



## ADMINISTRATIVE SERVICES COMMITTEE

### Agenda

Wednesday, December 19, 2012  
4:00 pm

Madison Avenue Meeting Room  
500 SW Madison

- |                                    |   |
|------------------------------------|---|
| Discussion/ <b>Possible Action</b> | I. da Vinci Days Loan Review/Restructuring<br>(Attachment)                          |
| Discussion/ <b>Possible Action</b> | II. Parks and Recreation Cost Recovery Update<br>(Attachment)                       |
| Discussion/ <b>Possible Action</b> | III. First Quarter Operating Report<br>(Attachment)                                 |
| Discussion/ <b>Possible Action</b> | IV. Municipal Code Review: Chapter 3.06,<br>"City Services Billing"<br>(Attachment) |
| Information                        | V. Other Business   |

### **Next Scheduled Meeting**

Wednesday, January 9, 2013 at 4:00 pm  
Madison Avenue Meeting Room, 500 SW Madison Ave

### **Agenda**

Utility Rate Structure Study Review  
Public Safety Tax/Single General Fund

# MEMORANDUM



**To:** Administrative Services Committee  
**From:** Karen Emery, Director *KE*  
Stephen DeGhetto, Assistant Director *SD*  
**Date:** December 19, 2012  
**Subject:** da Vinci Days Loan Restructure

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## Issue:

In April of 2012 da Vinci Days requested the City to forgive the \$12,000 balance of the 2005 Bridge Loan. Administrative Services Committee (ASC) recommended to City Council to have da Vinci Days continue with the current loan payment schedule and to propose restructuring the loan in year five of the contract. Restructuring is an option in the original funding agreement and this memorandum provides options to be considered by ASC for recommendation to City Council.

## Background:

da Vinci days currently has a \$10,000 loan balance with the City. A \$2,000 payment was received by the City in August of 2012. The current repayment schedule will take five years to recover the loan balance in the existing structure. The loan funding was provided to support da Vinci Days cash flow needs, pay on deferred expenditures, and provide beginning fund balances for da Vinci Days Summer Festival and the da Vinci Film Festival. In addition to the loan, the Administrative Services Committee requested at the April 7, 2012 meeting to value the in-kind support da Vinci Days receives from Corvallis Parks and Recreation. These in-kind contributions are listed below to illustrate the services and equipment provided annually by the Parks and Recreation Department.

### Parks Services:

1. Mobile stage set up/takedown (2 people - 5 hours @ \$20/hr. = \$200)
2. 6 bleachers delivered and picked up. (2 people - 3hours @20/hr.= \$120)
3. Delivery and pickup of maze panels (2 people -2 hours @\$20/hr. = \$80)
4. Paint parking lot for MUD BOG events (2 people - 2hours @\$20/hr. = \$80)
5. Mowing mud bog event area (1person - 2hours @\$20/hr. = \$40)

### Parks Equipment:

1. Mobil Stage Value = \$450.00
2. Bleacher Rental, 13 @ \$25 = \$325
3. Fence or Maze panels, 40 @ \$5 = \$200

**TOTAL = \$1,495**

**Discussion:**

As a result of the loan restructure request, Parks and Recreation staff has consulted with the City Finance Department for loan structure options to facilitate repayment which is mutually agreeable to the City and da Vinci Days. Three options come to forefront:

- A. Continue with the current structure of \$2,000 a year for five years; interest free.
- B. Annual payments of \$1,000 for 10 years; interest free.
- C. Annual payment of \$1,000 for 5 years; interest free; \$5,000 balloon payment at the end of the 5 years, with the option to restructure.

**Recommendation:** Staff recommends the Administration Services Committee recommend to City Council to accept the da Vinci Loan Restructure Option B.

Review and Concur:

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

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



# MEMORANDUM

**To:** Administrative Services Committee  
**From:** Karen Emery, Director Parks and Recreation *kb*  
**Date:** December 19, 2012  
**Subject:** Parks and Recreation Cost Recovery Update

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**Issue:**

Corvallis Parks and Recreation Department (CPRD) has implemented the Cost Recovery Methodology reviewed by the Parks, Natural Areas and Recreation Board (PNARB) and adopted by City Council in January 2013. The following is an update regarding the progress and observed outcomes for review.

**Background:**

In September 2011, the Parks and Recreation Department engaged the services of GreenPlay, a national parks and recreation management consulting firm to assist in developing a Cost Recovery Model and Resource Allocation Philosophy which includes a model, philosophy and policy based on the community's values for parks and recreation services, and the Department's mission and vision for the future. This model, based on *The Pyramid Methodology*, assists the City as staff plans for a sustainable future. It is a critical component for the development of both current and future Parks and Recreation facilities, programs, and services.

**Discussion:**

Parks and Recreation implemented Cost Recovery Model and Resource Allocation Philosophy utilizing *The Pyramid Methodology* to restructure programming to meet or exceed the cost recovery goals. This methodology helps the Parks and Recreation Department adjust to the current economic climate and budget restraints, while continuing to serve all incomes. The primary goal is to establish organizational sustainability through a logical and thoughtful philosophy that supports the core values, vision, and mission of the Corvallis Parks and Recreation Department as developed through community process.

Cost Recovery Methodology is utilized to establish the degree to which the operational and maintenance costs of service are recovered. Financial targets for all services were established through community process in the Fall of 2011. Staff uses a variety of approaches to meet that target which includes user fees, grants, partnerships, donations, sponsorships, volunteers, increased marketing and increased participation, to name a few. When the combination of these strategies does not meet the cost recovery target, the program is canceled. On all levels of the Pyramid, the goal is to meet or exceed the target. Staff builds on successful programs that generate revenue beyond the cost recovery goal as the market allows. This strategy is a way to help fund services on Tier 1 and Tier 2 that rely on property taxes, such as the park system.

In contrast, subsidy includes designated sources such as property taxes, or other taxing mechanisms such as the Sustainable Initiative Fee (SIF) that financially support operations and maintenance of services. Subsidy dollars provide for service costs that are not recovered by either user fees or other forms of alternative funding. Essentially, subsidy is the community's investment in parks and recreation services.

**Table 1** illustrates the fourth quarter cost recovery figures for FY 2010-11 and first quarter in FY 2012-13. FY 2010-11 figures reflect the former adopted cost recovery methodology which met the goals at that time and was the starting point for the transition to the new model. The FY 2012-13 figures illustrate the current cost recovery methodology and progress as of September 30, 2012. The tiers are the five tiers of the Cost Recovery Pyramid (see attachment). Although Tier 3 did not meet its target during first quarter, Tiers 4 and 5 have exceeded. Staff continues to modify all programs to increase recovery.

**Table 1**

TIER	GOAL	FY 10-11	FY12-13
1	0%	4.61%	13.02%
2	45%	38.04%	51.57%
3	90%	77.26%	84.74%
4	100%	77.78%	122.82%
5	200%	167.52%	301.83%

**Table 2** illustrates the trend in revenues, expenditures and participation rates to date for implementation of the cost recovery methodology. First quarter FY 12-13 has increased revenue by \$33,573 and reduced expenses by \$78,677.

**Table 2**

Fiscal Year	FY 10-11	FY 11-12	FY 12-13	Trend
Total First Quarter Revenue	\$457,036	\$452,010	\$485,583	Increase
Total First Quarter Expenditures	\$1,687,471	\$1,688,365	\$1,609,688	Decrease
First Quarter Participation	5,384	46,429	46,159	Decrease
Note: This data reflects Parks and Recreation's First Quarter performance for the given fiscal year.	No Osborn Aquatic Center participation numbers in the performance measure.	First Year for Osborn Aquatic Center participation numbers in the performance		

**Table 3** illustrates Parks and Recreation programs without Osborn Aquatic Center program or participation in the first quarter of the given fiscal year. Although staff has cut 35 programs, participation has increased overall.

**Table 3**

	FY 10-11	FY11-12	FY 12-13
First Quarter Programs	313	320	285
First Quarter Participation	5,384 Participants	5,235 Participants	6,425 Participants

**Family Assistance Scholarship Policy**

The scholarship is intended to provide recreation and leisure opportunities at a reduced rate to participants who have demonstrated economic need. Eligibility is based on percentages in relation to Federal Poverty Guidelines (FPG). Examples; 0-150% FPG no fee required, up to \$150 per individual per fiscal year. From 151-200% FPG, 50% of the activity fee required, up to \$150 per individual per fiscal year.

The Department works directly with 509J School District and Benton County Health Department to provide verification services for residents meeting eligibility requirements. Depending upon income criteria, customers may be assisted between 50% and 100% of program costs. Fees for Parks and Recreation programs have increased significantly in the past two fiscal years.

**Table 4** illustrates the Parks and Recreation Departments Family Assistance Program utilization and participation rates. The FY 2012-13 column represents the first quarter performance.

**Table 4**

Fiscal Year	FY 10-11	FY 11-12	FY 12-13
Family Assistance Utilization	15% Annually or \$2,557	22% Annually or \$8,612	49% First Quarter \$37,287
Number of Participants	125	316	741

**Table 5 - Family Assistance Age distribution by participants for FY 12-13**

Youth	Adult	Senior
Ages 0-17	18-49	Age 50+
56%	37%	7%

**Conclusion:**

The implementation of cost recovery has structured the planning process to improve the financial sustainability of Parks and Recreation programs and services. In addition to providing a budgeting tool for staff to accurately forecast the direct costs of programs, it also establishes minimum participation levels needed to meet or exceed cost recovery.

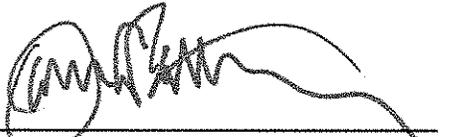
The financial planning process recognizes the following goals:

- Fund and leverage the formal family assistance program, adjust eligibility requirements as needed
- Clearly define the role and responsibilities of "Affiliates"
- Make fee adjustments
- Review, seek, and implement alternative funding sources
- Reduce expenditures
- Adjust program management strategies
- Improve marketing efforts
- Consider capital investments to increase participation in off peak times of Supervised Park/Facility
- Formally adopt revised departmental policies
- Consider additional potential future opportunities

These goals are dynamic and will be adjusted to reflect the needs of our community over time. Repurposing facilities, altering program designs, discontinuing programs and effective marketing all contribute to attaining financial sustainability while retaining the customer base. Staff will continue to implement and refine the cost recovery methodology.

**Recommendation:** This report is informational only.

Review and Concur:



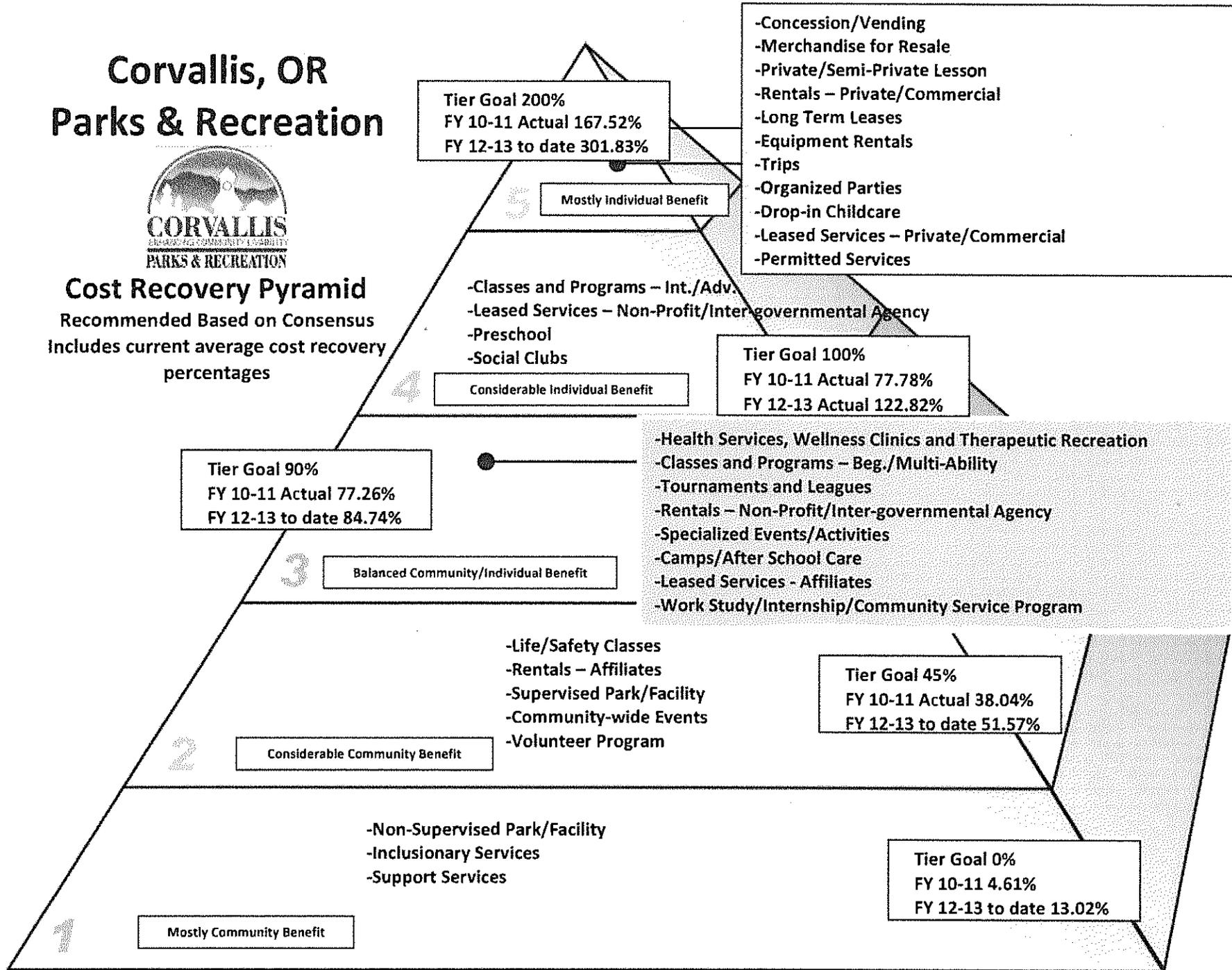
James A. Patterson, City Manager

Attachments: Pyramid Model  
Financial Assistance Application Form

# Corvallis, OR Parks & Recreation



**Cost Recovery Pyramid**  
Recommended Based on Consensus  
Includes current average cost recovery percentages



# Family Assistance Program Application

Corvallis Parks and Recreation Department  
 1310 SW Avery Park Drive, Corvallis, OR 97333  
 (541) 766-6918; Fax (541) 754-1701; [www.ci.corvallis.or.us](http://www.ci.corvallis.or.us)



Corvallis Parks and Recreation Department strives to reduce fees as a barrier to participation in Parks & Recreation programs. The scholarship can be used to pay for most recreation programs, including those at Parks and Recreation, Osborn Aquatic Center, and the Chintimini Senior Center.

Families who receive free/reduced lunch in the Corvallis School District, Oregon Health Plan, Oregon Trail benefits, or WIC qualify to receive assistance. Some families may be asked to pay an activity fee, if their household income meets certain levels of the Federal Poverty Guidelines. Please see income guidelines printed on the back of this form.

- 0-150%                      No fee required (up to \$150 per individual per fiscal year)
- 151-200%                  50% of the activity fee required (up to the \$150 per individual per fiscal year)

**Please provide the following information:**

**How do you think you will use your scholarship if awarded:**

- |   |   |
|---|---|
| <input type="checkbox"/> Family membership at Osborn    | <input type="checkbox"/> Swim Lessons at Osborn |
| <input type="checkbox"/> Recreation Programs in general | <input type="checkbox"/> Senior Center Programs |

Responsible Adult: \_\_\_\_\_ E-mail \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Daytime Phone: \_\_\_\_\_ Evening Phone: \_\_\_\_\_

**List ALL people living at the above address, INCLUDING YOURSELF:**

Name	Grade	Age	Male or Female	Date of Birth	Relationship to Applicant	Family member plans to use scholarship <input checked="" type="checkbox"/>
1) _____	_____	_____	_____	_____	<b>SELF</b>	<input type="checkbox"/>
2) _____	_____	_____	_____	_____	_____	<input type="checkbox"/>
3) _____	_____	_____	_____	_____	_____	<input type="checkbox"/>
4) _____	_____	_____	_____	_____	_____	<input type="checkbox"/>
5) _____	_____	_____	_____	_____	_____	<input type="checkbox"/>
6) _____	_____	_____	_____	_____	_____	<input type="checkbox"/>
7) _____	_____	_____	_____	_____	_____	<input type="checkbox"/>

**Please check  and supply documentation for at least one of the following options to verify your eligibility:**

- Does your child participate in Free/Reduced Lunch in the Corvallis School District? (Please provide student name and school)
  - o Free Lunches: Child \_\_\_\_\_ School \_\_\_\_\_
  - o Reduced Lunches: Child \_\_\_\_\_ School \_\_\_\_\_
- Do you receive any of the following? (Please provide a copy of your benefit card/statement)
  - o TANF, WIC, OHP, SNAP, SSI or unemployment benefit statements
- Do you have a copy of a most recent paycheck for all currently employed in the household? (submit copy)
- Do you have a copy of the front page of most recent tax return? (submit copy)
- Are there other circumstances that limit your ability to pay for P&R activities?
  - o Please explain: \_\_\_\_\_

**Department Use Only:**  
 Date Received: \_\_\_\_\_  
 Date Reviewed: \_\_\_\_\_

**Documentation Received:**  
 Pending  
 Attached  
 BCHD  
 509J

**Family Assistance Approved:**  
 Yes: \_\_\_\_\_ No: \_\_\_\_\_  
 Staff: \_\_\_\_\_  
 Family Number: \_\_\_\_\_  
 Comments: \_\_\_\_\_

\*\*Note that we are unable to accept Bank Statements or unofficial documentation for eligibility verification.



