

FIRST QUARTERLY OPERATING REPORT FISCAL YEAR 2009-2010

EXECUTIVE SUMMARY

November 18, 2009

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

This Quarterly Operating Report begins with this executive summary of the City's financial highlights, which includes as an appendix a reader's guide to some of the terminology used throughout the report. The remainder of the report covers:

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

The FY 09-10 budget was prepared and adopted during a time of national economic recession. High unemployment, declining property values, and slowed development were all taken into account when preparing the budget, and a number of revenue estimates were reduced from historical high levels to better reflect expected financial performance. At the same time, demand for many City services has never been higher, and federal stimulus dollars granted to the City, primarily for street projects, increased the expenditure budget.

At the end of the first quarter, national economic analysts are debating whether or not the recession has ended or reached bottom, but unemployment remains high and significant residential development has not resumed. As of September 30, 2009 the City has completed most of the first round of street grind and inlay projects, ordered two new buses, and entered into contracts with social service providers for federal Community Development Block Grants, all funded by the American Recovery and Reinvestment Act (ARRA) grants from the federal government.

Overall, the City's financial performance through the first quarter generally has been as expected. Revenue and expenditure patterns are close to historical patterns (i.e., Parks & Recreation usually spends more than 25% of its budget in the busy summer months, and that was true this quarter as well). The economy has had an impact on development revenues, but with Good Samaritan Regional Medical Center and OSU's construction projects, the revenues thus far in the year have been adequate to maintain the Development Services Fund in a positive position. In some cases, the percentage of revenues received may belie the poor performance of a revenue stream due to reduced revenue estimates. This is particularly true for development related revenues such as Systems Development Charges and construction plan review and permit fees (i.e., the Development Services Fund reports some revenues at 100% of estimates, but the estimate is 22% or \$470,000 lower than historical trends would have indicated the revenue should have been).

The following table compares year-to-date actuals with budget for all funds in both FY 09-10 and FY 08-09:

REVENUE	AMENDED BUDGET	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	AMENDED BUDGET	Y-T-D FY 08-09	FY 08-09 % REC/EXPEND
Budgeted Fund Balance	\$40,494,356					
Property Taxes	\$20,961,130	\$149,127	0.71%	\$20,509,610	\$121,108	0.59%
Other Tax	1,194,350	196,193	16.43%	1,220,930	201,991	16.54%
Licenses/Permits	6,886,740	1,278,716	18.57%	7,343,480	1,319,533	17.97%
Charges for Service	38,215,330	10,218,720	26.74%	39,544,320	9,650,716	24.40%
Intergovernmental	16,166,453	591,943	3.66%	15,191,128	581,120	3.83%
Fines/Forfeitures	1,413,310	215,194	15.23%	1,253,270	242,513	19.35%
Miscellaneous	2,984,810	1,317,854	44.15%	4,088,410	615,167	15.05%
Other Financing Sources/Transfers in	13,880,335	3,262,195	23.50%	22,909,455	3,943,040	17.21%
TOTAL CURRENT REVENUE	\$101,702,458	17,229,942	16.94%	\$112,060,603	\$16,675,188	14.88%

EXPENDITURE BY DEPARTMENT

City Manager's Office	\$3,086,770	\$1,134,416	36.75%	\$3,147,160	\$1,136,185	36.10%
Community Development	7,553,710	1,230,109	16.28%	7,633,040	1,448,402	18.98%
Finance	4,913,490	1,193,777	24.30%	4,814,640	1,162,233	24.14%
Fire	11,524,260	2,887,837	25.06%	10,710,204	2,318,841	21.65%
Library	6,273,870	1,516,541	24.17%	6,193,510	1,610,876	26.01%
Park & Recreation	5,991,290	1,697,891	28.34%	5,695,870	1,616,230	28.38%
Police	12,416,893	3,189,327	25.69%	11,438,027	2,846,919	24.89%
Public Works	30,346,320	6,367,739	20.98%	27,688,137	5,084,729	18.36%
Non-Departmental	1,526,720	420,442	27.54%	1,865,450	466,497	25.01%
TOTAL OPERATING EXPENDITURES	\$83,633,323	\$19,638,079	23.48%	\$79,186,038	\$17,690,912	22.34%
Debt Service	\$7,214,200	\$1,236,685	17.14%	\$7,443,110	\$1,219,885	16.39%
Capital Projects	11,866,610	1,222,246	10.30%	10,902,090	1,388,277	12.73%
Transfers Out / Other Financing Uses	13,880,335	3,250,974	23.42%	22,964,415	3,943,040	17.17%
Contingencies/Reserves	1,710,740	0	0.00%	1,485,600	0	0.00%
TOTAL ALL EXPENDITURES	\$118,305,208	\$25,347,984	21.43%	\$121,981,253	\$24,242,114	19.87%
CURRENT REVENUES LESS TOTAL EXPENDITURES	(\$16,602,750)	(\$8,118,042)		(\$9,920,650)	(\$7,566,926)	

In general, the status of the City's finances was in line with expectations at the end of the first quarter. Year-to-date operating revenues of \$13,967,747 are at 15.90% of the Amended Operating Revenue Budget of \$87,822,123. Non-operating revenues comprised primarily of transfers totaled \$3,262,195 or 23.50% of the \$13,880,335 Amended Non-Operating Budget. The Amended Budget reflects the adopted budget, plus any amendments approved by the City Council via resolution during the course of the fiscal year. In the first quarter of FY 09-10, the following amendments to the budget were approved:

Date	Amendment Type	Resource	Fund	Department	Net Impact
7/06/09	Res - Grant	USDAF Grant	Water Timber	Public Works	\$ 33,600
8/17/09	Res - Grant	DOJ Byrne Grant	General	Police	80,052
9/21/09	Res - Grant	DOJ Byrne Grant	General	Police	6,800
9/21/09	Res - Grant	DOJ Byrne Grant	General	Police	14,681
Total Increase:					<u>\$ 135,133</u>

Significant revenue highlights include:

- **Property taxes** totaled \$149,127 for the first quarter which equals 0.71% of the budgeted property tax revenue. Current year property taxes are primarily collected in the second quarter of the fiscal year. The FY 09-10 result year-to-date is relatively comparable with last fiscal year's results, and at this point in the year represents delinquent collections only. After the end of the quarter, staff was notified by the Benton County Assessor's Office that assessed value had grown only 2.1% in 2009 which will result in around \$45,000 less in property tax revenue than the budget had anticipated. In addition, Benton County Finance is withholding 1% or about \$188,750 in property taxes pending a tax court decision on Hewlett-Packard's appeal of its 2008 value; a decision is expected soon. Combined, this is expected to result in \$233,750 less in property tax revenue to the City in FY 09-10 than the budget anticipated.
- **Licenses, Fees and Permits** totaled \$1,278,716 which represents 18.57% of the amended budget and is a lower dollar amount than collected over the same period in FY 08-09 due primarily to lower franchise fee and transportation

maintenance fee collections year-to-date, but partly offset by slightly higher than expected Development Service permit fees for several large projects at OSU and Good Samaritan Hospital.

- **Charges for Services** were \$10,218,720 which represents 26.74% of the amended budget. These revenues are generally on target with budget and last year’s results, despite a continued slow economy and virtually no residential development.
- **Intergovernmental** revenues are below target year-to-date but comparable to last year’s actuals at \$591,943 or 3.66%. The receipt of grant monies tends to be volatile and highly dependent on timing of related expenditures. It should be noted that about \$2.2 million in FY 08-09 amendments for American Recovery and Reinvestment Act (ARRA) stimulus funding was carried over to FY 09-10 which also attributes to the below target result above; reimbursements for large ARRA street projects are expected in the second quarter.
- **Interest earnings** totaled \$81,149 which represents 9.09% of the budgeted interest and is only about 25% of the amount received over the same period in FY 08-09, due to the significant and continued decline of interest rates as well as the City’s total cash balances.

Operating expenditures for all funds totaled \$19,638,079 or 23.48% of the Amended Operating Expenditure Budget. Non-operating expenditures, which include capital projects, transfers, debt service, and contingency, totaled \$5,709,905 or 16.47% of the \$34,671,885 Amended Non-Operating Budget. In total, expenditures for the first quarter were \$25,347,983 or 21.43% of the \$118,305,208 budgeted compared to 19.87% at the same time last year. A breakdown of departmental expenditures by category is provided below:

OPERATING EXPENDITURES BY DEPARTMENT

DEPARTMENT	AMENDED BUDGET	PERSONAL SERVICES	SUPPLIES & SERVICES	CAPITAL OUTLAY	TOTAL EXPENDITURES	% OF AMENDED BUDGET
<i>Total Budget by Category</i>		\$43,109,280	\$36,682,723	\$3,841,320	\$83,633,323	
City Manager’s Office	\$3,086,770	\$285,689	\$832,720	\$16,007	\$1,134,416	36.75%
Community Development	7,553,710	787,425	442,684	0	1,230,109	16.28%
Finance	4,913,490	822,476	371,301	0	1,193,777	24.30%
Fire	11,524,260	1,994,696	457,597	435,544	2,887,837	25.06%
Library	6,273,870	971,026	545,515	0	1,516,541	24.17%
Parks & Recreation	5,991,290	1,181,375	516,516	0	1,697,891	28.34%
Police	12,416,893	2,194,388	884,716	110,224	3,189,327	25.69%
Public Works	30,346,320	2,645,310	3,652,953	69,476	6,367,739	20.98%
Non Department	1,526,720	0	420,442	0	420,442	27.54%
TOTAL	\$83,633,323	\$10,882,385	\$8,124,442	\$631,251	\$19,638,079	23.48%
Percent of TOTAL		25.24%	22.15%	16.43%	23.48%	

Significant expenditure highlights include:

- **Personal services** totaled \$10,882,385 or 25.24% of the amended budget of \$43,109,280 and is in line with the percent of budget spent in FY 08-09, though more than \$600,000 higher than the latter due to cost of living and associated benefit increases and position reclassifications, offset by a lower PERS rate. While expenditures to date represent slightly more than 25% of budget, that is expected due to the large number of seasonal workers employed during the summer months.
- **Supplies and Services** totaled \$8,124,442 or 22.15% of the amended budget of \$36,682,723 . The dollars spent in FY 09-10 are over 10% higher than the amount spent in the same period in FY 08-09 due primarily to ARRA grant spending on grind and inlay projects in the Public Works department in the Street Fund.
- **Capital Outlay** totaled \$631,251 or 16.43% of the amended budget of \$3,841,320. The dollars spent in FY 09-10 are about \$550,000 more than in the same period in FY 08-09 due to the first quarter payment for the balance of the Fire Department ladder truck purchase. Capital purchases do not tend to follow a regular pattern other than to typically weight toward the end of the fiscal year where flexibility allows to ensure sufficient budget remains for the acquisition.

NON OPERATING EXPENDITURES

- **Capital projects** totaled \$1,222,246 or 10.30% of the amended budget of \$11,866,610. Capital projects expenditures tend to fluctuate year-over-year, but are often in this range in the first quarter of the fiscal year due to design and contract award work being less expensive than actual construction that follows later in the year. For FY 09-10, several of the capital project staff members have been working on ARRA funded projects instead of capital projects to ensure these federal dollars were spent within the time limits allowed. See the Capital Improvement Program section for more information on the status of capital projects.
- **Debt service** payments totaled \$1,236,685 or 17.14% of the amended budget of \$7,214,200. Year-to-date spending is very close to the same period in FY 08-09. Last year’s refunding of two of the City’s three outstanding General

Obligation (GO) Bonds will result in annual debt service of approximately \$230,000 less than last year's total payments and about \$320,000 in savings over the previously projected FY 09-10 payments before the refunding. However, this effect is currently offset in the first quarter by the increase due to the balloon amortization structure of the pension obligation bonds and the timing year-to-date of revenue-supported bond payments.

- **Transfers and Other Financial Uses** totaled \$3,250,974 or 23.42% of the amended budget of \$13,880,335. The majority of the transfers are related to capital projects. See the Capital Improvement Program section for information on the status of capital projects.

As always, if you have questions or concerns about the information in this report, please do not hesitate to contact me at (541) 766-6990 or via e-mail at nancy.brewer@ci.corvallis.or.us.

Nancy Brewer
Finance Director

READER'S GUIDE TO QUARTERLY OPERATING REPORT – TERMINOLOGY APPENDIX

REVENUES

Below are listed the various revenue categories, the major elements in those revenue types, and the funds which have the revenue type as a major revenue source:

Property Tax Revenues - Property taxes provide about half of the operating revenue for programs in the property tax supported funds and all of the revenue for general obligation debt. Property taxes are found in the General, Parks and Recreation, Fire and Rescue, Transit, Library and General Obligation Debt Service Funds. The majority of the property tax revenues are received in the second quarter.

Other Taxes - Transient Room Taxes are taxes on hotel and motel occupancy and reflect their usage rate. The City currently levies a room tax of 9% of the room costs on all transient lodging in the City limits. These revenues tend to be somewhat seasonal and subject to volatility depending on economic conditions.

License, Fees & Permits - Franchise Fees provide approximately 35% of the operating revenue in the General Fund. In addition to right-of-way fees charged to local utility companies, franchise fees are also assessed against and paid for by the City's water, wastewater, and storm water utilities. Revenues for park use permits, sound and camping permits are received in the Parks & Recreation Fund, and tend to be seasonal in nature. Building permit revenue is recorded in the Development Services Fund. Parking lot space fees and residential parking permits are received in the Parking Fund while transportation maintenance fees and right of way permits are received in the Street Fund.

Charges for Services - General Fund charges include development review charges and rental charges for City owned buildings. The Parks and Recreation Fund generates revenue from recreation programs and System Development Charges (SDC's). Charges for Police and Fire 911 services are received in the 911 Emergency Fund and are on target. Water, sewer and drainage user fees and SDC's are received in the Water, Wastewater, and Storm Water Funds. The Airport Fund receives revenues for hangar rentals, fuel sales, and seed crops. The Internal Service Funds (Technology and Communications, Administrative Services, Fleet, Facility Maintenance, and Risk Management) receive payments for services provided to other city departments.

Intergovernmental - State sharing revenues include cigarette, liquor, 9-1-1 and highway taxes and currently make up approximately 24.60% of amended budget intergovernmental revenues. Benton County Intergovernmental funds for Library support make up approximately 14.07% of intergovernmental revenues and are primarily received in the second quarter since they are tied to property tax turnovers. Projected grant revenue makes up nearly 61.14% of the intergovernmental revenue amended budget. The receipt of grant monies tends to be volatile and highly dependent on timing of related expenditures. The remaining 3.04% of budget is for other revenue items such as 911 system cost share from other government agencies.

Fines and Forfeitures - Revenues include fines imposed through Municipal Court for traffic and parking violations, library fines and violations of the Uniform Fire Code. Revenues are also derived from property damage restitution payments, asset seizures and forfeitures through court action. Fines and forfeitures are mainly found in the following funds: General, Parking and Library.

Miscellaneous Revenues - Miscellaneous revenues include donations, housing and assessment loan repayment proceeds, business energy tax credits (BETC) for transit, gifts/contributions, insurance proceeds, bad debts recovered and investment interest revenues. Interest revenues represent approximately 30% of the total miscellaneous revenue budget, which is a much smaller amount than in prior years.

Other Financing Sources - Other Financing Sources consist mainly of "interfund" and "intrafund" transfers that are primarily for capital construction projects and debt service requirements. The Capital Improvement Program section presents information by project and addresses related transfers.

EXPENDITURES

Expenditures are identified in the income statements by Department, and in the Department Summary section of the QOR each department's operating expenditure budget is broken down by the classification of expenditure. Included in each classification are:

Personal Services - Includes wage and benefit amounts paid to both permanent and temporary City employees, including personnel substituting for those in permanent positions.

Supplies & Services - Includes amounts paid for supplies used in operations and services rendered by organizations or personnel not on the City's payroll, including repair and maintenance-related services, professional contractual services and utilities.

Capital Outlay - Most capital outlay purchases consist of machinery, equipment and vehicles over \$5,000. Expenditures in this category are typically lower in the first part of the year based on cash flow management and the time it takes between order and delivery for large vehicles. Much of the City's fleet and equipment are on replacement schedules and are purchased using management reserves established to smooth out potential spikes from these more sporadic large dollar purchases.

Expenditures in the non-operating budget are identified in the income statements, and are summarized as follows:

Capital Projects - Capital Projects occur in the Capital Construction, Water Construction, Wastewater Construction, Storm Water Construction and Airport Construction Funds. The Capital Improvement Program Section presents an analysis by project and information on year-to-date expenditures.

Debt Service - Budgeted debt service payments of \$1,678,270 are supported by specific property tax levies. Debt service incurred in support of enterprise operations (Water, Wastewater, Storm Water and Airport) totals \$3,353,670 and is paid from revenues derived from charges for services within each fund. Pension obligation bond annual debt service of \$2,182,260 is primarily funded by current revenue proportionate to each City Fund's respective PERS liability.

Transfers/Other Financing Uses - Transfers represent Intra-fund and Inter-fund transfers for capital projects and debt service contributions. These can fluctuate depending on the progress of construction projects or timing of debt issuance.

The income statements which follow in the next several pages are presented for each fund within the City. To assist readers in their analysis, an explanation of the format is included:

COLUMNS

Amended Budget

DESCRIPTION

This represents the Adopted Budget plus any changes in appropriations that have occurred since the budget was adopted. Changes include increased appropriations due to City Council adoption of Resolutions that: 1) accept and appropriate grants or donations which were unanticipated at the time the budget was adopted, 2) transfer appropriations between categories of expenditures (i.e., change of spending priorities), or 3) create a supplemental budget action.

X Qtr FY YY-ZZ

Revenues which have been received and expenditures which have been completed during the identified quarter of the identified fiscal year.

Unaudited Y-T-D
FY YY-ZZ

This is the total revenue or expenditure accumulated year-to-date which includes the current quarter and all prior quarters.

FY YY-ZZ
% Rec/Expend

This represents the percent of the amended budget which has been either received or expended year-to-date. Unless otherwise noted, the revenue/expenditure patterns are what staff anticipated when the budget was developed. Some revenue and expenditure patterns are expected to be relatively regular, with similar amounts received/expended each month during the fiscal year (i.e., utility fund charges for service revenue and salary and benefits expenses). However, other revenue and expenditure patterns are expected to be irregular (i.e., property tax revenue for which the majority is received in mid-November, seasonal Parks expenses, large capital purchases, debt service payments).

Prior Year Columns

The prior year quarter-to-date, year-to-date, and percent received/expended information is included to give a comparison of the revenue/expenditure patterns in the current year. For example, at the end of the first quarter the General Fund may show .10% of the projected property tax revenue received. By comparing the current quarter to the prior year's first quarter which showed .12% received, the reader is able to see that there is nothing unusual about the low figure.

ROWS

Beginning Fund Balance

This figure reflects what the adopted budget anticipated the beginning balance would be within this fund.

Revenues

Revenues are reported by classification which matches how they are reported in both the Budget and the Comprehensive Annual Financial Report.

Expenditures

Expenditures are reported by department which matches the level of appropriation.

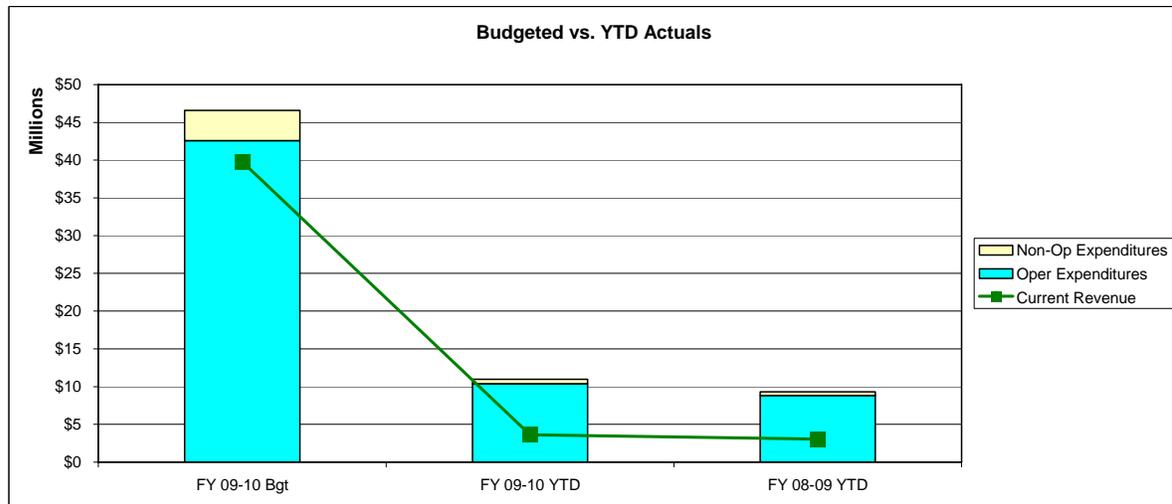
Current Revenue less Total
Expenses

This calculation subtracts the current year expenditures from the current year revenue. In the Amended Budget column, if this number is negative it represents a planned "draw down" of the fund balance. If the Amended Budget column shows a positive number it represents a planned addition to fund balance. For any given quarter, if the year-to-date revenue less expenses number is more positive than the budgeted number then the fund is in better fiscal position than planned.

