u>1,545.00</u>	<u>161.67</u>	<u>110.46%</u>
<b>Utilities</b>				
Disposal	52.35	90.00	-37.65	58.17%
Electricity	319.91	330.00	-10.09	96.94%
Gas	299.75	300.00	-0.25	99.92%
Water	100.12	150.00	-49.88	66.75%
<b>Total Utilities</b>	<u>772.13</u>	<u>870.00</u>	<u>-97.87</u>	<u>88.75%</u>
<b>Total Administration</b>	15,996.41	15,699.50	296.91	101.89%
<b>Conferences/Education</b>				
ODMO	175.00	600.00	-425.00	29.17%
<b>Total Conferences/Education</b>	<u>175.00</u>	<u>600.00</u>	<u>-425.00</u>	<u>29.17%</u>
<b>Marketing/Advertising</b>				
COCA Cntrl Oregon Coast Assoc	1,675.00			
Corvallis Pedicab (State Fair)	1,100.00			
Culinary Week	900.00	1,500.00	-600.00	60.0%
Google Adwords Campaigns	2,027.86	375.00	1,652.86	540.76%
US West Dex	103.30	102.15	1.15	101.13%
<b>Total Marketing/Advertising</b>	<u>5,806.16</u>	<u>1,977.15</u>	<u>3,829.01</u>	<u>293.66%</u>
<b>Marketing/Community Relations</b>				
Benefactors	10.25			
Chamber/DCA after hrs	30.00			
Misc	5.65			
Rotary	195.50	235.00	-39.50	83.19%
Marketing/Community Relations - Other	30.00			
<b>Total Marketing/Community Relations</b>	<u>271.40</u>	<u>235.00</u>	<u>36.40</u>	<u>115.49%</u>
<b>Marketing/Dues</b>				
ODMO	350.00	350.00	0.00	100.0%
Oregon Sports Authority	500.00			
OSAM	225.00	270.00	-45.00	83.33%
OTTA	195.00	275.00	-80.00	70.91%
SGMP	350.00	375.00	-25.00	93.33%
<b>Total Marketing/Dues</b>	<u>1,620.00</u>	<u>1,270.00</u>	<u>350.00</u>	<u>127.56%</u>
<b>Marketing/Entertainment</b>				

Visit Corvallis  
**Profit & Loss Budget vs. Actual**  
October through December 2011

	<u>Oct - Dec 11</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Entertainment	7.00			
OSAM Lunches	29.00			
<b>Total Marketing/Entertainment</b>	<b>36.00</b>			
<b>Marketing - Festivals</b>				
Corvallis Fall Festival	5,785.00			
<b>Total Marketing - Festivals</b>	<b>5,785.00</b>			
<b>Marketing/Internet</b>				
Constant Contact	150.00			
Internet Security & Backup	108.25			
ISP Monthly Charges	306.70	300.00	6.70	102.23%
Provide Support LLC	45.00			
<b>Website</b>				
Changes	236.25	180.00	56.25	131.25%
Domain Registration	12.00			
Hosting	50.00	150.00	-100.00	33.33%
Redesign	0.00	1,250.00	-1,250.00	0.0%
<b>Total Website</b>	<b>298.25</b>	<b>1,580.00</b>	<b>-1,281.75</b>	<b>18.88%</b>
<b>Total Marketing/Internet</b>	<b>908.20</b>	<b>1,880.00</b>	<b>-971.80</b>	<b>48.31%</b>
<b>Marketing/Postage-Shipping</b>				
Destination Guide - Postage	83.43	3,750.00	-3,666.57	2.23%
Postage - Marketing response	577.42			
<b>Total Marketing/Postage-Shipping</b>	<b>660.85</b>	<b>3,750.00</b>	<b>-3,089.15</b>	<b>17.62%</b>
<b>Marketing/Printing</b>				
Christmas Cards	0.00	250.00	-250.00	0.0%
Tent Cards	112.00	230.00	-118.00	48.7%
<b>Total Marketing/Printing</b>	<b>112.00</b>	<b>480.00</b>	<b>-368.00</b>	<b>23.33%</b>
<b>Marketing/Promotions</b>				
WVVA Promotions	465.74			
<b>Total Marketing/Promotions</b>	<b>465.74</b>			
<b>Marketing/Public Relations</b>	<b>104.10</b>			
<b>Marketing/Research</b>				
Smith Travel Research	100.00			
<b>Total Marketing/Research</b>	<b>100.00</b>			
<b>Marketing/Sales Trips</b>				
Directors Mileage	0.00	275.00	-275.00	0.0%
<b>Total Marketing/Sales Trips</b>	<b>0.00</b>	<b>275.00</b>	<b>-275.00</b>	<b>0.0%</b>

Visit Corvallis  
**Profit & Loss Budget vs. Actual**  
October through December 2011

	<u>Oct - Dec 11</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
<b>Marketing/Sports Commission Exp</b>				
Ride Corvallis	100.00			
<b>Total Marketing/Sports Commission Exp</b>	<u>100.00</u>			
<b>Marketing/Telephone</b>				
1-800	0.00	600.00	-600.00	0.0%
<b>Total Marketing/Telephone</b>	<u>0.00</u>	<u>600.00</u>	<u>-600.00</u>	<u>0.0%</u>
<b>Marketing/Visitor Services</b>				
Contract Services	52.50			
Distribution Services	695.00	1,050.00	-355.00	66.19%
Souvenirs	85.00	100.00	-15.00	85.0%
Marketing/Visitor Services - Other	300.00			
<b>Total Marketing/Visitor Services</b>	<u>1,132.50</u>	<u>1,150.00</u>	<u>-17.50</u>	<u>98.48%</u>
<b>Payroll Expenses</b>				
Intuit direct deposit fees	23.75			
<b>Total Payroll Expenses</b>	<u>23.75</u>			
<b>Personnel</b>				
<b>Benefits</b>				
Health/Dental Insurance premium				
Regence - Health	4,009.85	5,716.50	-1,706.65	70.15%
United Healthcare - Dental	448.04	525.00	-76.96	85.34%
<b>Total Health/Dental Insurance premium</b>	<u>4,457.89</u>	<u>6,241.50</u>	<u>-1,783.61</u>	<u>71.42%</u>
Simple Plan	412.50	375.00	37.50	110.0%
Workmans Comp	-42.00			
<b>Total Benefits</b>	<u>4,828.39</u>	<u>6,616.50</u>	<u>-1,788.11</u>	<u>72.98%</u>
<b>Payroll taxes</b>				
Employer Taxes & Contribution	3,141.37	3,000.00	141.37	104.71%
<b>Total Payroll taxes</b>	<u>3,141.37</u>	<u>3,000.00</u>	<u>141.37</u>	<u>104.71%</u>
<b>Salaries</b>				
Executive Director	13,337.49	13,749.99	-412.50	97.0%
Social Media Coordinator	7,500.00	7,350.00	150.00	102.04%
Visitor Manager	8,700.33	8,640.00	60.33	100.7%
<b>Total Salaries</b>	<u>29,537.82</u>	<u>29,739.99</u>	<u>-202.17</u>	<u>99.32%</u>
<b>Total Personnel</b>	<u>37,507.58</u>	<u>39,356.49</u>	<u>-1,848.91</u>	<u>95.3%</u>
<b>Total Expense</b>	<u>70,804.69</u>	<u>67,273.14</u>	<u>3,531.55</u>	<u>105.25%</u>

