



ADMINISTRATIVE SERVICES COMMITTEE

Agenda

Wednesday, June 5, 2013

3:30 pm

Madison Avenue Meeting Room
500 SW Madison

- | | |
|------------------------------------|--|
| Discussion/ Possible Action | I. Third Quarter Operating Report
(Attachment) |
| Discussion/ Possible Action | II. Single-Use Plastic Carryout Bags Ordinance
Exemption Requests |
| Information | III. Other Business |

Next Scheduled Meeting

Wednesday, June 19, 2013 at 3:30 pm

Madison Avenue Meeting Room, 500 SW Madison Ave

Agenda

Single-Use Plastic Carryout Bags Ordinance Exemption Requests

MEMORANDUM

May 22, 2013

TO: Administrative Services Committee
FROM: Nancy Brewer, Finance Director *NB*
SUBJECT: Third Quarterly Operating Report

I. Issue

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

II. Discussion

The Third Quarterly Operating Report (QOR) has been published on the City's web site and is available for review. Revenues at the end of the third quarter of the fiscal year are about 61% of budgeted total revenues. Operating revenue of \$54 million received year-to-date is almost exactly the same total dollars as in prior years, but higher transient room tax receipts and charges for service revenues served to offset lower property tax and grant revenues.

Operating expenditures across departments were roughly as expected and comparable to the prior year at about 67% of the amended budget. While every department except the Library and the City Manager's Office was carrying at least one vacancy at quarter end (for a 6% vacancy rate Citywide), personnel service savings are not as significant as they have been in prior years due primarily to increases in healthcare costs over budgeted levels as well as higher casual and overtime costs associated with backfilling for vacant positions. Many regular staff recruitments are still on hold since each position must be justified in this fiscally constrained time, and some hiring has been delayed deliberately in order to achieve offsetting savings for the known higher health costs being incurred this fiscal year.

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

- Property tax revenue is not performing as expected:
 - The news about the Hewlett-Packard valuation appeal received by the City on May 20, 2013 is not reflected in this QOR which runs through March 31, 2013. The City's share of the appeal is around \$2.4 million, expected to be deducted from FY 13-14 property tax turnovers. More information will be forthcoming to City Council as part of the FY 13-14 budget adoption process.
 - Permanent rate property tax collections are currently lagging last year's revenues by about \$12,000 as of the end of the third quarter. Assessed value growth would have suggested revenues should be around 0.5% higher year-to-date, but thus far collections are at only 92% of budget, versus last fiscal year's level of 95%. The City is also seeing nearly \$100,000 less in prior year delinquency collections than last year at this time. It is possible that both lower current year and lower prior year delinquent payments are the result of financial hardship.
 - Benton County informed City staff in the third quarter of FY 12-13 that an approximately \$95,000 refund related to a successful valuation appeal on properties in the Timberhill development area, will be deducted from the City's May turnover.

The impacts from these three property tax related actions will be addressed in staff's report on the FY 13-14 budget.

- 9-1-1 Emergency Communications Fund – Personnel Services spending is running higher than expected due to contractual COLA's and 2012 healthcare premium increases exceeding budget, as well as State excise taxes for 9-1-1 coming in lower than forecast. An authorized position has been held vacant throughout the year in order to ensure appropriations are not exceeded, but these savings have also been partly offset by commensurate overtime to cover the vacancy as well as the cashout of a substantial accrual bank for an unexpected dispatcher retirement. The Fund Balance is likely adequate to absorb the above situations in FY 12-13 but may lead to increased charges to users in the short term to cover costs in future years. Increased charges to users will primarily be borne by the City of Corvallis as the largest user of 9-1-1 services.

- The Community Development Revolving Fund has continued its negative cash and fund balance position in the third quarter, due to the HOME grant reimbursement lag, inadequate grant coverage of project-related overhead, and requirements to first spend program income before grant proceeds. It appears that the Fund is likely to require an interfund loan in FY 12-13 to ensure a positive year-end balance. The Fund Manager is also in the process of implementing other service and program changes to attain long-term fiscal sustainability. More information will come to the City Council prior to fiscal year end for input and approval on a proposed approach.

