



ADMINISTRATIVE SERVICES COMMITTEE

Agenda

Wednesday, June 18, 2014
3:30 pm

Madison Avenue Meeting Room
500 SW Madison Avenue

- Discussion/**Possible Action** I. Visit Corvallis Third Quarter Report (Attachment)
- Discussion/**Possible Action** II. Downtown Corvallis Association
Economic Improvement District Third Quarter Report
(Attachment)
- Discussion/**Possible Action** III. Republic Services Annual Report (Attachment)
- Discussion/**Possible Action** IV. Casco Telecommunications Franchise (Attachment)
- Discussion/**Possible Action** V. Third Quarter Operating Report (Attachment)
- Information VI. Other Business

Next Scheduled Meeting

Wednesday, July 9, 2014 at 3:30 pm
Madison Avenue Meeting Room, 500 SW Madison Avenue

Agenda

Council Policy Review and Recommendation: 96-6.03,
"Economic Development Policies"

MEMORANDUM

DATE: June 18, 2014
TO: Administrative Services Committee
FROM: Ken Gibb, Community Development Director *Ken Gibb*
SUBJECT: Third Quarter FY 13-14 Visit Corvallis Program Review

I. Issue

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

II. Background

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

Attached is the third quarter report submitted by Visit Corvallis (Attachment A). Following submittal of the quarterly report, final occupancy numbers for December were received, and Ms. Parker reports that both occupancy and average daily rate were up in December this year over last. Financial statements (Attachment B) submitted by Visit Corvallis were reviewed by Finance Office staff and found to be in compliance with their agreement. A copy of the Finance staff review is attached (Attachment C).

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

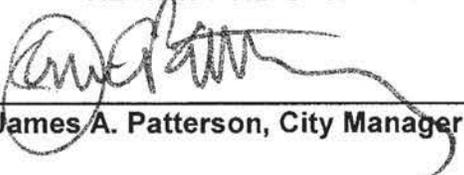
IV. Action Requested

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

REVIEW AND CONCUR:


Nancy Brewer, Finance Director

REVIEW AND CONCUR:


James A. Patterson, City Manager

VISIT CORVALLIS

Quarterly Community Report - January, February, March 2014

Executive Director's Report

Occupancy was down in both January (-3.1) and February (-1.4), however average daily rate was up in both months. Some of this may be a result of unusually cold temperatures and some snow events we experienced in those months. March reports are not yet in.

Third Quarter Highlights

In January we began work on the new Visitor Guide for this year. We added four new pages to it this year to showcase agri-tourism and expanded our meetings section to include a quick venue guide. The new visitors guide is now available.

The Board awarded more dollars to the Red, White & Blue Festival, the Rhapsody in the Vineyards events and to Corvallis Fall Festival due to the suspension of da Vinci Days this year. I have also been serving on the steering committee for da Vinci Days.

In March we began a Seven Wonders Campaign for Corvallis and Benton County. Travel Oregon, our state tourism agency, identified the Seven Wonders of Oregon and not one of them is in the Willamette Valley. Their campaign also launched in March and will run through June of this year. Our campaign will last through October of this year. We began with an "anthem" overview commercial and each month we will focus on a new "wonder." April features Marys Peak.

We have brought on an intern from OSU to help with social media efforts, namely Instagram and Vine.

We are working on a matching grant with Travel Oregon to help bring a new tourism related product offering to our area. The idea is to work with an already identified outfitter to offer kayaking tours on the Willamette River and biking tours in and around Corvallis and Benton County.

Work has begun on our draft marketing plan for next year.

Lastly I attended a Rural Tourism Studio in Polk County to see how the program works. I would very much like to bring Travel Oregon to Benton County to do the same program. Travel Oregon only does one community per year, so this may take a while but I think it would be hugely beneficial for our area.

Visitors Information Report

During the months of January, February and March, 2014, we greeted 628 walk-in visitors requesting information on Corvallis, the Willamette Valley and the rest of the state. We distributed 1,175 visitor guides, and 800 Corvallis/Benton County maps to the lodging properties in Corvallis.

Lead requests for our visitor guide that were received through VisitCorvallis.com, OregonWineCountry.org, and leads received in response to advertisement by both organizations totaled 13,880. Relocation packet requests received through VisitCorvallis.com totaled 25 for the Quarter.

Eight hundred and eighty Table Tents promoting Corvallis and Benton County events during the months of January, February, March and April were distributed to local restaurants and various businesses throughout Corvallis.

Social and Digital Media Report

VisitCorvallis.com had 56,624 visitors between January and March, 40,875 of which were unique visitors, up 51% from last year. We had 130,789 page views in the second quarter, up 13% from last year, and the average visitor viewed about 2.3 pages per visit, down 25% from last year. Our bounce rate (visits in which the person left the site after viewing a single page) is down 28% from last year.

Our top five traffic referrals this quarter were visitors from Facebook's mobile site, Facebook.com, CorvallisOregon.gov, CorvallisOregon.Tumblr.com (our Tumblr blog), and OregonState.edu. Our most popular pages, not including our home page, were the Culinary Week landing page, our calendar of events, our Things to Do page, the Culinary Week menus blog post, and our "Coming Up This Month" landing page.

We sent 16,181 outclicks to our members and area businesses this quarter, with the top five receivers of traffic being Aqua, Luc, Del Alma, 101 at Big River and Cloud & Kelly's.

Our Facebook Page's post reach, or the amount of users who see each post, continues to average around 7,000 per day, with spikes over 20,000 per day for paid campaigns. Our engagement remains robust, especially on promoted posts, and impressions (people who have seen an individual post) are averaging 2,400 per post, with spikes to 6,000 for viral posts.

Our Twitter accounts sent 248 clicks back to our site and other brand awareness media. Pinterest generated 260 impressions, and bit.ly reports about 1,000 click-throughs on links shared using their url shortener (we have shared fewer bit.ly links this quarter, relying more on HootSuite's baked-in URL shortener, Ow.ly). We've had 7,785 views of our YouTube videos this quarter, tripled from last quarter. Google+ and Foursquare activity remain negligible, and as of yet, there are no analytics available for Instagram.

VISIT CORVALLIS

Quarterly Community Report - January, February, March 2014

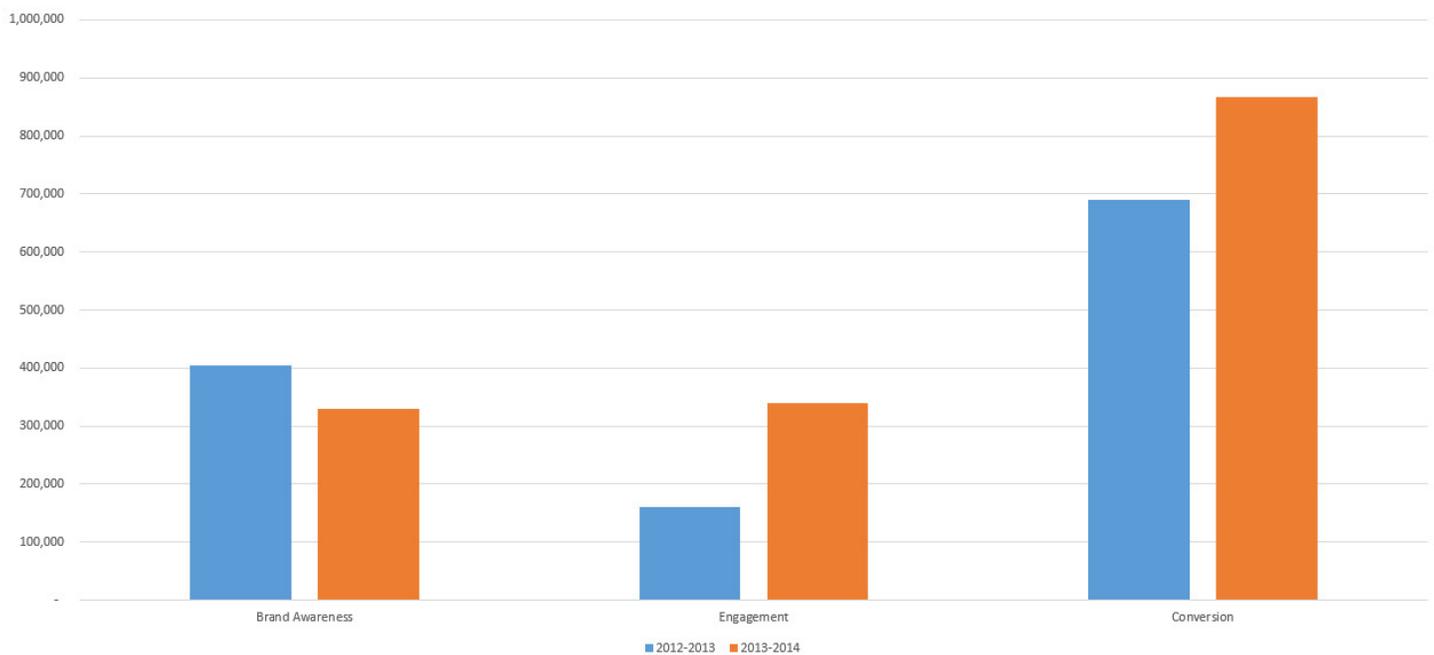
Find below the chart tracking our Brand Awareness, Engagement and Conversion numbers for January, February and March of 2014, as compared to January, February and March of 2013.

In January 2014, we achieved 136,161 Brand Awareness actions (compared to 117,429 in 2013), 127,821 Engagement actions (compared to 50,555 in 2013) and 305,847 Conversion actions (compared to 205,008 in 2013.)

In February 2014, we achieved 151,175 Brand Awareness actions (compared to 127,252 in 2013), 147,878 Engagement actions (compared to 54,561 in 2013) and 338,614 Conversion actions (compared to 242,568 in 2013.)

In March 2014, we achieved 141,598 Brand Awareness actions (same in 2013), 70,784 Engagement actions (compared to 54,561 in 2013) and 222,843 Conversion actions (compared to 242,568 in 2013.)

To view the data for this graph, visit <http://bit.ly/P3XQgV>.



VISIT
CORVALLIS

Third Quarter Report

(January through March, 2014)

Visit Corvallis
Balance Sheet
As of March 31, 2014

	<u>Mar 31, 14</u>
ASSETS	
Current Assets	
Checking/Savings	
Checking - OSUFCU	78,663.23
Money Market-OSUFCU	20,496.14
Paypal Checking	463.45
Savings - OSUFCU	5.00
Total Checking/Savings	<u>99,627.82</u>
Accounts Receivable	
Accounts Receivable	1,309.40
Total Accounts Receivable	<u>1,309.40</u>
Other Current Assets	
Petty Cash	40.00
Total Other Current Assets	<u>40.00</u>
Total Current Assets	100,977.22
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>112,826.54</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
OSU Fed Visa	439.63
Total Credit Cards	<u>439.63</u>
Other Current Liabilities	
Corvallis Book Sales	20.00
Payroll Liabilities	-35.00
Payroll liabilities - Other	5,234.21
Payroll tax liabilities	5,848.68
Total Other Current Liabilities	<u>11,067.89</u>
Total Current Liabilities	<u>11,507.52</u>
Total Liabilities	11,507.52
Equity	
Net Assets	112,731.18
Net Income	-11,412.16
Total Equity	<u>101,319.02</u>
TOTAL LIABILITIES & EQUITY	<u>112,826.54</u>

Visit Corvallis
Profit & Loss
January through March 2014

	<u>Jan - Mar 14</u>
Ordinary Income/Expense	
Income	
City of Corvallis	97,086.00
Interest Income	5.05
Membership	225.00
Refund	1,571.10
Relocation Packets	18.00
Total Income	<u>98,905.15</u>
Expense	
Administration	18,588.16
Conferences/Education	923.00
Marketing/Advertising	10,191.65
Marketing/Community Relations	745.70
Marketing/Contract Services	1,300.00
Marketing/Dues	870.00
Marketing/Entertainment	55.00
Marketing/Internet	1,032.83
Marketing/Postage-Shipping	4,629.12
Marketing/Printing	358.40
Marketing/Promotions	-344.95
Marketing/Sales Trips	4,623.42
Marketing/Telephone	141.36
Marketing/Visitor Services	1,725.00
Payroll Expenses	34.80
Personnel	51,385.15
Total Expense	<u>96,258.64</u>
Net Ordinary Income	<u>2,646.51</u>
Net Income	<u><u>2,646.51</u></u>

4:41 PM

Visit Corvallis

04/15/14

Profit & Loss Prev Year Comparison

Accrual Basis

January through March 2014

	Jan - Mar 14	Jan - Mar 13	\$ Change	% Change
Ordinary Income/Expense				
Income				
City of Corvallis	97,086.00	92,820.00	4,266.00	4.6%
Interest Income	5.05	7.24	-2.19	-30.3%
Membership	225.00	175.00	50.00	28.6%
Refund	1,571.10	0.00	1,571.10	100.0%
Relocation Packets	18.00	14.05	3.95	28.1%
Souvenir Income	0.00	7.01	-7.01	-100.0%
Total Income	98,905.15	93,023.30	5,881.85	6.3%
Expense				
Administration	18,588.16	22,066.38	-3,478.22	-15.8%
Conferences/Education	923.00	455.00	468.00	102.9%
Marketing/Advertising	10,191.65	7,966.73	2,224.92	27.9%
Marketing/Branding	0.00	69.00	-69.00	-100.0%
Marketing/Community Relations	745.70	0.00	745.70	100.0%
Marketing/Contract Services	1,300.00	1,100.00	200.00	18.2%
Marketing/Dues	870.00	350.00	520.00	148.6%
Marketing/Entertainment	55.00	31.63	23.37	73.9%
Marketing/Internet	1,032.83	1,150.50	-117.67	-10.2%
Marketing/Postage-Shipping	4,629.12	3,201.41	1,427.71	44.6%
Marketing/Printing	358.40	112.50	245.90	218.6%
Marketing/Promotions	-344.95	265.53	-610.48	-229.9%
Marketing/Sales Trips	4,623.42	1,208.97	3,414.45	282.4%
Marketing/Telephone	141.36	136.06	5.30	3.9%
Marketing/Tours	0.00	26.00	-26.00	-100.0%
Marketing/Visitor Services	1,725.00	295.00	1,430.00	484.8%
Payroll Expenses	34.80	26.10	8.70	33.3%
Personnel	51,385.15	36,459.72	14,925.43	40.9%
Total Expense	96,258.64	74,920.53	21,338.11	28.5%
Net Ordinary Income	2,646.51	18,102.77	-15,456.26	-85.4%
Net Income	2,646.51	18,102.77	-15,456.26	-85.4%



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

MEMORANDUM

April 16, 2014

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

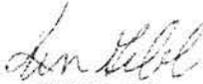
This review consists of inquiries and analytical procedures and is very limited in its nature. The financial statements have not been reviewed by a Certified Public Accountant and are the representation of the management of Visit Corvallis. Visit Corvallis uses the accrual method of accounting.

