

SECOND QUARTERLY OPERATING REPORT FISCAL YEAR 2009-2010

EXECUTIVE SUMMARY

February 22, 2010

The Quarterly Operating Report is produced within 45 days of the close 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 Executive Summary provides highlights of the City's financials, and 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 second quarter, national and state economic analysts continue to debate whether or not the recession has ended or reached bottom, but unemployment remains high and significant residential development has not resumed. As of the second quarter, the City has completed the first round of street grind and inlay projects and completed three of six housing rehabilitation projects using 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 half of the fiscal year generally has been as expected. Revenue and expenditure patterns are close to historical patterns (i.e., the majority of Property Tax revenue is received in the second quarter, while most expenditures remain at or slightly below year-to-date budget). The continued downturn in residential housing's impact on development revenues has been partially offset by construction at Good Samaritan Regional Medical Center and OSU; these 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 over 100% of estimates, but the estimate is 22% lower than historical trends would have indicated the revenue should have been).

Expenditures are in line with last year's spending patterns for the first half of the fiscal year. Departments are actively controlling expenditures for the rest of FY09-10 to ensure an adequate fund balance at the end of the year.

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	\$18,180,088	86.73%	\$20,509,610	\$17,722,091	86.41%
Other Tax	1,194,350	488,061	40.86%	1,220,930	536,607	43.95%
Licenses/Permits	6,886,740	2,876,580	41.77%	7,343,480	2,745,364	37.39%
Charges for Service	38,215,330	19,934,542	52.16%	39,544,320	18,813,923	47.58%
Intergovernmental	16,743,861	5,696,051	34.02%	15,191,128	3,959,076	26.06%
Fines/Forfeitures	1,413,310	433,276	30.66%	1,253,270	523,617	41.78%
Miscellaneous	2,984,810	1,714,260	57.43%	4,088,410	1,291,435	31.59%
Other Financing Sources/Transfers in	13,880,335	5,217,992	37.59%	22,909,455	6,342,964	27.69%
TOTAL CURRENT REVENUE	\$102,279,866	54,540,850	53.33%	\$112,060,603	\$51,935,077	46.35%
EXPENDITURE BY DEPARTMENT						
City Manager's Office	\$3,086,770	\$1,725,336	55.89%	\$3,147,160	\$1,695,248	53.87%
Community Development	7,553,710	2,314,580	30.64%	7,633,040	2,651,728	34.74%
Finance	4,913,490	2,418,942	49.23%	4,814,640	2,277,488	47.30%
Fire	11,524,260	5,583,662	48.45%	10,710,204	4,924,542	45.98%
Library	6,473,870	2,977,828	46.00%	6,193,510	3,077,114	49.68%
Park & Recreation	6,011,290	3,019,241	50.23%	5,695,870	2,875,193	50.48%
Police	12,494,671	6,174,725	49.42%	11,438,027	5,645,515	49.36%
Public Works	30,745,950	13,115,712	42.66%	27,688,137	10,640,303	38.43%
Non-Departmental	1,526,720	822,668	53.88%	1,865,450	813,633	43.62%
TOTAL OPERATING EXPENDITURES	\$84,330,731	\$38,152,694	45.24%	\$79,186,038	\$34,600,764	43.70%
Debt Service	\$7,214,200	\$4,688,421	64.99%	\$7,443,110	\$4,689,584	63.01%
Capital Projects	11,866,610	2,018,937	17.01%	10,902,090	3,504,149	32.14%
Transfers Out / Other Financing Uses	13,880,335	5,206,644	37.51%	22,964,415	6,342,964	27.62%
Contingencies/Reserves	1,610,740	0	0.00%	1,485,600	0	0.00%
TOTAL ALL EXPENDITURES	\$118,902,616	\$50,066,696	42.11%	\$121,981,253	\$49,137,461	40.28%
CURRENT REVENUES LESS TOTAL EXPENDITURES	(\$16,622,750)	\$4,474,154		(\$9,920,650)	\$2,797,616	

In general, the status of the City's finances was in line with expectations at the end of the second quarter. Year-to-date operating revenues of \$49,322,858 are at 55.80% of the Amended Operating Revenue Budget of \$88,399,531. Non-operating revenues comprised primarily of transfers totaled \$5,217,992 or 37.59% 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 half of FY 09-10, the following amendments to the budget were approved:

Date	Amendment Type	Resource	Fund	Department	Net Expenditure 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
10/05/09	Res - Grant	DOJ Byrne Grant	General	Police	77,778
10/05/09	Res - Grant	DOE EECBG Grant	General	Public Works	391,600
12/21/09	Res - Donation	Thompson Estate	Parks & Rec.	Senior Center	20,000
Total Increase:					<u>\$ 624,511</u>

Significant revenue highlights include:

- **Property taxes** totaled \$18,180,087 for the first half which equals 86.73% of the budgeted property tax revenue. The majority of property taxes for the fiscal year are typically collected in the second quarter. FY 09-10 year-to-date property tax revenues are comparable with last fiscal year's results, as collections have followed the historical pattern. The City has been 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 approximately \$188,750 in property taxes pending a tax court decision on Hewlett-Packard's appeal of its 2008 value; while part of this appeal has been resolved resulting in minor reductions, a decision on the rest of the appeal remains pending. 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.

- **Other Taxes** are collected from hotels in the form of room taxes and totaled \$488,061 or 40.86% of budget year-to-date. Transient room taxes are below budget again in FY 09-10, and less than in the prior year, primarily due to economic conditions leading to reduced travel and resultant fewer room stays.
- **Licenses, Fees and Permits** totaled \$2,876,580 which represents 41.77% of the amended budget and is a slightly higher amount than collected over the same period in FY 08-09 despite lower franchise fee and transportation maintenance fee collections year-to-date, due to higher than expected Development Service permit fees for several large projects at OSU and Good Samaritan Hospital.
- **Charges for Services** were \$19,934,542 which represents 52.16% 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 greater than last year's actuals at \$5,696,051 or 34.02%. The receipt of grant monies tends to be volatile and highly dependent on timing of related expenditures. It should be noted that approximately \$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. The City received some of the anticipated reimbursements for ARRA street grants in the second quarter.
- **Interest earnings** totaled \$164,140 which represents 18.39% of the budgeted interest and is only 30% 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 lower cash balances upon which interest is earned.

Operating expenditures for all funds totaled \$38,152,695 or 45.24% of the Amended Operating Expenditure Budget. Non-operating expenditures, which include capital projects, transfers, debt service, and contingency, totaled \$11,914,002 or 34.46% of the \$34,571,885 Amended Non-Operating Budget. In total, expenditures for the first half of the fiscal year were \$50,066,697 or 42.11% of the \$118,902,616 budgeted compared to 40.28% at the same time last year. Total expenditures are in line with total revenues year-to-date, given the receipt of property taxes. 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>		\$43,159,280	\$37,220,131	\$3,951,320	\$84,330,731	
City Manager's Office	\$3,086,770	\$594,018	\$1,115,854	\$15,465	\$1,725,336	55.89%
Community Development	7,553,710	1,596,920	717,660	0	2,314,580	30.64%
Finance	4,913,490	1,675,041	743,901	0	2,418,942	49.23%
Fire	11,524,260	4,082,061	980,771	520,830	5,583,662	48.45%
Library	6,473,870	1,904,813	1,070,016	2,999	2,977,828	46.00%
Parks & Recreation	6,011,290	2,009,927	1,001,215	8,100	3,019,241	50.23%
Police	12,494,671	4,439,137	1,562,335	173,253	6,174,725	49.42%
Public Works	30,745,950	5,255,530	7,310,801	549,382	13,115,712	42.66%
Non Department	1,526,720	0	822,668	0	822,668	53.88%
TOTAL	\$84,330,731	\$21,557,448	\$15,325,218	\$1,270,029	\$38,152,695	45.24%
Percent of Budget		49.95%	41.17%	32.14%	45.24%	

Significant expenditure highlights include:

- **Personal services** totaled \$21,557,448 or 49.95% of the amended budget of \$43,159,280 and is in line with the percent of budget spent in FY 08-09, though more than \$1,400,000 higher due to cost of living and associated benefit increases, and position reclassifications, offset by a lower PERS rate.
- **Supplies and Services** totaled \$15,325,218 or 41.17% of the amended budget of \$37,220,131. The dollars spent in FY 09-10 are 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 \$1,270,029 or 32.14% of the amended budget of \$3,951,320. The dollars spent in FY 09-10 are approximately \$698,000 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, and scheduled purchases of Police vehicles. Capital purchases do not tend to follow a regular pattern other than to typically weight toward the end of the fiscal year to provide flexibility that sufficient budget remains for the acquisition.

NON OPERATING EXPENDITURES

- **Capital projects** totaled \$2,018,937 or 17.01% 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 half 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, rather than capital projects, to ensure these federal dollars are 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 \$4,688,421 or 64.99% 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 approximately \$320,000 in savings over the previously projected FY 09-10 payments before the refunding. However, this effect is currently offset in the first two quarters of the year 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 \$5,206,644 or 37.51% 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 approximately 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. 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 23.90% of amended budget intergovernmental revenues. Benton County Intergovernmental funds for Library support make up approximately 13.67% 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 59.39% 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 section of the report are presented for each operating fund within the City. To assist readers in their analysis, an explanation of the format is included:

COLUMNS

DESCRIPTION

Amended Budget

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.

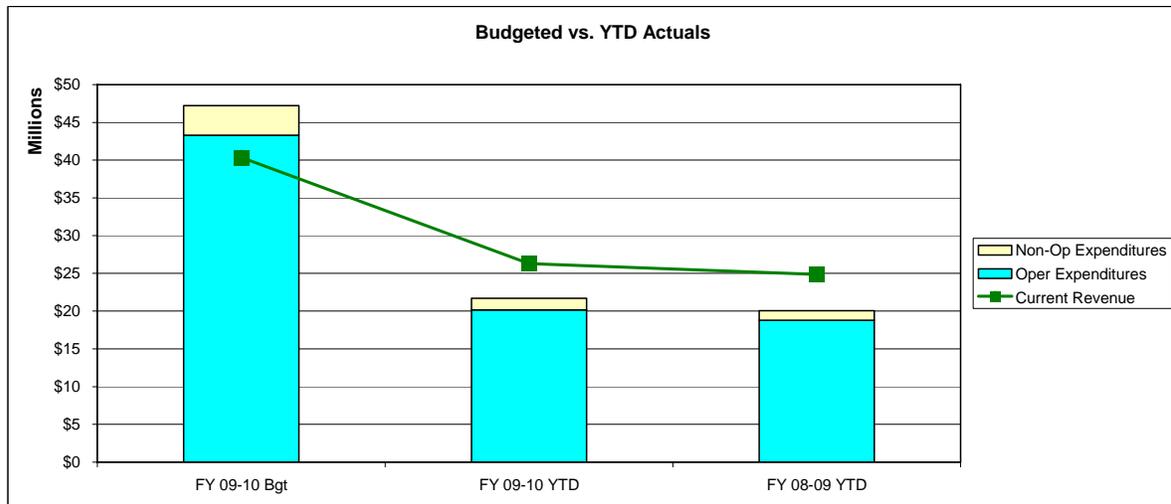
Current Revenue less Total
Expenses

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	2nd Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	2nd 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	\$16,385,698	\$16,534,825	86.90%	\$15,935,103	\$16,056,211	86.58%
Other Tax	1,194,350	291,869	488,061	40.86%	334,615	536,607	43.95%
Licenses/Permits	5,588,140	1,171,080	1,995,811	35.72%	1,164,715	2,098,211	37.58%
Charges for Service	5,759,950	2,042,235	3,254,866	56.51%	1,903,457	3,136,768	56.64%
Intergovernmental	6,577,411	2,442,560	2,647,983	40.26%	2,188,632	2,366,139	45.76%
Fines/Forfeitures	1,009,810	123,611	266,924	26.43%	169,412	333,372	37.98%
Miscellaneous	1,180,570	204,225	1,101,316	93.29%	130,003	339,356	25.66%
Other Financing Sources	0	0	1,272	0.00%	0	0	0.00%
TOTAL CURRENT REVENUE	\$40,337,901	\$22,661,278	\$26,291,058	65.18%	\$21,825,937	\$24,866,663	65.00%
EXPENDITURE BY DEPARTMENT							
Community Development	\$1,722,190	\$381,311	\$741,228	43.04%	\$361,184	\$685,306	40.47%
Finance	684,130	168,661	312,722	45.71%	140,180	278,109	47.13%
Fire	11,524,260	2,695,825	5,583,662	48.45%	2,605,701	4,924,542	45.98%
Library	6,436,460	1,460,336	2,976,580	46.25%	1,466,096	3,072,808	50.04%
Parks and Recreation	6,011,290	1,321,350	3,019,241	50.23%	1,258,963	2,875,193	50.48%
Police	10,127,611	2,495,436	5,138,480	50.74%	2,325,433	4,629,240	49.19%
Public Works	5,270,490	847,371	1,568,546	29.76%	996,643	1,513,373	36.10%
Non-Departmental	1,525,230	402,226	821,817	53.88%	346,286	812,783	45.94%
TOTAL OPERATING EXPENDITURES	\$43,301,661	\$9,772,516	\$20,162,277	46.56%	\$9,500,486	\$18,791,355	46.74%
Debt Service	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
Transfers	3,227,800	945,900	1,532,330	47.47%	766,991	1,252,783	47.00%
Contingencies/Reserves	689,340	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$47,218,801	\$10,718,416	\$21,694,607	45.94%	\$10,267,477	\$20,044,138	46.00%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$6,880,900)	\$11,942,861	\$4,596,451		\$11,558,460	\$4,822,525	

