



ADMINISTRATIVE SERVICES COMMITTEE

Agenda

Wednesday, April 8, 2015
1:00 pm

Madison Avenue Meeting Room
500 SW Madison Avenue

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| Discussion/ Possible Action | I. Fossil Fuel/Social Sustainability Criteria (Attachment) |
| Discussion/ Possible Action | II. Visit Corvallis Second Quarter Report (Attachment) |
| Discussion/ Possible Action | III. Downtown Corvallis Association Economic Improvement District Second Quarter Report (Attachment) |
| Information | IV. Other Business |

Next Scheduled Meeting

Wednesday, April 22, 2015 at 1:00 pm
Madison Avenue Meeting Room, 500 SW Madison Avenue

Agenda

Council Policy Reviews and Recommendations:

- 2.08, "Council Liaison Roles"
- 2.10, "Use of Electronic Mail by Mayor and City Council"

MEMORANDUM

TO: Administrative Services Committee

FROM: Janet Chenard, Interim Finance Director

DATE: March 30, 2015

SUBJECT: **City Investments – Social Investment and Fossil Fuels Criteria**

I. Issue

To address City investment policies associated with social and/or fossil fuel criteria.

II. Background

This issue originally came to the ASC pending list as a request from then-Councilor Richard Hervey for the City to remove Walmart from its potential investment list. Councilor Hervey had an interest in the City pursuing development of social investment criteria. Subsequently, the Divest Working Group of 350 Corvallis (DWG) requested the City not invest in fossil fuels (Exhibit A).

ASC members stated that they wished to take up the request from DWG, and has no interest in the social investment criteria. As a result, this report only addresses fossil fuel issues.

III. Discussion

The City Council has fiduciary responsibility for the City government's money. That fiduciary responsibility is addressed in the Council's Financial Policy 10.08 (Exhibit B), and must operate within the legal parameters of Oregon Revised Statutes (ORS) Chapter 294. The City's current policy calls for investments in the Oregon State Local Government Investment Pool (LGIP) or separately in US Treasuries, US Agencies, or in certain commercial paper, corporate bonds, etc. as identified on page 5 of the Investment Policy. The standards for investment set by the State are for preservation of the principal and optimized earnings. The City adds to this standard meeting the organization's liquidity needs.

Direct City Investments

Under Oregon Revised Statutes (ORS) and the City Council's Financial Policies, the City may not invest in equities (common stock) of any company, but may invest in commercial paper or corporate bonds that carry a specified high level credit rating and which do not carry individual maturities that would cause the total portfolio's weighted average maturity to exceed 18 months. While the City does not currently own any direct oil company investments, there is no policy that prohibits such a purchase; the existing Corporate list provided by the City's Investment Advisor, Government Portfolio Advisors (GPA) includes three names: Shell, Exxon and Chevron (see Exhibit C), that could theoretically be purchased once the City has available funds within its core investment amount of approximately \$20 million. Recently, the yields of those securities have been at similar levels to other equivalently rated corporate bonds.

Indirect City Investments

The City is indirectly invested in fossil fuels through participation in the Oregon Short Term Fund's (OSTF) Local Government Investment Pool (LGIP). As of the end of January 2015, the OSTF had over \$14 billion invested which included holdings in several fossil fuel companies totaling approximately \$324 million, or 2.3% of its portfolio.

As of mid-March 2015, the City has just under \$40 million on deposit with the LGIP. These funds have next-day liquidity and an otherwise unobtainable yield of 0.50% for that level of liquidity, which also meets the safety and diversity requirements under state law and the City's policy. To achieve the same yield in an alternative investment, staff would currently have to purchase securities with maturities in the range of two years. The full \$40 million could not be placed on that basis due to liquidity requirements, so achieving a comparable rate of return is simply not possible. Additionally, trying to find appropriate investments, even in an improved yield market, requires substantial time and analysis by dedicated staff, versus the City's current very affordable arrangement under its investment advisory contract.

Pension Investments for Employee Beneficiaries

The City is a member of the Oregon Public Employees Retirement System (PERS). PERS does not allow members to exit the system. As with the City, a key issue for the PERS system is the fiduciary responsibility of the members of the Oregon Investment Council (OIC) which has investment responsibilities for PERS monies. The fiduciary duty of an entity such as the OIC is to act solely in the best interests of the plan participants and their beneficiaries with the exclusive purpose of providing benefits to them. Under that lens, only when the economic returns of investment alternatives are equal can alternate criteria be applied such as avoidance of fossil fuel investments.

Oregon State Treasurer Wheeler described the challenges with divestment in this context, in a June 2013 letter to Portland Mayor Hales (Exhibit D). Treasurer Wheeler also convened a summit in June 2014 to discuss the value, opportunities and obstacles of investing in renewable energy bringing together leaders in technology, public policy and finance as well as writing an opinion piece in the Oregonian stating that state fossil fuel divestment would be unproductive. Information on these items as well as a counter opinion piece to Treasurer Wheeler's view, all of which the City of Eugene included in its deliberations on this topic, are included as Exhibit E.

Other Oregon Municipalities

As noted by DWG, the City Councils of Eugene and Ashland have taken certain actions regarding fossil fuel company investments. However, like Corvallis, neither agency had any direct investments in such holdings at the time they took action. Both entities sent letters to the State urging that it consider divestment of its fossil fuel holdings in the LGIP and PERS. Staff in both jurisdictions have informed Corvallis staff that they will not discontinue using the LGIP even if the State's investment behavior remains unchanged. Discontinuing participation in PERS is equally impractical for them.

IV. Alternatives

Since the request for divestment of fossil fuels has several elements, the alternatives are identified below for each element:

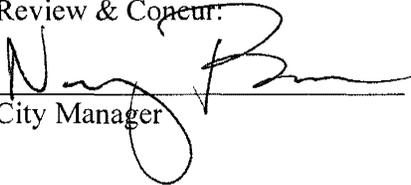
1. City's Direct Investments – This is the only element of the request the City Council can control. Alternatives include:
 - a. Do nothing.

- b. Modify Investment Policy 10.08 to include language that the City will not directly invest in the 200 fossil fuel companies as they are identified by the Carbon Tracker Initiative in a report found on the Fossil Free Index website. Draft language has been included in Exhibit F.
 - c. Some other alternative the members of ASC develop.
2. LGIP – The City Council cannot control this element. Though the DWG request includes having the City stop using the LGIP staff's perspective is that this is impractical for a variety of reasons identified above. Alternatives include:
 - a. Do nothing.
 - b. Send a letter to State Treasurer Ted Wheeler asking the State to Divest of fossil fuel companies for the LGIP.
 - c. Direct staff to develop a plan and associated costs to divest from the LGIP.
3. PERS – The City Council cannot control this element. Though the DWG request includes having the City stop using the PERS system, staff's perspective is that this is impractical for a variety of reasons identified above. Alternatives include:
 - a. Do nothing.
 - b. Send a letter to State Treasurer Ted Wheeler asking the State to Divest of fossil fuel companies for the PERS funds.
4. Other entities – the City Council could send letters to other entities suggesting that they divest from fossil fuel companies.

V. Action Requested

DWG submitted a resolution they would like to have the City Council approve. From staff's perspective, adopting the resolution is impractical. However, there are some actions identified in the alternatives above that could be implemented. Members of ASC are asked to review this information and provide direction to staff.

Review & Consent:



City Manager

EXHIBIT A

Fossil Fuel Divestment Resolution: City of Corvallis

WHEREAS, in 2014, the Intergovernmental Panel on Climate Change's Fifth Assessment Report found that human actions play a major role in warming of the atmosphere and oceans, in changes in the global water cycle, in reductions in snow and ice, in global sea level rise, and in changes in some climate extremesⁱ.

WHEREAS, in 2009, through the Copenhagen Accord, world governments agreed that any warming above a 3.6°F rise would result in catastrophic environmental impacts, and climate science has determined that humans can only pour about 600 gigatons more of carbon dioxide into the atmosphere to maintain this limitⁱⁱ.

WHEREAS, in 2011, the "Unburnable Carbon" report by the Carbon Tracker Initiative reported that fossil fuel companies possess known fossil fuel reserves that would release approximately 2,800 gigatons of CO₂ if they are burned, which is five times the amount that can be released without exceeding the 3.6°F limit of warming identified at Copenhagenⁱⁱⁱ.

WHEREAS, the risks involved in investments in fossil fuel companies are increasing as the dangers of climate change become better known^{iv}.

WHEREAS, most of the city's investments reside in the Local Government Investment Pool (LPIG) and all of the retirement funds of its employees reside in PERS, which both have substantial holdings in fossil fuel companies^v.

WHEREAS, the City of Corvallis has a moral duty to protect the lives and livelihoods of its inhabitants from the threats of climate change and ensure that its investments are supportive of a future in which citizens can live healthy lives without the catastrophic impacts of a warming planet.

WHEREAS, there is an international divestment movement^{vi} that promotes divestment as a moral statement that it is wrong to profit from the destruction of the planet, and as an action of solidarity with other groups around the world seeking to delegitimize the fossil fuel industry which has spent hundreds of millions of dollars to obstruct legislative and market-based initiatives to reduce society's reliance on fossil fuels.

WHEREAS, in the spirit of multiple public statements since 2000 by the City of Corvallis regarding its commitment to climate change action, divestment from fossil fuel companies would align with the goals and values of the city^{vii}.

NOW, THEREFORE, BE IT RESOLVED that the Mayor and Council of the City of Corvallis declare that it is the policy of the City of Corvallis not to invest in fossil fuel companies

BE IT FURTHER RESOLVED, that the City Council of the City of Corvallis will urge the State Treasurer, who is responsible for PERS and LGIP, to:

1. Cease immediately any new investments in fossil fuel companies or in commingled assets that include holdings in fossil fuel companies.
2. Identify any investments in commingled funds that include fossil fuel companies and contact the fund managers to request that the fossil fuel companies be removed from the funds.
3. Ensure that within five years none of state's directly held or commingled assets include stocks or bonds of corporations listed in the 200 companies with the largest fossil fuel reserves^{viii}.

EXHIBIT A

4. Prepare a report and options for investing the fund in a way that further maximizes the positive impact of the fund by seeking investment opportunities to prepare for the consequences of burning fossil fuels or help mitigate its effects including, but not limited to, clean technology and renewable energy, sustainable companies or projects, and sustainable communities.
5. Release public quarterly updates detailing progress made towards full divestment from fossil fuels.

BE IT FURTHER RESOLVED that if LGIP does not act to divest from fossil fuel companies within two years the City of Corvallis will move city funds out of the Local Government Investment Pool and into a combination of other allowed allocation categories such as US treasury notes, government agency securities and municipal bonds to obtain a return and liquidity that is similar to the LGIP.

AND, FINALLY, BE IT RESOLVED that the City of Corvallis will urge other public entities to engage in the fossil fuel divestment process, including Benton County, Oregon State University Foundation, and municipalities throughout the state of Oregon.

	<p>City of Corvallis</p> <p>Financial Policies - Council Policy</p> <p>Policy # 10.08</p> <p>Financial Policies – Investments</p>	<p>EXHIBIT B</p> 
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Purpose: To minimize risk associated with investing the City’s monies and ensure the availability of cash to meet expenditures, while maximizing earnings opportunities and minimizing idle funds. These policies provide direction for managing the City’s investments.

Scope: The City holds cash balances as part of its operations. The City invests balances in excess of daily needs in a variety of investment instruments as authorized by Oregon Revised Statutes on local government investments. Investing monies has inherent risks; these risks are managed through the application of appropriate risk assessments and diversification, and following prudent rules for investing governmental funds. These policies establish and provide guidelines for the safe and efficient management of City funds, and the purchase and sale of investment instruments.

