

THIRD QUARTERLY OPERATING REPORT

FISCAL YEAR 2011-2012

EXECUTIVE SUMMARY

May 17, 2012

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 10.04.050, 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.

The Federal Open Market Committee (FOMC) released a statement in March, following their January meeting, confirming that the economy continues to expand moderately. The labor markets continue to improve which is evident in the declining unemployment rate in recent months, though unemployment remains elevated. Household spending and business fixed investment also show advancement, but the housing sector remains depressed. The FOMC expects moderate economic growth over the coming quarters, and consequently anticipates that the unemployment rate will decline gradually. Downside risks to the economic outlook are still present in global financial market strains and the recent increase in oil and gasoline prices, which will push up inflation temporarily. At the end of March, the national unemployment rate was 8.2% while Oregon's unemployment decreased slightly to 8.6%, leaving 183,314 Oregonians jobless; however, this is 19,788 fewer individuals than in March 2011. At 5.7% 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 third quarter of the fiscal year generally has been as expected. Revenue and expenditure timing is close to historical patterns (i.e., City Manager's Office spends nearly 75% of its risk management fund budget on liability and general insurance premiums in the first quarter of the year; the majority of Property Tax revenue is received in the second quarter). The economy continues to impact the pace of residential building; there was some improvement achieved last year, but not at the levels seen prior to the economic downturn. While percentages of budgeted revenues are generally in a similar range to the prior year, it should be noted that total revenues are up by nearly \$8.3 million over the same time last year. About half of this balance is attributable to cashflow timing of receipts from the 2011 Operating tax levy and the associated transfers, and only a portion of the remainder represents an actual increase over total revenues expected. Intergovernmental and miscellaneous receipts respectively are also earlier than is typical, for capital projects and business energy tax credits for the Transit program.

As of the end of the third quarter for the fiscal year, total expenditures are less than 75% of budgeted expenditures, but are approximately \$9.3M higher than last year's spending levels driven primarily by a \$4.7 million increase in transfers (for the Operating Levy and CIP projects) but also partly by Fire and Public Works spending a higher percentage of their capital outlay (i.e. vehicle replacements) budgets earlier in the year. Public Works had increased spending associated with the completion of summer projects in Transportation, as well as various special projects, including the Water Fund Flexnet System project and several grant-related activities. 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). 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	\$22,858,741	94.48%	\$21,208,240	\$19,865,996	93.67%
Other Tax	1,151,190	805,558	69.98%	1,036,190	740,109	71.43%
Licenses/Permits	8,025,850	5,815,594	72.46%	6,844,580	4,969,376	72.60%
Charges for Service	38,363,030	30,135,031	78.55%	38,375,510	29,884,035	77.87%
Intergovernmental	17,909,231	8,196,066	45.76%	18,538,917	7,859,059	42.39%
Fines/Forfeitures	1,385,740	931,548	67.22%	1,365,570	899,031	65.84%
Miscellaneous	3,206,010	2,352,156	73.37%	2,648,600	1,185,045	44.74%
Other Financing Sources/Transfers in	14,049,368	8,897,064	63.33%	15,646,822	6,292,768	40.22%
TOTAL CURRENT REVENUE	\$108,284,509	\$79,991,758	73.87%	\$105,664,429	\$71,695,419	67.85%
EXPENDITURE BY DEPARTMENT						
City Manager's Office	\$3,060,210	\$2,171,013	70.94%	\$3,149,270	\$2,266,879	71.98%
Community Development	8,711,800	4,345,938	49.89%	8,276,960	3,915,862	47.31%
Finance	5,017,380	3,565,110	71.06%	4,995,400	3,475,557	69.58%
Fire	11,384,830	8,379,326	73.60%	10,626,930	7,620,523	71.71%
Library	6,561,530	4,257,713	64.89%	6,434,610	4,417,215	68.65%
Park & Recreation	6,096,500	4,229,835	69.38%	5,795,480	4,008,549	69.17%
Police	13,129,775	9,352,783	71.23%	12,585,424	9,121,840	72.48%
Public Works	30,378,230	19,014,885	62.59%	29,330,670	17,279,457	58.91%
Non-Departmental	1,367,300	921,472	67.39%	1,539,260	1,105,429	71.82%
TOTAL OPERATING EXPENDITURES	\$85,707,555	\$56,238,075	65.62%	\$82,734,004	\$53,211,311	64.32%
Debt Service	\$8,182,690	\$4,402,308	53.80%	\$8,228,600	\$4,765,102	57.91%
Capital Projects	12,242,808	4,956,086	40.48%	14,282,447	3,028,944	21.21%
Transfers Out / Other Financing Uses	14,049,368	8,889,039	63.27%	13,089,352	4,151,070	31.71%
Contingencies/Reserves	1,369,840	0	0.00%	1,217,520	0	0.00%
TOTAL ALL EXPENDITURES	\$121,552,261	\$74,485,508	61.28%	\$119,551,923	\$65,156,427	54.50%
CURRENT REVENUES LESS TOTAL EXPENDITURES	(\$13,267,752)	\$5,506,250		(\$13,887,494)	\$6,538,992	

In general, the status of the City's finances was in line with expectations at the end of the third quarter. Year-to-date revenues of \$79,991,758 are at 73.87% of the Amended Total Revenue Budget of \$108,284,509. The Amended Budget reflects the adopted budget, plus any amendments approved by the City Council via resolution during the course of the fiscal year. In the first nine months of FY 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
10/3/2011	Res - Grant	ODOT Grant	CIP	Public Works	\$ 74,500
10/3/2011	Res - Grant	USDAF Grant - CRSF	Water Timber	Public Works	\$ 6,400
11/21/2011	Res - Grant	DOJ Byrne Grant	General	Police	\$ 85,411
11/21/2011	Res - Grant	ODOT Grant	Stormwater Constr.	Public Works	\$ 106,072
				Total Increase	\$ 600,270

Significant revenue highlights include:

- **Property taxes** totaled \$22,858,741 through the third quarter which equals 94.48% 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 rate of collection.
- **Other Taxes** are collected from hotels in the form of room taxes and totaled \$805,558 or 69.98% of budget as of third quarter-end. Summer seasonality and early football season hotel stays have led to slightly better total dollar results thus far in FY 11-12 compared to last year at this time. While results are trending slightly below budgeted cashflows in the third quarter, it is still anticipated that total receipts for the year will come in higher than originally forecast due to positive response to Visit Corvallis' social media programs and their exploration of other potential markets for increased hotel stays, such as sports and religious organization conferences.

- **Licenses, Fees and Permits** totaled \$5,815,594 which represents 72.46% 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 PacifiCorp implemented one in January, which could offset projected shortfalls brought on by utility conservation efforts. Comcast is also expected to pay an additional \$47,570 in franchise fees due to the outcome of its recent audit. The transportation maintenance and sustainability initiative fees are generally on target and Development Service permit fees are trending higher than expected due to ongoing projects at OSU.
- **Charges for Services** were \$30,135,031 which represents 78.55% of the amended budget. While these revenues appear to be on target with budget and last year, it should be noted that system development charge receipts at the end of the third quarter were nearly double what was forecasted for the year. These restricted use monies as well as improved ambulance revenue collections are serving to offset on a combined basis some potentially significant shortfalls in metered utility revenues as well as recreation program revenues which could affect fund balance levels in those latter service areas.
- **Intergovernmental** revenues have increased from second quarter and are higher than last year's actuals at \$8,196,066 or 45.76%. The receipt of grant monies tends to be volatile and highly dependent on timing of related expenditures.
- **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 Q3 FY 11-12, are summarized in the following table:

	<u>Overdue Fines</u>	<u>Written Off</u>	<u>Collected</u>	<u>Balance</u>
	<u>Turned Over</u>			<u>Outstanding</u>
Traffic	\$ 2,004,982	\$ 37,803	\$ 92,629	\$ 1,874,551
Parking	\$ 373,563	\$ 8,207	\$ 103,382	\$ 261,975

- **Interest earnings** totaled \$212,944 at the end of the third quarter, which represents 56.01% of the budgeted interest and is about 101% of last year's earnings at this same point in time. The under budget receipts level is attributed to the continued decline of interest rates. The City's investment advisory firm has helped bolster what earnings there are in this category, but it appears evident that budgeted revenues will not be attainable by year end given that the market is expected to continue to hover at historic lows for the next year or more.

Operating expenditures for all funds totaled \$56,238,075 or 65.62% 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, due to the levy funding for some services. Non-operating expenditures, which include capital projects, transfers, debt service, and contingency, totaled \$18,247,433 or 50.91% of the \$35,844,706 Amended Non-Operating Budget. In total, expenditures through the third quarter were \$74,485,508 or 61.28% of the \$121,552,261 budgeted, compared to 54.50% for the third 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>		\$47,174,369	\$35,991,586	\$2,541,600	\$85,707,555	
City Manager's Office	\$3,060,210	\$879,770	\$1,291,243	\$0	\$2,171,013	70.94%
Community Development	8,711,800	2,625,446	1,678,647	41,845	4,345,938	49.89%
Finance	5,017,380	2,536,899	993,069	35,142	3,565,110	71.06%
Fire	11,384,830	6,453,717	1,377,128	548,481	8,379,326	73.60%
Library	6,561,530	2,833,123	1,414,905	9,685	4,257,713	64.89%
Parks & Recreation	6,096,500	2,748,358	1,481,476	0	4,229,835	69.38%
Police	13,129,775	7,130,276	2,167,107	55,401	9,352,783	71.23%
Public Works	30,378,230	8,379,581	9,906,577	728,727	19,014,885	62.59%
Non Department	1,367,300	0	921,472	0	921,472	67.39%
TOTAL	\$85,707,555	\$33,587,170	\$21,231,624	\$1,419,281	\$56,238,075	65.62%
Percent of Budget		71.20%	58.99%	55.84%	65.62%	

Significant expenditure highlights include:

- **Personal Services** totaled \$33,587,170 or 71.20% of the amended budget of \$47,174,369 and was in line with the percent of budget spent in FY 10-11, though \$643,916 higher due to contractual step increases, associated payroll tax increases, and retirement cashouts year-to-date. Payroll expenditures should stay relatively close to the FY 10-11 actuals through FY 11-12 based on Exempt, AFSCME, and IAFF agreeing to no COLA increases, although PERS rate increases across all units will have an impact. The CPOA agreement was still pending at the end of the quarter, so their membership has also not received a COLA year-to-date. AFSCME health benefit cost increases are anticipated to be offset by the agreed upon 2-day furlough.
- **Supplies and Services** totaled \$21,231,624 or 58.99% of the amended budget of \$35,991,586. The dollars spent in FY 11-12 are approximately 5% 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 \$1,419,281 or 55.84% of the amended budget of \$2,541,600. The dollars spent in FY 11-12 are approximately \$1million 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 ambulance 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 \$355,177 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 \$4,956,086 or 40.48% of the amended budget of \$12,242,808. 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 \$4,402,308 or 53.80% 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 \$8,889,039 or 63.27% 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 30.20% of amended budget intergovernmental revenues. Benton County Intergovernmental funds for Library support make up approximately 13.95% 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 52.15% 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 3.70% 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 \$2,207,650 are supported by specific property tax levies. Debt service incurred in support of enterprise operations (Water, Wastewater, Storm Water and Airport) totals \$3,345,450 and is paid from revenues derived from charges for services within each fund. Pension obligation bond annual debt service of \$2,385,160 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.

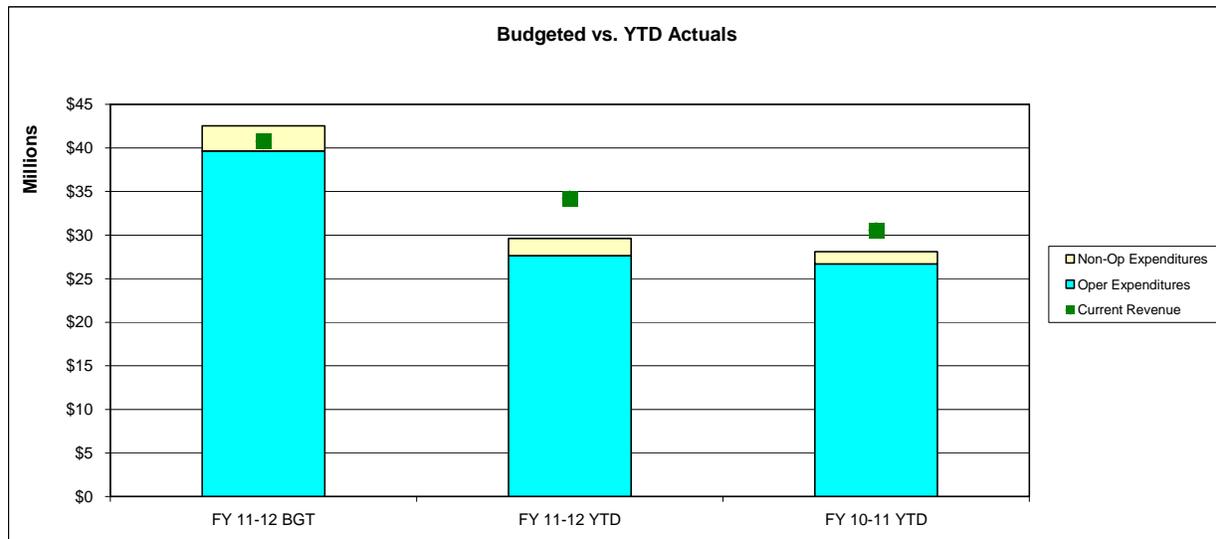
PROPERTY TAX FUNDS COMBINED*

REVENUE	AMENDED BUDGET	3rd Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	3rd 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	\$1,284,406	\$19,250,502	94.95%	\$784,238	\$18,098,581	94.10%
Other Tax	1,151,190	238,040	805,558	69.98%	219,495	740,109	71.43%
Licenses/Permits	5,624,980	1,624,154	3,783,042	67.25%	1,531,577	3,520,430	64.60%
Charges for Service	5,470,200	1,099,800	4,366,130	79.82%	940,176	4,190,812	78.96%
Intergovernmental	4,954,615	564,229	3,315,745	66.92%	407,890	3,050,424	60.40%
Fines/Forfeitures	976,510	208,919	605,614	62.02%	218,081	593,570	61.98%
Miscellaneous	378,880	165,936	405,384	107.00%	41,727	334,020	97.74%
Other Financing Sources	1,936,060	104,722	1,667,111	86.11%	2,505	21,507	5.00%
TOTAL CURRENT REVENUE	\$40,766,525	\$5,290,207	\$34,199,088	83.89%	\$4,145,689	\$30,549,453	80.80%

EXPENDITURE BY DEPARTMENT

Community Development	\$1,356,480	\$302,061	\$955,017	70.40%	\$363,109	\$1,086,613	67.15%
Finance	677,700	167,327	501,629	74.02%	145,796	430,804	69.61%
Fire	11,384,830	2,872,923	8,379,326	73.60%	2,482,827	7,620,523	71.71%
Library	6,531,530	1,400,814	4,257,713	65.19%	1,456,107	4,417,068	68.65%
Parks and Recreation	6,096,500	1,231,299	4,229,835	69.38%	1,134,386	4,008,549	69.17%
Police	10,597,875	2,454,248	7,569,616	71.43%	2,399,126	7,370,619	73.26%
Public Works	1,642,760	230,541	846,623	51.54%	197,410	657,669	36.20%
Non-Departmental	1,365,950	293,755	920,122	67.36%	366,009	1,104,079	71.79%
TOTAL OPERATING EXPENDITURES	\$39,653,625	\$8,952,968	\$27,659,880	69.75%	\$8,544,770	\$26,695,924	69.32%
Debt Service	\$244,430	\$28,342	\$244,422	100.00%	\$30,389	\$30,389	60.88%
Transfers	2,337,440	25,420	1,719,930	73.58%	0	1,368,130	75.24%
Contingencies/Reserves	318,290	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$42,553,785	\$9,006,730	\$29,624,232	69.62%	\$8,575,160	\$28,094,443	69.04%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$1,787,260)	(\$3,716,523)	\$4,574,855		(\$4,429,471)	\$2,455,009	

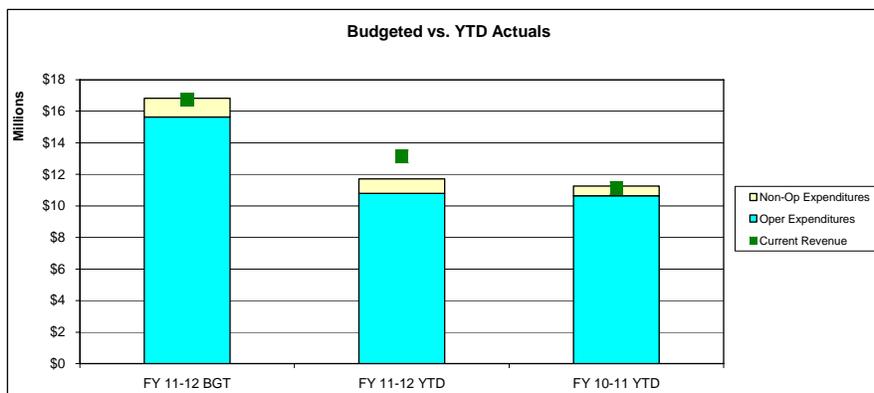
* Includes General, Parks & Recreation, Fire & Rescue, and Library Funds