# Solicitud para el Programa de Asistencia Familiar

Corvallis Parks and Recreation Department  
 1310 SW Avery Park Drive, Corvallis, OR 97333  
 (541) 766-6918; Fax (541) 754-1701; [www.ci.corvallis.or.us](http://www.ci.corvallis.or.us)



El Departamento de Parques y Recreos se esfuerza en reducir sus precios para que participen en programas de Parques y Recreos. La beca puede ser usada para la mayoría de programas, incluyendo aquellos ofrecidos por Parques y Recreos, el Centro Acuático Osborn y el Centro Chintimini para la Tercera Edad.

Familias califican para esta ayuda si participan en: comida escolar gratis o a precio reducido en el Distrito Escolar de Corvallis, el Plan de Salud de Oregon (el medical), beneficios de estampillas de comida "Oregon Trail" o beneficios del WIC. Posiblemente se les pedirá a algunas familias pagar algún costo, si es que su ingreso familiar está a cierto nivel de la Guía Federal de Pobreza. Por favor vea la guía al reverso de este formulario.

- 0-150% No se requiere pagar (hasta \$150 por individuo por año fiscal – 1<sup>ro</sup> de jul a 30 de jun)
- 151-200% Se requiere pagar el 50% de la clase (hasta \$150 por individuo por año fiscal – 1<sup>ro</sup> de jul a 30 de jun)

## Por favor dé la siguiente información:

Si se la otorga la beca, ¿de qué manera cree que la va a usar?:

- Membresía Familiar en las albercas de Osborn
- Clases de natación en las albercas de Osborn
- Clases o programas en general
- Programas para personas de la Tercera Edad

Adulto responsable: \_\_\_\_\_ E-mail \_\_\_\_\_

Dirección: \_\_\_\_\_ Ciudad: \_\_\_\_\_ Estado: \_\_\_\_\_ Código Postal: \_\_\_\_\_

Teléfono de día: \_\_\_\_\_ Teléfono de noche: \_\_\_\_\_

## Apunte TODOS los adultos y jóvenes/niños en la dirección escrita arriba, INCLUYENDOSE A USTED:

Nombre	Grado escolar	Edad	Masculino o Femenina	Fecha de nacimiento	Relación al solicitante	El miembro de la familia planea usar la beca <input checked="" type="checkbox"/>
1) _____	_____	_____	_____	_____	Yo mismo/a	<input type="checkbox"/>
2) _____	_____	_____	_____	_____	_____	<input type="checkbox"/>
3) _____	_____	_____	_____	_____	_____	<input type="checkbox"/>
4) _____	_____	_____	_____	_____	_____	<input type="checkbox"/>
5) _____	_____	_____	_____	_____	_____	<input type="checkbox"/>
6) _____	_____	_____	_____	_____	_____	<input type="checkbox"/>
7) _____	_____	_____	_____	_____	_____	<input type="checkbox"/>

## Por favor ponga una palomita en por lo menos una de las opciones siguientes para verificar si califica:

- ¿Su hijo/a participa en el programa de Comida Escolar gratis o a precio reducido? (Por favor dé el nombre del estudiante y de la escuela)
  - o Comida Gratis: Hijo/a \_\_\_\_\_ Escuela \_\_\_\_\_
  - o Precio Reducido: Hijo/a \_\_\_\_\_ Escuela \_\_\_\_\_
- ¿Usted recibe algunos de los siguientes? (Por favor dé una copia de su tarjeta o estado de beneficio)
  - o TANF, WIC, SSI, OHP (medical), estampillas de comida, beneficios de desempleo
- ¿Tiene una copia de sus talones de cheques más recientes para **todos** actualmente empleados en el hogar? (Entregue copias)
- ¿Tiene la primera página de sus impuestos más recientes? (Entregue una copia)
- ¿Hay otras circunstancias que limite su habilidad de pagar por actividades?
  - o Por favor explique: \_\_\_\_\_

**Sólo para uso del departamento:**  
 Date Received: \_\_\_\_\_  
 Date Reviewed: \_\_\_\_\_

**Documentation Received:**  
 Yes: \_\_\_\_\_ No: \_\_\_\_\_  
 Pending  
 Attached  
 BCHD  
 509J

**Family Assistance Approved:**  
 Yes: \_\_\_\_\_ No: \_\_\_\_\_  
 Staff: \_\_\_\_\_  
 Family Number: \_\_\_\_\_  
 Comments: \_\_\_\_\_

\*\*Note que no aceptamos estado de cuenta de banco ni documentos no oficiales para verificar si califica o no.

POR FAVOR LLENE EL REVERSO.

## Tabla 2012 de la Guía Federal de Pobreza

Los beneficios de varios programas de asistencia a familias son basados en la Guía Federal de Pobreza. Encuentre el número de personas en su familia y sus ingresos mensuales para determinar la categoría de su porcentaje. Note: Mujeres embarazadas cuentan como dos personas para el propósito de esta tabla.

% de Ingresos en Bruto

Personas en la familia	100%		150%		200%	
	Mensual	Anual	Mensual	Anual	Mensual	Anual
<b>1</b>	\$931	\$11,170	\$1,397	\$16,755	\$1,862	\$22,340
<b>2</b>	\$1,261	\$15,130	\$1,892	\$22,695	\$2,522	\$30,260
<b>3</b>	\$1,591	\$19,090	\$2,387	\$28,635	\$3,182	\$38,180
<b>4</b>	\$1,921	\$23,050	\$2,882	\$34,575	\$3,842	\$46,100
<b>5</b>	\$2,251	\$27,010	\$3,377	\$40,515	\$4,502	\$54,020
<b>6</b>	\$2,581	\$30,970	\$3,872	\$46,455	\$5,162	\$61,940
<b>7</b>	\$2,911	\$34,930	\$4,367	\$52,395	\$5,822	\$69,860
<b>8</b>	\$3,241	\$38,890	\$4,862	\$58,335	\$6,482	\$77,780

Source: Calculations by Families USA based on data from the U.S. Department of Health and Human Services. Monthly percentage data calculated by FHCE and rounded to the nearest dollar.

### Acuerdo del Programa de Asistencia Familiar

Iniciales \_\_\_\_\_ 1. El Departamento de Parques y Recreos de Corvallis establece límites de ingresos basados en la Guía Federal de Pobreza. Los límites de ingresos son revisados y actualizados todos los años. Cada solicitud es revisada individualmente y es aprobada o rechazada basada en la información proporcionada.

Iniciales \_\_\_\_\_ 2. Esta solicitud debe estar completa para ser considerada. Todas las verificaciones de ingresos requeridas y líneas de información deben ser llenadas completamente y correctamente.

Iniciales \_\_\_\_\_ 3. Verificación de ingresos es requerida basada en el año fiscal (de 1<sup>ro</sup> de julio - 30 de junio). Una nueva solicitud con información más reciente de ingresos debe ser presentada en ese momento para calificar para otra beca.

Iniciales \_\_\_\_\_ 4. **La beca no puede ser usada hasta que reciba su carta.**

Iniciales \_\_\_\_\_ 5. Entiendo seré notificado/a de mi beca de Asistencia Familiar por escrito dentro de **10 días laborales** del día de entregar la solicitud. La respuesta sobre la aceptación o la negación de la solicitud no será proporcionada en persona o por teléfono.

Yo afirmo que la información antes mencionada es verdadera y completa. Estoy de acuerdo en proporcionar comprobante de ingresos. El Programa de Asistencia Familiar es ofrecido por el Departamento de Parques y Recreos de Corvallis con un **máximo de \$150, por cada persona en la familia por cada año fiscal (1<sup>ro</sup> de julio - 30 de junio)**. Entiendo que posiblemente tenga que pagar el 50% del precio de las clases cuando me registre. Entiendo que la beca será aprobada basada en el año fiscal (julio – junio) y se necesita verificar ingresos anualmente. Entiendo que los funcionarios de la Ciudad de Corvallis pueden verificar la información sobre la solicitud y que mala representación de información deliberada resultará en la negación de asistencia y se le podrá prohibir solicitar para el futuro.

**Por favor reporte el ingreso total en bruto** (antes de impuestos) incluyendo todas las fuentes de ingresos (ej. salarios/sueldos, ingresos de seguro social, desempleo, manutención de hijos, pensión/jubilación u otros). Ingresos en bruto es la cantidad total antes de quitar impuestos.

**Total de ingreso en bruto:**       Mensual \_\_\_\_\_       Anual \_\_\_\_\_

\_\_\_\_\_  
Firma del adulto responsable

\_\_\_\_\_  
Fecha

Revised 8/17/12 RM

# DRAFT

**CITY OF CORVALLIS  
MINUTES OF THE PARKS, NATURAL AREAS AND RECREATION BOARD  
NOVEMBER 15, 2012**

Attendance

Betty Griffiths, Chair  
Lynda Wolfenbarger, Vice-Chair  
Marc Vomocil  
Ed MacMullan  
Deb Rose  
Tatiana Dierwechter  
Jon Soule  
Nick Castellano  
Joshua Baur  
Joel Hirsch, City Council Liaison

Staff

Karen Emery, Director  
Steve DeGhetto, Assistant Director  
Jackie Rochefort, Park Planner  
James Mellein, Aquatic Center Supervisor  
Jude Geist, Park Operations Supervisor  
Mark Lindgren, Recorder

Visitors

Absent/Excused

Phil Hays  
Carolyn Ashton  
Kevin Bogatin, 509-J District Liaison

**SUMMARY OF DISCUSSION**

Agenda Item	Information Only	Held for Further Review	Recommendations
II. Introductions	X		
III. Approval of Minutes- October 18, 2012	X		
IV. Visitor Propositions	X		
V. Cost Recovery Review	X		
VI. Herbert Natural Area Update	X		
VII. Mary's River Natural Area Boardwalk	X		
VIII. December Meeting	X		
IX. Staff Reports	X		
X. Board & Liaison Reports	X		
XI. Adjournment	X		The next Parks, Natural Areas and Recreation Board meeting is scheduled for 6:30 p.m., <b>January 17, 2013</b> at the Downtown Fire Station, 400 NW Harrison Blvd.

## **CONTENT OF DISCUSSION**

- I. CALL TO ORDER:** Vice-Chair Lynda Wolfenbarger called the meeting to order at 6:30 p.m.
- II. INTRODUCTIONS.**  
Director Karen Emery introduced new Park Operations Specialist Jude Geist, who started on November 1, 2012; and new board member Joshua Baur.
- III. APPROVAL OF MINUTES- October 18, 2012.**  
Wolfenbarger noted that Randy Willard, mistakenly listed as attending, was no longer on the board; MacMullan added that he too was not present. Vomocil noted that the first sentence in the second paragraph on page 4 should be changed to “..the conversation hasn’t gone that *far*”. Marc Vomocil moved and Jon Soule seconded to approve the October 18, 2012 minutes as corrected; motion passed.
- IV. VISITOR PROPOSITIONS.** None.
- V. COST RECOVERY REVIEW.**  
Assistant Director Steve DeGhetto highlighted the memo on an update on the cost recovery methodology. He said the memo’s table shows the starting point of figures collected before the methodology was implemented, with the figures covering the period from FY10-11 to FY12-13. He pointed out the five cost recovery pyramid tiers, noting the lowest tier, Tier 1, showed cost recovery of 0% so far in FY12-13, since that was the goal that had been established. He estimated that the final figure would be 4.5-5%, cautioning that it was not tracked.

He highlighted the table showing trending for revenues, expenditures, and participation. He reported there was no cost recovery figure for FY 2011-2012, since the ActiveNet computer registration system, which collects revenue-side data, was being transitioned. He said the significant increase in participation reflects inclusion of data from the Osborn Aquatic Center.

DeGhetto reported that family assistance utilization was 15% in FY10-11. He said that previous policy required participants pay about half the cost; however, some families couldn’t afford that. Because of that concern, the threshold for lowest-income participants changed to 200% of the Federal Poverty Level (FPL) and the requirement to pay 50% was dropped, and then the utilization figure climbed to 22% in FY11-12 (with 42% in this quarter so far).

James Mellein explained that previously, the 50% portion that Parks and Rec paid was treated as lost revenue. However, the new ActiveNet software allowed real dollars to be put into those programs. The new cost recovery model requires recovering the true costs from the programs. Real dollars are set aside in an account, where, if a family assistance client was awarded at the 50% level, they pay 50% and the other 50% of the program comes out of an expense line item, and so 100% of the revenue goes to the program that it was designed for. If the client is awarded at the 100% level, then the expense for the entire program would go into the revenue for that program, so you can see the true cost recovery for that. This allows fundraising for that family assistance expense item, such as with the upcoming Turkey Trot event.

Vomocil asked about the 42% utilization figure listed for FY12-13; Mellein replied that that was the utilization rate of existing dollars to date. DeGhetto said that not all the dollars may be spent; staff are monitoring it. There is a limit for how much each family assistance recipient can get; typically, about two programs per person. He noted the funds won’t get rolled over to the next year; remaining funds go

back to the General Fund. Tatiana Dierwechter noted that as the program becomes better known, there would likely be more utilization. DeGhetto said the department seeks to create a sense that the participant becomes a client and program user.

Castellano asked if the program tracked individual's utilization; DeGhetto replied that that was part of the registration process. He said the program sought to be as simple as possible; the department works with the school district and the County Health Department to verify eligibility. In the past, there have been language and documentation issues. Deb Rose said that transportation could be an issue; DeGhetto agreed, saying that the department recognizes that, and that some programming occurs in schools, which helps address that. The program is good for one year. DeGhetto said the department encourages participants to use their scholarships; Director Emery added that eligibility income levels and funding amounts are under ongoing review and staff may bring proposed changes to the board based on what they find.

Joshua Baur asked whether people have to fill out their information every year, discouraging them by having to repeatedly fill out paperwork; DeGhetto replied that the information is kept on file. Vomocil asked how many families participated in the family assistance scholarship program; DeGhetto replied that he would come back with that information. The Senior Citizen Foundation of Benton County provides assistance for seniors. He said some people that are awarded scholarships don't utilize them; some incentives need to be developed. The numbers will be analyzed at the end of the year; they may poll participants. Mellein said the rate reflects the numbers that registered for some Parks and Rec program. DeGhetto noted that family assistance only covers activities, not any hard products. Vomocil noted that some users may only want to sign up for one program worth \$50, and not want to tap the remainder of available programming.

DeGhetto said a Benton County Foundation grant funded some day camp lunches outside the Title I schools. He said the program process was dynamic in terms of how best to serve those who cannot afford programs. Mellein said the initial numbers show that the program, adopted in January 2012, was meeting objectives through cost recovery, increasing revenue, and decreasing expenditures. Mellein explained that the first line was only a first quarter comparison for all three years; the second line is total expenditures for first quarters; while the third line is the actual annual.

Vomocil asked about the pyramid goals; Mellein replied that the goal is to keep programs with high cost recovery high; the goal is a *minimum* target to meet. DeGhetto said pricing for tiers 3 to 5 is eventually going up to what the market will bear. The intent was not to scare people away, but rather to ramp prices up over time, not too fast. There is research on what people pay for similar services and department will price services to that level. He cautioned that there are minimum participation levels; when there weren't enough people participating, programs are cancelled to lower overhead. There is a fine line in establishing participation minimums.

Baur asked how participants were counted; Emery replied that it is counted by registration; it is not by each swim lesson, for example. Drop-ins are included. DeGhetto said the goal at the Senior Center was to assign some fee for drop-ins. Osborn has a huge drop-in component, whereas there were fewer drop-ins at the Senior Center.

Griffiths asked about a Level 2 Senior Center fee that some were complaining about in a recent G-T article; Mellein replied that the "supervised park facility" expenses include utilities, direct costs of admin, custodial services, and anything else that is a cost to the center, on the expense side of the sheet. The revenue for the facility is difficult to get, since there is no drop-in experience there, so the Gold Pass system was designed to offset those expenses.

Emery added the cost recovery process looked at possible membership-type approaches for the Senior Center. DeGhetto said the Gold Pass coupon could be used for any program for the *first* year. Wolfenbarger said it gets people used to doing that. DeGhetto said people may discover other benefits to the Gold Pass over time. Wolfenbarger said scholarships numbers for seniors this year have been high; the Foundation has almost exhausted its available scholarship funds for this year.

Vomocil highlighted cost recovery figures for camps and after-school programs at 37%, asking whether there would be an increase of cost to clientele over time to get to the 90% cost recovery rate. Emery replied that the figures were for FY10-11; Mellein added that the figures were a starting point and were not cost recovery strategies. Emery said staff will bring back a revised pyramid to the board that illustrates the change from FY10-11 to now. She said FY10-11 figures were the beginning benchmark.

Dierwechter said she appreciated the effort to face revenue challenges as well as to ensure that the most vulnerable families still had access to services; many communities have not been able to do that.

#### **VI. HERBERT NATURAL AREA UPDATE.**

Director Emery distributed a map of Herbert Natural Area. The site's 221 acres are currently managed as a farm lease in South Corvallis, near the Airport. Two years ago the board adopted the master plan. Currently the first five-year goals are being implemented with the easement with ODFW and working with the Institute for Applied Ecology on stewardship. The Institute is doing a management restoration plan for the riparian zone; during the second year, about 60 acres of leased farmland will be taken out of production for upland prairie restoration. The department is partnering with a number of community groups and the school district to apply for an EPA grant for a two-year outdoor education program there, showing middle-schoolers how to do restoration work on site.

#### **VII. MARY'S RIVER NATURAL AREA BOARDWALK UPDATE.**

Park Planner Jackie Rochefort related that the boardwalk, off Brooklane Drive, had been fully ADA accessible and provided controlled access in order to protect resources. It collapsed during last winter's flood and FEMA funds were received to replace the boardwalk to roughly its original condition. Part of the condition is to reuse about 60% of the salvageable materials; the department has to match 25% of funds FEMA provides.