4:39 PM  
01/10/12  
Accrual Basis

Visit Corvallis  
**Profit & Loss Budget vs. Actual**  
October through December 2011

	<u>Oct - Dec 11</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Net Income	<u>24,956.89</u>	<u>27,119.86</u>	<u>-2,162.97</u>	<u>92.02%</u>

Visit Corvallis  
**Profit & Loss Prev Year Comparison**  
October through December 2011

	<u>Oct - Dec 11</u>	<u>Oct - Dec 10</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Income</b>				
City of Corvallis	83,862.00	77,106.24	6,755.76	8.76%
Co-op Advertising Revenues	1,077.60	0.00	1,077.60	100.0%
Interest Income	13.14	22.54	-9.40	-41.7%
Membership	10,549.20	10,819.20	-270.00	-2.5%
Souvenir Income	259.64	82.50	177.14	214.72%
<b>Total Income</b>	<u>95,761.58</u>	<u>88,030.48</u>	<u>7,731.10</u>	<u>8.78%</u>
<b>Expense</b>				
Administration	15,996.41	27,442.04	-11,445.63	-41.71%
Conferences/Education	175.00	1,000.00	-825.00	-82.5%
Marketing/Advertising	5,806.16	2,539.67	3,266.49	128.62%
Marketing/Community Relations	271.40	499.00	-227.60	-45.61%
Marketing/Database	0.00	3,000.00	-3,000.00	-100.0%
Marketing/Dues	1,620.00	1,149.00	471.00	40.99%
Marketing/Entertainment	36.00	56.53	-20.53	-36.32%
Marketing - Festivals	5,785.00	0.00	5,785.00	100.0%
Marketing/Internet	908.20	2,974.40	-2,066.20	-69.47%
Marketing/Postage-Shipping	660.85	1,205.09	-544.24	-45.16%
Marketing/Printing	112.00	349.75	-237.75	-67.98%
Marketing/Promotions	465.74	1,040.25	-574.51	-55.23%
Marketing/Public Relations	104.10	0.00	104.10	100.0%
Marketing/Research	100.00	0.00	100.00	100.0%
Marketing/Sales Trips	0.00	1,584.02	-1,584.02	-100.0%
Marketing/Sports Commission Exp	100.00	0.00	100.00	100.0%
Marketing/Telephone	0.00	423.15	-423.15	-100.0%
Marketing/Visitor Services	1,132.50	1,793.60	-661.10	-36.86%
Payroll Expenses	23.75	0.00	23.75	100.0%
Personnel	37,507.58	40,172.96	-2,665.38	-6.64%
<b>Total Expense</b>	<u>70,804.69</u>	<u>85,229.46</u>	<u>-14,424.77</u>	<u>-16.93%</u>
<b>Net Income</b>	<u>24,956.89</u>	<u>2,801.02</u>	<u>22,155.87</u>	<u>790.99%</u>

Visit Corvallis  
**Statement of Cash Flows**  
October through December 2011

	<u>Oct - Dec 11</u>
<b>OPERATING ACTIVITIES</b>	
Net Income	24,956.89
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	-6,399.80
Note receivable	2,600.00
Bounty of Benton Co Ticket Sale	-180.00
Bite of Benton Co Ticket Sales	-120.00
Payroll Liabilities	5.00
Payroll liabilities - Other:SIMPLE payable	275.00
Payroll tax liabilities:FWT/FICA FWT payable	54.90
Payroll tax liabilities:OR Witholding Payable	29.00
Payroll tax liabilities:OR Workmen's Comp payable	-10.99
Payroll tax liabilities:OR State Unemployment Payable	-241.28
Net cash provided by Operating Activities	<u>20,968.72</u>
 Net cash increase for period	 20,968.72
 Cash at beginning of period	 <u>59,041.40</u>
Cash at end of period	<u><u>80,010.12</u></u>



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

MEMORANDUM

January 19, 2012

TO: Ken Gibb, Community Development  
FROM: Jeanna Yeager, Accountant  
SUBJECT: Visit Corvallis Financial Report – Second Quarter, FY 11/12

This review consists of inquiries and analytical procedures and is very limited in its nature. The financial statements have not been reviewed by a Certified Public Accountant and are the representation of the management of Visit Corvallis.

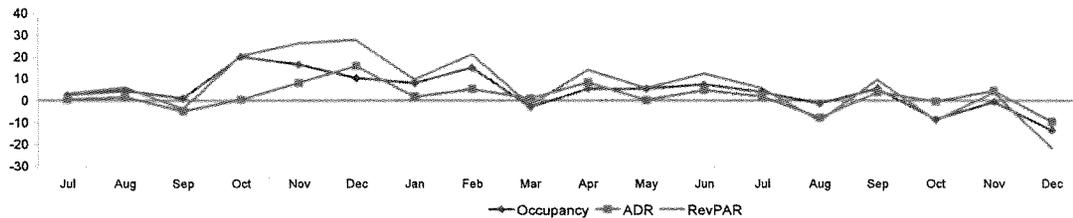
During the second quarter of fiscal year 2011/2012, Visit Corvallis reported revenues of \$95,762 and expenditures of \$70,805 resulting in net income of \$24,957. Visit Corvallis fell below expectations for the quarter by \$2,163 with a budgeted net income of \$27,120. Visit Corvallis maintains a fairly strong cash position, with current assets totaling \$89,040 and current liabilities of only \$7,367.

The City of Corvallis has budgeted \$335,450 for Visit Corvallis for fiscal year 2011/2012 in monthly payments of \$27,954. The City has funded a total of \$83,862 for the second quarter, which has been accurately accounted for on the Visit Corvallis report. This represents nearly 88% of all revenues for the quarter.

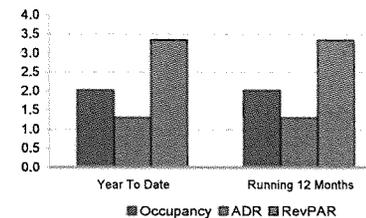
Acceptance of the Visit Corvallis quarterly report is recommended.