PROPERTY TAX FUNDS COMBINED*

REVENUE	AMENDED BUDGET	1st Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	1st Quarter FY 08-09	Y-T-D FY 08-09	FY 08-09 % REC/EXPEND
Budgeted Fund Balance	\$7,707,731						
Property Taxes	\$19,027,670	\$149,127	\$149,127	0.78%	\$121,108	\$121,108	0.65%
Other Tax	1,194,350	196,193	196,193	16.43%	201,991	201,991	16.54%
Licenses/Permits	5,588,140	824,731	824,731	14.76%	933,496	933,496	16.72%
Charges for Service	5,759,950	1,212,630	1,212,630	21.05%	1,233,311	1,233,311	22.27%
Intergovernmental	6,008,033	205,423	205,423	3.42%	177,507	177,507	3.43%
Fines/Forfeitures	1,009,810	143,313	143,313	14.19%	163,960	163,960	18.68%
Miscellaneous	1,180,570	897,092	897,092	75.99%	209,353	209,353	15.83%
Other Financing Sources	0	1,272	1,272	0.00%	0	0	0.00%
TOTAL CURRENT REVENUE	\$39,768,523	\$3,629,780	\$3,629,780	9.13%	\$3,040,726	\$3,040,726	7.95%
EXPENDITURE BY DEPARTMENT							
Community Development	\$1,722,190	\$359,917	\$359,917	20.90%	\$324,122	\$324,122	19.14%
Finance	684,130	144,061	144,061	21.06%	137,929	137,929	23.38%
Fire	11,524,260	2,887,837	2,887,837	25.06%	2,318,841	2,318,841	21.65%
Library	6,336,460	1,516,243	1,516,243	23.93%	1,606,713	1,606,713	26.17%
Parks and Recreation	5,991,290	1,697,891	1,697,891	28.34%	1,616,230	1,616,230	28.38%
Police	10,127,611	2,643,044	2,643,044	26.10%	2,303,807	2,303,807	24.48%
Public Works	5,270,490	721,175	721,175	13.68%	516,730	516,730	12.33%
Non-Departmental	1,525,230	419,592	419,592	27.51%	466,497	466,497	26.37%
TOTAL OPERATING EXPENDITURES	\$43,181,661	\$10,389,761	\$10,389,761	24.06%	\$9,290,869	\$9,290,869	23.11%
Debt Service	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
Transfers	3,227,800	586,430	586,430	18.17%	485,792	485,792	18.23%
Contingencies/Reserves	689,340	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$47,098,801	\$10,976,191	\$10,976,191	23.30%	\$9,776,661	\$9,776,661	22.44%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$7,330,278)	(\$7,346,410)	(\$7,346,410)		(\$6,735,935)	(\$6,735,935)	

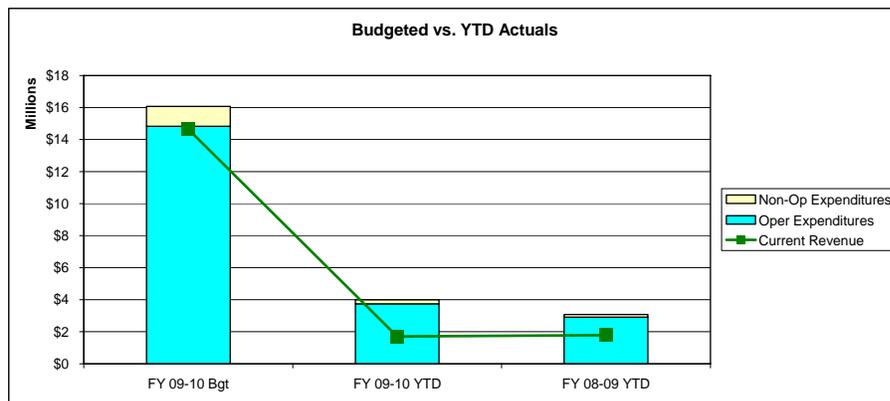
* Includes General, Parks & Recreation, Fire & Rescue, Transit and Library Funds



GENERAL FUND

REVENUE	AMENDED BUDGET	1st Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	AMENDED BUDGET	1st Quarter FY 08-09	Y-T-D FY 08-09	FY 08-09 % REC/EXPEND
Budgeted Fund Balance	\$1,418,293							
Property Taxes (1)	\$4,883,950	\$149,127	\$149,127	3.05%	\$3,189,550	\$121,108	\$121,108	3.80%
Other Tax (2)	1,194,350	196,193	196,193	16.43%	1,220,930	201,991	201,991	16.54%
Licenses/Permits (2)	5,523,720	805,591	805,591	14.58%	5,521,520	913,381	913,381	16.54%
Charges for Service (3)	633,950	172,773	172,773	27.25%	689,010	144,808	144,808	21.02%
Intergovernmental (4)	1,354,013	219,629	219,629	16.22%	1,326,207	219,215	219,215	16.53%
Fines/Forfeitures (5)	912,200	123,136	123,136	13.50%	785,300	142,355	142,355	18.13%
Miscellaneous (6)	151,770	41,291	41,291	27.21%	217,740	43,835	43,835	20.13%
TOTAL CURRENT REVENUE	\$14,653,953	\$1,707,739	\$1,707,739	11.65%	\$12,950,257	\$1,786,694	\$1,786,694	13.80%
EXPENDITURE BY DEPARTMENT								
Community Development (7)	\$1,722,190	\$359,917	\$359,917	20.90%	\$1,693,390	\$324,122	\$324,122	19.14%
Finance	684,130	144,061	144,061	21.06%	590,050	137,929	137,929	23.38%
Police	10,127,611	2,643,044	2,643,044	26.10%	9,411,427	2,303,807	2,303,807	24.48%
Public Works (8)	1,281,820	168,830	168,830	13.17%	893,160	150,368	150,368	16.84%
Non-Departmental	1,525,230	419,592	419,592	27.51%	1,769,060	466,497	466,497	26.37%
TOTAL OPERATING EXPENDITURES	\$15,340,981	\$3,735,444	\$3,735,444	24.35%	\$14,357,087	\$3,382,724	\$3,382,724	23.56%
Transfers	\$990,100	\$249,790	\$249,790	25.23%	652,150	\$164,459	\$164,459	25.22%
Contingencies/Reserves	253,500	0	0	0.00%	236,450	0	0	0.00%
TOTAL ALL EXPENDITURES	\$16,584,581	\$3,985,234	\$3,985,234	24.03%	\$15,245,687	\$3,547,183	\$3,547,183	23.27%
CURRENT REVENUE LESS								
TOTAL EXPENDITURES	(\$1,930,628)	(\$2,277,494)	(\$2,277,494)			(\$1,760,489)	(\$1,760,489)	

- (1) Collection of current year property taxes does not commence until the second quarter of the fiscal year. Revenues earned in the first quarter in the General fund represent delinquent taxes from prior years. This is consistent with the prior fiscal year.
- (2) The flagging economy has resulted in lower than anticipated revenues in FY 09-10 year-to-date in many of the revenue streams above, which are susceptible to economic fluctuations – i.e., room taxes (reduced number of hotel stays), plan review fees (lower development), and interest earnings (declining market rates).
- (3) Charges for services were higher than last year due primarily to a timing difference whereby the second quarterly payment from Benton County records service was received early.
- (4) Delayed receipt of the cigarette and liquor taxes caused this quarter’s revenue to be slightly below expected revenues, but still consistent with the prior year.
- (5) Fines and Forfeitures - Municipal court traffic fine revenue is lower in FY 09-10 versus the same time period in FY 08-09 due primarily to a significant reduction in tickets issued with police officer vacancies, higher levels of leaves, and training within the Corvallis Police Department, resulting in fewer citations issued. Improvement is not anticipated this fiscal year. The deterioration of the economy has also resulted in a significant increase in unpaid fines, which the City hopes to rectify in this fiscal year with the recent signing of a new collections agency contract.
- (6) Miscellaneous revenue is higher than usual due to a \$10,000 return of grant given to Corvallis Sustainability Coalition for a survey. City Council has decided to delay the survey to a future date.
- (7) Community Development expenditures are low in both fiscal years as a percentage of budget due to zero YTD spending in a few large special projects such as the \$50,000 budgeted for Buildable Land Inventorying project (which was carried over from FY 08-09). Nevertheless, FY 09-10 spending is marginally higher than FY 08-09 due to wage and benefit increases in personal service costs.

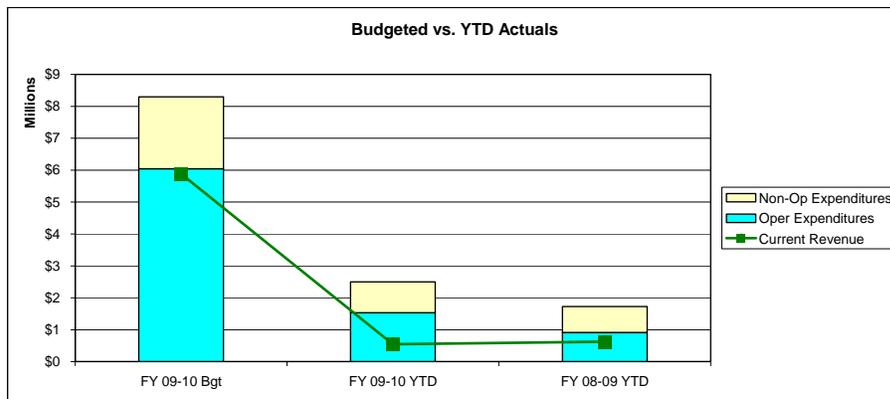


COMBINED STREET FUND*

REVENUE	AMENDED BUDGET	1st Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	1st Quarter FY 08-09	Y-T-D FY 08-09	FY 08-09 % REC/EXPEND
Budgeted Fund Balance	\$860,083						
Licenses/Permits (1)	\$478,490	\$106,623	\$106,623	22.28%	\$119,355	\$119,355	26.50%
Charges for Service (2)	620,430	123,477	123,477	19.90%	100,676	100,676	9.64%
Intergovernmental (3)	4,687,110	308,580	308,580	6.58%	360,403	360,403	8.26%
Fines/Forfeitures	100	325	325	325.00%	100	100	100.00%
Miscellaneous (4)	96,470	4,880	4,880	5.06%	41,733	41,733	31.10%
TOTAL CURRENT REVENUE	\$5,882,600	\$543,885	\$543,885	9.25%	\$622,267	\$622,267	10.38%
EXPENDITURE BY DEPARTMENT							
Community Development	\$19,710	\$4,542	\$4,542	23.04%	\$4,561	\$4,561	24.44%
Public Works (5)	6,026,800	1,529,600	1,529,600	25.38%	908,716	908,716	17.09%
TOTAL OPERATING EXPENDITURES	\$6,046,510	\$1,534,142	\$1,534,142	25.37%	\$913,277	\$913,277	17.11%
Transfers (6)	\$2,189,100	\$963,580	\$963,580	44.02%	\$815,283	\$815,283	42.83%
Contingencies/Reserves	65,200	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$8,300,810	\$2,497,722	\$2,497,722	30.09%	\$1,728,560	\$1,728,560	23.66%
CURRENT REVENUE LESS TOTAL EXPENDITURES	(\$2,418,210)	(\$1,953,837)	(\$1,953,837)		(\$1,106,293)	(\$1,106,293)	

* Includes Street SDC Fund

- (1) FY 09-10 actual receipts are lower than budget and FY 08-09 actuals primarily because the Transportation Maintenance Fees (TMF) reflects one less charge update this fiscal year.
- (2) Actual receipts for Public Improvement by Private Contractors (PIPC) permit fees continue to decline due to the slow down of new construction. However, there were higher receipts for Street SDC from several commercial projects at OSU and Good Samaritan Hospital.
- (3) Intergovernmental revenues received year-to-date in FY 09-10 are lower than the prior year due to lower fuel consumption statewide, resulting in a \$44,000 decline in state gasoline tax receipts. Percentage of budget received is very low in both years, due to \$2.3 million in grant awards from the American Recovery and Reinvestment Act (ARRA), which were carried over from FY 08-09 and have not yet been reimbursed as of the first quarter of FY 09-10.
- (4) Interest revenues are lower this year due to declining interest rates in the flagging economy and as a result of a lower fund balance. It was also higher last year due to a one-time reimbursement from a contractor for the City's efforts in the repair of the Timberhill retaining wall and Business Energy Tax Credit (BETC) rebate for the mercury vapor light replacement program.
- (5) Expenditures were up this quarter as a result of grant awards from the American Recovery and Reinvestment Act (ARRA).
- (6) Transfers include this fund's portion of the semi-annual debt service payment for the Pension Obligation Bonds and transfers related to capital projects, and support to the Development Services Funds. Transfers for capital projects are made based on anticipated needs. See the Capital Improvement Program section for status information on capital projects.

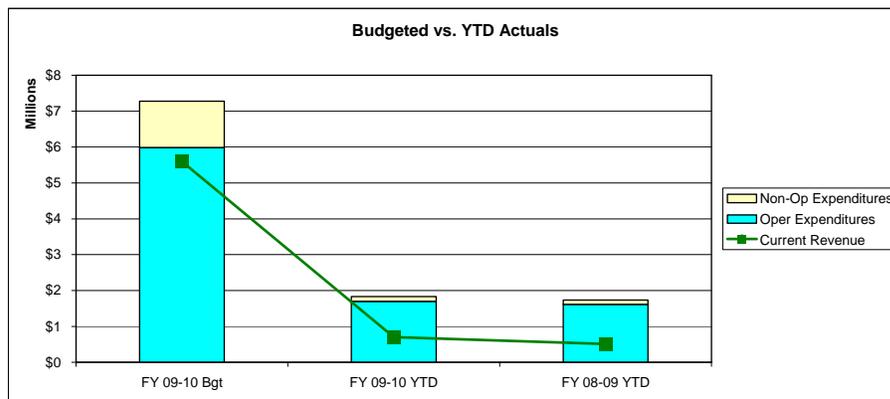


PARKS AND RECREATION FUND*

REVENUE	AMENDED BUDGET	1st Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	1st Quarter FY 08-09	Y-T-D FY 08-09	FY 08-09 % REC/EXPEND
Budgeted Fund Balance	\$1,292,425						
Property Taxes (1)	\$3,822,950	\$0	\$0	0.00%	\$0	\$0	0.00%
Licenses/Permits (2)	46,700	15,935	15,935	34.12%	16,847	16,847	38.73%
Charges for Service (3)	1,580,440	429,766	429,766	27.19%	447,779	447,779	25.58%
Intergovernmental (4)	27,400	0	0	0.00%	(2,998)	(2,998)	-10.94%
Fines/Forfeitures	0	88	88	0.00%	40	40	0.00%
Miscellaneous (5)	120,650	255,662	255,662	211.90%	49,083	49,083	32.06%
TOTAL CURRENT REVENUE	\$5,598,140	\$701,451	\$701,451	12.53%	\$510,751	\$510,751	8.60%
EXPENDITURE BY DEPARTMENT							
Parks and Recreation	\$5,991,290	\$1,697,891	\$1,697,891	28.34%	\$1,616,230	\$1,616,230	28.38%
TOTAL OPERATING EXPENDITURES	\$5,991,290	\$1,697,891	\$1,697,891	28.34%	\$1,616,230	\$1,616,230	28.38%
Transfers (6)	\$1,171,465	\$137,760	\$137,760	11.76%	\$120,362	\$120,362	9.65%
Contingencies/Reserves	114,440	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$7,277,195	\$1,835,651	\$1,835,651	25.22%	\$1,736,592	\$1,736,592	24.68%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$1,679,055)	(\$1,134,201)	(\$1,134,201)		(\$1,225,841)	(\$1,225,841)	

* Includes Park & Recreation, Osborn Aquatics, Open Space and Park & Recreation SDC Fund.

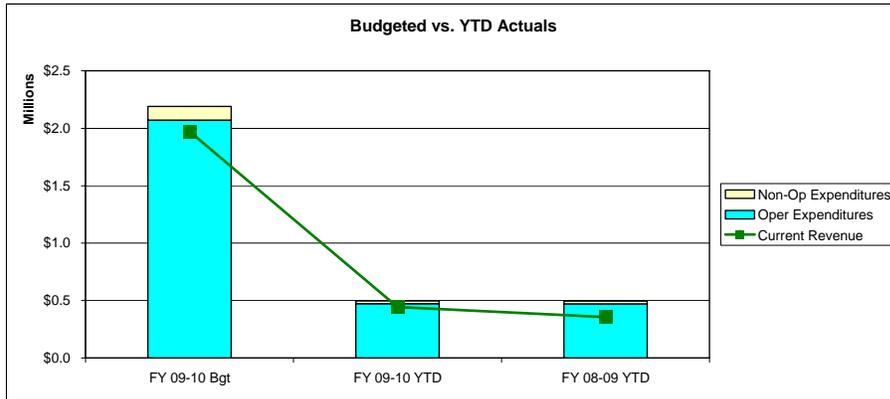
- (1) Collection of current year property taxes does not commence until the second quarter of the fiscal year.
- (2) The slight decrease in this fiscal year from the prior year is due partly to invoice timing as well as to fewer large facility rentals in the Aquatics fund.
- (3) Charges for services is higher than last year primarily due to SDC revenue, which is up to 30.72% of budget this fiscal from FY 08-09 due to a decrease in budget to more accurately reflect the economic downturn in construction.
- (4) Both years of intergovernmental revenue are below budget due to the timing of receipt of an annual \$20,000 department of energy grant related to the Herbert Open Space property. Work at Herbert Open Space properties funded by Bonneville Power Administration (BPA) grant will be postponed until completion of the management plan.
- (5) Senior Center received \$206K as a bequest from the Thomson estate. Recreation received donations totaling \$13K. Staff is considering requesting appropriations in the next few months related to these two donations.
- (6) Transfers include this fund's portion of the semi-annual debt service payment for the Pension Obligation Bonds and transfers related to capital projects. Transfers for capital projects are made based on anticipated needs. See the Capital Improvement Program section for status information on capital projects for FY 09-10.



911 EMERGENCY SERVICES

REVENUE	AMENDED BUDGET	1st Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	1st Quarter FY 08-09	Y-T-D FY 08-09	FY 08-09 % REC/EXPEND
Budgeted Fund Balance	\$196,801						
Charges for Service	\$986,660	\$246,640	\$246,640	25.00%	\$207,643	\$207,643	25.00%
Intergovernmental (1)	977,700	195,842	195,842	20.03%	145,355	145,355	14.60%
Miscellaneous (2)	7,520	1,238	1,238	16.47%	3,789	3,789	30.86%
TOTAL CURRENT REVENUE	\$1,971,880	\$443,720	\$443,720	22.50%	\$356,787	\$356,787	19.41%
EXPENDITURE BY DEPARTMENT							
Police	\$2,070,690	\$473,157	\$473,157	22.85%	\$471,910	\$471,910	27.24%
TOTAL OPERATING EXPENDITURES	\$2,070,690	\$473,157	\$473,157	22.85%	\$471,910	\$471,910	27.24%
Transfers (3)	\$80,440	\$22,220	\$22,220	27.62%	\$22,255	\$22,255	28.88%
Contingencies/Reserves	38,570	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$2,189,700	\$495,377	\$495,377	22.62%	\$494,165	\$494,165	26.77%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$217,820)	(\$51,657)	(\$51,657)		(\$137,378)	(\$137,378)	

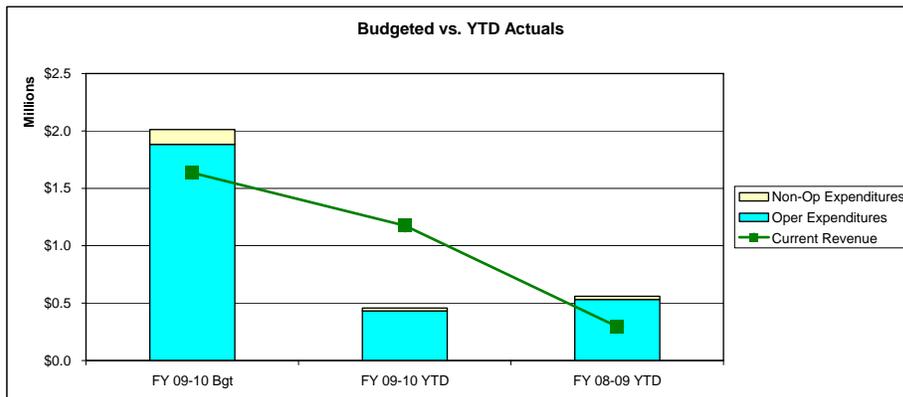
- (1) Actuals are higher this year than in the prior year's first quarter due to differences in timing of receipt of quarterly turnovers related to State Revenue Sharing for 9-1-1 tax revenue.
- (2) Miscellaneous revenue reflects a lower actual and budgeted dollar amount than in FY 08-09, due to declining interest rates in the flagging economy and as a result of a lower fund balance, which are anticipated to continue in FY 09-10. The budget has been reduced this fiscal year to a more realistic interest earnings budget with predicated lower interest rates.
- (3) Transfers are for this fund's portion of the semi-annual repayments of the Pension Obligation (POB) debt.



