

FIRST QUARTERLY OPERATING REPORT

FISCAL YEAR 2011-2012

EXECUTIVE SUMMARY

November 1, 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 11-12 budget was prepared and adopted during a time of moderate economic recovery from the previous year's economic recession, but in a highly fiscally constrained City environment. High unemployment, stagnant property values, and slowed development, as well as lower than historical revenues in both FY 09-10 and FY 10-11, were all taken into account when preparing the budget. Despite these factors, demand for many City services continues to be robust, which in the face of the relatively flat or declining revenue stream is having a negative impact on fund balances across the organization.

In September, following a Federal Open Market Committee (FOMC) meeting in August, a press release stated economic growth remains slow, citing continual weakness in labor market and elevated unemployment rates. Household spending has increased, but only at a modest rate. The housing sector remains depressed and the investment in nonresidential structures remains weak throughout the nation. Despite the gloomy labor market and housing market there are a couple of positives. Business investment in equipment and software continues to expand, while inflation has been somewhat subdued compared with earlier in the year. At the end of September, the national unemployment rate was 9.1% while Oregon's unemployment increased slightly to 9.6%. Oregon's unemployment rate has remained in the range of 9.3 to 9.6 percent since April with approximately 178,000 Oregonians jobless as of September 30th. At 6.6% 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.

Overall, the City's financial performance through the first quarter of the fiscal year generally has been as expected. Revenue and expenditure timing is close to historical patterns (i.e., Parks & Recreation usually spends more than 25% of its budget in the busy summer months, and that was true this quarter as well; the majority of Property Tax revenue will be received in the second quarter). The economy continues to impact the pace of residential building and there was some improvement achieved last year, but still not at the levels seen prior to the economic downturn. There are still cases where the percentage of revenues received compared to budget may belie what remains relatively poor revenue performance, due to reduced revenue estimates. This may hold true for some charges for service or fee-related revenues, such as Community Development activities, where budget numbers have been revised down due to the economy, but appear to be performing better because they are exceeding estimated amounts at this time.

As of the end of the first quarter for the fiscal year, total expenditures are generally less than 25% of budgeted expenditures, but are approximately \$1.6M higher than last year's spending levels driven primarily by Community Development and Public Works as well as other departments spending a higher percentage of their capital outlay (i.e. vehicle replacements) budgets earlier in the year. Increases in Community Development spending are due to large CDBG and HOME grant funded projects for non-profits (i.e. CARDV, Willamette Neighborhood Housing Services (WNHS), and Corvallis Homeless Shelter Coalition/Partners Place); while for Public Works the increases are associated with the completion of summer projects in Transportation, in addition to spending on various special projects including the Water Fund Flexnet System project and several grant-related activities. Departments are continuing to actively control expenditures 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 11-12 and FY 10-11:

REVENUE	AMENDED BUDGET	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	AMENDED BUDGET	Y-T-D FY 10-11	FY 10-11 % REC/EXPEND
Budgeted Fund Balance	\$31,590,966					
Property Taxes	\$24,194,090	\$165,317	0.68%	\$21,208,240	\$137,897	0.65%
Other Tax	1,151,190	230,607	20.03%	1,036,190	207,716	20.05%
Licenses/Permits	8,025,850	1,581,759	19.71%	6,844,580	1,339,977	19.58%
Charges for Service	38,363,030	9,998,305	26.06%	38,375,510	10,166,587	26.49%
Intergovernmental	17,636,848	468,186	2.65%	18,538,917	480,391	2.59%
Fines/Forfeitures	1,385,740	286,517	20.68%	1,365,570	264,004	19.33%
Miscellaneous	3,206,010	335,810	10.47%	2,648,600	687,882	25.97%
Other Financing Sources/Transfers in	14,049,368	2,472,025	17.60%	15,646,822	4,453,583	28.46%
TOTAL CURRENT REVENUE	\$108,012,126	\$15,538,526	14.39%	\$105,664,429	\$17,738,037	16.79%
EXPENDITURE BY DEPARTMENT						
City Manager's Office	\$3,060,210	\$1,117,304	36.51%	\$3,149,270	\$1,181,368	37.51%
Community Development	8,711,800	2,035,035	23.36%	8,276,960	1,306,665	15.79%
Finance	5,017,380	1,207,710	24.07%	4,995,400	1,198,118	23.98%
Fire	11,384,830	2,849,989	25.03%	10,626,930	2,569,080	24.18%
Library	6,561,530	1,501,226	22.88%	6,434,610	1,563,798	24.30%
Park & Recreation	6,096,500	1,650,435	27.07%	5,795,480	1,631,251	28.15%
Police	13,044,364	3,192,707	24.48%	12,585,424	3,176,234	25.24%
Public Works	30,371,830	6,500,349	21.40%	29,330,670	5,831,785	19.88%
Non-Departmental	1,317,300	319,576	24.26%	1,539,260	402,658	26.16%
TOTAL OPERATING EXPENDITURES	\$85,565,744	\$20,374,331	23.81%	\$82,734,004	\$18,860,957	22.80%
Debt Service	\$8,182,690	\$843,581	10.31%	\$8,228,600	\$1,247,475	15.16%
Capital Projects	12,062,236	1,305,772	10.83%	14,282,447	928,112	6.50%
Transfers Out / Other Financing Uses	14,049,368	2,472,025	17.60%	13,089,352	2,332,190	17.82%
Contingencies/Reserves	1,419,840	0	0.00%	1,217,520	0	0.00%
TOTAL ALL EXPENDITURES	\$121,279,878	\$24,995,709	20.61%	\$119,551,923	\$23,368,734	19.55%
CURRENT REVENUES LESS TOTAL EXPENDITURES						
	(\$13,267,752)	(\$9,457,183)		(\$13,887,494)	(\$5,630,697)	

In general, the status of the City's finances was in line with expectations at the end of the first quarter. Year-to-date revenues of \$15,538,526 are at 14.39% of the Amended Total Revenue Budget of \$108,012,126. 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 three months of FY 11-12, the following amendments to the budget were approved:

Date	Amendment Type	Resource	Fund	Department	Net Expenditure Impact
8/15/2011	Res - Grant	OR State Parks&Rec Dept Grant	CIP	Parks & Rec	\$ 5,000
8/15/2011	Res - Grant	LSTA Grant	Library	Library	\$ 75,000
9/6/2011	Res - Grant	ODOT Grant	CIP	Public Works	\$ 237,603
9/6/2011	Res - Grant	DOJ Byrne Grant	General	Police	\$ 10,284
				Total Increase	\$ 327,887

Significant revenue highlights include:

- **Property taxes** totaled \$165,317 through the first quarter which equals 0.68% of the budgeted property tax revenue. The majority of property taxes for the fiscal year are typically collected in the second quarter. FY 11-12 year-to-date property tax revenues are comparable with last fiscal year's results and relate to prior year delinquent collections.
- **Other Taxes** are collected from hotels in the form of room taxes and totaled \$230,607 or 20.03% of budget as of first quarter-end. Transient room taxes are typically below budget in the first quarter of the year due to a one-month lag on revenue turnover, with the first month's receipts having been accrued back to the prior year. Nevertheless, summer seasonality and early football season hotel stays have led to slightly better results thus far in FY 11-12 compared to last year at this time.
- **Licenses, Fees and Permits** totaled \$1,581,759 which represents 19.71% of the amended budget and is aligned with revenue as a percentage of budget received during the same time last year. While franchise fees are underperforming year-to-date, Consumers Power implemented a residential rate increase in October and PacificCorp is estimated to increase rates 3-5% in January, which could offset projected shortfalls brought on by utility conservation efforts. The transportation maintenance and sustainability initiative fees are on target and Development Service permit fees are trending higher than expected due to ongoing projects at OSU.

- **Charges for Services** were \$9,998,305 which represents 26.06% of the amended budget. These revenues appear to be on target with budget and last year. However, given the seasonal influence on most of these receipts, the summer months would normally have higher percentage results; a wet summer, slow-to-recover economy, and virtually no residential development are considered to have dampened the levels attained.
- **Intergovernmental** revenues are below target and low compared to last year's actuals at \$468,186 or 2.65%. The receipt of grant monies tends to be volatile and highly dependent on timing of related expenditures. It should be noted that there are several intergovernmental payments related to amounts accrued back to FY 10-11 that have not yet been received, but are typically expected in the second quarter (Benton County Library District payment, Transit Operating Grant, JARC Grant, Home Grant, etc.)
- **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. Since beginning collection efforts in FY 10-11, results through the end of Q1 FY 11-12, are summarized in the following table:

	<u>Overdue Fines</u> <u>Turned Over</u>	<u>Written Off</u>	<u>Collected</u>	<u>Balance</u> <u>Outstanding</u>
Traffic	\$ 1,877,120.93	\$ 33,465.60	\$ 45,518.20	\$ 1,798,137.13
Parking	\$ 277,120.30	\$ 4,657.61	\$ 62,521.39	\$ 209,941.30

- **Interest earnings** totaled \$45,115 at the end of the first quarter, which represents 11.87% of the budgeted interest and is only 86% of last year's earnings at this same point in time. The reduced receipts level is attributed to the continued decline of interest rates. However, with the help of the City's new investment advisory firm we expect earnings in this category to improve by the end of FY 11-12, though the market is expected to continue to hover at historic lows for the next year or more.

Operating expenditures for all funds totaled \$20,374,331 or 23.81% of the Amended Operating Expenditure Budget which is higher than last year both in total dollars expended and percentage of budget. These results are primarily due to the explanations outlined above for Public Works and Community Development, and particularly the latter, which in the past has traditionally underexpended its grant appropriations due to the length of time to fruition of housing loan projects. The higher current year spending is also partly reflective of increased personal service costs due to hiring for vacancies that were unfilled at the same time last year. Non-operating expenditures, which include capital projects, transfers, debt service, and contingency, totaled \$4,621,378 or 12.94% of the \$35,714,134 Amended Non-Operating Budget. In total, expenditures through the first quarter were \$24,995,709 or 20.61% of the \$121,279,878 budgeted, compared to 19.55% for the first quarter of 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>		\$47,165,930	\$35,803,854	\$2,595,960	\$85,565,744	
City Manager's Office	\$3,060,210	\$249,110	\$868,195	\$0	\$1,117,304	36.51%
Community Development	8,711,800	912,970	1,122,065	0	2,035,035	23.36%
Finance	5,017,380	828,223	358,706	20,780	1,207,710	24.07%
Fire	11,384,830	2,182,571	452,917	214,502	2,849,989	25.03%
Library	6,561,530	960,320	540,906	0	1,501,226	22.88%
Parks & Recreation	6,096,500	1,142,998	507,437	0	1,650,435	27.07%
Police	13,044,364	2,362,903	782,591	47,213	3,192,707	24.48%
Public Works	30,371,830	2,821,812	3,399,306	279,231	6,500,349	21.40%
Non Department	1,317,300	0	319,576	0	319,576	24.26%
TOTAL	\$85,565,744	\$11,460,906	\$8,351,698	\$561,727	\$20,374,331	23.81%
Percent of Budget		24.30%	23.33%	21.64%	23.81%	

Significant expenditure highlights include:

- **Personal services** totaled \$11,460,906 or 24.30% of the amended budget of \$47,165,930 and was in line with the percent of budget spent in FY 10-11, though \$191,000 higher due contractual step increases, associated payroll tax increases, and retirement cashouts year-to-date. Payroll expenditures are expected to stay relatively close to the FY 10-11 actuals through FY 11-12 based on Exempt, and IAFF agreeing to no COLA increases, although PERS rate increases across all units will have an impact. AFSCME and CPOA agreements were still pending at the end of the quarter.

- **Supplies and Services** totaled \$8,351,698 or 23.33% of the amended budget of \$35,803,854. The dollars spent in FY 11-12 are approximately 10% higher than the amount spent in FY 10-11 due primarily to the increases in Community Development and Public Works noted above.
- **Capital Outlay** totaled \$561,727 or 21.64% of the amended budget of \$2,595,960. The dollars spent in FY 11-12 are approximately \$530,000 more than the same period in FY 10-11 due in part to many departments expending their capital budgets early in the fiscal year as compared to last year; the Fire Department expended monies for vehicle replacements that were bid in FY 10-11 for purchase in FY 11-12, and Public Works made a significant down payment on its Flexnet meter-reading software. At the same time in FY 10-11, only \$30,000 had been spent on capital outlay (i.e. vehicle replacements). 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.

NON OPERATING EXPENDITURES

- **Capital projects** totaled \$1,305,772 or 10.83% of the amended budget of \$12,062,236. Capital project expenditures tend to fluctuate year-over-year, and there are always projects that are either carried forward into following years or simply do not come to fruition. For FY 11-12, several projects have yet to begin.
- **Debt service** payments totaled \$843,581 or 10.31% of the total budget of, \$8,182,690 which is lower than last year's levels, due to the 1994 Advanced Refunding General Obligation bonds having been fully paid off in the first quarter of FY 10-11.
- **Transfers and Other Financial Uses** totaled \$2,472,025 or 17.60% of the amended budget of \$14,049,368. 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.

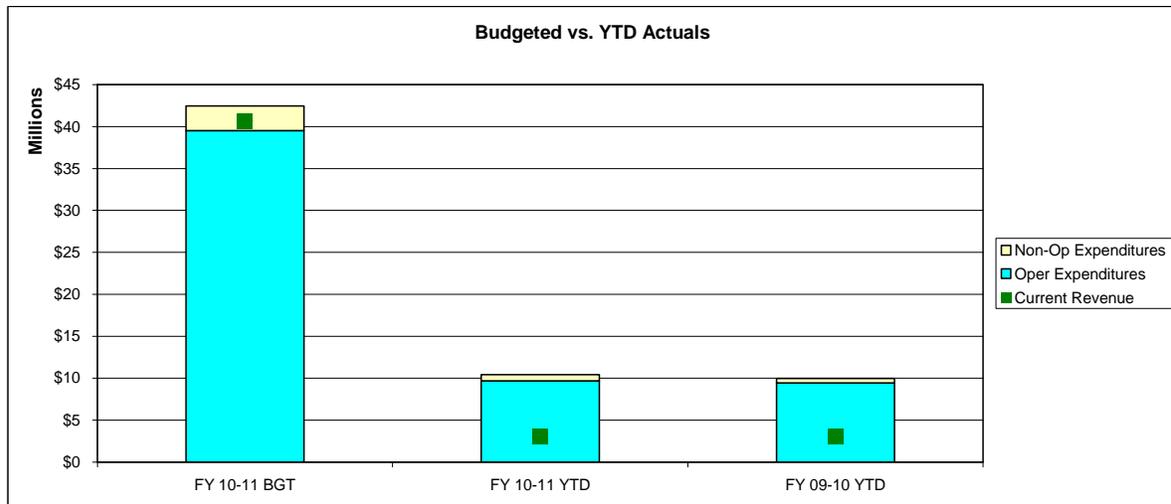
Current Revenue less Total
Expenses

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	1st Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	1st Quarter FY 10-11	Y-T-D FY 10-11	FY 10-11 % REC/EXPEND
Budgeted Fund Balance	\$4,951,425						
Property Taxes	\$20,274,090	\$165,317	\$165,317	0.82%	\$137,897	\$137,897	0.72%
Other Tax	1,151,190	230,607	230,607	20.03%	207,716	207,716	20.05%
Licenses/Permits	5,624,980	862,705	862,705	15.34%	821,279	821,279	15.07%
Charges for Service	5,470,200	1,279,877	1,279,877	23.40%	1,269,474	1,269,474	23.92%
Intergovernmental	4,869,204	234,177	234,177	4.81%	235,502	235,502	4.66%
Fines/Forfeitures	976,510	192,893	192,893	19.75%	181,648	181,648	18.97%
Miscellaneous	378,880	100,168	100,168	26.44%	215,550	215,550	63.07%
Other Financing Sources	1,936,060	10,000	10,000	0.52%	19,002	19,002	4.41%
TOTAL CURRENT REVENUE	\$40,681,114	\$3,075,744	\$3,075,744	7.56%	\$3,088,068	\$3,088,068	8.17%
EXPENDITURE BY DEPARTMENT							
Community Development	\$1,356,480	\$327,904	\$327,904	24.17%	\$366,715	\$366,715	22.66%
Finance	677,700	166,335	166,335	24.54%	144,035	144,035	23.27%
Fire	11,384,830	2,849,989	2,849,989	25.03%	2,569,080	2,569,080	24.18%
Library	6,531,530	1,501,226	1,501,226	22.98%	1,563,770	1,563,770	24.30%
Parks and Recreation	6,096,500	1,650,435	1,650,435	27.07%	1,631,251	1,631,251	28.15%
Police	10,512,464	2,602,422	2,602,422	24.76%	2,557,246	2,557,246	25.42%
Public Works	1,642,760	284,111	284,111	17.29%	218,265	218,265	12.01%
Non-Departmental	1,315,950	319,576	319,576	24.28%	401,808	401,808	26.13%
TOTAL OPERATING EXPENDITURES	\$39,518,214	\$9,701,997	\$9,701,997	24.55%	\$9,452,170	\$9,452,170	24.55%
Debt Service	\$244,430	\$216,080	\$216,080	88.40%	\$0	\$0	0.00%
Transfers	2,337,440	504,400	504,400	21.58%	509,780	509,780	28.04%
Contingencies/Reserves	368,290	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$42,468,374	\$10,422,477	\$10,422,477	24.54%	\$9,961,950	\$9,961,950	24.48%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$1,787,260)	(\$7,346,733)	(\$7,346,733)		(\$6,873,881)	(\$6,873,881)	

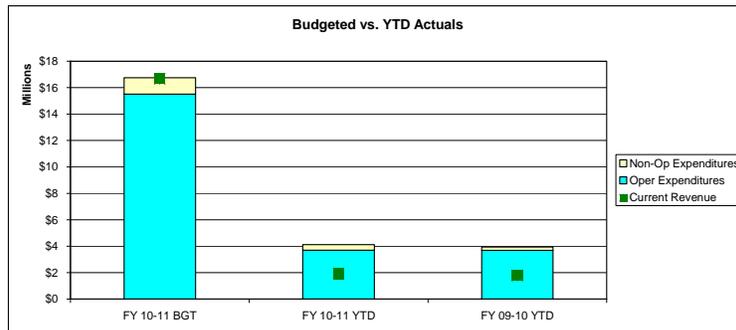
* Includes General, Parks & Recreation, Fire & Rescue, and Library Funds



GENERAL FUND

REVENUE	AMENDED BUDGET	1st Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	1st Quarter FY 10-11	Y-T-D FY 10-11	FY 10-11 % REC/EXPEND
Budgeted Fund Balance	\$582,853						
Property Taxes (1)	\$5,997,600	\$165,317	\$165,317	2.76%	\$137,897	\$137,897	2.84%
Other Tax (2)	1,151,190	230,607	230,607	20.03%	207,716	207,716	20.05%
Licenses/Permits (2)	5,469,650	822,265	822,265	15.03%	805,301	805,301	14.96%
Charges for Service (3)	738,460	260,671	260,671	35.30%	202,010	202,010	28.32%
Intergovernmental (4)	2,207,114	228,708	228,708	10.36%	218,522	218,522	8.82%
Fines/Forfeitures (5)	871,700	167,605	167,605	19.23%	155,231	155,231	17.91%
Miscellaneous (6)	117,240	36,618	36,618	31.23%	51,690	51,690	45.63%
Other Financing Sources (7)	112,870	10,000	10,000	8.86%	4,002	4,002	1.08%
TOTAL CURRENT REVENUE	\$16,665,824	\$1,921,791	\$1,921,791	11.53%	\$1,782,369	\$1,782,369	11.27%
EXPENDITURE BY DEPARTMENT							
Community Development (8)	\$1,356,480	\$327,904	\$327,904	24.17%	\$366,715	\$366,715	22.66%
Finance	677,700	166,335	166,335	24.54%	144,035	144,035	23.27%
Police	10,512,464	2,602,422	2,602,422	24.76%	2,557,246	2,557,246	25.42%
Public Works (9)	1,642,760	284,111	284,111	17.29%	218,265	218,265	12.01%
Non-Departmental	1,315,950	319,576	319,576	24.28%	401,808	401,808	26.13%
TOTAL OPERATING EXPENDITURES	\$15,505,354	\$3,700,347	\$3,700,347	23.86%	\$3,688,068	\$3,688,068	23.56%
Transfers (10)	\$849,840	\$205,700	\$205,700	24.20%	\$253,410	\$253,410	36.16%
Contingencies/Reserves	148,700	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$16,748,324	\$4,122,127	\$4,122,127	24.61%	\$3,941,478	\$3,941,478	23.88%
CURRENT REVENUE LESS TOTAL EXPENDITURES	(\$82,500)	(\$2,200,336)	(\$2,200,336)		(\$2,159,108)	(\$2,159,108)	

- (1) Collection of current year property taxes does not commence until the second quarter of the fiscal year. Revenues earned in the first quarter in the General fund represent delinquent taxes from prior years. This is consistent with the prior fiscal year.
- (2) Revenue streams susceptible to economic fluctuations have been impacted by the depressed economy, continuing the same results of FY 09-10 & FY 10-11 – i.e., room taxes (reduced number of hotel stays) and franchise fees (conservation efforts by users).
- (3) Charges for Services are higher than FY 10-11 year-to-date (YTD) and as a percentage of budget due to higher volume of land-use applications and higher first quarter payments from Benton County for various police services (i.e. evidence and record services, crime analysis, and records-reception services). Revenue for police services from Benton County is traditionally higher in the first quarter than remaining months.
- (4) Consistent with prior years, but low as a percentage of budget due to grant projects not yet started and/or completed that are reimbursable in nature.
- (5) Traffic fine revenue is not quite keeping pace with anticipated revenues, but is outperforming FY 10-11 levels.
- (6) Both years' miscellaneous revenue is higher than budgeted based on unanticipated lien payoff receipts. FY 11-12 miscellaneous revenue is somewhat lower than last year due to a particularly sizeable local improvement district lien payoff of \$21,500 in the first quarter of FY 10-11.
- (7) Other Financing Sources represent the property tax revenue transfers associated with the 2011 Operating Levy, which is new in FY 11-12. The majority of current year property taxes (including the levy taxes) are collected in the second quarter.
- (8) While Community Development spending is on target with budget year-to-date, the amount is lower than the same time last year primarily due to a reallocation of staff from the General Fund to Development Services as part of a reorganization to improve the construction process for developers with approved plans.
- (9) Public Works spending is below budget YTD due to as yet unspent budget for EECBG and EPA grant projects, however, YTD actuals are above last year due to progress being made on the two grant projects.
- (10) 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.

