



ADMINISTRATIVE SERVICES COMMITTEE

Agenda

Wednesday, December 4, 2013

3:30 pm

Madison Avenue Meeting Room
500 SW Madison

- | | |
|------------------------------------|--|
| Discussion/ Possible Action | I. Visit Corvallis First Quarter Report
(Attachment) |
| Discussion/ Possible Action | II. Downtown Corvallis Association First Quarter Report –
Economic Improvement District
(Attachment) |
| Discussion/ Possible Action | III. First Quarter Operating Report
(Attachment) |
| Information | IV. Other Business |

Next Scheduled Meeting

Wednesday, December 18, 2013 at 3:30 pm

Madison Avenue Meeting Room, 500 SW Madison Ave

Agenda

Comprehensive Annual Financial Report

MEMORANDUM

DATE: November 22, 2013
TO: Administrative Services Committee
FROM: Ken Gibb, Community Development Director 
SUBJECT: First Quarter FY 13-14 Visit Corvallis Program Review

I. Issue

Review and acceptance of Visit Corvallis' first quarter report for FY 13-14.

II. Background

Visit Corvallis funding total for FY 13-14 is \$388,350. This represents the dedicated 30% of the Transient Occupancy Tax (TOT) received by the City in calendar year 2012. The agency has received \$97,086 through the first quarter. The City's contract with Visit Corvallis requires the agency to submit quarterly reports on its activities.

Attached is the first quarter report submitted by Visit Corvallis (Attachment A). Financial statements submitted by Visit Corvallis were reviewed by Finance Office staff and found to be in compliance with their agreement. A copy of the Finance staff review is attached (Attachment B).

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

IV. Action Requested

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

REVIEW AND CONCUR:



Nancy Brewer, Finance Director

REVIEW AND CONCUR:



James A. Patterson, City Manager

VISIT
CORVALLIS

First Quarter Report

(July through September, 2013)

VISIT CORVALLIS

Quarterly Community Report - July, August, September 2013

Executive Director's Report

We are happy to report that both occupancy rates and ADR (average daily rate) were up for all three months this year over last. Occupancy rates were up 5.9% in July, 5.7% in August and 3.5% in September. Average Daily Rates were up 5.2% in July, 6.6% in August and 6.8% in September.

Some highlights from this quarter included hiring a Group Tour/Conference Services Manager to work on securing new meetings and conferences for Corvallis and also to pursue the group tour leisure market, a new area of focus for Visit Corvallis.

We produced two campaigns for the summer. One focused on the Mid Valley Sip Trip and the other was a video geared at bringing visitors from "hot weather states" to enjoy how green and lush it is here in the summer. We assisted the MG Club, the Oregon Economic Development Associations Conference and the Benton County Elections Conference with brochures for their events.

Both the Trolley Tours and the Starker Forest Tours continue to be very successful.

We held our annual meeting in September where our new Board Members were elected and the Annual Report and the Draft Marketing Plan were approved. New board members include Kavinda Arthenayake from OSU Conference Services and Michael Dalton, representing the da Vinci Days Festival. Officers for this year are Tom Johns (Emerson Vineyards) as President, Marti Barlow (Hospitality Vision) as Vice President, Jennifer Humcke (OSU federal Credit Union) as Treasurer, Lainey Dyer (Lainey Dyer Photography) as Secretary and Joan Wessell (DCA) as Past President. The full board roster is attached to this report.

Visitors Information Report

During the 1st quarter of fiscal year 2013-2014, we assisted 895 walk-in visitors.

We distributed 1,600 Visitors Guides and 2,050 maps of Corvallis and the surrounding area to the Corvallis lodging properties. We also distributed 6,090 lead requests for our Visitors Guide. These lead requests were from visitors who visited our website or responded to our print or online advertising in any of the following: National Geographic, Good Housekeeping, Better Homes & Gardens, Travel Oregon, Go-Oregon.net, Madden Media and the Willamette Valley Visitor Association.

We also distributed 840 table tents promoting local events to 41 Corvallis sites.

Social and Digital Media Report

VisitCorvallis.com had 56,626 visitors between July and August, 41,393 of which were unique visitors. This is up almost 24% from last quarter and down about 12% from last year. We had 163,632 page views in the first quarter, up 7% from this time last year, and the average visitor viewed 3 pages per visit, up almost 11.5% from last year. Our bounce rate (visits in which the person left the site after viewing a single page) is down almost 12% from last year.

This indicates that our web visitors are continuing to find our content more useful and more engaging, evidenced by the longer visit time and visitors viewing more pages on the site. We're currently investigating solutions to grow our unique visitors, as well, so we hope to see the number of overall unique visitors begin to grow year over year.

Our top five traffic referrals this quarter were organic Google searches, visitors who came directly to our site, Facebook, CorvallisOregon.gov and Bing. Our most popular pages after our home page were the Events Calendar, Things to Do, Dining page, Lodging and the "Coming Up This Month" landing page.

We sent 17,609 outclicks to our members and area businesses this quarter, with the top five receivers of traffic being the Corvallis Fall Festival, da Vinci Days, DowntownCorvallis.org, Corvallis TidBit's article about the new restaurant, Dock 22, and the Bounty of Benton County.

Facebook has (once again) changed how their analytics work. Our current best metric for Facebook performance is "Reach," or how many Facebook users see each of our posts. We currently average about 5,000 impressions a week and had a huge spike in impressions - 24,000 - in September for our Sip Trip promotion.

Our Twitter accounts sent 667 clicks back to VisitCorvallis.com and other brand awareness media. Pinterest generated about 200 impressions, and bit.ly reports about 5,000 click-throughs on links shared using their url shortener. We've had 1,645 views of our YouTube videos this quarter. Google+ and Foursquare activity remain negligible, and as of yet, there are no analytics available for Instagram.

Raw Data Reports

What follows is an appendix detailing the raw data we collect, including our Facebook, Twitter and Google Analytics statistics, as well as real-world numbers gathered from the Visitors Center and advertising. If there are any questions about the raw data, please email Visit Corvallis at info@visitcorvallis.com.

VISIT CORVALLIS

Response Report for July, August and September 2013

Brand Awareness	July 2013	August 2013	September 2013	2012 Total YTD	2013 Total YTD
Internet Brand Awareness					
Visit Corvallis Unique Visitors	16434	14674	13210	48,484	44318
Corvallis Blog Unique Visitors	504	373	499	1,693	1376
WVVA OR Attractions ebrochure	680	0	0	1,191	680
WVVA Madden ebrochure	582	0	0	0	582
Visit Corvallis ebrochure	448	177	644	5,010	1269
WVVA Internet	215	259	0	589	474
Google Ad Video Campaign Views	3679	3429	7443	0	14551
Go-Oregon.net	44	52	0	227	96
Website Orders	49	51	0	186	100
New Facebook Likes - Unliked	32	73	89	1,742	194
New E-News Subscribers	9	17	62	50	88
New Twitter Followers	40	39	44	207	123
New YouTube Subscribers	18	0	0	2	18
Ad Brand Awareness					
WVVA Madden Spring	0	61	0	0	61
Good Housekeeping	22	13	16	107	51
Visit Corvallis Toll Free	6	12	6	36	24
Relocation	2	9	4	13	15
WVVA Press Release	7	13	3	46	23
WVVA National Geographic	91	244	78	0	413
WVVA OR Attractions	0	0	0	4	1
WVVA TORP	810	621	451	2,040	1882
WVVA TOOL	0	0	83	0	83
Total Brand Awareness	23672	20117	22632	61627	66422
Engagement	July 2013	August 2013	September 2013	2012 Total YTD	2013 Total YTD
Facebook Daily Page Engaged Users*	7409	10156	7037	16,637	24602
You Tube Views	4255	6087	7856	579	18198
Twitter Sent Messages	258	202	226	779	686
Twitter Clicks	534	3582	313	0	4429
Twitter Re-Tweets	39	21	49	0	109
Twitter Messages Received	47	35	38	0	120
Twitter @Mentions	44	0	0	0	44
E-Newsletter Opens	3349	2542	2454	9,740	8345
E-Newsletter Clicks	1269	713	583	0	2565
Total Engagement	17204	23338	18556	27735	59098
Conversion	July 2013	August 2013	September 2013	2012 Total YTD	2013 Total YTD
Visitor Center Visitation	286	293	316	3,267	895
Hotel Room Nights Booked	20	18	19	0	57
Total Events Outbound to Members**	7073	5461	4895	8,719	17429
Total Conversions	7379	5772	5230	11,986	18381
Total Factor*	48255	49227	1213	101348	143901

