



ADMINISTRATIVE SERVICES COMMITTEE

Agenda

Wednesday, May 7, 2014
3:30 pm

Madison Avenue Meeting Room
500 SW Madison Avenue

- | | |
|------------------------------------|--|
| Discussion/ Possible Action | I. da Vinci Days Loan and Annual Report
(Attachment) |
| Discussion/ Possible Action | II. Parks and Recreation Department Cost Recovery
Update
(Attachment) |
| Discussion/ Possible Action | III. Council Policy Review and Recommendation:
95-4.10, "Public Library Gifts and Donations Policy"
(Attachment) |
| Information | IV. Other Business |

Next Scheduled Meeting

Wednesday, May 21, 2014 at 3:30 pm
Madison Avenue Meeting Room, 500 SW Madison Avenue

Agenda

Land Use Application Fee Review
Neighborhood/Property Maintenance Code Program
Enterprise Zone: E-Commerce



MEMORANDUM

To: Administrative Services Committee
From: Karen Emery, Director *KE*
Stephen DeGhetto, Assistant Director *SD*
Date: March 19, 2014
Subject: da Vinci Days Annual Report

Issue:

To review and recommend to the City Council the acceptance of the 2013 annual report from da Vinci Days in compliance with the 2005 Bridge loan funding.

Background:

The City Council approved a \$20,000 interest free Bridge Loan for da Vinci Days in February 2005. According to the agreement between the City and da Vinci Days, the funds are to be used to meet cash flow needs, pay on deferred expenditures, and provide beginning fund balances for da Vinci Days Summer Festival and the da Vinci Film Festival.

Discussion:

The Bridge Loan balance was \$10,000 as of December 31, 2013, representing 23% of total liabilities. No payments were received since the bridge loan was amended in 2012. da Vinci Days has complied with reporting requirements of the agreements and funds have been properly accounted for according to the City's internal financial review process.

Noteworthy 2013 items are:

- Board of Directors voted unanimously to suspend operations for 2014.
- Board of Directors formed a steering committee to look into reinvention of the festival.
- Board of Directors requests the suspension of payments on the current loan until the conclusion of the reinvention process.

Recommendation: To recommend to City Council to consider the request to suspend the loan payment.

Review and Concur:


James A. Patterson, City Manager


Nancy Brewer, Finance Director

- Attachments:
1. Finance Department's review of FY 12-13 Financials
 2. Balance Sheet and Profit & Loss Statement
 2. da Vinci Days 2013 Annual Report
 3. Reinventing da Vinci Days Steering Committee Charge, list of members



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

MEMORANDUM

February 21, 2014

TO: Steve DeGhetto, Assistant Parks and Recreation Director

FROM: Jeanna Yeager, Accountant

SUBJECT: da Vinci Days, Inc. Annual Financial Review Fiscal Year 2013

This review consists of inquiries and analytical procedures and is very limited in its nature. The da Vinci Days, Inc. financial statements are unaudited financial reports that are the representation of the management of da Vinci Days. da Vinci Days, Inc. uses the accrual method of accounting.

This review is based on the da Vinci Days fiscal year, September 1, 2012 through August 31, 2013. During the year, da Vinci Days received a total of \$172,941 in revenues and other support. Total expenditures (including COGS) were reported at \$193,874, resulting in a net loss of \$20,933.

For the year ending August 31, 2013, da Vinci Days reported total assets of \$43,466 (a decrease of 34% from the prior year) and total liabilities of \$44,203, resulting in a debt ratio of 1.02, which signifies the company is highly leveraged. da Vinci Days' current assets to current liabilities ratio is 1.17, indicating that while the organization can cover short-term obligations, it's financial position is not particularly strong.

In 2005, the City made a \$20,000 loan to da Vinci Days. The loan balance was \$10,000 as of August 31, 2013, representing almost 23% of total liabilities. Although the amended loan requires an annual minimum payment of \$2,000, no payments to the City were made during this period.

Based on this review, I recommend acceptance of the da Vinci Days financial statements.

da Vinci Days, Inc.
Balance Sheet Prev Year Comparison
As of August 31, 2013

	Aug 31, 13	Aug 31, 12	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
1001 · Petty Cash	138.13	138.13	0.00	0.0%
1003 · OSU Fed checking	37,387.02	54,884.99	-17,497.97	-31.9%
1005 · OSU Fed savings	5.58	4,840.64	-4,835.06	-99.9%
Total Checking/Savings	<u>37,530.73</u>	<u>59,863.76</u>	<u>-22,333.03</u>	<u>-37.3%</u>
Accounts Receivable				
1200 · Accounts Receivable	0.00	879.00	-879.00	-100.0%
Total Accounts Receivable	<u>0.00</u>	<u>879.00</u>	<u>-879.00</u>	<u>-100.0%</u>
Other Current Assets				
1499 · Undeposited Funds	695.00	0.00	695.00	100.0%
Total Other Current Assets	<u>695.00</u>	<u>0.00</u>	<u>695.00</u>	<u>100.0%</u>
Total Current Assets	<u>38,225.73</u>	<u>60,742.76</u>	<u>-22,517.03</u>	<u>-37.1%</u>
Fixed Assets				
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	-14,452.57	-14,452.57	0.00	0.0%
Total Fixed Assets	<u>5,239.99</u>	<u>5,239.99</u>	<u>0.00</u>	<u>0.0%</u>
TOTAL ASSETS	<u>43,465.72</u>	<u>65,982.75</u>	<u>-22,517.03</u>	<u>-34.1%</u>
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
2000 · Accounts Payable	3,347.04	4,829.14	-1,482.10	-30.7%
Total Accounts Payable	<u>3,347.04</u>	<u>4,829.14</u>	<u>-1,482.10</u>	<u>-30.7%</u>
Other Current Liabilities				
2310 · Wells Fargo LOC	30,856.13	30,957.66	-101.53	-0.3%
Total Other Current Liabilities	<u>30,856.13</u>	<u>30,957.66</u>	<u>-101.53</u>	<u>-0.3%</u>
Total Current Liabilities	<u>34,203.17</u>	<u>35,786.80</u>	<u>-1,583.63</u>	<u>-4.4%</u>
Long Term Liabilities				
2330 · City of Corvallis- Loan	10,000.00	10,000.00	0.00	0.0%
Total Long Term Liabilities	<u>10,000.00</u>	<u>10,000.00</u>	<u>0.00</u>	<u>0.0%</u>
Total Liabilities	<u>44,203.17</u>	<u>45,786.80</u>	<u>-1,583.63</u>	<u>-3.5%</u>
Equity				
3100 · Unrestricted Net Assets	61,440.25	61,440.25	0.00	0.0%
3300 · Retained Earnings	-41,244.30	-16,256.64	-24,987.66	-153.7%
Net Income	-20,933.40	-24,987.66	4,054.26	16.2%
Total Equity	<u>-737.45</u>	<u>20,195.95</u>	<u>-20,933.40</u>	<u>-103.7%</u>
TOTAL LIABILITIES & EQUITY	<u>43,465.72</u>	<u>65,982.75</u>	<u>-22,517.03</u>	<u>-34.1%</u>

2:25 PM

09/14/13

Accrual Basis

da Vinci Days, Inc.
Profit & Loss Budget vs. Actual
September 2012 through August 2013