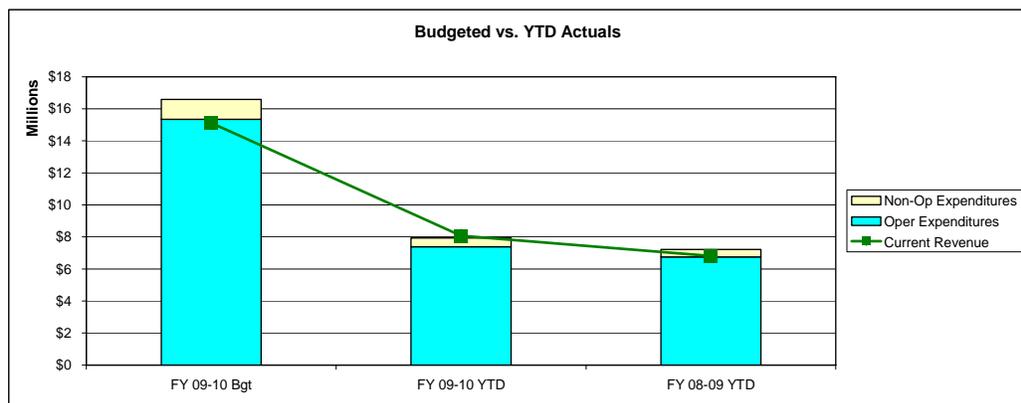
* Includes General, Parks & Recreation, Fire & Rescue, Transit and Library Funds



GENERAL FUND

REVENUE	AMENDED BUDGET	2nd Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	2nd 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	\$4,392,315	\$4,541,442	92.99%	\$2,896,816	\$3,017,924	94.62%
Other Tax (2)	1,194,350	291,869	488,061	40.86%	334,615	536,607	43.95%
Licenses/Permits (2)	5,523,720	1,159,456	1,965,047	35.57%	1,154,767	2,068,148	37.46%
Charges for Service	633,950	133,658	306,431	48.34%	157,078	301,886	43.81%
Intergovernmental (3)	1,823,391	259,203	478,832	26.26%	301,502	520,717	39.26%
Fines/Forfeitures (4)	912,200	100,310	223,446	24.50%	141,837	284,192	36.19%
Miscellaneous (5)	151,770	26,242	67,534	44.50%	38,417	82,252	37.78%
TOTAL CURRENT REVENUE	\$15,123,331	\$6,363,053	\$8,070,792	53.37%	\$5,025,032	\$6,811,726	52.60%
EXPENDITURE BY DEPARTMENT							
Community Development (6)	\$1,722,190	\$381,311	\$741,228	43.04%	\$361,184	\$685,306	40.47%
Finance	684,130	168,661	312,722	45.71%	140,180	278,109	47.13%
Police	10,127,611	2,495,436	5,138,480	50.74%	2,325,433	4,629,240	49.19%
Public Works (7)	1,281,820	205,333	374,163	29.19%	193,489	343,858	38.50%
Non-Departmental	1,525,230	402,226	821,817	53.88%	346,286	812,783	45.94%
TOTAL OPERATING EXPENDITURES	\$15,340,981	\$3,652,967	\$7,388,410	48.16%	\$3,366,573	\$6,749,297	47.01%
Transfers	\$990,100	\$302,000	\$551,790	55.73%	\$296,233	\$460,692	70.64%
Contingencies/Reserves	253,500	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$16,584,581	\$3,954,967	\$7,940,200	47.88%	\$3,662,806	\$7,209,989	47.29%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$1,461,250)	\$2,408,086	\$130,592		\$1,362,226	(\$398,263)	

- (1) The majority of current year property taxes are collected in the second quarter. This year's collection pattern is consistent with prior years.
- (2) The flagging economy has resulted in lower than anticipated revenues in FY 09-10 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) Grant receipts are typically received in the latter part of the year based on expenditure reimbursement. Revenue sharing receipts from cigarette and liquor taxes are also below budget year-to-date, but are anticipated to reach targets by year-end based on League of Oregon city distribution information.
- (4) 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. 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.
- (5) While interest earnings are at only 5% of budget and 10% of last year's earnings year-to-date, receipt of various other unanticipated miscellaneous revenue amounts has kept this category on track to meet budget for the year.
- (6) Community Development expenditures are low in both fiscal years as a percentage of budget due to no spending in a few large special projects such as the \$50,000 budgeted for Buildable Land Inventory 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. Total expenditures are expected to be slightly below budget for the year.
- (7) Expenditures are in line with the prior year, and are low compared to FY09-10 budget due to the recent awarding and appropriating of an EECBG grant expected to be spent down later in the year.

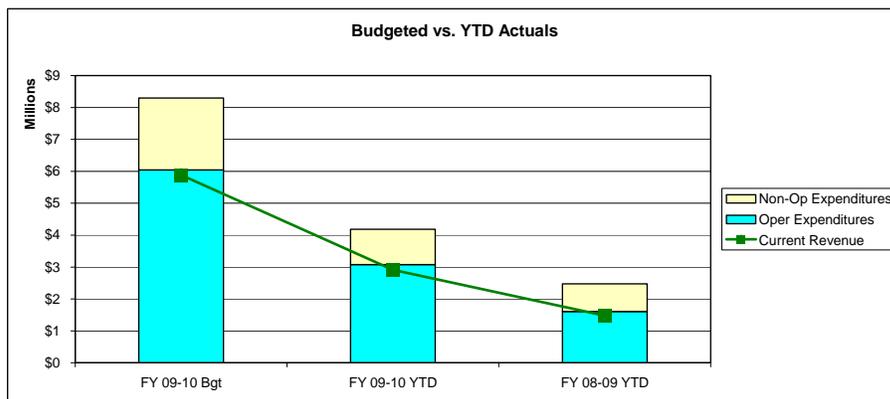


COMBINED STREET FUND*

REVENUE	AMENDED BUDGET	2nd Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	2nd 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	\$128,753	\$235,376	49.19%	\$127,189	\$246,544	54.74%
Charges for Service (2)	620,430	232,568	356,044	57.39%	115,328	216,005	20.69%
Intergovernmental (3)	4,687,110	1,991,305	2,299,885	49.07%	596,999	957,402	21.94%
Fines/Forfeitures	100	205	530	530.22%	285	385	385.00%
Miscellaneous (4)	96,470	13,072	17,952	18.61%	16,193	57,926	43.17%
TOTAL CURRENT REVENUE	\$5,882,600	\$2,365,902	\$2,909,787	49.46%	\$855,995	\$1,478,262	24.67%
EXPENDITURE BY DEPARTMENT							
Community Development	\$19,710	\$3,881	\$8,423	42.73%	\$4,770	\$9,331	50.00%
Public Works (5)	6,026,800	1,539,100	3,068,700	50.92%	688,249	1,596,966	30.03%
TOTAL OPERATING EXPENDITURES	\$6,046,510	\$1,542,981	\$3,077,123	50.89%	\$693,019	\$1,606,296	30.10%
Transfers (6)	\$2,189,100	\$144,490	\$1,108,070	50.62%	\$54,534	\$869,817	45.70%
Contingencies/Reserves	65,200	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$8,300,810	\$1,687,471	\$4,185,193	50.42%	\$747,553	\$2,476,113	33.90%
CURRENT REVENUE LESS TOTAL EXPENDITURES	(\$2,418,210)	\$678,431	(\$1,275,406)		\$108,442	(\$997,851)	

* Includes Street SDC Fund

- (1) FY 09-10 actual receipts year-to-date are lower than FY 08-09 actuals primarily because the Transportation Maintenance Fees (TMF) reflects one additional charge update in the first month of last fiscal year compared to in FY 09-10.
- (2) Actual receipts for Public Improvement by Private Contractors (PIPC) permit fees continue to decline due to the slowdown 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 higher than the prior year due to the receipt of several American Recovery and Reinvestment Act (ARRA) grants for grind/inlay projects. All work done on ARRA projects to the end of the second quarter has been fully reimbursed.
- (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. Miscellaneous revenue 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 a 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.

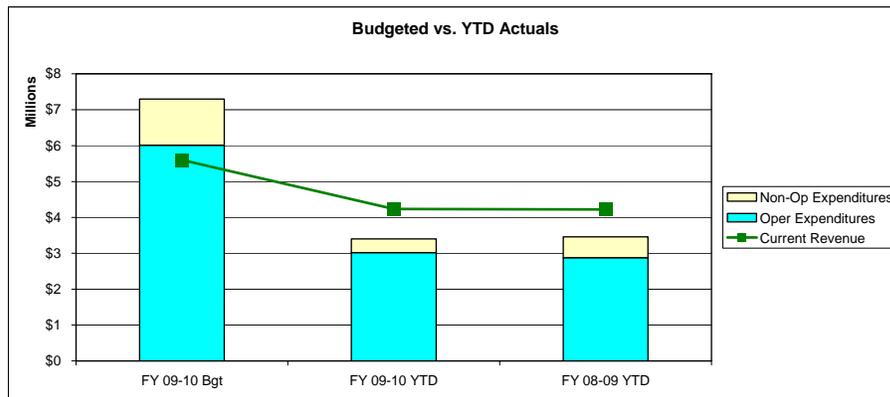


PARKS AND RECREATION FUND*

REVENUE	AMENDED BUDGET	2nd Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	2nd 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	\$3,241,455	\$3,241,455	84.79%	\$3,369,494	\$3,369,494	84.92%
Licenses/Permits	46,700	5,003	20,938	44.83%	3,112	19,959	45.88%
Charges for Service (2)	1,580,440	253,393	683,159	43.23%	300,561	748,340	42.75%
Intergovernmental (3)	27,400	7,400	7,400	27.01%	10,589	7,591	27.71%
Fines/Forfeitures	0	125	213	0.00%	(10)	30	0.00%
Miscellaneous (4)	120,650	26,438	282,100	233.82%	28,819	77,902	50.89%
TOTAL CURRENT REVENUE	\$5,598,140	\$3,533,814	\$4,235,265	75.65%	\$3,712,565	\$4,223,317	71.07%
EXPENDITURE BY DEPARTMENT							
Parks and Recreation	\$6,011,290	\$1,321,350	\$3,019,241	50.23%	\$1,258,963	\$2,875,193	50.48%
TOTAL OPERATING EXPENDITURES	\$6,011,290	\$1,321,350	\$3,019,241	50.23%	\$1,258,963	\$2,875,193	50.48%
Transfers (5)	\$1,171,465	\$242,930	\$380,690	32.50%	\$463,243	\$583,605	46.78%
Contingencies/Reserves	114,440	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$7,297,195	\$1,564,280	\$3,399,931	46.59%	\$1,722,206	\$3,458,798	49.16%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$1,699,055)	\$1,969,534	\$835,333		\$1,990,360	\$764,519	

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

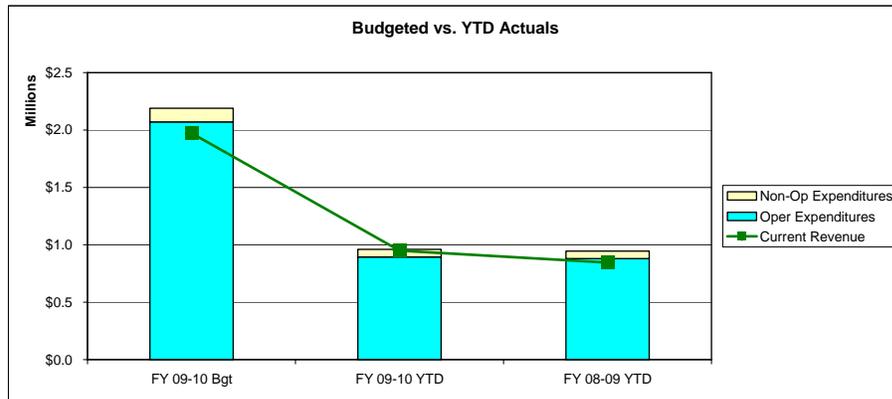
- (1) The majority of current year property taxes are collected in the second quarter. This year's collection pattern is consistent with prior years.
- (2) Charges for services are lower than last year primarily due to lower activity at Osborn Aquatic center in rentals, certification classes, and drop-in recreation.
- (3) 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.
- (4) Senior Center received \$206K as a bequest from the Thomson estate in the first quarter of FY 09-10, with \$20,000 of this appropriated to be spent in FY 09-10 per a second quarter Council Resolution.
- (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. See the Capital Improvement Program section for status information on capital projects for FY 09-10.



911 EMERGENCY SERVICES

REVENUE	AMENDED BUDGET	2nd Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	2nd 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	\$246,712	\$493,352	50.00%	\$207,711	\$415,353	50.00%
Intergovernmental	977,700	258,644	454,485	46.49%	279,028	424,383	42.62%
Miscellaneous (1)	7,520	1,326	2,564	34.10%	2,700	6,489	52.84%
TOTAL CURRENT REVENUE	\$1,971,880	\$506,681	\$950,401	48.20%	\$489,439	\$846,225	46.03%
EXPENDITURE BY DEPARTMENT							
Police (2)	\$2,070,690	\$421,535	\$894,692	43.21%	\$408,185	\$880,095	50.81%
TOTAL OPERATING EXPENDITURES	\$2,070,690	\$421,535	\$894,692	43.21%	\$408,185	\$880,095	50.81%
Transfers (3)	\$80,440	\$44,800	\$67,020	83.32%	\$42,359	\$64,614	83.86%
Contingencies/Reserves	38,570	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$2,189,700	\$466,335	\$961,712	43.92%	\$450,544	\$944,709	51.18%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$217,820)	\$40,346	(\$11,310)		\$38,894	(\$98,484)	

- (1) 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. These conditions are anticipated to continue through all of FY 09-10.
- (2) Personal service savings are the primary driver for the lower than target results in FY 09-10 year-to-date. The four additional dispatchers approved as an enhancement in FY 09-10 have not yet been hired.
- (3) Transfers are for this fund's portion of the semi-annual repayments of the Pension Obligation (POB) debt.



