



ADMINISTRATIVE SERVICES COMMITTEE

Agenda

Wednesday, November 7, 2012
4:00 pm

Madison Avenue Meeting Room
500 SW Madison

- | | |
|----------------------------|---|
| Discussion/Possible Action | I. Land Use Application Fees Recommendations
(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. Utility Rate Annual Review
(Attachment) |
| Information | IV. Other Business |

Next Scheduled Meeting

Wednesday, November 21, 2012 at 4:00 pm
Madison Avenue Meeting Room, 500 SW Madison Ave

Agenda

None at this time.

MEMORANDUM

From: Ken Gibb, Community Development Director 

To: Administrative Services Committee (ASC)

Date: October 22, 2012

Re: Information Regarding New Land Use Fees

Three new land use fees have been proposed for 2013. Those fees are a Survey Verification Fee, a Solar Access Permit Fee, and a Floodplain Development Permit Variance Fee and, with the exception of the Survey Verification Fee, are based on a 70% recovery rate similar to most of the other land use application fees. A brief explanation of the need for each fee, and the Staff work involved with each fee, follows:

Survey Verification Fee - This \$100 fee pays for two hours of the City Surveyor's time, which is necessary to review submitted annexation surveys to ensure they are correct and in an acceptable format. In past years, Public Works was able to provide this internal service without charge, and the City Surveyor was able to work this item into his other duties. This fee would essentially "buy" the time of the City Surveyor in order to ensure that the necessary review can be done on a timely basis.

Solar Access Permit Fee - This \$652 fee pays for the time of Planning Division Staff to process a Solar Access Permit request. The review process for a Solar Access Permit is an administrative-type decision, with decisions made by the Community Development Director, appealable to the Land Development Hearings Board. Staff-work typically associated with this type of application includes working with the applicant to ensure we have all necessary application materials, providing public notice to owners and occupants of property within 100 feet of the site, communicating with interested citizens, and writing the notice of disposition, which details the decision of the Community Development Director, based on review of the applicable decision criteria and the proposed development. Because this is the same type of process as that used for a Plan Compatibility Review (PCR), the fee assigned is the same as that charged for a PCR.

Floodplain Development Permit Variance Fee - This \$3,912 fee pays for the time of Planning Division Staff to process a Floodplain Development Permit Variance request. One of the basic Federal requirements for regulating development in the floodplain is the requirement for a Floodplain Development Permit. In 2011, the Land Development Code was amended to include provisions for Floodplain Development Permits and a Floodplain Development Permit Variance, per Federal Emergency Management Agency (FEMA) requirements. This variance process is designed to be utilized in very limited circumstances. A public hearing before the Land Development Hearings Board (LDHB) is required for this type of quasi-judicial decision. Staff-work typically associated with this type of application includes working with the applicant to ensure we

have all necessary application materials, providing public notice to owners and occupants of property within 300 feet of the site, communicating with interested citizens, writing the staff report for the LDHB hearing, staffing the LDHB hearing, and preparing the notice of disposition for the LDHB decision. Due to the number of decision criteria, and their complexity, it is anticipated that a typical staff report will be at least that of a typical Major Lot Development Option (LDO), which is another type of application that is heard by the LDHB. Consequently, the fee for the variance process has been set at the same level as that for a Major LDO.

Review and Concur:



James A. Patterson, City Manager

Attachment:

- A. July 10, 2012 Memorandum from the Community Development Director to the Administrative Services Committee regarding the Yearly Review of Land Use Application Fees - 2013

MEMORANDUM

From: Ken Gibb, Community Development Director 
To: Administrative Services Committee (ASC)
Date: July 10, 2012
Re: Yearly Review of Land Use Application Fees - 2013

I. Issue

Each year, the City Council conducts a review of Land Use Application Fees. State law requires these fees to be not more than 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 for calendar year 2013 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."

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. In 2009, the City Council increased the cost recovery ratio to 70%, and that cost recovery ratio has remained the same in 2010, 2011, and 2012.

Land Development Code Section 1.2.100 includes the following direction regarding development review fees:

Section 1.2.100 - DEVELOPMENT REVIEW FEES

1.2.100.01 - Required Fees

The Director is authorized to charge and collect fees for the provision of municipal services outlined in this Code. The City Council shall set fees in accordance with the Council's financial policies and shall charge no more than the actual or average cost of providing planning and development review services in accordance with ORS 227.175(1), as amended. The Director shall maintain a current schedule of fees for public review.

1.2.100.02 - Annual Review

Development review fees shall be reviewed annually and revised to reflect the change in costs to the City for wages and benefits of appropriate represented employees in the current fiscal year. The annual adjustment of fees shall be effective January 1 of each year.

Direction is needed in regard to the fee adjustment for 2013. Should the fees be designed to recover 70% of Land Use Application processing costs, or some other percentage of such costs?

III. Analysis

For a number of reasons, Staff recommend that the City Council make a decision regarding land use application fees based on data from last year's analysis (**Attachment A**). The reasons for this simpler review process are as follows:

1. Costs are Similar to FY 11-12 Costs: Planning Division costs have not significantly changed since last year. Personnel costs constitute approximately 90% of the Planning Division budget, and with no Cost-of-Living increases between the FY 11-12 and the FY 12-13 budgets, those costs will not be significantly different. Other costs are not significantly increasing (**Attachment B** - Planning Division Budget Overview). Consequently, setting the 2013 Land Use Application fees based on costs from FY 11-12 is consistent with LDC Section 1.2.100.02, because the fees would be based on current wages and benefits.
2. Reduced Staffing will Require Simplified Processes: With loss of the Senior Planner position in the FY 12-13 budget, the Planning Division is coping with reduced resources for the foreseeable future. Preparing analysis for Land Use Application fee reviews has been a time-intensive process for the Planning Division Manager. Because this year's costs will be similar to last year's costs, a more complex analysis does not appear to be necessary.
3. Time Spent on the Land Use Application fee analysis may be better spent on other projects: Currently, Planning Division Staff are engaged with developing a package of Land Development Code Amendments to be considered for adoption by December of 2012. The timeline for adoption is aggressive, and moving this package through the process will

require a large amount of staff time. Additionally, the City/OSU Collaboration Project continues to demand Planning Staff attention, particularly the work of the Neighborhood Planning Work Group. Given these high priority projects, it is believed that a simpler review of Land Use Application fees is warranted this year.

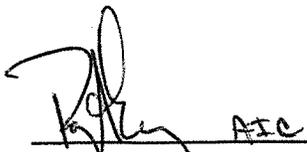
III. Direction Requested

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. However, initial direction is requested regarding the desired methodology for updating land use application fees. Two options are possible:

1. Direct Staff to update land use application fees incorporating cost data from the prior year, as well as analysis of land use application volume and complexity for the past 2011 calendar year. More time will be necessary for preparation of this detailed analysis, with an initial review by the Administrative Services Committee in late summer or early fall.
2. Direct Staff to move forward with the land use application fee update based on calculations from last year's analysis. If this option is selected, two further options are possible: 1. Continue the 70% cost recovery fee schedule that is currently in place (**Attachment C**), or adopt a different cost recovery fee schedule.

Staff recommend **Option 2**, based on reasons given previously in this memorandum. If Option 2 is selected, 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. If Option 1 is selected, Staff will need more time to update land use application fees based on FY 11-12 cost data and data regarding land use application volume and complexity. Once that analysis is complete, Staff will schedule a preliminary meeting with the ASC in late summer or early fall.

Review and Concur:



James A. Patterson, City Manager



Nancy Brewer, Finance Director

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)	19	11	15	9	8	12.40			
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		0.00	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	28	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	64	77.40		29.19	
Expenditures Allocated to Current Planning: \$64,266 Total Yearly Units of Effort Expended: 29.19 Cost per Unit: \$2,199									
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	\$ 13,039	\$ 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	\$ 9,128	\$ 6,349	8%						
Modification to CD***	2.20	0.25	0.55	\$ 4,657	\$ 3,260	\$ 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	none							
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)													
Conceptual Development Plan*	0.00	0.75	0.00	\$ 13,971	\$ 9,780	\$ 6,603	8%						
Detailed Development Plan*	0.40	0.80	0.32	\$ 14,902	\$ 10,431	\$ 7,257	8%						
Detailed Dev. Plan w/ Conceptual*	3.40	0.85	2.89	\$ 15,834	\$ 11,084	\$ 7,744	8%						
Major Modification to PD*	3.00	0.75	2.25	\$ 13,971	\$ 9,780	\$ 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	\$ 9,128	\$ 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	\$ 7,824	\$ 7,234	8%						
Residential (Administrative)*	1.50	0.65	0.98	\$ 12,108	\$ 8,476	\$ 6,896	8%						
Extension of Services	0.00	0.70	0.00	\$ 13,040	\$ 9,128	\$ 6,436	8%						
Historic Preservation Permit	26.00	0.25	6.50	\$ 4,657	\$ 3,260	\$ 30	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										
<table border="1"> <tr> <td>Expenditures Allocated to Current Planning</td> <td>\$644,256</td> </tr> <tr> <td>Total Yearly Units of Effort Expended</td> <td>34.59</td> </tr> <tr> <td>Cost per unit</td> <td>\$18,628</td> </tr> </table>								Expenditures Allocated to Current Planning	\$644,256	Total Yearly Units of Effort Expended	34.59	Cost per unit	\$18,628
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	\$ 5,588	\$ 3,912	\$ 3,645	8%						
Lot Line Adjustment	8.00	0.025	0.20	\$ 466	\$ 326	\$ 304	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	\$ 18,828	\$ 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)							
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	\$ 8,562	\$ 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	\$ 7,231	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		29.18				
Expenditures Allocated to Current Planning				\$644,256			
Total Yearly Units of Effort Expended				34.59			
Cost per unit				\$ 18,828			
General Development (G)							
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 (with per acre add-on)			
	<i>Major</i>	\$10,417	\$150
	<i>Minor (including Health Hazard)</i>	\$2,980	
Comprehensive Plan Amendment		\$12,667	
Conditional Development (including Willamette River Greenway CD)			
	<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:	\$15,961 ¹¹	\$18,536 ¹¹	\$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.