DEVELOPMENT SERVICES

REVENUE	AMENDED BUDGET	1st Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	1st Quarter FY 08-09	Y-T-D FY 08-09	FY 08-09 % REC/EXPEND
Budgeted Fund Balance	\$391,551						
Licenses/Permits (1)	\$686,930	\$221,411	\$221,411	32.23%	\$165,095	\$165,095	13.82%
Charges for Service (1)	703,110	735,029	735,029	104.54%	98,004	98,004	11.46%
Miscellaneous (2)	27,530	916	916	3.33%	7,255	7,255	12.40%
Other Financing Sources (3)	218,390	218,390	218,390	100.00%	25,000	25,000	100.00%
TOTAL CURRENT REVENUE	\$1,635,960	\$1,175,745	\$1,175,745	71.87%	\$295,354	\$295,354	13.84%
EXPENDITURE BY DEPARTMENT							
Community Development (4)	\$1,883,090	\$433,820	\$433,820	23.04%	\$532,727	\$532,727	20.79%
TOTAL OPERATING EXPENDITURES	\$1,883,090	\$433,820	\$433,820	23.04%	\$532,727	\$532,727	20.79%
Transfers (5)	\$129,070	\$23,960	\$23,960	18.56%	\$27,755	\$27,755	20.01%
Contingencies/Reserves	0	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$2,012,160	\$457,780	\$457,780	22.75%	\$560,482	\$560,482	20.37%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$376,200)	\$717,966	\$717,966		(\$265,127)	(\$265,127)	

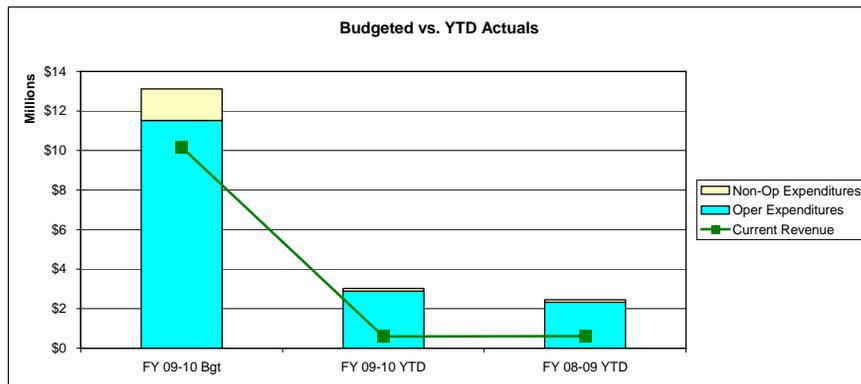
- (1) Revenues for FY 09-10 first quarter are higher than anticipated due to higher than expected levels of development. The majority of revenue was collected from permit and plan review fees for several large projects at OSU and Good Samaritan Regional Medical Center. Residential permits continue to be low due to slow residential economic growth.
- (2) Interest earnings are below budget in both fiscal years due to falling interest rates in the flagging economy, and a reduced fund balance attracting these earnings. The Miscellaneous revenue for the quarter is primarily from office supply rebates and address change submittals.
- (3) Reflects the transfer from the General Fund to cover land use work done by the senior planner in the Development Services Fund; transfer from Street for support for Development Services Fund annual operations; Parks SDC, Water, Wastewater, and Storm water funds' support for the Development Services Operation Fund.
- (4) Budget has been reduced since the last fiscal year due to reduced construction permit activity, resulting in a loss of revenue and consequently, a reduction in expenditures. Measures taken include reductions in force through layoffs and initiating process efficiencies to save time and money. Spending fiscal year-to-date is lower than the prior year, but higher as a percentage of budget due to budget cuts.
- (5) Transfers include this fund's portion of the semi-annual debt service payment for the Pension Obligation Bonds and transfers related to capital projects. Transfers for capital projects are made based on anticipated needs. Please see the Capital Improvement Program section for information on the status of capital projects.



FIRE AND RESCUE FUND

REVENUE	AMENDED BUDGET	1st Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	1st Quarter FY 08-09	Y-T-D FY 08-09	FY 08-09 % REC/EXPEND
Budgeted Fund Balance	\$3,270,740						
Property Taxes (1)	\$6,851,680	\$0	\$0	0.00%	\$0	\$0	0.00%
Licenses/Permits (2)	17,720	3,205	3,205	18.09%	3,268	3,268	18.44%
Charges for Service	3,207,910	577,434	577,434	18.00%	589,542	589,542	19.68%
Intergovernmental	0	0	0	0.00%	0	0	0.00%
Fines/Forfeitures (3)	16,110	2,098	2,098	13.02%	2,014	2,014	21.26%
Miscellaneous (4)	77,070	6,744	6,744	8.75%	18,598	18,598	14.22%
Other Financing Sources (5)	0	1,272	1,272	0.00%	0	0	0.00%
TOTAL CURRENT REVENUE	\$10,170,490	\$590,753	\$590,753	5.81%	\$613,422	\$613,422	5.70%
EXPENDITURE BY DEPARTMENT							
Fire (6)	\$11,524,260	\$2,887,837	\$2,887,837	25.06%	\$2,318,841	\$2,318,841	21.65%
TOTAL OPERATING EXPENDITURES	\$11,524,260	\$2,887,837	\$2,887,837	25.06%	\$2,318,841	\$2,318,841	21.65%
Transfers (7)	\$1,376,920	\$132,850	\$132,850	9.65%	\$135,638	\$135,638	9.93%
Contingencies/Reserves	220,870	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$13,122,050	\$3,020,687	\$3,020,687	23.02%	\$2,454,479	\$2,454,479	20.01%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$2,951,560)	(\$2,429,934)	(\$2,429,934)		(\$1,841,057)	(\$1,841,057)	

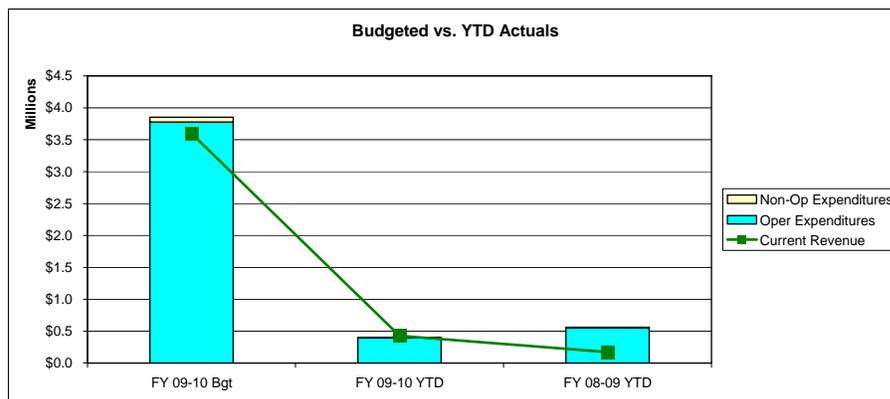
- (1) Collection of current year property taxes does not commence until the second quarter of the fiscal year.
- (2) Permit revenue is below target with budget year-to-date. Receivables and actual revenues were for Red Lot parking permits and Uniform Fire Code permits (candle, tent, and building-related). This is on target with last fiscal year's first quarter (18.44%) due to the lull in construction projects.
- (3) Fines are lower as a percentage of budget so far in FY 09-10 due to the budget amount having been increased this year to better align with prior year actuals, which have tended to come in much higher than historically forecast. Second quarter results are expected to bring revenues more in line with target based on timing of the return of OSU students.
- (4) Interest earnings are below budget in both fiscal years due to falling interest rates in the flagging economy, and a reduced fund balance attracting these earnings.
- (5) This classification includes proceeds from disposal of assets which tends to vary from year to year.
- (6) Expenditures are much higher this fiscal year primarily due to more activity in special projects such as the planned replacement of the 1982 Grumman Aerial Ladder Truck.
- (7) Transfers include this fund's portion of the semi-annual debt service payment for the Pension Obligation Bonds (POB) and transfers related to capital projects. Please see the Capital Improvement Program section for information on the status of capital projects.



COMMUNITY DEVELOPMENT REVOLVING FUND

REVENUE	AMENDED BUDGET	1st Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	1st Quarter FY 08-09	Y-T-D FY 08-09	FY 08-09 % REC/EXPEND
Budgeted Fund Balance	\$1,254,210						
Licenses/Permits (1)	\$110,680	\$118,078	\$118,078	106.68%	\$93,568	\$93,568	99.20%
Charges for Service (2)	5,000	5,000	5,000	100.00%	5,000	5,000	100.00%
Intergovernmental (3)	2,937,680	7,479	7,479	0.25%	0	0	0.00%
Fines/Forfeitures (4)	2,400	(356)	(356)	-14.82%	(118)	(118)	-4.92%
Miscellaneous (5)	541,070	297,479	297,479	54.98%	73,488	73,488	15.51%
TOTAL CURRENT REVENUE	\$3,596,830	\$427,680	\$427,680	11.89%	\$171,938	\$171,938	5.13%
EXPENDITURE BY DEPARTMENT							
Community Development (6)	\$3,777,000	\$396,533	\$396,533	10.50%	\$553,638	\$553,638	17.22%
TOTAL OPERATING EXPENDITURES	\$3,777,000	\$396,533	\$396,533	10.50%	\$553,638	\$553,638	17.22%
Transfers (7)	\$46,950	\$7,460	\$7,460	15.89%	\$8,007	\$8,007	4.23%
Contingencies/Reserves	30,350	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$3,854,300	\$403,993	\$403,993	10.48%	\$561,645	\$561,645	16.35%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$257,470)	\$23,688	\$23,688		(\$389,707)	(\$389,707)	

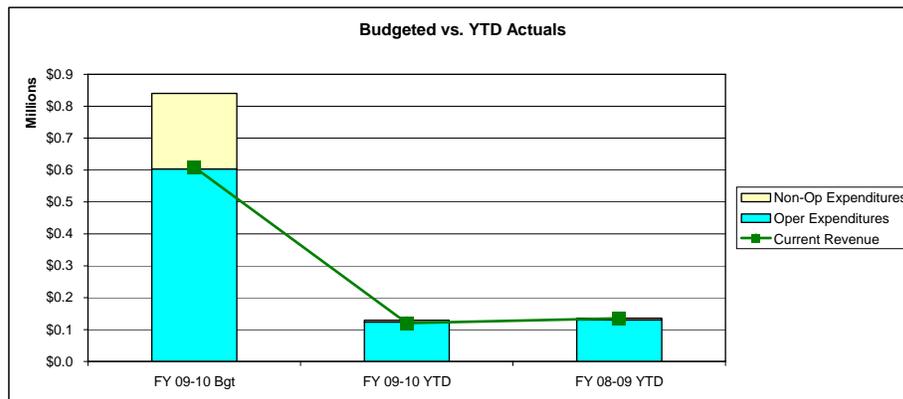
- (1) Invoices are issued annually for the rental housing program in September, so all of this revenue is recorded at the end of the first quarter when the bills are run. Subsequent quarters typically reflect the write-offs associated with non-collection of some of these bills.
- (2) Revenue from the annual Oakcrest lease payment of \$5,000 was billed in September and is expected to be collected in October.
- (3) CDBG and HOME program grant revenues are based on reimbursements so are received only after expenditures are incurred. Timing of spending and receipts is sporadic and relatively unpredictable, so results above are typical.
- (4) Negative activity reflects Rental Housing Program penalties waived on some customers or writing off other accounts sent to collections.
- (5) Six loan payoffs were received in the first quarter in addition to regular principal and interest payments resulting in higher than expected revenue targets. In addition, \$224K was received from Willamette Neighborhood Housing Services (WNHS) in September following completion of their Leonard-Knolls project.
- (6) The majority of the expenditure activity is related to internal service charges. Encumbrance has been made for the Human Services funds and WNHS operations as a Community & Housing Development Organization.
- (7) Transfers include this fund's portion of the semi-annual debt service payment for the Pension Obligation Bonds and transfers related to capital projects. Transfers for capital projects are made based on anticipated needs. Please see the Capital Improvement Program section for information on the status of capital projects.



PARKING FUND

REVENUE	AMENDED BUDGET	1st Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	1st Quarter FY 08-09	Y-T-D FY 08-09	FY 08-09 % REC/EXPEND
Budgeted Fund Balance	\$757,335						
Licenses/Permits	\$18,000	\$7,243	\$7,243	40.24%	\$7,227	\$7,227	42.51%
Charges for Service (1)	175,840	39,544	39,544	22.49%	43,001	43,001	22.02%
Fines/Forfeitures (2)	401,000	71,962	71,962	17.95%	78,532	78,532	21.05%
Miscellaneous (3)	13,910	1,738	1,738	12.49%	6,217	6,217	30.33%
TOTAL CURRENT REVENUE	\$608,750	\$120,487	\$120,487	19.79%	\$134,977	\$134,977	22.28%
EXPENDITURE BY DEPARTMENT							
Community Development	\$3,900	\$1,016	\$1,016	26.05%	\$971	\$971	27.14%
Finance	129,500	28,349	28,349	21.89%	28,426	28,426	24.16%
Police	296,370	73,127	73,127	24.67%	71,202	71,202	24.19%
Public Works (4)	173,770	21,152	21,152	12.17%	29,678	29,678	20.76%
TOTAL OPERATING EXPENDITURES	\$603,540	\$123,644	\$123,644	20.49%	\$130,278	\$130,278	23.32%
Transfers (5)	\$224,190	\$5,800	\$5,800	2.59%	\$5,462	\$5,462	2.49%
Contingencies/Reserves	12,400	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$840,130	\$129,444	\$129,444	15.41%	\$135,740	\$135,740	17.18%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$231,380)	(\$8,957)	(\$8,957)		(\$763)	(\$763)	

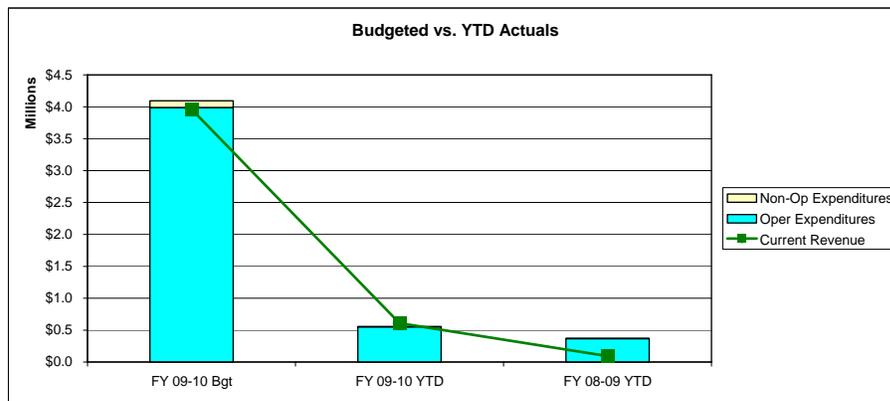
- (1) Equipment rental and parking meter revenue was slightly lower in actual dollars, but a slightly higher percent of budget than the prior year's first quarter.
- (2) Revenue from fines and forfeitures represents revenue collected for offenses and infractions. Revenues are lower than expectations. Although the parking enforcement team is fully staffed, its latest member just completed training and started issuing tickets in September. No other staffing changes are anticipated in the near future.
- (3) Interest earnings are below budget in both fiscal years due to falling interest rates in the flagging economy, and a reduced fund balance attracting these earnings.
- (4) Percent of budget appears low due to two budget enhancements for FY 09-10 (0.5 FTE staff member to work on parking related issues and budget to replace 10% of the meters every year, which should reduce repair expense in both personal services and materials classifications). The position has not yet been filled and the parking meters have not yet been replaced.
- (5) Transfers include this fund's portion of the semi-annual debt service payment for the Pension Obligation Bonds and transfers related to capital projects. Transfers for capital projects are made based on anticipated needs. Please see the Capital Improvement Program section for information on the status of capital projects.



TRANSIT FUND

REVENUE	AMENDED BUDGET	1st Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	1st Quarter FY 08-09	Y-T-D FY 08-09	FY 08-09 % REC/EXPEND
Budgeted Fund Balance	\$669,403						
Property Taxes (1)	\$451,080	\$0	\$0	0.00%	\$0	\$0	0.00%
Charges for Service (2)	442,050	63,521	63,521	14.37%	80,094	80,094	17.51%
Intergovernmental (3)	2,338,620	(14,400)	(14,400)	-0.62%	(38,711)	(38,711)	-2.51%
Miscellaneous (4)	730,260	560,554	560,554	76.76%	50,228	50,228	6.95%
TOTAL CURRENT REVENUE	\$3,962,010	\$609,675	\$609,675	15.39%	\$91,611	\$91,611	2.90%
EXPENDITURE BY DEPARTMENT							
Public Works (5)	\$3,988,670	\$552,345	\$552,345	13.85%	\$366,362	\$366,362	11.11%
TOTAL OPERATING EXPENDITURES	\$3,988,670	\$552,345	\$552,345	13.85%	\$366,362	\$366,362	11.11%
Transfers (6)	\$27,010	\$4,000	\$4,000	14.81%	\$2,649	\$2,649	12.19%
Contingencies/Reserves	79,210	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$4,094,890	\$556,345	\$556,345	13.59%	\$369,011	\$369,011	10.92%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$132,880)	\$53,330	\$53,330		(\$277,400)	(\$277,400)	

- (1) Collection of current year property taxes does not commence until the second quarter of the fiscal year.
- (2) Charges for service is lower than expected due to the delay of anticipated revenue for the Special Transportation Fund (STF) agreement with Benton County. The STF revenue for July through October has been posted to October.
- (3) The negative amount in both fiscal years is the result of the reversal of operating and capital grant accruals from prior year accruals.
- (4) Although interest on investments is down \$7K this year, anticipated FY 08/09 revenue from Business Energy Tax Credits (BETC) of \$523K was received and posted in FY 09/10 due to being received after the accrual period.
- (5) Expenditure's were below budget this fiscal year. Materials and supplies are largely dependent on the cost of fuel, which is down 40% over last year. In services, three months of operations have been posted where only two months were posted for last fiscal year's first quarter.
- (6) Transfers include this fund's portion of the semi-annual debt service payment for the Pension Obligation Bonds and transfers related to capital projects. Please see the Capital Improvement Program section for information on the status of capital projects.

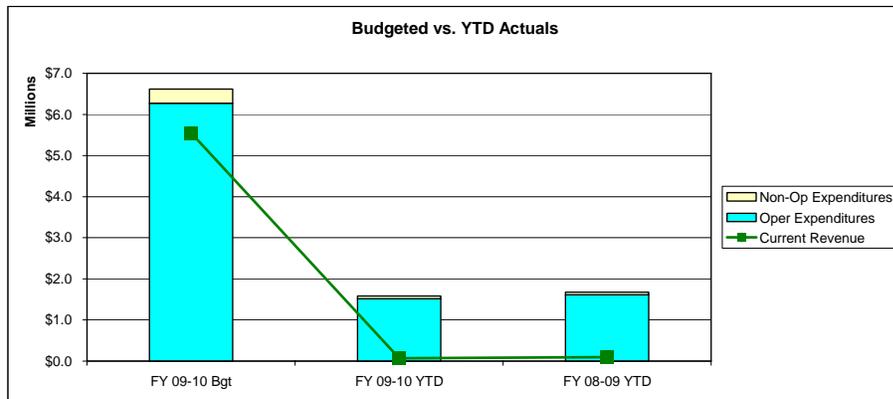


LIBRARY FUND*

REVENUE	AMENDED BUDGET	1st Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	1st Quarter FY 08-09	Y-T-D FY 08-09	FY 08-09 % REC/EXPEND
Budgeted Fund Balance	\$1,056,870						
Property Taxes (1)	\$3,018,010	\$0	\$0	0.00%	\$0	\$0	0.00%
Charges for Service (2)	45,600	15,218	15,218	33.37%	16,146	16,146	36.28%
Intergovernmental (3)	2,288,000	194	194	0.01%	0	0	0.00%
Fines/Forfeitures	81,500	17,947	17,947	22.02%	19,551	19,551	23.56%
Miscellaneous (4)	117,390	34,370	34,370	29.28%	58,397	58,397	40.87%
TOTAL CURRENT REVENUE	\$5,550,500	\$67,730	\$67,730	1.22%	\$94,095	\$94,095	1.60%
EXPENDITURE BY DEPARTMENT							
Library	\$6,273,370	\$1,516,243	\$1,516,243	24.17%	\$1,610,876	\$1,610,876	26.01%
TOTAL OPERATING EXPENDITURES	\$6,273,370	\$1,516,243	\$1,516,243	24.17%	\$1,610,876	\$1,610,876	26.01%
Transfers (5)	\$224,550	\$62,030	\$62,030	27.62%	\$62,684	\$62,684	28.89%
Contingencies/Reserves	121,320	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$6,619,240	\$1,578,273	\$1,578,273	23.84%	\$1,673,560	\$1,673,560	25.63%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$1,068,740)	(\$1,510,543)	(\$1,510,543)		(\$1,579,466)	(\$1,579,466)	

* Includes the Library Operating and Library 2010 Funds.