DEVELOPMENT SERVICES

REVENUE	AMENDED BUDGET	2nd Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	2nd 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	\$293,645	\$515,056	74.98%	\$128,551	\$293,647	24.58%
Charges for Service (1)	703,110	286,410	1,021,438	145.27%	97,120	195,124	22.81%
Miscellaneous (2)	27,530	2,125	3,041	11.05%	3,441	10,696	18.28%
Other Financing Sources (3)	218,390	0	218,390	100.00%	0	25,000	100.00%
TOTAL CURRENT REVENUE	\$1,635,960	\$582,180	\$1,757,925	107.46%	\$229,113	\$524,467	24.58%

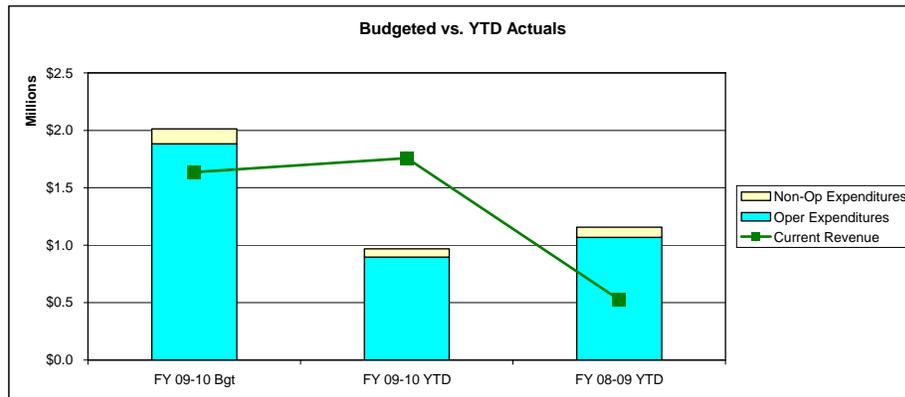
EXPENDITURE BY DEPARTMENT

Community Development (4)	\$1,883,090	\$462,314	\$896,134	47.59%	\$536,813	\$1,069,539	41.74%
TOTAL OPERATING EXPENDITURES	\$1,883,090	\$462,314	\$896,134	47.59%	\$536,813	\$1,069,539	41.74%
Transfers (5)	\$129,070	\$48,300	\$72,260	55.99%	\$59,667	\$87,422	63.03%
Contingencies/Reserves	0	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$2,012,160	\$510,614	\$968,394	48.13%	\$596,480	\$1,156,961	42.05%

CURRENT REVENUE LESS

TOTAL EXPENDITURES	(\$376,200)	\$71,566	\$789,532		(\$367,367)	(\$632,494)	
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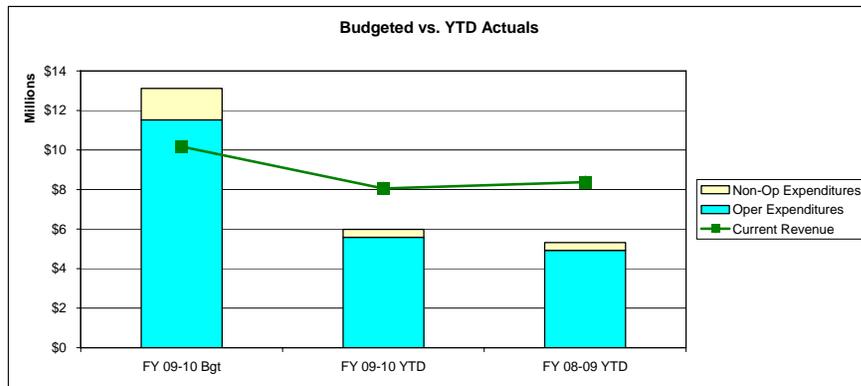
- (1) Year-to-date revenues for FY 09-10 are higher than anticipated due to higher than expected levels of development. The majority of revenue was collected from permit and plan review fees for several large projects at OSU and Good Samaritan Regional Medical Center. Residential permits continue to be low due to slow residential economic growth; only five residential permits were issued this quarter.
- (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.
- (3) In FY 09-10, dollars reflect the transfer from the General Fund to cover land use work done by the senior planner in the Development Services Fund as well as transfers from Street SDC, Parks SDC, Water SDC, Wastewater SDC, and Storm water SDC Funds in support of SDC permitting administration work by Development Services. Both fiscal years include Stormwater Fund support of Erosion Control program by Development Services staff.
- (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 included FY 08-09 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	2nd Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	2nd 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	\$5,810,308	\$5,810,308	84.80%	\$6,393,185	\$6,393,185	84.91%
Licenses/Permits	17,720	6,621	9,826	55.45%	6,836	10,104	57.02%
Charges for Service	3,207,910	1,490,854	2,068,289	64.47%	1,334,374	1,923,916	64.21%
Intergovernmental (2)	0	67,190	67,190	0.00%	3,116	3,116	4.35%
Fines/Forfeitures (3)	16,110	4,330	6,428	39.90%	10,949	12,962	136.88%
Miscellaneous (4)	77,070	88,591	95,335	123.70%	14,223	32,821	25.09%
Other Financing Sources (5)	0	0	1,272	0.00%	0	0	0.00%
TOTAL CURRENT REVENUE	\$10,170,490	\$7,467,895	\$8,058,648	79.24%	\$7,762,682	\$8,376,104	77.88%
EXPENDITURE BY DEPARTMENT							
Fire	\$11,524,260	\$2,695,825	\$5,583,662	48.45%	\$2,605,701	\$4,924,542	45.98%
TOTAL OPERATING EXPENDITURES	\$11,524,260	\$2,695,825	\$5,583,662	48.45%	\$2,605,701	\$4,924,542	45.98%
Transfers (6)	\$1,376,920	\$267,850	\$400,700	29.10%	\$258,165	\$393,803	28.84%
Contingencies/Reserves	220,870	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$13,122,050	\$2,963,675	\$5,984,362	45.61%	\$2,863,866	\$5,318,345	43.35%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$2,951,560)	\$4,504,220	\$2,074,286		\$4,898,816	\$3,057,759	

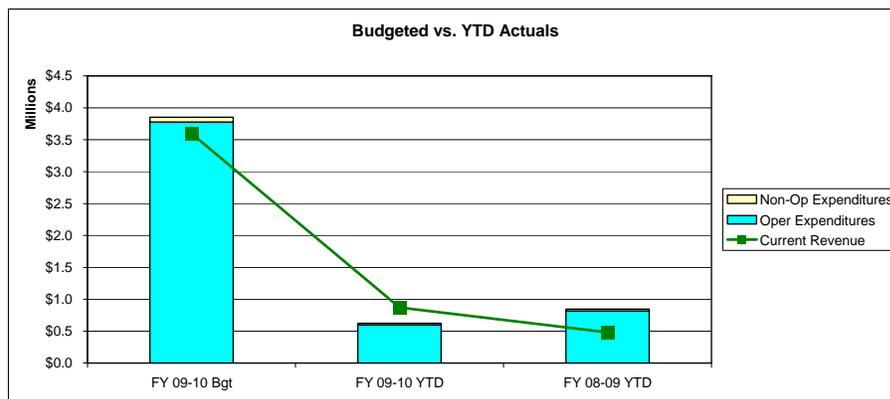
- (1) The majority of current year property taxes are collected in the second quarter. This year's collection pattern is consistent with prior years.
- (2) Intergovernmental revenues are unanticipated collections for conflagration support from FEMA.
- (3) Fines are lower as a percentage of budget so 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 budgeted. Fines and forfeitures are below budget due to the timing of the penalty structure for false alarms (fines do not begin to generate until the third false alarm).
- (4) A grant was received from Pacificorp for solar panels at Station 4. Interest earnings remain low due to the flagging economy.
- (5) Other Financing Sources are unbudgeted proceeds from sale of capital assets.
- (6) 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	2nd Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	2nd 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	(\$1,338)	\$116,740	105.48%	(\$1,040)	\$92,528	98.10%
Charges for Service (2)	5,000	0	5,000	100.00%	0	5,000	100.00%
Intergovernmental (3)	2,937,680	407,586	415,065	14.13%	286,152	286,152	10.31%
Fines/Forfeitures (4)	2,400	43	(313)	-13.03%	67	(51)	-2.14%
Miscellaneous (5)	541,070	38,719	336,198	62.14%	23,408	96,896	20.45%
TOTAL CURRENT REVENUE	\$3,596,830	\$445,010	\$872,690	24.26%	\$308,587	\$480,525	14.34%
EXPENDITURE BY DEPARTMENT							
Community Development (6)	\$3,777,000	\$203,864	\$600,396	15.90%	\$265,700	\$819,338	25.48%
TOTAL OPERATING EXPENDITURES	\$3,777,000	\$203,864	\$600,396	15.90%	\$265,700	\$819,338	25.48%
Transfers (7)	\$46,950	\$15,030	\$22,490	47.90%	\$17,141	\$25,148	13.27%
Contingencies/Reserves	30,350	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$3,854,300	\$218,894	\$622,886	16.16%	\$282,841	\$844,486	24.58%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$257,470)	\$226,116	\$249,804		\$25,746	(\$363,961)	

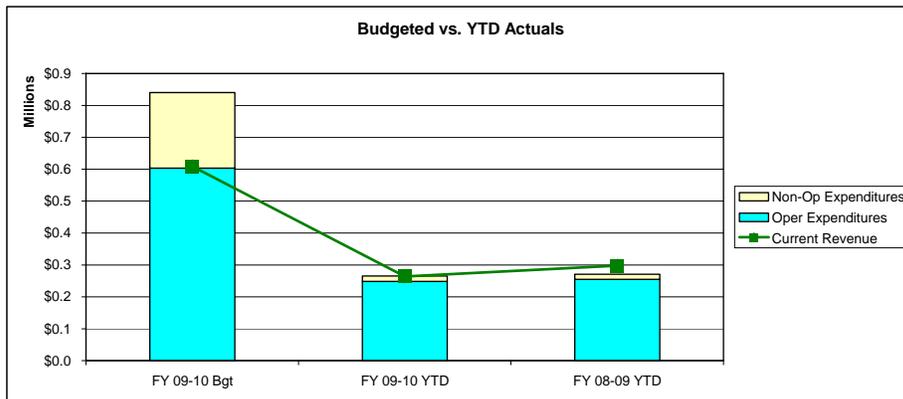
- (1) Invoices are issued annually for the rental housing program in September, so all of this revenue is recorded at the end of the first quarter when the bills are run. Subsequent quarters typically reflect the write-offs associated with non-collection of some of these bills.
- (2) Revenue recognized in the first quarter, from the annual Oakcrest lease payment of \$5,000, has been fully collected.
- (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 are typical.
- (4) Negative activity reflects Rental Housing Program penalties waived on some customers, or writing off other accounts sent to collections.
- (5) Nine loan payoffs have been received year-to-date, in addition to regular principal and interest payments, resulting in higher than expected revenue. 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	2nd Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	2nd Quarter FY 08-09	Y-T-D FY 08-09	FY 08-09 % REC/EXPEND
Budgeted Fund Balance	\$757,335						
Licenses/Permits	\$18,000	\$3,260	\$10,503	58.35%	\$3,860	\$11,087	65.21%
Charges for Service (1)	175,840	45,547	85,090	48.39%	43,768	86,769	44.43%
Fines/Forfeitures (2)	401,000	93,115	165,077	41.17%	111,200	189,732	50.87%
Miscellaneous (3)	13,910	1,659	3,397	24.42%	4,356	10,573	51.58%
TOTAL CURRENT REVENUE	\$608,750	\$143,581	\$264,067	43.38%	\$163,184	\$298,161	49.22%
EXPENDITURE BY DEPARTMENT							
Community Development	\$3,900	\$918	\$1,934	49.58%	\$877	\$1,849	51.64%
Finance	129,500	34,127	62,476	48.24%	27,962	56,388	47.93%
Police	296,370	68,426	141,553	47.76%	64,977	136,179	46.26%
Public Works (4)	173,770	21,061	42,213	24.29%	30,799	60,477	42.30%
TOTAL OPERATING EXPENDITURES	\$603,540	\$124,532	\$248,176	41.12%	\$124,615	\$254,893	45.63%
Transfers (5)	\$224,190	\$11,680	\$17,480	7.80%	\$10,397	\$15,859	7.24%
Contingencies/Reserves	12,400	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$840,130	\$136,212	\$265,656	31.62%	\$135,012	\$270,752	34.28%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$231,380)	\$7,369	(\$1,588)		\$28,172	\$27,409	

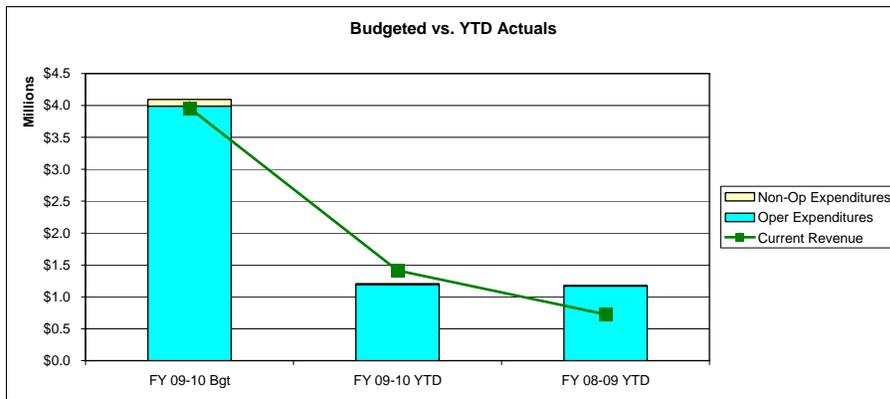
- (1) Equipment rental and parking meter revenue were slightly lower in actual dollars, but closer to target as a percent of budget than the prior year -to-date.
- (2) Revenue from fines and forfeitures represents revenue collected for offenses and infractions. Revenues are lower than expectations. The parking enforcement team just became fully staffed in September, and Municipal Court remains understaffed hindering fine collection.
- (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 as yet unfulfilled budget enhancements for FY 09-10: a 0.5 FTE staff member to work on parking related issues has not yet been hired; and replacement of 10% of the meters every year, to reduce repair expense in both personal services and materials classifications has not yet been occurred for this year.
- (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	2nd Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	2nd 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	\$382,492	\$382,492	84.79%	\$373,109	\$373,109	84.91%
Charges for Service	442,050	165,931	229,452	51.91%	156,814	236,908	51.80%
Intergovernmental (2)	2,338,620	197,560	183,160	7.83%	61,522	22,811	1.48%
Miscellaneous (3)	730,260	59,147	619,701	84.86%	41,345	91,573	12.68%
TOTAL CURRENT REVENUE	\$3,962,010	\$805,129	\$1,414,804	35.71%	\$632,789	\$724,400	22.92%
EXPENDITURE BY DEPARTMENT							
Public Works (4)	\$3,988,670	\$642,038	\$1,194,384	29.94%	\$803,154	\$1,169,516	35.45%
TOTAL OPERATING EXPENDITURES	\$3,988,670	\$642,038	\$1,194,384	29.94%	\$803,154	\$1,169,516	35.45%
Transfers (5)	\$27,010	\$8,060	\$12,060	44.65%	\$5,041	\$7,690	35.39%
Contingencies/Reserves	79,210	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$4,094,890	\$650,098	\$1,206,444	29.46%	\$808,195	\$1,177,206	34.83%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$132,880)	\$155,031	\$208,361		(\$175,406)	(\$452,805)	

- (1) The majority of current year property taxes are collected in the second quarter. This year's collection pattern is consistent with prior years.
- (2) Revenue is lower than budget and higher than prior year due to the timing of grant receipts, which are posted as drawdowns are submitted and tend to be highly variable with a propensity to collection later in the fiscal year. Underlying purchases are still on target to be spent.
- (3) Although interest on investments is down this year as in other funds, anticipated FY 08/09 revenue from Business Energy Tax Credits (BETC) of \$523,000 have been received and posted in FY 09/10.
- (4) Materials and supplies are largely dependent on the cost of fuel, which is down in FY 09-10 by approximately 34% from last year. End of year timing for bus purchases in special projects accounts for both fiscal years' expenditures being below budget year-to-date.
- (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. Please see the Capital Improvement Program section for information on the status of capital projects.