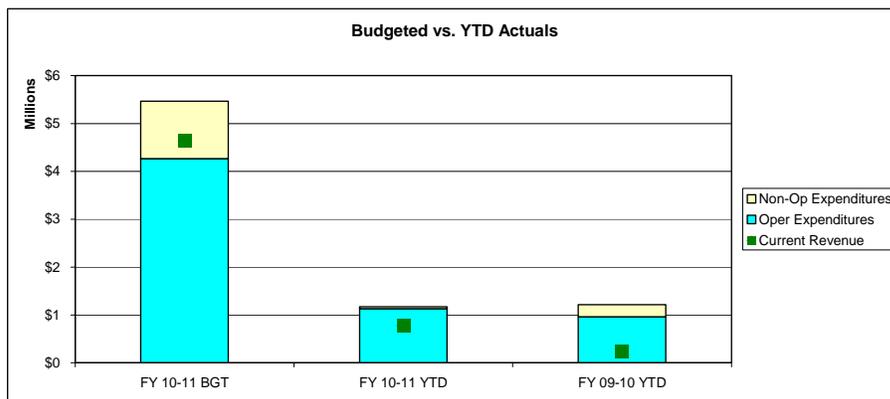


COMBINED STREET FUND*

REVENUE	AMENDED BUDGET	1st Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	1st Quarter FY 10-11	Y-T-D FY 10-11	FY 10-11 % REC/EXPEND
Budgeted Fund Balance	\$1,727,643						
Licenses/Permits	\$602,100	\$145,518	\$145,518	24.17%	\$110,499	\$110,499	24.43%
Charges for Service (1)	555,190	169,160	169,160	30.47%	109,698	109,698	21.69%
Intergovernmental (2)	3,460,820	457,748	457,748	13.23%	5,036	5,036	0.13%
Fines/Forfeitures (3)	1,000	620	620	62.00%	4,110	4,110	821.93%
Miscellaneous	15,340	3,841	3,841	25.04%	5,955	5,955	38.05%
TOTAL CURRENT REVENUE	\$4,634,450	\$776,888	\$776,888	16.76%	\$235,297	\$235,297	4.93%
EXPENDITURE BY DEPARTMENT							
Community Development	\$21,850	\$4,786	\$4,786	21.90%	\$4,525	\$4,525	22.91%
Public Works (4)	4,243,950	1,124,444	1,124,444	26.50%	956,472	956,472	21.59%
TOTAL OPERATING EXPENDITURES	\$4,265,800	\$1,129,230	\$1,129,230	26.47%	\$960,998	\$960,998	21.60%
Transfers (5)	\$1,119,310	\$38,850	\$38,850	3.47%	\$253,290	\$253,290	15.77%
Contingencies/Reserves	82,140	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$5,467,250	\$1,168,080	\$1,168,080	21.37%	\$1,214,288	\$1,214,288	19.81%
CURRENT REVENUE LESS TOTAL EXPENDITURES	(\$832,800)	(\$391,193)	(\$391,193)		(\$978,991)	(\$978,991)	

* Includes Street SDC Fund

- (1) Charges for service revenue are higher YTD and increased over FY 10-11 primarily due to Public Improvement by Private Contract (PIPC) permit fees from the development of the Oakmont Addition.
- (2) A significant FY 10-11 grant accrual related to some last FY 09-10 American Recovery and Reinvestment Act (ARRA) work, resulted in a lower percentage of revenue recorded in the first quarter of FY 10-11 than in this fiscal YTD. Although typically not as significant in this fund, grant revenues tend to be volatile based on timing of grant expenditures. The first quarter of each year includes two State highway tax payments, but FY 11-12 is currently trending almost 13% higher than last year, which also contributes to the improved results over last fiscal year-to-date.
- (3) FY 10-11 included a \$3,000 restitution payment for damaged City property.
- (4) Public Works expenditures are higher than YTD budget and the prior year due to earlier completion and spend down related to summer projects (i.e. grind/inlay pavement preservation, striping, etc.).
- (5) Transfers include this fund's portion of the semi-annual debt service payments for the Pension Obligation Bonds, transfers related to capital projects, and, in FY 10-11, support to the Development Services Fund. Transfers for capital projects are made based on anticipated needs. See the Capital Improvement Program section for status information on capital projects.

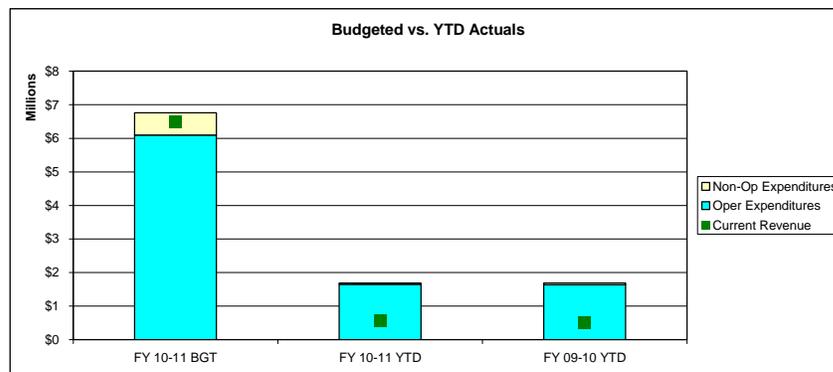


PARKS AND RECREATION FUND*

REVENUE	AMENDED BUDGET	1st Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	1st Quarter FY 10-11	Y-T-D FY 10-11	FY 10-11 % REC/EXPEND
Budgeted Fund Balance	\$2,055,435						
Property Taxes (1)	\$3,808,700	\$0	\$0	0.00%	\$0	\$0	0.00%
Licenses/Permits (2)	137,700	36,358	36,358	26.40%	10,923	10,923	22.85%
Charges for Service (3)	1,562,570	495,093	495,093	31.68%	447,842	447,842	28.85%
Intergovernmental (4)	27,400	4,400	4,400	16.06%	0	0	0.00%
Fines/Forfeitures	100	20	20	20.00%	85	85	85.00%
Miscellaneous (5)	100,250	29,259	29,259	29.19%	53,605	53,605	67.18%
Other Financing Sources (6)	856,460	0	0	0.00%	0	0	0.00%
TOTAL CURRENT REVENUE	\$6,493,180	\$565,130	\$565,130	8.70%	\$512,455	\$512,455	9.18%
EXPENDITURE BY DEPARTMENT							
Parks and Recreation (7)	\$6,096,500	\$1,650,435	\$1,650,435	27.07%	\$1,631,251	\$1,631,251	28.15%
TOTAL OPERATING EXPENDITURES	\$6,096,500	\$1,650,435	\$1,650,435	27.07%	\$1,631,251	\$1,631,251	28.15%
Transfers (8)	\$606,828	\$37,930	\$37,930	6.25%	\$56,220	\$56,220	13.93%
Contingencies/Reserves	57,770	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$6,761,098	\$1,688,365	\$1,688,365	24.97%	\$1,687,471	\$1,687,471	26.98%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$267,918)	(\$1,123,235)	(\$1,123,235)		(\$1,175,016)	(\$1,175,016)	

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

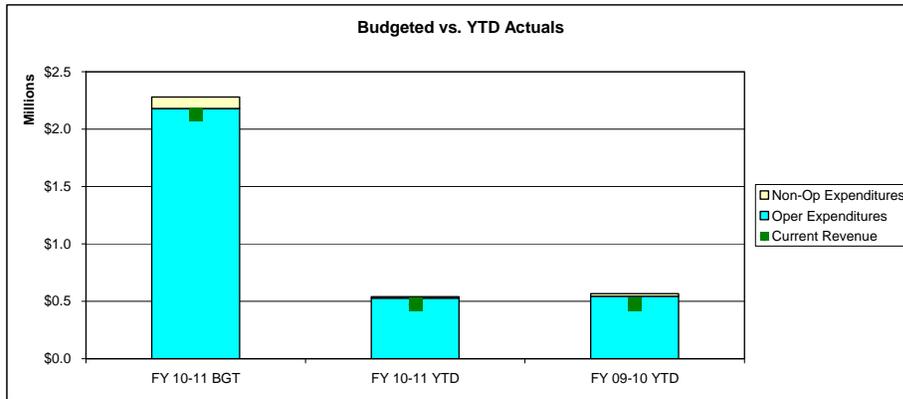
- (1) The majority of current year property taxes are collected in the second quarter. This year's collection pattern is consistent with prior years.
- (2) Licenses/Permits are higher than budget and the prior year due to increased use of park shelter rentals compared to same time last year and the addition of Urban Forest-Sustainability Initiative Fee (SIF) related revenue, a new revenue added late in FY 10-11.
- (3) Charges for services are higher than last year due to raising fees and an increase in facility rental and activity registrations. This category is above budget year-to-date since Parks SDC receipts are already 75% of budget and Aquatics typically has its highest receipts in the first quarter.
- (4) Intergovernmental revenues are higher YTD than previous fiscal year due to an Artists in the Park Grant that was received in late FY 10-11, but reclassified as deferred revenue in FY 11-12 since the related work was not yet completed. 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 although budgeted for again in FY 11-12 is not expected to be received due to the continued lack of eligible spending opportunities.
- (5) Miscellaneous revenue in FY 11-12 is lower than FY 10-11 due to the receipt of several unanticipated Senior Center donations in the first quarter of FY 10-11. FY 11-12 receipts are trending higher than budget due to reclassification of several non-intergovernmental grants received in FY 10-11 but recorded as deferred revenue until they can be recognized in FY 11-12 with the related expenditures.
- (6) Other Financing Sources represent the property tax revenue transfers associated with the 2011 Operating Levy, which is new in FY 11-12. The majority of current year property taxes (including the levy taxes) are collected in the second quarter.
- (7) Parks and Recreation (P&R) FY 11-12 expenditures are slightly lower than FY 10-11 as a percentage of budget due to both vacancy savings and cautious spending in consideration of the tight budget. P&R spending historically trends higher in the first quarter due to summer programs and increased temporary staff. FY 11-12 spending year-to-date also includes two additional months of transaction charges than in FY 10-11, since the related ActiveNet operating management system did not come online until September 2010.
- (8) 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 11-12.



911 EMERGENCY SERVICES

REVENUE	AMENDED BUDGET	1st Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	1st Quarter FY 10-11	Y-T-D FY 10-11	FY 10-11 % REC/EXPEND
Budgeted Fund Balance	\$595,812						
Charges for Service	\$933,700	\$231,904	\$231,904	24.84%	\$234,127	\$234,127	25.00%
Intergovernmental	1,189,290	239,712	239,712	20.16%	239,001	239,001	20.36%
Miscellaneous (1)	5,870	632	632	10.77%	787	787	35.59%
TOTAL CURRENT REVENUE	\$2,128,860	\$472,249	\$472,249	22.18%	\$473,914	\$473,914	22.43%
EXPENDITURE BY DEPARTMENT							
Police (2)	\$2,180,710	\$527,758	\$527,758	24.20%	\$546,018	\$546,018	25.04%
TOTAL OPERATING EXPENDITURES	\$2,180,710	\$527,758	\$527,758	24.20%	\$546,018	\$546,018	25.04%
Transfers	\$51,070	\$12,910	\$12,910	25.28%	\$20,590	\$20,590	26.42%
Contingencies/Reserves	48,760	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$2,280,540	\$540,668	\$540,668	23.71%	\$566,608	\$566,608	24.61%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$151,680)	(\$68,420)	(\$68,420)		(\$92,694)	(\$92,694)	

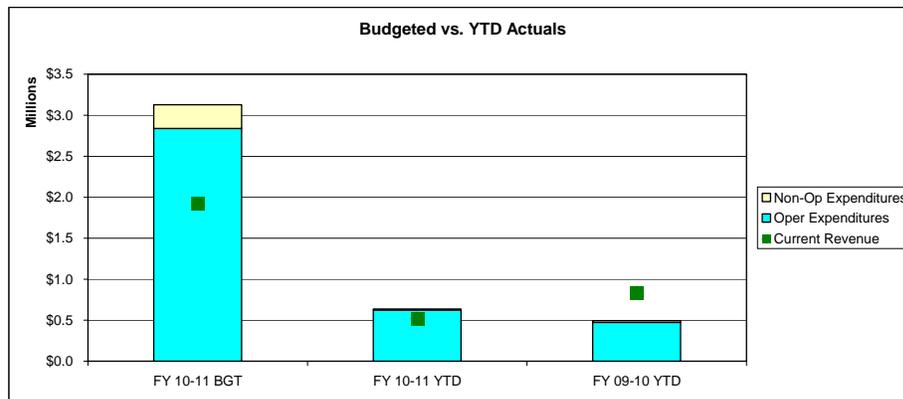
- (1) Miscellaneous revenue fluctuates year over year since it is comprised primarily of interest on investments (based on fund balance) and false alarm billing revenue to outside entities. The budget in FY 10-11 was only \$2,210.
- (2) Spending is consistent with the prior year, with vacancy savings being the primary reason for under budget expenditures YTD in FY 11-12.



DEVELOPMENT SERVICES

REVENUE	AMENDED BUDGET	1st Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	1st Quarter FY 10-11	Y-T-D FY 10-11	FY 10-11 % REC/EXPEND
Budgeted Fund Balance	\$1,289,457						
Licenses/Permits (1)	\$770,270	\$212,069	\$212,069	27.53%	\$281,034	\$281,034	35.15%
Charges for Service (1)	1,015,880	188,928	188,928	18.60%	334,919	334,919	37.54%
Miscellaneous (2)	12,520	1,477	1,477	11.80%	2,623	2,623	37.42%
Other Financing Sources (3)	118,390	118,390	118,390	100.00%	218,390	218,390	100.00%
TOTAL CURRENT REVENUE	\$1,917,060	\$520,864	\$520,864	27.17%	\$836,966	\$836,966	43.66%
EXPENDITURE BY DEPARTMENT							
Community Development (4)	\$2,838,820	\$625,295	\$625,295	22.03%	\$473,716	\$473,716	21.32%
TOTAL OPERATING EXPENDITURES	\$2,838,820	\$625,295	\$625,295	22.03%	\$473,716	\$473,716	21.32%
Transfers (5)	\$239,560	\$12,170	\$12,170	5.08%	\$20,960	\$20,960	7.64%
Contingencies/Reserves	50,000	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$3,128,380	\$637,465	\$637,465	20.38%	\$494,676	\$494,676	19.82%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$1,211,320)	(\$116,601)	(\$116,601)		\$342,291	\$342,291	

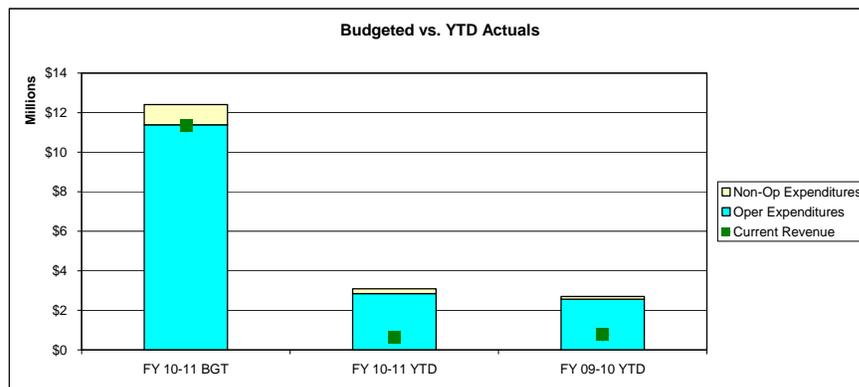
- (1) Current year revenues have not experienced the same level of large scale OSU projects (i.e. Linus Pauling Institute). New home permits are only up slightly from last year during the first quarter, 22 this year, compared 19 in the prior year.
- (2) Miscellaneous revenue fluctuates year over year since it is comprised primarily of interest on investments (based on fund balance).
- (3) Dollars reflect transfers from: the General Fund to cover land use work done by the senior planner in the Development Services Fund in FY 10-11; the Street SDC, Parks SDC, Water SDC, Wastewater SDC, and Storm water SDC Funds in support of SDC permitting administration work by Development Services; and the 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.
- (4) Expenditure actuals are higher than FY 10-11 due to filled vacancies that were unfilled last year, in addition to a reorganization of development services staff that moved two positions previously funded from the General Fund to the Development Services Fund.
- (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.