The department would like to do an enhancement to what was originally there, using a different design, and using lower-maintenance and longer-lasting materials. It will pursue an Oregon State Parks Recreational Trails Program (RPT) grant (the same grant used to complete the Shooting Star trail). In this case, unusually, federal funds will be used to match federal funds, with 5% of the funds to come from the community. She said she was conservative in her estimate, and there will be outreach to the community for donations. The FEMA funds may only be spent within an 18-month window, starting from last March. She noted that there was a lot of permitting required in the work; regulatory agencies have been contacted.

The design will work with an engineer to develop a better design. Debris will be removed from flooding areas and stored in order to prevent a violation, following FEMA guidelines. Rochefort said it was constructed of a type of treated wood allowable in wetlands. The understructure will be overbuilt and the top materials will be composite decking. She said FEMA estimated a cost of \$257,000, while she estimated a cost of \$280,000. Rochefort said the G-T will send a photographer soon and include the department's request for funds in the accompanying article. Rochefort stated that part of the match can be in-kind donations. Staff time does not count as in-kind contribution with the State, though it does with FEMA.

**VIII. DECEMBER MEETING.**

Emery queried whether the board wanted to have some social time at her home instead of a regular meeting in December. She noted that there were many new members. There will be goal setting at the January meeting. Griffiths suggested review of previous board goals if there was a December meeting.

**IX. STAFF REPORTS.**

Emery reported that the February meeting would be scheduled for board goal setting; Joseph Bailey will facilitate.

Regarding the Leadership Corvallis' possible statue of Hans Neukomm in Central Park, she said that she'd relayed the board's concern about it being the first statue in the park system. She said the group felt a sculpture may be more appropriate, and would consider putting out a call for designs, and perhaps just a installing bust of Neukomm; she said the group was open to PNARB feedback. Vomocil related that there were several handsome statues in the Spokane park system.

**X. BOARD & LIAISON REPORTS.**

Griffiths reported that papers were filed for Friends of Corvallis Parks and Rec to become a 501c3 nonprofit corporation; donations are now tax-deductible. Donations may be mailed care of Corvallis Parks and Rec Department, Attention: Karen Emery, at 1310 SW Avery Park Drive, Corvallis, OR 97333. The group's board currently is composed of Jennifer Michael; Kent Daniels; Phil Hays; Charlie Fisher, and herself, and will expand in January. She related that Michael agreed to create a flier encouraging people to become ongoing supporters, with non-targeted donations to fill in needs. In January, there will be a website and a brochure, but money is needed for them. She said creation of the group has been a long-term board goal and thanked Phil Hays for his help in the application process.

Griffiths related the City Council voted 5-4 to have staff move ahead with the next step for exploring the feasibility of a parks and rec district, with boundaries the same as the 509J school district, though there was no allocation of more funds for the project. She said that speaking personally, she encouraged members to speak to their councilors. One councilor said the request came from citizens; she countered that the idea actually came from a Council potential strategy for financial stability for the City. It is a way to shift the burden of Parks and Rec funding to another government entity. The program must still remain within the \$10 tax cap for local government, but funds that the City now uses for Parks and Rec could be freed up for other things. She related that the City/OSU Collaborative Livability Group is proposing adding 12 more police officers to the City.

Emery said that there were several boundary alternatives; however, the Council directed only looking at school district boundaries. The County has services within those boundaries. Staff will talk with the County regarding their interest in participating. Hirsch said the Council reasoning for choosing those boundaries was that the Council felt that using staff time cost the City more. Councilors didn't understand that looking at other boundaries wouldn't actually require any more staff time, and felt that if other boundaries were looked at, the Council would not be upset. He said that Councilors Hogg O'Brien, Brown, and Brauner voted against it; Griffiths noted that Penny York was replacing Councilor O'Brien. Liaison Hirsch said much work was being invested in the parks and recreation district proposal to fix funding problems; he expressed concern that many hearts would be broken if it doesn't pass.

Griffiths said she chaired a PNARB subcommittee dealing with dogs. One of its recommendations was for a sign stating "Dogs on Leash Required" at the Oak Creek entrance of Bald Hill Park, where one crosses the Andrew Martin easement. Emery said there was already such a sign there. She related the

County board concurred with erecting a sign there and other places. Also, as the trail goes up, getting steeper and narrower about a mile in on the Mulkey trail, the subcommittee recommended prohibiting dogs entirely in order to eliminate conflicts between dogs and people. County staff said they needed to consult the ordinance before they ruled; most County board members favored prohibiting dogs on that section of trail in more natural area; Hirsch disagreed. Emery said there is currently a sign requiring users dogs to be within voice command. Griffiths concluded that that was the last item on the subcommittee's work plan.

Mellein highlighted the previous Saturday G-T article on National Collegiate Water Polo championships, in which 16 elite teams from all over the country competed at Osborn. Next week, there will be the 9<sup>th</sup> Annual Turkey Trot, running and walking various lengths to benefit the Family Assistance Program. Over 400 participants are already registered (200 were registered at this time last year).

Rocheft reported there was an anonymous donation to repair the so-called "Dinosaur Bones" in Avery Park; any leftover funds will be used to fix the boardwalk, as per donor request. There was a public hearing by the Historic Resources Commission (HRC) on Tuesday regarding installing light posts at Central Park Plaza; the request was approved by the HRC. The transaction for acquisition was completed at Coronado Park; staff will work with the seller on park improvements.

Shooting Star trail is now open; a sign will acknowledge granting agencies. Griffiths said three times the usual number of users are using the trail now; Rocheft agreed that the increase was remarkable. She has almost completed design of Tunison Park; it will be a mix between manufactured play equipment and logs and rocks, and should be completed in spring.

Emery said Rotary club was fundraising for the Willamette Park Picnic shelter and has already raised \$57,000 of the \$150,000 needed. Rocheft added that the shelter naming recommendation of the board was going to the Council on Monday.

Vomocil praised the new artwork at the Martin Luther King Jr. Park kiosk; he said more was needed. Rocheft said the kiosk was designed to provide a lot of area. DeGhetto said the Public Art Selection Commission (PASC) reviewed the art there. Emery said the MLK Commission plans to post sayings by Martin Luther King Jr. there in the future.

**XI. ADJOURNMENT:** Meeting adjourned at 7:59 p.m.

## MEMORANDUM

November 21, 2012

TO: Administrative Services Committee

FROM: Nancy Brewer, Finance Director 

SUBJECT: First Quarterly Operating Report

### I. Issue

To review and accept the First Quarterly Operating Report for FY 12-13.

### II. Discussion

The First Quarterly Operating Report (QOR) has been published on the City's web site and is available for review. Total revenues at the end of the first quarter of the fiscal year are about 15% of budgeted total revenues. Operating revenue received is roughly proportional to prior years, but higher in total dollars than prior year results primarily due to higher charges for service and grant revenues.

Operating expenditures across departments were roughly as expected and comparable to the prior year at about 23% of the amended budget. While vacancies persist across departments, personnel service savings are not as significant as they have been in prior years due to higher than budgeted healthcare costs being incurred as anticipated, and somewhat higher overtime than planned due to continuing to try meeting service needs with fewer employees. As of the end of the first quarter, the City had 24.5 unfilled/budgeted FTE (this vacancy rate does not include Seasonal positions or authorized but unfunded positions); many of these are still on hold for recruitment as each position must be justified in this fiscally constrained time, and some hiring has been delayed in order to achieve offsetting savings for the known higher health costs being incurred this fiscal year.

In summary, financial performance in all funds is generally at expected levels, with the following noteworthy situations:

- General Fund – Police Department overtime is being carefully monitored as it has been trending higher the past six months, after significant improvement since the 12-hour scheduling was implemented.
- Library Fund – Temporary wages are continuing to overrun budget as they have in previous years, but with less capacity to absorb these overages available from regular wages with reduced staffing and turnover.
- Utility Funds are also seeing substantial overtime in the Public Works Department, which when combined with higher health costs, raises a concern about the rate at which appropriations will be used throughout the rest of the fiscal year. These costs will be monitored, and it is assumed that there will be capacity in special project and capital project transfer budgets to absorb overages if needed.
- The Community Development Revolving Fund achieved a small positive fund balance at fiscal year-end thanks to careful spending and grant reimbursement drawdown timing; however staff continues to watch the fund closely. The nature of HOME grant funding, which this Fund has used for a long time, is such that administrative expenditures are not being covered as adequately as they have been previously, due to limitations related to program income spending. At this point, it is almost certain that the Fund will need to establish an interfund loan to ensure a positive year-end balance, and implement other changes to attain long-term fiscal sustainability. More information will come to the City Council as a plan is developed.

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

The Capital Project budget is just over 5% expended at the end of the first quarter. Capital project work and the related spending tend to fluctuate each year, with delays causing carry overs to future years or savings on conservative budgeting

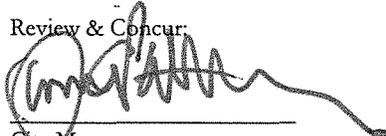
typically resulting in much less than 100% of budget being accomplished. The following projects were completed by the end of the first quarter: the Library shake shingle roof replacement, 9<sup>th</sup> St. Pedestrian Crossings, and reservoir exterior coating for North Hills 1<sup>st</sup> Level Reservoir Improvements project.

The Quarterly Operating Report also includes an update on the status of City Council Goals as of September 30, 2012.

**III. Requested Action**

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

Review & Concur:

  
A handwritten signature in black ink, appearing to read 'C. [unclear]', is written over a horizontal line. The signature is cursive and extends to the right of the line.

City Manager

# FIRST QUARTERLY OPERATING REPORT FISCAL YEAR 2012-2013

## EXECUTIVE SUMMARY

November 14, 2012

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

This Executive Summary provides highlights of the City's financials. The remainder of the report covers:

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

The FY 12-13 budget was prepared and adopted during challenging economic times and in a highly fiscally constrained environment for the City. A recessionary economy including high unemployment and stagnant property values, plus slowed development, as well as lower than historical revenues in both FY 10-11 and FY 11-12, were all taken into account when developing the budget. Despite these factors, demand for many City services continues to be strong, which in the face of the relatively flat or declining revenue stream continues to have a negative impact on fund balances across the organization.

In October, a Federal Open Market Committee (FOMC) press release suggested that economic activity has continued to increase at a moderate pace in recent months. Although employment has risen slowly, the unemployment rate is still high. At 6.5% unemployment in August, on a seasonally adjusted basis, (a 0.2% increase from the previous month), Corvallis nevertheless continues to fare better than the State and the Nation. Following a couple of months when national household spending remained roughly flat, spending increased in July and August. Housing market conditions continued to improve slightly, but construction activity was still at a low level, reflecting tight credit standards for mortgage loans and a large inventory of foreclosed properties. Inflation has been subdued in recent months, mainly reflecting lower prices of crude oil and gasoline, and longer-term inflation expectations have generally stabilized. The FOMC expects to continue its highly accommodative stance for monetary policy and to keep the federal funds rate exceptionally low through mid-2015 (i.e., in the 0 to quarter percent range).

Overall, the City's financial performance through the first quarter of the fiscal year generally has been as expected. Revenue and expenditure timing is close to historical patterns (i.e., Parks & Recreation usually spends more than 25% of its budget in the busy summer months, and that was true this quarter as well; the majority of Property Tax revenue will be received in the second quarter). However, charges for services total dollars received is significantly greater when compared to last year, attributed primarily to a combination of the 2% water rate increase implemented last fiscal year, and increased metered water usage due to the extended dry weather moving into Fall. Although still not at the levels seen prior to the economic downturn, there was a slight improvement achieved for residential building, with primary development being for off-campus student housing.

As of the end of the first quarter for the fiscal year, total expenditures are less than 25% of budgeted expenditures, and are approximately \$2.6M lower than last year's spending levels, driven primarily by less capital outlay and special projects in the first quarter, as well as other department budget reductions achieved as part of the FY 12-13 adopted sustainable budget. The Fire and Public Works Departments spent much less on capital outlay and special projects (i.e., several capital improvement projects have yet to commence and fewer vehicle replacements have been made year-to-date) when compared to first quarter of FY 11-12. Community Development grant-related expenditures were significantly lower in the first quarter, with only \$11,000 in payouts made. These grants include funding for eight non-profit agency activities, including CARDV, Corvallis Homeless Shelter Coalition/Partners Place, the ARC of Benton County, and Willamette Neighborhood Housing Services (WNHS). Three loans and ten grants have closed through the first quarter, so related payouts are expected to pick up throughout the remainder of the year.

The following table compares year-to-date actuals with budget for all funds in both FY 12-13, and FY 11-12:

REVENUE	AMENDED BUDGET	1st Quarter FY 12-13	UNAUDITED FY 12-13	FY 12-13 % REC/EXPEND	Y-T-D FY 11-12	FY 11-12 % REC/EXPEND
Budgeted Fund Balance	\$28,532,414					
Property Taxes	\$23,904,680	\$142,684	\$142,684	0.60%	\$165,317	0.68%
Other Tax	1,270,650	254,069	254,069	20.00%	230,607	20.03%
Licenses/Permits	8,740,150	1,719,065	1,719,065	19.67%	1,581,759	19.71%
System Development Charges	1,989,780	462,171	462,171	23.23%	422,118	31.15%
Charges for Service	37,738,370	9,806,265	9,806,265	25.98%	9,576,187	25.88%
Intergovernmental	16,957,880	883,615	883,615	5.21%	468,186	2.61%
Fines/Forfeitures	1,283,410	257,565	257,565	20.07%	286,517	20.68%
Miscellaneous	2,617,670	334,292	334,292	12.77%	335,810	10.47%
Other Financing Sources/Transfers in	11,734,273	2,119,632	2,119,632	18.06%	2,472,025	17.60%
<b>TOTAL CURRENT REVENUE</b>	<b>\$106,236,863</b>	<b>\$15,979,358</b>	<b>\$15,979,358</b>	<b>15.04%</b>	<b>\$15,538,526</b>	<b>14.35%</b>
<b>EXPENDITURE BY DEPARTMENT</b>						
City Manager's Office	\$3,302,670	\$1,151,285	\$1,151,285	34.86%	\$1,117,304	36.51%
Community Development	7,626,640	1,229,304	1,229,304	16.12%	2,035,035	23.36%
Finance	4,790,210	1,172,418	1,172,418	24.48%	1,207,710	24.07%
Fire	10,454,220	2,493,179	2,493,179	23.85%	2,849,989	25.03%
Library	6,054,010	1,382,668	1,382,668	22.84%	1,501,226	22.88%
Park & Recreation	5,928,130	1,609,688	1,609,688	27.15%	1,650,435	27.07%
Police	12,889,760	3,379,441	3,379,441	26.22%	3,192,707	24.32%
Public Works	29,706,290	6,240,641	6,240,641	21.01%	6,500,349	21.40%
Non-Departmental	1,363,450	351,395	351,395	25.77%	319,576	23.37%
<b>TOTAL OPERATING EXPENDITURES</b>	<b>\$82,115,380</b>	<b>\$19,010,019</b>	<b>\$19,010,019</b>	<b>23.15%</b>	<b>\$20,374,331</b>	<b>23.77%</b>
Debt Service	\$7,119,140	\$845,843	\$845,843	11.88%	\$843,581	10.31%
Capital Projects	9,493,868	493,016	493,016	5.19%	1,305,772	10.67%
Transfers Out / Other Financing Uses	11,704,273	1,981,855	1,981,855	16.93%	2,472,025	17.60%
Contingencies/Reserves	1,611,260	0	0	0.00%	0	0.00%
<b>TOTAL ALL EXPENDITURES</b>	<b>\$112,043,921</b>	<b>\$22,330,733</b>	<b>\$22,330,733</b>	<b>19.93%</b>	<b>\$24,995,709</b>	<b>20.56%</b>
<b>CURRENT REVENUES LESS TOTAL EXPENDITURES</b>	<b>(\$5,807,058)</b>	<b>(\$6,351,375)</b>	<b>(\$6,351,375)</b>		<b>(\$9,457,183)</b>	

In general, the status of the City's finances was in line with expectations at the end of the first quarter. Year-to-date revenues of \$15,979,357, are at 15.04% of the Amended Total Revenue Budget of \$106,236,863. The Amended Budget reflects the adopted budget, plus any amendments approved by the City Council via resolution during the course of the fiscal year. In the first three months of FY 12-13, the following amendments to the budget were approved:

Date	Amendment Type	Resource	Fund	Department	Net Expenditure Impact
7/2/2012	Res - Grant	EPA Grant	Storm Water	Public Works	\$ 45,620
7/16/2012	Res - Grant	ODOT Grant	Transit	Public Works	\$ 8,964
8/6/2012	Res - Grant	State of Oregon EUDL Grant	General	Police	\$ 4,760
9/4/2012	Res - Grant	FEMA Homeland Security	Fire & Rescue	Fire	\$ 4,504
Total Increase					<u>\$ 63,848</u>

Significant revenue highlights include:

- **Property taxes** totaled \$142,684 through the first quarter, which equals 0.60% of the budgeted property tax revenue. The majority of property taxes for the fiscal year are typically collected in the second quarter. FY 12-13 year-to-date property tax revenues are comparable with last fiscal year's results and relate to prior year delinquent collections.
- **Other Taxes** are collected from hotels in the form of room taxes and totaled \$254,069 or 20.00% of budget as of first quarter-end. Transient room taxes are typically below budget in the first quarter of the year due to a one-month lag on revenue turnover, with the first month's receipts having been accrued back to the prior year. Nevertheless, summer seasonality has led to slightly better results thus far in FY 12-13 compared to last year at this time.