- (1) Collection of current year property taxes does not commence until the second quarter of the fiscal year.
- (2) First quarter receipt of the full Management Information System (MIS) rental payment in both years attributes to inflated first quarter revenue. Last year had higher than average parking meter revenues.
- (3) Benton County Library District payment makes up the majority of the revenue in this classification. The Benton County Library District payment is normally received in December of each year. In addition, \$13,000 has been budgeted for the Ready to Read Grant, but no receipt of these funds has occurred, which is consistent with the prior year.
- (4) Donations revenue is ahead of budget again this fiscal year from the summer reading program and Friends and Foundation; however, interest earnings are below budget in both fiscal years due to falling interest rates in the flagging economy.
- (5) Transfers are for this fund's portion of the semi-annual repayments of the Pension Obligation Bonds in both years.



DAVIDSON FUND

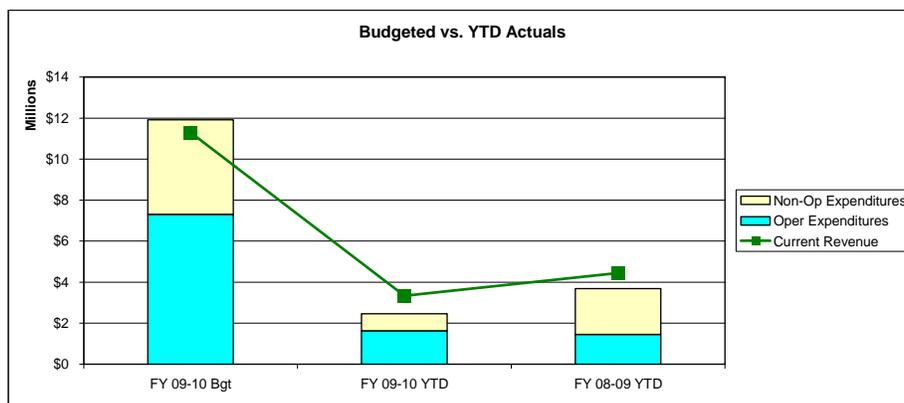
REVENUE	AMENDED BUDGET	1st Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	1st Quarter FY 08-09	Y-T-D FY 08-09	FY 08-09 % REC/EXPEND
Budgeted Fund Balance	\$6,267						
Miscellaneous	\$140	\$13	\$13	9.26%	\$56	\$56	19.43%
TOTAL CURRENT REVENUE	\$140	\$13	\$13	9.26%	\$56	\$56	19.43%
EXPENDITURE BY DEPARTMENT							
Library	\$500	\$298	\$298	59.55%	\$0	\$0	0.00%
TOTAL OPERATING EXPENDITURES	\$500	\$298	\$298	59.55%	\$0	\$0	0.00%
Transfers	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
TOTAL ALL EXPENDITURES	\$500	\$298	\$298	59.55%	\$0	\$0	0.00%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$360)	(\$285)	(\$285)		\$56	\$56	

COMBINED WATER FUND*

REVENUE	AMENDED BUDGET	1st Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	1st Quarter FY 08-09	Y-T-D FY 08-09	FY 08-09 % REC/EXPEND
Budgeted Fund Balance	\$338,772						
Charges for Service	\$8,859,910	\$2,649,574	\$2,649,574	29.91%	\$2,630,882	\$2,630,882	28.49%
Intergovernmental (1)	33,600	(18,500)	(18,500)	-55.06%	0	0	0.00%
Fines/Forfeitures (2)	0	(60)	(60)	0.00%	30	30	0.00%
Miscellaneous (3)	555,360	55,520	55,520	10.00%	73,278	73,278	6.09%
Transfers In/Other Financing Sources (4)	1,848,480	649,008	649,008	35.11%	1,741,680	1,741,680	63.25%
TOTAL CURRENT REVENUE	\$11,297,350	\$3,335,543	\$3,335,543	29.53%	\$4,445,870	\$4,445,870	33.49%
EXPENDITURE BY DEPARTMENT							
Community Development	\$49,580	\$11,363	\$11,363	22.92%	\$10,860	\$10,860	23.31%
Public Works	7,256,360	1,615,602	1,615,602	22.26%	1,438,192	1,438,192	20.33%
TOTAL OPERATING EXPENDITURES	\$7,305,940	\$1,626,965	\$1,626,965	22.27%	\$1,449,053	\$1,449,053	20.34%
Capital Projects (4)	\$1,337,930	\$121,783	\$121,783	9.10%	\$447,684	\$447,684	17.56%
Debt Service	1,018,500	0	0	0.00%	0	0	0.00%
Transfers Out/Other Financing Uses (4)	2,074,660	707,500	707,500	34.10%	1,791,881	1,791,881	60.78%
Contingencies/Reserves	177,470	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$11,914,500	\$2,456,248	\$2,456,248	20.62%	\$3,688,618	\$3,688,618	26.70%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$617,150)	\$879,295	\$879,295		\$757,252	\$757,252	

* Includes Water, Water Timber, Water SDC and Water Construction Funds.

- (1) Negative amount due to a reversal of a prior year accrual for the Rock Creek Hydro-electric study.
- (2) Negative amount primarily due to charge adjustments on previously applied penalty fees.
- (3) Miscellaneous revenue includes contributions from utility services customers to the Low Income Payment Assistance Fund, leases for telecommunication facilities on the Corvallis Watershed, and interest earnings, which are below budget in both fiscal years due to falling interest rates in the flagging economy, and a reduced fund balance attracting these earnings.
- (4) Other Financing Sources, Capital Projects and Transfers activity are mostly related to capital projects activity. Transfers for capital projects are made based on anticipated needs. Transfers have been made for debt service payments for the POB. See the Capital Improvement Program section for details regarding capital project expenditures.



COMBINED WASTEWATER FUND*

REVENUE	AMENDED BUDGET	1st Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	1st Quarter FY 08-09	Y-T-D FY 08-09	FY 08-09 % REC/EXPEND
Budgeted Fund Balance	\$2,746,432						
Charges for Service (1)	\$9,763,460	\$1,988,864	\$1,988,864	20.37%	\$2,116,275	\$2,116,275	20.00%
Miscellaneous (2)	211,790	26,496	26,496	12.51%	92,654	92,654	26.43%
Other Financing Sources (3)	4,246,080	640,924	640,924	15.09%	557,740	557,740	24.01%
TOTAL CURRENT REVENUE	\$14,221,330	\$2,656,284	\$2,656,284	18.68%	\$2,766,669	\$2,766,669	20.87%

EXPENDITURE BY DEPARTMENT

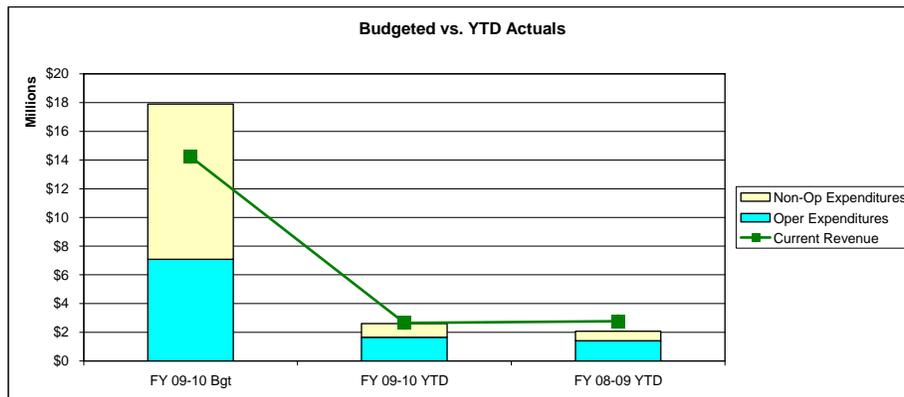
Community Development	\$48,420	\$11,273	\$11,273	23.28%	\$10,694	\$10,694	23.57%
Public Works (4)	7,036,340	1,640,620	1,640,620	23.32%	1,402,832	1,402,832	21.25%
TOTAL OPERATING EXPENDITURES	\$7,084,760	\$1,651,893	\$1,651,893	23.32%	\$1,413,526	\$1,413,526	21.26%
Capital Projects (3)	\$3,855,150	\$226,603	\$226,603	5.88%	\$17,177	\$17,177	0.97%
Debt Service	2,305,690	24,301	24,301	1.05%	24,301	24,301	1.05%
Transfers (3)	4,452,240	698,504	698,504	15.69%	610,325	610,325	24.27%
Contingencies/Reserves	190,880	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$17,888,720	\$2,601,301	\$2,601,301	14.54%	\$2,065,329	\$2,065,329	15.37%

CURRENT REVENUE LESS

TOTAL EXPENDITURES	(\$3,667,390)	\$54,983	\$54,983		\$701,339	\$701,339	
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* Includes Wastewater, Wastewater SDC and Wastewater Construction Funds.

- (1) Charges for Service revenue are primarily from metered water usage. Other revenue streams include PIPC permit fees, septic discharge fees, and leachate hauling.
- (2) Interest earnings are below budget in both fiscal years due to lower than anticipated interest rates.
- (3) Other Financing Sources, Capital Projects and Transfers are mostly related to capital projects activity. Transfers related to capital projects are made based on anticipated needs. See the Capital Improvement Program section for detail regarding capital project expenditures.
- (4) Public Works spending on treatment chemicals has increased as prices have increased. Public works spending is higher than the previous year due to more expenses in special projects; yet spending remains slightly below budget.

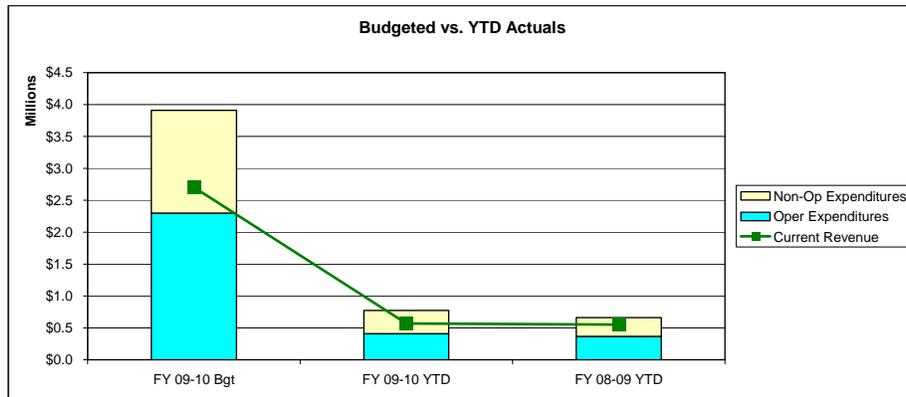


COMBINED STORM WATER FUND*

REVENUE	AMENDED BUDGET	1st Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	1st Quarter FY 08-09	Y-T-D FY 08-09	FY 08-09 % REC/EXPEND
Budgeted Fund Balance	\$1,450,890						
Charges for Service	\$1,914,450	\$414,338	\$414,338	21.64%	\$423,553	\$423,553	22.46%
Miscellaneous (1)	44,790	3,736	3,736	8.34%	16,877	16,877	19.64%
Other Financing Sources (2)	745,000	150,000	150,000	20.13%	113,000	113,000	15.63%
TOTAL CURRENT REVENUE	\$2,704,240	\$568,074	\$568,074	21.01%	\$553,430	\$553,430	28.07%
EXPENDITURE BY DEPARTMENT							
Community Development	\$49,820	\$11,645	\$11,645	23.37%	\$10,828	\$10,828	23.15%
Public Works (3)	2,248,400	397,994	397,994	17.70%	355,980	355,980	19.58%
TOTAL OPERATING EXPENDITURES	\$2,298,220	\$409,639	\$409,639	17.82%	\$366,809	\$366,809	19.67%
Capital Projects (2)	\$745,000	\$129,584	\$129,584	17.39%	\$141,759	\$141,759	19.36%
Transfers (2)	828,860	233,550	233,550	28.18%	153,581	153,581	18.93%
Contingencies/Reserves	37,860	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$3,909,940	\$772,773	\$772,773	19.76%	\$662,149	\$662,149	19.21%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$1,205,700)	(\$204,699)	(\$204,699)		(\$108,719)	(\$108,719)	

* Includes Storm Water, Storm Water SDC and Storm Water Construction Funds.

- (1) Interest earnings are below budget in both fiscal years due to lower than expected interest rates.
- (2) Other Financing Sources, Capital Projects and Transfers are mostly related to capital projects activity. Transfers related to capital projects are made based on anticipated needs. See the Capital Improvement Program section for details regarding capital project expenditures. Transfers also include this fund's portion of the semi-annual debt service payment for the Pension Obligation Bonds and the CD-managed erosion sediment control program.
- (3) FY 09-10 actuals are under budget due to reduced special project activity. Seven special projects have been budgeted, including the purchase of a replacement street sweeper.

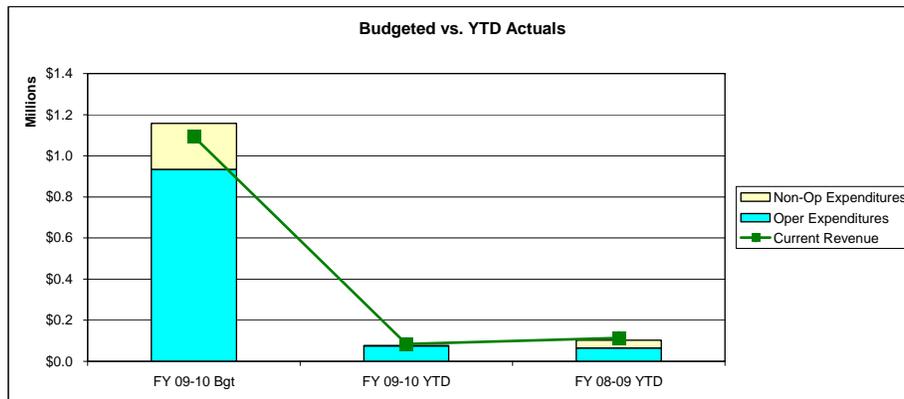


COMBINED AIRPORT FUND*

REVENUE	AMENDED BUDGET	1st Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	1st Quarter FY 08-09	Y-T-D FY 08-09	FY 08-09 % REC/EXPEND
Budgeted Fund Balance	\$794,849						
Licenses/Permits (1)	\$4,500	\$630	\$630	14.00%	\$792	\$792	17.61%
Charges for Service (2)	377,900	89,185	89,185	23.60%	85,586	85,586	25.05%
Intergovernmental (3)	681,250	(8,500)	(8,500)	-1.25%	0	0	0.00%
Miscellaneous (4)	18,030	2,167	2,167	12.02%	6,133	6,133	22.42%
Other Financing Sources (5)	11,150	0	0	0.00%	20,990	20,990	100.00%
TOTAL CURRENT REVENUE	\$1,092,830	\$83,481	\$83,481	7.64%	\$113,501	\$113,501	8.58%
EXPENDITURE BY DEPARTMENT							
Public Works (6)	\$934,110	\$74,824	\$74,824	8.01%	\$64,402	\$64,402	8.03%
TOTAL OPERATING EXPENDITURES	\$934,110	\$74,824	\$74,824	8.01%	\$64,402	\$64,402	8.03%
Capital Projects (5)	\$122,390	\$0	\$0	0.00%	\$15,812	\$15,812	3.57%
Debt Service	29,480	0	0	0.00%	0	0	0.00%
Transfers (5)	64,780	1,970	1,970	3.04%	22,699	22,699	84.29%
Contingencies/Reserves	7,670	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$1,158,430	\$76,794	\$76,794	6.63%	\$102,914	\$102,914	7.86%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$65,600)	\$6,688	\$6,688		\$10,588	\$10,588	

* Includes Airport and Airport Construction Funds.

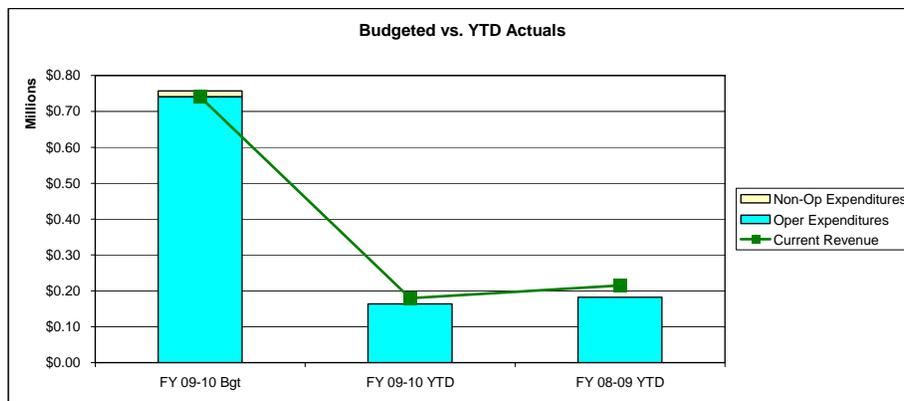
- (1) FY 09-10 is slightly lower than the prior year. Operator licenses and landing fees are entirely dependent on the level of traffic at the airport and activity was a little slower this year than the prior year.
- (2) Consistent with licenses and permits, building and hangar rentals are slightly down from the prior year due to the slight decrease in activity.
- (3) Intergovernmental revenue budgeted in the current year represents two large grants: one from the Oregon Economic and Community Development Department (OECDD) in respect of a Wetlands Mitigation Evaluation project (carried over from FY 08-09) and the second is related to a grant from the Oregon Department of Aviation (ODA) for airport maintenance projects. The timing of grant receipts is typically variable and difficult to predict. The negative reflects a reversal of a prior year grant accrual.
- (4) Interest revenues year-to-date in FY 09-10 are below budget and prior year due primarily to lower than expected interest rates..
- (5) Other Financing Sources relate primarily to Capital Projects related to an airport industrial park improvements project and airport facility improvements project. Transfers include this fund's portion of the semi-annual debt service payment for the Pension Obligation Bonds and for capital projects. Transfers for capital projects are made as needed. See the Capital Improvement Program section for detail regarding other capital project expenditures.
- (6) Spending in both fiscal years is under budget due in part to the Wetlands Mitigation special projects budget, which was carried over to FY 09-10. There are five special projects budgeted.



FLEET MAINTENANCE FUND

REVENUE	AMENDED BUDGET	1st Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	1st Quarter FY 08-09	Y-T-D FY 08-09	FY 08-09 % REC/EXPEND
Budgeted Fund Balance	\$9,504						
Charges for Service (1)	\$739,640	\$179,072	\$179,072	24.21%	\$214,681	\$214,681	28.23%
Miscellaneous (2)	850	738	738	86.86%	558	558	69.81%
TOTAL CURRENT REVENUE	\$740,490	\$179,811	\$179,811	24.28%	\$215,239	\$215,239	28.27%
EXPENDITURE BY DEPARTMENT							
Public Works (1)	\$741,410	\$163,980	\$163,980	22.12%	\$182,406	\$182,406	24.77%
TOTAL OPERATING EXPENDITURES	\$741,410	\$163,980	\$163,980	22.12%	\$182,406	\$182,406	24.77%
Contingencies/Reserves	\$16,000	\$0	\$0	0.00%	\$0	\$0	0.00%
TOTAL ALL EXPENDITURES	\$757,410	\$163,980	\$163,980	21.65%	\$182,406	\$182,406	24.24%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$16,920)	\$15,831	\$15,831		\$32,833	\$32,833	

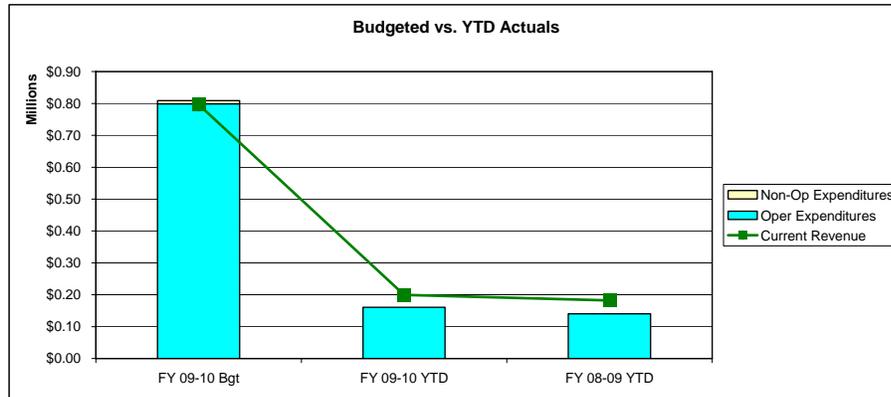
- (1) Charges for Services are lower for FY 09-10 largely due to internal fuel sales. While roughly the same number of gallons were sold, fuel is averaging \$1.47 per gallon less than the same time last fiscal year, hence the cost to internal customer and the resulting revenue in the Fleet Fund is lower.
- (2) Miscellaneous revenue is higher than last year primarily due to credits from higher than expected returns of fleet repair materials purchases.
- (3) Consistent with note (1) above, while the number of gallons purchased is consistent with last year, overall expenditures this year is lower due to falling gas prices. Four special projects are budgeted, including one vehicle replacement.