GENERAL FUND

REVENUE	AMENDED BUDGET	3rd Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	3rd 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	\$452,232	\$6,090,189	101.54%	\$242,101	\$4,910,283	101.09%
Other Tax	1,151,190	238,040	805,558	69.98%	219,495	740,109	71.43%
Licenses/Permits (2)	5,469,650	1,590,538	3,675,217	67.19%	1,503,277	3,466,620	64.39%
Charges for Service (3)	738,460	180,400	614,437	83.21%	149,713	513,884	72.04%
Intergovernmental (4)	2,292,525	512,291	1,085,056	47.33%	315,027	878,186	35.45%
Fines/Forfeitures (5)	871,700	178,761	524,703	60.19%	188,912	508,242	58.64%
Miscellaneous (6)	117,240	91,738	229,640	195.87%	16,762	101,954	89.99%
Other Financing Sources (7)	112,870	6,011	106,061	93.97%	0	4,002	1.08%
TOTAL CURRENT REVENUE	\$16,751,235	\$3,250,011	\$13,130,860	78.39%	\$2,635,287	\$11,123,279	70.32%
EXPENDITURE BY DEPARTMENT							
Community Development	\$1,356,480	\$302,061	\$955,017	70.40%	\$363,109	\$1,086,613	67.15%
Finance	677,700	167,327	501,629	74.02%	145,796	430,804	69.61%
Police (8)	10,597,875	2,454,248	7,569,616	71.43%	2,399,126	7,370,619	73.26%
Public Works (9)	1,642,760	230,541	846,623	51.54%	197,410	657,669	36.20%
Non-Departmental (10)	1,365,950	293,755	920,122	67.36%	366,009	1,104,079	71.79%
TOTAL OPERATING EXPENDITURES	\$15,640,765	\$3,447,932	\$10,793,007	69.01%	\$3,471,450	\$10,649,785	68.04%
Transfers (11)	\$849,840	\$170	\$671,680	79.04%	\$0	\$581,330	82.96%
Contingencies/Reserves	98,700	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$16,833,735	\$3,476,444	\$11,709,109	69.56%	\$3,501,839	\$11,261,504	68.22%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$82,500)	(\$226,433)	\$1,421,752		(\$866,553)	(\$138,225)	

- (1) The majority of current year property taxes are collected in the second quarter. This year's collection pattern is consistent with prior years. Total monies collected are higher due to growth in assessed value.
- (2) Revenue streams susceptible to economic fluctuations have been impacted by the depressed economy, continuing the same lower than expected results of FY 09-10 & FY 10-11 – i.e., franchise fees (due partly to conservation efforts by users).
- (3) Charges for Service is higher as a percentage of budget due to higher volume than expected of land-use applications and the timing of recording of various police service charges year-to-date (YTD) for Benton County (i.e. evidence, crime analysis, and records-reception services).
- (4) Intergovernmental revenue consists of grants, which tend to be reimbursable in nature, and state shared revenues. FY 10-11 and FY 11-12 budgets were based on information obtained by the League of Oregon Cities, which proved to be overestimated. As a result, state shared revenues are not expected to meet budgeted estimates.
- (5) Traffic fine revenue is not quite keeping pace with originally anticipated revenues, but is still slightly 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 also includes three installment payments totaling approximately \$116,000 for the sale of Seavey Meadows.
- (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) The Police department is maintaining lower than budgeted operational costs through vacancies and reduced overtime spending, but is still nearly \$200,000 higher than the prior year due to a combination of special project spending and public safety pension cost increases.
- (9) Public Works spending is below budget YTD due to the uneven timing of spending YTD for EECBG and EPA grant projects. However, YTD actuals are above last year due to the degree of progress being made on the two grant projects.
- (10) Non-departmental expenditures are lower as a percentage of budgeted expenditures than target and the prior year due to a conscious decision to defer economic development (ED) spending for use in a new City program planned to be initiated in FY 12-13 as recommended by the ED Commission.
- (11) Transfers include this fund's portion of the semi-annual debt service payments for the Pension Obligation Bonds, Development Services Fund support (in FY 10-11) and those related to capital projects. See the Capital Improvement Program section for status information on capital projects.

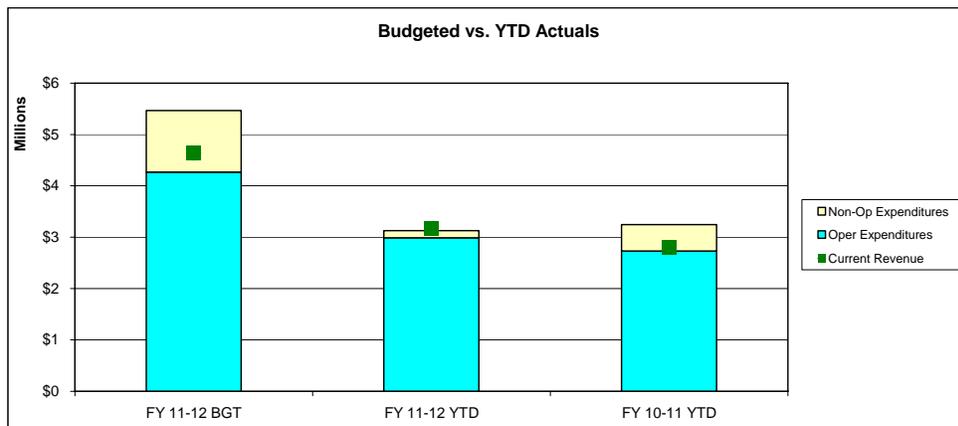


COMBINED STREET FUND*

REVENUE	AMENDED BUDGET	3rd Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	3rd Quarter FY 10-11	Y-T-D FY 10-11	FY 10-11 % REC/EXPEND
Budgeted Fund Balance	\$1,727,643						
Licenses/Permits (1)	\$602,100	\$145,438	\$477,413	79.29%	\$142,241	\$423,511	93.62%
Charges for Service (2)	555,190	160,019	567,826	102.28%	184,025	489,397	96.75%
Intergovernmental (3)	3,460,820	720,932	2,106,183	60.86%	673,658	1,867,128	49.17%
Fines/Forfeitures (4)	1,000	510	2,088	208.79%	(1,244)	3,791	758.12%
Miscellaneous (5)	15,340	4,514	14,882	97.02%	3,012	13,484	86.16%
TOTAL CURRENT REVENUE	\$4,634,450	\$1,031,413	\$3,168,393	68.37%	\$1,001,691	\$2,797,311	58.62%
EXPENDITURE BY DEPARTMENT							
Community Development (6)	\$21,850	\$4,509	\$12,824	58.69%	\$4,971	\$13,785	69.80%
Public Works (7)	4,243,950	788,357	2,976,278	70.13%	824,415	2,719,008	61.39%
TOTAL OPERATING EXPENDITURES	\$4,265,800	\$792,867	\$2,989,103	70.07%	\$829,386	\$2,732,793	61.42%
Transfers (8)	\$1,119,310	\$60,010	\$139,300	12.45%	\$0	\$512,910	31.93%
Contingencies/Reserves	82,140	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$5,467,250	\$852,877	\$3,128,403	57.22%	\$829,386	\$3,245,703	52.95%
CURRENT REVENUE LESS TOTAL EXPENDITURES	(\$832,800)	\$178,536	\$39,990		\$172,305	(\$448,392)	

* Includes Street SDC Fund

- (1) Receipts YTD are slightly higher than prior year revenues for the same period, but represent a smaller percentage of a larger budget.
- (2) Charges for Service revenue is 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, 7th Street Station, and the McFadden Annexation.
- (3) FY 11-12 State Highway tax receipts are currently trending 16% higher than in FY 10-11, but are unlikely to attain budgeted levels for the year, presumably due to higher gas prices dampening fuel demand. FY 10-11 is lower as a percentage of budget due to carryforward grant revenues that were ultimately accrued back to FY 09-10.
- (4) FY 10-11 included an unbudgeted \$3,000 restitution payment for damaged City property. The negative result in the third quarter of FY 10-11 was due to write-offs of prior years' restitution charges that were deemed too old to pursue considering the cost/benefit involved.
- (5) Miscellaneous revenue is nearly 100% of target year-to-date, due to \$3,000 in unbudgeted receipts from an ODOT sponsorship of Car Free Days.
- (6) Community Development expenditures are below budget in FY 11-12 due to a vacancy in a position normally allocated to this fund's workplan.
- (7) Public Works expenditures are generally on track for the current year, but are higher than last year due to costs associated with the grind/inlay program.
- (8) Transfers include this fund's portion of the semi-annual debt service payments for the Pension Obligation Bonds, transfers related to capital projects, and annual support to the Development Services Fund for SDC/Site Engineering work. Transfers for capital projects are made based on anticipated needs. See the Capital Improvement Program section for status information on capital projects.

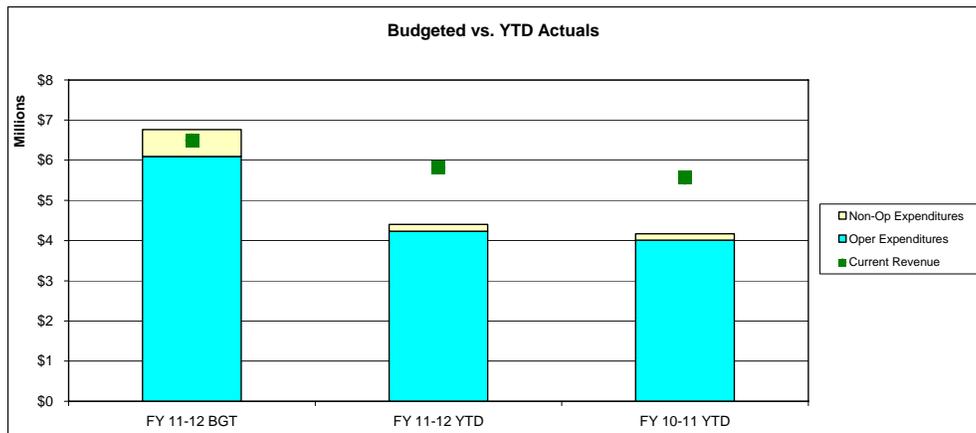


PARKS AND RECREATION FUND*

REVENUE	AMENDED BUDGET	3rd Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	3rd 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	\$222,008	\$3,510,920	92.18%	\$145,960	\$3,550,696	91.74%
Licenses/Permits (2)	137,700	30,287	91,847	66.70%	24,084	38,059	79.62%
Charges for Service (3)	1,562,570	365,631	1,432,639	91.68%	565,260	1,883,555	121.33%
Intergovernmental (4)	27,400	0	11,800	43.07%	0	7,400	24.75%
Fines/Forfeitures	100	0	20	20.00%	60	260	260.00%
Miscellaneous (5)	100,250	48,670	105,017	104.76%	7,819	81,659	102.34%
Other Financing Sources (6)	856,460	42,151	666,585	77.83%	0	0	0.00%
TOTAL CURRENT REVENUE	\$6,493,180	\$708,747	\$5,818,828	89.61%	\$743,184	\$5,561,629	99.66%
EXPENDITURE BY DEPARTMENT							
Parks and Recreation	\$6,096,500	\$1,231,299	\$4,229,835	69.38%	\$1,134,386	\$4,008,549	69.17%
TOTAL OPERATING EXPENDITURES	\$6,096,500	\$1,231,299	\$4,229,835	69.38%	\$1,134,386	\$4,008,549	69.17%
Transfers (7)	\$606,828	\$30	\$170,770	28.14%	\$0	\$158,840	39.37%
Contingencies/Reserves	57,770	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$6,761,098	\$1,231,329	\$4,400,605	65.09%	\$1,134,386	\$4,167,389	66.64%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$267,918)	(\$522,582)	\$1,418,223		(\$391,202)	\$1,394,241	

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

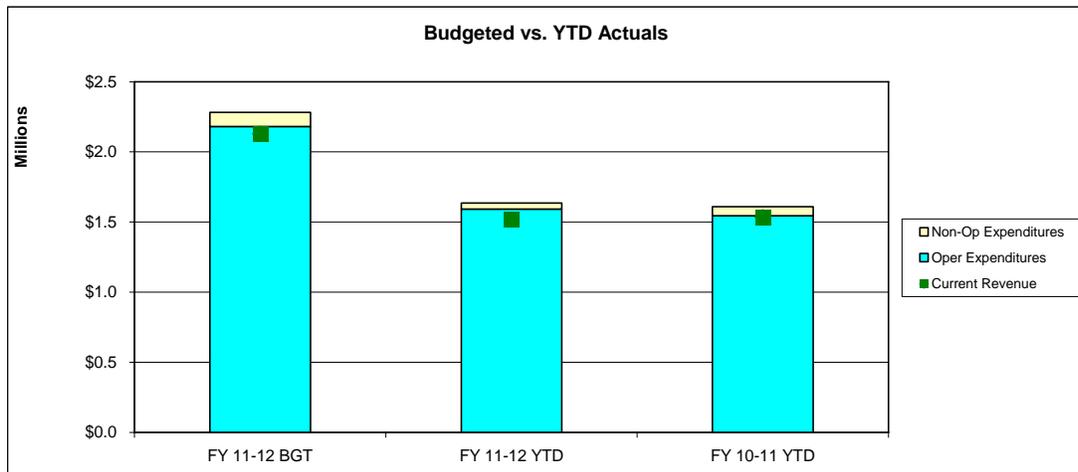
- (1) The majority of current year property taxes are collected in the second quarter. This year's collection pattern is consistent with prior years.
- (2) Licenses/Permits revenue is higher than the prior year due to the addition of the Urban Forest-Sustainability Initiative Fee (SIF) -- a new revenue added late in FY 10-11. Licenses/Permits are still below current year target due to fewer park shelter rentals than expected, based on cooler weather.
- (3) Charges for Service on a whole exceed current year target due to \$504,000 in SDC receipts that have been billed in respect of OSU projects. Charges for Service is lower than last year due to \$961,000 in Parks SDC receipts at the same time last year. Although on a combined funds basis Charges for Service exceed target current year, the Parks & Recreation Fund (exclusive of the SDC Fund) is only running at 54% of target which is due to less OSU Game Day Parking; timing of payments received from Farm Leases; and fewer programs offered at the Senior Center due to a vacant half-time recreation coordinator position.
- (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 is comparable to last year, excluding a \$25,000 bequest received by the Osborn Aquatic Center in third quarter of FY 11-12. Both years show donation receipts well ahead of budgeted expectations.
- (6) Other Financing Sources represent primarily 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) 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	3rd Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	3rd 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	\$231,875	\$695,683	74.51%	\$237,043	\$705,321	75.32%
Intergovernmental (1)	1,189,290	286,930	817,221	68.72%	291,421	825,076	70.27%
Miscellaneous (2)	5,870	955	3,692	62.90%	1,383	3,712	167.95%
TOTAL CURRENT REVENUE	\$2,128,860	\$519,760	\$1,516,597	71.24%	\$529,847	\$1,534,109	72.61%
EXPENDITURE BY DEPARTMENT							
Police	\$2,180,710	\$537,294	\$1,592,717	73.04%	\$512,877	\$1,544,621	70.83%
TOTAL OPERATING EXPENDITURES	\$2,180,710	\$537,294	\$1,592,717	73.04%	\$512,877	\$1,544,621	70.83%
Transfers (3)	\$51,070	\$10	\$42,150	82.53%	\$0	\$64,600	82.88%
Contingencies/Reserves	48,760	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$2,280,540	\$537,304	\$1,634,867	71.69%	\$512,877	\$1,609,221	69.88%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$151,680)	(\$17,543)	(\$118,270)		\$16,970	(\$75,112)	

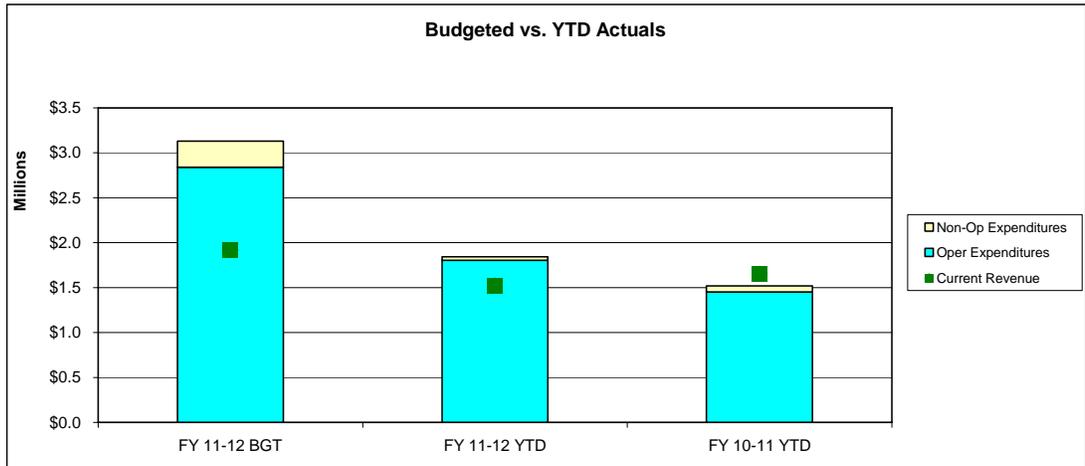
- (1) Due to the timing of 9-1-1 tax payments, only two payments have been recorded as of the third quarter in both fiscal years. Intergovernmental revenue is still expected to come in at budgeted levels by year end FY 11-12.
- (2) Miscellaneous revenue fluctuates year over year since it is comprised primarily of interest on investments (based on fund balance) and false alarm billing revenue to outside entities. The total miscellaneous revenue budget in FY 10-11 was only \$2,210, whereas interest revenue in FY 11-12 was projected higher than is likely to be achieved given market volatility.
- (3) Transfers relate to this fund's share of debt service for Pension Obligation Bonds, payments for which are weighted to the first half of the year.