- **Licenses, Fees and Permits** totaled \$1,719,065 which represents 19.67% of the amended budget and is aligned with revenue as a percentage of budget received during the same time last year. While franchise fees are under-performing year-to-date, Allied Waste implemented a 6% residential rate increase in October, which could offset projected shortfalls brought on by utility conservation efforts. The transportation maintenance and sustainability initiative fees are on target and Development Service permit fees are trending higher than expected due to ongoing student housing projects.
- **System Development Charges** were \$462,171 which represents 23.23% of the amended budget and is aligned with projections. In FY 11-12, the higher percentage of actual in the first quarter compared to budget was due to un-forecasted increased development for off-campus student housing. SDC income, being of restricted use, has been isolated here and in the income statements from "other charges for service" so as to ensure the understanding that this significant incremental dedicated funding source is not available for operational spending.
- **Charges for Services** (not including SDC's) were \$9,806,265, which represents 25.98% of the amended budget. These revenues are largely on target with budget and last year. However, given the seasonal influence on most of these receipts, the summer months would normally have higher percentage results; a cooler summer, slow-to-recover economy, and virtually no residential development are considered to have dampened the levels attained.
- **Intergovernmental** revenues are below target, but are a bit higher in dollars than last year's actuals at \$883,615. At 5.21% of budget however, receipts are very comparable to the same time last year. The receipt of grant monies tends to be volatile and highly dependent on timing of related expenditures. It should be noted that there are several intergovernmental payments that have not yet been received, but are typically expected in the second quarter (Benton County Library District payment, Transit Operating Grant, Home Grants, etc.).
- **Fines & Forfeiture** receipts related to Municipal Court remain under budget and lower than last year due primarily to fewer traffic and parking fines issued, partly as a result of patrol staffing vacancies. With parking enforcement now fully staffed, as well as a significant fine increase for violations in the residential parking districts that went into effect September 24<sup>th</sup> combined with additional home football games, revenues should rebound quickly. While some improvement continues to be noted from concentrated efforts related to collections in the past several years, unfortunately, court clientele are apparently not as motivated by a poor credit rating as other city customers might be. So, after nearly two full years of turning over about \$2 million in traffic and half a million dollars in parking delinquencies, both accounts have over 65% still outstanding.
- **Interest earnings** totaled \$65,996 at the end of the first quarter, which represents 29.10% of the budgeted interest and is about 146% of last year's earnings at this same point in time. The City's investment advisory firm has helped bolster what earnings there are in this category, however the market continues to hover at historic lows, and this situation is expected to prevail through at least mid-2015 according to the Federal Open Market Committee.

Operating expenditures for all funds totaled \$19,010,019 or 23.15% of the Amended Operating Expenditure Budget which is lower than last year in total dollars expended but virtually the same as a percentage of budget. These results are primarily due to less spending early in the year on special projects and capital outlay. Also, while Community Development typically under-expend its grant appropriations due to the length of time to fruition of housing loan projects, the department is also experiencing lower grant allocation availability in recent years, particularly for administrative cost coverage, so is being even more cost-conscious than usual early in the year. Non-operating expenditures, which include capital projects, transfers, debt service, and contingency, totaled \$3,320,715 or 11.10% of the \$29,928,541 Amended Non-Operating Budget. In total, expenditures through the first quarter were \$22,330,734 or 19.93% of the \$112,043,921 budgeted, compared to 20.56% for the first quarter of last fiscal year. A breakdown of departmental expenditures by category is provided below:

## OPERATING EXPENDITURES BY DEPARTMENT

DEPARTMENT	AMENDED BUDGET	PERSONNEL SERVICES	SUPPLIES & SERVICES	CAPITAL OUTLAY	TOTAL EXPENDITURES	% OF AMENDED BUDGET
<i>Total Budget by Category</i>		\$46,224,880	\$33,266,460	\$2,624,040	\$82,115,380	
City Manager's Office	\$3,302,670	\$318,680	\$832,605	\$0	\$1,151,285	34.86%
Community Development	7,626,640	883,139	346,165	0	1,229,304	16.12%
Finance	4,790,210	798,572	373,846	0	1,172,418	24.48%
Fire	10,454,220	2,105,501	387,678	0	2,493,179	23.85%
Library	6,054,010	982,973	399,695	0	1,382,668	22.84%
Parks & Recreation	5,928,130	1,113,704	495,984	0	1,609,688	27.15%
Police	12,889,760	2,516,305	732,853	130,283	3,379,441	26.22%
Public Works	29,706,290	2,906,548	3,334,093	0	6,240,641	21.01%
Non Department	1,363,450	0	351,395	0	351,395	25.77%
<b>TOTAL</b>	<b>\$82,115,380</b>	<b>\$11,625,423</b>	<b>\$7,254,313</b>	<b>\$130,283</b>	<b>\$19,010,019</b>	<b>23.15%</b>
Percent of Budget		25.15%	21.81%	4.96%	23.15%	

Significant expenditure highlights include:

- **Personnel Services** totaled \$11,625,423 or 25.15% of the amended budget of \$46,224,880 and was in line with the percent of budget spent in FY 11-12, though nearly \$165,000 higher due to contractual step increases and associated payroll tax increases. Payroll expenditures are expected to stay relatively close to the FY 11-12 actuals through FY 12-13 based on Exempt, IAFF, and AFSCME agreeing to no COLA increases and flat to declining health benefit premiums. CPOA and CRCCA agreements were still pending at the end of the quarter.
- **Supplies and Services** totaled \$7,254,313 or 21.81% of the amended budget of \$33,266,460. The dollars spent in FY 12-13 are approximately 13% lower than the amount spent in FY 11-12 due to less special projects budget and an eye towards maintaining a sustainable budget.
- **Capital Outlay** totaled \$130,283 or 4.96% of the amended budget of \$2,624,040. The dollars spent in FY 12-13 are approximately \$430,000 less than in FY 11-12 due in part to less vehicle replacement purchases as compared to the same time last year when ambulance and gurney replacements occurred. Capital purchases do not tend to follow a regular pattern other than to typically weight toward the end of the fiscal year to ensure that sufficient budget remains for the acquisition.

## NON OPERATING EXPENDITURES

- **Capital projects** totaled \$493,016 or 5.19% of the amended budget of \$9,493,868. Capital project expenditures tend to fluctuate year-over-year, and there are always projects that are either carried forward into following years or simply do not come to fruition. For FY 12-13, several projects have yet to begin.
- **Debt service** payments totaled \$845,843 or 11.88% of the total budget of \$7,119,140, which is aligned with payments at the same time last fiscal year.
- **Transfers and Other Financial Uses** totaled \$1,981,855 or 16.93% of the amended budget of \$11,704,273. The majority of the transfers are related to capital projects. See the Capital Improvement Program section for information on the status of capital projects.

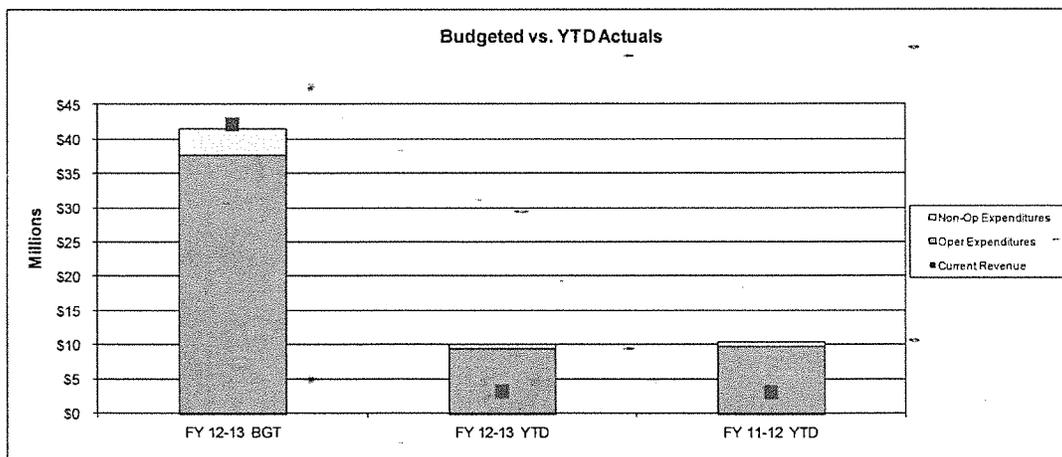
Please note that a [reader's guide](#) to some of the terminology used throughout the report is available through the hyperlink provided. As always, if you have questions or concerns about the information in this report, please do not hesitate to contact me at (541) 766-6990 or via e-mail at [nancy.brewer@ci.corvallis.or.us](mailto:nancy.brewer@ci.corvallis.or.us).

Nancy Brewer  
Finance Director

## PROPERTY TAX FUNDS COMBINED\*

REVENUE	AMENDED BUDGET	1st Quarter FY 12-13	UNAUDITED FY 12-13	FY 12-13 % REC/EXPEND	1st Quarter FY 11-12	Y-T-D FY 11-12	FY 11-12 % REC/EXPEND
Budgeted Fund Balance	\$5,271,580						
Property Taxes	\$21,002,640	\$142,684	\$142,684	0.68%	\$165,317	\$165,317	0.82%
Other Tax	1,270,650	254,069	254,069	20.00%	230,607	230,607	20.03%
Licenses/Permits	5,708,610	849,412	849,412	14.88%	862,705	862,705	15.34%
Charges for Service	5,856,500	1,289,095	1,289,095	22.01%	1,279,877	1,279,877	23.40%
Intergovernmental	4,164,360	195,492	195,492	4.69%	234,177	234,177	4.73%
Fines/Forfeitures	830,110	170,916	170,916	20.59%	192,893	192,893	19.75%
Miscellaneous	423,850	116,677	116,677	27.53%	100,168	100,168	26.44%
Other Financing Sources	2,845,350	166,502	166,502	5.85%	10,000	10,000	0.52%
<b>TOTAL CURRENT REVENUE</b>	<b>\$42,102,070</b>	<b>\$3,184,846</b>	<b>\$3,184,846</b>	<b>7.56%</b>	<b>\$3,075,744</b>	<b>\$3,075,744</b>	<b>7.54%</b>
<b>EXPENDITURE BY DEPARTMENT</b>							
City Manager's Office	\$380,000	\$16,283	\$16,283	4.28%	\$0	\$0	0.00%
Community Development	1,311,410	306,784	306,784	23.39%	327,904	327,904	24.17%
Finance	629,740	153,936	153,936	24.44%	166,335	166,335	24.54%
Fire	10,454,220	2,493,179	2,493,179	23.85%	2,849,989	2,849,989	25.03%
Library	6,023,510	1,382,668	1,382,668	22.95%	1,501,226	1,501,226	22.98%
Parks and Recreation	5,928,130	1,609,688	1,609,688	27.15%	1,650,435	1,650,435	27.07%
Police	10,356,980	2,756,969	2,756,969	26.62%	2,602,422	2,602,422	24.56%
Public Works	1,218,900	267,250	267,250	21.93%	284,111	284,111	17.29%
Non-Departmental	1,362,100	351,395	351,395	25.80%	319,576	319,576	23.40%
<b>TOTAL OPERATING EXPENDITURES</b>	<b>\$37,664,990</b>	<b>\$9,338,151</b>	<b>\$9,338,151</b>	<b>24.79%</b>	<b>\$9,701,997</b>	<b>\$9,701,997</b>	<b>24.47%</b>
Debt Service	\$243,880	\$218,342	\$218,342	89.53%	\$216,080	\$216,080	88.40%
Transfers	3,005,900	530,525	530,525	17.65%	504,400	504,400	21.58%
Contingencies/Reserves	512,850	0	0	0.00%	0	0	0.00%
<b>TOTAL ALL EXPENDITURES</b>	<b>\$41,427,620</b>	<b>\$10,087,019</b>	<b>\$10,087,019</b>	<b>24.35%</b>	<b>\$10,422,477</b>	<b>\$10,422,477</b>	<b>24.49%</b>
<b>CURRENT REVENUE LESS TOTAL EXPENDITURES</b>	<b>\$674,450</b>	<b>(\$6,902,173)</b>	<b>(\$6,902,173)</b>		<b>(\$7,346,733)</b>	<b>(\$7,346,733)</b>	

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



\*\*\*MEMORANDUM\*\*\*

TO: Administrative Services Committee  
FROM: Nancy Brewer, Finance Director NB  
DATE: December 3, 2012  
SUBJECT: Revision to Municipal Code, City Services Billing, Chapter 3.06

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**I. Issue:**

Staff is proposing to revise Municipal Code, City Services Billing, Chapter 3.06.

**II. Discussion:**

Each year, Utility Billing staff review internal practices and procedures to identify and address customer service issues. This year's review has identified four areas of concern: delinquent multi-family accounts, in-care-of accounts, delinquent wastewater/stormwater only accounts and implementation of a \$25 fee for certain hand delivered delinquent/disconnect notices. These customers encompass a small portion of our existing customer base but staff spends considerable time dealing with the issues these customers create. As a result, staff is proposing to revise our administrative rules to ensure the cost of providing additional services to these customers is not a shared expense with the rest of the customer base.

Delinquent Multi-Family Accounts: Multi-family accounts are those accounts where one meter serves more than one living unit. This could also be a single family residence that was converted into a multi-family unit to house more tenants. Prior to disconnection of water service for any City Services multi-family account, the City provides two monthly billing statements and up to three courtesy telephone calls through an automated telephone system. For delinquent multi-family accounts with a single payer for the account, the City must take additional steps prior to disconnecting water service. Each tenant associated with the service address must be notified that the account is subject to disconnect. Tenants are notified with a door hanger. The water service must remain on for a period of six additional days before water service can be disconnected. Typically, after the door hangers have been placed, landlords provide payment before the disconnect date. Unfortunately, this process becomes routine for some landlords who often times wait to pay the delinquent bill until after the City places the door hangers. Since this required notification takes additional staff time and multiple trips to the service address, staff proposes to charge \$5 per door hanger to recover the additional cost of providing notice for the landlord to pay their City Services bill on time.

In-Care-of Accounts: In-care-of accounts are typically those accounts where the owner of a multi-family property places the account in his/her name as required by ordinance then has another party (such as a property manager) sign as the in-care-of party to receive the monthly City Services billing statements. For these accounts, the in-care-of arrangement works very well and the property managers take care of the bills. Although Corvallis Municipal Code

requires the landlord to be responsible for all charges generated by the account, ordinance does not limit the ability of the landlord to force a tenant to be the in-care-of recipient of the monthly bill. This creates problems when the in-care-of tenant moves and monthly bills get returned as undeliverable even though other tenants occupy the property or the in-care-of tenant calls to stop service to ensure they are no longer responsible for the monthly bill. Staff also hear from in-care-of tenants that they are forced by their landlords to recover charges from other tenants associated with the property without help from the landlord. Staff is proposing to require Multi-Family accounts to remain in the name of the landlord as with current ordinance but limit the ability of the landlord to only select a property manager as an in-care-of party. Under no condition can a tenant of the property be listed as an in-care-of party on the account.

Delinquent Wastewater/Stormwater Accounts: Wastewater/stormwater accounts are set up for customers who are connected to the City's utility system that need wastewater service but do not need water service. The City has about 360 wastewater/stormwater accounts. These customers are charged a monthly fee for this connection. These accounts are reviewed annually to monitor delinquency status. In cases where the account has not been paid, the property owner or tenant is notified of the delinquent status. Since these accounts do not include water service, they are not subject to disconnection. Recovery of delinquent amounts on these accounts is more difficult but can be accomplished through an action brought by law, the delinquent amount certified and presented to the County Assessor (both incur additional costs to the City) or through collections. Recovery for all other City Services accounts goes through collections or if the customer has an active account elsewhere in the city, the delinquent amount owed is transferred to the active account.

Staff is proposing the City also be allowed to transfer a delinquent amount owed by a customer on any property that does not have water service but has connection to the City's wastewater/stormwater system to any active account of the same customer. As a result, if a customer has a water/wastewater account in the city, an unpaid and delinquent wastewater/stormwater account balance could be transferred to the active water/wastewater account. The ability to transfer the delinquent amount to an active account with water service, gives the City some leverage to successfully collect the delinquent amount owed without incurring additional fees.

\$25 service fee for a hand delivered delinquent/disconnect notice:

The City currently charges \$35 to reconnect a City Services account once it is turned off for non-payment. The \$35 charge is in part to recover the cost of utility billing staff time trying to collect payment on the bill and making two separate trips to the service address to turn the water off and back on once payment is received. Customers receive two monthly bills and up to three courtesy telephone calls prior to delinquent disconnect. Often times when field specialists go to turn the water off they meet the customer at their doorstep. With local businesses, staff will go inside first to speak with the customer (or their staff) to let them know their water service is about to be disconnected. In most cases, to avoid disruption to the home or business (and to their customers), the water is left on with a commitment from the customer to pay the delinquent balance within a few hours. As a result, these customers do not have to pay a reconnect fee and in some cases, this becomes a standard practice before payment is made. As a penalty for this additional notification service, staff proposes to charge a \$25 fee (one trip) and require the customer to bring their account to a \$0 balance in

the same business day as the scheduled disconnect similar to all other delinquent accounts subject to disconnect.

**III. Recommendation:**

Although these customers make up a small contingent of our customer base they consume a large portion of staff time and resources. Staff recommends approval of the revisions to Corvallis Municipal Code, Chapter 3.06, City Services to ensure the City recovers its cost of services and places the cost of providing these additional services and responsibilities on the appropriate customers.