FIRE AND RESCUE FUND

REVENUE	AMENDED BUDGET	1st Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	1st Quarter FY 10-11	Y-T-D FY 10-11	FY 10-11 % REC/EXPEND
Budgeted Fund Balance	\$1,284,659						
Property Taxes (1)	\$7,821,280	\$0	\$0	0.00%	\$0	\$0	0.00%
Licenses/Permits	17,630	4,082	4,082	23.15%	5,055	5,055	28.16%
Charges for Service (2)	3,272,170	621,305	621,305	18.99%	659,856	659,856	20.97%
Intergovernmental (3)	137,850	(3,028)	(3,028)	-2.20%	0	0	0.00%
Fines/Forfeitures	12,710	3,412	3,412	26.84%	3,293	3,293	21.47%
Miscellaneous (4)	77,240	2,094	2,094	2.71%	81,404	81,404	115.99%
Other Financing Sources (5)	0	0	0	0.00%	15,000	15,000	0.00%
TOTAL CURRENT REVENUE	\$11,338,880	\$627,865	\$627,865	5.54%	\$764,608	\$764,608	7.68%
EXPENDITURE BY DEPARTMENT							
Fire	\$11,384,830	\$2,849,989	\$2,849,989	25.03%	\$2,569,080	\$2,569,080	24.18%
TOTAL OPERATING EXPENDITURES	\$11,384,830	\$2,849,989	\$2,849,989	25.03%	\$2,569,080	\$2,569,080	24.18%
Transfers	\$920,610	\$232,690	\$232,690	25.28%	\$137,840	\$137,840	26.42%
Contingencies/Reserves	104,860	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$12,410,300	\$3,082,679	\$3,082,679	24.84%	\$2,706,920	\$2,706,920	24.06%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$1,071,420)	(\$2,454,814)	(\$2,454,814)		(\$1,942,313)	(\$1,942,313)	

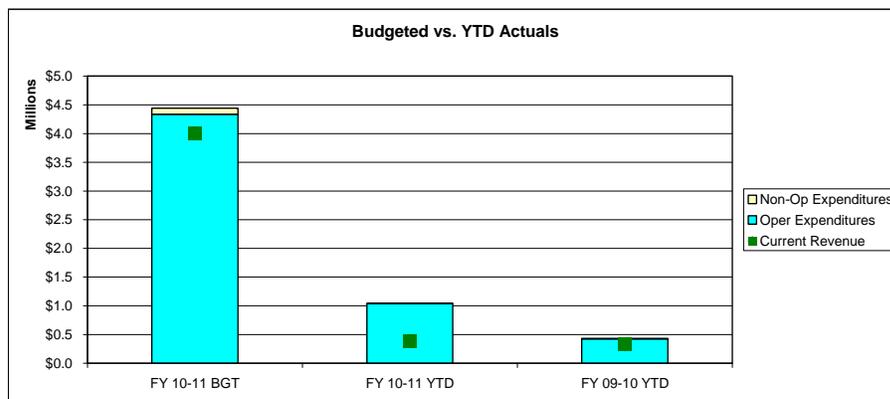
- (1) The majority of current year property taxes are collected in the second quarter. This year's collection pattern is consistent with prior years.
- (2) Charges for services include two main components, ambulance revenue and payments from Corvallis Rural Fire Protection District (CRFPD). Ambulance revenues are achieving budget, but are down 6% from the same time last year. Charges for services in total are lagging the first quarter target due to the timing of rural fire district payments, which are due to be received in the second quarter since they are tied to property tax turnovers.
- (3) Intergovernmental revenues in FY 11-12 are negative in the first quarter due to an FY 10-11 accrual for a FEMA grant that has not yet been fully reimbursed by Benton County Emergency Services due to a submission timing error. This amount will be fully offset in the second quarter.
- (4) A \$78,750 grant was received and recorded in the second quarter of FY 09-10 from PacifiCorp 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 why first quarter earnings in FY 10-11 were substantially over budget. FY 11-12 miscellaneous revenue is lower than budget due to low interest earnings and gifts/donations that have not yet been received year-to-date.
- (5) The unbudgeted receipts in this line item relate to sales of capital assets, such as a used fire engine in FY 10-11.



COMMUNITY DEVELOPMENT REVOLVING FUND

REVENUE	AMENDED BUDGET	1st Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	1st Quarter FY 10-11	Y-T-D FY 10-11	FY 10-11 % REC/EXPEND
Budgeted Fund Balance	\$780,811						
Licenses/Permits (1)	\$126,700	\$130,130	\$130,130	102.71%	\$117,990	\$117,990	99.99%
Charges for Service (2)	5,000	5,000	5,000	100.00%	5,000	5,000	100.00%
Intergovernmental (3)	3,436,310	191,514	191,514	5.57%	174,441	174,441	4.81%
Fines/Forfeitures (4)	2,300	67	67	2.93%	(59)	(59)	-2.37%
Miscellaneous (5)	433,180	66,082	66,082	15.26%	32,246	32,246	6.75%
TOTAL CURRENT REVENUE	\$4,003,490	\$392,794	\$392,794	9.81%	\$329,618	\$329,618	7.79%
EXPENDITURE BY DEPARTMENT							
Community Development (6)	\$4,336,610	\$1,038,996	\$1,038,996	23.96%	\$425,087	\$425,087	9.97%
TOTAL OPERATING EXPENDITURES	\$4,336,610	\$1,038,996	\$1,038,996	23.96%	\$425,087	\$425,087	9.97%
Transfers (7)	\$74,350	\$3,440	\$3,440	4.63%	\$7,270	\$7,270	8.13%
Contingencies/Reserves	31,950	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$4,442,910	\$1,042,436	\$1,042,436	23.46%	\$432,357	\$432,357	9.85%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$439,420)	(\$649,642)	(\$649,642)		(\$102,739)	(\$102,739)	

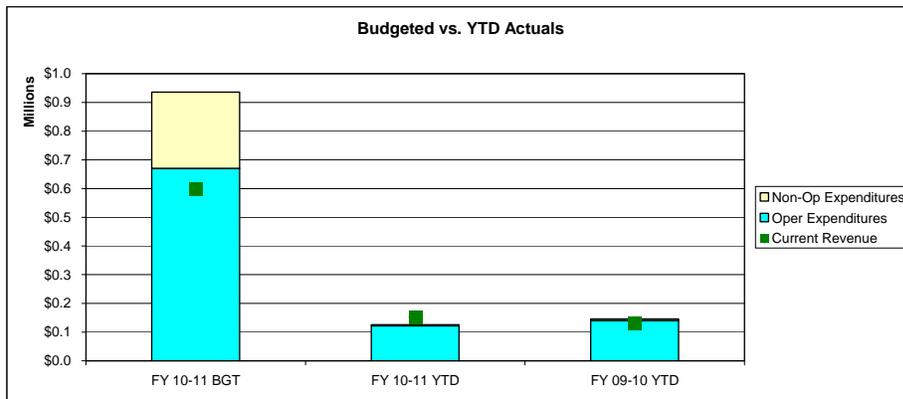
- (1) Invoices are issued annually for the rental housing program in September, meaning all of this revenue is recorded at the end of the first quarter when billed. To date, about \$39,000 of this revenue has physically been received. Negative activity in subsequent quarters typically reflects the write-offs associated with non-collection of some of these funds.
- (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 and received only after expenditures are incurred. Timing of spending and receipts is sporadic and relatively unpredictable, so results above are typical, particularly early in the year, when accruals to the prior year tend to result in lower first quarter revenues.
- (4) This line includes Rental Housing Program penalties applied to delinquent accounts. Receipts can be partly or fully offset by penalties waived and/or accounts written off and sent to collections, so this can end up netting to a negative result in a given month/quarter such as in FY 10-11 above.
- (5) This line includes six loan payoffs through the first quarter, plus regular principal and interest payments.
- (6) Expenditures are primarily grant-related in this fund, and thus variable in timing. The current quarter includes multiple projects for non-profits such as CARDV, Corvallis Homeless Shelter Coalition/Partners Place, & Willamette Neighborhood Housing Services (WNHS). Payments sent out in the first quarter total more than \$720,000. Like other projects in the HOME and CDBG programs, these projects will be reimbursed through multiple grant payments in FY 11-12. Additionally, three first-time home buyer loans were given out during the first quarter.
- (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	1st Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	1st Quarter FY 10-11	Y-T-D FY 10-11	FY 10-11 % REC/EXPEND
Budgeted Fund Balance	\$923,959						
Licenses/Permits (1)	\$20,000	\$9,049	\$9,049	45.25%	\$8,583	\$8,583	42.91%
Charges for Service (2)	164,150	48,755	48,755	29.70%	42,689	42,689	25.96%
Fines/Forfeitures (3)	405,930	92,806	92,806	22.86%	78,330	78,330	19.34%
Miscellaneous (4)	7,700	951	951	12.35%	1,101	1,101	34.39%
TOTAL CURRENT REVENUE	\$597,780	\$151,561	\$151,561	25.35%	\$130,702	\$130,702	22.06%
EXPENDITURE BY DEPARTMENT							
Community Development	\$4,070	\$1,053	\$1,053	25.86%	\$997	\$997	24.86%
Finance	143,310	31,774	31,774	22.17%	28,268	28,268	21.39%
Police (5)	351,190	62,526	62,526	17.80%	72,970	72,970	21.19%
Public Works (5)	171,980	26,996	26,996	15.70%	37,812	37,812	19.84%
TOTAL OPERATING EXPENDITURES	\$670,550	\$122,349	\$122,349	18.25%	\$140,048	\$140,048	20.87%
Transfers (6)	\$253,720	\$3,470	\$3,470	1.37%	\$6,140	\$6,140	3.15%
Contingencies/Reserves	11,890	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$936,160	\$125,819	\$125,819	13.44%	\$146,188	\$146,188	16.64%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$338,380)	\$25,742	\$25,742		(\$15,485)	(\$15,485)	

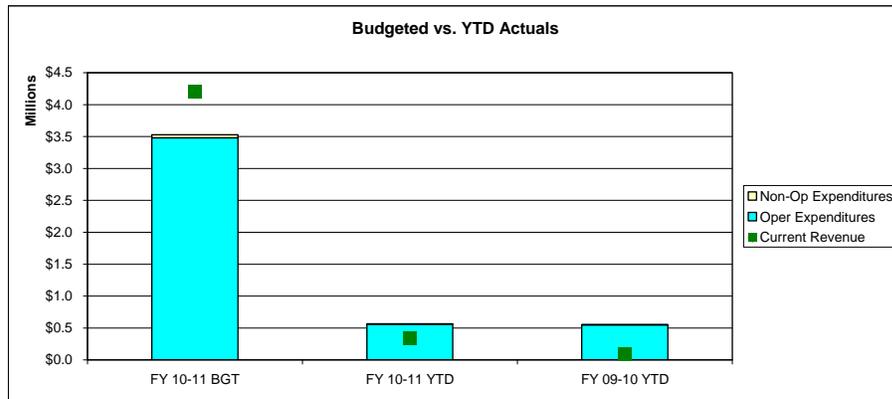
- (1) There is a tendency for residential parking permit fees to come in higher in the first quarter of the year with renewals just prior to OSU student arrivals.
- (2) Parking meter revenue is on track to increase by nearly 10% over budget and last year's results based on YTD receipts. Public Works attributes this increase to the newly imposed 3-hour limit on free customer parking downtown, which may have led to more people using metered parking in order to avoid moving their cars.
- (3) Revenue from fines and forfeitures represents revenue collected for offenses and infractions. Revenues in FY 11-12 exceed FY 10-11 during the same time period due to the improvement in collecting delinquent amounts owed. However, FY 11-12 revenue remains below target due to parking enforcement not being fully staffed.
- (4) The budget for miscellaneous revenue consists primarily of investment interest earnings. FY 11-12 earnings are aligned with FY 10-11, but below budget due to lower than expected interest earnings brought on by the stagnating economy.
- (5) Police and Public Works expenditures are below budget due primarily to turnover and vacancy savings thus far in FY 11-12. Public Works also has special projects budget of \$25,090 that has not been spent to date.
- (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.



TRANSIT FUND

REVENUE	AMENDED BUDGET	1st Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	1st Quarter FY 10-11	Y-T-D FY 10-11	FY 10-11 % REC/EXPEND
Budgeted Fund Balance	\$4,318						
Licenses, Fees, & Permits (1)	\$879,300	\$221,571	\$221,571	25.20%	\$0	\$0	0.00%
Charges for Service (1)	214,660	3,529	3,529	1.64%	57,046	57,046	11.35%
Intergovernmental (2)	1,737,450	72,105	72,105	4.15%	(304)	(304)	-0.02%
Miscellaneous (3)	1,368,990	39,557	39,557	2.89%	37,904	37,904	4.67%
TOTAL CURRENT REVENUE	\$4,200,400	\$336,762	\$336,762	8.02%	\$94,646	\$94,646	2.70%
EXPENDITURE BY DEPARTMENT							
Public Works (4)	\$3,481,890	\$561,240	\$561,240	16.12%	\$550,762	\$550,762	16.00%
TOTAL OPERATING EXPENDITURES	\$3,481,890	\$561,240	\$561,240	16.12%	\$550,762	\$550,762	16.00%
Transfers (5)	\$11,620	\$2,940	\$2,940	25.30%	\$4,880	\$4,880	1.81%
Contingencies/Reserves	35,590	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$3,529,100	\$564,180	\$564,180	15.99%	\$555,642	\$555,642	14.85%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	\$671,300	(\$227,419)	(\$227,419)		(\$460,996)	(\$460,996)	

- (1) With the advent of SIF for fareless transit (recorded in the licenses, fees & permits category), charges for service revenue generated from ridership and group pass programs were reduced. Charge for service revenue will continue being collected from Benton County, the City of Philomath, and Oregon State University (OSU) respectively for special transportation funding, Philomath Connection operations, and the Beaver Bus. However, due to the timing of payments revenue has not yet been received from Benton County or OSU, but is expected to be received in the 2nd quarter.
- (2) Revenue received is from the Federal Operating Grant and is reimbursable in nature, based on operating expenditures. Negative activity in FY 10-11 is the result of operating and capital grant accruals of revenue earned in the prior year but not yet received in the first quarter.
- (3) The main source of revenue in this category is nearly \$1.2 million in Business Energy Tax Credits (BETC) pertaining to FY 08-09 operations, which were expected to be received in FY 10-11, but got carried over to FY 11-12. Additionally, a BETC payment is expected for FY 09-10 operations hence doubles the amount expected for FY 11-12. 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. Other revenue in this category is from OSU and used for general transit operations.
- (4) Both years are under-expended due primarily to the timing of vehicle purchases. Two buses which were carried over from each of the last two fiscal years have not yet been purchased in FY 11-12.
- (5) Transfers are for this fund's portion of the semi-annual debt service payments for the Pension Obligation Bonds. FY 10-11 was significantly below budget in the first quarter due to a transfer out of property tax fund balance to the General Fund that was not recorded until the 4th quarter of the year.

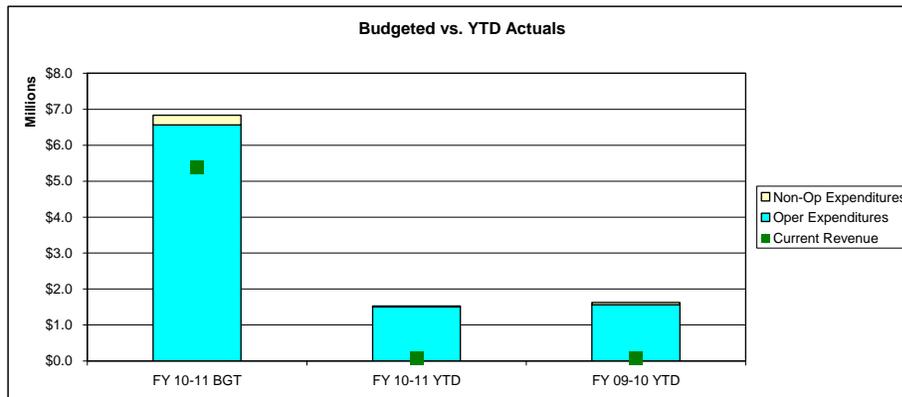


LIBRARY FUND*

REVENUE	AMENDED BUDGET	1st Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	1st Quarter FY 10-11	Y-T-D FY 10-11	FY 10-11 % REC/EXPEND
Budgeted Fund Balance	\$1,028,478						
Property Taxes (1)	\$2,646,510	\$0	\$0	0.00%	\$0	\$0	0.00%
Charges for Service (2)	47,000	14,614	14,614	31.09%	14,945	14,945	32.92%
Intergovernmental (3)	2,496,840	4,096	4,096	0.16%	16,980	16,980	0.68%
Fines/Forfeitures (4)	92,000	21,856	21,856	23.76%	23,038	23,038	30.51%
Miscellaneous (5)	91,500	33,917	33,917	37.07%	29,629	29,629	34.32%
Other Financing Sources (6)	966,730	0	0	0.00%	0	0	0.00%
TOTAL CURRENT REVENUE	\$5,373,850	\$74,484	\$74,484	1.39%	\$84,592	\$84,592	1.29%
EXPENDITURE BY DEPARTMENT							
Library (7)	\$6,561,530	\$1,501,226	\$1,501,226	22.88%	\$1,563,770	\$1,563,770	24.30%
TOTAL OPERATING EXPENDITURES	\$6,561,530	\$1,501,226	\$1,501,226	22.88%	\$1,563,770	\$1,563,770	24.30%
Transfers (8)	\$213,090	\$28,080	\$28,080	13.18%	\$62,310	\$62,310	21.06%
Contingencies/Reserves	56,960	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$6,831,580	\$1,529,306	\$1,529,306	22.39%	\$1,626,080	\$1,626,080	23.96%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$1,457,730)	(\$1,454,822)	(\$1,454,822)		(\$1,541,489)	(\$1,541,489)	

* 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) First quarter receipt of the full Management Information System (MIS) rental payment in both years attributes to inflated first quarter revenue.
- (3) Benton County Library District payment makes up the majority of the revenue in this classification, and due to its property tax-based nature, is largely received in the second quarter of the fiscal year. Dollars in FY 10-11 were ahead of FY 11-12, due to a reimbursement for the LSTA Opening Day E-Book Collection grant received this time last year.
- (4) Fines & Forfeitures are less than budget and previous year due to slightly less circulation and prompter return of materials in the face of higher fines.
- (5) Miscellaneous revenue is ahead of budget again this fiscal year due to annual first quarter donations in the range of \$27,000 from Friends of the Library for summer reading and young adult programming.
- (6) Other Financing Sources represent the revenue associated with the 2011 Operating Levy. The majority of current year property taxes (including the levy taxes) are collected in the second quarter.
- (7) Expenditures are down YTD driven primarily by vacancies, but also because FY 10-11 first quarter expenditures included annual payments for self check machines and online cataloging services, which have not yet been made this fiscal year.
- (8) 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.



2011 OPERATING LEVY FUND

REVENUE	AMENDED BUDGET	1st Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	1st Quarter FY 10-11	Y-T-D FY 10-11	FY 10-11 % REC/EXPEND
Budgeted Fund Balance	\$0						
Property Taxes (1)	\$1,790,000	\$0	\$0	0.00%	\$0	\$0	0.00%
TOTAL CURRENT REVENUE	\$1,790,000	\$0	\$0	0.00%	\$0	\$0	0.00%
EXPENDITURE BY DEPARTMENT							
Non-Departmental	0	0	0	0.00%	0	0	0.00%
TOTAL OPERATING EXPENDITURES	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
Transfers (1)	\$1,790,000	\$0	\$0	0.00%	\$0	\$0	0.00%
TOTAL ALL EXPENDITURES	\$1,790,000	\$0	\$0	0.00%	\$0	\$0	0.00%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	\$0	\$0	\$0		\$0	\$0	

(1) This fund was established with the passage on May 17, 2011 of a 3-year operating levy in support of certain specified property tax services for the Library and Parks & Recreation departments as well as social services. Revenue and transfer activity will commence in the second quarter of FY 11-12 when the first property tax instalments are received.