These investment policies apply to all cash-related assets within the scope of the City’s audited financial statements and held directly by the City. Funds held and invested by trustees or fiscal agents are excluded from these policies; however, such funds are subject to regulations established by the State of Oregon for public funds.

Guidelines: OBJECTIVES
 The City’s investment objectives are listed below, and can be summarized as primarily concerned with safety, legality and liquidity, with a secondary objective of return:

- A. Safety: Preserve capital and protect investment principal, by implementing diversification and risk management practices;
- B. Legality: Conform with federal, state and other legal requirements,
- C. Liquidity: Maintain sufficient liquidity to meet operating needs by managing cash flow requirements.
- D. Return: Attain a market rate of return throughout budgetary and economic cycles by implementing an investment strategy.

RESPONSIBILITY

- A. Governing Body – The City Council has a fiduciary responsibility for invested City funds. The City Council’s standing Administrative Services Committee (ASC) shall serve as the oversight body. Formal review of this investment policy and investment activity shall be conducted at ASC meetings at least quarterly. On an ad hoc basis, a citizen of the City of proven integrity and business ability may be invited to attend ASC meetings to provide additional, local, unbiased expertise. The City Council, via ASC, will receive reports with sufficient detail to comply with ORS Chapter 294 requirements.
- B. Delegation of Authority - The authority for investing City funds is vested with the City Manager, who, in turn, may designate the Finance Director as Treasurer to manage the day to day operations of the City’s investment

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portfolio, place purchase and sell orders with dealers and financial institutions, and prepare reports as required. The Finance Director may choose to use the services of a professional investment advisor if he/she believes that is most beneficial to the organization.

- C. Investment Adviser -- The City may enter into contracts with third-party investment advisory firms when such services are deemed to be beneficial to the City. The advisor must comply with this Investment Policy and the City Manager's Investment Administrative Procedures for implementing this policy, and may have authority to transact investments on behalf of the City. The advisor may only act on a non-discretionary basis. Therefore, the advisor must present investment recommendations and receive approval to execute the recommendation from the Finance Director, or designee, prior to making buys or sells on behalf of the City. The following items are required minimum criteria for the approved Investment Advisors:
1. The Investment Advisor firm must be registered with the Securities and Exchange Commission (SEC) or licensed by the state of Oregon;
 2. All Investment Advisor firm representatives conducting investment transactions on behalf of the City must be registered representatives with Financial Industry Regulatory Authority (FINRA);
 3. All Investment Advisor firm representatives conducting investment transactions on behalf of the City must be licensed to do business/trades in the state of Oregon;
 4. An engaged Investment Advisor must provide notification within 30 days of any formal investigation or disciplinary action initiated by Federal or State regulators.
 5. Investment Advisor services will be sought through the City's normal competitive procurement process.
- D. Governing Authority -- Funds of the City will be deposited and invested in accordance with statutes, ordinances, and policies governing the City of Corvallis and will be in compliance with the provisions of Oregon Revised Statutes (ORS) 294, and other applicable statutes. Investments will be in accordance with these policies and written administrative procedures. Investment of any tax-exempt borrowing proceeds and of any debt service funds will comply with the relevant provisions of the Internal Revenue Code of 1986, as amended.

STANDARDS OF CARE

Investments shall be made with judgment and care – under circumstances then prevailing – which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital, as well as the probable income to be derived. Investment decisions shall be made within the objectives outlined in this investment administrative procedure.

The standard of prudence to be used by investment officials shall be the "prudent person," as described above, and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written

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procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's performance, provided that deviations from expectations are reported in a timely fashion, and appropriate action is taken to control adverse developments.

ADMINISTRATION AND OPERATIONS

A. Safekeeping and Collateralization

Safekeeping Custodial Bank: Investment securities purchased by the City will be delivered by book entry and held in a segregated account for the City's benefit by one financial institution designated as custodian. The purchase and sale of all securities will be on a delivery-versus-payment basis.

Collateralization of Re-purchase Agreements: Re-purchase agreement collateral is limited in maturity to three years by ORS and should be priced according to the adopted policy of the Oregon Investment Council:

United States Treasury Securities	102%
United States Agency Discount and Coupon Securities	102%

The City further limits the allowable collateral to only US Treasury securities and US Agency securities. Mortgage Backed and other securities are not allowed. All re-purchase agreements require a master re-purchase contract with the approved broker dealers.

Collateralization of Certificates of Deposits and Bank Deposits: At a minimum, time deposit open accounts, Certificates of Deposit and savings accounts shall be collateralized through the state collateral pool for any excess over the amount insured by an agency of the United States government in accordance with ORS 295. All depositories must be on the State of Oregon's qualified list. Additional collateral may be required if staff deems increased collateral is beneficial to the protection of the monies under the City's management. The City will report annually to the Oregon State Treasury the financial institutions that are transacting business with the City as required by ORS.

B. Internal Controls

The Finance Director shall maintain a system of written internal controls, which shall be reviewed by the independent auditor, who shall provide an annual review to assure compliance with ORS and the City's policies and procedures. The controls shall be designed to prevent loss of public funds due to fraud, error, misrepresentation, or imprudent actions. The internal controls will be updated at a minimum biennially or as necessitated by system changes.

	<p style="text-align: center;">City of Corvallis</p> <p style="text-align: center;">EXHIBIT B</p> <p>Financial Policies - Council Policy</p> <p>Policy # 10.08</p> <p>Financial Policies – Investments</p>	
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QUALIFIED INSTITUTIONS

The City shall maintain a listing of authorized broker/dealers and financial institutions which are approved for investment purposes. The list will be shared with the ASC when changes are made. Approval of Qualified Institutions can occur in one of the following three circumstances:

- A. Investment Advisor Approved List -- If the City has an Investment Advisor, the Advisor shall provide a list of brokers/dealers which the Advisor has vetted for meeting ORS standards for local government investments.
- B. City-Approved Broker/Dealer List -- If the City does not have an Investment Advisor, the Finance Director may create and maintain a broker/dealer list using the following criteria:
 1. Broker/dealers must have a branch located in Oregon.
 2. The broker/dealer must routinely provide services to public entities in Oregon and be knowledgeable of Oregon governmental investments statutes and the City Council's Investment Policy as well as the City Manager's Investment Administrative Procedures.
 3. Brokers/dealers must complete the Broker/Dealers Questionnaire and Certification.
 4. Broker/dealers must be approved by the City of Corvallis Administrative Services Committee at the next quarterly meeting before conducting investment business with the City.
 5. An updated Broker/Dealer Questionnaire will be mailed to each firm annually and should be completed and returned with audited annual financials. Failure to complete the updated questionnaire in a timely manner will lead to removal from the approved list.
 6. Any broker/dealer that is on the City's authorized list may be removed from said list if the City has not purchased from that broker/dealer during a period of three years.
 7. Any broker/dealer may be removed from the approved list at any time by the Finance Director based upon news or knowledge of inappropriate behavior by said dealer, or for any other reason with which a quorum of Council members concur.
- C. Financial Institution -- The State of Oregon Treasurer's Office maintains a list of all financial institutions for deposits and certificates of deposits, which are approved for local government investment purposes. Any financial institution on the Treasurer's list shall be acceptable for City investment purposes.

AUTHORIZED AND SUITABLE INVESTMENTS

- A. Legal Investments
 1. All investments of the City shall be made in accordance with Oregon Revised Statutes Chapter 294. Any revisions or extensions of this chapter of the ORS shall be assumed to be part of this Investment Policy immediately upon being enacted, and will be formally incorporated at the next annual update of this policy.

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B. Suitable Investments (Specific Types)

Type	Definition
U. S. Treasury Obligation	Direct Obligations of the United States Treasury whose payment is guaranteed by the United States. (ORS 294.035(3)(a))
Government Sponsored Enterprise or US Agency Obligations	US Government Agencies, Government Sponsored Enterprises (GSE's) Corporations or Instrumentalities of the US Government – Federal Instrumentality Securities include, but are not limited, to Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), Federal Home Loan Banks (FHLB), and the Federal Farm Credit Banks (FFCB). (ORS 294.035(3)(a))
Commercial Paper	Commercial Paper that is rated A1/P1 and has long-term bonds which have a minimum rating of AA- by Standard and Poors or Aa3 by Moody's or AA- by Fitch. In the case of a split rating, (more than one rating provider), the lowest rating will be used as the criteria for investing.
Corporate Obligations	Corporate domestic bonds issued by a commercial, industrial, or financial institution registered with the Securities and Exchange Commission. Authorized corporate bonds shall be limited to obligations of the United States dollar-denominated corporations organized and operating within the United States. The debt must be rated at least AA- by Standard and Poors or Aa3 by Moody's or AA- by Fitch at the time of purchase. In the case of a split rating, (more than one rating provider), the lowest rating will be used as the criteria for investing. A list of approved corporate issuers for purchases will be maintained and updated under the same mechanism as the Broker/Dealer list herein.
Municipal Obligations	Lawfully issued debt obligations of the State of Oregon and its agencies or instrumentalities of the State of Oregon and its political subdivisions that have a AA- by Standard and Poors or Aa3 by Moody's or AA- by Fitch. In the case of a split rating, (more than one rating provider), the lowest rating will be used as the criteria for investing. (ORS 294.035(3)(b))
Bankers Acceptance	A short-term credit investment created by a non-financial firm and guaranteed by a qualified financial institution whose long-term letter of credit rating is at least AA- by Standard and Poors or Aa3 by Moody's or AA- by Fitch at the time of purchase. (ORS 294.035(3)(h)(A))

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Type	Definition
Certificates of Deposit/Bank Deposit/Savings Accounts	Time-deposit open accounts, certificates of deposit, and savings accounts in insured institutions as defined in ORS 706.008, in credit unions as defined in ORS 723.006 or in federal credit unions, if the institution or credit union maintains a head office or a branch in this state. (ORS 294.035(3)(d))
Local Government Investment Pool (LGIP)	State Treasurer's local short-term investment fund up to the statutory limit, per ORS 294.810.

C. Investment Parameters

1. Investment Diversification

- a. The City will diversify the portfolio to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions, or maturities. Diversification to avoid undue risk is achieved by varying the type of investment to ensure liquidity, investing in securities from several different financial institutions to reduce the chance of loss, and varying maturity length to ensure availability of funds to meet cash needs.

Issuer Type	Maximum Holdings	Maximum per Issuer
U.S. Treasury Obligation	100%	None
GSE's Agency Securities	100%	FHLB,FFCB, FHLMC, FNMA – 40%, other names – 10%
Commercial Paper	10%	5%
Corporate Bonds	10%	5%
Municipal Bonds	10%	5%
Banker's Acceptance	10%	5%
Certificates of Deposit/Bank Deposit/Savings Accounts	25%	15%
OSTF LGIP Fund	ORS 294 limit	

2. Investment Maturity

- a. The City will not directly invest in securities maturing more than five (5) years from the date of purchase.
- b. The maximum weighted maturity of the total portfolio shall not exceed 18 months. This maximum is established to limit the portfolio to excessive price change exposure.
- c. Liquidity funds will be held in the LGIP or in money market instruments maturing one year and shorter.
- d. Core investment funds will be defined as the funds in excess of liquidity requirements. The investments in this portion of the portfolio will have maturities between one day and five years and will be only invested in higher-quality and liquid securities that meet suitable investment criteria outlined above.