During the third quarter of fiscal year 2013/2014, Visit Corvallis reported revenues of \$98,905 and expenditures of \$96,259, resulting in net income of \$2,646. Visit Corvallis maintains a strong cash position, with current assets totaling \$100,977 and current liabilities of only \$11,508.

The City of Corvallis has budgeted \$388,350 for Visit Corvallis for fiscal year 2013/2014 in monthly payments of \$32,362. The City has funded a total of \$97,086 for the third quarter, which has been accurately accounted for on the Visit Corvallis report. This represents 98% of all revenue for the quarter.

Acceptance of the Visit Corvallis quarterly report is recommended.

MEMORANDUM

DATE: June 18, 2014
TO: Administrative Services Committee
FROM: Ken Gibb, Community Development Director 
SUBJECT: Downtown Corvallis Association Third Quarter FY 13-14
EID Program Review

I. Issue

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

II. Background

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

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

Attached is the third 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. Ms. Wessell is unable to attend this meeting due to a conflict with the rescheduled date of this review.

IV. Action Requested

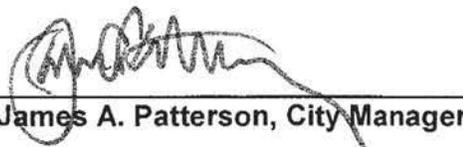
That the Administrative Services Committee consider this report and recommend City Council approve acceptance of the Downtown Corvallis Association's FY 13-14 EID Program third quarter report.

REVIEW AND CONCUR:



Nancy Brewer, Finance Director

REVIEW AND CONCUR:



James A. Patterson, 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,
KEZI9
Jennifer Moreland,
Zooeys/Heartland
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.

To: City of Corvallis Planning Department
From: The Downtown Corvallis Association
Date: 1 May 2014
Subject: 2013-2014 3rd Quarter Report and
2012-2017 Economic Improvement District

The Downtown Corvallis Association (DCA) continues complete focus on protecting the health and vitality of the community's "living room", Downtown, through such activities as recruitment of complementary businesses, workshop presentations, business advocacy, sponsoring events to attract visitors, granting building improvement loans, interacting with various City departments, serving as liaison for Downtown businesses, community members, etc.

This quarter has seen the DCA hosting 30 various meetings/events including monthly Membership Meetings with speakers who help keep Members informed about issues that affect Downtown and provide Members an opportunity to report their activities; Downtown After Hours networking socials giving Members an opportunity to become better acquainted with fellow-Members; planning meetings to address issues arising in Downtown that require the DCA's attention; the heaviest attended Rhapsody in the Vineyard since 2003; meet and interact with other community organizations/business groups and much, much more! We continue offering monthly Downtown Red Carpet Welcomes to let new businesses know that we are pleased that they selected Downtown as home for their business. This extensive list is far from complete, but suffice it to say that the DCA has limitless demands & requests from the community, so we stay extremely busy!

The DCA is currently working on recruiting and/or identifying good locations for 5 businesses. Each of the businesses will help retain more dollars in the local economy. We are working with and staying in communication with developers of the JAX and the new Downtown hotel. We are confident that both projects will help retain customers for Downtown Corvallis and that's a very good thing!

The Downtown Corvallis Association is calling/reaching out to EID participants to keep them informed on status of their payments in an effort to prevent their property from a potential lien. Fortunately, those with unpaid assessments is short. One participant, after contact from the Executive Director, made payment the same day, making that list even shorter.

The DCA appreciates City Staff's sending EID assessment information and collecting/passing through those payments.

DOWNTOWN CORVALLIS ASSOCIATION
BALANCE SHEET
 April 30, 2014

ASSETS	
Checking and Savings accounts	285,594.09
Other Current Assets	790.76
Fixed Assets	8,735.46
Façade Improvements loans	938.33
UF Residential loans	0.00
Interior Development Loans	17,334.12
TOTAL ASSETS	<u><u>313,392.76</u></u>

LIABILITIES & EQUITY	
Accounts Payable	0.00
Other Current Liabilities	7,598.55
Total Equity	305,794.21
TOTAL LIABILITIES & EQUITY	<u><u>313,392.76</u></u>

PROFIT AND LOSS
 April 30, 2014

	Month	Year-to- Date	Budget 2013-2014	Remaining Budget
INCOME				
General Revenue	849.61	101,139.68	135,625.00	34,485.32
Program Revenue	43.00	4,513.84	4,730.00	216.16
Red, White & Blues	0.00	29,823.80	35,000.00	5,176.20
Rhapsody	130.00	31,831.00	36,000.00	4,169.00
Promotions	0.00	0.00	1,500.00	1,500.00
TOTAL INCOME	<u>1,022.61</u>	<u>167,308.32</u>	<u>212,855.00</u>	<u>45,546.68</u>
EXPENSE				
Personnel	8,125.30	80,370.83	106,020.00	25,649.17
Services and supplies	1,964.40	21,317.16	29,180.00	7,862.84
Programs	236.13	11,126.21	8,300.00	(2,826.21)
Red, White & Blues	0.00	20,453.95	16,000.00	(4,453.95)
Rhapsody	6,812.97	23,810.75	5,000.00	(18,810.75)
Promotions/OSU	0.00	474.82	500.00	25.18
TOTAL EXPENSE	<u>17,138.80</u>	<u>157,553.72</u>	<u>165,000.00</u>	<u>7,446.28</u>
NET INCOME	<u>(16,116.19)</u>	<u>9,754.60</u>	<u>47,855.00</u>	<u>38,100.40</u>

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

Downtown Corvallis Association, Inc.

Budget Comparison As of April 30, 2014

	Month Of Apr	7/1/13 Through Apr 2014	7/1/12 Through Apr 2013	Annual Budget	Percent Annual Budget
Income					
General Revenue					
EID Receipts	185.05	64,468.18	81,925.29	90,000.00	71.6%
EID Contributions	0.00	800.00	1,500.00	0.00	0.0%
Membership Dues	650.00	32,457.75	35,897.61	40,000.00	81.1%
Interest Income	14.56	133.75	181.40	5.00	2675.0%
Rental Income - Sublet	0.00	3,280.00	4,080.00	4,820.00	68.0%
Miscellaneous	0.00	0.00	100.00	800.00	0.0%
Reimbursed Expenses	0.00	0.00	0.00	0.00	0.0%
Program Fees	0.00	0.00	0.00	0.00	0.0%
Total General Revenue	849.61	101,139.68	123,684.30	135,625.00	74.6%
Program Revenue					
Membership Workshops	0.00	0.00	0.00	0.00	0.0%
Christmas Lights	0.00	0.00	12.50	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	2,673.34	2,385.12	2,500.00	106.9%
Fund Raiser - DT After Hours	43.00	1,840.50	1,798.00	2,200.00	83.7%
Design Aesthetics	0.00	0.00	0.00	5.00	0.0%
Red, White & Blue	0.00	29,823.80	33,105.59	35,000.00	85.2%
Total Program Revenue	43.00	34,337.64	37,301.21	39,730.00	86.4%
Promotions Revenue					
Promotions - Misc	0.00	0.00	200.00	1,500.00	0.0%
Rhapsody in the Vineyard	130.00	31,831.00	33,086.00	36,000.00	88.4%
Total Promotions Revenue	130.00	31,831.00	33,286.00	37,500.00	84.9%
TOTAL INCOME	1,022.61	167,308.32	194,271.51	212,855.00	78.6%

Expense

Administration - Personnel

Personnel	6,780.33	67,378.64	66,910.51	79,000.00	85.3%
Director - Medical Benefit	314.70	3,608.60	3,329.50	4,000.00	90.2%
Director - Expense	0.00	0.00	274.24	2,000.00	0.0%
Contract Labor	0.00	0.00	0.00	2,000.00	0.0%
Staff Expenses	0.00	0.00	0.00	2,000.00	0.0%
Volunteer - Expense	128.02	1,460.52	1,573.45	4,000.00	36.5%
Staff Development	0.00	77.15	671.40	2,500.00	3.1%
Payroll taxes	709.94	6,004.69	5,960.39	7,800.00	77.0%
Workers Compensation	3.51	(46.77)	63.55	320.00	-14.6%
IRA Expense	188.80	1,888.00	1,888.04	2,400.00	78.7%
Total Personnel	8,125.30	80,370.83	80,671.08	106,020.00	75.8%

Administration - Services & Supplies

Accounting	169.20	2,034.45	2,286.00	3,000.00	67.8%
Accounting Review	0.00	1,860.00	0.00	2,300.00	80.9%
Bad Debt	0.00	0.00	0.00	0.00	0.0%
Bank Charges	10.00	15.54	6.00	10.00	155.4%
Subscriptions	0.00	170.00	170.00	350.00	48.6%
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	233.21	2,381.14	2,372.45	2,900.00	82.1%
Office Supplies	176.96	929.02	625.16	1,500.00	61.9%
Permits & Fees	45.00	588.00	536.00	620.00	94.8%
Postage	48.75	688.68	292.20	650.00	106.0%
Rent	810.00	8,100.00	8,100.00	9,600.00	84.4%
Utilities	55.83	641.49	705.45	850.00	75.5%
Miscellaneous	42.79	92.79	113.00	200.00	46.4%
Repair & Service Equipment	3.56	37.47	158.31	500.00	7.5%
Telephone/Cell	369.10	3,778.58	3,095.01	3,700.00	102.1%
Depreciation	0.00	0.00	0.00	0.00	0.0%
Total Services & Supplies	1,964.40	21,317.16	18,459.58	29,180.00	73.1%

Programs

Membership Drive	0.00	195.88	304.35	300.00	65.3%
Red Carpet Welcome	0.00	119.12	0.00	100.00	119.1%
Downtown Updates	0.00	0.00	0.00	0.00	0.0%
Website Updates	0.00	0.00	0.00	0.00	0.0%
Meetings & Public Relations	64.19	1,378.24	1,125.19	1,500.00	91.9%
Design Committee	0.00	0.00	0.00	0.00	0.0%
Design Committee-Awards	0.00	83.07	29.98	100.00	83.1%
Mainstreet Expenses	0.00	836.28	225.03	800.00	104.5%
Mainstreet Dues	0.00	250.00	250.00	300.00	83.3%
EID Expense	123.44	246.88	270.88	0.00	0.0%
EID Task Force Expense	0.00	0.00	36.95	0.00	0.0%
EID Expense-City Collection Fee	0.00	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	103.07	0.00	100.00	103.1%
Christmas Lights	0.00	0.00	0.00	100.00	0.0%
Flower Baskets	0.00	18.62	0.00	0.00	0.0%
Design Aesthetics	0.00	0.00	0.00	0.00	0.0%
Design Aesthetics-Reimbursement	0.00	0.00	0.00	0.00	0.0%
Fund Raiser	0.00	2,015.57	1,583.75	500.00	403.1%
Economic/Image Enhancement	48.50	2,294.48	0.00	0.00	0.0%
Total Programs	236.13	11,126.21	7,411.13	8,300.00	134.1%

Promotions					
Red, White & Blue	0.00	20,453.95	16,519.93	16,000.00	127.8%
Promotions - Misc	0.00	474.82	1,603.33	500.00	95.0%
Rhapsody in the Vineyard	6,812.97	23,810.75	25,394.44	5,000.00	476.2%
Total Promotions	6,812.97	44,739.52	43,517.70	21,500.00	208.1%
City Economic Development					
Economic Enhancement	0.00	0.00	1,220.12	0.00	0.0%
Image Enhancement	0.00	0.00	2,133.78	0.00	0.0%
Total City Economic Development	0.00	0.00	3,353.90	0.00	0.0%
Total expense	17,138.80	157,553.72	153,413.39	165,000.00	95.5%
Excess (deficit) income over expense	(16,116.19)	9,754.60	40,858.12	47,855.00	
Plus: Beginning restricted/unrestricted cash balance				(364.14)	
Checking/Money Market				205,948.73	
Held in reserve-Contingency Fund				3,000.00	
Total beginning cash				208,584.59	
Net Excess (deficit) budgeted for 2013-2014				256,439.59	