PLANNING DIVISION BUDGET OVERVIEW

Planning Division Budget	Actual FY 07-08	Actual FY 08-09	Actual FY 09-10	Actual FY 10-11	Budget FY 11-12	Budget FY 12-13
510 Personal Services						
4401 Div. Admin	229,953	248,034	222,935	245,269	211,710	233,170
4402 Long Range	191,709	221,515	224,905	254,708	91,740	75,080
4404 Dev Review	233,515	266,601	253,886	198,425	411,470	334,520
TOTAL PERSONAL SERVICES	655,177	736,150	701,726	698,402	714,920	642,770
520 Materials & Supplies	26,676	10,989	18,693	8,084	26,460	17,760
530 Services	42,912	57,051	34,044	33,278	52,950	53,600
540 Utility & Overhead	17,703	12,908	11,632	12,359	15,380	15,380
550 Training	5,734	5,734	3,591	3,829	2,500	2,500
560 Capital Outlay	0	0	0	0	0	0
TOTAL MATERIALS & SERVICES	93,025	86,682	67,960	57,550	97,290	89,240
TOTAL PLANNING	748,202	822,832	769,686	755,952	812,210	732,010

DRAFT - 2013 Land Use Application Fees¹ (Effective January 1, 2013)

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 and \$100 survey verification fee³)			
	<i>Major</i>	\$9,173	\$132
	<i>Minor (including Health Hazard)</i>	\$2,708	
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	
Solar Access Permit ⁴	\$652	
Floodplain Development Permit Variance ⁵	\$3,912	

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.
3. Beginning in 2013, a survey review fee of \$100 will be charged in conjunction with each Annexation application to fund the City Surveyor's time needed to review and confirm surveyed boundaries of each annexation.
4. Beginning in 2013, a fee has been established for review of a Solar Access Permit. Although Solar Access Permit provisions have been in the Land Development Code for several years, no fee had ever been established for the process.
5. With adoption of Chapter 2.11 - Floodplain Development Permits, in 2011, there is a need for a fee for a Floodplain Development Permit Variance (no fees are charged for Floodplain Development Permits).

MEMORANDUM

October 16, 2012

TO: Administrative Services Committee

FROM: Nancy Brewer, Finance Director 

SUBJECT: CP 2008-1.11, Identity Theft Prevention & Red Flag Alerts Policy

I. Issue

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

II. Discussion

The purpose of CP 2008-1.11 is to have an identify theft prevention policy that is consistent with the size and complexity of the City's operations and develops solutions to meet the combined provisions of the Fair and Accurate Credit Transaction Act and the Oregon Consumer Identity Theft Protection Act. Compliance areas within the policy include:

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

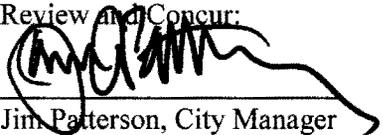
The policy provides examples of Red Flag patterns, practices or specific activities that may indicate the possible existence of identity theft and the appropriate actions for staff to take. Unusual or suspicious activities are highlighted to ensure staff awareness of situations that could result in identity 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 requests each department discuss policy objectives with staff and to complete a red flag checklist to document department processes and potential red flag issues. Each department reviews the red flag checklist and upon completion, signs and returns the checklist to the Finance Department. The Finance Department maintains a record of each department's red flag compliance progress and works with each department on an annual basis with a goal to establish a system of checks and balances to reach and maintain compliance.

Staff is required to review the Identity Theft & Red Flag Alert policy on an annual basis. Staff proposes to change the policy review to once every three years with an annual audit report to City Council summarizing overall 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 staff recommends changing the review to once every three years with an annual audit report to Council.

Review and Concur:


Jim Patterson, City Manager

CITY OF CORVALLIS
COUNCIL POLICY MANUAL

POLICY AREA 1 - GENERAL

CP 08-1.11 Identity Theft Prevention & Red Flag Alerts

<u>Adopted</u>	<u>October 20, 2008</u>
Revised	May 4, 2009
Affirmed	November 1, 2010
Affirmed	November 7, 2011
Revised	November , 2012

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

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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 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

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- same customer;
- Personal Identifying Information provided by the customer that is not 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

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Manager will determine an appropriate response commensurate with the degree of risk posed.

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

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high number of inquiries on an account, coupled with a lack of correlation in the information provided by the customer or employee.

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

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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
- 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

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compliance, and information storage and disposal. Upon review and compliance with the checklist, each department must return a signed copy to the Finance Department.

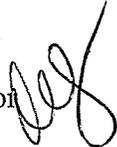
The MIS Manager and Customer Service Manager are responsible for oversight of the program and program implementation.

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. The Customer Services Manager and MIS Manager shall submit a report to the City Council each October summarizing the results of the annual review and audit.

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

MEMORANDUM

TO: Administrative Services Committee
FROM: Mary Steckel, Public Works Director 
DATE: October 24, 2012
SUBJECT: Annual Utility Rate Review

ISSUE

The City of Corvallis Financial Policies call for an annual review of City water, wastewater, and storm water rates for Council consideration.

BACKGROUND

Utility funds are not supported by property taxes, but generate revenue from user fees. In government, utility funds are operated as a business. The rate structure must capture the costs of operating the utility, which include personnel, equipment, materials, debt service, and capital improvements that are not growth-related (i.e., current-revenue-funded projects). The principal expenditures in these funds are for the treatment of water and wastewater, and the maintenance of the infrastructure in plant, pipe, pump, and urban stream systems valued at over \$490 million.

In 1995, the City Council adopted a rate adjustment strategy that required the three utility funds to be addressed as a whole and limited the total annual utility bill increase to 7%. To further mitigate the impact of increases on the rate payer, the Council, in 1999, amended Financial Policy 10.03.050.020 (Annual Rate Review) guiding staff to target the combined rate increase to 2% to 3%. This strategy provided for an annual increase to meet existing operating needs and debt service capacity for capital projects.

In June 2004, the City Council approved a proposal by staff for a mechanism to determine when utility rates that exceed Council's 2-3% guideline might be needed. In this model, during the rate review process, the carryover balance into the next fiscal year is compared to a minimum fund balance targeted amount. If the ending fund balance is below the minimum target amount, the situation would trigger City Council consideration of a combined rate increase in excess of the 2-3% guideline. Alternatively, if compliance with the guideline could only be achieved by deferring scheduled projects, staff would have the latitude to bring forward arguments for rate increases above the guideline based on an assessment of the risk of project deferral.

Attachment A shows a 10-year history of utility rate increases and the resulting monthly water, wastewater, and storm water charge for an average single-family residential customer in Corvallis.

DISCUSSION

Review process

Staff conducted a review of each utility fund for the upcoming three-year planning period. First, information was gathered from utility staff about projects or new expenditures that are essential to meet the operational needs of the utility systems, as well as the ongoing expenditures necessary to operate systems at the current level. Then, the utility master plans were reviewed for any updates or additions in infrastructure capital needs. The identified changes to operation and capital expenditures were incorporated in the utility fund financial plans.

Next, building off the experience from the previous year, staff analyzed the expenditure patterns in each fund and developed mitigation factors based on historic spending levels. This resulted in factors for FY 12-13 of \$700,000 in the Water Fund, \$860,000 in the Wastewater Fund, and \$460,000 in the Storm Water Fund. These factors will continue to be refined as more experience is accumulated and will be reviewed each year as a part of the rate review process.

The funds then were reviewed against the triggering criteria established by the City Council in June 2004. The following table compares the FY 11-12 unaudited fund balance with the minimum fund balance determined by the Finance Director, in compliance with City Council Financial Policies. In all cases, the actual ending fund balance is higher than the minimum target, which means it does not trigger a request to Council to consider a rate increase in excess of the 2-3% guideline.

Fund	Actual Ending Balance	Minimum Fund Balance Target
Water	\$885,438	\$500,000
Wastewater	\$1,945,465	\$500,000
Storm Water	\$1,465,222	\$300,000

An assessment of the viability of each fund for the three-year planning period follows.

Water Fund

The primary revenue source in this fund is from customer utility bills, which accounts for 96% of the annual operating revenues. Impacts to this revenue source have been felt in recent years, with revenue received falling short of budget projections by over \$1,000,000 (see table below). FY 11-12 ended with a 1.4% shortfall, an improvement over FY10-11, but still less than was conservatively estimated.

Water production for FY 11-12 was slightly higher than the previous year for the first time in the last four years (Attachment B). Factors influencing water production include weather, which impacts irrigation volumes, the slow economic recovery, and water conservation efforts. The summer of 2012 ended with a record number of rain-free days resulting in a 9% increase in water production for the first quarter of FY 12-13 over FY 11-12. Staff is predicting the total receipts for the year will be 3.4% more than budgeted (see table).

Fiscal Year	Water Service Revenue			Over/Under Budget
	Budgeted	Received	Projected	
08-09	\$8,082,640	\$7,873,891		\$(208,749)
09-10	\$8,208,650	\$7,773,058		\$(435,592)
10-11	\$8,277,330	\$7,765,525		\$(511,805)
11-12	\$8,266,800	\$8,150,611		\$(116,189)
12-13	\$8,248,610		\$8,533,040	\$284,430

The next largest category of Water Fund revenues comprise only 1% of the total operating revenue and are those associated with new developments, such as the sale of water meters. During the planning period, a conservative budgeting approach was taken with these revenues to reflect the current development climate. The revenue received in FY 11-12 was nearly \$50,000 higher than projected, mainly due to the recent surge in new housing projects associated with increased enrollment at OSU.