Visit Corvallis  
For the Month of December 2011

Monthly Percent Change



Overall Percent Change



Occupancy (%)	2010						2011						Year To Date			Running 12 Months								
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2009	2010	2011	2009	2010	2011
This Year	66.2	63.5	62.1	58.7	51.4	38.2	42.1	54.4	56.4	60.7	56.4	70.8	66.7	62.7	65.5	53.7	51.1	33.0	50.5	55.1	58.2	50.5	55.1	56.2
Last Year	64.5	60.8	61.4	48.8	44.0	34.6	39.0	47.2	58.2	57.5	53.5	65.9	66.2	63.5	62.1	58.7	51.4	38.2	54.5	50.5	55.1	54.5	50.5	55.1
Percent Change	2.6	4.4	1.0	20.2	16.7	10.3	7.9	15.1	-3.0	5.5	5.4	7.5	3.8	-1.3	5.5	-8.5	-0.6	-13.4	-7.4	9.2	2.0	-7.4	9.2	2.0

ADR	2010						2011						Year To Date			Running 12 Months								
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2009	2010	2011	2009	2010	2011
This Year	90.92	91.41	90.33	93.08	95.88	89.09	81.70	85.84	84.12	95.78	92.28	95.64	92.61	84.25	93.81	92.69	100.06	80.55	88.18	89.38	90.54	88.18	89.38	90.54
Last Year	90.56	90.03	94.86	92.76	88.66	76.87	80.29	81.53	83.37	88.55	82.02	81.39	90.92	91.41	90.33	93.06	95.88	89.09	87.53	88.18	89.38	87.53	88.18	89.38
Percent Change	0.4	1.5	-4.9	0.3	8.1	15.9	1.5	5.3	0.9	8.2	0.3	4.7	1.9	-7.8	3.9	-0.4	4.4	-9.6	0.7	1.4	1.3	0.7	1.4	1.3

RevPAR	2010						2011						Year To Date			Running 12 Months								
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2009	2010	2011	2009	2010	2011
This Year	60.16	58.04	56.06	54.63	49.25	34.01	34.38	46.70	47.45	58.12	52.01	67.73	83.82	52.79	61.45	49.77	51.10	26.62	44.51	49.27	50.92	44.51	49.27	50.92
Last Year	58.40	54.74	56.33	45.29	39.02	26.59	31.31	38.52	48.50	50.93	48.19	60.23	60.16	58.04	56.06	54.63	49.25	34.01	47.73	44.51	49.27	47.73	44.51	49.27
Percent Change	3.0	6.0	-3.9	20.6	26.2	27.9	9.8	21.2	-2.2	14.1	5.7	12.5	5.8	-9.1	9.6	-8.9	3.8	-21.7	-6.7	10.7	3.3	-6.7	10.7	3.3

Supply	2010						2011						Year To Date			Running 12 Months								
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2009	2010	2011	2009	2010	2011
This Year	24,831	24,831	24,030	24,831	24,030	24,831	24,831	22,428	24,831	24,030	24,831	24,030	24,831	24,831	24,030	24,831	24,030	24,831	292,365	292,365	292,365	292,365	292,365	292,365
Last Year	24,831	24,831	24,030	24,831	24,030	24,831	24,831	22,428	24,831	24,030	24,831	24,030	24,831	24,831	24,030	24,831	24,030	24,831	292,365	292,365	292,365	292,365	292,365	292,365
Percent Change	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Demand	2010						2011						Year To Date			Running 12 Months								
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2009	2010	2011	2009	2010	2011
This Year	16,429	15,766	14,915	14,574	12,343	9,478	10,451	12,201	14,006	14,582	13,995	17,016	17,060	15,568	15,741	13,334	12,271	8,206	147,589	161,161	164,421	147,589	161,161	164,421
Last Year	16,014	15,097	14,781	12,125	10,576	8,590	9,883	10,596	14,444	13,823	13,274	15,836	16,429	15,766	14,915	14,574	12,343	9,478	159,430	147,589	161,161	159,430	147,589	161,161
Percent Change	2.5	4.4	1.0	20.2	16.7	10.3	7.9	15.1	-3.0	5.5	5.4	7.5	3.8	-1.3	5.5	-8.5	-0.6	-13.4	-7.4	9.2	2.0	-7.4	9.2	2.0

Revenue	2010						2011						Year To Date			Running 12 Months								
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2009	2010	2011	2009	2010	2011
This Year	1,493,758	1,441,208	1,347,230	1,356,554	1,183,387	844,404	853,908	1,047,325	1,178,212	1,396,599	1,291,445	1,627,462	1,579,862	1,310,738	1,476,856	1,235,871	1,227,873	660,966	13,013,990	14,404,708	14,886,846	13,013,990	14,404,708	14,886,846
Last Year	1,450,221	1,359,251	1,401,725	1,124,716	937,712	660,303	777,423	863,875	1,204,225	1,223,940	1,221,440	1,447,264	1,493,758	1,441,208	1,347,230	1,356,554	1,183,387	844,404	13,954,638	13,013,990	14,404,708	13,954,638	13,013,990	14,404,708
Percent Change	3.0	6.0	-3.9	20.6	26.2	27.9	9.8	21.2	-2.2	14.1	5.7	12.5	5.8	-9.1	9.6	-8.9	3.8	-21.7	-6.7	10.7	3.3	-6.7	10.7	3.3

Census %	2010						2011						Year To Date			Running 12 Months								
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2009	2010	2011	2009	2010	2011
Census Props	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Census Rooms	801	801	801	801	801	801	801	801	801	801	801	801	801	801	801	801	801	801	801	801	801	801	801	801
% Rooms Participants	74.9	74.9	74.9	74.9	74.9	74.9	74.9	74.9	74.9	74.9	74.9	74.9	74.9	74.9	74.9	74.9	74.9	74.9	86.8	86.8	86.8	86.8	86.8	86.8

A blank row indicates insufficient data.

Source 2012 SMITH TRAVEL RESEARCH, Inc.

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**MEMORANDUM**  
Corvallis Police Department

To: Administrative Service Committee  
From:  Jonathan M. Sassaman, Captain  
Subject: CMO 7.04 Alarm Control Ordinance Fees Update  
Date: February 17, 2012

**ISSUE**

This report addresses electronic on-line permits and fee collection processes, including information/education, enforcement and amnesty period. Council action is required.

**BACKGROUND**

On January 4, 2012, Administrative Services Committee (ASC) received a staff report recommending permit fee and false alarm fee modifications to CMO 7.04 (Attachment 1). ASC unanimously approved the ordinance modifications as recommended by staff. ASC further directed staff to research an on-line permitting process and to consider an appropriate amnesty period prior to enforcement of the ordinance. Committee minutes attached (Attachment 2).