	Sep '12 - ...	Budget	\$ Over Bu...	% of Budget
Ordinary Income/Expense				
Income				
4000 · *Contributions*				
4100 · *Direct Public Support*				
4101 · Corporate Sponsorship	21,785.00	34,000.00	-12,215.00	64.1%
4102 · Individual Donors	14,117.78	16,200.00	-2,082.22	87.1%
4103 · Grants	4,500.00	8,000.00	-3,500.00	56.3%
4104 · Non-cash donations	0.00	0.00	0.00	0.0%
Total 4100 · *Direct Public Support*	40,402.78	58,200.00	-17,797.22	69.4%
Total 4000 · *Contributions*	40,402.78	58,200.00	-17,797.22	69.4%
4300 · * Program Revenue*				
4301 · Admissions	89,217.10	126,863.00	-37,645.90	70.3%
4302 · Concession Fees/Commission	29,021.82	26,800.00	2,221.82	108.3%
4303 · Festival Events	12,913.00	9,000.00	3,913.00	143.5%
4309 · Shipping/Handling-Online sales	0.00	0.00	0.00	0.0%
Total 4300 · * Program Revenue*	131,151.92	162,663.00	-31,511.08	80.6%
4400 · Fundraising Events	1,330.90	4,000.00	-2,669.10	33.3%
4500 · Festival Merchandise Sales	50.00	1,200.00	-1,150.00	4.2%
4998 · Interest Income	5.03	10.00	-4.97	50.3%
Total Income	172,940.63	226,073.00	-53,132.37	76.5%
Cost of Goods Sold				
5600 · *Concessions*				
5610 · Food/Beverage inventory	4,535.25	4,700.00	-164.75	96.5%
Total 5600 · *Concessions*	4,535.25	4,700.00	-164.75	96.5%
Total COGS	4,535.25	4,700.00	-164.75	96.5%
Gross Profit	168,405.38	221,373.00	-52,967.62	76.1%
Expense				
7800 · Fundraising				
7801 · PayPal Expenses	3.20	22.65	-19.45	14.1%
Total 7800 · Fundraising	3.20	22.65	-19.45	14.1%
6100 · *Payroll Expenses				
6140 · Interim Director	0.00	0.00	0.00	0.0%
6110 · Wages & Salaries	31,728.69	49,500.00	-17,771.31	64.1%
6120 · Payroll Taxes	3,524.11	5,400.00	-1,875.89	65.3%
6130 · Employee Benefits	3,000.00	6,000.00	-3,000.00	50.0%
Total 6100 · *Payroll Expenses	38,252.80	60,900.00	-22,647.20	62.8%
6200 · Awards & Prizes	3,515.00	2,465.00	1,050.00	142.6%
6250 · Bank Fees	3,994.60	2,600.00	1,394.60	153.6%
6300 · Contracted Services				
6310 · Performers	41,640.00	45,000.00	-3,360.00	92.5%
6320 · Shuttle/Parking	0.00	1,100.00	-1,100.00	0.0%
6330 · Sanitation	0.00	750.00	-750.00	0.0%
6340 · Security	9,445.00	8,500.00	945.00	111.1%
6390 · Other Contracted Services	6,452.21	10,000.00	-3,547.79	64.5%
Total 6300 · Contracted Services	57,537.21	65,350.00	-7,812.79	88.0%
6400 · Depreciation expense	0.00	2,000.00	-2,000.00	0.0%
6450 · Dues & Subscriptions	247.00	175.00	72.00	141.1%
6500 · Equipment Rentals				
6510 · Copier Lease	309.29	300.00	9.29	103.1%
6520 · Sanitation	5,099.00	3,700.00	1,399.00	137.8%
6530 · Tables/Tents	18,039.45	15,500.00	2,539.45	116.4%
6590 · Other Equip.Rental	17,225.00	13,000.00	4,225.00	132.5%
Total 6500 · Equipment Rentals	40,672.74	32,500.00	8,172.74	125.1%
6650 · Facility Rentals	1,168.75	1,600.00	-431.25	73.0%

2:25 PM

09/14/13

Accrual Basis

da Vinci Days, Inc.
Profit & Loss Budget vs. Actual
September 2012 through August 2013

	Sep '12 - ...	Budget	\$ Over Bu...	% of Budget
6700 · *Hospitality				
6710 · Hospitality- meetings/vol recog	257.76	550.00	-292.24	46.9%
6720 · Hospitality-performers	4,561.95	3,500.00	1,061.95	130.3%
6700 · *Hospitality - Other	0.00	150.00	-150.00	0.0%
Total 6700 · *Hospitality	4,819.71	4,200.00	619.71	114.8%
6800 · Insurance				
6820 · Liability Insurance	3,339.75	3,400.00	-60.25	98.2%
6800 · Insurance - Other	128.50			
Total 6800 · Insurance	3,468.25	3,400.00	68.25	102.0%
6900 · Interest Expense	2,769.47	2,800.00	-30.53	98.9%
6950 · IT Expenses	0.00	0.00	0.00	0.0%
7000 · Marketing & Publicity	14,033.85	10,000.00	4,033.85	140.3%
7100 · Occupancy-Rent	6,632.68	6,700.00	-67.32	99.0%
7150 · Postage	626.95	900.00	-273.05	69.7%
7200 · Printing & Publications	0.00	400.00	-400.00	0.0%
7250 · Permits & Licenses	805.00	825.00	-20.00	97.6%
7300 · *Professional Services*				
7310 · Accounting Services	2,256.50	2,000.00	256.50	112.8%
7320 · Legal Services	1,030.00	400.00	630.00	257.5%
Total 7300 · *Professional Services*	3,286.50	2,400.00	886.50	136.9%
7500 · Supplies				
7550 · Traveling Kinetic Machine	839.51	118.38	721.13	709.2%
7510 · Office Supplies	1,064.02	1,194.86	-130.84	89.0%
7520 · Computer Supplies	705.00	335.48	369.52	210.1%
7530 · Fund Raising Supplies	20.95	767.97	-747.02	2.7%
7540 · Festival Supplies	2,018.53	783.74	1,234.79	257.6%
Total 7500 · Supplies	4,648.01	3,200.43	1,447.58	145.2%
7600 · Telephone & Web Communications	2,557.06	2,500.00	57.06	102.3%
7650 · Training & Development	0.00	400.00	-400.00	0.0%
7700 · Travel & Mileage Reimburse	300.00	300.00	0.00	100.0%
Total Expense	189,338.78	205,638.08	-16,299.30	92.1%
Net Ordinary Income	-20,933.40	15,734.92	-36,668.32	-133.0%
Other Income/Expense				
Other Income				
8000 · In-Kind Donations	5,139.00	14,459.51	-9,320.51	35.5%
Total Other Income	5,139.00	14,459.51	-9,320.51	35.5%
Other Expense				
8050 · In-Kind Marketing	1,639.00	8,928.00	-7,289.00	18.4%
8055 · In-Kind Services	3,500.00	578.00	2,922.00	605.5%
8060 · In-Kind Supplies & Equip	0.00	4,953.51	-4,953.51	0.0%
Total Other Expense	5,139.00	14,459.51	-9,320.51	35.5%
Net Other Income	0.00	0.00	0.00	0.0%
Net Income	-20,933.40	15,734.92	-36,668.32	-133.0%

2:24 PM
 09/14/13
 Accrual Basis

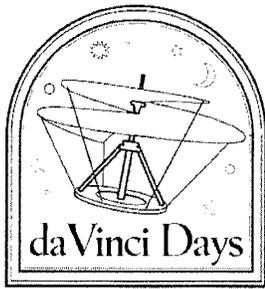
da Vinci Days, Inc.
Profit & Loss Prev Year Comparison
 September 2012 through August 2013