On the expenditure side, special projects and capital projects in FY 11-12 came in less than budgeted by about \$1.5 million, including \$700,000 in special projects that were deferred to a future year.

A major item affecting the expenditure picture in the planning period that is not reflected in the financial plan is the outcome of the asset management program development currently underway. This program will provide a comprehensive picture of the water utility infrastructure from the treatment plant to the customer meter, encompassing both inventory information (i.e., pipe location, useful life, and replacement cost) and assessment information (i.e., pipe condition, performance, and criticality to overall system). Using this data, a more complete understanding of the state of the utility will be achieved, leading to recommendations for the level and type of maintenance needed to ensure a fully functioning system into the future. It is therefore anticipated that within the planning period recommendations about system maintenance and performance will be available that may alter significantly the current expenditure levels.

Realizing the need to raise rates to ensure fund viability in the planning period, but also being sensitive to the on-going economic situation, staff took a hard look at the planned expenditures. As a result, no significant new projects were added. A rate structure study is currently underway to determine whether changes should be made to the method used to recover fixed costs and consumption costs, in light of the reduced consumption trend in recent years.

The situation in the Water Fund requires an adjustment to forestall future problems. For rate setting in FY 12-13, staff recommends a 2% increase equivalent to what staff projected would be needed in last year's report. For the remainder of the planning period, rate increases are recommended to be in the 2% range, also consistent with last year's projections. With these recommended adjustments, the financial plan shows a negative fund balance in the third year of the planning period (Attachment C).

Wastewater Fund

The primary revenue source in this fund is also from customer utility bills, accounting for 90% of the annual operating revenues. Revenue received in FY 11-12 was higher than projections by 1.1% or \$87,000.

Unfortunately, nearly fully offsetting the gain in FY 11-12 was a decrease in revenues from lower than predicted volumes of Coffin Butte landfill leachate brought to the plant for treatment. Revenues related to new development in this fund are an insignificant portion of the annual operating revenue, and therefore when actuals were below the already reduced projections, there was no effect on the fund viability. In general, the Wastewater Fund is in a better position than the Water Fund because of the mix of revenues and the larger fund balance.

On the expenditure side, nearly \$900,000 in savings were achieved in FY 11-12 special and capital projects. For the planning period, staff updated project timing and/or scope per Capital Improvement Program recommendations. A \$230,000 biosolids storage tank project was added, while the Wastewater Reclamation Plant odor control facilities project was removed (\$1,300,000). This project was able to be removed after operational improvements satisfied the odor concerns received from local neighbors. A possible impact to future expenditure levels is the implementation of the asset management program discussed under the Water Fund above. The more refined wastewater infrastructure information that will be an outcome of this effort will provide a solid foundation for maintenance program planning, which may result in recommendations to alter the current expenditure levels.

A significant capital project is on the horizon to reduce the temperature of the effluent leaving the Wastewater Reclamation Plant and entering the Willamette River. The State regulations dictating an acceptable temperature level, referred to as Total Maximum Daily Load (TMDL), are driving an effort to develop a solution. Staff began a public process in 2010 to determine what that solution

will be. Preliminary cost estimates, based on alternatives identified to date, are in the range of \$15-20 million. Prudent financial planning would suggest that rate increases of a modest level be implemented during the planning period to build capacity to mitigate the debt likely to result from this project.

Being sensitive to the on-going economic situation, while attempting to accommodate the future large TMDL capital outlay, staff took a hard look at the fund viability in terms of expenditures planned. As a result, no significant new projects were added.

The revenue from processing landfill leachate is about \$800,000 a year. The long-term stability of this source is unknown at this time, as Allied Waste continues to explore the least cost option for their disposal needs. Loss of this source, or even a significant reduction, would have an impact during the planning period, triggering a need to raise utility rates to replace the lost revenues.

For rate setting in FY 12-13, staff recommends a 3% percent increase, which is 1% lower than what was projected in last year's report. This moderate increase begins to build capacity for future projects. Staff believe a higher increase is not warranted until additional information is available on the pending solution for the TMDL project. The rate increases recommended for the rest of the planning period are shown at 3.5-4%. Even with these proposed increases, the financial plan reflects a negative fund balance in the third year of the planning period (Attachment D).

Storm Water Fund

The primary revenue source in this fund is also from customer utility bills, accounting for 96% of the annual operating revenues. The actual revenue in FY 11-12 was higher than projections by about 2% or \$40,000. Revenues related to new development in this fund comprise less than half a percent of the total annual operating revenue, and the fund viability was not impacted by reductions in this revenue stream.

On the expenditure side, savings from special and capital projects in FY 11-12 totaled approximately \$310,000. The majority of the savings resulted from eliminating two proposed storm drain replacement projects after an engineering review determined that they were not feasible. In the planning period, no new storm water operational or capital needs were identified.

The asset management program mentioned in the other two funds also will be implemented for storm water infrastructure and future expenditure levels in this fund are expected to change, as more refined information is available for planning the utility's maintenance programs.

Storm water utility rates were increased in February 2010, after eight years of no increases. In 2011, and again in 2012, the decision was made to defer an increase in storm water because of the more urgent need for increases in the water utility. In last year's report, storm water rate increases of 10% and 9% were projected for the planning period to mitigate the effects on the long-term viability of the fund from many years of no increases combined with annually increasing costs for materials and supplies. On-going challenges in the Water and Wastewater Fund required a close look at the level of increase in storm water fees. There is no capacity within Council's guidance for the combined utility rate increase to have significant increases in all three funds. Therefore, staff's recommendation is to decrease the projected storm water rate increase to 7% for the next two years. The effect of this change can be seen in the financial planning document that shows a negative fund balance in the third year of the planning period (Attachment E).

Beyond the three-year planning period

Water Fund

Based on what is known about current and emerging State and federal regulations, there is not a pressing need for significant, new capital projects. However, one existing project, Marys River Water Main Crossings, has changed in a way that impacts operating resources. Attempts to secure

federal grants to construct the \$1.5 million project were unsuccessful, and therefore the funding now will need to come from current revenues. New operating or special project expenditures may develop from the impact on preventive maintenance programs from the outcome of the asset management system implementation. To the extent that customer water use levels off and the revenue capacity is sufficient, rate increases in the years beyond the planning period are projected to remain at 2%. While these planned increases result in a projected fund balance deficit, it is important to note that the financial plan is a conservative one and the annual viability review provides the flexibility to alter the projected course as circumstances change. Attachment C shows the financial planning document used by staff to predict needs outside the planning period.

Wastewater Fund

Several factors influence the future viability of the Wastewater Fund; the major one being the selected solution to comply with TMDL wastewater discharge permit requirements, which will affect both capital and operating expenditures. Other potential impacts may come from discussions at the Department of Environmental Quality about how to address water quality issues related to the components identified in Senate Bill 737 (“Priority Persistent Pollutants”), those in personal care products, and those in pharmaceuticals that end up in the wastewater stream. Additionally, budgets for the years beyond the planning period will likely be adjusted based on recommendations from the asset management program implementation. Revenues may be impacted by decisions made by Allied Waste for leachate disposal. Anticipating the need to build capacity in the revenue stream to address these items in the future results in projected increases of 3.5%. Attachment D shows the financial planning document used by staff to predict needs outside the planning period.

Storm Water Fund

In the years following the planning period, expenditures continue to outpace revenues and the fund balance deficit continues to grow. Items not currently reflected in the financial plan include the impact of the asset management implementation and likely projects from the updated piping system master plan scheduled for FY 12-13 and 13-14. However, capacity within the combined rate increase will likely be needed to address regulations in the Wastewater Fund, and as a result, projected increases in storm water rates level off at 5% per year. Attachment E shows the financial planning document used by staff to predict needs outside the planning period.

Recommended rate adjustment

The recommended rate adjustment for 2012 is a 2% increase for water, a 3% increase for wastewater and a 7% increase for storm water. This results in a combined rate increase of 3%, which is within the parameters of the City Council’s guidance for combined rate increases of 2-3%, and well within the 7% ceiling in the Financial Policies.

An average residential utility bill is included as Attachment F, showing the rate increases projected for the three-year planning period based on the items discussed in this report. Each year the actual rate adjustment for each utility will be reviewed and refined, and the financial plans updated in light of the most current information available.

Even with the proposed increase, Corvallis’ combined average single-family residential monthly utility charge is the lowest of the comparator like-sized Oregon cities (Attachment G). All municipalities are facing challenges to provide services, meet regulatory requirements, and address aging infrastructure. Comparing rates today with those of last year, the increases for the comparator cities average 6.52%, while Corvallis rates would increase only 3%. A comparison of neighboring cities show Corvallis utility rates contribute favorably to the overall liveability of our community (Attachment H).

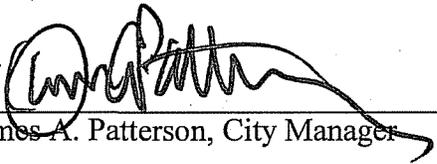
A public notice in the *Gazette-Times*, on the cable access channels and on the City’s Web page will invite citizens to comment on the proposed rate adjustment during Visitors Propositions at the City

Council meeting when this item is discussed. A copy of this staff report will be available for review on the Web, and at the Public Library and the Public Works Administrative Office.

RECOMMENDATION

Staff recommends approval of a combined rate increase of 3%, and an ordinance change to increase water utility rates by 2%, wastewater utility rates by 3%, and storm water utility rates by 7% to be effective February 1, 2013.