**DISCUSSION**

1. On-line Alarm Permits including Annual Permit Renewals:

Staff worked with MIS technicians and the Finance Department to create an on-line electronic permit process for those who choose to submit their original permit applications or annual renewals on-line. The Finance Department is implementing an on-line payment system which is expected to be operational in the coming months however it is uncertain whether the new system will be fully operational by July 2012. In the event on-line payments are feasible before July 2012 the below options will be available to customers. If not, the existing paper process will be used until the on-line payment system is operational.

For a new home or business alarm, individuals may go to the City's web page which will have navigation buttons allowing a customer to create and submit a new alarm permit. The customer's submitted permit will go through a verification process and an account will be created within the City's financial system. Customers submitting

permits on-line will subsequently receive an invoice with their account number and directions for submitting payment on-line with a credit card.

For alarm permit renewals, customers will receive a letter with their account number and permit number. Customers following navigation buttons on the City's web page will search the existing alarm data base by using the permit number and either update the information or re-submit with no change of information. Customers submitting renewals on-line will be required to pay on-line via credit card.

2. Integrated Voice Response (I.V.R) over the phone payments:

The City is implementing over the phone payments for utility billings which is expected to begin in March 2012. This method of payment will be evaluated over the subsequent months to determine if over the phone payments should also be available for alarm permit payments.

3. Information and Education:

Staff evaluated the existing alarm database and made a listing of all the alarm companies which have served residents and businesses in Corvallis. All 47 companies will receive a letter from the City, including a copy of the updated Alarm Ordinance, and requesting each company advise residents and businesses of the requirement for them to purchase an alarm permit with the City of Corvallis prior to activation.

Alarm permits are renewed annually. Mailings to customers occur at the beginning of July. Each mailing will contain a copy of the updated ordinance fee modifications for permits and false alarms. Additionally, the mailings will include directions for on-line payments and will notify customers of the \$500 dollar penalty for intentionally violating the provisions of the ordinance. Investigations which cannot prove an intentional violation will be charged a late fee of \$40 per the ordinance.

Staff will coordinate a public message with the Corvallis Gazette-Times highlighting the ordinance modifications and the need for alarm customers to properly maintain their system.

4. Amnesty period:

For staff to finalize the on-line forms, on-line payment process, coordinate with alarm companies and prepare the mailings with new language, full enforcement of the ordinance modifications will begin with the annual renewals in the month of July.

Not all customers will elect to use the electronic only process. Those customers wishing to use the paper process will continue to receive the permits and renewals via paper mailing.

**OPTIONS**

1. Recommend full council approval of the ordinance modifications and implementation plan as provided by staff.
2. Modify the ordinance and/or implementation plan provided by staff.

**RECOMMENDATION**

Staff Recommends Option 1.

Review and Concur



Jim Patterson, City Manager

Review and Concur



Nancy Brewer, Finance Director

- Attachment: 1 December 2, 2011 Staff Report
- Attachment: 2 January 4, 2012 ASC Minutes
- Attachment: 3 Amended CMO 7.04

MEMORANDUM

December 2, 2011

To: Administrative Service Committee  
From: Jonathan M. Sassaman, Captain  
Subject: CMC 7.04 Alarm Control Ordinance Fees Update

**PURPOSE**

The City of Corvallis Financial Internal Working Group requested the Alarm Control Ordinance fees be updated. Council Action Required.

**BACKGROUND**

The Alarm Control Ordinance fees were originally determined and have not been updated since 1976 when the Ordinance was established. The purpose of the Alarm Control Ordinance is to protect the emergency services of the City from abuse and misuse.

Alarms installed at residences or businesses cannot have automatic dialers which ring into the Police Department. Oregon law prohibits automatic dialers of any kind into Public Safety Answering Points, which for Corvallis is the Corvallis Regional Communications Center (CRCC).

When an alarm company contacts the CRCC with an activated alarm, law enforcement is dispatched to that alarm. Alarm activations range from Burglary, Robbery, Intrusion, Panic, etc. Alarm activations require a two officer response for safety purposes.

Fire Department alarm responses and cost recovery are identified separately in CMC 7.11. Fees are administered upon the 3<sup>rd</sup> false fire alarm.

**DISCUSSION**

**Alarm Permit and Renewals:**

Applications for permits are received at the Police Department where they are processed, approved, entered into a database and provided to the CRCC. Permit renewals are mailed to permit holders annually and, upon return, are processed, approved, the database updated and provided to the CRCC. Processing original permits and renewals each take staff 30 minutes per permit/renewal. Salary and benefits for staff at 30 minutes is just under \$20.00.

CMC 7.04 Alarm Control Ordinance is currently structured as follows:

<b>Permits:</b>	1 year – renewable each subsequent year
<b>Permit Fee:</b>	\$5 annually (fee waived for anyone over 65 years of age and governmental agencies)
<b>Number of free False Alarms prior to billing</b>	4
<b>Fee upon 5<sup>th</sup> False Alarm</b>	\$20
<b>Fee upon 6<sup>th</sup> False Alarm</b>	\$40
<b>Fee upon 7<sup>th</sup> False Alarm</b>	\$60
<b>Fee upon 8<sup>th</sup> False Alarm:</b>	\$80
<b>Fee upon 9<sup>th</sup> False Alarm</b>	\$100
<b>All subsequent False Alarms in that permit year</b>	\$100
<b>Service is never suspended due to false alarms</b>	

2009

Alarm Permits: 1,095  
 Over 65 & Government: 380  
 Alarm Permits Purchased: 715 x \$5 = \$3,575

2010

Alarm Permits: 707  
 Over 65 & Government: 99  
 Alarm Permits Purchased: 608 x \$5 = \$3,040

2011 Year to Date

Alarm Permits: 925  
 Over 65 & Government: 266  
 Alarm Permits Purchased: 659 x \$5 = \$3,295

Officer Response

On average, an alarm call for service is thirty minutes. Circumstances dependant, the call for service may last up to 1 hour.

The table below depicts the costs associated with law enforcement response to alarms based upon the Special Response Fee Rates:

	<b>Hourly Rate + Benefits + Admin.</b>	<b>30 minutes for two officers</b>	<b>1 hour</b>
<b>Police Officer</b>	\$62.98	\$62.98	\$125.96
<b>Sergeant</b>	\$70.75		
<b>Lieutenant</b>	\$83.44		

The table below depicts alarm activity from 2009 through November 22, 2011:

	2009		2010		2011 ytd	
<b>Alarm Calls for Service</b>	709		640		467	
<b>Business Alarms</b>	637		583		418	
<b>Residential Alarms</b>	72		57		49	
<b>Confirmed Alarms Residential / Business</b>	<b>Res</b>	<b>Bus</b>	<b>Res</b>	<b>Bus</b>	<b>Res</b>	<b>Bus</b>
	0	9	0	9	0	5
<b>Total Alarm Revenue (permits + penalty)</b>	\$5,040		\$4,835		\$4,750	

Attachment A compares the City of Corvallis Alarm Ordinance to those of the City of Albany, Lebanon, Troutdale, Medford, Tigard, Beaverton, Lake Oswego, Oregon City, Coos Bay, Gresham, Springfield and Salem.

