

FOURTH QUARTERLY OPERATING REPORT FISCAL YEAR 2010-2011

EXECUTIVE SUMMARY

August 18, 2011

The Quarterly Operating Report is produced and published on the City's web site within 45 days of the close of each fiscal quarter based on Financial Policy 10.04.040, then shared with the City Council's Administrative Services Committee to provide citizens, the Budget Commission and City Council with information about the City's financial performance for the quarter.

This Executive Summary provides highlights of the City's financials, 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 work plan items. This section also includes a report on vacancies;
- Capital Improvement Program (CIP) status report on the various projects underway year-to-date; and
- An update on City Council Values and Goals.

The FY 10-11 budget was prepared and adopted during a time of national economic recession. High unemployment, declining property values, and slowed development, as well as significantly lower than historical results in FY 09-10, were all taken into account when preparing the budget. Despite these factors, demand for many City services has never been higher, which in the face of the relatively flat or declining revenue stream is having a negative impact on fund balances across the organization.

At the end of the fourth quarter, the Federal Open Market Committee (FOMC) press release states that economic recovery is continuing moderately, though slower than the FOMC had anticipated. The recent weak labor market reports and spikes in food and energy prices, due primarily to supply chain disruptions in Japan, are primarily where the blame lies for the slower pace of recovery. While household spending and business investment in equipment and software is expanding, the housing market continues to remain depressed. However, economists expect these problems to be temporary, with an improving outlook for the labor market to spark growth later in 2011. Optimism for U.S. growth near term stems from positive data trends in the areas of personal consumption expenditures, exports and nonresidential fixed investment. Concerns about the national debt ceiling are also having a significant impact, especially in recent weeks, on the economy, as the value of the dollar and the US credit rating lack the strength these benchmarks have traditionally held. As of the end of June, the national unemployment rate was 9.2% while Oregon's unemployment rate held at 9.4%. Despite Oregon's unemployment rate being at its lowest since January 2009, approximately 200,000 Oregonians remain unemployed. At 6.4% unemployment on a seasonally adjusted basis, Corvallis has continued to fare better than the State in general, and remains the lowest for this statistic of all Metropolitan Statistical Areas in Oregon. Currently in FY 10-11, the Federal economic stimulus that was so prominent in FY 09-10 has subsided as American Recovery and Reinvestment Act (ARRA) projects are finished or nearing completion.

This is the first opportunity for the City Council, Budget Commissioners, and citizens to review the City's financial status as of June 30, 2011. This is a single snapshot in time and the data in this report precedes fiscal year end closing, including posting grant and some other revenue accruals. Expenditures are fairly close to the final expenditures for the year. Final data for the fiscal year will be published in the Comprehensive Annual Financial Report and will reflect audited figures. Overall, year-to-date the City's financial performance, while not performing at Adopted levels has generally attained revised estimates made during the FY 11-12 budget cycle. Revenue and expenditure timing is 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 budget pro-rated for year-to-date). The economy continues to impact the pace of residential building, but large projects from OSU have stabilized development revenues for the time being. In some cases, the percentage of revenues received compared to budget may belie what remains relatively poor revenue performance, due to reduced revenue estimates. This certainly holds true for some charges for service or fee-related revenues, such as Parks and Recreation activities and System Development Charges, where budget numbers may have been revised down due to the economy, but appear to be performing better because they are exceeding estimated amounts.

Expenditures are in line with last year's spending patterns for the fourth quarter of the fiscal year. Departments actively controlled expenditures through the end of FY 10-11 in an effort to attain adequate fund balances by year end.

The following table compares year-to-date actuals with budget for all funds in both FY 10-11 and FY 09-10:

REVENUE	AMENDED BUDGET	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	AMENDED BUDGET	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$40,494,356					
Property Taxes	\$21,208,240	\$21,707,796	102.36%	\$20,961,130	\$20,693,274	98.72%
Other Tax	1,036,190	1,190,725	114.91%	1,194,350	1,079,621	90.39%
Licenses/Permits	6,844,580	7,561,922	110.48%	6,886,740	7,064,184	102.58%
Charges for Service	38,375,510	40,060,509	104.39%	38,215,330	38,035,118	99.53%
Intergovernmental	18,538,917	10,429,557	56.26%	16,821,175	12,324,482	73.27%
Fines/Forfeitures	1,365,570	1,229,979	90.07%	1,413,310	1,033,121	73.10%
Miscellaneous	2,648,600	1,557,775	58.82%	2,997,033	2,380,544	79.43%
Other Financing Sources/Transfers in	15,646,822	8,010,944	51.20%	14,304,855	6,023,119	42.11%
TOTAL CURRENT REVENUE	\$105,664,429	\$91,749,207	86.83%	\$102,793,923	\$88,633,463	86.22%
EXPENDITURE BY DEPARTMENT						
City Manager's Office	\$3,149,270	\$3,086,664	98.01%	\$3,111,770	\$2,961,644	95.18%
Community Development	8,276,960	5,813,795	70.24%	7,553,710	4,535,416	60.04%
Finance	4,995,400	4,691,940	93.93%	4,913,490	4,666,621	94.98%
Fire	10,626,930	10,440,855	98.25%	11,524,260	11,040,775	95.80%
Library	6,434,610	5,960,662	92.63%	6,473,870	6,137,858	94.81%
Park & Recreation	5,795,480	5,479,164	94.54%	6,023,513	5,651,099	93.82%
Police	12,585,424	12,229,788	97.17%	12,494,671	12,172,806	97.42%
Public Works	29,330,670	24,359,751	83.05%	31,247,784	26,497,695	84.80%
Non-Departmental	1,539,260	1,428,363	92.80%	1,824,820	1,787,025	97.93%
TOTAL OPERATING EXPENDITURES	\$82,734,004	\$73,490,982	88.83%	\$85,167,888	\$75,450,939	88.59%
Debt Service	\$8,228,600	\$8,200,474	99.66%	\$7,214,200	\$7,214,116	100.00%
Capital Projects	14,282,447	4,715,906	33.02%	11,866,610	3,190,856	26.89%
Transfers Out / Other Financing Uses	13,089,352	5,862,782	44.79%	13,582,235	5,992,551	44.12%
Contingencies/Reserves	1,217,520	0	0.00%	1,585,740	0	0.00%
TOTAL ALL EXPENDITURES	\$119,551,923	\$92,270,144	77.18%	\$119,416,673	\$91,848,462	76.91%
CURRENT REVENUES LESS TOTAL EXPENDITURES	(\$13,887,494)	(\$520,937)		(\$16,622,750)	(\$3,214,999)	

In general, the status of the City's finances was in line with expectations at the end of the fourth quarter. Year-to-date revenues of \$91,749,207 are at 86.83% of the Amended Total Revenue Budget of \$105,664,429. The Amended Budget reflects the adopted budget, plus any amendments approved by the City Council via resolution during the course of the fiscal year. In the first nine months of FY 10-11, the following amendments to the budget were approved:

Date	Amendment Type	Resource	Fund	Department	Net Expenditure	Impact
7/19/2010	Res - Grant	LSTA Grant	Library	Library	\$	50,000
7/19/2010	Res - Grant	EPA Storm Grant	Storm	Public Works	\$	14,737
9/7/2010	Res - Grant	DOJ Byrne Grant	General	Police	\$	13,478
10/4/2010	Res - Grant	Benton County ARRA	Street	Public Works	\$	130,000
10/18/2010	Res - Grant	DOJ Byrne Grant	General	Police	\$	85,411
10/18/2010	Res - Grant	US DOJ Grant	General	Police	\$	5,228
11/6/2010	Res - Grant	US EPA Grant	General	Public Works	\$	491,762
2/22/2011	Res - Appropriation	Criminal Asset Forfeiture	General	Police	\$	15,367
5/2/2011	Res - Grant	ODOT Grant	Storm	Public Works	\$	124,000
5/16/2011	Res - Appropriation	Fuel Sales	Fleet	Public Works	\$	69,000
5/16/2011	Res - Appropriation	ODOT Grant	Airport	Public Works	\$	59,261
				Total Increase	\$	1,058,244

Significant revenue highlights include:

- **Property taxes** totaled \$21,707,796 through the fourth quarter which equals 102.36% of the budgeted property tax revenue. The majority of property taxes for the fiscal year are typically collected in the second quarter. FY 10-11 year-to-date property tax revenues are comparable with last fiscal year's results, although slightly higher due to higher assessed values.
- **Other Taxes** are collected from hotels in the form of room taxes and totaled \$1,190,725 or 114.91% of budget through the end of the fiscal year. Increased hotel rates as well as the number of hotel stays from an early football season, amongst other factors, have led to better total results than anticipated when the budget was adopted. .

- **Licenses, Fees and Permits** totaled \$7,561,922 which represents 110.48% of the amended budget. Although utility conservation efforts increased in FY 10-11, Pacific Power also instituted a rate increase in January 2011 driving franchise fee revenues to perform as expected in FY 10-11. The transportation maintenance fee collections slightly exceeded target and Development Service permit fees are higher than expected due to ongoing large projects at OSU. Billing and collection of Sustainability Initiative Fees (SIF) began in the third quarter (February) and have brought in about in \$493,490 to be used for fareless transit, sidewalk maintenance and urban forest trees.
- **Charges for Services** were \$40,060,509 which represents 104.39% of the amended budget. This revenue stream performed better than projected due to System Development Charges (SDC) from a couple of large projects at Oregon State University.
- **Intergovernmental** revenues are below target and low compared to last year's actuals at \$10,429,557 or 56.26%. The receipt of grant monies tends to be volatile and highly dependent on timing of related expenditures. Additionally, many projects that use grant funding were carried over to FY 11-12 and will be received once projects have reached completion. Furthermore, a few grant accruals (monies received in FY 11-12 relating to operations in FY 10-11) have not yet been recorded to FY 10-11, due to the timing of receipts. Several different funds are expecting to have grant accruals and include: General, Street, Fire, Community Development Revolving, Transit, Water Timber, Wastewater, and Airport Construction Funds.
- **Fines & Forfeiture** receipts related to Municipal court remain under budget but are increasing relative to last year based on concentrated efforts related to collection of past due traffic and parking fines. Through the end of FY 10-11, results of collection activities are summarized in the following table:

	<u>Overdue Fines</u>	<u>Written Off</u>	<u>Collected</u>	<u>Balance</u>
	<u>Turned over</u>			<u>Outstanding</u>
Traffic	\$1,788,108.71	\$32,200.00	\$17,412.68	\$1,738,496.03
Parking	\$168,467.30	\$3,402.00	\$ 39,126.52	\$125,938.78

- **Interest earnings** came in higher than originally expected, with some improvement in rates over what was anticipated. Investment earnings total \$279,661 at the end of the fourth quarter, which represents 119.42% of the budgeted interest. This trend may continue with the help of the City's new investment advisory firm contract, but may also be dampened by recent market declines brought on by economic factors noted earlier in this summary.

Operating expenditures for all funds totaled \$73,490,981 or 88.83% of the Amended Operating Expenditure Budget which is lower than last year both in total dollars expended and percentage of budget. These results are partly reflective of department efforts to contain costs, particularly in the property tax funds where resources are becoming much more limited. Non-operating expenditures, which include capital projects, transfers, debt service, and contingency, totaled \$18,779,162 or 51.01% of the \$36,817,919 Amended Non-Operating Budget. In total, expenditures through the fourth quarter were \$92,270,143 or 77.18% of the \$119,551,923 budgeted, compared to 76.91% for last fiscal year. A breakdown of departmental expenditures by category is provided below:

OPERATING EXPENDITURES BY DEPARTMENT

DEPARTMENT	AMENDED BUDGET	PERSONAL SERVICES	SUPPLIES & SERVICES	CAPITAL OUTLAY	TOTAL EXPENDITURES	% OF AMENDED BUDGET
<i>Total Budget by Category</i>		\$45,363,176	\$35,358,528	\$2,012,300	\$82,734,004	
City Manager's Office	\$3,149,270	\$1,408,071	\$1,678,593	\$0	\$3,086,664	98.01%
Community Development	8,276,960	3,309,493	2,504,301	0	5,813,795	70.24%
Finance	4,995,400	3,325,766	1,311,204	54,970	4,691,940	93.93%
Fire	10,626,930	8,317,499	1,923,368	199,989	10,440,855	98.25%
Library	6,434,610	3,770,588	2,104,470	85,604	5,960,662	92.63%
Parks & Recreation	5,795,480	3,466,019	1,992,555	20,590	5,479,164	94.54%
Police	12,585,424	9,369,863	2,839,149	20,775	12,229,788	97.17%
Public Works	29,330,670	10,862,913	13,092,141	404,697	24,359,751	83.05%
Non Department	1,539,260	0	1,428,363	0	1,428,363	92.80%
TOTAL	\$82,734,004	\$43,830,212	\$28,874,144	\$786,625	\$73,490,981	88.83%
Percent of Budget		96.62%	81.66%	39.09%	88.83%	

Significant expenditure highlights include:

- **Personal services** totaled \$43,830,212 or 96.62% of the amended budget of \$45,363,176 and was in line with the percent of budget spent in FY 09-10, though \$1,388,000 higher due to cost of living, associated benefit increases, and retirement cashouts.
- **Supplies and Services** totaled \$28,874,144 or 81.66% of the amended budget of \$35,358,528 The dollars spent in FY 10-11 are approximately 6.1% lower than the amount spent in FY 09-10 due primarily to the slowdown of ARRA grant funded projects in the Public Works department.

- **Capital Outlay** totaled \$786,625 or 39.09% of the amended budget of \$2,012,300. Capital purchases do not tend to follow a regular pattern other than to typically weight toward the end of the fiscal year to ensure that sufficient budget remains for the acquisition. Also, careful review is conducted prior to replacement of vehicles, and other equipment schedules, to see if deferrals can be made and appropriations carried over rather than proceeding with planned spending in these fiscally constrained times.

NON OPERATING EXPENDITURES

- **Capital projects** totaled \$4,715,906 or 33.02% of the amended budget of \$14,282,447. Capital project expenditures tend to fluctuate year-over-year, and there are always projects that are either carried forward into following years or simply do not come to fruition.
- **Debt service** payments totaled \$8,200,474 or 99.66% of the amended budget of, \$8,228,600 which is similar to last year's levels.
- **Transfers and Other Financial Uses** totaled \$5,862,782 or 44.79% of the amended budget of \$13,089,352. 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 currently found in the General, Parks and Recreation, Fire and Rescue, Transit, Library and General Obligation Debt Service Funds, although after FY 10-11 Transit will no longer receive property tax funding. 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 33% 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. Charging of monthly Sustainability Initiative Fees (SIF) on the utility services bill began in February 2011. These fees are to be used for transit operations (to support fareless transit), sidewalk repairs, and urban tree replacements.

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, 911 and highway taxes and currently make up approximately 27.90% of amended budget intergovernmental revenues. Benton County Intergovernmental funds for Library support make up approximately 13.85% 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 54.63% 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 3.62% 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), gifts/contributions, insurance proceeds, bad debts recovered and investment interest revenues. Interest revenues represent less than 10% 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 \$2,544,980 are supported by specific property tax levies. Debt service incurred in support of enterprise operations (Water, Wastewater, Storm Water and Airport) totals \$3,285,260 and is paid from revenues derived from charges for services within each fund. Pension obligation bond annual debt service of \$2,281,950 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 are 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.

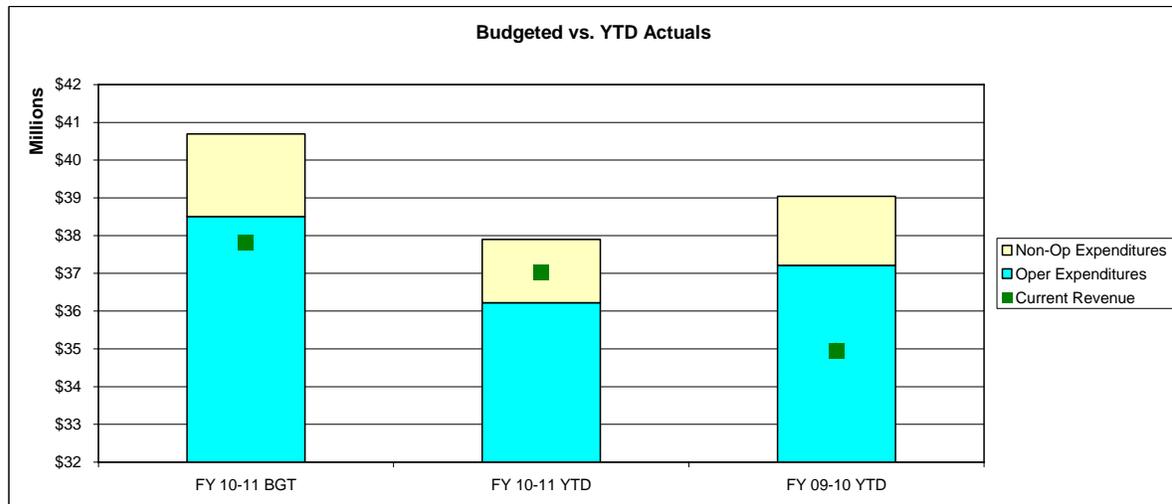
PROPERTY TAX FUNDS COMBINED*

REVENUE	AMENDED BUDGET	4th Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	4th Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$2,716,096						
Property Taxes	\$19,233,240	\$1,632,272	\$19,730,852	102.59%	\$1,327,472	\$18,542,817	99.82%
Other Tax	1,036,190	450,616	1,190,725	114.91%	401,828	1,079,621	90.39%
Licenses/Permits	5,449,690	1,928,301	5,448,731	99.98%	1,794,973	5,303,032	94.90%
Charges for Service	5,307,470	1,158,023	5,348,835	100.78%	1,121,391	5,116,361	96.21%
Intergovernmental	5,050,299	669,107	3,719,531	73.65%	753,321	3,753,238	88.55%
Fines/Forfeitures	957,640	215,735	809,305	84.51%	201,426	661,414	65.50%
Miscellaneous	341,750	63,077	397,096	116.20%	-46,034	489,279	105.78%
Other Financing Sources	430,450	361,899	383,405	89.07%	11,066	12,337	0.00%
TOTAL CURRENT REVENUE	\$37,806,729	\$6,479,029	\$37,028,482	97.94%	\$5,565,442	\$34,958,099	96.07%

EXPENDITURE BY DEPARTMENT

Community Development	\$1,618,220	\$375,586	\$1,462,198	90.36%	\$360,035	\$1,453,556	84.40%
Finance	618,920	153,831	584,635	94.46%	152,972	614,534	89.83%
Fire	10,626,930	2,820,332	10,440,855	98.25%	2,435,571	11,040,775	95.80%
Library	6,434,110	1,543,447	5,960,515	92.64%	1,543,385	6,108,299	94.90%
Parks and Recreation	5,795,480	1,470,616	5,479,164	94.54%	1,438,071	5,651,099	93.82%
Police	10,060,474	2,550,236	9,920,855	98.61%	2,436,636	9,978,568	98.53%
Public Works	1,816,852	289,002	946,672	52.11%	283,369	878,851	68.56%
Non-Departmental	1,537,910	322,934	1,427,013	92.79%	336,986	1,487,599	97.53%
TOTAL OPERATING EXPENDITURES	\$38,508,896	\$9,525,984	\$36,221,908	94.06%	\$8,987,024	\$37,213,279	94.63%
Debt Service	\$49,920	\$0	\$30,389	60.88%	\$0	\$0	0.00%
Transfers	1,818,300	278,470	1,646,600	90.56%	227,949	1,828,219	57.12%
Contingencies/Reserves	315,250	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$40,692,366	\$9,804,454	\$37,898,897	93.14%	\$9,214,973	\$39,041,498	90.51%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$2,885,637)	(\$3,325,425)	(\$870,415)		(\$3,649,531)	(\$4,083,399)	

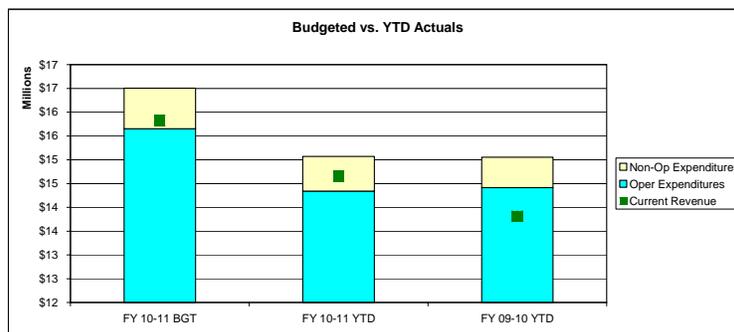
* Includes General, Parks & Recreation, Fire & Rescue, and Library Funds