DEVELOPMENT SERVICES

REVENUE	AMENDED BUDGET	3rd Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	3rd 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	\$202,266	\$666,688	86.55%	\$167,527	\$719,165	89.95%
Charges for Service (1)	1,015,880	229,584	729,926	71.85%	204,379	706,874	79.22%
Miscellaneous (2)	12,520	2,573	7,430	59.34%	2,248	9,390	133.96%
Other Financing Sources (3)	118,390	0	118,390	100.00%	0	218,390	100.00%
TOTAL CURRENT REVENUE	\$1,917,060	\$434,423	\$1,522,433	79.42%	\$374,154	\$1,653,819	86.26%
EXPENDITURE BY DEPARTMENT							
Community Development (4)	\$2,838,820	\$633,642	\$1,803,469	63.53%	\$492,540	\$1,452,905	65.40%
TOTAL OPERATING EXPENDITURES	\$2,838,820	\$633,642	\$1,803,469	63.53%	\$492,540	\$1,452,905	65.40%
Transfers (5)	\$239,560	\$10	\$39,750	16.59%	\$0	\$65,760	23.97%
Contingencies/Reserves	50,000	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$3,128,380	\$633,652	\$1,843,219	58.92%	\$492,540	\$1,518,665	60.85%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$1,211,320)	(\$199,229)	(\$320,786)		(\$118,386)	\$135,154	

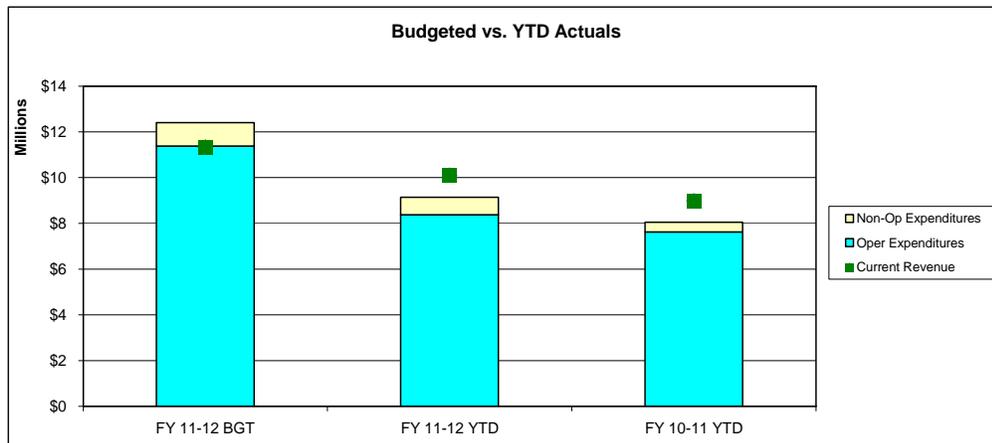
- (1) New home permit issuance is still down, although slightly higher than last year, with 11 single family building permits issued this quarter, bringing the fiscal year total to 23. In previous quarters, this number had occasionally been reported on a calendar year basis for performance measures listed in the departmental information section of this report, so for consistency going forward, the fiscal year basis will now be used.
- (2) Miscellaneous revenue fluctuates year over year since it is comprised primarily of interest on investments (based on fund balance). Current year results are reflective of lower than projected interest rates due to continued market volatility.
- (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 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, though lower as a percentage of budget, due to filled vacancies that were unfilled and unbudgeted 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	3rd Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	3rd 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	\$455,901	\$7,209,792	92.18%	\$251,461	\$6,117,163	91.75%
Licenses/Permits (2)	17,630	3,329	15,979	90.64%	4,216	15,751	87.75%
Charges for Service (3)	3,272,170	600,192	2,791,910	85.32%	514,405	2,722,253	86.52%
Intergovernmental (4)	137,850	51,938	61,364	44.51%	8,714	8,714	26.57%
Fines/Forfeitures (5)	12,710	3,357	8,933	70.29%	5,073	15,403	100.41%
Miscellaneous (6)	77,240	15,689	18,563	24.03%	5,720	91,478	130.35%
Other Financing Sources (7)	0	0	0	0.00%	2,505	17,505	0.00%
TOTAL CURRENT REVENUE	\$11,338,880	\$1,130,406	\$10,106,541	89.13%	\$792,094	\$8,988,268	90.34%
EXPENDITURE BY DEPARTMENT							
Fire	\$11,384,830	\$2,872,923	\$8,379,326	73.60%	\$2,482,827	\$7,620,523	71.71%
TOTAL OPERATING EXPENDITURES	\$11,384,830	\$2,872,923	\$8,379,326	73.60%	\$2,482,827	\$7,620,523	71.71%
Transfers (8)	\$920,610	\$200	\$759,790	82.53%	\$0	\$432,460	82.89%
Contingencies/Reserves	104,860	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$12,410,300	\$2,873,123	\$9,139,116	73.64%	\$2,482,827	\$8,052,983	71.58%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$1,071,420)	(\$1,742,716)	\$967,425		(\$1,690,733)	\$935,285	

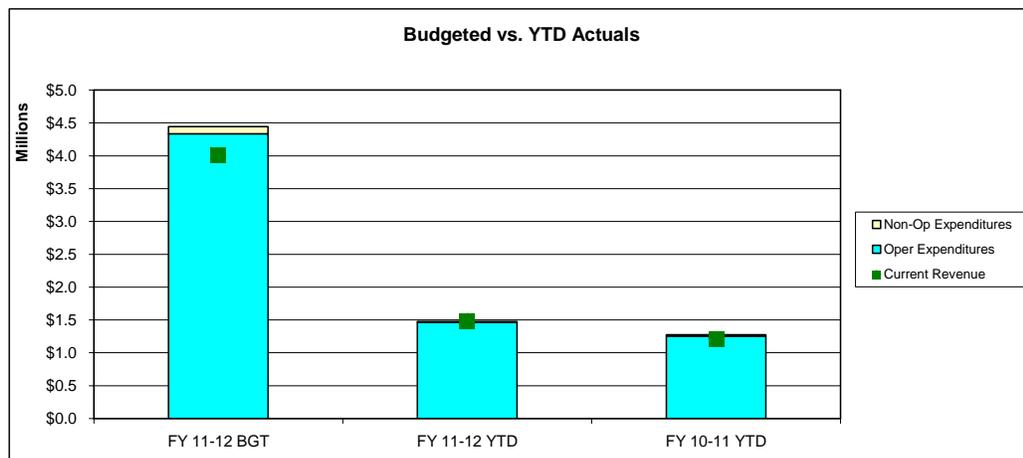
- (1) The majority of current year property taxes are collected in the second quarter. This year's collection pattern is consistent with prior years.
- (2) Licenses/Permits are above target in both years due to higher than anticipated uniform fire code permit revenue
- (3) Charges for Service include two main components, ambulance revenue and payments from Corvallis Rural Fire Protection District (CRFPD). Charges for Service in total are exceeding target, primarily from ambulance revenues, which are up 2% from the same time last year, but also from higher than expected fire inspection fees.
- (4) Intergovernmental revenues for Fire are all grant related and low as a percentage of budget due to grant projects not yet started and/or completed that are reimbursable in nature. Intergovernmental revenues received YTD include reimbursements from Benton County Emergency Services for emergency operations and from the Federal Emergency Management Agency (FEMA) for ambulance gurney replacements. The third quarter reimbursement for 2012 for an Emergency Management Performance Grant (EMPG) has not yet been received.
- (5) Fines/Forfeitures are below target and prior year due to fewer civil penalties and fewer nuisance alarms compared to the same time last year. Twenty-five civil penalties and thirty-seven nuisance alarms occurred through third quarter 2012, while thirty-five civil penalties and forty-eight nuisance alarms occurred through third quarter in 2011.
- (6) A \$78,750 grant was received in FY 10-11 causing revenues to be substantially over budget. FY 11-12 miscellaneous revenue is less than budget due to lower than anticipated interest earnings as well as \$35,000 in budgeted energy tax credits that are no longer expected to be received.
- (7) The unbudgeted receipts in this category relate to sales of capital assets, such as a used fire engine in FY 10-11.
- (8) Transfers relate to this fund's share of debt service for Pension Obligation Bonds, payments for which are weighted to the first half of the year.



COMMUNITY DEVELOPMENT REVOLVING FUND

REVENUE	AMENDED BUDGET	3rd Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	3rd 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	(\$299)	\$129,336	102.08%	(\$90)	\$116,440	98.68%
Charges for Service	5,000	0	5,000	100.00%	0	5,000	100.00%
Intergovernmental (2)	3,436,310	234,171	1,136,454	33.07%	527,090	964,027	26.59%
Fines/Forfeitures (3)	2,300	962	1,071	46.57%	3,040	3,019	120.77%
Miscellaneous (4)	433,180	41,581	215,665	49.79%	31,066	122,865	25.73%
TOTAL CURRENT REVENUE	\$4,003,490	\$276,415	\$1,487,526	37.16%	\$561,105	\$1,211,351	28.64%
EXPENDITURE BY DEPARTMENT							
Community Development (5)	\$4,336,610	\$194,481	\$1,464,895	33.78%	\$596,436	\$1,252,965	29.39%
TOTAL OPERATING EXPENDITURES	\$4,336,610	\$194,481	\$1,464,895	33.78%	\$596,436	\$1,252,965	29.39%
Transfers (6)	\$74,350	\$0	\$11,220	15.09%	\$0	\$22,820	25.52%
Contingencies/Reserves	31,950	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$4,442,910	\$194,481	\$1,476,115	33.22%	\$596,436	\$1,275,785	29.08%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$439,420)	\$81,934	\$11,411		(\$35,331)	(\$64,434)	

- (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, most of the \$129,000 billed has physically been received. Negative activity in subsequent quarters typically reflects the write-offs associated with non-collection of some of these funds.
- (2) 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.
- (3) 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.
- (4) This line includes fourteen loan payoffs through the third quarter, plus regular principal and interest payments. Results are below budget year-to-date in both years due to anticipated but as yet unreceived funding repayments related to Seavey Meadows and Willamette Neighborhood Housing Services (WNHS) respectively.
- (5) Expenditures are primarily grant-related in this fund, and thus variable in timing. Seven loans and 17 grants have closed through the third quarter. Grants include funding for non-profit agency activities, including CARDV, Corvallis Homeless Shelter Coalition/Partners Place, the ARC of Benton County, and Willamette Neighborhood Housing Services (WNHS). Like other projects in the HOME and CDBG programs, these projects will be reimbursed through multiple grant payments in FY 11-12.
- (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.



PARKING FUND

REVENUE	AMENDED BUDGET	3rd Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	3rd Quarter FY 10-11	Y-T-D FY 10-11	FY 10-11 % REC/EXPEND
Budgeted Fund Balance	\$923,959						
Licenses/Permits	\$20,000	\$2,786	\$15,680	78.40%	\$3,132	\$15,184	75.92%
Charges for Service (1)	164,150	48,116	142,005	86.51%	39,755	127,631	77.61%
Fines/Forfeitures (2)	405,930	110,222	319,703	78.76%	95,755	295,296	72.93%
Miscellaneous (3)	7,700	1,508	4,670	60.65%	1,188	4,412	137.89%
TOTAL CURRENT REVENUE	\$597,780	\$162,632	\$482,058	80.64%	\$139,830	\$442,524	74.68%

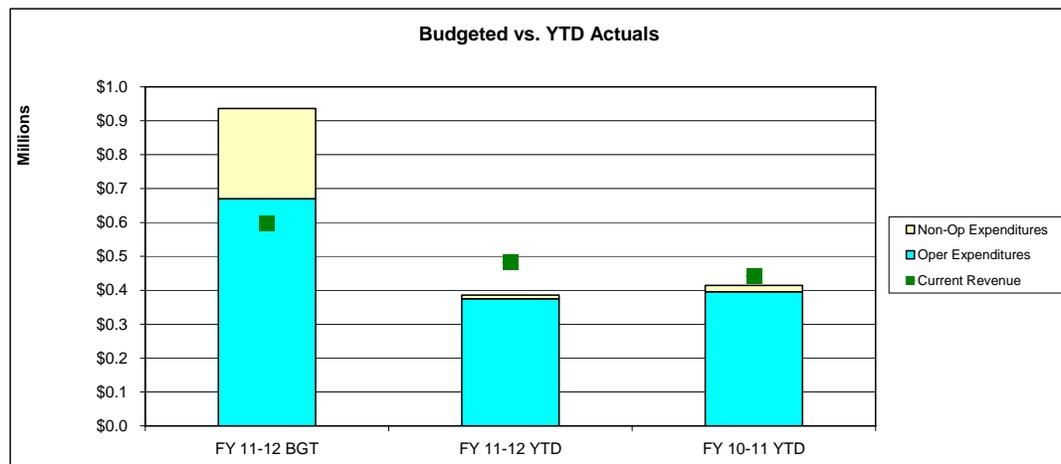
EXPENDITURE BY DEPARTMENT

Community Development	\$4,070	\$969	\$2,932	72.03%	\$805	\$2,647	66.01%
Finance	143,310	33,624	98,801	68.94%	29,150	84,897	64.23%
Police (4)	351,190	62,951	190,451	54.23%	66,755	206,600	60.00%
Public Works (4)	171,980	31,150	82,576	48.01%	40,765	101,114	53.05%
TOTAL OPERATING EXPENDITURES	\$670,550	\$128,694	\$374,759	55.89%	\$137,475	\$395,258	58.90%
Transfers (5)	\$253,720	\$0	\$11,320	4.46%	\$0	\$19,250	9.86%
Contingencies/Reserves	11,890	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$936,160	\$128,694	\$386,079	41.24%	\$137,475	\$414,508	47.19%

CURRENT REVENUE LESS

TOTAL EXPENDITURES	(\$338,380)	\$33,938	\$95,979		\$2,356	\$28,016	
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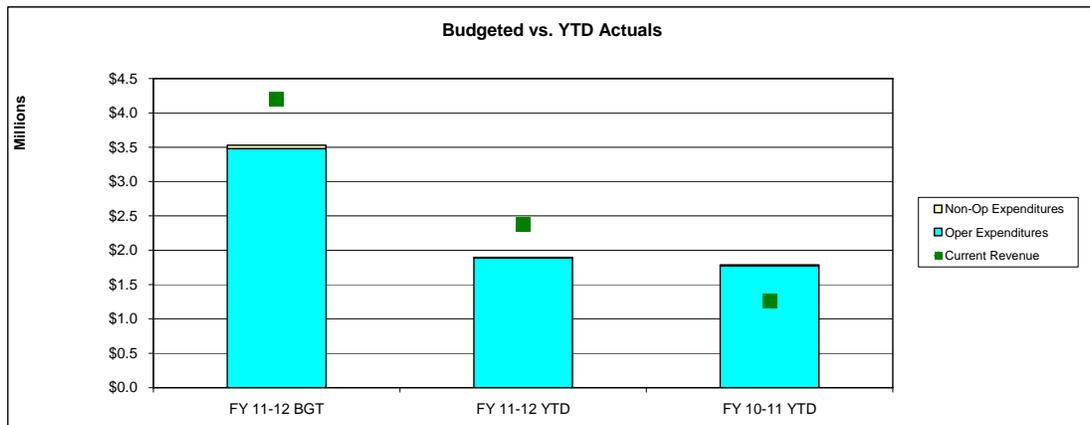
- (1) Parking meter YTD revenue is up over the same period last year. Public Works attributes this increase to the newly imposed 3-hour limit on free customer parking downtown, which may have led to more people using metered parking in order to avoid moving their cars.
- (2) Fines/Forfeiture revenue is from parking offenses and infractions. Revenues are slightly higher than expectations even though the parking enforcement team is not fully staffed. Penalty fees and collections are driving the increase.
- (3) Miscellaneous revenue consists primarily of investment interest earnings. FY 11-12 earnings are higher than the prior year, but below budget due to lower than expected interest earnings brought on by the continuing stagnant economy.
- (4) 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 been carried over to FY 12-13 in anticipation of not being spent this fiscal year.
- (5) Transfers include this fund's portion of the semi-annual debt service payments for the Pension Obligation Bonds and transfers related to capital projects. Transfers for capital projects are made based on anticipated needs. Please see the Capital Improvement Program section for information on the status of capital projects.



TRANSIT FUND

REVENUE	AMENDED BUDGET	3rd Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	3rd Quarter FY 10-11	Y-T-D FY 10-11	FY 10-11 % REC/EXPEND
Budgeted Fund Balance	\$4,318						
Property Taxes (1)	\$0	\$0	\$0	0.00%	\$2,853	\$69,412	92.55%
Licenses, Fees, & Permits (1)	\$879,300	\$302,574	\$739,524	84.10%	\$170,911	\$170,911	0.00%
Charges for Service (1)	214,660	62,667	137,214	63.92%	55,692	271,149	53.97%
Intergovernmental (2)	1,737,450	252,106	738,989	42.53%	410,845	595,868	36.82%
Miscellaneous (3)	1,368,990	46,056	756,865	55.29%	59,408	136,907	16.87%
Other Financing Sources	0	0	0	0.00%	15,300	15,300	0.00%
TOTAL CURRENT REVENUE	\$4,200,400	\$663,403	\$2,372,592	56.48%	\$715,010	\$1,259,547	41.88%
EXPENDITURE BY DEPARTMENT							
Public Works (4)	\$3,481,890	\$658,628	\$1,886,899	54.19%	\$607,244	\$1,773,929	51.53%
TOTAL OPERATING EXPENDITURES	\$3,481,890	\$658,628	\$1,886,899	54.19%	\$607,244	\$1,773,929	51.53%
Transfers (5)	\$11,620	\$0	\$9,590	82.53%	\$0	\$15,310	5.69%
Contingencies/Reserves	35,590	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$3,529,100	\$658,628	\$1,896,489	53.74%	\$607,244	\$1,789,239	47.82%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	\$671,300	\$4,775	\$476,103		\$107,765	(\$529,692)	

- (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. Charges for Service revenue will continue to be collected from the City of Adair, the City of Philomath, Benton County for special transportation funding (STF), and ASOSU for the Beaver Bus, respectively.
- (2) Intergovernmental revenue includes both operating and capital grants and is reimbursable in nature, so tends to lag expenditures.
- (3) The main source of revenue in this category is nearly \$1.2 million budgeted for Business Energy Tax Credits (BETC) pertaining to both FY 08-09 and FY 09-10 operations, which were expected to be received in FY 10-11, but ended up being carried over to FY 11-12. The BETC payment for FY 08-09 operations was received in FY 11-12, but the City is unlikely to receive the FY 09-10 credit until next fiscal year. Finding a tax liability partner in this economy continues to be a challenge for the balance of these receipts; however, Public Works continues to seek out such potential partners. Other revenue in this category is from OSU and used for general transit operations and grant matching purposes.
- (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 will be carried over into FY 12-13.
- (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 year-to-date 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.