The City of Corvallis Alarm Ordinance charges the least amount for permits, provides the largest number of free false alarms and has a generous chargeable alarm rate which does not capture actual costs until the 8<sup>th</sup> false alarm assuming a 30 minute call for service. The current fee schedule will never capture the cost of a 1 hour call for service.

Staff examined the ordinances of the cities listed above and recommend the following modifications to CMC 7.04, addressing actual cost recovery and penalty for repeated false alarms.

	<b>Current</b>	<b>Recommended</b>
<b>Permits:</b>	1 year – renewable each subsequent year	1 year – renewable each subsequent year
<b>Permit Fee:</b>	\$5 annually (fee waived for anyone over 65 years of age and governmental agencies)	\$20 annually (fee waived for over 65 years of age only)
<b>Number of free False Alarms prior to billing</b>	4	2
<b>Fee upon 1<sup>st</sup> False Alarm</b>	\$0	\$0
<b>Fee upon 2<sup>nd</sup> False Alarm</b>	\$0	\$0
<b>Fee upon 3<sup>rd</sup> False Alarm</b>	\$0	\$50
<b>Fee upon 4<sup>th</sup> False Alarm</b>	\$0	\$100
<b>Fee upon 5<sup>th</sup> False Alarm</b>	\$20	\$200
<b>Fee upon 6<sup>th</sup> False Alarm</b>	\$40	\$300
<b>Fee upon 7<sup>th</sup> False Alarm</b>	\$60	\$300
<b>Fee upon 8<sup>th</sup> False Alarm:</b>	\$80	\$300
<b>Fee upon 9<sup>th</sup> False Alarm</b>	\$100	\$300
<b>All subsequent False Alarms in that permit year</b>	\$100	\$300
<b>Service is never suspended due to false alarms</b>		

**OPTIONS**

1. Leave the current alarm ordinance fee rates the same.
2. Modify ordinance with increased permit and chargeable alarms fees as proposed.
3. Modify ordinance with increased permit and chargeable alarm fees at some other rates.

**RECOMMENDATION**

Staff Recommends Option 2.

Review and Concur:

  
\_\_\_\_\_  
Jim Patterson, City Manager

Reviewed:

  
\_\_\_\_\_  
Jim Brewer, City Attorney

Attachment: A      Comparator table for permits and fees  
Attachment: B      CMC 7.04 Modified

**ATTACHMENT A<sup>c</sup>**

CITY	PERMIT FEE	# OF FREE FALSE ALARMS	CHARGEABLE ALARMS						SUSPEND SERVICE
			1 <sup>ST</sup>	2 <sup>ND</sup>	3 <sup>RD</sup>	4 <sup>TH</sup>	5 <sup>TH</sup>	ADDITIONAL ALARMS	
Corvallis 1 year	\$5	4					\$20 (Add \$20 each additional up to \$100)	\$100	No
Albany 1 year	\$10 / over 62 free	2			\$50	\$75	\$75 (alarms 4-9)	\$100	Yes * (over 5)
Lebanon 1 year	\$10	1	(False Alarms within 1 <sup>st</sup> 60 days of install not charged)	\$25	\$25	\$25	\$25	\$25	No
Troutdale 1 year	\$12 / over 62 free	1		\$75	\$100	\$200	\$300	\$300	Yes * (over 4)
Medford 1 year	\$32	1		\$53	\$106	\$212	\$424	\$424	No
Tigard 1 year	\$25 / over 60 free	2	(False alarms within 1 <sup>st</sup> 30 days of install not charged)	\$50	\$100	\$150	\$150	\$150	Yes * (over 4)
Beaverton 1 year	\$10 Residential \$15 Business	2			\$75	\$75	\$150 (Alarms 5-10)	over 10 \$200	No
Lake Oswego	No permit - information voluntary	3				\$75	\$125	\$200 # 6 \$300 # 7 +	No
Oregon City 1 year	\$15 / over 65 free	1		\$25	\$50	\$75	\$100	\$100	No
Coos Bay	\$20 ( one time fee)	4 (Per year)					\$25 (Alarms 5-8)	\$50	No
Gresham 1 year	\$32 / over 62 free		\$61	\$90	\$119	\$235	\$352	\$352	Yes * (over 4)
Springfield	No permit required	After 1 <sup>st</sup> false alarm user will be required to have servicing or training completed within 3 days. Three or more false alarms within a year shall constitute an infraction in the municipal court. If convicted the court may impose a fine not to exceed \$500.							
Salem	No permit required	Do not respond to audible or silent alarms. Will only respond to manually activated silent panic, duress, and hold-up alarms.							

\* Can be reinstated upon approval of the sheriff or chief of police.

**Chapter 7.04**  
**Alarm Control**

**Sections:**

<b>7.04.010</b>	<b>Purpose.</b>
<b>7.04.020</b>	<b>Definitions.</b>
<b>7.04.030</b>	<b>Alarm users permits required.</b>
<b>7.04.040</b>	<b>Duties of every alarm business.</b>
<b>7.04.050</b>	<b>Unauthorized automatic dialing devices.</b>
<b>7.04.060</b>	<b>False alarms.</b>
<b>7.04.070</b>	<b>Alarm equipment testing.</b>
<b>7.04.080</b>	<b>Violation and enforcement</b>

**Section 7.04.010 Purpose.**

The purpose hereof is to protect the emergency services of the City from abuse and misuse.

(Ord. 76-30 § 2, 1976)

**Section 7.04.020 Definitions.**

1) Alarm business - The business by any individual, partnership, corporation or other entity of selling, leasing, maintaining, servicing, repairing, altering, replacing, moving or installing any burglar or robbery alarm system, or causing to be sold, leased, maintained, serviced, repaired, altered, replaced, moved or installed, any alarm system in or on any building, structure or facility.

2) Alarm system - Any assembly of equipment, mechanical or electrical, arranged to signal the presence of illegal entry or activity requiring urgent attention.

3) Alarm user - The person, firm, partnership, association, corporation, company or organization of any kind in control of premises wherein an alarm system is operating.

4) Automatic dialing device - A device which is interconnected to a regular telephone line and is programmed to select a particular phone number so that a prerecorded voice message or a code signal indicating the existence of a situation detected by an alarm system may be transmitted to the selected telephone number.