VISIT CORVALLIS

Board of Directors, 2013 - 2014

OFFICERS/EXECUTIVE COMMITTEE

Tom Johns
President
Emerson Vineyards
11665 Airlie Rd, Monmouth, OR 97361
503-838-0944/503-871-5924
Tom@Emersonvineyards.com
2011-2014/Wineries

Marti Staprans Barlow
Vice President
Hospitality Vision
PO Box 2300, Corvallis, OR 97339
541-760-5996
marti@hospitalityvision.net
2009-2015/Public

Lainey Dyer
Secretary
Lainey Dyer Photography
340 SW 2nd Studio 1
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541-231-0198
info@laineydyer.com
2012-2015/Arts

Jennifer Humcke
Treasurer
OSU Federal Credit Union
1980 NW 9th St, Corvallis, OR 97330
541-714-4261
JHumcke@osufederal.com
2012-2015/Financial

Joan Wessell
Past President
Downtown Corvallis Association
PO Box 1536, Corvallis, OR 97339
541-754-6624
joan@downtowncorvallis.org
2009-2016/Retail

DIRECTORS

Kavinda Arthenayake
OSU Conference Services
100 LaSells Stewart Center
Corvallis, OR 97331
541-737-6442
Kavinda@oregonstate.edu
2013-2016/Conferences

Michael Dalton
da Vinci Days Festival
568 SW 3rd Street
Corvallis, OR 97333
541-757-6363
Dr.michael.dalton@gmail.com
2013-2016/Festivals

Carole Hobrock
Corvallis Country Club
1850 SW Whiteside Dr.
Corvallis, OR 97333
541-752-3471 x29
directorofsales@corvalliscc.com
2009-2015/Conf. Facilities

Scottie Jones
Leaping Lamb Farm Stay
20368 Honey Grove Rd.
Alsea, OR 97324
541-487-4966
sjones@leapinglambfarm.com
2013/2016 Lodging

Randy Joss
KEZI
PO Box 7009, Eugene, OR 97401
541-228-7267
rjoss@cmc.net
2006-2015/Media

Bre Kerkvliet
Corvallis Knights Baseball
PO Box 1356, Corvallis, OR 97339
541-752-5656
Bre.kerkvliet@corvallisknights.com
2012-2015/Sports

Eunice Kim
Best Western Grand Manor Inn & Suites
925 NW Garfield, Corvallis, OR 97330
541-758-8571
ekim@bwhotelcorvallis.com
2012-2015/Lodging

Shanan Le Bre
4 Spirits Distillery
6040 NE Marcus Harris Ave.
Adair Village, OR 97330
541-207-5482
slebre@gmail.com
2013-2016/Retail

Kate Lynch
Forks and Corks Catering
1324 NW 9th St, Corvallis, OR 97330
541-286-4412
Kate.Lynch@forksandcorks catering.com
2012-2015/Catering

Mike Ripley
Mudslinger Events
PO Box 87, Monroe, OR 97456
541-225-7946
mike@mudslingerevents.com
2012-2015/Attractions

Linda Van Powell
Civic Outreach, Inc.
5476 NE Hwy 20
Corvallis, OR 97330
541-753-2952
linda@garlandnursery.com
2011-2014/Public

CITY LIAISON

Dan Brown
Ward 4 City Councilor
PO Box 1083, Corvallis, OR 97339
541-766-6494/541-754-8420
Brown.dan@comcast.net

EX-OFFICIO DIRECTORS

Mike Corwin
Corvallis Chamber Board President
OSU Federal Credit Union
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Tom Nelson
City of Corvallis
501 SW Madison Ave.
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Melody Oldfield
University Marketing
Oregon State University
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melody.oldfield@oregonstate.edu

Visit Corvallis
Balance Sheet
 As of September 30, 2013

	<u>Sep 30, 13</u>
ASSETS	
Current Assets	
Checking/Savings	
Checking - OSUFCU	59,935.65
Money Market-OSUFCU	20,421.67
Paypal Checking	463.45
Savings - OSUFCU	5.00
Total Checking/Savings	<u>80,825.77</u>
Accounts Receivable	
Accounts Receivable	955.95
Total Accounts Receivable	<u>955.95</u>
Other Current Assets	
Petty Cash	40.00
Total Other Current Assets	<u>40.00</u>
Total Current Assets	81,821.72
Fixed Assets	
Accumulated Depreciation	-30,555.98
Office Equipment & Furniture	36,060.30
Total Fixed Assets	<u>5,504.32</u>
TOTAL ASSETS	<u>87,326.04</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
OSU Fed Visa	-2,141.80
Total Credit Cards	<u>-2,141.80</u>
Other Current Liabilities	
Bounty of Benton Co Ticket Sale	300.00
Corvallis Book Sales	20.00
HWW Ticket Sales	220.00
Payroll Liabilities	-35.00
Payroll liabilities - Other	1,703.14
Payroll tax liabilities	5,698.67
Total Other Current Liabilities	<u>7,906.81</u>
Total Current Liabilities	<u>5,765.01</u>
Total Liabilities	5,765.01
Equity	
Net Assets	110,521.45
Net Income	-28,960.42
Total Equity	<u>81,561.03</u>
TOTAL LIABILITIES & EQUITY	<u>87,326.04</u>

12:15 PM
10/21/13
Accrual Basis

Visit Corvallis
Profit & Loss
July through September 2013

	<u>Jul - Sep 13</u>
Ordinary Income/Expense	
Income	
City of Corvallis	97,086.00
Co-op Promotions Income	-0.40
Income/Misc	57.99
Relocation Packets	9.00
Souvenir Income	30.01
Total Income	<u>97,182.60</u>
Expense	
Administration	12,587.45
Conferences/Education	1,990.00
Marketing/Advertising	26,691.83
Marketing/Community Relations	113.00
Marketing/Contract Services	2,900.00
Marketing/Convention Servicing	150.00
Marketing/Dues	4,812.00
Marketing/Entertainment	253.98
Marketing/Festivals	11,651.00
Marketing/Internet	836.94
Marketing/Postage-Shipping	1,411.60
Marketing/Printing	192.24
Marketing/Promotions	1,247.41
Marketing/Research	2,000.00
Marketing/Sales Trips	4,024.60
Marketing/Sports Grants	1,827.88
Marketing/Telephone	88.43
Marketing/Visitor Services	1,181.80
Payroll Expenses	34.80
Personnel	52,148.06
Total Expense	<u>126,143.02</u>
Net Ordinary Income	<u>-28,960.42</u>
Net Income	<u><u>-28,960.42</u></u>