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e. Total Portfolio Maturity Constraints:

Maturity Constraints	Minimum % of Total Portfolio
Under 30 days	10%
Under 1 year	25%
Under 5 years	100%
WAM (weighted average maturity)	1.5 years

- f. Exception to the five-year maturity maximum: Reserve or Capital Improvement Project monies may be invested in securities exceeding five (5) years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.
- 3. Competitive Selection and Pricing -- The City shall seek competitive pricing when buying or selling investments, and will buy or sell the offer that provides the optimal price for the risk of the term/instrument.
- 4. Securities shall generally be held until maturity with the following exceptions:
 - a. A security with declining credit may be sold early to minimize loss of principal.
 - b. A security exchange that would improve the quality, yield, or target duration in the portfolio.
 - c. Liquidity needs of the portfolio require that the security be sold.
 - d. As needed for S.10.8 Guideline Compliance below.

PROHIBITED INVESTMENTS:

Oregon Revised Statutes allow several other investment types for municipalities that are not appropriate for the City's portfolio and are not included within the scope of these administrative procedures, including: general obligation securities of the states of Idaho and California, share accounts and saving accounts in credit unions for a deferred compensation plan, life insurance and annuity contracts with insurance companies for funding deferred compensation, and trusts for deferred compensation.

- A. The City prohibits mortgage-backed securities in the portfolio.
- B. Securities lending is prohibited in the City's portfolio.
- C. Private Placement or "144A" Securities.

INVESTMENT OF PROCEEDS FROM DEBT ISSUANCE:

- A. Investments of bond proceeds are restricted under bond covenants that may be more restrictive than the investment parameters included in this Policy. Bond proceeds shall be invested in accordance with the parameters of this Policy and the applicable bond covenants and tax laws.
- B. Funds from bond proceeds and amounts held in a bond payment reserve or proceeds fund may be invested pursuant to ORS 294.052. Investments of bond proceeds are typically not invested for re-sale and are maturity matched with outflows. Consequently, surplus funds within the scope of ORS 294.052 are not subject to this Policy's liquidity risk constraints within S.10.6.

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MONITORING; GUIDELINE MEASUREMENT AND ADHERENCE

- A. Monitoring -- The Finance Director shall routinely monitor the contents of the portfolio, the available markets, and the relative value of competing instruments and will adjust the portfolio accordingly.
- B. Guideline Measurement -- Guideline measurements will be market value of the investments.
- C. Guideline Compliance
 1. If the portfolio falls outside of compliance with adopted investment policy guidelines or is being managed inconsistently with this Policy, the Investment Officer shall bring the portfolio back into compliance in a prudent manner and as soon as prudently feasible.
 2. Violations of portfolio guidelines as a result of transactions; actions to bring the portfolio back into compliance, and reasoning for actions taken to bring the portfolio back into compliance shall be documented and reported to the Administrative Services Committee (ASC).
 3. Due to fluctuations in the aggregate surplus funds balance, maximum percentages for a particular issuer or investment type may be exceeded at a point in time. Securities need not be liquidated to realign the portfolio; however, consideration should be given to this matter when future purchases are made to ensure that appropriate diversification is maintained.
- D. If a corporate bond is downgraded below corporate rating criteria established at purchase, the Finance Director will immediately notify the ASC members of the downgrade and provide an analysis and recommendation. The analysis will be reviewed at the next quarterly ASC meeting to document the decision in the meeting minutes.

REPORTING REQUIREMENTS

- A. Annual Reports -- The Finance Director shall submit an annual statement certifying compliance with this Investment Policy to the ASC, noting compliance throughout the most recently completed fiscal year. This statement shall be filed as soon as practical, but no later than August 31 of each year.
- B. Quarterly Reports -- The ASC shall at a regular meeting, review the quarterly operating report (QOR) section on the investment portfolio as submitted by the Finance Director reflecting investment activity for each of the immediately preceding three months, using the objectives outlined above. Should the report not be accepted, the report shall be revised accordingly by the Finance Director and resubmitted to the ASC at its next regularly scheduled meeting or sooner if requested.
- C. Monthly Reports -- The Finance Director shall provide a Monthly Investment Report reviewing the compliance with this Investment Policy and providing data on investment instruments being held, as well as any narrative necessary for clarification. The Monthly Investment Report shall include summary information about all investments held in the City's portfolio as of the end of the month, and shall be issued and posted on the City's web site within 21 days after the end of the monthly reporting period.

EXHIBIT C

CORPORATE CREDIT REVIEW PROCEDURES

Government Portfolio Advisors, LLC. has an established credit review committee to provide ongoing oversight to corporate security holdings in our client's portfolios. Our overall investment philosophy is based on high quality duration managed fixed income portfolios with limited credit exposure. At the outset of our service a specific assessment of risk and policy will be completed to ensure that the management of the funds is consistent with the client's policy and risk profile.

Credit Committee Review Procedures:

1. Meet periodically to conduct a review of corporate holdings in the portfolios
2. Compare the holdings to the policy constraints in each specific portfolio
3. Maintain a buy/hold list that includes S&P ratings, Bloomberg credit profile report, and other credit ratings/metrics (List will include AA- by Standard & Poors/Aa3 by Moody's or better)
4. Monitor debt rating financial ratios, credit spreads, credit default swaps, corporate actions, ratings and current events for all companies on the buy/hold list

Credit Committee Action Procedures if rating outlook changes:

1. Document change of credit with client
2. Make recommendation to hold or sell
3. If portfolios are inherited with bonds that are below AA-/Aa3 an initial assessment will be completed and a recommendation to buy or hold will be made

CORPORATE NAMES AS OF 5/5/14

	Moody's Rating	Outlook	S&P Rating	Outlook
General Electric Corporation	Aa3	Stable	AA+	Stable
Apple	Aa1	Stable	AA+	Stable
Johnson and Johnson	Aaa	Stable	AAA	Stable
Microsoft	Aa3	Stable	AAA	Stable
Proctor and Gamble	Aa3	Stable	AA-	Stable
Toyota	Aa3	Stable	AA-	Stable
Colgate	Aa3	Stable	AA-	Stable
3M	Aa2	Stable	AA-	Stable
IBM	Aa3	Stable	AA-	Stable
Berkshire Hathaway	Aa2	Stable	AA	Negative
Exxon	Aaa	Stable	AAA	Stable
Wal-Mart	Aa2	Stable	AA	Stable
Chevron	Aa1	Stable	AA	Stable
Shell	Aa1	Stable	AA	Stable
Coca Cola	Aa3	Stable	AA	Stable

Exhibit D

TED WHEELER
STATE TREASURER



PHONE 503-378-4329
FAX 503-373-7051

STATE OF OREGON
OREGON STATE TREASURY
159 STATE CAPITOL, 900 COURT ST NE
SALEM, OREGON 97301-4043

June 11, 2013

Honorable Charlie Hales
Portland City Hall
1221 SW 4th Ave # 110
Portland, OR 97204

Dear Mr. Hales,

This is in response to comments you made at a recent event calling on the State of Oregon to divest from fossil fuel companies.

Oregon has the top-ranked public pension portfolio above \$1 billion in the United States because of our smart, disciplined approach to investing. This success benefits our schools, communities, taxpayers and public employees (who are beneficiaries in the PERS fund managed by the Oregon Investment Council and staffed by Treasury). As State Treasurer, my primary focus is on maintaining that success for Oregonians. That said, climate change is an issue we take very seriously in the Treasury and I would like to outline for you the leadership we have exercised over the past few years to accelerate the transition towards renewable energy sources.

To start, let me state clearly that I firmly agree the vision is the correct one: Our world absolutely must transition away from fossil fuels towards more climate friendly renewable energy. When I was Multnomah County Chair, my colleagues and I jointly committed with the Portland City Council to the 2009 Climate Action Plan, a national model for carbon emissions reduction. Reducing our demand for fossil fuels is the hardest - and most important - thing we can do to reduce carbon emissions as it the foundation for changing the market.

Naturally, there is also discussion about the benefits of divestment from oil and gas companies. This is an understandable response to policy gridlock in Washington D.C. on regulatory efforts to price the impact of carbon, and I share the long-term goal to make the world a safer, cleaner and more sustainable place. However, like most complex issues, some detail is required to understand Oregon's portfolio and our role in this shift.

The Oregon Investment Council manages an \$80 billion global portfolio. Energy represents a significant segment of our investments due to the importance of energy in the global economy. Our portfolio includes, in part, index funds (like the S&P 500 which includes energy), private equity (private partnership holdings in energy) and renewable energy. As you know, most of these investments are illiquid and cannot be immediately sold (but eventually will be to earn returns) or they are a small portion of much larger passive index funds that include a whole host of other industry sectors (including renewable energy). In short, as the world transitions from fossil fuels, investments will transition as well, but a globally diversified portfolio like ours will necessarily hold fossil fuels in the meantime.

But that doesn't mean we only will sit passively and wait for the market transition to renewable energy. As a responsible investor, the Oregon Treasury has for years used our clout to advocate for better disclosure of climate risk and to hold energy companies accountable when their practices impair investment value. Oregon was one of the first institutional investors in a clean energy private equity fund. We were a co-convenor of two United Nations investor summits on climate risk in 2010 and 2012. Former Treasurer Randall Edwards was a founding member of the Investor Network on Climate Risk, an organization that works to understand the impact of our investments in an attempt to shift the market.

This work continues under my administration. I joined this week with businesses across the country, including Intel Corp., Nike, and Oregon ski areas, to help focus attention on the imperative to increase demand for less-polluting energy.

There are other things we can do to help highlight the logic of renewable energy investments. For example, as shareholders of energy companies, we have the opportunity to exercise our proxy powers to make practical change from within. After the catastrophic oil spill in the gulf, we pooled our strength with other institutional investors to sue British Petroleum and recently helped create momentum to replace board members from an irresponsible mining company.

I recently invited a renewably energy-focused investment firm to Oregon to discuss its new fund. In fact, we also introduced this firm to both leaders at the Portland Public Schools and the City of Portland to talk about how they could partner to invest in local energy efficiency projects. My team is aggressively seeking similar opportunities.

Finally, as a matter of legal understanding, you should know that the Oregon Investment Council is held to the standard of fiduciary duty to beneficiaries of the assets under management. Selling off our energy holdings would undermine the portfolio diversity that has served every Oregonian well -- and would potentially expose the state to lawsuits.

On the other hand, it is responsible to choose a more deliberate, sustainable, long-term approach. We will continue to look for new profitable opportunities in alternative energy, and as global demand evolves, there will be more and more of them. Oregon will help to lead the way.

Through our continued advocacy and wise investment decisions, we will continue to choose the responsible path.

I trust you find this background helpful. As always, feel free to call me anytime.

Sincerely,



Ted Wheeler
State Treasurer

cc: Gail Shibley, Chief of Staff
Josh Alpert, Policy Director

ViewArticle

Exhibit E

Treasurer Ted Wheeler

State Treasurer

FOR IMMEDIATE RELEASE

06/05/2014

Treasurer Ted Wheeler Brings Together Thought Leaders to Address Climate Change

Panelists from Google, Microsoft, and U.S. Dept. of Energy, Among Others, Discuss How Investing in Renewables Brings Value to Public Pension Fund Portfolios

PORTLAND, OR – At a summit hosted by Oregon State Treasurer Ted Wheeler, Pegasus Capital Advisors and R20-Regions of Climate Action, thought leaders in technology, public policy and finance converged on Portland State University yesterday to discuss the value, opportunities and obstacles of investing in renewable energy.

"I brought together these remarkable individuals to explore profitable and responsible investment options in renewables," said Ted Wheeler, Oregon State Treasurer. "I left more optimistic than ever that there are opportunities to invest in renewables that meet the high standards we have for all of our investments."

At the summit, titled "Public Pension Fund Investments & Investing in Renewables: Opportunities and Challenges," Treasurer Wheeler made clear that there is more work to be done to better define the asset class of these investments and to set clear guidelines around acceptable risk and expected returns. He expects that work to begin immediately.