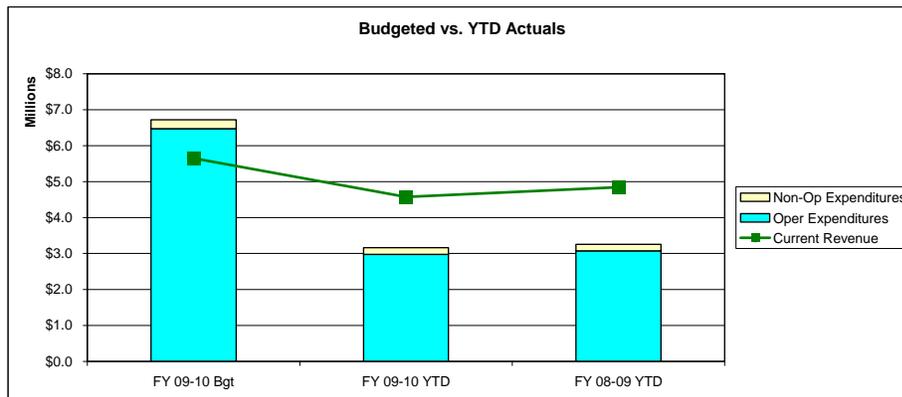


LIBRARY FUND*

REVENUE	AMENDED BUDGET	2nd Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	2nd 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	\$2,559,129	\$2,559,129	84.80%	\$2,902,499	\$2,902,499	84.91%
Charges for Service	45,600	10,717	25,935	56.87%	10,473	26,619	59.82%
Intergovernmental (2)	2,388,000	1,911,207	1,911,401	80.04%	1,811,904	1,811,904	82.20%
Fines/Forfeitures	81,500	18,791	36,738	45.08%	16,615	36,166	43.57%
Miscellaneous (3)	117,390	5,862	40,232	34.27%	11,125	69,522	48.65%
TOTAL CURRENT REVENUE	\$5,650,500	\$4,505,705	\$4,573,435	80.94%	\$4,752,615	\$4,846,710	82.25%
EXPENDITURE BY DEPARTMENT							
Library	\$6,473,370	\$1,461,195	\$2,977,438	46.00%	\$1,466,096	\$3,076,972	49.69%
TOTAL OPERATING EXPENDITURES	\$6,473,370	\$1,461,195	\$2,977,438	46.00%	\$1,466,096	\$3,076,972	49.69%
Transfers (4)	\$224,550	\$125,060	\$187,090	83.32%	\$119,309	\$181,993	83.88%
Contingencies/Reserves	21,320	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$6,719,240	\$1,586,255	\$3,164,528	47.10%	\$1,585,405	\$3,258,965	49.90%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$1,068,740)	\$2,919,450	\$1,408,906		\$3,167,210	\$1,587,745	

* Includes the Library Operating and Library 2010 Funds.

- (1) The majority of current year property taxes are collected in the second quarter. This year's collection pattern is consistent with prior years.
- (2) Benton County Library District payment makes up the majority of the revenue in this classification, and payment was received in December per the normal schedule. 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.
- (3) E-rate revenue is expected next quarter, and donations are down from the prior year. Interest earnings are below budget in both fiscal years due to falling interest rates in the flagging economy.
- (4) Transfers are for this fund's portion of the semi-annual repayments of the Pension Obligation Bonds in both years.



DAVIDSON FUND

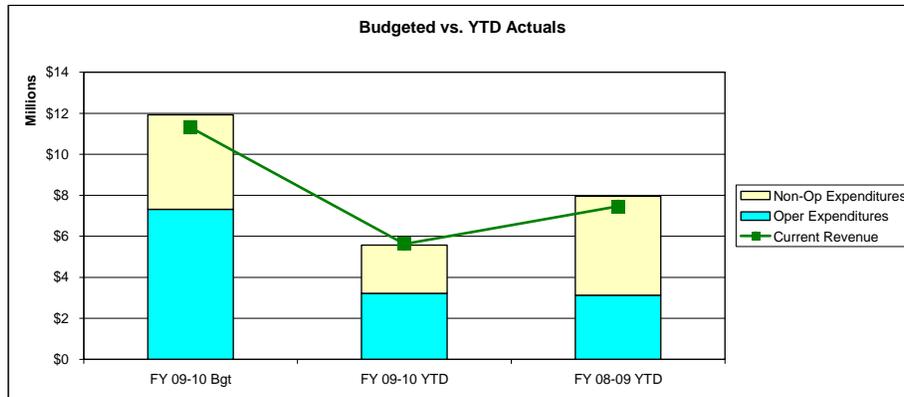
REVENUE	AMENDED BUDGET	2nd Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	2nd Quarter FY 08-09	Y-T-D FY 08-09	FY 08-09 % REC/EXPEND
Budgeted Fund Balance	\$6,267						
Miscellaneous	\$140	\$12	\$25	17.77%	\$38	\$95	32.69%
TOTAL CURRENT REVENUE	\$140	\$12	\$25	17.77%	\$38	\$95	32.69%
EXPENDITURE BY DEPARTMENT							
Library	\$500	\$91	\$389	77.84%	\$142	\$142	14.18%
TOTAL OPERATING EXPENDITURES	\$500	\$91	\$389	77.84%	\$142	\$142	14.18%
Transfers	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
TOTAL ALL EXPENDITURES	\$500	\$91	\$389	77.84%	\$142	\$142	14.18%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$360)	(\$80)	(\$364)		(\$103)	(\$47)	

COMBINED WATER FUND*

REVENUE	AMENDED BUDGET	2nd Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	2nd 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	\$1,943,088	\$4,592,662	51.84%	\$1,932,022	\$4,562,905	49.42%
Intergovernmental (1)	41,630	4,015	(14,485)	-34.79%	0	0	0.00%
Fines/Forfeitures	0	1,018	958	0.00%	140	170	0.00%
Miscellaneous (2)	555,360	53,825	109,346	19.69%	360,364	433,641	36.05%
Transfers In/Other Financing Sources (3)	1,848,480	291,540	940,548	50.88%	720,000	2,461,680	89.39%
TOTAL CURRENT REVENUE	\$11,305,380	\$2,293,486	\$5,629,028	49.79%	\$3,012,525	\$7,458,395	56.19%
EXPENDITURE BY DEPARTMENT							
Community Development	\$49,580	\$10,746	\$22,109	44.59%	\$11,404	\$22,264	47.78%
Public Works	7,264,390	1,580,546	3,196,148	44.00%	1,666,783	3,104,975	43.88%
TOTAL OPERATING EXPENDITURES	\$7,313,970	\$1,591,293	\$3,218,257	44.00%	\$1,678,187	\$3,127,239	43.91%
Capital Projects (3)	\$1,337,930	\$113,318	\$235,101	17.57%	\$746,416	\$1,194,100	46.85%
Debt Service	1,018,500	1,018,483	1,018,483	100.00%	1,016,170	1,016,170	100.00%
Transfers Out/Other Financing Uses (3)	2,074,660	392,550	1,100,050	53.02%	818,969	2,610,850	88.56%
Contingencies/Reserves	177,470	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$11,922,530	\$3,115,644	\$5,571,892	46.73%	\$4,259,742	\$7,948,360	57.54%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$617,150)	(\$822,159)	\$57,136		(\$1,247,217)	(\$489,964)	

* 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. Reimbursement to zero out this negative revenue was temporarily delayed by grantor follow-up questions, but is now anticipated in the third quarter.
- (2) Includes 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.
- (3) 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	2nd Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	2nd 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	\$2,361,349	\$4,350,213	44.56%	\$2,317,457	\$4,433,732	41.91%
Miscellaneous (2)	211,790	33,150	59,645	28.16%	71,694	164,348	46.88%
Other Financing Sources (3)	4,246,080	215,000	855,924	20.16%	(157,710)	400,030	17.22%
TOTAL CURRENT REVENUE	\$14,221,330	\$2,609,499	\$5,265,783	37.03%	\$2,231,441	\$4,998,110	37.71%

EXPENDITURE BY DEPARTMENT

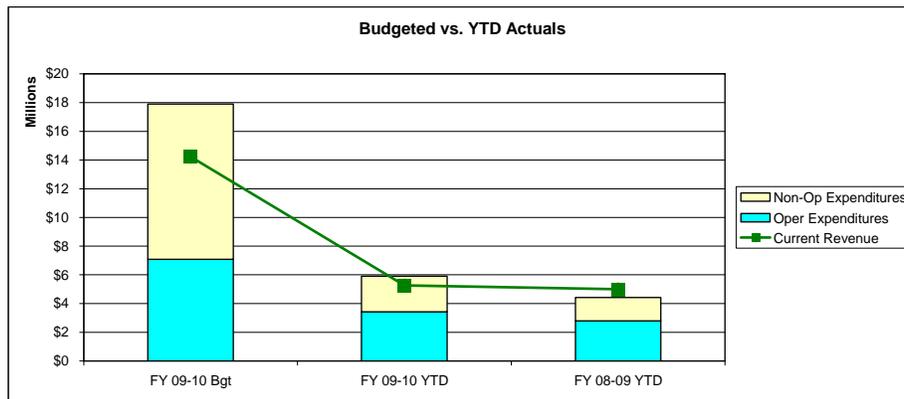
Community Development	\$48,420	\$10,656	\$21,929	45.29%	\$11,088	\$21,782	48.00%
Public Works (4)	7,036,340	1,752,280	3,392,900	48.22%	1,371,814	2,774,646	42.03%
TOTAL OPERATING EXPENDITURES	\$7,084,760	\$1,762,936	\$3,414,829	48.20%	\$1,382,901	\$2,796,428	42.07%
Capital Projects (3)	\$3,855,150	\$235,211	\$461,814	11.98%	\$25,361	\$42,538	2.41%
Debt Service	2,305,690	988,621	1,012,922	43.93%	1,003,187	1,027,488	44.39%
Transfers (3)	4,452,240	317,360	1,015,864	22.82%	(56,103)	554,222	22.04%
Contingencies/Reserves	190,880	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$17,888,720	\$3,304,128	\$5,905,429	33.01%	\$2,355,346	\$4,420,676	32.91%

CURRENT REVENUE LESS

TOTAL EXPENDITURES	(\$3,667,390)	(\$694,629)	(\$639,646)		(\$123,905)	\$577,434	
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* Includes Wastewater, Wastewater SDC and Wastewater Construction Funds.

- (1) Charges for Service revenue are primarily from metered water usage, which is trending lower in both fiscal years due in part to community conservation efforts. Other revenue streams include PIPC permit fees, septic discharge fees, and leachate hauling.
- (2) Interest earnings are well below budget in FY 09-10 primarily 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 earlier spending on special projects; however spending remains on target.

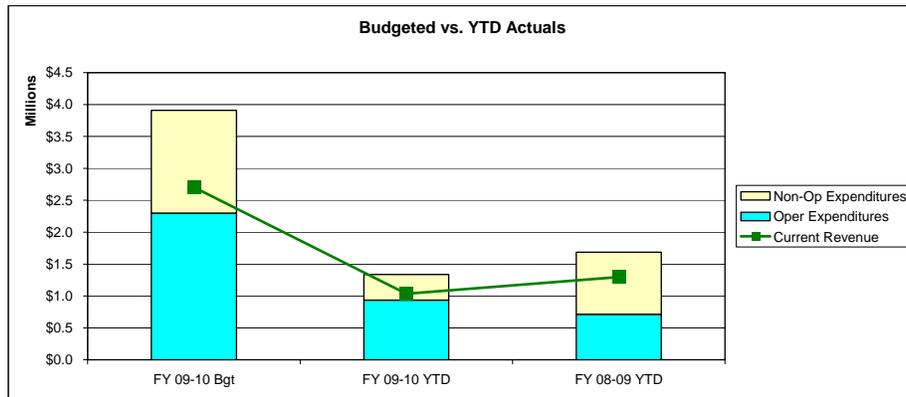


COMBINED STORM WATER FUND*

REVENUE	AMENDED BUDGET	2nd Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	2nd 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	\$460,346	\$874,683	45.69%	\$455,782	\$879,335	46.63%
Miscellaneous (1)	44,790	4,391	8,128	18.15%	10,960	27,837	32.40%
Other Financing Sources (2)	745,000	0	150,000	20.13%	276,540	389,540	53.87%
TOTAL CURRENT REVENUE	\$2,704,240	\$464,737	\$1,032,811	38.19%	\$743,283	\$1,296,713	65.77%
EXPENDITURE BY DEPARTMENT							
Community Development	\$49,820	\$10,783	\$22,428	45.02%	\$11,490	\$22,318	47.72%
Public Works (3)	2,248,400	514,429	912,423	40.58%	337,194	693,174	38.12%
TOTAL OPERATING EXPENDITURES	\$2,298,220	\$525,212	\$934,851	40.68%	\$348,684	\$715,492	38.36%
Capital Projects (2)	\$745,000	\$8,746	\$138,330	18.57%	\$366,511	\$508,270	69.43%
Transfers (2)	828,860	31,590	265,140	31.99%	307,716	461,297	56.86%
Contingencies/Reserves	37,860	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$3,909,940	\$565,548	\$1,338,321	34.23%	\$1,022,911	\$1,685,060	48.89%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$1,205,700)	(\$100,811)	(\$305,510)		(\$279,628)	(\$388,347)	

* 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 lower than anticipated special project spending year-to-date. Seven special projects have been budgeted, including the purchase of a replacement street sweeper. All projects are expected to be completed by year-end.