Reviewed and concur:



James A. Patterson, City Manager



Nancy Brewer, Finance Director

Attachments

- Attachment A - History of Utility Rate Increases
- Attachment B - 10-year History of Water Produced
- Attachment C - Water Fund (Operating) Seven-Year Plan
- Attachment D - Wastewater Fund (Operating) Seven-Year Plan
- Attachment E - Storm Water Fund (Operating) Seven-Year Plan
- Attachment F - Average Residential Utility Bill
- Attachment G - Comparison of Average Bill with Like-sized Oregon Cities
- Attachment H - Comparison of Average Bill with Surrounding Communities
- Draft Ordinance

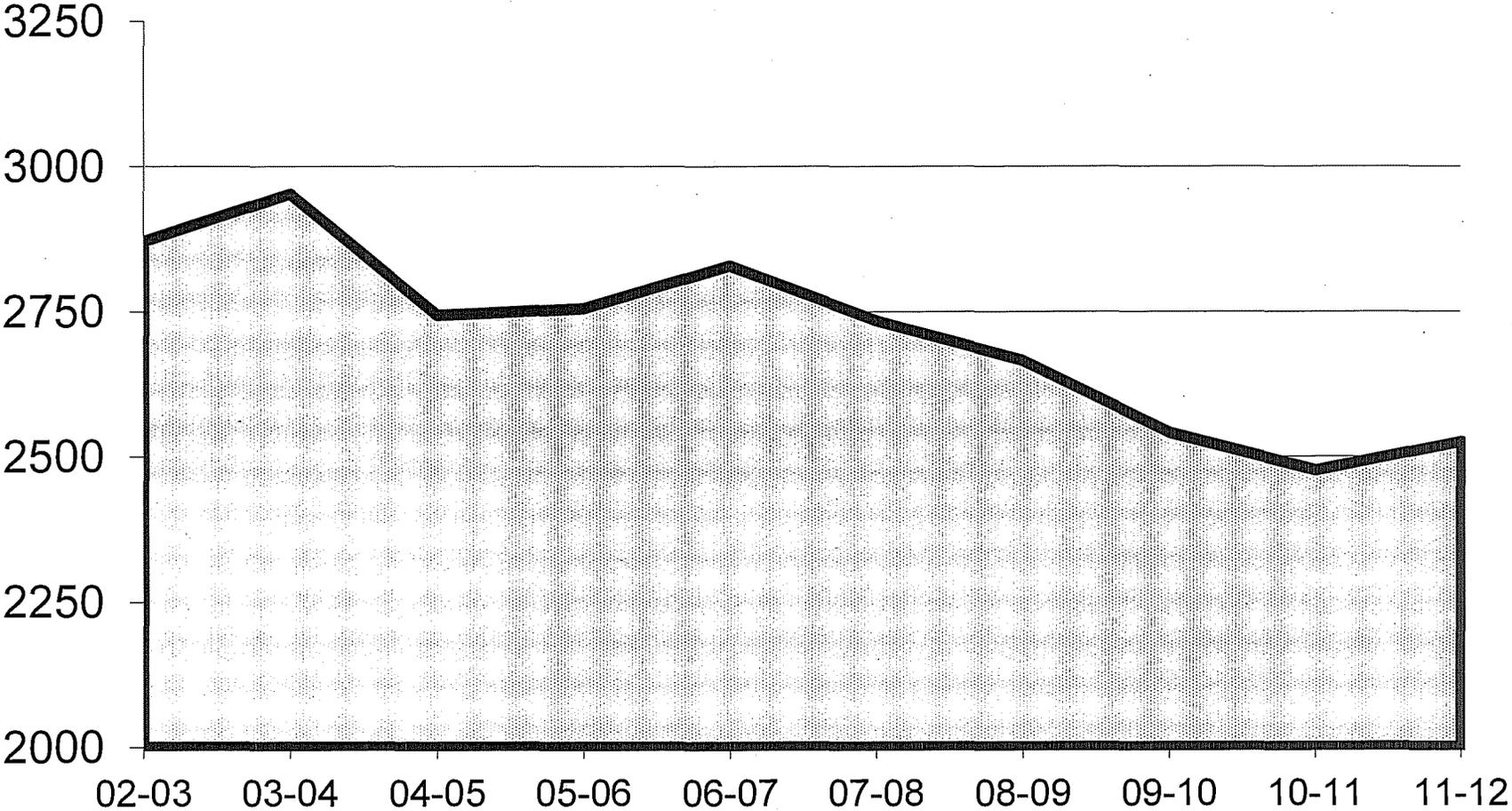
November 2012

City of Corvallis Utility Rate History

(Monthly charge for single-family residential customer based on average water consumption of 600 cu.ft. [6 units])

Year	Water		Wastewater		Storm Water		Combined Bill	
	Dollar Amount	Percentage Increase						
2000-01	\$13.72		\$21.15		\$4.70		\$39.57	
2001-02	\$13.72	0%	\$21.79	3%	\$4.98	6%	\$40.49	2.3%
2002-03	\$14.23	4%	\$22.42	3%	\$4.98	0%	\$41.63	2.8%
2003-04	\$14.55	2.2%	\$23.33	4%	\$4.98	0%	\$42.86	3.0%
2004-05	\$15.19	4.4%	\$23.97	2.7%	\$4.98	0%	\$44.14	3.0%
2005-06	\$16.11	6%	\$24.73	3.2%	\$4.98	0%	\$45.82	3.8%
2006-07	\$17.22	7%	\$25.56	3.4%	\$4.98	0%	\$47.76	4.2%
2007-08	\$18.44	7%	\$26.48	3.6%	\$4.98	0%	\$49.90	4.5%
2008-09	\$19.53	6%	\$26.97	2%	\$4.98	0%	\$51.48	3.2%
2009-10	\$19.89	8%	\$27.52	4%	\$5.48	10%	\$52.89	2.7%
2010-11	\$20.63	3.7%	\$28.07	2%	\$5.48	0%	\$54.18	2.4%
2011-12	\$21.60	4.3%	\$28.93	3%	\$5.48	0%	\$56.01	3.3%

Corvallis Water Production (in million gallons)



WATER FUND - OPERATING

10/26/12 4:29 PM

BUDGETARY BASIS	AUDITED	UNAUDITED	ADOPTED	REVISED	PLANNING PERIOD						
	FY 10-11	FY 11-12	FY 12-13	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 19-20	FY 20-21
RATE INCREASE	3.70%	4.30%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
BEGINNING OPERATING FUND BALANCE	\$1,169,425	\$1,261,227	\$962,687	\$885,438	\$1,299,798	\$45,778	(\$71,052)	(\$398,052)	(\$315,193)	(\$1,423,113)	(\$395,183)
OPERATING REVENUES											
Charges for Service	\$8,060,594	\$8,552,193	\$8,620,130	\$8,920,440	\$8,862,340	\$9,039,180	\$9,219,530	\$9,403,490	\$9,591,150	\$9,782,560	\$9,977,800
Intergovernmental	7,327	(1,024)	0	0	0	0	0	0	0	0	0
Fines & Forfeitures	3,148	2,954	0	0	0	0	0	0	0	0	0
Miscellaneous	93,808	243,299	50,440	37,540	36,690	34,300	32,340	34,040	36,120	55,600	56,170
TOTAL OPERATING REVENUES	\$8,164,877	\$8,797,423	\$8,670,570	\$8,957,980	\$8,899,030	\$9,073,480	\$9,251,870	\$9,437,530	\$9,627,270	\$9,838,160	\$10,033,970
OPERATING EXPENDITURES											
Community Development	\$48,327	\$49,154	\$55,770	\$55,770	\$58,520	\$59,090	\$64,320	\$67,710	\$71,280	\$75,050	\$79,030
Public Works	6,584,719	7,475,486	7,488,160	7,280,310	7,391,210	7,559,890	8,057,290	7,964,040	8,346,110	8,539,660	8,982,870
Non-Departmental	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING EXPENDITURES	\$6,633,046	\$7,524,640	\$7,543,930	\$7,336,080	\$7,449,730	\$7,618,980	\$8,121,610	\$8,031,750	\$8,417,390	\$8,614,710	\$9,061,900
REVENUE EXCESS (SHORTFALL) OVER EXPENDITURES	\$1,531,831	\$1,272,783	\$1,126,640	\$1,621,900	\$1,449,300	\$1,454,500	\$1,130,260	\$1,405,780	\$1,209,880	\$1,223,450	\$972,070
NON-OPERATING RESOURCES (USES)											
NON-OPERATING ACTIVITY											
Debt Service	(\$1,009,218)	(\$1,018,798)	(\$1,021,160)	(\$1,021,160)	(\$1,016,620)	(\$1,020,340)	(\$179,400)	(\$176,970)	\$0	\$0	\$0
Transfers In	347,469	344,558	342,740	342,740	341,530	343,050	65,870	65,400	7,350	7,720	8,110
Transfers Out	(730,660)	(921,551)	(1,200,950)	(817,390)	(1,915,680)	(987,910)	(1,258,410)	(1,258,331)	(2,245,150)	(247,330)	(454,190)
Contingencies	0	0	(187,160)	0	(184,710)	0	0	0	0	0	0
TOTAL NON-OPERATING RESOURCES (USES)	(\$1,392,409)	(\$1,595,791)	(\$2,066,530)	(\$1,495,810)	(\$2,775,480)	(\$1,665,200)	(\$1,371,940)	(\$1,369,901)	(\$2,237,800)	(\$239,610)	(\$446,080)
NET OPERATING FUND ACTIVITY	\$139,422	(\$323,009)	(\$939,890)	\$126,090	(\$1,326,180)	(\$210,700)	(\$241,680)	\$35,879	(\$1,027,920)	\$983,840	\$525,990
RESTRICTED BALANCES, Beginning of Year	\$332,479	\$380,099	\$432,879	\$432,879	\$144,609	\$72,449	(\$21,421)	\$63,899	\$16,919	\$96,919	\$52,829
FUND BALANCE (Including Restricted), End of Year	\$1,641,326	\$1,318,317	\$455,676	\$1,444,407	\$118,227	(\$92,473)	(\$334,153)	(\$298,274)	(\$1,326,194)	(\$342,354)	\$183,636
LESS: RESTRICTED BALANCES											
MANAGEMENT RESERVES	\$380,099	\$432,879	\$144,609	\$144,609	\$72,449	(\$21,421)	\$63,899	\$16,919	\$96,919	\$52,829	(\$128,791)
COUNCIL DESIGNATIONS	0	0	0	0	0	0	0	0	0	0	0
UNRESTRICTED FUND BALANCE	\$1,261,227	\$885,438	\$311,067	\$1,299,798	\$45,778	(\$71,052)	(\$398,052)	(\$315,193)	(\$1,423,113)	(\$395,183)	\$312,427