The Oregon State Treasury protects public assets and saves Oregonians money through its investment, banking, and debt management functions. State investment policies are overseen by the Oregon Investment Council. The State Treasury also promotes public outreach and education to help Oregonians learn strategies to save money, invest for college and make smart financial choices.

Treasurer Ted Wheeler

State Treasurer

FOR IMMEDIATE RELEASE

06/04/2014

Ted Wheeler in the Oregonian: For a large public pension fund like Oregon's, divestment from fossil fuels is not the right strategy.

SALEM - The world's attention is increasingly focused on climate change. It threatens our economy, our environment and ultimately our families' health and livelihoods. For coastal states like Oregon, the stakes are even higher.

Stanford University recently announced that it will divest from certain coal company stocks. This underscores the growing debate about the merits of divestment as a means of reducing pollution. It also has helped to raise a pivotal question here: What prudent steps can be taken affecting Oregon's public trust funds?

The answer: Oregon is already using its investment clout to lead, and looking to reinvest, in ways that can make a real difference.

I wholeheartedly agree with the ultimate goals of leaders who organized this effort and others around the country. We must transition away from the dirtiest fossil fuels toward renewable sources of energy for the sake of our economy and our planet.

As State Treasurer, I am a fiduciary of an \$88 billion portfolio. Oregon ranks among the top performing global investors thanks to our innovation and discipline. Our largest fund, the Oregon Public Employees Retirement Fund (OPERF), returned 15.6 percent in 2013.

The financial health of OPERF and our other investments matter to every Oregonian. They financially benefit our taxpayers, schools, communities, and retired public employees today and for decades to come. As such, we manage for the long-term.

Oregon's current holdings reflect the central role that energy plays – and will continue to play - in virtually every facet of our lives... from housing, to transportation, to agriculture, and even to making available technologies that printed this newspaper and allow you to read it online.

We are already exercising strong leadership as an active shareholder to press companies to make smarter and cleaner choices. We have an influential voice and we use it. We also actively support regulations to boost transparency of carbon risk that will help the renewable energy market evolve.

We can also leverage our investments to accelerate the transition toward cleaner sources of energy. In combination with other investors, we can help build the foundations of what is still an emerging clean energy sector by actively encouraging the development of sound investment opportunities in transitional and renewable energy companies.

On May 28, the Oregon Investment Council convened a panel of national experts to outline ways that we can potentially integrate environmental, sustainability and governance standards into every investment we make. I am personally committed to this kind of leadership.

I recently co-convened a United Nations summit which brought together some of the nation's top institutional investors to discuss ways we can work together to responsibly invest public funds into wind, solar and geothermal energy. I also signed the Climate Declaration, along with Oregon employers like Nike, Intel and the Trailblazers, to highlight the imperative to reduce emissions.

On June 5, I will host a summit in Portland that will focus on the opportunities and challenges for institutional investors in making profitable investments in clean energy.

These are just some of the things Oregon can accomplish as an actively engaged investor.

For a large public pension fund like Oregon's, however, divestment is not the right strategy.

ViewArticle

Page 2 of 2

Divestment from fossil fuel stocks will not achieve the tangible results we want. Academic studies demonstrate that divestment actions, on their own, have no measurable effect on the value of targeted companies and do not change corporate behavior.

The main problem with divestment is that when one party sells a stock in the open market, another party buys it. There is no guarantee that the new owners will be advocates for either responsible management strategies, or for reduced carbon emissions. The companies themselves are not impacted – top executives likely won't even know that shares were traded.

All of us need to take action to reduce emissions, so I applaud university endowments, family foundations and individual investors for stepping up and doing what they think is right.

The most effective role for the Oregon Treasury is to continue to demand responsible business practices and use our influence to push for the development of profitable investment opportunities in the clean energy sector.

It's good for Oregon. And it's good for the planet.



Divestment is about stigmatizing fossil fuel companies: Guest opinion

pump.JPG

This photo taken Feb. 7, 2012 shows the oil fields of the Uintah Basin, southeast of Vernal, Utah. (AP Photo/The Salt Lake Tribune)

Guest Columnist By Guest Columnist

Follow on Twitter

on June 12, 2014 at 11:52 AM, updated June 12, 2014 at 1:19 PM

By Adriana Voss-Andrae and Sandy Polishuk

In a recent guest column titled "**State fossil-fuel disinvestment would be unproductive: Guest Opinion,**" Oregon Treasurer Ted Wheeler argues that "divestment is not the right strategy," while stating that he "wholeheartedly agree[s]" with the ultimate goals of those of us who are organizing this effort around the country in recognizing that climate change "threatens our economy, our families' health and livelihoods [and] ... our planet." Wheeler's arguments, often recycled by divestment opponents, are deeply flawed and miss the point entirely on what the divestment movement is about. We will examine Wheeler's arguments, explain why they are flawed and make the case that divestment is a powerful tactic in our fight for a livable world.

To grasp the seriousness of the climate crisis, we need to "do the math" as Bill McKibben, founder of 350.org, puts it: It is scientific consensus that if we emit more than about 600 gigatons of carbon dioxide we will heat up our planet above the threshold of 2°C — more than that risks catastrophe for life on earth, as virtually all governments on earth agree. The problem? Burning the fuel that these companies have in their known reserves would result in emitting over five times that amount. Fossil fuel companies' stock value is based on their expectation to burn these reserves.

Wheeler argues that rather than divesting, the "most effective role for the Oregon Treasury is to continue to demand responsible business practices" of the fossil fuel companies. This argument is based on the assumption that one can change the behavior of the industry to reduce carbon emissions. Shareholder action can work when the goal is to change small aspects of a company's overall operations.

However, in the case of fossil fuel companies, the goal is to reject a basic business model that relies on the extraction and burning of much more carbon than life on this planet can handle. There is no evidence that suggests that the largest companies, which own the vast majority of fossil fuel reserves, have any interest or ability to fundamentally shift their business strategy, nor of any evidence that our state, through shareholder activism, has the power to affect the fossil fuel companies' reckless behavior.

Divestment is about stigmatizing fossil fuel companies: Guest opinion

Page 2 of 2

Wheeler's argument that "divestment has no measurable effect on the value of companies" is naïve and misunderstands the point of divestment. Divestment is not about trying to have a direct financial impact, which would be small even if every university and pension fund in the world was to divest. It's about building a movement to undermine the political power of the fossil fuel industry through stigmatization. History has shown that divestment campaigns have been extraordinarily successful at impacting the passage of significant legislation, which is why Nobel Peace Prize recipient Desmond Tutu, a leader in South Africa's successful divestment movement against apartheid, has been leading the call for a "apartheid-style" boycott of the fossil fuel industry.

Contrary to Wheeler's claim, "academic studies" have, in fact, clearly shown the effectiveness of divestment campaigns. One such study from the University of Oxford, backed by large financial firms like HSBC and Standard & Poor's, states that "the outcome of the stigmatization process, which the fossil fuel divestment campaign has now triggered, poses the most far-reaching threat to fossil fuel companies and the vast energy value chain." Many major investors have already pulled their funds from coal stocks, and the fossil fuel divestment campaign is growing faster than any previous divestment movement in history, giving it the "the potential to shift the political ground beneath the fossil-fuel lobby's feet."

When, finally, the political will is mustered to listen to our scientists and do what needs to be done, 80 percent of the fossil fuel resources will become unburnable, with their financial value dramatically reduced. Therefore, if Wheeler takes his fiduciary responsibility of managing our state's long-term financial health seriously, he will have to consider that fossil fuels are becoming increasingly risky investments. Investors are beginning to think that these assets may never be monetized and, indeed, may become liabilities. They are realizing that business-as-usual cannot continue. From big banks to prominent insurance companies to the International Energy Agency, an increasing number of global groups and investment firms have been giving clear warning signs about continuing to invest in fossil fuels. Oregon should lead by example and divest from fossil fuel companies while reinvesting in a livable future for our children, grandchildren and life on earth.

Adriana Voss-Andreae, M.D., Ph.D., and Sandy Polishuk write for 350 Oregon, a local affiliate of 350.org, an international grassroots campaign dedicated to solving the climate crisis.

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 <p>CORVALLIS ENHANCING COMMUNITY LIVABILITY</p>	<p>City of Corvallis</p> <p>Financial Policies - Council Policy</p> <p>Policy # 10.08</p> <p>Financial Policies – Investments</p>	<p>EXHIBIT F</p>  <p>CORVALLIS ENHANCING COMMUNITY LIVABILITY</p>
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B. Suitable Investments (Specific Types)

Type	Definition
U. S. Treasury Obligation	Direct Obligations of the United States Treasury whose payment is guaranteed by the United States. (ORS 294.035(3)(a))
Government Sponsored Enterprise or US Agency Obligations	US Government Agencies, Government Sponsored Enterprises (GSE's) Corporations or Instrumentalities of the US Government – Federal Instrumentality Securities include, but are not limited, to Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), Federal Home Loan Banks (FHLB), and the Federal Farm Credit Banks (FFCB). (ORS 294.035(3)(a))
Commercial Paper	Commercial Paper that is rated A1/P1 and has long-term bonds which have a minimum rating of AA- by Standard and Poors or Aa3 by Moody's or AA- by Fitch, and the entity is not listed on the Carbon Underground 200 report from the Fossil Free Index (FFI) website. In the case of a split rating, (more than one rating provider), the lowest rating will be used as the criteria for investing.
Corporate Obligations	Corporate domestic bonds issued by a commercial, industrial, or financial institution registered with the Securities and Exchange Commission and is not listed on FFI's Carbon Underground 200 report. Authorized corporate bonds shall be limited to obligations of the United States dollar-denominated corporations organized and operating within the United States. The debt must be rated at least AA- by Standard and Poors or Aa3 by Moody's or AA- by Fitch at the time of purchase. In the case of a split rating, (more than one rating provider), the lowest rating will be used as the criteria for investing. A list of approved corporate issuers for purchases will be maintained and updated under the same mechanism as the Broker/Dealer list herein.
Municipal Obligations	Lawfully issued debt obligations of the State of Oregon and its agencies or instrumentalities of the State of Oregon and its political subdivisions that have a AA- by Standard and Poors or Aa3 by Moody's or AA- by Fitch. In the case of a split rating, (more than one rating provider), the lowest rating will be used as the criteria for investing. (ORS 294.035(3)(b))

Memorandum



MEMORANDUM

DATE: March 9, 2015
TO: Administrative Services Committee
FROM: Tom Nelson, Economic Development Manager
SUBJECT: Second Quarter Fiscal Year 2014-15 Visit Corvallis Program Review

I. Issue

Review and acceptance of the Visit Corvallis second quarter report for Fiscal Year 2014-15.

II. Background

The City of Corvallis budgeted \$428,330 for Visit Corvallis for FY 2015. The City will provide monthly payments of \$35,694, and a final payment of \$35,696. The City has funded \$107,082 in the second quarter. The City's contract with Visit Corvallis requires the agency to submit quarterly reports of its activities.

III. Discussion

Attached is the second quarter report submitted by Visit Corvallis (Attachment A). The Visit Corvallis Financial Statements (Attachment B) were reviewed by the City's Finance staff and found to be in compliance with their agreement with the City (Attachment C).

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

IV. Action Requested

Review the report and recommend to Council acceptance of the Visit Corvallis second quarter report for Fiscal Year 2015.

REVIEW AND CONCUR:


 Janet Chenard
 Interim Finance Director

REVIEW AND CONCUR:


 Nancy Brewer
 City Manager

VISIT CORVALLIS

Quarterly Community Report - October, November, December 2014

Executive Director's Report

We are happy to report that occupancy rates were both higher for October and November this year compared to last, with ADR being down slightly in October by .2 % but up 11% in November this year over last. December numbers are not yet in.