Visit Corvallis
Profit & Loss Prev Year Comparison
 July through September 2013

	<u>Jul - Sep 13</u>	<u>Jul - Sep 12</u>	<u>\$ Change</u>	<u>% Change</u>
Ordinary Income/Expense				
Income				
City of Corvallis	97,086.00	92,820.00	4,266.00	4.6%
Co-op Promotions Income	-0.40	0.00	-0.40	-100.0%
Income/Misc	57.99	0.00	57.99	100.0%
Membership	0.00	25.00	-25.00	-100.0%
Relocation Packets	9.00	27.00	-18.00	-66.7%
Souvenir Income	30.01	210.00	-179.99	-85.7%
Total Income	<u>97,182.60</u>	<u>93,082.00</u>	<u>4,100.60</u>	<u>4.4%</u>
Expense				
Administration	12,587.45	16,017.09	-3,429.64	-21.4%
Conferences/Education	1,990.00	570.40	1,419.60	248.9%
Marketing/Advertising	26,691.83	13,042.69	13,649.14	104.7%
Marketing/Community Relations	113.00	113.00	0.00	0.0%
Marketing/Contract Services	2,900.00	4,000.00	-1,100.00	-27.5%
Marketing/Convention Servicing	150.00	0.00	150.00	100.0%
Marketing/Dues	4,812.00	2,330.00	2,482.00	106.5%
Marketing/Entertainment	253.98	0.00	253.98	100.0%
Marketing/Fees	0.00	100.00	-100.00	-100.0%
Marketing/Festivals	11,651.00	681.00	10,970.00	1,610.9%
Marketing/Internet	836.94	5,865.15	-5,028.21	-85.7%
Marketing/Postage-Shipping	1,411.60	4,007.37	-2,595.77	-64.8%
Marketing/Printing	192.24	283.66	-91.42	-32.2%
Marketing/Promotions	1,247.41	1,351.02	-103.61	-7.7%
Marketing/Research	2,000.00	2,000.00	0.00	0.0%
Marketing/Sales Trips	4,024.60	0.00	4,024.60	100.0%
Marketing/Sports Commission Exp	0.00	3,105.00	-3,105.00	-100.0%
Marketing/Sports Grants	1,827.88	0.00	1,827.88	100.0%
Marketing/Telephone	88.43	168.01	-79.58	-47.4%
Marketing/Visitor Services	1,181.80	790.20	391.60	49.6%
Payroll Expenses	34.80	21.75	13.05	60.0%
Personnel	52,148.06	37,075.29	15,072.77	40.7%
Total Expense	<u>126,143.02</u>	<u>91,521.63</u>	<u>34,621.39</u>	<u>37.8%</u>
Net Ordinary Income	<u>-28,960.42</u>	<u>1,560.37</u>	<u>-30,520.79</u>	<u>-1,956.0%</u>
Net Income	<u><u>-28,960.42</u></u>	<u><u>1,560.37</u></u>	<u><u>-30,520.79</u></u>	<u><u>-1,956.0%</u></u>



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

MEMORANDUM

November 1, 2013

TO: Ken Gibb, Community Development
FROM: Jeanna Yeager, Accountant
SUBJECT: Visit Corvallis Financial Report – First Quarter, FY 13/14

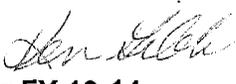
This review consists of inquiries and analytical procedures and is very limited in its nature. The financial statements have not been reviewed by a Certified Public Accountant and are the representation of the management of Visit Corvallis. Visit Corvallis uses the accrual method of accounting.

During the first quarter of fiscal year 2013/2014, Visit Corvallis reported revenues of \$97,183 and expenditures of \$126,143, resulting in a net loss of \$28,960. Visit Corvallis maintains a strong cash position, with current assets totaling \$81,822 and current liabilities of only \$5,765.

The City of Corvallis has budgeted \$388,350 for Visit Corvallis for fiscal year 2013/2014 in monthly payments of \$32,362. The City has funded a total of \$97,086 for the first quarter, which has been accurately accounted for on the Visit Corvallis report. This represents virtually all revenue for the quarter.

Acceptance of the Visit Corvallis quarterly report is recommended.

MEMORANDUM

DATE: November 22, 2013
TO: Administrative Services Committee
FROM: Ken Gibb, Community Development Director 
SUBJECT: Downtown Corvallis Association First Quarter FY 13-14
EID Program Review

I. Issue

Review and acceptance of Downtown Corvallis Association's Economic Improvement District Program first quarter report for FY 13-14.

II. Background

The City Council, on July 16, 2012, approved Ordinance 2012-14, amending Municipal Code Chapter 10.07 (Economic Improvement District), establishing a boundary, and imposing assessments on property within the Downtown Voluntary Economic Improvement District (EID). The EID provides specific benefits to the members of the District by promoting commercial activity and public events in the Downtown district. Pass through revenue for FY 13-14 is \$83,244.

The Community Development Department administers the invoicing of EID participants, the "pass-through" payment of these program funds to the Downtown Corvallis Association (DCA), as well as the contract with the DCA. In support of these City services, the DCA pays an annual fee of \$3,585. The contract requires that the DCA provide quarterly financial reports to the City that provide at a minimum, 1) a balance sheet as of the last day of the quarter, 2) a comparison of actual revenues and expenses through the quarter and 3) a brief summary of services performed.

Attached is the first quarter report submitted by the DCA (Attachment A). The DCA has been provided with a copy of this report and invited to attend and address the Committee.

IV. Action Requested

That the Administrative Services Committee consider this report and recommend City Council approve acceptance of the Downtown Corvallis Association's FY 13-14 EID Program first quarter report.

REVIEW AND CONCUR:



Nancy Brewer, Finance Director

REVIEW AND CONCUR:



James A. Patterson, City Manager



A Main Street Community

460 SW Madison, Suite 9
Corvallis OR 97333
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(541) 754-6624
FAX (541) 758-4723
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Board Members

Liz Coulombe, President
Citizens Bank
Fred Edwards, Vice-President
Knight Vision Security
Steve Hessel, Treasurer
Downtown Property Owner
John Coleman, Secretary
Coleman Jewelers
Liban Abdi,
Holiday Inn Express
Luisa Arreola,
Footwise
Elizabeth Foster,
Town & Country Realty
Randy Joss,
KEZI9
Jennifer Moreland
Zooeys/The Vue
John Semadeni
Corvallis Cyclery

Joan Wessell,
Executive Director
joan@downtowncorvallis.org

Ex-Officio

City Council
Corvallis Police Dept.
Corvallis Tourism
City Planning
Corvallis Chamber
Corvallis Econ. Dev. Manager

To: City of Corvallis – Planning Department
From: Joan Wessell, Executive Director
Downtown Corvallis Association
Date: 12 November 2013
Subject: 2013-14 Quarterlies and
Report on 2012-2017 Economic Improvement District

In anticipation of receiving an estimated \$75-80,000 per year from 2012-17 Economic Improvement District collections, the Downtown Corvallis Association is pleased to continue offering unique services to the Downtown and the entire Corvallis community.

The DCA continues to offer economic development services to make Corvallis a richer community in which to reside. A sampling of those services include: Business recruitment & retention, business education seminars, advocacy & assistance for Downtown businesses, promotional events/activities that ramp up foot traffic, providing business exposure to strengthen the community's economy, monthly Membership meetings, Downtown After Hours networking opportunities, and Downtown Red Carpet Welcomes for new businesses, etc. The DCA receives written & verbal input from businesses voicing their appreciation for DCA's support services.

Since the last Quarterly report was submitted, the Downtown Corvallis Association has hosted/sponsored/presented three: Downtown After Hours networking socials, Membership Meetings, Board of Directors meetings, Design Committee, Economic Enhancement, & Promotions/Marketing Committee meetings, 8 Downtown Red Carpet Welcomes, 3 Science Pubs, Rhapsody in the Vineyard wine walk in September, Downtown Trick or Treat and more.

The Design Committee has submitted nominations for Downtown Design Awards, scheduled for presentation at DCA's December 5 Downtown After Hours @ The Inkwell Home Store. The Committee continues work to identify funding sources to establish a 4th Downtown Improvement Loan program to be announced at a later date. Promotions/Marketing Committee is encouraging DCA Members to offer extended/unified Holiday Shopping hours.

The DCA is currently asking community members to donate funds to install Snowflakes on Downtown power poles for the Holiday Season.

Downtown property owners continue submitting their Economic Improvement District assessments to provide the DCA with staffing to deliver essential services and to keep the organization's doors open. The DCA is appreciative to City Staff for assistance with collections of EID assessments.