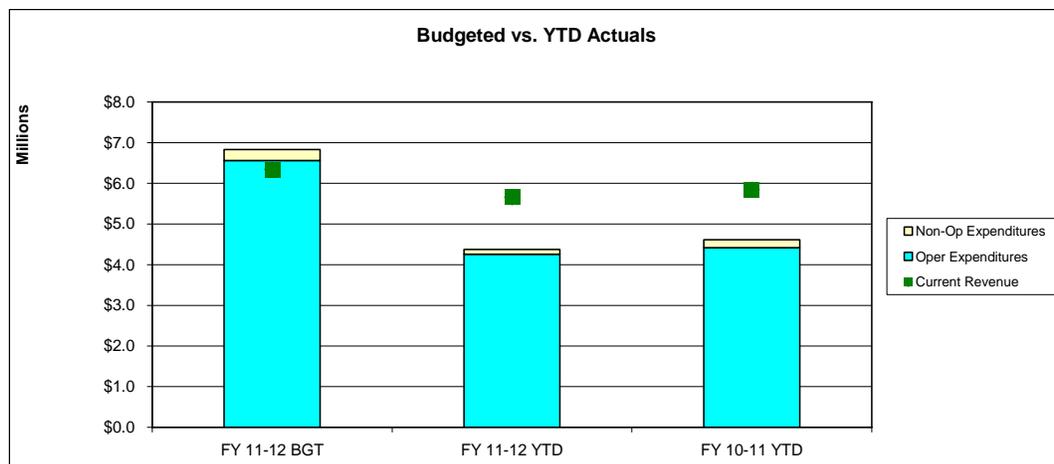


LIBRARY FUND*

REVENUE	AMENDED BUDGET	3rd Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	3rd 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	\$154,265	\$2,439,601	92.18%	\$144,716	\$3,520,439	91.72%
Charges for Service (2)	47,000	9,192	31,141	66.26%	9,993	32,497	71.58%
Intergovernmental (3)	2,496,840	0	2,157,525	86.41%	84,149	2,156,124	85.88%
Fines/Forfeitures (4)	92,000	26,802	71,958	78.22%	24,036	69,665	92.27%
Miscellaneous (5)	91,500	13,835	62,495	68.30%	12,612	63,444	73.49%
Other Financing Sources (6)	966,730	56,560	894,466	92.52%	0	0	0.00%
TOTAL CURRENT REVENUE	\$6,340,580	\$260,654	\$5,657,186	89.22%	\$275,506	\$5,842,170	89.11%
EXPENDITURE BY DEPARTMENT							
Library (7)	\$6,561,530	\$1,400,814	\$4,257,713	64.89%	\$1,456,107	\$4,417,068	68.65%
TOTAL OPERATING EXPENDITURES	\$6,561,530	\$1,400,814	\$4,257,713	64.89%	\$1,456,107	\$4,417,068	68.65%
Transfers (8)	\$213,090	\$25,020	\$117,690	55.23%	\$0	\$195,500	66.08%
Contingencies/Reserves	56,960	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$6,831,580	\$1,425,834	\$4,375,403	64.05%	\$1,456,107	\$4,612,568	67.98%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$491,000)	(\$1,165,179)	\$1,281,783		(\$1,180,602)	\$1,229,602	

* 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) Revenue is less than expected YTD due to lower parking meter collections. Unlike the Parking Fund, Library did not experience increased meter revenue based on use of the Library lot from the new 3-hour street parking limit, likely due to being further away from downtown.
- (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. Although this classification exceeds target YTD, Benton County was delayed processing third quarter payments for FY 11-12, which will be made up in the fourth quarter.
- (4) Fine/Forfeiture revenues slightly exceed budget and previous year due to a recent 50% increase in fine rates to 15¢/day.
- (5) Miscellaneous revenues in FY 11-12 are slightly lower than target, and amount received YTD in FY 10-11, due primarily to lower than expected interest earnings from the stagnant economy offsetting continued strong donation levels for the Library.
- (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 and a slow down of materials and supplies purchasing to enable meeting revised budgets. FY 10-11 expenditures also included annual payments for self check machines and online cataloging services, which have been delayed for 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	3rd Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	3rd 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	\$104,722	\$1,656,111	92.52%	\$0	\$0	0.00%
TOTAL CURRENT REVENUE	\$1,790,000	\$104,722	\$1,656,111	92.52%	\$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	\$104,722	\$1,656,111	92.52%	\$0	\$0	0.00%
TOTAL ALL EXPENDITURES	\$1,790,000	\$104,722	\$1,656,111	92.52%	\$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 in the General Fund. The majority of current year levy taxes are collected in the second quarter, thus transfer activity also follows this pattern.

DAVIDSON FUND

REVENUE	AMENDED BUDGET	3rd Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	3rd Quarter FY 10-11	Y-T-D FY 10-11	FY 10-11 % REC/EXPEND
Budgeted Fund Balance	\$5,571						
Miscellaneous (1)	\$60	\$8	\$27	44.68%	\$8	\$29	0.00%
TOTAL CURRENT REVENUE	\$60	\$8	\$27	44.68%	\$8	\$29	0.00%
EXPENDITURE BY DEPARTMENT							
Library (1)	\$0	\$0	\$0	0.00%	\$21	\$147	29.33%
TOTAL OPERATING EXPENDITURES	\$0	\$0	\$0	0.00%	\$21	\$147	29.33%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	\$60	\$8	\$27		(\$13)	(\$117)	

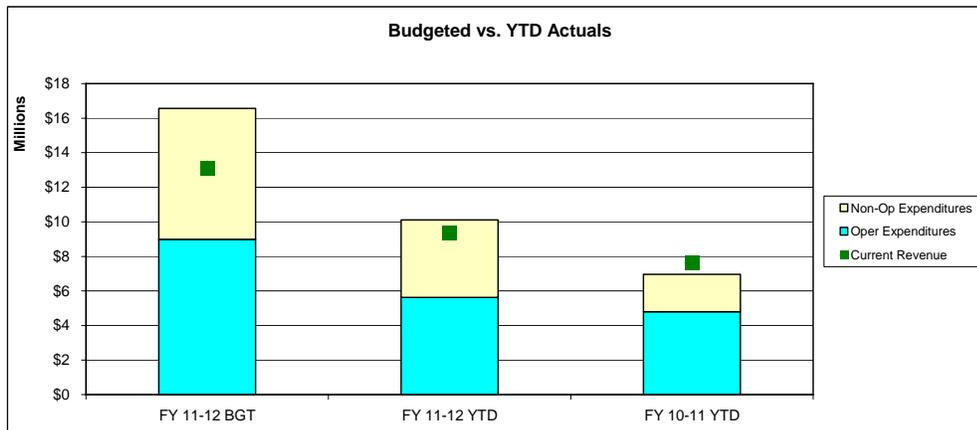
(1) The Davidson Fund is designated as a Permanent Fund under governmental accounting guidelines due to the \$5,000 endowment established through a 1981 donation in honor of the former librarian Alice Passano Davidson. Only interest earnings are expendable, and so in recent years of minimal revenues, 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	3rd Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	3rd 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	\$1,907,834	\$6,639,864	74.96%	\$1,880,175	\$6,394,914	72.62%
Intergovernmental (1)	40,000	6,303	(1,024)	-2.56%	0	(4,015)	-3.69%
Fines/Forfeitures	0	2,672	2,992	0.00%	0	3,068	0.00%
Miscellaneous (2)	440,480	536,916	610,873	138.68%	9,724	374,124	83.19%
Transfers In/Other Financing Sources (3)	3,778,560	1,248,820	2,117,680	56.04%	0	857,350	23.33%
TOTAL CURRENT REVENUE	\$13,116,370	\$3,702,545	\$9,370,385	71.44%	\$1,889,899	\$7,625,442	58.49%
EXPENDITURE BY DEPARTMENT							
Community Development	\$51,350	\$11,862	\$35,319	68.78%	\$11,875	\$36,041	71.03%
Public Works (4)	8,936,910	1,969,574	5,593,733	62.59%	1,583,374	4,761,560	59.11%
TOTAL OPERATING EXPENDITURES	\$8,988,260	\$1,981,436	\$5,629,053	62.63%	\$1,595,248	\$4,797,601	59.19%
Capital Projects (3)	\$2,366,140	\$505,104	\$1,249,610	52.81%	\$44,012	\$140,656	4.76%
Debt Service	1,018,820	0	1,018,798	100.00%	0	1,009,218	100.00%
Transfers Out/Other Financing Uses (3)	3,991,010	1,248,840	2,207,530	55.31%	0	1,016,670	25.59%
Contingencies/Reserves	194,670	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$16,558,900	\$3,735,380	\$10,104,991	61.02%	\$1,639,260	\$6,964,145	42.94%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$3,442,530)	(\$32,835)	(\$734,606)		\$250,639	\$661,297	

*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 no later than the fourth quarter by grant receipts.
- (2) Miscellaneous revenue contains the unbudgeted receipt of \$1,511,083 in released reserve monies related to a refunding by the State of the Oregon Business Development Department (OBDD) Loan to the City for the Taylor Water Treatment Plant, as well as unanticipated SDC lien principal and interest revenue.
- (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 out have been made for debt service payments for the POB. See the Capital Improvement Program section for details regarding capital project expenditures.
- (4) Public Works is below budget at the end of the third quarter due to having spent only about 41% of the \$1,985,180 budgeted for thirteen special projects and four vehicle/heavy equipment replacement in FY 11-12. The van has been received, but all other vehicle/equipment purchases will be carried over to future years. Several special projects have also been cancelled due to revenue shortfall or will be carried over into FY 12-13.

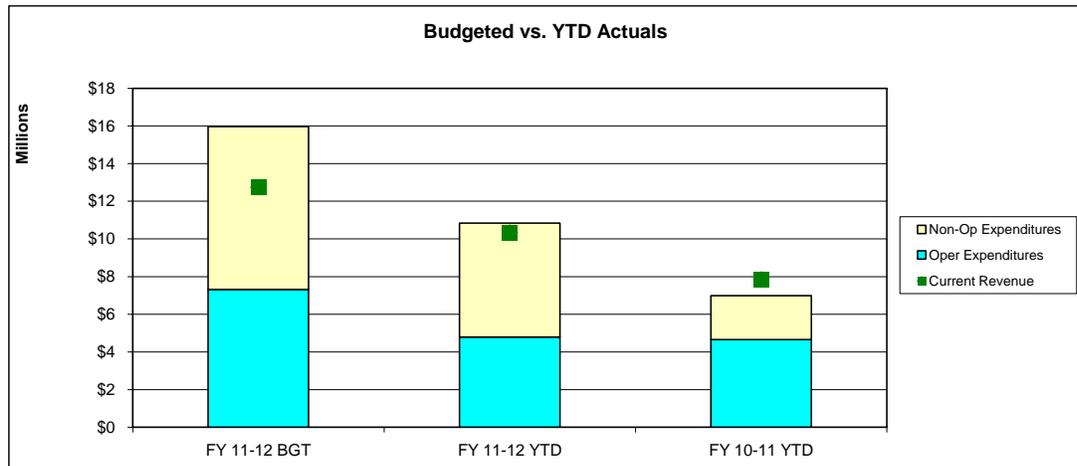


COMBINED WASTEWATER FUND*

REVENUE	AMENDED BUDGET	3rd Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	3rd 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	\$2,664,392	\$7,540,697	78.45%	\$2,565,764	\$7,178,423	75.15%
Miscellaneous (1)	116,780	141,656	202,272	173.21%	17,736	78,296	140.47%
Other Financing Sources (2)	3,012,270	120,000	2,607,025	86.55%	0	590,391	16.80%
TOTAL CURRENT REVENUE	\$12,741,160	\$2,926,048	\$10,349,994	81.23%	\$2,583,500	\$7,847,109	59.80%
EXPENDITURE BY DEPARTMENT							
Community Development	\$50,380	\$12,311	\$35,573	70.61%	\$11,990	\$35,349	71.36%
Public Works (3)	7,264,080	1,570,407	4,752,910	65.43%	1,552,129	4,619,068	66.29%
TOTAL OPERATING EXPENDITURES	\$7,314,460	\$1,582,718	\$4,788,483	65.47%	\$1,564,119	\$4,654,417	66.33%
Capital Projects (2)	\$3,012,270	\$57,421	\$2,375,032	78.85%	\$110,173	\$590,131	17.27%
Debt Service	2,294,040	0	981,907	42.80%	0	997,697	43.37%
Transfers (2)	3,165,390	120,020	2,688,460	84.93%	0	746,420	19.89%
Contingencies/Reserves	181,510	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$15,967,670	\$1,760,159	\$10,833,883	67.85%	\$1,674,292	\$6,988,665	41.93%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$3,226,510)	\$1,165,889	(\$483,889)		\$909,209	\$858,444	

* Includes Wastewater, Wastewater SDC and Wastewater Construction Funds.

- (1) Miscellaneous revenue, which consists primarily of interest earnings and collections from delinquent accounts, includes unanticipated SDC lien principal revenue of \$122,689.
- (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.
- (3) Public Works is below budget and prior year spending at the end of the third quarter due primarily to vacancy savings from open positions, as well as having spent only about 41% of the \$861,390 budgeted for fourteen special projects and one vehicle replacement in FY 11-12. The low YTD % of special projects is primarily due to the cancellation of two projects, delays in other projects, and the carryover of the vehicle purchase into FY 12-13.

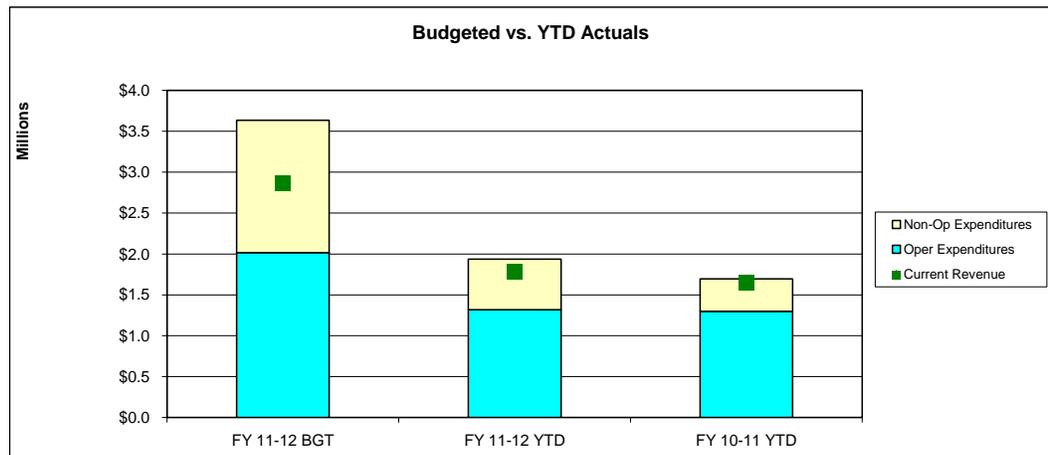


COMBINED STORM WATER FUND*

REVENUE	AMENDED BUDGET	3rd Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	3rd 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	\$517,517	\$1,515,637	75.58%	\$505,288	\$1,483,705	70.19%
Intergovernmental (1)	243,412	0	0	0.00%	0	0	0.00%
Miscellaneous (2)	16,740	3,764	10,659	63.68%	2,590	11,113	119.75%
Other Financing Sources (3)	601,310	84,183	255,758	42.53%	0	152,200	25.27%
TOTAL CURRENT REVENUE	\$2,866,902	\$605,464	\$1,782,054	62.16%	\$507,877	\$1,647,018	72.79%
EXPENDITURE BY DEPARTMENT							
Community Development	\$52,240	\$12,011	\$35,908	68.74%	\$11,915	\$35,557	70.44%
Public Works (4)	1,962,260	427,834	1,280,923	65.28%	409,868	1,262,551	59.45%
TOTAL OPERATING EXPENDITURES	\$2,014,500	\$439,845	\$1,316,831	65.37%	\$421,784	\$1,298,108	59.70%
Capital Projects (3)	\$831,982	\$52,376	\$268,049	32.22%	\$21,972	\$133,942	18.43%
Transfers (3)	749,060	84,193	350,448	46.78%	0	263,420	34.81%
Contingencies/Reserves	39,770	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$3,635,312	\$576,414	\$1,935,328	53.24%	\$443,756	\$1,695,470	45.83%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$768,410)	\$29,050	(\$153,274)		\$64,121	(\$48,452)	

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

- (1) Intergovernmental revenue shows no activity pending reimbursement from a State grant in the construction fund.
- (2) Miscellaneous revenue was higher as a percentage of budget in the previous year-to-date due to increased bad debt collections in that period.
- (3) 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.
- (4) Actuals are under budget in both fiscal years due to the lower than anticipated special project spending year-to-date.