We have been working with the person running TheHypeCorvallis.com. We are actually working on creating a community calendar so that the many groups that hold events throughout the year can schedule their events without conflicting with others at the same time. I also introduced him to Karen Emery and Steve Deghetto from Corvallis Parks and Recreation to discuss his very solid ideas on how the Majestic needs to operate.

We had our Board Retreat in October and are working on a re-brand for Visit Corvallis.

I attended a Sports Tourism Meeting in Eugene to discuss how cities south of Portland could receive more support securing events. Travel Oregon currently gives money to the Oregon Sports Authority, but many of us feel that they focus way too much on Portland venues and not enough on the rest of the state. We brought our findings to Travel Oregon to see if there is a way either to fund us or direct the Oregon Sports Authority to be more inclusive in their recruiting process.

We have interviewed and hired a new Travel Trade/Conference Services Manager. Her name is Jennifer Johnson and she has years of experience in the tourism industry, namely in Medford and Wilsonville.

We conducted our yearly Travel Oregon PR Team tour, where we get to spend the day with them in our region and discuss what is new in our respective areas.

We continue to work with the Willamette Valley Visitors Association, with the Wintercation campaign. This year the sweepstakes contest features Corvallis.

Visitors Information Report

During the months of October, November and December, 2014 we greeted 590 walk-in visitors. We distributed 1,050 visitor guides, and 1,550 maps to Corvallis lodging properties, OSU and various other Corvallis businesses upon request.

Lead requests received for our visitor guide through VisitCorvallis.com, OregonWineCountry.org and leads received in response to online and print advertisement placed by Visit Corvallis and/or the Willamette Valley Visitors Association totaled 3,010. Relocation packet requests received through VisitCorvallis.com totaled 14 for the quarter.

We placed 880 table tents promoting Corvallis and Benton County events occurring during the months of November/December and January/February were distributed to local restaurants and other various businesses in the city and county.

On February 3, 2015, Visit Corvallis will be awarded a \$1,000 grant from the Benton County Cultural Coalition. The grant will be used to develop a new Historic Homes Trolley Tour that we offer on select Saturdays during the months of July and August.

Social and Digital Media Report

VisitCorvallis.com had 60,549 sessions during October, November and December 2014, up 18% over last year. We had 45,902 users, up 21% from last year.

Our pageviews are down 9% from last year, from 134,159 to 122,505. We're still hunting for a good plugin to refer traffic to similar articles on our site, to help bring this number back up.

Our top five traffic-referring sites this quarter were, in order from most to least, organic Google searches, direct links or unknown referrers, Google ads, Facebook's mobile site, and our Tumblr blog.

Our most popular pages, not including our home page, were the events calendar, our Oregon State landing page, our "Coming Up in November" blog post, our Dining landing page, and our Lodging landing page.

On November 21, 2014, the WordPress plugin that we used to power our events calendar issued a bad update to the plugin which broke our website. We were forced to abandon this plugin and switch to Google Calendars, which means that we can no longer use Google Analytics to track outclicks from events listings. We have switched to Bitly.com to track outclicks from calendar events.

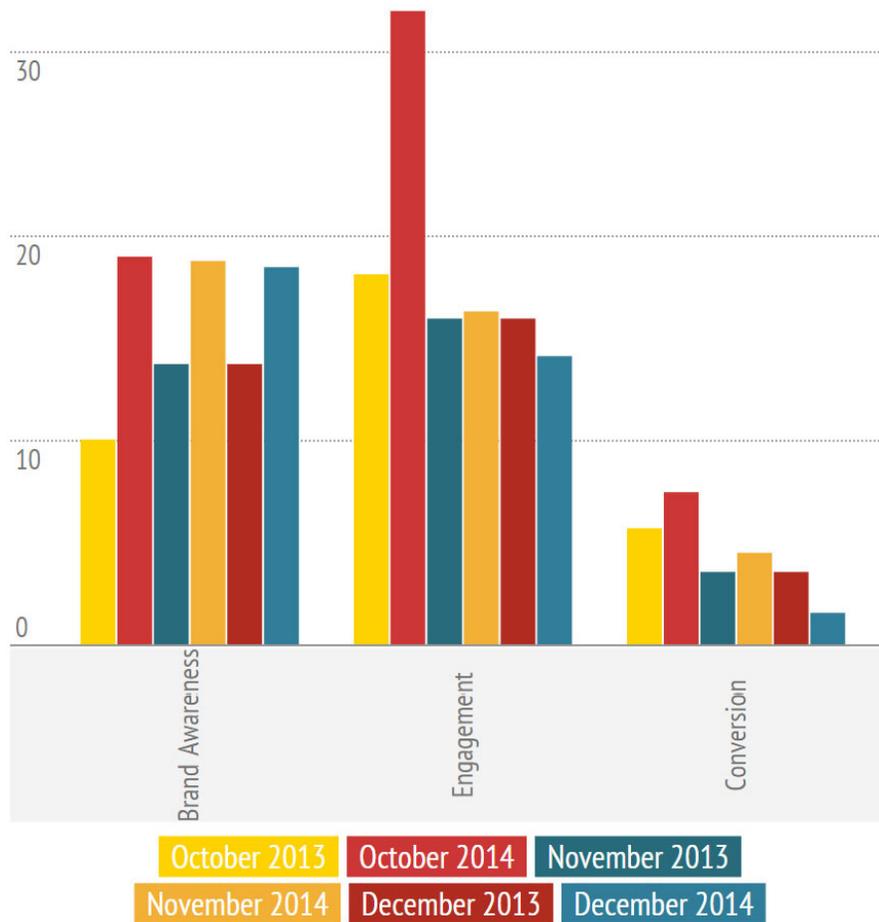
We sent 4,931 outclicks to our members and area businesses this quarter, according to Google Analytics. The top five receivers of traffic were the Bounty of Benton County, the Farmers Market, the City of Corvallis events calendar, the Fall Festival and Corvallis Comfort Suites. According to Bitly.com, we sent another 5,000 outclicks to outside websites, including member sites and area businesses. Since we also use Bitly.com for social sharing, it's difficult to determine traffic receivers for this service.

Our Facebook Page's post reach averaged about 20,000 users this quarter. Post engagement remains good as well, particularly on video posts and paid posts. Twitter Analytics report that our tweets have had 100.2K impressions this quarter, sending almost 600 clicks back to our website and other shared sites, with an average engagement rate of 1.5% (spiking to 10%+ on well-received tweets). Other social media sites currently lack meaningful metrics.

VISIT CORVALLIS

Quarterly Community Report - October, November, December 2014

Brand Awareness, Engagement and Conversion Metrics, 2013-2014



	Brand Awareness	Engagement	Conversion
October 2013	10,016	18,084	5,681
October 2014	18,951	31,968	7,443
November 2013	13,694	15,921	3,537
November 2014	18,743	16,273	4,480
December 2013	13,694	15,921	3,537
December 2014	18,440	14,089	1,541

The large increase in Engagement for October 2014 is due to a rise in Unique Visitors in Google Analytics in 2014 over 2013. We're currently investigating the reason for the increase. It may be due to the recent overhaul of Google Analytics' terminology and measuring.



Second Quarter Report

(October through December, 2014)

11:19 PM
 01/14/15
 Accrual Basis

Visit Corvallis
Balance Sheet
 As of December 31, 2014

	<u>Dec 31, 14</u>
ASSETS	
Current Assets	
Checking/Savings	
Checking - OSUFCU	48,561.61
Money Market-OSUFCU	20,511.56
Paypal Checking	463.45
Savings - OSUFCU	5.00
Total Checking/Savings	<u>69,541.62</u>
Accounts Receivable	
Accounts Receivable	9,278.15
Total Accounts Receivable	<u>9,278.15</u>
Other Current Assets	
Petty Cash	40.00
Total Other Current Assets	<u>40.00</u>
Total Current Assets	78,859.77
Fixed Assets	
Accumulated Depreciation	-1,997.98
Office Equipment & Furniture	12,147.30
Total Fixed Assets	<u>10,149.32</u>
Other Assets	
Rent Deposit	1,700.00
Total Other Assets	<u>1,700.00</u>
TOTAL ASSETS	<u><u>90,709.09</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
OSU Fed Visa	1,096.73
Total Credit Cards	<u>1,096.73</u>
Other Current Liabilities	
Corvallis Book Sales	449.20
HWW Ticket Sales	75.00
Payroll Liabilities	-35.00
Payroll liabilities - Other	5,234.21
Payroll tax liabilities	5,616.17
Total Other Current Liabilities	<u>11,339.58</u>
Total Current Liabilities	<u>12,436.31</u>
Total Liabilities	12,436.31
Equity	
Net Assets	83,263.93
Net Income	-4,991.15
Total Equity	<u>78,272.78</u>
TOTAL LIABILITIES & EQUITY	<u><u>90,709.09</u></u>

11:19 PM
 01/14/15
 Accrual Basis

Visit Corvallis
Profit & Loss
 October through December 2014

	<u>Oct - Dec 14</u>
Ordinary Income/Expense	
Income	
City of Corvallis	107,082.00
Co-op Advertising Revenues	1,643.30
Income/Misc	78.00
Interest Income	5.16
Membership	9,272.95
Relocation Packets	9.00
Total Income	<u>118,090.41</u>
Expense	
Administration	14,793.98
Ask MPP	49.00
Conferences/Education	1,625.00
Marketing/Advertising	19,865.00
Marketing/Community Relations	518.49
Marketing/Contract Services	1,300.00
Marketing/Entertainment	37.30
Marketing/Festivals	4,437.25
Marketing/Internet	931.27
Marketing/Postage-Shipping	2,829.58
Marketing/Printing	222.05
Marketing/Promotions	893.33
Marketing/Sales Trips	354.70
Marketing/Sports Grants	1,195.00
Marketing/Telephone	127.28
Marketing/Visitor Services	360.00
Payroll Expenses	35.20
Personnel	48,674.30
Total Expense	<u>98,248.73</u>
Net Ordinary Income	<u>19,841.68</u>
Net Income	<u><u>19,841.68</u></u>

11:22 PM

Visit Corvallis

01/14/15

Profit & Loss Prev Year Comparison

Accrual Basis

October through December 2014

	<u>Oct - Dec 14</u>	<u>Oct - Dec 13</u>	<u>\$ Change</u>	<u>% Change</u>
Ordinary Income/Expense				
Income				
City of Corvallis	107,082.00	97,086.00	9,996.00	10.3%
Co-op Advertising Revenues	1,643.30	580.00	1,063.30	183.3%
Income/Misc	78.00	100.00	-22.00	-22.0%
Interest Income	5.16	5.64	-0.48	-8.5%
Membership	9,272.95	9,674.20	-401.25	-4.2%
Relocation Packets	9.00	9.00	0.00	0.0%
Souvenir Income	0.00	4.00	-4.00	-100.0%
Total Income	118,090.41	107,458.84	10,631.57	9.9%
Expense				
Administration	14,793.98	12,862.84	1,931.14	15.0%
Ask MPP	49.00	0.00	49.00	100.0%
Conferences/Education	1,625.00	645.61	979.39	151.7%
Marketing/Advertising	19,865.00	9,386.21	10,478.79	111.6%
Marketing/Community Relations	518.49	416.12	102.37	24.6%
Marketing/Contract Services	1,300.00	1,950.00	-650.00	-33.3%
Marketing/Dues	0.00	1,717.60	-1,717.60	-100.0%
Marketing/Entertainment	37.30	144.25	-106.95	-74.1%
Marketing/Festivals	4,437.25	5,106.29	-669.04	-13.1%
Marketing/Internet	931.27	1,131.31	-200.04	-17.7%
Marketing/Postage-Shipping	2,829.58	3,711.37	-881.79	-23.8%
Marketing/Printing	222.05	187.50	34.55	18.4%
Marketing/Promotions	893.33	-2,849.95	3,743.28	131.4%
Marketing/Research	0.00	950.00	-950.00	-100.0%
Marketing/Sales Trips	354.70	2,158.44	-1,803.74	-83.6%
Marketing/Sports Grants	1,195.00	0.00	1,195.00	100.0%
Marketing/Telephone	127.28	161.01	-33.73	-21.0%
Marketing/Visitor Services	360.00	375.00	-15.00	-4.0%
Payroll Expenses	35.20	34.80	0.40	1.2%
Personnel	48,674.30	50,778.55	-2,104.25	-4.1%
Total Expense	98,248.73	88,866.95	9,381.78	10.6%
Net Ordinary Income	19,841.68	18,591.89	1,249.79	6.7%
Net Income	19,841.68	18,591.89	1,249.79	6.7%

**Finance Department**

500 SW Madison Avenue

Corvallis, OR 97333

541-766-6990

541-754-1729

MEMORANDUM

3/9/2015

TO: Tom Nelson, Economic Development

FROM: Tom Johnston, Accountant

SUBJECT: Visit Corvallis Financial Report – Second Quarter, FY 14/15

This review consists of inquiries and analytical procedures and is very limited in 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 second quarter of fiscal year 2014/2015, Visit Corvallis reported revenues of \$118,090 and expenditures of \$98,248, resulting in net income of \$19,842. Visit Corvallis maintains a strong cash position, with current assets totaling \$78,860 and current liabilities of \$12,436.