	Sep '12 - ...	Sep '11 - ...	\$ Change	% Change
Ordinary Income/Expense				
Income				
4000 · *Contributions*				
4100 · *Direct Public Support*				
4101 · Corporate Sponsorship	21,785.00	17,694.00	4,091.00	23.1%
4102 · Individual Donors	14,117.78	14,958.04	-840.26	-5.6%
4103 · Grants	4,500.00	6,500.00	-2,000.00	-30.8%
Total 4100 · *Direct Public Support*	40,402.78	39,152.04	1,250.74	3.2%
Total 4000 · *Contributions*	40,402.78	39,152.04	1,250.74	3.2%
4300 · * Program Revenue*				
4301 · Admissions	89,217.10	90,890.04	-1,672.94	-1.8%
4302 · Concession Fees/Commission	29,021.82	29,270.31	-248.49	-0.9%
4303 · Festival Events	12,913.00	10,268.50	2,644.50	25.8%
4300 · * Program Revenue* - Other	0.00	-1,099.49	1,099.49	100.0%
Total 4300 · * Program Revenue*	131,151.92	129,329.36	1,822.56	1.4%
4400 · Fundraising Events	1,330.90	1,844.06	-513.16	-27.8%
4500 · Festival Merchandise Sales	50.00	1,192.81	-1,142.81	-95.8%
4998 · Interest Income	5.03	13.59	-8.56	-63.0%
4999 · Miscellaneous Income	0.00	55.00	-55.00	-100.0%
Total Income	172,940.63	171,586.86	1,353.77	0.8%
Cost of Goods Sold				
5600 · *Concessions*				
5610 · Food/Beverage inventory	4,535.25	4,691.46	-156.21	-3.3%
Total 5600 · *Concessions*	4,535.25	4,691.46	-156.21	-3.3%
Total COGS	4,535.25	4,691.46	-156.21	-3.3%
Gross Profit	168,405.38	166,895.40	1,509.98	0.9%
Expense				
7800 · Fundraising				
7801 · PayPal Expenses	3.20	22.65	-19.45	-85.9%
Total 7800 · Fundraising	3.20	22.65	-19.45	-85.9%
6100 · *Payroll Expenses				
6140 · Interim Director	0.00	5,885.00	-5,885.00	-100.0%
6110 · Wages & Salaries	31,728.69	37,843.72	-6,115.03	-16.2%
6120 · Payroll Taxes	3,524.11	4,735.12	-1,211.01	-25.6%
6130 · Employee Benefits	3,000.00	5,647.00	-2,647.00	-46.9%
Total 6100 · *Payroll Expenses	38,252.80	54,110.84	-15,858.04	-29.3%
6200 · Awards & Prizes	3,515.00	2,465.00	1,050.00	42.6%
6250 · Bank Fees	3,994.60	2,549.63	1,444.97	56.7%
6300 · Contracted Services				
6310 · Performers	41,640.00	37,145.00	4,495.00	12.1%
6320 · Shuttle/Parking	0.00	1,321.00	-1,321.00	-100.0%
6330 · Sanitation	0.00	750.00	-750.00	-100.0%
6340 · Security	9,445.00	9,090.00	355.00	3.9%
6390 · Other Contracted Services	6,452.21	7,594.43	-1,142.22	-15.0%
Total 6300 · Contracted Services	57,537.21	55,900.43	1,636.78	2.9%
6400 · Depreciation expense	0.00	2,202.00	-2,202.00	-100.0%
6450 · Dues & Subscriptions	247.00	175.00	72.00	41.1%
6500 · Equipment Rentals				
6510 · Copier Lease	309.29	288.78	20.51	7.1%
6520 · Sanitation	5,099.00	3,680.45	1,418.55	38.5%
6530 · Tables/Tents	18,039.45	15,526.60	2,512.85	16.2%
6590 · Other Equip.Rental	17,225.00	13,560.00	3,665.00	27.0%
Total 6500 · Equipment Rentals	40,672.74	33,055.83	7,616.91	23.0%
6650 · Facility Rentals	1,168.75	1,528.50	-359.75	-23.5%

2:24 PM
09/14/13
Accrual Basis

da Vinci Days, Inc.
Profit & Loss Prev Year Comparison
September 2012 through August 2013

	Sep '12 - ...	Sep '11 - ...	\$ Change	% Change
6700 · *Hospitality				
6710 · Hospitality- meetings/vol recog	257.76	555.87	-298.11	-53.6%
6720 · Hospitality-performers	4,561.95	4,103.93	458.02	11.2%
6700 · *Hospitality - Other	0.00	149.97	-149.97	-100.0%
Total 6700 · *Hospitality	4,819.71	4,809.77	9.94	0.2%
6800 · Insurance				
6820 · Liability Insurance	3,339.75	3,333.25	6.50	0.2%
6800 · Insurance - Other	128.50	0.00	128.50	100.0%
Total 6800 · Insurance	3,468.25	3,333.25	135.00	4.1%
6900 · Interest Expense	2,769.47	2,788.54	-19.07	-0.7%
6950 · IT Expenses	0.00	0.00	0.00	0.0%
7000 · Marketing & Publicity	14,033.85	11,900.19	2,133.66	17.9%
7100 · Occupancy-Rent	6,632.68	6,945.07	-312.39	-4.5%
7150 · Postage	626.95	812.30	-185.35	-22.8%
7200 · Printing & Publications	0.00	794.89	-794.89	-100.0%
7250 · Permits & Licenses	805.00	375.00	430.00	114.7%
7300 · *Professional Services*				
7310 · Accounting Services	2,256.50	2,015.25	241.25	12.0%
7320 · Legal Services	1,030.00	343.75	686.25	199.6%
Total 7300 · *Professional Services*	3,286.50	2,359.00	927.50	39.3%
7500 · Supplies				
7550 · Traveling Kinetic Machine	839.51	118.38	721.13	609.2%
7510 · Office Supplies	1,064.02	1,170.79	-106.77	-9.1%
7520 · Computer Supplies	705.00	335.46	369.52	110.2%
7530 · Fund Raising Supplies	20.95	767.97	-747.02	-97.3%
7540 · Festival Supplies	2,018.53	783.74	1,234.79	157.6%
Total 7500 · Supplies	4,648.01	3,176.36	1,471.65	46.3%
7600 · Telephone & Web Communications	2,557.06	2,530.95	26.11	1.0%
7650 · Training & Development	0.00	89.00	-89.00	-100.0%
7700 · Travel & Mileage Reimburse	300.00	-41.14	341.14	829.2%
Total Expense	189,338.78	191,883.06	-2,544.28	-1.3%
Net Ordinary Income	-20,933.40	-24,987.66	4,054.26	16.2%
Other Income/Expense				
Other Income				
8000 · In-Kind Donations	5,139.00	14,459.51	-9,320.51	-64.5%
Total Other Income	5,139.00	14,459.51	-9,320.51	-64.5%
Other Expense				
8050 · In-Kind Marketing	1,639.00	8,928.00	-7,289.00	-81.6%
8055 · In-Kind Services	3,500.00	578.00	2,922.00	505.5%
8060 · In-Kind Supplies & Equip	0.00	4,953.51	-4,953.51	-100.0%
Total Other Expense	5,139.00	14,459.51	-9,320.51	-64.5%
Net Other Income	0.00	0.00	0.00	0.0%
Net Income	-20,933.40	-24,987.66	4,054.26	16.2%



Board of Directors

Michael Dalton
President

Bill York
Vice President

Laurie Starha
Treasurer

Aaron Hale
Secretary

Steve Clark
Danielle Gabriel
Larry Plotkin
Ed Ostrander
Roni Sue

Roen Hogg
City Liaison

Tax ID: 94-3085810

PO Box 1883
Corvallis, Oregon 97333

541.757.6363
www.davincidays.org

January 29, 2014

Stephen DeGhetto
Assistant Director
Parks and Recreation
City of Corvallis
1310 SW Avery Park
Corvallis, Oregon 97333

Dear Mr. DeGhetto:

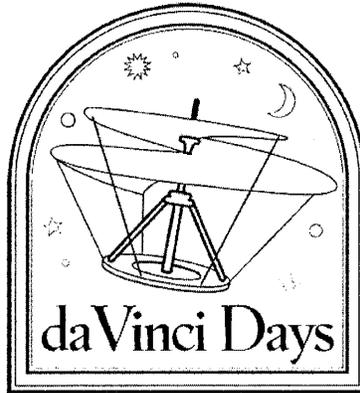
The da Vinci Days board of directors is very grateful for the support from the City of Corvallis and the excellent relationship with City Council members and the staff. The da Vinci Days festival would not exist without this generous support. Attached is the festival's annual report.