WASTEWATER FUND - OPERATING

10/26/12 4:29 PM

BUDGETARY BASIS	AUDITED	UNAUDITED	ADOPTED	REVISED	PLANNING PERIOD			FY 16-17	FY 17-18	FY 18-19	FY 19-20
	FY 10-11	FY 11-12	FY 12-13	FY 12-13	FY 13-14	FY 14-15	FY 15-16				
RATE INCREASE	2.00%	3.20%	4.00%	3.00%	4.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
BEGINNING OPERATING FUND BALANCE	\$2,947,204	\$2,331,589	\$1,221,089	\$1,945,465	\$1,975,985	\$489,399	(\$740,631)	(\$1,340,231)	(\$2,828,341)	(\$3,166,866)	(\$3,362,846)
OPERATING REVENUES											
Charges for Service	\$8,951,264	\$9,108,680	\$9,351,980	\$9,391,900	\$9,482,370	\$9,808,760	\$10,121,870	\$10,445,920	\$10,781,300	\$11,128,420	\$11,487,670
Miscellaneous	41,210	48,115	26,870	32,870	28,450	21,940	15,760	16,030	16,340	16,340	16,340
TOTAL OPERATING REVENUES	\$8,992,475	\$9,156,795	\$9,378,850	\$9,424,770	\$9,510,820	\$9,830,700	\$10,137,630	\$10,461,950	\$10,797,640	\$11,144,760	\$11,504,010
OPERATING EXPENDITURES											
Community Development	\$47,239	\$48,196	\$52,770	\$52,770	\$55,420	\$55,890	\$61,020	\$64,290	\$67,740	\$71,390	\$75,240
Public Works	6,467,621	6,531,617	7,608,910	7,608,910	7,195,070	7,572,530	7,389,630	7,775,070	8,179,610	8,361,920	8,842,270
Non-Departmental	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING EXPENDITURES	\$6,514,860	\$6,579,813	\$7,661,680	\$7,661,680	\$7,250,490	\$7,628,420	\$7,450,650	\$7,839,360	\$8,247,350	\$8,433,310	\$8,917,510
REVENUE EXCESS (SHORTFALL) OVER EXPENDITURES	\$2,477,615	\$2,576,982	\$1,717,170	\$1,763,090	\$2,260,330	\$2,202,280	\$2,686,980	\$2,622,590	\$2,550,290	\$2,711,450	\$2,586,500
NON-OPERATING RESOURCES (USES)											
NON-OPERATING ACTIVITY											
Debt Service	(\$2,300,307)	(\$2,294,017)	(\$2,291,550)	(\$2,289,610)	(\$2,255,025)	(\$2,226,200)	(\$1,958,350)	(\$1,962,175)	(\$1,969,025)	(\$1,964,650)	(\$1,968,700)
Transfers In	18,251	24,923	0	0	0	0	0	0	0	0	0
Transfers Out	(742,090)	(611,037)	(1,023,220)	(1,023,220)	(1,313,300)	(1,396,860)	(1,298,490)	(2,118,925)	(894,410)	(923,660)	(953,920)
Other Financing Sources	2,391	7,025	0	0	0	0	0	0	0	0	0
Other Financing Uses	0	0	0	0	0	0	0	0	0	0	0
Contingencies	0	0	(187,580)	0	(190,220)	0	0	0	0	0	0
TOTAL NON-OPERATING RESOURCES (USES)	(\$3,021,755)	(\$2,873,106)	(\$3,502,350)	(\$3,312,830)	(\$3,758,545)	(\$3,623,060)	(\$3,256,840)	(\$4,081,100)	(\$2,863,435)	(\$2,888,310)	(\$2,922,620)
NET OPERATING FUND ACTIVITY	(\$544,140)	(\$296,124)	(\$1,785,180)	(\$1,549,740)	(\$1,498,215)	(\$1,420,780)	(\$569,860)	(\$1,458,510)	(\$313,145)	(\$176,860)	(\$336,120)
RESTRICTED BALANCES, Beginning of Year	\$1,690,964	\$1,770,964	\$1,860,964	\$1,860,964	\$280,704	\$269,075	\$78,325	\$108,065	\$137,665	\$163,045	\$182,165
FUND BALANCE (Including Restricted), End of Year	\$4,094,027	\$3,806,429	\$1,296,873	\$2,256,689	\$758,474	(\$662,306)	(\$1,232,166)	(\$2,690,676)	(\$3,003,821)	(\$3,180,681)	(\$3,516,801)
LESS: RESTRICTED BALANCES											
MANAGEMENT RESERVES	\$143,805	\$233,805	\$232,815	\$232,815	\$269,075	\$78,325	\$108,065	\$137,665	\$163,045	\$182,165	\$38,645
COUNCIL DESIGNATIONS	0	0	0	0	0	0	0	0	0	0	0
LEGAL RESTRICTIONS	1,627,159	1,627,159	47,889	47,889	0	0	0	0	0	0	0
UNRESTRICTED FUND BALANCE	\$2,323,064	\$1,945,465	\$1,016,169	\$1,975,985	\$489,399	(\$740,631)	(\$1,340,231)	(\$2,828,341)	(\$3,166,866)	(\$3,362,846)	(\$3,555,446)

STORM WATER FUND - OPERATING

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BUDGETARY BASIS	AUDITED	UNAUDITED	ADOPTED	REVISED	PLANNING PERIOD						
	FY 10-11	FY 11-12	FY 12-13	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
RATE INCREASE	0.00%	0.00%	10.00%	7.00%	7.00%	6.00%	5.00%	5.00%	5.00%	5.00%	5.00%
BEGINNING OPERATING FUND BALANCE	\$1,769,356	\$1,622,226	\$943,234	\$1,465,222	\$771,502	\$117,662	(\$186,188)	(\$769,518)	(\$1,123,758)	(\$1,688,138)	(\$2,004,628)
OPERATING REVENUES											
Charges for Service	\$2,002,405	\$2,080,794	\$2,098,090	\$2,114,550	\$2,240,880	\$2,384,110	\$2,513,810	\$2,636,930	\$2,766,140	\$2,901,750	\$3,044,090
Intergovernmental	3,127	12,803	0	45,620	0	0	0	0	0	0	0
Fines & Forfeitures	0	20	0	0	0	0	0	0	0	0	0
Miscellaneous	12,514	14,430	8,740	8,740	7,140	4,340	2,350	1,800	1,800	1,800	1,800
TOTAL OPERATING REVENUES	\$2,018,046	\$2,108,046	\$2,106,830	\$2,168,910	\$2,248,020	\$2,388,450	\$2,516,160	\$2,638,730	\$2,767,940	\$2,903,550	\$3,045,890
OPERATING EXPENDITURES											
Community Development	\$47,825	\$49,983	\$53,670	\$53,670	\$56,340	\$56,820	\$61,960	\$65,240	\$68,700	\$72,360	\$76,220
Public Works	1,706,315	1,785,913	2,216,440	2,262,060	2,094,950	2,082,610	2,481,530	2,425,900	2,404,740	2,488,320	2,601,580
Non-Departmental	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING EXPENDITURES	\$1,754,140	\$1,835,896	\$2,270,110	\$2,315,730	\$2,151,290	\$2,139,430	\$2,543,490	\$2,491,140	\$2,473,440	\$2,560,680	\$2,677,800
REVENUE EXCESS (SHORTFALL) OVER EXPENDITURES	\$263,906	\$272,150	(\$163,280)	(\$146,820)	\$96,730	\$249,020	(\$27,330)	\$147,590	\$294,500	\$342,870	\$368,090
NON-OPERATING RESOURCES (USES)											
NON-OPERATING ACTIVITY											
Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfers In	5,625	5,342	0	0	0	0	0	0	0	0	0
Transfers Out	(371,660)	(379,496)	(584,600)	(584,600)	(650,610)	(497,870)	(801,500)	(579,410)	(812,970)	(584,360)	(825,080)
Contingencies	0	0	(42,140)	0	(44,960)	0	0	0	0	0	0
TOTAL NON-OPERATING RESOURCES (USES)	(\$366,035)	(\$374,155)	(\$626,740)	(\$584,600)	(\$695,570)	(\$497,870)	(\$801,500)	(\$579,410)	(\$812,970)	(\$584,360)	(\$825,080)
NET OPERATING FUND ACTIVITY	(\$102,129)	(\$102,005)	(\$790,020)	(\$731,420)	(\$598,840)	(\$248,850)	(\$828,830)	(\$431,820)	(\$518,470)	(\$241,490)	(\$456,990)
RESTRICTED BALANCES, Beginning of Year	\$73,433	\$118,433	\$173,433	\$173,433	\$135,733	\$190,733	\$245,733	\$233	(\$77,347)	(\$31,437)	\$43,563
FUND BALANCE (Including Restricted), End of Year	\$1,740,659	\$1,638,655	\$326,647	\$907,235	\$308,395	\$59,545	(\$769,285)	(\$1,201,105)	(\$1,719,575)	(\$1,961,065)	(\$2,418,055)
LESS: RESTRICTED BALANCES											
MANAGEMENT RESERVES	\$118,433	\$173,433	\$135,733	\$135,733	\$190,733	\$245,733	\$233	(\$77,347)	(\$31,437)	\$43,563	\$123,563
COUNCIL DESIGNATIONS	0	0	0	0	0	0	0	0	0	0	0
UNRESTRICTED FUND BALANCE	\$1,622,226	\$1,465,222	\$190,915	\$771,502	\$117,662	(\$186,188)	(\$769,518)	(\$1,123,758)	(\$1,688,138)	(\$2,004,628)	(\$2,541,618)