5) False alarm - An alarm signal necessitating response by the Police Division where an emergency situation does not exist. Alarm signals occurring due to acts of God or due to off-premises causes are not false alarms.

6) Interconnect - To connect an alarm system, including an automatic dialing device, to a telephone line, either directly or through a mechanical device that utilizes a telephone, for the purpose of using the telephone line to transmit a message upon the activation of the alarm system.

7) Law Enforcement Communications Center - The facility used to receive emergency and general information from the public by the Corvallis Police and Fire Departments.

(Ord. 86-2 § 1, 1986; Ord. 76-30 § 3, 1976)

**Section 7.04.030 Alarm users permits required.**

1) All alarm users or burglar or robbery alarm systems shall obtain an alarm user's permit from the office of the Chief of Police upon activating an alarm system. Systems using robbery and burglar alarm capabilities are required to obtain a permit for each function. Application for

the burglar or robbery alarm permit and a ~~\$5.00~~ **\$20.00** fee for each must be filed with the Chief of Police for each year or part thereof. All permits shall expire on the date of June 30. Each permit shall bear the signature of the issuing official and the Chief of Police and shall be valid for a period not to exceed one year. The permit shall be physically upon the premises using the alarm system and there available for inspection by the Chief of Police.

2) Residential alarm users over the age of 65 and being the principal occupants of the premises wherein no business is conducted are not required to pay the ~~\$5.00~~ **\$20.00** permit fee but are required to obtain a permit.

3) Applications for permits more than 60 days after the need for such permits are required shall require the payment of a ~~\$10.00~~ **\$40.00** permit fee.

4) Notwithstanding any other provision herein to the contrary, all permits issued **prior to June 30, 2012** ~~between February 1, 1985 and January 31, 1986~~ shall expire on **June 30, 1986** ~~June 30, 2012~~.

(Ord. 86-2 § 2, 1986; Ord. 76-30 § 4, 1976)

#### **Section 7.04.040 Duties of every alarm business.**

1) Every alarm business selling or leasing to any user an alarm system which is installed upon premises located within the City limits shall furnish that person with instructions that provide adequate information to enable persons using such equipment to operate it properly and where to obtain service for the equipment at any time.

2) If the Chief of Police determines in the Chief's reasonable discretion that such information is incomplete, unclear or inadequate, the Chief may require the alarm business to revise the information to meet the Chief's approval and then to distribute the revised information to alarm users.

(Ord. 86-2 § 3, 1986; Ord. 76-30 § 5, 1976)

#### **Section 7.04.050 Unauthorized automatic dialing devices.**

It is unlawful for any person to program an automatic dialing device to select a public telephone line assigned to the Police Department of the City, and it is unlawful for an alarm user to fail to disconnect or reprogram an automatic dialing device which is programmed to select a Police Department telephone line within 24 hours of notice that it is so programmed.

(Ord. 86-2 § 4, 1986; Ord. 76-30 § 6, 1976)

#### **Section 7.04.060 False alarms.**

Signals from an alarm system which are false alarms are hereby declared to be a public nuisance. The user may have an allowance of ~~four~~ **two** false alarms occurring within a period of time starting from the date an alarm permit is issued until it expires. The ~~fifth~~ **third** false alarm within that period shall be subject to a service charge of ~~\$20.00~~ **\$50.00** charged to the user of the alarm system. Subsequent false alarms within that period shall be charged as follows; ~~sixth~~ **fourth** false alarm ~~\$40.00~~ **\$100.00**; ~~seventh~~ **fifth** false alarm ~~\$60.00~~ **\$200.00**; ~~eighth~~ **sixth** false alarm ~~\$80.00~~ **\$300.00**; and ~~ninth~~ **and** every subsequent false alarm ~~\$100.00~~ **\$300.00**. Payment of service charges are payable within 60 days of notification that such charges are due. In addition to any and all other penalties provided for herein, failure to pay the assessed service charge shall result in the user's permit being suspended. Determination of whether or not the alarm falls within the definition of false alarm is in the sole discretion of the Chief of Police.

(Ord. 86-3, 1986; Ord. 86-2 § 5, 1986; Ord. 76-30 § 7, 1976)

**Section 7.04.070 Alarm equipment testing.**

Whenever a user of an alarm system deems it necessary to test or otherwise intentionally set off or activate an alarm system located on user's premises, user shall notify user's monitoring station that she or he intends to test or otherwise intentionally activate that alarm prior to actual tests being conducted. Failure to do so will result in that user being considered as having had a false alarm.

(Ord. 86-2 § 6, 1986; Ord. 76-30 § 8, 1976)

**Section 7.04.080 Violation and enforcement.**

Any person violating any of the provisions herein shall, upon conviction thereof in the Municipal Court, be punished by a fine not to exceed \$500.00.

(Ord. 76-30 § 9, 1976)

**ADMINISTRATIVE SERVICES COMMITTEE  
MINUTES  
January 4, 2012**

Present

Councilor Mark O'Brien, Chair  
Councilor Joel Hirsch  
Councilor Biff Traber

Staff

Jim Patterson, City Manager  
Jon Sassaman, Police Captain  
Nancy Brewer, Finance Director  
Janet Chenard, Budget and Financial Planning Manager  
Carla Holzworth, City Manager's Office

**SUMMARY OF DISCUSSION**

Agenda Item	Information Only	Held for Further Review	Recommendations
I. Municipal Code Review: Chapter 7.04, "Alarm Control"		*	
II. Financial Policies Review	*		
III. Other Business	*		

Chair O'Brien called the meeting to order at 4:00 p.m.

**CONTENT OF DISCUSSION**

I. Municipal Code Review: Chapter 7.04, "Alarm Control" (Attachment)

Captain Sassaman reviewed the staff report and noted a correction on page 2. The number of "Over 65 & Government" permits issued in 2010 should be 316, not 99.

In response to Councilor Traber's inquiry, Captain Sassaman said most false alarms are due to human error. When they are mechanical in nature, to avoid false alarm charges responding officers recommend customers ask their alarm company to not dial the Police Department until the problem is fixed.

In response to Councilor Hirsch's inquiry, Captain Sassaman said proposed fees were determined by looking at what comparitors charge and what amounts would recover costs and discourage false alarms. Councilor Hirsch opined the false alarm fee should go as high as \$500. Captain Sassaman noted if the amount is too high, customers may be unwilling or unable to pay. Councilor Hirsch suggested an annual permit fee of \$25 instead of \$20. Captain Sassaman said the \$20 is very close to what it costs in staff time to process the permit application. Ms. Brewer noted Finance staff sends the alarm invoices and reminders; their time is not included in the Police Department's estimate.

Chair O'Brien said the number of permits issued seems small for the size of Corvallis. In response to his inquiry, Captain Sassaman said staff does not have any way of knowing who has alarm systems. Many current permits were obtained as a result of police responding to an alarm and realizing the business or residence did not have a permit on file. The Police Department has asked alarm companies to notify its Corvallis customers that a permit is required.