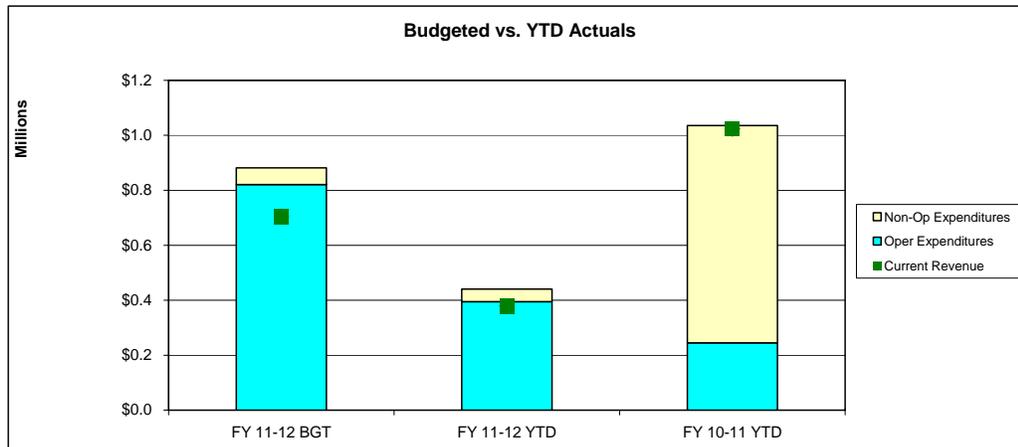


COMBINED AIRPORT FUND*

REVENUE	AMENDED BUDGET	3rd Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	3rd Quarter FY 10-11	Y-T-D FY 10-11	FY 10-11 % REC/EXPEND
Budgeted Fund Balance	\$557,792						
Licenses/Permits	\$2,500	\$638	\$3,910	156.41%	\$627	\$3,734	74.69%
Charges for Service	392,500	85,366	304,687	77.63%	83,169	283,422	77.65%
Intergovernmental (1)	296,761	64,455	64,305	21.67%	600,892	581,931	66.40%
Miscellaneous	13,580	944	5,946	43.79%	5,159	9,695	100.67%
Other Financing Sources (2)	0	0	0	0.00%	0	144,700	50.95%
TOTAL CURRENT REVENUE	\$705,341	\$151,402	\$378,849	53.71%	\$689,848	\$1,023,483	66.46%
EXPENDITURE BY DEPARTMENT							
Public Works (3)	\$820,910	\$106,919	\$394,561	48.06%	\$105,568	\$244,991	48.55%
TOTAL OPERATING EXPENDITURES	\$820,910	\$106,919	\$394,561	48.06%	\$105,568	\$244,991	48.55%
Capital Projects (2)	\$0	\$0	\$0	0.00%	\$199,272	\$701,078	72.64%
Debt Service	32,590	0	32,582	99.98%	0	33,663	79.83%
Transfers (2)	13,910	0	13,230	95.11%	0	55,780	56.90%
Contingencies/Reserves	14,270	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$881,680	\$106,919	\$440,373	49.95%	\$304,840	\$1,035,512	63.94%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$176,339)	\$44,484	(\$61,525)		\$385,008	(\$12,029)	

* Includes Airport and Airport Construction Funds.

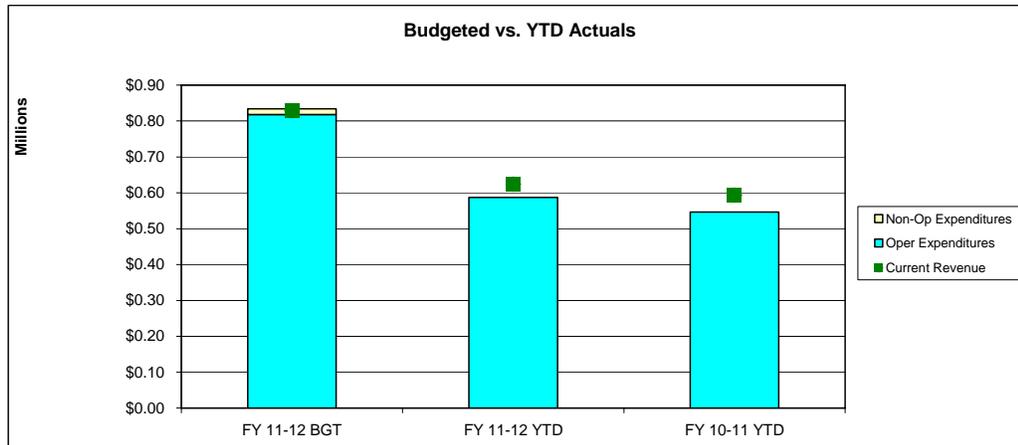
- (1) FY 10-11 Intergovernmental revenue included receipt of two federal grants into the construction fund for the airport industrial park and for airport facility improvements. FY 11-12 is under budget largely due to the reimbursement nature of a budgeted Federal Aviation Administration (FAA) grant.
- (2) Other Financing Sources in FY 10-11 relate primarily to capital projects for an airport industrial park improvements project and an 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 is only about 38% of the \$484,000 appropriated. If special projects are not included the department has spent approximately 62% of the operating budget.



FLEET MAINTENANCE FUND

REVENUE	AMENDED BUDGET	3rd Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	3rd 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	\$207,168	\$622,510	75.23%	\$202,033	\$591,523	77.77%
Miscellaneous (1)	1,530	937	1,856	121.33%	644	1,649	137.45%
TOTAL CURRENT REVENUE	\$829,030	\$208,104	\$624,366	75.31%	\$202,677	\$593,172	77.86%
EXPENDITURE BY DEPARTMENT							
Public Works	\$818,030	\$194,437	\$586,945	71.75%	\$182,720	\$546,382	71.77%
TOTAL OPERATING EXPENDITURES	\$818,030	\$194,437	\$586,945	71.75%	\$182,720	\$546,382	71.77%
Contingencies/Reserves	\$16,000	\$0	\$0	0.00%	\$0	\$0	0.00%
TOTAL ALL EXPENDITURES	\$834,030	\$194,437	\$586,945	70.37%	\$182,720	\$546,382	70.30%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$5,000)	\$13,667	\$37,421		\$19,958	\$46,790	

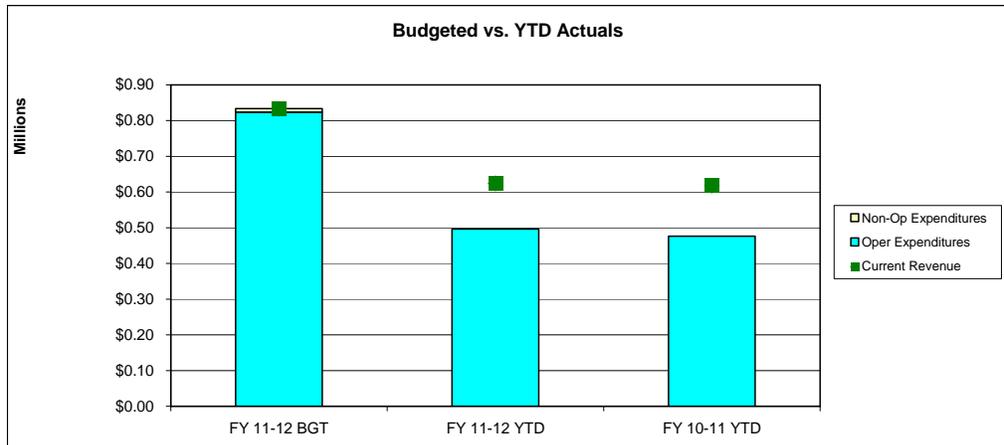
(1) Higher fund balances in both the current and prior years have contributed to interest revenues exceeding budget, despite lower than anticipated interest rates in the continuing poor economy.



FACILITY MAINTENANCE FUND

REVENUE	AMENDED BUDGET	3rd Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	3rd 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	\$194,519	\$622,422	75.00%	\$205,251	\$616,663	75.55%
Miscellaneous (1)	3,290	1,010	1,884	57.25%	447	1,523	49.62%
TOTAL CURRENT REVENUE	\$833,180	\$195,529	\$624,306	74.93%	\$205,698	\$618,186	75.46%
EXPENDITURE BY DEPARTMENT							
Public Works (2)	\$823,880	\$165,341	\$496,216	60.23%	\$176,637	\$476,312	58.11%
TOTAL OPERATING EXPENDITURES	\$823,880	\$165,341	\$496,216	60.23%	\$176,637	\$476,312	58.11%
Contingencies/Reserves	\$10,000	\$0	\$0	0.00%	\$0	\$0	0.00%
TOTAL ALL EXPENDITURES	\$833,880	\$165,341	\$496,216	59.51%	\$176,637	\$476,312	57.41%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$700)	\$30,189	\$128,090		\$29,061	\$141,874	

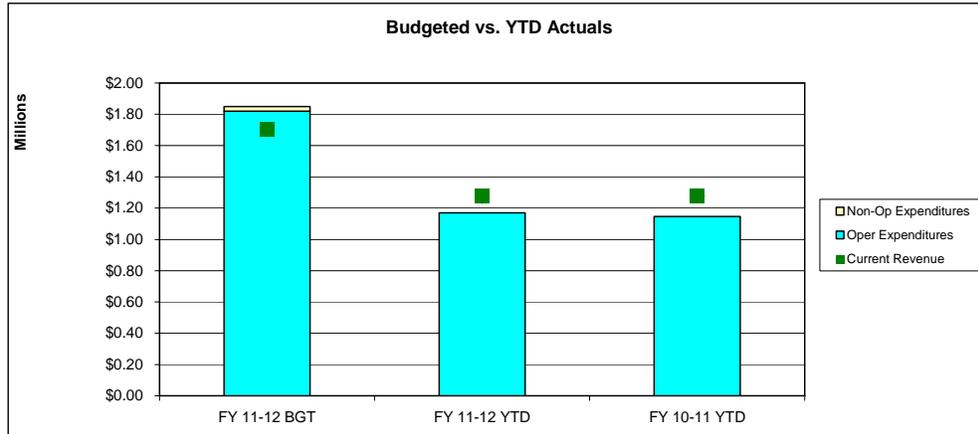
- (1) Interest revenues YTD and in the prior year are below budget due to lower than anticipated interest rates in the continuing poor economy.
- (2) An employee who has been on extended leave has resulted in personnel service savings; special projects have been delayed, but are anticipated to be close to budget by year-end FY 11-12.



TECHNOLOGY AND COMMUNICATIONS FUND

REVENUE	AMENDED BUDGET	3rd Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	3rd 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	\$1,271,619	74.96%	\$424,794	\$1,274,495	75.01%
Miscellaneous (1)	6,160	1,005	3,176	51.56%	1,438	4,118	135.47%
TOTAL CURRENT REVENUE	\$1,702,640	\$424,878	\$1,274,795	74.87%	\$426,232	\$1,278,614	75.11%
EXPENDITURE BY DEPARTMENT							
Finance	\$1,607,720	\$341,599	\$1,052,590	65.47%	\$329,634	\$1,029,850	65.30%
Public Works (2)	211,580	41,017	117,220	55.40%	40,937	116,873	53.35%
TOTAL OPERATING EXPENDITURES	\$1,819,300	\$382,617	\$1,169,810	64.30%	\$370,570	\$1,146,723	63.85%
Contingencies/Reserves	\$30,000	\$0	\$0	0.00%	\$0	\$0	0.00%
TOTAL ALL EXPENDITURES	\$1,849,300	\$382,617	\$1,169,810	63.26%	\$370,570	\$1,146,723	62.80%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$146,660)	\$42,262	\$104,986		\$55,662	\$131,891	

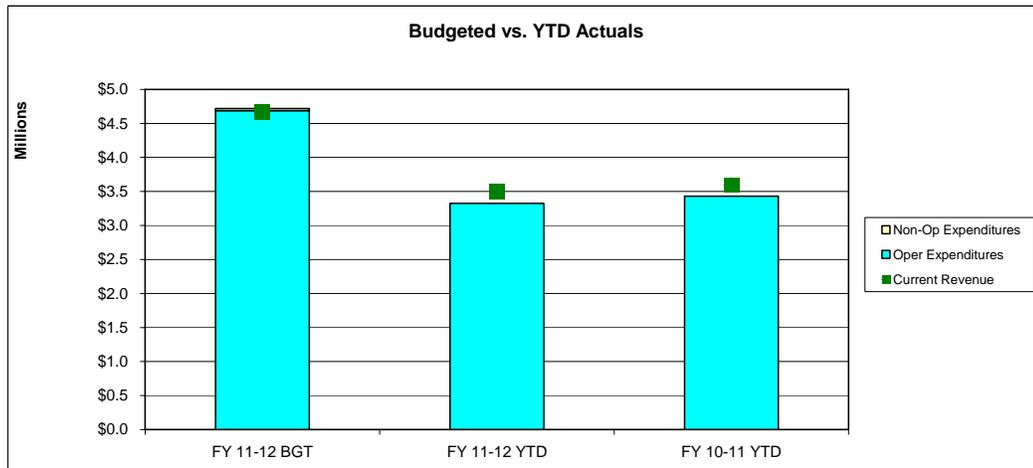
- (1) Interest revenue was budgeted with the expectation that hiring an investment advisor would enhance earnings, but market volatility has led to lower than anticipated interest rates, resulting in revenues below both target and prior year receipts.
- (2) Spending YTD is low as a percentage of budget 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 Public Works not yet having purchased a scheduled vehicle replacement.



ADMINISTRATIVE SERVICES FUND

REVENUE	AMENDED BUDGET	3rd Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	3rd 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	\$3,489,543	75.00%	\$1,196,373	\$3,589,119	75.00%
Miscellaneous (1)	9,820	1,387	4,981	50.72%	1,671	5,113	63.91%
TOTAL CURRENT REVENUE	\$4,662,550	\$1,164,568	\$3,494,524	74.95%	\$1,198,044	\$3,594,232	74.98%
EXPENDITURE BY DEPARTMENT							
Finance	\$2,588,650	\$628,100	\$1,912,090	73.86%	\$652,930	\$1,930,006	72.36%
City Manager's Office	2,100,260	448,444	1,413,604	67.31%	497,100	1,500,117	69.96%
TOTAL OPERATING EXPENDITURES	\$4,688,910	\$1,076,544	\$3,325,694	70.93%	\$1,150,030	\$3,430,123	71.29%
Contingencies/Reserves	30,000	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$4,718,910	\$1,076,544	\$3,325,694	70.48%	\$1,150,030	\$3,430,123	71.29%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$56,360)	\$88,024	\$168,830		\$48,014	\$164,109	

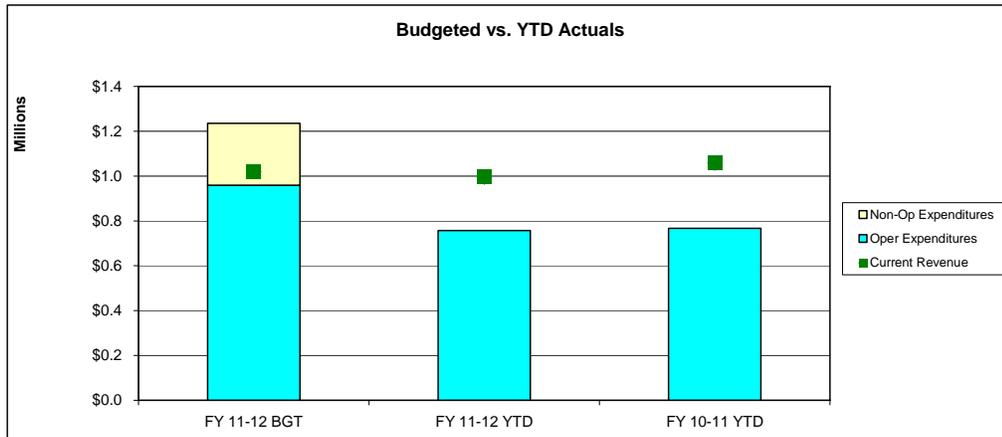
- (1) Interest earnings have been lower than expected and other miscellaneous revenue in FY 11-12 is also under budget due to fewer Utility Billing customer donations than anticipated.



RISK MANAGEMENT FUND

REVENUE	AMENDED BUDGET	3rd Quarter FY 11-12	UNAUDITED FY 11-12	FY 11-12 % REC/EXPEND	3rd 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	\$245,068	\$980,270	100.00%	\$253,552	\$1,014,210	100.00%
Miscellaneous (2)	39,350	2,335	15,327	38.95%	17,294	44,186	108.78%
TOTAL CURRENT REVENUE	\$1,019,620	\$247,403	\$995,597	97.64%	\$270,846	\$1,058,396	100.34%
EXPENDITURE BY DEPARTMENT							
City Manager's Office (1)	\$959,950	\$61,090	\$757,409	78.90%	\$44,397	\$766,762	76.29%
TOTAL OPERATING EXPENDITURES	\$959,950	\$61,090	\$757,409	78.90%	\$44,397	\$766,762	76.29%
Contingencies/Reserves	275,000	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$1,234,950	\$61,090	\$757,409	61.33%	\$44,397	\$766,762	61.59%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$215,330)	\$186,313	\$238,188		\$226,448	\$291,634	

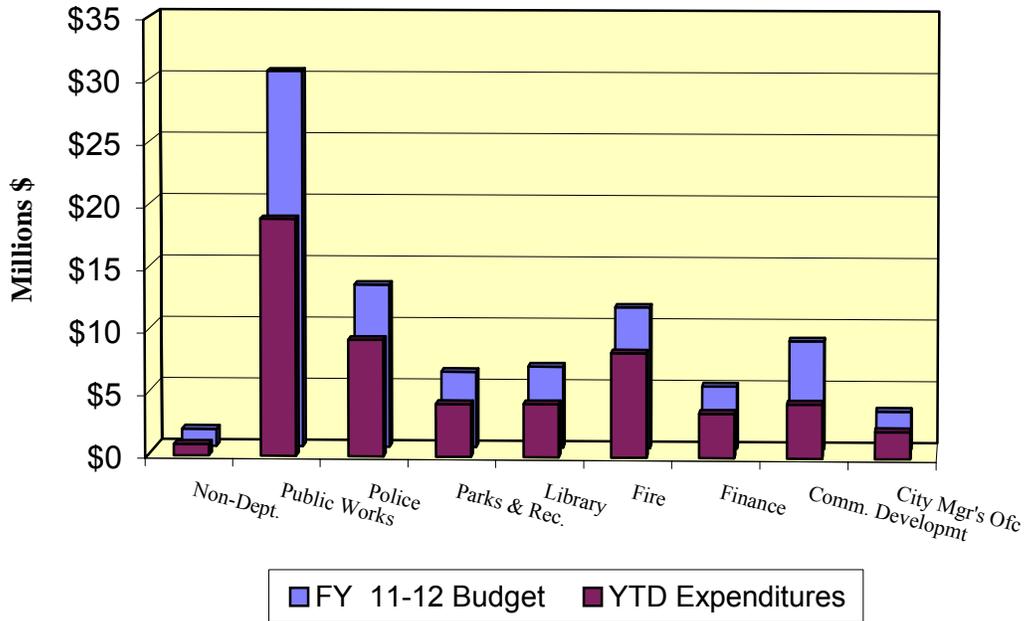
- (1) Timing of internal service charges to departments is weighted to coincide with insurance premium payments, 75% of which occur in July and 25% in January.
- (2) Miscellaneous revenue in this fund is driven by both interest earnings and by claim recoveries from insurance. The first three quarters of receipts for FY 11-12 include approximately \$7,685 in loss reimbursements related to six City claims, compared to \$40,024 in the same period last year for eleven cases.