October 22, 2012

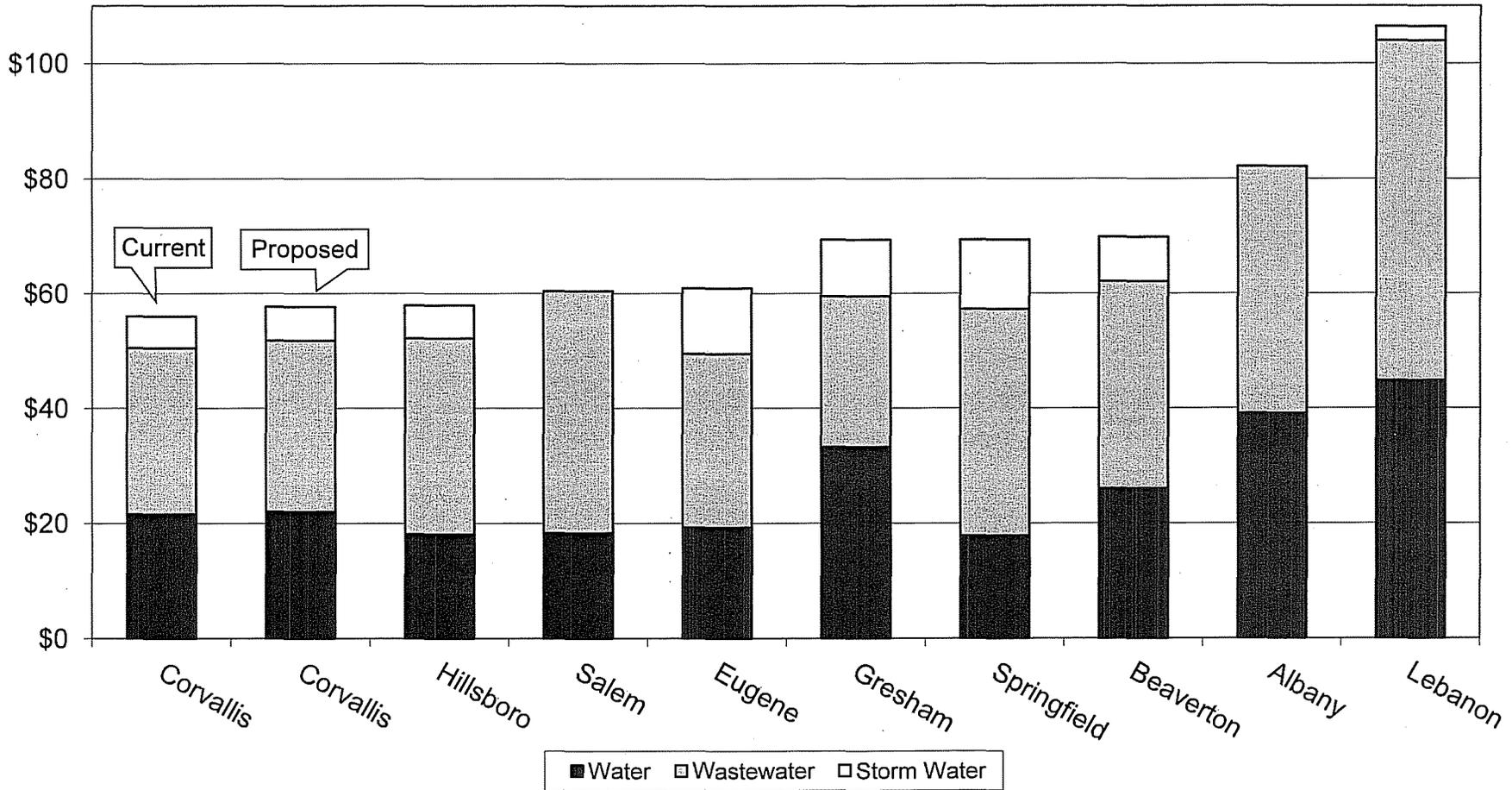
Average Residential Monthly Utility Bill
(based on water consumption of 600 cu.ft. [6 units])

Schedule of Projected Increases

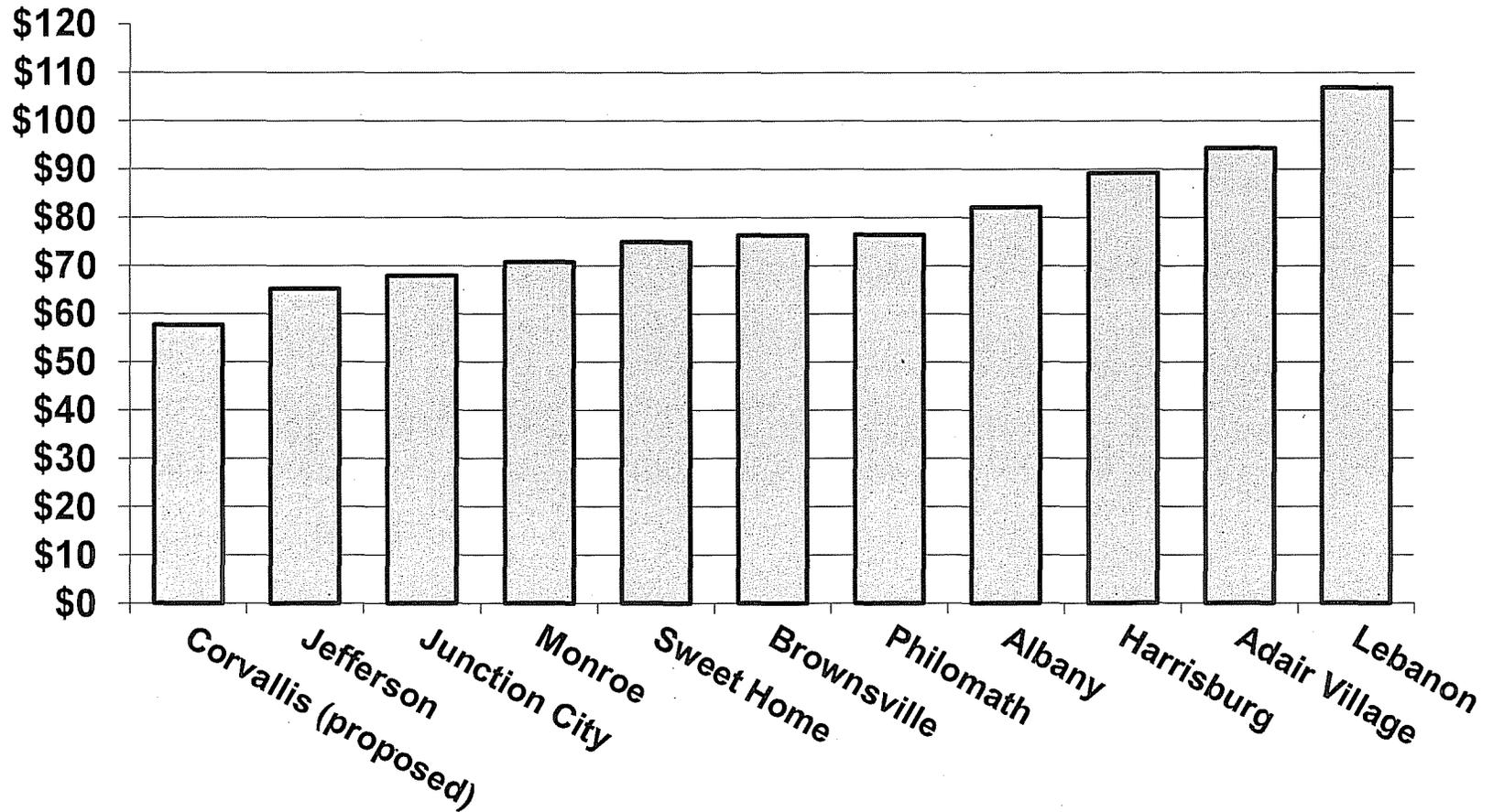
Utility	Last Rate Increase	Current Charge (Nov 12)	Proposed 12-13	Projected Rate Increases		
				13-14	14-15	15-16
Water	2/1/2012	\$21.60	2.0% \$22.03	2.0% \$22.47	2.0% \$22.92	2.0% \$23.38
Wastewater	2/1/2012	\$28.93	3.0% \$29.80	4.0% \$30.99	3.5% \$32.07	3.5% \$33.20
Storm Water	2/1/2010	\$5.48	7.0% \$5.86	7.0% \$6.27	6.0% \$6.65	5.0% \$6.98
Total % Increase			3.0%	3.5%	3.2%	3.1%
Total Bill		\$56.01	\$57.69	\$59.74	\$61.65	\$63.56

Comparison of Average Monthly Residential Utility Bill Oregon Cities Similar in Size to Corvallis

(based on consumption of 600 cu.ft. of water [6 units])
October 2012



**Comparison of Average Monthly Residential Utility Bill
Oregon Cities Surrounding Corvallis
(Based on 6 units of water consumption)
October 2012**



ORDINANCE 2012-___

AN ORDINANCE RELATING TO UTILITY RATES AMENDING CORVALLIS MUNICIPAL CODE CHAPTER 3.06, "CITY SERVICES BILLING," ESTABLISHING RATES FOR 2013, AND STATING AN EFFECTIVE DATE.

THE CITY OF CORVALLIS ORDAINS AS FOLLOWS:

Section 1. Municipal Code Section 3.06 is hereby amended as follows:

Section 3.06.140 Rates.