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

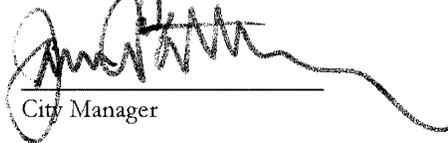
The Capital Project budget is nearly 27% expended at the end of the third quarter. Capital project work and the related spending tend to fluctuate each year, with delays causing carry-overs to future years or savings from conservative budgeting typically resulting in less than 100% of budget being accomplished. The following projects were completed by the end of the third quarter: decommissioning (with no detection of contaminated soil or leaks found) of the underground storage tank, which is a precursor to the City Hall Parking Lot reconstruction project which will proceed in June 2013; construction of a traffic signal at 26th Street and Western Boulevard intersection; design for replacement of an existing undersized 8-inch pipe running east to west on Greeley Avenue; and improvements to Shooting Star trail in the Timberhill area.

The Quarterly Operating Report also includes an update on the status of City Council Goals as of March 31, 2013.

III. Requested Action

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

Review & Concur:



City Manager

THIRD QUARTERLY OPERATING REPORT FISCAL YEAR 2012-2013

EXECUTIVE SUMMARY

May 20, 2013

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

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

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

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

The Federal Open Market Committee (FOMC) statement released in March suggests that the economy is experiencing moderate growth following a pause late last year. Although the unemployment rate is still elevated, labor market conditions are showing some improvement. At 6.1% unemployment in March, on a seasonally adjusted basis, (a 0.1% decrease from the previous month), Corvallis continues to fare better than the State and the Nation. Household spending and the housing sector have strengthened, but fiscal policy continues to be restrictive. Inflation has been running slightly below the Committee's long-term objective of 2%, apart from temporary variations that create energy price fluctuations, but longer-term inflation expectations have remained stable. The FOMC expects that, with appropriate policy accommodation, economic growth will proceed at a moderate pace and the unemployment rate will gradually decline toward levels the Committee deems consistent with its statutory mandate to foster maximum employment and price stability. The Committee will continue to monitor incoming information on economic and financial developments and has decided to keep the target range for the federal funds rate exceptionally low (i.e., in the 0 to quarter percent range) as long as the national unemployment rate remains above 6.5%, and inflation projections deviate from the Committee's longer-run goal.

Overall, the City's financial performance through the third quarter of the fiscal year generally has been as expected. Revenue and expenditure timing is similar to historical patterns (i.e., Parks & Recreation usually spends more than 25% of its budget in the busy summer months; the majority of Property Tax revenue is received in the second quarter). There has been an increase in Charges for Service revenues, which was largely driven by development project application fees, but is higher in nearly all funds contributing to a nearly \$781,790 increase over last year and a slightly greater percentage of budget overall than forecast. Miscellaneous revenue received is significantly greater when compared to last year, primarily attributed to Business Energy Tax Credits received this fiscal year but pertaining to prior year Transit operations. Another difference related to budgeted expectations relates to three utility-backed loans in the Water and Wastewater Funds that were refunded in November. The approximate \$12.3 million in proceeds from the 2012 Full Faith & Credit Refunding Obligations are reflected in other financing sources and produced a net present value savings to the City of roughly \$1,579,690.

As of the end of the third quarter for the fiscal year, total operating expenditures are 67% of budgeted expenditures, and are approximately \$849,270 lower than last year's spending levels, driven primarily by less capital outlay, special project expenditures and savings due to personnel vacancies, as well as other department budget reductions achieved as part of the FY 12-13 adopted sustainable budget. The Fire Department spent much less on capital outlay and special projects (i.e., fewer vehicle replacements were made) than in FY 11-12. Community Development housing grant-related expenditures were less than 40% of budgeted levels in both fiscal years. Grant funding was provided for nine non-profit agency activities through the CDBG Human Services Fund, CDBG Microbusiness program funding for Linn-Benton Community College, Community Housing Development Organization (CHDO) operating funding for Willamette Neighborhood Housing Services (WNHS), and CDBG and HOME funding for WNHS's Lancaster Bridge (capital) project. Six loans and thirteen grants have closed through the third quarter, so related payouts are expected to pick up

in the latter part of the year. Nevertheless, it remains unlikely that the full appropriations established for Housing loan allocations through the Adopted Budget will be used.