GENERAL FUND

REVENUE	AMENDED BUDGET	4th Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	4th Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$633,098						
Property Taxes (1)	\$4,857,150	\$68,791	\$4,979,073	102.51%	\$47,860	\$4,898,889	100.31%
Other Tax (2)	1,036,190	450,616	1,190,725	114.91%	401,828	1,079,621	90.39%
Licenses/Permits (3)	5,383,940	1,875,750	5,342,369	99.23%	1,765,723	5,227,722	94.64%
Charges for Service	713,370	161,149	675,033	94.63%	124,385	585,995	92.44%
Intergovernmental (4)	2,476,979	409,460	1,287,646	51.98%	496,888	1,347,433	73.90%
Fines/Forfeitures (5)	866,700	189,405	697,647	80.49%	178,890	573,806	62.90%
Miscellaneous (6)	113,290	35,539	137,493	121.36%	15,315	96,679	63.70%
TOTAL CURRENT REVENUE	\$15,818,069	\$3,536,159	\$14,659,438	92.68%	\$3,037,285	\$13,816,542	91.36%
EXPENDITURE BY DEPARTMENT							
Community Development (7)	\$1,618,220	\$375,586	\$1,462,198	90.36%	\$360,035	\$1,453,556	84.40%
Finance (8)	618,920	153,831	584,635	94.46%	152,972	614,534	89.83%
Police	10,060,474	2,550,236	9,920,855	98.61%	2,436,636	9,978,568	98.53%
Public Works (9)	1,816,852	289,002	946,672	52.11%	283,369	878,851	68.56%
Non-Departmental	1,537,910	322,934	1,427,013	92.79%	336,986	1,487,599	97.53%
TOTAL OPERATING EXPENDITURES	\$15,652,376	\$3,691,589	\$14,341,374	91.62%	\$3,569,997	\$14,413,107	93.95%
Transfers (10)	\$700,760	\$117,730	\$699,060	99.76%	\$90,120	\$641,910	64.83%
Contingencies/Reserves	103,640	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$16,506,696	\$3,809,319	\$15,070,823	91.30%	\$3,660,117	\$15,055,017	90.78%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$688,627)	(\$273,160)	(\$411,385)		(\$622,832)	(\$1,238,476)	

- The majority of current year property taxes are collected in the second quarter. This year's collection pattern is generally consistent with prior years. The General Fund has collected more than budgeted year-to-date (YTD) in FY 10-11 due to a combination of higher than expected assessed value and an increase in collection of delinquencies. Fourth quarter activity in both years includes the buyout of current delinquencies and discounts.
- Transient room tax receipts are higher and more on target this year than in FY 09-10. While the first five months of receipts lagged target, year-end receipts exceeded Adopted, due primarily to 9.3% higher lodging occupancy rates in Benton County brought on by some improvement in the local economy.
- Franchise fee revenues, which represent 96% of the budget in this category for the General Fund, are more than \$135,000 above FY 09-10 actuals. Although there have been conservation efforts, there was also a recent 20% Pacific Power rate increase driving the additional revenues in FY 10-11 and this increase should also assist fee collections in the coming fiscal year.
- Over \$900,000 of FY 10-11 budgeted grant revenues from Department of Justice, Department of Energy, and the Environmental Protection Agency (EPA) were carried forward to FY 11-12, which accounts for the majority of this revenue being under FY 10-11 YTD. Revenue sharing receipts are below budget due to a holdback by the state to recoup an overpayment of disbursements in 2010. Contrary to this, cigarette and liquor tax revenues have or are projected to meet expectations. Although not reflected in the above table, additional receipt of liquor tax revenues is expected in July and will be accrued back to FY 10-11.
- Municipal court traffic fine revenue is higher in FY 10-11 versus the same time period in FY 09-10 due primarily to the City's contract with a new collections agency, resulting in an improved collection rate. Court ordered restitution payments and subpoena reimbursement revenues also came in higher than projected.
- FY 10-11 miscellaneous revenue is higher than usual due to an unexpected local improvement district lien payoff of \$21,500 in the first quarter.
- Community Development spending in FY 10-11 is aligned with FY 09-10, but under 10-11 budget due to vacancies and budgetary constraints.
- Finance spending in FY 10-11 is lower than FY 09-10 and budget primarily due to an employee leave-of-absence.
- Public Works spending is below budget YTD due to \$700,000 in EECBG and EPA grant project appropriations now carried over to FY 11-12.
- Transfers include this fund's portion of the semi-annual debt service payments for the Pension Obligation Bonds, Development Services Fund support and those related to capital projects. See the Capital Improvement Program section for status information on capital projects.

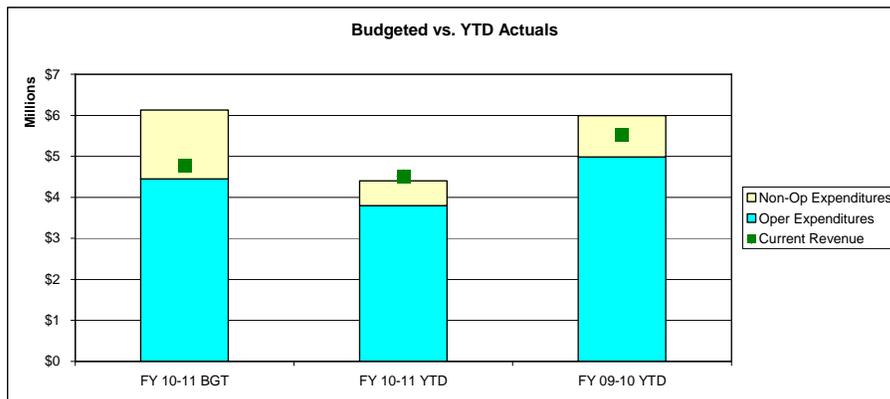


COMBINED STREET FUND*

REVENUE	AMENDED BUDGET	4th Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	4th Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$362,488						
Licenses/Permits (1)	\$452,390	\$143,148	\$566,660	125.26%	\$118,402	\$460,898	96.32%
Charges for Service (2)	505,860	363,331	852,727	168.57%	178,492	918,982	148.12%
Intergovernmental (3)	3,797,260	1,196,425	3,063,553	80.68%	1,219,436	4,101,111	79.94%
Fines/Forfeitures (4)	500	927	4,718	943.53%	651	1,311	1311.04%
Miscellaneous	15,650	3,173	16,657	106.44%	5,209	27,736	28.75%
TOTAL CURRENT REVENUE	\$4,771,660	\$1,717,373	\$4,514,684	94.61%	\$1,534,905	\$5,522,751	87.30%
EXPENDITURE BY DEPARTMENT							
Community Development	\$19,750	\$4,351	\$18,136	91.83%	\$4,366	\$17,369	88.12%
Public Works (5)	4,429,360	1,064,058	3,783,066	85.41%	1,227,165	4,966,794	76.77%
TOTAL OPERATING EXPENDITURES	\$4,449,110	\$1,068,409	\$3,801,201	85.44%	\$1,231,531	\$4,984,163	76.80%
Transfers (6)	\$1,606,520	\$87,418	\$600,328	37.37%	(\$128,778)	\$1,011,592	53.33%
Contingencies/Reserves	73,920	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$6,129,550	\$1,155,827	\$4,401,530	71.81%	\$1,102,753	\$5,995,755	70.94%
CURRENT REVENUE LESS TOTAL EXPENDITURES	(\$1,357,890)	\$561,546	\$113,154		\$432,152	(\$473,004)	

* Includes Street SDC Fund

- (1) Fees in lieu of improvements for a new property, a new Right of Way (ROW) permit holder, and new sustainability initiative fee (SIF) revenue (established in February) contributed to the increase in licenses/permits revenue from original projections.
- (2) System development charge revenue has exceeded expectations by nearly \$360,000 from development by OSU and Good Samaritan Hospital, as well as the construction of Apartment Homes on Timberhill.
- (3) This category in total is significantly lower than last year based on grants for ARRA projects tapering off to only about \$169,000 in the current year to date versus \$1.4 million last year.
- (4) Fines and forfeitures largely consist of restitution cases where City property has been damaged.
- (5) Public Works expenditures are down significantly from last year due to a large amount of ARRA work done in the prior year.
- (6) Transfers include this fund's portion of the semi-annual debt service payments for the Pension Obligation Bonds, 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.

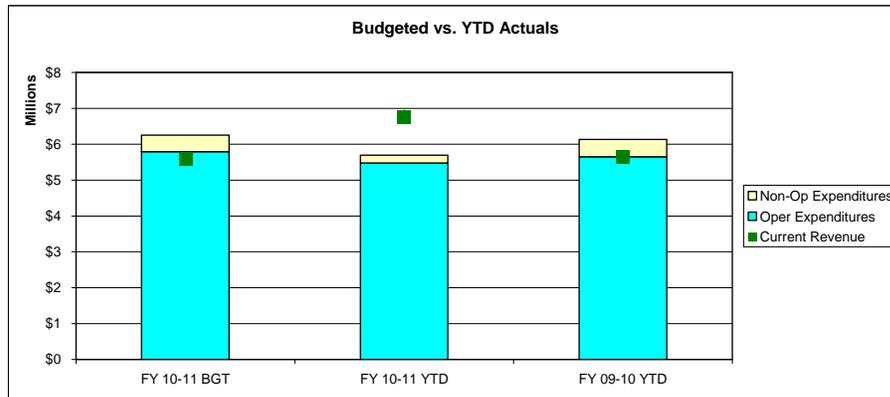


PARKS AND RECREATION FUND*

REVENUE	AMENDED BUDGET	4th Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	4th Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$659,627						
Property Taxes (1)	\$3,870,450	\$420,937	\$3,971,633	102.61%	\$357,234	\$3,809,025	99.64%
Licenses/Permits (2)	47,800	47,140	85,200	178.24%	24,572	56,518	121.02%
Charges for Service (3)	1,552,430	685,224	2,568,779	165.47%	456,148	1,467,079	92.83%
Intergovernmental (4)	29,900	4,400	11,800	39.46%	0	7,400	27.01%
Fines/Forfeitures	100	(32)	229	228.50%	324	1,004	0.00%
Miscellaneous (5)	79,790	32,130	113,790	142.61%	(5,979)	292,889	220.43%
TOTAL CURRENT REVENUE	\$5,580,470	\$1,206,248	\$6,767,878	121.28%	\$834,102	\$5,635,718	100.45%
EXPENDITURE BY DEPARTMENT							
Parks and Recreation (6)	\$5,795,480	\$1,470,616	\$5,479,164	94.54%	\$1,438,071	\$5,651,099	93.82%
TOTAL OPERATING EXPENDITURES	\$5,795,480	\$1,470,616	\$5,479,164	94.54%	\$1,438,071	\$5,651,099	93.82%
Transfers (7)	\$403,452	\$57,549	\$216,389	53.63%	\$22,382	\$483,072	41.24%
Contingencies/Reserves	54,900	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$6,253,832	\$1,528,164	\$5,695,553	91.07%	\$1,460,453	\$6,134,171	83.92%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$673,362)	(\$321,916)	\$1,072,325		(\$626,351)	(\$498,452)	

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

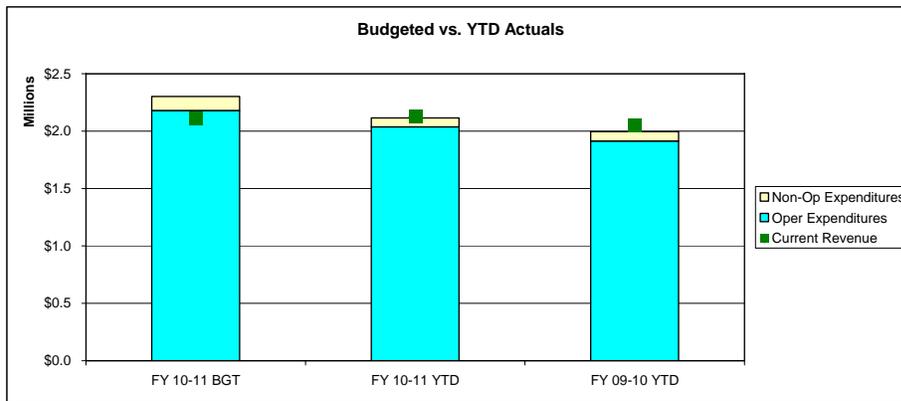
- (1) The majority of current year property taxes are collected in the second quarter. This year's collection pattern is consistent with prior years.
- (2) Licenses/Permits are higher than budget and the prior year due to the addition of Urban Forest-SIF related revenue. Somewhat offsetting these increases are declining park shelter rentals, which are lower YTD than in FY 09-10.
- (3) Charges for services are higher than last year due primarily to over \$1,000,000 in Parks SDC receipts that have been billed in respect of OSU projects, as well as OSU game day parking coming in over budget.
- (4) Both years' intergovernmental revenues are below budget due to the non-receipt of a budgeted annual \$20,000 Department of Energy grant related to the Herbert Open Space property, which was pending completion of the management plan. Since the plan was completed and approved in March 2011, implementation is expected to begin summer of 2011 so grant receipts are anticipated for FY 11-12.
- (5) Miscellaneous revenue is comparable to last year, excluding the \$206,000 bequest to the Senior Center received in the first quarter of FY 09-10. Both years show donation and non-governmental grant receipts well ahead of budgeted expectations.
- (6) Vacancies and concerted efforts to reduce spending in materials, supplies, and training resulted in Parks & Recreation's fourth quarter and YTD spend being less than the prior year.
- (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. See the Capital Improvement Program section for status information on capital projects for FY 10-11.



911 EMERGENCY SERVICES

REVENUE	AMENDED BUDGET	4th Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	4th Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$408,215						
Charges for Service	\$936,420	\$234,084	\$939,405	100.32%	\$246,664	\$986,656	100.00%
Intergovernmental	1,174,150	358,357	1,183,433	100.79%	338,669	1,059,507	108.37%
Miscellaneous (1)	2,210	814	4,526	204.80%	1,659	5,071	67.43%
TOTAL CURRENT REVENUE	\$2,112,780	\$593,255	\$2,127,364	100.69%	\$586,992	\$2,051,233	104.02%
EXPENDITURE BY DEPARTMENT							
Police (2)	\$2,180,630	\$492,427	\$2,037,047	93.42%	\$455,230	\$1,914,402	92.45%
TOTAL OPERATING EXPENDITURES	\$2,180,630	\$492,427	\$2,037,047	93.42%	\$455,230	\$1,914,402	92.45%
Transfers	\$77,940	\$13,340	\$77,940	100.00%	\$13,370	\$80,390	99.94%
Contingencies/Reserves	44,120	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$2,302,690	\$505,767	\$2,114,987	91.85%	\$468,600	\$1,994,792	91.10%
CURRENT REVENUE LESS TOTAL EXPENDITURES	(\$189,910)	\$87,489	\$12,377		\$118,392	\$56,441	

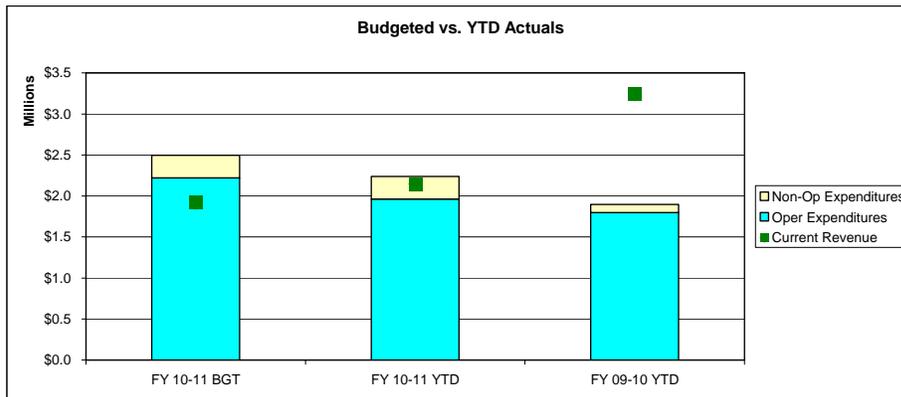
- (1) Miscellaneous revenue fluctuates year over year since it is comprised primarily of interest on investments (based on fund balance) and false alarm billing revenue to outside entities.
- (2) Spending is consistent with the prior year, with vacancy savings being the primary reason for under budget expenditures.



DEVELOPMENT SERVICES

REVENUE	AMENDED BUDGET	4th Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	4th Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$630,589						
Licenses/Permits (1)	\$799,500	\$300,508	\$1,019,673	127.54%	\$186,763	\$1,163,606	169.39%
Charges for Service (2)	892,260	190,746	897,620	100.60%	455,671	1,848,679	262.93%
Miscellaneous (3)	7,010	2,090	11,480	163.77%	3,432	7,832	28.45%
Other Financing Sources (4)	218,390	0	218,390	100.00%	0	218,390	100.00%
TOTAL CURRENT REVENUE	\$1,917,160	\$493,344	\$2,147,163	112.00%	\$645,866	\$3,238,507	197.96%
EXPENDITURE BY DEPARTMENT							
Community Development (5)	\$2,221,550	\$510,215	\$1,963,120	88.37%	\$448,120	\$1,798,849	95.53%
TOTAL OPERATING EXPENDITURES	\$2,221,550	\$510,215	\$1,963,120	88.37%	\$448,120	\$1,798,849	95.53%
Transfers (6)	\$274,330	\$208,570	\$274,330	100.00%	\$26,200	\$98,460	76.28%
Contingencies/Reserves	0	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$2,495,880	\$718,785	\$2,237,450	89.65%	\$474,320	\$1,897,309	94.29%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$578,720)	(\$225,441)	(\$90,286)		\$171,547	\$1,341,197	

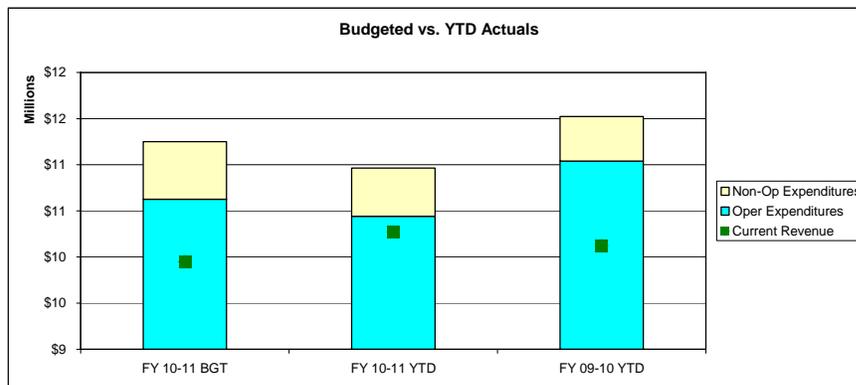
- (1) Year-to-date revenues in both of years has exceeded expectations due to large scale projects at OSU, Good Samaritan Hospital, and development of Apartment Homes on Timberhill.
- (2) In FY 09-10, Development Services collected nearly twice as much revenue as expected, due primarily to commercial projects at OSU and Good Samaritan. Residential permit issuance continues to be low; Development Services has received 36 residential home permits for the year, up slightly from the 32 received last year at this time.
- (3) Interest revenue remains low compared to pre-FY 09-10 levels; however, YTD investment earnings have surpassed last year actuals.
- (4) Dollars reflect transfers from: the General Fund to cover land use work done by the senior planner in the Development Services Fund; from Street SDC, Parks SDC, Water SDC, Wastewater SDC, and Storm water SDC Funds in support of SDC permitting administration work by Development Services; and Storm Water Fund support of Erosion & Sediment Control program by Development Services staff. Funding transfers of this nature are typically booked at the beginning of the fiscal year.
- (5) Expenditure actuals are below budget due to vacancy savings and postponement of computer equipment and software purchases.
- (6) Transfers include this fund's portion of the semi-annual debt service payments 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	4th Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	4th Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$1,305,626						
Property Taxes (1)	\$6,667,370	\$725,194	\$6,842,357	102.62%	\$640,342	\$6,827,677	99.65%
Licenses/Permits (2)	17,950	5,411	21,162	117.90%	4,678	18,792	106.05%
Charges for Service (3)	3,146,270	548,887	3,271,140	103.97%	556,340	3,150,266	98.20%
Intergovernmental (4)	32,800	19,765	28,479	86.83%	0	76,380	0.00%
Fines/Forfeitures (5)	15,340	1,820	17,223	112.28%	3,594	12,025	74.64%
Miscellaneous (6)	70,180	(17,860)	73,618	104.90%	(66,855)	35,203	45.68%
Other Financing Sources (7)	0	0	17,505	0.00%	2,867	4,138	0.00%
TOTAL CURRENT REVENUE	\$9,949,910	\$1,283,216	\$10,271,484	103.23%	\$1,140,965	\$10,124,481	99.55%
EXPENDITURE BY DEPARTMENT							
Fire (8)	\$10,626,930	\$2,820,332	\$10,440,855	98.25%	\$2,435,571	\$11,040,775	95.80%
TOTAL OPERATING EXPENDITURES	\$10,626,930	\$2,820,332	\$10,440,855	98.25%	\$2,435,571	\$11,040,775	95.80%
Transfers (9)	\$521,750	\$89,290	\$521,750	100.00%	\$79,930	\$480,630	34.91%
Contingencies/Reserves	101,230	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$11,249,910	\$2,909,622	\$10,962,605	97.45%	\$2,515,501	\$11,521,405	87.80%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$1,300,000)	(\$1,626,406)	(\$691,121)		(\$1,374,536)	(\$1,396,924)	