DAVIDSON FUND

REVENUE	AMENDED BUDGET	1st Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	1st Quarter FY 10-11	Y-T-D FY 10-11	FY 10-11 % REC/EXPEND
Budgeted Fund Balance	\$5,571						
Miscellaneous (1)	\$60	\$6	\$6	9.23%	\$7	\$7	0.00%
TOTAL CURRENT REVENUE	\$60	\$6	\$6	9.23%	\$7	\$7	0.00%
EXPENDITURE BY DEPARTMENT							
Library (1)	\$0	\$0	\$0	0.00%	\$27	\$27	5.43%
TOTAL OPERATING EXPENDITURES	\$0	\$0	\$0	0.00%	\$27	\$27	5.43%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	\$60	\$6	\$6		(\$20)	(\$20)	

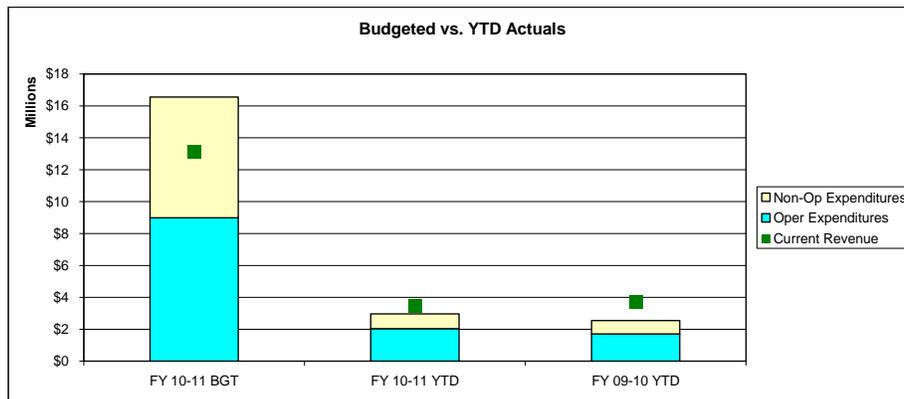
(1) The Davidson Fund is designated as a Permanent Fund under governmental accounting guidelines due to the \$5,000 endowment established through a 1981 donation in honor of the former librarian Alice Passano Davidson. Only interest earnings are expendable, and so in recent years of minimal revenues, the Library has chosen not to appropriate or spend much, if any, of the available funding hoping to grow the balance needed for specified materials.

COMBINED WATER FUND*

REVENUE	AMENDED BUDGET	1st Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	1st Quarter FY 10-11	Y-T-D FY 10-11	FY 10-11 % REC/EXPEND
Budgeted Fund Balance	\$6,257,099						
Charges for Service	\$8,857,330	\$2,561,232	\$2,561,232	28.92%	\$2,610,153	\$2,610,153	29.64%
Intergovernmental (1)	33,600	(8,940)	(8,940)	-26.61%	(4,015)	(4,015)	-3.69%
Fines/Forfeitures	0	130	130	0.00%	(40)	(40)	0.00%
Miscellaneous (2)	440,480	50,921	50,921	11.56%	343,266	343,266	76.33%
Transfers In/Other Financing Sources (3)	3,778,560	868,860	868,860	22.99%	768,850	768,850	20.92%
TOTAL CURRENT REVENUE	\$13,109,970	\$3,472,203	\$3,472,203	26.49%	\$3,718,214	\$3,718,214	28.52%
EXPENDITURE BY DEPARTMENT							
Community Development	\$51,350	\$12,305	\$12,305	23.96%	\$11,990	\$11,990	23.63%
Public Works	8,930,510	2,017,242	2,017,242	22.59%	1,692,863	1,692,863	21.02%
TOTAL OPERATING EXPENDITURES	\$8,981,860	\$2,029,546	\$2,029,546	22.60%	\$1,704,853	\$1,704,853	21.03%
Capital Projects (3)	\$2,366,140	\$35,321	\$35,321	1.49%	\$18,000	\$18,000	0.61%
Debt Service	1,018,820	0	0	0.00%	0	0	0.00%
Transfers Out/Other Financing Uses (3)	3,991,010	903,380	903,380	22.64%	826,500	826,500	20.81%
Contingencies/Reserves	194,670	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$16,552,500	\$2,968,247	\$2,968,247	17.93%	\$2,549,353	\$2,549,353	15.72%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$3,442,530)	\$503,956	\$503,956		\$1,168,862	\$1,168,862	

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

- (1) The negative actuals represent prior year accrual entries for accounting reporting purposes that will be offset in later quarters by grant receipts.
- (2) The largest source of revenue in this category is from timber sales, although no payments have been received to date. In FY 10-11, a payment of \$326,380 had been received in the first quarter.
- (3) Other Financing Sources, Capital Projects and Transfers activity are mostly related to capital projects activity. Transfers for capital projects are made based on anticipated needs. Transfers have been made for debt service payments for the POB. See the Capital Improvement Program section for details regarding capital project expenditures.

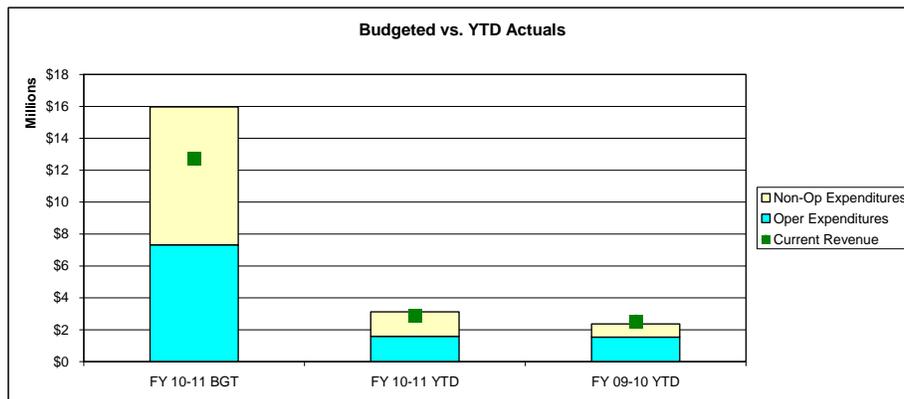


COMBINED WASTEWATER FUND*

REVENUE	AMENDED BUDGET	1st Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	1st Quarter FY 10-11	Y-T-D FY 10-11	FY 10-11 % REC/EXPEND
Budgeted Fund Balance	\$11,869,045						
Charges for Service	\$9,612,110	\$2,092,079	\$2,092,079	21.77%	\$2,099,608	\$2,099,608	21.98%
Miscellaneous (1)	116,780	17,681	17,681	15.14%	17,014	17,014	30.52%
Other Financing Sources (2)	3,012,270	750,000	750,000	24.90%	402,391	402,391	11.45%
TOTAL CURRENT REVENUE	\$12,741,160	\$2,859,760	\$2,859,760	22.45%	\$2,519,013	\$2,519,013	19.20%
EXPENDITURE BY DEPARTMENT							
Community Development	\$50,380	\$12,152	\$12,152	24.12%	\$11,762	\$11,762	23.74%
Public Works	7,264,080	1,584,271	1,584,271	21.81%	1,528,615	1,528,615	21.94%
TOTAL OPERATING EXPENDITURES	\$7,314,460	\$1,596,423	\$1,596,423	21.83%	\$1,540,377	\$1,540,377	21.95%
Capital Projects (2)	\$3,012,270	\$719,723	\$719,723	23.89%	\$344,809	\$344,809	10.09%
Debt Service	2,294,040	24,301	24,301	1.06%	24,301	24,301	1.06%
Transfers (2)	3,165,390	781,810	781,810	24.70%	455,130	455,130	12.13%
Contingencies/Reserves	181,510	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$15,967,670	\$3,122,258	\$3,122,258	19.55%	\$2,364,618	\$2,364,618	14.19%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$3,226,510)	(\$262,497)	(\$262,497)		\$154,396	\$154,396	

* Includes Wastewater, Wastewater SDC and Wastewater Construction Funds.

- (1) Miscellaneous revenue, which primarily consists of interest earnings and collections from delinquent accounts, is much smaller as a percentage of budget in the current year due to an anticipated increase in interest earnings. However, current year receipts look to be very comparable with the previous year.
- (2) Other Financing Sources, Capital Projects and Transfers are mostly related to capital projects activity. Transfers related to capital projects are made based on anticipated needs. See the Capital Improvement Program section for detail regarding capital project expenditures.

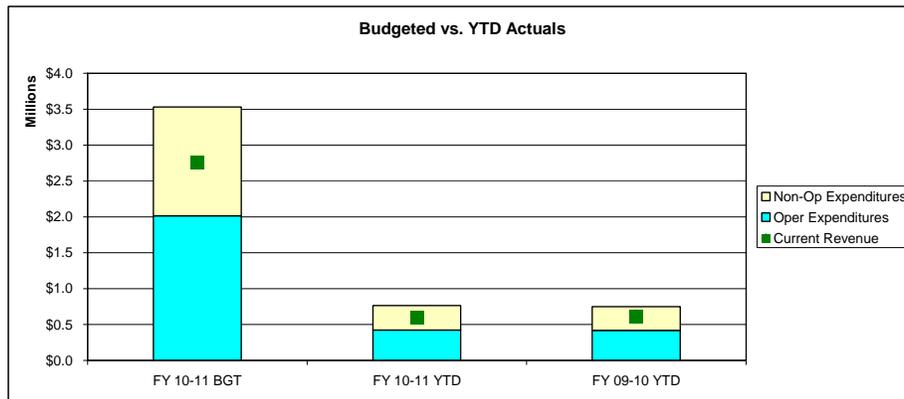


COMBINED STORM WATER FUND*

REVENUE	AMENDED BUDGET	1st Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	1st Quarter FY 10-11	Y-T-D FY 10-11	FY 10-11 % REC/EXPEND
Budgeted Fund Balance	\$1,291,834						
Charges for Service	\$2,005,440	\$473,484	\$473,484	23.61%	\$472,073	\$472,073	22.33%
Miscellaneous (1)	16,740	1,750	1,750	10.45%	2,451	2,451	26.41%
Other Financing Sources (2)	601,310	121,575	121,575	20.22%	142,200	142,200	23.61%
TOTAL CURRENT REVENUE	\$2,760,830	\$596,809	\$596,809	21.62%	\$616,724	\$616,724	27.26%
EXPENDITURE BY DEPARTMENT							
Community Development	\$52,240	\$12,544	\$12,544	24.01%	\$11,873	\$11,873	23.52%
Public Works (3)	1,962,260	410,515	410,515	20.92%	406,415	406,415	19.14%
TOTAL OPERATING EXPENDITURES	\$2,014,500	\$423,059	\$423,059	21.00%	\$418,288	\$418,288	19.24%
Capital Projects (2)	\$725,910	\$144,694	\$144,694	19.93%	\$110,360	\$110,360	15.18%
Transfers (2)	749,060	197,665	197,665	26.39%	220,490	220,490	29.14%
Contingencies/Reserves	39,770	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$3,529,240	\$765,418	\$765,418	21.69%	\$749,138	\$749,138	20.25%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$768,410)	(\$168,608)	(\$168,608)		(\$132,414)	(\$132,414)	

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

- (1) Miscellaneous revenue fluctuates year over year since it is comprised primarily of interest on investments (allocated based on average fund balance) and collections from delinquent accounts.
- (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.

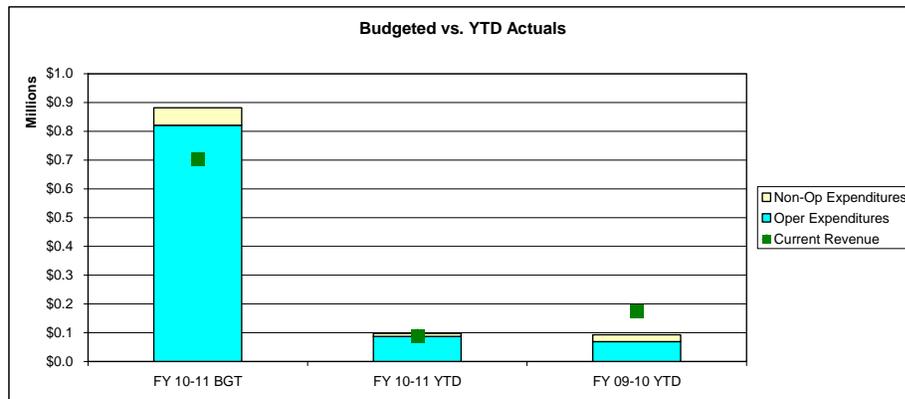


COMBINED AIRPORT FUND*

REVENUE	AMENDED BUDGET	1st Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	1st Quarter FY 10-11	Y-T-D FY 10-11	FY 10-11 % REC/EXPEND
Budgeted Fund Balance	\$557,792						
Licenses/Permits	\$2,500	\$718	\$718	28.74%	\$594	\$594	11.87%
Charges for Service	392,500	90,910	90,910	23.16%	93,951	93,951	25.74%
Intergovernmental (1)	296,761	(3,301)	(3,301)	-1.11%	(18,961)	(18,961)	-2.16%
Miscellaneous	13,580	1,338	1,338	9.85%	2,137	2,137	22.19%
Other Financing Sources (2)	0	0	0	0.00%	98,200	98,200	34.58%
TOTAL CURRENT REVENUE	\$705,341	\$89,665	\$89,665	12.71%	\$175,921	\$175,921	11.42%
EXPENDITURE BY DEPARTMENT							
Public Works (3)	\$820,910	\$86,981	\$86,981	10.60%	\$68,664	\$68,664	13.61%
TOTAL OPERATING EXPENDITURES	\$820,910	\$86,981	\$86,981	10.60%	\$68,664	\$68,664	13.61%
Capital Projects (2)	\$0	\$0	\$0	0.00%	\$16,512	\$16,512	1.71%
Debt Service	32,590	0	0	0.00%	0	0	0.00%
Transfers (2)	13,910	10,990	10,990	79.01%	7,160	7,160	7.30%
Contingencies/Reserves	14,270	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$881,680	\$97,971	\$97,971	11.11%	\$92,336	\$92,336	5.70%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$176,339)	(\$8,306)	(\$8,306)		\$83,585	\$83,585	

* Includes Airport and Airport Construction Funds.

- (1) The negative actuals represent prior year accrual entries for accounting reporting purposes that will be offset in later quarters by grant receipts.
- (2) Other Financing Sources in FY 10-11 relate primarily to Capital Projects for 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 FY 10-11 capital projects. Both years include the provision of funding for Airport Industrial Park Development work being done by Community Development in the General Fund.
- (3) Special project budget spent YTD in FY 11-12 was only about 1% of the \$484,000 appropriated. If special projects are not included the department has spent 24.% of the operating budget.

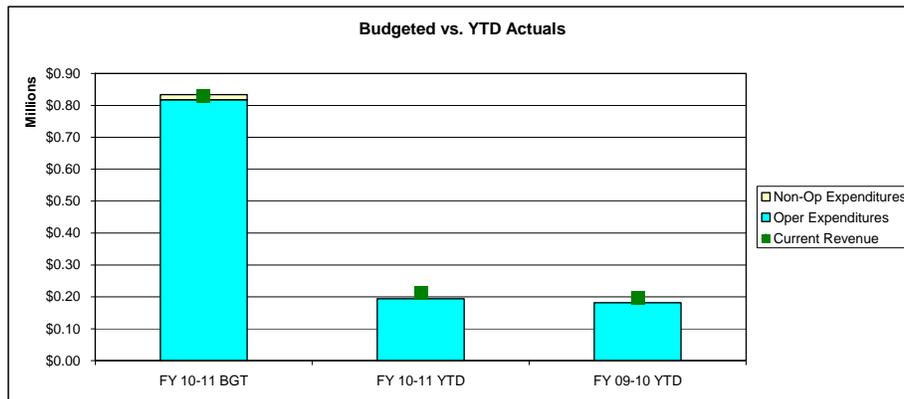


About

FLEET MAINTENANCE FUND

REVENUE	AMENDED BUDGET	1st Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	1st Quarter FY 10-11	Y-T-D FY 10-11	FY 10-11 % REC/EXPEND
Budgeted Fund Balance	\$38,883						
Charges for Service	\$827,500	\$211,911	\$211,911	25.61%	\$195,080	\$195,080	25.65%
Miscellaneous (1)	1,530	571	571	37.33%	638	638	53.18%
TOTAL CURRENT REVENUE	\$829,030	\$212,482	\$212,482	25.63%	\$195,718	\$195,718	25.69%
EXPENDITURE BY DEPARTMENT							
Public Works	\$818,030	\$194,205	\$194,205	23.74%	\$181,759	\$181,759	23.88%
TOTAL OPERATING EXPENDITURES	\$818,030	\$194,205	\$194,205	23.74%	\$181,759	\$181,759	23.88%
Contingencies/Reserves	\$16,000	\$0	\$0	0.00%	\$0	\$0	0.00%
TOTAL ALL EXPENDITURES	\$834,030	\$194,205	\$194,205	23.29%	\$181,759	\$181,759	23.38%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$5,000)	\$18,276	\$18,276		\$13,959	\$13,959	

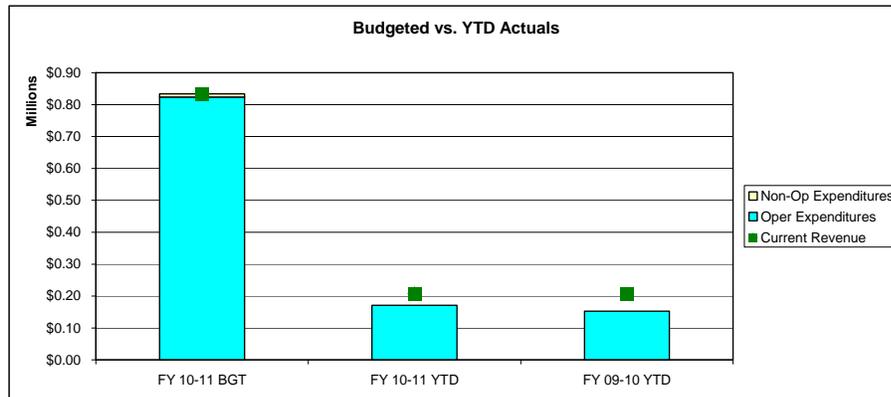
(1) Interest revenues year-to-date and in the prior year are ahead of budget, despite lower than anticipated interest rates in the continuing poor economy, based on relatively higher fund balances in both years than anticipated.



FACILITY MAINTENANCE FUND

REVENUE	AMENDED BUDGET	1st Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	1st Quarter FY 10-11	Y-T-D FY 10-11	FY 10-11 % REC/EXPEND
Budgeted Fund Balance	\$74,212						
Charges for Service	\$829,890	\$207,474	\$207,474	25.00%	\$205,651	\$205,651	25.20%
Miscellaneous (1)	3,290	481	481	14.63%	439	439	14.31%
TOTAL CURRENT REVENUE	\$833,180	\$207,955	\$207,955	24.96%	\$206,090	\$206,090	25.16%
EXPENDITURE BY DEPARTMENT							
Public Works (2)	\$823,880	\$170,973	\$170,973	20.75%	\$152,781	\$152,781	18.64%
TOTAL OPERATING EXPENDITURES	\$823,880	\$170,973	\$170,973	20.75%	\$152,781	\$152,781	18.64%
Contingencies/Reserves	\$10,000	\$0	\$0	0.00%	\$0	\$0	0.00%
TOTAL ALL EXPENDITURES	\$833,880	\$170,973	\$170,973	20.50%	\$152,781	\$152,781	18.41%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$700)	\$36,983	\$36,983		\$53,309	\$53,309	

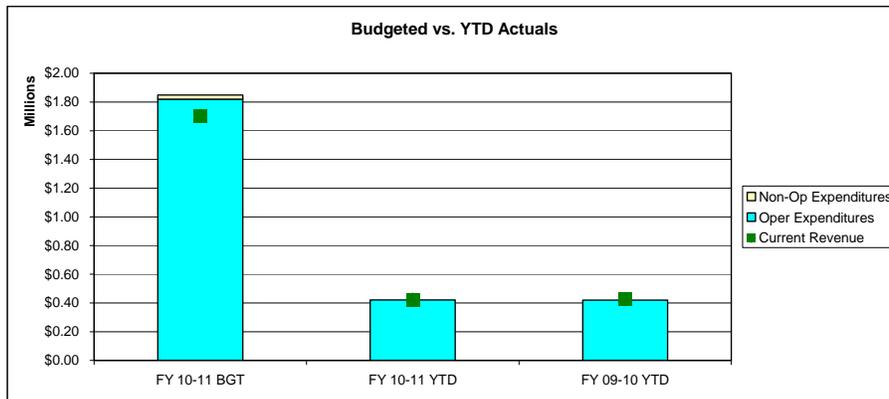
- (1) Interest revenues year-to-date and in the prior year are below budget due to lower than anticipated interest rates in the continuing poor economy, in combination with lower fund balances.
- (2) An employee who has been on extended leave has resulted in both personal service savings and less special project capacity for this workgroup. Spending is nevertheless anticipated to be close to budget by year-end FY 11-12, as staff are able to complete scheduled projects.