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

REVENUE	AMENDED BUDGET	3rd Quarter FY 12-13	UNAUDITED FY 12-13	FY 12-13 % REC/EXPEND	Y-T-D FY 11-12	FY 11-12 % REC/EXPEND
Budgeted Fund Balance	\$28,532,414					
Property Taxes	\$23,904,680	\$1,240,673	\$21,859,581	91.44%	\$22,858,741	94.48%
Other Tax	1,270,650	249,283	872,134	68.64%	805,558	69.98%
Licenses/Permits	8,740,150	2,227,484	5,970,936	68.32%	5,815,594	72.46%
System Development Charges	1,989,780	296,645	1,380,531	69.38%	2,261,358	166.89%
Charges for Service	37,738,370	8,621,716	28,655,457	75.93%	27,873,673	75.32%
Intergovernmental	17,333,633	2,442,818	8,164,927	47.10%	8,196,066	45.76%
Fines/Forfeitures	1,283,410	307,372	847,039	66.00%	931,548	67.22%
Miscellaneous	2,767,850	381,491	2,395,544	86.55%	2,352,156	73.37%
Other Financing Sources/Transfers in	24,023,308	459,801	19,043,632	79.27%	8,897,064	63.33%
TOTAL CURRENT REVENUE	\$119,051,831	\$16,227,283	\$89,189,782	74.92%	\$79,991,758	73.87%
EXPENDITURE BY DEPARTMENT						
City Manager's Office	\$3,302,670	\$577,311	\$2,247,242	68.04%	\$2,171,013	70.94%
Community Development	7,626,640	1,612,235	4,223,334	55.38%	4,345,938	49.89%
Finance	4,790,210	1,135,437	3,427,587	71.55%	3,565,110	71.06%
Fire	10,455,220	2,480,615	7,514,812	71.88%	8,379,326	73.60%
Library	6,054,010	1,375,693	4,232,018	69.90%	4,257,713	64.89%
Park & Recreation	6,078,310	1,242,647	4,102,451	67.49%	4,229,835	69.38%
Police	13,031,970	2,990,757	9,433,918	72.39%	9,352,783	71.23%
Public Works	29,744,922	5,709,792	19,052,078	64.05%	19,014,885	62.59%
Non-Departmental	1,512,927	329,226	1,155,370	76.37%	921,472	67.39%
TOTAL OPERATING EXPENDITURES	\$82,596,879	\$17,453,713	\$55,388,810	67.06%	\$56,238,075	65.62%
Debt Service	\$4,734,140	\$25,530	\$2,586,781	54.64%	\$4,402,308	53.80%
Capital Projects	9,687,779	576,687	2,598,536	26.82%	4,956,086	40.48%
Transfers Out / Other Financing Uses	26,228,831	475,408	21,214,731	80.88%	8,889,039	63.27%
Contingencies/Reserves	1,611,260	0	0	0.00%	0	0.00%
TOTAL ALL EXPENDITURES	\$124,858,889	\$18,531,338	\$81,788,858	65.51%	\$74,485,508	61.28%
CURRENT REVENUES LESS						
TOTAL EXPENDITURES	(\$5,807,058)	(\$2,304,055)	\$7,400,924		\$5,506,250	

In general, the status of the City's finances was in line with expectations at the end of the third quarter. Year-to-date revenues of \$89,189,782, are at 74.92% of the Amended Total Revenue Budget of \$119,051,831. The Amended Budget reflects the adopted budget, plus any amendments approved by the City Council via resolution during the course of the fiscal year. In the first nine months of FY 12-13, the following amendments to the budget were approved:

Date	Amendment Type	Resource	Fund	Department	Net Expenditure Impact
7/2/2012	Res - Grant	EPA Grant	Storm Water	Public Works	\$ 45,620
7/16/2012	Res - Grant	ODOT Grant	Transit	Public Works	\$ 8,964
8/6/2012	Res - Grant	State of Oregon EUDL Grant	General	Police	\$ 4,760
9/4/2012	Res - Grant	FEMA Homeland Security	Fire & Rescue	Fire	\$ 4,504
11/4/2012	Res - Grant	FEMA Office of Emerg Mgmt	CIP	Parks & Rec	\$ 193,911
11/19/2012	Res - 2012 Refunding Obligations	Proceeds of Debt Issuance	Water & Wastewater	Public Works	\$ 12,289,035
11/19/2012	Res - Donation	Anonymous Donor	Parks & Recreation	Parks & Rec	\$ 9,000
12/3/2012	Res - Grant	Oregon Water Resources	Wastewater	Public Works	\$ 38,632
2/4/2013	Res - Payment	NW Natural Gas	Parks & Recreation	Parks & Rec	\$ 141,180
3/18/2013	Res - Grant	ODOT Grant	General	Police	\$ 142,210
				Total Increase	\$ 12,877,816

Significant revenue highlights include:

- **Property taxes** totaled \$21,859,581 through the third quarter, which equals 91.44% of the budgeted property tax revenue. The majority of property taxes for the fiscal year are typically collected in the first half of the fiscal year. Year-to-date property tax revenues are about \$1 million less than last fiscal year's results for the same time period, due primarily to a lower debt levy

amount based on the front-loaded structure of debt service payments for the 2009 General Obligation refunding bonds, and the planned decline in the amortization commencing in FY 12-13. It should be noted that prior year delinquent account collections are lagging last fiscal year by about \$100,000 year-to-date, but the decrease is partly offset by the 0.5% increase in current year permanent rate levy revenues based on assessed value growth.

- **Other Taxes** are collected from hotels in the form of room taxes and totaled \$872,134 or 68.64% of budget and are comparable to last fiscal year-to-date as of third quarter-end. When summer seasonality and year-end accruals are taken into account, as well as good attendance at fall sporting events, and some signs of mild economic recovery, it is staff's expectation that this revenue source is on track to exceed budget by fiscal year end.
- **Licenses, Fees and Permits** totaled \$5,970,936 which represents 68.32% of the amended budget and is below budget as a percentage received when compared with the same time last year. The largest portion of this category is franchise fees, which are under-performing year-to-date primarily due to utility conservation efforts and decreasing land line use, and are thus currently expected to end up lower than budget on a revised basis. The transportation maintenance and sustainability initiative fees are on target, and Development Service permit fees are expected to begin trending higher due to an increase in projects received during the third quarter.
- **System Development Charges** were \$1,380,531 which represents 69.38% of the amended budget and is slightly below projections. In FY 11-12, the higher percentage of actuals YTD compared to budget was due to un-forecasted increased development for off-campus student housing. SDC income, being of restricted use, has been isolated here and in the income statements from "other charges for service" so as to ensure the understanding that this significant incremental dedicated funding source is not available for operational spending.
- **Charges for Services** (not including SDC's) were \$28,655,457, which represents 75.93% of the amended budget. These revenues are on target as a percentage of budget and include: receipt of the full amount of the Benton County Record Services payments for various police services; an increase over anticipated revenue due to higher benefit payment reimbursement stemming from post-'92 hire retirements and Parks Seasonal eligibility for COBRA; a payment received from Benton County for its share of support for the Economic Development program; and higher than anticipated Fleet charge collections.
- **Intergovernmental** revenues are below target at \$8,164,927. At 47.10% of budget however, receipts are very comparable to the same time last year. The receipt of grant monies tends to be volatile and highly dependent on timing of related expenditures. For example, a State of Oregon grant related to Wastewater management and an Environmental Protection Agency's Green Streets Initiative grant are expected to be received later in the fiscal year.
- **Fines & Forfeiture** receipts related to Municipal Court remain under budget and lower than last year due primarily to fewer traffic and parking fines issued, partly as a result of patrol staffing vacancies. However, now with fully staffed parking enforcement, as well as a significant fine increase for violations in residential parking districts that went into effect September 24th, and additional home football games, revenues are expected to rebound slightly. While some improvement continues to be noted from concentrated efforts related to collections in the past several years, after turning over about \$2 million in traffic and \$500 thousand in parking delinquencies, these accounts have 89% and 63% of their respective balances still outstanding.
- **Interest earnings** totaled \$224,419 at the end of the third quarter, which represents 98.95% of budgeted interest and is about 146% of last year's earnings at this same point in time. The City's investment advisory firm has helped bolster what earnings there are in this category; however, the market continues to hover at historic lows, and this situation is expected to prevail through at least mid-2015 according to the Federal Open Market Committee.