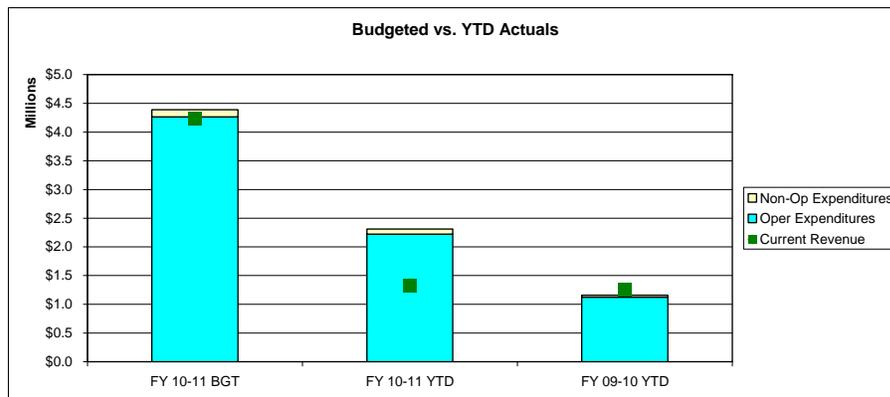
- (1) The majority of current year property taxes are collected in the second quarter. This year's collection pattern is consistent with prior years.
- (2) Licenses, Fees & Permits are above target and prior year due to increased uniform fire code permits related to an increase in building construction this fiscal year compared to last year.
- (3) Charges for services include parking meter monies; Corvallis Rural Fire Protection District (CRFPD) contract payments, HazMat incident reimbursement; plan review fees; FireMed memberships, ambulance service charges, and copies of incident and Pre-hospital care reports. The variance is partly attributable to more conservative revenue estimates made for FY 10-11, particularly for ambulance revenues, than were achieved YTD.
- (4) Intergovernmental revenues are associated with reimbursements from Benton County Emergency Services for services provided by the City's emergency operation personnel. FY 09-10 revenues are higher in this category than FY 10-11 due to conflagrations and USAR grant reimbursements being received.
- (5) Fines & Forfeitures are above target and prior year due to an increase in the number of nuisance alarms and civil penalties issued and paid in FY 10-11.
- (6) A \$78,750 grant was received and recorded in the second quarter of FY 09-10 from PacificCorp for solar panels at Station 4. However, the funds were accrued forward at year end to FY 10-11 since the related work was not completed, thus explaining the fourth quarter credit in FY 09-10. The fourth quarter credit in FY 10-11 is due to a grant refund back to Pacific Corp since the Solar Panel project came in under budget.
- (7) The unbudgeted receipts in this line item relate to sales of capital assets, such as a used fire engine in FY 10-11.
- (8) FY 10-11 Fire Department expenditures are approximately \$600,000 lower than last fiscal year due to the special project purchase in FY 09-10 of a replacement ladder truck.
- (9) 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	4th Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	4th Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$877,831						
Licenses/Permits (1)	\$118,000	(\$220)	\$116,220	98.49%	(\$120)	\$116,510	105.27%
Charges for Service (2)	5,000	0	5,000	100.00%	0	5,000	100.00%
Intergovernmental (3)	3,626,190	0	964,027	26.59%	289,003	704,068	23.97%
Fines/Forfeitures (4)	2,500	(2,543)	476	19.06%	(3,393)	1,831	76.28%
Miscellaneous (5)	477,430	122,530	245,395	51.40%	49,305	426,274	78.78%
TOTAL CURRENT REVENUE	\$4,229,120	\$119,767	\$1,331,118	31.48%	\$334,795	\$1,253,682	34.86%
EXPENDITURE BY DEPARTMENT							
Community Development (6)	\$4,262,670	\$970,205	\$2,223,170	52.15%	\$338,150	\$1,126,470	29.82%
TOTAL OPERATING EXPENDITURES	\$4,262,670	\$970,205	\$2,223,170	52.15%	\$338,150	\$1,126,470	29.82%
Transfers (7)	\$89,420	\$66,600	\$89,420	100.00%	\$10,050	\$32,540	69.31%
Contingencies/Reserves	35,720	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$4,387,810	\$1,036,805	\$2,312,590	52.70%	\$348,200	\$1,159,010	30.07%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$158,690)	(\$917,038)	(\$981,472)		(\$13,405)	\$94,673	

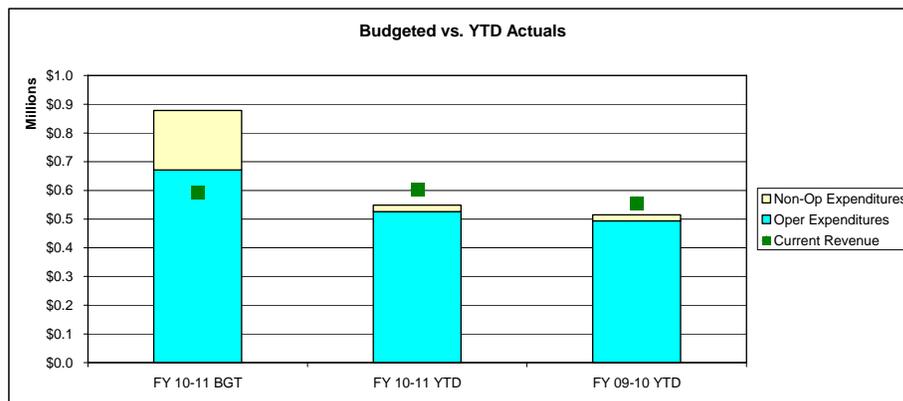
- (1) Invoices are issued annually for the rental housing program in September, so all of this revenue is recorded at the end of the first quarter when the bills are run. Negative activity in subsequent quarters typically reflects the write-offs associated with non-collection of some of these bills.
- (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 above are typical. While developing next years budget the Housing division has identified just over \$2.4 million of these grant dollars are being carried over to FY 11-12.
- (4) This line includes Rental Housing Program penalties applied to delinquent accounts, however, is netted against negative activity for penalties waived and/or accounts written off and sent to collections.
- (5) This line includes fifteen loan payoffs through the fourth quarter, plus regular principal and interest payments. An anticipated payment of over \$200,000 for housing development activity at Seavey Meadows will not occur until FY 11-12.
- (6) Expenditures are primarily grant-related in this fund, and thus variable in timing. The current quarter includes a \$760,000 payment for the Alexander Seavey Affordable Rental Housing Project. Much like other projects in the HOME program, this special project will be reimbursed through multiple grant payments in FY 11-12.
- (7) Transfers include this fund's portion of the semi-annual debt service payments 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	4th Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	4th Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$753,747						
Licenses/Permits	\$20,000	\$2,574	\$17,758	88.79%	\$2,153	\$15,841	88.00%
Charges for Service	164,450	39,807	167,438	101.82%	41,343	164,942	93.80%
Fines/Forfeitures (1)	404,930	116,687	411,983	101.74%	106,732	367,280	91.59%
Miscellaneous (2)	3,200	1,097	5,510	172.18%	3,316	7,909	56.86%
TOTAL CURRENT REVENUE	\$592,580	\$160,165	\$602,688	101.71%	\$153,543	\$555,971	91.33%
EXPENDITURE BY DEPARTMENT							
Community Development	\$4,010	\$886	\$3,533	88.11%	\$927	\$3,805	97.57%
Finance (3)	132,180	29,877	114,774	86.83%	21,177	105,451	81.43%
Police (3)	344,320	65,285	271,885	78.96%	67,877	279,836	94.42%
Public Works (3,4)	190,590	34,315	135,429	71.06%	40,658	104,872	60.35%
TOTAL OPERATING EXPENDITURES	\$671,100	\$130,363	\$525,620	78.32%	\$130,639	\$493,964	81.84%
Transfers (5)	\$195,230	\$3,980	\$23,230	11.90%	\$3,490	\$20,970	9.35%
Contingencies/Reserves	12,030	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$878,360	\$134,343	\$548,850	62.49%	\$134,129	\$514,934	61.29%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$285,780)	\$25,822	\$53,838		\$19,413	\$41,036	

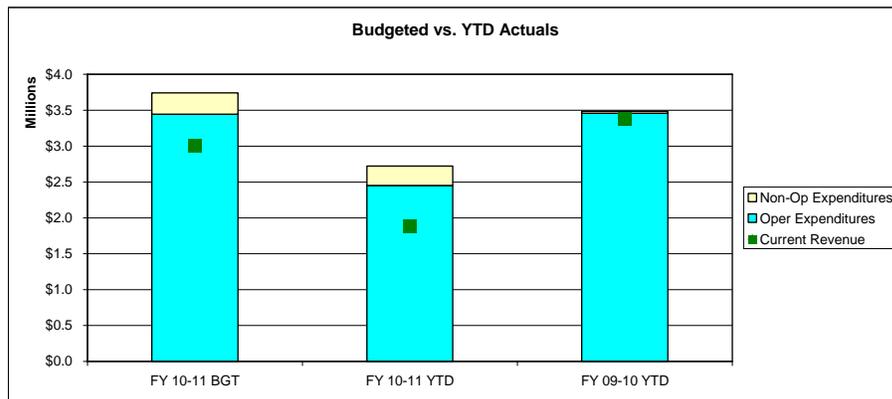
- (1) Revenue from fines and forfeitures represents revenue collected for offenses and infractions. Revenues in FY 10-11 exceed expectations due to the improvement in collecting delinquent amounts.
- (2) The budget for miscellaneous revenue consists primarily of investment interest earnings, which was significantly reduced for FY 10-11 based primarily on deteriorating interest rates. As a result, actual interest earnings are a higher percentage of budget.
- (3) Finance, Police and Public Works expenditures are below budget due primarily to turnover and vacancy savings in FY 10-11.
- (4) Expenditures also include unbudgeted costs associated with a new residential parking district; however, a transfer was made in the second quarter from capital projects to Public Works to defray the costs. Spending is considerably lower than target because \$25,090 in special project funding for pay station improvements will carry over to FY 11-12.
- (5) Transfers include this fund's portion of the semi-annual debt service payments 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	4th Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	4th Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$593,635						
Property Taxes (1)	\$75,000	\$8,229	\$77,641	103.52%	(\$190,197)	\$217,114	48.13%
Licenses, Fees, & Permits (2)	\$0	\$217,519	\$388,430	0.00%	\$0	\$0	0.00%
Charges for Service (3)	502,410	64,388	335,536	66.79%	123,820	478,655	108.28%
Intergovernmental (4)	1,618,340	304,064	899,932	55.61%	1,450,741	1,955,125	83.60%
Miscellaneous (5)	811,680	50,037	186,944	23.03%	44,232	730,677	100.06%
TOTAL CURRENT REVENUE	\$3,007,430	\$644,237	\$1,888,484	62.79%	\$1,428,595	\$3,381,572	76.78%
EXPENDITURE BY DEPARTMENT							
Public Works (6)	\$3,442,830	\$679,342	\$2,453,271	71.26%	\$1,663,779	\$3,457,245	86.68%
TOTAL OPERATING EXPENDITURES	\$3,442,830	\$679,342	\$2,453,271	71.26%	\$1,663,779	\$3,457,245	86.68%
Transfers (7)	\$268,920	\$253,610	\$268,920	100.00%	\$14,940	\$27,000	99.96%
Contingencies/Reserves	29,940	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$3,741,690	\$932,952	\$2,722,191	72.75%	\$1,678,719	\$3,484,245	85.09%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$734,260)	(\$288,715)	(\$833,707)		(\$250,124)	(\$102,673)	

- (1) The majority of current year property taxes are collected in the second quarter. This year's collection pattern is consistent with prior years; however the allocation of property tax was significantly reduced for the Transit Fund in FY 10-11 in support of the remaining property tax funds combined. Additionally, in FY 09-10 the negative activity represents a council decision that adjusted down the amount of property tax revenue received for transit operations in order to balance property tax funds.
- (2) In February 2011, Sustainability Initiative Fees (SIF) were implemented to help provide fareless transit to citizens.
- (3) With the advent of SIF for fareless transit, charge for service revenue generated from ridership and group pass programs were reduced. Charge for service revenue will continue being collected from Benton County and the City of Philomath respectively for special transportation funding and Philomath operations.
- (4) Grant receipts are at similar levels to the prior year, and tend to be lower than budget as they are reimbursement-based. A federal grant totaling about \$651,200 was awarded for bus purchases that will not be made until FY 10-11, so the related grant funding has been carried forward to FY 11-12.
- (5) The main source of revenue in this category is a \$630,000 Business Energy Tax Credit (BETC) pertaining to FY 08-09 operations, which is no longer expected to be received in FY 10-11, and has been carried over to FY 11-12. Last year a BETC payment was received in the first quarter of FY 09-10, related to FY 07-08 operations based on the prior year's application. Finding a tax liability partner in this economy is currently a challenge for the timely receipt of this funding; however, the department continues to seek out potential partners.
- (6) Both years are under-expended due primarily to the timing of vehicle purchases. Two buses which were budgeted for the current fiscal year have not yet been purchased and, as noted above, will be carried over to FY 11-12.
- (7) Transfers include this fund's portion of the semi-annual debt service payments 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.

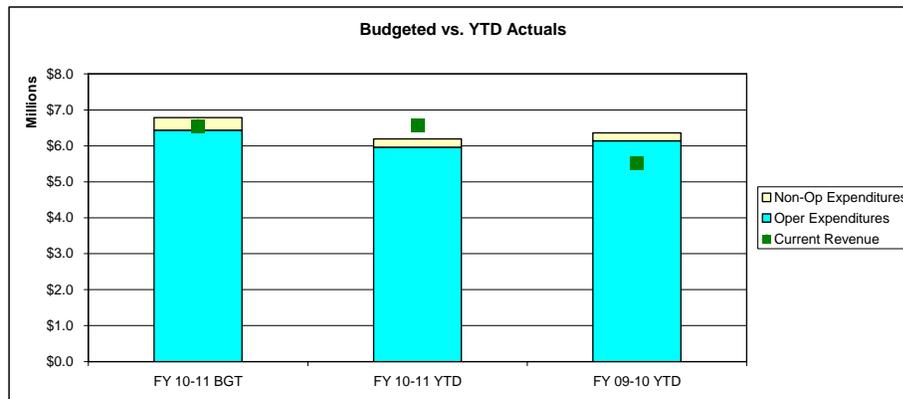


LIBRARY FUND*

REVENUE	AMENDED BUDGET	4th Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	4th Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$117,745						
Property Taxes (1)	\$3,838,270	\$417,350	\$3,937,789	102.59%	\$282,036	\$3,007,225	99.64%
Charges for Service (2)	45,400	10,844	43,340	95.46%	9,981	43,077	94.47%
Intergovernmental	2,510,620	255,247	2,411,371	96.05%	256,433	2,322,025	97.24%
Fines/Forfeitures (3)	75,500	24,542	94,207	124.78%	18,618	74,579	91.51%
Miscellaneous (4)	86,330	16,081	79,525	92.12%	14,017	76,308	65.00%
Other Financing Sources (5)	60,000	0	0	0.00%	0	0	0.00%
TOTAL CURRENT REVENUE	\$6,556,120	\$724,063	\$6,566,233	100.15%	\$581,085	\$5,523,214	97.75%
EXPENDITURE BY DEPARTMENT							
Library (6)	\$6,434,110	\$1,543,447	\$5,960,515	92.64%	\$1,543,595	\$6,137,393	94.81%
TOTAL OPERATING EXPENDITURES	\$6,434,110	\$1,543,447	\$5,960,515	92.64%	\$1,543,595	\$6,137,393	94.81%
Transfers (7)	\$295,850	\$40,350	\$235,850	79.72%	\$37,320	\$224,410	99.94%
Contingencies/Reserves	55,480	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$6,785,440	\$1,583,797	\$6,196,365	91.32%	\$1,580,915	\$6,361,803	94.68%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$229,320)	(\$859,734)	\$369,868		(\$999,830)	(\$838,589)	

* 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) Although FY 10-11 revenue is greater than FY 09-10, it is still less than projected in FY 10-11 due to lower parking meter collections.
- (3) Fines & Forfeitures are up from budget and previous year due to doubling of fines on overdue materials.
- (4) Miscellaneous revenue is down slightly in FY 10-11 versus budget due to receipt of less donations.
- (5) Proceeds from the sale of the Bookmobile were budgeted for FY 10-11 but not realized.
- (6) Expenditures are down YTD driven primarily by vacancies and a slow down of materials and supplies purchasing to enable meeting revised budgets.
- (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. Please see the Capital Improvement Program section for information on the status of capital projects.