At the end of the report you will note that due to many factors the da Vinci Days board has voted unanimously to suspend the 2014 festival and begin a community-wide process to reinvent da Vinci Days. The board has created a steering committee to provide it with guidance and advice regarding this process. A copy of the roster of the steering committee and the charge to the steering committee is attached to the annual report.

The board of directors respectfully requests the suspension of payments on the current loan until the conclusion of the reinvention process and the future of da Vinci Days is defined. The board appreciates your consideration of this request.

Sincerely,

Michael Dalton,
Board President



**2013 da Vinci Days
Annual Report**

Prepared by Michael Dalton
President Board of Directors during 2013 Festival

EXECUTIVE SUMMARY

For twenty five years, da Vinci Days has served as a unique celebration and tourism activity for the City of Corvallis. It engages the local community through volunteer and organizational opportunities and draws local and out of town visitors through creative and innovative programming that showcases the assets of the community. As Oregon's premier art and science festival, da Vinci Days garners publicity from major media including television, magazines, and web sites focused on arts, education, and travel.

For the past few years paid attendance has gradually declined from approximately 25,000 in 2008 to approximately 15,500 in 2013. Complimentary admissions were provided to volunteers, sponsors, donors, and exhibitors. Two hundred-thirty-six scholarship admissions were also donated through local organizations. Children aged eleven and under are admitted free. Free events include the electric car races, kinetic sculpture race events, Leo's Kinetic Parade, and the Community Art Project. Festival support in the community includes more than 100 local and regional partners contributing to the success of the Festival and 1,400 volunteers staffing Festival venues and exhibits.

FINANCIAL SUMMARY

We have focused on keeping administrative costs low while continuing to provide a high quality event. However, over the past several years, it has been increasingly difficult to secure sufficient festival sponsorships and attract sufficient paying attendance to sustain the current and future operations of the festival. This is not a new phenomenon (i.e. diminishing revenue and paid attendance). The festival board and festival managers have observed and diligently worked to change the declining financial model of the festival over the past 10 to 12 years. These efforts have not been successful. A copy of the balance sheet and profit/loss statement are attached.

VISION AND MISSION

The vision of da Vinci Days is to draw inspiration from the genius of artist and inventor Leonardo daVinci and provide a unique festival that fosters and celebrates creativity, innovation, and knowledge of art, science, and technology. The mission is to present da Vinci Days and other events that showcase the educational, artistic, scientific, and technological assets of the region, while promoting and contributing to the economic well-being of the City of Corvallis and Benton County. The volunteer Board of Directors meets monthly for organizational governance, to establish policies, and to provide a strategic direction for the festival. The Board consists of eight members and a non-voting liaison appointed by the Mayor.

2013 Board Officers

Michael Dalton, President
Bill York, Vice President
Bonnie Humphrey-Anderson, Treasurer
Laurie Russell, Secretary
Joel Hirsch, City Liaison

Directors

Steve Clark
Danielle Gabriel
Aaron Hale
Larry Plotkin

Staff

Michael Dalton, Interim Executive Director

FESTIVAL HIGHLIGHTS

- Friday's Main Stage music featured Poco, one of the pioneering groups in country rock.
- On Saturday, Big Bad Voodoo Daddy was the featured entertainment.
- New this year, the Main Stage was busy on Sunday afternoon with the Crazy 8's, a band formed locally in the 1980's.
- Throughout the festival the Flying Karamazov Brothers entertained.
- The opening keynote speaker at the Whiteside Theater was Jane Lubchenco, OSU Professor and recent Director of National Oceanic and Atmospheric Administration (NOAA).
- Oregon State University sponsored a new speakers' series, Stories from the Edge of Science, on Saturday and Sunday.
- Another new event for the 25th year, was a closing keynote speaker. This was Steve Amen the host of Oregon Field Guide on Oregon Public Broadcasting.
- The Film Festival showed a variety of films throughout the weekend at the Majestic and Darkside Theater.
- The Kinetic Challenge, River Race, & Parade was on-going throughout the weekend.
- Back after a one-year hiatus was the Electrathon Car Race.
- This year featured a new exhibit, Flights of Fancy, a display of ultralight and alternative aircrafts.

Festival Volunteers and Partners

The organizational structure and on-site operations of da Vinci Days depends on a strong base of volunteer leaders for festival production, programs, marketing, fundraising, and publicity. This year da Vinci Days recruited nearly 778 volunteers for the festival crew. An additional 700 volunteers staffed exhibitor booths throughout the festival weekend.

Our partners are vital to the success of da Vinci Days. Partners are typically organizations participating in some way in the festival, as exhibitors, production support, prize donors, and/or providing volunteer teams

FINANCIAL SUMMARY

Da Vinci Days ended the fiscal year with a very small amount of cash on hand as carrying over reserves. Reserves are crucial during the off-season and provide a buffer in the event of decreased event revenues due to factors including lower attendance, bad weather, or variables tied the economy. The Board of Directors continues to monitor the costs and benefits of paying down debt and maintaining adequate levels of cash to fund annual operations. The current business is not sustainable; a new business model needs to be developed.

Sponsorships and other contributions have been on the decline for several years as have individual donations. Income from paid ticket sales has also been on the decline in recent years.

Mindful of these revenue trends the board has been carefully monitoring expenditures. The highest costs for the event are related to performers and contracted services (performers, security, booking agent, stage and sound technicians) and staff. Monthly interest payments are being made on the

Wells Fargo loan (balance is approximately \$30,000) and an annual payment on the loan (\$10,000 balance) from the City of Corvallis.

Revenues

Total revenue for 2013 was \$172,940. Total revenue for 2012 was \$167,469; for 2011 it was \$185,640; for 2010 it was \$213,347; and for 2009 it was \$225,968.

Admissions

Admission fees are the greatest source of cash revenue for da Vinci Days. Festival ticket prices were: adult ticket prices were \$25/weekend, \$15/Friday or Saturday, and \$10/Sunday. Advance adult tickets were sold at a discounted price. \$20/weekend pass. A “youth” pass (12-18 years) was sold for \$10 providing access to the entire Festival weekend for one price.

In the past, children five and under were admitted at no charge and are not tracked in attendance totals. For 2013 this was modified to allow children under twelve years of age admitted free with a paid adult. Online ticket sales were processed through the da Vinci Days office, via the da Vinci Days website, and area businesses served as ticket outlets.

Concessions, Merchandise

Nineteen vendors sold food and beverages at the festival. Each vendor paid a booth fee and 15% commission on gross sales. Beer sales were managed by da Vinci Days through an agreement with Clodfelters. Concessions income was up approximately \$2000 from the prior year.

Festival Events

Festival events income includes registrations for programs including Film submission fees, Sidewalk Chalk Art, Kinetic Challenge, Electrathon, and booth fees for Green Town, Discover OSU, Children’s Village, and Maker Place. Event income declined increased by approximately \$3000 from the previous year.

Donors/Fundraising/Grants

Individual donations declined by approximately \$1000 from the prior year as was approximately \$2500 lower than in recent years. The commitment of the Graand Kinetic Challenge race committee continues to solicit donations to help support their festival activities.

Grants are not a large funding source for da Vinci Days. Grants submitted this year included the Benton County Cultural Coalition, The Pacific Power Foundation, and The Benton County Foundation, sponsoring low-income admission scholarships. Grants were funded from Pacific Power and the Benton County Foundation. Total revenue from these sources was \$4500.

City of Corvallis Economic Development Funds

Public funding and in-kind support from the City of Corvallis is vitally important to da Vinci Days. Currently no City of Corvallis funds are allocated for the festival. Significant amounts of in-kind support are provided. Visit Corvallis provides in-kind support for marketing and advertising.

Sponsorships

Total sponsorship relationships held steady at 19 cash sponsors (two new sponsors) and 16 in-kind sponsors. In-kind sponsorships offset actual festival costs and are an important part of the festival’s financial viability. Total cash sponsorship contributions was lower (approximately \$5000) than in the past few years.