Operating expenditures for all funds totaled \$55,388,809 or 67.06% of the Amended Operating Expenditure Budget which is lower than last year in total dollars expended but slightly above as a percentage of budget. These results are primarily due to less spending this fiscal year early in the year on special projects and capital outlay. Also, while Community Development typically under-expend its grant appropriations due to the length of time to fruition of housing loan projects, the department is also experiencing lower grant allocation availability in recent years, particularly for administrative cost coverage, so is being even more cost-conscious than usual at this point in the year. Non-operating expenditures, which include capital projects, transfers, debt service, and contingency, totaled \$26,400,048 or 62.47% of the \$42,262,010 Amended Non-Operating Budget. In total, expenditures through the third quarter were \$81,788,856 or 65.51% of the \$124,858,889 budgeted, compared to 61.28% for the third quarter of last fiscal year. A breakdown of departmental expenditures by category is provided below:

OPERATING EXPENDITURES BY DEPARTMENT

DEPARTMENT	AMENDED BUDGET	PERSONNEL SERVICES	SUPPLIES & SERVICES	CAPITAL OUTLAY	TOTAL EXPENDITURES	% OF AMENDED BUDGET
<i>Total Budget by Category</i>		\$46,203,880	\$33,732,829	\$2,660,170	\$82,596,879	
City Manager's Office	\$3,302,670	\$919,866	\$1,327,377	\$0	\$2,247,242	68.04%
Community Development	7,626,640	2,642,368	1,532,923	48,043	4,223,334	55.38%
Finance	4,790,210	2,364,118	1,063,469	0	3,427,587	71.55%
Fire	10,455,220	6,274,882	1,239,929	0	7,514,812	71.88%
Library	6,054,010	2,916,475	1,315,543	0	4,232,018	69.90%
Parks & Recreation	6,078,310	2,683,565	1,418,886	0	4,102,451	67.49%
Police	13,031,970	7,207,503	2,039,044	187,370	9,433,918	72.39%
Public Works	29,744,922	8,449,620	9,651,808	950,650	19,052,078	64.05%
Non Department	1,512,927	0	1,155,370	0	1,155,370	76.37%
TOTAL	\$82,596,879	\$33,458,398	\$20,744,348	\$1,186,064	\$55,388,809	67.06%
Percent of Budget		72.41%	61.50%	44.59%	67.06%	

Significant expenditure highlights include:

- **Personnel Services** totaled \$33,458,398 or 72.41% of the amended budget of \$46,203,880 and though lower in total dollars spent was slightly higher as a percent of budget than in FY 11-12. Spending decreased \$128,770 primarily due to vacancies throughout the City serving to offset higher healthcare costs. Payroll expenditures are expected to stay relatively close to the FY 11-12 actuals through FY 12-13 based on Exempt, AFSMCE, IAFF, and CPOA agreeing to no COLA increases and flat to declining health benefit premiums in calendar 2013. The CRCCA agreement for FY 12-13 was still pending at the end of the quarter.
- **Supplies and Services** totaled \$20,744,348 or 61.50% of the amended budget of \$33,732,829. The dollars spent in FY 12-13 are approximately 2.3% lower than the amount spent in FY 11-12 due to fewer special projects and an eye toward attaining a sustainable budget.
- **Capital Outlay** totaled \$1,186,064 or 44.59% of the amended budget of \$2,660,170. The dollars spent in FY 12-13 are approximately \$233,217 less than in FY 11-12 due in part to the timing of planned purchases for additional vehicles for the Police and Public Works departments. Capital purchases do not tend to follow a regular pattern other than to sometimes weight toward the end of the fiscal year if practical, to ensure that sufficient budget remains for the acquisition.