The City of Corvallis budgeted \$428,330 for Visit Corvallis for fiscal year 2014/2015 in monthly payments of \$35,694 with a final payment of \$35,696. The City has funded a total of \$107,082 in the second quarter, which has been accurately accounted for on the Visit Corvallis report. The City funding represents over 91% of all revenue for the quarter.

Acceptance of the Visit Corvallis quarterly report is recommended.

MEMORANDUM

DATE: April 1, 2015
TO: Administrative Services Committee
FROM: Ken Gibb, Community Development Director 
SUBJECT: Downtown Corvallis Association Second Quarter FY 14-15
EID Program Review

I. Issue

Review and acceptance of Downtown Corvallis Association's Economic Improvement District Program second quarter report for FY 14-15.

II. Background

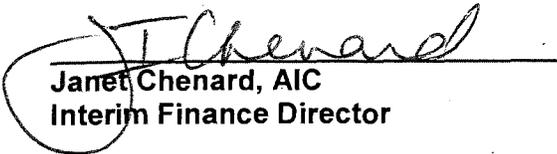
The City Council, on July 16, 2012, approved Ordinance 2012-14, amending Municipal Code Chapter 10.07 (Economic Improvement District), establishing a boundary, and imposing assessments on property within the Downtown Voluntary Economic Improvement District (EID). The EID provides specific benefits to the members of the District by promoting commercial activity and public events in the Downtown district. Pass through revenue billed for FY 14-15 is \$89,978.26.

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. The contract does not require City review of the agency's financial reports.

Attached is the second 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 14-15 EID Program second quarter report.

REVIEW AND CONCUR:

Janet Chenard, AIC
Interim Finance Director

REVIEW AND CONCUR:

Nancy Brewer
City Manager



A Main Street Community

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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
Greg Teune,
Holiday Inn Express
Luisa Arreola,
Footwise
Elizabeth Foster,
Town & Country Realty
Randy Joss,
KEZ19
Jennifer Moreland
Heartland Humane Society
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: 11 March 2015
Subject: 2014-2015 2nd Quarterly Report &
2012-17 Economic Improvement District

The Downtown Corvallis Association, was formed to provide economic development services for Downtown and to keep watch on Downtown vacancies and recruit potential business tenants for Downtown property owners. Services offered through the DCA are free of charge to DCA Members and members of the Corvallis community and provide enormous benefits to Downtown businesses, building owners, Downtown customers and to the entire community of Corvallis

The quality economic development services provided by The Downtown Corvallis Association help keep Downtown Corvallis more vibrant, attractive, and livable. Some of those services include: strategic business recruitment and retention activities, ongoing educational and business training, advocacy for Downtown businesses, promotional activities to increase pedestrian foot traffic, and events that give business' increased exposure to strengthen the Downtown's economy. To enhance relationships between of Downtown business owners/managers/employees, the DCA sponsors monthly get-togethers so Downtown folks can get better acquainted. Those get-togethers include, but are not limited to: monthly Membership meetings, Downtown After Hours, and Downtown Red Carpet Welcomes. Members frequently express their appreciation for the DCA offering these valuable services.

Since submitting the last Quarterly report, The DCA has hosted/sponsored three each: Downtown After Hours networking socials, Membership Meetings, Board of Directors meetings, Design Committee, Economic Enhancement, & Promotions/Marketing Committee meetings, Downtown Red Carpet Welcomes, Science Pub, and Festival of Trees Meeting. The DCA is poised to present the 24th Rhapsody in the Vineyard (Wine Walk) on 14 March 2015 which attracts attendees from throughout the State (& beyond!).

Downtown Corvallis property owners continue to (voluntarily) pay their Economic Improvement District (EID) assessments without which the DCA office doors could not remain open. For this, The DCA is eternally grateful to Downtown property owners. The DCA thanks City Staff for collecting and passing through those vital assessments.

DOWNTOWN CORVALLIS ASSOCIATION
BALANCE SHEET
 February 28, 2015

ASSETS

Checking and Savings accounts	272,409.41
Other Current Assets	350.20
Fixed Assets	2,745.52
Façade Improvements loans	0.00
UF Residential loans	19,166.00
Interior Development Loans	27,000.11
TOTAL ASSETS	<u>321,671.24</u>

LIABILITIES & EQUITY

Accounts Payable	0.00
Other Current Liabilities	31,847.26
Total Equity	289,823.98
TOTAL LIABILITIES & EQUITY	<u>321,671.24</u>

PROFIT AND LOSS
 February 28, 2015

	Month	Year-to- Date	Budget 2014-2015	Remaining Budget
INCOME				
General Revenue	8,106.56	94,425.83	135,625.00	41,199.17
Program Revenue	190.00	3,105.00	4,730.00	1,625.00
Red, White & Blues	0.00	31,827.97	35,000.00	3,172.03
Rhapsody	2,150.00	16,765.00	36,000.00	19,235.00
Promotions	0.00	0.00	1,500.00	1,500.00
TOTAL INCOME	<u>10,446.56</u>	<u>146,123.80</u>	<u>212,855.00</u>	<u>66,731.20</u>
EXPENSE				
Personnel	8,095.43	70,737.30	106,020.00	35,282.70
Services and supplies	1,678.08	14,802.01	29,180.00	14,377.99
Programs	5,459.63	7,813.24	14,100.00	6,286.76
Red, White & Blues	0.00	19,840.23	20,000.00	159.77
Rhapsody	1,539.00	10,919.14	8,000.00	(2,919.14)
Promotions/OSU	0.00	3,862.44	2,500.00	(1,362.44)
TOTAL EXPENSE	<u>16,772.14</u>	<u>127,974.36</u>	<u>179,800.00</u>	<u>51,825.64</u>
NET INCOME	<u>(6,325.58)</u>	<u>18,149.44</u>	<u>33,055.00</u>	<u>14,905.56</u>

Plus: Beginning unrestricted cash balance	(364.14)
Checking/Money Market	205,035.23
Held in reserve - Contingency Fund	3,000.00
Total beginning cash	<u>207,671.09</u>
Net Excess (deficit) budgeted for 2014-2015	<u>240,726.09</u>

Downtown Corvallis Association, Inc.

**Budget Comparison
As of February 28, 2015**

Month Of Feb	7/1/14 Through Feb 2015	7/1/13 Through Feb 2014	Annual Budget	Percent Annual Budget
Income				
General Revenue				
EID Receipts	4,225.36	65,941.03	64,283.13	90,000.00 73.3%
Improvement Contributions	0.00	800.00	800.00	0.00 0.0%
Membership Dues	3,460.00	24,051.25	29,839.00	40,000.00 60.1%
Interest Income	11.20	113.55	105.19	5.00 2271.0%
Rental Income - Sublet	410.00	3,480.00	2,870.00	4,820.00 72.2%
Miscellaneous	0.00	40.00	0.00	800.00 5.0%
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	8,106.56	94,425.83	97,897.32	135,625.00 69.6%
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	0.00	2,132.00	2,673.34	2,500.00 85.3%
Fund Raiser - DT After Hours	190.00	973.00	1,594.50	2,200.00 44.2%
Design Aesthetics	0.00	0.00	0.00	5.00 0.0%
Red, White & Blue	0.00	31,827.97	29,823.80	35,000.00 90.9%
Total Program Revenue	190.00	34,932.97	34,091.64	39,730.00 87.9%
Promotions Revenue				
Promotions - Misc	0.00	0.00	0.00	1,500.00 0.0%
Rhapsody in the Vineyard	2,150.00	16,765.00	15,463.00	36,000.00 46.6%
Total Promotions Revenue	2,150.00	16,765.00	15,463.00	37,500.00 44.7%
TOTAL INCOME	10,446.56	146,123.80	147,451.96	212,855.00 68.6%

Expense

Administration - Personnel

Personnel	6,934.00	59,588.38	53,272.43	79,000.00	75.4%
Accrued Vacation Expense	0.00	0.00	0.00	0.00	0.0%
Director - Medical Benefit	0.00	2,954.90	2,759.90	4,000.00	73.9%
Director - Expense	0.00	20.00	0.00	2,000.00	1.0%
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	243.10	1,526.90	1,204.40	4,000.00	38.2%
Staff Development	0.00	0.00	77.15	2,500.00	0.0%
Payroll taxes	726.48	5,056.76	4,527.21	7,800.00	64.8%
Workers Compensation	3.05	(54.44)	(54.20)	320.00	-17.0%
IRA Expense	188.80	1,644.80	1,510.40	2,400.00	68.5%
Total Personnel	8,095.43	70,737.30	63,297.29	106,020.00	66.7%

Administration - Services & Supplies

Accounting	183.30	1,607.40	1,584.00	3,000.00	53.6%
Accounting Review	0.00	0.00	925.00	2,300.00	0.0%
Bad Debt	0.00	0.00	0.00	0.00	0.0%
Bank Charges	0.00	0.00	0.00	10.00	0.0%
Subscriptions	0.00	118.23	60.00	350.00	33.8%
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	0.00	1,728.00	1,914.72	2,900.00	59.6%
Office Supplies	104.22	905.11	752.06	1,500.00	60.3%
Permits & Fees	45.00	502.00	498.00	620.00	81.0%
Postage	196.00	402.77	639.93	650.00	62.0%
Rent	810.00	6,480.00	6,480.00	9,600.00	67.5%
Utilities	67.00	556.06	526.32	850.00	65.4%
Miscellaneous	0.00	74.00	50.00	200.00	37.0%
Repair & Service Equipment	15.56	322.18	33.91	500.00	64.4%
Telephone/Cell	257.00	2,106.26	3,092.43	3,700.00	56.9%
Depreciation	0.00	0.00	0.00	0.00	0.0%
Total Services & Supplies	1,678.08	14,802.01	16,556.37	29,180.00	50.7%