Effective for all utility bills rendered on or after February 1, 2012~~12~~¹³, service rates shall be as follows:

1) Rates for single family customers:

Meter Size	Base Rate	Water Consumption Rates - per hcf			Wastewater Consumption Rate - per hcf		Storm Water Per ESU	
		1 st Level	2 nd Level	3 rd Level	Base Rate	All Usage		
5/8" - \$13.14 13.40		0-7	\$1.41 1.44	\$1.71 1.74	\$1.76 1.79	\$10.39 10.70	\$3.09 3.18	\$5.48 5.86
		8-13	1.85 1.89	2.15 2.19	2.20 2.24			
		≥ 14	2.34 2.39	2.64 2.69	2.69 2.74			
1.0" - \$18.91 19.29		0-7	\$1.41 1.44	\$1.71 1.74	\$1.76 1.79	\$10.39 10.70	\$3.09 3.18	\$5.48 5.86
		8-13	1.85 1.89	2.15 2.19	2.20 2.24			
		≥ 14	2.34 2.39	2.64 2.69	2.69 2.74			
1.5" - \$28.54 29.11		0-7	\$1.41 1.44	\$1.71 1.74	\$1.76 1.79	\$10.39 10.70	\$3.09 3.18	\$5.48 5.86
		8-13	1.85 1.89	2.15 2.19	2.20 2.24			
		≥ 14	2.34 2.39	2.64 2.69	2.69 2.74			
2.0" - \$40.10 40.90		0-7	\$1.41 1.44	\$1.71 1.74	\$1.76 1.79	\$10.39 10.70	\$3.09 3.18	\$5.48 5.86
		8-13	1.85 1.89	2.15 2.19	2.20 2.24			
		≥ 14	2.34 2.39	2.64 2.69	2.69 2.74			
3.0" - \$70.91 72.33		0-7	\$1.41 1.44	\$1.71 1.74	\$1.76 1.79	\$10.39 10.70	\$3.09 3.18	\$5.48 5.86
		8-13	1.85 1.89	2.15 2.19	2.20 2.24			
		≥ 14	2.34 2.39	2.64 2.69	2.69 2.74			
4.0" - \$105.54 107.65		0-7	\$1.41 1.44	\$1.71 1.74	\$1.76 1.79	\$10.39 10.70	\$3.09 3.18	\$5.48 5.86
		8-13	1.85 1.89	2.15 2.19	2.20 2.24			
		≥ 14	2.34 2.39	2.64 2.69	2.69 2.74			
6.0" - \$201.81 205.85		0-7	\$1.41 1.44	\$1.71 1.74	\$1.76 1.79	\$10.39 10.70	\$3.09 3.18	\$5.48 5.86
		8-13	1.85 1.89	2.15 2.19	2.20 2.24			
		≥ 14	2.34 2.39	2.64 2.69	2.69 2.74			

2) Rates for irrigation meters:

Water
Consumption Rates -
per hcf

Meter Base Size	Rate	hcf	1 st Level	2 nd Level	3 rd Level
5/8" - 3/4"	\$12.69	0-7	\$1.34	\$1.64	\$1.69
		8-13	1.75	2.05	2.10
		≥ 14	2.34	2.64	2.69
1.0"	18.93	0-7	\$1.34	\$1.64	\$1.69
		8-13	1.75	2.05	2.10
		≥ 14	2.34	2.64	2.69
1.5"	29.29	0-7	\$1.34	\$1.64	\$1.69
		8-13	1.75	2.05	2.10
		≥ 14	2.34	2.64	2.69
2.0"	41.72	0-7	\$1.34	\$1.64	\$1.69
		8-13	1.75	2.05	2.10
		≥ 14	2.34	2.64	2.69
3.0"	74.91	0-7	\$1.34	\$1.64	\$1.69
		8-13	1.75	2.05	2.10
		≥ 14	2.34	2.64	2.69
4.0"	112.20	0-7	\$1.34	\$1.64	\$1.69
		8-13	1.75	2.05	2.10
		≥ 14	2.34	2.64	2.69
6.0"	215.88	0-7	\$1.34	\$1.64	\$1.69
		8-13	1.75	2.05	2.10
		≥ 14	2.34	2.64	2.69
8.0"	340.28	0-7	\$1.34	\$1.64	\$1.69
		8-13	1.75	2.05	2.10
		≥ 14	2.34	2.64	2.69
10.0"	485.41	0-7	\$1.34	\$1.64	\$1.69
		8-13	1.75	2.05	2.10
		≥ 14	2.34	2.64	2.69

3) Rates for Multi-Family:

Meter Size	Base Rate	hcf	Water Consumption Rates - per hcf			Wastewater Consumption Rate - per hcf		Storm Water Per ESU
			1 st Level	2 nd Level	3 rd Level	Base Rate	All Usage	
5/8" - 3/4"	\$20.32 20.73	0-7	\$1.69	\$1.99	\$2.04	\$10.39	\$3.09	\$5.48
		8-13	1.75	2.05	2.10			
		≥ 14	1.99	2.29	2.34			
1.0"	25.49 26.00	0-18	\$1.69	\$1.99	\$2.04	\$10.39	\$3.09	\$5.48
		19-33	1.75	2.05	2.10			
		≥ 34	1.99	2.29	2.34			
1.5"	34.13 34.81	0-35	\$1.69	\$1.99	\$2.04	\$10.39	\$3.09	\$5.48
		36-65	1.75	2.05	2.10			
		≥ 66	1.99	2.29	2.34			
2.0"	44.45 45.34	0-56	\$1.69	\$1.99	\$2.04	\$10.39	\$3.09	\$5.48
		57-104	1.75	2.05	2.10			
		≥ 105	1.99	2.29	2.34			
3.0"	72.07 73.51	0-112	\$1.69	\$1.99	\$2.04	\$10.39	\$3.09	\$5.48
		113-208	1.75	2.05	2.10			
		≥ 209	1.99	2.29	2.34			
4.0"	103.11 105.17	0-175	\$1.69	\$1.99	\$2.04	\$10.39	\$3.09	\$5.48
		176-325	1.75	2.05	2.10			
		≥ 326	1.99	2.29	2.34			
6.0"	189.38 193.17	0-350	\$1.69	\$1.99	\$2.04	\$10.39	\$3.09	\$5.48
		351-650	1.75	2.05	2.10			
		≥ 651	1.99	2.29	2.34			
8.0"	292.87 298.73	0-560	\$1.69	\$1.99	\$2.04	\$10.39	\$3.09	\$5.48
		561-1040	1.75	2.05	2.10			
		≥ 1041	1.99	2.29	2.34			
10.0"	413.63 421.90	0-805	\$1.69	\$1.99	\$2.04	\$10.39	\$3.09	\$5.48
		806-1495	1.75	2.05	2.10			
		≥ 1496	1.99	2.29	2.34			

4) Rates for Group Residential/Fraternity/Sorority:
(D = Domestic; M = Medium; H = High; VH = Very High)