ATTACHMENT A - DCA 1ST QT FY 13-14

"To improve and promote the economic, aesthetic and cultural vitality of Downtown Corvallis as a regional center"

DOWNTOWN CORVALLIS ASSOCIATION
BALANCE SHEET
October 31, 2013

ASSETS

Checking and Savings accounts	284,447.60
Other Current Assets	790.76
Fixed Assets	8,735.46
Façade Improvements loans	2,938.86
UF Residential loans	0.00
Interior Development Loans	26,668.12
TOTAL ASSETS	<u>323,580.80</u>

LIABILITIES & EQUITY

Accounts Payable	0.00
Other Current Liabilities	3,705.83
Total Equity	319,874.97
TOTAL LIABILITIES & EQUITY	<u>323,580.80</u>

PROFIT AND LOSS

October 31, 2013

	Month	Year-to- Date	Budget 2013-2014	Remaining Budget
INCOME				
General Revenue	18,840.22	52,066.20	135,625.00	83,558.80
Program Revenue	710.34	1,120.84	4,730.00	3,609.16
Red, White & Blues	171.72	29,823.80	35,000.00	5,176.20
Rhapsody	1,013.00	13,283.00	36,000.00	22,717.00
Promotions	0.00	0.00	1,500.00	1,500.00
TOTAL INCOME	<u>20,735.28</u>	<u>96,293.84</u>	<u>212,855.00</u>	<u>116,561.16</u>
EXPENSE				
Personnel	7,440.15	31,772.75	106,020.00	74,247.25
Services and supplies	2,820.53	9,308.84	29,180.00	19,871.16
Programs	1,138.28	1,936.34	8,300.00	6,363.66
Red, White & Blues	0.00	20,437.88	16,000.00	(4,437.88)
Rhapsody	4,467.33	8,717.67	5,000.00	(3,717.67)
Promotions/OSU	0.00	285.00	500.00	215.00
TOTAL EXPENSE	<u>15,866.29</u>	<u>72,458.48</u>	<u>165,000.00</u>	<u>92,541.52</u>
NET INCOME	<u>4,868.99</u>	<u>23,835.36</u>	<u>47,855.00</u>	<u>24,019.64</u>

Plus: Beginning unrestricted cash balance	(364.14)
Checking/Money Market	205,948.73
Held in reserve - Contingency Fund	3,000.00
Total beginning cash	<u>208,584.59</u>
Net Excess (deficit) budgeted for 2013-2014	<u>256,439.59</u>

Downtown Corvallis Association, Inc.

**Budget Comparison
As of October 31, 2013**

	Month Of Oct	7/1/13 Through Oct 2013	7/1/12 Through Oct 2012	Annual Budget	Percent Annual Budget
Income					
General Revenue					
EID Receipts	16,942.44	47,772.33	48,732.33	90,000.00	53.1%
EID Contributions	800.00	800.00	0.00	0.00	0.0%
Membership Dues	675.00	1,801.50	2,156.25	40,000.00	4.5%
Interest Income	12.78	52.37	75.13	5.00	1047.4%
Rental Income - Sublet	410.00	1,640.00	1,640.00	4,820.00	34.0%
Miscellaneous	0.00	0.00	100.00	800.00	0.0%
Reimbursed Expenses	0.00	0.00	0.00	0.00	0.0%
Program Fees	0.00	0.00	0.00	0.00	0.0%
Total General Revenue	18,840.22	52,066.20	52,703.71	135,625.00	38.4%
Program Revenue					
Membership Workshops	0.00	0.00	0.00	0.00	0.0%
Christmas Lights	0.00	0.00	0.00	25.00	0.0%
Website/Newsletter Advertising	0.00	0.00	0.00	0.00	0.0%
Group advertising	0.00	0.00	0.00	0.00	0.0%
Directory advertising	0.00	0.00	0.00	0.00	0.0%
Fund Raiser	323.34	323.34	263.80	2,500.00	12.9%
Fund Raiser - DT After Hours	387.00	797.50	551.00	2,200.00	36.3%
Design Aesthetics	0.00	0.00	0.00	5.00	0.0%
Red, White & Blue	171.72	29,823.80	33,105.59	35,000.00	85.2%
Total Program Revenue	882.06	30,944.64	33,920.39	39,730.00	77.9%
Promotions Revenue					
Promotions	0.00	0.00	200.00	1,500.00	0.0%
Rhapsody in the Vineyard	1,013.00	13,283.00	16,197.00	36,000.00	36.9%
Total Promotions Revenue	1,013.00	13,283.00	16,397.00	37,500.00	35.4%
TOTAL INCOME	20,735.28	96,293.84	103,021.10	212,855.00	45.2%

Expense

Administration - Personnel

Personnel	6,420.00	27,103.00	28,047.26	79,000.00	34.3%
Director - Medical Benefit	314.70	1,273.20	1,219.10	4,000.00	31.8%
Director - Expense	0.00	0.00	32.50	2,000.00	0.0%
Contract Labor	0.00	0.00	0.00	2,000.00	0.0%
Staff Expenses	0.00	0.00	0.00	2,000.00	0.0%
Volunteer - Expense	105.92	536.21	839.47	4,000.00	13.4%
Staff Development	0.00	77.15	0.00	2,500.00	3.1%
Payroll taxes	497.41	2,095.77	2,176.61	7,800.00	26.9%
Workers Compensation	(86.68)	(67.78)	47.68	320.00	-21.2%
IRA Expense	188.80	755.20	755.20	2,400.00	31.5%
Total Personnel	7,440.15	31,772.75	33,117.82	106,020.00	30.0%

Administration - Services & Supplies

Accounting	193.50	742.50	1,026.00	3,000.00	24.8%
Accounting Review	0.00	925.00	0.00	2,300.00	40.2%
Bad Debt	0.00	0.00	0.00	0.00	0.0%
Bank Charges	(15.00)	0.00	0.00	10.00	0.0%
Subscriptions	60.00	60.00	60.00	350.00	17.1%
Insurance	0.00	0.00	0.00	1,200.00	0.0%
Equipment Replacement	0.00	0.00	0.00	1,800.00	0.0%
Equipment Lease	228.88	912.85	899.76	2,900.00	31.5%
Office Supplies	53.27	468.37	240.42	1,500.00	31.2%
Permits & Fees	45.00	318.00	296.00	620.00	51.3%
Postage	322.00	339.33	180.85	650.00	52.2%
Rent	810.00	3,240.00	3,240.00	9,600.00	33.8%
Utilities	65.13	287.79	302.11	850.00	33.9%
Miscellaneous	0.00	28.00	113.00	200.00	14.0%
Repair & Service Equipment	0.00	0.00	70.01	500.00	0.0%
Telephone/Cell	1,057.75	1,987.00	1,177.54	3,700.00	53.7%
Depreciation	0.00	0.00	0.00	0.00	0.0%
Total Services & Supplies	2,820.53	9,308.84	7,605.69	29,180.00	31.9%

Programs

Membership Drive	21.28	54.87	13.45	300.00	18.3%
Red Carpet Welcome	0.00	36.05	0.00	100.00	36.1%
Downtown Updates	0.00	0.00	0.00	0.00	0.0%
Website Updates	0.00	0.00	0.00	0.00	0.0%
Meetings & Public Relations	109.20	619.64	510.69	1,500.00	41.3%
Design Committee	0.00	0.00	0.00	0.00	0.0%
Design Committee-Awards	0.00	0.00	0.00	100.00	0.0%
Mainstreet Expenses	614.85	632.97	146.57	800.00	79.1%
Mainstreet Dues	250.00	250.00	250.00	300.00	83.3%
EID Expense	123.44	123.44	147.44	0.00	0.0%
EID Task Force Expense	0.00	0.00	36.95	0.00	0.0%
EID Expense-City Collection Fee	0.00	0.00	0.00	4,500.00	0.0%
Annual Reports, proposal	0.00	0.00	0.00	0.00	0.0%
Misc. Printing	0.00	0.00	0.00	0.00	0.0%
Directory Printing	0.00	0.00	0.00	0.00	0.0%
OSU Relations	0.00	0.00	0.00	100.00	0.0%
Christmas Lights	0.00	0.00	0.00	100.00	0.0%
Flower Baskets	0.00	18.62	0.00	0.00	0.0%
Design Aesthetics	0.00	0.00	0.00	0.00	0.0%
Design Aesthetics-Reimbursement	0.00	0.00	0.00	0.00	0.0%
Fund Raiser	0.00	0.00	12.50	500.00	0.0%
Economic/Image Enhancement	19.51	200.75	0.00	0.00	0.0%
Total Programs	1,138.28	1,936.34	1,117.60	8,300.00	23.3%