05/08/14

Downtown Corvallis Association, Inc.
Balance Sheet
As of April 30, 2014

Apr 30, 14

ASSETS**Current Assets****Checking/Savings**

1010 · Cash - Umpqua Bank	11,884.43
1015 · MMF - Umpqua Bank	195,201.09
1050 · Cash - US Bank-EID	7,183.32
1104 · MMF-Citizens-Design Committee	2,649.33
1106 · Cash-Citizens-RW&B	15,423.45
1109 · MMF-Citizens-Facade/Upper Floor	
1109-1 · Designated City Funds	53,027.55
1109-2 · Undesignated Funds	224.92

Total 1109 · MMF-Citizens-Facade/Upper Floor	53,252.47
---	------------------

Total Checking/Savings	285,594.09
-------------------------------	-------------------

Other Current Assets

1116 · Prepaid Expenses	
1120 · Rent	790.76
Total 1116 · Prepaid Expenses	790.76

Total Other Current Assets	790.76
-----------------------------------	---------------

Total Current Assets	286,384.85
-----------------------------	-------------------

Fixed Assets

1258 · Fixed Asset	23,979.78
1259 · Accumulated depreciation	-15,244.32

Total Fixed Assets	8,735.46
---------------------------	-----------------

Other Assets

1500 · Facade improvement loans	
1550 · Coleman - 2012	238.33
1551 · Les & Barbara Boudreaux - 2012	700.00

Total 1500 · Facade Improvement loans	938.33
--	---------------

1800 · Interior Development Loans

1806 · Flat Tail	5,666.91
1807 · Brew BQ	2,333.43
1808 · Ron & Garnetta Day	2,000.08
1809 · Aqua	7,333.70

Total 1800 · Interior Development Loans	17,334.12
--	------------------

Total Other Assets	18,272.45
---------------------------	------------------

TOTAL ASSETS	313,392.76
---------------------	-------------------

LIABILITIES & EQUITY**Liabilities****Current Liabilities****Other Current Liabilities**

2111 · Pass-thru money	769.64
2113 · Deferred RW&Blue	
2113-1 · Revenue	
2113-13 · Sponsors	950.00
2113-14 · Vendor	2,100.00

Total 2113-1 · Revenue	3,050.00
-------------------------------	-----------------

Total 2113 · Deferred RW&Blue	3,050.00
--	-----------------

2115 · Gift certificates o/s	1,058.44
------------------------------	----------

2142 · Federal/FICA/Medicare	2,118.38
------------------------------	----------

2143 · State Withholding	404.00
--------------------------	--------

2144 · Federal Unemployment	1.40
-----------------------------	------

2145 · State Unemployment	189.85
---------------------------	--------

2146 · Workers Compensation	6.84
-----------------------------	------

05/08/14

Downtown Corvallis Association, Inc.
Balance Sheet
As of April 30, 2014

	<u>Apr 30, 14</u>
Total Other Current Liabilities	7,598.55
Total Current Liabilities	7,598.55
Total Liabilities	7,598.55
Equity	
3312 - Reserved - City loan \$	71,300.00
3318 - Undesignated funds	-3,835.80
3311 - Designated - Christmas	3,471.66
3900 - Retained Earnings	225,103.75
Net Income	9,754.60
Total Equity	305,794.21
TOTAL LIABILITIES & EQUITY	<u>313,392.76</u>

05/08/14

Downtown Corvallis Association, Inc.
Income Statement
 April 2014

	Apr 14	Jul '13 - Apr 14
Ordinary Income/Expense		
Income		
General Revenue		
4110 - EID Receipts	185.05	64,468.18
4111 - EID Contributions	0.00	800.00
4120 - Membership dues	650.00	32,457.75
4141 - Interest Income	14.56	133.75
4195 - Rental Income - Sublet	0.00	3,280.00
Total General Revenue	<u>849.61</u>	<u>101,139.68</u>
Program Revenue		
4260 - Fund Raiser		
4260-1 - Fundraiser	0.00	343.34
4260-2 - Snowflakes	0.00	2,330.00
Total 4260 - Fund Raiser	0.00	2,673.34
4265 - Fund Raiser - DT After Hours		
4265-1 - Entry Fees	79.00	1,498.00
4265-2 - Bucket of Bucks	-36.00	342.50
Total 4265 - Fund Raiser - DT After Hours	43.00	1,840.50
4310 - Red, White & Blue		
4310-1 - Beer	0.00	5,521.00
4310-2 - Gate	0.00	9,871.81
4310-3 - Sponsors	0.00	6,360.00
4310-4 - Vendor	0.00	7,220.99
4310-6 - DCA Booth	0.00	850.00
Total 4310 - Red, White & Blue	0.00	29,823.80
Total Program Revenue	43.00	34,337.64
Promotions Revenue		
4460 - Rhapsody in the Vineyard	130.00	31,831.00
Total Promotions Revenue	130.00	31,831.00
Total Income	1,022.61	167,308.32
Expense		
Administration		
Personnel		
5105 - Personnel	6,780.33	67,378.64
5120 - Director-Medical Benefit	314.70	3,608.60
5150 - Volunteer expense	128.02	1,460.52
5160 - Staff Development	0.00	77.15
5180 - Payroll Taxes	709.94	6,004.69
5190 - Workers Compensation	3.51	-46.77
5195 - IRA Expense	188.80	1,888.00
Total Personnel	8,125.30	80,370.83
Services and supplies		
5410 - Accounting	169.20	2,034.45
5415 - Accounting Review	0.00	1,860.00
5430 - Bank charges	10.00	15.54
5440 - Subscriptions	0.00	170.00
5460 - Office supplies	176.96	929.02
5470 - Permits & fees	45.00	588.00
5480 - Postage	48.75	688.68
5490 - Rent	810.00	8,100.00
5600 - Utilities	55.83	641.49
5610 - Miscellaneous	42.79	92.79
5620 - Repair & service equip.	3.56	37.47
5630 - Telephone/Cell	369.10	3,778.58
5456 - Equipment Lease	233.21	2,381.14
Total Services and supplies	1,964.40	21,317.16

05/08/14

Downtown Corvallis Association, Inc.
Income Statement
 April 2014

	Apr 14	Jul '13 - Apr 14
Total Administration	10,089.70	101,687.99
Programs		
6110 - Membership Drive	0.00	195.88
6180 - Meetings & public relati	64.19	1,378.24
6185 - Red Carpet Welcome	0.00	119.12
6410 - Main Street Expense	0.00	836.28
6420 - Mainstreet Dues	0.00	250.00
6440 - EID Expense	123.44	246.88
6510 - Flower baskets	0.00	18.62
6590 - Fund Raiser		
6590-1 - Fundraiser	0.00	83.07
6590-2 - Snowflakes	0.00	1,932.50
Total 6590 - Fund Raiser	0.00	2,015.57
6191 - Design Comm.-Awards	0.00	83.07
6445 - EID Expense-City Collection Fee	0.00	3,585.00
6570 - OSU Relations	0.00	103.07
6580 - Economic/Image Enhancement	48.50	2,294.48
Total Programs	236.13	11,126.21
Promotions		
7110 - Red, White & Blue		
7110-1 - Advertising	0.00	2,000.00
7110-2 - Entertainment	0.00	6,800.00
7110-3 - Infrastructure	0.00	3,061.10
7110-4 - Miscellaneous	0.00	2,890.50
7110-5 - Beer	0.00	2,687.48
7110-6 - T-Shirts	0.00	1,169.05
7110-7 - Gate Expense	0.00	1,244.75
7110-10 - Volunteer Expense	0.00	621.07
Total 7110 - Red, White & Blue	0.00	20,453.95
7120 - Promotions	0.00	474.82
7125 - Rhapsody in Vineyard	6,812.97	23,810.75
Total Promotions	6,812.97	44,739.52
Total Expense	17,138.80	157,553.72
Net Ordinary Income	-16,116.19	9,754.60
Net Income	-16,116.19	9,754.60

MEMORANDUM

TO: Administrative Services Committee
FROM: Mary Steckel, Public Works Director 
DATE: May 1, 2014
SUBJECT: 2013 Republic Services of Corvallis Annual Report

ISSUE

The solid waste franchise agreement between the City of Corvallis and Republic Services of Corvallis (Republic), requires that an annual report be submitted to the City each year. The Annual Report (Attachment A) is a summary of the company's operations for the year ending December 31, 2013.

BACKGROUND

The 10-year franchise agreement with Republic gives the company exclusive rights to collect and transport solid waste within the city limits and to earn a reasonable rate of return. The agreement requires specific services, including garbage collection, curbside recycling, public education on recycling or reuse issues, and special collection events. Republic pays the City a franchise fee equal to 5% of the company's annual cash receipts for customers within the city limits.

DISCUSSION

Report Review

Public Works reviewed and confirmed the Annual Report contains all of the information required by the franchise agreement. In addition, the Finance Department performed an unaudited evaluation (Attachment B) of the financial information presented in the report and recommend acceptance.

Recycling Highlights

The State has established waste recovery goals for each watershed. For Benton County, the goal is 50%. The most recent recycling rate for Benton County reported by the Oregon Department of Environmental Quality (DEQ) is 47.4% for 2012, a 3.1% increase compared to 2011. This number includes the recycling reported by Republic along with data from other recyclers (i.e., scrap metal and bottle deposits) and various disposal sites. The official calculation for 2013 will be available from the DEQ in late Fall 2014 or early 2015.

Detailed recycling reporting on pages 17-21 of the annual report provides baseline information by material type to help guide future program enhancements or changes.

Plastic Film

In 2013, 51 tons (102,000 lbs) of plastic film were collected at the recycling depot; the most since the program was started. That's equivalent to over nine million plastic grocery bags. Since 2008, a total of 147.52 tons has been collected, or 26.5 million plastic grocery bags.

Yard Debris and Food Waste

Curbside tonnage from organics collection fell in 2013 to 8,329 tons compared to 9,009 tons in 2012. Food waste collection from commercial locations such as restaurants was flat in 2013 with 355 tons collected, a 1% decrease compared to 2012.

Spring Recycling Event

Participation in the Spring Recycling Event has decreased in the last few years and the trend continued in 2013. Republic believes this may be due to the additional materials such as scrap metal and electronics being collected at their recycling depot and the implementation of weekly organic debris service.

Household Hazardous Waste (HHW) Events

The four 2013 HHW events saw a 44.3% increase in customer attendance although 4% less material was collected compared to 2012. A breakdown of the types and amounts of materials is provided on page 20 of the Annual Report.

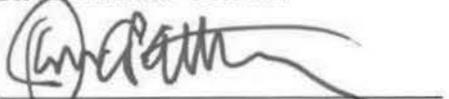
Coming in 2014

Republic is beginning to convert its collection fleet to Compressed Natural gas (CNG) this year. The new CNG trucks run quieter, are less expensive to operate, and produce less greenhouse gases. As of the date of this report, 15 CNG trucks are on the road with three more coming on line by the end of the year.

RECOMMENDATION

No action is necessary; this report is for information only.

Reviewed and Concur:



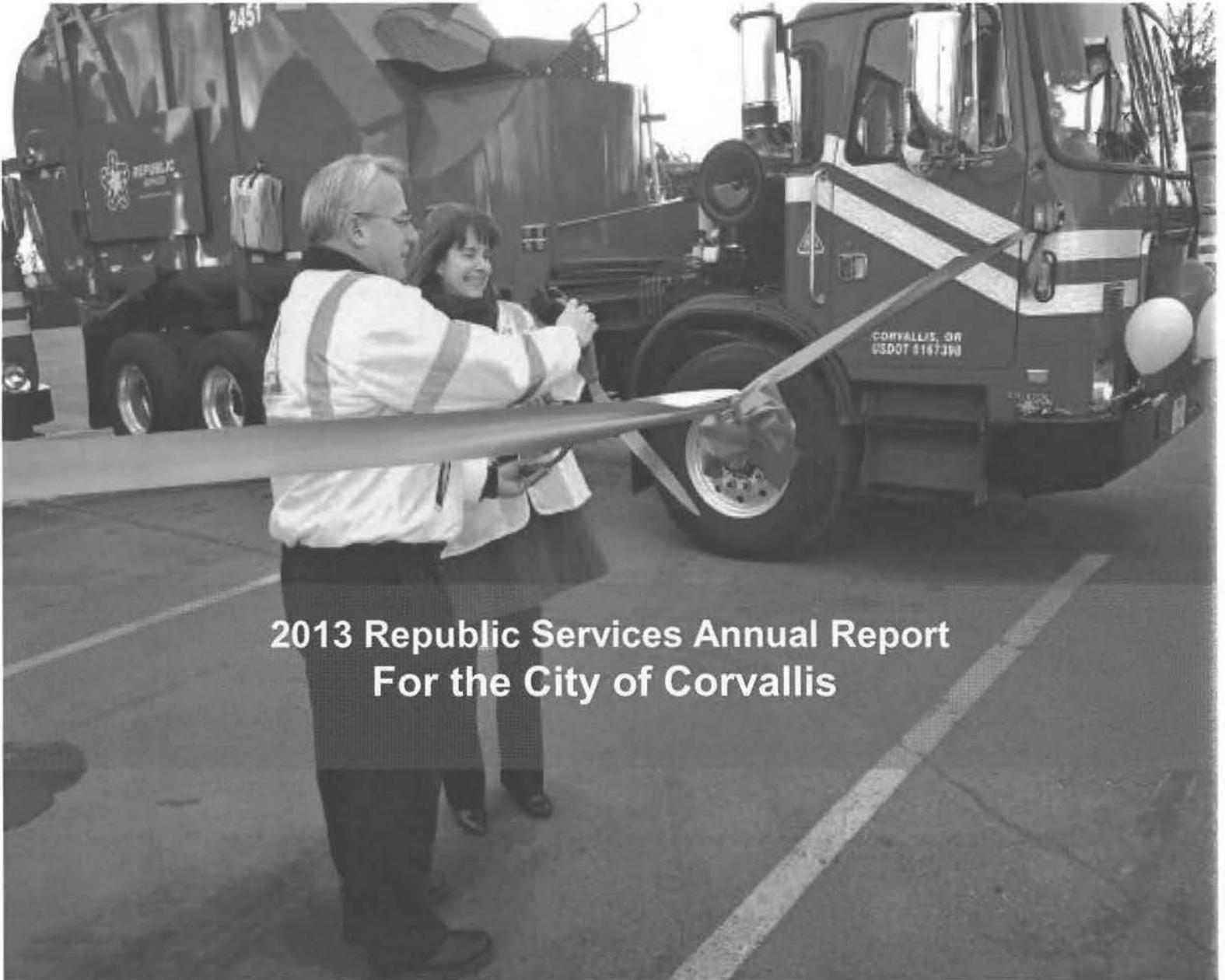
James A. Patterson, City Manager



Nancy Brewer, Finance Director

Attachments:

- Attachment A - 2013 Republic Services of Corvallis Annual Report
- Attachment B - Finance Department Review of Annual Report



**2013 Republic Services Annual Report
For the City of Corvallis**

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Management

A



March 3, 2014,

Mayor Julie Manning
Corvallis City Council
City of Corvallis Staff



Dear Mayor Manning, Council and Staff,

I am pleased to present the annual report for Republic Services within the City of Corvallis. 2013 proved to be a fruitful year in terms of sustainability and progress toward our goal of a world class customer experience.