FACILITY MAINTENANCE FUND

REVENUE	AMENDED BUDGET	1st Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	1st Quarter FY 08-09	Y-T-D FY 08-09	FY 08-09 % REC/EXPEND
Budgeted Fund Balance	\$32,400						
Charges for Service	\$792,320	\$198,072	\$198,072	25.00%	\$180,822	\$180,822	25.00%
Miscellaneous (1)	3,880	1,264	1,264	32.57%	1,303	1,303	22.20%
TOTAL CURRENT REVENUE	\$796,200	\$199,336	\$199,336	25.04%	\$182,125	\$182,125	24.98%
EXPENDITURE BY DEPARTMENT							
Public Works	\$798,810	\$160,879	\$160,879	20.14%	\$140,106	\$140,106	18.95%
TOTAL OPERATING EXPENDITURES	\$798,810	\$160,879	\$160,879	20.14%	\$140,106	\$140,106	18.95%
Contingencies/Reserves	\$10,000	\$0	\$0	0.00%	\$0	\$0	0.00%
TOTAL ALL EXPENDITURES	\$808,810	\$160,879	\$160,879	19.89%	\$140,106	\$140,106	18.69%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$12,610)	\$38,457	\$38,457		\$42,019	\$42,019	

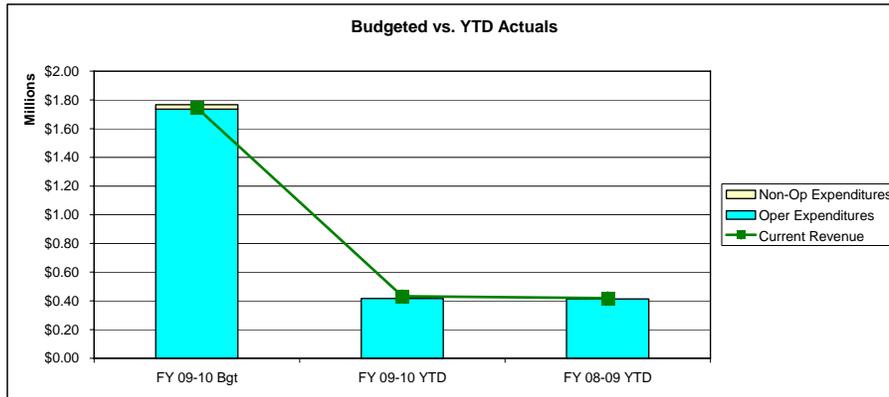
(1) Interest revenues year-to-date in FY 09-10 are below budget and prior year due to interest rate decline in flagging economy and a lower fund balance; however, miscellaneous revenue is up this quarter due to credits from unexpected returns of facility repair-related materials purchases.



TECHNOLOGY AND COMMUNICATIONS FUND

REVENUE	AMENDED BUDGET	1st Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	1st Quarter FY 08-09	Y-T-D FY 08-09	FY 08-09 % REC/EXPEND
Budgeted Fund Balance	\$63,675						
Charges for Service	\$1,730,310	\$431,174	\$431,174	24.92%	\$411,456	\$411,456	24.97%
Miscellaneous (1)	13,840	1,305	1,305	9.43%	7,638	7,638	32.12%
TOTAL CURRENT REVENUE	\$1,744,150	\$432,479	\$432,479	24.80%	\$419,094	\$419,094	25.07%
EXPENDITURE BY DEPARTMENT							
Finance	\$1,484,810	\$374,343	\$374,343	25.21%	\$367,570	\$367,570	24.60%
Public Works (2)	251,430	41,913	41,913	16.67%	45,685	45,685	17.51%
TOTAL OPERATING EXPENDITURES	\$1,736,240	\$416,256	\$416,256	23.97%	\$413,255	\$413,255	23.55%
Contingencies/Reserves	\$30,000	\$0	\$0	0.00%	\$0	\$0	0.00%
TOTAL ALL EXPENDITURES	\$1,766,240	\$416,256	\$416,256	23.57%	\$413,255	\$413,255	23.15%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$22,090)	\$16,223	\$16,223		\$5,838	\$5,838	

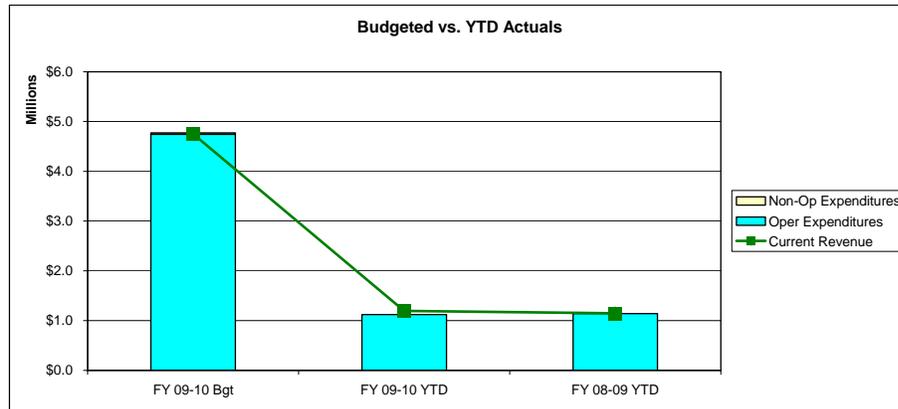
- (1) Interest revenues year-to-date in FY 09-10 are below budget and prior year due to interest rate decline in flagging economy and a lower fund balance.
- (2) FY 09-10 year-to-date actuals were lower than same period in FY 08-09. Personal services and materials and supplies are driven by City requested work orders and can vary year to year. Services has funds budgeted for annual PBX and telecommunications systems maintenance and management contracts as well as a PBX upgrade.



ADMINISTRATIVE SERVICES FUND

REVENUE	AMENDED BUDGET	1st Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	1st Quarter FY 08-09	Y-T-D FY 08-09	FY 08-09 % REC/EXPEND
Budgeted Fund Balance	\$51,033						
Charges for Service	\$4,734,450	\$1,183,614	\$1,183,614	25.00%	\$1,136,865	\$1,136,865	25.00%
Miscellaneous (1)	15,090	1,947	1,947	12.90%	7,736	7,736	50.04%
TOTAL CURRENT REVENUE	\$4,749,540	\$1,193,812	\$1,193,812	25.14%	\$1,144,601	\$1,144,601	25.08%
EXPENDITURE BY DEPARTMENT							
Finance	\$2,615,050	\$647,024	\$647,024	24.74%	\$628,308	\$628,308	24.05%
City Manager's Office (2)	2,127,350	474,069	474,069	22.28%	514,813	514,813	25.81%
TOTAL OPERATING EXPENDITURES	\$4,742,400	\$1,121,093	\$1,121,093	23.64%	\$1,143,121	\$1,143,121	24.81%
Contingencies/Reserves	30,000	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$4,772,400	\$1,121,093	\$1,121,093	23.49%	\$1,143,121	\$1,143,121	24.65%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$22,860)	\$72,719	\$72,719		\$1,480	\$1,480	

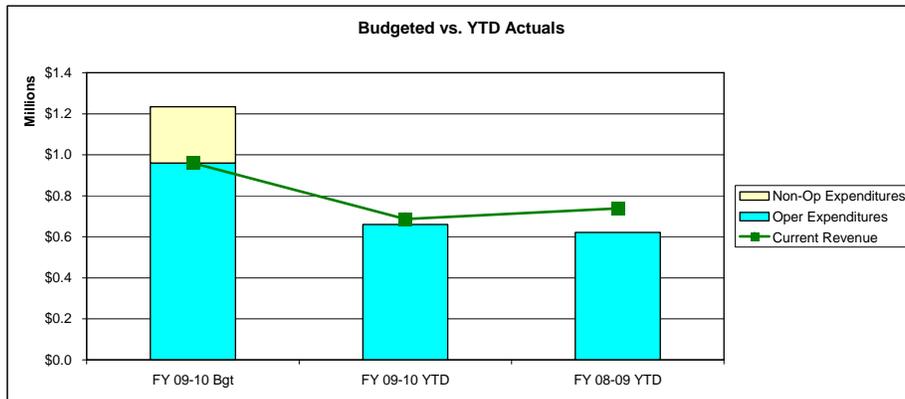
- (1) Interest revenues year-to-date in FY 09-10 are below budget and prior year due to interest rate decline in flagging economy and a lower fund balance.
- (2) FY 08-09 was higher due to both the League of Oregon Cities (LOC) and Cascade West membership dues being paid in the 1st quarter during FY 08-09 whereas only the LOC dues were paid in the 1st quarter of FY 09-10.



RISK MANAGEMENT FUND

REVENUE	AMENDED BUDGET	1st Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	1st Quarter FY 08-09	Y-T-D FY 08-09	FY 08-09 % REC/EXPEND
Budgeted Fund Balance	\$314,862						
Charges for Service (1)	\$901,900	\$676,425	\$676,425	75.00%	\$717,902	\$717,902	75.00%
Miscellaneous (2)	57,540	10,360	10,360	18.01%	20,810	20,810	30.02%
TOTAL CURRENT REVENUE	\$959,440	\$686,785	\$686,785	71.58%	\$738,712	\$738,712	71.96%
EXPENDITURE BY DEPARTMENT							
City Manager's Office (1)	\$959,420	\$660,347	\$660,347	68.83%	\$621,372	\$621,372	53.91%
TOTAL OPERATING EXPENDITURES	\$959,420	\$660,347	\$660,347	68.83%	\$621,372	\$621,372	53.91%
Contingencies/Reserves	275,000	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$1,234,420	\$660,347	\$660,347	53.49%	\$621,372	\$621,372	50.05%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$274,980)	\$26,438	\$26,438		\$117,340	\$117,340	

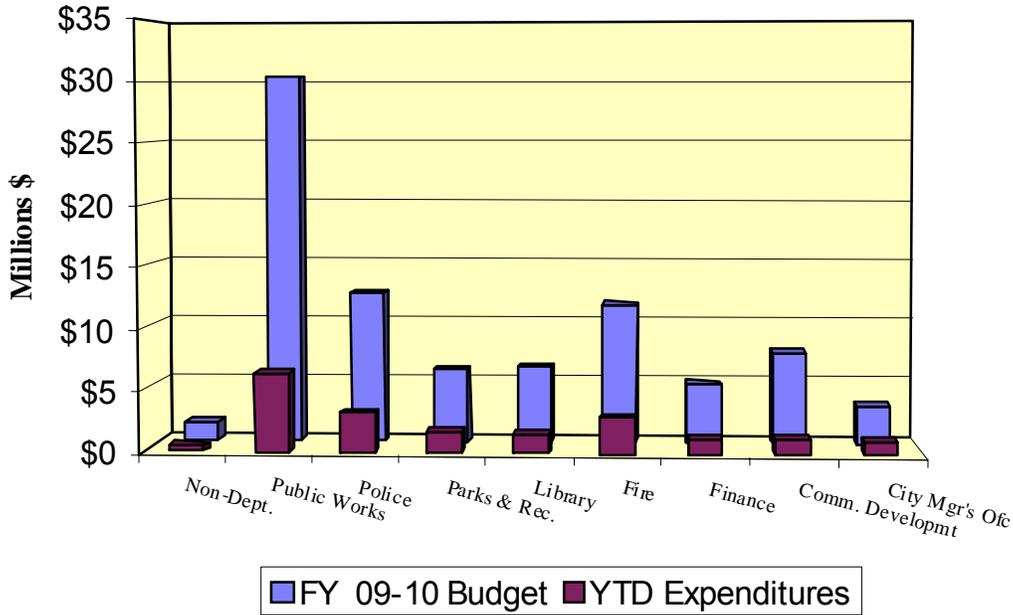
- (1) Timing of internal service charges to departments is weighted to coincide with insurance premium payments, 75% of which occur in July and 25% in January.
- (2) Interest revenues year-to-date in FY 09-10 are below budget and prior year due primarily to the lower than projected interest rates brought on by the current economy.



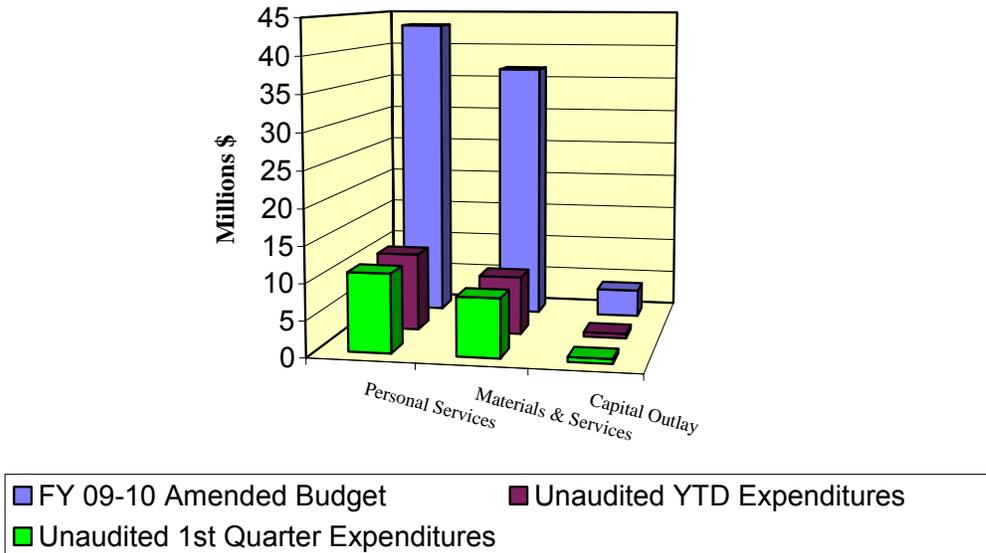
BUDGET PERFORMANCE BY DEPARTMENT

This section provides general information regarding departmental budgetary performance. Included in this section is an Expenditure Summary by classification for each department, which does not include Non-Operating or Capital Project Expenditures. The graphs below illustrate each department's operating performance as well as a "by category" view for all departments for the quarter and year-to-date (YTD).

Operating Expenditures by Dept



Operating Expenditures by Category



CITY MANAGER'S OFFICE

Type of Expenditure	2009-10 Amended Budget	Unaudited 1st Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$1,303,650	\$285,689	\$285,689	21.91%
Supplies and Services	1,768,880	832,720	832,720	47.08%
Capital Outlay	14,240	16,007	16,007	112.41%
Total Operating Expenditures	\$3,086,770	\$1,134,416	\$1,134,416	36.75%

Fund Sources Combined: Administrative Services Fund and Risk Management Fund.

Noteworthy Accomplishments during this Quarter:

- Participated in Oregon State University's Community Diversity Forum.
- Drafted the City's Pandemic Influenza Plan which identifies key employees, service categories, and resources needed to provide critical services and leadership in the event of a staffing shortage.

Upcoming/Pending Items:

- Implement Online Recruitment System.
- Implement Citizen Alert Network through partnership with Benton County.
- Complete Citizen Survey and publish results.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY08-09 ACTUAL	FY09-10 TARGET	1 st QTR ACTUAL	FY09-10 YTD
Cost Efficiency	Compare City FTE to assess efficient and effective customer service	City FTE per 1,000 population.	8.075	8.05	8.03	8.03
	Compare Human Resources FTE to assess efficient and effective customer service	Ratio of Human Resources FTE to total City FTE.	1 per 98	1 per 98	1 per 98	1 per 98
	Efficiently accomplish Council goals	Percentage of Council goals completed within each 2-year term. ⁽¹⁾	0%	100%	0%	0%
	Reduce average workers compensation claims per employee through promotion of a safe workplace	# of workers compensation claims per 100 FTE.	13.5	<10.0	2.95	2.95
	Maximize workplace productivity	Number of sick leave hours used per 1,000 hours worked.	26.1	<24.9	25.79	25.79
Diversity	Provide a welcoming organization that promotes and respects diversity	% of total job applicants for regular positions who identify themselves as a minority.	11%	13%	10%	10%
Sustainability	Reduce paper use	Reduce paper usage by 10% over the FY 2005-06 baseline of 524 reams as measured on a quarterly basis.	343	<220	63	63
	Measure the benefits to compensation ratio for competitiveness, retention, attraction and comparator purposes.	Benefits as a % of total compensation.	29%	28%	28%	28%

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY08-09 ACTUAL	FY09-10 TARGET	1 st QTR ACTUAL	FY09-10 YTD
Community Involvement	Maximize citizen satisfaction with the quality of City services.	% of Citizen Attitude Survey respondents giving good or excellent rating to the quality of overall City services. ⁽²⁾	82%	>82%	N/A	N/A
	Maximize citizen satisfaction with City communications and outreach.	% of Citizen Attitude Survey respondents who rated the quality of public information services as excellent or good. ⁽²⁾	N/A	>73%	N/A	N/A
		% of Citizen Attitude Survey respondents who rated the job the City does at welcoming citizen involvement as excellent or good. ⁽²⁾	New measure	>66%	N/A	N/A
		% of Citizen Attitude Survey respondents who rated the job the City does at listening to citizens as excellent or good. ⁽²⁾	New measure	>56%	N/A	N/A

(1) The 2009-2010 Council established their new goals in March 2009; while progress has been made, none are yet considered to be complete as of the end of the first quarter of FY 09-10.

(2) Citizen Attitude Survey is not conducted until the second quarter of the fiscal year, so no results available yet for these measures.

COMMUNITY DEVELOPMENT

Type of Expenditure	2009-10 Amended Budget	Unaudited 1st Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$3,336,030	\$787,425	\$787,425	23.60%
Supplies and Services	4,217,680	442,684	442,684	10.50%
Capital Outlay	0	0	0	0.00%
Total Operating Expenditures	\$7,553,710	\$1,230,109	\$1,230,109	16.28%

Fund Sources Combined: General, Development Services, Community Development Revolving, Parking, Street, Water, Wastewater and Storm Water.

Noteworthy Accomplishments during this Quarter:

- Community Development initiated FY 09-10 contracts and associated payments under Social Services and Human Services funding programs to support homeless assistance efforts by Community Outreach, the Center Against Rape & Domestic Violence, Community Services Consortium, the Corvallis Daytime Drop In Center, and Jackson Street Youth Shelter.
- Planning Division staff continued work with the City Attorney's Office on several Land Use Board of Appeals (LUBA) appeals, including finalizing the record on two such appeals and assisting the City Attorney's Office in the responses to briefs submitted by appellants.
- Housing staff also met with agency representatives to discuss the feasibility of housing and shelter projects/sites and their potential for funding consideration in the next Community Development Block Grant (CDBG)/HOME Investment Partnerships (HOME) funding allocation process, which will determine project allocations to be carried out during FY 10-11.
- The Housing Division extended housing rehabilitation loans to two very low income households, and down payment assistance loans to six low income first time home buyers during the quarter.

Noteworthy Accomplishments during this Quarter (con't)

- Processed seven General Development Land Use applications and ten Special Development Land Use applications.
- New Home Permits: 14 permits were issued this quarter for the construction of new homes, which is the same quantity as the same period last year.
- Inspections: Development Services staff conducted 3,640 construction inspections in the 1st quarter. This compares with 4,402 inspections in the same period last year.
- Worked with the Downtown Commission to develop and present the Commission’s work program to the City Council. Staff is supporting Commission work program items in a variety of areas.
- Housing staff continued active participation on the committee that is developing a Ten Year Plan to Address Homelessness in Benton County.
- Staff continues to work on downtown issues and with Prosperity That Fits (PTF) Committees that implement the PTF Plan.
- E-Permits: Of the 499 mechanical and electrical permits issued in the 1st quarter, 181 (37%) were issued online.

- Projects to rehabilitate four facilities/housing projects owned by non-profit providers (Community Outreach, the Center Against Rape and Domestic Violence, Home Life and the Arc of Benton County) were initiated. Project funding is derived from American Recovery and Reinvestment Act-based CDBG program resources.