Chair O'Brien said he was not able to find the permit form on the City's Web site and requested that one be made available. He further asked that a check box be added for renewals indicating that no information has changed. Currently, renewing customers must complete a new form each year, even if the information is the same. Councilor Traber agreed.

In response to Chair O'Brien's inquiry, Captain Sassaman said an alarm is deemed legitimate or false based on what the police find when they arrive. For example, if the customer says he did not set the alarm correctly, it is deemed a false alarm. If a window is broken, the alarm is legitimate. If there is any doubt, the officer will not label the incident as a false alarm.

Councilor Traber moved to recommend Option 2 in the staff report, "Modify ordinance with increased permit and chargeable alarms fees as proposed." The motion died for lack of a second.

Councilor Traber moved to recommend Option 3 with a \$25 alarm permit fee and false alarm charges as proposed by staff. Councilor Hirsch seconded.

Chair O'Brien said he is concerned about the number of people who do not pay a permit fee because the City is not aware they have a system. Before supporting any increases, Chair O'Brien said he would like to see staff those capture noncompliant permit fees. In response to Councilor Traber's inquiry, Captain Sassaman said the current ordinance allows up to a \$500 fine for not having an alarm permit and it can be enforced by having a police officer cite the offender. Councilor Hirsch suggested a well-publicized amnesty period, perhaps 60 days, to give people a chance to sign up without penalty. The group agreed an online alarm permit form needs to be available on the City's Web site before publicizing an amnesty period.

Chair O'Brien said he does not support the \$25 permit fee and he offered an amendment to the motion to reflect a \$20 permit fee. Councilor Traber seconded. By a vote of two to one with Councilor Hirsch opposing, the amendment passed.

The Committee unanimously recommends that Council modify the ordinance to reflect a \$20 alarm permit fee and the false alarm fee schedule as recommended by staff.

The Committee agreed the matter will come back to ASC after Captain Sassaman researches the mechanics of adding an online fire alarm permit form. At that time, the Committee will further discuss an amnesty period.

II. Financial Policies Review (Attachment)

Ms. Brewer reviewed the staff report, noting the proposed policy changes are the most significant in many years. Councilor Traber complimented Ms. Brewer on her work.

The Committee agreed to review the policy by each section:

**Purpose, Mission, Goals:**

In the Purpose section, Chair O'Brien asked the word *summarize* be replaced with the word *underscore* in the first sentence to read "To **underscore** the responsibility..."

**Fund Balance Policies:**

Councilor O'Brien asked that "- *all other funds*" be added to B 4 at the bottom of page 5 to read "Ending Budgetary Fund Balance Below Recommended - **all other funds**"

Councilor Traber asked that an example, such as "natural disaster" be added to item 2 at the bottom of page 4 to clarify what is meant by short-term.

Councilor Traber noted HNA is included in the All Other Funds discussion, but it is not included in the Property Tax Funds section. Ms. Brewer agreed to consider whether it is needed there.

In response to Councilor Traber's inquiry, Ms. Brewer confirmed as long as the budget is balanced each year, there is no legal requirement to rebuild fund balances or reserves.

**Revenue Polices:**

In response to Chair O'Brien's inquiry about H1 at the bottom of page 5 "*Fees and charges other than those identified elsewhere...*" Ms. Brewer agreed to

Attachment  
3

**ORDINANCE 2012-\_\_\_\_**

**AN ORDINANCE RELATING TO ALARM CONTROL FEES AND FALSE ALARM SERVICE CHARGES, AMENDING MUNICIPAL CODE CHAPTER 7.04, "ALARM CONTROL," AS AMENDED**

THE CITY OF CORVALLIS ORDAINS AS FOLLOWS:

Section 1. Municipal Code Section 7.04.030 is hereby amended to read as follows:

**Section 7.04.030 Alarm users permits required.**

1) All alarm users or burglar or robbery alarm systems shall obtain an alarm user's permit from the office of the Chief of Police upon activating an alarm system. Systems using robbery and burglar alarm capabilities are required to obtain a permit for each function. Application for the burglar or robbery alarm permit and a \$20.00 fee for each must be filed with the Chief of Police for each year or part thereof. All permits shall expire on the date of June 30. Each permit shall bear the signature of the issuing official and the Chief of Police and shall be valid for a period not to exceed one year. The permit shall be physically upon the premises using the alarm system and there available for inspection by the Chief of Police.

2) Residential alarm users over the age of 65 and being the principal occupants of the premises wherein no business is conducted are not required to pay the \$20.00 permit fee but are required to obtain a permit.

3) Applications for permits more than 60 days after the need for such permits are required shall require the payment of a \$40.00 permit fee.

4) Notwithstanding any other provision herein to the contrary, all permits issued prior to June 30, 2012 shall expire on June 30, 2012.

Section 2. Municipal Code Section 7.04.060 is hereby amended to read as follows:

**Section 7.04.060 False alarms.**

Signals from an alarm system which are false alarms are hereby declared to be a public nuisance. The user may have an allowance of two false alarms occurring within a period of time starting from the date an alarm permit is issued until it expires. The third false alarm within that period shall be subject to a service charge of \$50.00 charged to the user of the alarm system. Subsequent false alarms within that period shall be charged as follows; fourth false alarm \$100.00; fifth false alarm \$200.00; sixth false alarm \$300.00; and every subsequent false alarm \$300.00. Payment of service charges are payable within 60 days of notification that such charges are due. In addition to any and all other penalties provided for herein, failure to pay the assessed service charge shall result in the user's permit being suspended. Determination of whether or not the alarm falls within the definition of false alarm is in the sole discretion of the Chief of Police.