COMBINED AIRPORT FUND*

REVENUE	AMENDED BUDGET	2nd Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	2nd 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	\$2,465	\$3,095	68.77%	\$2,555	\$3,348	74.39%
Charges for Service (2)	377,900	106,550	195,735	51.80%	140,766	226,353	66.26%
Intergovernmental (3)	681,250	0	(8,500)	-1.25%	0	0	0.00%
Miscellaneous (4)	18,030	1,779	3,946	21.88%	3,764	9,897	36.17%
Other Financing Sources (5)	11,150	0	0	0.00%	0	20,990	100.00%
TOTAL CURRENT REVENUE	\$1,092,830	\$110,794	\$194,275	17.78%	\$147,086	\$260,587	19.69%

EXPENDITURE BY DEPARTMENT

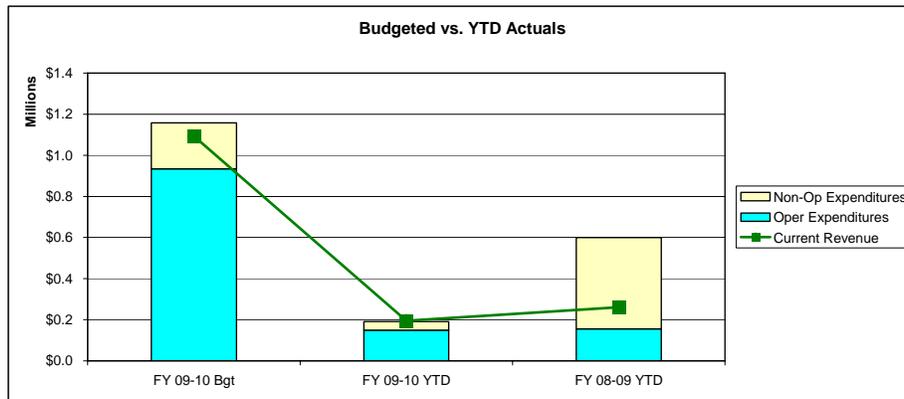
Public Works (6)	\$934,110	\$74,365	\$149,189	15.97%	\$91,509	\$155,911	19.44%
TOTAL OPERATING EXPENDITURES	\$934,110	\$74,365	\$149,189	15.97%	\$91,509	\$155,911	19.44%
Capital Projects (5)	\$122,390	\$5,656	\$5,656	4.62%	\$371,846	\$387,658	87.63%
Debt Service	29,480	29,474	29,474	99.98%	30,278	30,278	99.96%
Transfers (5)	64,780	3,970	5,940	9.17%	3,253	25,952	96.37%
Contingencies/Reserves	7,670	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$1,158,430	\$113,466	\$190,259	16.42%	\$496,886	\$599,799	45.81%

CURRENT REVENUE LESS

TOTAL EXPENDITURES	(\$65,600)	(\$2,672)	\$4,016		(\$349,800)	(\$339,212)	
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* Includes Airport and Airport Construction Funds.

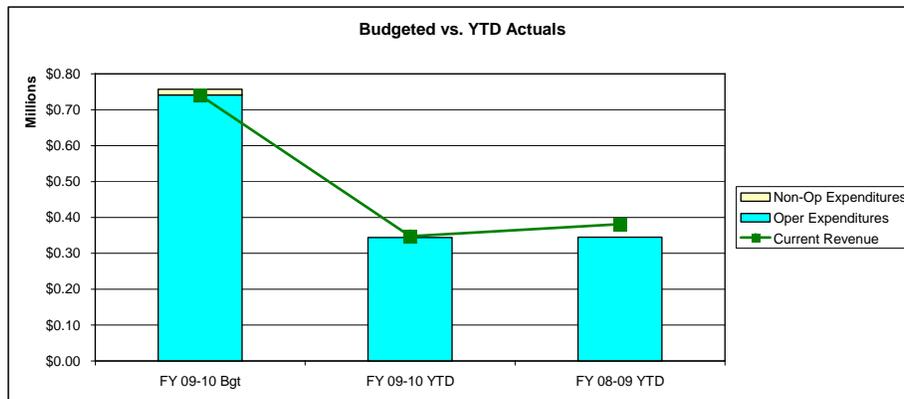
- (1) FY 09-10 is slightly lower than the prior year, but still ahead of target. Operator licenses and landing fees are entirely dependent on the level of traffic at the airport and activity was a little slower this year than the prior year, however is expected to exceed budget again this year.
- (2) Consistent with licenses and permits, building and hangar rentals are slightly down from the prior year due to the slight decrease in activity, but are in line with budget.
- (3) Intergovernmental revenue budgeted in the current year represents two large funding arrangements: a proposed loan from the Oregon Economic and Community Development Department (OECDD) in respect of a Wetlands Mitigation Evaluation project (carried over from FY 08-09) and 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 activity year-to-date 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	2nd Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	2nd 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	\$167,155	\$346,228	46.81%	\$165,550	\$380,230	50.00%
Miscellaneous (2)	850	741	1,479	174.01%	271	829	103.63%
TOTAL CURRENT REVENUE	\$740,490	\$167,896	\$347,707	46.96%	\$165,820	\$381,059	50.06%
EXPENDITURE BY DEPARTMENT							
Public Works (3)	\$741,410	\$180,047	\$344,027	46.40%	\$162,303	\$344,710	46.81%
TOTAL OPERATING EXPENDITURES	\$741,410	\$180,047	\$344,027	46.40%	\$162,303	\$344,710	46.81%
Contingencies/Reserves	\$16,000	\$0	\$0	0.00%	\$0	\$0	0.00%
TOTAL ALL EXPENDITURES	\$757,410	\$180,047	\$344,027	45.42%	\$162,303	\$344,710	45.82%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$16,920)	(\$12,151)	\$3,679		\$3,517	\$36,350	

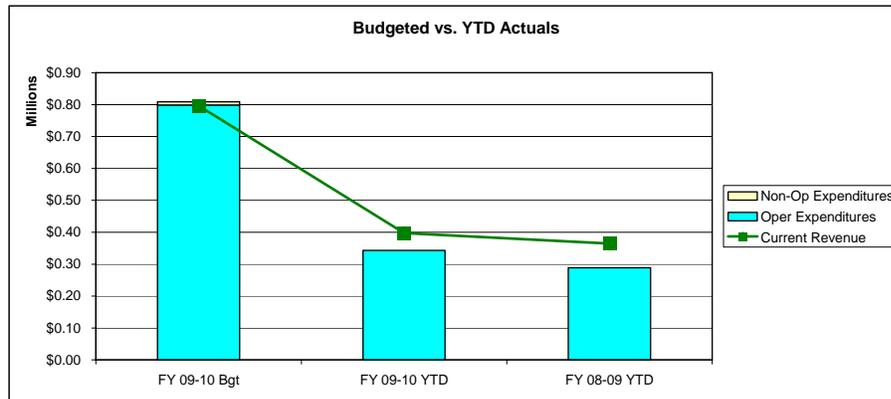
- (1) Charges for Services are slightly lower than the prior year largely due to internal fuel sales. While roughly the same number of gallons was sold, fuel is averaging \$1.47 per gallon less than the same time last fiscal year, hence the cost to internal customer and the resulting revenue in the Fleet Fund is lower for no net impact to fund balance.
- (2) Miscellaneous revenue is higher than budget and 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 are lower due to falling gas prices. Four special projects are budgeted, including one vehicle replacement.



FACILITY MAINTENANCE FUND

REVENUE	AMENDED BUDGET	2nd Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	2nd 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	\$196,704	\$394,776	49.83%	\$180,822	\$361,644	50.00%
Miscellaneous (1)	3,880	1,351	2,614	67.38%	1,283	2,586	44.05%
TOTAL CURRENT REVENUE	\$796,200	\$198,055	\$397,390	49.91%	\$182,105	\$364,230	49.95%
EXPENDITURE BY DEPARTMENT							
Public Works	\$798,810	\$182,277	\$343,156	42.96%	\$149,006	\$289,113	39.09%
TOTAL OPERATING EXPENDITURES	\$798,810	\$182,277	\$343,156	42.96%	\$149,006	\$289,113	39.09%
Contingencies/Reserves	\$10,000	\$0	\$0	0.00%	\$0	\$0	0.00%
TOTAL ALL EXPENDITURES	\$808,810	\$182,277	\$343,156	42.43%	\$149,006	\$289,113	38.57%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$12,610)	\$15,778	\$54,235		\$33,099	\$75,117	

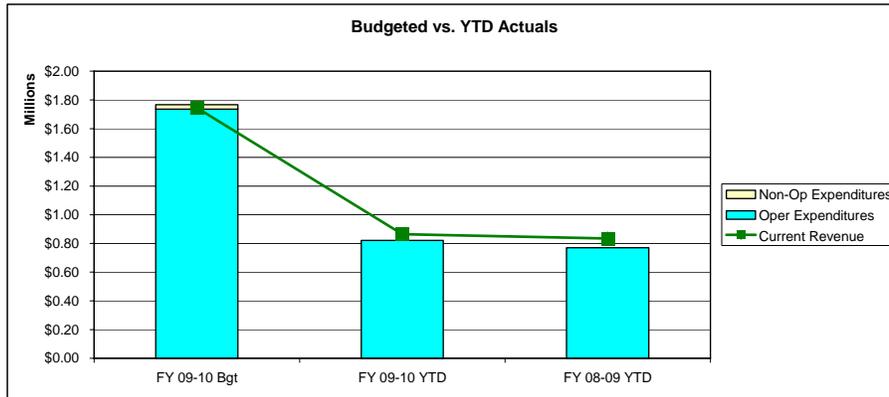
(1) Interest revenues year-to-date in FY 09-10 are below budget and prior year due to interest rate decline in flagging economy and a lower fund balance; however, miscellaneous revenue is up this quarter due to credits from unexpected returns of facility repair-related materials purchases and an Energy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



TECHNOLOGY AND COMMUNICATIONS FUND

REVENUE	AMENDED BUDGET	2nd Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	2nd 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	\$431,228	\$862,402	49.84%	\$410,715	\$822,171	49.90%
Miscellaneous (1)	13,840	1,285	2,590	18.72%	3,831	11,469	48.23%
TOTAL CURRENT REVENUE	\$1,744,150	\$432,513	\$864,992	49.59%	\$414,547	\$833,640	49.88%
EXPENDITURE BY DEPARTMENT							
Finance	\$1,484,810	\$348,951	\$723,294	48.71%	\$295,235	\$662,805	44.36%
Public Works (2)	251,430	56,496	98,409	39.14%	61,274	106,959	41.01%
TOTAL OPERATING EXPENDITURES	\$1,736,240	\$405,447	\$821,703	47.33%	\$356,508	\$769,764	43.86%
Contingencies/Reserves	\$30,000	\$0	\$0	0.00%	\$0	\$0	0.00%
TOTAL ALL EXPENDITURES	\$1,766,240	\$405,447	\$821,703	46.52%	\$356,508	\$769,764	43.13%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$22,090)	\$27,066	\$43,289		\$58,038	\$63,876	

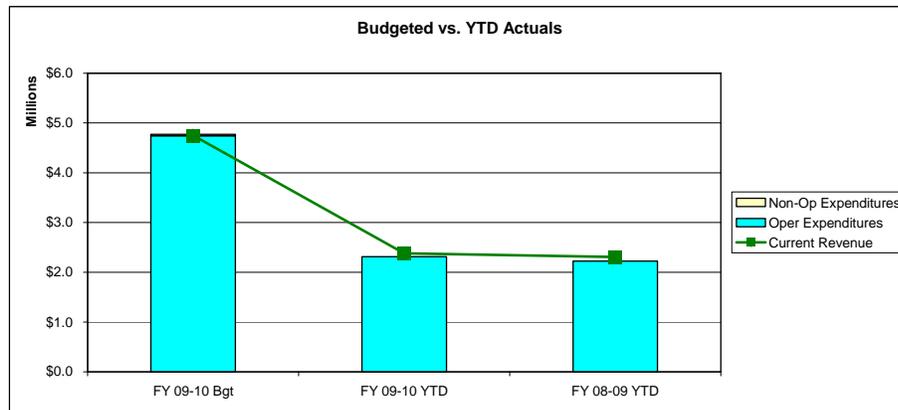
- (1) Interest revenues year-to-date in FY 09-10 are below budget and prior year due to interest rate decline in flagging economy and a lower fund balance.
- (2) FY 09-10 year-to-date actuals were lower than prior year. Personal services and materials and supplies are driven by City-requested work orders 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	2nd Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	2nd 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	\$2,367,228	50.00%	\$1,136,865	\$2,273,730	50.00%
Miscellaneous (1)	15,090	2,262	4,209	27.89%	23,896	31,632	204.61%
TOTAL CURRENT REVENUE	\$4,749,540	\$1,186,004	\$2,379,815	50.11%	\$1,160,761	\$2,305,362	50.52%
EXPENDITURE BY DEPARTMENT							
Finance	\$2,615,050	\$673,426	\$1,320,450	50.49%	\$651,878	\$1,280,186	49.00%
City Manager's Office	2,127,350	517,157	991,226	46.59%	428,850	943,663	47.31%
TOTAL OPERATING EXPENDITURES	\$4,742,400	\$1,190,583	\$2,311,676	48.74%	\$1,080,727	\$2,223,848	48.27%
Contingencies/Reserves	30,000	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$4,772,400	\$1,190,583	\$2,311,676	48.44%	\$1,080,727	\$2,223,848	47.95%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$22,860)	(\$4,579)	\$68,140		\$80,033	\$81,514	

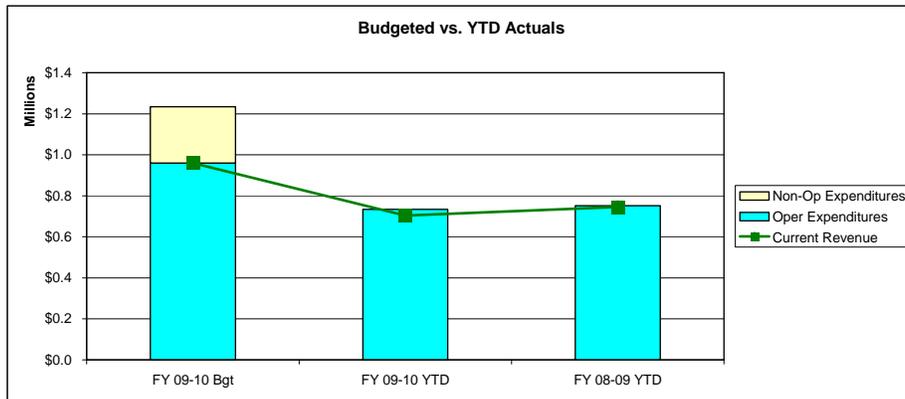
- (1) Interest revenues year-to-date in FY 09-10 are below budget and prior year due to interest rate decline in flagging economy and a lower fund balance. Miscellaneous revenue in FY 08-09 was substantially over budget due a one-time reimbursement of forfeited balances paid to the City by a benefits vendor.