Cash sponsorships ranged from \$500 to \$2,500. Non-cash sponsorships include goods and services. Our founding sponsors, the City of Corvallis, Benton County and Oregon State University provide non-cash sponsor support in the facilities and production of the festival. These three institutions are key partners in the success of the festival.

Expenditures

Operating expenses have been held down as much as possible levels by leveraging non-cash support and maintaining healthy partnerships with multiple organizations. Total operating costs were \$189,339 in 2013; they were \$190,576 in 2012, and were \$201,822 in 2011.

Community partnerships are fundamental to our success as we work to align organizational interests of potential partners with the mission of da Vinci Days. We reach out to a wide variety of local and regional organizations with opportunities for participation in mutually beneficial relationships.

Administration and management (19%)

Administrative expenses include administrative & management staff payroll and taxes, office and storage rental, supplies, and professional expenses for accounting services. Da Vinci Days shares office space and equipment with Corvallis Fall Festival to keep office expenses at the lowest possible level. The Executive Director is the only year round paid staff of da Vinci Days and a part time office assistant. In February 2013, the Executive Director resigned and the board president, Michael Dalton, assumed the duties of interim Executive Director as a volunteer.

Production and Programs

Through the commitment and service of dedicated volunteer workers, da Vinci Days continues to provide a high quality festival with a remarkably small budget. Nearly half of the expenditures of the organization go directly towards the cost of the weekend festival. Quality programming depends on dozens of partnerships, thousands of volunteer hours, and the creative efforts of da Vinci Days leadership including the Executive Director, Board members, and Festival Committee members. Many aspects of the event remain the same from year to year and our goal is to enhance and improve elements of the Festival each year.

Coordination with City and County employees is instrumental in the smooth flow of operations. In order to reduce City and County staff overtime costs, da Vinci Days arranged for Festival take down activities to occur on Monday, July 18 rather than Sunday evening. Oregon State University contributed significant in-kind services and Kavinda Arthenayake served as OSU liaison and coordinated planning meetings with key OSU staff.

MARKETING

Our marketing objectives are to invite participation in da Vinci Days through event participation and attendance and to draw more local attendees through increased publicity efforts including social media (blogs, twitter, facebook), printed collateral maximizing advertising dollars by utilizing matching funds from media sponsors where possible, cross-market with other local events, and increasing promotion outside the local area to attract out-of-town attendees. The target audience for the festival is geographically located in the Willamette Valley and farther north and south along the I-5 corridor.

Print/Online Ads

Advertising expenses included print, radio, web, and television. Visit Corvallis provided support for print and television ads. All ad buys were leveraged with in-kind donations.

Publication	Distribution	Media
Oregon Events Calendar	Travel Centers throughout Oregon	Print
Corvallis Parks & Rec	40,000 households	Print
Co-op Thymes	Household circulation to 10,000 members	Print
Eugene Weekly	Circulation 40, 123	Print
Corvallis GT Community Bulletin	Circulation 35,000	Print
The Oregonian	Circulation 35,000	Print
The Alchemist		Print
Metro Parent	Circulation 22,000	Print
BiCoastal Media		Radio
OPB	380,000 weekly listeners	radio
KEZI TV	200,000 households	television
KWAX Radio	No data available	Radio
	No data available	Web
Corvallis Pedicab	No data available	Print

Publicity

More than a dozen publicity events and activities provided low-cost, high-touch opportunities to promote da Vinci Days. Press releases were distributed to local and regional, and media outlets.

Eugene Celebration Parade	September
Port Townsend Kinetic Sculpture Race	October
Corvallis Christmas Parade	November
Corvallis Sustainability Coalition Town Hall	January
Earth Day Fair & Parade	April
Spring Garden Festival	May
Eureka Kinetic Sculpture Race	June
Corvallis Farmer's Market	June (two Saturdays)
Footwise window display	July (total 2 weeks)
Harrison Blvd banner display	July (2 weeks)
Book Bin window display	July (2 weeks)

Press coverage and calendar Listings

	<u>URL/publication</u>
Chamber Connections	www.cbcchambercoalition.com
Eugene Weekly	www.eugeneweekly.com
KEZI-TV	www.kezi.com/community
Oregon Art Beat	www.opb.org/programs/artbeat
KBOO community radio	www.kboo.fm/node/1793
KMTR-TV	www.kmtr.com/ugc/cat/calendar/default.aspx
KLCC Public radio	www.klcc.org/index.asp
Corvallis Sustainability Coalition	www.sustainablecorvallis.org
Visit Corvallis	www.visitcorvallis.org
Oregon Festival & Events Association	www.oregonfestivals.org
Travel Oregon	www.traveloregon.com

Website and Social media

We continue to work with ProWorks on our website. The artwork on the web pages was updated in April to reflect the new poster art and festival theme. Beyond marketing, an additional goal of the new site is to enhance operational efficiencies for registrations and ticket sales. Currently the website is used for ticket sales, volunteer interest, parade registration, performer applications, and film reviews by the Film Review committee.

SUMMARY

With twenty-five years of bridging the town and gown dynamic of Corvallis, da Vinci Days has become the iconic summer event for Corvallis. We have solid relationships with dozens of organizations, businesses, and the university and the “off season” months are spent exploring better ways to partner, showcase, and celebrate the community. For long term viability, the organization must continue to find new ways to build these relationships and attract out of town visitors to the event. The ongoing support of our founding organizations, the City of Corvallis, Benton County, and OSU has been integral to our continued viability.

POST FESTIVAL UPDATE

At the October 2013 board meeting, the board of directors of da Vinci Days voted unanimously to suspend operations of the three-day event while festival leaders, volunteers, and community members engage in a strategic assessment and planning process to determine the festival’s future, including the prospects of reinventing the festival.

The da Vinci day’s board has formed a steering committee to advise the board on the reinvention process and to help ensure thorough community input. Community input will be likely obtained from surveys, community forms, etc. The specifics are yet to be determined.

The membership of the steering committee and the charge to the committee is attached.

The steering committee meetings and community input will be conducted by professional facilitators working as volunteers. They will also help the steering committee synthesize the community input and prepare recommendations for the da Vinci day’s board.

Reinventing da Vinci Days Steering Committee

The “Reinventing da Vinci Days” steering committee is responsible for providing guidance on the overall future strategic direction of the Festival by participating in a community engagement process and by providing a set of recommendations to be submitted to the da Vinci Days Festival board of directors.

The purpose of the steering committee is to:

- ensure that local concerns are represented, heard and considered in the evaluation and recommendation process, and to facilitate consensus building, information sharing, and project progress;
- provide a stabilizing influence, so concepts and directions are established and even maintained with a visionary view;
- establish and maintain a tone for cooperation as the process explores options and future directions of da Vinci days.
- rise above any potential competition and make sure everyone cooperates in completing the shared vision and goals.
- represent those that do not have a direct representative on the steering committee.
- ensure the process meets the needs of as many participants as possible. This means it must fairly weigh all requests and act impartially to do the most good with the resources it has available.

Charge to the Facilitator and Steering Committee:

The committee’s task is to plan and conduct a Strategic Assessment Process and submit by late spring 2014 a report to the Festival Board regarding the future of the festival.

The process will include activities such as community forums, interviews of key stakeholders, interviews or surveys of current and former board members, surveys of the community members and patrons of the festival, interviews or surveys with festival lead volunteers, interviews of organizers of other festivals in Oregon.

The review process will include: a full review of current and past festival revenue and expenses including sponsorships, paid attendance, and operating expenses. The committee’s final report will address two fundamental questions: should the da Vinci Days Festival continue and, if so, what long-term model(s) of focus and operation should be carried out to ensure the festival’s sustainability? The report should address, but not necessarily be limited to the following issues:

1. What is the mission of da Vinci Days?
2. What are the festival’s appropriate programmatic elements and themes (e.g., priorities for the festival, audience to attract, time of year, duration, etc.)?
3. What are the festival’s appropriate financial and business model(s)?
4. What is the festival’s appropriate governance model(s)?
5. What are the festival’s appropriate organizational structure(s) and administrative model(s)?
6. What are the festival’s appropriate governance, financial and programmatic community partnerships?