DAVIDSON FUND

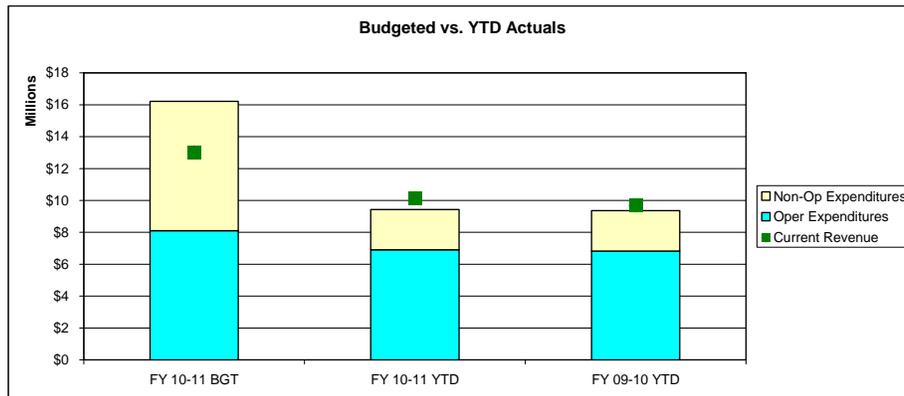
REVENUE	AMENDED BUDGET	4th Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	4th Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$5,963						
Miscellaneous	\$0	\$7	\$36	0.00%	\$16	\$49	35.05%
TOTAL CURRENT REVENUE	\$0	\$7	\$36	0.00%	\$16	\$49	35.05%
EXPENDITURE BY DEPARTMENT							
Library	\$500	\$0	\$147	29.33%	\$38	\$466	93.18%
TOTAL OPERATING EXPENDITURES	\$500	\$0	\$147	29.33%	\$38	\$466	93.18%
Transfers	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
TOTAL ALL EXPENDITURES	\$500	\$0	\$147	29.33%	\$38	\$466	93.18%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$500)	\$7	(\$110)		(\$23)	(\$417)	

COMBINED WATER FUND*

REVENUE	AMENDED BUDGET	4th Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	4th Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$1,309,080						
Charges for Service	\$8,805,430	\$2,252,064	\$8,646,978	98.20%	\$1,948,576	\$8,258,499	93.21%
Intergovernmental (1)	108,670	25,390	21,375	19.67%	41,723	27,238	27.17%
Fines/Forfeitures (2)	0	80	3,148	0.00%	30	1,018	0.00%
Miscellaneous (3)	449,740	86,736	460,860	102.47%	193,645	370,508	66.71%
Transfers In/Other Financing Sources (4)	3,674,420	160,589	1,017,939	27.70%	62,682	1,023,230	55.36%
TOTAL CURRENT REVENUE	\$13,038,260	\$2,524,858	\$10,150,300	77.85%	\$2,246,655	\$9,680,493	85.19%
EXPENDITURE BY DEPARTMENT							
Community Development	\$50,740	\$12,389	\$48,431	95.45%	\$11,569	\$45,409	91.59%
Public Works (5)	8,054,750	2,095,821	6,857,380	85.13%	1,860,594	6,780,741	92.60%
TOTAL OPERATING EXPENDITURES	\$8,105,490	\$2,108,210	\$6,905,811	85.20%	\$1,872,163	\$6,826,150	92.59%
Capital Projects (4)	\$2,951,950	\$61,814	\$202,470	6.86%	\$9,565	\$297,628	22.25%
Debt Service	1,009,240	0	1,009,218	100.00%	0	1,018,483	100.00%
Transfers Out/Other Financing Uses (4)	3,972,240	299,089	1,315,759	33.12%	98,410	1,218,460	58.79%
Contingencies/Reserves	178,150	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$16,217,070	\$2,469,114	\$9,433,259	58.17%	\$1,980,138	\$9,360,721	78.14%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$3,178,810)	\$55,745	\$717,041		\$266,517	\$319,772	

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

- (1) The budget in this line item represents primarily a carryover of Oregon DHS Water Program and Cascade Pacific Resource Conservation & Development grants received in the prior fiscal year. Once the project is completed, expenses are reimbursed.
- (2) The \$3,100 in unbudgeted revenue received YTD relates to a restitution payment for water utility property damage.
- (3) FY 10-11 year-to-date includes receipt of a large first quarter payment of \$326,380 in timber sales, representing the bulk of the budgeted amount.
- (4) Other Financing Sources, Capital Projects and Transfers activity are mostly related to capital projects activity. Transfers for capital projects are made based on anticipated needs. Transfers have been made for debt service payments for the POB. See the Capital Improvement Program section for details regarding capital project expenditures.
- (5) Special projects YTD spending is only at 39.50% on a total budget of \$1,596,960. About \$540,000 of the unspent dollars is being carried over to FY 11-12 for various projects which cannot be completed in FY 10-11 due to delays for unforeseen complications with removal of an asbestos-laden building and the lead-time needed for specialized equipment on a replacement vehicle.

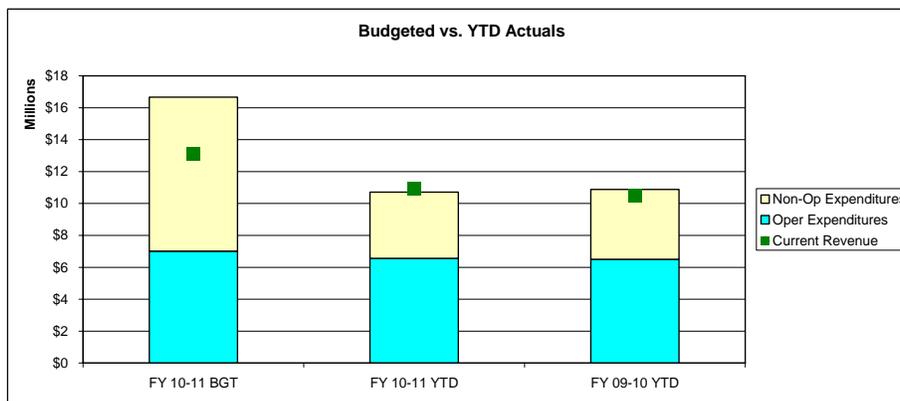


COMBINED WASTEWATER FUND*

REVENUE	AMENDED BUDGET	4th Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	4th Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$3,180,660						
Charges for Service (1)	\$9,551,530	\$2,885,548	\$10,063,971	105.37%	\$2,526,908	\$9,264,718	94.89%
Miscellaneous (2)	55,740	17,481	95,777	171.83%	35,731	118,722	56.06%
Other Financing Sources (3)	3,515,260	184,351	774,742	22.04%	266,344	1,122,268	26.43%
TOTAL CURRENT REVENUE	\$13,122,530	\$3,087,380	\$10,934,490	83.33%	\$2,828,983	\$10,505,708	73.87%
EXPENDITURE BY DEPARTMENT							
Community Development	\$49,540	\$11,960	\$47,309	95.50%	\$11,303	\$44,485	91.87%
Public Works (4)	6,967,920	1,901,701	6,520,769	93.58%	1,571,050	6,455,405	91.74%
TOTAL OPERATING EXPENDITURES	\$7,017,460	\$1,913,661	\$6,568,078	93.60%	\$1,582,353	\$6,499,890	91.74%
Capital Projects (3)	\$3,417,040	\$238,284	\$828,415	24.24%	\$220,842	\$753,858	19.55%
Debt Service	2,300,340	1,302,610	2,300,307	100.00%	1,292,735	2,305,657	100.00%
Transfers (3)	3,753,250	263,921	1,010,341	26.92%	301,234	1,317,098	29.58%
Contingencies/Reserves	181,140	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$16,669,230	\$3,718,476	\$10,707,141	64.23%	\$3,397,165	\$10,876,504	60.80%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$3,546,700)	(\$631,096)	\$227,349		(\$568,182)	(\$370,796)	

* Includes Wastewater, Wastewater SDC and Wastewater Construction Funds.

- (1) About \$1.11 million of the revenue in this category for FY 10-11 is attributable to System Development Charges from large scale projects by OSU and Good Samaritan Hospital, in addition to development on Timberhill.
- (2) The budget for miscellaneous revenue was cut to 25% of FY 09-10 levels in FY 10-11, based primarily on the continued decline of interest earnings due to ongoing low interest rates, so actual interest earnings are coming in at a higher percentage of budget. Though lower than prior year dollars, this decrease has mostly been offset by recovery on certain bad debts.
- (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 is below budget due primarily to vacancy savings from not yet hiring a replacement for the retired Environmental Analyst, as well as carrying over \$310,000 in special projects to FY 11-12. The three projects being carried forward were unable to be completed due to delays in technology incorporation in the digester, timing of a partnered WWRP project, and the determination that another year of useful life is available in a vehicle scheduled to be replaced.

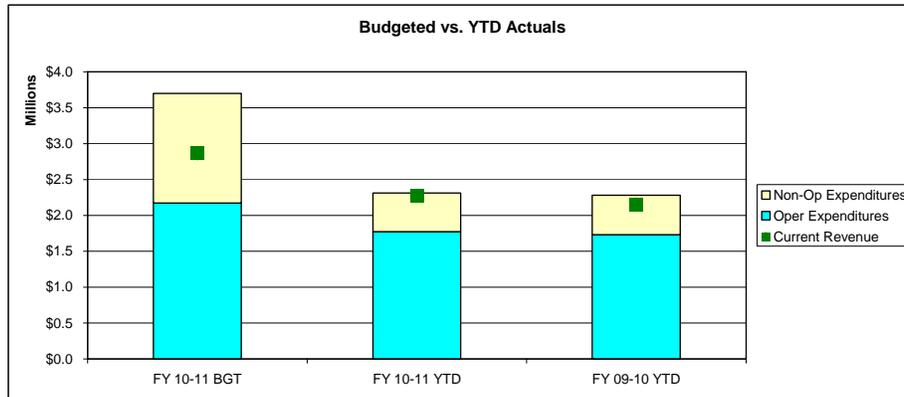


COMBINED STORM WATER FUND*

REVENUE	AMENDED BUDGET	4th Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	4th Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$1,297,155						
Charges for Service	\$2,113,970	\$568,392	\$2,052,098	97.07%	\$546,375	\$1,912,004	99.87%
Miscellaneous (1)	9,280	2,329	13,441	144.84%	6,215	17,670	39.45%
Other Financing Sources (2)	602,200	55,625	207,825	34.51%	8,889	223,989	30.07%
TOTAL CURRENT REVENUE	\$2,864,787	\$629,473	\$2,276,491	79.46%	\$561,479	\$2,153,662	109.92%
EXPENDITURE BY DEPARTMENT							
Community Development	\$50,480	\$12,341	\$47,898	94.88%	\$11,664	\$45,473	91.27%
Public Works (3)	2,123,757	463,801	1,726,352	81.29%	391,072	1,685,348	74.96%
TOTAL OPERATING EXPENDITURES	\$2,174,237	\$476,142	\$1,774,250	81.60%	\$402,737	\$1,730,821	75.31%
Capital Projects (2)	\$726,800	\$28,052	\$161,994	22.29%	\$60,070	\$206,185	27.68%
Transfers (2)	756,660	113,865	377,285	49.86%	13,659	343,899	41.67%
Contingencies/Reserves	41,860	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$3,699,557	\$618,059	\$2,313,529	62.54%	\$476,466	\$2,280,905	58.39%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$834,770)	\$11,414	(\$37,038)		\$85,013	(\$127,243)	

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

- (1) The budget for miscellaneous revenue was cut to 25% of FY 09-10 levels in FY 10-11, based primarily on the continued decline of interest earnings due to ongoing low interest rates, so actual interest earnings are a higher percentage of budget. Though lower than prior year actuals, this decrease has been mostly offset by recovery on certain bad debts.
- (2) Other Financing Sources relate primarily to Capital Projects related to storm drain replacement. 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) Actuals are under budget in both fiscal years due to lower than anticipated special project spending year-to-date. Current YTD spending on special projects is at 20.74% of a \$315,300 budget due to delays in synchronizing two related projects, as well as the reduced scope of work on another project.

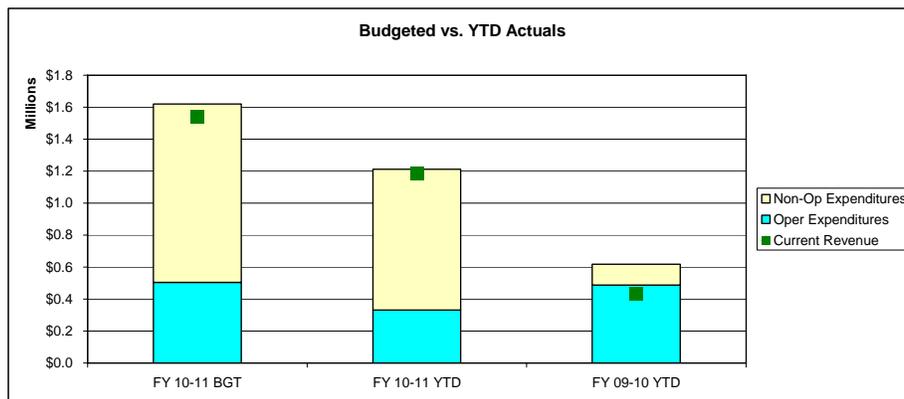


COMBINED AIRPORT FUND*

REVENUE	AMENDED BUDGET	4th Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	4th Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$836,862						
Licenses/Permits	\$5,000	\$715	\$4,450	89.00%	\$587	\$4,297	95.50%
Charges for Service (1)	365,000	113,058	396,480	108.62%	111,993	390,113	103.23%
Intergovernmental (2)	876,411	380	582,311	66.44%	27,461	18,961	7.39%
Miscellaneous (3)	9,630	2,026	11,721	121.72%	2,989	11,917	66.10%
Other Financing Sources (4)	284,010	45,960	190,660	67.13%	0	8,200	1.88%
TOTAL CURRENT REVENUE	\$1,540,051	\$162,140	\$1,185,622	76.99%	\$143,030	\$433,489	39.67%
EXPENDITURE BY DEPARTMENT							
Public Works (5)	\$504,611	\$85,887	\$330,878	65.57%	\$245,592	\$487,416	52.18%
TOTAL OPERATING EXPENDITURES	\$504,611	\$85,887	\$330,878	65.57%	\$245,592	\$487,416	52.18%
Capital Projects (4)	\$965,200	\$69,527	\$770,605	79.84%	\$74,413	\$89,174	72.86%
Debt Service (6)	42,170	0	33,663	79.83%	0	29,474	99.98%
Transfers (4)	98,030	21,400	77,180	78.73%	6,180	12,120	18.71%
Contingencies/Reserves	9,390	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$1,619,401	\$176,814	\$1,212,326	74.86%	\$326,185	\$618,185	53.36%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$79,350)	(\$14,675)	(\$26,704)		(\$183,155)	(\$184,696)	

* Includes Airport and Airport Construction Funds.

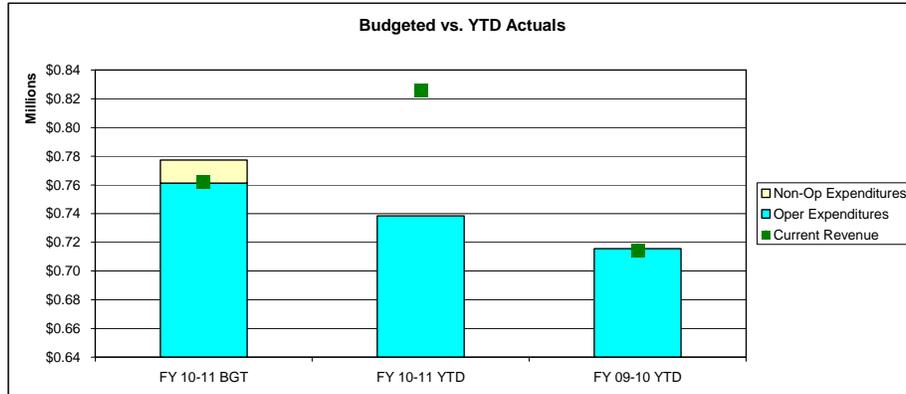
- (1) Building and hangar rentals came in higher than projected, although very consistent with the prior year.
- (2) Revenue in this category largely consists of two federal grants to be used for capital construction projects. These grants are based on the cost of the projects and with the projects being completed under budget, less revenue is received.
- (3) Miscellaneous revenue in FY 10-11 includes an unbudgeted gift/donation from the Oregon Pilot's Association towards an Airport restroom remodel.
- (4) 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 payments 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.
- (5) About \$160,000 in the special projects budget went unspent, some of which was due to reduced scope of work, with another portion being carried over to FY 11-12.
- (6) An OECD Loan that was to begin drawdown in FY 10-11 is operationally no longer needed; thus interest payments scheduled to begin in the current fiscal year are no longer needed.



FLEET MAINTENANCE FUND

REVENUE	AMENDED BUDGET	4th Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	4th Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$31,674						
Charges for Service (1)	\$760,630	\$232,539	\$824,061	108.34%	\$180,939	\$712,438	96.32%
Miscellaneous	1,200	126	1,776	147.97%	211	2,050	241.15%
TOTAL CURRENT REVENUE	\$761,830	\$232,665	\$825,837	108.40%	\$181,150	\$714,488	96.49%
EXPENDITURE BY DEPARTMENT							
Public Works (2)	\$761,270	\$192,090	\$738,473	97.01%	\$196,604	\$715,598	96.52%
TOTAL OPERATING EXPENDITURES	\$761,270	\$192,090	\$738,473	97.01%	\$196,604	\$715,598	96.52%
Contingencies/Reserves	\$16,000	\$0	\$0	0.00%	\$0	\$0	0.00%
TOTAL ALL EXPENDITURES	\$777,270	\$192,090	\$738,473	95.01%	\$196,604	\$715,598	94.48%
CURRENT REVENUE LESS TOTAL EXPENDITURES	(\$15,440)	\$40,575	\$87,364		(\$15,454)	(\$1,111)	

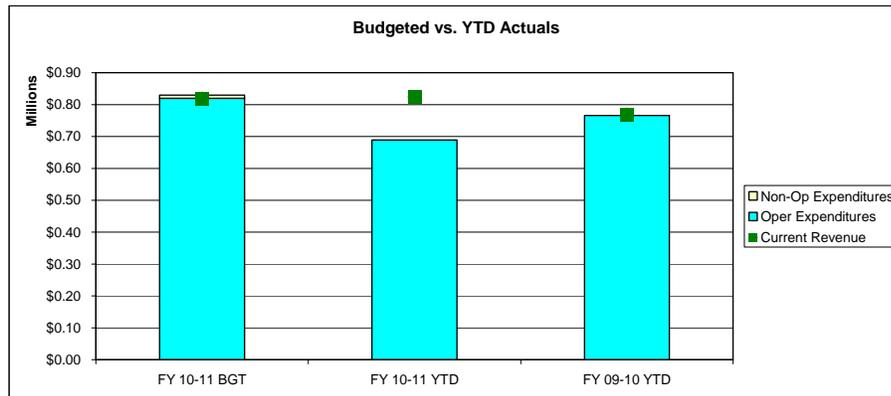
- (1) Charge for service revenue is above projected budget levels in FY 10-11 due to higher than anticipated receipts for maintenance and repair of City vehicles, as well as internal and external fuel sales which is charged based on consumption fuel prices.
- (2) Maintenance expenditures and fuel costs are running high resulting in the higher revenues noted above, but use of additional appropriations has been somewhat offset by personal service savings from vacancies. The fuel budget consisted of \$256,600 when the original budget was adopted, however, due to the increase in fuel prices a supplemental budget was approved by council raising total appropriations for the Fleet Maintenance Fund by \$69,000. Fuel costs incurred in FY 10-11 reached \$323,500.



FACILITY MAINTENANCE FUND

REVENUE	AMENDED BUDGET	4th Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	4th Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$27,303						
Charges for Service	\$816,200	\$205,247	\$821,910	100.70%	\$165,222	\$757,044	95.55%
Miscellaneous (1)	3,070	620	2,144	69.82%	9,095	12,593	324.57%
TOTAL CURRENT REVENUE	\$819,270	\$205,867	\$824,053	100.58%	\$174,317	\$769,637	96.66%
EXPENDITURE BY DEPARTMENT							
Public Works (2)	\$819,660	\$212,743	\$689,055	84.07%	\$236,709	\$766,031	95.90%
TOTAL OPERATING EXPENDITURES	\$819,660	\$212,743	\$689,055	84.07%	\$236,709	\$766,031	95.90%
Contingencies/Reserves	\$10,000	\$0	\$0	0.00%	\$0	\$0	0.00%
TOTAL ALL EXPENDITURES	\$829,660	\$212,743	\$689,055	83.05%	\$236,709	\$766,031	94.71%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$10,390)	(\$6,876)	\$134,998		(\$62,392)	\$3,607	

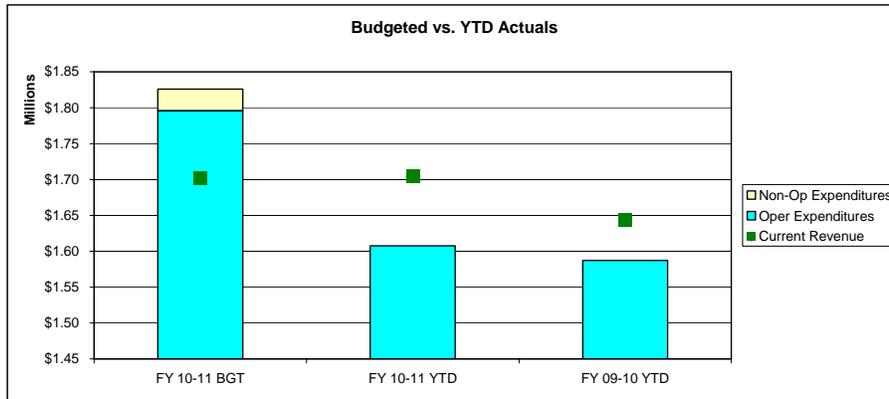
- (1) Interest revenues year-to-date in FY 10-11 are below budget and prior year due to interest rate decline in the continuing poor economy in combination with being earned on a lower fund balance. Miscellaneous revenue was higher year-to-date in FY 09-10 versus budget due to credits from unexpected returns of facility repair-related materials purchases, scrap metal sales, an Energy Trust incentive, and BETC monies.
- (2) Expenditures finished at a lower percentage of budget due to vacancy saving during the year (Building & Grounds Technician), in addition to lower supply and service costs.