Meter Base Size	Base Rate	hcf	Water Consumption Rates - per hcf			Wastewater Consumption Rate - per hcf		Storm Water	
			1 st Level	2 nd Level	3 rd Level	Base Rate	All Usage	Per ESU	
5/8" 3/4"	\$20.32 <u>20.73</u>	0-7	\$1.69 <u>1.72</u>	\$1.99 <u>2.02</u>	\$2.04 <u>2.07</u>		D- \$3.09 <u>3.18</u>		
		8-13	1.75 <u>1.79</u>	2.05 <u>2.09</u>	2.10 <u>2.14</u>	\$10.39 <u>10.70</u>	M- 3.60 <u>3.71</u>	\$5.48 <u>5.86</u>	
		≥ 14	1.99 <u>2.03</u>	2.29 <u>2.33</u>	2.34 <u>2.38</u>		H- 4.93 <u>5.08</u>		
							VH- 6.67 <u>6.87</u>		
1.0"	\$25.49 <u>26.00</u>	0-7	\$1.69 <u>1.72</u>	\$1.99 <u>2.02</u>	\$2.04 <u>2.07</u>		D- \$3.09 <u>3.18</u>		
		8-13	1.75 <u>1.79</u>	2.05 <u>2.09</u>	2.10 <u>2.14</u>	\$10.39 <u>10.70</u>	M- 3.60 <u>3.71</u>	\$5.48 <u>5.86</u>	
		≥ 14	1.99 <u>2.03</u>	2.29 <u>2.33</u>	2.34 <u>2.38</u>		H- 4.93 <u>5.08</u>		
							VH- 6.67 <u>6.87</u>		
1.5"	\$34.13 <u>34.81</u>	0-7	\$1.69 <u>1.72</u>	\$1.99 <u>2.02</u>	\$2.04 <u>2.07</u>		D- \$3.09 <u>3.18</u>		
		8-13	1.75 <u>1.79</u>	2.05 <u>2.09</u>	2.10 <u>2.14</u>	\$10.39 <u>10.70</u>	M- 3.60 <u>3.71</u>	\$5.48 <u>5.86</u>	
		≥ 14	1.99 <u>2.03</u>	2.29 <u>2.33</u>	2.34 <u>2.38</u>		H- 4.93 <u>5.08</u>		
							VH- 6.67 <u>6.87</u>		
2.0"	\$44.45 <u>45.34</u>	0-7	\$1.69 <u>1.72</u>	\$1.99 <u>2.02</u>	\$2.04 <u>2.07</u>		D- \$3.09 <u>3.18</u>		
		8-13	1.75 <u>1.79</u>	2.05 <u>2.09</u>	2.10 <u>2.14</u>	\$10.39 <u>10.70</u>	M- 3.60 <u>3.71</u>	\$5.48 <u>5.86</u>	
		≥ 14	1.99 <u>2.03</u>	2.29 <u>2.33</u>	2.34 <u>2.38</u>		H- 4.93 <u>5.08</u>		
							VH- 6.67 <u>6.87</u>		
3.0"	\$72.07 <u>73.51</u>	0-7	\$1.69 <u>1.72</u>	\$1.99 <u>2.02</u>	\$2.04 <u>2.07</u>		D- \$3.09 <u>3.18</u>		
		8-13	1.75 <u>1.79</u>	2.05 <u>2.09</u>	2.10 <u>2.14</u>	\$10.39 <u>10.70</u>	M- 3.60 <u>3.71</u>	\$5.48 <u>5.86</u>	
		≥ 14	1.99 <u>2.03</u>	2.29 <u>2.33</u>	2.34 <u>2.38</u>		H- 4.93 <u>5.08</u>		
							VH- 6.67 <u>6.87</u>		
4.0"	\$103.11 <u>105.17</u>	0-7	\$1.69 <u>1.72</u>	\$1.99 <u>2.02</u>	\$2.04 <u>2.07</u>		D- \$3.09 <u>3.18</u>		
		8-13	1.75 <u>1.79</u>	2.05 <u>2.09</u>	2.10 <u>2.14</u>	\$10.39 <u>10.70</u>	M- 3.60 <u>3.71</u>	\$5.48 <u>5.86</u>	
		≥ 14	1.99 <u>2.03</u>	2.29 <u>2.33</u>	2.34 <u>2.38</u>		H- 4.93 <u>5.08</u>		
							VH- 6.67 <u>6.87</u>		
6.0"	\$189.38 <u>193.17</u>	0-7	\$1.69 <u>1.72</u>	\$1.99 <u>2.02</u>	\$2.04 <u>2.07</u>		D- \$3.09 <u>3.18</u>		
		8-13	1.75 <u>1.79</u>	2.05 <u>2.09</u>	2.10 <u>2.14</u>	\$10.39 <u>10.70</u>	M- 3.60 <u>3.71</u>	\$5.48 <u>5.86</u>	
		≥ 14	1.99 <u>2.03</u>	2.29 <u>2.33</u>	2.34 <u>2.38</u>		H- 4.93 <u>5.08</u>		
							VH- 6.67 <u>6.87</u>		
8.0"	\$292.87 <u>298.73</u>	0-7	\$1.69 <u>1.72</u>	\$1.99 <u>2.02</u>	\$2.04 <u>2.07</u>		D- \$3.09 <u>3.18</u>		
		8-13	1.75 <u>1.79</u>	2.05 <u>2.09</u>	2.10 <u>2.14</u>	\$10.39 <u>10.70</u>	M- 3.60 <u>3.71</u>	\$5.48 <u>5.86</u>	
		≥ 14	1.99 <u>2.03</u>	2.29 <u>2.33</u>	2.34 <u>2.38</u>		H- 4.93 <u>5.08</u>		
							VH- 6.67 <u>6.87</u>		
10.0"	413.63 <u>421.90</u>	0-7	\$1.69 <u>1.72</u>	\$1.99 <u>2.02</u>	\$2.04 <u>2.07</u>		D- \$3.09 <u>3.18</u>		
		8-13	1.75 <u>1.79</u>	2.05 <u>2.09</u>	2.10 <u>2.14</u>	\$10.39 <u>10.70</u>	M- 3.60 <u>3.71</u>	\$5.48 <u>5.86</u>	
		≥ 14	1.99 <u>2.03</u>	2.29 <u>2.33</u>	2.34 <u>2.38</u>		H- 4.93 <u>5.08</u>		
							VH- 6.67 <u>6.87</u>		

5) Rates for Commercial and all other customers:

(D = Domestic; M = Medium; H = High; VH = Very High)

Meter Base Size	Rate	hcf	Water Consumption Rates - per hcf			Base Rate	All Usage	Storm Water Per ESU
			1 st Level	2 nd Level	3 rd Level			
5/8" - 3/4"	20.32 20.73	0-14	\$1.69 1.72	\$1.99 2.02	\$2.04 2.07	\$10.39 10.70	D - \$3.09 3.18 M - 3.60 3.71 H - 4.93 5.08 VH - 6.67 6.87	\$5.48 5.86
		≥ 15	2.09 2.13	2.39 2.43	2.44 2.48			
1.0"	25.49 26.00	0-43	\$1.69 1.72	\$1.99 2.02	\$2.04 2.07	\$10.39 10.70	D - \$3.09 3.18 M - 3.60 3.71 H - 4.93 5.08 VH - 6.67 6.87	\$5.48 5.86
		≥ 44	2.09 2.13	2.39 2.43	2.44 2.48			
1.5"	34.13 34.81	0-67	\$1.69 1.72	\$1.99 2.02	\$2.04 2.07	\$10.39 10.70	D - \$3.09 3.18 M - 3.60 3.71 H - 4.93 5.08 VH - 6.67 6.87	\$5.48 5.86
		≥ 68	2.09 2.13	2.39 2.43	2.44 2.48			
2.0"	44.45 45.34	0-179	\$1.69 1.72	\$1.99 2.02	\$2.04 2.07	\$10.39 10.70	D - \$3.09 3.18 M - 3.60 3.71 H - 4.93 5.08 VH - 6.67 6.87	\$5.48 5.86
		≥ 180	2.09 2.13	2.39 2.43	2.44 2.48			
3.0"	72.07 73.51	0-208	\$1.69 1.72	\$1.99 2.02	\$2.04 2.07	\$10.39 10.70	D - \$3.09 3.18 M - 3.60 3.71 H - 4.93 5.08 VH - 6.67 6.87	\$5.48 5.86
		≥ 209	2.09 2.13	2.39 2.43	2.44 2.48			
4.0"	103.11 105.17	0-341	\$1.69 1.72	\$1.99 2.02	\$2.04 2.07	\$10.39 10.70	D - \$3.09 3.18 M - 3.60 3.71 H - 4.93 5.08 VH - 6.67 6.87	\$5.48 5.86
		≥ 342	2.09 2.13	2.39 2.43	2.44 2.48			
6.0"	189.38 193.17	0-1,000	\$1.69 1.72	\$1.99 2.02	\$2.04 2.07	\$10.39 10.70	D - \$3.09 3.18 M - 3.60 3.71 H - 4.93 5.08 VH - 6.67 6.87	\$5.48 5.86
		≥ 1,001	2.09 2.13	2.39 2.43	2.44 2.48			
8.0"	292.87 298.72	0-1,040	\$1.69 1.72	\$1.99 2.02	\$2.04 2.07	\$10.39 10.70	D - \$3.09 3.18 M - 3.60 3.71 H - 4.93 5.08 VH - 6.67 6.87	\$5.48 5.86
		≥ 1,041	2.09 2.13	2.39 2.43	2.44 2.48			
10.0"	413.63 421.90	0-23,207	\$1.69 1.72	\$1.99 2.02	\$2.04 2.07	\$10.39 10.70	D - \$3.09 3.18 M - 3.60 3.71 H - 4.93 5.08 VH - 6.67 6.87	\$5.48 5.86
		≥ 23,208	2.09 2.13	2.39 2.43	2.44 2.48			
12.0"	492.85 502.71	0-23,207	\$1.69 1.72	\$1.99 2.02	\$2.04 2.07	\$10.39 10.70	D - \$3.09 3.18 M - 3.60 3.71 H - 4.93 5.08 VH - 6.67 6.87	\$5.48 5.86
		≥ 23,208	2.09 2.13	2.39 2.43	2.44 2.48			

5) Rates for Fire Service:

a) Standby (minimum) charges for automatic fire service. Charges are based on wet or dry sprinkling systems without hose or other connections; combined systems will pay the regular service meter minimums and the regular meter rates:

- 1] 2": \$2.00 per month
- 2] 3": \$3.00 per month
- 3] 4": \$4.00 per month
- 4] 6": \$6.00 per month
- 5] 8": \$8.00 per month

6) Properties without a Water Meter:

a) Single family property that does not have utility provided water service and therefore has no water meter, but that has connection to the utility's wastewater service shall pay ~~\$28.04~~^{28.88} per month, plus the applicable storm water and other City Services fees.

b) Multi-family unmetered rates shall be ~~\$28.04~~^{28.88} per month for the one residential unit and ~~\$17.64~~^{18.17} for each additional living unit above one, plus the applicable storm water and other City Services fees.

c) Commercial accounts with wastewater service, but no water service, shall be billed as identified in section 3.60.050 (1)(c)[5].

d) Billing for accounts where there is wastewater service, but no water service shall be billed each month, regardless of whether or not the property is vacant, as long as the property remains connected to the utility's wastewater line.

e) As provided in ORS 454.225, when wastewater charges are not paid when due, the amounts thereof, together with interest at the statutory rate and penalties from the due date, may be recovered using the procedures provided in Section 3.06.080, in an action at law brought by the City, or certified and presented to the County Assessor.

f) The liability for all accounts billed for wastewater only shall be that of the person who applied for service.

g) The City shall recover its costs and any reasonable attorney's fees in any action to recover charges pursuant to this Section.

7) Storm Water Special User Unit (per ESU to the nearest 0.1 ESU): ~~\$1.12~~^{1.20}.

(Ord. 2012- § , 2012; Ord. 2011-19 § 1, 12/19/11; Ord. 2011-04 §1, 2/07/2011; Ord. 2010-29 §1, 12/06/2010; Ord. 2009-14 §1, 12/07/2009; Ord. 2008-19 §1, 12/01/2008; Ord. 2007-26 §1, 11/19/2007; Ord. 2007-02 §1, 02/05/2007; Ord. 2006-30 §1, 12/18/2006; Ord. 2006-07 §1, 04/03/2006)

Section 2. This ordinance shall become effective February 1, 2013.

PASSED by the City Council this _____ day of _____, 201_.

APPROVED by the Mayor this _____ day of _____, 201_.

EFFECTIVE this _____ day of _____, 201_.

Mayor

ATTEST:

City Recorder