NON OPERATING EXPENDITURES

- **Capital projects** totaled \$2,598,536 or 26.82% of the amended budget of \$9,687,779. Capital project expenditures tend to fluctuate year-over-year, and there are always projects that are either carried forward into following years or simply do not come to fruition. For FY 12-13, several projects have been carried forward to FY 13-14 or will be initiated in the last quarter.
- **Debt service** payments totaled \$2,586,781 or 54.64% of the total budget of \$4,734,140, which, though a lower dollar amount in total due to less debt outstanding, is aligned with the percentage of budget spent at the same time last fiscal year.
- **Transfers and Other Financial Uses** totaled \$21,214,731 or 80.88% of the amended budget of \$26,228,831. The majority of the transfers are related to capital projects. Other Financial Uses are related to the bond refunding identified previously. See the Capital Improvement Program section for information on the status of capital projects.

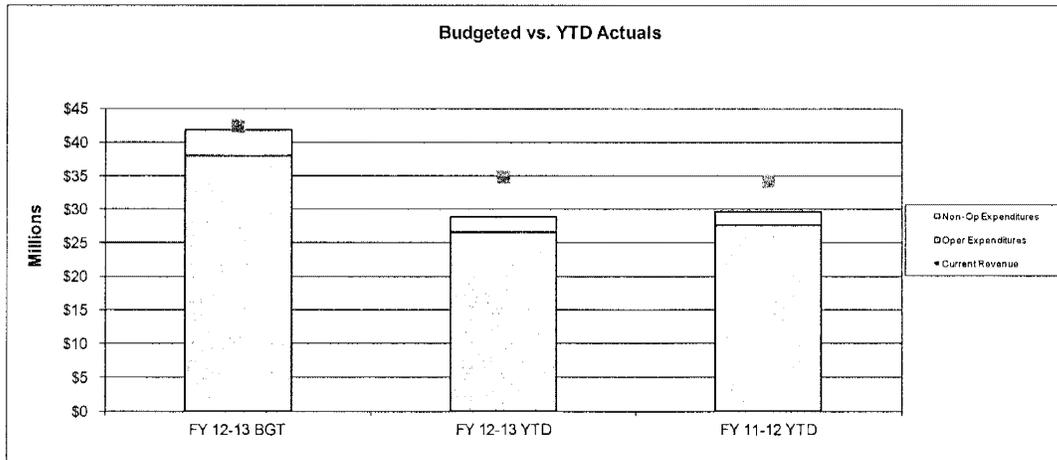
Please note that a [reader's guide](#) to some of the terminology used throughout the report is available through the hyperlink provided. As always, if you have questions or concerns about the information in this report, please do not hesitate to contact me at (541) 766-6990 or via e-mail at nancy.brewer@corvallisoregon.gov.

Nancy Brewer
Finance Director

PROPERTY TAX FUNDS COMBINED*

REVENUE	AMENDED BUDGET	3rd Quarter FY 12-13	UNAUDITED FY 12-13	FY 12-13 % REC/EXPEND	3rd Quarter FY 11-12	Y-T-D FY 11-12	FY 11-12 % REC/EXPEND
Budgeted Fund Balance	\$5,271,580						
Property Taxes	\$21,002,640	\$1,097,482	\$19,238,067	91.60%	\$1,284,406	\$19,250,502	94.95%
Other Tax	1,270,650	249,283	872,134	68.64%	238,040	805,558	69.98%
Licenses/Permits	5,708,610	1,594,886	3,740,768	65.53%	1,624,154	3,783,042	67.25%
Charges for Service	5,856,500	1,119,930	4,639,943	79.23%	1,099,800	4,366,130	79.82%
Intergovernmental	4,307,570	539,074	3,272,576	75.97%	564,229	3,315,745	66.92%
Fines/Forfeitures	830,110	188,441	512,773	61.77%	208,919	605,614	62.02%
Miscellaneous	574,030	94,455	459,314	80.02%	165,936	405,384	107.00%
Other Financing Sources	2,845,350	183,201	2,076,918	72.99%	104,722	1,667,111	86.11%
TOTAL CURRENT REVENUE	\$42,395,460	\$5,066,752	\$34,812,492	82.11%	\$5,290,207	\$34,199,088	83.89%
EXPENDITURE BY DEPARTMENT							
City Manager's Office	\$380,000	\$54,005	\$125,036	32.90%	\$0	\$0	0.00%
Community Development	1,311,410	308,236	915,296	69.79%	302,061	955,017	70.40%
Finance	629,740	156,105	452,212	71.81%	167,327	501,629	74.02%
Fire	10,455,220	2,480,615	7,514,812	71.88%	2,872,923	8,379,326	73.60%
Library	6,023,510	1,375,650	4,202,085	69.76%	1,400,814	4,257,713	65.19%
Parks and Recreation	6,078,310	1,242,647	4,102,451	67.49%	1,231,299	4,229,835	69.38%
Police	10,499,190	2,382,902	7,570,044	72.10%	2,454,248	7,569,616	71.43%
Public Works	1,218,900	187,217	719,775	59.05%	230,541	846,623	51.54%
Non-Departmental	1,362,100	328,726	1,011,922	74.29%	293,755	920,122	67.36%
TOTAL OPERATING EXPENDITURES	\$37,958,380	\$8,516,102	\$26,613,633	70.11%	\$8,952,968	\$27,659,880	69.75%
Debt Service	\$243,880	\$25,530	\$243,872	100.00%	\$28,342	\$244,422	100.00%
Transfers	3,005,900	107,773	2,047,291	68.11%	25,420	1,719,930	73.58%
Contingencies/Reserves	512,850	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$41,721,010	\$8,649,405	\$28,904,796	69.28%	\$9,006,730	\$29,624,232	69.62%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	\$674,450	(\$3,582,653)	\$5,907,697		(\$3,716,523)	\$4,574,855	