TECHNOLOGY AND COMMUNICATIONS FUND

REVENUE	AMENDED BUDGET	1st Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	1st Quarter FY 10-11	Y-T-D FY 10-11	FY 10-11 % REC/EXPEND
Budgeted Fund Balance	\$459,844						
Charges for Service	\$1,696,480	\$423,873	\$423,873	24.99%	\$424,907	\$424,907	25.01%
Miscellaneous (1)	6,160	713	713	11.58%	886	886	29.16%
TOTAL CURRENT REVENUE	\$1,702,640	\$424,586	\$424,586	24.94%	\$425,794	\$425,794	25.01%
EXPENDITURE BY DEPARTMENT							
Finance	\$1,607,720	\$382,083	\$382,083	23.77%	\$383,012	\$383,012	24.29%
Public Works (2)	211,580	39,372	39,372	18.61%	37,378	37,378	17.06%
TOTAL OPERATING EXPENDITURES	\$1,819,300	\$421,455	\$421,455	23.17%	\$420,390	\$420,390	23.41%
Contingencies/Reserves	\$30,000	\$0	\$0	0.00%	\$0	\$0	0.00%
TOTAL ALL EXPENDITURES	\$1,849,300	\$421,455	\$421,455	22.79%	\$420,390	\$420,390	23.02%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$146,660)	\$3,131	\$3,131		\$5,404	\$5,404	

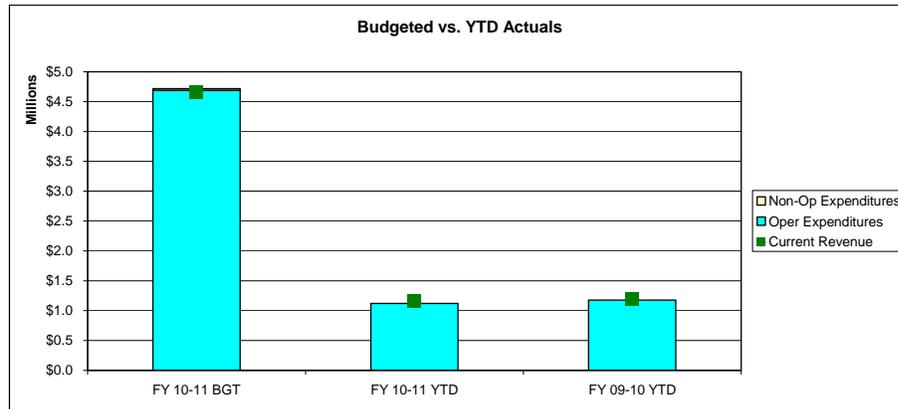
- (1) Interest earnings are lower than last year and as a percentage of budget due to continued low interest rates.
- (2) Spending YTD is low as a percentage of budget in both years, driven by City-requested work orders that vary year to year. Total spending in FY 11-12 is also lower than target due to the Public Works not yet having purchased a scheduled vehicle replacement.



ADMINISTRATIVE SERVICES FUND

REVENUE	AMENDED BUDGET	1st Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	1st Quarter FY 10-11	Y-T-D FY 10-11	FY 10-11 % REC/EXPEND
Budgeted Fund Balance	\$66,494						
Charges for Service	\$4,652,730	\$1,163,181	\$1,163,181	25.00%	\$1,196,373	\$1,196,373	25.00%
Miscellaneous (1)	9,820	1,771	1,771	18.04%	1,454	1,454	18.17%
TOTAL CURRENT REVENUE	\$4,662,550	\$1,164,952	\$1,164,952	24.99%	\$1,197,827	\$1,197,827	24.99%
EXPENDITURE BY DEPARTMENT							
Finance	\$2,588,650	\$627,518	\$627,518	24.24%	\$642,804	\$642,804	24.10%
City Manager's Office	2,100,260	492,209	492,209	23.44%	531,329	531,329	24.78%
TOTAL OPERATING EXPENDITURES	\$4,688,910	\$1,119,727	\$1,119,727	23.88%	\$1,174,133	\$1,174,133	24.40%
Contingencies/Reserves	30,000	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$4,718,910	\$1,119,727	\$1,119,727	23.73%	\$1,174,133	\$1,174,133	24.40%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$56,360)	\$45,226	\$45,226		\$23,694	\$23,694	

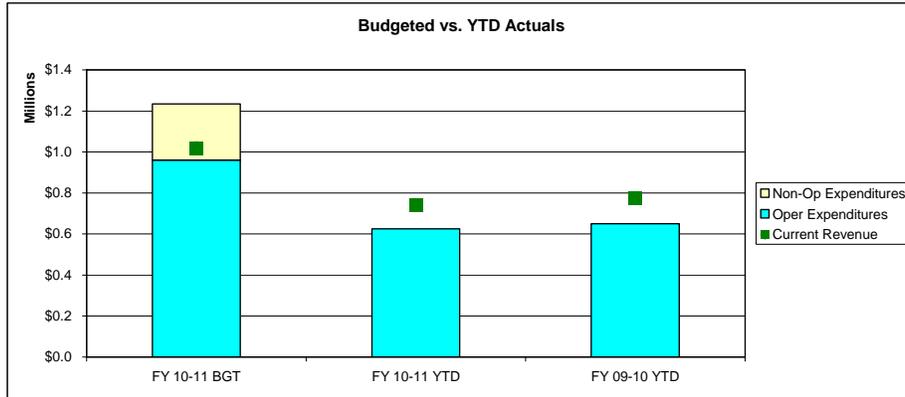
- (1) Interest revenues year-to-date are relatively aligned with the same time last year, but still below budget due to lower interest rates than expected. Miscellaneous revenue in FY 11-12 is also under budget due to less Utility Billing customer donations than anticipated.



RISK MANAGEMENT FUND

REVENUE	AMENDED BUDGET	1st Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	1st Quarter FY 10-11	Y-T-D FY 10-11	FY 10-11 % REC/EXPEND
Budgeted Fund Balance	\$696,767						
Charges for Service (1)	\$980,270	\$735,202	\$735,202	75.00%	\$760,658	\$760,658	75.00%
Miscellaneous (2)	39,350	4,878	4,878	12.40%	14,633	14,633	36.02%
TOTAL CURRENT REVENUE	\$1,019,620	\$740,080	\$740,080	72.58%	\$775,291	\$775,291	73.50%
EXPENDITURE BY DEPARTMENT							
City Manager's Office (1)	\$959,950	\$625,096	\$625,096	65.12%	\$650,039	\$650,039	64.68%
TOTAL OPERATING EXPENDITURES	\$959,950	\$625,096	\$625,096	65.12%	\$650,039	\$650,039	64.68%
Contingencies/Reserves	275,000	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$1,234,950	\$625,096	\$625,096	50.62%	\$650,039	\$650,039	52.21%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$215,330)	\$114,984	\$114,984		\$125,252	\$125,252	

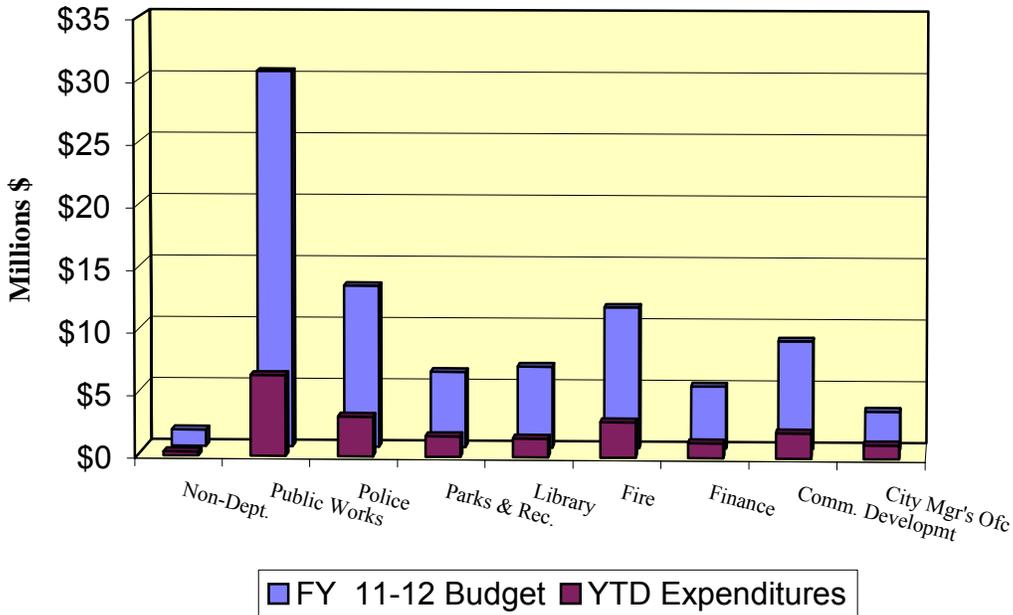
- (1) Timing of internal service charges to departments is weighted to coincide with insurance premium payments, 75% of which occur in July and 25% in January.
- (2) Miscellaneous revenue in this fund is driven by both interest earnings and by claim recoveries from insurance. First quarter receipts for FY 11-12 include approximately \$3,800 in loss reimbursements related to two City claims, compared to \$13,500 in the same period last year for four cases.



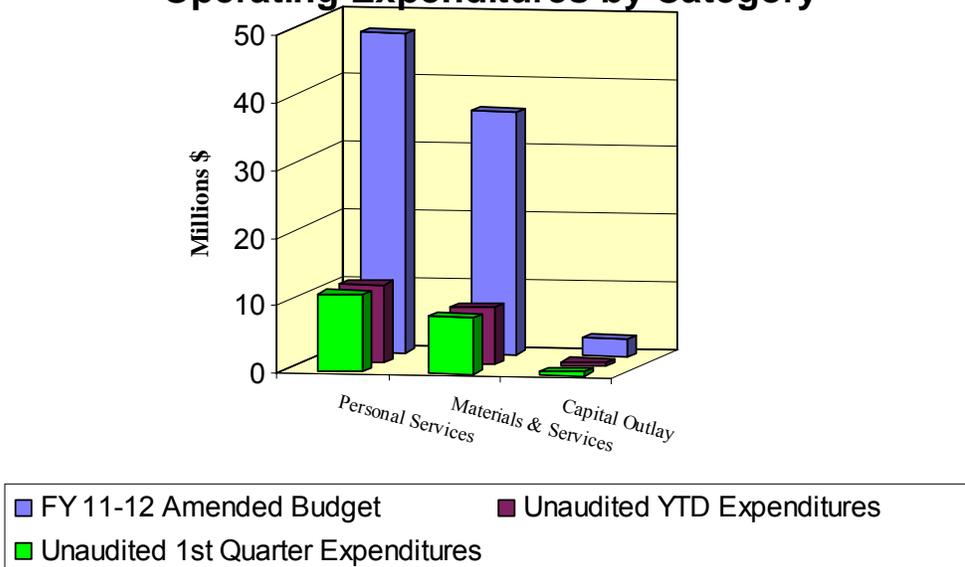
BUDGET PERFORMANCE BY DEPARTMENT

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	2011-12 Amended Budget	Unaudited 1st Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$1,389,310	\$249,110	\$249,110	17.93%
Supplies and Services	1,670,900	868,195	868,195	51.96%
Capital Outlay	0	0	0	0.00%
Total Operating Expenditures	\$3,060,210	\$1,117,304	\$1,117,304	36.51%

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

Noteworthy Accomplishments during this Quarter:

- Completed the process to hire a new City Manager. Council approved a three-year agreement with Jim Patterson, effective October 17, 2011.
- Completed the process to re-draw Ward boundaries using Council approved criteria and direction. The new boundaries will be effective in June 2012.
- Continued negotiations with CPOA and reached a tentative agreement with AFSCME.

Upcoming/Pending Items:

- Present results of the 2011 Citizen Survey to Council in December.
- Continue OSU Scoping Committee meetings.
- Ratify agreements with AFSCME and CPOA.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY10-11 ACTUAL	FY11-12 TARGET	1st QTR ACTUAL	FY11-12 YTD
Cost Efficiency	Compare City FTE to assess efficient and effective customer service	City FTE per 1,000 population.	7.49	7.20	7.24	7.24
	Reduce average workers compensation claims per employee through promotion of a safe workplace.	# of workers compensation claims per 100 FTE ⁽¹⁾	10.74	<8.75	4.56	4.56
	Maximize workplace productivity	Number of sick leave hours used per 1,000 hours worked. ⁽²⁾	30.80	<28.00	19.70	19.70
Diversity	Provide a welcoming organization that promotes and respects diversity	% of total job applicants for regular positions who identify themselves as a minority.	14%	12%	14%	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. ⁽³⁾	97%	≥ 98%	N/A	N/A
Sustainability	Reduce paper use	Reduce paper usage by 10% over the FY 2005-06 baseline of 524 reams as measured on a quarterly basis.	283 reams	<210	42	42

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY10-11 ACTUAL	FY11-12 TARGET	1st QTR ACTUAL	FY11-12 YTD
	Measure the benefits to compensation ratio for competitiveness, retention, attraction and comparator purposes.	Benefits as a % of total compensation. ⁽⁴⁾	33%	32%	36%	36%
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. ⁽³⁾	82%	>83%	N/A	N/A
	Maximize citizen satisfaction with City communications and outreach.	% of Citizen Attitude Survey respondents who rated the quality of public information services as excellent or good. ⁽³⁾	82%	>83%	N/A	N/A
		% of Citizen Attitude Survey respondents who rated the job the City does at welcoming citizen involvement as excellent or good. ⁽³⁾	67%	>68%	N/A	N/A
		% of Citizen Attitude Survey respondents who rated the job the City does at listening to citizens as excellent or good. ^{(3), (5)}	N/A	>55%	N/A	N/A

- (1) There were 18 workers compensation claims filed in the first quarter.
- (2) In the first quarter, 20% of sick hours used were classified as Family Medical Leave Act or sick child leave.
- (3) 2011 Citizen Attitude Survey and the internal employee survey results will both be available in the Third Quarter report.
- (4) The deviation from the target in the first quarter is due to a combination of factors: wages are down because some top step employees who retired at the end of June have not yet been replaced, a few employees who were on long-term disability received health benefits, but not wage benefits, and benefit costs are traditionally higher in the first quarter due to reimbursements for retiree Medicare supplement premiums in August.
- (5) Space constraints in the 2010 survey did not permit inclusion of this question, hence the reason for the unavailability of the 2010 actual.

COMMUNITY DEVELOPMENT

Type of Expenditure	2011-12 Amended Budget	Unaudited 1st Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$3,692,100	\$912,970	\$912,970	24.73%
Supplies and Services	4,965,700	1,122,065	1,122,065	22.60%
Capital Outlay	54,000	0	0	0.00%
Total Operating Expenditures	\$8,711,800	\$2,035,035	\$2,035,035	23.36%

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

Noteworthy Accomplishments This Quarter:

- Housing began executing funding agreements with recipients of the FY 11-12 CDBG and HOME awards. Total awards to the City for the year include \$490,269 for CDBG program and \$392,184 for the HOME program.
- The City HOME and CDBG funded Alexander Seavey affordable housing development project, being developed by Willamette Neighborhood Housing Services (WNHS), got underway with demolition and ground breaking activities with both public infrastructure and residential construction at the Alexander site in SW Corvallis.

- During the first quarter Housing closed on three First-Time Home Buyer down payment assistance loans in the amount of \$36,057; six loans from the City’s Saving Energy Loan fund (residential energy efficiency loan program), totaling \$43,915 closed; two Essential Repair single-family residential rehabilitation loans totaling \$61,822 were approved.
- The Rental Housing Program received 262 contacts during the first quarter, regarding a total of 446 issues, with 99 issues related to habitability and 347 issues of non-habitability nature. Fifty-seven 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.
- On July 12th the Historic Resources Commission (HRC) bade farewell to long-time Commissioners McClure and Parkerson and welcomed new Commissioners Lizut and Bryant. The HRC also approved five Historic Preservation Permit applications for projects within the OSU Historic District.
- On September 6th, the City Council adopted a package of the Downtown-related Land Development Code revisions, which include new standards to allow portable signs in some areas.
- On September 26th, the final meeting on the Rulemaking Advisory Committee (RAC) on the Transportation Planning Rule took place. The recommendations of the RAC will be considered by the Land Conservation and Development Commission, and the Oregon Transportation Commission later this fall. The RAC, which contains members throughout Oregon, began meeting early this year, with the mission of developing recommendations for revisions to the statewide Transportation Planning Rule.
- The Planning Division received 21 land-use applications, including six historic preservation permit applications.
- Ten public hearings and five administrative land-use decisions were made in the 1st quarter.
- Of the 716 mechanical and electrical permits issued in the 1st quarter, 139 (or 19%) were issued online. Additionally, Solar Permits were added in August to the menu available to e-Permit services.
- Development Services Plan Review staff conducted 3,850 construction inspections in the 1st quarter.
- Eighty new Code Enforcement cases were created in this quarter as a result of citizen complaints received.
- In September, staff gave a presentation to the County Commissioners on the proposed update to the Airport Industrial Park Master Plan.
- The Economic Development Commission heard an overview of the City’s development process and Development Service’s Enhancement Package, and the Airport Industrial Plan Master Plan Update. The Sub-Committee is continuing the development of the Commission’s Economic Development Goals and Strategies.

Upcoming/Pending Items:

- Work on the OSU/City Collaboration project has begun with multiple meetings of the Scoping Committee held in the first quarter. Work on this project will accelerate in the upcoming year.
- Several major land-use applications are expected to be reviewed including the McFadden Annexation and several multi-family housing projects.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY10-11 ACTUAL	FY11-12 TARGET	1st QTR ACTUAL	FY11-12 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.	97%	90%	100%	100%
	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⁾	30%	25%	99%	99%
	Meet or exceed State requirements for land use application review time.	Average review time (in days) to process a public hearing land use application.	37	< 115	36	36
	Meet or exceed State requirements for land use application review time.	Average review time (in days) to process administrative land use application.	17	< 45	15	15

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY10-11 ACTUAL	FY11-12 TARGET	1st QTR ACTUAL	FY11-12 YTD
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.	13.2	10.0	12.5	12.5
Community Involvement	Achieve at least the targeted % citizen rating of excellent or good.	Citizen satisfaction with land use process, from customer survey. ⁽²⁾	56%	60%	N/A	N/A
Sustainability	Conserve resources by reducing fuel and paper use.	Percentage of Mechanical and Electrical permits issued online. ⁽³⁾	28%	25%	19%	19%
	Maintain the quality of low income housing in a cost effective manner.	Units of housing rehabilitated per \$100,000 in City funds invested. ⁽⁴⁾	25.8	5.0	1.9	1.9

(1) Most of each fiscal year's 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 on a year-to-date-basis.

(2) 2011 Citizen Attitude Survey results will be available in the Third Quarter report.

(3) Online services expanded in January 2011 to include plumbing permits, then expanded again in August 2011 to include solar permits. Outreach to both groups is being conducted. Target was reset as results will be lower until the online functions are embraced as they have been in other trades.

(4) One Essential Repair Loan Program owner occupied housing rehabilitation project reached completion during the quarter. It consisted of significant rehab, accessibility and energy efficiency improvements in an older single family/owner-occupied home.