Promotions					
Red, White & Blue Promotions	0.00	20,437.88	16,519.93	16,000.00	127.7%
Rhapsody in the Vineyard	4,467.33	8,717.67	11,383.93	5,000.00	174.4%
OSU Promotions	0.00	0.00	0.00	0.00	0.0%
Total Promotions	4,467.33	29,440.55	28,032.79	21,500.00	136.9%
City Economic Development					
Economic Enhancement	0.00	0.00	396.91	0.00	0.0%
Image Enhancement	0.00	0.00	27.85	0.00	0.0%
Total City Economic Development	0.00	0.00	424.76	0.00	0.0%
Total expense	15,866.29	72,458.48	70,298.66	165,000.00	43.9%
Excess (deficit) income over expense	4,868.99	23,835.36	32,722.44	47,855.00	

Plus: Beginning restricted/unrestricted cash balance	(364.14)
Checking/Money Market	205,948.73
Held in reserve-Contingency Fund	3,000.00
Total beginning cash	208,584.59

Net Excess (deficit) budgeted for 2013-2014	256,439.59
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11/04/13

Downtown Corvallis Association, Inc.
Balance Sheet
As of October 31, 2013

	Oct 31, 13
ASSETS	
Current Assets	
Checking/Savings	
1010 · Cash - Umpqua Bank	14,678.05
1015 · MMF - Umpqua Bank	205,654.98
1050 · Cash - US Bank-EID	7,183.00
1104 · MMF-Citizens-Design Committee	2,648.94
1106 · Cash-Citizens-RW&B	12,372.21
1109 · MMF-Citizens-Facade/Upper Floor	
1109-1 · Designated City Funds	41,693.02
1109-2 · Undesignated Funds	216.10
1109 · MMF-Citizens-Facade/Upper Floor - Other	1.30
Total 1109 · MMF-Citizens-Facade/Upper Floor	41,910.42
Total Checking/Savings	284,447.60
Other Current Assets	
1116 · Prepaid Expenses	
1120 · Rent	790.76
Total 1116 · Prepaid Expenses	790.76
Total Other Current Assets	790.76
Total Current Assets	285,238.36
Fixed Assets	
1258 · Fixed Asset	23,979.78
1259 · Accumulated depreciation	-15,244.32
Total Fixed Assets	8,735.46
Other Assets	
1500 · Facade improvement loans	
1545 · Mod Pod	0.03
1550 · Coleman - 2012	1,188.83
1551 · Les & Barbara Boudreaux - 2012	1,750.00
Total 1500 · Facade improvement loans	2,938.86
1800 · Interior Development Loans	
1801 · Terzo	-0.27
1802 · Chris Martel Downtown Dental	-2.00
1803 · Mod Pod	3.00
1804 · Many Hands	0.05
1805 · Oregon Coffee	-0.02
1806 · Flat Tail	7,666.89
1807 · Brew BQ	4,333.41
1808 · Ron & Garnetta Day	4,000.06
1809 · Aqua	10,667.00
Total 1800 · Interior Development Loans	26,668.12
Total Other Assets	29,606.98
TOTAL ASSETS	323,580.80
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2111 · Pass-thru money	750.27
2115 · Gift certificates o/s	524.44
2142 · Federal/FICA/Medicare	2,053.22
2143 · State Withholding	371.00
2144 · Federal Unemployment	1.08
2145 · State Unemployment	5.22
2146 · Workers Compensation	0.60
Total Other Current Liabilities	3,705.83

11/04/13

Downtown Corvallis Association, Inc.
Balance Sheet
As of October 31, 2013

	<u>Oct 31, 13</u>
Total Current Liabilities	3,705.83
Total Liabilities	3,705.83
Equity	
3312 - Reserved - City loan \$	71,300.00
3318 - Undesignated funds	-3,835.80
3311 - Designated - Christmas	3,471.66
3900 - Retained Earnings	225,103.75
Net Income	23,835.36
Total Equity	<u>319,874.97</u>
TOTAL LIABILITIES & EQUITY	<u>323,580.80</u>

Downtown Corvallis Association, Inc.
Income Statement
 October 2013

11/04/13

	Oct 13	Jul - Oct 13
Ordinary Income/Expense		
Income		
General Revenue		
4110 - EID Receipts	16,942.44	47,772.33
4111 - EID Contributions	800.00	800.00
4120 - Membership dues	675.00	1,801.50
4141 - Interest income	12.78	52.37
4195 - Rental Income - Sublet	410.00	1,640.00
Total General Revenue	18,840.22	52,066.20
Program Revenue		
4260 - Fund Raiser	323.34	323.34
4265 - Fund Raiser - DT After Hours		
4265-1 - Entry Fees	360.00	625.00
4265-2 - Bucket of Bucks	27.00	172.50
Total 4265 - Fund Raiser - DT After Hours	387.00	797.50
4310 - Red, White & Blue		
4310-1 - Beer	0.00	5,521.00
4310-2 - Gate	0.00	9,871.81
4310-3 - Sponsors	0.00	6,360.00
4310-4 - Vendor	171.72	7,220.99
4310-6 - DCA Booth	0.00	850.00
Total 4310 - Red, White & Blue	171.72	29,823.80
Total Program Revenue	882.06	30,944.64
Promotions Revenue		
4460 - Rhapsody in the Vineyard	1,013.00	13,283.00
Total Promotions Revenue	1,013.00	13,283.00
Total Income	20,735.28	96,293.84
Expense		
Administration		
Personnel		
5105 - Personnel	6,420.00	27,103.00
5120 - Director-Medical Benefit	314.70	1,273.20
5150 - Volunteer expense	105.92	536.21
5160 - Staff Development	0.00	77.15
5180 - Payroll Taxes	497.41	2,095.77
5190 - Workers Compensation	-86.68	-67.78
5195 - IRA Expense	188.80	755.20
Total Personnel	7,440.15	31,772.75
Services and supplies		
5410 - Accounting	193.50	742.50
5415 - Accounting Review	0.00	925.00
5430 - Bank charges	-15.00	0.00
5440 - Subscriptions	60.00	60.00
5460 - Office supplies	53.27	468.37
5470 - Permits & fees	45.00	318.00
5480 - Postage	322.00	339.33
5490 - Rent	810.00	3,240.00
5600 - Utilities	65.13	287.79
5610 - Miscellaneous	0.00	28.00
5630 - Telephone/Cell	1,057.75	1,987.00
5456 - Equipment Lease	228.88	912.85
Total Services and supplies	2,820.53	9,308.84
Total Administration	10,260.68	41,081.59
Programs		
6110 - Membership Drive	21.28	54.87
6180 - Meetings & public relati	109.20	619.64
6185 - Red Carpet Welcome	0.00	36.05

11/04/13

Downtown Corvallis Association, Inc.
Income Statement
 October 2013

	Oct 13	Jul - Oct 13
6410 - Main Street Expense	614.85	632.97
6420 - Mainstreet Dues	250.00	250.00
6440 - EJD Expense	123.44	123.44
6510 - Flower baskets	0.00	18.62
6580 - Economic/Image Enhancement	19.51	200.75
Total Programs	1,138.28	1,936.34
Promotions		
7110 - Red, White & Blue		
7110-1 - Advertising	0.00	2,000.00
7110-2 - Entertainment	0.00	6,800.00
7110-3 - Infrastructure	0.00	3,061.10
7110-4 - Miscellaneous	0.00	2,890.50
7110-5 - Beer	0.00	2,667.48
7110-6 - T-Shirts	0.00	1,169.05
7110-7 - Gate Expense	0.00	1,244.75
7110-10 - Volunteer Expense	0.00	605.00
Total 7110 - Red, White & Blue	0.00	20,437.88
7120 - Promotions	0.00	285.00
7125 - Rhapsody in Vineyard	4,467.33	8,717.67
Total Promotions	4,467.33	29,440.55
Total Expense	15,866.29	72,458.48
Net Ordinary Income	4,868.99	23,835.36
Net Income	4,868.99	23,835.36

MEMORANDUM

November 25, 2013

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 13-14.