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





300 S.W. MADISON AVENUE

CORVALLIS, OREGON 97333-4793

PHONE (503) 757-8070

Attachment 1

I would like to propose to the City Council that small businesses existing inventory of non compliance bags that were purchased before the bag ban became public be grandfathered in so that they may be used up and not create a financial hardship on these businesses and an unnecessary addition to our local landfill when they are disposed of in mass.

Sm Bag 12"x17" 1.75 mil – We ordered 5,000 in Oct 2010 and got 5,200 – We now have 3,200 left - Thus we used 2,000 bags in 2.33 yrs or 858 per yr, so we now have a 3.73 yr supply left @ \$.1802 per bag = \$576.64

Med Bag 15"x20" 1.75 mil –We ordered 10,000 in July 2011 and got 11,200 –We now have 8,100 left – Thus we used 3,100 bags in 1.75 yrs or 1,771 per yr, so we now have a 4.57 yr supply left @ \$.2043 per bag = \$1,654.83

Lg Bag 20"x23" 2 mil – We ordered 6,000 in July 2009 and got 6,200 – We now have 2,600 left – Thus we used 3,600 in 3.75 yrs or 960 per yr, so we now have a 2.71 yr supply left @ \$.2936 per bag = \$763.36

That's a total of 13,900 bags worth \$2,994.83 to be sent to the landfill!!! I don't feel this is fair since we have to order our bags in a volume that takes us approximately 5 years to go through, and this ordinance came about in the fall of 2012, long after I had gotten in the most recent order. We will switch to a approved bag as we order replacement bags for our current inventory.

Richard Mehlhaf
Mehlhaf's Clothiers

MEMO

Attachment 2

NO _____

To City of Corvallis
STREET 501 SW Madison Ave
CITY, STATE Corvallis, OR 97339-1083

FROM **MEHLHAF'S INC.**
300 S.W. MADISON AVE.
CORAVLLIS, OR 97333
PHONE / FAX 541-757-8070

ATTN: Carla Halzworty
Management Assistant

DATE 6/6/13

SUBJECT Evidence of Bag Purchase Before
Bag Ban

ACCT # _____

Enclosed please find copies of invoices of our three sizes of bags as evidence as to when we purchased them and in what amounts along with a copy of my letter to the City Council and the Administrative Services Committee detailing the inventory we now have, the costs, and an estimate on how long each bag will take us to work through. As I told the Committee ~~that~~ we run out of a bag ~~that~~ we will be replacing it with a bag that meets the Bag Ordinance.