RISK MANAGEMENT FUND

REVENUE	AMENDED BUDGET	2nd Quarter FY 09-10	UNAUDITED FY 09-10	FY 09-10 % REC/EXPEND	2nd 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	\$0	\$676,425	75.00%	\$0	\$717,902	75.00%
Miscellaneous (2)	57,540	16,704	27,065	47.04%	6,122	26,932	38.86%
TOTAL CURRENT REVENUE	\$959,440	\$16,704	\$703,490	73.32%	\$6,122	\$744,834	72.56%
EXPENDITURE BY DEPARTMENT							
City Manager's Office (1)	\$959,420	\$73,763	\$734,111	76.52%	\$130,214	\$751,586	65.21%
TOTAL OPERATING EXPENDITURES	\$959,420	\$73,763	\$734,111	76.52%	\$130,214	\$751,586	65.21%
Contingencies/Reserves	275,000	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$1,234,420	\$73,763	\$734,111	59.47%	\$130,214	\$751,586	60.54%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$274,980)	(\$57,059)	(\$30,621)		(\$124,092)	(\$6,752)	

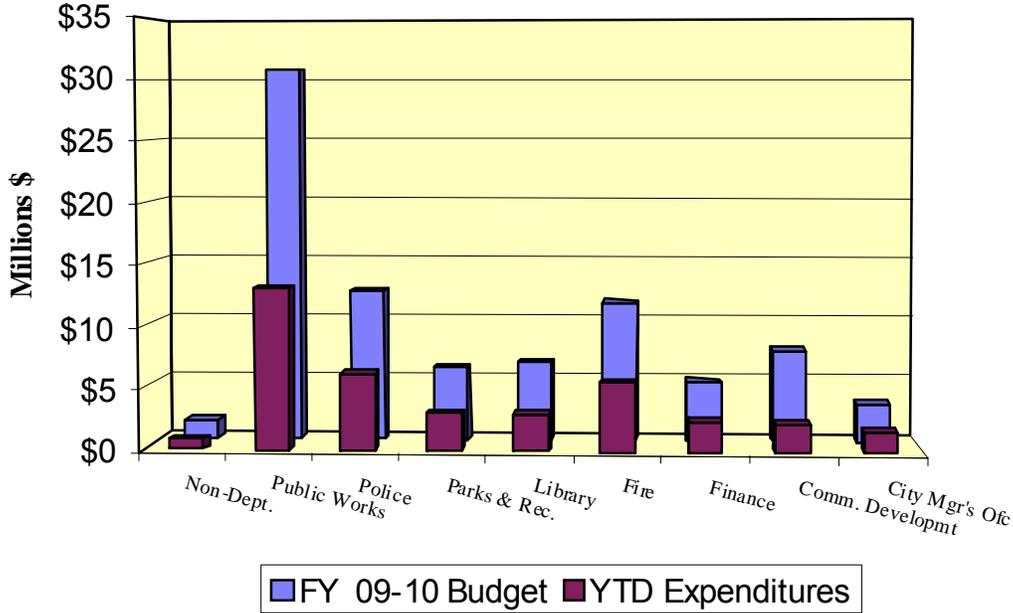
- (1) Timing of internal service charges to departments is weighted to coincide with insurance premium payments, 75% of which occur in July and 25% in January.
- (2) Despite lower interest revenues year-to-date in FY 09-10 compared with budget and prior year, miscellaneous revenue is close to target in FY 09-10 due to receipt of higher volume of claims recovery amounts than in prior year-to-date.



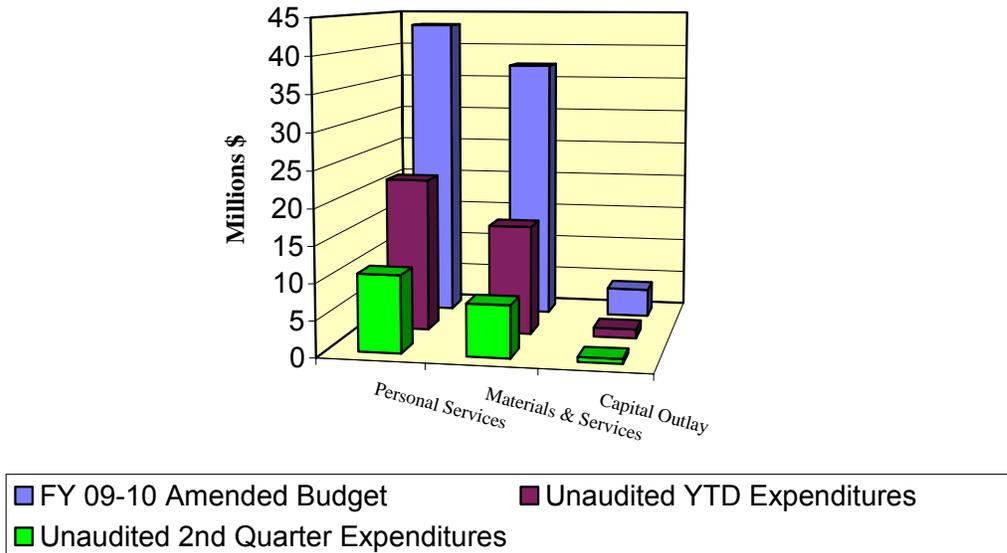
BUDGET PERFORMANCE BY DEPARTMENT

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 2nd Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$1,303,650	\$308,329	\$594,018	45.57%
Supplies and Services	1,768,880	283,134	1,115,854	63.08%
Capital Outlay	14,240	(543)	15,465	108.60%
Total Operating Expenditures	\$3,086,770	\$590,920	\$1,725,336	55.89%

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

Noteworthy Accomplishments during this Quarter:

- Completed the Citizen Attitude Survey and shared results with Council. The survey was also posted on the City's website.
- Began drafting an elections timeline and responded to initiative process inquiries.
- Initiated career development pilot project for City employees.

Upcoming/Pending Items:

- Implement Online Recruitment System.
- Implement Citizen Alert Network through partnership with Benton County.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY08-09 ACTUAL	FY09-10 TARGET	2 nd QTR ACTUAL	FY09-10 YTD
Cost Efficiency	Compare City FTE to assess efficient and effective customer service	City FTE per 1,000 population.	8.08	8.05	7.95	7.95
	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 97	1 per 97
	Efficiently accomplish Council goals	Percentage of Council goals completed within each 2-year term. ⁽²⁾	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	0.9	3.9
	Maximize workplace productivity	Number of sick leave hours used per 1,000 hours worked. ⁽¹⁾	26.1	<24.9	33.6	29.7
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	61	124

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY08-09 ACTUAL	FY09-10 TARGET	2 nd QTR ACTUAL	FY09-10 YTD
	Measure the benefits to compensation ratio for competitiveness, retention, attraction and comparator purposes.	Benefits as a % of total compensation.	29%	28%	27%	27%
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.	82%	>82%	90%	90%
	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.	N/A	>73%	77%	77%
		% of Citizen Attitude Survey respondents who rated the job the City does at welcoming citizen involvement as excellent or good.	New measure	>66%	65%	65%
		% of Citizen Attitude Survey respondents who rated the job the City does at listening to citizens as excellent or good.	New measure	>56%	55%	55%

(1) Sick leave hours increased due to the flu season.

(2) 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 second quarter of FY 09-10.

COMMUNITY DEVELOPMENT

Type of Expenditure	2009-10 Amended Budget	Unaudited 2nd Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$3,336,030	\$809,495	\$1,596,920	47.87%
Supplies and Services	4,217,680	274,976	717,660	17.02%
Capital Outlay	0	0	0	0.00%
Total Operating Expenditures	\$7,553,710	\$1,084,472	\$2,314,580	30.64%

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

Noteworthy Accomplishments during this Quarter:

- The Historic Resources Commission issued decisions for three historic preservation permit applications, and three staff-level historic preservation permit decisions were issued.
- Three of six housing/facility rehabilitation projects funded with American Recovery and Reinvestment Act-based CDBG funding were completed.
- No permits were issued in December for the construction of new homes; total permits issued for the 2009 calendar year was 34 -- the same total as in 2008.
- Development Services staff conducted 3,600 construction inspections in the second quarter. This compares with 3,954 inspections in the same period last year.

Noteworthy Accomplishments during this Quarter (con't):

- Housing staff began designing policies and procedures for a Revolving Loan Fund to underwrite residential energy efficiency improvements in Corvallis homes utilizing federal Department of Energy funding, provided to Corvallis through the ARRA-funded Energy Efficiency and Conservation Block Grant.
- The Housing Division extended down payment assistance loans to three low-income first time home buyers during the quarter. One of these loans was provided in conjunction with a Benton Habitat for Humanity unit.
- Staff continues to work on downtown issues and with Prosperity That Fits (PTF) Committees that implement the PTF Plan.
- Planning Division staff continued work with the City Attorney's Office on several LUBA Appeals.
- Planning Division staff completed three General Development Land Use applications and one Special Development Land Use application.
-
- Planning Division staff began work on updates to the City's floodplain maps and the associated regulatory program, as required by the Federal Emergency Management Agency (FEMA).
- 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 ARRA-based CDBG program resources.

- Staff is supporting the Downtown Commission work program items in a variety of areas, including review of sidewalk café regulations.
- Two appeals of land use enforcement actions were considered by the Land Development Hearings Board.

Upcoming/Pending Items:

- With the completion and release of the *Benton County Ten Year Plan to Address Homelessness*, Housing staff will join an oversight committee tasked with prioritizing and then facilitating/overseeing efforts to carry out projects identified in the *Plan*.
- A Request for Proposals process, seeking applications for FY 10-11 CDBG and HOME project funding, was initiated October 2, 2009 with funding applications due to the City in early January, 2010. Housing staff will work with the City's Housing and Community Development Commission to review applications and develop an allocation recommendation for City Council consideration in April.
- Delivery of City financial assistance to agencies providing assistance to the homeless and people with other special needs and/or low incomes will continue through the end of FY 09-10.
- The Planning Division's Annual Work Program review will begin in February, with City Council review scheduled in March. The process will result in identification of priority projects for the Planning Division in calendar year 2010.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY08-09 ACTUAL	FY09-10 TARGET	2 nd 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 turnaround time consistent with other Oregon cities.	Percentage of initial residential plan review completed within 14 calendar days. ⁽¹⁾	94%	90%	91%	81%
	Meet or exceed federal HOME match requirement for all investment of Housing dollars.	Housing dollars leveraged with outside investment in funded activities. ⁽²⁾	21%	25%	0%	114%
	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	53	50
	Meet or exceed State requirements for land use application review time.	Average review time (in days) to process administrative land use application.	32	< 45	20	31

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY08-09 ACTUAL	FY09-10 TARGET	2 nd QTR ACTUAL	FY09-10 YTD
Community Involvement	Achieve at least the targeted % citizen rating of excellent or good.	Citizen satisfaction with land use process, from customer survey.	52%	60%	57%	57%
	Achieve at least the targeted % participant rating of excellent or good.	Economic Development applicants' rating of the process in annual survey. ⁽⁴⁾	80%	100%	N/A	N/A
Sustainability	Conserve resources by reducing fuel and paper use.	Percentage of Mechanical and Electrical permits issued online. ⁽⁵⁾	32%	20%	45%	40%
	Maintain the quality of low income housing in a cost effective manner.	Units of housing rehabilitated per \$100,000 in City funds invested.	3.4	5.0	7.4	4.6
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.	12.2	10.0	3.8	5.4

- (1) YTD performance below target due to staffing levels and massive influx of commercial projects from OSU, such as the Linus Pauling Project; back on track in Q2.
- (2) Year-to-date will decrease during the rest of the year, as HOME funds are expended on projects.
- (3) The first quarter was dominated by Historic Preservation Permits, which generally require a shorter time to complete, hence the better than target result year-to-date.
- (4) Economic Development Process survey results will be completed at the end of the fiscal year and reported at that time.
- (5) Contractors have embraced the online system beyond expectations.

FINANCE

Type of Expenditure	2009-10 Amended Budget	Unaudited 2nd Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$3,423,030	\$852,565	\$1,675,041	48.93%
Supplies and Services	1,419,960	372,600	743,901	52.39%
Capital Outlay	70,500	0	0	0.00%
Total Operating Expenditures	\$4,913,490	\$1,225,165	\$2,418,942	49.23%

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

Noteworthy Accomplishments during this Quarter:

- Transferred delinquent utility billing accounts to CSO Financial vendor for collections; notified appropriate customers.
- Completed updating the department's purchasing order guide; chart of accounts; employee handbook; municipal code manual; liquor, tobacco, social gaming, and used merchandise application worksheets; Council policies; and administrative policies.
- Completed testing the Utility Billing automated dialing to accommodate ten digit dialing.
- Completed automation of Amazon ambulance billing cash receipts upload.
- Reviewed ambulance aging schedule and worked with Fire staff to review collection policy and processing.
- Implemented payroll changes from open enrollment.
- Reviewed security audit findings and are currently addressing immediate and high-risk IT vulnerabilities discovered in the audit.