Programs

Membership Drive	0.00	82.33	195.88	500.00	16.5%
Red Carpet Welcome	0.00	39.69	119.12	500.00	7.9%
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	161.50	961.31	1,192.90	1,500.00	64.1%
Design Committee	0.00	0.00	0.00	0.00	0.0%
Design Committee-Awards	0.00	40.00	83.07	300.00	13.3%
Mainstreet Expenses	33.71	385.44	836.28	800.00	48.2%
Mainstreet Dues	0.00	350.00	250.00	300.00	116.7%
EID Expense	0.00	123.44	123.44	0.00	0.0%
EID Task Force Expense	0.00	0.00	0.00	0.00	0.0%
EID Expense-City Collection Fee	3,585.00	3,585.00	3,585.00	4,500.00	79.7%
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	31.20	103.07	100.00	31.2%
Christmas Lights	0.00	0.00	0.00	100.00	0.0%
Flower Baskets	0.00	0.00	18.62	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	1,657.50	1,717.50	2,015.57	3,000.00	57.3%
Economic/Image Enhancement	21.92	497.33	765.71	2,500.00	19.9%
Total Programs	5,459.63	7,813.24	9,288.66	14,100.00	55.4%

Promotions					
Red, White & Blue	0.00	19,840.23	20,453.95	20,000.00	99.2%
Promotions - Misc	0.00	3,862.44	474.82	2,500.00	154.5%
Rhapsody in the Vineyard	1,539.00	10,919.14	10,800.74	8,000.00	136.5%
Total Promotions	1,539.00	34,621.81	31,729.51	30,500.00	113.5%
Total expense	16,772.14	127,974.36	120,871.83	179,800.00	71.2%
Excess (deficit) income over expense	(6,325.58)	18,149.44	26,580.13	33,055.00	
Plus: Beginning restricted/unrestricted cash balance				(364.14)	
Checking/Money Market				205,035.23	
Held in reserve-Contingency Fund				3,000.00	
Total beginning cash				207,671.09	
Net Excess (deficit) budgeted for 2014-2015				240,726.09	

Downtown Corvallis Association, Inc.
Balance Sheet
 As of February 28, 2015

03/06/15

	<u>Feb 28, 15</u>
ASSETS	
Current Assets	
Checking/Savings	
1010 · Cash - Umpqua Bank	40,929.70
1015 · MMF - Umpqua Bank	172,305.14
1050 · Cash - US Bank-Rhapsody	7,190.63
1104 · MMF-Citizens-Design Committee	2,646.72
1106 · Cash-Citizens-RW&B	23,990.71
1109 · MMF-Citizens-Facade/Upper Floor	
1109-1 · Designated City Funds	25,133.89
1109-2 · Undesignated Funds	212.62
Total 1109 · MMF-Citizens-Facade/Upper Floor	<u>25,346.51</u>
Total Checking/Savings	272,409.41
Other Current Assets	
1116 · Prepaid Expenses	
1120 · Rent	350.20
Total 1116 · Prepaid Expenses	<u>350.20</u>
Total Other Current Assets	<u>350.20</u>
Total Current Assets	272,759.61
Fixed Assets	
1258 · Fixed Asset	13,750.39
1259 · Accumulated depreciation	-11,004.87
Total Fixed Assets	<u>2,745.52</u>
Other Assets	
1700 · UF Residential Loans	
1738 · Reynolds Law Firm	19,166.00
Total 1700 · UF Residential Loans	<u>19,166.00</u>
1800 · Interior Development Loans	
1806 · Flat Tail	3,000.27
1807 · Brew BQ	500.11
1809 · Aqua	4,333.73
1810 · Reynolds Law Firm	19,166.00
Total 1800 · Interior Development Loans	<u>27,000.11</u>
Total Other Assets	<u>46,166.11</u>
TOTAL ASSETS	<u><u>321,671.24</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2111 · Pass-thru money	-216.34
2113 · Deferred RW&Blue	
2113-1 · Revenue	
2113-13 · Sponsors	500.00
Total 2113-1 · Revenue	<u>500.00</u>
Total 2113 · Deferred RW&Blue	500.00
2115 · Gift certificates o/s	2,500.44
2125 · Compensated Absences	25,920.00
2142 · Federal/FICA/Medicare	2,256.92
2143 · State Withholding	433.00
2144 · Federal Unemployment	44.21
2145 · State Unemployment	396.35
2146 · Workers Compensation	12.68
Total Other Current Liabilities	<u>31,847.26</u>

03/06/15

Downtown Corvallis Association, Inc.
Balance Sheet
 As of February 28, 2015

	Feb 28, 15
Total Current Liabilities	31,847.26
Total Liabilities	31,847.26
Equity	
3312 - Reserved - City loan \$	71,300.00
3318 - Undesignated funds	-3,835.80
3311 - Designated - Christmas	3,471.66
3900 - Retained Earnings	200,738.68
Net Income	18,149.44
Total Equity	289,823.98
TOTAL LIABILITIES & EQUITY	321,671.24

Downtown Corvallis Association, Inc. Income Statement February 2015

03/06/15

	Feb 15	Jul '14 - Feb 15
Ordinary Income/Expense		
Income		
General Revenue		
4110 - EID Receipts	4,225.36	65,941.03
4111 - Improvement Contributions	0.00	800.00
4120 - Membership dues	3,460.00	24,051.25
4141 - Interest income	11.20	113.55
4160 - Miscellaneous	0.00	40.00
4195 - Rental Income - Sublet	410.00	3,480.00
Total General Revenue	8,106.56	94,425.83
Program Revenue		
4260 - Fund Raiser		
4260-1 - Fundraiser	0.00	50.00
4260-2 - Snowflakes	0.00	2,082.00
Total 4260 - Fund Raiser	0.00	2,132.00
4265 - Fund Raiser - DT After Hours		
4265-1 - Entry Fees	190.00	829.50
4265-2 - Bucket of Bucks	0.00	143.50
Total 4265 - Fund Raiser - DT After Hours	190.00	973.00
4310 - Red, White & Blue		
4310-1 - Beer	0.00	7,004.00
4310-2 - Gate	0.00	11,173.80
4310-3 - Sponsors	0.00	3,935.00
4310-4 - Vendor	0.00	9,435.17
4310-5 - Miscellaneous	0.00	280.00
Total 4310 - Red, White & Blue	0.00	31,827.97
Total Program Revenue	190.00	34,932.97
Promotions Revenue		
4460 - Rhapsody in the Vineyard	2,150.00	16,765.00
Total Promotions Revenue	2,150.00	16,765.00
Total Income	10,446.56	146,123.80
Expense		
Administration		
Personnel		
5105 - Personnel	6,934.00	59,588.38
5120 - Director-Medical Benefit	0.00	2,954.90
5130 - Director-Expense	0.00	20.00
5150 - Volunteer expense	243.10	1,526.90
5180 - Payroll Taxes	726.48	5,056.76
5190 - Workers Compensation	3.05	-54.44
5195 - IRA Expense	188.80	1,644.80
Total Personnel	8,095.43	70,737.30
Services and supplies		
5410 - Accounting	183.30	1,607.40
5440 - Subscriptions	0.00	118.23
5460 - Office supplies	104.22	905.11
5470 - Permits & fees	45.00	502.00
5480 - Postage	196.00	402.77
5490 - Rent	810.00	6,480.00
5600 - Utilities	67.00	556.06
5610 - Miscellaneous	0.00	74.00
5620 - Repair & service equip.	15.56	322.18
5630 - Telephone/Cell	257.00	2,106.26
5456 - Equipment Lease	0.00	1,728.00
Total Services and supplies	1,678.08	14,802.01
Total Administration	9,773.51	85,539.31

03/06/15

Downtown Corvallis Association, Inc.
Income Statement
February 2015

	Feb 15	Jul '14 - Feb 15
Programs		
6110 - Membership Drive	0.00	82.33
6180 - Meetings & public relati	161.50	961.31
6185 - Red Carpet Welcome	0.00	39.69
6410 - Main Street Expense	33.71	385.44
6420 - Mainstreet Dues	0.00	350.00
6440 - EID Expense	0.00	123.44
6590 - Fund Raiser		
6590-1 - Fundraiser	0.00	60.00
6590-2 - Snowflakes	1,657.50	1,657.50
Total 6590 - Fund Raiser	1,657.50	1,717.50
6191 - Design Comm.-Awards	0.00	40.00
6445 - EID Expense-City Collection Fee	3,585.00	3,585.00
6570 - OSU Relations	0.00	31.20
6580 - Economic/Image Enhancement	21.92	497.33
Total Programs	5,459.63	7,813.24
Promotions		
7110 - Red, White & Blue		
7110-1 - Advertising	0.00	375.00
7110-2 - Entertainment	0.00	9,787.00
7110-3 - Infrastructure	0.00	3,110.75
7110-4 - Miscellaneous	0.00	2,921.00
7110-5 - Beer	0.00	3,131.73
7110-10 - Volunteer Expense	0.00	514.75
Total 7110 - Red, White & Blue	0.00	19,840.23
7120 - Promotions	0.00	3,862.44
7125 - Rhapsody in Vineyard	1,539.00	10,919.14
Total Promotions	1,539.00	34,621.81
Total Expense	16,772.14	127,974.36
Net Ordinary Income	-6,325.58	18,149.44
Net Income	-6,325.58	18,149.44

Day, Emely

From: Mullens, Carrie
Sent: Friday, April 03, 2015 8:02 AM
To: Day, Emely
Subject: FW: Minor correction to ASC package for April 8th

From: Richard Hervey
Sent: Thursday, April 02, 2015 5:25 PM
To: Ward 3; Ward 9; Ward 6; Ward 4; Mullens, Carrie; Mayor
Subject: Minor correction to ASC package for April 8th

Good Evening Coucilors,

I just wanted to make clear my role in your 1st ASC agenda item for April 8th, "Fossil Fuel/Social Sustainability Criteria".

I did not request that the City develop a Sustainability Criteria for its investments. The suggestion that we would need to develop sustainability criteria was staff's response to my expression of concern that the public would not approve of the Corporate Investment list in your packet as Exhibit C. My goal was only to make more public the list and to publicize its contents, so that community members could voice their concerns.

The first time that staff made this list more public, it was inserted into an ASC agenda which only those who really understood City business would recognize as a packet they would want to view. I asked that that portion be sent back to ASC for a public hearing.

I'm satisfied that including the topic in an ASC agenda under the title "Fossil Fuel/Social Sustainability Criteria" accomplishes what I set out to have happen.

Richard

--

Here's the deal: Forget that this task of planet-saving is not possible in the time required. Don't be put off by people who know what is not possible. Do what needs to be done, and check to see if it was impossible only after you are done. – Paul Hawken

Day, Emely

From: Holzworth, Carla
Sent: Tuesday, April 07, 2015 10:57 AM
To: Day, Emely
Cc: Mullens, Carrie; Brewer, Nancy
Subject: FW: Submission for ASC meeting Wed, April 8, on divestment from fossil fuels
Attachments: ASC 040815.docx; ATT00001.htm

For tomorrow's ASC meeting....

From: joel
Sent: Tuesday, April 07, 2015 9:31 AM
To: Holzworth, Carla
Subject: Fwd: Submission for ASC meeting Wed, April 8, on divestment from fossil fuels

Please include with stuff for ASC.
Thank you.

Sent from my iPhone

Begin forwarded message:

From: Marjorie Stevens
Date: April 6, 2015 at 10:27:22 PM PDT
To: joel hirsch , Barb Bull , Marjorie Stevens
Subject: Submission for ASC meeting Wed, April 8, on divestment from fossil fuels

Joel and Barbara, please forward this to Hal Brauner. I don't have an email address for him.

Attached is some information I would appreciate having considered on the topic of fossil fuel divestment. I plan to attend the meeting, but will have to leave early for another meeting at 2.

Also please forward to any city staff that would benefit from having this information prior to the meeting.