FINANCE

Type of Expenditure	2011-12 Amended Budget	Unaudited 1st Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$3,414,140	\$828,223	\$828,223	24.26%
Supplies and Services	1,422,580	358,706	358,706	25.22%
Capital Outlay	180,660	20,780	20,780	11.50%
Total Operating Expenditures	\$5,017,380	\$1,207,710	\$1,207,710	24.07%

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

Noteworthy Accomplishments during this Quarter:

- Received Council approval for a re-designed City Services statement that will not require an envelope to mail, and so provide significant cost savings as well as being more environmentally sustainable.
- Completed review of landlord notification process and began notifying landlords and customers with postcards instead of letters to reduce paper consumption and postage.
- Issued a request for proposal (RFP) for banking services, received and reviewed proposals, and provided intent to award.
- Completed setup work on Click-2-Gov software for online municipal court payment webpage.
- Assisted department area specialists with data entry, review and submission of performance measure templates for ICMA-Center for Performance Measurement (CPM).
- Researched and compiled data for Council-directed work on Sustainable budget goal, including revenue alternatives and city services information for two Council work sessions.
- Worked with a consultant to determine and report findings to Council as to whether Information Technology group collaboration by the City and the County warrants reorganization.
- Upgraded certain core information technology services such as email, authentication servers and remote access terminal server.

Upcoming/Pending Items:

- Finalize work on video arraignment connection and equipment to enable such service at municipal court.
- Complete approval process for implementation of hosted IVR solution for Utility Billing telephone credit and debit card payments.
- Receive an unqualified (clean) audit opinion, and publish the FY 10-11 CAFR.
- Award banking services contract and transition to new bank.
- Continue Framework activities for documentation and procedures, retention schedules and data purge in preparation for the ONESolution financial software implementation.
- Pending adoption of the AFSCME labor contract, Payroll staff anticipate implementation of the changes related thereto for the November payroll.
- Continue working with consultant GreenPlay and Parks and Recreation on the department’s Cost Recovery Program development, with view to a December Council meeting presentation of the plan.
- Establish changes to budget process for FY 12-13 after receiving direction/priorities from City Council at late November work session.
- Finalize transition to single deferred compensation 457 Plan provider ICMA-RC, working with City’s fiduciary committee and Human Resources/Payroll divisions to ensure seamless conversion of current funds to new fund map.
- Finalize 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 a flat panel television for the hearing impaired.
- Management Information Services division to continue the City’s website replacement project and begin work on the Community Development Record Management Suite upgrade from TideMark to Accela Automation.
- Work on improving methods and procedures regarding Email e-discovery request.
- Continue work on electronic records classification and proceed with implementation.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY10-11 ACTUAL	FY11-12 TARGET	1st QTR ACTUAL	FY11-12 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.	\$1,531	≥ \$1,350	\$374	\$374
	Ensure City resources are primarily spent on operations that provide services directly to citizens.	Maintain general overhead costs (City Manager’s Office and Finance) at less than 7% of total operating budget.	6.33%	<7.0%	5.49%	5.49%
	Provide necessary information technology resources for departments to operate efficiently.	Achieve 100% server uptime relative to scheduled server uptime. ⁽¹⁾	99.99%	100%	99.98%	99.98%
	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 and document repair calls more accurately while recording multiple repair calls into a single repair call if a single incident is involved. ⁽²⁾	.94/1.00	3.00/1.00	3.18/1	3.18/1
	Increase organizational efficiency in providing service output.	Maintain operating expenditures less than or equal to \$1,350 per capita.	\$1,337	≤ \$1,350	\$285	\$285

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY10-11 ACTUAL	FY11-12 TARGET	1st QTR ACTUAL	FY11-12 YTD
Sustainability	Reduce department wide paper consumption through increased use of electronic file sharing and software upgrades.	Reduce paper purchases by 10% in FY 11/12 over actual FY 10/11 (as measured in reams on a quarterly basis). ⁽³⁾	628	565	200	200
	Reduce paper and postage costs by increasing proportion of Utility Billing customers participating in E-Bill program.	Increase number of E-Bill participants to 10% of Utility Billing customers. ⁽⁴⁾	1,094	1,500	1,312	1,312

- (1) MIS experienced an insignificant outage during the 1st 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 more resolved service calls. In the first quarter, MIS had 591 service calls to 186 repair calls.
- (3) Paper consumption was higher in the 1st quarter than expected due to paper intensive projects including audit work, Council work session packets, and public information requests. Second quarter results should show significant improvement and put the ratio back on target due to no significant paper intensive projects known at this time.
- (4) Staff E-Bill customers increased substantially in the first 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	2011-12 Amended Budget	Unaudited 1st Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$8,760,020	\$2,182,571	\$2,182,571	24.92%
Supplies and Services	1,940,800	452,917	452,917	23.34%
Capital Outlay	684,010	214,502	214,502	31.36%
Total Operating Expenditures	\$11,384,830	\$2,849,989	\$2,849,989	25.03%

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

Noteworthy Accomplishments during this Quarter:

- Extended Ambulance Service Area agreement through 2017.
- Participated in a Bio-Hazard drill at OSU.
- Collaborated with Emergency Services consultants who were contracted to determine whether any viable consolidation opportunities exist between the Corvallis and Albany Fire Departments.
- Prepared for a significant update to the High Plains record management software.
- Mobilized a Battalion Chief for a conflagration in Central Oregon.
- Fire Marshal certification with Plans Review endorsement was received by one of the Fire Prevention Officers from the Oregon State Fire Marshal.
- Continued work on equipment installation for the department's e-learning initiative, whereby crews will be able to remain in quarters for training classes.
- Completed a week-long training academy for six new volunteers and two recently-hired firefighter EMTs.

Upcoming/Pending Items:

- Implement a significant records management software upgrade.
- Complete the e-learning project.
- Secure delivery of a water tender on behalf of the Corvallis Rural Fire District.
- Secure delivery of two scheduled replacement ambulances.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY10-11 ACTUAL	FY11-12 TARGET	1st QTR ACTUAL	FY11-12 YTD
Community Involvement	Interact with at least 10% of residents (city and rural district) in public education events annually.	Number of attendees at public education events.	6,118	7,000	1,398	1,398

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY10-11 ACTUAL	FY11-12 TARGET	1st QTR ACTUAL	FY11-12 YTD
Cost Efficiency	Achieve a response time of 5 minutes or less from dispatch to arrival on Code 3 fire calls within the city limits, greater than our comparator's average of 62.5%	Percentage of EMS calls requiring ALS with response time of 5 minutes or less from dispatch to arrival within city limits. ⁽¹⁾	82.0%	70.0%	N/A	N/A
	Achieve a response time of 5 minutes or less from dispatch to arrival of ALS equipment of Code 3 EMS calls within the city limits, greater than the 45% 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⁾	82.0%	60.0%	N/A	N/A
	Maintain operating costs per capita at or below that of comparator cities (\$146.60)	Total fire operating expenditures per capita.	\$151.37	<\$146.60	\$42.61	\$42.61
	Maintain false alarm rate at or below the 23% level experienced by ICMA comparators.	False Alarms as a % of total non-EMS incidents. ⁽²⁾	21%	12%	17.7%	17.7%
Sustainability	Maintain average loss per 1,000 population within city limits less than regional average of \$30,900	Maintain average loss per 1,000 population within city limits less than national average. ⁽³⁾	\$25,522	<\$30,900	\$251	\$251
	Maintain number of reported residential structure fires per 1,000 population within the city limits at less than the national average of 0.94.	Residential structure fires per 1,000 population served within city limits. ⁽³⁾	.83	<0.94	0.04	0.04

(1) Due to the recent upgrade of the department's records management system, 1st quarter FY 11-12 and year-to-date data is not yet available. The software vendor is in the process of completing the coding necessary to provide this information. The first quarter's data will be included in the calculation of the second quarter's 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	2011-12 Amended Budget	Unaudited 1st Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$4,240,920	\$960,320	\$960,320	22.64%
Supplies and Services	2,301,610	540,906	540,906	23.50%
Capital Outlay	19,000	0	0	0.00%
Total Operating Expenditures	\$6,561,530	\$1,501,226	\$1,501,226	22.88%

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

Noteworthy Accomplishments during this Quarter:

- Received full funding for the new Monroe Library via a Community Development Block Grant; construction to begin in spring 2012.
- Evaluated and reorganized the Library management structure, in light of recent retirements and promotions; duties were shifted between managers to share responsibilities from a vacant division manager position.
- Completed recruitments and hiring for several vacant positions attracting hundreds of applicants for those positions including: Shelver, Community Library Specialist, and Reference Librarian.
- Participated with the Philomath Community Library to be the site for the 509J School District Free Lunch Program; an average of 45 lunches were served each day in both Corvallis and Philomath.
- Decreased trash volumes significantly in the last year due to sustainability efforts. A larger dumpster was purchased (instead of paying monthly rent) and garbage pickup was decreased from twice per week to once per week. These changes save approximately \$1,750 annually.
- In-house staff redesigned the Library's bi-monthly newsletter, Check It Out, due to the previous graphic design contract being cancelled as a result of budget reductions.
- Formed the new Staff In-Service Committee, which began work on an all-day training scheduled for October.
- Celebrated Library Card Sign-Up Month with a "Show us your Library Card" event, whereby users sent in photos of themselves with their library cards, which were then posted on Facebook.
- Completed compatibility migration of Kindle eReaders to the Library's downloadable program, Library2Go.
- Worked with the new Benton County Relief Nursery (formerly RAFT) to develop a new early literacy curriculum and schedule to better integrate early literacy into the services of the relief nursery.
- The Library Board reviewed three Library policies, which were subsequently approved by Council as needed. Updates were made to the Confidentiality of Library Records Policy and the Public Library Circulation Policy. No changes were recommended for the Public Library Policy for selecting and discarding materials.
- Completed and submitted both the ICMA and State annual statistical reports.
- Completed the One World, Many Stories Summer Reading program with over 1,300 children participating in programs and activities at the branch libraries and in Corvallis. Participants received completion certificates at a final celebration.

Upcoming/Pending Items:

- Recruit and hire to fill remaining vacant positions.
- Continue working with the Monroe community on plans for a new library building.
- Hold Staff In-Service Day in October.
- Sell the old Bookmobile.
- Continue 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	FY10-11 ACTUAL	FY11-12 TARGET	1st QTR ACTUAL	FY11-12 YTD
Cost Efficiency	Be at ICMA national average or below for operating and maintenance expenditures per item circulated of \$3.36.	Operating and maintenance expenditures per item circulated.	\$2.88	\$3.28	\$2.98	\$2.98
	Circulate at least 30% more per FTE than other ICMA comparable libraries – ICMA average of 28,674.	Circulation per FTE. ⁽¹⁾	32,236	35,800	9,520	9,520
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⁾	92%	90%	N/A	N/A
	Be in the top 20% of circulation rates per capita of comparable ICMA libraries ≥ 15.7 .	Circulation rates per capita. ⁽³⁾	18.98	19	4.75	4.75
	Increase number of interactions with the public per FTE by 2% over previous year.	Interactions with the public per FTE.	6,402	6,700	1,394	1,394
	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⁾	.089	.087	0.098	0.098
Diversity	Offer programs reflecting the diverse populations within Benton County.	Attendance at programs for children, teens, seniors, Latinos and other non-English speakers. ⁽⁵⁾	29,263	27,500	9,310	9,310
Sustainability	Each public computer is used at least 3,000 times per year.	Average number of user sessions per Corvallis Library public computer. ⁽⁶⁾	2,804	2,900	632	632
	Provide the materials people want to use and keep them moving through the community.	Circulation per registered borrower.	32.5	32.2	8.16	8.16

- (1) Uses the ICMA definition of FTE which includes hours worked by regular and casual staff. However, casual staff is now used very infrequently. This measure is on track to exceed the annual target.
- (2) Citizen rating for FY 11-12 will utilize responses from the 2011 Citizen Attitude Survey, published in December 2011.
- (3) ICMA Core measure using Benton County population equal to 87,000, per PSU population report 03/2011. Measure is slightly on track to meet management goal.
- (4) The Library continues to utilize volunteers to keep up with demand for services. This one quarter measure far exceeds the annual management goal.
- (5) There are many programs for these groups during the 1st quarter (Summer Reading), but fewer programs at other times of the year. Q1 total looks promising; however it may not translate into meeting the annual target.
- (6) This measure is not on track to meet the annual target since use of public computers continues to decrease as more patrons bring their own laptops and utilize the wireless system. Decreased open hours also influence this measure. The goal of at least 3,000 user sessions per year has a reduced target of 2,900 due to decreased open hours. In FY 12-13 the goal and target will be evaluated so both align.

PARKS & RECREATION

Type of Expenditure	2011-12 Amended Budget	Unaudited 1st Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$3,820,050	\$1,142,998	\$1,142,998	29.92%
Supplies and Services	2,258,820	507,437	507,437	22.46%
Capital Outlay	17,630	0	0	0.00%
Total Operating Expenditures	\$6,096,500	\$1,650,435	\$1,650,435	27.07%

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

Noteworthy Accomplishments during this Quarter:

- Osborn staff collaborated with Public Works to minimize the length of closure of the 50 meter pool, which was shut-down due to an unanticipated pump failure.
- Issued a Request for Proposal on a Feasibility Study for a Parks and Recreation Taxing District.
- Awarded GreenPlay Consulting with the Parks Master Plan and Cost Recovery model update and began work on the cost recovery model.
- Implemented a new bilingual swim lesson program in partnership with Healthy Kids Healthy Community program.
- Provided facilities staff support for the annual Red, White, and Blues Festival held at Riverfront Commemorative Park.
- Began partnership with OSU Extension to apply for the National Institute of Food and Agriculture (NIFA) People's Garden Grant. This project will facilitate the creation of produce, recreation and wildlife gardens.
- Refined goals and objectives for the next project year with Healthy Kids Healthy Communities to reflect the community's health assessment.
- Recreation and Osborn Aquatic Center staff collaborated on the Longfellow's Whale's Tail project to provide programming for elementary school students on early release from school days.
- Collaboration began with the Oregon Department of Fish and Wildlife (ODFW) and the Institute for Applied Ecology (IAE) to implement portions of the City's Herbert Farm and Natural Area (HFNA) Management plan; IAE will design a series of native plan restoration projects.
- Began the 2011 Youth Parks Corps season, which provided valuable work experiences to 40 local youth while benefitting the City with additional park maintenance.
- Reached agreements with the 509J School District and Boys and Girls Club on school gym use schedule.
- Per fee review recommendations, implemented new guidelines for Family Assistance.
- Conducted the first annual ARTists in the PARKS event with 22 artists painting in four parks; the evening reception made more than \$700 for Parks and Recreation's youth art programs.
- Received several notices of grant funding: from the State Parks and Recreation Department, \$50,000 to rehabilitate Central Park Plaza and \$50,000 to rehabilitate Tunison Park; and from the Recreation and Trails Program \$50,450 to rehabilitate Shooting Star Trail.
- Conducted a tour of the Herbert Farm and Natural Area and Witham Oaks Natural Area for members of the Parks, Natural Areas, and Recreation Board. Site discussions centered on the implementation of existing management plans and the development of new plans.
- Served 60 people while hosting the Kiwanis Ice Cream Social and the Summertime BBQ.
- Had record attendance of 1,043 children and adults at the 4th of July Holiday Open Recreation held at Osborn Aquatic Center.
- Continued easement negotiations between Parks and Recreation and Northwest Natural Gas on the Corvallis loop project – a high pressure natural gas line designed to provide natural gas to OSU's Energy Center.
- Began plans to provide Recreational Vehicle parking at Pioneer Park during OSU home football games.
- Completed an updated "adopt-a-park" program to assist with impact of budget reductions.
- Completed the Urban Forest Management Fee and Arborist Selection Procedure, which will streamline the department process for implementing the Urban Forest Management Plan.
- Published and mailed 26,100 Activity Guides to households throughout Corvallis.
- Made progress on final terms of two conservation easements for Lancaster property and Seavy Meadows.
- Earned more than \$1,800 through the "Hidden Treasures – the Backyards of Corvallis" fundraiser.
- Received the Leadership Award from the Governor's Council for Physical Fitness and Sports, which highlighted the community garden master plan and the Healthy Kids Healthy Communities program.
- Hosted National Senior Center month with an Open House highlighting the many programs and services that the Senior Center offers for the 50+ community; an estimated 250 attended.
- Added a new volunteer greeter position at the Senior Center to focus on welcoming participants.
- Registered 1,664 participants in swimming and water safety lessons and 1,474 participants in the Senior & Adult Aqua Fitness and Therapy program.

Upcoming/Pending Items:

- Continue development of a Friends Group that may enable additional funding and support for Department services.
- Review and select an RFP respondent to conduct a feasibility study for a Special District for Parks and Recreation.
- Create a Master Plan for Tunison Park, utilizing community process.
- Continue work on creating a cost recovery model and a Parks & Recreation Master Plan update.
- Begin work to consolidate City and School District agreements.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY10-11 ACTUAL	FY11-12 TARGET	1st QTR ACTUAL	FY11-12 YTD
Community Involvement	Provide multiple opportunities for public involvement.	Total number of hours of Board, Commissions and Stakeholder, and Public Meetings. ⁽¹⁾	New	90 hours	24	24
Cost Efficiency	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. ⁽²⁾	22,365 (10.75 FTE)	30,000 (14 FTE)	8,520 (4.10 FTE)	8,520 (4.10 FTE)
	Highlight the value of subsidized recreation at Osborn Aquatic Center.	Target cost per visit for subsidy at OAC.	\$3.09	\$3.00	\$1.76	\$1.76
	Highlight the value of subsidized recreation at Senior Center.	Target cost per visit for subsidy at the Senior Center. ⁽³⁾	\$5.67	\$5.00	\$5.39	\$5.39
	Keep operations & maintenance (O&M) costs per 1,000 population below the median for nationwide reporting cities with populations between 35,000 and 70,000	Net annual P&R O&M expenditures (not incl. utilities) per 1000.	\$89,170	\$80,000	\$26,050	\$26,050
Sustainability	Increase the utilization percentage of granted scholarships.	Percent of total scholarship value expended. ⁽⁴⁾	15%	20%	22%	22%
	Maintain or improve the ratio of acres per population of comparator cities.	Total park acres per 1,000 population. ⁽⁵⁾	33.2	30.1	34.0	34.0
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⁾	910/19,980	1,820/23,635	1,015/46,429	1,015/46,429

- (1) Due to public involvement in Park’s Cost Recovery Model process, the department is on track to exceed projections in this new category.
- (2) Volunteers are most prevalent in the first and fourth quarters. Parks operations continue to be the leader in the utilization of volunteer labor – capitalizing on college and community need for service project opportunities.
- (3) As a result of not including the Senior Meals and Tax Assistance programs in the formula, in previous years cost per visit has decreased compared to last year. The YTD actual is slightly over target due to seasonality of programs, which will increase in the second and third quarters.
- (4) Healthy Kids/Healthy Community partners are promoting appropriate programs and reconfiguration of family assistance programs effective 9/1/11, thus Parks & Recreation expects to exceed its FY 11-12 target.
- (5) FY 10-11 was formerly listed as 30.1, however the wrong formula was used in the calculation, so the actual has been restated based on 1,810 acres and population 54,460. FY 11-12 target was also under-stated due to the previous formula, and should have been 33.2. FY 11-12 YTD actual is based on acres of 1,852.5, due to the addition of Seavy Meadows and Lancaster property, and a population of 54,460.
- (6) This is the first year Osborn Aquatic Center numbers are included, which is why FY 11-12 values are higher than FY 10-11 and target.

POLICE

Type of Expenditure	2011-12 Amended Budget	Unaudited 1st Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$9,984,880	\$2,362,903	\$2,362,903	23.66%
Supplies and Services	2,944,904	782,591	782,591	26.57%
Capital Outlay	114,580	47,213	47,213	41.21%
Total Operating Expenditures	\$13,044,364	\$3,192,707	\$3,192,707	24.48%

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:

- Corvallis Police Auxiliary coordinated National Night Out. A total of 22 Neighborhood Watch Groups registered their event for visits from officers and most of those also requested a visit from McGruff the Crime Dog.
- Corvallis Police Auxiliary also attended a safety fair at Home Depot and staffed a booth at the Fall Festival.
- To increase the safety of school children, a Back-to School Safety Blitz was conducted in partnership with 509J School District in September. Officers were assigned to all elementary and middle schools throughout the City to enforce school zone traffic laws.
- File preparation was completed for the CALEA (Commission on Accreditation of Law Enforcement Agencies) on-site assessment in November. The files were mailed to the Assessors for review.
- The contract for a feasibility study for a possible 9-1-1 special taxing district was awarded to Emergency Services Consulting, Inc. and is well underway. The contracted firm has already completed their first on-site visit, and met with the 9-1-1 User Group, plus City and County governments.