Upcoming/Pending Items:

- Complete work and launch an internal travel/training application to facilitate payment, developed in partnership with the OSU Business Services Group, along with a "how-to" guide for City departments.
- Review landlord letter process for Utility Billing to identify a less costly, more sustainable method of notification.
- Complete review of liquor and tobacco license renewal accounts and forward to CPD for review and investigation.
- Implement miscellaneous receivable bank drafting for all customers.
- Complete capitalization policy for changes in reporting standards.
- Continue work on FY 10-11 Budget development.
- Transfer Municipal Court delinquent accounts to CSO Financial vendor for collections implementation.

Noteworthy Accomplishments during this Quarter con't):

- Completed revision of the first and second parking ticket notices.
- Published a Request For Proposal for the MIS Strategic plan.
- Continued implementation of the Information Technology Infrastructure Library/Service Management (ITIL/ITSM) best practices of running an IT operation.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY08-09 ACTUAL	FY09-10 TARGET	2 nd QTR ACTUAL	FY09-10 YTD
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	\$645	\$901
	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%	6.4%	6.0%
	Provide necessary information technology resources for departments to operate efficiently.	Achieve 100% server uptime relative to scheduled server uptime.	99.9%	100%	98.9%	99.4%
	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	1.30/1.00	1.25/1.00
	Increase organizational efficiency in providing service output.	Maintain operating expenditures less than or equal to \$1,350 per capita. ⁽³⁾	\$1,286	≤ \$1,350	\$337	\$695
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	150	330
	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	885	885
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

(1) E-Bill participation is below expectations. 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 no longer includes a question specific to Utility Billing customer service; measure will be changed for next year.

(3) On track to meet goal with close controls over expenditures.

FIRE

Type of Expenditure	2009-10 Amended Budget	Unaudited 2nd Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$8,161,380	\$2,087,365	\$4,082,061	50.02%
Supplies and Services	2,189,090	523,174	980,771	44.80%
Capital Outlay	1,173,790	85,286	520,830	44.37%
Total Operating Expenditures	\$11,524,260	\$2,695,825	\$5,583,662	48.45%

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

Noteworthy Accomplishments during this Quarter:

- The Department took delivery of its new aerial platform.
- The Department and the City notified the Insurance Services Office (ISO) of acceptance of the new ISO grade.
- The fiber optic connection to Zimbrick Memorial Fire Station 5 was completed.

Upcoming/Pending Items:

- A new Fire truck and ambulance should each be delivered in the third quarter.
- The Records Management System continues to be prepared for implementation.
- Recruitment is underway for the new Fire Marshal.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY08-09 ACTUAL	FY09-10 TARGET	2 nd QTR ACTUAL	FY09-10 YTD
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	3,208	5,493
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%	73.5%	68.8%
	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%	57%	57.5%
	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	\$37.34	\$73.53
	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%	13%	13.5%

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY08-09 ACTUAL	FY09-10 TARGET	2 nd 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	\$1,847	\$18,804
	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	0.20	0.44

(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 2nd Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$3,837,350	\$933,787	\$1,904,813	49.64%
Supplies and Services	2,515,880	524,501	1,070,016	42.53%
Capital Outlay	120,640	2,999	2,999	2.49%
Total Operating Expenditures	\$6,473,870	\$1,461,287	\$2,977,828	46.00%

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

Noteworthy Accomplishments during this Quarter:

- During December the Corvallis Library's boiler was replaced. The week-long project left the building without heat, but strategically placed space heaters, the closed parking garage, and milder weather kept the temperature relatively comfortable for staff and patrons. The new system promises to be more energy efficient with additional capacity for future building expansion.
- Staff began working with a team of students from the 208 Design Studio of OSU's Department of Art on a new brochure about the Library's art collection.
- The Fall Staff Inservice Day included sessions on new library technology and data bases, the new strategic plan, and the City's pandemic flu plan. There were also tours of the City Hall block departments, H P's Experience Room and the Gazette Times.
- Circulation Division improved customer service by changing procedures so that payments can be taken right up to closing time, and by offering patrons the option of paying with credit/debit cards.
- Some painting of walls and moving of shelving and collections was done to begin the major rearrangement that will be completed in the third quarter.
- Council approved the Library's Strategic Plan.
- The Library has nearly 400 fans on Facebook.
- Friends and Foundation board members attended a webinar coordinated by staff on DonorPerfect, the online donation database program used by the Library, Friends and Foundation.
- As a member of the Oregon Digital Library Consortium, the Library received a \$100,000 grant from Oregon State Library to purchase an "opening day collection" of downloadable e-books.
- Sustainability efforts continue with the transfer of 15 boxes of withdrawn children's books to Muddy Creek Charter School. Also, as many withdrawn books as possible are funneled to the Friends of the Library Benton Books' 50¢ Shelf, and other book sales.
- *Growing Families Together*, an Albany Public Library, Samaritan Health Services, and Corvallis and Albany Parks and Recreation collaboration, presented programs on helping families cope with homework demands.
- South Benton Library Project received a \$25,000 grant for the new Monroe Library building project.
- Alsea Community Effort received a grant to construct a covered area for the outside book drop at the Alsea Community Library.

Upcoming/Pending Items:

- Continue working with the Monroe community on plans for a new library building.
- Remodel and reorganize the lobby and other areas of the main floor.
- Building maintenance and special projects: Belluschi Wing fire sprinklers, Main Meeting Room carpet replacement

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY08-09 ACTUAL	FY09-10 TARGET	2 nd 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	\$3.02	\$2.97
	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	7,698	15,750
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.	90%	90%	90%	90%
	Be in the top 20% of circulation rates per capita of comparable ICMA libraries ≥ 13.2 .	Circulation rates per capita.	18.52	18.00	4.67	9.65
	Increase number of interactions with the public per FTE by 2% over previous year.	Interactions with the public per FTE. ⁽³⁾	6,578	7,200	1,416	2,842
	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	.072	.080
Diversity	Offer programs reflecting the diverse populations within Benton County.	Attendance at programs for children, teens, seniors, Latinos and other non-English speakers. ⁽⁴⁾	29,603	28,000	5,253	12,756
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	784	1,713
	Provide the materials people want to use and keep them moving through the community.	Circulation per registered borrower.	31.8	29.0	8.2	16.8

(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) Lower than last year, possibly due to public's use of self-service check-out and personal laptops on the wireless network.

(4) Q2 is traditionally lower; attendance will increase with Gearing up for Gardening and summer reading programs.

PARKS & RECREATION

Type of Expenditure	2009-10 Amended Budget	Unaudited 2nd Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$3,681,770	\$828,552	\$2,009,927	54.59%
Supplies and Services	2,243,950	484,698	1,001,215	44.62%
Capital Outlay	85,570	8,100	8,100	9.47%
Total Operating Expenditures	\$6,011,290	\$1,321,350	\$3,019,241	50.23%

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

Noteworthy Accomplishments during this Quarter:

- Grand opening of the new fenced dog park.
- Completed the Rose Garden paver project at Avery Park.
- Remodeled Corl House and hired new caretaker.
- Held the Halloween Boo Ball at the Senior Center.
- 500 dogs and 922 humans attended Dog Day at Osborn Aquatic Center.
- More than 130 adults and children attended Family Swim in the Dark at Osborn Aquatic Center.
- Held the Holiday Dinner on December 25th at the Senior Center, with 100 older adults in attendance supported by 25 community volunteers, and Santa.
- Held the High School Holiday Basketball Tournament, with 19 teams and 170 participants.
- The 7th Annual Turkey Trot and Li'l Gobblers Kids Dash attracted over 300 participants.
- Osborn Aquatic Center hosted: Oregon High School Water Polo District Championships, Special Olympics Oregon Regional Aquatics Competition, Corvallis School District Adaptive PE classes, and Oregon Senior Open Swim Meet.
- Completed the department vision plan.
- Began development of the Art and Cultural Commission.

Upcoming/Pending Items:

- Finalize Operations Management System acquisition and implementation.
- Develop Art and Cultural Commission Municipal Code.
- Partner with Benton County Health Department on the Healthy Kids Healthy Communities grant.
- Develop and implement budget reduction strategy.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY08-09 ACTUAL	FY09-10 TARGET	2 nd 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	3,592	11,867
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	\$5.33	\$3.80
	Highlight the value of subsidized recreation at Senior Center.	Target cost per visit for subsidy at the Senior Center.	\$4.73	< \$6.25	\$4.40	\$3.84
	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	\$15.11	\$40.12
Sustainability	Increase the utilization percentage of granted scholarships.	Percent of total scholarship value expended.	19%	25%	18%	21%
	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

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY08-09 ACTUAL	FY09-10 TARGET	2 nd QTR ACTUAL	FY09-10 YTD
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	202/ 5,680	520/ 11,380

- (1) On target to meet goal based on seasonality of results.
(2) Focusing on marketing to increase participants at events.
(3) Q2 has lower attendance, driving cost per visit up; on track to meet goal for the year.

POLICE

Type of Expenditure	2009-10 Amended Budget	Unaudited 2nd Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$8,915,630	\$2,244,749	\$4,439,137	49.79%
Supplies and Services	3,333,381	677,619	1,562,335	46.87%
Capital Outlay	245,660	63,029	173,253	70.53%
Total Operating Expenditures	\$12,494,671	\$2,985,398	\$6,174,725	49.42%

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:

- One department administrative vehicle was scheduled for replacement, and a hybrid vehicle was purchased.
- Citizen on line self-reporting system CopLogic went live in December.
- To address concerns of retailers selling alcohol to minors, a compliance check was held in November in partnership with the OLCC.
- A tactical action plan was initiated to address high activity levels and community livability issues surrounding the Halloween day Homecoming Football game. Although activity levels were extraordinarily high, due to increased staffing and directed patrols no major incidents resulted.
- The 30th class of Cops and Robbers 101 Citizen Police Academy ended in November with 20 participants graduating.
- Corvallis Police Auxiliary started one new Neighborhood Watch group in October.

Upcoming/Pending Items:

- Recruitment continues to fill the four enhancement dispatcher vacancies. A new recruitment was opened in December and testing and interviewing will be scheduled in the third quarter.
- Recruitment for the open police officer positions continues. Two positions were filled in December and four candidates are in the final stages of the process.
- File Preparation continues for the 2009 calendar year for CALEA (Commission on Accreditation of Law Enforcement Agencies).

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY08-09 ACTUAL	FY09-10 TARGET	2 nd QTR ACTUAL	FY09-10 YTD
Cost Efficiency	Increase community safety by reducing response time to top priority calls.	Response time in seconds to top priority calls.	316	300	308	314
	Increase community safety by clearing part 1 criminal investigations.	Percentage of Part 1 Crimes Cleared. ⁽²⁾	Violent 44% Property 16%	70% 20%	53% 14%	60% 16%
	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	77	64

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY08-09 ACTUAL	FY09-10 TARGET	2 nd QTR ACTUAL	FY09-10 YTD
Cost Efficiency (con't.)	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	<2.50	0.70	0.80
Diversity	Increase diversity of applicant pool through targeted outreach efforts.	Number of new, targeted outreach efforts. ⁽³⁾	8	6	3	3
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%	78%	78%

(1) Remains below goal, but above national average. Lower rankings are in traffic enforcement and crime prevention.

(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 commenced in second quarter of FY 09-10.

PUBLIC WORKS

Type of Expenditure	2009-10 Amended Budget	Unaudited 2nd Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$10,460,440	\$2,610,220	\$5,255,530	50.24%
Supplies and Services	18,044,590	3,657,848	7,310,801	40.52%
Capital Outlay	2,240,920	479,906	549,382	24.52%
Total Operating Expenditures	\$30,745,950	\$6,747,974	\$13,115,712	42.66%

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:

- Corvallis Transit System began providing free rides to persons accessing the men's and women's Cold Weather Shelters. This program will run through March 16, 2010.
- Continued to work with the Airport Commission to develop a scope of work for the RFP to update the Airport Industrial Park Master Plan. This project will be included in the Community Development department's work plan with an estimated completion date of December, 2010.
- Negotiated an agreement with the Corvallis Environmental Center to fund a Volunteer Coordinator position, using the Department of Energy's Energy Efficiency and Conservation Block Grant (EECBG). The Coordinator will manage a program working with residents to make home improvements that result in greater energy efficiency.
- Completed the repainting of both runways at the airport, and installed a new entry sign.
- Contracted with lumber mill to cut logs thinned from the Corvallis Forest to Forest Sustainability Council "green" lumber standards. Lumber is in storage waiting for uptick in lumber market before it is released for sale.
- Refined the scope of work for the Transit Operations and Maintenance Facility project.
- Retained a consulting firm to assist the City in engaging the community regarding options for complying with DEQ/EPA rules on Willamette River Total Load regulations that pertain to the City's wastewater system discharge permit.
- Completed the Water Distribution System Rehabilitation construction project. This project replaced several defective waterlines in the system.
- Completed the Sanitary Sewer Rehabilitation construction project. This project rehabilitated 280 sanitary sewer manholes in the system, thereby reducing infiltration and inflow of groundwater into the wastewater collection system.

Upcoming/Pending Items:

- Work with local partners to begin revolving loan fund and energy efficiency incentive programs funded by the EECBG grant.
- Advertise the RFP for the transit operations and maintenance contract to start July 1, 2010.