Upcoming/Pending Items:

- A Request for Proposals process, seeking applications for FY 10-11 CDBG and HOME project funding, was initiated October 2. Funding applications are due to the City in early January.
- Delivery of City financial assistance to agencies providing assistance to the homeless will continue through the end of FY 09-10.
- The Benton County Ten Year Plan to End Homelessness will move toward a final draft form for consideration by the County’s public bodies in October. As a follow up to the Plan’s release a new steering committee, including City representation, will be formed and tasked with prioritizing and then facilitating/overseeing efforts to carry out projects.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY08-09 ACTUAL	FY09-10 TARGET	1 st QTR ACTUAL	FY09-10 YTD
Cost Efficiency	Maintain stated objective of completing inspections within same day of request.	Percentage of building inspections completed on time.	100%	95%	100%	100%
	Achieve plan review turn-around time consistent with other Oregon cities.	Percentage of initial residential plan review completed within 14 calendar days. ⁽¹⁾	94%	90%	72%	72%
	Meet or exceed federal HOME match requirement for all investment of Housing dollars.	Housing dollars leveraged with outside investment in funded activities. ⁽²⁾	102%	25%	5%	5%
	Meet or exceed State requirements for land use application review time.	Average review time (in days) to process a public hearing land use application. ⁽³⁾	63	< 115	43	43
	Meet or exceed State requirements for land use application review time.	Average review time (in days) to process administrative land use application.	32	< 45	38	38
Community Involvement	Achieve at least the targeted % citizen rating of excellent or good.	Citizen satisfaction with land use process, from customer survey. ⁽⁴⁾	52%	60%	N/A	N/A
	Achieve at least the targeted % participant rating of excellent or good.	Economic Development applicants’ rating of the process in annual survey. ⁽⁵⁾	80%	100%	N/A	N/A

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY08-09 ACTUAL	FY09-10 TARGET	1 st QTR ACTUAL	FY09-10 YTD
Sustainability	Conserve resources by reducing fuel and paper use.	Percentage of Mechanical and Electrical permits issued online. ⁽⁶⁾	32%	20%	37%	37%
	Maintain the quality of low income housing in a cost effective manner.	Units of housing rehabilitated per \$100,000 in City funds invested.	3	5.0	1.9	1.9
Diversity	Assure that low income residents' housing needs are met in a cost effective manner.	Housing units occupied by low income households assisted per \$100,000 in City funds invested.	12	10.0	8.7	8.7

- (1) Performance below target due to staffing levels and massive influx of commercial projects from OSU, such as the Linus Pauling Project.
(2) Result appears low due to a majority of the match being earned during FY09-10 not scheduled to be reported to the City by Benton Habitat for Humanity until August 2010.
(3) The first quarter was dominated by Historic Preservation Permits, which generally require a shorter time to complete, hence the better than target result.
(4) Citizen Attitude Survey is not conducted until the second quarter of the fiscal year, so no results available yet for these measures.
(5) Economic Development Process survey results will be completed at the end of the fiscal year and reported at that time.
(6) Contractors have embraced the online system beyond expectations.

FINANCE

Type of Expenditure	2009-10 Amended Budget	Unaudited 1st Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$3,423,030	\$822,476	\$822,476	24.03%
Supplies and Services	1,419,960	371,301	371,301	26.15%
Capital Outlay	70,500	0	0	0.00%
Total Operating Expenditures	\$4,913,490	\$1,193,777	\$1,193,777	24.30%

Fund Sources Combined: General, Parking, Technology and Communications and Administrative Services.

Noteworthy Accomplishments during this Quarter:

- Utility Billing staff began marketing the recurring credit card feature to increase customer participation.
- MIS staff met with City departments to review Identity Theft Prevention and Red Flag Alerts Policy.
- Payroll staff worked with Human Resources to streamline summer employee hiring process and retiree benefit reconciliations.
- Treasury staff completed training City department staff on the use of purchasing cards.
- Accounting prepared for FY08-09 audit, and hosted auditors for year-end audit field work.
- MIS staff completed an internal computer security audit.
- MIS staff finalized the Electronic Records Management System plan.
- Administration staff completed an RFP process and selected a vendor to manage the City's bad debt, including municipal court.

Upcoming/Pending Items:

- Complete work and launch an internal travel/training application to facilitate payment, developed in partnership with the OSU Business Services Group.
- Review landlord letter process for Utility Billing to identify a less costly, more sustainable method of notification.
- Complete testing and implementation of new ten-digit dialing capability for the automated system used by utility billing for late payment notification.
- Complete FY08-09 Audit and commence work on FY 10-11 Budget.
- Continue addressing security audit assessment.
- Continue with implementation of the Information Technology Infrastructure Library/Service Management (ITIL / ITSM) best practices.
- Begin work on the next phase of the Electronic Records Management System plan.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY08-09 ACTUAL	FY09-10 TARGET	1 st QTR ACTUAL	FY09-10 YTD
Sustainability	Reduce department wide paper consumption through increased use of electronic file sharing and software upgrades.	Reduce paper purchases by 10% in FY 09/10 from FY 08/09, as measured in number of reams on a quarterly basis.	650	593	180	180
	Reduce paper and postage costs by increasing proportion of Utility Billing customers participating in E-Bill program.	Increase number of E-Bill participants to 20% of Utility Billing customers. ⁽¹⁾	828	3000	895	895
Community Involvement	Work to continually improve customer satisfaction with Utility Billing services as measured by the City's Citizen Survey.	Percent of Citizen Survey Respondents giving "good" or "excellent" rating to the Utility Billing services on the City's Citizen Survey. ⁽²⁾	N/A	86%	N/A	N/A
Cost Efficiency	Receive sufficient per capita revenue levels to enable the City to maintain existing service levels.	Maintain operating revenue greater than or equal to \$1,350 per capita.	\$1,391	≥ \$1,350	\$256	\$256
	Ensure City resources are primarily spent on operations that provide services directly to citizens.	Maintain general overhead costs (City Manager's Office and Finance) at less than 7% of total operating budget.	6.6%	6.8%	5.7%	5.7%
	Provide necessary information technology resources for departments to operate efficiently.	Achieve 100% server uptime relative to scheduled server uptime. ⁽³⁾	99.9%	100%	99.99%	99.99%
	Manage MIS resources effectively and provide cost-efficient, high-quality, pro-active service to the organization to support system changes to adapt to ongoing departmental needs.	Resolve service calls to repair calls at a ratio of three to one.	1.46/1.00	3.00/1.00	1.18/1.00	1.18/1.00
	Increase organizational efficiency in providing service output.	Maintain operating expenditures less than or equal to \$1,350 per capita.	\$1,286	≤ \$1,350	\$358	\$358

(1) E-Bill customers increased modestly in the fourth quarter of FY 08/09. A recurring credit card option is now available and is expected to help increase E-Bill participation in FY 09/10.

(2) Citizen Attitude Survey is not conducted until the second quarter of the fiscal year, so no results available yet for these measures.

(3) MIS experienced several very short and minor server outages in the first quarter but they resulted in no loss to operations.

FIRE

Type of Expenditure	2009-10 Amended Budget	Unaudited 1st Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$8,161,380	\$1,994,696	\$1,994,696	24.44%
Supplies and Services	2,189,090	457,597	457,597	20.90%
Capital Outlay	1,173,790	435,544	435,544	37.11%
Total Operating Expenditures	\$11,524,260	\$2,887,837	\$2,887,837	25.06%

Capital outlay consists of station equipment, major building renovation/repairs and scheduled fire vehicle replacements.

Noteworthy Accomplishments during this Quarter:

- Fire Department staff began working with High Plains Information Systems to implement the new records management software.
- Chief Emery has met with all fire personnel to discuss the recently-adopted strategic plan. The plan's "action items" are being addressed in the order specified in the plan. Progress toward their completion will be tracked.
- Fire staff conducted a request for bids process and selected a vendor to place fiber optic between the fairgrounds and Zimbrick Memorial Station 5.

Upcoming/Pending Items:

- The Department's 08/09 Annual Report will be published with the November issue of the City Newsletter.
- The new aerial platform is being readied for service.
- Establishment of a fiber optic connection to Zimbrick Memorial Fire Station 5 will be completed by the end of November.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY08-09 ACTUAL	FY09-10 TARGET	1 st QTR ACTUAL	FY09-10 YTD
Sustainability	Maintain average loss per 1,000 population within city limits less than national average.	Maintain average loss per 1,000 population within city limits less than national average.	<\$34,900	<\$38,800	\$16,957	\$16,957
	Maintain number of reported structure fires per 1,000 population within the city limits at less than the national average.	Residential structure fires per 1,000 population served within city limits.	<3.00	<1.30	0.24	0.24
Community Involvement	Interact with at least 10% of residents (city and rural district) in public education events annually.	Number of attendees at public education events.	6,600	6,600	2,285	2,285
Cost Efficiency	Achieve a response time of 5 minutes or under from dispatch to arrival on 80% of Code 3 fire calls within the city limits.	Percentage of fire calls with a response time of 5 minutes or less from dispatch to arrival within city limits.	65%	70%	64%	64%
	Achieve a response time of 5 minutes or under from dispatch to arrival of ALS equipment on 45% of Code 3 EMS calls within the city limits (ASA contract target).	Percentage of EMS calls requiring ALS with response time of 5 minutes or less from dispatch to arrival within city limits.	59%	60%	58%	58%

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY08-09 ACTUAL	FY09-10 TARGET	1 st QTR ACTUAL	FY09-10 YTD
Cost Efficiency (continued)	Maintain operating costs per capita at or below that of comparator cities.	Total fire operating expenditures/1,000 population within city limits.	\$139.58	\$142.00	\$36.19	\$36.19
	Maintain false alarm rate at or below the level experienced by ICMA comparators.	False Alarms as a % of non-EMS responses in the city. ⁽¹⁾	13%	12%	14%	14%

(1) The measurement shown is the percentage of structure fires to false alarms. Corvallis has few fires but a number of false calls, due largely to malfunction of commercial alarm systems. Over time, the nuisance alarm ordinance will continue to help to reduce the number of repeat false alarms.

LIBRARY

Type of Expenditure	2009-10 Amended Budget	Unaudited 1st Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$3,837,350	\$971,026	\$971,026	25.30%
Supplies and Services	2,425,880	545,515	545,515	22.49%
Capital Outlay	10,640	0	0	0.00%
Total Operating Expenditures	\$6,273,870	\$1,516,541	\$1,516,541	24.17%

Fund Sources Combined: Library and Library 2010 Fund. Capital outlay includes scheduled library equipment purchases and replacements.

Noteworthy Accomplishments during this Quarter:

- The Library's strategic plan was finalized and presented to the Council's Human Services Committee.
- After a sunset review and on-line discussion with members, the Human Services Committee recommended that the Library 2010 Legal Reserve Allocation Board be disbanded. Council approved in October 2009.
- Visitors to the Library during the hot days at the end of September topped all records. On Tuesday the 28th 2,800 people came in and on Wednesday there were 2,400. All the chairs in the Belluschi Wing were filled and others sat on the floor.
- Summer Reading programs brought children to all library locations in record numbers. This was our first summer to offer a full summer reading program for preschoolers utilizing the American Library Association Curious Reads program. Curious Reads features Curious George as mascot and offers certificates to both child and adult for participating in the program. Thanks to the generosity of the Friends of the Library, all of our summer reading participants got to select a book as a prize. Curious Reads kicked off with the Teddy Bear Picnic and finished with a great art and music program.
- Fifty-one teens attended the All-Nighter in July as part of their summer reading activities.
- City Building Maintenance staff began planning for the replacement of the Library building boiler. The existing boiler is failing and it has been determined that a new and more energy efficient system would be more cost effective than repairs to the old unit. Use of contingencies is likely to be sought next quarter to fund this unforeseen cost.
- The Alsea Community Library and Alsea Community Effort are participating in the Alsea Emergency Preparedness Council. The building will be used as an information command center for disaster personnel.
- Staff have been busy making preparations for the visit of author/illustrator Alexandra Day and her dog Carl www.gooddogcarl.com.
- Resumé classes at the Philomath Community Library continue to be popular with patrons.

Upcoming/Pending Items:

- Finalize the strategic plan and present to City Council.
- Continue working with the Monroe community on plans for a new library building.
- Implement acceptance of credit/debit cards for fees. Also, subject to additional testing, cash and credit card acceptance at one self-check machine in lobby is expected to be put into service.
- Building maintenance and special projects: Belluschi Wing fire sprinklers, boiler replacement, Main Meeting Room carpet replacement.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY08-09 ACTUAL	FY09-10 TARGET	1 st QTR ACTUAL	FY09-10 YTD
Cost Efficiency	Be at ICMA national average or below for operating and maintenance expenditures per item circulated of \$4.06.	Operating and maintenance expenditures per item circulated. ⁽¹⁾	\$3.10	\$3.00	\$2.93	\$2.93
	Circulate at least 50% more per FTE than other ICMA comparable libraries – ICMA average of 17,975.	Circulation per FTE. ⁽²⁾	30,779	30,000	8,047	8,047
Community Involvement	Achieve at least a 95% rating of excellent or good and be in the top five of national ICMA cities rated.	Citizen rating of overall library services. ⁽³⁾	90%	90%	N/A	N/A
	Be in the top 20% of circulation rates per capita of comparable ICMA libraries ≥ 13.2 .	Circulation rates per capita.	18.52	18.00	4.97	4.97
	Increase number of interactions with the public per FTE by 2% over previous year.	Interactions with the public per FTE.	6,578	7,200	1,426	1,426
	Be in the top five of comparable ICMA libraries in volunteer FTE's per 1,000 population $\geq .025$.	Number of volunteer FTE's per 1,000 population.	.079	.075	.088	.088
Diversity	Offer programs reflecting the diverse populations within Benton County.	Attendance at programs for children, teens, seniors, Latinos, and other non-English speakers. ⁽²⁾	29,603	28,000	7,503	7,503
Sustainability	Each public computer is used at least 3,000 times per year.	Average number of user sessions per Corvallis Library public computer.	3,546	3,700	929	929
	Provide the materials people want to use and keep them moving through the community.	Circulation per registered borrower.	31.8	29	8.5	8.5

(1) ICMA Core measure. Set at a lower target for City since ICMA definition of operating & maintenance expenditures doesn't include several categories that the Library uses.

(2) On track to exceed goal, so targets will be re-examined for next fiscal year.

(3) Citizen Attitude Survey is not conducted until the second quarter of the fiscal year, so no results available yet for these measures.

PARKS & RECREATION

Type of Expenditure	2009-10 Amended Budget	Unaudited 1st Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$3,681,770	\$1,181,375	\$1,181,375	32.09%
Supplies and Services	2,223,950	516,516	516,516	23.23%
Capital Outlay	85,570	0	0	0.00%
Total Operating Expenditures	\$5,991,290	\$1,697,891	\$1,697,891	28.34%

Fund Sources Combined: Parks & Recreation, Aquatics and Open Space Funds. Capital outlay includes scheduled vehicle and machinery replacements.

Noteworthy Accomplishments during this Quarter:

- Completed successful Corvallis Community Band concert series showcasing eleven free summer concerts.
- Youth Volunteer Corps conducted three days of Disaster Preparedness Training with 15 youth volunteers. The youth built and distributed Disaster Preparedness Kits to 60 Meals on Wheels and HomeLife clients.
- Last Chance Camp had a total of 1,680 children ages 4-14 participate in the final summer day camp.
- The First Annual Wheelchair Ride with the Mayor was held, and included a short course to educate 25 people who took wheelchair rides to view the different aspects of using a wheelchair in the community.
- The Senior Center received a bequest in the amount of \$206,000 from the Thompson Estate and \$11,000 from the Senior Citizens Foundation of Benton County for health programs support.
- The Urban Forest Management Plan was adopted.
- Aquatic Center hosted: the HydroFit Academy with 49 participants, including 21 from out of state and/or county; the “Joe Beaver Show” and Chamber of Commerce Greeters in promotion of Parks and Recreation programs and services; the American Red Cross Blood Drive; the statewide Underwater Hockey Tournament; and the Wonderful World of WaterBabies event.

Upcoming/Pending Items:

- Hold the grand opening of the Fenced Dog Park in November.
- Complete the next phase of the Avery Park Rose Garden paver project.
- Convene scheduled stakeholder meetings for the Art and Cultural Commission.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY08-09 ACTUAL	FY09-10 TARGET	1 st QTR ACTUAL	FY09-10 YTD
Community Involvement	Maintain volunteer hours in the range of 25% of Parks and Recreation FTE hours.	Total number of hours worked by volunteer staff in support of parks and recreation activities. ⁽¹⁾	28,693	30,000	8,275	8,275
Diversity	Continue to design recreation programs to be inclusive, creating an opportunity for our diverse community to come together.	Number of programs offered annually and the number of participants. ⁽²⁾	1,021/ 34,086	1,050/ 30,000	318/ 5,700	318/ 5,700
Cost Efficiency	Highlight the value of subsidized recreation at Osborn Aquatic Center.	Target cost per visit for subsidy at OAC. ⁽³⁾	\$2.81	< \$3.23	\$2.27	\$2.27
	Highlight the value of subsidized recreation at Senior Center.	Target cost per visit for subsidy at the Senior Center. ⁽³⁾	\$4.73	< \$6.25	\$3.28	\$3.28

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY08-09 ACTUAL	FY09-10 TARGET	1 st QTR ACTUAL	FY09-10 YTD
	Keep operations & maintenance (O&M) costs per capita below the median for nationwide reporting cities with populations between 40,000 and 60,000.	Net annual P&R O&M expenditures (not incl. utilities) per Capita.	\$90.98	\$60.00	\$25.01	\$25.01
Sustainability	Increase the utilization percentage of granted scholarships.	Percent of total scholarship value expended.	19%	25%	23%	23%
	Maintain or improve the ratio of acres per population of comparator cities.	Total park acres per 1,000 population.	30.7	30.6	33.0	33.0

- (1) On target to meet goal based on seasonality of results.
(2) Focusing on marketing to increase participants at events.
(3) Costs lower than target in first quarter as expected due to higher volume of visits in summer months.

POLICE

Type of Expenditure	2009-10 Amended Budget	Unaudited 1st Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$8,915,630	\$2,194,388	\$2,194,388	24.61%
Supplies and Services	3,255,603	884,716	884,716	27.18%
Capital Outlay	245,660	110,224	110,224	44.87%
Total Operating Expenditures	\$12,416,893	\$3,189,327	\$3,189,327	25.69%

Fund Sources Combined: General, 9-1-1 Emergency Communications and Parking Fund. Capital outlay includes scheduled vehicle, equipment and computer system replacements.

Noteworthy Accomplishments during this Quarter:

- On September 11, 2009 Joel Courtney was convicted of the 2004 murder of Brooke Wilberger, and sentenced to life without parole.
- \$14,681 in 2009 JAG Grant funding was awarded. Funds will be used to partially pay for a contract with Benton County District Attorney's Office for Deputy Medical Examiner services.
- \$80,052 in ARRA 2009 JAG Funding was awarded. This will be used for the City to purchase digital video cameras for the patrol fleet, and for the Benton County Sheriff's Office to purchase equipment for the emergency communications van.
- \$77,778 was awarded to the Department through the second year of funding of the 2008 JAG grant program. The funds will be used for equipment, training and confidential funds for the Street Crimes Unit.
- The Corvallis Police Department Auxiliary unit coordinated the 2009 National Night Out. Cadets and CPD staff participated in a variety of events throughout the City on August 4, 2009. The evening was a huge success.
- The 30th class of Cops and Robbers 101 Citizen Police Academy began September 9th.
- To increase the safety of school children a Back-to-School Safety Blitz was conducted September 9-18, 2009. Officers were assigned to all grade and middle schools throughout the City to enforce school zone traffic laws.

Upcoming/Pending Items

- Recruitment continues to fill the four enhancement dispatcher vacancies. Two candidates remain in the current recruitment. Another full recruitment will be initiated in the second quarter.
- Recruitment for the open police officer positions continues. One candidate is in the final phase of the process and another testing and oral board process will be held in October.
- Staff have applied for funding through the ARRA Byrne Competitive Grants process for dispatcher positions. Notifications of awards are expected in the 2nd quarter.
- Staff is continuing to work on implementation of CopLogic, which is a program to enable citizen self reporting of incidents through the web. It is expected to go live by the end of the calendar year.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY08-09 ACTUAL	FY09-10 TARGET	1 st QTR ACTUAL	FY09-10 YTD
Community Involvement	Achieve at least an 85% rating of excellent or good in citizen attitude surveys.	Citizen satisfaction ratings of overall police services. ⁽¹⁾	79%	85%	N/A	N/A
Cost Efficiency	Increase community safety by reducing response time to top priority calls.	Response time in seconds to top priority calls.	316	300	319	319
	Increase community safety by clearing part 1 criminal investigations.	Percentage of Part 1 Crimes Cleared. ⁽²⁾	Violent 44% Property 16%	70% 20%	67% 17%	67% 17%
	Efficiently move candidates through the complex recruitment process to reach and maintain fully authorized staffing levels.	Number of days to complete recruitment of police officers from testing to conditional job offer.	99	<120	51	51
Cost Efficiency	Increase community safety by maintaining overall number of traffic accidents resulting in injuries/fatalities at less than the State average of 5.5/per thousand population.	Fatal and injury traffic accidents per 1,000 population.	1.95	<2.5	0.56	0.56
Diversity	Increase diversity of applicant pool through targeted outreach efforts.	Number of new, targeted outreach efforts. ⁽³⁾	8	6	0	0

(1) Citizen Attitude Survey is not conducted until the second quarter of the fiscal year, so no results available yet for these measures.