Review and Concur:



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James A. Patterson, City Manager

ORDINANCE 2012-\_\_\_

**AN ORDINANCE RELATING TO CITY SERVICES BILLING, AMENDING MUNICIPAL CODE CHAPTER 3.06, "CITY SERVICES BILLING" AS AMENDED**

THE CITY OF CORVALLIS ORDAINS AS FOLLOWS:

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

**Section 3.06.020 Definitions.**

- 1) Applicant - A person applying for water and/or wastewater and/or storm water service.
- 2) Base Rate - The monthly charge for access to the water and wastewater system services whether or not there is water consumption. The base rate covers the costs associated with having water available, providing adequate water flow for fire protection, and capacity for wastewater removal.
- 3) BOD - Biochemical Oxygen Demand.
- 4) City services - As used herein, the services supported by fees on the monthly City Services Bill for utility services, transportation system maintenance, transit operations, sidewalk maintenance, and urban forest management.
- 5) Commercial service - Provision of water to premises which include mercantile establishments, stores, offices, public buildings, governmental agencies, public and private hospitals, schools, churches, other commercial enterprises, and mercantile establishments combined with residences.
- 6) Consumption rate - As used herein, a charge placed on every hundred cubic feet (HCF) of water as measured by the meter.
- 7) Customer - As used herein, a person who has applied for and who has agreed to be responsible for the water, wastewater, and/or storm water account. The customer who signs up for utility service is deemed to be responsible for all services billed on the City services bill.
- 8) Day(s) - is calendar day(s).
- 9) Domestic service - Provision of water for household residential purposes, including water for lawns, gardens, and shrubbery; watering livestock; washing vehicles; and other similar and customary purposes.
- 10) Domestic waste - Water-carried waste from the noncommercial preparation, cooking, and handling of food or containing human excrement and similar matter from the sanitary conveniences of dwellings, commercial buildings, industrial facilities, and institutions.
- 11) Dwelling unit - One or more rooms, with access limited by a locking door, including at least one sanitary facility and one kitchen facility designed for occupancy by one or more individuals.
- 12) Equivalent dwelling unit (EDU) - A residential or nonresidential living configuration estimated to place approximately equal demand on the City's wastewater treatment system as a single-family dwelling unit.
- 13) Equivalent service unit (ESU) - Improved premises estimated to place approximately the same demand on the City's storm water system as a single-family dwelling unit. One ESU shall be equal to 2,750 square feet of impervious surface.
- 14) Fire protection service - Provision of water to premises for automatic fire protection.
- 15) Group residential - A dormitory, fraternity, sorority, cooperative or other similar structure primarily used for personal, domestic accommodation providing common sanitary and kitchen facilities. Does not include hotels, motels, assisted living facilities or other similar structures.
- 16) High level service - Areas served by the utility that, in the opinion of the utility, require secondary pumping to provide adequate service.

17) Hundred Cubic Feet (hcf) – the units used to measure water consumption. One hundred cubic feet equals one unit of water measured by the water meter and also equals 748 gallons of water.

18) Impervious surface - Hard-surface areas located upon real property which either prevent or retard saturation of water into the land surface and/or cause water to run off the land surface in greater quantities or at an increased rate of flow than under natural conditions prior to development. Common impervious surfaces include, but are not limited to, rooftops, concrete or asphalt sidewalks, walkways, patio areas, driveways, parking lots or storage areas and graveled, oiled, macadam or other surfaces which similarly impact the natural saturation or runoff patterns which existed prior to development.

19) Improved premises - Any area which has been altered such that the runoff from the site is greater than that which could historically have been expected. Such a condition shall be determined by the City Engineer.

20) Industrial service - Provision of water to a customer for use in manufacturing or processing activities.

21) Irrigation service - Provision of water to a customer only for outside watering of landscaping, plants, or lawns and where no water passing through the meter enters the wastewater system.

22) Landlord – owner of a house, apartment, condominium, land or real estate which is rented or leased to an individual or business.

~~232~~) Monthly - A term referring to frequency of billing indicating a period of 26 to 34 days.

~~243~~) Multi-Family Unit - For utility services billing purposes, a multi-family unit shall include:

a) Any dormitory, boarding house, fraternity, sorority, "quad" or similar structure providing common sanitary and kitchen facilities;

b) Any structure served by one water meter constructed as, or used as, two or more dwelling units, regardless of building code classification; provided that the temporary vacancy of one or more of the dwelling units shall not alter the classification of such structure unless the owner shall have filed an affidavit attesting that such dwelling units have been removed from the rental market.

~~254~~) New account - The initial process of application for service, setting up billing, reading the meter, and turning on the water or any part thereof and at a single location for a given customer.

~~265~~) Person - As used herein, any individual, firm, partnership, agency, company, institution, unincorporated association, public or private corporation, government or government instrumentality.

~~276~~) Premises - As used herein, the integral property or area, including improvements thereon to which water service is or will be provided.

~~287~~) Rate schedules - The entire body of effective rates, rentals, charges, and regulations as set forth herein. All rate schedules are made available to the public.

~~298~~) Service connection - The pipe, valves, and other facilities by means of which the utility conducts water from its distribution mains to and through the meter but does not include the piping from the meter to the property served.

~~3029~~) Service renewal - The process for renewing service on delinquent accounts, and turning on the water or any part thereof and at a single location for a given customer.

~~310~~) Sidewalk Maintenance Fee - the fee levied in accordance with Chapter 3.07 and billed on the monthly City Services bill.

~~324~~) Single-family unit (SFU) - One or more rooms with bathroom and kitchen facilities designed for occupancy by one family such as detached townhouses, condominiums, zero lot-line, etc., where the units are sold and deeded as single-family units and have individual water meters.

~~332~~) Special user unit - Any improved premises which discharges its storm runoff water directly to the Willamette River via a system consisting entirely of non-public facilities and approved by the City Engineer pursuant to Section 4.03.020.010 6). Discharge from a special user unit shall comply with all applicable federal, State, and local laws, ordinances, and regulations. No premises shall be considered a special user unit for purposes of determining the applicable storm water charges until a special user unit permit is issued as provided in Section 3.06.120.

~~343~~) Summer Wastewater Average – the practice of using the prior winter's average water

usage to calculate the summer wastewater bills for customers, recognizing water used in excess of winter averages are likely used for irrigation purposes and are not going through the wastewater system.

35) Tenant – one who rents or leases from a Landlord.

364) Transit Operations Fee - the fee levied in accordance with Chapter 3.08 and billed on the monthly City Services bill.

357) Transportation Maintenance Fee – the fee levied in accordance with Chapter 3.05 and billed on the monthly City Services bill.

368) TSS - Total Suspended Solids.

379) Urban Forest Management Fee - the fee levied in accordance with Chapter 3.09 and billed on the monthly City Services bill.

4038) User charge - The fee levied on users of the water, wastewater, storm water, and transportation collection, distribution, and treatment systems for their proportionate share of the costs of operation, maintenance, replacement, and capital facilities of the respective systems.

4139) Utility - As used herein, the City of Corvallis, a municipal corporation of the State of Oregon (Public Works).

420) Utility service - Water, wastewater and/or storm water services provided by the City of Corvallis.

(Ord. 2012-11 §1, 07/02/2012; Ord. 2011-04 §1, 02/07/2011; Ord. 2006-07 §1, 04/03/2006)

### **Section 3.06.030 Application for utility.**

1) Application. Each applicant for utility service shall be required to provide the following information:

a) Date of application.

b) Location of premises to be served.

c) Date on which applicant will be ready for service.

d) Address to which bills are to be mailed or delivered.

e) Whether the applicant is an owner, tenant of, or agent for, the premises.

f) Social Security number or valid driver's license number.

g) Agreement to abide by all rules, regulations and ordinances of the utility, as now existing or as hereafter changed or amended.

h) Such other information as the utility may reasonably request including a valid landlord-tenant agreement to establish proof of occupancy.

(Ord. 2011-04 §1, 02/07/2011; Ord. 2007-13 §1, 06/18/2007)

2) Individual liability for joint service. Two or more parties who join to make application for service shall be jointly and individually liable and shall be sent a single periodic bill.

3) Multi-family utility service accounts must remain in the name of the Landlord (per Title 3, Utilities/Public Rights of Way, Section 3.01.100 Multiple Units) and may be placed "in care of" the Landlord's property manager. Under no condition shall the "in care of" party be the tenant.

34) Changes in customer's equipment. Customers making any material change in the size, character or extent of the equipment or operation utilizing water service, or whose change in operation results in a large increase in the use of water, shall immediately give the utility written notice of the nature of the change and, if requested by the utility, amend their application.

45) Special contracts. Contracts, other than application, may be required prior to service where, in the opinion of the utility, special circumstances warrant special consideration.

56) A new account fee of \$25.00 will be collected for each new account application if the turn-on is during regular working hours. A new account fee of \$60.00 will be collected for each new account requiring a turn-on other than during regular working hours. Working hours are defined as 8:00 am to 5:00 pm Monday through Friday excluding holidays.

67) Landlords and their agents may forego the \$25 new account fee if the landlord or landlord's agent agrees in writing to have service put into the landlord's or landlord's agent's name when

service for a tenant is discontinued by either the tenant, landlord, or landlord's agent. The landlord or landlord's agent will be billed for all services received until service for the landlord is stopped by the landlord or landlord's agent or service is started by a tenant in the tenant's name.

78) When the service has not previously been provided at the address, service shall be initiated as follows:

- a) For water, storm water, and other City services, service shall be initiated and billings commence when the water meter is connected to the City's water main;
- b) For wastewater service, service shall be initiated and billings commence when the wastewater connection passes inspection.

(Ord. 2006-07 §1, 04/03/2006)

**Section 3.06.080 Delinquent accounts.**

1) Policy. To keep costs of operations as low as possible, the City's policy is to pursue collection of all accounts. Prompt payment is expected.

2) Procedure.

a) A City services account shall be deemed a delinquent account if it is not paid on or before the 25th day following the account's billing date. For purposes of this section, "paid" means received in the City Finance Department. Payments placed in the drop boxes provided by the City shall be deemed as received as of the next business day.

b) The subsequent month's bill will serve as the first notice of delinquency and the second notice of when payment must be received in order to avoid turn-off for non-payment.

c) The City shall serve notice of delinquency to both the tenant and the landlord when the person responsible for paying the bill is not the resident of the service address. Notice to the tenant shall consist of a door-hanger affixed to the primary entry door of each dwelling unit associated with the service address. A fee of \$5 per door-hanger will be charged to the owner of the account at the service address where notification occurs. Service to a tenant when the tenant is not responsible for payment will not be terminated for a period of six days after notice to discontinue service was served to the tenant and person responsible for payment.

d) The City will transfer any delinquent amount owed on a final account by a customer at a previous location to that customer's new address when payment is not received within 26 days of the final bill. Payments of the delinquent amount shall apply as set forth in subsections 2) a) and b) of this section. The City may also transfer to any active account of a customer, a delinquent amount owed by that customer on any property owned by that customer who does not have utility provided water service but has connection to the utility's wastewater service.

e) Subject to the appeal procedure provided in section 3.06.090, the City Manager is authorized to turn off water service at any location for which there exists a delinquent City services account no earlier than the 46th day after the date of billing on that account. Discontinuance of water service shall be in addition to any other remedies or penalties provided herein or any other ordinance of the City or by any other applicable law.

f) For services subject to disconnection, the City may charge a \$25 penalty fee to the owner of the account if the City incurs a trip for a delinquency turn-off but leaves the service active as a courtesy to the customer. If the service remains active, the customer is required to pay the additional \$25 fee and bring the account to a \$0 balance the same business day.

3) Application for service renewal due to delinquency turn-off.

a) A service that has been disconnected for non-payment will be required to bring the account to a \$0 balance including service fees prior to service reconnection.

b) Service renewal

1] To renew service that has been disconnected due to non-payment, where the request is made during regular office hours of 8:00 AM to 5:00 PM, a service fee of \$35 will be charged.

2] To renew service that has been disconnected due to non-payment, where the request is made after regular working hours, a service fee of \$100 will be charged.

3] Water or wastewater service shall not be restored until all charges, including the expense of removal, closing, and restoration if incurred have been paid.

4) Recovery of unpaid charges. Any charge due hereunder which shall not be paid when due may be recovered in an action at law by the City.

5) The City Manager of the City is hereby empowered and directed to enforce this provision as to all delinquent accounts, using the procedures provided in this Section. The employees of the City shall at all reasonable times have access to any premises served by the City for inspection, repair or the enforcement of the provisions herein.

(Ord. 2011-04 §1, 02/07/2011; Ord. 2006-07 §1, 04/03/2006)

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

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

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

**Chapter 3.06**

**City Services Billing**

**Sections:**

- 3.06.010** Policy.
- 3.06.020** Definitions.
- 3.06.030** Application for utility.
- 3.06.040** Discontinuation of service.
- 3.06.050** Billing and payments.
- 3.06.060** Meter test.
- 3.06.070** Adjustments.
- 3.06.080** Delinquent accounts.
- 3.06.090** Appeals.
- 3.06.100** Notices.
- 3.06.110** Utility service outside the City.
- 3.06.120** Special storm water rates and fees.
- 3.06.130** Utility services rate setting.
- 3.06.140** Utility services rates.

**Section 3.06.010 Policy.**

It is the policy of the City to operate the water, wastewater, and storm water utilities as business enterprises that benefit the community by providing clean water and sanitary wastewater service, and by providing storm water run-off management. User charges for service are set to cover the full costs of operating and maintaining the utilities; as such, accuracy and timeliness in billing and collecting user charges is important. The City bills for all three utilities, other services requested by the customer, and other fees required by ordinance (transportation maintenance fee, transit operations fee, sidewalk maintenance fee, and urban forest management fee) on a single monthly bill. Rates for each service area are separately calculated but are combined and printed on a single bill to facilitate billing and payment processing. The City maintains separate funds to account for specific revenues and expenditures. Monies paid for water service are accounted for in the Water Fund; monies paid for wastewater service are accounted for in the Wastewater Fund; monies paid for storm water service are accounted for in the Storm Water Fund; monies paid for the other fees required by ordinance are accounted for as described in their respective Municipal Code chapters.

(Ord. 2011-04, §13, 02/07/2011; Ord. 2006-07 §1, 04/03/2006)

**Section 3.06.020 Definitions.**

- 1) Applicant - A person applying for water and/or wastewater and/or storm water service.
- 2) Base Rate - The monthly charge for access to the water and wastewater system services whether or not there is water consumption. The base rate covers the costs associated with having water available, providing adequate water flow for fire protection, and capacity for wastewater removal.
- 3) BOD - Biochemical Oxygen Demand.
- 4) City services - As used herein, the services supported by fees on the monthly City Services Bill for utility services, transportation system maintenance, transit operations, sidewalk maintenance, and urban forest management.
- 5) Commercial service - Provision of water to premises which include mercantile establishments, stores, offices, public buildings, governmental agencies, public and private hospitals, schools, churches, other commercial enterprises, and mercantile establishments combined with

## Corvallis Municipal Code

residences.

6) Consumption rate - As used herein, a charge placed on every hundred cubic feet (HCF) of water as measured by the meter.

7) Customer - As used herein, a person who has applied for and who has agreed to be responsible for the water, wastewater, and/or storm water account. The customer who signs up for utility service is deemed to be responsible for all services billed on the City services bill.

8) Day(s) - is calendar day(s).

9) Domestic service - Provision of water for household residential purposes, including water for lawns, gardens, and shrubbery; watering livestock; washing vehicles; and other similar and customary purposes.

10) Domestic waste - Water-carried waste from the noncommercial preparation, cooking, and handling of food or containing human excrement and similar matter from the sanitary conveniences of dwellings, commercial buildings, industrial facilities, and institutions.

11) Dwelling unit - One or more rooms, with access limited by a locking door, including at least one sanitary facility and one kitchen facility designed for occupancy by one or more individuals.

12) Equivalent dwelling unit (EDU) - A residential or nonresidential living configuration estimated to place approximately equal demand on the City's wastewater treatment system as a single-family dwelling unit.

13) Equivalent service unit (ESU) - Improved premises estimated to place approximately the same demand on the City's storm water system as a single-family dwelling unit. One ESU shall be equal to 2,750 square feet of impervious surface.

14) Fire protection service - Provision of water to premises for automatic fire protection.

15) Group residential - A dormitory, fraternity, sorority, cooperative or other similar structure primarily used for personal, domestic accommodation providing common sanitary and kitchen facilities. Does not include hotels, motels, assisted living facilities or other similar structures.

16) High level service - Areas served by the utility that, in the opinion of the utility, require secondary pumping to provide adequate service.

17) Hundred Cubic Feet (hcf) – the units used to measure water consumption. One hundred cubic feet equals one unit of water measured by the water meter and also equals 748 gallons of water.

18) Impervious surface - Hard-surface areas located upon real property which either prevent or retard saturation of water into the land surface and/or cause water to run off the land surface in greater quantities or at an increased rate of flow than under natural conditions prior to development. Common impervious surfaces include, but are not limited to, rooftops, concrete or asphalt sidewalks, walkways, patio areas, driveways, parking lots or storage areas and graveled, oiled, macadam or other surfaces which similarly impact the natural saturation or runoff patterns which existed prior to development.

19) Improved premises - Any area which has been altered such that the runoff from the site is greater than that which could historically have been expected. Such a condition shall be determined by the City Engineer.

20) Industrial service - Provision of water to a customer for use in manufacturing or processing activities.

21) Irrigation service - Provision of water to a customer only for outside watering of landscaping, plants, or lawns and where no water passing through the meter enters the wastewater system.

22) Landlord – owner of a house, apartment, condominium, land or real estate which is rented or leased to an individual or business.

23) Monthly - A term referring to frequency of billing indicating a period of 26 to 34 days.

24) Multi-Family Unit - For utility services billing purposes, a multi-family unit shall include:

a) Any dormitory, boarding house, fraternity, sorority, "quad" or similar structure providing common sanitary and kitchen facilities;

b) Any structure served by one water meter constructed as, or used as, two or more dwelling units, regardless of building code classification; provided that the temporary vacancy of one or

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more of the dwelling units shall not alter the classification of such structure unless the owner shall have filed an affidavit attesting that such dwelling units have been removed from the rental market.

25) New account - The initial process of application for service, setting up billing, reading the meter, and turning on the water or any part thereof and at a single location for a given customer.

26) Person - As used herein, any individual, firm, partnership, agency, company, institution, unincorporated association, public or private corporation, government or government instrumentality.

27) Premises - As used herein, the integral property or area, including improvements thereon to which water service is or will be provided.