TECHNOLOGY AND COMMUNICATIONS FUND

REVENUE	AMENDED BUDGET	4th Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	4th Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$91,108						
Charges for Service	\$1,699,180	\$424,798	\$1,699,293	100.01%	\$344,885	\$1,638,622	94.70%
Miscellaneous (1)	3,040	949	5,067	166.67%	1,895	5,442	39.32%
TOTAL CURRENT REVENUE	\$1,702,220	\$425,747	\$1,704,360	100.13%	\$346,780	\$1,644,065	94.26%
EXPENDITURE BY DEPARTMENT							
Finance (2)	\$1,577,000	\$399,290	\$1,429,139	90.62%	\$358,693	\$1,387,855	93.47%
Public Works (3)	219,070	61,534	178,407	81.44%	51,102	199,393	79.30%
TOTAL OPERATING EXPENDITURES	\$1,796,070	\$460,823	\$1,607,546	89.50%	\$409,795	\$1,587,248	91.42%
Contingencies/Reserves	\$30,000	\$0	\$0	0.00%	\$0	\$0	0.00%
TOTAL ALL EXPENDITURES	\$1,826,070	\$460,823	\$1,607,546	88.03%	\$409,795	\$1,587,248	89.87%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$123,850)	(\$35,077)	\$96,814		(\$63,015)	\$56,816	

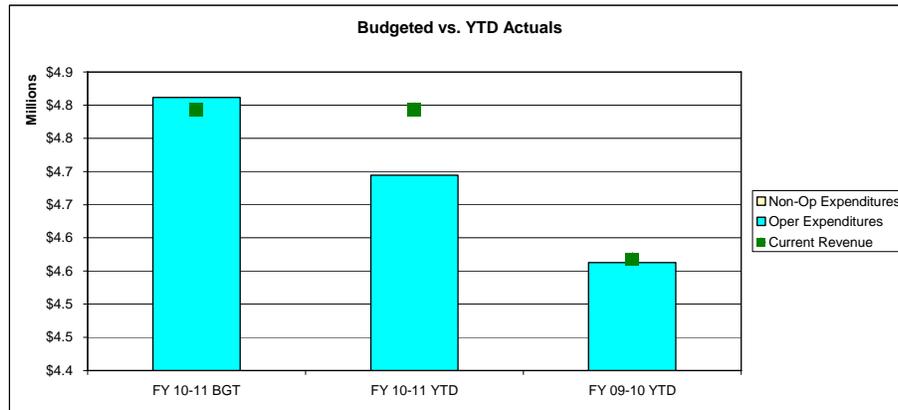
- (1) Despite continued low interest rates, FY 10-11 investment interest revenues are above budget in this fund due to proportionately higher cash balances than originally projected, based on lower spending YTD than anticipated.
- (2) Expenditures are under target FY 10-11 primarily due to \$47,500 of MIS' special projects budget being carried over to FY 11-12 and a concerted effort to reduce general services spending
- (3) Spending YTD is low as a percentage of budget in both years, driven by City-requested work orders that vary year to year. Total spending in FY 10-11 is also lower due to the Public Works budget for this fund having been reduced by about \$64,000 from the elimination of the radio system support program. Additionally, a \$20,600 vehicle replacement scheduled for FY 10-11 has been carried over to FY 11-12.



ADMINISTRATIVE SERVICES FUND

REVENUE	AMENDED BUDGET	4th Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	4th Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$35,246						
Charges for Service	\$4,785,490	\$1,196,371	\$4,785,490	100.00%	\$999,608	\$4,550,450	96.11%
Miscellaneous (1)	8,000	3,485	8,598	107.48%	2,980	9,174	60.79%
TOTAL CURRENT REVENUE	\$4,793,490	\$1,199,856	\$4,794,088	100.01%	\$1,002,588	\$4,568,003	96.18%
EXPENDITURE BY DEPARTMENT							
Finance	\$2,667,300	\$633,385	\$2,563,391	96.10%	\$582,019	\$2,558,781	97.85%
City Manager's Office (2)	2,144,260	630,957	2,131,073	99.39%	534,052	2,003,998	94.20%
TOTAL OPERATING EXPENDITURES	\$4,811,560	\$1,264,342	\$4,694,465	97.57%	\$1,116,072	\$4,562,779	96.21%
Contingencies/Reserves (2)	0	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$4,811,560	\$1,264,342	\$4,694,465	97.57%	\$1,116,072	\$4,562,779	95.61%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$18,070)	(\$64,486)	\$99,624		(\$113,483)	\$5,224	

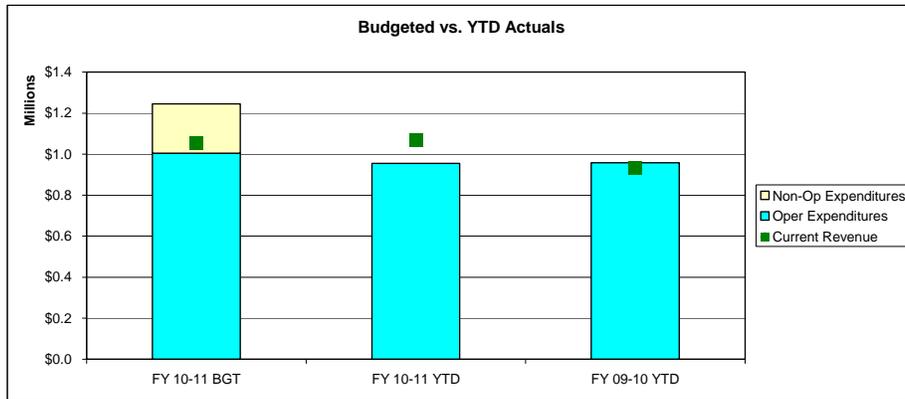
- (1) Interest revenues in FY 10-11 are above budget in this fund due to proportionately higher cash balances than originally projected, based on lower spending YTD than anticipated.
- (2) Due to unforeseen events (City Manager retirement cash-out, unemployment costs, and a deferred compensation consultant) at the time the budget was adopted, City Council approved the City Manager's Office to increase its operating budget by \$30,000 using contingencies in the Administrative Services fund.



RISK MANAGEMENT FUND

REVENUE	AMENDED BUDGET	4th Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	4th Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$329,819						
Charges for Service (1)	\$1,014,210	\$0	\$1,014,210	100.00%	\$0	\$901,900	100.00%
Miscellaneous (2)	40,620	9,871	54,058	133.08%	1,795	29,925	52.01%
TOTAL CURRENT REVENUE	\$1,054,830	\$9,871	\$1,068,268	101.27%	\$1,795	\$931,825	97.12%
EXPENDITURE BY DEPARTMENT							
City Manager's Office (1,3)	\$1,005,010	\$188,828	\$955,591	95.08%	\$150,081	\$957,646	97.28%
TOTAL OPERATING EXPENDITURES	\$1,005,010	\$188,828	\$955,591	95.08%	\$150,081	\$957,646	97.28%
Contingencies/Reserves (3)	240,000	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$1,245,010	\$188,828	\$955,591	76.75%	\$150,081	\$957,646	77.58%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$190,180)	(\$178,957)	\$112,677		(\$148,286)	(\$25,821)	

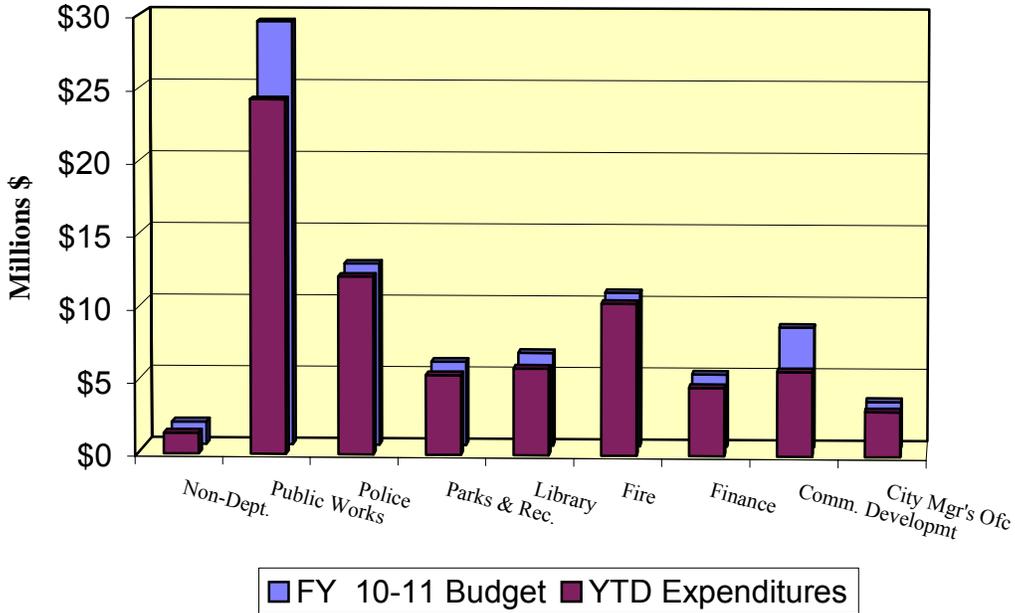
- (1) Timing of internal service charges to departments is weighted to coincide with insurance premium payments, 75% of which occur in July and 25% in January.
- (2) Despite continued low interest rates, the catastrophic reserve and lower spending YTD are resulting in higher cash balances in this fund proportionate to other funds which have led to a larger distribution of the City's investment interest earnings than budgeted. Additionally, FY 10-11 miscellaneous revenues are over budget due to much higher than expected loss recovery receipts from insurance claims – doubling what was received last year.
- (3) Council approved the City Manager's Office to move \$35,000 of Risk Management Fund contingencies to their operating budget for worker's compensation claims.



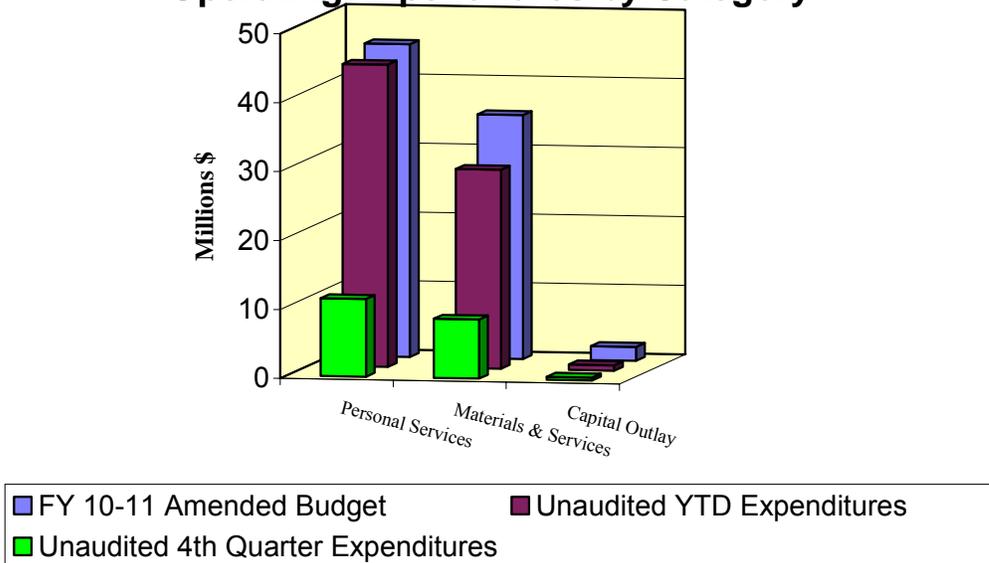
BUDGET PERFORMANCE BY DEPARTMENT

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	2010-11 Amended Budget	Unaudited 4th Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$1,345,320	\$452,326	\$1,408,071	104.66%
Supplies and Services	1,803,950	367,459	1,678,593	93.05%
Capital Outlay	0	0	0	0.00%
Total Operating Expenditures	\$3,149,270	\$819,785	\$3,086,664	98.01%

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

Noteworthy Accomplishments during this Quarter:

- Continued AFSCME and CPOA labor negotiations.
- Held dedication of Helen M. Berg Plaza.
- Following the May election, staff restored all documents and video files to the City's website.

Upcoming/Pending Items:

- Conduct onsite appraisal of City assets to ensure current valuations.
- Complete City Manager recruitment.
- Complete process to select a deferred compensation provider.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY09-10 ACTUAL	FY10-11 TARGET	4th QTR ACTUAL	FY10-11 YTD
Cost Efficiency	Compare City FTE to assess efficient and effective customer service	City FTE per 1,000 population.	7.85	8.00	7.49	7.49
	Reduce average workers compensation claims per employee through promotion of a safe workplace.	# of workers compensation claims per 100 FTE	8.10	<9.00	1.70	10.74
	Maximize workplace productivity	Number of sick leave hours used per 1,000 hours worked. ⁽¹⁾	29.96	<24.50	27.80	30.80
Diversity	Provide a welcoming organization that promotes and respects diversity	% of total job applicants for regular positions who identify themselves as a minority. ⁽²⁾	9%	13%	20%	14%
	Increase the percentage of employees who believe they have a welcoming workplace	% of employees surveyed who indicate their workplace is very or somewhat welcoming.	New measure	≥ 95%	97%	97%
Sustainability	Reduce paper use	Reduce paper usage by 10% over the FY 2005-06 baseline of 524 reams as measured on a quarterly basis. ⁽³⁾	244	<210	33 reams	283 reams
	Measure the benefits to compensation ratio for competitiveness, retention, attraction and comparator purposes.	Benefits as a % of total compensation. ⁽⁴⁾	32%	28%	33%	33%

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY09-10 ACTUAL	FY10-11 TARGET	4th QTR ACTUAL	FY10-11 YTD
Community Involvement	Maximize citizen satisfaction with the quality of City services.	% of Citizen Attitude Survey respondents giving good or excellent rating to the quality of overall City services.	90%	>90%	82%	82%
	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.	77%	>77%	82%	82%
		% of Citizen Attitude Survey respondents who rated the job the City does at welcoming citizen involvement as excellent or good.	65%	>65%	67%	67%
		% of Citizen Attitude Survey respondents who rated the job the City does at listening to citizens as excellent or good. ⁽⁵⁾	55%	>55%	N/A	N/A

- (1) In the fourth quarter, 19% of sick hours used were classified as Family Medical Leave Act and 3% were classified as sick child leave.
- (2) Of the 497 applicants in the fourth quarter, 99 identified themselves as a minority. A total of 2,475 people have applied for City job openings for the year, with 335 identifying themselves as a minority.
- (3) Paper use was higher than target due to copying public record materials related to the 2011 City Services Levy.
- (4) The actual is higher than target due to the inclusion of PERS bond debt service costs and educational reimbursements. These items have not historically been included as benefits in the calculation, but have been added since these do represent bonafide components of total compensation. The target will be adjusted in the future.
- (5) Space constraints in the 2010 survey did not permit inclusion of this question.

COMMUNITY DEVELOPMENT

Type of Expenditure	2010-11 Amended Budget	Unaudited 4th Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$3,665,120	\$841,189	\$3,309,493	90.30%
Supplies and Services	4,611,840	1,056,744	2,504,301	54.30%
Capital Outlay	0	0	0	0.00%
Total Operating Expenditures	\$8,276,960	\$1,897,933	\$5,813,795	70.24%

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

Noteworthy Accomplishments This Quarter:

- Housing staff submitted the City Council-approved FY 11-12 CDBG/HOME Program Action Plan to HUD prior to the May 15 deadline. Notice was received from HUD in June that the City Council-approved FY 11-12 CDBG/HOME Program Action Plan has been approved. Awards for FY 11-12 include \$490,269 for the CDBG program and \$392,184 for the HOME program.
- During June the City's CDBG program received loan payment and payoff revenues (known as "program income" in regulatory language) that brought the total received since FY 00-01 program inception to over \$1 million. These program income revenues are reused each year to support new loans and other eligible CDBG activities. The \$1 million-plus in program income equates to 15% of the federal funding the City has received to date in the CDBG program.
- Rental Housing Program: During the fourth quarter of FY 10-11 the program received 239 contacts regarding a total of 411 issues, with 88 issues related to habitability and 323 issues of a non-habitability nature. Fifty-nine of the habitability issues reported are or may be subject to the Rental Housing Code, and citizens making contact in these cases have been advised of the process to follow to pursue resolution.

- Land Use Applications: The Planning Division received 33 land use applications in the fourth quarter of FY 10-11, including 12 historic preservation permit applications.
- Land Use Decisions: Twelve public hearing and seven administrative decisions were made in the 4th quarter.
- Mayor Manning signed a proclamation for the month of May being Building Safety Month. Development Services Building Safety Inspectors built birdhouses with kids at the Farmers Market on May 7th. Photos of this event and a copy of the proclamation and other Building Safety Month items are located online at www.CorvallisPermits.com.
- Through a Development Services reorganization two employees were promoted to Land Use Supervisor and Permit Tech II, respectively.
- Plan Reviews: Development Services staff processed 84 residential and 158 non-residential plan reviews for proposed construction projects.
- Inspections: Development Services staff conducted 3,531 construction inspections in the 4th quarter.
- E-Permits: of the 593 mechanical and electrical permits issued in the 4th quarter, 139 (or 23%) were issued online.
- Code Enforcement Program: 86 new cases were created in this quarter as a result of citizen complaints received.
- Community Development staff continued to work with the Airport Industrial Park master Plan Update Committee, Public Works and Benton County staff preparing an update to the AIP Master Plan and proposed changes to the Benton County Development Code that affect development at the AIP.
- The Economic Development Commission made recommendations to the City Council regarding Enterprise Zone Expansion, Interim Economic Development Service beginning FY 11-12 and a general expenditure plan for FY 11-12 economic development funds. All recommendations were accepted by the Council. In addition, the Commission formed a sub-committee to continue development of the Commission's Economic Development Goals and Strategies.

Upcoming/Pending Items:

- In July 2011 Housing will finalize funding agreements for FY 11-12 CDBG and HOME-funded activities.
- Two projects awarded HOME funds in prior years, Partners Place and Alexander/Seavey, begins in July 2011.
- Development Services will be working on a major upgrade to the City's permit tracking system as part of the Service Enhancement Package. In addition, the reorganization of the Development Services division will continue. Several of the anticipated staffing changes will help make the development process more timely and predictable.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY09-10 ACTUAL	FY10-11 TARGET	4th QTR ACTUAL	FY10-11 YTD
Cost Efficiency	Maintain stated objective of completing inspections within same day of request.	Percentage of building inspections completed on time.	100%	95%	100%	100%
	Achieve plan review turn-around time consistent with other Oregon cities.	Percentage of initial residential plan review completed within 14 calendar days.	87%	90%	99%	97%
	Meet or exceed federal HOME match requirement (25%) for all investment of HOME housing dollars.	HOME housing dollars leveraged with outside investment in funded activities. ⁽¹⁾	101%	25%	0%	30%
	Meet or exceed State requirements for land use application review time.	Average review time (in days) to process a public hearing land use application. ⁽²⁾	44	< 115	34	37
	Meet or exceed State requirements for land use application review time.	Average review time (in days) to process administrative land use application. ⁽³⁾	25	< 45	19	17
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. ⁽⁴⁾	5.2	10.0	N/A	13.2

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY09-10 ACTUAL	FY10-11 TARGET	4th QTR ACTUAL	FY10-11 YTD
Community Involvement	Achieve at least the targeted % citizen rating of excellent or good.	Citizen satisfaction with land use process, from customer survey. ⁽⁵⁾	57%	60%	56%	56%
	Achieve at least the targeted % participant rating of excellent or good.	Economic Development applicants' rating of the process in annual survey. ⁽⁶⁾	70%	100%	N/A	N/A
Sustainability	Conserve resources by reducing fuel and paper use.	Percentage of Mechanical and Electrical permits issued online. ⁽⁷⁾	39%	20%	23%	28%
	Maintain the quality of low income housing in a cost effective manner.	Units of housing rehabilitated per \$100,000 in City funds invested. ⁽⁸⁾	2.4	5.0	4.0	25.8

- (1) Fiscal year HOME match is credited once during the year, in September, so it is not uncommon to have the first quarter reporting a match figure significantly higher than the target, and subsequent individual quarters reporting a 0% match amount while still achieving/exceeding the annual match goal.
- (2) Twelve hearing-level applications subject to the 120-Day Rule were considered during the fourth quarter.
- (3) The Planning Division issued decisions on seven administrative land use applications in the fourth quarter.
- (4) There were no down payment assistance loans closed during the quarter.
- (5) This measure is derived annually, usually during the second quarter, from the National Citizen Survey conducted for the City of Corvallis.
- (6) There will be no Economic Development Allocation process this year or next, therefore this measure cannot be completed and will be discontinued in FY 11-12.
- (7) Online services were expanded in January 2011 to include plumbing permits. Outreach to plumbers is being conducted, however the results are expected to continue to be lower than last year until the group has a chance to embrace this service. Nevertheless, FY 10-11 target is still being exceeded.
- (8) Two rehabilitation projects reached completion during the quarter. Both projects consisted of significant rehab and accessibility improvements in older single-family/owner-occupied homes.