Below are a few highlights from a very successful year in 2013:

- ✧ Corvallis achieved another first with the construction of an on-site Compressed Natural Gas (CNG) fueling station, the first of its kind in the Mid-Valley dedicated to a waste collection company. This investment represents a commitment to cleaner air and reduced noise within the City of Corvallis.
- ✧ In 2012 we began looking at customer service and put into place methodology to determine how to best to enhance the customer experience. 2013 saw the implementation of a plan aimed at providing world class service. As a part of this plan, we will launch a new smart phone application and enhanced website this month, called My Resource, that will give Republic Services customers a quick and intuitive tool to access their account 24/7.
- ✧ We now track missed service daily and evaluate opportunities to avoid these misses. The number of customers who have reported a missed pickup has been reduced by 40%.
- ✧ We continue to focus on education and outreach through a robust program lead by our recycling coordinator. School, community organizations & events and the master recycler program are just a few of the places she visits to work toward waste reduction.
- ✧ Safety is always at the forefront of our business. Continued training for all employees reminds them of the importance of their job and its impact in the community.

As always, we appreciate the partnership we share with the City of Corvallis and look forward an excellent year as we go forward in 2014. Please feel free to contact me with comments and questions as you review this report.

Best Regards,

Gary Blake
General Manager
Republic Services Corvallis



General Manager



Gary Blake, General Manager

Email: gblake@republicservices.com

Gary Blake has worked for Republic Services for 13 years. He served as District Controller, Business Unit Controller and Division Manager prior to taking the helm as General Manager in 2012. He earned his Bachelor's degree from Oregon State University in Business Administration.

Division Manager



Ron Tacchini, Operations Manager

Email: rtacchini@republicservices.com

Ron Tacchini has worked for Republic Services for four years. He came to the industry from UPS and is now the Operations Manager for Republic Services of Corvallis, overseeing a workforce of 52 employees. Ron earned a Bachelor's degree from Oregon Institute of Technology in Business.

Municipal Manager



Julie Jackson, Municipal Manager

Email: jjackson6@republicservices.com

Julie Jackson serves as the Municipal Manager for Republic Services. She has worked for the company for eight years, beginning as the Recycling Manager. She earned a Bachelor's degree from Oregon State University in Education.



Summary of Services

B



FIGURE 1 – NUMBER OF CUSTOMERS RECEIVING SERVICE INDICATED

	2013	2012
Residential		
Cans	43	56
20 Gal Cart	347	383
35 Gal Cart weekly	8,277	8,143
35 Gal Cart bi-weekly	1,065	1,061
64 Gal Cart	1,841	1,917
90 Gal Cart	757	771
On-Call	163	172
Total Residential	12,493	12,503
Commercial	1,251	1,249
Industrial	96	82
<p>*Residential recycling customers in city limits: 12,490 *Residential mixed organic waste customers in city limits: 11,678 *Solid Waste Disposal Site – Coffin Butte Landfill</p>		



SUMMARY OF SERVICES

B

FIGURE 2 COMMERCIAL & INDUSTRIAL CONTAINER COUNTS

COMMERCIAL	2013	2012
90 Gal Cart weekly	184	211
90 Gal Cart on call	-	-
1 yd on call	27	28
1 yd x 1	84	81
1 yd x 2	-	-
1 yd x 3	-	-
1 yd x 4	-	-
1 yd x 5	-	-
1.5 yd on call	37	36
1.5 yd x 1	104	104
1.5 yd x 2	18	17
1.5 yd x 3	-	-
1.5 yd x 4	-	-
1.5 yd x 5	-	-
2 yd on call	19	17
2 yd x 1	124	129
2 yd x 2	49	46
2 yd x 3	10	8
2 yd x 4	-	-
2 yd x 5	-	-
3 yd on call	15	14
3 yd x 1	130	124
3 yd x 2	60	59
3 yd x 3	21	24
3 yd x 4	1	1
3 yd x 5	1	2
4 yd in call	5	7
4 yd x 1	98	90
4 yd x 2	33	36
4 yd x 3	12	13
4 yd x 4	-	-
4 yd x 5	2	2
6 yd on call	7	5
6 yd x 1	84	86
6 yd x 2	40	35
6 yd x 3	27	28
6 yd x 4	3	3
6 yd x 5	1	1
Rear Load on call	79	83
TOTAL COMMERCIAL	1275	1290

INDUSTRIAL	2013	2012
10 yd on call	1	1
20 yd on call	2	2
15 yd compactor	1	
20 yd compactor on call	8	8
25 yd compactor on call	2	2
27 yd compactor on call	2	1
30 yd lidded on call	20	11
30 yd on call	60	54
30 yd compactor on call	3	3
40 yd on call	2	2
40 yd compactor on call	11	11
TOTAL INDUSTRIAL	112	95



Financial Information

C



**rounded to nearest dollar for presentation*

FIGURE 3 – 2013 & 2012 RECEIPTS & FRANCHISE FEE PAYMENTS

CURRENT YEAR 2013			PRIOR YEAR 2012		
Month	Receipts	Fee Paid	Month	Receipts	Fee Paid
Jan-13	\$596,963	\$29,848	Jan-12	\$537,626	\$26,881
Feb-13	\$626,331	\$31,467	Feb-12	\$603,198	\$30,160
Mar-13	\$621,181	\$31,059	Mar-12	\$569,505	\$28,475
Apr-13	\$596,229	\$29,811	Apr-12	\$609,852	\$30,493
May-13	\$564,362	\$28,218	May-12	\$572,763	\$28,638
Jun-13	\$685,811	\$34,291	Jun-12	\$622,598	\$31,130
Jul-13	\$583,914	\$29,196	Jul-12	\$580,522	\$29,026
Aug-13	\$682,238	\$34,112	Aug-12	\$631,616	\$31,581
Sep-13	\$635,716	\$31,786	Sep-12	\$594,444	\$29,722
Oct-13	\$668,477	\$33,424	Oct-12	\$624,826	\$31,241
Nov-13	\$590,881	\$29,544	Nov-12	\$588,542	\$29,427
Dec-13	\$654,443	\$32,722	Dec-12	\$645,388	\$32,269
TOTAL	\$7,509,546	\$375,477	TOTAL	\$7,180,878	\$359,044

FIGURE 4 – 2013 & 2012 RECYCLE RECEIPTS & FRANCHISE FEE PAYMENTS

CURRENT YEAR 2013			PRIOR YEAR 2012		
Month	Receipts	Fee Paid	Month	Receipts	Fee Paid
Jan-13	\$21,118	\$1,056	Jan-12	\$29,892	\$1,495
Feb-13	\$15,606	\$780	Feb-12	\$23,381	\$1,169
Mar-13	\$18,695	\$935	Mar-12	\$28,208	\$1,410
Apr-13	\$26,997	\$1,350	Apr-12	\$31,610	\$1,580
May-13	\$20,729	\$1,036	May-12	\$29,377	\$1,469
Jun-13	\$20,676	\$762	Jun-12	\$26,450	\$1,322
Jul-13	\$20,675	\$1,033	Jul-12	\$22,769	\$1,138
Aug-13	\$20,804	\$1,040	Aug-12	\$15,034	\$752
Sep-13	\$18,157	\$908	Sep-12	\$10,109	\$505
Oct-13	\$23,787	\$1,189	Oct-12	\$33,639	\$1,682
Nov-13	\$13,834	\$692	Nov-12	\$30,506	\$1,525
Dec-13	\$11,980	\$599	Dec-12	\$22,906	\$1,145
TOTAL	\$233,058	\$11,380	TOTAL	\$303,880	\$15,194

Decline in commodity prices drove the decrease in 2013 receipts.

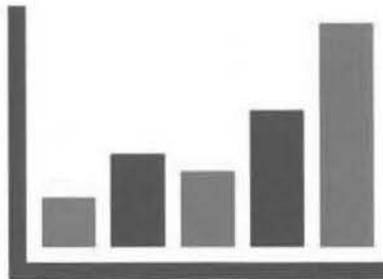


FIGURE 5 – COMPARISON OF FRANCHISE FEES PAID – 15 YEAR HISTORY

Years	City of Corvallis Receipts	Franchise Fee Paid	Percent Change
1999*	\$4,502,824	\$225,144	3.2%
2000	\$5,158,146	\$257,921	14.6%
2001	\$5,217,607	\$260,880	1.2%
2002	\$5,246,287	\$262,314	0.6%
2003	\$5,271,952	\$263,598	0.5%
2004 a	\$5,264,319	\$263,216	-0.1%
2005 a	\$6,089,698	\$304,485	15.7%
2006 a	\$6,668,284	\$333,360	9.5%
2007 a	\$6,804,766	\$340,238	2.1%
2008	\$6,860,594	\$343,030	0.8%
2009 a	\$6,910,493	\$345,523	0.7%
2010	\$7,015,709	\$366,939	6.2%
2011 b	\$7,756,627	\$387,831	5.7%
2012 a	\$7,571,932	\$378,597	-2.4%
2013	\$7,789,723	\$389,486	2.9%

a Rate increases: July, 1999; September, 2004; September, 2005; October, 2006; November, 2007; May, 2009, and October, 2012.

b Recycle Fees: Beginning in 2011, reporting included recycling receipts and the corresponding franchise fee.



REVENUE, EARNINGS & EXPENSES

SUMMARY

As anticipated with the October 2012 price increase, 2013 operating margins in the City of Corvallis improved 90 basis points. Strong revenue growth and decreased labor and SG&A costs helped offset rising costs in maintenance, facility repairs and subcontract expense. 2013 margins have returned to the 8-10% historic operating range.

REVENUE

Revenues in 2013 rose 4.4% due to the "rollover" effect of the October 2012 price increase, moderate volume growth and the inclusion of medical waste in the reporting. Our medical waste business, previously operated under a separate company, Bio-Med of Oregon, was divested in July of 2013. However, we retained the business within the City of Corvallis, rolling it into the Corvallis operation and subcontracting the work to Stericycle, Inc. The inclusion of medical waste revenue into the reporting accounts for about 1% of the 4.4% increase.

OPERATIONS EXPENSE

Total cost of operations increased 3.9% from 2012, primarily due to volume growth, higher maintenance and facility repairs and the inclusion of medical waste subcontract costs.

- ✧ Labor costs decreased 1%, driven by productivity improvement in the industrial line of business and a four month vacancy in one of our supervisor positions.
- ✧ Repairs and maintenance costs increased 21%, returning to 2011 levels. Prior year was a very favorable year in the maintenance department, reporting a decrease of 22% from 2011.
- ✧ Vehicle operating costs decreased 3% as the average fuel rate decreased slightly year over year.
- ✧ Facility expenses increased 24%, resulting from a \$40k repair to our parking lot adjacent to the maintenance shop.
- ✧ Safety, insurance and claims were flat year over year.
- ✧ Disposal/Recycling costs increased 3%, driven mostly by CPI adjustments at Coffin Butte and the PRC.
- ✧ Franchise fees increased 3%, consistent with the increase in revenue.
- ✧ Other operating expenses increased due to the inclusion of medical waste subcontract expense. This is adding approximately \$9k of expense per month, offsetting most of the \$9.5k per month in revenue.
- ✧ Depreciation decreased 9% as a significant portion of our residential carts became fully depreciated



SALARIES & GENERAL ADMINISTRATIVE EXPENSE

Salaries and administrative expenses decreased 5% when compared to 2012. A significant mailing to customers that typically is expensed in January was expensed in December of 2012. Additionally, we realized a significant decrease in bad debt expense from strong collection efforts.