Da Vinci Days Reinvention Steering Committee

Committee Member	Email	Phone	Affiliation
Ron Adams	ronald.lynn.adams@oregonstate.edu	541.737.7722	OSU Research & Advantage Program
Mike Corwin	mcorwin@osufederal.com	541.714.4286	OSU Credit Union
Michael Dalton	dr.michael.dalton@gmail.com	541.992.1929 c	Da Vinci Days Board President
Kyle DeVaul	kyle@theartscenter.net	541.754.1551 x654	Arts Center
Kevin Dwyer	kdwyer@corvallischamber.com	541.757.1505	Chamber of Commerce
Helen Higgins	hhiggins@bgccorvallis.org	541.757.1909 x201	Boys & Girls Club
Annabelle Jaramillo	annabelle.e.jaramillo@co.benton.or.us	541.766.6754	County Commissioner
Lee Larson	lee@2townsciderhouse.com	541.224.6902	2Towns Cider House
Daniel Lopez	Daniel.Lopez-Cevallos@oregonstate.edu	541.908.0267	OSU Ethnic Studies
Julie Manning	jmanning597@gmail.com	541-768-5172	Mayor, Samaritan Health
Keith Mobley	mobley.keith@gmail.com	541.993.2086	Ex Officio; Founding Board Member
Mary Pat Parker	marypat@visitcorvallis.com	541.757.1544	Visit Corvallis
Charles Robinson	charles.robinson@oregonstate.edu	541.737.6535	OSU Arts & Engineering
Skip Rung	skip@onami.us	541.231.4883	ONAMI
Anne Schuster	schustea@peak.org	541.207.8021	Corvallis School District
John Turner	john.turner@bus.oregonstate.edu	541.737.9219	OSU Venture Accelerator
Elizabeth Westland	elizabethwestland@gmail.com	951.205.5555 c	Arts & Culture Commission
Tim Weber	tim.weber@hp.com	541.231.5846 c	HP
Micky Shields	micky@amplifyconsult.com	541.760.5206 c	Facilitator
Steve Shields	steve.synnovations@comcast.net	541.760.1155 c	Facilitator
Dave Young	dave.synnovations@comcast.net	541.760.6290 c	Process Facilitator
Boyd Lyon	boyd.synnovations@comcast.net	541.760.3625 c	Process Facilitator



MEMORANDUM

To: Administrative Services Committee
From: Karen Emery, Director Parks and Recreation
James Mellein, Aquatic Center Supervisor and Budget Support
Date: May 7, 2014
Subject: Parks and Recreation Cost Recovery Methodology Update FY 12-13

Issue: Corvallis Parks and Recreation Department (CPRD) has implemented the Cost Recovery Methodology (CRM) reviewed by the Parks, Natural Areas and Recreation Board (PNARB) and adopted by City Council in January 2012. Per the City's Financial Policy 10.03.060, the Parks and Recreation Department Director shall conduct an annual comprehensive review of cost recovery targets. The following is an update regarding the progress and observed outcomes for review with emphasis on the FY 12-13 results as compared to FY 10-11 which was prior to CRM.

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.

Cost Recovery is the basis for the degree to which the operational and maintenance costs of service provision are financially supported by user fees and/or other applicable funding mechanisms such as grants, partnerships, donations, sponsorships, volunteers, or other alternative funding sources. In contrast, subsidy includes designated General Fund sources such as General Fund Property Taxes 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 public parks and public recreation.

The Parks, Natural Areas and Recreation Board reviewed the following information at their March 20, 2014 meeting.

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.

CRM 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, alternative revenue, volunteers, increased marketing, rebranding and increased participation, to name a few.

When the combination of these strategies does not meet the cost recovery target, the program may be 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. This strategy is also used support the funding of deferred maintenance projects and Family Assistance.

Table 1 illustrates the cost recovery figures for FY 10-11, the last full fiscal year prior to the implementation of the CRM. The FY 10-11 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 made for FY 12-13, the first full fiscal year using the CRM. The tiers are the five tiers of the Cost Recovery Pyramid (see attachment). All five tiers have seen improvement and have exceeded the minimum target in FY 12-13. Staff continues to monitor all programs to meet or exceed the targets and continues to modify all programs to increase cost recovery or discontinue the program.

Table 1 Cost Recovery Results FY 10-11 and FY 12-13

TIER	GOAL	FY 10-11	FY 12-13	Trend
1	0%	4.61%	4.88%	Improved
2	45%	38.04%	86.71%	Improved
3	90%	77.26%	102.33%	Improved
4	100%	77.78%	110.69%	Improved
5	200%	167.52%	295.01%	Improved

Table 2 illustrates the trend in revenues, and expenditures prior to implementation of the CRM through FY 12-13. Audited operating revenues (excluding Property Tax revenues) in FY 12-13 over FY 10-11 have significantly increased to over 17% while operating expenditures have remained relatively flat.

Table 2 Revenues and Expenditure Results FY 10-11 and FY 12-13

	FY 10-11 Audited	FY 11-12 Audited	FY 12-13 Audited	Percent Change from FY 10-11
Total Department Revenue: Fees, Services, Donations, Rentals, Grants	\$1,543,398	\$1,607,348	\$1,807,128	17.09%
Total Department Expenditures (above the "green" line) No CIP or special projects	\$5,561,511	\$5,740,117	\$5,671,514	1.98%

Table 3 Although not the intended purpose of Cost Recovery, **Table 3** illustrates the Department significantly reducing its draw from the General Fund Property Taxes since FY 10-11. This reduction is due primarily to three Departmental shifts in its business approach:

1. Passed an operating levy (twice): funds expenses of the Aquatic Center and Senior Center;
2. Reduced expenses: implemented major budget cuts in Department operations in an attempt to mitigate the increase in costs of service delivery (health insurance, step increases, material and supplies, contractors, etc) and reduced programs that weren't achieving financial goals;
3. Increased revenues: implemented CRM showing 21% increase in revenues.

These actions, including the first full year of CRM effectively "freed up" important dollars that have been able to be used to support other Departments in the City.

Table 3 Total General Fund Property Tax Dollars Allocated to Parks and Recreation

	FY 10-11 Audited	FY 11-12 Audited	FY 12-13 Audited	Percent Change from FY 10-11
Amount of General Fund P-Tax Allocated to Department	\$3,971,633	\$3,833,052	\$3,237,079	-18.50%

Table 4 illustrates Parks and Recreation total number of programs and participation numbers. The reduction in programs offered in FY 12-13 as compared to FY 11-12 is due to condensing of individual programs into one over arching program category. Additionally, programs that were unable to meet cost recovery were cut. Lastly, hours were reduced at Osborn Aquatic Center reducing programming time.

Table 4 Number of programs offered and participation results

	FY 10-11 Audited	FY 11-12 Audited	FY 12-13 Audited	Percent Change from FY 11-12	Trend from FY 11-12
Total Programs	910	2,859	2,040	-28.65%	Decrease
Total Participation	19,980	96,917	85,149	-12.14%	Decrease

Note: FY 11-12 was the first year the Osborn Aquatic Center program and participation numbers were included in Department Performance Measures

Table 5 & 6 illustrates the Parks and Recreation Departments Family Assistance Program utilization and participation rates. The table shows a dramatic increase in utilization and a significant increase in the dollar amount drawn by low income families.

Table 5 Overview of the Family Assistance Program

	2010	2011	FY 12-13
Family Assistance Utilization Rate	12.00%	27.00%	62.77%
Total Dollar-amount Utilized	\$2,600	\$17,962	\$138,757
Number of Participants	No data	No data	2,275
Number of Families	164	240	731

Note: FY 12-13 was the first year the Department transitioned to collecting FAP data by Fiscal Year

The scholarship is intended to provide recreation and wellness 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 were assisted between 50% and 100% of program costs in FY 12-13 to mitigate the barrier to participate due to fee increases.