FINANCE

Type of Expenditure	2010-11 Amended Budget	Unaudited 4th Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$3,508,920	\$837,323	\$3,325,766	94.78%
Supplies and Services	1,416,480	351,584	1,311,204	92.57%
Capital Outlay	70,000	27,475	54,970	78.53%
Total Operating Expenditures	\$4,995,400	\$1,216,383	\$4,691,940	93.93%

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

Noteworthy Accomplishments during this Quarter:

- Reviewed cost recovery process for merchant card fees.
- Explored opportunities and costs for an Interactive Voice Response (IVR) system.
- Researched cost reduction options for Utility Billing, and designed a new City Services statement.
- Completed the ambulance billing account collection policy.
- Reviewed bids received for audit services and selected an audit firm; prepared and conducted interim audit visit from the City's auditors.
- Selected US Bank as the City's third-party safekeeping custodian for the City's investments to adhere to best practices and facilitate the new investment advisory service provider and related financial reporting.
- Received Award of Excellence in Performance Measurement based on staff-written "What Works" article for ICMA website.
- Collaborated with a consultant to increase resiliency and security of the City's network infrastructure.
- Signed a contract with Vision Internet to replace the City's website; implementation is expected in six to eight months.
- Developed a Windows 7 implementation plan and Microsoft Exchange 2010 upgrade plan.
- Hired a consultant to determine whether IT collaboration by the City and the County warrants reorganization.
- Municipal Court completed transferring all past due traffic accounts and turned over approximately \$1,956,000 to CSO collections, with approximately \$56,500 collected to-date.

- Completed installation of equipment necessary to project municipal court required DVDs and network files to the flat panel television so more people can view at one time.

Upcoming/Pending Items:

- Finalize work on video arraignment connection and equipment to enable such service at municipal court.
- Review and improve process for issuing parking permits.
- Gain City Council approval for a redesigned, tabbed City Services statement.
- Complete review of landlord notification letters.
- Complete redesign of Utility Billing’s front counter area to accommodate parking permit customers.
- Complete approval process for implementation of hosted IVR solution for Utility Billing telephone credit and debit card payments.
- Work on capitalization policy.
- Continue work on banking services request for proposal.
- Streamline processes by reviewing and implementing, where applicable, consultant TKW’s recommendations.
- Input any changes in payroll system arising out of AFSCME and CPOA contract negotiations.
- Work with department area specialists to begin completion of performance measure templates for ICMA in August/September.
- File adopted budget document with stakeholders and for the annual GFOA Budget Award.
- Commence research and compilation of data for Council-directed work on Sustainable Budget goal, including revenue alternatives and city service information.
- Work with consultant to determine and report to Council whether collaboration by the City and the County IT organizations warrants reorganization.
- Upgrade core services such as email (Exchange 2003 to 2010), authentication servers (domain Controller 2003 to 2008), and remote access (terminal server 2003 to 2008).
- Continue work on electronic records classification and proceed with implementation.
- Recruit, hire and train a System Administrator to support the Public Work’s department’s computing needs
- Complete the online Click2Gov payment process to enable court customers to pay parking and traffic tickets online.
- Install a text-to-talk function on the Municipal Court computer to enable Judge Donahue’s spoken words to be seen as text on the flat panel television.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY 09-10 ACTUAL	FY10-11 TARGET	4th QTR ACTUAL	FY 10-11 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.	\$1,473	≥ \$1,350	\$338	\$1,531
	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 6.8% of total operating budget.	5.97%	6.80%	6.22%	6.33%
	Provide necessary information technology resources for departments to operate efficiently.	Achieve 100% server uptime relative to scheduled server uptime. ⁽¹⁾	99.22%	100%	99.99%	99.99%
	Manage MIS resources effectively and provide cost-efficient, high-quality, pro-active service to the organization to support system changes to adapt to ongoing departmental needs.	Resolve service calls to repair calls at a ratio of three to one. ⁽²⁾	1.08/1.00	3.00/1.00	.91/1.00	.94/1.00

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY 09-10 ACTUAL	FY10-11 TARGET	4th QTR ACTUAL	FY 10-11 YTD
	Increase organizational efficiency in providing service output.	Maintain operating expenditures less than or equal to \$1,350 per capita.	\$1,379	≤ \$1,350	\$369	\$1,337
Sustainability	Reduce department wide paper consumption through increased use of electronic file sharing and software upgrades.	Reduce paper purchases by 10% in FY 10/11 over projected FY 09/10 consumption as measured in reams on a quarterly basis. ⁽³⁾	568	534	140	628
	Reduce paper and postage costs by increasing proportion of Utility Billing customers participating in E-Bill program.	Increase number of E-Bill/E-Pay participants to 20% of Utility Billing customers. ⁽⁴⁾	977	1,500	1,094	1,094

- (1) MIS experienced one 2-hour outage during the third quarter.
- (2) MIS Help Desk is documenting repair calls more accurately and recording multiple repair calls into a single repair call if a single incident is involved. The result is fewer incidents that require tracking and a lower service call to repair call ratio. In the fourth quarter, MIS had 339 service calls to 374 repair calls.
- (3) Staff exceeded the reduction target for FY 09-10 and was on pace to meet the reduction target for FY 10-11. However, the Finance Department experienced unanticipated printing volume in the third quarter due to the increased amount of printing and copying associated with the 2011 operating levy and the need for hardcopy archiving of public information. As expected, consumption decreased in the fourth quarter. FY 11-12 consumption is expected to be more aligned with FY 09-10 actuals.
- (4) Staff E-Bill customers increased by eighty-two in the fourth quarter. Staff is continuing to publicize the benefits of an E-Bill on the monthly City Services bill in hopes of increased participation.

FIRE

Type of Expenditure	2010-11 Amended Budget	Unaudited 4th Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$8,297,920	\$2,075,661	\$8,317,499	100.24%
Supplies and Services	2,004,880	569,677	1,923,368	95.93%
Capital Outlay	324,130	174,995	199,989	61.70%
Total Operating Expenditures	\$10,626,930	\$2,820,332	\$10,440,855	98.25%

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

Noteworthy Accomplishments during this Quarter:

- Selected fire safety essay winner, fourth grader Kara Shaw, from Adams School for “Fire Chief for the Day” event.
- Contracted with Emergency Services Consulting International to determine whether there are consolidation opportunities with Albany Fire.
- Worked on a partnership with OSU concerning public education in 509J schools with a goal of providing OSU students the opportunity to satisfy a program requirement; enabling 509J to satisfy the requirement of teaching fire safety; and relieving City of Corvallis Fire Prevention Officers from these activities.
- Continued implementation of the mandated radio narrow banding project by replacing non-narrowband capable equipment.

Upcoming/Pending Items:

- Finalize implementation of the e-learning initiative enabling personnel to remain in district for training presentations and lowering response time averages. Due to anticipated savings from fuel and maintenance costs, the e-learning system is expected to pay for itself in approximately two years.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY 09-10 Actual	FY10-11 TARGET	4th QTR ACTUAL	FY 10-11 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.	7,338	6,600	594	6,118
Cost Efficiency	Achieve a response time of 5 minutes or less 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. ⁽¹⁾	70.0%	70.0%	84.0%	82.0%
	Achieve a response time of 5 minutes or less 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. ⁽¹⁾	60.7%	60.0%	89.0%	82.0%
	Maintain operating costs per capita at or below that of comparator cities.	Total fire operating expenditures/1,000 population within city limits.	\$145.42	\$142.00	\$38.72	\$151.37
	Maintain false alarm rate at or below the level experienced by ICMA comparators.	False Alarms as a % of non-EMS responses in the city. ⁽²⁾	11%	12%	18%	21%
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. ⁽³⁾	\$28,078	<\$38,800	\$12,203	\$25,522
	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⁾	.62	<1.30	0.10	0.83

(1) Significantly improved response times are due to more accurate data. Prior to the implementation of the records management software, the only way to obtain base response times for only the first-arriving unit was to go through records manually, eliminating the data for subsequent-arriving apparatus. Resources were insufficient to efficiently conduct this manual task. Therefore, previous reports were based on all units' data, having the effect of lengthening the response times.

(2) 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 and associated fines are expected to help reduce the number of repeat false alarms.

(3) These measures can change dramatically with one significant, costly incident, hence the high target relative to actual experience in recent years.

LIBRARY

Type of Expenditure	2010-11 Amended Budget	Unaudited 4th Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$3,971,070	\$971,951	\$3,770,588	94.95%
Supplies and Services	2,367,930	570,672	2,104,470	88.87%
Capital Outlay	95,610	824	85,604	89.53%
Total Operating Expenditures	\$6,434,610	\$1,543,447	\$5,960,662	92.63%

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

Noteworthy Accomplishments during this Quarter:

- During this quarter the Library was open 12 fewer days than the fourth quarter last year, but usage continued to be high. Library visits increased by 5%, and staff interactions with the public increased by 16% on open days.
- Began recruitments for several vacant positions due to passage of the May 2011 levy.
- Held the annual Volunteer Recognition Breakfast on April 15, 2011, to honor over 15,400 hours of volunteer time donated in 2010.
- Implemented usage of the more energy efficient Sprinter van Bookmobile, which is bringing library services to locations throughout Benton County and Corvallis. The new van gets 16 mpg, compared to 6 mpg for the old Bookmobile.
- Adult Services staff presented e-book workshops whereby attendees were introduced to a variety of handheld devices and received individual assistance on using their own devices.
- Philomath Community Library sponsored a successful showing of the Alsea Film Academy at Darkside Cinema April 20, 2011.
- Youth Services Manager participated in the accrediting process for the Benton County Relief Nursery located at the Old Mill Center for Children and Families. This activity provides early literacy services to the most at risk families in Benton County.
- Presented a program on the work of the ALA Amelia Bloomer Committee and participated on a panel presenting information on e-books at the annual Oregon Library Association Conference.
- Completed work with an outside contractor on the Check It Out newsletter which will now be designed and published in-house due to FY 11-12 budget reductions.
- Received \$2,270 from the Oregon Energy Trust for installation of energy efficient inductive lighting in the parking garage.
- Received confirmation and approval from the Universal Service Administrative Company (USAC) Schools and Library Division for e-Rate reimbursements for certain telecommunication costs. The Library is eligible to receive up to \$7,783 depending on actual expenses.
- Collaborated with the 509J free lunch program to serve an average of 40 kids per day at the Corvallis Library and 45-50 kids per day at the Philomath Community Library.
- Registered over 500 youth for the One World, Many Stories Summer Reading program in the first week.
- Completed building maintenance projects including interior and exterior painting, cleaning and sealing of exterior masonry, tree trimming, window washing, carpet cleaning, and basic landscaping maintenance.

Upcoming/Pending Items:

- Continue summer Reading programs and activities.
- Continue working with the Monroe community on plans for a new library building.
- Evaluate and reorganize the Library's management structure in light of recent retirements and promotions.
- Sell the old Bookmobile.
- Complete ICMA and State annual statistical reports.
- Begin building maintenance and special projects including replacement of lobby carpet, installation of new fire alarm system, and replacement of shake roof.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY 09-10 ACTUAL	FY 10-11 TARGET	4th QTR ACTUAL	FY 10-11 YTD
Cost Efficiency	Be at ICMA national average or below for operating and maintenance expenditures per item circulated of \$3.92.	Operating and maintenance expenditures per item circulated.	\$2.98	\$3.00	\$3.06	\$2.88
	Circulate at least 30% more per FTE than other ICMA comparable libraries – ICMA average of 25,131.	Circulation per FTE. ⁽¹⁾	32,193	32,300	9,115	36,236
Community Involvement	Achieve at least a 90% rating of excellent or good and be in the top five of national ICMA cities rated.	Citizen rating of overall library services. ⁽²⁾	90%	90%	92%	92%
	Be in the top 20% of circulation rates per capita of comparable ICMA libraries ≥ 14.3 .	Circulation rates per capita. ⁽³⁾	19.3	19	4.76	18.98
	Increase number of interactions with the public per FTE by 2% over previous year.	Interactions with the public per FTE.	6,200	5,800	1,362	6,402
	Be in the top five of comparable ICMA libraries in volunteer FTE's per 1,000 population $\geq .02$.	Number of volunteer FTE's per 1,000 population. ⁽⁴⁾	.082	.080	.097	.089
Diversity	Offer programs reflecting the diverse populations within Benton County.	Attendance at programs for children, teens, seniors, Latinos and other non-English speakers.	28,661	29,500	8,652	29,263
Sustainability	Each public computer is used at least 3,000 times per year.	Average number of user sessions per Corvallis Library public computer. ⁽⁵⁾	3,442	3,400	664	2,804
	Provide the materials people want to use and keep them moving through the community.	Circulation per registered borrower. ⁽⁶⁾	33.5	32	8.15	32.51

- (1) Uses the ICMA definition of FTE which includes hours worked by casual staff. However, casual staff is now used very infrequently. This measure exceeds the target by 12%.
- (2) Citizen rating for FY 10-11 utilized responses from the 2010 Citizen Attitude Survey, published in December 2010.
- (3) ICMA Core measure using Benton County population equal to 86,725, per PSU population report 03/2010. Measure is slightly under target, but exceeds management goal. Circulation is less than last year due to reduced open hours.
- (4) The Library continues to utilize volunteers to keep up with demand for services.
- (5) Use of public computers continues to decrease as more patrons bring their own laptops and utilize the wireless system, which explains why this measure did not meet the annual target.
- (6) ICMA core measure. This measure is down about 3% from same period last year, reflecting the decrease in circulation since library open hours were decreased in July 2010.

PARKS & RECREATION

Type of Expenditure	2010-11 Amended Budget	Unaudited 4th Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$3,652,020	\$841,820	\$3,466,019	94.91%
Supplies and Services	2,093,700	628,796	1,992,555	95.17%
Capital Outlay	49,760	0	20,590	41.38%
Total Operating Expenditures	\$5,795,480	\$1,470,616	\$5,479,164	94.54%

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

Noteworthy Accomplishments during this Quarter:

- Partnered with Public Works on a joint irrigation upgrade at the SAGE Garden in Bruce Starker Arts Park to save water. Expanded the existing garden irrigation system to offer a variety of irrigation regimes to attract a broader range of plants.
- Began review of a permanent easement at Berg Natural Area and ending at Avery Park submitted by Northwest Natural Gas, which will enable the sale of natural gas to OSU.
- Utilized grant funding to install UV filtration system for the therapy pool at Osborn Aquatic Center to save on heating, water, and chemical costs.
- Received fee review and recommendation from the Parks, Natural Areas and Recreation Board (PNARB).
- Completed a landscape bed rehabilitation project at Country Club Drive and Sunset Park Natural Area; a wide selection of drought tolerant plant material was retrofitted to replace previous unsuccessful planting.
- Partnered with Public Works to enhance landscape aesthetics at the 2nd and B Streets parking lot.
- Partnered with OSU Department of Forestry faculty to develop best practices regarding management of upland native oak and fir forest remnants.
- Implemented fee for Tai Chi at the Chintimini Senior Center; enrollment has increased from 14 to 25 registered students.
- Began a new Bilingual Family Swimming Lesson program.
- Completed the 2011 Youth Parks Corp interview and selection process, which resulted in hiring 40 Corvallis youths to perform park maintenance duties in the City's parks whereby they will learn valuable work skills.
- Registered 96 participants for the multi-cultural youth soccer program, Escuelita de Futbol, at Lincoln School.
- Worked with Benton County Health Department physicians on referrals for youth with weight concerns.
- Began hosting two AmeriCorps members through the American Red Cross for FY 11-12.
- Put out for bid an RFP for the Park's Master Plan and Cost Recovery Model.
- Completed the Central Park lighting upgrade project to upgrade 12 lights, underground wiring and conduit.
- Began plan preparation to upgrade the Pioneer Park parking lot to include re-grading and the addition of gravel for better drainage.
- Began work on the Funtastic Fridays program, which will provide programming for school district elementary students on early release Fridays.
- Completed the Tunison Park Rehabilitation Grant.
- Submitted the annual monitoring report to the Division of State Lands (DSL) on the Sunset Park and Natural Area wetland mitigation project. The report provides data and photos to help illustrate compliance with DSL policies regarding percent cover of native and non-native plant material.
- Completed the second Community Gardent Master Plan stakeholders meeting where roles and responsibilities were discussed.
- Utilized wellness grant funds at the Senior Center to offer programs for those with Diabetes.
- Registered participants in several programs: 1,108 participants in swimming and water safety lessons; 1,166 participants in the Senior & Adult Aqua Fitness and Therapy program; 123 adult softball teams; and 58 participants in Lacross, up from 35 last year.
- Certified 260 citizens in health and safety classes such as CPR and First Aid.

Upcoming/Pending Items:

- Continue development of a Friends Group for the Department.
- Conduct feasibility report regarding a Special District for Parks and Recreation.
- Create a Master Plan for Tunison Park, utilizing community process.
- Conduct a cost recovery and Parks & Recreation Plan update.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY 09-10 ACTUAL	FY10-11 TARGET	4th QTR ACTUAL	FY 10-11 YTD
Community Involvement	Provide multiple opportunities for community involvement while lowering program costs.	Total number of hours worked by volunteer staff in support of parks and recreation activities. ⁽¹⁾	27,070 (13 FTE)	30,000 (14 FTE)	5,620	22,365
Cost Efficiency	Highlight the value of subsidized recreation at Osborn Aquatic Center.	Target cost per visit for subsidy at OAC. ⁽²⁾	\$2.51	\$3.23	\$3.14	\$3.09
	Highlight the value of subsidized recreation at Senior Center.	Target cost per visit for subsidy at the Senior Center. ⁽³⁾	\$4.01	\$5.00	\$7.44	\$5.67
	Keep operations & maintenance (O&M) costs per 1,000 population below the median for nationwide reporting cities populations between 35,000 and 70,000	Net annual P&R O&M expenditures (not incl. utilities) per 1000.	\$61,740	\$90,000	\$22,833	\$89,170
Sustainability	Increase the utilization percentage of granted scholarships.	Percent of total scholarship value expended. ⁽⁴⁾	19%	20%	14%	15%
	Maintain or improve the ratio of acres per population of comparator cities.	Total park acres per 1,000 population. ⁽⁵⁾	30.5	33.0	30.1	30.1
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. ⁽⁶⁾	1,020/ 23,504	1,025/ 29,000	225/ 5,508	910/ 19,980

(1) Volunteers are most prevalent in the first and fourth quarters. The department experienced lower volunteer numbers in FY 10-11 compared to FY 09-10 due to staff priorities, vacancies and one less AmeriCorp member.

(2) Attendance was slightly lower in FY 10-11 compared to last year due to reduced operating hours.

(3) As a result of not including the Senior Meals and Tax Assistance programs in the formula, cost per visit has increased.

(4) \$25,719 in scholarships have been awarded since January 1, 2011 and \$3,641 was used in the fourth quarter of FY 10-11. For calendar year 2011, 27% of the Family Assistance award has been used.

(5) FY09-10 Actual was formerly listed as 33.0, however it was discovered that the wrong population amount was used in the calculation. This FY09-10 actual has been updated.

(6) The number of programs in FY 10-11 is lower than FY 09-10 due to elimination of programs with lower attendance.

POLICE

Type of Expenditure	2010-11 Amended Budget	Unaudited 4th Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$9,469,836	\$2,440,841	\$9,369,863	98.94%
Supplies and Services	3,064,458	652,372	2,839,149	92.65%
Capital Outlay	51,130	14,735	20,775	40.63%
Total Operating Expenditures	\$12,585,424	\$3,107,948	\$12,229,788	97.17%

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:

- Vacant Public Safety Dispatcher position was filled.
- The Evidence Compound at Public Works was completed in June.
- Hosted three regional trainings resulting in no-cost attendance for police department employees. Topics were policy writing, outlaw motorcycle gangs and an armor's course.
- Completed final sessions of annual in-service training for all employees.
- Completed a Cops & Robbers citizen academy with twenty-four graduates.