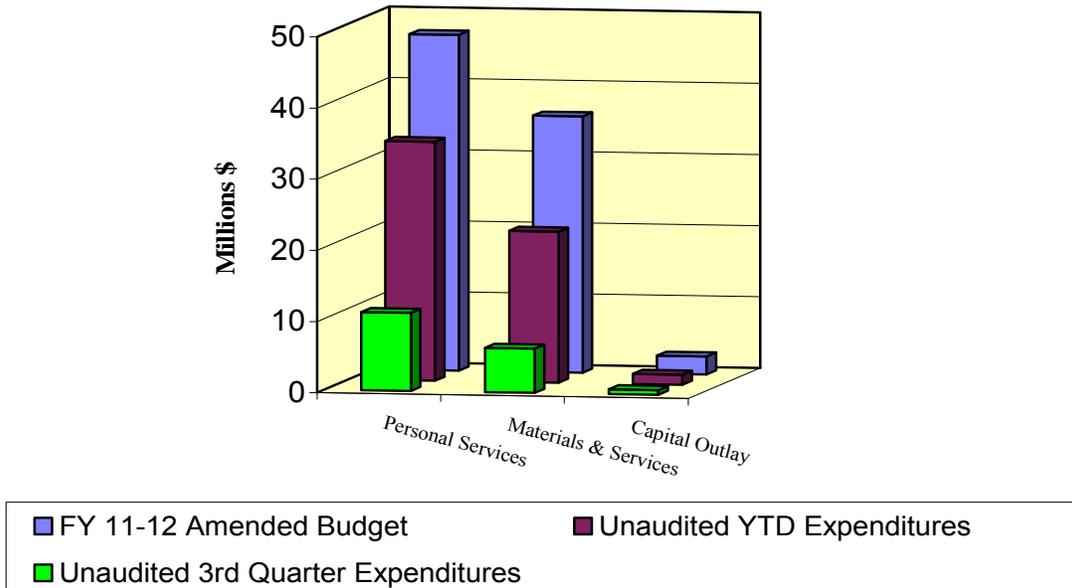
BUDGET PERFORMANCE BY DEPARTMENT

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 3rd Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$1,389,310	\$304,766	\$879,770	63.32%
Supplies and Services	1,670,900	204,768	1,291,243	77.28%
Capital Outlay	0	0	0	0.00%
Total Operating Expenditures	\$3,060,210	\$509,534	\$2,171,013	70.94%

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

Noteworthy Accomplishments during this Quarter:

- Developed the City Hall Ambassador volunteer program as a means to improve customer service in the City Hall lobby. Ambassadors will provide customer service in the City Hall lobby beginning in April.
- Developed informational website and solicited entries for the "If I Were Mayor Contest".
- Produced and mailed out the City Report Card to Corvallis households as a special edition of the City newsletter.

Upcoming/Pending Items:

- Complete the 2012 employee survey within the next six months.
- Finalize labor negotiations with the Corvallis Police Officers' Association (CPOA) and the International Association of Fire Fighters (IAFF).
- Conduct onsite appraisal of City property and assets.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY10-11 ACTUAL	FY11-12 TARGET	3rd 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	7.33	7.33
	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	1.25	9.01
	Maximize workplace productivity	Number of sick leave hours used per 1,000 hours worked. ⁽²⁾	30.80	<28.00	30.7	25.2
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%	19%	15%
	Increase the percentage of employees who believe they have a welcoming workplace	% of employees surveyed who indicate their workplace is very or somewhat welcoming. ⁽⁴⁾	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	75	168

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY10-11 ACTUAL	FY11-12 TARGET	3rd QTR ACTUAL	FY11-12 YTD
	Measure the benefits to compensation ratio for competitiveness, retention, attraction and comparator purposes.	Benefits as a % of total compensation. ⁽⁵⁾	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	85%
	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	78%
		% 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	67%
		% of Citizen Attitude Survey respondents who rated the job the City does at listening to citizens as excellent or good. ⁽³⁾	N/A	>55%	N/A	60%

- (1) There were 5 workers compensation claims filed in the third quarter, which is a dramatic decrease from the first two quarters.
- (2) In the third quarter, 19% of sick hours used were classified as Family Medical Leave Act or sick child leave.
- (3) The 2011 Citizen Attitude Survey was completed in November and the results are posted on the City's website. No additional data is collected in the third quarter.
- (4) The internal employee survey results may be delayed until FY 12/13.
- (5) The higher than target result in the third 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; AFSCME employees are taking furlough days which reduces wages overall; and benefit costs going up due to increased health insurance premiums for 2012.

COMMUNITY DEVELOPMENT

Type of Expenditure	2011-12 Amended Budget	Unaudited 3rd Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$3,692,100	\$850,716	\$2,625,446	71.11%
Supplies and Services	4,965,700	279,285	1,678,647	33.80%
Capital Outlay	54,000	41,845	41,845	77.49%
Total Operating Expenditures	\$8,711,800	\$1,171,846	\$4,345,938	49.89%

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

Noteworthy Accomplishments This Quarter:

- The US Department of Housing and Urban Development (HUD) issued its final approval of Housing's FY 10/11 Consolidated Annual Performance Evaluation Report (CAPER) in January. The CAPER is prepared each September to inform HUD and local interests about the City's achievements and challenges utilizing its federal Community Development Block Grant (CDBG) and Home Investment Partnerships (HOME) program funding in the prior year.
- The City's Housing and Community Development Commission met in February to hear proposals from agencies requesting CDBG and HOME program funding from the City's programs in FY 12/13. As a result of those sessions, the

commission developed a set of recommended funding allocations, which will be considered by the City Council during a public hearing tentatively scheduled for April 16, 2012.

- In the third quarter of FY 11/12 one loan utilizing \$8,740 in funding from the City’s Saving Energy Loan Fund (SELF) was approved and closed. This brings the total number of SELF loans closed in FY 11/12 to twelve, and the total funds loaned to \$108,892. No more loans will be made in FY 11/12, but the revenue stream being generated by loan repayments will be used to fund additional loans in future years.
- The Rental Housing Program received 151 related contacts in the third quarter outlining 196 separate issues, with 69 issues related to habitability and 127 of a non-habitability nature. Fifty of the habitability issues reported are or may be subject to the Rental Housing Code, so Housing staff are working with complainants to achieve resolution or move to enforcement.
- One rehabilitation loan was approved and closed in the third quarter totaling \$13,661. This loan will help an elderly, extremely low income home owner make needed repairs to her Corvallis home.
-
- Fourteen administrative land-use decisions were made in the third quarter, including approval of a Zone Change for the remaining Seavey Meadows Open Space area.
- Development Services Plan Review staff conducted 3,601 construction inspections, processed 60 residential and 95 non-residential plan reviews for proposed construction projects in the third quarter.
- Staff issued 604 mechanical and electrical permits in the third quarter. Of these, 187 or 31% were issued online. Offering online permits increases customer satisfaction, and results have surpassed the sustainability goal for the year.
- As a result of citizen complaints received, 196 new Code Enforcement cases were created in this quarter.
- In January, the City/OSU intergovernmental agreement was finalized, a Steering Committee was formed and the project manager was brought on board. After meeting twice in February, the project time line was updated and they began formation of the necessary Work Groups; Parking/Traffic, Neighborhood Planning and Neighborhood Livability.
- As part of the Service Enhancement Package, Development Services launched a new program for completing the plan review for new homes in one day.

Upcoming/Pending Items:

- City/OSU Collaboration Project will include two Neighborhood Outreach Meetings in April as well as the development of a regular schedule of Workgroup meetings from May through August.
- The Planning Division will report to the City Council on the status of work program items, council requests, and planning related Council Goals in June.
- City Council will consider an Action Plan to allocate FY 12/13 CDBG and HOME program funding to activities that would support homeless, disabled and low income members of the community, create new housing opportunities, and rehabilitate existing units of affordable housing.
- From the fourth quarter of FY 11/12 through the first quarter of FY 12/13, new affordable housing units in the City-funded Willamette Neighborhood Housing Services program will become available for occupancy. The project, once completed, will add 49 affordable units to the City’s supply in Alexander Court/Seavey Meadows. Two future, additional phases at Seavey Meadows will add another 19 affordable units.
- Building Safety Month will be in May 2012. Several events are planned including Building Birdhouses with kids at the Farmers Market on Saturday, May 5.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY10-11 ACTUAL	FY11-12 TARGET	3rd 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%	95%	98%
	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%	0%	99%

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY10-11 ACTUAL	FY11-12 TARGET	3rd QTR ACTUAL	FY11-12 YTD
	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	33	34
	Meet or exceed State requirements for land use application review time.	Average review time (in days) to process administrative land use application.	17	< 45	23	16
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	N/A	8.5
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	54%
Sustainability	Conserve resources by reducing fuel and paper use.	Percentage of Mechanical and Electrical permits issued online. ⁽³⁾	28%	20%	31%	26%
	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	5.0	2.8

- (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. In the second quarter additional significant match credit was earned as a result of the City's below-market sale of land at Seavey Meadows for a HOME-funded affordable housing project. There was a zero match amount for the third quarter.
- (2) The 2011 Citizen Attitude Survey was completed in November and the results are posted on the City's website. No additional data is collected in the third quarter.
- (3) Online services expanded in January 2011 to include plumbing permits, then expanded again in August 2011 to include solar permits. Performance is above target for the third quarter and outreach is being conducted to promote additional use.
- (4) One Essential Repair Loan Program owner occupied housing rehabilitation projects reached completion during the quarter. The project consisted of moderate interior and exterior rehab improvements.

FINANCE

Type of Expenditure	2011-12 Amended Budget	Unaudited 3rd Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$3,414,140	\$844,612	\$2,536,899	74.31%
Supplies and Services	1,472,580	311,676	993,069	67.44%
Capital Outlay	130,660	14,362	35,142	26.90%
Total Operating Expenditures	\$5,017,380	\$1,170,650	\$3,565,110	71.06%

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

Noteworthy Accomplishments during this Quarter:

- Completed a banking services conversion and transition to Wells Fargo.
- Preparations were made for the FY 11-12 interim external audit.
- Began discussions on the City's Click-2-Gov (C2G) Accounts Receivable module implementation for online payments.
- Worked on finalizing proposed budget reductions for presentation to Budget Commission, and the proposed FY 12-13 budget document preparation and publication.
- Municipal Court completed a portion of the testing of the C2G site that will allow access for customers to pay online.
- Acquired and deployed a third core server to increase the City's virtual environment capacity by 33%.
- Acquired a new tape drive unit to decrease the amount of time it takes to backup and restore the datacenters.

Upcoming/Pending Items:

- Complete Integrated Voice Response (IVR) system implementation to enable City Services customers to pay over the telephone through an automated system.
- Conduct liquor, tobacco, and social gaming license renewal and provide recommendation to City Council.
- Provide formal FlexNet Fixed-base software training.
- Issue and award a request for proposal (RFP) related to Utility Billing printing services.
- Complete renewal applications and forms for liability insurance.
- Continue preparing for ONESolution implementation; including financial system data purging.
- Facilitate the Interim Audit and finalize fiscal year-end processes.
- Implement C2G online payment financial system software modules for Accounts Receivable and loans and finalize testing for municipal court C2G site.
- Promote increased use of the purchasing card program to take advantage of rebates/discounts and to increase payment processing efficiencies.
- Evaluate staff workload taking into account personnel reductions for next fiscal year.
- Continue increased collection efforts with regard to delinquent ambulance billing accounts.
- Hold Public Hearings for the FY 12-13 Proposed Budget, with adoption by Council scheduled for first meeting in June.
- Finalize the upgrade of the Community Development Record Management suite from Tidemark to Accella Automation.
- Roll out the new City Internet website, which includes instituting a new domain suffix of corvallisoregon.gov.
- Implement email archiving to be in compliance with State of Oregon administrative rules retention period.
- Deploy Windows 7 and Office 2007 to most City computers.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY10-11 ACTUAL	FY11-12 TARGET	3rd 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	\$338	\$1,556
	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%	6.00%	5.92%
	Provide necessary information technology resources for departments to operate efficiently.	Achieve 100% server uptime relative to scheduled server uptime. ⁽¹⁾	99.99%	100%	99.99%	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	3.00/1	1.31/1	1.97/1
	Increase organizational efficiency in providing service output.	Maintain operating expenditures less than or equal to \$1,350 per capita.	\$1,337	≤ \$1,350	\$328	\$943
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	100	470
	Reduce paper and postage costs by increasing proportion of	Increase number of E-Bill participants to 10% of Utility Billing customers. ⁽⁴⁾	1,094	1,500	1,637	1,637

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY10-11 ACTUAL	FY11-12 TARGET	3rd QTR ACTUAL	FY11-12 YTD
	Utility Billing customers participating in E-Bill program.					

- (1) MIS did not experience any significant outage during the third quarter.
- (2) MIS Help Desk is documenting repair calls more accurately and recording multiple repair calls into a single repair call if a single incident is involved. The normal result is fewer incidents that require tracking and more resolved service calls. In the third quarter, MIS had 396 service calls to 301 repair calls; while year-to-date MIS has had 1,439 service calls to 795 repair calls.
- (3) Paper consumption decreased significantly in the third quarter. Fourth quarter results will likely increase, and may surpass target, due to in-house printing of proposed budget and adopted budget documents to support economic sustainability.
- (4) The number of E-Bill customers increased by over 3% in the third quarter. Staff is continuing to publicize the benefits of an E-Bill on the monthly City Services bill in hopes of continued increased participation.

FIRE

Type of Expenditure	2011-12 Amended Budget	Unaudited 3rd Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$8,760,020	\$2,086,068	\$6,453,717	73.67%
Supplies and Services	1,945,160	452,875	1,377,128	70.80%
Capital Outlay	679,650	333,980	548,481	80.70%
Total Operating Expenditures	\$11,384,830	\$2,872,923	\$8,379,326	73.60%

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

Noteworthy Accomplishments during this Quarter:

- Began contract negotiations with the firefighters' union, IAFF (International Association of Firefighters).
- Received Emergency Services Consulting International's (ESCI) final report regarding consolidation opportunities with the City of Albany Fire department. Results were presented to Council on March 19, 2012.
- Continued work on equipment installation for the department's e-learning initiative, which will allow crews to remain in quarters for training classes.
- Held a successful test of radio narrow-banding.
- Took delivery of two replacement ambulances.
- Began the process for 2010 Fire Code adoption.

Upcoming/Pending Items:

- Continue to work with the contracted architect on design of the planned new drill tower.
- Complete the e-learning project.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY10-11 ACTUAL	FY11-12 TARGET	3rd 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	1,094	4,727
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 total fire calls with a response time of 5 minutes or less from dispatch to arrival within city limits. ⁽¹⁾	82.0%	70.0%	59%	64%

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY10-11 ACTUAL	FY11-12 TARGET	3rd QTR ACTUAL	FY11-12 YTD
	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.	82.0%	60.0%	56%	60%
	Maintain operating costs per capita at or below that of comparator cities (\$146.60)	Total fire operating expenditures per capita.	\$151.37	<\$146.60	\$37.98	\$120.31
	Maintain false alarm rate at or below the 23% level experienced by ICMA comparators.	False Alarm malfunctions as a % of total non-EMS incidents. ⁽²⁾	21%	12%	9%	12.23%
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	\$7,691	\$8,041
	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	0.22	0.26

- (1) Fire call response times year-to-date are under target due to a recently discovered formula in the RMS software, which calculates response time based on the first unit dispatched to a call, which is typically a police unit. This formula was adjusted during April and will allow response times to be calculated based on the time a Fire unit is dispatched; moderate improvement in response time is expected.
- (2) The measurement shown is the percentage of false alarms to structure fires and is intended to address the number of alarm malfunctions; not all types of 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 year-to-date.

LIBRARY

Type of Expenditure	2011-12 Amended Budget	Unaudited 3rd Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$4,240,920	\$940,709	\$2,833,123	66.80%
Supplies and Services	2,301,610	450,419	1,414,905	61.47%
Capital Outlay	19,000	9,685	9,685	50.97%
Total Operating Expenditures	\$6,561,530	\$1,400,814	\$4,257,713	64.89%

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

Noteworthy Accomplishments during this Quarter:

- Staff held several eBook clinics where library users learned more about the Library2Go program and how to successfully use their devices to download audiobooks and eBooks. Book-A-Librarian sessions were also offered for users to learn about library resources.
- The audiobooks on cassette collection was eliminated due to low circulation and poor condition. Audiobooks will continue to be available on CD, Playaways, and by download via Library2Go.
- Staff filled several vacant positions including Community Library Specialists in Alsea and Monroe, the Access Services Manager, and the Adult Reference Librarian.
- Library staff received special recognition this quarter. A Library Specialist II received the 2012 First Citizen of Philomath award, which recognizes and honors service to the community. The Early Literacy Coordinator received the Linn Benton Chapter Oregon Association for the Education of Young Children 2012 Networking Award for outstanding contributions on behalf of Oregon's young children.
- Changes were implemented to the Bookmobile service including: additional stops at the RFP Store on Highway 99 and at Noah's Ark for their after school care program; and a "floating collection" concept was tested whereby feature film DVDs returned to the Bookmobile remained instead of being returned to their original check out location.
- Approximately 100 books were replaced at the Corvallis Public Library due to damage from roof leaks caused by excessive rain and wind.
- New door counters were installed at all public entrances, as well as elevators and stairs to the second floor. The information collected will provide details on how many people are entering the Library and what areas of the building are being used.
- Energy saving compact fluorescent bulbs were installed in the Belluschi wing. These bulbs use less energy and are rated to last 10,000 hours compared with the former 2,800 hour bulbs.
- Third quarter programming included the Gearing up for Gardening lecture series; a preschoolers' musical program with Charlie Hope; musician author Willy Vlautin; and a school's-out program focused on mystery books.