Upcoming/Pending Items:

- Initiated a recruitment for the 0.75 FTE parking enforcement officer vacancy. 437 applications were received and testing began in September. Recruitment will be completed in the second quarter.
- Recruitment for the open police officers positions continue. Three candidates were given conditional offer letters and another group has passed the testing and interview process and are ready to enter background phase.
- The CALEA on-site assessment will occur November 5-8, 2011. A public comment event will be held Monday, November 7th, in the Library Main Meeting Room.
- A final report on the 9-1-1 special taxing district feasibility study is expected in February, 2012.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY10-11 ACTUAL	FY11-12 TARGET	1st QTR ACTUAL	FY11-12 YTD
Cost Efficiency	Increase community safety by reducing response time to top priority calls.	Response time in seconds to top priority calls.	300	300	255	255
	Increase community safety by clearing part 1 criminal investigations.	Percentage of Part 1 Crimes Cleared. ⁽¹⁾	Violent 49%	70%	38%	38%
			Property 14%	20%	20%	20%
	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⁾	161	<90	160	160
Increase community safety by maintaining overall number of traffic accidents resulting in injuries/fatalities at less than the State average of 5.1/per thousand population.	Fatal and injury traffic accidents per 1,000 population. ⁽³⁾	1.93	<2.50	0.38	0.38	

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY10-11 ACTUAL	FY11-12 TARGET	1st QTR ACTUAL	FY11-12 YTD
Diversity	Increase diversity of applicant pool through targeted outreach efforts.	Number of new, targeted outreach efforts. ⁽⁴⁾	0	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. ⁽⁵⁾	83%	85%	N/A	N/A

- (1) Data shown is only through August and includes four vacancies. September data is not yet available.
(2) Recruitment was placed on hold for several months due to potential budget impacts. The hiring process for police officers has since recommenced, so actuals should come down closer to target in future quarters of FY 11-12.
(3) There have been only 21 accidents, or 0.38 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, however, will be reevaluated in the spring. If recruiting resumes in the spring, the department plans to meet the target.
(5) 2011 Citizen Attitude Survey results will be available in the Third Quarter report.

PUBLIC WORKS

Type of Expenditure	2011-12 Amended Budget	Unaudited 1st Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$11,864,510	\$2,821,812	\$2,821,812	23.78%
Supplies and Services	16,981,240	3,399,306	3,399,306	20.02%
Capital Outlay	1,526,080	279,231	279,231	18.30%
Total Operating Expenditures	\$30,371,830	\$6,500,349	\$6,500,349	21.40%

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:

- The Sustainability Program launched its "[Sustainability Dashboard](#)" on the City's website and intranet. The Dashboard provides at-a-glance information on the City's five organizational sustainability goals, such as trends since baseline years, actions to be taken, and targets for milestones and deadlines.
- Using funds from the new Sustainability Initiative Fee (SIF), the department completed sidewalk repairs in the downtown area. With savings achieved in the contract, additional areas will be completed in the second quarter.
- Worked with Corvallis School District 509-J to revise two Corvallis Transportation System (CTS) routes that provide service to high schools. New route maps and schedules have been printed and distributed.
- Hired consultants for the Airport Master Plan Update and Airport Rail Spur Track Renovation projects.
- Completed the SW Hout Street construction project by installing street lights using inductive lamps rather than high pressure sodium lamps, which will reduce power consumption and increase reliability and longevity of the lighting.
- Completed field investigations for temperature total maximum daily load (TMDL) regulation compliance at the OSU Dairy Farm and Orleans natural area to aid in determining the best site for locating the constructed wetlands and associated infrastructure. The consultant's report is being prepared.
- Awarded the contract for the Corvallis Forest timber thinning and forest health project on approximately 65 acres, with an estimated yield of 700 MBF (Thousand Board Feet) of Douglas Fir. Monies earned through the sale of timber will be used to continue forest health projects.
- Awarded contracts for the 4th Street Storm Water Retrofit, 2011-12 Waterline Rehabilitation, and North Hills Reservoir Improvements projects.
- Initiated construction of the Mary's River Interceptor, 2011-12 Street Reconstruction, and 2011-12 Sanitary Sewer Rehabilitation projects.

Upcoming / Pending Items:

- Prepare the utility fund viability report (annual utility rate review) and present recommendations to the City Council.
- As part of the Comcast franchise renewal, conduct a citizen survey on Comcast's performance over the last ten years.

- Work with the Federal Transit Administration (FTA) on a flex-fund grant for the replacement of the Vehicle Information System (VIS) that provides automatic stop announcements, passenger counts, and bus location data for the transit system.
- Complete the Airport Rail Spur Track Renovation project.
- Finish the SIF funded safety sidewalk work in the downtown area.
- Finalize negotiations with the DEQ on renewal of the City’s wastewater utility discharge permit, also known as a National Pollutant Discharge Elimination System (NPDES) permit.
- Apply for the renewal of the City’s storm water utility NPDES discharge permit.
- Finish construction of the Mary’s River Interceptor, 2011-12 Sanitary Sewer Rehabilitation, WWRP Electrical Equipment, and 2011-12 Street Reconstruction Projects.
- Bid the 4th Street Storm Drain project, with construction scheduled for late spring/early summer 2012.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY10-11 ACTUAL	FY11-12 TARGET	1st QTR ACTUAL	FY11-12 YTD
Cost Efficiency	Maintain transit costs below national average of \$2.70 per ride.	Costs per transit ride.	\$1.88	<\$2.40	\$1.83	\$1.83
	Have utility rates that contribute to Corvallis being an attractive place to live.	Control operation and maintenance costs to minimize annual utility rate increases. ⁽¹⁾	2.4%	≤ 3.0%	N/A	N/A
		Percent of average annual water bill to median household income (\$64,700) ⁽¹⁾	N/A	<0.45%	N/A	N/A
		Percent of average annual wastewater bill to median household income (\$64,700) ⁽¹⁾	N/A	<0.65%	N/A	N/A
Community Involvement	Contribute to the environmental health of the community. (ICMA)	Citizen rating of the quality of street cleaning services as ‘excellent’ or ‘good’ (from the Citizen Attitude Survey). ⁽²⁾	82%	85%	N/A	N/A
	Provide street and utility services that meet the needs of community residents.	Citizens rating Public Works services ‘excellent’ or ‘good’, averaged for street, water, wastewater and storm water (from the Citizen Attitude Survey). ⁽²⁾	77%	90%	N/A	N/A
	Encourage citizen input on Public Works projects and activities.	Number of public meetings held on department projects. ⁽³⁾	15	20	2	2
Sustainability	Be among the top third of comparator cities for use of alternative fuels.	Percentage of vehicles and heavy equipment using alternative fuels. ⁽⁴⁾	N/A	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.	\$75.84	< \$80.00	N/A	N/A
	Remain below national average of 10% annually for water loss in the distribution system.	Percent of water loss in the distribution system. ⁽⁵⁾	4.84%	<10.00%	4.80%	4.80%

- (1) Measure is calculated annually and will be available in the second quarter.
- (2) 2011 Citizen Attitude Survey results will be available in the Third Quarter report.
- (3) This measure has a seasonal effect with the frequency of meetings increasing throughout the year.
- (4) Due to staffing changes and turnover, this measure is unable to be computed at this time.
- (5) Low percentage is reflective of no water main breaks or storage tank/reservoir projects during the first quarter.

NON-DEPARTMENTAL

Type of Expenditure	2011-12 Amended Budget	Unaudited 1st Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$0	\$0	\$0	0.00%
Supplies and Services	1,317,300	319,576	319,576	24.26%
Capital Outlay	0	0	0	0.00%
Total Operating Expenditures	\$1,317,300	\$319,576	\$319,576	24.26%

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

VACANCY SUMMARY

DEPARTMENT	Adopted 11-12 Budget		VACANT POSITIONS	STATUS
	AUTHORIZED FTE	FILLED FTE		
CMO	9.75	8.75	City Manager (1)	Recruitment finalized
COMMUNITY DEVELOPMENT	38.25	31.00	Building Inspector (2) Permit Technician I (.75) Project Coordinator (1) Project Coordinator II (2) Engineering Technician III (1.5)	Held open Underfilled Held open Held open Recruitment in process
FINANCE	34.75	33.50	Admin Specialist (.25) System Administrator I (1)	Underfilled Recruitment in process
FIRE	69.00	67.00	Lieutenant (1) Fire Engineer (1)	Recruitment not initiated Recruitment not initiated
LIBRARY	45.39	40.39	Shelver (.5) Shelver (.25) Library Specialist II (1.25) Access Services Librarian (1) Reference Librarian (2.0)	Recruitment to be initiated Underfilled Recruitment to be initiated Recruitment to be initiated Recruitment in process
PARKS AND RECREATION	35.82	31.31	Senior Center Supervisor (1) Aquatics Support Specialist (1) Seasonal Parks Worker (2.01) Park Operations Specialist (.5)	Recruitment in process Recruitment in process Recruitment not initiated Held open
POLICE	90.25	80.50	Police Chief (1) Public Safety Dispatcher (1) Police Officer (6) Parking Enforcement Officer (.75) Sr. Administrative Specialist (1)	Recruitment not initiated Background in process Recruitment in process Recruitment in process Recruitment not initiated
PUBLIC WORKS	118.13	112.13	Public Works Director (1) Engineering Supervisor (1) Utilities Treatment Plant Operator (1) Program Specialist (.5) Program Specialist (.5) Water Quality Analyst (1) Engineering Technician III (1)	Recruitment not initiated Recruitment not initiated Recruitment not initiated Recruitment not initiated Recruitment not initiated Recruitment not initiated No recruitment at this time
TOTALS	441.34	404.58		

CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program section is included in the Quarterly Operating Report to update readers on the status of projects currently in progress. Projects have been placed in one of seven broad-based infrastructure functional areas: Airport; Buildings and Facilities; Parks and Recreation; Storm Water; Transportation; Wastewater; and Water. At the end of the first quarter, Capital Project year-to-date expenditures totaled \$1,305,772 or 10.83% of the \$12,062,236 Amended Budget. The lists below include a breakout of major projects by those that are expected to be completed and projects delayed or cancelled. The projects for which only the design phase is to be complete have been marked as such. Please refer to the detail section starting on page three for more information on the status of all projects, including those below.

Projects Expected to be Completed

Page#

City Hall Block	<u>3</u>
Park Facility Renovation – Central Park Plaza Reconstruction	<u>4</u>
Special Use Facilities – Tennis Courts	<u>4</u>
Trails – Shooting Star Improvements	<u>4</u>
Storm Water Retrofit – 4 th Street	<u>5</u>
Advanced Transportation Management System	<u>5</u>
Circle Boulevard Pedestrian Activated Crossings	<u>5</u>
South 3 rd Street / Crystal Lake Drive Improvements	<u>6</u>
Marys River Interceptor Improvements	<u>7</u>
WWRP Electrical Equipment Replacement	<u>7</u>
North Hills 1 st Level Reservoir Improvements	<u>8</u>

Projects Delayed or Cancelled

Electric Vehicle Charging Stations	<u>6</u>
Goodnight Right-of-Way Acquisition	<u>6</u>
Traffic Signal – 26 th / Western	<u>7</u>
Biosolids Storage Tank	<u>7</u>
West Corvallis 2 nd Level Water	<u>8</u>

SUMMARY OF CIP PROJECTS

BUILDINGS AND FACILITIES	ADOPTED	AMENDED	Y-T-D
City Hall Block	\$500,000	\$329,710	\$11,014
Fire Department Facilities Relocation	886,000	877,290	3,354
Municipal Buildings Rehabilitation	253,000	318,000	0
Carryover Adjustment - Unused Budget	0	148,000	0
TOTAL Buildings and Facilities	<u>\$1,639,000</u>	<u>\$1,673,000</u>	<u>\$14,369</u>
PARKS	ADOPTED	AMENDED	Y-T-D
Acquisition of Land	\$179,193	\$179,193	\$0
Osborn Aquatic Center	46,000	46,000	0
Park Facility Renovation	118,000	118,000	181
Park Improvements - Existing	245,000	250,000	0
Riverfront Commemorative Park Signage	31,150	31,150	0
Special Use Facilities	20,000	20,000	0
Trails/Bike Paths	103,900	103,900	0
TOTAL Parks	<u>\$743,243</u>	<u>\$748,243</u>	<u>\$181</u>
STORM WATER	ADOPTED	AMENDED	Y-T-D
Storm Drain Replacement	\$141,310	\$162,885	\$116,583
Storm Water Retrofit	124,600	124,600	7,317
Storm Water Master Plan Projects	445,000	423,425	20,794
Utility and Street Improvements	15,000	15,000	0
TOTAL Storm Water Projects	<u>\$725,910</u>	<u>\$725,910</u>	<u>\$144,694</u>
TRANSPORTATION	ADOPTED	AMENDED	Y-T-D
9th Street Pedestrian Crossing	\$0	\$67,200	\$0
Advanced Transportation Management System	574,640	574,630	2,008
Circle Boulevard Pedestrian Activated Crossings	20,000	10,330	8,280
City Hall Parking	10,000	10,000	0
Covallis to Albany Trail	820,000	820,000	1,027
Downtown Public Parking	200,000	200,000	0
Electric Vehicle Charging Stations	30,000	30,000	0
Fillmore and Lincoln Sidewalks	0	2,070	2,065
Goodnight ROW Acquisition	370,000	370,000	0
Sidewalk Infill	0	70,403	0
Sidewalk Safety	155,200	255,200	93,013
South 3rd Street/Crystal Lake Drive Improvements	25,000	25,000	0
Street Reconstruction	646,190	677,190	276,837
Traffic Signals	282,040	280,170	8,255
Utility and Street Improvements	200,000	135,000	0
Carryover Adjustment - Unused Budget	0	9,480	0
TOTAL Transportation	<u>\$3,333,070</u>	<u>\$3,536,673</u>	<u>\$391,485</u>
WASTEWATER	ADOPTED	AMENDED	Y-T-D
Biosolids Storage Tank	\$20,000	\$20,000	\$0
Marys River Interceptor Improvements	948,130	948,130	430,875
Sanitary Sewer Line Rehabilitation	633,360	633,360	111,588
WWRP Electrical Equipment Replacement	1,377,780	1,290,770	177,260
Utility and Street Improvements	33,000	33,000	0
Carryover Adjustment - Unused Budget	0	87,010	0
TOTAL Wastewater Projects	<u>\$3,012,270</u>	<u>\$3,012,270</u>	<u>\$719,723</u>
WATER	ADOPTED	AMENDED	Y-T-D
36th and Grant Water Pump Station Improvements	\$102,490	\$102,490	\$3,325
North Hills 1st Level Reservoir Improvements	1,838,850	1,838,850	15,894
Taylor Plant Facility Plan Projects	53,300	53,300	2,075
Water Distribution System Rehabilitation	300,000	300,000	14,026
West Corvallis Second Level Water	38,500	38,500	0
Utility and Street Improvements	33,000	33,000	0
TOTAL Water Projects	<u>\$2,366,140</u>	<u>\$2,366,140</u>	<u>\$35,321</u>
TOTAL All Areas	<u>\$11,819,633</u>	<u>\$12,062,236</u>	<u>\$1,305,772</u>

BUILDING AND FACILITIES PROJECTS

<i>City Hall Block</i>	<u>CIP Doc Pg:</u> 9	<u>Adopted Budget:</u> \$500,000	<u>Amended:</u> \$329,710	<u>YTD Expended:</u> \$11,014
<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 City Hall window replacement, demolition of the Moose Building,, parking lot construction and Transit Mall public restrooms, City Hall HVAC (heat pump and boiler replacement) and City Hall Seismic retrofits were all completed during the fourth quarter of FY 10-11. The FY 11-12 budget was primarily carried over from FY 10-11 in case the work could not be completed, and as such most of the dollars are not expected to be used this fiscal year. Activity year-to-date is for relocation costs from the CH2M Hill building that housed City Hall staff while the seismic retrofit work was being completed.</p>				
<i>Fire Department Facilities Relocation</i>	<u>CIP Doc Pg:</u> 11	<u>Adopted Budget:</u> \$886,000	<u>Amended:</u> \$877,290	<u>YTD Expended:</u> \$3,354
<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>The Wetland Delineation report has been completed and submitted to the Division of State Lands for acceptance. Staff met with the consultant during the 1st quarter to discuss project schedule, scope and budget. Final design bid documents are scheduled to be completed by the end of March with bid opening scheduled for May. Construction is scheduled to begin mid-June, 2012.</p>				
<i>Municipal Buildings Rehabilitation</i>	<u>CIP Doc Pg:</u> 13	<u>Adopted Budget:</u> \$253,000	<u>Amended:</u> \$318,000	<u>YTD Expended:</u> \$0
<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) first and second floor walkway improvements; Senior Center geothermal heat pump; and phase I of the Library shake roof replacement.</p> <p>No projects have been initiated. The Senior Center GHP project has been canceled and funding will be transferred to the Library Chiller Replacement project to be completed this fiscal year.</p>				

PARKS AND RECREATION

<i>Acquisition of Land</i>	<u>CIP Doc Pg:</u> 17	<u>Adopted Budget:</u> \$179,193	<u>Amended:</u> \$179,193	<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> 19	<u>Adopted Budget:</u> \$46,000	<u>Amended:</u> \$46,000	<u>YTD Expended:</u> \$0
<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 the design for solar panels at OAC.</p> <p>The projects planned for this fiscal year will depend on receipt of donations as well as grants to fund them.</p>				

<i>Park Facility Renovation</i>	<u>CIP Doc Pg:</u> 23	<u>Adopted Budget:</u> \$118,000	<u>Amended:</u> \$118,000	<u>YTD Expended:</u> \$181
<p>This project allows for significant renovation of existing parks with facilities that have depreciated beyond the routine repair stage. The FY 11-12 budget includes Central Park Plaza reconstruction to include removal of existing pavers and installation of a new surface as well as electrical and landscaping upgrades and the replacement of Park restroom doors for improved ADA access. The grant for the Central Park Plaza pavers has been fully executed and staff received a “notice to proceed” from the Oregon State Parks. The existing pavers have been removed from the plaza and donated to Habitat for Humanity, which will be re-used as part of our sustainability effort. The restroom door replacements were completed during the 1st quarter. Eleven doors needed to be replaced to be more ADA compatible. Of the eleven doors replaced, four doors were recycled and re-purposed for re-use thereby meeting the City Council’s sustainability goal.</p>				
<i>Park Improvements - Existing</i>	<u>CIP Doc Pg:</u> 25	<u>Adopted Budget:</u> \$245,000	<u>Amended:</u> \$250,000	<u>YTD Expended:</u> \$0
<p>This project provides for improvements to existing City Parks. Staff has been working with Rotary for a potential donation towards the construction of the Willamette Park shelter. Staff and Rotary members met with Development services during the 1st quarter to review permit requirements. The Parks and Recreation Department has been awarded a grant from the Oregon State Parks to fund improvements to Tunison Park and received the “notice to proceed.” Staff held a neighborhood meeting to determine the types of improvements the community would like to have in their neighborhood park. The meeting included a Spanish translator to best serve the entire community. Staff attended a seminar in the development of natural playgrounds in preparation for the design of Tunison Park.</p>				
<i>Riverfront Commemorative Park Signage</i>	<u>CIP Doc Pg:</u> 27	<u>Adopted Budget:</u> \$31,150	<u>Amended:</u> \$31,150	<u>YTD Expended:</u> \$0
<p>This project included the design and implementation of public improvements along First Street and the Riverfront consistent with City Council goals. This project also widened the downtown multi-use path to 12 feet and provided 350 feet of new path to connect to the Van Buren Bridge and B Street. All construction was completed in FY 03-04, with the exception of interpretive signs. There are six signs remaining which have not been completed.</p>				
<i>Special Use Facilities</i>	<u>CIP Doc Pg:</u> 31	<u>Adopted Budget:</u> \$20,000	<u>Amended:</u> \$20,000	<u>YTD Expended:</u> \$0
<p>This project allows for improvement of facilities which are site specific. The FY 11-12 budget includes resurfacing tennis courts at Cloverland Park and School District partnership tennis courts at Lincoln, Linus Pauling, and former Westland Schools. The Lincoln School tennis courts were completed during the first quarter. Improvements included power washing, a full surface paint and stain, new lines and nets.</p>				
<i>Trails/Bike Paths</i>	<u>CIP Doc Pg:</u> 33	<u>Adopted Budget:</u> \$103,900	<u>Amended:</u> \$103,900	<u>YTD Expended:</u> \$0
<p>This project improves and adds trails and bike paths for citizen enjoyment. The FY 11-12 budget is for the design and construction of Shooting Star trail improvements in the Timberhill area. Staff has received notification of grant award, but is awaiting full execution of the grant before initiating work.</p>				