Upcoming/Pending Items:

- Recruitment for the open police officer positions continue. Interviews will be held in July and another group of written testing will occur in August.
- Recruitment to fill the 0.75 FTE parking enforcement position will begin in July.
- File preparation continues for the 2011 calendar year for Commission on Accreditation of Law Enforcement Agencies (CALEA) and for on-site inspection in December 2011.
- Negotiations with CPOA for a new labor contract began in March 2011 and will continue in FY 11-12.
- A 9-1-1 service district feasibility study will be contracted.
- Awaiting result of application for funding two police officers through the COPS program.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY 09-10 ACTUAL	FY10-11 TARGET	4th QTR ACTUAL	FY 10-11 YTD
Cost Efficiency	Increase community safety by reducing response time to top priority calls.	Response time in seconds to top priority calls.	308	300	292	300
	Increase community safety by clearing part 1 criminal investigations.	Percentage of Part 1 Crimes Cleared. ⁽¹⁾	Violent 59%	70%	46%	49%
			Property 18%	20%	16%	14%
	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. ⁽²⁾	68	<100	211	161
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. ⁽³⁾	1.76	<2.50	0.43	1.93	

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY 09-10 ACTUAL	FY10-11 TARGET	4th QTR ACTUAL	FY 10-11 YTD
Diversity	Increase diversity of applicant pool through targeted outreach efforts.	Number of new, targeted outreach efforts. ⁽⁴⁾	3	6	0	0
Community Involvement	Achieve at least an 85% rating of excellent or good in citizen attitude surveys.	Citizen satisfaction ratings of overall police services.	78%	85%	83%	83%

(1) Both violent and property clearances continue below target due to low staffing levels; currently there are six vacancies.

(2) Recruitment was on hold for three months while candidates were in process, which extended the recruitment time period.

(3) There have been only 106 accidents, or 1.93 per thousand, year to date. Comparison to national averages cannot be completed until cumulative data is compiled for the entire year.

(4) Recruiting has been on hold due to budgetary constraints and these efforts will continue next fiscal year.

PUBLIC WORKS

Type of Expenditure	2010-11 Amended Budget	Unaudited 4th Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$11,452,970	\$2,809,790	\$10,862,913	94.85%
Supplies and Services	16,456,030	4,057,084	13,092,141	79.56%
Capital Outlay	1,421,670	213,420	404,697	28.47%
Total Operating Expenditures	\$29,330,670	\$7,080,294	\$24,359,751	83.05%

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:

- Completed waste audits in the first set of City facilities. Information gathered will be used to gauge progress toward the organization's "zero waste to landfill" goal.
- Facilitated brainstorming sessions with staff in other departments to identify areas where sustainability improvements could be made to processes and generated a list of projects for 2011.
- Continued progress on development of the department's asset management program with the creation of a framework, goals and objectives.
- Awarded this year's contracts for Sidewalk Safety (as part of the Sustainability Initiative Fee program) and Grind/Inlay programs.
- Opened the new public restroom at the Downtown Transit Center.
- Completed the conversion of the "protective-permissive" traffic signal to a flashing left-turn yellow arrow at Kings & Buchanan.
- Completed the on-site pilot test of a leachate pretreatment system to allow additional leachate to be accepted at the City's Wastewater Reclamation Plan. Preliminary results look positive.
- Completed the installation of emergency power generators at the Hoover and Woodland drinking water pumping stations.
- Completed the City Hall Seismic, HVAC upgrade, and window replacement projects. City Hall employees have returned to their offices.
- Completed the Fillmore/Lincoln sidewalk project.
- Completed the Circle Boulevard pedestrian crossing project.

Upcoming / Pending Items:

- Oversee community partners in the EPA Climate Showcase grant in implementing their programs to encourage climate-wise behaviors.
- Promote an employee to fill the City Engineer position, made vacant by the previous incumbent's retirement.
- Complete sidewalk repairs in the downtown area and grind/inlay projects as part of annual maintenance programs.
- Work with Corvallis School District 509-J to revise two CTS routes that provide service to the high schools.
- Submit two FTA grant applications and a federal Department of Transportation TIGER III grant application for funding a new transit operations and maintenance facility.

- Advertise for a consultant to update the Airport Master Plan.
- Develop and advertise a request for bids for Corvallis Forest timber thinning and forest health projects on approximately 65 acres.
- Complete field investigations for temperature total maximum daily load (TMDL) regulation compliance alternatives (OSU dairy farm and Orleans natural areas) to aid in determining best site for locating the constructed wetlands and associated infrastructure.
- Advertise and award the 4th Street Storm Water Retrofit, 2011-12 Waterline Rehabilitation, and North Hills Reservoir Improvements projects.
- Initiate construction of the Mary's River Interceptor, 2011-12 Sanitary Sewer Rehabilitation, and 2011-12 Street Reconstruction projects.
- Complete construction of the 2011-12 Storm Drain replacement project.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY 09-10 ACTUAL	FY 10-11 TARGET	4th QTR ACTUAL	FY 10-11 YTD
Cost Efficiency	Maintain transit costs below national average of \$2.70.	Costs per transit ride. ⁽¹⁾	\$2.36	<\$2.70	\$1.76	\$1.88
	Have utility rates that contribute to Corvallis being an attractive place to live.	Control operation and maintenance costs to minimize annual utility rate increases. ⁽²⁾	2.7%	≤ 3.0%	N/A	2.4%
Community Involvement	Contribute to the environmental health of the community. (ICMA fourth quarter)	Citizen rating of the quality of street cleaning services as 'excellent' or 'good'. ⁽²⁾	80%	85%	N/A	82%
	Provide street and utility services that meet the needs of community residents.	Citizens rating Public Works services 'excellent' or 'good'. ⁽²⁾	78%	90%	N/A	77%
	Encourage citizen input on Public Works projects and activities.	Number of public meetings held.	NA	20	5	15
Sustainability	Be in the upper third of comparator cities for alternative fuels usage.	Percentage of vehicles and heavy equipment using alternative fuels. ⁽³⁾	35%	35%	N/A	N/A
	Maintain energy costs for wastewater treatment below the national average as determined by NACWA (\$166 per million gallons treated)	Energy cost per million gallons treated. ⁽⁴⁾	\$75.57	< \$70.00	\$75.84	\$75.84
	Remain below national average of 10% annually for water loss in the distribution system.	Percent of water loss in the distribution system.	4.85%	<10.00%	5.45%	4.84%
Diversity	Achieve an annual increase in targeted categories of transit ridership over the previous year.	Percent increase in number of rides categorized as seniors, youth or with a disability in the annual transit survey. ⁽⁵⁾	27.58%	10.00%	N/A	N/A

(1) Cost per transit ride continues to be lower due the increases in ridership related to fareless transit that began in February 2011.

(2) This is an annual measure reported in the second quarter.

(3) This is an ICMA annual measure calculated in the fourth quarter, however, unavailable at the time this document was produced.

(4) The YTD cost came out higher than target due to higher chemical costs.

(5) In previous years, data for this measure was collected by verifying rider passes during boarding. The recent change to fareless transit has eliminated rider passes, in turn, preventing the ability to track ridership categories.

NON-DEPARTMENTAL

Type of Expenditure	2010-11 Amended Budget	Unaudited 4th Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$0	\$0	\$0	0.00%
Supplies and Services	1,539,260	322,934	1,428,363	92.80%
Capital Outlay	0	0	0	0.00%
Total Operating Expenditures	\$1,539,260	\$322,934	\$1,428,363	92.80%

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

VACANCY SUMMARY

DEPARTMENT	Adopted 10-11 Budget AUTHORIZED FTE	FILLED FTE 6/15/2011	VACANT POSITIONS	STATUS
CMO	10.00	9.75	Risk/HR Coordinator (.25)	Underfilled
COMMUNITY DEVELOPMENT	40.30	33.80	Building Inspector (3) Associate Planner (.5) Code Enforcement (.5) Permit Coordinator (.5) Project Coordinator Engineering Technician III	Held open Held open Held open Held open Held open Held open
FINANCE	38.00	36.75	Accountant Sr Admin Specialist (.25)	Held open Underfilled
FIRE	69.00	65.00	Firefighter EMT (2) Lieutenant Fire Engineer	Held open Recruitment not initiated Recruitment not initiated
LIBRARY	45.39	41.39	Shelver (.5) Shelver (.25) Library Specialist II (.5) Community Library Specialist (.75) Reference Librarian (2)	Recruitment to be initiated Underfilled Recruitment no initiated Recruitment not initiated Recruitment to be initiated
PARKS AND RECREATION	37.07	31.56	Management Assistant Senior Center Supervisor Aquatics Support Specialist Seasonal Parks Worker (2.01) Park Operations Specialist (.5)	Held open Held open Held open Held open Held open
POLICE	92.25	85.50	Police Officer (5) Police Officer Assigned Parking Enforcement Officer (.75)	Recruitment in process Held open Recruitment not initiated
PUBLIC WORKS	119.25	115.12	Engineering Technician III Program Specialist Fleet Services Specialist (.5) Environmental Analyst Administrative Specialist (.63)	Held open Recruitment not initiated Held open Recruitment in process Held open
TOTALS	451.26	418.87		

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 fourth quarter, Capital Project year-to-date expenditures totaled \$4,698,606 or 33.19% of the \$14,157,847 Amended Budget. The lists below include a breakout of major projects by those that were completed, projects delayed or cancelled and project partially or wholly carried over to FY 11-12. 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 Completed	Page#
Airport Industrial Park Improvements	<u>3</u>
City Hall Block – Moose Building Demolition, Parking Lot Construction and Transit Mall restroom construction	<u>3</u>
Municipal Buildings Rehabilitation – Majestic Theatre Seismic, Phase III	<u>4</u>
Law Enforcement Fenced / Paved Compound	<u>4</u>
Country Club Drive Bike Lanes	<u>6</u>
Fillmore and Lincoln Sidewalks	<u>6</u>
Sidewalk Safety	<u>6</u>
WWMP Influent Pump Station	<u>7</u>
Baldy Reservoir Cover Replacement	<u>8</u>

Projects Delayed or Cancelled	Page#
Goodnight Right-of-Way Acquisition	<u>6</u>
Reservoir Road Improvements	<u>6</u>
Traffic Signal – 26 th / Western	<u>7</u>
WWRP Methane Utilization	<u>8</u>

Projects Partially or Wholly Carried Over to FY 11-12	Page#
Fire Department Facilities Relocation	<u>3</u>
Advanced Transportation Management System	<u>5</u>
Circle Boulevard Pedestrian Activated Crossing	<u>6</u>
South 3 rd Street / Crystal Lake Drive Improvements	<u>6</u>
Marys River Interceptor Improvements	<u>7</u>
North Hills 1 st Level Reservoir Improvements	<u>8</u>
Acquisition of Natural Areas	<u>4</u>
Park Facility Improvements – Art Center Plaza	<u>4</u>
Park Improvements	<u>4</u>
Riverfront Commemorative Parks – Interpretive Signage	<u>5</u>
Special Use Facilities – Tennis Courts	<u>5</u>
Trails / Bike Paths – Shooting Star Trail Improvements	<u>5</u>

SUMMARY OF CIP PROJECTS

AIRPORT	ADOPTED	AMENDED	Y-T-D
Airport Facility Improvements	\$117,000	\$117,000	\$69,342
Airport Industrial Park Improvements	848,200	814,400	701,263
South Corvallis Drainage Improvements	20,000	20,000	2,692
Carryover Adjustment - Unused Budget	0	33,800	0
TOTAL Airport Projects	<u>\$985,200</u>	<u>\$985,200</u>	<u>\$773,297</u>
BUILDINGS AND FACILITIES			
BUILDINGS AND FACILITIES	ADOPTED	AMENDED	Y-T-D
City Hall Block	\$2,082,210	\$2,029,780	\$1,658,567
Fire Dept. Prop. Acquisition & Fac. Relocation	48,000	48,000	10,948
Law Enforcement Fenced/Paved Compound	91,800	91,800	91,616
Municipal Buildings Rehabilitation	551,000	551,000	237,401
Carryover Adjustment - Unused Budget	0	52,430	0
TOTAL Buildings and Facilities	<u>\$2,773,010</u>	<u>\$2,773,010</u>	<u>\$1,998,531</u>
PARKS			
PARKS	ADOPTED	AMENDED	Y-T-D
Acquisition of Natural Areas	\$128,227	\$128,227	\$0
Osborn Aquatic Center	46,000	46,000	12,022
Park Facility Renovation	100,000	100,000	0
Park Improvements - Existing	180,000	180,000	0
Riverfront Commemorative Park Signage	30,850	30,850	0
Special Use Facilities	20,000	20,000	0
Trails/Bike Paths	10,000	10,000	35
TOTAL Parks	<u>\$515,077</u>	<u>\$515,077</u>	<u>\$12,057</u>
STORM WATER			
STORM WATER	ADOPTED	AMENDED	Y-T-D
Storm Drain Replacement	\$137,200	\$137,200	\$136,613
Storm Water Master Plan Projects	445,000	445,000	22,689
TOTAL Storm Water Projects	<u>\$582,200</u>	<u>\$582,200</u>	<u>\$159,302</u>
TRANSPORTATION			
TRANSPORTATION	ADOPTED	AMENDED	Y-T-D
Advanced Transportation Management System	\$575,940	\$574,640	\$2
Circle Boulevard Pedestrian Activated Crossings	199,000	189,810	177,401
Country Club Drive Bike Lanes	238,000	238,000	165,139
Downtown Public Parking	200,000	200,000	0
Fillmore and Lincoln Sidewalks	95,300	95,300	89,563
Goodnight ROW Acquisition	370,000	370,000	0
Reservoir Road Improvements	300,000	300,000	0
Sidewalk Safety	228,090	228,090	190,209
South 3rd Street/Crystal Lake Drive Improvements	50,000	50,000	0
Street Reconstruction	55,000	55,000	21,345
Traffic Signals	282,040	282,040	4,501
Transit Operations Center	140,000	88,510	76,374
Utility and Street Improvements	200,000	200,000	0
Carryover Adjustment - Unused Budget	0	61,980	0
TOTAL Transportation	<u>\$2,933,370</u>	<u>\$2,933,370</u>	<u>\$724,534</u>
WASTEWATER			
WASTEWATER	ADOPTED	AMENDED	Y-T-D
Biosolids Storage Tank	\$20,000	\$20,000	\$0
Marys River Interceptor Improvements	874,500	874,500	49,998
Sanitary Sewer Line Rehabilitation	614,910	614,910	358,667
WWMP Influent Pump Station	189,000	189,000	132,743
WWRP Electrical Equipment Replacement	1,606,950	1,542,770	287,008
WWRP Methane Utilization	78,680	78,680	0
Utility and Street Improvements	33,000	33,000	0
Carryover Adjustment - Unused Budget	0	64,180	0
TOTAL Wastewater Projects	<u>\$3,417,040</u>	<u>\$3,417,040</u>	<u>\$828,415</u>
WATER			
WATER	ADOPTED	AMENDED	Y-T-D
Baldy Reservoir Cover Replacement	\$0	\$1,540	\$1,540
36th and Grant Water Pump Station Improvements	\$102,490	\$102,490	\$0
North Hills 1st Level Reservoir Improvements	2,063,660	2,062,450	123,112
Water Distrib System Rehabilitation	100,000	100,000	77,818
West Corvallis Second Level Water	600,800	600,800	0
Utility and Street Improvements	85,000	83,460	0
Carryover Adjustment - Unused Budget	0	1,210	0
TOTAL Water Projects	<u>\$2,951,950</u>	<u>\$2,951,950</u>	<u>\$202,470</u>
TOTAL All Areas	<u>\$14,157,847</u>	<u>\$14,157,847</u>	<u>\$4,698,606</u>

AIRPORT AND INDUSTRIAL PARK PROJECTS

<i>Airport Facility Improvements</i>	<u>CIP Doc Pg:</u> 1	<u>Adopted Budget:</u> \$117,000	<u>Amended:</u> \$117,000	<u>YTD Expended:</u> \$69,342
<p>This project will address space constraints and safety concerns by providing additional ramp, T-hangar space and an extension of the existing security / wildlife fence.</p> <p>This project is partially funded with an \$80,000 FAA grant to extend fencing. A Connect Oregon III state grant is being used for the required FAA funding match. A construction contract was awarded to Willamette Fence Co. from Portland, OR. Construction has been completed.</p>				
<i>Airport Industrial Park Improvements</i>	<u>CIP Doc Pg:</u> 3	<u>Adopted Budget:</u> \$848,200	<u>Amended:</u> \$814,400	<u>YTD Expended:</u> \$701,263
<p>This project made improvements to Hout Street. It supports 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>Construction is complete.</p>				
<i>South Corvallis Drainage Improvements</i>	<u>CIP Doc Pg:</u> 7	<u>Adopted Budget:</u> \$20,000	<u>Amended:</u> \$20,000	<u>YTD Expended:</u> \$2,692
<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. Preliminary design is complete and a design report has been issued. No further work is anticipated at this time.</p>				

BUILDING AND FACILITIES PROJECTS

<i>City Hall Block</i>	<u>CIP Doc Pg:</u> 11	<u>Adopted Budget:</u> \$2,082,210	<u>Amended:</u> \$2,029,780	<u>YTD Expended:</u> \$1,658,567
<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 10-11 includes City Hall window replacement, demolition of the Moose Building, City Hall HVAC (heat pump and boiler replacement) and City Hall Seismic retrofits. Staff obtained a bank loan to fund the replacement of exterior windows at City Hall and the property tax portion of the Moose Building and the City Hall Seismic, along with other property tax funded capital projects. Additionally, a FEMA Pre-Disaster Mitigation grant up to \$812,500 funded 75% of eligible seismic construction costs with a 25% match requirement. The City Hall Seismic retrofits and window replacement construction have been completed. The Moose Building demolition project also includes the construction of additional parking spaces and restroom facilities. The Moose Building demolition, parking lot construction and Transit Mall public restrooms are complete.</p>				
<i>Fire Dept. Prop. Acquisition & Fac. Relocation</i>	<u>CIP Doc Pg:</u> 13	<u>Adopted Budget:</u> \$48,000	<u>Amended:</u> \$48,000	<u>YTD Expended:</u> \$10,948
<p>This project relocates and replaces the current training facility, which is 40 years old and in poor condition. Staff 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.</p> <p>A contract has been executed to provide wetland and endangered species investigation on the proposed fire training facilities site. The consultant has completed the field survey and is preparing the preliminary report which will be submitted to Division of State Lands (DSL) for acceptance of the wetland delineation. RFPs for design were opened during the 4th quarter and the contract is routing for approval. Once contracts are signed, the City will meet with the consultant to begin design of the project.</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> \$91,616
<p>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.</p> <p>Construction began in the 2nd quarter and was completed during the 4th quarter.</p>				
<i>Municipal Buildings Rehabilitation</i>	<u>CIP Doc Pg:</u> 17	<u>Adopted Budget:</u> \$551,000	<u>Amended:</u> \$551,000	<u>YTD Expended:</u> \$237,401
<p>This project extends the life of municipal buildings through a planned program of rehabilitation projects. This fiscal year's budget includes Library masonry repair and seal; Law Enforcement Building (LEB) HVAC control system; Majestic Theater seismic phase III construction; and the Senior Center Geothermal Heat Pump (GHP).</p> <p>No work has been initiated yet on the Library masonry. LEB HVAC control system work has been completed. Majestic Theater seismic construction phase III work is complete. The Senior Center GHP project has been canceled and funding will be transferred to the Library Chiller Replacement project.</p>				

PARKS AND RECREATION

<i>Acquisition of Natural Areas</i>	<u>CIP Doc Pg:</u> 21	<u>Adopted Budget:</u> \$128,227	<u>Amended:</u> \$128,227	<u>YTD Expended:</u> \$0
<p>This project looks at the acquisition of land for the purposes of open space and passive recreation. Staff continued working with the Greenbelt Land Trust to evaluate a potential acquisition or option that may meet the criteria for the Chip Ross Fund.</p>				
<i>Osborn Aquatic Center</i>	<u>CIP Doc Pg:</u> 23	<u>Adopted Budget:</u> \$46,000	<u>Amended:</u> \$46,000	<u>YTD Expended:</u> \$12,022
<p>This project will enhance the social sustainability of the Osborn Aquatic Center (OAC) by providing a healthier environment for the community. This fiscal year's budget includes installing ultraviolet (UV) lights in the small indoor pool to dissipate the negative effects of chlorine; and to complete design for solar panels at OAC.</p> <p>The projects planned for this fiscal year will be dependant upon donations as well as grants to fund them. OAC received approximately \$8,100 in donations from interested patrons and outside organizations to help fund this project. The UV project in the small pool was completed during the 4th quarter.</p>				
<i>Park Facility Renovation</i>	<u>CIP Doc Pg:</u> 27	<u>Adopted Budget:</u> \$100,000	<u>Amended:</u> \$100,000	<u>YTD Expended:</u> \$0
<p>This project allows for significant renovation of existing parks with facilities that have depreciated beyond the routine repair stage. The FY 10-11 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. A grant has "unofficially" been awarded from the State; however, this project has not yet been initiated pending the State Parks "notice to proceed" related to the grant awarded for construction of this project. Staff has met with representatives from the State to address federal requirements and limitations for the site. Several maps have been prepared to support the project.</p>				
<i>Park Improvements - Existing</i>	<u>CIP Doc Pg:</u> 29	<u>Adopted Budget:</u> \$180,000	<u>Amended:</u> \$180,000	<u>YTD Expended:</u> \$0
<p>This project provides for improvements to existing City Parks. Staff has reviewed the plans for a community garden at Willamette Park and will now combine efforts with Healthy Kids Healthy Communities (HKHC) on future work in the south Corvallis area and specifically this park which had already been designated as a possible future site. No other projects have been initiated at this time. Staff has been working with Rotary for a potential donation towards the construction of the Willamette Park shelter. Staff received notice that it will be awarded a grant through Oregon State Parks to fund improvements to Tunison</p>				

Park, including new play equipment and a circulation plan that supports ADA access and active living.