**PASSED by the City Council this \_\_\_\_\_ day of \_\_\_\_\_, 2012.**

**APPROVED by the Mayor this \_\_\_\_\_ day of \_\_\_\_\_, 2012.**

EFFECTIVE this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Recorder

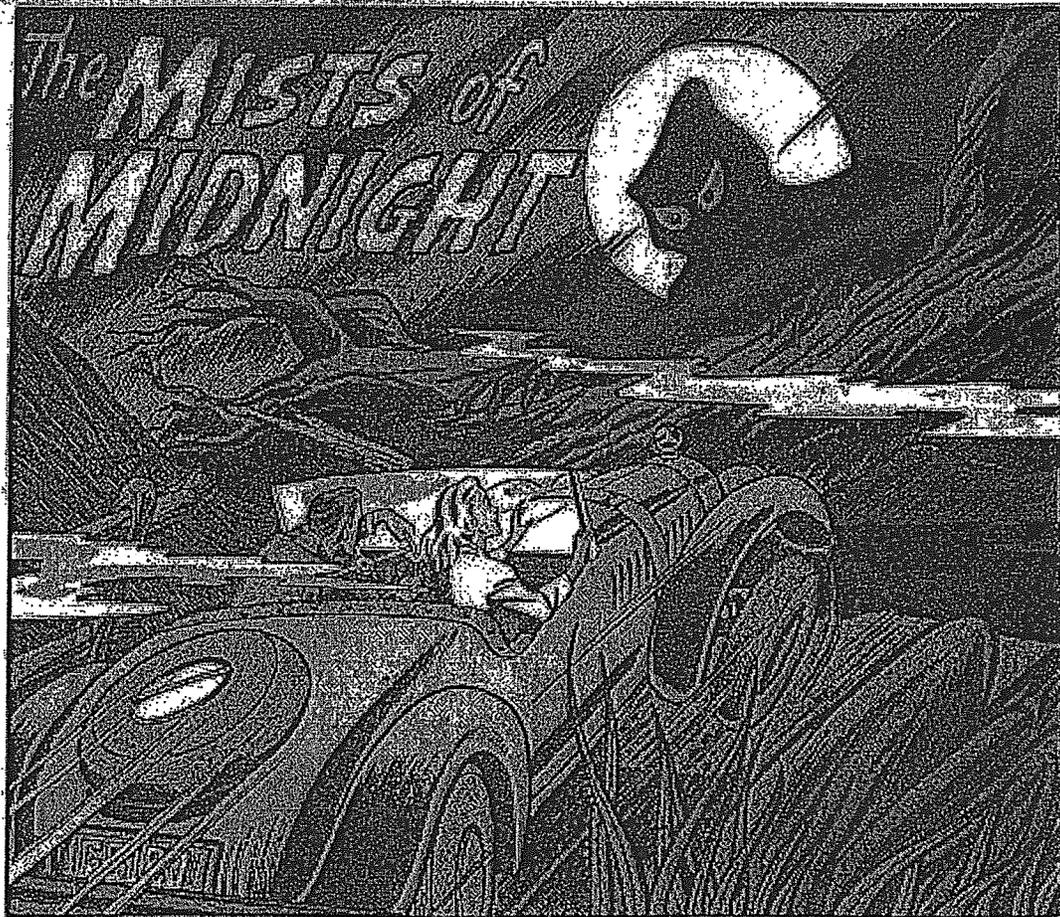
From: Mark O'Brien [mailto:mark.o'brien@gmail.com]  
Sent: Wednesday, March 07, 2012 10:49 AM  
To: Patterson, Jim  
Subject: ASC

Attachment A

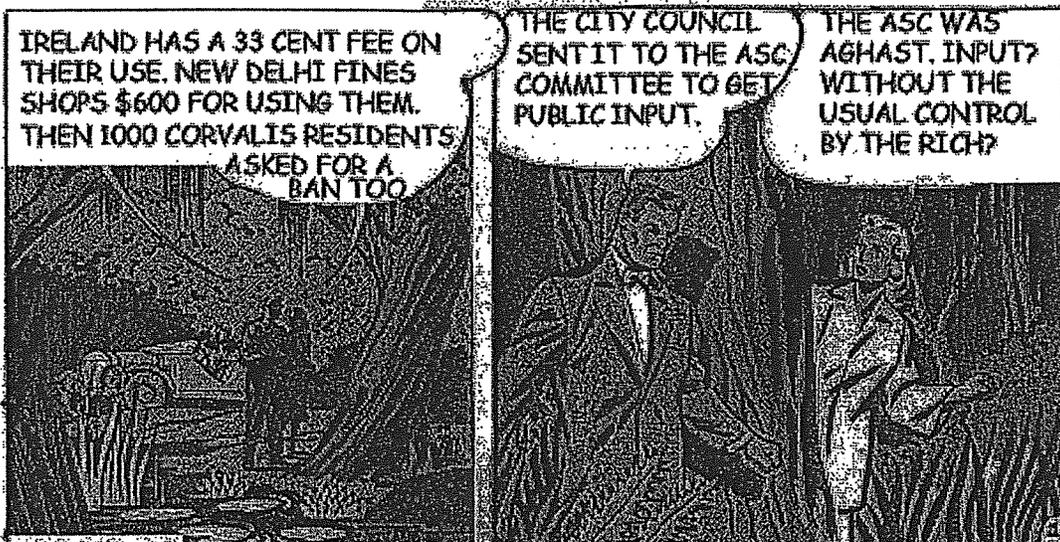
City Manager Patterson,

Please place the attached document into the plastic bag record on my behalf and also on the plastic bag section of the City website. Perhaps I will be late to this afternoon's A.S.C. meeting. Tell Joel not to wait for me.

MOB



4 YEARS AGO, CHINA RESTRICTED MAKING OR USING PLASTIC BAGS. BANGLA DESH, OAKLAND, SAN FRANCISCO, AND OTHERS HAVE JOINED IN. WHOLE FOODS AND TRADER JOE'S HAVE BANNED THEM.



IRELAND HAS A 33 CENT FEE ON THEIR USE. NEW DELHI FINES SHOPS \$600 FOR USING THEM. THEN 1000 CORVALIS RESIDENTS ASKED FOR A BAN TOO

THE CITY COUNCIL SENT IT TO THE ASC COMMITTEE TO GET PUBLIC INPUT.

THE ASC WAS AGHAST. INPUT? WITHOUT THE USUAL CONTROL BY THE RICH?

THAT HAD TO BE REMEDIED, AND THE CITY SEARCHED UNTIL THEY FOUND A PLASTICS CORPORATION, HILEX - IN SOUTH CAROLINA - WILLING TO TAKE CHARGE. HELIX POLY HAS SUED EVERYONE FROM A MAKER OF REUSABLE BAGS TO LOS ANGELES ON THE ISSUE.

OF COURSE, THE CITY SAYS "WE JUST WANT TO HEAR THE "STAKEHOLDER" ON THIS ISSUE". UH HUH. ESPECIALLY THE CORPORATE ONES.



I'M THE STAKEHOLDER HERE!



THIS ISN'T NEW. THE CITY HAS DONE THIS TO NEIGHBORHOODS, TO OTHERS. IT'S ALL ABOUT THE 1%.



MEANINGFUL CITIZEN INPUT GIVES HIVES TO SOME IN THE CITY. THEY DON'T KNOW HOW TO HANDLE THAT RADICAL IDEA.



YOU CAN IMAGINE WHAT IT WOULD HAVE LOOKED LIKE IF BIG TOBACCO GAVE INPUT ON SMOKING IN BARS.

ABOUT LIKE THIS ACTUALLY



THE END

OCCUPY CORVALLIS  
OWSCORVALLIS.COM