STORM WATER UTILITY

<i>Storm Drain Replacement</i>	<u>CIP Doc Pg:</u> 39	<u>Adopted Budget:</u> \$141,310	<u>Amended:</u> \$162,885	<u>YTD Expended:</u> \$116,583
<p>This annual program replaces or rehabilitates storm water pipelines that are inadequately sized or have exceeded their useful service life. The facilities to be replaced are selected based on their condition as determined through inspection. Construction of projects designed in FY 10-11 is complete. Design of projects planned for FY 12-13 has not been initiated.</p>				

<i>Storm Water Retrofit</i>	<u>CIP Doc Pg:</u> 41	<u>Adopted Budget:</u> \$124,600	<u>Amended:</u> \$124,600	<u>YTD Expended:</u> \$7,317
<p>This project replaces the collection system in 4th Street between C Street and the Highway 20/34 overpass including the construction of storm water treatment facilities.</p> <p>Design and bid documents are complete and being reviewed by the Oregon Department of Transportation (ODOT). This project is primarily grant funded. ODOT has increased the amount of available grant funding for additional improvements, which staff will be providing for City Council consideration.</p>				
<i>Storm Water Master Plan Projects</i>	<u>CIP Doc Pg:</u> 43	<u>Adopted Budget:</u> \$445,000	<u>Amended:</u> \$423,425	<u>YTD Expended:</u> \$20,794
<p>This project implements recommendations from the adopted Storm Water Master Plan. Projects were prioritized and developed based on highest system need while addressing flood mitigation, system capacity, operations and maintenance needs, and preservation and enhancement of natural resources. Design of water quality improvements on Beca Avenue is complete. Bid opening is scheduled for the end of October with construction beginning in November or December, 2011. Design continues for the installation of a bioswale at the Jefferson Way Storm Water Outfall at Oak Creek. Staff is coordinating work with OSU and the United States Department of Agriculture (USDA) for work on OSU land which is under the control of the USDA. Design continues for the removal of a fish barrier in Dunawi Creek at the box culvert on 35th Street.</p>				
<i>Utility and Street Improvements</i>	<u>CIP Doc Pg:</u> 95	<u>Adopted Budget:</u> \$15,000	<u>Amended:</u> \$15,000	<u>YTD Expended:</u> \$0
<p>These storm 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 storm water utility reimbursements in the 1st quarter.</p>				

TRANSPORTATION

<i>9th Street Pedestrian Crossing</i>	<u>CIP Doc Pg:</u> n/a	<u>Adopted Budget:</u> \$0	<u>Amended:</u> \$67,200	<u>YTD Expended:</u> \$0
<p>This project will improve pedestrian crossing opportunities at selected locations along 9th Street. A New Freedom grant was accepted by the City Council during the 1st quarter to provide funding for this project. This project has not yet been initiated.</p>				
<i>Advanced Transportation Management System</i>	<u>CIP Doc Pg:</u> 53	<u>Adopted Budget:</u> \$574,640	<u>Amended:</u> \$574,630	<u>YTD Expended:</u> \$2,008
<p>This project will install an Advanced Transportation Management System to include remote video monitoring of intersection conditions and control of signal operations at eight intersections on Van Buren Avenue and Harrison Boulevard, between 2nd and 5th Streets.</p> <p>Design is in progress and construction will occur next summer. The interagency agreement with ODOT is currently routing for final execution.</p>				
<i>Circle Boulevard Pedestrian Activated Crossings</i>	<u>CIP Doc Pg:</u> 57	<u>Adopted Budget:</u> \$20,000	<u>Amended:</u> \$10,330	<u>YTD Expended:</u> \$8,280
<p>This project provides pedestrian crossings with activated signals along Circle Boulevard at the former Richey's Market location, Janssen and 17th Streets. Construction work was substantially completed during the 4th quarter of FY 10-11. Final ramp work was completed during the 1st quarter of FY 11-12.</p>				
<i>City Hall Parking</i>	<u>CIP Doc Pg:</u> 59	<u>Adopted Budget:</u> \$10,000	<u>Amended:</u> \$10,000	<u>YTD Expended:</u> \$0
<p>This project will investigate remote parking opportunities for downtown employees, including those at City Hall. This project has not yet been initiated.</p>				

<i>Covallis to Albany Trail</i>	<u>CIP Doc Pg:</u> 61	<u>Adopted Budget:</u> \$820,000	<u>Amended:</u> \$820,000	<u>YTD Expended:</u> \$1,027
<p>The City of Corvallis , City of Albany, and Benton County are participating in a joint effort to develop a multi-use path from Corvallis to Albany. This project will be developed in phases and supports the City’s sustainability policies by providing an improved bicycle and pedestrian route between Corvallis and Albany. Project design will be completed by Benton County, with the City constructing all segments within the City Limits.</p> <p>Benton County is in the process of completing environmental clearances with the ODOT and will move into right-of-way / easement acquisition. The City will soon begin final design of the Circle Boulevard / Manchester portion of the trail. Construction of this phase is planned for next summer.</p>				
<i>Downtown Public Parking</i>	<u>CIP Doc Pg:</u> 63	<u>Adopted Budget:</u> \$200,000	<u>Amended:</u> \$200,000	<u>YTD Expended:</u> \$0
<p>This project funds upgrading, altering and constructing public parking within the central business district. This project is a placeholder for opportunities to secure additional sites or to make improvements to existing parking facilities. No upgrades have been identified during the 1st quarter.</p>				
<i>Electric Vehicle Charging Stations</i>	<u>CIP Doc Pg:</u> 67	<u>Adopted Budget:</u> \$30,000	<u>Amended:</u> \$30,000	<u>YTD Expended:</u> \$0
<p>This project provides electric vehicle charging stations at strategic locations in Corvallis. This project has not yet been initiated.</p>				
<i>Fillmore and Lincoln Sidewalks</i>	<u>CIP Doc Pg:</u> n/a	<u>Adopted Budget:</u> \$0	<u>Amended:</u> \$2,070	<u>YTD Expended:</u> \$2,065
<p>This project makes improvements to sidewalks and ADA ramps on Fillmore and Lincoln Avenues between 29th and 30th Streets to facilitate safe movement of pedestrians. Construction was completed during the 4th quarter of FY 10/11. FY 11/12 activity completed additional landscaping that was requested by the property owner who is adjacent to where the work occurred.</p>				
<i>Goodnight ROW Acquisition</i>	<u>CIP Doc Pg:</u> 69	<u>Adopted Budget:</u> \$370,000	<u>Amended:</u> \$370,000	<u>YTD Expended:</u> \$0
<p>This project will acquire right-of-way to allow for alignment of eastern and western legs of Goodnight Avenue at its intersection with Highway 99. The project budget will be used to negotiate an agreement with the current property owner allowing the City a first right-of-refusal in the event the property is offered for sale. This project has not yet been initiated and will be re-budgeted in FY 12-13.</p>				
<i>Sidewalk Infill</i>	<u>CIP Doc Pg:</u> n/a	<u>Adopted Budget:</u> \$0	<u>Amended:</u> \$70,403	<u>YTD Expended:</u> \$0
<p>This project constructs missing segments of sidewalks that are necessary to safely connect neighborhoods and provide access to schools, transit, multi-use paths and commercial and industrial areas. A New Freedom grant was accepted by the City Council during the 1st quarter to provide funding for this project. This project has not yet been initiated.</p>				
<i>Sidewalk Safety</i>	<u>CIP Doc Pg:</u> 83	<u>Adopted Budget:</u> \$155,200	<u>Amended:</u> \$255,200	<u>YTD Expended:</u> \$93,013
<p>This program continues the systematic repair and replacement of hazardous public sidewalks and installation of ADA ramps. 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.</p> <p>Sidewalk deficiencies were repaired in the central business district in July and August using funds collected from the new fee. In addition, the City accepted a \$120,000, 2-year New Freedom grant for installation of ADA ramps.</p>				
<i>South 3rd Street/Crystal Lake Drive Improvements</i>	<u>CIP Doc Pg:</u> 85	<u>Adopted Budget:</u> \$25,000	<u>Amended:</u> \$25,000	<u>YTD Expended:</u> \$0
<p>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.</p>				

Street Reconstruction	<u>CIP Doc Pg:</u> 87	<u>Adopted Budget:</u> \$646,190	<u>Amended:</u> \$677,190	<u>YTD Expended:</u> \$276,837
This project is the annual re-construction and overlay of selected streets based upon priorities set by a survey of pavement conditions. The reconstruction of 9 th Street between Jefferson and Monroe Avenues began in July and is scheduled for completion in October, 2011. Design of the reconstruction of 11 th Street north of Maple Street is planned for this fiscal year with construction in FY 12-13. The design of 11 th street reconstruction has not yet been initiated.				
Traffic Signals	<u>CIP Doc Pg:</u> 91	<u>Adopted Budget:</u> \$282,040	<u>Amended:</u> \$280,170	<u>YTD Expended:</u> \$8,255
This project provides for design and construction of a signal at 26 th Street and Western Boulevard intersection with funding provided by OSU. Signal poles and mast arms were ordered during the 1 st quarter.				
Sidewalk Safety	<u>CIP Doc Pg:</u> 95	<u>Adopted Budget:</u> \$200,000	<u>Amended:</u> \$135,000	<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 1 st quarter.				

WASTEWATER UTILITY

Biosolids Storage Tank	<u>CIP Doc Pg:</u> 101	<u>Adopted Budget:</u> \$20,000	<u>Amended:</u> \$20,000	<u>YTD Expended:</u> \$0
This project provides for the replacement/rehabilitation of the existing biosolids storage tank and pumping system which are showing signs of age. City staff will partner with Valley Landfill, Inc. on this project. Valley Landfill, Inc has not taken any action on this project yet; therefore, this project has not yet been initiated.				
Marys River Interceptor Improvements	<u>CIP Doc Pg:</u> 103	<u>Adopted Budget:</u> \$948,130	<u>Amended:</u> \$948,130	<u>YTD Expended:</u> \$430,875
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. Construction is nearing completion.				
Sanitary Sewer Line Rehabilitation	<u>CIP Doc Pg:</u> 105	<u>Adopted Budget:</u> \$633,360	<u>Amended:</u> \$633,360	<u>YTD Expended:</u> \$111,588
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 scope of this year's project removes and replaces six sewer lines in backyard easements by means of pipe bursting. Construction of these projects which were designed in FY 10-11 began in August and is scheduled to be completed in October. Design work for projects to be constructed in FY 12-13 has not yet been initiated.				
WWRP Electrical Equipment Replacement	<u>CIP Doc Pg:</u> 113	<u>Adopted Budget:</u> \$1,377,780	<u>Amended:</u> \$1,290,770	<u>YTD Expended:</u> \$177,260
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). Construction is underway. The plant is currently operating manually with all loads on one of the new switchgears. Once demolition is complete, the other new switchgear will be placed and loads divided evenly between the two new switchgears. The project continued to advance aggressively after the end of the first quarter, and completion is scheduled and on target for November, 2011.				

<i>Utility and Street Improvements</i>	<u>CIP Doc Pg:</u> 95	<u>Adopted Budget:</u> \$33,000	<u>Amended:</u> \$33,000	<u>YTD Expended:</u> \$0
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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 1st quarter.

WATER UTILITY

<i>36th and Grant Water Pump Station Improvements</i>	<u>CIP Doc Pg:</u> 125	<u>Adopted Budget:</u> \$102,490	<u>Amended:</u> \$102,490	<u>YTD Expended:</u> \$3,325
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This project replaces the building and electrical equipment at the 36th Street and Grant Avenue water pump station. A request for proposals for engineering / architectural services was to be advertised early in the second quarter. Proposal selection will begin in November. The project is scheduled to bid in the spring with construction in the summer.

<i>North Hills 1st Level Reservoir Improvements</i>	<u>CIP Doc Pg:</u> 131	<u>Adopted Budget:</u> \$1,838,850	<u>Amended:</u> \$1,838,850	<u>YTD Expended:</u> \$15,894
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This project provides for design and construction of reservoir improvements to the North Hills 1st Level East Reservoir. Design was completed in FY 10-11. The construction was awarded during the 1st quarter and is underway with completion expected in January, 2012.

<i>Taylor Plant Facility Plan Projects</i>	<u>CIP Doc Pg:</u> 135	<u>Adopted Budget:</u> \$53,300	<u>Amended:</u> \$53,300	<u>YTD Expended:</u> \$2,075
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This project will provide design for installation of new mixing equipment and pipe to allow for proper mixing of treatment chemicals and dispersion of the untreated water as it enters the treatment process. A request for proposal for engineering services was to be advertised early in the second quarter. Proposal selection will begin in November. The project is scheduled to bid in the spring, with construction in the summer.

<i>Water Distribution System Rehabilitation</i>	<u>CIP Doc Pg:</u> 137	<u>Adopted Budget:</u> \$300,000	<u>Amended:</u> \$300,000	<u>YTD Expended:</u> \$14,026
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This program provides for ongoing replacement or rehabilitation of the City's water distribution system infrastructure. Construction of projects designed in FY 10-11 is scheduled to begin in early October and is anticipated to be complete by mid-November. Design work for projects to be constructed in FY 12-13 has not yet been initiated.

<i>West Corvallis Second Level Water</i>	<u>CIP Doc Pg:</u> 141	<u>Adopted Budget:</u> \$38,500	<u>Amended:</u> \$38,500	<u>YTD Expended:</u> \$0
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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.

<i>Utility and Street Improvements</i>	<u>CIP Doc Pg:</u> 95	<u>Adopted Budget:</u> \$33,000	<u>Amended:</u> \$33,000	<u>YTD Expended:</u> \$0
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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 1st quarter.

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 September 30, 2011:</u></p> <ul style="list-style-type: none"> • Parks and Recreation hosted three community forums and five stakeholder meetings on developing a community garden master plan. • Community Garden Plan development is being funded with the Healthy Kids Healthy Community partnership grant funds. • 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 Benton County. Work has begun on the development of the Health Impact Assessment Report, with a goal of providing recommendations to the City Council by December 2011. <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> • The Community Garden master plan draft is scheduled to be completed by December 2011. • 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>

Goals	Corvallis 2020 Vision Statement Categories
<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 September 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 an economic development strategic plan. • 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. • A sub-Committee was formed to work on economic strategic plan development and is meeting monthly between regular EDC meetings. • The EDC has identified innovation/startups, organic growth and strategic marketing as the primary goal areas. <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>
<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 September 30, 2011:</u></p> <ul style="list-style-type: none"> • Leadership from the City and OSU have met on several 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. • The City and OSU Scoping Committee developed a Memorandum of Understanding (MOU) to address the collaborative project. The MOU was approved by the City Council and OSU and officially signed by OSU and City participants. <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> • OSU and City staff are working with the project scoping committee to develop the framework for the project. It is anticipated that this will be presented for public review and the Council consideration by late 2011. 	<p>Central City Education and Human Services Governing and Civic Involvement Protecting the Environment Where we Live</p>

Goals	Corvallis 2020 Vision Statement Categories
<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 September 30, 2011:</u></p> <ul style="list-style-type: none"> • Three Council work sessions were held on July 5th, September 12th and 19th, to attain more information on revenue alternatives and develop an understanding of City service programs and their related costs and dedicated revenues. • The compensation policy was updated by Administrative Services Committee to better align with Council direction. • Negotiations continued with Corvallis Police Officers Association and American Federation of State, County, and Municipal Employees. • The Council initiated their review of the Financial Policies. <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> • Another Council work session will be scheduled for mid-November or early December to get information on audited FY10-11 ending fund balance status of Property Tax Funds Combined as well as updates on property tax assessed value/court appeals and other pertinent financial information. • Work on specific Financial Policies will continue through February 2012. • City Council action on the City Compensation Policy is scheduled in October. 	<p>Culture and Recreation Central City Economic Vitality Education and Human Services Governing and Civic Involvement Protecting the Environment Where we Live</p>
<p>Accomplishments Toward the Overarching Goals and Values (Diversity, Citizen Involvement, Sustainability and Cost Efficiency):</p> <ul style="list-style-type: none"> • Citizen Involvement: <ul style="list-style-type: none"> ○ Public Works submitted a Quarterly Report to EPA for Climate Showcase Communities Grant projects. One of the programs, Communities Take Charge, debuted its efforts at da Vinci Days, encouraging community members to choose 3-5 home energy-saving actions to try for four weeks. ○ The 2011 Citizen Attitude Survey as mailed to 1,200 randomly selected Corvallis residents on September 12. Results will be presented to Council in December. ○ The Library again hosted public information booths for community organizations during Fall Festival and the Fine Arts Showcase. ○ Over 700 people visited the new Library Sprinter Van Bookmobile at the Benton County Fair. ○ Parks and Recreation hosted a public information booth at the Fall Festival regarding Civic Beautification and Urban Forestry. ○ Parks and Recreation held a neighborhood meeting for citizen input for the redevelopment of Tunison Park. ○ The City held a well attended community open house with city manager candidates and provided an opportunity for input. A community panel was also part of the city manager selection process. ○ City was awarded the Alan and Helen Berg Good Governance Award at the League of Oregon Cities conference for the 2010 Annual Report Card. • Sustainability: <ul style="list-style-type: none"> ○ Transit ridership is approximately 42% higher in the first quarter of 2011-12 compared to first quarter of 2010-11. ○ The Corvallis and Philomath libraries both served as summer lunch sites for the federally-funded youth lunch program administered by 509J. 	

Goals	Corvallis 2020 Vision Statement Categories
<ul style="list-style-type: none"> ○ Public Works is testing solar-powered lighting for bus stops/shelters. ○ Public Works provided used/surplus traffic signal controller poles and mast arms for the Benton County temporary signal at 53rd and Reservoir Road. ○ Public Works added a sustainability ‘dashboard’ to the City’s webpage to show the public the progress staff is making on the City’s five internal sustainability goals. ○ Library trash has decreased so much because of recycling and composting that only one dumpster is required instead of two. A dumpster was purchased which will save about \$1,750 per year over renting one. ○ Library electricity usage has declined by about 53,500 Kwh this year over last year, saving about \$4,300 so far. New garage lights are estimated to be about \$1,400 of that total and the rest is attributed to the work on the HVAC system. ○ City was awarded a Silver Safety Award at the League of Oregon Cities conference. ○ The Sustainability Program Specialist worked with representatives from 509J and the Corvallis Environmental Center to develop a program through which high school students can volunteer and/or earn academic credit by working with Corvallis residents to reduce energy consumption. ● Diversity: <ul style="list-style-type: none"> ○ The Library continues to serve at-risk families through our Early Literacy Coordinator, who is working closely with the Benton County Relief Nursery and other organizations. ○ City participated in the Employer Partnership for Diversity’s first event of the year in conjunction with Samaritan Health on Poverty. ● Cost Efficiency: <ul style="list-style-type: none"> ○ Public Works partnered with the local gleaners to re-purpose wood waste from a project into firewood for low-income residents. ○ Public Works installed five street lights at the airport that use inductive lamps, which consume less energy and last longer than the standard lamp. 	