The higher rate of utilization, coupled with continued reduction in the Department's expenditure authority, a cap amount will be placed on Family Assistance Program dollars available to be utilized in FY 14-15. The Parks Natural Areas and Recreation Board has recently recommended a cap of \$125,000 be implemented in FY 14-15.

Table 6 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 and service 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.

Repurposing facilities, altering program designs, developing new programs, discontinuing programs and effective marketing all contribute to attaining financial and service sustainability while retaining or increasing the customer base. Staff will continue to implement and refine the CRM.

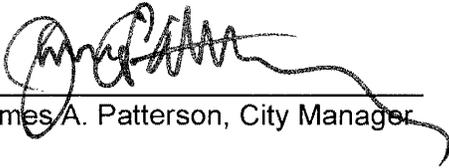
Looking ahead to FY 14-15, staff will move the Cost Recovery methodology forward by:

- Establishing a Family Assistance Reserve, funded through grants, donations, participant fees, and fundraising;
- Implementing alternative revenue methods supported by the Parks, Natural Areas, and Recreation Board revenue subcommittee;
- Increasing marketing of facility rentals through the Parks, Natural Areas, and Recreation Board marketing subcommittee and the Department's marketing committee;
- Recover direct costs for the Arts Center and Majestic Theatre paid by the Parks and Recreation Department;
- Refining the cost of Parks Division staff that support recreation programs;
- Working with the Friends of Corvallis Parks and Recreation to fund projects and programs.

Staff has requested that FY 13-14 be reviewed in November by the Parks, Natural Area and Recreation Board and in December of 2014 by the Administrative Services Committee.

Recommendation: This report is informational only.

Review and Concur:


James A. Patterson, City Manager


Nancy Brewer, Finance Director

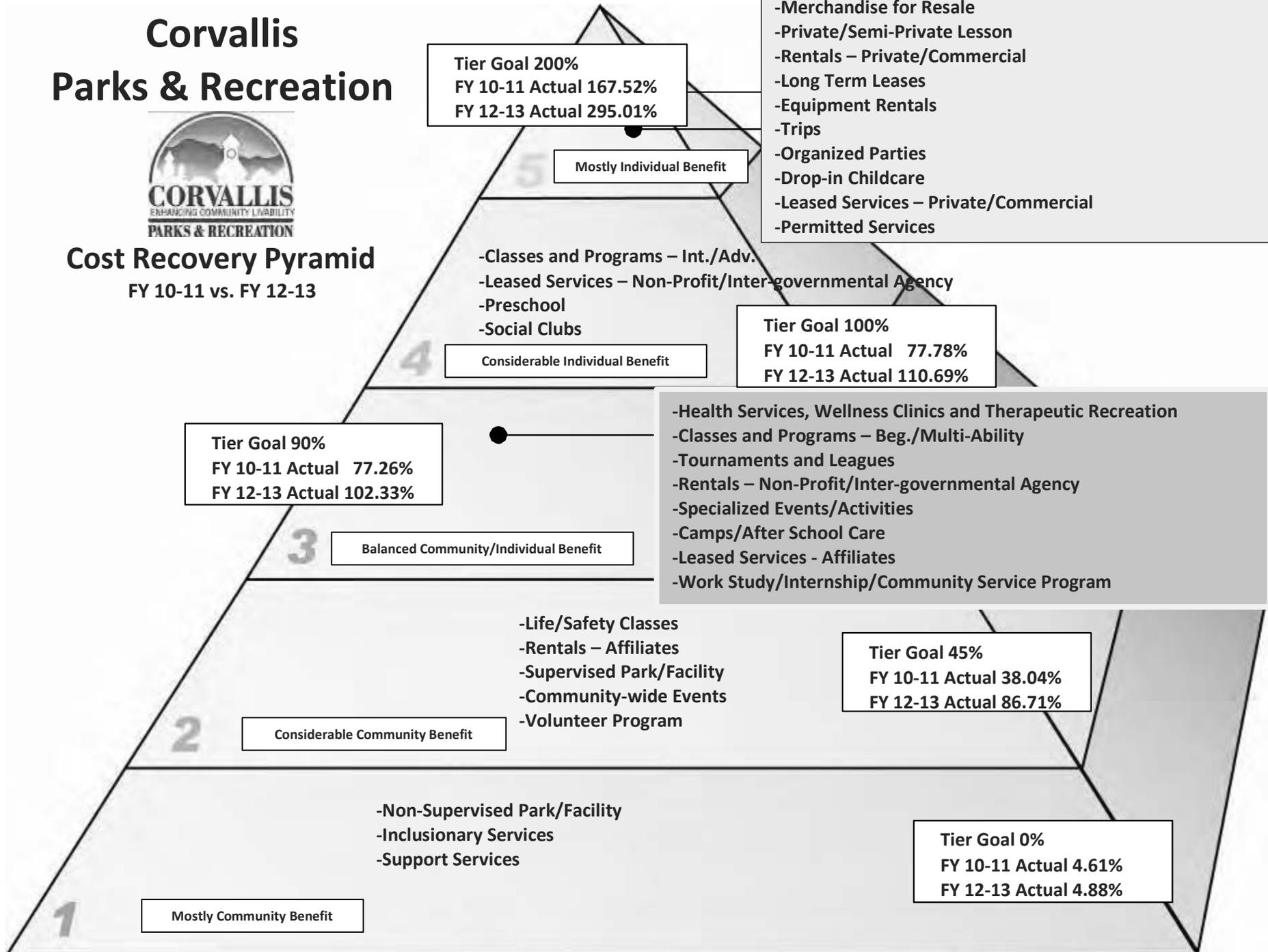
Attachments: Pyramid Model

Corvallis Parks & Recreation



Cost Recovery Pyramid

FY 10-11 vs. FY 12-13



MEMORANDUM

TO: Administrative Services Committee
FROM: Carolyn Rawles, Library Director *CR*
DATE: 4/4/14

Issue:

Review of CP 95-4.10, Public Library Gift and Donation Policy.

Background:

This policy governs acceptance, use, and disposal of gifts to the Corvallis-Benton County Public Library.

Discussion:

This policy has worked well for many years. The Library Board reviewed the policy at their March and April 2014 board meetings and recommended the policy be forwarded to City Council in its current form without any changes.

Recommended Action:

Approve current policy as is.

Review and Concur:

Nancy Brewer

Nancy Brewer, Finance Director *4/16/14*
Date

James A. Patterson

James A. Patterson, City Manager *4/17/2014*
Date

CITY OF CORVALLIS

COUNCIL POLICY MANUAL

POLICY AREA 4 – LEISURE AND CULTURAL ACTIVITIES

CP 95-4.10 Public Library Gift and Donation Policy

Adopted **February 21, 1995**
Revised April 15, 2002
Revised May 2, 2005
Revised May 19, 2008
Affirmed May 16, 2011
Affirmed **May xx, 2014**

4.10.010 General Statement of Purpose

The Corvallis-Benton County Public Library acknowledges the great importance of private gifts and donations to the Library's future development and growth. Such gifts take many forms, come from various sources, and are made for a variety of purposes. However, since the mission of the Library is "Bringing people and information together," gifts of books, means of acquiring information, and other materials are particularly important. This Policy is established in order to make certain that the decisions on the acceptance of gift and donation offers are made in a timely, consistent manner, and are appropriate in terms of both the nature of the facilities and purposes of the Library.

The City of Corvallis owns the Corvallis Public Library building, and the branch Libraries are owned by the communities in which they are located. The City of Corvallis operates the County-wide Corvallis-Benton County Public Library system. The regulations, policies, and procedures of the City shall apply in decisions on the acceptance of gifts and donations. The only exception is in the case of donations to the branch Library buildings themselves (such as fixtures and permanent art) which have no cost impact to the City, in which case the decision on acceptance and Policy implications are decided jointly by the Library staff and the building owner.