28) Rate schedules - The entire body of effective rates, rentals, charges, and regulations as set forth herein. All rate schedules are made available to the public.

29) Service connection - The pipe, valves, and other facilities by means of which the utility conducts water from its distribution mains to and through the meter but does not include the piping from the meter to the property served.

30) Service renewal - The process for renewing service on delinquent accounts, and turning on the water or any part thereof and at a single location for a given customer.

31) Sidewalk Maintenance Fee - the fee levied in accordance with Chapter 3.07 and billed on the monthly City Services bill.

32) Single-family unit (SFU) - One or more rooms with bathroom and kitchen facilities designed for occupancy by one family such as detached townhouses, condominiums, zero lot-line, etc., where the units are sold and deeded as single-family units and have individual water meters.

33) Special user unit - Any improved premises which discharges its storm runoff water directly to the Willamette River via a system consisting entirely of non-public facilities and approved by the City Engineer pursuant to Section 4.03.020.010 6). Discharge from a special user unit shall comply with all applicable federal, State, and local laws, ordinances, and regulations. No premises shall be considered a special user unit for purposes of determining the applicable storm water charges until a special user unit permit is issued as provided in Section 3.06.120.

34) Summer Wastewater Average - the practice of using the prior winter's average water usage to calculate the summer wastewater bills for customers, recognizing water used in excess of winter averages are likely used for irrigation purposes and are not going through the wastewater system.

35) Tenant - one who rents or leases from a Landlord.

36) Transit Operations Fee - the fee levied in accordance with Chapter 3.08 and billed on the monthly City Services bill.

37) Transportation Maintenance Fee - the fee levied in accordance with Chapter 3.05 and billed on the monthly City Services bill.

38) TSS - Total Suspended Solids.

39) Urban Forest Management Fee - the fee levied in accordance with Chapter 3.09 and billed on the monthly City Services bill.

40) User charge - The fee levied on users of the water, wastewater, storm water, and transportation collection, distribution, and treatment systems for their proportionate share of the costs of operation, maintenance, replacement, and capital facilities of the respective systems.

41) Utility - As used herein, the City of Corvallis, a municipal corporation of the State of Oregon (Public Works).

42) Utility service - Water, wastewater and/or storm water services provided by the City of Corvallis.

(Ord. 2012-11 §1, 07/02/2012; Ord. 2011-04 §1, 02/07/2011; Ord. 2006-07 §1, 04/03/2006)

### **Section 3.06.030 Application for utility.**

1) Application. Each applicant for utility service shall be required to provide the following information:

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- a) Date of application.
- b) Location of premises to be served.
- c) Date on which applicant will be ready for service.
- d) Address to which bills are to be mailed or delivered.
- e) Whether the applicant is an owner, tenant of, or agent for, the premises.
- f) Social Security number or valid driver's license number.
- g) Agreement to abide by all rules, regulations and ordinances of the utility, as now existing or as hereafter changed or amended.

h) Such other information as the utility may reasonably request including a valid landlord-tenant agreement to establish proof of occupancy.

(Ord. 2011-04 §1, 02/07/2011; Ord. 2007-13 §1, 06/18/2007)

2) Individual liability for joint service. Two or more parties who join to make application for service shall be jointly and individually liable and shall be sent a single periodic bill.

3) Multi-family utility service accounts must remain in the name of the Landlord (per Title 3, Utilities/Public Rights of Way, Section 3.01.100 Multiple Units) and may be placed "in care of" the Landlord's property manager. Under no condition shall the "in care of" party be the tenant.

4) Changes in customer's equipment. Customers making any material change in the size, character or extent of the equipment or operation utilizing water service, or whose change in operation results in a large increase in the use of water, shall immediately give the utility written notice of the nature of the change and, if requested by the utility, amend their application.

5) Special contracts. Contracts, other than application, may be required prior to service where, in the opinion of the utility, special circumstances warrant special consideration.

6) A new account fee of \$25.00 will be collected for each new account application if the turn-on is during regular working hours. A new account fee of \$60.00 will be collected for each new account requiring a turn-on other than during regular working hours. Working hours are defined as 8:00 am to 5:00 pm Monday through Friday excluding holidays.

7) Landlords and their agents may forego the \$25 new account fee if the landlord or landlord's agent agrees in writing to have service put into the landlord's or landlord's agent's name when service for a tenant is discontinued by either the tenant, landlord, or landlord's agent. The landlord or landlord's agent will be billed for all services received until service for the landlord is stopped by the landlord or landlord's agent or service is started by a tenant in the tenant's name.

8) When the service has not previously been provided at the address, service shall be initiated as follows:

a) For water, storm water, and other City services, service shall be initiated and billings commence when the water meter is connected to the City's water main;

b) For wastewater service, service shall be initiated and billings commence when the wastewater connection passes inspection.

(Ord. 2006-07 §1, 04/03/2006)

### **Section 3.06.040 Discontinuation of service.**

1) Customer request for service discontinuance.

a) A customer may have City services discontinued during normal business hours by notifying the City in advance of the desired date of discontinuance. The customer will be required to pay all City services charges until the date of such discontinuance.

b) If notice is not given, the customer will be required to pay for the service until the date the City has learned that the customer has vacated the premises or otherwise has discontinued service.

2) Nonpayment of bills. A customer's water service may be discontinued if the bill is not paid in accordance with the procedures as listed in Section 3.06.080 herein.

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(Ord. 2011-04 §1, 02/07/2011; Ord. 2006-07 §1, 04/03/2006)

**Section 3.06.050 Billing and payments.**

- 1) Bills.
  - a) Bills for City services will be rendered monthly. Customers may be billed for any combination of the four services on each month's bill depending on which services are used.
    - 1] Water service is considered to be used if the customer's property is connected to the water system, and the customer has not notified the utility that the property is vacant and water service is no longer required. Consumption of water is based on the meter reading on the utility's meters.
    - 2] Wastewater service is considered to be used if the customer's property is connected to the water and wastewater system, and the customer has not notified the utility that the property is vacant and wastewater service is no longer required. Consumption for wastewater service is generally based on the water used as measured on the utility's water meter. If the customer does not have utility provided water service, and the wastewater system is connected to the property, the wastewater service is considered to be used.
    - 3] Storm water service is considered to be used if the customer's property has any kind of development or impervious surface on it, and the property is being used, regardless of whether water or wastewater service is being used.
    - 4] Other City services are considered to be used if a utility services account is active.
  - b) Water consumption via meter readings is the best available measure of wastewater usage. Therefore, the amount of water used each month will be used to determine the wastewater consumption and associated charges.
    - c) Meter readings.
      - 1] Meters will be read at regular intervals for the preparation of bills and as required for the preparation of opening, closing, and special bills.
      - 2] It may not always be possible to read meters on the same day of each period. Should a monthly billing period contain less than 26 days or more than 34 days, a pro rata correction will be made.
        - 3] Where all water used is derived from the Corvallis water system, the metered amount of water delivered to the unit from the Corvallis water system for each month shall be the amount of water used for determining the water and wastewater bill, except for summer wastewater averaging (Section 3.06.050 (2)).
        - 4] Where part of the water used is derived from the Corvallis water system and part of the water used is derived from other sources, the amount of water used to determine the wastewater bill shall be the combination of the amounts determined under subsections 3 and 5 of this Section.
          - 5] Where all water used is derived from sources other than Corvallis' water system and the unit is other than a single family or multi-family served by the Corvallis wastewater treatment system, the amount of water used shall be determined by the City Manager using records and data furnished to her or him by the wastewater user or gathered from the City Manager's own investigation, or both, at the discretion of the City Manager. In lieu of such determination by the City Manager of the amount of water used, a wastewater user may be required to provide, install, and maintain a meter to measure the amount of water used at the wastewater user's expense; and the City Manager may accept the measurement of water used as determined by such meter if the City Manager is reasonably satisfied as to the accuracy of such measurement.
          - 6] Where all water used is derived from sources other than Corvallis' water system and the unit is a single family or multi-family unit served by the Corvallis wastewater system, the

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wastewater charge shall be a flat rate based on single family residential rates (Section 3.06.140 (6)).

### 7] Exceptions.

a) In those cases where commercial or industrial customers can demonstrate that water used is not directly returned to the wastewater treatment system, an adjustment shall be made on the wastewater consumption charge proportionate to the non-returned usage. In order to qualify for this exemption, the customer shall install a wastewater exemption meter per Section 4.03.020.010, Use of Public Sewers Required, to measure water not returned to the wastewater treatment system.

8] Estimations. In rare circumstances the City is unable to read a water meter due to inaccessibility of the meter, and must estimate the read to calculate a bill. Estimate calculations are based on the amount of water used in the same month in the prior year. If there was no usage data for the customer for the prior year, then the prior month's data is used. Bills that are rendered based on an estimated read will indicate that information.

d) City Services billings will be prorated for partial month billings. Prorated billings shall be computed by the following formula:

#### 1] For Water and wastewater:

A] Consumption x the current consumption rate = Consumption Charge.

B] Consumption x the current applicable high-level surcharge, if any = High Level Surcharge.

C] Base Rate ÷ 30 x number of days service = Prorated Base Rate Charge.

D] Consumption Charge + High-Level Surcharge + Prorated Base Rate Charge = Total Charge.

#### 2] For Storm Water and other City services:

A] Base Rate ÷ 30 x number of days service = Prorated Base Rate Charge.

2) Summer Wastewater Average. The utility recognizes that some water is used in the summer for irrigation that is not measured through a meter designated for irrigation purposes. Since this water does not go through the utility's wastewater system, summer wastewater bills are calculated in the following method:

a) Single-family units will be charged the base rate and the consumptive rate for any consumption on bills rendered the prior December through April. For bills rendered May through November, the monthly billing will be computed upon the average metered water consumption for the preceding months of December through April or computed upon the actual consumption whichever is less.

b) Multi-family units and 509J classroom facilities will be billed the basic minimum and the consumptive rate for any consumption rendered December through April. For bills rendered May through November, billing will be computed upon the average metered water consumption for the preceding months of December through April or computed upon the actual consumption, whichever is less.

c) Where by reason of new construction, a single-family unit was not connected to water and wastewater service on February 1 of a year, such unit shall be billed for the period May through November following construction, for an amount not to exceed eight units per month.

d) Where by reason of new construction, a multi-family unit was not connected to water and wastewater service on February 1 of a year, such unit shall be billed for the period May through November following construction, on the basis of actual consumption.

e) Commercial customers (all other customers not described in the above categories) will be billed the basic minimum and the appropriate consumptive rate for all consumption based on their wastewater strength designation. There will be no seasonal exceptions made except for measured amounts proven not to be discharged to the sanitary or storm water systems.

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- 3) Bill payment.
  - a) All bills are generated for services already rendered. Balances are due upon receipt and must be paid on or before the 25th day following the billing date, or the payment will be considered delinquent. Payment may be made at the City's Utility Billing office.
  - b) Final bills will be processed at the time of discontinuance of service.
  - c) When bills are delinquent, the utility will follow the procedures as outlined in

Section 3.06.080.

4) Billings of separate meters not combined. Each meter on customer's premises will be considered separately, and the readings of two or more meters will not be combined unless specifically provided for in the rate schedule, or unless the utility's operating convenience required the use of more than one meter or of a battery of meters. The minimum monthly charge for such combined meters will be based on the diameter of the total combined discharge areas of the meters.

5) All payments for services rendered may be remitted on a single check or on separate checks. The utility shall deposit monies equal to the billings for each service into the respective fund for the service rendered. Payment shall be applied first to the urban forest management fee, then to the sidewalk maintenance fee, then to the transit operations fee, then to the transportation maintenance fee, then to storm water charges, then to wastewater charges, and finally to the water charges.

(Ord. 2011-04 §1, 02/07/2011; Ord. 2008-03 §1, 01/22/2008; Ord. 2006-07 §1, 04/03/2006)

### **Section 3.06.060 Meter test.**

- 1) Meter test.
  - a) Prior to installation, each meter will be tested and no meter found to register more than three percent fast or slow under conditions of normal operation will be placed in service.
  - b) On customer request.
    - 1] A customer may, giving not less than one week's notice, request the utility to test the meter serving her or his premises.
    - 2] For each additional test after the first performed in a calendar year, the utility may charge the customer an amount to cover the reasonable cost of test, as follows:
      - a] For 3/4" meters: \$25.00
      - b] For 1" - 1.5" meters: \$50.00
      - c] For larger than 1.5" meters: Estimated cost.
    - 3] The charge will be refunded if the meter is found to register more than three percent fast. The customer will be notified not less than five days in advance of the time and place of the test.
    - 4] A customer or representative shall have the right to be present when the test is made.
    - 5] A written report giving the results of the test shall be available to the customer within 10 days after completion of the test.

2) Leak Test. The City will assist customers who have higher than expected usage to test for leaks. If an underground leak is discovered, the City will adjust the customer's bill as identified in section 3.06.070 Adjustments.

(Ord. 2011-04 §1, 02/07/2011; Ord. 2006-07 §1, 04/03/2006)

### **Section 3.06.070 Adjustments.**

- 1) Adjustment of bills for meter error.
  - a) Fast meters. When, upon test, a meter is found to be registering more than three percent fast, under conditions of normal operation, the utility will refund to the customer the full amount of the overcharge based on corrected meter readings for a period not exceeding three months that the

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meter was in use.

b) Slow meters.

1] When, upon test, a meter used for domestic or residential service is found to be registering more than 25 percent slow, the utility may bill the customer for the amount of the undercharge, based upon corrected meter readings for a period not exceeding three months that the meter was in use.

2] When, upon test, a meter used for other than domestic or residential service is found to be registering more than five percent slow, the utility may bill the customer for the amount of the undercharge, based upon correct meter readings for a period not exceeding six months that the meter was in use.

c) Non-registering meters. The utility may bill the customer for water consumed while the meter was not registering. The bill will be at the minimum monthly meter rate, or will be computed upon an estimate of consumption based either upon the customer's prior use during the same season of the year or upon a reasonable comparison with the use of other customers receiving the same class of service during the same period and under similar circumstances and conditions. The bill will be for the period of time that the meter was not registering.

2) Adjustments due to underground leaks. Where a leak exists underground between the meter and the building or where the leak is otherwise undetectable and the same is repaired within a reasonable time after the owner, agent or occupant of the premises has been notified of such leakage, the utility may allow an adjustment of 50 percent of the estimated excess water consumption for a period not exceeding two months that the meter was in use. When the nature of the leak is such that the leak drained into the wastewater system, then the wastewater charges may be adjusted for 50 percent of the estimated excess wastewater consumption for a period not exceeding two months that the meter was in use. When the leak does not drain into the wastewater system, then 100 percent of the estimated excess wastewater consumption may be adjusted for a period not exceeding two months. The adjustment will be computed upon an estimate of consumption based either upon the customer's use during the same season of the year prior or upon a reasonable comparison with the use of other customers receiving the same class of service during the same period and under similar circumstances and conditions.

3) Adjustment for other causes. From time-to-time an over- or under- billing error is discovered by the utility or the customer. For these errors, corrections will be calculated for a period of no more than one year.

a) For amounts owed by the utility to the customer, the customer shall have the option of taking the amount as a credit or as a refund of monies.

b) For amounts owed by the customer to the utility, if the amount owed is less than the customer's average monthly bill, the amount shall be due and payable no later than the next regular payment due date. If the amount owed is more than the average monthly bill, the customer may arrange a time-payment agreement to re-pay the amounts owed. The customer must maintain all current bills and pay the amounts owed on the time-payment agreement each month. The City shall not charge a penalty or interest on the past-due amount as long as the payment terms are met. In no case may the customer take more than one year to re-pay the amounts owed.

(Ord. 2006-07 §1, 04/03/2006)

### **Section 3.06.080 Delinquent accounts.**

1) Policy. To keep costs of operations as low as possible, the City's policy is to pursue collection of all accounts. Prompt payment is expected.

2) Procedure.

a) A City services account shall be deemed a delinquent account if it is not paid on or before the 25th day following the account's billing date. For purposes of this section, "paid" means received in the City Finance Department. Payments placed in the drop boxes provided by the City shall

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be deemed as received as of the next business day.

b) The subsequent month's bill will serve as the first notice of delinquency and the second notice of when payment must be received in order to avoid turn-off for non-payment.

c) The City shall serve notice of delinquency to both the tenant and the landlord when the person responsible for paying the bill is not the resident of the service address. Notice to the tenant shall consist of a door-hanger affixed to the primary entry door of each dwelling unit associated with the service address. A fee of \$5.00 per door-hanger will be charged to the owner of the account at the service address where notification occurs. Service to a tenant, when the tenant is not responsible for payment, will not be terminated for a period of six days after notice to discontinue service was served to the tenant and person responsible for payment.

d) The City will transfer any delinquent amount owed on a final account by a customer at a previous location to that customer's new address when payment is not received within 26 days of the final bill. Payments of the delinquent amount shall apply as set forth in subsections 2) a) and b) of this section. The City may also transfer to any active account of a customer, a delinquent amount owed by that customer on any property owned by that customer who does not have utility provided water service but has connection to the utility's wastewater service.

e) Subject to the appeal procedure provided in section 3.06.090, the City Manager is authorized to turn off water service at any location for which there exists a delinquent City services account no earlier than the 46th day after the date of billing on that account. Discontinuance of water service shall be in addition to any other remedies or penalties provided herein or any other ordinance of the City or by any other applicable law.

f) For services subject to disconnection, the City may charge a \$25 penalty fee to the owner of the account if the City incurs a trip for a delinquency turn-off but leaves the service active as a courtesy to the customer. If the service remains active, the customer is required to pay the additional \$25 fee and bring the account current the same business day.

3) Application for service renewal due to delinquency turn-off.

a) A service that has been disconnected for non-payment will be required to bring the account to a \$0 balance including service fees prior to service reconnection.

b) Service renewal

1] To renew service that has been disconnected due to non-payment, where the request is made during regular office hours of 8:00 AM to 5:00 PM, a service fee of \$35 will be charged.