FIGURE 6.1 – COMPANY TOTAL- ASSETS – AS OF DECEMBER 31, 2013

	2013	2012
ASSETS		
Current Assets		
Cash	-	-
Net Trade Receivables	1,025,382	904,347
Other Receivables	-	637
Prepaid Expenses	73,106	52,565
Inventories	47,816	70,856
Deposits	-	-
Total Current Assets	1,146,304	1,028,405
Property & Equipment		
Buildings & Improvements	-	-
Vehicles & Equipment	10,333,402	5,447,111
Containers & Compactors	2,235,271	2,129,668
Furniture & Fixtures	41,871	41,871
Computer Equipment	32,563	34,823
Accumulated Depreciation	(4,297,944)	(3,672,974)
Total Property & Equipment	8,345,163	3,980,499
Goodwill		
Total Assets	9,491,467	5,008,904



FIGURE 6.2 – COMPANY TOTAL – LIABILITIES & EQUITY – AS OF DECEMBER 31, 2013

	2013	2012
LIABILITIES & EQUITY		
Current Liabilities		
Accounts Payable	1,555,762	161,700
Accrued Liabilities	204,221	185,091
Unearned/Deferred Revenue	-	-
Total Liabilities	1,759,983	346,791
Stockholder's Equity		
Intercompany Accounts ¹	840,371	(1,177,403)
Common Stock	-	-
Additional Paid-in Capital	-	-
Retained Earnings (Beginning)	4,662,113	3,941,914
Current Year Earnings	2,229,000	1,897,603
Other Inc. (Dec) - R/E	-	-
Total Stockholder's Equity	7,731,484	4,662,113
Total Liabilities & Equity	9,491,467	5,008,904



FIGURE 7 – OPERATIONS RELATED TO THE CITY OF CORVALLIS – YEAR ENDING DECEMBER 31, 2013

	2013	2012
Revenue	\$7,699,671	\$7,377,812
Cost of Operations	\$5,669,267	\$5,458,652
Gross Profit	\$2,030,404	\$1,919,160
Salaries, General and Administrative	\$897,759	\$942,268
Operating Income	\$ 1,132,645	\$ 976,891
Provision for Income Taxes	\$ 453,058	\$ 390,757
Net Income	\$ 679,587	\$ 586,135
Net Income as a Percent of Sales	8.8%	7.9%



FIGURE 8 – SCHEDULE OF DIRECT EXPENSES

	2013	2012
COST OF OPERATIONS		
<i>Labor</i>	1,603,141	1,611,637
<i>Repairs and Maintenance</i>	533,846	441,402
<i>Vehicle Operating Costs</i>	553,084	567,269
<i>Equipment Rent</i>	-	-
<i>Facility Operating</i>	236,196	189,988
<i>Safety, Insurance and Claims</i>	300,322	299,409
<i>Disposal / Recycling Purchases</i>	1,417,711	1,378,614
<i>Franchise Fees</i>	387,130	374,238
<i>Other Operating Costs</i>	185,751	96,607
<i>Depreciation</i>	452,086	499,487
TOTAL COST OF OPERATIONS	\$ 5,669,267	\$ 5,458,652
SALARIES, GENERAL & ADMINISTRATIVE		
<i>Salaries</i>	241,006	238,550
<i>Rent and Office Expense</i>	164,589	157,690
<i>Travel and Entertainment</i>	19,238	21,882
<i>Professional Fees</i>	48,629	46,177
<i>Bad Debt Expense</i>	31,528	47,406
<i>Management Services</i>	258,640	276,292
<i>Other Expenses</i>	134,129	154,270
<i>Depreciation</i>	-	-
TOTAL SALARIES, GENERAL & ADMINISTRATIVE	\$897,759	\$942,268

*Does not include franchise fees paid from Bio-Med of Oregon. This will be the difference from the franchise fee summary table on page 5.



Statement of Changes in Financial Position

C

FIGURE 9 – COMPANY TOTAL – STATEMENT OF CASH FLOWS – YEAR ENDING DEC. 31, 2013

Cash provided from (used for) Operations:		
Net Income		2,229,000
Non-cash operating expenses:		
Depreciation & Amortization	846,000	
Allowance for doubtful accounts	61,000	
Add: Total non-cash operating expenses		907,000
Change in operating Assets & Liabilities		
Accounts Receivable	(121,036)	
Other Receivable	637	
Prepaid Expenses	(20,541)	
Inventories	23,041	
Payables	1,394,062	
Accrued Liabilities	19,130	
Deferred Revenue	-	
Add: Total change in operating assets & liabilities		1,295,293
Cash provided by net operating activities		4,431,293
Cash provided from (used for) Investing Activities:		
Fixed Assets (net)	(4,364,664)	
Goodwill	-	
Intercompany Obligations	(66,629)	
Cash provided from (used for) investing activities		(4,431,293)
Cash provided by (used for) Financing Activities:		
(Prior period adjustment associated with Republic purchase of Allied Waste)		
		-
Increase (Decrease) in cash		-

* The Cash Flow Statement represents Cash Flows from all operations of Republic Services of Corvallis, not just the City of Corvallis



FIGURE 10 – CAPITAL EXPENDITURES – 2013 ACTUAL & 2014 BUDGETED

2013 Capital Items and Descriptions	Cost
Industrial Drop Boxes & Commercial Containers	\$85,985
MSW, Recycling, & Yard Debris Carts	\$171,675
CNG Facility	\$1,256,309
CNG Collection Vehicles (13)	\$3,221,184
Shop Equipment	\$6,034
TOTAL	\$4,741,188

2014 Budgeted Capital Items and Descriptions	Cost
CNG Collection Vehicles (5)	\$1,340,901
CNG Facility Completion	\$116,758
MSW, Recycling, & Yard Debris Carts	\$94,150
TOTAL	\$1,551,809



OPERATIONS

The operations team focused on several areas in 2013. Safety is always the top priority for Republic Services. Employees receive more than 13 hours of formal training each year, including a monthly tailgate meeting focusing on one of six safety priorities. Supervisors conduct regular route audits, riding along with drivers to observe on the job performance.

EFFICIENCY

Republic Services is dedicated to providing the most efficient service possible, always keeping safety, customer service and collection costs in mind for the communities we serve. We establish route standards for each driver each day and manage their performance based on those standards. Drivers are encouraged to provide feedback and to use their knowledge of the community to help create route efficiencies.

FACILITY

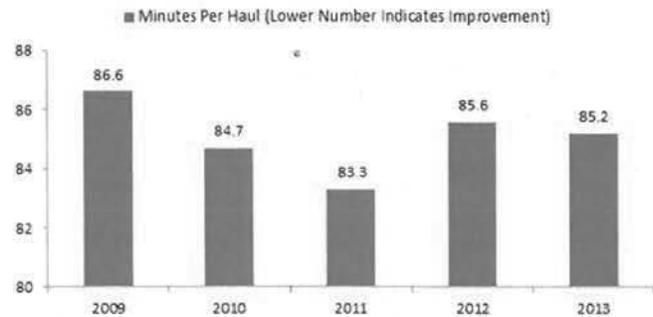
Our office on Walnut Blvd. is open Monday through Friday from 8 a.m. to 5 p.m. and the Recycle Center is open seven days a week.

FLEET MAINTENANCE

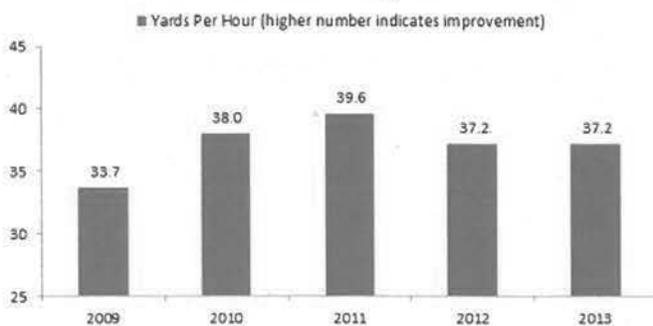
We continue to employ planet friendly tactics to reduce our impact on the environment. In the last quarter of 2013, we constructed a Compressed Natural Gas (CNG) fueling station, the first of its kind in Corvallis, and began receiving CNG trucks, built to significantly reduce emissions and noise.

OPERATIONAL EFFICIENCIES

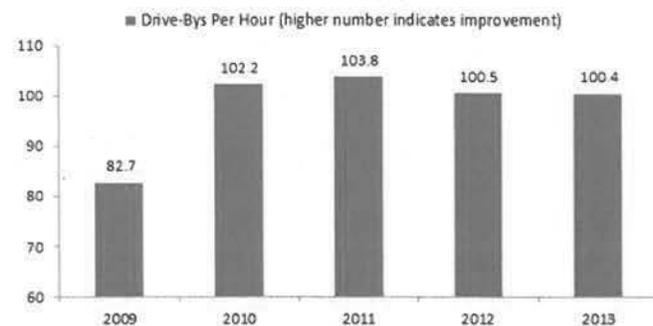
Industrial Minutes / Haul



Commercial Yards / Hour



Residential Drive-Bys / Hour



* Customers and routes from RS of Dallas were merged with RS of Corvallis operations in 2012. This resulted in significant fixed cost reduction despite the slight decline in productivity.





Customer Service

D



Customer Service Manager



Lynn Hubert, Customer Service Manager

Email: lhubert@republicservices.com

Lynn Hubert has worked for Republic Services for 26 years in Customer Service. Her work involves developing a staff of professional customer service representatives who are able to solve problems for our customers and she takes pride in offering a convenient one call resolution for each and every customer.

FOCUS

In 2013, Republic Services focused as a company on improving the customer experience across the nation. Trends and processes were identified to help provide the best possible service to our customers. One of the tools implemented is the Net Promoter Score, a customer loyalty ranking system used by companies like Apple, Southwest Airlines and Lego. We are asking our customers if they would recommend us to others and strive to continually increase the number who reply in the positive. We are not content to just identify areas for improvement. 2014 will be an exciting year as we move forward, using the information gathered to provide an even more dynamic customer experience.

CUSTOMER SERVICE

We pride ourselves on being able to help each and every customer in a convenient and helpful way. Customers are able to contact us in a variety of ways designed to accommodate their needs. Each phone call is answered by a live and local customer service representative (CSR.) Emails are also answered by local CSR's and additional information is available online. Payment options are available by phone and online 24/7. The option to receive paperless invoices is now available which is appreciated by our local customers. On a monthly basis, Customer Service Representatives are "secret shopped" over the phone via recorded conversations that ensure service quality and tone remains at the highest standards. They are graded on approximately 30 different criteria and are trained to provide the best customer service possible. Our local CSR's rank far above the nationwide average. In addition, Republic customers are randomly surveyed over the phone or by email.



INNOVATIONS

The Customer Service staff was able to add a new service in 2013. **Call Blasts**, a recording sent to all customers within a designated area or route became a quick and efficient way to notify our customers about things such as inclement weather route adjustments, holiday hours and work schedules. A call blast is recorded locally by our Customer Service Manager and can be sent within an hour as the need arises. After implementing the Call Blast function in the fall and winter for holiday hours and inclement weather, we received many calls from customers letting us know that they appreciated this type of communication. It is especially appreciated by customers who prefer traditional notifications.

MY RESOURCE

In March 2014, Republic Services will launch an innovative application for desktop and mobile devices. This application called *My Resource*, is the first of its kind in the waste industry, providing a simple way for customers to manage their account.

Customers will be able to:

- ✳ Manage account 24/7, from any mobile device
- ✳ Pay bills
- ✳ View invoices
- ✳ View payment history
- ✳ Request service
- ✳ Get help when needed





Recycle
Reinvent
Republic

E



FIGURE 11 – TONS RECYCLED BY COMMODITY TYPE

COMMODITY	Total 2012	2013 Curbside	2013 Depot/ Leaves	Total 2013	Change (%)
Wood Waste ¹	435	-	401	401	-7%
Yard Debris (including leaves) ²	11,462	8,329	2,128	10,457	-9%
Cedar Shavings	179		357	357	100%
Cardboard	3,307		3,203	3,203	-3%
Office Paper	60		61	61	2%
Newspaper ³	-		-	-	-
Commingled	7,218	5,205	2,075	7,281	1%
Electronics	126		161	161	28%
Food Waste	359		355	355	-1%
Plastic Film	34		51	51	50%
Container Glass	1,102	559	387	946	-14%
Scrap Metal ⁴	255		186	186	-27%
Motor Oil (truck fuels)	31		28	28	-9%
Batteries	9		12	12	25%
Concrete	99		243	243	145%
Construction & Demolition (C&D)	292		580	580	99%
Total Recycle Tons	25,031	14,093	10,223	24,381	-3%
Total Landfill Tons	39,759			37,377	-6%
TOTAL WASTE	64,790			61,758	-5%

1. Adjusted wood waste total reflects removal of industrial wood tons and addition of 49 tons corrected in Infopro year end.
2. Total tons includes 2,080 leaf tons (not included in quarterly totals.)
3. No longer collecting newspaper as a source separated material. It is included in commingled recycling. This line will be removed from report for 2014.
4. Scrap Metal tons continue to decline, most likely based on metal pricing, making it profitable for individuals to sell metal themselves.