Thanks. Marge Stevens

To: Administrative Services Committee(ASC)

From: Marge Stevens

Date: April 7, 2015

Subject: City Investments – Social Investment and Fossil Fuels Criteria

A response to the three page Memo of March 30, 2015 from Janet Chenard, to the ASC for the meeting on April 8, 2015.

Background: I am addressing you on this topic from the following viewpoints :

A) I am a member of 350 Corvallis and signed the Fossil Fuel Divestment resolution document which was submitted to the city council,

B) I am a member of the Corvallis Sustainability Coalition's Economic Vitality Action Team

C) I am an officer of the Corvallis United Methodist Church Foundation (CUMF) Board of Directors, an organization which invests in Socially Responsible funds and is in the process of divesting from fossil fuels.

D) I am one of the authors of the Climate Action Plan, a foundational document considered by the Urban Services Committee (USC) and the City Council in adopting the 2015-2017 Council goal on climate

Comments:

1) The scope of this memo has been limited to a discussion of investments in fossil fuels. The ASC might be well served to broaden that scope to encompass the concept of Socially Responsible Investing. This is an area with a long history of investment experience and financial advisor expertise. The concept of fiduciary responsibility is expanding beyond the narrow concept of highest rate of return. If the city council wishes to direct the investment of funds for the benefit of the citizens of Corvallis in ways defined by social responsibility, as well as rate of return, I recommend the ASC or full council request information from a qualified Financial Adviser familiar with Socially Responsible Investing, to identify screens that direct investments into only those funds which are compatible with the identified values. This may include fossil fuel holdings, and also concepts like fair working conditions (as brought up by Richard Hervey with Walmart) or other criteria.

2) The memo from Ms. Chenard lists alternatives for each of the three investment groups – Direct Investment, LGIP, and PERS and also for other entities. Some of these alternatives include drafting a letter to State Treasurer Ted Wheeler. The accompanying documentation illustrates Treasurer Wheeler's reticence toward the strategy of divestment. I submit that if the ASC chooses this alternative, that the correspondence to him include comments on his non—cooperation in response to requests for divestment from fossil fuels. In addition, because of the Treasurer's history, letters should also be written to the Corvallis area's Oregon State Senators, Representatives, and the Governor, for greater impact..

Action Requested: In response to the resolution submitted by 350 Corvallis, and considering the memo from Ms. Chenard, I suggest the following actions:

Short term:

- 1) City's Direct Investments – adopt alternative b and the draft language submitted by Ms. Chenard to modify Investment Policy 10.08 under Suitable Investments, as presented in Exhibit F
- 2) LGIP and PERS – write letters to State Treasurer Wheeler, State Senator Gelser, State Representative Rayfield, (and other elected officials if they represent portions of Corvallis) and Governor Brown asking the State to Divest of fossil fuel companies for the LGIP and PERS. Send copies to the city councils in Ashland and Eugene.

Long term:

- 1) Seek the services of an Investment Adviser* who is an expert on Socially Responsible Investing, to inform the ASC (or full council) on next steps for deliberations and actions on establishing Socially Responsible screening criteria, including fossil fuel free investments, for all city funds. Follow up on that information through a transparent deliberative public process.
- 2) Establish regular communication with representatives from the city councils in Ashland and Eugene and other Oregon Cities or governmental entities who are pursuing divestment from fossil fuels, with the agreement to keep each other informed as efforts toward this goal develop.
- 3) Follow up the correspondence with Treasurer Wheeler and other elected State Officials on a regular basis, perhaps quarterly, for status updates on any progress being made in the fossil fuel divestment movement.

* I am available to serve as a resource for city staff to discuss my personal experiences with Socially Responsible Investing in my capacity as an officer of the CUMF Board.

Thank you.

Day, Emely

From: Chenard, Janet
Sent: Wednesday, April 08, 2015 9:34 AM
To: 'Winograd, Kenneth'; Ward 4; Ward 6; Ward 9
Cc: Kris Paul ; Bob Ozretich ; Borradaile, Glencora - ONID; Clinton, Richard; Kali Doten ; Brewer, Nancy; Day, Emely; joelhirsch
Subject: RE: divestment resolution city revised april 7
Attachments: DWG divestment resolution revised april 7.pdf

Thank you for the updated document you sent to Councilor Hirsch and me. The only program I could find to open the document format you sent was MS Word, and unfortunately the track changes did not show up? In any event, I have pdf'd it to share in a more conducive/accessible format for Councilor emails, and appended it hereto. Your group is absolutely welcome to come to the ASC meeting at 1pm today and provide brief testimony on this topic.

I am forwarding your email and your proposed resolution document to Councilors Brauner and Bull, but will also bring hard copies of both to the meeting in case they do not get a chance to see this in advance. Thanks again, and see you in a few hours.

Janet Chenard
Interim Finance Director
City of Corvallis
Ph: 541-766-6990 x-5051
E: Janet.Chenard@corvallisoregon.gov

From: Winograd, Kenneth
Sent: Wednesday, April 08, 2015 9:12 AM
To: joelhirsch@gmx.com; Chenard, Janet
Cc: Kris Paul ; Bob Ozretich ; Borradaile, Glencora - ONID; Clinton, Richard; Kali Doten
Subject: divestment resolution city revised april 7

Hello Joel and Janet,
 The 350 Corvallis Divestment Working Group (DWG) read Janet's report and recommendation to the council regarding our recommended fossil fuel divestment resolution.
 The revised resolution reflects recommendations/suggestions (directly and/or indirectly made) in the report (see attached with track changes showing modifications). If you could forward this document to Barbara Bull and Hal Brauner, thanks.

We have removed the demand that the city give LGIP two years to expunge its holdings in fossil fuel before Corvallis would take its own action, before the city pulled out its money.

The resolution now is equivalent in spirit and emphasis to the Ashland and Eugene resolutions: a series of statements declaring the seriousness/urgency of the crisis; a commitment to divest or cease planned investments by the city in individual fossil fuel stocks; and then several statements that the city *urge* Ted Wheeler and other state public institutions to divest. We feel that the revised resolution represents a reasonable set of declarations and aspirations by the city.

Our group will be at the one pm meeting on Wed of the ASC. Would we have a few minutes to clarify the changes in the proposed resolution?

Thanks,
Ken Winograd

RESOLUTION NO. 2014-_____**A RESOLUTION IN SUPPORT OF FOSSIL FUEL DIVESTMENT****RECITALS:**

- A. The climate crisis is a serious threat to current and future generations here in Ashland and around the world.
- B. The Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report found that global warming is already causing costly disruption of human and natural systems throughout the world.
- C. One hundred and fourteen (114) governments in the world have signed the International 2009 Copenhagen Agreement that any warming above a 2°C (3.6°F) rise would be unsafe. Furthermore, scientific analysis suggest that humans can only emit about 565 more gigatons of carbon dioxide into the atmosphere to maintain that limit.
- D. For the purposes of this resolution, a “fossil fuel company” shall be defined as any of the two hundred publicly-traded companies with the largest coal, oil and gas reserves found at the Fossil Free Indexes (<http://fossilfreeindexes.com/>).
- E. In its “Unburnable Carbon” report, the Carbon Tracker Initiative found that fossil fuel companies possess proven fossil fuel reserves that would release approximately 2,795 gigatons of CO₂ if they are burned, which is five times the amount that can be released without exceeding 2°C of warming.
- F. The City of Ashland believes that its investments should support a future where all citizens can live healthy lives without the negative impacts of climate change.
- G. The City of Ashland does not now directly invest in any fossil fuel companies.

THE CITY OF ASHLAND RESOLVES AS FOLLOWS:

SECTION 1. The Oregon Short Term Fund Board should review and consider divestment of directly held or commingled assets that include holdings in fossil fuel public equities and corporate bonds.

SECTION 2. The PERS Board and the Oregon Investment Council should review and consider divestment of directly held or commingled assets that include holdings in fossil fuel public equities and corporate bonds.

SECTION 3. The City shall send a copy of this Resolution, along with a cover letter signed by the Mayor, to the Oregon Short Term Fund Board and PERS Board urging them to review and consider their position on divesting their holdings from fossil fuel companies.

SECTION 4. The State Legislature should consider enacting state legislation that requires consideration of divestment of statewide retirement funds (PERS) from fossil fuel companies and such investments in the future. The City shall send this resolution and a letter of support for consideration of future divestment legislation to elected state officials.

SECTION 5. This resolution was duly PASSED and ADOPTED this ____ day of _____, 2014, and takes effect upon signing by the Mayor.

Barbara Christensen, City Recorder

SIGNED and APPROVED this ___ day of _____, 2014:

John Stromberg, Mayor

Reviewed as to form:

David Lohman, City Attorney

ATTACHMENT A**RESOLUTION NO. _____****A RESOLUTION IN SUPPORT OF FOSSIL FUEL DIVESTMENT.****The City Council of the City of Eugene finds that:**

A. The climate crisis is a serious threat to current and future generations here in Eugene and around the world.

B. The Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report found that global warming is already causing costly disruption of human and natural systems throughout the world including the melting of Arctic ice, the ocean's rise in acidity, flooding and drought.

C. Almost every government in the world has agreed through the 2009 Copenhagen Accord that any warming above a 2⁰C (3.6⁰F) rise would be unsafe, and that humans can only pour about 565 more gigatons of carbon dioxide into the atmosphere to maintain this limit.

D. For the purposes of this resolution, a "fossil fuel company" shall be defined as any of the two hundred publicly-traded companies with the largest coal, oil and gas reserves as measured by the gigatons of carbon dioxide that would be emitted if those reserves were extracted and burned, as listed in the Carbon Tracker Initiative's "Unburnable Carbon" report.

E. In its "Unburnable Carbon" report, the Carbon Tracker Initiative found that fossil fuel companies possess proven fossil fuel reserves that would release approximately 2,795 gigatons of CO₂ if they are burned, which is five times the amount that can be released without exceeding 2⁰C of warming.

F. The City of Eugene has a responsibility to protect the lives and livelihoods of its inhabitants from the threat of climate change.

G. The City of Eugene adopted Resolution No. 5064 in support of reducing greenhouse gas pollution under the Clean Air Act.

H. The City of Eugene is considering an Ordinance on Climate Recovery.

I. The City of Eugene believes that its investments should support a future where all citizens can live healthy lives without the negative impacts of a warming environment.

J. The City of Eugene does not now directly invest in any fossil fuel companies.

NOW, THEREFORE,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EUGENE, a
Municipal Corporation of the State of Oregon, as follows:**

Section 1. It is the policy of the City of Eugene not to directly invest in fossil fuel companies.

Section 2. The Oregon Short Term Fund Board and the Oregon Investment Council should ensure that none of its directly held or commingled assets include holdings in fossil fuel public equities and corporate bonds within 5 years as determined by the Carbon Tracker list.

Section 3. The PERS Board and the Oregon Investment Council should ensure that none of its directly held or commingled assets include holdings in fossil fuel public equities and corporate bonds within 5 years as determined by the Carbon Tracker list.

Section 4. The City shall send a copy of this resolution, along with a cover letter signed by the Mayor and Council, to the Oregon Short Term Fund Board and PERS Board urging them to divest their holdings from fossil fuel companies over a period of 5 years.

Section 5. The State Legislature should enact state legislation requiring divestment of statewide retirement funds (PERS) from fossil fuel companies and precluding such investments in the future. The City shall send this resolution and a letter of support for future divestment legislation to elected officials including Governor Kitzhaber, Senator Beyer, Senator Edwards, Senator Prozanski, Representative Barnhart, Representative Holvey, Representative Hoyle, Representative Lively, Representative Nathanson and State Treasurer Ted Wheeler.

Section 6. This Resolution is effective immediately upon its passage by the City Council.

The foregoing Resolution adopted on the __ day of July, 2014.

City Recorder