2] To renew service that has been disconnected due to non-payment, where the request is made after regular working hours, a service fee of \$100 will be charged.

3] Water or wastewater service shall not be restored until all charges, including the expense of removal, closing, and restoration if incurred have been paid.

4) Recovery of unpaid charges. Any charge due hereunder which shall not be paid when due may be recovered in an action at law by the City.

5) The City Manager of the City is hereby empowered and directed to enforce this provision as to all delinquent accounts, using the procedures provided in this Section. The employees of the City shall at all reasonable times have access to any premises served by the City for inspection, repair or the enforcement of the provisions herein.

(Ord. 2011-04 §1, 02/07/2011; Ord. 2006-07 §1, 04/03/2006)

### **Section 3.06.090 Appeals.**

a) Upon written request by the customer, a hearing concerning computation of the amount owed and/or whether the service should be terminated shall be held before a hearings officer appointed by the City Manager. Service shall not be discontinued before the hearing has been conducted, unless service was disconnected before the hearing was requested. If the Hearings Officer finds that the

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computation was in error, the Hearings Officer shall adjust the amount of the service charge. If the Hearings Officer finds that the computation was correct, the Hearings Officer shall determine the service charges to be correct and shall set a date for payment. If the Hearings Officer determines that the amount owed on the account has not been paid by the time set after the hearing, then the Hearings Officer shall determine when services shall be terminated. The decision of the Hearings Officer is final.

If the person requesting the hearing does not appear at the scheduled hearing, the Hearings Officer shall enter an order declaring the service charges to be correct and when the service will be terminated if unpaid.

b) The City Manager or authorized representative, in cases where the customer is unable to pay the bill because of short term problems or an emergency circumstance, shall have the discretion of renewing or continuing service to a delinquent account upon acceptance of an acceptable plan for the payment of past-due amounts in installments.

c) The City Manager is hereby empowered and directed to enforce these procedures as to any and all delinquent accounts and to establish appropriate procedures for provision of reasonable notice and the opportunity for a hearing. Council shall set and review cost recovery fees or charges for delinquent City services accounts and for restoring water service after it has been turned off.

(Ord. 2011-04 §1, 02/07/2011; Ord. 2006-07 §1, 04/03/2006)

### **Section 3.06.100 Notices.**

1) Notices to customers. The following notices are required to be given to customers:  
a) a first monthly billing stating current charges due upon receipt ;  
b) the second notice will include the current charges due upon receipt plus the date payment for the previous month's billing must be received to avoid turn-off.

2) Notice from customers. Notice from the customer other than request for hearing (3.06.090 subsection a)) to the utility shall be given by the customer or the customer's authorized representative orally or in writing to the Finance Department or the City Manager.

(Ord. 2006-07 §1, 04/03/2006)

### **Section 3.06.110 Utility service outside the City.**

1) Outside City. The City does not extend services outside the City limits. However, some properties that abut or are in reasonable proximity to the City's water line from the Marys Peak watershed may connect to the City's water line, with approval by the City Council. Rates for water service rendered outside the City shall be double the rates provided herein for service inside the City. The high-level surcharge shall be applied uniformly inside and outside the City.

(Ord. 2011-04 §1, 02/07/2011; Ord. 2006-07 §1, 04/03/2006)

### **Section 3.06.120 Special storm water rates and fees.**

1) Any person responsible for storm water charges may apply for a permit designating their property as a special user unit. In order to obtain a permit, the applicant must demonstrate that the storm water runoff from the property is discharged directly into the Willamette River via an approved system consisting entirely of non-public facilities. As a condition of granting a special user unit permit, the City shall require that the applicant comply with all applicable federal, State or local laws, ordinances, regulations or orders. The fee for a special user unit permit shall be as prescribed in Section 8.03.270 of this Code.

2) Storm water rates may be reduced for improved premises where approved runoff control measures have been taken unless those measures have been required as part of a development permit. Analysis shall be on a case by case basis. No such rate-reduction shall apply to improved premises where

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other financial incentives for runoff control have been given.  
(Ord. 2011-04 §1, 02/07/2011; Ord. 2010-24 §1, 11/15/2010; Ord. 2006-07 §1, 04/03/2006)

**Section 3.06.130 Utility services rate setting.**

1) Annual rate review. Just and equitable charges for water, wastewater, and storm water services will be reviewed annually and revised periodically to reflect actual operation and maintenance costs, including replacement and extension of the various collection, distribution, and treatment systems.

2) Water rates consist of a base rate plus a consumption rate for each hundred cubic feet of water used. Rates vary based on the classification of user, the size of the water meter, and the level (altitude) for service. Surcharges shall be determined by reference to the official water map on file at the offices of the Department of Public Works.

3) Wastewater service rates are based on a base rate, plus a consumptive rate for each hundred cubic feet of water used. Consumptive rates vary based on the strength of discharge.

a) The discharge of non-domestic wastewater shall be subject to additional charges. Wastewater of higher strength than domestic requires more treatment, which results in higher costs to the City. These additional charges will be based on the average treatment cost related to treating biochemical oxygen demand (BOD) and total suspended solids (TSS). These costs will be recovered from customers who are designated as having either Medium, High, or Very High strength wastewater. Refer to Section 3.06.140 for rates.

1] Strength Categories. Four strength categories were created with the adoption of an equity rate structure in June 1998 and are based on the levels of BOD and TSS in the wastewater.

<u>Strength Category</u>	<u>Strength Range of BOD and/or TSS</u>
Domestic	<200 mg/l
Medium	201 - 500 mg/l
High	501 - 1000 mg/l
Very High	>1000 mg/l

2] Assignment of Strength Category. To be assigned to a strength category, the commercial or industrial wastewater discharger must indicate their North American Industry Classification System (NAICS) code. This code identifies the type of business to be conducted at the site. The NAICS code is then applied to the national survey data to determine the industry-standard wastewater effluent strength for this business type.

3] Appeal of Assignment. If a commercial or industrial wastewater customer disputes the assignment made, they can pursue an appeal process described by a Public Works Department administrative procedure.

4] New Business or Change in Business Type. New businesses will be assigned a strength category during the permit process or when they establish a new utility services account. Businesses operating within the City that change the type of business conducted at a site will be assigned a strength category during the "Change of Occupancy" process.

4) Storm water service rates are based on impervious surface area. A user of storm water services is any person who discharges, or who causes or permits the discharge of, storm water runoff into the City's storm water system or who benefits from the City's storm water system as a special user. Any person occupying or having a right to occupy premises which are improved with impervious surfaces shall be presumed to be a user of storm water services. A person responsible for storm water charges under this Chapter may avoid incurring those charges by removing all impervious surfaces from any

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improved premises. The basis for calculating fees is the Equivalent Service Unit (ESU). Single family homes are all assumed to be one ESU and are billed as such; all other classes of customer have the property measured for the number of ESUs and are billed according to the number of ESUs, rounded to the nearest 0.10 ESU.

5) Fire Service Detector Meters. Fire Service Detector Meters are used to detect water flow. There are no consumption charges associated with fire service meters; however, the meters shall be read monthly, and when there is repeated flow through the meter the City shall investigate to determine the cause of the flow, and will charge the base and consumptive rates for the class of customer for usage for other than fire service purposes.

(Ord. 2011-04 §1, 02/07/2011; Ord. 2007-13 §2, 06/18/2007; Ord. 2006-07 §1, 04/03/2006)

**Section 3.06.140 Utility services rates.**

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

1) Rates for single family customers:

Wastewater Consumption Rate - per hcf Meter Base All Size Per ESU	Storm Water		Water Consumption Rates - per hcf						
	Base Rate	hcf	1 <sup>st</sup> Level	2 <sup>nd</sup> Level	3 <sup>rd</sup> Level	2 <sup>nd</sup> Level	3 <sup>rd</sup> Level	Rate	Usage
5/8" - 3/4"	\$13.14	0-7	\$1.41	\$1.71	\$1.76				
\$5.48			8-13	1.85	2.15	2.20		\$10.39	\$3.09
			≥ 14	2.34	2.64	2.69			
1.0"	18.91	0-7	\$1.41	1.71	\$1.76				
\$5.48			8-13	1.85	2.15	2.20		\$10.39	\$3.09
			≥ 14	2.34	2.64	2.69			
1.5"	28.54	0-7	\$1.41	\$1.71	\$1.76				
\$5.48			8-13	1.85	2.15	2.20		\$10.39	\$3.09
			≥ 14	2.34	2.64	2.69			
2.0"	40.10	0-7	\$1.41	\$1.71	\$1.76				
\$5.48			8-13	1.85	2.15	2.20		\$10.39	\$3.09
			≥ 14	2.34	2.64	2.69			
3.0"	70.91	0-7	\$1.41	\$1.71	\$1.76				

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			8-13	1.85	2.15	2.20		\$10.39	\$3.09
	\$5.48		≥ 14	2.34	2.64	2.69			
4.0"	105.54	0-7	\$1.41	\$1.71	\$1.76				
	\$5.48		8-13	1.85	2.15	2.20		\$10.39	\$3.09
			≥ 14	2.34	2.64	2.69			
6.0"	201.81	0-7	\$1.41	\$1.71	\$1.76				
	\$5.48		8-13	1.85	2.15	2.20		\$10.39	\$3.09
			≥ 14	2.34	2.64	2.69			

2) Rates for irrigation meters:

Rates -				Water Consumption			
3 <sup>rd</sup>	Meter	Base	1 <sup>st</sup>	per hcf			
	Size	Rate	hcf	Level	Level	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	

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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 Base Size	Wastewater		Storm Water		Water			Consumption Rates -	
	per hcf				per hcf				
	Base All Rate	hcf	1 <sup>st</sup> Level	2 <sup>nd</sup> Level	2 <sup>nd</sup> Level	3 <sup>rd</sup> Level	Rate	Usage	
5/8" - 3/4"	\$20.32	0-7	\$1.69	\$1.99	\$2.04				
\$3.09	\$5.48		8-13	1.75	2.05	2.10		\$10.39	
			≥ 14	1.99	2.29	2.34			
1.0"	25.49	0-18	\$1.69	\$1.99	\$2.04				
\$3.09	\$5.48		19-33	1.75	2.05	2.10		\$10.39	
			≥ 34	1.99	2.29	2.34			
1.5"	34.13	0-35	\$1.69	\$1.99	\$2.04				
\$3.09	\$5.48		36-65	1.75	2.05	2.10		\$10.39	
			≥ 66	1.99	2.29	2.34			
2.0"	44.45	0-56	\$1.69	\$1.99	\$2.04				
\$3.09	\$5.48		57-104	1.75	2.05	2.10		\$10.39	
			≥ 105	1.99	2.29	2.34			
3.0"	72.07	0-112	\$1.69	\$1.99	\$2.04				
\$3.09	\$5.48		113-208	1.75	2.05	2.10		\$10.39	
			≥ 209	1.99	2.29	2.34			
4.0"	103.11	0-175	\$1.69	\$1.99	\$2.04				
\$3.09	\$5.48		176-325	1.75	2.05	2.10		\$10.39	
			≥ 326	1.99	2.29	2.34			
6.0"	189.38	0-350	\$1.69	\$1.99	\$2.04				

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\$3.09		\$5.48		351-650	1.75	2.05	2.10		\$10.39
				≥ 651	1.99	2.29	2.34		
8.0"	292.87	0-560	\$1.60	\$1.99	\$2.04				
\$3.09		\$5.48		561-1040	1.75	2.05	2.10		\$10.39
				≥ 1041	1.99	2.29	2.34		
10.0"	413.63	0-805	\$1.69	\$1.99	\$2.04				
\$3.09		\$5.48		06-1495	1.75	2.05	2.10		\$10.39
				≥ 1496	1.99	2.29	2.34		

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

Wastewater			Storm Water			Water			Consumption Rates -	
Consumption Rate -						per hcf				
Meter	Base	per hcf	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>				Rate	Usage
Base	All	Rate	Level	Level	Level					
Size	Per ESU	hcf								
5/8" - 3/4"	\$20.32	0-7	\$1.69	\$1.99	\$2.04					
D - \$3.09			8-13	1.75	2.05	2.10				\$10.39
M - 3.60		\$5.48	≥ 14	1.99	2.29	2.34				
H - 4.93										
			VH - 6.67							
1.0"	25.49	0-18	\$1.69	\$1.99	\$2.04					D -
\$3.09			19-33	1.75	2.05	2.10				\$10.39
M - 3.60		\$5.48	≥ 34	1.99	2.29	2.34				
H - 4.93										
			VH - 6.67							
1.5"	34.13	0-35	\$1.69	\$1.99	\$2.04					D -
\$3.09			36-65	1.75	2.05	2.10				\$10.39
M - 3.60		\$5.48	≥ 66	1.99	2.29	2.34				

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	H - 4.93								
				VH - 6.67					
\$3.09	2.0"	44.45	0-56	\$1.69	\$1.99	\$2.04			D -
					57-104	1.75	2.05	2.10	\$10.39
	M - 3.60		\$5.48		≥ 105	1.99	2.29	2.34	
	H - 4.93								
				VH - 6.67					
\$3.09	3.0"	72.07	0-112	\$1.69	\$1.99	\$2.04			D -
					113-208	1.75	2.05	2.10	\$10.39
	M - 3.60		\$5.48		≥ 209	1.99	2.29	2.34	
	H - 4.93								
				VH - 6.67					
\$3.09	4.0"	103.11	0-175	\$1.69	\$1.99	\$2.04			D -
					176-325	1.75	2.05	2.10	\$10.39
	M - 3.60		\$5.48		≥ 326	1.99	2.29	2.34	
	H - 4.93								
				VH - 6.67					
\$3.09	6.0"	189.38	0-350	\$1.69	\$1.99	\$2.04			D -
					351-650	1.75	2.05	2.10	\$10.39
	M - 3.60		\$5.48		≥ 651	1.99	2.29	2.34	
	H - 4.93								
				VH - 6.67					
\$3.09	8.0"	292.87	0-560	\$1.69	\$1.99	\$2.04			D -
					561-1040	1.75	2.05	2.10	\$10.39
	M - 3.60		\$5.48		≥ 1041	1.99	2.29	2.34	
	H - 4.93								
				VH - 6.67					
\$3.09	10.0"	413.63	0-805	\$1.69	\$1.99	\$2.04			D -

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M - 3.60	\$5.48	06-1495	1.75	2.05	2.10	\$10.39
H - 4.93		≥ 1496	1.99	2.29	2.34	

VH - 6.67

5) Rates for Commercial and all other customers (D = Domestic; M = Medium; H = High; VH = Very High)

		Wastewater		Storm Water			Water		
		Consumption Rate -					Consumption Rates -		
		per hcf					per hcf		
Meter Base Size	Base Rate	hcf	1 <sup>st</sup> Level	2 <sup>nd</sup> Level	3 <sup>rd</sup> Level	Rate	Usage		
	Per ESU								
\$3.09		\$20.32	0-14	\$1.69	\$1.99	\$2.04		D -	
3.60	\$5.48		≥ 15	2.09	2.39	2.44	\$10.39	M -	
				H - 4.93					
				VH - 6.67					
\$3.09		25.49	0-43	\$1.69	\$1.99	\$2.04		D -	
			≥ 44	2.09	2.39	2.44	\$10.39		
				H - 4.93					
				VH - 6.67					
\$3.09		34.13	0-67	\$1.69	\$1.99	\$2.04		D -	
			≥ 68	2.09	2.39	2.44	\$10.39		
				H - 4.93					
				VH - 6.67					
\$3.09		44.45	0-179	\$1.69	\$1.99	\$2.04		D -	
			≥ 180	2.09	2.39	2.44	\$10.39		

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	M - 3.60	\$5.48							
				H - 4.93					
				VH - 6.67					
\$3.09	3.0"	72.07	0-208	\$1.69	\$1.99	\$2.04			D -
					≥ 209	2.09	2.39	2.44	\$10.39
	M - 3.60	\$5.48							
				H - 4.93					
				VH - 6.67					
\$3.09	4.0"	103.11	0-341	\$1.69	\$1.99	\$2.04			D -
					≥ 342	2.09	2.39	2.44	\$10.39
	M - 3.60	\$5.48							
				H - 4.93					
				VH - 6.67					
\$3.09	6.0"	189.38	0-1,000	\$1.69	\$1.99	\$2.04			D -
					≥ 1,001	2.09	2.39	2.44	\$10.39
	M - 3.60	\$5.48							
				H - 4.93					
				VH - 6.67					
\$3.09	8.0"	292.87	0-1,040	\$1.69	\$1.99	\$2.04			D -
					≥ 1,041	2.09	2.39	2.44	\$10.39
	M - 3.60	\$5.48							
				H - 4.93					
				VH - 6.67					
\$3.09	10.0"	413.63	0-23,207	\$1.69	\$1.99	\$2.04			D -
					≥ 23,208	2.09	2.39	2.44	\$10.39
	M - 3.60	\$5.48							
				H - 4.93					
				VH - 6.67					

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\$3.09	12.0"	492.85	0-23,207	\$1.69	\$1.99	\$2.04			D -		
							≥ 23,208	2.09	2.39	2.44	\$10.39
	M - 3.60			\$5.48							
									H - 4.93		
											VH - 6.67

6) 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

7) 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 per month, plus the applicable storm water and other City services fees.

b) Multi-family unmetered rates shall be \$28.04 per month for the one residential unit and \$17.64 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 3.060.050 (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.

8) Storm Water Special User Unit (per ESU to the nearest 0.1 ESU): \$1.12.