FIGURE 12 – RESIDENTIAL CURBSIDE MSW & RECYCLE TONS BY MONTH

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Woodwaste (WW)													
Cedar Shavings (C)													
Municipal Solid Waste (MSW)	1,073	922	992	1,117	1,162	1,057	1,164	1,104	1,064	1,230	1,085	1,051	13,021
Leaves										360	1,510	210	2,080
Yard Debris (YD)	485	417	659	1,055	970	842	724	515	596	787	671	285	8008
Food Waste (FW)													
Cardboard (CB)													
Office Paper (OP)													
Newsprint (NP)													
Comingle (CO)	477	369	388	458	433	402	452	406	430	491	404	495	5,205
Glass (GL)	57	45	45	42	52	44	50	53	45	38	42	44	559
Metal													
e-Waste													
Motor Oil (MO)	2.92	3.93	2.55	3.02	0.50		3.90	6.04	3.87	1.18		0.32	28.23
Household Hazardous Waste (HHW)													
Batteries (Batt)													
Concrete													
Paint													
Plastic Film (PF)													
Total - All Tons	2,095	1,757	2,087	2,675	2,618	2,345	2,394	2,084	2,139	2,908	3,712	2,086	28,901.23

Disposal Sites

- GL** = glass Coffin Butte Landfill (roadbase)
- Metal** Cherry City / Metro Metals
- MSW** = municipal solid waste Coffin Butte Landfill
- CB** = cardboard Source Recycling
- OP** = office paper Source Recycling
- NP** = newsprint Source Recycling
- CO** = commingle Source Recycling
- e-Waste** ECS, Reganysis
- Paint** Habitat ReStore
- PF** = Plastic Film SP Recycling
- CS** = cedar shavings Heeter Farm
- MO** = motor oil Safety Kleen
- Concrete** Knife River
- WW** = wood waste PRC
- FW** = food waste PRC
- YD** = yard debris PRC
- HHW** = Household hazardous waste PCS



FIGURE 13 – RECYCLE DEPOT TONS BY MONTH

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Woodwaste (WW)													
Cedar Shavings (CS)													
Municipal Solid Waste (MSW)													
Yard Debris (YD)				48									48
Food Waste (FW)													
Cardboard (CB)	12	7	10	18	12	14	20	20	14	20	15	18	180
Office Paper (OP)													
Newsprint (NP)													
Comingle (CO)	43	36	36	49	34	45	39	35	44	59	50	49	519
Glass (GL)	39	21	26	17	26	17	36	15	25	27	20	20	289
Metal	27	6	7	48	12	8	26	17	6	16	4	9	186
e-Waste	-	26	-	23	7	-	19	25	14	11	17	19	161
Motor Oil (MO)													
Household Hazardous Waste (HHW)	-	14			22			26			21		83
Batteries (Batt)					4						5		9
Concrete													
Paint													
Plastic Film (PF)	7	3	5	8	7	6	-	3	3	3	5	1	51
Construction & Demo													
Total - All Tons	128	113	84	211	124	90	140	141	106	136	137	116	1,526

*Commercial Glass is mixed with Depot Glass – All volume is on the depot chart

FIGURE 14 – COMMERCIAL MSW & RECYCLE TONS BY MONTH

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Woodwaste (WW)	50	14	13	34	22	36	31	59	17	50	14	12	352
Cedar Shavings (CS)	8	7	6	42	49	35	35	42	35	35	49	14	357
Yard Debris (YD)	26	15	14	95	23	30	34	23	13	24	16	8	321
Municipal Solid Waste (MSW)	2041	1,852	1,870	2,040	2,116	2,100	2,041	2,089	2,232	2,220	2,077	1,678	24,356
Food Waste (FW)	17	32	45	38	39	38	24	26	21	30	22	23	355
Cardboard (CB)	278	255	265	258	259	212	218	222	259	291	265	241	3023
Office Paper (OP)	7	9	7	-	8	7	-	8	7	8	-	-	61
Newsprint (NP)													
Comingle (CO)	144	121	124	126	152	143	132	118	110	147	128	128	1572
Glass (GL)	13	15	9	4	9	4	4	8	4	13	4	10	98
Metal													
e-Waste													
Motor Oil (MO)													
Household Hazardous Waste (HHW)													
Batteries (Batt)													
Concrete	-	-	-	-	11	20	40	7	52	90	23	-	243
Paint													
Plastic Film (PF)													
Construction & Demo	61	62	38	42	28	42	85	75	17	64	-	66	580
Total - All Tons	2,645	2,382	2,391	2,679	2,716	2,667	2,644	2,677	2,767	2,972	2,598	2,180	31,318



FIGURE 15 – HHW MATERIAL TOTAL

Hazardous Material	2012	2013
Latex Paint	29	27
Paint	23	20
Flammable Liquids	7	8
Toxic Liquids	8	12
Toxic Solids	3	2
Corrosive Liquids	1	1
Caustic Liquids	2	2
Oxidizing Liquids	0.03	0.12
Oxidizing Solids	0.09	0.38
Hypochlorite Solutions	0.75	0.85
Aerosols, Flammable	2	1.48
Insecticide Gases	1	1
Compressed Gas	0.46	.5
Batteries, Wet	0	0
Batteries, Dry	15	12
Lithium Batteries	0.15	0.28
Flammable Solids	0.02	0.01
Water Reactive Solids	0.004	0.0015
Self-Heating Solids	0.02	0.01
Mercury	0.10	0.04
Organic Peroxide	0.002	0.01
Hydrogen Peroxide	0.106	0
Light Ballasts	0.51	0.2
Asbestos	0	0
Nitric Acid	0.004	0
Perchloric Acid	0	0
Potassium Cyanide	0	0.01
TOTAL TONS	92.21	88.89



FIGURE 16 – SPRING RECYCLE EVENT CUSTOMER NUMBERS

Locations	2012 Customer Count	2013 Customer Count	% Change
CDC South Lot	862	828	4%
CDC North Lot	N/A	N/A	N/A
Total	862	828	4%

Material Collected	2012 Tons	2013 Tons	% Change
Metal	16	31	94%
Yard Debris/ Wood	59	48	8%
Total	75	79	5%

FIGURE 17 – HHW CUSTOMER COUNT

Yr.	Feb.	May	Aug.	Nov.	TOT.	YOY Change
2010	1116	886	924	701	3,627	37.8%
2011	515	822	1049	1033	3,419	-5.7%
2012	202	576	673	737	2,188	-36.0%
2013	449	961	932	815	3,157	44.3%

Household Hazardous Waste Collection

Four HHW collection events were held in 2013. These events were promoted in our customer newsletters, on billing statements, on our web site and in the Gazette Times. We've coordinated our quarterly newsletters to reach the customers just prior to these events in an attempt to better publicize them and encourage greater participation.



Republic Services is proud to make Corvallis it's first CNG division in Oregon. It's no accident that Corvallis was selected to host this new technology. We have a long-standing tradition of making Corvallis first in the state, first with recycling, followed by yard debris, food waste and now CNG. The support of the community is just one of the reasons why.

There are plenty of reasons to be excited about our investment in CNG. Below are some of the benefits of CNG trucks:

- ✿ CNG trucks are much quieter on the streets, producing significantly fewer decibels than their diesel counterparts.
- ✿ CNG is a safer alternative fuel. Protecting storm water with no leakage of fuel.
- ✿ 23% reduction in greenhouse gas emissions, with an annual benefit of 26 metric tons of GHG emissions reduced per truck.
- ✿ Use local and abundantly available fuel from North American sources.



BY THE NUMBERS

What does all this mean for Corvallis?

325: that's the equivalent number of cars & their emissions being removed from the road *every day* by converting just one diesel truck to CNG!

4,225: That's the equivalent number of cars being removed with our current fleet of 13 trucks. This will nearly double with additional CNG trucks in 2014.



Education & Outreach Coordinator



Emily Phillips, Education & Outreach Coordinator
 Email: ephillips@republicservices.com

Emily Phillips earned her degree in Public Health in 2006 from Oregon State University and has worked for Republic Services for two years. In her role as the coordinator for recycling and waste reduction education, Emily has visited over 33 schools, businesses and community groups. Her presentations help students, employees and community members understand recycling and reuse processes and the importance of these programs.

Facilitating the Master Recycler class for Linn and Benton Counties, helping people turn their passion to protect the planet into real actions they can implement in their lives now is one of Phillip's duties. This eight week long course explores all aspects of waste, where it goes, what the future looks like and the specific options in our community. Staffing informational booths and cart staffing at events are favorite payback opportunities for Master Recyclers.



Our Education and Outreach Coordinator serves as the local coordinator for Oregon Green Schools and is a member of the board of directors of this statewide agency. A part of her time is spent assisting schools in their quest to reduce waste and become Oregon Green Schools along the way.





Our Education and Outreach Coordinator serves as the regional coordinator for Oregon Green Schools and currently serves on it's Board of Directors. Helping schools create a plan to reduce "waste, watts and water" is a big part of this job.



FIGURE 18 - 2013 PRESENTATIONS

WASTE REDUCTION, RECYCLING, AND ORGANICS OUTREACH & EDUCATION

	Pre K- 5th grade	6th-8th grade	9th-12th grade	Lifelong Learning
Waste Reduction & Reuse	2	2	1	3
Recycling Presentations	2	1	1	3
Community Events & Fairs	2	2	2	2
Organics Presentations		1	1	1
Coffin Butte Landfill Tours		4	3	3
Pacific Region Compost Tours		4	2	2
Compost Workshops				2
Master Recycler Class				8
Cart Audits & Glass Canvass				4
TOTAL PRESENTATIONS				58



COMMUNITY INVOLVEMENT



CORVALLIS
FALL FESTIVAL



Corvallis
Chamber
of Commerce



CORVALLIS
sustainability
COALITION



CORVALLIS
ENHANCING COMMUNITY LIVABILITY



OLD MILL
CENTER
For Children and Families



OSU
Oregon State
UNIVERSITY

Republic Services is an active partner of the Corvallis Sustainability Coalition, serving on task and action groups. We have a strong commitment to supporting the community, with donations of cash, time, talent and products and services. Our company made donations to the list below in 2013:

City of Corvallis
Kiwans Club of Corvallis
Red, White & Blues Festival
Corvallis Cub Scouts
City of Monroe
Mary's River Park Shelter
First Alternative Co-op
Tangent Harvest Festival
City of Philomath
Rotary Club of Corvallis
Cheldelin Middle School
Greek Food Festival
Corvallis Knights

Philomath Classic Car Show
Fall Festival
Benton Co. Sheriff
Benton Co. Fairgrounds
Co. Fair & Rodeo
Triangle Park
Alesa Recycling Center
CVHS Baseball
Winters Eve Corvallis
OSU Family Gardens
Old Mill Center
Benton Co. Historical Society

Corvallis Assistance League
OSU Dept. of Human Development
United Way Day of Caring

Bite of Benton
Benton Co. Master Gardeners
United Way
Safe Haven Humane Society
CVHS
OSU Agriculture Program
Special Olympics
Corvallis Sustainability Coalition



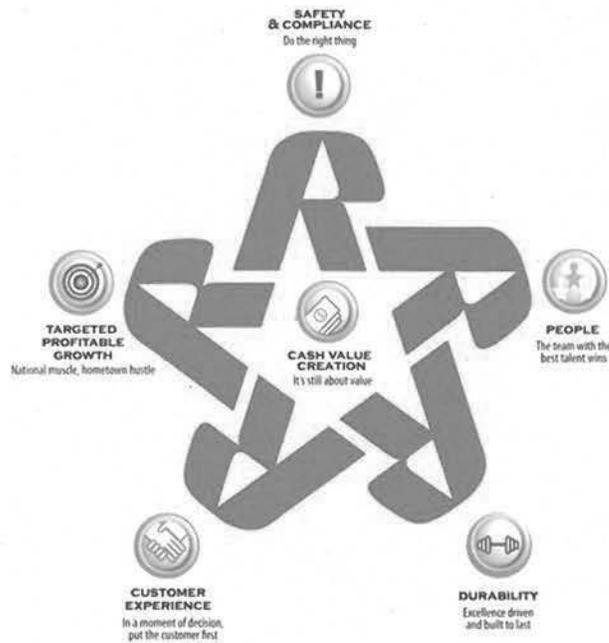
Appendix

F



COMPLIMENTS & COMPLAINTS

Type of Complaint	Number of Complaints	Number of Complaints Resolved	Number of Compliments Received
Billing Issues	7	7	-
Container Placement/Replacement	4	4	-
Property Damage	-	-	-
Trash/Recycling on Ground	7	7	-
Recycling Issues	1	1	-
Containers Missed	1	1	-
Customer Service Issues	1	1	-
Partially Emptied	-	-	-
Driver Issue	-	-	-
Customer Service	-	-	1
Driver Extra Effort	-	-	7
Overall Service Levels	-	-	4
Recycling	-	-	-
Total	21	21	12



2013 RECYCLING COLLECTOR SURVEY

Company/Collector Name Republic Services, Corvallis

Wasteshed Benton County



A. POST-CONSUMER MATERIALS HANDLED IN 2013 (Single Wasteshed)

Use a separate page 1 for each Oregon wasteshed.

INSTRUCTIONS: For each post-consumer material handled in 2013, record the amount obtained by each of the following collection methods. In columns (A)-(F) record the amount collected by your company. In column (G), record the amount received from other companies; list each company from which you received material. If material is received from multiple wastesheds, the totals reported (column H1) for each wasteshed should, when added together, equal the total reported in column (H2) on page 2. If material is collected in only one wasteshed, (H1) will = (H2).