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 nearly 18% of budgeted total revenues compared to about 13% this time last year. Operating revenue receipts, with the exception of property taxes, are higher across the board in FY 13-14, especially the charges for service category and grant receipts. While intrafund transfers are responsible for skewing the total revenue average higher by about \$2.4 million, this is somewhat offset by the net impact of the \$1.4 million that was paid out to the County in July 2013 in respect of Hewlett-Packard (H-P) property tax refund.

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 all departments except Library, personnel service savings are not as significant as they have been in prior years due primarily to somewhat higher overtime than planned when trying to meet service requirements with fewer employees. As of the end of the first quarter, the City had over 34 unfilled/budgeted FTE, nine of which are in the Police Department. Public Works had 15 FTE vacancies at the end of the quarter, with all but four of these being on hold for recruitment as staff considers future plans, particularly in view of several significant impending retirements in coming months. In future months, a much higher volume of unbudgeted retirement cashouts is now expected to occur based on PERS legislation changes, and the unbudgeted 9% medical premium increases in 2014 are very likely to impact departments' spending plans for the remainder of the fiscal year.

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

- General Fund – The large property tax refund paid in July in respect of H-P has resulted in a year-to-date negative position in this revenue category. Since this situation was known prior to budget adoption, first quarter total revenues are only slightly below last year's levels on a percentage of budget basis. Most other General Fund revenues are coming in at or higher than budgeted levels so far this fiscal year, although municipal court fines continue to lag not only the budget target, but also prior years' results for dollars received when both municipal court and the police department were closer to fully staffed. On the expenditure side, Parks & Recreation typically has higher personnel service costs in the first quarter of the fiscal year than a 25% target at quarter end would indicate, due to seasonal hires for summer programs, including outdoor aquatics. However, Finance (Municipal Court), Fire and Library are running much closer than normal to the 25% expended level due primarily to overtime/temp wages to cover vacancies.
- Street, Utility and Parks SDC Funds, as well as the Development Services Fund are all seeing substantial increases in SDC revenue and other development and plan review fee and charge for service revenue. OSU and Good Sam, as well as several other commercial projects have created a spike in these revenue sources that is helping improve fund balances. However, due to the dedicated nature of SDC funds in particular, this does not necessarily help with cost of ongoing operations in any of these funds.
- The Community Development Revolving Fund continues to spend at a greater rate than the revenues it takes in, due to grant reimbursement lag time. With a very slim beginning fund balance, made possible only from a year-end loan from the Development Services Fund, the Fund Manager is still looking hard at implementing changes in the programs and resources in this fund 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 General Fund 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 nearly 16% expended at the end of the first quarter. Capital project work and the related spending tend to fluctuate each year, with delays causing carryovers 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 purchase and opening of Coronado Park; the donation and installation of a large steel arbor in Avery Rose Garden Plaza; and construction to replace an undersized 8-inch pipe running under Greeley Avenue.

The Quarterly Operating Report also includes an update on the status of City Council Goals as of September 30, 2013.

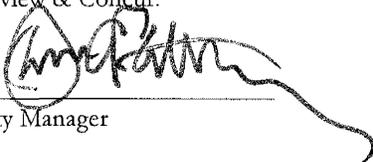
III. New Quarterly Operating Report Format

The City has used the current Quarterly Operating Report format for many years. At an average 52 pages, it is a lengthy but comprehensive source of information on the City's funds and department information that allows City staff to demonstrate to the public that the City's finances are being monitored on an ongoing basis. However, it is a substantial work effort for staff, let alone for stakeholders to absorb – particularly when much of the information does not change substantially from quarter to quarter or even year over year. Staff is working on an alternative format for future Quarterly Reports and will share a draft with the Council when it is ready.

IV. Requested Action

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

Review & Concur:



City Manager

FIRST QUARTERLY OPERATING REPORT FISCAL YEAR 2013-2014

EXECUTIVE SUMMARY

November 21, 2013

The Quarterly Operating Report is usually 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.
- 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 13-14 budget was prepared and adopted during challenging economic times and in a highly fiscally constrained environment for the City. While the economy has seen some improvement, high unemployment prevails, and property values are rising slowly. Development continues to be more commercial than residential focused. Also, lower than historical revenues in both FY 11-12 and FY 12-13 were 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. While November saw the passage of a 5-year City operating levy, the funds will not be available for another year and are mostly for very specific services.

The Federal Open Market Committee (FOMC) September press release suggests that the economy has again expanded at a moderate pace since it met last quarter. With the unemployment rate still elevated, labor market conditions have persistently shown signs of improvement. Corvallis continues to fare better than the State and the Nation as far as its unemployment rate. Advancements have been seen in both household spending and the housing sector, but climbing mortgage rates and fiscal policy have restricted economic growth. Despite the extent of federal fiscal reductions, the FOMC sees progress in economic activity and labor market conditions since it began its asset purchase program a year ago to promote broader economic strength. The FOMC will closely monitor developments in coming months and will employ its policy tools as appropriate; in particular, maintaining the target range for the federal funds rate at the 0% to .25% range as long as the national unemployment rate remains above 6.5%, and inflation projections deviate from their objective of 2%.

The City's financial performance through the first quarter of the fiscal year generally has been as expected, with operating expenditures at 23% of budget, and in line with FY 12-13 spending levels. Percentages of budgeted revenues are up nearly 4% from the prior year; in spite of the \$1.44 million property tax refund paid to Hewlett-Packard (HP) in the first quarter. In May of FY 12-13, the City was notified that HP, the City's largest single taxpayer, had prevailed in its appeal of the 2008, 2009, and 2010 tax assessments, which was anticipated to result in a \$9 million refund, the City's share of which was estimated at \$2.1 million, including interest if owed. Based on the valuation reduction, the City's permanent rate levy was projected to bring in about \$630,000 less in FY 13-14 revenue than was actually received in FY 11-12. The Adopted Budget as reflected in the General Fund financial plan is a reflection of the 3% assessed value growth allowance on a much lower tax base, with no significant new taxable development in the face of a continuing stagnant economy, and additional industrial depreciation. Since quarter end, taxes have been certified and the underlying property values came in a bit higher than projected. However, there remain many unknowns with respect to appeals by large tax payers that may continue to negatively impact property tax collections this fiscal year.

There has been an increase in Charges for Services, including System Development Charges (SDC), which is largely driven by development project application fees, but is higher in nearly all funds, contributing to nearly a \$2.1 million increase over this time last year and a significantly greater percentage of budget overall than forecast. Miscellaneous revenue received is also greater than this time last year, primarily due to receipts related to unanticipated housing and SDC loan payoffs, increased bad debt recovery on delinquent ambulance billing accounts, and some sizeable donations.

As of the end of the first quarter for the fiscal year, total expenditures are 21.76% of budget, and approximately \$4.5 million higher than last year's spending levels. The increase over last year's actuals is primarily due to transfers for capital improvement projects that are underway, such as the Coronado sub-division neighborhood park and various projects for water and wastewater treatment. Community Development CDBG/HOME grant-related expenditures were higher in FY 13-14 when compared to the prior year since a significant portion of FY 12-13 projects were delayed and carried forward to this fiscal year.