Upcoming/Pending Items (con't):

- Start work with the Corvallis Sustainability Coalition on their City Council approved water demonstration project at the First Alternative Cooperative's South Store.
- Complete the draft CIP document and support the CIP Commission during their review. The Planning Commission will hold a public hearing in January, 2010.
- Obtain the wetlands permit for the certified industrial site in the AIP, and the conservation easement for the mitigation site.
- Award the contract for acquiring new orthophotos and updates to key GIS data sets.
- Start work with consultant to investigate new water conservation program alternatives per City Council agreement with the Corvallis Sustainability Coalition.
- Complete the 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. This project will be constructed this summer.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY08-09 ACTUAL	FY09-10 TARGET	2 nd QTR ACTUAL	FY09-10 YTD
Cost Efficiency	Maintain street sweeping costs in lower third of comparator cities.	Street Sweeping expenditures per linear mile swept. ⁽¹⁾	\$16.00	\$15.00	\$15.88	\$16.29
	Maintain facility maintenance costs in lower third of comparator cities.	Custodial expenditures per square foot for administrative/office spaces. ⁽²⁾	\$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	\$2.45	\$2.63
	Have utility rates that contribute to Corvallis being an attractive place to live.	Average monthly utility bill, compared to other mid-Willamette Valley providers.	17%	<33%	9%	9%
	Efficient treatment of wastewater.	FTE per million gallons of wastewater treated in lower third of comparator cities.	.0020	.0030	.0060	.0072
	Efficient treatment of water.	FTE per million of gallons of water treated in lower third of comparator cities.	.0022	.0020	.0085	.0067
	Maximize budget available for infrastructure improvements.	Project design and construction management as a percentage of construction costs. ⁽³⁾	13%	20%	0%	0%
	Efficiently review development proposals.	Average Development Review Division FTE hours per construction project plan review.	24	30	25	26
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). ⁽⁴⁾	76%	90%	78%	78%
Sustainability	Be in the upper third of comparator cities for alternative fuels usage.	Percentage of vehicles and heavy equipment using alternative fuels. ⁽⁵⁾	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.	5.00%	<10.00%	5.10%	3.98%

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY08-09 ACTUAL	FY09-10 TARGET	2 nd QTR ACTUAL	FY09-10 YTD
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. ⁽⁵⁾	2.74%	10.00%	N/A	N/A

(1) Changes in Allied Waste's leaf pick-up program resulted in additional sweeping during the 2nd quarter.

(2) This is an annual measure normally calculated and/or reported in the fourth quarter. Data will be available in August, 2010.

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

(4) The lower scores were in the Street area. While reasons behind the scores aren't given, it is believed the low scores were due to the amount of construction, and consequent inconvenience to drivers.

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

NON-DEPARTMENTAL

Type of Expenditure	2009-10 Amended Budget	Unaudited 2nd Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$40,000	\$0	\$0	0.00%
Supplies and Services	1,486,720	402,226	822,668	55.33%
Capital Outlay	0	0	0	0.00%
Total Operating Expenditures	\$1,526,720	\$402,226	\$822,668	53.88%

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 12/15/2009	VACANT POSITIONS	STATUS
CMO	10.00	10.00		
COMMUNITY DEVELOPMENT	41.00	32.80	Assistant Planner (.20) Building Inspector (2) Code Enforcement (.5) Permit Coordinator (1) Permit Technician (.5) Plans Examiner I (1) Project Coordinator (1) Management Assistant (1) Planning Manager (1)	Underfilled Held open Recruitment open next qtr Held open Held open Held open Held open Recruitment in process No recruitment at this time
FINANCE	39.00	37.00	Court Clerk (2)	One recruitment initiated
FIRE	69.00	68.00	Division Chief (1)	Recruitment in process
LIBRARY	46.65	45.39	Deputy Library Director Reference Librarian (.01) Underfill Shelvers (0.25) Underfilled	No recruitment at this time Underfilled Underfilled
PARKS AND RECREATION	38.64	28.93	Seasonal Parks Workers (8.71) Management Assistant (1)	No recruitment at this time No recruitment at this time
POLICE	92.25	82.25	Police Officer (8) Public Safety Dispatcher (2)	Recruitment in process Recruitment in process
PUBLIC WORKS	119.00	114.13	Surveyor (1) Civil Engineer I (1) Engineering Technician III - (1) Program Specialist (1) Administrative Specialist - (.37) Maint Specialist Airport (.5)	Recruitment in process No recruitment at this time No recruitment at this time Recruitment in process Underfilled Recruitment in process
TOTALS	455.54	418.50		

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 second quarter, Capital Project year-to-date expenditures totaled \$2,018,937 or 17.01% 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	5,656
South Corvallis Drainage Improvements	69,900	69,900	0
TOTAL Airport Projects	<u>\$192,290</u>	<u>\$192,290</u>	<u>\$5,656</u>
BUILDINGS AND FACILITIES	ADOPTED	AMENDED	Y-T-D
City Hall Block	\$462,400	\$456,020	\$11,660
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	233,689
Carryover Adjustment - Unused Budget	0	6,380	0
TOTAL Buildings and Facilities	<u>\$1,781,600</u>	<u>\$1,776,600</u>	<u>\$245,349</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	74,663
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>\$74,663</u>
STORM WATER	ADOPTED	AMENDED	Y-T-D
Storm Drain Replacement	\$215,100	\$215,100	\$138,330
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>\$138,330</u>
TRANSPORTATION	ADOPTED	AMENDED	Y-T-D
9th and Circle Intersection Improvements	\$313,800	\$275,510	\$125,366
Advanced Transportation Management System	114,060	114,060	2,466
Circle Boulevard Pedestrian Activated Crossings	209,000	209,000	592
Country Club Drive Bike Lanes	19,100	19,100	566
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	47,872
Street Reconstruction	645,490	645,490	481,299
Traffic Signal-26th/Western	17,960	17,960	0
Traffic Signal-Kings/Walnut	279,300	279,300	199,862
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>\$858,023</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	420,166
WWMP Influent Pump Station	279,000	279,000	41,597
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>\$461,814</u>
WATER	ADOPTED	AMENDED	Y-T-D
Baldy Reservoir Cover Replacement	\$0	\$15,000	\$10,660
North Hills 1st Level Reservoir Improvements	230,930	230,930	1,621
Water Distrib System Rehabilitation	300,000	300,000	222,820
West Corvallis Second Level Water	38,500	38,500	0
Utility and Street Improvements	768,500	753,500	0
Carryover Adjustment - Unused Budget	0	0	0
TOTAL Water Projects	<u>\$1,337,930</u>	<u>\$1,337,930</u>	<u>\$235,101</u>
TOTAL All Areas	<u>\$11,866,610</u>	<u>\$11,866,610</u>	<u>\$2,018,937</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> \$5,656
<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>Staff is awaiting ODOT approval of an Intergovernmental Agreement before design work can begin.</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> \$11,660
<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 the third quarter, with construction anticipated for completion by the end of the fiscal year. 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 90% complete and staff anticipated advertising for construction bids in the third quarter, with bid opening by early March. Construction is anticipated to begin in April.</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. Fire Staff continue to work with Community Development and Public Works to determine the exact location of the training facility on the PW compound.</p> <p>This project has been delayed with a view to design beginning in FY10-11.</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 the end of the fiscal year.

<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> \$233,689
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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 phase 2 has been completed. Staff is preparing design and contract documents for Phase 3.

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> \$74,663
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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.

Working in partnership with the Corvallis Rose Society and with Local Share grant funds, Phase II of the Avery Park Rose Garden improvements are substantially complete. ADA pavers were installed along the Avery Garden pathways. Additionally, several small arbors were installed as well as a new raised planter bed for miniature roses.

The fenced dog park has been completed; however, there has been a citizen request for a separate fenced area for small dogs. Staff is reviewing that request.

<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> \$138,330
<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. Design of projects planned for FY 10-11 has 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> \$125,366
<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>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> \$2,466
<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>The design proposal has been accepted. 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> \$592
<p>This project will provide pedestrian crossings with activated signals along Circle Boulevard at Richey's Market, Janssen and 17th Streets. Design activities have 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> \$566
<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. Design activities have 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> \$47,872
<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 20 ramps 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> \$481,299
<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
This project provides for design and construction of a signal at 26 th Street and Western Boulevard intersection with funding provided by OSU. 95% design plans have been sent to OSU for review. The project is currently on hold pending further authorization from OSU.				
<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> \$199,862
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. Design was completed in FY 08-09. Construction was completed during the 1 st quarter, concurrently with the 2009-10 Street Reconstruction project.				
<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
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.				
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 and is currently processing a contract amendment with the original consultant. Work is expected to be reinitiated in the third quarter.				
<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
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.				

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
This project provides for the replacement/rehabilitation of the existing biosolids storage tank and pumping system which are showing signs of age. City staff will partner with Valley Landfill, Inc. on this project. Staff is waiting on cost estimates from Allied Waste before proceeding with design.				
<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
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.				
<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> \$420,166
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.				
The project scope was established as a project to rehabilitate manholes. Construction that began in FY 08-09 and continued into FY 09-10 has been completed.				
<i>WWMP Influent Pump Station</i>	<u>CIP Doc Pg:</u> 109	<u>Adopted Budget:</u> \$279,000	<u>Amended:</u> \$279,000	<u>YTD Expended:</u> \$41,597
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. The contractor will manufacture and store material for construction in FY 10-11.				

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).				
Due to discrepancy in cost and project understanding between all proposals, the original RFP was cancelled. Staff has completed a revised RFP with focus on more clarification. Advertisement is scheduled for the third quarter, with proposals to follow within the month.				
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

Baldy Reservoir Cover Replacement	<u>CIP Doc Pg:</u> n/a	<u>Adopted Budget:</u> \$0	<u>Amended:</u> \$15,000	<u>YTD Expended:</u> \$10,660
This project provides for design and replacement of the floating cover on the Baldy 1 st Level Water Reservoir. Included in the cover replacement will be the installation of a new rainwater removal system, installation of a water quality monitoring system and minimal site improvements. The cover replacement was completed in FY 08-09. The associated site improvements were delayed until FY 09-10 and have been substantially completed.				
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> \$1,621
This project provides for design and construction of reservoir improvements to the North Hills 1 st Level East Reservoir. Design has 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> \$222,820
This program provides for ongoing replacement or rehabilitation of the City's water distribution system infrastructure. Design was completed in FY 08-09 and construction was completed in the second quarter of FY 09-10.				
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> \$753,500	<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 December 31, 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 recruitment process for the Sustainability Program Specialist was begun. Ninety-eight applications were received for the 25-hour-per-week position. • The Sustainability Supervisor met with the Benton County Environmental Issues Advisory Committee to discuss how a system similar to the city’s Sustainability Management System could be developed for Benton County. • Several Public Works employees attended training on fostering sustainable behavior in community-based programs. <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> • Interviews will be held for the Sustainability Program Specialist position with an expected hire date of February 1, 2010. 	<p>Central City Economic Vitality Education and Human Services Governing and Civic Involvement Protecting the Environment Where we Live</p>
<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 December 31, 2009:</u></p> <ul style="list-style-type: none"> • Initiated free transit rides to/from men’s and women’s emergency homeless shelters. <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> • 	<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 December 31, 2009:</u></p> <ul style="list-style-type: none"> • Renewed contract with Corvallis Benton Chamber Coalition for the Airport Industrial Park. <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> • In January the City Council will consider a strategy to accomplish the 10-year development plan goal. 	<p>Economic Vitality Governing and Civic Involvement</p>

Goals	Corvallis 2020 Vision Statement Categories
<p>Establish a commission for arts and culture.</p> <p><u>Accomplished through December 31, 2009:</u></p> <ul style="list-style-type: none"> • Parks and Recreation held a stakeholders meeting to solicit stakeholders ideas for roles and responsibilities of the Commission. • City Council discussed the outcome of the stakeholders meeting and gave staff Council’s direction for roles and responsibilities at a Council work session. • City Council reviewed and modified draft municipal code language for the Arts and Culture Commission, and directed staff to reconvene the stakeholders group for feedback on the code language. <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> • Parks and Recreation will conduct a second stakeholders meeting to review draft municipal code language. • City Council will finalize municipal code at a future Council meeting. 	<p>Culture and Recreation Education and Human Services Governing and Civic Involvement Where we Live</p>
<p>Continue to implement Prosperity That Fits/Economic Vitality Partnership/ Economic Development and refine as necessary.</p> <p><u>Accomplished through December 31, 2009:</u></p> <ul style="list-style-type: none"> • Staff continues to work on downtown issues and with PTF Committees that implement the Plan. • Provided an annual update to the PTF Plan. <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> • 	<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 December 31, 2009:</u></p> <ul style="list-style-type: none"> • CPRCD reviewed City owned properties and began to identify funding sources. • CPRCD updated City Council regarding their findings. • Staff in the Public Works Department is working with CPRCD to obtain federal grant funds for habitat improvement on Corvallis forest lands. <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> • Work with Parks and Recreation and Public Works Departments to identify specific projects on City owned land that are eligible for funding. 	<p>Culture and Recreation Protecting the Environment</p>

Goals	Corvallis 2020 Vision Statement Categories
<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"> ○ 2009 Citizen Attitude Survey completed. • Sustainability: <ul style="list-style-type: none"> ○ In cooperation with Allied Waste and the Oregon Department of Environmental Quality, held a mercury collection/thermometer exchange at the household hazardous waste event. ○ Worked with ODOT to convert the traffic signal lights at Hwy 99W (South 3rd Street) and Crystal Lake Drive to LEDs. Staff anticipate a 70% reduction in energy cost and increased reliability at this signal. ○ Reviewed the organization’s sustainability program in four departments this quarter – Finance, Library, Police and City Manager’s Office. ○ Received \$9,900 from the BETC (Business Energy Tax Credit) program for the street light conversion project that changed the last mercury vapor lights to the more energy efficient high pressure sodium. ○ Received \$15,500 from the Energy Trust of Oregon for the energy management system at the Aquatic Center of \$15,500. ○ Held the annual employee charitable fund drive for United Way and Earth Share. ○ Held the annual employee Red Cross blood drive. ○ The Library replaced its boiler that had cracks with two new, energy efficient smaller boilers. • Diversity: <ul style="list-style-type: none"> ○ Continued participation in Employer Partnership for Diversity planning and training. ○ Continued planning by the Commission for Martin Luther King Jr. for their annual event. ○ Library restarted the Children’s Bilingual Book Club, this time at Lincoln School. • Cost Efficiency: <ul style="list-style-type: none"> ○ Completed annual performance management data collection. The data has been provided to the International City/County Management Association Center for Performance Management (ICMA/CPM) where results will be compiled and measured against other jurisdictions and returned to the City. 	