Materials (See Recovered Materials Definitions on Attachment A)	Amount Collected: Only by Your Company						Amount Received From Other Companies	(G) **REQUIRED** Company Name(s)	(H1) Total Amount Collected / Handled in This Wasteshed (A) thru (G)
	(A) On-Route Residential (Curbside Only)	(B) On-Route Commercial	(C) Multi-Family	(D) Disposal Sites & Transfer Stations	(E) Other Depots & Other Residential	(F) Construction & Demolition			
COMMINGLED All Commingled Materials Tons	5205	1572			477		26	Coffin Butte Landfill	7280.000
PAPER FIBERS Newspaper / Mags. (FIB NP) Tons									0.000
Mixed Papers Only (FIB MW) Tons									0.000
Office Pack / HI Grade (FIB HI) Tons		61							61.000
Cardboard / Kraft (OCC) Tons		3020			183				3203.000
NON-FIBER Film Plastics (PF) Tons					51				51.000
Plastic Bottles & Containers (RPC) Tons									0.000
Other Plastics (PO) [kind _____] Tons									0.000
Container Glass (GL) Tons	559				365		22	Coffin Butte Landfill	946.000
Aluminum (AL) Tons									0.000
"Tinned" Steel Cans (TC) Tons									0.000
Scrap Metal (SCM) Tons					180		6	Coffin Butte Landfill	186.000
Lead Acid Batteries (LAB) Units / Tons					12				12.000
Tires (TIR) Units / Tons									0.000
Used Motor Oil (OIL) Gallons / Tons					28				28.000
Electronics (EL) Tons					115				115.000
Asphalt Roofing (RF) Tons									0.000
ORGANICS Food Waste (FW) Tons		355							355.000
Wood / Lumber (WW) Tons / CuYd		401							401.000
Compacted Yard Debris (YD) Tons / CuYd	8329								8329.000
Uncompacted Yard Debris (YD) Tons / CuYd	43								43.000
OTHER Other: Leaves Tons	2080								2080.000
Other: Cedar Shavings Tons		357							357.000
Other: Concrete Tons		243							243.000
Other: Christmas Lights Tons					1				1.000



WEBSITE SURVEY RESULTS

Spring/Summer 2013 Website Survey Results

58 responses collected between April- August 2013

How often do you visit our website?

- One time per week- 2.13%
- One time per month- 4.26%
- Several times per year- 93.62%

What are the three most common reasons you visit our website?

- Recycling Questions- 75%
- Billing Questions- 11.54%
- Events Calendar- 53.85%
- Holiday Schedule- 44.23%
- Rates- 5.77%
- To Schedule Services- 3.85%
- To Contact Us- 13.46%
- Customer Newsletter- 3.85%
- Other- 17.31%

information about pickup options and containers
 dates for glass pickup
 glass collection
 hours of operation for dump or recycling center at Corvallis HQ
 I've never visited your website but read your newsletter whenever it appears
 This is the first time I have been to this site. I did check out the web site for Allied Waste. Didn't realize until today that Allied is no longer.
 Try to figure out hazardous waste disposal days
 First and probably only web site visit, to fill out this survey..
 Pay bill. Glass p/u schedule.

How do you prefer to get information from Republic Services?

- Mail- 45.28%
- Website- 26.42%
- Newspaper- 7.55%
- Other- 20.75%

emails would work
 email or paper mail
 email
 email newsletter
 e-mail
 phone
 Newsletter (my only source of RS news)
 email
 Mail is good because this is a trailer park... included in pad rent is garbage pick up
 e-mail



WEBSITE SURVEY RESULTS

Email

What additional information would you like to see on our website?

Open-ended question

Several good things have resulted from the OSU/Corvallis Collaboration, including a recommendation from the Neighborhood Planning work group for more stringent demolition practices. I'd like to see the websites posted for neighborhood associations and a new coalition of realtors and rental property owners, as well as OSU and City contacts for recycling, so we can all communicate better among ourselves to educate each other on ways to reduce, reuse, and recycle more. The Sustainability Coalition is another good source of information that could be linked in through your website. The more cross-fertilization we have, the better we can clean up our act!

I would really like to see even more specific examples of what can and cannot be recycled. For example, I still cannot figure out if the boxes that frozen foods come in can be recycled or not.

More information about recycling, especially plastics. What you accept, what you don't accept, and other local organizations that might take what you don't accept (free or fee).

Tried to visit website just minutes ago and it came up with problem loading page. I would like to have seen plastic recycling numbers in your mailout. issue Summer 2013. It talked about them by never mentioned BY NUMBER what you will or will not accept

I'm still not clear about who can have a mixed organics bin and who is stuck using a composter.

I would appreciate listing of businesses that sell recycled products around Corvallis, and maybe more update on what happens to recycled items (e.g. who uses them to make what). It would help me to make better choices. Thanks for the opportunity to share.

tailor website for Corvallis, rather than just inserting name in countrywide web info...

easy to find hours of operation for dump and recycling centers as well as special event schedule - hazardous waste day Also recycling details and clarifications

I love the flyer. I read them and wish everyone here (in the trailer park) read them. These often contain good information and, man, do you ever have to repeat, repeat, repeat... It's good to repeat because obviously someone might not get it from this flyer but maybe the next one...

The recycling of plastic is confusing: what happened to the triangle with a number that was specific to what plastic you could recycle. Now it seems that any color, any chemical composition, and size is okay. Medical prescription bottles (small ones) to gallon jugs yellow, white, green, and clear) seem to be permitted.

Easier to find/better information on landfill locations and rates for our area; more information/easier-to-find information on what's accepted for the household hazardous waste events





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

MEMORANDUM

March 31, 2014

TO: Adam Steele, Franchise Utility Specialist

FROM: Jeanna Yeager, Accountant

SUBJECT: Republic Services of Corvallis, Annual Financial Review Fiscal Year 2013

This review consists of inquiries and analytical procedures and is very limited in its nature. It does not attest to whether the financial statements or schedules were prepared in accordance with Generally Accepted Accounting Principals. Republic Services of Corvallis' (formerly Allied Waste of Corvallis) annual reports are unaudited financial reports that are the representation of the management of Republic Services.

This review is based on Republic Services' fiscal year, January 1, 2013 through December 31, 2013. During the year, Republic Services received revenues of \$7,699,671, an increase of 4.4% over the prior year. Republic Services attributes this to the "rollover" effect of the October 2012 price increase, moderate volume grown, and the inclusion of medical waste in the reporting.

Total operating expenditures were \$5,669,267, an increase of 3.9%. According to Republic Services, this was due to volume growth, higher maintenance and facility repairs, and the inclusion of medical waste subcontract costs. Salaries and general administrative costs decreased 4.7%. Contributing to these savings was "a mailing to customers that typically is expensed in January was expensed in December of 2012." In addition, there was a significant decrease in bad debt expense due to strong collection efforts. This resulted in operating income of \$1,132,645 and net income of \$679,587, both representing increases of approximately 16% when compared to the prior fiscal year.

Republic Services reports franchise fees totaling \$386,859, paid to the City of Corvallis, for standard waste and recycling receipts. This is consistent with City records and reasonable relative to total revenue recorded by the company. Republic Services has subcontracted their medical waste business and no longer separately reports franchise fee for these receipts. According to City records, franchise payments for medical waste totaled \$4,859.

Accounts payable increased from \$161,700 in the prior year to \$1,555,762, contributing to total current liabilities of \$1,759,983. With current assets (excluding cash) of \$1,146,304, Republic

Services has a current ratio of less than one. This result is significantly lower than the prior year and might normally be of concern as a short-term liquidity benchmark. However, cash is excluded from the numerator and the ratio is consistent with the parent company's results (when cash is also excluded), as well as results of the industry in general.

Based on this review, acceptance of Republic Services' annual report is recommended.

MEMORANDUM

TO: Administrative Services Committee
FROM: Mary Steckel, Public Works Director 
DATE: May 20, 2014
SUBJECT: Casco Telecommunications Franchise

ISSUE:

Casco, a competitive local telecommunications service provider has submitted a request for a telecommunications franchise to operate within the public right of way.

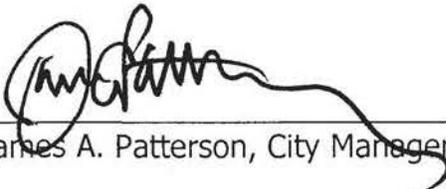
DISCUSSION:

Staff is proposing a standard non-exclusive, ten-year telecommunications franchise agreement (attached) with Casco. The agreement is subject to the conditions of the Master Telecommunications Ordinance 99-26 and Corvallis Municipal Code, including requirements for compensation, insurance, performance surety, and indemnification.

The terms of the proposed franchise agreement are consistent with previous City Council direction to establish proper management authority within public rights of ways and to receive maximum compensation allowed by law for such use. Casco will pay a franchise fee of 7% of gross revenues earned within the Corvallis city limits.

RECOMMENDATION:

Staff recommends the Administrative Services Committee recommend City Council adopt an ordinance for a non-exclusive telecommunications franchise with Casco fixing terms, conditions, and compensation, and stating an effective date upon passage by the City Council and approval of the Mayor.


James A. Patterson, City Manager


James K. Brewer, City Attorney

ORDINANCE 2014-

AN ORDINANCE GRANTING TO CASCO A NONEXCLUSIVE FRANCHISE FOR THE PROVISION OF TELECOMMUNICATIONS SERVICES WITHIN THE CITY OF CORVALLIS, AND STATING AN EFFECTIVE DATE

WHEREAS, Casco, hereinafter referred to as "Grantee", provides telecommunications services within the city of Corvallis, Oregon; and

WHEREAS, Grantee has applied for a telecommunications franchise pursuant to Ordinance 99-26, an ordinance relating to telecommunications infrastructure located in the public rights of way, and the City of Corvallis (City) has reviewed said application and has determined that it meets all the requirements of the City's Ordinance subject to the terms and conditions stated herein;

NOW, THEREFORE, THE CITY OF CORVALLIS ORDAINS AS FOLLOWS:

Section 1. The City intends, by the adoption of this franchise, to encourage the continued development and operation of telecommunications facilities within the city of Corvallis. This Ordinance shall be known as the Casco Telecommunications Franchise Ordinance. Within this document, it shall also be referred to as "this Franchise" or "the Franchise".

Section 2. Grant of Franchise. The City hereby grants to Grantee, a nonexclusive franchise to use the public rights of way within the city to provide telecommunications services, subject to the provisions of Corvallis Municipal Ordinance 99-26 and the Corvallis Municipal Code or as hereafter enacted or amended. Ordinance 99-26, an ordinance relating to telecommunications infrastructure located in the public rights of way, shall be incorporated into this Franchise as though it were a part of it, specifically including but not limited to the requirements for compensation, insurance, performance surety, and indemnification.

Section 3. Term. The term of this Franchise shall be for ten (10) years, commencing with the effective date of this Ordinance.

Section 4. Franchise Area. The Grantee is authorized by this Franchise to make reasonable and lawful use of the public rights of way within the boundaries of the city of Corvallis or as these boundaries may be extended in the future.

Section 5. Franchise Fee. As consideration for the use of the City's rights of way, Grantee shall remit to the City a franchise fee of seven (7) percent of gross revenues earned within the city less the cost of leasing telecommunications facilities from the owner of such facilities. Grantee's franchise fee payments to the City shall be due quarterly within (30) days following the end of each quarter. Within thirty (30) days after the termination of this Franchise, compensation shall be paid for the period elapsing since the end of the last quarter for which compensation has been paid. In the event any payment due quarterly is not received within thirty (30) days from the end

of the preceding quarter, or is underpaid, Grantee shall pay in addition to the payment, or sum due, interest at a rate no higher than the current legal interest rate on judgments in the State, calculated from the date the payment was originally due until the date the City receives the payment. Additionally, if any payment becomes ninety (90) days in arrears, a ten (10) percent penalty shall be applied. In the event the obligation of Grantee to compensate the City through franchise fee payments is lawfully suspended or eliminated, in whole or part, then Grantee shall pay to the City compensation equivalent to the compensation paid to the City by other similarly situated users of the rights of way for Grantee's use of the rights of way, provided that in no event shall such payments be less than the equivalent of seven percent (7%) of Grantee's gross revenues (subject to the other provisions contained in this Franchise).

Section 6. Performance Surety. The City reserves the right to require a performance surety at any time during the term of this Franchise, in form and substance acceptable to the City, as security for the full and complete performance of a franchise granted under this Ordinance.

Section 7. Franchise Acceptance. Within thirty (30) days of the passage of this Ordinance by City Council, Grantee shall file with the City certificates of insurance and an unconditional written statement accepting the terms and conditions of this Franchise grant. Failure to fulfill this requirement shall nullify and void this Ordinance, and any and all rights of Grantee to own or operate a telecommunications facility within the Franchise Area under this Ordinance shall be of no force or effect.

Section 8. Franchise Nonexclusive. The Franchise hereby granted is not exclusive, and shall not be construed as any limitation on the right of the City to grant rights, privileges and authority to other persons or corporations or to itself to make any lawful use of the City's rights of way.

Section 9. Effective Date. The Ordinance shall become effective on July 1, 2014.

PASSED by the Council this ____ day of _____, 2014.

APPROVED by the Mayor this ____ day of _____, 2014.

EFFECTIVE this _____ day of _____, 2014.

Julie Manning, Mayor

ATTEST:

Carla Holzworth, City Recorder

MEMORANDUM

May 21, 2014

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 13-14.

II. Discussion

The Third Quarterly Operating Report (QOR), in the new streamlined format approved by Council, has been published on the City's web site and is available for review. At the end of the third quarter of the fiscal year total revenues are just over 76% of budget which is very comparable to this time last year. All operating revenue categories are, with the exception of property taxes and miscellaneous revenue (business energy tax credits specifically), higher across the board in FY 13-14.

Operating expenditures across departments were roughly as expected and comparable to the prior year at about 65% of the amended budget. Due primarily to vacancies existing across all departments, personnel service costs are running at about 70% of budget three quarters of the way into the fiscal year. It should be noted that the associated savings are unevenly spread across departments; about half of the departments are 6% or less underfilled relative to authorized FTE, with the remaining half averaging 10% unfilled. Some of the savings of prolonged vacancies have been offset by higher overtime and temporary staff needed to continue basic service provision, as well as by sizeable retirement cashouts that brought about some of the vacancies. As of the end of the third quarter, the City had nearly 34 unfilled FTE (this excludes three unbudgeted police officers). Sixteen of the vacancies continued to be carried in Public Works as management worked on finalizing the department's reorganizational plan through the FY 14-15 budget cycle.