Sincerely

SIGNED _____

IMPORTANT
WHEN RESPONDING TO THIS MEMO
PLEASE INCLUDE THE MEMO
NUMBER SHOWN ABOVE

Invoice

Attachment 2, cont'd

NEUSCHWANGER ENTERPRISES INC
DBA PACKAGING SPECIALTIES
P O BOX 1649
LAKE OSWEGO OR 97035
(503) 620-3711



Invoice Number: 0305017-IN
Invoice Date: 7/23/2009

Order Number: 0305017
Order Date: 6/30/2009
Salesperson: M117
Customer Number: [REDACTED]

Sold To:
MEHLHAFS
300 SW MADISON ST
CORVALLIS, OR 97333

Ship To:
MEHLHAFS
300 SW MADISON ST
CORVALLIS, OR 97333

Confirm To:
TERI

Customer P.O.	Ship VIA	F.O.B.	Terms
RICH	REDDAWAY	MFG	NET 30 DAYS

Item Number	Unit	Ordered	Shipped	Back Ordered	Price	Amount
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/3	M	6.000	6.200	0.000	276.50	1,714.30
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COMMAND
20x23 CUSTOM POLY BAGS
2 MIL BUFF POLY W/PATCH HANDLES
PRINTED 1C2S PMS #202C
BURGUNDY INK AS BEFORE

REPEAT ORDER 255256 3/06
CHANGED FROM DISCONTINUED TAN
POLY.

29.36 ea

Paid 8/17/09
am 375.49
R-29498

Net Invoice:	1,714.30
Less Discount:	0.00
Freight:	106.00
Sales Tax:	0.00
Invoice Total:	1,820.30

Invoice

Attachment 2, cont'd.

NEUSCHWANGER ENTERPRISES INC
DBA PACKAGING SPECIALTIES
P O BOX 1649
LAKE OSWEGO OR 97035
(503) 620-3711



Invoice Number: 0320276-IN
Invoice Date: 10/27/2010

Order Number: 0320276
Order Date: 10/12/2010
Salesperson: M117
Customer Number: [REDACTED]

Sold To:
MEHLHAFS
300 SW MADISON ST
CORVALLIS, OR 97333

Ship To:
MEHLHAFS
300 SW MADISON ST
CORVALLIS, OR 97333

Confirm To:
AW

Customer P.O.	Ship VIA	F.O.B.	Terms
RICH	UPS	MFG	NET 30 DAYS

Item Number	Unit	Ordered	Shipped	Back Ordered	Price	Amount
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3 M	AMERICAN M	5.000	5.200	0.000	167.10	868.92
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12X16.5 CUSTOM POLY BAGS
1-3/4 MIL BEIGE LDPE POLY PRINTED
1C2S UNDER 50% INK COVERAGE
OF PMS #202C MAROON DIE CUT
HANDLES

EXACT REPEAT OF 265325 11/06

18.029 ea

Paul 11/27/10
over 38390
R 29830

Net Invoice:	868.92
Less Discount:	0.00
Freight:	68.20
Sales Tax:	0.00
Invoice Total:	937.12

Entered 8/11/11
Page: 1

Attachment 2, cont'd.

Invoice



NEUSCHWANGER ENTERPRISES INC
DBA PACKAGING SPECIALTIES
P O BOX 1649
LAKE OSWEGO OR 97035
(503) 620-3711

Invoice Number: 0328682-IN
Invoice Date: 8/2/2011

Order Number: 0328682
Order Date: 7/5/2011
Salesperson: M117
Customer Number: [REDACTED]

Sold To:
MEHLHAFS
300 SW MADISON ST
CORVALLIS, OR 97333

Ship To:
MEHLHAFS
300 SW MADISON ST
CORVALLIS, OR 97333

Confirm To:
AW

Customer P.O.	Ship VIA	F.O.B.	Terms
RICH	REDDAWAY	MFG	NET 30 DAYS

Item Number	Unit	Ordered	Shipped	Back Ordered	Price	Amount
3	M	10.000	11.200	0.000	198.50	2,223.20
15X20 CUSTOM POLY BAGS						
1.75MIL BUFF POLY W/ PATCH HANDLE						
LOT		1.000	1.000	0.000	0.00	0.00
Lot						

800 per case
 14 cases
 3200
 800
 11,200

20.43 ea

Paul 9/1/11
check 38914
R-30063

Net Invoice:	2,223.20
Less Discount:	0.00
Freight:	64.68
Sales Tax:	0.00
Invoice Total:	2,287.88