Offers of gifts and donations may be made directly to the Library, the Corvallis-Benton County Public Library Foundation, or the Friends of the Library. The Library Foundation raises funds for the Library via an annual campaign, planned giving opportunities, and other activities and is the

preferred recipient for planned giving to the Library. The Friends of the Library is a membership organization which raises funds for the Library through memberships, book and merchandise sales, and other sales. Although they work closely with Library staff, the Library Foundation and Friends of the Library are separate organizations with their own policies and procedures and are not governed by this Policy.

4.10.020 Policies and Criteria for Receipt of Donations

All donations become the property of the Corvallis-Benton County Public Library, which is an agency of the City of Corvallis. Gifts and donations may be designated for a specific branch Library or to another specific Library use. The Library can accept anonymous donations only if the identity of the donor is not known; as a public agency, the records of all donations are public records. The Library reserves the right to not accept donations if, in the judgment of the Library staff, the gift has too many restrictions, is not needed by the Library, or has an adverse fiscal or service impact on the Library. Specific criteria for various types of donations are described below.

4.10.021 Naming Facilities

- a. Council Policy 91-1.03, "Naming of Public Facilities and Land," establishes City policies and procedures to be followed in naming facilities. "Public facilities" is interpreted to include rooms in the Library.

4.10.022 Books and Materials

- a. The Corvallis-Benton County Public Library will accept gifts of books and other materials with the understanding that such gifts will be added to the collection only if they meet the same standards required of purchased materials. Gift materials not meeting those standards, those that are out-of-date, unneeded duplicates of items already owned, those in a format unsuitable for Library use, or unsuitable for some other reason will be given to the Friends of the Library, given to other organizations, sold, exchanged, or recycled. Library staff shall determine whether such gifts will be added to the collection and shall determine how gift materials are handled and integrated into the collection.
- b. Gifts of money to purchase specific library materials should be given to the Library in advance of any material being ordered. Normally such gifts shall be at the list price, which covers the Library's cost for the item(s), shipping charges, and cataloging and processing expenses.

4.10.023 Equipment

The decision as to the acceptance of equipment shall be made by the Library Director. Major equipment donations may also be reviewed by the Library Board.

Among the criteria on which the decision shall be based are need, space, impact on staff, eventual replacement, and expense and frequency of maintenance.

4.10.024 Art and Displays

a. The decision as to the acceptance of an art object shall be made by the City's Public Art Selection Commission in accordance with Council Policy 98-4.12, "Guidelines for Public Art Selection," with the coordination of Library staff.

b. Donations for other types of displays shall be evaluated for appropriateness by the Library Director. The Library Board may review such evaluation as needed. Council Policy 92-4.06, "Library Displays, Exhibits, and Bulletin Boards," generally covers non permanent displays in the library.

4.10.025 Donations of Money, Real Estate, Securities, or Personal Property

a. Persons desiring to make a gift of money, real estate, securities, or personal property to the Corvallis-Benton County Public Library, either during their lifetime or in their will, may do so by making the gift in the name of the Corvallis-Benton County Public Library with the expressed condition that the funds or property be used exclusively for the benefit of the Corvallis-Benton County Public Library.

b. Oregon Revised Statutes 357.490(5) provides that donations of money, personal property, or real estate for the benefit of any public library are to be held, controlled, and disposed of by the library governing body according to the terms of the deed or gift.

4.10.026 Landscaping

The decision as to the acceptance and location of gifts of landscaping items shall be made by the Library Director. The major criteria on which the decision shall be based are the appropriateness of the offered gift to the landscaping plan for the building and the costs of maintaining the gift.

4.10.030 Policy for the Disposition of Gifts

All non-monetary gifts may be subject to disposition at some point. For example, whenever books and materials donated to the Library are no longer needed or have become so worn or damaged as to be beyond repair, they will be disposed of in the same manner as purchased books and other material. This disposition policy also shall be applied in an appropriate manner to other gifts such as equipment, art objects, and landscaping. Since all gifts to the Corvallis-Benton County Public Library become the property of the City, appropriate City disposition procedures shall be followed.

4.10.040 Gift Recognition Policies and Procedures

- a. The Corvallis-Benton County Public Library acknowledges the great importance of private gifts and donations to the Library's development and growth. Many donations are made by individuals and groups in the memory of a deceased loved one, to honor a living person, or in celebration of an event. It is desirable and essential to publicly recognize these contributions and to do so in a timely fashion. These policies and procedures shall be applied to recognize gifts from individuals and organizations that have been given directly to the Library. In order to implement recognition procedures in a consistent manner, donors and potential donors should be directed to the Library Director. Generally, the Library's donor recognition procedures are as follows:
 1. All donations to the Library will be acknowledged by a letter from the Library Director. Donors will also be listed in the annual donor listing in the Library's newsletter.
 2. Additional special recognition may take place for significant contributions. Such recognition may include a donor board, placement of plaques or bookplates on items purchased, special events, publicity, naming collections, or other means. Any collections named after significant donors will not be displayed or shelved separately.
 3. If a donor does not wish to be publicly recognized, that wish will be honored.
 4. Detailed recognition procedures based on various levels of giving are available from the Library Administration Office.

Levels of giving to the Library:

- | | |
|----------------|-----------------------------|
| 1. SUPPORTER: | Gifts less than \$200 |
| 2. SPONSOR: | Gifts of \$200-\$499 |
| 3. DONOR: | Gifts of \$500-\$999 |
| 4. PATRON: | Gifts of \$1,000-\$4,999 |
| 5. SUSTAINER: | Gifts of \$5,000-\$9,999 |
| 6. BENEFACTOR: | Gifts of \$10,000 and above |

4.10.050 Review and Update

The Corvallis-Benton County Public Library Director will prepare the Council Policy review every three years for Council approval.

MEMORANDUM

May 7, 2014

TO: Administrative Services Committee
FROM: Janet Chenard, Budget & Financial Planning Manager
SUBJECT: City Investment Advisory Contract Update



I. Issue

To notify the ASC that the City has terminated its Investment Advisory Services contract with Davidson Fixed Income Management (DFIM) and summarize the direction staff is taking as a result.

II. Background

On April 29, 2014, staff learned that the new team assigned just this past February to perform under the City's contract with Davidson Fixed Income Management (DFIM) had resigned. City staff left several voice mails with the remaining contact at DFIM in Seattle and received no response.

On May 2, City staff invoked the contract termination clause, giving the 30 day notice. The letter stated that the City expected DFIM to prepare the City's April Investment Report due during that 30 day period; however, if DFIM wished to terminate sooner and not do that work this would be accepted in lieu of payment for April/May. Staff received a call on May 6 stating DFIM would not complete the April report, effectively terminating the relationship immediately.

The City of Albany just published a request for proposals for an investment advisory firm. Their procurement included cooperative purchasing language which will allow the City of Corvallis to participate in their process. The City's Budget & Financial Planning Manager will work with Albany's Finance Director through the interview process to help select an investment advisor for Albany. If the vendor and pricing is acceptable to Corvallis, the City could contract with the same vendor, as allowed for under Albany's RFP.

If the selected vendor is not considered appropriate for Corvallis' needs, City staff would pursue a separate RFP this summer to select a new Investment Advisor. The City's core investment portfolio is currently fully invested, with the earliest maturity not due until October 2015, so the main requirements for an Investment Advisory firm in the next few months would be:

- In case any of the callable securities in the portfolio were to be called and the proceeds need to be re-invested, we would attain better pricing through a firm that can access the wholesale securities market vs. the retail pricing available to Corvallis treasury staff; and
- Monthly reporting, to relieve City staff workload.

In the interim, staff will continue to provide monthly reports on investment activity, but the reports are likely to have less market commentary, market pricing analysis, duration information and yield detail.

III. Requested Action

No action is required of ASC or Council at this time. This is provided as information only..