The following table compares year-to-date actuals with budget for all funds in both FY 13-14 and FY 12-13:

REVENUE	AMENDED BUDGET	1st Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	AMENDED BUDGET	1st Quarter FY 12-13	Y-T-D FY 12-13	FY 12-13 % REC/EXPEND
Budgeted Fund Balance	\$36,856,854							
Property Taxes	\$21,994,360	-\$1,311,317	-\$1,311,317	-5.96%	\$23,904,680	\$142,684	\$142,684	0.60%
Other Tax	1,372,600	264,590	264,590	19.28%	1,270,650	254,069	254,069	20.00%
Licenses/Permits	9,079,840	1,913,030	1,913,030	21.07%	8,740,150	1,719,065	1,719,065	19.67%
System Development Charges	3,266,130	1,372,798	1,372,798	42.03%	1,989,780	462,171	462,171	23.23%
Charges for Service	38,736,850	10,957,202	10,957,202	28.29%	37,738,370	9,795,765	9,795,765	25.96%
Intergovernmental	17,306,344	1,658,939	1,658,939	9.59%	17,335,633	883,615	883,615	5.10%
Fines/Forfeitures	1,202,630	258,370	258,370	21.48%	1,283,410	257,565	257,565	20.07%
Miscellaneous	2,162,880	549,806	549,806	25.42%	2,767,850	334,292	334,292	12.08%
Other Financing Sources/Transfers in	19,695,047	4,586,563	4,586,563	23.29%	24,023,308	2,119,632	2,119,632	8.82%
TOTAL CURRENT REVENUE	\$114,816,681	\$20,249,981	\$20,249,982	17.64%	\$119,053,831	\$15,968,858	\$15,968,858	13.41%
EXPENDITURE BY DEPARTMENT								
City Manager's Office	\$3,297,010	\$1,254,260	\$1,254,260	38.04%	\$3,302,670	\$1,151,285	\$1,151,285	34.86%
Community Development	7,919,050	1,727,040	1,727,040	21.81%	7,506,640	1,229,304	1,229,304	16.38%
Finance	5,005,060	1,107,394	1,107,394	22.13%	4,790,210	1,172,418	1,172,418	24.48%
Fire	10,485,960	2,663,141	2,663,141	25.40%	10,455,220	2,493,179	2,493,179	23.85%
Library	5,878,150	1,414,233	1,414,233	24.06%	6,054,010	1,382,668	1,382,668	22.84%
Park & Recreation	6,173,360	1,734,097	1,734,097	28.09%	6,080,310	1,609,688	1,609,688	26.47%
Police	13,343,410	3,240,900	3,240,900	24.29%	13,031,970	3,379,441	3,379,441	25.93%
Public Works	30,759,350	6,249,330	6,249,330	20.32%	29,744,922	6,230,141	6,230,141	20.95%
Non-Departmental	1,449,420	343,206	343,206	23.68%	1,512,927	351,395	351,395	23.23%
TOTAL OPERATING EXPENDITURES	\$84,310,770	\$19,733,601	\$19,733,601	23.41%	\$82,478,879	\$18,999,519	\$18,999,519	23.04%
Debt Service	\$7,245,970	\$960,550	\$960,550	13.26%	\$4,734,140	\$845,843	\$845,843	17.97%
Capital Projects	10,229,889	1,604,018	1,604,018	15.68%	9,687,779	493,016	493,016	5.09%
Transfers Out / Other Financing Uses	19,665,047	4,507,243	4,507,243	22.92%	26,348,831	1,981,855	1,981,855	7.52%
Contingencies/Reserves	1,727,790	0	0	0.00%	1,611,260	0	0	0.00%
TOTAL ALL EXPENDITURES	\$123,179,466	\$26,805,412	\$26,805,412	21.76%	\$124,860,889	\$22,320,233	\$22,320,233	17.88%
CURRENT REVENUES LESS								
TOTAL EXPENDITURES	(\$8,362,785)	(\$6,555,431)	(\$6,555,430)		(\$5,807,058)	(\$6,351,375)	(\$6,351,375)	

In general, the status of the City's finances was in line with expectations for first quarter. Revenues total \$20,249,982, and are at 17.64% of the Amended Total Revenue Budget of \$114,816,681. The HP property tax refund primarily accounts for the lag in revenue received at this point in the fiscal year. 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 13-14, the following amendments to the budget were approved:

Date	Amendment Type	Resource	Fund	Department	Net Expenditure Impact
8/19/2013	Res - Grant	Benton County Foundation	General	Parks & Recreation	\$ 9,130
8/19/2013	Res - IGA	IGA Oregon Dept of Aviation	Airport	Public Works	\$ 322,000
9/3/2013	Res - Grant	ODOT Grant	Airport-CIP	Public Works	\$ 93,104
Total Increase					\$ 424,234

Significant revenue highlights include:

- **Property taxes** totaled -\$1,311,317 through the first quarter, which equals -5.96% of the budgeted property tax revenue. First quarter includes the \$1.44 million refund paid out to HP due to their successful valuation appeal in late FY 12-13. Budgeted property tax revenues are about \$2 million less than last fiscal year's budget, and are expected to be nearly \$1 million lower than what was received by year-end FY 12-13, due primarily to the outcome of the HP valuation appeal.
- **Other Taxes** are collected from hotels in the form of room taxes and totaled \$264,590 or 19.28% of budget and are slightly higher in total compared to last fiscal year due to good attendance at fall sporting events and some signs of mild economic recovery.

- **Licenses, Fees and Permits** totaled \$1,913,030 which represents 21.07% of the amended budget and is slightly higher as a percentage of budget received when compared with the same time last year. The largest portion of this category is franchise fees, which appears to be underperforming in the first quarter, but is at typical levels due to some first quarter receipts that are accrued back to the prior fiscal year. The transportation maintenance and sustainability initiative fees, as well as Development Services permit fees are performing at or above target for the first quarter.
- **System Development Charges** were \$1,372,798 which represents 42.03% of the amended budget and is substantially higher than anticipated this year due to OSU-related activity. In both FY 13-14 and the latter part of FY 12-13, the higher percentage of actuals YTD 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 \$10,957,202, which represents 28.29% of the amended budget. This revenue type is slightly above target as a percentage of budget and mostly attributable to Development Services Fund plan reviews and Water Fund metered revenue.
- **Intergovernmental** revenues are below target at \$1,658,939 and 9.59% of budget but are higher as actuals and a percentage of budget than the same time last year. The receipt of grant monies tends to be volatile and highly dependent on timing of related expenditures.
- **Fines & Forfeiture** receipts related to Municipal Court are in line with last year, but ended up low as a percentage of budget in both years due primarily to reduced staffing at Municipal Court and less success with delinquent account collections than originally anticipated. While some improvement continues to be noted from concentrated efforts related to collections in the past several years, after turning over about \$2.2 million in traffic and \$535,000 in parking delinquencies, these accounts still have 88% and 61% of their respective balances outstanding.
- **Interest earnings** totaled \$61,494 at the end of the first quarter, which represents 26.24% of budgeted interest and is about 93% 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 \$19,733,601 or 23.41% of the Amended Operating Expenditure Budget which is slightly higher than last year in total dollars expended and as a percentage of budget. The most notable increase was seen in Community Development with approximately \$500K in additional expenditures related to CDBG/HOME projects that were carried over from FY 12-13.