<i>Riverfront Commemorative Park Signage</i>	<u>CIP Doc Pg:</u> 31	<u>Adopted Budget:</u> \$30,850	<u>Amended:</u> \$30,850	<u>YTD Expended:</u> \$0
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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.

<i>Special Use Facilities</i>	<u>CIP Doc Pg:</u> 35	<u>Adopted Budget:</u> \$20,000	<u>Amended:</u> \$20,000	<u>YTD Expended:</u> \$0
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This project allows for improvement of facilities which are site specific. The FY 10-11 budget includes resurfacing tennis courts at Cloverland Park and School District partnership tennis courts at Lincoln, Linus Pauling, and former Westland Schools.

Staff prepared contract documents and scope of work during the fourth quarter. Three quotes were received and a contractor was selected. Staff is waiting for the contractor to present insurance documents, then a Notice to Proceed will follow. The project will be completed during the first quarter of FY 11-12.

<i>Trails/Bike Paths</i>	<u>CIP Doc Pg:</u> 37	<u>Adopted Budget:</u> \$10,000	<u>Amended:</u> \$10,000	<u>YTD Expended:</u> \$35
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This project improves and adds trails and bike paths for citizen enjoyment. The FY 10-11 budget is for the design of Shooting Star trail improvements in the Timberhill area. Staff submitted a grant application, but notice of award has not been received at this time.

STORM WATER UTILITY

<i>Storm Drain Replacement</i>	<u>CIP Doc Pg:</u> 43	<u>Adopted Budget:</u> \$137,200	<u>Amended:</u> \$137,200	<u>YTD Expended:</u> \$136,613
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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.

Construction of projects designed in FY 09-10 is complete. Design of projects planned for FY 11-12 has been completed and bids for construction opened. Contract award is being processed. Actual construction is scheduled to begin at the end of July, 2011.

<i>Storm Water Master Plan Projects</i>	<u>CIP Doc Pg:</u> 45	<u>Adopted Budget:</u> \$445,000	<u>Amended:</u> \$445,000	<u>YTD Expended:</u> \$22,689
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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. Design of projects to be constructed in FY 11-12 continued through the 4th quarter.

TRANSPORTATION

<i>Advanced Transportation Management System</i>	<u>CIP Doc Pg:</u> 55	<u>Adopted Budget:</u> \$575,940	<u>Amended:</u> \$574,640	<u>YTD Expended:</u> \$2
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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.

Design is in progress and construction will occur next summer. Staff continues to review an interagency agreement with ODOT.

<i>Circle Boulevard Pedestrian Activated Crossings</i>	<u>CIP Doc Pg:</u> 61	<u>Adopted Budget:</u> \$199,000	<u>Amended:</u> \$189,810	<u>YTD Expended:</u> \$177,401
This project provides pedestrian crossings with activated signals along Circle Boulevard at the former Richey's Market location, Janssen and 17 th Streets. Construction work began in April and has been substantially completed. Final ramp work will be completed during the 1 st quarter of FY 11-12.				
<i>Country Club Drive Bike Lanes</i>	<u>CIP Doc Pg:</u> 65	<u>Adopted Budget:</u> \$238,000	<u>Amended:</u> \$238,000	<u>YTD Expended:</u> \$165,139
This project makes improvements to Country Club Drive to facilitate the safe movement of bicyclists traveling southbound. Immediately west of 35 th Street, Country Club Drive has a bike lane on the north side of the road, but not the south. Construction began at the end of September and was completed during the 2 nd quarter.				
<i>Downtown Public Parking</i>	<u>CIP Doc Pg:</u> 67	<u>Adopted Budget:</u> \$200,000	<u>Amended:</u> \$200,000	<u>YTD Expended:</u> \$0
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 upgrades have been identified during the 4 th quarter.				
<i>Fillmore and Lincoln Sidewalks</i>	<u>CIP Doc Pg:</u> 71	<u>Adopted Budget:</u> \$95,300	<u>Amended:</u> \$95,300	<u>YTD Expended:</u> \$89,563
This project makes improvements to sidewalks and ADA ramps on Fillmore and Lincoln Avenues between 29 th and 30 th Streets to facilitate safe movement of pedestrians. Construction has been completed.				
<i>Goodnight ROW Acquisition</i>	<u>CIP Doc Pg:</u> 73	<u>Adopted Budget:</u> \$370,000	<u>Amended:</u> \$370,000	<u>YTD Expended:</u> \$0
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. The project budget will be used 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 and has been rebudgeted to FY 11-12.				
<i>Reservoir Road Improvements</i>	<u>CIP Doc Pg:</u> 83	<u>Adopted Budget:</u> \$300,000	<u>Amended:</u> \$300,000	<u>YTD Expended:</u> \$0
This project will fund the SDC eligible elements of Reservoir Road improvements to be constructed by Benton County. These improvements include additional street structure to accommodate the heavier traffic volumes experienced by collector and arterial facilities, as well as street width in support of bike lanes and turn lanes. The identified budget is for a SDC reimbursement only. Funding for the project balance will be provided by Benton County.				
<i>Sidewalk Safety</i>	<u>CIP Doc Pg:</u> 85	<u>Adopted Budget:</u> \$228,090	<u>Amended:</u> \$228,090	<u>YTD Expended:</u> \$190,209
This program continues the systematic repair and replacement of hazardous public sidewalks and installation of ADA ramps. This project utilized New Freedom grant funds for installation of new ADA ramps in locations where none currently exist. City staff performed all work associated with this grant for two fiscal years, which began in FY 08-09. A total of 38 ramps have been completed. Construction has been completed up to the maximum allowed under the grant and a reimbursement request submitted to the granting agency. The City Council adopted Municipal Code Chapter 3.07, Sidewalk Improvements, to create the Sidewalk Maintenance Fee which went into effect on February 1, 2011. This new fee is collected monthly from Corvallis utility customers and will be used to repair public sidewalk hazards. Prior to this Code change, property owners directly paid the costs to repair sidewalk hazards adjacent to their property.				
<i>South 3rd Street/Crystal Lake Drive Improvements</i>	<u>CIP Doc Pg:</u> 87	<u>Adopted Budget:</u> \$50,000	<u>Amended:</u> \$50,000	<u>YTD Expended:</u> \$0
This project will relocate the traffic signal cabinet out of the sidewalk / multi-use path area to improve vision clearance; reconstruct the sidewalk / path and ADA ramp to meet ADA standards. This project has not yet been initiated and has been carried over to FY 11-12.				
<i>Street Reconstruction</i>	<u>CIP Doc Pg:</u> 89	<u>Adopted Budget:</u> \$55,000	<u>Amended:</u> \$55,000	<u>YTD Expended:</u> \$21,345

This project is the annual re-construction and overlay of selected streets based upon priorities set by a survey of pavement conditions. This project design has been completed and construction is scheduled to begin in July, 2011.				
<i>Traffic Signals</i>	<u>CIP Doc Pg:</u> 93	<u>Adopted Budget:</u> \$282,040	<u>Amended:</u> \$282,040	<u>YTD Expended:</u> \$4,501
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>Transit Operations Center</i>	<u>CIP Doc Pg:</u> 95	<u>Adopted Budget:</u> \$140,000	<u>Amended:</u> \$88,510	<u>YTD Expended:</u> \$76,374
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 consultant has completed the environmental report, preliminary design, and cost estimate. These elements were combined in a draft documented categorical exclusion and submitted to the FTA in January. Responses to question raised by the FTA review were provided to the agency in March. The FTA provided NEPA approval for the documented categorical exclusion in May, 2011.				
<i>Utility and Street Improvements</i>	<u>CIP Doc Pg:</u> 97	<u>Adopted Budget:</u> \$200,000	<u>Amended:</u> \$200,000	<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 was no street related activity during the 4 th quarter.				

WASTEWATER UTILITY

<i>Biosolids Storage Tank</i>	<u>CIP Doc Pg:</u> 105	<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. Valley Landfill, Inc has not taken any action on this project yet; therefore, this project has not yet been initiated.				
<i>Marys River Interceptor Improvements</i>	<u>CIP Doc Pg:</u> 107	<u>Adopted Budget:</u> \$874,500	<u>Amended:</u> \$874,500	<u>YTD Expended:</u> \$49,998
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. Design has been completed and a contract awarded, with construction scheduled to occur July to September.				
<i>Sanitary Sewer Line Rehabilitation</i>	<u>CIP Doc Pg:</u> 109	<u>Adopted Budget:</u> \$614,910	<u>Amended:</u> \$614,910	<u>YTD Expended:</u> \$358,667
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 of FY 11-12 projects has been completed. Design work for projects to be constructed in FY 11-12 is complete and construction bids were opened in June. Construction is scheduled to begin during the latter part of July, 2011.				
<i>WWMP Influent Pump Station</i>	<u>CIP Doc Pg:</u> 113	<u>Adopted Budget:</u> \$189,000	<u>Amended:</u> \$189,000	<u>YTD Expended:</u> \$132,743
This project provides improvements to the influent pump station to address the hydraulic turbulence issues during high influent flow rates. Construction began in FY 09-10 and was completed during the 1 st quarter of FY 10-11.				

WWRP Electrical Equipment Replacement	<u>CIP Doc Pg:</u> 117	<u>Adopted Budget:</u> \$1,606,950	<u>Amended:</u> \$1,542,770	<u>YTD Expended:</u> \$287,008
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).				
A construction contract has been awarded and the contractor given notice to proceed. The contractor and their electrical subcontractor have been providing the City with submittals for approval on all the electrical equipment that will be used in this project. The biggest submittal is for the electrical switchgear which is close to being approved pending resolution of some software issues. The City has approved the hardware, which has the longest lead time, in order for the contractor to start the ordering process. Actual switchgear installation is scheduled to begin in August, 2011.				
WWRP Methane Utilization	<u>CIP Doc Pg:</u> 119	<u>Adopted Budget:</u> \$78,680	<u>Amended:</u> \$78,680	<u>YTD Expended:</u> \$0
This project provides equipment to utilize digester methane gas to offset electrical natural gas costs. This project has not yet been initiated. Funding of this project is dependant upon the acquisition of grants. It has been reprogrammed for design in FY 12-13 and construction in FY 13-14.				
Utility and Street Improvements	<u>CIP Doc Pg:</u> 97	<u>Adopted Budget:</u> \$33,000	<u>Amended:</u> \$33,000	<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 were no wastewater utility reimbursements in the 4 th quarter.				

WATER UTILITY

Baldy Reservoir Cover Replacement	<u>CIP Doc Pg:</u> n/a	<u>Adopted Budget:</u> \$0	<u>Amended:</u> \$1,540	<u>YTD Expended:</u> \$1,540
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 10-11. The work has been completed.				
36th and Grant Water Pump Station Improvements	<u>CIP Doc Pg:</u> 129	<u>Adopted Budget:</u> \$102,490	<u>Amended:</u> \$102,490	<u>YTD Expended:</u> \$0
This project replaces the building and electrical equipment at the 36 th Street and Grant Avenue water pump station. This project has not yet been initiated.				
North Hills 1st Level Reservoir Improvements	<u>CIP Doc Pg:</u> 135	<u>Adopted Budget:</u> \$2,063,660	<u>Amended:</u> \$2,062,450	<u>YTD Expended:</u> \$123,112
This project provides for design and construction of reservoir improvements to the North Hills 1 st Level East Reservoir. Design is complete. Final bid documents are being prepared for construction this winter. Construction has been carried over for completion in FY 11-12.				
Water Distrib System Rehabilitation	<u>CIP Doc Pg:</u> 141	<u>Adopted Budget:</u> \$100,000	<u>Amended:</u> \$100,000	<u>YTD Expended:</u> \$77,818
This program provides for ongoing replacement or rehabilitation of the City's water distribution system infrastructure. Construction has been completed for projects designed in FY 09-10. Design work for projects to be constructed in FY 11-12 is in progress and scheduled for completion in July. Construction bid opening is anticipated for mid-August with construction to occur late summer and into fall.				
West Corvallis Second Level Water	<u>CIP Doc Pg:</u> 145	<u>Adopted Budget:</u> \$600,800	<u>Amended:</u> \$600,800	<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> 95	<u>Adopted Budget:</u> \$85,000	<u>Amended:</u> \$83,460	<u>YTD Expended:</u> \$0

<p>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 were no water utility reimbursements in the 4th quarter.</p>		

CORVALLIS CITY COUNCIL GOALS 2011-2012

PREFACE:

This is an update on work accomplished on Council Goals during the last quarter, with expected work to be accomplished in the future also summarized. 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>By December 2011, the Council will provide direction on recommendations to strengthen access to and availability of locally produced food and community gardens via policy, ordinance and Land Development Code changes.</p> <p>* By December 2012, the Council will enact code and policy changes corresponding with that direction.</p> <p><u>Accomplished through June 30, 2011:</u></p> <ul style="list-style-type: none"> • The Community Development Department is providing planning staff support to the Health Impact Assessment (HIA) Project related to local food and urban agriculture through an intergovernmental agreement with County. Work has begun on the development of the Health Impact Assessment Report, with a goal of conducting the first review of the document with the Planning Commission in early fall, followed by presentation of the report to the City Council in October or November of 2011 • Parks & Recreation staff held the second Community Garden Master Plan stakeholders meeting. • The Mary’s River Gleaners operation is housed at Pioneer Park; the space agreement has been renegotiated for another three year period. <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> • The HIA group will continue to develop a plan of work with recommendations expected later in 2011. 	<p>Economic Vitality Governing and Civic Involvement Where we Live</p>
<p>By December 2011, the Council will consider action on recommendations by the Economic Development Commission concerning strategic priorities and funding sources for Economic Development initiatives.</p> <p><u>Accomplished through June 30, 2011:</u></p> <ul style="list-style-type: none"> • The Economic Development Commission (EDC) has been meeting regularly, has received background information, and is in the process of developing a strategic plan. • A sub-Committee was formed to work on strategic plan development and is meeting monthly between regular EDC meetings. • The EDC made recommendations to the City Council regarding Enterprise Zone Expansion, Interim Economic Development Services beginning FY 11-12 and a general expenditure plan for FY 11-12 economic development funds. All recommendations were accepted by the Council. • <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> • The EDC will continue work on developing strategic economic development recommendations for the City Council consideration later this year. 	<p>Central City Economic Vitality Governing and Civic Involvement Where we Live</p>

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<p>Working with OSU President and his staff, by December 2011, the Council will create a plan to seize opportunities on parking, code enforcement, infill design, rental code, traffic design and other important issues.</p> <p><u>Accomplished through June 30, 2011:</u></p> <ul style="list-style-type: none"> • Leadership from the City and OSU have met on two occasions to discuss development of a plan for prioritizing initiatives and moving forward. • The City presented an outline of potential focus areas and a basic approach to the project along with estimated time frames and costs to OSU. This information was well received by OSU leadership. <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> • OSU and City staff will develop a framework for the next step in the process which is formation of a scoping committee that will develop a specific work program for the project. This framework will be brought back for consideration by City Council and OSU Leadership in the early fall. 	<p>Central City Education and Human Services Governing and Civic Involvement Protecting the Environment Where we Live</p>
<p>The Council will create a financially sustainable City budget.</p> <ul style="list-style-type: none"> * Amend compensation policies to align total employee compensation with available City revenue. * Develop new sources of revenue that align with the cost of desired City services. <p><u>Accomplished through June 30, 2011:</u></p> <ul style="list-style-type: none"> • The City Council held a work session on June 13 to begin discussions about this goal. Their direction included scheduling another work session to discuss a core services review process and past work on revenue alternatives. • The City Council also adopted a balanced budget for FY 11-12 that includes a reduction of 6.3 FTE; though some positions were vacant, and some incumbents transferred to other positions or took reductions in their existing positions. As a result only one individual was laid off on June 30. • Labor negotiations continued with the Corvallis Police Officers Association and with the American Federation of State, County and Municipal Employees. <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> • The City Council will hold a work session on July 5, 2011 to begin the core services and revenue development plans. 	<p>Culture and Recreation Central City Economic Vitality Education and Human Services Governing and Civic Involvement Protecting the Environment Where we Live</p>

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<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"> ○ The League of Women Voters held monthly town hall meetings and public programs at the Library. ○ Public Works staff conducted the annual watershed tour in June with 70 participants. ○ The City published the Annual Report Card and mailed copies to all households in Corvallis. • Sustainability: <ul style="list-style-type: none"> ○ A third group of volunteer menders/refurbishers has formed to help keep the Library’s book collection in good condition. ○ Public Works and Fire Department staff completed a project to install solar photovoltaic (PV) panels at the Tunison Fire Station, estimated to supply 50% of the station’s annual energy needs. ○ Transportation Division members staffed the alternative transportation booths at the Corvallis Environmental Center’s Earth Faire and OSU’s Earth Week vendor fair. ○ Transit ridership continued setting new monthly records. ○ Get There Another Way Week participants saved a combined total of almost 7,000 miles of single occupancy vehicle use that week. ○ Completed waste audits in the first set of City facilities. Information gathered will be compared to previous waste audit results to gauge progress toward the organization’s “zero waste to landfill” goal. ○ Began re-design of the City Services bill to develop a plan to send the bill without envelopes. ○ The first “Saving Energy Loan Fund” (SELF) residential energy efficiency loan was approved. The program utilizes American Recovery and Reinvestment Act-based Energy Efficiency and Conservation Block Grant funds from the U.S. Department of Energy. ○ Installation was completed for the new ultraviolet light filtration system in the Therapy Pool at Osborn Aquatic Center. This new water treatment technique will save chemicals, natural gas and water. ○ Parks & Recreation staff have initiated a re-landscaping project in a section at Sunset Park to use drought tolerant plants. • Diversity: <ul style="list-style-type: none"> ○ An OSU Promise Intern began her summer research project on mentoring programs. ○ The Employer Partnership for Diversity held its final training of the year: Managing Generations in the Workplace. • Cost Efficiency: <ul style="list-style-type: none"> ○ The July/August issue of the Library’s Check It Out newsletter will be the last that is done by an outside contractor. As part of the Library’s budget reductions for FY 11-12, the task of designing the publication now will be done in-house. ○ A home-grown self-check machine was installed at the Philomath Community Library. ○ Public Works staff began using a new process to reactivate the carbon in the filters at the Taylor Plant that will result in reuse of the carbon and significant reduction in the amount of new carbon purchased. 	