(Ord. 2011-19 §1, 12/19/2011; Ord. 2011-04 §1, 02/07/2011; 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)

12:31 PM  
12/19/12  
Accrual Basis

da Vinci Days, Inc.  
**Profit & Loss Prev Year Comparison**  
September 2011 through August 2012

*Attachment 1*

	Sep '11 - Aug 12	Sep '10 - Aug 11	\$ Change	% Change
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4000 · *Contributions*	39,152.04	58,252.97	-19,100.93	-32.8%
4300 · * Program Revenue*	129,904.36	131,696.93	-1,792.57	-1.4%
4400 · Fundraising Events	1,844.06	0.00	1,844.06	100.0%
4500 · Festival Merchandise Sales	1,192.81	1,478.20	-285.39	-19.3%
4998 · Interest Income	13.35	40.86	-27.51	-67.3%
4999 · Miscellaneous Income	55.00	0.00	55.00	100.0%
<b>Total Income</b>	<b>172,161.62</b>	<b>191,468.96</b>	<b>-19,307.34</b>	<b>-10.1%</b>
<b>Cost of Goods Sold</b>				
5600 · *Concessions*	4,691.46	3,930.50	760.96	19.4%
5500 · *Festival Merchandise*	0.00	1,898.00	-1,898.00	-100.0%
<b>Total COGS</b>	<b>4,691.46</b>	<b>5,828.50</b>	<b>-1,137.04</b>	<b>-19.5%</b>
<b>Gross Profit</b>	<b>167,470.16</b>	<b>185,640.46</b>	<b>-18,170.30</b>	<b>-9.8%</b>
<b>Expense</b>				
7800 · Fundraising	22.65	0.00	22.65	100.0%
6100 · *Payroll Expenses	54,110.84	60,446.77	-6,335.93	-10.5%
6200 · Awards & Prizes	2,465.00	3,034.50	-569.50	-18.8%
6250 · Bank Fees	2,549.63	1,885.57	664.06	35.2%
6300 · Contracted Services	55,900.43	61,777.43	-5,877.00	-9.5%
6400 · Depreciation expense	0.00	2,750.00	-2,750.00	-100.0%
6450 · Dues & Subscriptions	175.00	125.00	50.00	40.0%
6500 · Equipment Rentals	33,055.83	25,829.60	7,226.23	28.0%
6650 · Facility Rentals	1,528.50	1,371.50	157.00	11.5%
6700 · *Hospitality	4,809.77	3,706.88	1,102.89	29.8%
6800 · Insurance	3,333.25	3,514.00	-180.75	-5.1%
6900 · Interest Expense	2,788.54	2,785.79	2.75	0.1%
6950 · IT Expenses	0.00	0.00	0.00	0.0%
7000 · Marketing & Publicity	12,793.01	17,683.78	-4,890.77	-27.7%
7100 · Occupancy-Rent	6,945.07	6,885.31	59.76	0.9%
7150 · Postage	838.70	517.59	321.11	62.0%
7200 · Printing & Publications	794.89	192.85	602.04	312.2%
7250 · Permits & Licenses	375.00	810.00	-435.00	-53.7%
7300 · *Professional Services*	2,359.00	2,155.50	203.50	9.4%
7500 · Supplies	3,200.43	3,036.48	163.95	5.4%
7600 · Telephone & Web Communications	2,530.95	2,622.57	-91.62	-3.5%
7650 · Training & Development	0.00	522.00	-522.00	-100.0%
7700 · Travel & Mileage Reimburse	0.00	243.98	-243.98	-100.0%
<b>Total Expense</b>	<b>190,576.49</b>	<b>201,897.10</b>	<b>-11,320.61</b>	<b>-5.6%</b>
<b>Net Ordinary Income</b>	<b>-23,106.33</b>	<b>-16,256.64</b>	<b>-6,849.69</b>	<b>-42.1%</b>
<b>Other Income/Expense</b>				
<b>Other Income</b>				
8000 · In-Kind Donations	14,459.51	75,714.92	-61,255.41	-80.9%
<b>Total Other Income</b>	<b>14,459.51</b>	<b>75,714.92</b>	<b>-61,255.41</b>	<b>-80.9%</b>
<b>Other Expense</b>				
8050 · In-Kind Marketing	8,928.00	15,999.80	-7,071.80	-44.2%
8055 · In-Kind Services	578.00	51,049.20	-50,471.20	-98.9%
8060 · In-Kind Supplies & Equip	4,953.51	8,665.92	-3,712.41	-42.8%
<b>Total Other Expense</b>	<b>14,459.51</b>	<b>75,714.92</b>	<b>-61,255.41</b>	<b>-80.9%</b>
<b>Net Other Income</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.0%</b>
<b>Net Income</b>	<b>-23,106.33</b>	<b>-16,256.64</b>	<b>-6,849.69</b>	<b>-42.1%</b>

da Vinci Days, Inc.  
**Profit & Loss Prev Year Comparison**  
 September 2011 through August 2012

Attachment 1 Continued

	Sep '11 - Aug 12	Sep '10 - Aug 11	\$ Change	% Change
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4000 · *Contributions*				
4100 · *Direct Public Support*				
4101 · Corporate Sponsorship	17,694.00	25,350.00	-7,656.00	-30.2%
4102 · Individual Donors	14,958.04	16,371.99	-1,413.94	-8.6%
4103 · Grants	6,500.00	1,500.00	5,000.00	333.3%
4104 · Non-cash donations	0.00	609.99	-609.99	-100.0%
<b>Total 4100 · *Direct Public Support*</b>	<b>39,152.04</b>	<b>43,831.97</b>	<b>-4,679.93</b>	<b>-10.7%</b>
4200 · Gov't Contributions	0.00	14,421.00	-14,421.00	-100.0%
<b>Total 4000 · *Contributions*</b>	<b>39,152.04</b>	<b>58,252.97</b>	<b>-19,100.93</b>	<b>-32.8%</b>
4300 · * Program Revenue*				
4301 · Admissions	90,990.04	95,278.48	-4,288.44	-4.5%
4302 · Concession Fees/Commission	29,270.31	26,820.45	2,449.86	9.1%
4303 · Festival Events	10,743.50	8,939.00	1,804.50	20.2%
4309 · Shipping/Handling-Online sales	0.00	659.00	-659.00	-100.0%
4300 · * Program Revenue* - Other	-1,099.49	0.00	-1,099.49	-100.0%
<b>Total 4300 · * Program Revenue*</b>	<b>129,904.36</b>	<b>131,696.93</b>	<b>-1,792.57</b>	<b>-1.4%</b>
4400 · Fundraising Events	1,844.06	0.00	1,844.06	100.0%
4600 · Festival Merchandise Sales	1,192.81	1,478.20	-285.39	-19.3%
4998 · Interest Income	13.35	40.86	-27.51	-67.3%
4999 · Miscellaneous Income	55.00	0.00	55.00	100.0%
<b>Total Income</b>	<b>172,161.62</b>	<b>191,468.96</b>	<b>-19,307.34</b>	<b>-10.1%</b>
<b>Cost of Goods Sold</b>				
5600 · *Concessions*				
5610 · Food/Beverage inventory	4,691.46	3,930.50	760.96	19.4%
<b>Total 5600 · *Concessions*</b>	<b>4,691.46</b>	<b>3,930.50</b>	<b>760.96</b>	<b>19.4%</b>
5600 · *Festival Merchandise*				
5610 · Store inventory	0.00	1,898.00	-1,898.00	-100.0%
<b>Total 5600 · *Festival Merchandise*</b>	<b>0.00</b>	<b>1,898.00</b>	<b>-1,898.00</b>	<b>-100.0%</b>
<b>Total COGS</b>	<b>4,691.46</b>	<b>5,828.50</b>	<b>-1,137.04</b>	<b>-19.5%</b>
<b>Gross Profit</b>	<b>167,470.16</b>	<b>185,640.46</b>	<b>-18,170.30</b>	<b>-9.8%</b>
<b>Expense</b>				
7800 · Fundraising				
7801 · PayPal Expenses	22.65	0.00	22.65	100.0%
<b>Total 7800 · Fundraising</b>	<b>22.65</b>	<b>0.00</b>	<b>22.65</b>	<b>100.0%</b>
6100 · *Payroll Expenses				
6140 · Interim Director	5,885.00	0.00	5,885.00	100.0%
6110 · Wages & Salaries	37,843.72	47,362.54	-9,518.82	-20.1%
6120 · Payroll Taxes	4,735.12	5,320.23	-585.11	-11.0%
6130 · Employee Benefits	5,647.00	7,764.00	-2,117.00	-27.3%
<b>Total 6100 · *Payroll Expenses</b>	<b>54,110.84</b>	<b>60,446.77</b>	<b>-6,335.93</b>	<b>-10.5%</b>
6200 · Awards & Prizes	2,465.00	3,034.50	-569.50	-18.8%
6260 · Bank Fees	2,549.63	1,885.57	664.06	35.2%
6300 · Contracted Services				
6310 · Performers	37,145.00	43,450.00	-6,305.00	-14.5%
6320 · Shuttle/Parking	1,321.00	795.00	526.00	66.2%
6330 · Sanitation	750.00	750.00	0.00	0.0%
6340 · Security	9,090.00	7,470.00	1,620.00	21.7%
6390 · Other Contracted Services	7,594.43	9,312.43	-1,718.00	-18.5%
<b>Total 6300 · Contracted Services</b>	<b>55,900.43</b>	<b>61,777.43</b>	<b>-5,877.00</b>	<b>-9.5%</b>
6400 · Depreciation expense	0.00	2,750.00	-2,750.00	-100.0%
6450 · Dues & Subscriptions	175.00	125.00	50.00	40.0%
6600 · Equipment Rentals				
6610 · Copier Lease	288.78	246.00	42.78	17.4%
6620 · Sanitation	3,680.45	3,349.75	330.70	9.9%
6630 · Tables/Tents	15,526.60	11,479.85	4,046.75	35.3%
6690 · Other Equip.Rental	13,560.00	10,754.00	2,806.00	26.1%
<b>Total 6600 · Equipment Rentals</b>	<b>33,055.83</b>	<b>25,829.60</b>	<b>7,226.23</b>	<b>28.0%</b>
6660 · Facility Rentals	1,528.50	1,371.50	157.00	11.5%
6700 · *Hospitality				
6710 · Hospitality-meetings/vol recog	555.87	861.78	-305.91	-35.5%
6720 · Hospitality-performers	4,103.93	2,845.10	1,258.83	44.3%
6700 · *Hospitality - Other	149.97	0.00	149.97	100.0%
<b>Total 6700 · *Hospitality</b>	<b>4,809.77</b>	<b>3,706.88</b>	<b>1,102.89</b>	<b>29.8%</b>
6800 · Insurance				
6810 · Worker's Comp Insurance	0.00	190.00	-190.00	-100.0%
6820 · Liability Insurance	3,333.25	3,324.00	9.25	0.3%
<b>Total 6800 · Insurance</b>	<b>3,333.25</b>	<b>3,514.00</b>	<b>-180.75</b>	<b>-5.1%</b>

**da Vinci Days, Inc.**  
**Profit & Loss Prev Year Comparison**  
 September 2011 through August 2012

*Attachment 1 continued*

	Sep '11 - Aug 12	Sep '10 - Aug 11	\$ Change	% Change
6900 · Interest Expense	2,788.54	2,785.79	2.75	0.1%
6950 · IT Expenses	0.00	0.00	0.00	0.0%
7000 · Marketing & Publicity	12,793.01	17,683.78	-4,890.77	-27.7%
7100 · Occupancy-Rent	6,945.07	6,885.31	59.76	0.9%
7150 · Postage	838.70	517.59	321.11	62.0%
7200 · Printing & Publications	794.89	192.85	602.04	312.2%
7250 · Permits & Licenses	375.00	810.00	-435.00	-53.7%
7300 · *Professional Services*				
7310 · Accounting Services	2,015.25	2,155.50	-140.25	-6.5%
7320 · Legal Services	343.75	0.00	343.75	100.0%
<b>Total 7300 · *Professional Services*</b>	<b>2,359.00</b>	<b>2,155.50</b>	<b>203.50</b>	<b>9.4%</b>
7500 · Supplies				
7650 · Traveling Kinetic Machine	118.38	0.00	118.38	100.0%
7610 · Office Supplies	1,194.86	1,185.50	9.36	0.8%
7620 · Computer Supplies	335.48	335.94	-0.46	-0.1%
7630 · Fund Raising Supplies	767.97	210.76	557.21	264.4%
7640 · Festival Supplies	783.74	1,304.28	-520.54	-39.9%
<b>Total 7500 · Supplies</b>	<b>3,200.43</b>	<b>3,036.48</b>	<b>163.95</b>	<b>5.4%</b>
7600 · Telephone & Web Communioations	2,530.95	2,622.57	-91.62	-3.5%
7650 · Training & Development	0.00	522.00	-522.00	-100.0%
7700 · Travel & Mileage Reimburse	0.00	243.98	-243.98	-100.0%
<b>Total Expense</b>	<b>190,576.49</b>	<b>201,897.10</b>	<b>-11,320.61</b>	<b>-5.6%</b>
<b>Net Ordinary Income</b>	<b>-23,106.33</b>	<b>-16,256.64</b>	<b>-6,849.69</b>	<b>-42.1%</b>
<b>Other Income/Expense</b>				
<b>Other Income</b>				
8000 · In-Kind Donations	14,459.51	75,714.92	-61,255.41	-80.9%
<b>Total Other Income</b>	<b>14,459.51</b>	<b>75,714.92</b>	<b>-61,255.41</b>	<b>-80.9%</b>
<b>Other Expense</b>				
8050 · In-Kind Marketing	8,928.00	15,999.80	-7,071.80	-44.2%
8055 · In-Kind Services	578.00	51,049.20	-50,471.20	-98.9%
8060 · In-Kind Supplies & Equip	4,953.51	8,665.92	-3,712.41	-42.8%
<b>Total Other Expense</b>	<b>14,459.51</b>	<b>75,714.92</b>	<b>-61,255.41</b>	<b>-80.9%</b>
<b>Net Other Income</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.0%</b>
<b>Net Income</b>	<b>-23,106.33</b>	<b>-16,256.64</b>	<b>-6,849.69</b>	<b>-42.1%</b>

da Vinci Days, Inc.  
**Balance Sheet Prev Year Comparison**  
 As of August 31, 2012

*Attachment 2*

	<u>Aug 31, 12</u>	<u>Aug 31, 11</u>	<u>\$ Change</u>	<u>% Change</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
<b>Checking/Savings</b>				
1001 · Petty Cash	138.13	27.72	110.41	398.3%
1003 · OSU Fed checking	53,858.85	74,215.80	-20,356.95	-27.4%
1005 · OSU Fed savings	4,839.61	4,838.18	1.43	0.0%
<b>Total Checking/Savings</b>	<u>58,836.59</u>	<u>79,081.70</u>	<u>-20,245.11</u>	<u>-25.6%</u>
<b>Accounts Receivable</b>				
1200 · Accounts Receivable	1,390.00	1,294.24	95.76	7.4%
<b>Total Accounts Receivable</b>	<u>1,390.00</u>	<u>1,294.24</u>	<u>95.76</u>	<u>7.4%</u>
<b>Other Current Assets</b>				
1400 · Prepaid expenses	0.00	328.80	-328.80	-100.0%
<b>Total Other Current Assets</b>	<u>0.00</u>	<u>328.80</u>	<u>-328.80</u>	<u>-100.0%</u>
<b>Total Current Assets</b>	<u>60,226.59</u>	<u>80,704.74</u>	<u>-20,478.15</u>	<u>-25.4%</u>
<b>Fixed Assets</b>				
1501 · Donated Equipment	10,612.99	10,612.99	0.00	0.0%
1500 · Equipment	9,079.57	9,079.57	0.00	0.0%
1590 · Accumulated Depreciation	-12,250.57	-12,250.57	0.00	0.0%
<b>Total Fixed Assets</b>	<u>7,441.99</u>	<u>7,441.99</u>	<u>0.00</u>	<u>0.0%</u>
<b>TOTAL ASSETS</b>	<u><b>67,668.58</b></u>	<u><b>88,146.73</b></u>	<u><b>-20,478.15</b></u>	<u><b>-23.2%</b></u>
<b>LIABILITIES &amp; EQUITY</b>				
<b>Liabilities</b>				
<b>Current Liabilities</b>				
<b>Accounts Payable</b>				
2000 · Accounts Payable	4,633.64	0.00	4,633.64	100.0%
<b>Total Accounts Payable</b>	<u>4,633.64</u>	<u>0.00</u>	<u>4,633.64</u>	<u>100.0%</u>
<b>Other Current Liabilities</b>				
2310 · Wells Fargo LOC	30,957.66	30,963.12	-5.46	0.0%
<b>Total Other Current Liabilities</b>	<u>30,957.66</u>	<u>30,963.12</u>	<u>-5.46</u>	<u>0.0%</u>
<b>Total Current Liabilities</b>	<u>35,591.30</u>	<u>30,963.12</u>	<u>4,628.18</u>	<u>15.0%</u>
<b>Long Term Liabilities</b>				
2330 · City of Corvallis- Loan	10,000.00	12,000.00	-2,000.00	-16.7%
<b>Total Long Term Liabilities</b>	<u>10,000.00</u>	<u>12,000.00</u>	<u>-2,000.00</u>	<u>-16.7%</u>
<b>Total Liabilities</b>	<u>45,591.30</u>	<u>42,963.12</u>	<u>2,628.18</u>	<u>6.1%</u>
<b>Equity</b>				
3100 · Unrestricted Net Assets	61,440.25	61,440.25	0.00	0.0%
3300 · Retained Earnings	-16,256.64	0.00	-16,256.64	-100.0%
Net Income	-23,106.33	-16,256.64	-6,849.69	-42.1%
<b>Total Equity</b>	<u>22,077.28</u>	<u>45,183.61</u>	<u>-23,106.33</u>	<u>-51.1%</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><b>67,668.58</b></u>	<u><b>88,146.73</b></u>	<u><b>-20,478.15</b></u>	<u><b>-23.2%</b></u>