(2) Violent crime clearance rates continue lower than target due to staffing levels, but has improved over last year.

(3) Efforts include advertising on bilingual and diversity job websites and mailings to community and college diversity groups. Applicant statistics are being tracked. Outreach efforts will be commenced in second quarter of FY 09-10.

PUBLIC WORKS

Type of Expenditure	2009-10 Amended Budget	Unaudited 1st Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$10,410,440	\$2,645,310	\$2,645,310	25.41%
Supplies and Services	17,694,960	3,652,953	3,652,953	20.64%
Capital Outlay	2,240,920	69,476	69,476	3.10%
Total Operating Expenditures	\$30,346,320	\$6,367,739	\$6,367,739	20.98%

Fund Sources Combined: General, Street, Parking, Transit, Water, Water Timber, Wastewater, Storm Water, Airport, Fleet Maintenance, Facility Maintenance and Technology and Communications Fund. Capital outlay includes scheduled vehicle and equipment replacements.

Noteworthy Accomplishments during this Quarter:

- Received approval from the Department of Energy (DOE) to proceed with four of the five submitted Energy Efficiency and Conservation Block Grant program projects.
- Met with FTA in Seattle to clarify intent and future direction of the Transit Operations and Maintenance Facility. Met with consultant and reached an agreement to proceed within existing contract and budget.

Upcoming/Pending Items:

- Work with local partners to begin revolving loan fund and energy efficiency incentive programs funded by the EECBG grant.
- Hire a Sustainability Program Specialist to assist with the City's internal and external sustainability efforts.
- Hold public meeting on the transit Operations and Maintenance Facility project, and begin required National Environmental Protection Act (NEPA) on the current public works site.

Noteworthy Accomplishments during Quarter (con't):

- Completed scheduled wildlife enhancement/timber thinning project in the Corvallis Forest Old Peak Road section.
- Managed CIP construction projects to minimize inconvenience to the public. An unprecedented number of construction projects were completed this summer and very few complaints were received.
- Completed the last phase of the Walnut Boulevard Reconstruction project. This project was completed a full year ahead of schedule and \$260,000 under budget.
- Completed the 9th/Circle Intersection Improvements and numerous American Recovery and Reinvestment Act (ARRA) grind/inlay projects
- Implemented transit route revisions including the start-up of Crescent Valley area service.
- Completed annual pavement preservation program on local streets (grind/inlay program).
- Completed the second year of the marbled murrelet field survey in the Corvallis Forest, which is required to ensure birds are not present in the areas scheduled for wildlife enhancement/timber thinning activities. No birds were present.

Upcoming/Pending Items (con't):

- Contract with lumber mill to process logs thinned from Corvallis Forest. Cut as much as possible to Forest Sustainability Council "green" lumber standards.
- Initiate the public process to engage the community in assessing solutions to comply with new Oregon DEQ Willamette River Total Maximum Daily Load (TMDL) regulations that pertain to the City's wastewater system discharge permit.
- Complete Sewer Rehabilitation project construction and the Water Distribution System Rehabilitation project.
- Complete design for additional grind/inlay projects on 5th/Buchanan Avenue from Western Boulevard to 9th Street and Western Boulevard from 7th to 17th Streets which will utilize all remaining ARRA funding.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY08-09 ACTUAL	FY09-10 TARGET	1 st QTR ACTUAL	FY09-10 YTD
Cost Efficiency	Maintain street sweeping costs in lower third of comparator cities.	Street Sweeping expenditures per linear mile swept.	\$16	\$15	\$16.70	\$16.70
	Maintain facility maintenance costs in lower third of comparator cities.	Custodial expenditures per square foot for administrative/office spaces. ⁽¹⁾	\$0.74	<\$1.00	N/A	N/A
	Maintain transit costs below national average of \$2.70.	Costs per transit ride.	\$2.41	<\$2.70	\$2.61	\$2.61
	Have utility rates that contribute to Corvallis being an attractive place to live.	Average monthly utility bill, compared to other mid-Willamette Valley providers. ⁽¹⁾	17%	<33%	N/A	N/A
	Efficient treatment of wastewater.	FTE per million gallons of wastewater treated in lower third of comparator cities.	.0020	.0030	.0085	.0085
	Efficient treatment of water.	FTE per million of gallons of water treated in lower third of comparator cities.	.0022	.0020	.0048	.0048
	Maximize budget available for infrastructure improvements.	Project design and construction management as a percentage of construction costs. ⁽²⁾	13%	20%	0%	0%
	Efficiently review development proposals.	Average Development Review Division FTE hours per construction project plan review.	24	30	27	27

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY08-09 ACTUAL	FY09-10 TARGET	1 st QTR ACTUAL	FY09-10 YTD
Community Involvement	Achieve an average 78% rating of excellent or good for street, water, sewer and storm drainage services.	Citizen rating Public Work services 'excellent' or 'good' (from the Citizen Attitude Survey). ⁽³⁾	76%	90%	N/A	N/A
Sustainability	Be in the upper third of comparator cities for alternative fuels usage.	Percentage of vehicles and heavy equipment using alternative fuels. ⁽⁴⁾	N/A	35%	N/A	N/A
	Remain below national average of 10% annually for water loss in the distribution system.	Percent of water loss in the distribution system.	5%	<10%	2.55%	2.55%
Diversity	Achieve an annual increase in targeted categories of transit ridership over the previous year.	Number of rides categorized as seniors, youth or with a disability in the annual transit survey. ⁽⁴⁾	2.74%	10%	N/A	N/A

(1) This is an annual measure normally calculated and/or reported in the second quarter.

(2) Percentage is not available until the projects close. Summer construction will be reflected in the second quarter.

(3) Citizen Attitude Survey is not conducted until the second quarter of the fiscal year, so no results available yet for these measures.

(4) This is an annual measure calculated in the fourth quarter.

NON-DEPARTMENTAL

Type of Expenditure	2009-10 Amended Budget	Unaudited 1st Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$40,000	\$0	\$0	0.00%
Supplies and Services	1,486,720	420,442	420,442	28.28%
Capital Outlay	0	0	0	0.00%
Total Operating Expenditures	\$1,526,720	\$420,442	\$420,442	27.54%

Budget includes city allocations, paying agent fees for debt service and pass through cost of retired employees' medical benefits.

VACANCY SUMMARY

DEPARTMENT	AMENDED AUTHORIZED FTE	FILLED FTE 9/15/2009	VACANT POSITIONS	STATUS
CMO	10.00	10.00		
COMMUNITY DEVELOPMENT	41.00	34.05	Project Coordinator (1) Assistant Planner (.20) Building Inspector (2) Code Enforcement (.5) Permit Coordinator (1) Permit Technician (1.25) Plans Examiner I (1)	Held open Underfilled Held open No recruitment at this time Held open Held open Held open
FINANCE	39.00	38.00	Court Clerk (1)	No recruitment at this time
FIRE	69.00	69.00		
LIBRARY	46.65	45.39	Deputy Library Director (1) Reference Librarian (.01) Underfill Shelvers (0.25) Underfilled	No recruitment at this time Underfilled Underfilled
PARKS AND RECREATION	38.64	38.64		
POLICE	92.25	83.25	Police Officer (4) Police Officer Assigned (1) Public Safety Dispatcher (4)	Recruitment in process Recruitment in process 2 in Background
PUBLIC WORKS	119.00	114.13	Civil Engineer II (1) Engineering Technician III (1) Program Specialist (1) Street Maint Specialist (1) Administrative Specialist (.37) Maint Specialist Airport (.5)	No recruitment at this time No recruitment at this time No recruitment at this time No recruitment at this time Underfilled Recruitment in process
TOTALS	455.54	432.46		

CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program section is included in the Quarterly Operating Report to update readers on the status of projects currently in progress. Projects have been placed in one of seven broad-based infrastructure functional areas: Airport; Buildings and Facilities; Parks and Recreation; Storm Water; Transportation; Wastewater; and Water. At the end of the first quarter, Capital Project year-to-date expenditures totaled \$1,222,246 or 10.30% of the \$11,866,610 Amended Budget. The lists below include a breakout of major projects by those that are completed and projects delayed or cancelled. The projects for which only the design phase is to be complete have been marked as such. Please refer to the detail section starting on page three for more information on the status of all projects, including those below.

Projects Expected to be Completed	Page#
City Hall Block – Window Replacement	<u>3</u>
Law Enforcement Fenced/Paved Compound	<u>4</u>
Municipal Buildings Rehabilitation – Majestic Theatre Seismic, Phase I	<u>4</u>
Park Improvement – Avery Rose Garden, Phase II	<u>4</u>
Safety Sidewalk	<u>6</u>
Street Reconstruction – Walnut and Kings Boulevards intersection	<u>6</u>
Traffic Signal – Kings Boulevard / Walnut Boulevard	<u>7</u>
Sanitary Sewer Line Rehabilitation	<u>7</u>

Projects Delayed or Cancelled	
Airport Facility Improvements – Ramp / Fence	<u>3</u>
Acquisition of Parks	<u>4</u>
Park Improvements – Arnold Park Play Structure and Village Green Park Restroom	<u>4</u>
Traffic Signal-26 th /Western	<u>7</u>
WWMP Influent Pump Station	<u>8</u>
WWMP Odor Control Facility	<u>8</u>

SUMMARY OF CIP PROJECTS

AIRPORT	ADOPTED	AMENDED	Y-T-D
Airport Facility Improvements	\$27,010	\$27,010	\$0
Airport Industrial Park Improvements	95,380	95,380	0
South Corvallis Drainage Improvements	69,900	69,900	0
TOTAL Airport Projects	<u>\$192,290</u>	<u>\$192,290</u>	<u>\$0</u>
BUILDINGS AND FACILITIES	ADOPTED	AMENDED	Y-T-D
City Hall Block	\$462,400	\$456,020	\$1,936
Fire Dept. Prop. Acquisition & Fac. Relocation	896,000	896,000	0
Law Enforcement Fenced/Paved Compound	91,800	91,800	0
Municipal Buildings Rehabilitation	331,400	326,400	30,543
Carryover Adjustment - Unused Budget	0	6,380	0
TOTAL Buildings and Facilities	<u>\$1,781,600</u>	<u>\$1,776,600</u>	<u>\$32,479</u>
PARKS	ADOPTED	AMENDED	Y-T-D
Acquisition of Natural Areas	\$179,960	\$179,960	\$0
Acquisition of Parks	300,000	300,000	0
Park Facility Renovation	100,000	100,000	0
Park Improvements - Existing	511,200	508,950	10,098
Riverfront Commemorative Park Signage	30,850	30,850	0
Special Use Facilities	20,000	20,000	0
Carryover Adjustment - Unused Budget	0	7,250	0
TOTAL Parks	<u>\$1,142,010</u>	<u>\$1,147,010</u>	<u>\$10,098</u>
STORM WATER	ADOPTED	AMENDED	Y-T-D
Storm Drain Replacement	\$215,100	\$215,100	\$129,584
Storm Water Master Plan Projects	445,000	445,000	0
Utility and Street Improvements	15,000	15,000	0
Carryover Adjustment - Unused Budget	0	0	0
TOTAL Storm Water Projects	<u>\$675,100</u>	<u>\$675,100</u>	<u>\$129,584</u>
TRANSPORTATION	ADOPTED	AMENDED	Y-T-D
9th and Circle Intersection Improvements	\$313,800	\$275,510	\$39,037
Advanced Transportation Management System	114,060	114,060	627
Circle Boulevard Pedestrian Activated Crossings	209,000	209,000	0
Country Club Drive Bike Lanes	19,100	19,100	0
Downtown Public Parking	200,000	200,000	0
Electric Vehicle Charging Stations	3,200	3,200	0
Goodnight ROW Acquisition	370,000	370,000	0
Sidewalk Safety	217,000	217,000	28,880
Street Reconstruction	645,490	645,490	455,879
Traffic Signal-26th/Western	17,960	17,960	0
Traffic Signal-Kings/Walnut	279,300	279,300	177,277
Transit Operations Center	168,620	168,620	0
Utility and Street Improvements	325,000	325,000	0
Carryover Adjustment - Unused Budget	0	38,290	0
TOTAL Transportation	<u>\$2,882,530</u>	<u>\$2,882,530</u>	<u>\$701,699</u>
WASTEWATER	ADOPTED	AMENDED	Y-T-D
Biosolids Storage Tank	\$20,000	\$20,000	\$0
Marys River Interceptor Improvements	134,200	134,200	0
Sanitary Sewer Line Rehabilitation	597,000	597,000	197,119
WWMP Influent Pump Station	279,000	279,000	29,433
WWMP Odor Control Facility	1,205,000	1,187,300	0
WWRP Electrical Equipment Replacement	1,536,950	1,536,950	51
Utility and Street Improvements	83,000	83,000	0
Carryover Adjustment - Unused Budget	0	17,700	0
TOTAL Wastewater Projects	<u>\$3,855,150</u>	<u>\$3,855,150</u>	<u>\$226,603</u>
WATER	ADOPTED	AMENDED	Y-T-D
North Hills 1st Level Reservoir Improvements	\$230,930	\$230,930	\$0
Water Distrib System Rehabilitation	300,000	300,000	121,783
West Corvallis Second Level Water	38,500	38,500	0
Utility and Street Improvements	768,500	768,500	0
Carryover Adjustment - Unused Budget	0	0	0
TOTAL Water Projects	<u>\$1,337,930</u>	<u>\$1,337,930</u>	<u>\$121,783</u>
TOTAL All Areas	<u>\$11,866,610</u>	<u>\$11,866,610</u>	<u>\$1,222,246</u>

AIRPORT AND INDUSTRIAL PARK PROJECTS

<i>Airport Facility Improvements</i>	<u>CIP Doc Pg:</u> 1	<u>Adopted Budget:</u> \$27,010	<u>Amended:</u> \$27,010	<u>YTD Expended:</u> \$0
<p>This project allows for expansion to support the increasing number of aircraft based at the airport and has several phases. Phase I was completed in FY 08-09 and included design and construction of aircraft ramp space on the west side of the main hangar.</p> <p>Phase II includes completing the remaining construction of the aircraft ramp space on the west side of the main hangar, relocating and extending fencing on the west side of the T-hangars, and designing the extension of the concrete taxiway to the north of unit 5600. This project will be funded with a 95% FAA Airport Improvement Program (AIP) grant / 5% city match.</p> <p>This project is being delayed until next fiscal year while the Airport Master Plan is being completed.</p>				
<i>Airport Industrial Park Improvements</i>	<u>CIP Doc Pg:</u> 3	<u>Adopted Budget:</u> \$95,380	<u>Amended:</u> \$95,380	<u>YTD Expended:</u> \$0
<p>This project will make improvements to Hout Street. It will support economic development of the Airport Industrial Park by constructing infrastructure necessary for new development by providing access and utilities to “shovel ready” property.</p> <p>A meeting with ODOT and our environmental consultant, URS Corp., is scheduled in October to discuss this project. The Metropolitan Planning Organization Transportation Improvement Plan is scheduled to be updated this month to include this project and staff has requested an amendment to the State Transportation Improvement Plan.</p>				
<i>South Corvallis Drainage Improvements</i>	<u>CIP Doc Pg:</u> 7	<u>Adopted Budget:</u> \$69,900	<u>Amended:</u> \$69,900	<u>YTD Expended:</u> \$0
<p>This project includes land acquisition and implementation of public improvements in the airport storm drainage system to limit impact of storm water discharge from the airport basin.</p> <p>Design work has not yet been initiated.</p>				

BUILDING AND FACILITIES PROJECTS

<i>City Hall Block</i>	<u>CIP Doc Pg:</u> 11	<u>Adopted Budget:</u> \$462,400	<u>Amended:</u> \$456,020	<u>YTD Expended:</u> \$1,936
<p>This project addresses the long-term facility needs for the City Hall block. The conversion of the Madison Avenue Building for expanded use as City office space was completed in FY 05-06. City Hall interior remodeling was completed in FY 07-08 to better utilize the space and take advantage of energy savings from lighting and HVAC upgrades.</p> <p>The budget for FY 09-10 includes City Hall window replacement and demolition of the Moose Building. The replacement of exterior windows for City Hall will be advertised for bids in February, 2010 with construction anticipated for completion in June, 2010. The Moose Building demolition project will also include the construction of additional parking spaces and restroom facilities. The proposed layout has been established and work is proceeding on landscape and lighting designs. Hazardous materials and demolition specifications are 75% complete and staff anticipates bidding to occur in January, 2010.</p>				
<i>Fire Dept. Prop. Acquisition & Fac. Relocation</i>	<u>CIP Doc Pg:</u> 13	<u>Adopted Budget:</u> \$896,000	<u>Amended:</u> \$896,000	<u>YTD Expended:</u> \$0
<p>This project relocates and replaces the current training facility, which is 40 years old and in poor condition.</p> <p>Staff has identified property on the north end of the Public Works (PW) compound that may be suitable for the drill tower and compatible with the PW Facilities Plan. In early 2009, a lease agreement was approved by City Council. Staff continues to work with Community Development and Public Works to determine the exact location of the training facility on the PW compound.</p>				

<i>Law Enforcement Fenced/Paved Compound</i>	<u>CIP Doc Pg:</u> 15	<u>Adopted Budget:</u> \$91,800	<u>Amended:</u> \$91,800	<u>YTD Expended:</u> \$0
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This project will provide additional storage for the Police Department for large items such as vehicles and bicycles seized as evidence or for forfeiture. This project will design and construct a secure compound which will include a paved area with lighting, security fencing, alarm system, and video cameras with remote monitoring.

The project is scheduled to be constructed in the spring with completion by June 30, 2010.

<i>Municipal Buildings Rehabilitation</i>	<u>CIP Doc Pg:</u> 17	<u>Adopted Budget:</u> \$331,400	<u>Amended:</u> \$326,400	<u>YTD Expended:</u> \$30,543
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This project extends the life of municipal buildings through a planned program of rehabilitation projects. This fiscal year's budget includes Law Enforcement Building (LEB) second floor walkway improvements and Majestic Theater seismic construction.

No work has been initiated yet on the LEB walkway which is being managed by Benton County Public Works. Majestic Theater seismic construction is underway and a fire resistant curtain upgrade has been required and will be included with the project.

PARKS AND RECREATION

<i>Acquisition of Natural Areas</i>	<u>CIP Doc Pg:</u> 21	<u>Adopted Budget:</u> \$179,960	<u>Amended:</u> \$179,960	<u>YTD Expended:</u> \$0
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This project allows for the acquisition of land as open space and passive recreation. No properties have been identified for purchase.

<i>Acquisition of Parks</i>	<u>CIP Doc Pg:</u> 23	<u>Adopted Budget:</u> \$300,000	<u>Amended:</u> \$300,000	<u>YTD Expended:</u> \$0
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This project allows for the acquisition of property for a neighborhood park. Staff attends development review meetings to determine where development is occurring and where a new park is needed and is supported by the Parks and Recreation Facility Plan.

This project has been deferred until the Parks SDC fund balance increases. This project has been rebudgeted to FY 11-12.

<i>Park Facility Renovation</i>	<u>CIP Doc Pg:</u> 29	<u>Adopted Budget:</u> \$100,000	<u>Amended:</u> \$100,000	<u>YTD Expended:</u> \$0
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This project allows for significant renovation of existing parks with facilities that have depreciated beyond the routine repair stage. The FY 09-10 budget includes Art Center Plaza reconstruction to include removal of existing pavers and installation of a new surface as well as electrical and landscaping upgrades. This project has not yet been initiated.

<i>Park Improvements - Existing</i>	<u>CIP Doc Pg:</u> 31	<u>Adopted Budget:</u> \$511,200	<u>Amended:</u> \$508,950	<u>YTD Expended:</u> \$10,098
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This project provides for improvements to existing City Parks. The following projects have been delayed until the Parks SDC fund balance increases: Arnold Park play structure and ADA surfacing; Village Green Park restroom; and Willamette Park Picnic Shelter.

City Council approved the final design for Willamette Park improvements during FY 07-08. The Willamette Greenway permit has been approved, no other work is planned at this time.

Phase II of the Avery Park Rose Garden improvements are underway.