In summary, financial performance in all funds is generally at expected levels, and the noteworthy situations have not changed significantly from last quarter:

- General Fund – The green line portrayed on the financial plan on pg.3 of the QOR is now positive thanks to an influx of revenues in the third quarter. The large property tax refund paid in July in respect of H-P resulted in FY 13-14 year-to-date net receipts that are about \$800,000 lower than last fiscal year at this time. Since this situation was known prior to budget adoption, third quarter total revenues are still relatively close to last year's results as a percentage of budget. All other General Fund revenues are coming in at or higher than last year's levels so far this fiscal year, although Municipal Court fines continue to lag the budget target, and are only slightly ahead of last fiscal year results. Since Municipal Court is now fully staffed, some improvement is expected in the last quarter of the year, but no real improvement is anticipated until FY 14-15 when Police hopes to have regained some of its staffing. Year to date miscellaneous revenue receipts are higher in FY 13-14 mostly due to the \$636,000 received by the Library from the Friends of the Library fund-raising donation for the purchase of the Fenner Building. On the expenditure side, Public Works is coming in well under a 75% target at the end of the third quarter of the fiscal year, primarily due to lower than anticipated year-to-date street lighting costs as well as PEG-Inet and grant related project spending. However, Library is right at the 75% expended level mark this fiscal year-to-date based on close to full staffing for most of the fiscal year combined with a large retirement cashout in January.
- Both Public Works in the Street Fund and Parks & Recreation in the General Fund had substantial costs from this winter's two large snow storms. The QOR highlights section provides more details on these financial impacts. Another primary concern in the Street Fund remains the below-target highway tax revenue receipts which may be insufficient to cover even the reduced expenditure levels. These issues continue to be monitored, and projects delayed as necessary to ensure a positive fund balance at year-end.
- The Development Services Fund is in better than expected financial position this fiscal year with revenue results all in excess of 100% of budget by the end of the third quarter. Additionally, expenditures are well under

75% at the end of the third quarter, due to under-expended personnel services from vacancies, as well as delayed purchases of computer hardware and vehicles that are still anticipated to occur by year-end. Development Services also continues work to implement service enhancement initiatives and is currently testing a product to allow on-line plan reviews that costs substantially less than expected when the budget was developed. If this product is successful the fund will end the year well under 100% expended. More information related to the revenue drivers is included in the QOR highlights section.

- The negative cash position in the Community Development Revolving Fund fell further to \$192,456 at quarter end. Grant reimbursements are lagging, and staff continues to monitor and plan for a solution for the fiscal health of this Fund through the fourth quarter. Currently, it is anticipated that approval of an additional interfund loan from the Development Services Fund will be sought from City Council in order to achieve the necessary positive cash balance at year-end FY 13-14 for audit purposes.

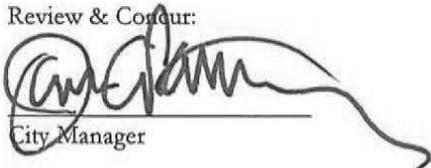
Attached to this memo are the first two pages of the Third QOR (Attachment A). These two pages highlight any significant variances from expected financial performance and the status of the General Fund operations. An income statement for each fund, the Council Goals update as of March 31, 2014, and the third quarter Treasury report are linked to the online 12-page report to provide ASC with information about the City's current financial position.

The Capital Project budget is roughly 36% expended at the end of the third quarter. Capital project work and the related spending tend to fluctuate each year, with delays causing carryovers to future years or savings on conservative budgeting typically resulting in much less than 100% of budget being accomplished. The following projects were essentially complete as of the end of the third quarter: the Sunnyside School Building relocation (renovation and construction work continues); the City Hall block wayfinding signage project; Tunison Park/Community Center improvements; Phase I of the Hwy 99 storm drain replacement; and the Dixon Slope stabilization work under the Storm Water master plan.

III. Requested Action

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

Review & Concur:



City Manager



3rd Quarter Financial Summary

FY 2013-14

This report provides summary information on the City's financial status as of the end of March, 2014; more detailed comparative income statement form data is available on-line at this [link](#).

PERFORMANCE AT A GLANCE (YEAR TO DATE)		COMMENTS
GENERAL FUND		
General Fund Expenditure vs. Revenue	WATCH	Ensure that expenditures do not exceed revenues received.
Property Tax Revenue	WATCH	Reduced valuation on property and ongoing appeals by certain large tax payers has impacted revenue received; overall trend appears better than expected a year ago.
Transient Room Tax	POSITIVE	Receipts are ahead of last year actuals, and are currently trending higher than budget.
Franchise Fees	WATCH	Although franchise fees are coming in higher than the prior two years' actuals ytd, lower demand and conservation of utilities may result in less revenue than budgeted.
State Shared Revenue	WATCH	Although Corvallis receipts ytd appear to be on track with budget and trending higher than last year, lower cigarette/alcohol demand is predicted by the League of Oregon Cities to soon result in less State revenue available for distribution to local governments.
Fines & Forfeitures	WATCH	Below budget YTD, and future legislative changes could result in lower revenue.
General Fund Expenditures vs. Budget	POSITIVE	Current General Fund expenditures appear to be on target and unlikely to exceed budget this fiscal year. Departments with personnel services savings from vacancies are making plans to do some spending on deferred maintenance and/or other delayed projects.
SPECIAL REVENUE FUNDS		
9-1-1 Emergency Services	WATCH	Declining fund balance; current revenues may not be sufficient to maintain current service levels.
Community Development Revolving	WATCH	Continuing negative cash balances need to be mitigated; current revenues may not be sufficient to maintain current service levels.
Development Services	POSITIVE	Revenues currently exceed last fiscal year and FY13-14 budget.
Parking	WATCH	Revenues are relatively flat with significant expenditures anticipated in next few years. Fiscal health may be impacted by residential parking district (RPD) Council initiatives.
Street	WATCH	Declining fund balance; current revenues may not be adequate to continue service levels.
Transit	WATCH	Current revenues are short of last fiscal year and FY13-14 budget; however, on track not to exceed expenditure budget.
ENTERPRISE FUNDS		
Airport	WATCH	Current revenues are lagging last fiscal year and budget; however, on track not to exceed expenditure budget.
Storm Water	POSITIVE	On track to meet revenues and not exceed expenditures.
Wastewater	WATCH	Declining fund balance; current metered revenues are being monitored, but appear to be trending flat to declining versus last fiscal year and FY13-14 budget.
Water	POSITIVE	On track to meet revenues and not exceed expenditures.
INTERNAL SERVICE FUNDS		
Risk Management	WATCH	Risk coverage premiums continue to increase; claims are using up deductible capacity and reserves may be insufficient for a catastrophic event.

What the ratings mean:

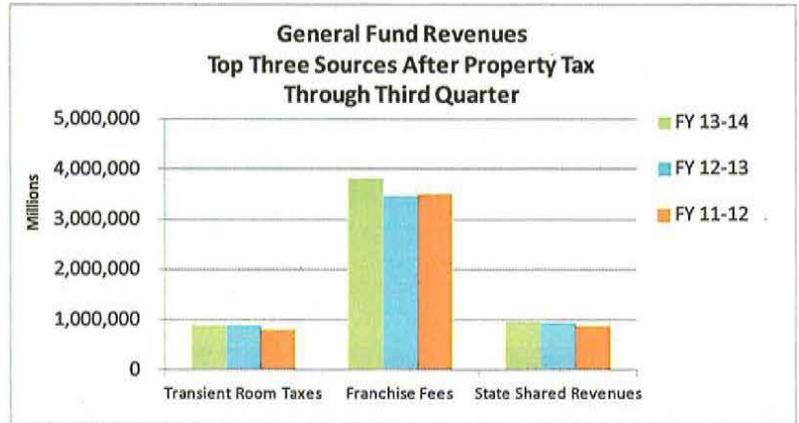
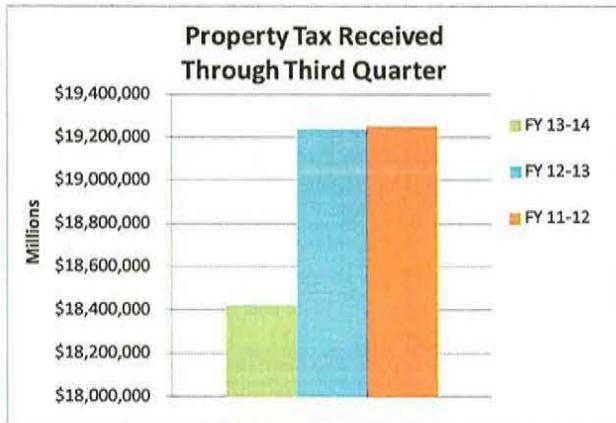
Positive – Current revenues and City Council-adopted use of reserves are sufficient to support the current level of service. Fund balances appear stable over a three-year forecast. No significant negative issues are identified.

Watch – Various stressors may cause current revenues to be flat or decline and impact the fund's capacity to support the current level of service. Factors exist that may contribute to higher than anticipated expenditure levels in more than one category over the next 6-12 months.

Negative – Current expenditures exceed or revenues are significantly behind forecast assumptions. Fund balance is unstable. Immediate action to reduce expenditures is required.

GENERAL FUND

REVENUE	AMENDED BUDGET	3rd Quarter FY 12-13	Y-T-D FY 12-13	FY 12-13 % REC/EXPEND	AMENDED BUDGET	3rd Quarter FY 13-14	YTD FY 13-14	FY 13-14 % REC/EXPEND
Budgeted Beg. Fund Balance (incl reserves)	5,271,580				\$6,265,564			
Property Taxes	\$21,002,640	\$1,097,482	\$19,238,067	91.60%	\$20,617,620	\$773,541	\$18,422,498	89.35%
Other Tax	1,270,650	249,283	872,134	68.64%	1,372,600	243,235	897,651	65.40%
Licenses/Permits	5,708,610	1,594,886	3,740,768	65.53%	5,925,060	1,780,299	4,075,256	68.78%
Charges for Service	5,856,500	1,119,930	4,639,943	79.23%	5,889,850	1,106,698	4,832,219	82.04%
Intergovernmental	4,309,570	539,074	3,272,576	75.94%	4,227,760	840,891	3,435,041	81.25%
Fines/Forfeitures	830,110	188,441	512,773	61.77%	771,390	191,419	534,748	69.32%
Miscellaneous	576,300	95,157	461,725	80.12%	1,161,400	112,472	998,920	86.01%
Other Financing Sources	2,845,350	183,201	2,076,918	72.99%	7,061,488	3,561,943	6,089,325	86.23%
TOTAL CURRENT REVENUE	\$42,399,730	\$5,067,454	\$34,814,903	82.11%	\$47,027,168	\$8,610,498	\$39,285,658	83.54%
EXPENDITURE BY DEPARTMENT								
City Manager's Office	\$380,000	\$54,005	\$125,036	32.90%	\$326,250	\$81,989	\$227,342	69.68%
Community Development	1,311,410	308,236	915,296	69.79%	1,309,840	300,756	881,636	67.31%
Finance	629,740	156,105	452,212	71.81%	646,770	149,566	461,993	71.43%
Fire	10,455,220	2,480,615	7,514,812	71.88%	10,485,960	2,410,691	7,568,856	72.18%
Library	6,053,510	1,375,650	4,231,975	69.91%	6,524,140	2,063,131	4,892,636	74.99%
Parks & Recreation	6,080,310	1,242,647	4,102,451	67.47%	6,191,860	1,338,503	4,413,945	71.29%
Police	10,499,190	2,382,902	7,570,044	72.10%	10,688,290	2,587,964	7,628,546	71.37%
Public Works	1,218,900	187,217	719,775	59.05%	1,026,260	204,061	546,502	53.25%
Non-Departmental	1,362,100	328,726	1,011,922	74.29%	1,480,870	292,140	917,841	61.98%
TOTAL OPERATING EXPENDITURES	37,610,380	8,516,103	26,643,523	70.84%	\$38,680,240	\$9,428,801	\$27,539,296	71.20%
Debt Service	\$243,880	\$25,530	\$243,872	100.00%	\$243,180	\$22,644	\$243,174	100.00%
Transfers / Other Financing Uses	3,100,663	107,773	2,047,291	66.03%	7,085,818	3,470,837	5,660,896	79.89%
Contingencies/Reserves	512,850	0	0	0.00%	597,200	0	0	0.00%
TOTAL ALL EXPENDITURES	\$41,467,773	\$8,649,406	\$28,934,686	69.78%	\$46,606,438	\$12,922,282	\$33,443,367	71.76%
CURRENT REVENUE LESS TOTAL EXPENDITURES		(\$3,581,952)	\$5,880,217		\$420,730	(\$4,311,785)	\$5,842,291	



Using state projections, the League of Oregon Cities (LOC) produces per capita estimates of **State Shared Revenues** annually. These estimates are available to assist cities in the development of their budgets. The LOC's 2014 State Shared Revenue Estimates makes note that over the last few years actual state shared revenue distributions have been lower than the state's initial projections. LOC recommends that cities compare previous years' distributions and growth patterns in population when deriving the current year budget. While published estimates have been bleak in recent years, distributions to the City of Corvallis have remained relatively stable, and YTD FY13-14 is on track to achieve budgeted levels. However, staff recognizes the volatile nature of these resources and keeps that in mind when developing budget projections for this revenue source.