Upcoming/Pending Items:

- Conduct the annual volunteer appreciation event.
- Provide the National Library Week Star Wars program and associated activities.
- Plan and prepare for Summer Reading programs and activities.
- South Benton Library Project group to begin bid process for the construction of the new Monroe Library building as of the end of May.
- The Bookmobile is still listed for sale with the Specialty Vehicles Service company, however the Library is currently investigating other options for selling the unit.
- Continue building maintenance and special projects including:
 - The installation of new fire alarm system, with the award of bid scheduled for May.
 - The replacement of shake roof, with the original bids coming in significantly over budget, a new proposal to use asphalt shingles instead of cedar will be brought to the Human Services Committee in May.
 - The installation of a new chiller was bid and awarded, with the work to begin in the third quarter.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY10-11 ACTUAL	FY11-12 TARGET	3rd 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	\$2.67	\$2.78
	Circulate at least 30% more per FTE than other ICMA comparable libraries – ICMA average of 28,674.	Circulation per FTE. ⁽¹⁾	36,236	35,800	9,717	28,677
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	93%
	Be in the top 20% of circulation rates per capita of comparable ICMA libraries ≥ 15.7 .	Circulation rates per capita. ^(1,3)	18.98	19	4.92	14.44
	Increase number of interactions with the public per FTE by 2% over previous year.	Interactions with the public per FTE.	6,402	6,700	1,461	4,240
	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	.093	.095
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	6,354	21,763
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	607	1,826
	Provide the materials people want to use and keep them moving through the community.	Circulation per registered borrower. ⁽¹⁾	32.5	32.2	8.5	25.1

- (1) The ICMA definition of FTE which includes hours worked by regular & casual staff (which the City uses very infrequently). This measure is on track to exceed the annual target. Note that in the 2nd quarter an error was found in how Circulation statistics were being counted, which resulted in under-stating Circulation for the past several years. FY 11-12 YTD reflects the corrected amounts for any measures using circulation numbers.
- (2) The 2011 Citizen Attitude Survey was completed in November. Results are on the City's website. No additional data is collected in the 3rd quarter.
- (3) This ICMA Core measure uses Benton County population of 87,000, per PSU population report 03/2011. Measure is on track to meet or exceed goal.
- (4) The Library continues to utilize volunteers to keep up with demand for services. FY 11-12 YTD measure continues to exceed management's annual goal.
- (5) There are many programs for these groups during the first quarter (Summer Reading), but fewer programs at other times of the year. However, attendance at these programs continues to be strong; up about 6% from the same time last year.
- (6) This measure is not expected to meet the annual target with use of public computers decreasing 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 been reduced to 2,900 in FY 11-12 due to decreased open hours. This measure is down 29% from the same period last year. In FY 12-13 the goal and target will be evaluated so both align.

PARKS & RECREATION

Type of Expenditure	2011-12 Amended Budget	Unaudited 3rd Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$3,800,050	\$774,162	\$2,748,358	72.32%
Supplies and Services	2,278,820	457,138	1,481,476	65.01%
Capital Outlay	17,630	0	0	0.00%
Total Operating Expenditures	\$6,096,500	\$1,231,299	\$4,229,835	69.38%

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

Noteworthy Accomplishments during this Quarter:

- Administrative staff streamlined the department's payable process by instituting payment of nearly all invoices with the City's Purchasing Card. Staff is now better able to take advantage of discounts offered by vendors and pay more timely.
- Coordinated a volunteer clean-up day with CBUF to enhance beautification in the downtown area. Activities included litter pickup, weeding, and maintaining tree wells and curbs.
- Held public focus groups and conducted a survey to 4,000 random households to seek input for the Master Plan update.
- Coordinated with OSU students to construct a foot bridge to be installed at Bald Hill.
- Collaborated with 170 local area students to remove invasive species and plant trees at Village Green Park.
- Conservation Technix, who is consulting on behalf of the City, met with Philomath, Adair Village, Corvallis School District, and Benton County representatives to discuss a potential Parks & Recreation District.
- Completed the Valentine's Amazing Race fundraiser with over 200 citizen participants.
- Finished work on the Cost Recovery Model and Methodology project, which was presented and adopted by Council.
- Continued planning for the Senior Center's Spa Day fundraiser.
- Solicited permits for a tree thinning project at Kendall Natural Area. The thinning project will release trees with the most morphological potential, increase spacing to allow for under-story invasive species treatments, and increase ecosystem benefits provided by a healthier urban forest.
- Responded to winter storm damage incidents throughout the City's park system, particularly during the flood emergency.

Upcoming/Pending Items:

- Host an outreach booth for teen involvement in volunteer and recreation opportunities on April 18th.
- Work with Samaritan Heart & Vascular Institute on hosting a checkpoint booth at the May 19th Heart Chase event.
- Continue development of a Friends Group that may enable additional funding and support for Department services.
- Assist the consultant with finalizing a feasibility study for a Parks and Recreation Special District.
- Complete the Community Garden Master Plan.
- Work on consolidation of City/School District agreements; Tunison Park Rehabilitation Project; Shooting Star Trail Rehabilitation; Goal Setting for the Parks, Natural Areas and Recreation Board; Easements for the NW Natural Gas Loop; and the Parks & Recreation Master Plan update.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY10-11 ACTUAL	FY11-12 TARGET	3rd QTR ACTUAL	FY11-12 YTD
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. ⁽¹⁾	22,365 (10.75 FTE)	30,000 (14 FTE)	5,148 (2.48 FTE)	16,743 (8.05 FTE)
	Highlight the value of subsidized recreation at Osborn Aquatic Center.	Target cost per visit for subsidy at OAC. ⁽²⁾	\$3.09	\$3.00	\$4.87	\$4.14
	Highlight the value of subsidized recreation at Senior Center.	Target cost per visit for subsidy at the Senior Center. ⁽³⁾	\$5.07	\$5.00	\$4.00	\$6.92
	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 population.	\$89,170	\$80,000	\$17,255	\$62,035

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY10-11 ACTUAL	FY11-12 TARGET	3rd 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. ⁽⁴⁾	New	90 hours	45	102
Sustainability	Increase the utilization percentage of granted scholarships.	Percent of total scholarship value expended. ⁽⁵⁾	15%	20%	14%	23%
	Maintain or improve the ratio of acres per population of comparator cities.	Total park acres per 1,000 population. ⁽⁶⁾	33.2	30.1	31.9	31.9
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. ⁽⁷⁾	910/ 19,980	1,820/ 23,635	478/ 9,524	2,314/ 81,510

- (1) 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.
- (2) Higher than target value is partially attributable to changes in more systematic attendance data collection methodology as well as seasonality of revenues. Staff expect this rate to be on target by fiscal year end.
- (3) Visitation decreased in the first half due to a vacant recreation coordinator position at the Senior Center. However, this position was filled in third quarter resulting in an increase in visitation, which is expected to improve through fourth quarter.
- (4) Due to public involvement in Park's Cost Recovery Model process and other plans being written at this time, the department has already exceeded projections this fiscal year in this new category.
- (5) Healthy Kids/Healthy Community partners began promoting appropriate programs and reconfiguration of family assistance programs effective 9/1/11, thus Parks & Recreation has already exceeded its FY 11-12 target. Cost recovery will be used to offset the increased participation.
- (6) 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 a restatement of acres vs. deeds and has been trued up resulting in current acres of 1,733.6 and population of 54,460.
- (7) This is the first year Osborn Aquatic Center numbers are included, which is why FY 11-12 values are significantly higher than FY 10-11 and target.

POLICE

Type of Expenditure	2011-12 Amended Budget	Unaudited 3rd Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$10,013,319	\$2,374,496	\$7,130,276	71.21%
Supplies and Services	3,001,876	679,998	2,167,107	72.19%
Capital Outlay	114,580	0	55,401	48.35%
Total Operating Expenditures	\$13,129,775	\$3,054,493	\$9,352,783	71.23%

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:

- The City's Police Department was awarded CALEA reaccreditation until 2014 at the spring conference in Mobile, Alabama. The department also received a Merit Award for being accredited for 15 consecutive years.
- On February 11, Corvallis Police Department hosted a third annual Polar Plunge for Special Olympics at the Crystal Lake Boat Ramp. Over 350 people participated, raising an estimated \$54,000 for Special Olympics Oregon.

Upcoming/Pending Items:

- Recruitment for one full time public safety dispatcher opened in March. Testing and interviews will occur mid-April.
- Work continues on the radio interoperability and 700 MHz projects.
- The 911 Service District feasibility study final report was received from the consultant and will be presented to the 911 User Board and City Council in the fourth quarter.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY10-11 ACTUAL	FY11-12 TARGET	3rd 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	302	284
	Increase community safety by clearing part 1 criminal investigations.	Percentage of Part 1 Crimes Cleared.	Violent 49%	70%	72%	53%
			Property 14%	20%	25%	21%
	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. ⁽¹⁾	161	<90	158	159
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. ⁽²⁾	1.93	<2.50	.61	1.32	
Diversity	Increase diversity of applicant pool through targeted outreach efforts.	Number of new, targeted outreach efforts. ⁽³⁾	3	6	0	0
Community Involvement	Achieve at least an 85% rating of excellent or good in citizen attitude surveys.	Citizen satisfaction ratings of overall police services. ⁽⁴⁾	83%	85%	N/A	81%

- (1) Recruitment days above target due to the uncertainty that the vacant positions would be funded in FY 12-13. Once determined, recruitments were fulfilled or placed on hold. As a result of the budget process all remaining police officer vacancies will be placed on hold and no change is expected through the 4th quarter.
- (2) There have been only 72 accidents, or 1.32 per thousand, year-to-date. Comparison to national averages cannot be completed until cumulative data is compiled for the entire fiscal year.
- (3) Recruiting has been on hold due to budgetary impacts.
- (4) The 2011 Citizen Attitude Survey was completed in November and the results are posted on the City's website. No additional data is collected in the third quarter.

PUBLIC WORKS

Type of Expenditure	2011-12 Amended Budget	Unaudited 3rd Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$11,864,510	\$2,802,276	\$8,379,581	70.63%
Supplies and Services	16,987,640	3,101,683	9,906,577	58.32%
Capital Outlay	1,526,080	280,245	728,727	47.75%
Total Operating Expenditures	\$30,378,230	\$6,184,204	\$19,014,885	62.59%

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:

- Sought citizen input through a public survey and two stakeholder meetings on the Council goal to reduce the use of plastic bags in the community.
- Created and published a survey on the City website to gather public feedback on the Comcast franchise renewal.

- Presented a session on the development and implementation of the Transit Operating Fee at the Northwest Transportation Conference.
- Submitted the required first year monitoring report to the Oregon Department of State Lands (DSL) and the US Army Corps of Engineers on the construction of the Airport Shovel Ready wetlands mitigation site.
- Completed timber thinning operations on approximately 45 acres in the Corvallis forest for the purpose of improving forest health.
- Conducted a neighborhood meeting with northeast Corvallis residents to discuss the upcoming Corvallis-Albany Trail project.

Upcoming / Pending Items:

- Conduct a public meeting to gather input on the Comcast franchise agreement renewal.
- Submit a recommendation to the Administrative Services Committee (ASC) on the effort to reduce the use of single-use plastic bags in Corvallis.
- Publish an RFP for a Utility Rate Review to determine whether or not Corvallis should consider a different rate structure for water, wastewater, and storm water services.
- Complete a remodel at the Corvallis Airport to allow for after hours citizen access to the restrooms in the main hangar.
- Begin the process to identify appropriate transit system enhancements which are scheduled for implementation in September.
- Conduct the annual public tour of the Corvallis Forest.
- Facilitate a neighborhood meeting to discuss the water system pump station replacement project at 36th and Grant.
- Initiate the consultant contract for the design of Taylor Plant improvements and the 36th & Grant Pump Station replacement.
- Commence design work on the 9th Street Pedestrian Crossing, Sidewalk Infill, 12-13 Sanitary Sewer Rehabilitation Corvallis – Albany Train, and 12-13 Storm Drain Pipe Replacement project.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY10-11 ACTUAL	FY11-12 TARGET	3rd QTR ACTUAL	FY11-12 YTD
Cost Efficiency	Maintain transit costs below national average of \$2.70 per ride.	Costs per transit ride.	\$1.88	<\$2.70	\$1.38	\$1.59
	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	3.3%
		Percent of average annual water bill to median household income (\$74,200) ⁽¹⁾	0.42%	<0.45%	N/A	.35%
		Percent of average annual wastewater bill to median household income (\$74,200) ⁽¹⁾	0.60%	<0.65%	N/A	.56%
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	78%
	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	73.75%
	Encourage citizen input on Public Works projects and activities.	Number of public meetings held on department projects. ⁽³⁾	15	20	1	6

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY10-11 ACTUAL	FY11-12 TARGET	3rd QTR ACTUAL	FY11-12 YTD
Sustainability	Be among the top third of comparator cities for use of alternative fuels.	Percentage of vehicles and heavy equipment using alternative fuels. ⁽⁴⁾	35%	35%	N/A	N/A
	Maintain energy costs for wastewater treatment below the national average as determined by NACWA (\$166 per million gallons treated)	Energy cost per million gallons treated. ⁽⁴⁾	\$75.84	< \$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%	5.65%	4.40%

- (1) This is an annual measure calculated in the second quarter, no additional data collected in the third quarter.
(2) The 2011 Citizen Attitude Survey was completed in November and the results are posted on the City's website. No additional data collected on the third quarter.
(3) This measure is seasonally impacted, with the frequency of meetings increasing toward the end of the fiscal year. One neighborhood meeting was held to discuss the Albany to Corvallis multi-use path.
(4) These are annual measures calculated and reported on in the fourth quarter.
(5) Low percentage is reflective of no water main breaks or storage tank/reservoir projects during the first half of the year. The higher number for third quarter actual is reflective of the excessive rains and flooding the City experienced during that period.

NON-DEPARTMENTAL

Type of Expenditure	2011-12 Amended Budget	Unaudited 3rd Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$0	\$0	\$0	0.00%
Supplies and Services	1,367,300	294,255	921,472	67.39%
Capital Outlay	0	0	0	0.00%
Total Operating Expenditures	\$1,367,300	\$294,255	\$921,472	67.39%

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	Human Resources Manager (1)	Held open
COMMUNITY DEVELOPMENT	38.25	32.00	Building Inspector (2)	Held open
			Senior Planner (1)	Held open
			Project Coordinator (.75)	Held open
			Project Coordinator II (2)	Held open
			Engineering Technician III (.5)	Recruitment in process
FINANCE	34.75	33.80	Admin Specialist (.25)	Underfilled
			Court Clerk (.20)	Underfilled
			Accounting Specialist (.50)	Held Open
FIRE	69.00	66.00	Fire Engineer (1)	Recruitment not initiated
			Firefighter EMT (2)	Recruitment not initiated
LIBRARY	45.39	39.515	Shelver (.5)	Recruitment to be initiated
			Library Specialist II (2.25)	Recruitment to be initiated
			Community Library Specialist (.625)	Recruitment to be initiated
			Reference Librarian (1.50)	Recruitment in process
			Library Division Manager (1)	Recruitment in process
PARKS AND RECREATION	35.82	26.28	Recreation Coordinator (.50)	Recruitment initiated
			Admin Specialist (.50)	Held open
			Park Operations Specialist (.50)	Held open
			Seasonal Parks Worker (8.04)	Recruitment not initiated
POLICE	90.25	84.25	Police Chief (1)	Recruitment not initiated
			Public Safety Dispatcher (1)	Background in process
			Police Officer (3)	Held open
			Sr. Administrative Specialist (1)	Recruitment not initiated
PUBLIC WORKS	118.13	111.13	Administrative Specialist	Recruitment not initiated
			Engineering Supervisor (1)	Recruitment not initiated
			Engineering Technician III (1)	No recruitment at this time
			Program Specialist (.5)	Recruitment not initiated
			Program Specialist (.5)	Recruitment not initiated
			Public Works Director (1)	Recruitment not initiated
			Utilities Services Supervisor	Recruitment not initiated
			Utilities Treatment Plant Operator (1)	Recruitment not initiated
TOTALS	441.34	401.73		

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 third quarter, Capital Project year-to-date expenditures totaled \$4,956,086 or 40.48% of the \$12,242,808 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 (Cloverland Park)	<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