The fenced dog park was substantially completed during the 1st quarter.

<i>Riverfront Commemorative Park Signage</i>	<u>CIP Doc Pg:</u> 33	<u>Adopted Budget:</u> \$30,850	<u>Amended:</u> \$30,850	<u>YTD Expended:</u> \$0
<p>This project included the design and implementation of public improvements along First Street and the Riverfront consistent with City Council goals. This project also widened the downtown multi-use path to 12 feet and provided 350 feet of new path to connect to the Van Buren Bridge and B Street. All construction was completed in FY 03-04, with the exception of interpretive signs. There are six signs remaining which have not been completed. There has been no additional work done on this project.</p>				
<i>Special Use Facilities</i>	<u>CIP Doc Pg:</u> 37	<u>Adopted Budget:</u> \$20,000	<u>Amended:</u> \$20,000	<u>YTD Expended:</u> \$0
<p>This project allows for improvement of facilities which are site specific. The FY 09-10 budget includes resurfacing tennis courts at Cloverland Park and School District partnership tennis courts at Lincoln, Linus Pauling, and former Westland Schools.</p> <p>Staff is researching grant options, as implementation of this project is dependant on acquisition of grants.</p>				

STORM WATER UTILITY

<i>Storm Drain Replacement</i>	<u>CIP Doc Pg:</u> 45	<u>Adopted Budget:</u> \$215,100	<u>Amended:</u> \$215,100	<u>YTD Expended:</u> \$129,584
<p>This annual program replaces or rehabilitates storm water pipelines that are inadequately sized or have exceeded their useful service life. The facilities to be replaced are selected based on their condition as determined through inspection.</p> <p>Construction of projects designed in FY 08-09 is complete with the exception of landscape restoration, which will be completed by the end of October, 2009. Design of projects planned for FY 10-11 has not been initiated.</p>				
<i>Storm Water Master Plan Projects</i>	<u>CIP Doc Pg:</u> 47	<u>Adopted Budget:</u> \$445,000	<u>Amended:</u> \$445,000	<u>YTD Expended:</u> \$0
<p>This project implements recommendations from the adopted Storm Water Master Plan. Projects were prioritized and developed based on highest system need while addressing flood mitigation, system capacity, operations and maintenance needs, and preservation and enhancement of natural resources.</p> <p>FY 09-10 projects have not yet been initiated.</p>				
<i>Utility and Street Improvements</i>	<u>CIP Doc Pg:</u> 93	<u>Adopted Budget:</u> \$15,000	<u>Amended:</u> \$15,000	<u>YTD Expended:</u> \$0
<p>These storm assessments provide utility improvements to existing properties or to new developments that are not currently being served. Assessment projects require that the costs of the projects be paid by the owners and may be initiated by the City or by the owners of the property who benefit. This project is also used to reimburse developer-financed projects where System Development Charge (SDC) participation is appropriate. There has been no storm water related activity to-date.</p>				

TRANSPORTATION

<i>9th and Circle Intersection Improvements</i>	<u>CIP Doc Pg:</u> 53	<u>Adopted Budget:</u> \$313,800	<u>Amended:</u> \$275,510	<u>YTD Expended:</u> \$39,037
<p>This project will address two restrictions that cause congestion at the intersection of 9th Street and Circle Boulevard. The first restriction occurs in the eastbound lanes of Circle Boulevard at 9th Street where large volumes of traffic make a right turn onto 9th Street. The second restriction occurs in the northbound lanes of 9th Street at Circle Boulevard.</p> <p>Staff has obtained the necessary right-of-way and construction is complete for the eastbound right turn lane on Circle Boulevard at 9th Street. The property owner has declined to sell the needed right-of-way for the northbound right turn lane on 9th Street. Therefore, this portion of the project has been delayed.</p>				

<i>Advanced Transportation Management System</i>	<u>CIP Doc Pg:</u> 59	<u>Adopted Budget:</u> \$114,060	<u>Amended:</u> \$114,060	<u>YTD Expended:</u> \$627
<p>This project will install an Advanced Transportation Management System to include remote video monitoring of intersection conditions and control of signal operations at eight intersections on Van Buren Avenue and Harrison Boulevard, between 2nd and 5th Streets).</p> <p>Staff has been awarded a grant for this work and is awaiting an agreement from ODOT.</p>				
<i>Circle Boulevard Pedestrian Activated Crossings</i>	<u>CIP Doc Pg:</u> 65	<u>Adopted Budget:</u> \$209,000	<u>Amended:</u> \$209,000	<u>YTD Expended:</u> \$0
<p>This project will provide pedestrian crossings with activated signals along Circle Boulevard at Richey's Market, Janssen and 17th Streets. This project has not yet been initiated.</p>				
<i>Country Club Drive Bike Lanes</i>	<u>CIP Doc Pg:</u> 69	<u>Adopted Budget:</u> \$19,100	<u>Amended:</u> \$19,100	<u>YTD Expended:</u> \$0
<p>This project will make improvements to Country Club Drive to facilitate the safe movement of bicyclists traveling southbound. Immediately west of 35th Street, Country Club Drive has a bike lane on the north side of the road, but not the south. This project has not yet been initiated.</p>				
<i>Downtown Public Parking</i>	<u>CIP Doc Pg:</u> 71	<u>Adopted Budget:</u> \$200,000	<u>Amended:</u> \$200,000	<u>YTD Expended:</u> \$0
<p>This project funds upgrading, altering and constructing public parking within the central business district. This project is a placeholder for opportunities to secure additional sites or to make improvements to existing parking facilities. No projects have been identified in FY 09-10.</p>				
<i>Electric Vehicle Charging Stations</i>	<u>CIP Doc Pg:</u> 73	<u>Adopted Budget:</u> \$3,200	<u>Amended:</u> \$3,200	<u>YTD Expended:</u> \$0
<p>This project funds provides electric vehicle charging stations at strategic locations in Corvallis. This project has not yet been initiated.</p>				
<i>Goodnight ROW Acquisition</i>	<u>CIP Doc Pg:</u> 77	<u>Adopted Budget:</u> \$370,000	<u>Amended:</u> \$370,000	<u>YTD Expended:</u> \$0
<p>This project will acquire right-of-way to allow for alignment of eastern and western legs of Goodnight Avenue at its intersection with Highway 99. Funds identified in FY 09-10 will be used to negotiate an agreement with the current property owner allowing the City a first right-of-refusal in the event the property is offered for sale. This project has not yet been initiated.</p>				
<i>Sidewalk Safety</i>	<u>CIP Doc Pg:</u> 85	<u>Adopted Budget:</u> \$217,000	<u>Amended:</u> \$217,000	<u>YTD Expended:</u> \$28,880
<p>This program continues the systematic repair and replacement of hazardous public sidewalks and installation of ADA ramps. This project utilizes New Freedom grant funds for installation of new ADA ramps in locations where none currently exist. City staff is performing all work associated with this grant for two fiscal years, which began in FY 08-09. A total of 25 ramps were planned and currently 14 have been completed.</p>				
<i>Street Reconstruction</i>	<u>CIP Doc Pg:</u> 87	<u>Adopted Budget:</u> \$645,490	<u>Amended:</u> \$645,490	<u>YTD Expended:</u> \$455,879
<p>This project is the annual re-construction and overlay of selected streets based upon priorities set by a survey of pavement conditions.</p> <p>Design was completed in FY 08-09 for the reconstruction of Walnut Boulevard intersection, signal, turn lane and reconstruction of Kings Boulevard and Professional Drive. Construction was completed during the 1st quarter of FY 09-10.</p>				

<i>Traffic Signal-26th/Western</i>	<u>CIP Doc Pg:</u> 89	<u>Adopted Budget:</u> \$17,960	<u>Amended:</u> \$17,960	<u>YTD Expended:</u> \$0
<p>This project provides for design and construction of a signal at 26th Street and Western Boulevard intersection with funding provided by OSU.</p> <p>95% design plans have been sent to OSU for review. The project is currently on hold pending further authorization from OSU.</p>				
<i>Traffic Signal-Kings/Walnut</i>	<u>CIP Doc Pg:</u> 89	<u>Adopted Budget:</u> \$279,300	<u>Amended:</u> \$279,300	<u>YTD Expended:</u> \$177,277
<p>This project constructs the signal replacement at Walnut Boulevard and Kings Boulevard intersection, including a westbound dedicated right turn lane from Walnut Boulevard to Kings Boulevard.</p> <p>Design was completed in FY 08-09. Construction was completed during the 1st quarter, concurrently with the 2009-10 Street Reconstruction project.</p>				
<i>Transit Operations Center</i>	<u>CIP Doc Pg:</u> 91	<u>Adopted Budget:</u> \$168,620	<u>Amended:</u> \$168,620	<u>YTD Expended:</u> \$0
<p>This project is to design and build an operations center, and a maintenance and storage facility for the City's transit system. The first phase is to design the center and to acquire the real property. The second phase will construct the facility. Phase I is partially funded with a grant from the Federal Transit Administration (FTA) for 80% of eligible costs.</p> <p>The project has been on hold pending clarification of issues raised by the Federal Transit Administration (FTA). After meeting with FTA to discuss the issues, staff has received clarification on how to proceed.</p>				
<i>Utility and Street Improvements</i>	<u>CIP Doc Pg:</u> 93	<u>Adopted Budget:</u> \$325,000	<u>Amended:</u> \$325,000	<u>YTD Expended:</u> \$0
<p>These street assessments provide street improvements to existing properties or to new developments that are not currently being served. Assessment projects require that the costs of the projects be paid by the owners and may be initiated by the City or by the owners of the property who benefit. This project is also used to reimburse developer-financed projects where System Development Charge (SDC) participation is appropriate. There has been no street related activity to-date.</p>				

WASTEWATER UTILITY

<i>Biosolids Storage Tank</i>	<u>CIP Doc Pg:</u> 101	<u>Adopted Budget:</u> \$20,000	<u>Amended:</u> \$20,000	<u>YTD Expended:</u> \$0
<p>This project provides for the replacement/rehabilitation of the existing biosolids storage tank and pumping system which are showing signs of age.</p> <p>City staff will partner with Valley Landfill, Inc. on this project. Staff is waiting on cost estimates from Allied Waste before proceeding with design.</p>				
<i>Marys River Interceptor Improvements</i>	<u>CIP Doc Pg:</u> 103	<u>Adopted Budget:</u> \$134,200	<u>Amended:</u> \$134,200	<u>YTD Expended:</u> \$0
<p>This project provides for design and construction of a new parallel 42-inch interceptor from Western Boulevard to the outlet manhole for the Marys River Lift Station. This project has not yet been initiated.</p>				
<i>Sanitary Sewer Line Rehabilitation</i>	<u>CIP Doc Pg:</u> 105	<u>Adopted Budget:</u> \$597,000	<u>Amended:</u> \$597,000	<u>YTD Expended:</u> \$197,119
<p>This program annually replaces or rehabilitates sanitary sewers, which have exceeded their service lives and/or allow excessive amounts of extraneous rainwater or groundwater (inflow and infiltration) into the sewer system.</p> <p>The project scope was established as a project to rehabilitate manholes. Construction began in FY 08-09 and continues into FY 09-10. The project is approximately 70% complete.</p>				

WWMP Influent Pump Station	<u>CIP Doc Pg:</u> 109	<u>Adopted Budget:</u> \$279,000	<u>Amended:</u> \$279,000	<u>YTD Expended:</u> \$29,433
This project provides improvements to the influent pump station to address the hydraulic turbulence issues during high influent flow rates. Design was completed in FY 08-09 and construction began in FY 09-10. Due to performance issues with the original low bidder, construction has been delayed for one year.				
WWMP Odor Control Facility	<u>CIP Doc Pg:</u> 109	<u>Adopted Budget:</u> \$1,205,000	<u>Amended:</u> \$1,187,300	<u>YTD Expended:</u> \$0
This project will reduce odor produced at the influent pump station, grit chamber and primary clarifier areas at the Wastewater Reclamation Plant.				
The consultant submitted a final report to staff in FY 08-09. As a result, current odor control methods are being evaluated over a one year period. Results will determine if capital improvements are needed.				
WWRP Electrical Equipment Replacement	<u>CIP Doc Pg:</u> 111	<u>Adopted Budget:</u> \$1,536,950	<u>Amended:</u> \$1,536,950	<u>YTD Expended:</u> \$51
This project provides for the design and construction of a new electrical equipment building, replacement of the critical main electrical system components and emergency generator at the Wastewater Reclamation Plant (WWRP).				
Staff is in the process of contract award for design services.				
Utility and Street Improvements	<u>CIP Doc Pg:</u> 93	<u>Adopted Budget:</u> \$83,000	<u>Amended:</u> \$83,000	<u>YTD Expended:</u> \$0
These sewer assessments provide utility improvements to existing properties or to new developments that are not currently being served. Assessment projects require that the costs of the projects be paid by the owners and may be initiated by the City or by the owners of the property who benefit. This project is also used to reimburse developer-financed projects where System Development Charge (SDC) participation is appropriate. There has been no wastewater related activity to-date.				

WATER UTILITY

North Hills 1st Level Reservoir Improvements	<u>CIP Doc Pg:</u> 127	<u>Adopted Budget:</u> \$230,930	<u>Amended:</u> \$230,930	<u>YTD Expended:</u> \$0
This project provides for design and construction of reservoir improvements to the North Hills 1 st Level East Reservoir. This project has not yet been initiated.				
Water Distrib System Rehabilitation	<u>CIP Doc Pg:</u> 131	<u>Adopted Budget:</u> \$300,000	<u>Amended:</u> \$300,000	<u>YTD Expended:</u> \$121,783
This program provides for ongoing replacement or rehabilitation of the City's water distribution system infrastructure. Design was completed in FY 08-09. Construction is 90% complete with final completion scheduled for October, 2009.				
West Corvallis Second Level Water	<u>CIP Doc Pg:</u> 135	<u>Adopted Budget:</u> \$38,500	<u>Amended:</u> \$38,500	<u>YTD Expended:</u> \$0
This project provides water distribution facilities in the West Corvallis second level service areas. Design work is on hold pending acquisition of easements required across private property south of West Hills Road.				
Utility and Street Improvements	<u>CIP Doc Pg:</u> 93	<u>Adopted Budget:</u> \$768,500	<u>Amended:</u> \$768,500	<u>YTD Expended:</u> \$0
These water assessments provide utility improvements to existing properties or to new developments that are not currently being served. Assessment projects require that the costs of the projects be paid by the owners and may be initiated by the City or by the owners of the property who benefit. This project is also used to reimburse developer-financed projects where System Development Charge (SDC) participation is appropriate. There has been no water related activity to-date.				

STATUS OF CITY COUNCIL GOALS FOR 2009-2010

Preface:

Overarching Council goals and values throughout the Corvallis 2020 Vision Statement and within the goals listed below include:

★ Diversity

★ Citizen Involvement

★Sustainability

★Cost Efficiency

Goals	Corvallis 2020 Vision Statement Categories
<p>Develop community sustainability policies and implement selected actions.</p> <p><u>Accomplished through September 30, 2009:</u></p> <ul style="list-style-type: none"> • The City Council agreed to focus on energy and transportation related community sustainability action items. • The City Council approved the work program for an integrated sustainability program. • The City Council created an Energy Strategy Ad Hoc Committee in support of this goal. • Public Works started providing transit rides to 509J students consistent with the intergovernmental agreement and group pass program. • Public Works provided summer “Kids ride free” on Transit, funded by Allied Waste. • Parks and Recreation recycled accordion doors from the Majestic Theatre special project to be installed at a future date at Osborn Aquatic Center. <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> • Recruitment for new sustainability staff person will be conducted. • The Ad Hoc Committee for an Energy Strategy will present their recommendations. 	<p>Central City Economic Vitality Education and Human Services Governing and Civic Involvement Protecting the Environment Where we Live</p>

Goals	Corvallis 2020 Vision Statement Categories
<p>Work with public, private, and nonprofit entities to improve community resources available for combating homelessness, with the aim of providing paths to stability and self-sufficiency.</p> <p><u>Accomplished through September 30, 2009:</u></p> <ul style="list-style-type: none"> Community Development initiated FY 09-10 contracts and associated payments under Social Services and Human Services funding programs to support homeless assistance efforts by Community Outreach, the Center Against Rape & Domestic Violence, Community Services Consortium, the Corvallis Daytime Drop In Center, and Jackson Street Youth Shelter. Housing staff continued active participation on the committee that is developing a Ten Year Plan to Address Homelessness in Benton County. Housing staff also met with agency representatives to discuss the feasibility of housing and shelter projects/sites and their potential for funding consideration in the next Community Development Block Grant (CDBG)/HOME Investment Partnerships (HOME) funding allocation process, which will determine project allocations to be carried out during FY 10-11. City Council provided direction for combating homelessness through existing competitively awarded grant programs. <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> The Ten Year Plan for Benton County will be completed and released on October 23. As a follow up to the Plan's release a new steering committee will be formed and tasked with prioritizing and then facilitating/overseeing efforts to carry out projects. This committee will include City representation. A Request for Proposals process, seeking applications for FY 10-11 CDBG and HOME project funding, was initiated October 2. Funding applications are due to the City in early January. Delivery of City financial assistance to agencies providing assistance to the homeless will continue through the end of FY 09-10. 	<p>Central City Education and Human Services Governing and Civic Involvement Where we Live</p>
<p>Develop an integrated 10-year development plan for the Airport Industrial Park utilizing such tools as the Enterprise Zone.</p> <p><u>Accomplished through September 30, 2009:</u></p> <ul style="list-style-type: none"> Initiated discussions on developing a strategic plan for the Airport Industrial Park with the Airport Commission. <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> Revising the scope of work and developing a work program. 	<p>Economic Vitality Governing and Civic Involvement</p>
<p>Establish a commission for arts and culture.</p> <p><u>Accomplished through September 30, 2009:</u></p> <ul style="list-style-type: none"> <p><u>Next Steps:</u> Parks and Recreation staff will develop a proposed process to follow for Council review, and then will initiate the planning process.</p>	<p>Culture and Recreation Education and Human Services Governing and Civic Involvement Where we Live</p>

Goals	Corvallis 2020 Vision Statement Categories
<p>Continue to implement Prosperity That Fits/Economic Vitality Partnership/ Economic Development and refine as necessary.</p> <p><u>Accomplished through September 30, 2009:</u></p> <ul style="list-style-type: none"> • Staff continues to work on downtown issues and with PTF Committees that implement the Plan. <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> • Exploration of expanding the enterprise zone boundaries will be underway. 	<p>Central City Economic Vitality</p>
<p>Work with Cascades Pacific Resource Conservation and Development and others to seek funding for acquisition or restoration of, and improvement to, publicly owned or protected wetlands, riparian, and natural areas.</p> <p><u>Accomplished through September 30, 2009:</u></p> <ul style="list-style-type: none"> • Submitted grant application to Cascades Pacific Resource Conservation and Development to access funds from Marys Peak Stewardship Group for invasive species control on city watershed property. Properties inventory shared with Cascade Pacific. <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> • Continued discussion on collaboration opportunities. 	<p>Culture and Recreation Protecting the Environment</p>
<p>Accomplishments Toward the Overarching Goals and Values (Diversity, Citizen Involvement, Sustainability and Cost Efficiency):</p> <ul style="list-style-type: none"> • Citizen Involvement: <ul style="list-style-type: none"> ○ Surveys have been sent for the 2009 Citizen Attitude Survey. ○ Developed Storm Water Program Riparian Re-vegetation Grant Program to provide residents abutting public riparian corridors support and incentives to become stewards of their stream-side property while also improving water quality and riparian habitat by increasing the amount of appropriate and beneficial riparian vegetation. ○ Held a public meeting on transit revisions including the new Crescent Valley Area service. ○ Planning division staff work directly with the Committee for Citizen Involvement at monthly meetings (and additional sub-committee meetings) to foster citizen involvement in the Land Use arena. • Sustainability: <ul style="list-style-type: none"> ○ Completed the organization’s Sustainability Management System plan to formalize the systematic approach staff has been following to embed sustainability in daily operations. ○ Parks and Recreation establishing an “inclusion plan” for casual staff; i.e., 5th Thursday All Staff Meetings, part of the departmental committee re-writing the Department’s vision statement, Department potluck, and computer access. • Diversity: <ul style="list-style-type: none"> ○ Commission for Martin Luther King, Jr. cosponsored the Peace Fair and Annual Race Unity Picnic as well as two work days for MLK Park ○ Helped the Employer Partnership for Diversity set the training schedule for the 2009/2010 year and advertise to employees. • Cost Efficiency: <ul style="list-style-type: none"> ○ ARRA funded grind and inlay projects were completed on the Campus Way multi-use path and on Highland Boulevard, Monroe Avenue, 9th Street, Jefferson Avenue and Circle Boulevard. ○ Replaced the sweeping mechanism on the street sweeper without replacing the truck cab and chassis. 	