Non-operating expenditures, which include capital projects, transfers, debt service, and contingency, totaled \$7,071,811 or 18.19% of the \$38,868,696 Amended Non-Operating Budget. In total, expenditures through the first quarter were \$26,805,412 or 21.76% of the \$123,179,466 budgeted, compared to 17.88% 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>		\$47,359,300	\$34,736,840	\$2,214,630	\$84,310,770	
City Manager's Office	\$3,297,010	\$313,484	\$940,776	\$0	\$1,254,260	38.04%
Community Development	7,919,050	907,910	819,129	0	1,727,040	21.81%
Finance	5,005,060	790,375	317,020	0	1,107,394	22.13%
Fire	10,485,960	2,220,573	442,568	0	2,663,141	25.40%
Library	5,878,150	1,009,808	404,425	0	1,414,233	24.06%
Parks & Recreation	6,173,360	1,183,857	538,104	12,136	1,734,097	28.09%
Police	13,343,410	2,400,812	840,088	0	3,240,900	24.29%
Public Works	30,759,350	2,707,658	3,508,752	32,920	6,249,330	20.32%
Non Department	1,449,420	0	343,206	0	343,206	23.68%
TOTAL	\$84,310,770	\$11,534,477	\$8,154,068	\$45,057	\$19,733,601	23.41%
Percent of Budget		24.36%	23.47%	2.03%	23.41%	

Significant expenditure highlights include:

- Personnel Services** totaled \$11,534,477 or 24.36% of the amended budget of \$47,359,300. While there are 2.33 less authorized FTE in FY 13-14 vs. FY 12-13, the personnel services budget in FY 13-14 has increased by over \$1.1 million due to contractual COLA increases for CPOA (2.5%) and IAFF (2.0%), as well as an overall 5.8% increase in benefits, which include PERS/OPSRP and healthcare costs. AFSCME contract negotiations have not yet been finalized, but any contractual increases will need to be offset by other savings and/or reductions.
- Supplies and Services** totaled \$8,154,068 or 23.47% of the amended budget of \$34,736,840. The dollars spent in FY 13-14 are roughly \$900,000 more than the amount spent in FY 12-13 due in part to the Economic Development program in the City Manager's Office not being fully staffed during Q1 of FY 12-13; increased CDBG/HOME spending in Q1 of FY 13-14; and increased purchases of water treatment chemicals and supplies by Public Works due to the dry summer in 2013.
- Capital Outlay** totaled \$45,057 or 2.03% of the amended budget of \$2,214,630. While this is low as a percentage of budget, capital purchases do not tend to follow a regular pattern other than to sometimes weight toward the end of the fiscal year, if practical, to ensure that sufficient budget remains for the acquisition. Several purchases are still on schedule for this fiscal year, such as replacements for three patrol vehicles, two transit buses, and two dump trucks for utilities.

NON OPERATING EXPENDITURES

- Capital projects** totaled \$1,604,018 or 15.68% of the amended budget of \$10,229,889. 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. Several projects have been carried forward to FY 13-14 from FY 12-13.
- Debt service** payments totaled \$960,550 or 13.26% of the total budget of \$7,245,970, which is up from the 11.88% spent this time last year. However, FY 13-14 includes the early payoff of the

Airport Fund's loan, which saved about \$2,500 in interest by paying in July rather than on its next payment date in December, and saved the Fund another \$9,600 compared to the original schedule.

- **Transfers and Other Financial Uses** totaled \$4,507,243 or 22.92% of the amended budget of \$19,665,047. 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@corvallisoregon.gov.

Nancy Brewer
Finance Director

GENERAL FUND

REVENUE	AMENDED BUDGET	1st Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	1st Quarter FY 12-13	Y-T-D FY 12-13	FY 12-13 % REC/EXPEND
Budgeted Fund Balance	\$6,265,564						
Property Taxes (1)	\$18,975,500	(\$1,247,274)	(\$1,247,274)	-6.57%	\$142,684	\$142,684	0.68%
Other Tax	1,372,600	264,590	264,590	19.28%	254,069	254,069	20.00%
Licenses/Permits	5,925,060	919,148	919,148	15.51%	849,412	849,412	14.88%
Charges for Service	5,879,940	1,438,489	1,438,489	24.46%	1,278,595	1,278,595	21.83%
Intergovernmental (2)	4,207,850	210,411	210,411	5.00%	195,492	195,492	4.54%
Fines/Forfeitures (3)	749,530	167,380	167,380	22.33%	170,916	170,916	20.59%
Miscellaneous (4)	509,820	141,132	141,132	27.68%	117,423	117,423	20.38%
Other Financing Sources (5)	6,755,405	166,243	166,243	2.46%	166,502	166,502	5.85%
TOTAL CURRENT REVENUE	\$44,375,705	\$2,060,119	\$2,060,119	4.64%	\$3,175,093	\$3,175,093	7.49%
EXPENDITURE BY DEPARTMENT							
City Manager's Office (6)	\$326,250	\$66,051	\$66,051	20.25%	\$16,283	\$16,283	4.29%
Community Development	1,309,840	287,856	287,856	21.98%	306,784	306,784	23.39%
Finance	646,770	163,441	163,441	25.27%	153,936	153,936	24.44%
Fire	10,485,960	2,663,141	2,663,141	25.40%	2,493,179	2,493,179	23.85%
Library	5,878,150	1,414,233	1,414,233	24.06%	1,382,668	1,382,668	22.84%
Parks & Recreation (7)	6,173,360	1,734,097	1,734,097	28.09%	1,609,688	1,609,688	26.47%
Police	10,649,520	2,621,368	2,621,368	24.61%	2,756,969	2,756,969	26.26%
Public Works (2)	1,026,260	151,517	151,517	14.76%	267,250	267,250	21.93%
Non-Departmental	1,448,070	342,356	342,356	23.64%	351,395	351,395	25.80%
TOTAL OPERATING EXPENDITURES	\$37,944,180	\$9,444,060	\$9,444,060	24.89%	\$9,338,152	\$9,338,152	24.83%
Debt Service (8)	\$243,180	\$220,530	\$220,530	90.69%	\$218,342	\$218,342	89.53%
Transfers / Other Financing Uses (5)	6,899,715	460,206	460,206	6.67%	530,525	530,525	17.11%
Contingencies/Reserves	630,000	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$45,717,075	\$10,124,796	\$10,124,796	22.15%	\$10,087,019	\$10,087,019	24.32%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$1,341,370)	(\$8,064,678)	(\$8,064,678)		(\$6,911,926)	(\$6,911,926)	

- (1) Collection of current year property taxes does not commence until the second quarter of the fiscal year. Revenues earned in the first quarter typically represent delinquent taxes from prior years; in FY 13-14, those revenues have been offset by an approximate \$1.44 million refund to Hewlett-Packard as a result of this company's successful property valuation appeal.
- (2) Intergovernmental revenue receipts are consistent with the prior year, but low as a percentage of budget, due to grant projects not yet started and/or completed that are reimbursable in nature. This also explains below budget spending for Public Works related to the EECBG and EPA grants YTD. Additionally there have not yet been any turnovers from the Benton County Library District, which is typical; first turnovers occur in the last two months of the calendar year.
- (3) Traffic fine revenue is under-performing FY 12-13 levels and is not keeping pace with anticipated FY 13-14 budget, which is attributed to prior year staffing reductions at Municipal Court, and less success with delinquent account collections than originally anticipated. Additionally, there were fewer civil penalties and nuisance alarms in Q1 as compared to the same time last year.
- (4) Miscellaneous revenue is trending higher than budget due to earlier and larger than expected receipts of various Parks & Recreation (P&R) non-intergovernmental grants; an unforeseen reimbursement from the District Attorney's Office; and higher than expected donations/contributions in P&R and Library (for summer reading program) early in the fiscal year.
- (5) Other Financing Sources and Uses include pass-through agency receipts and payments related to State-mandated surcharges for Municipal Court fines and Community Development permit surcharges. Other sources are from property tax transfers from the 2011 Operating Levy (mostly collected in the second quarter). Uses include transfers for pension obligation bond (POB) payments and capital projects. More information on the status of the Capital Improvement Program (CIP) is in a later section.
- (6) The Economic Development (ED) program, housed in the City Manager's Office, was new in FY 12-13. Expenditures are greater this fiscal year over last since one of the two ED positions was vacant for most of FY 12-13.
- (7) P&R budget is more than 25% expended due to the typical increased use of casual and seasonal labor in the summer months. By year-end P&R spending is expected to align with its operating budget. Expenses are higher in FY 13-14 vs. 12-13 at this time, due to vacant positions that have been filled in FY 13-14 and more special project spending earlier in the fiscal year.
- (8) The majority of Debt Service spending occurs in the first quarter with principal and interest loan payments for the 2010 CIP Loan. The remaining budget is scheduled to be paid out with an interest only payment in the second quarter.