Special Use Facilities – Tennis Courts (Linus Pauling, former Westland Schools)	<u>4</u>
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	\$16,501
Fire Department Facilities Relocation	886,000	877,290	35,780
Municipal Buildings Rehabilitation	253,000	318,000	34,059
Carryover Adjustment - Unused Budget	0	148,000	0
TOTAL Buildings and Facilities	<u>\$1,639,000</u>	<u>\$1,673,000</u>	<u>\$86,341</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	76,650
Park Improvements - Existing	245,000	250,000	5,100
Riverfront Commemorative Park Signage	31,150	31,150	0
Special Use Facilities	20,000	20,000	7,980
Trails/Bike Paths	103,900	103,900	0
TOTAL Parks	<u>\$743,243</u>	<u>\$748,243</u>	<u>\$89,730</u>
STORM WATER	ADOPTED	AMENDED	Y-T-D
Storm Drain Replacement	\$141,310	\$162,885	\$147,529
Storm Water Retrofit	124,600	230,672	24,890
Storm Water Master Plan Projects	445,000	423,425	95,630
Utility and Street Improvements	15,000	15,000	0
TOTAL Storm Water Projects	<u>\$725,910</u>	<u>\$831,982</u>	<u>\$268,049</u>
TRANSPORTATION	ADOPTED	AMENDED	Y-T-D
9th Street Pedestrian Crossing	\$0	\$67,200	\$7,035
Advanced Transportation Management System	574,640	649,130	3,173
Circle Boulevard Pedestrian Activated Crossings	20,000	10,330	8,576
City Hall Parking	10,000	10,000	0
Covallis to Albany Trail	820,000	820,000	24,363
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	3,453
Sidewalk Safety	155,200	255,200	185,375
South 3rd Street/Crystal Lake Drive Improvements	25,000	25,000	0
Street Reconstruction	646,190	677,190	625,671
Traffic Signals	282,040	280,170	27,613
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>\$3,611,173</u>	<u>\$887,323</u>
WASTEWATER	ADOPTED	AMENDED	Y-T-D
Biosolids Storage Tank	\$20,000	\$20,000	\$0
Marys River Interceptor Improvements	948,130	948,130	681,029
Sanitary Sewer Line Rehabilitation	633,360	633,360	439,269
WWRP Electrical Equipment Replacement	1,377,780	1,290,770	1,254,734
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>\$2,375,032</u>
WATER	ADOPTED	AMENDED	Y-T-D
36th and Grant Water Pump Station Improvements	\$102,490	\$168,490	\$24,205
North Hills 1st Level Reservoir Improvements	1,838,850	1,788,850	929,932
Taylor Plant Facility Plan Projects	53,300	76,300	6,593
Water Distribution System Rehabilitation	300,000	292,000	288,880
West Corvallis Second Level Water	38,500	38,500	0
Utility and Street Improvements	33,000	2,000	0
TOTAL Water Projects	<u>\$2,366,140</u>	<u>\$2,366,140</u>	<u>\$1,249,610</u>
TOTAL All Areas	<u>\$11,819,633</u>	<u>\$12,242,808</u>	<u>\$4,956,086</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> \$16,501
<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> \$35,780
<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 consulting firm Peck Smiley Ettlin Architects of Portland, OR has completed the design development plans and estimate. The project budget has been carried over to FY 12/13.</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> \$34,059
<p>This project extends the life of municipal buildings through a planned program of rehabilitation projects. This fiscal year's adopted budget included 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>The Senior Center GHP project has been canceled and the Energy Efficient Community Block Grant (EECBG) funding has been transferred to the Library Chiller Replacement project to be completed this fiscal year. The Library masonry repair and seal work has been completed and tested for moisture seal certification. First floor LEB walkway will now be delayed until FY 14-15. The Library roof replacement has been carried over to FY 12-13.</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 conversations with the Greenbelt Land Trust to evaluate a potential acquisition or option that may meet the criteria for the Chip Ross Fund. Staff has also engaged in some preliminary conversations with representatives of some land in the Timberhill Area, which would meet the criteria for the Chip Ross Funds. These conversations have progressed during the third quarter.</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. Fundraising efforts for the large pool ultraviolet lights project continued during the third quarter, during which the OAC received a substantial donation towards this project.</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> \$76,650
<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.</p> <p>The pavers removed from the Central Park Plaza reconstruction were donated to Habitat for Humanity, and will be re-used as part of our sustainability effort. Installation of the new pavers has been completed and a drainage system was installed to ensure the plaza remained dry and the base remained intact. During the third quarter, the plaza was officially renamed to “Arts Center Plaza.” Additionally, staff worked with volunteers from CBUF to design and install the landscape component of the project. Benches and art work will be installed during the fourth quarter.</p> <p>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> \$5,100
<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. During the 3rd quarter, staff worked with a structural engineer to prepare the plans and documents necessary to apply for a building permit and met with Development Services to ensure the planning for this project met City requirements for the permit.</p> <p>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 has had discussions with OSU art students to participate in a neighborhood activity to paint a mural for Tunison Park. Design work for the park continued in the third quarter.</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. There has been no activity this fiscal year.</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> \$7,980
<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. Improvements to tennis courts at Linus Pauling and former Westland Schools have been rebudgeted to FY 14-15.</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. The grant for the Shooting Star trail improvements has been fully executed and staff received a notice to proceed from the Oregon State Parks. During the 3rd quarter, staff worked with the Oregon State Parks to make a simple revision to the grant agreement. Design will begin in the 4th quarter and construction is anticipated to occur in the 1st quarter of FY 12-13.</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> \$147,529
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 to be constructed in FY 12-13 is underway.				
<i>Storm Water Retrofit</i>	<u>CIP Doc Pg:</u> 41	<u>Adopted Budget:</u> \$124,600	<u>Amended:</u> \$230,672	<u>YTD Expended:</u> \$24,890
This project replaces the collection system in 4 th Street between C Street and the Highway 20/34 overpass including the construction of storm water treatment facilities. Construction of this project began in March and is expected to be completed in the fourth quarter. This project is primarily grant funded. ODOT increased the amount of available grant funding for additional improvements for a total project cost of \$230,670.				
<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> \$95,630
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. All construction and initial landscaping for water quality improvements on Beca Avenue is complete and staff is monitoring the project for plant health and effectiveness. Due to design issues for the installation of a bioswale at the Jefferson Way Storm Water Outfall at Oak Creek, the location has been deemed unfit for the current project scope. Stakeholders have been included in the decision making and are currently considering scope and / or location modification. 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. Staff worked with the Oregon Department of Fish and Wildlife to complete design for the removal of a fish barrier in Dunawi Creek at the box culvert on 35 th Street and submitted permit applications for State and Federal permits. Construction is expected to begin in September, if all permits are received.				
<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
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 3 rd quarter.				

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> \$7,035
This project will improve pedestrian crossing opportunities at selected locations along 9 th Street. A New Freedom grant was accepted by the City Council during the 1 st quarter to provide funding for this project. Design is 95% complete and being reviewed by the Utilities Division staff. Bid documents are expected to be completed in April and construction scheduled to begin in June.				
<i>Advanced Transportation Management System</i>	<u>CIP Doc Pg:</u> 53	<u>Adopted Budget:</u> \$574,640	<u>Amended:</u> \$649,130	<u>YTD Expended:</u> \$3,173
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 2 nd and 5 th Streets. The interagency agreement with ODOT has been fully executed and design is underway. Construction will occur next summer.				

<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> \$8,576
This project provides pedestrian crossings with activated signals along Circle Boulevard at the former Richey's Market location, Janssen and 17 th Streets. Construction work was substantially completed during the 4 th quarter of FY 10-11. Final ramp work has been completed in FY 11-12.				
<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
This project will investigate remote parking opportunities for downtown employees, including those at City Hall. This project will be carried over to FY 12-13, as some of the outcomes of the City / OSU Collaboration efforts could impact this project. Therefore staff believes it is best to let that process take its course before we look at options for remote parking.				
<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> \$24,363
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. City staff hosted a neighborhood meeting to present the project design and answer questions regarding the project. Final design is being prepared and construction is planned for the summer.				
<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
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 3 rd quarter.				
<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
This project provides electric vehicle charging stations at strategic locations in Corvallis. This project has not yet been initiated.				
<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
This project makes improvements to sidewalks and ADA ramps on Fillmore and Lincoln Avenues between 29 th and 30 th Streets to facilitate safe movement of pedestrians. Construction was completed during the 4 th 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.				
<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
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 has been re-budgeted in FY 12-13.				
<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> \$3,453
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 1 st quarter to provide funding for this project. Design is 50% complete and currently being reviewed by the Utilities Division staff. Construction is expected to occur in July.				

<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> \$185,375
<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 was to 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 been canceled as a result of the City being unable to obtain required ODOT permits in a cost effective manner. Given the fact that this intersection is under ODOT jurisdiction, ODOT is seeking funding to carry out this project.</p>				
<i>Street Reconstruction</i>	<u>CIP Doc Pg:</u> 87	<u>Adopted Budget:</u> \$646,190	<u>Amended:</u> \$677,190	<u>YTD Expended:</u> \$625,671
<p>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 9th Street between Jefferson and Monroe Avenues is complete; however, final payment will not be made until final punch list items are finished in the Spring, 2012. Design of the reconstruction of 11th Street north of Maple Street is planned for this fiscal year with construction in FY 12-13. The design of 11th Street reconstruction has been initiated.</p>				
<i>Traffic Signals</i>	<u>CIP Doc Pg:</u> 91	<u>Adopted Budget:</u> \$282,040	<u>Amended:</u> \$280,170	<u>YTD Expended:</u> \$27,613
<p>This project provides for design and construction of a signal at 26th Street and Western Boulevard intersection with funding provided by OSU. Signal poles and mast arms were received during the 2nd quarter and OSU has been billed.</p>				
<i>Utility and Street Improvements</i>	<u>CIP Doc Pg:</u> 95	<u>Adopted Budget:</u> \$200,000	<u>Amended:</u> \$135,000	<u>YTD Expended:</u> \$0
<p>These street assessments provide street improvements to existing properties or to new developments that are not currently being served. Assessment projects require that the costs of the projects be paid by the owners and may be initiated by the City or by the owners of the property who benefit. This project is also used to reimburse developer-financed projects where System Development Charge (SDC) participation is appropriate. There was no street related activity during the 3rd quarter.</p>				

WASTEWATER UTILITY

<i>Biosolids Storage Tank</i>	<u>CIP Doc Pg:</u> 101	<u>Adopted Budget:</u> \$20,000	<u>Amended:</u> \$20,000	<u>YTD Expended:</u> \$0
<p>This project provides for the replacement/rehabilitation of the existing biosolids storage tank and pumping system which are showing signs of age. 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. This project has been carried over to FY 12-13.</p>				
<i>Marys River Interceptor Improvements</i>	<u>CIP Doc Pg:</u> 103	<u>Adopted Budget:</u> \$948,130	<u>Amended:</u> \$948,130	<u>YTD Expended:</u> \$681,029
<p>This project provides for design and construction of a new parallel 42-inch interceptor from Western Boulevard to the outlet manhole for the Marys River Lift Station. Construction is complete.</p>				

<i>Sanitary Sewer Line Rehabilitation</i>	<u>CIP Doc Pg:</u> 105	<u>Adopted Budget:</u> \$633,360	<u>Amended:</u> \$633,360	<u>YTD Expended:</u> \$439,269
<p>This program annually replaces or rehabilitates sanitary sewers, which have exceeded their service lives and/or allow excessive amounts of extraneous rainwater or groundwater (inflow and infiltration) into the sewer system.</p> <p>The 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, has been completed. Staff has received complaints from residents of minor settlement of the service lateral backfill. The contractor has been notified and has agreed to return in April to add fill, adjust fence alignment issues and re-establish grass or landscaped areas associated with the settlement.</p> <p>Design work for projects to be constructed in FY 12-13 is complete and is advertising for bids to be opened at the end of March. Construction is scheduled to begin in July.</p>				
<i>WWRP Electrical Equipment Replacement</i>	<u>CIP Doc Pg:</u> 113	<u>Adopted Budget:</u> \$1,377,780	<u>Amended:</u> \$1,290,770	<u>YTD Expended:</u> \$1,254,734
<p>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).</p> <p>Construction is complete.</p>				
<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
<p>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 3rd quarter.</p>				

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> \$168,490	<u>YTD Expended:</u> \$24,205
<p>This project replaces the building and electrical equipment at the 36th Street and Grant Avenue water pump station. A contract for engineering/architectural services was awarded to West Yost Associates. Design is in progress, with construction planned for the summer.</p>				
<i>North Hills 1st Level Reservoir Improvements</i>	<u>CIP Doc Pg:</u> 131	<u>Adopted Budget:</u> \$1,838,850	<u>Amended:</u> \$1,788,850	<u>YTD Expended:</u> \$929,932
<p>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. Construction of seismic upgrades is complete. Reservoir exterior coating has been delayed until this summer.</p>				
<i>Taylor Plant Facility Plan Projects</i>	<u>CIP Doc Pg:</u> 135	<u>Adopted Budget:</u> \$53,300	<u>Amended:</u> \$76,300	<u>YTD Expended:</u> \$6,593
<p>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 contract for engineering / architectural services was awarded to West Yost Associates. Design is in progress and construction is planned for the summer, 2012.</p>				
<i>Water Distribution System Rehabilitation</i>	<u>CIP Doc Pg:</u> 137	<u>Adopted Budget:</u> \$300,000	<u>Amended:</u> \$292,000	<u>YTD Expended:</u> \$288,880
<p>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 complete. Design work for projects to be constructed in FY 12-13 has not yet been initiated.</p>				

<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
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> \$2,000	<u>YTD Expended:</u> \$0
These water assessments provide utility improvements to existing properties or to new developments that are not currently being served. Assessment projects require that the costs of the projects be paid by the owners and may be initiated by the City or by the owners of the property who benefit. This project is also used to reimburse developer-financed projects where System Development Charge (SDC) participation is appropriate. There were no water utility reimbursements in the 3 rd quarter.				

CORVALLIS CITY COUNCIL GOALS 2011-2012

PREFACE:

This is an update on work accomplished on Council Goals during the second 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. * By December 2012, the Council will enact code and policy changes corresponding with that direction.</p> <p><u>Accomplished through March 31, 2012:</u></p> <ul style="list-style-type: none"> • The first draft of the Community Garden Master Plan was completed. • The Community Development Department continues to provide planning staff support to Benton County’s Health Impact Assessment (HIA) Project related to local food and urban agriculture. Planning Staff are beginning to formulate recommended changes that could be made to the Land Development Code and other regulations to facilitate access to, and availability of, locally produced food. <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> • The Parks, Natural Areas and Recreation Board will review the Community Garden Master Plan at their June, 2012 meeting. City Council will review in July, 2012. • Following development of the recommended LDC changes, Planning Staff will schedule a public open house with the Planning Commission to allow for public comment on the recommendations. 	<p>Economic Vitality Governing and Civic Involvement Where we Live</p>
<p>By December 2011, the Council will consider action on recommendations by the Economic Development Commission concerning strategic priorities and funding sources for Economic Development initiatives.</p> <p><u>Accomplished through March 31, 2012:</u></p> <ul style="list-style-type: none"> • On January 17, 2012, the City Council approved the Economic Development Commission’s (EDC) Economic Development Strategy. • In February the EDC forwarded their staffing and budget recommendations to the City Manager. • Initial steps have been taken to develop a budget and staffing plan for the Economic Development program consistent with the EDC recommendations. <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> • Pending approval of FY 12-13 Budget. 	<p>Central City Economic Vitality Governing and Civic Involvement Where we Live</p>

Goals	Corvallis 2020 Vision Statement Categories
<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 March 31, 2012:</u></p> <ul style="list-style-type: none"> In January, the IGA was finalized, a Steering Committee was formed, and Eric Adams was hired as the Project Manager. The Steering Committee met twice in February where they updated the project timeline and discussed formation of the Work Groups. In March, Work Groups were formed for each of the issue areas, Parking/Traffic, Neighborhood Planning, and Neighborhood Livability, and several orientation meetings were held. <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> Two Neighborhood Outreach Meetings will be held in April. Workgroups will schedule regular meetings beginning in May. 	<p>Central City Education and Human Services Governing and Civic Involvement Protecting the Environment Where we Live</p>
<p>The Council will create a financially sustainable City budget.</p> <ul style="list-style-type: none"> * Amend compensation policies to align total employee compensation with available City revenue. * Develop new sources of revenue that align with the cost of desired City services. <p><u>Accomplished through March 31, 2012:</u></p> <ul style="list-style-type: none"> The City Council approved a new financial plan model for the property tax funds that aligns recurring revenue with recurring expenditures to better see whether the City's financial plan is sustainable. The Administrative Services Committee completed work on revised Financial Policies and the City Council adopted the updates. The City Council adopted revised policies on Compensation and Separation. <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> Complete work on the FY 12-13 budget process that balances the budget and increases reserves according to Council Financial Policies. 	<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"> Distributed the Annual City Report Card as a special issue of "the City" newsletter. Parks and Recreation held four community focus groups and conducted a public survey seeking input for the Department's Master Plan update. Public Works conducted a neighborhood meeting in NE Corvallis to present preliminary design information for the Corvallis to Albany trail project. Public Works sought citizen input through a public survey and three stakeholder meetings on Council's direction to reduce the use of single-use plastic bags in the community. Public Works created and published a survey to the City Web site to gather public feedback on the renewal of the Comcast franchise. Public Works' Adopt-a-Path program has resulted in numerous inquiries and the adoption of two new segments of path by area residents. Community Development Staff worked with members of the Committee for 	

Goals	Corvallis 2020 Vision Statement Categories
<p>Citizen Involvement (CCI) to develop a new quarterly meeting format that will provide better opportunities for the public to become informed about the City's regulations and processes that relate to land use decisions.</p> <ul style="list-style-type: none"> • Sustainability: <ul style="list-style-type: none"> ○ Parks and Recreation secured a donated water meter to be installed at the Aquatic Center that will improve tracking water usage ○ Transit ridership for this quarter was 314,463 compared to 250,608 for the 3rd quarter in FY 2010/11, reflecting a twenty percent increase. ○ Public Works initiated construction on the 4th Street storm water retrofit project which will use a unique water quality system involving special catch basins and street trees. ○ Friends of the Library book sales provided book re-use opportunities for the community and raised funds for library services. ○ The hanging light fixtures in the Library Belluschi wing have been outfitted with energy saving compact fluorescent bulbs. These single bulbs replace the old combination of one 300 watt bulb plus four 13 watt CFLs in each fixture. The new bulbs are rated to last 10,000 hours compared with the 2800 hours on the old bulbs. • Diversity: <ul style="list-style-type: none"> ○ Promoted the Employer Partnership for Diversity trainings to City employees entitled "Moving Beyond He Said-She Said: Gender Differences and Communication in the Workplace" and "Changing Face of America: the Rise of Social Media" ○ The Arts and Culture Commission developed a program that connects people with low incomes with low cost tickets to arts and culture events. ○ A Book Club aimed at Lesbian, Gay, Bi-Sexual, Transgendered, Questioning (LGBTQ) youth was begun at the library ○ Library staff presented <u>Literacy and Culture at Your Local Library</u> as part of the workshop <i>Cultural Awareness when Working with Families</i> sponsored by Parent Enhancement Program, Strengthening Rural Families, and LBCC. • Cost Efficiency: <ul style="list-style-type: none"> ○ Conducted three Healthcare Primer sessions for employee unit leadership. ○ Parks and Recreation began implementation of the newly adopted Cost Recovery policy and methodology. ○ Parks and Recreation negotiated payment for NW Natural Gas temporary and permanent easements which will fund identified deferred maintenance and ADA projects. ○ Parks and Recreation developed a sponsorship package to help offset the costs of events. ○ Friends of the Library donated over \$80,000 to the Library in 2011. 	