

FIRST QUARTERLY OPERATING REPORT

FISCAL YEAR 2013-2014

EXECUTIVE SUMMARY

November 21, 2013

The Quarterly Operating Report is usually 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. 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.
- 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 13-14 budget was prepared and adopted during challenging economic times and in a highly fiscally constrained environment for the City. While the economy has seen some improvement, high unemployment prevails, and property values are rising slowly. Development continues to be more commercial than residential focused. Also, lower than historical revenues in both FY 11-12 and FY 12-13 were taken into account when developing the budget. Despite these factors, demand for many City services continues to be strong, which in the face of the relatively flat or declining revenue stream continues to have a negative impact on fund balances across the organization. While November saw the passage of a 5-year City operating levy, the funds will not be available for another year and are mostly for very specific services.

The Federal Open Market Committee (FOMC) September press release suggests that the economy has again expanded at a moderate pace since it met last quarter. With the unemployment rate still elevated, labor market conditions have persistently shown signs of improvement. Corvallis continues to fare better than the State and the Nation as far as its unemployment rate. Advancements have been seen in both household spending and the housing sector, but climbing mortgage rates and fiscal policy have restricted economic growth. Despite the extent of federal fiscal reductions, the FOMC sees progress in economic activity and labor market conditions since it began its asset purchase program a year ago to promote broader economic strength. The FOMC will closely monitor developments in coming months and will employ its policy tools as appropriate; in particular, maintaining the target range for the federal funds rate at the 0% to .25% range as long as the national unemployment rate remains above 6.5%, and inflation projections deviate from their objective of 2%.

The City's financial performance through the first quarter of the fiscal year generally has been as expected, with operating expenditures at 23% of budget, and in line with FY 12-13 spending levels. Percentages of budgeted revenues are up nearly 4% from the prior year; in spite of the \$1.44 million property tax refund paid to Hewlett-Packard (HP) in the first quarter. In May of FY 12-13, the City was notified that HP, the City's largest single taxpayer, had prevailed in its appeal of the 2008, 2009, and 2010 tax assessments, which was anticipated to result in a \$9 million refund, the City's share of which was estimated at \$2.1 million, including interest if owed. Based on the valuation reduction, the City's permanent rate levy was projected to bring in about \$630,000 less in FY 13-14 revenue than was actually received in FY 11-12. The Adopted Budget as reflected in the General Fund financial plan is a reflection of the 3% assessed value growth allowance on a much lower tax base, with no significant new taxable development in the face of a continuing stagnant economy, and additional industrial depreciation. Since quarter end, taxes have been certified and the underlying property values came in a bit higher than projected. However, there remain many unknowns with respect to appeals by large tax payers that may continue to negatively impact property tax collections this fiscal year.

There has been an increase in Charges for Services, including System Development Charges (SDC), which is largely driven by development project application fees, but is higher in nearly all funds, contributing to nearly a \$2.1 million increase over this time last year and a significantly greater percentage of budget overall than forecast. Miscellaneous revenue received is also greater than this time last year, primarily due to receipts related to unanticipated housing and SDC loan payoffs, increased bad debt recovery on delinquent ambulance billing accounts, and some sizeable donations.

As of the end of the first quarter for the fiscal year, total expenditures are 21.76% of budget, and approximately \$4.5 million higher than last year's spending levels. The increase over last year's actuals is primarily due to transfers for capital improvement projects that are underway, such as the Coronado sub-division neighborhood park and various projects for water and wastewater treatment. Community Development CDBG/HOME grant-related expenditures were higher in FY 13-14 when compared to the prior year since a significant portion of FY 12-13 projects were delayed and carried forward to this fiscal year.

The following table compares year-to-date actuals with budget for all funds in both FY 13-14 and FY 12-13:

REVENUE	AMENDED BUDGET	1st Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	AMENDED BUDGET	1st Quarter FY 12-13	Y-T-D FY 12-13	FY 12-13 % REC/EXPEND
Budgeted Fund Balance	\$36,856,854							
Property Taxes	\$21,994,360	-\$1,311,317	-\$1,311,317	-5.96%	\$23,904,680	\$142,684	\$142,684	0.60%
Other Tax	1,372,600	264,590	264,590	19.28%	1,270,650	254,069	254,069	20.00%
Licenses/Permits	9,079,840	1,913,030	1,913,030	21.07%	8,740,150	1,719,065	1,719,065	19.67%
System Development Charges	3,266,130	1,372,798	1,372,798	42.03%	1,989,780	462,171	462,171	23.23%
Charges for Service	38,736,850	10,957,202	10,957,202	28.29%	37,738,370	9,795,765	9,795,765	25.96%
Intergovernmental	17,306,344	1,658,939	1,658,939	9.59%	17,335,633	883,615	883,615	5.10%
Fines/Forfeitures	1,202,630	258,370	258,370	21.48%	1,283,410	257,565	257,565	20.07%
Miscellaneous	2,162,880	549,806	549,806	25.42%	2,767,850	334,292	334,292	12.08%
Other Financing Sources/Transfers in	19,695,047	4,586,563	4,586,563	23.29%	24,023,308	2,119,632	2,119,632	8.82%
TOTAL CURRENT REVENUE	\$114,816,681	\$20,249,981	\$20,249,982	17.64%	\$119,053,831	\$15,968,858	\$15,968,858	13.41%
EXPENDITURE BY DEPARTMENT								
City Manager's Office	\$3,297,010	\$1,254,260	\$1,254,260	38.04%	\$3,302,670	\$1,151,285	\$1,151,285	34.86%
Community Development	7,919,050	1,727,040	1,727,040	21.81%	7,506,640	1,229,304	1,229,304	16.38%
Finance	5,005,060	1,107,394	1,107,394	22.13%	4,790,210	1,172,418	1,172,418	24.48%
Fire	10,485,960	2,663,141	2,663,141	25.40%	10,455,220	2,493,179	2,493,179	23.85%
Library	5,878,150	1,414,233	1,414,233	24.06%	6,054,010	1,382,668	1,382,668	22.84%
Park & Recreation	6,173,360	1,734,097	1,734,097	28.09%	6,080,310	1,609,688	1,609,688	26.47%
Police	13,343,410	3,240,900	3,240,900	24.29%	13,031,970	3,379,441	3,379,441	25.93%
Public Works	30,759,350	6,249,330	6,249,330	20.32%	29,744,922	6,230,141	6,230,141	20.95%
Non-Departmental	1,449,420	343,206	343,206	23.68%	1,512,927	351,395	351,395	23.23%
TOTAL OPERATING EXPENDITURES	\$84,310,770	\$19,733,601	\$19,733,601	23.41%	\$82,478,879	\$18,999,519	\$18,999,519	23.04%
Debt Service	\$7,245,970	\$960,550	\$960,550	13.26%	\$4,734,140	\$845,843	\$845,843	17.87%
Capital Projects	10,229,889	1,604,018	1,604,018	15.68%	9,687,779	493,016	493,016	5.09%
Transfers Out / Other Financing Uses	19,665,047	4,507,243	4,507,243	22.92%	26,348,831	1,981,855	1,981,855	7.52%
Contingencies/Reserves	1,727,790	0	0	0.00%	1,611,260	0	0	0.00%
TOTAL ALL EXPENDITURES	\$123,179,466	\$26,805,412	\$26,805,412	21.76%	\$124,860,889	\$22,320,233	\$22,320,233	17.88%
CURRENT REVENUES LESS TOTAL EXPENDITURES	(\$8,362,785)	(\$6,555,431)	(\$6,555,430)		(\$5,807,058)	(\$6,351,375)	(\$6,351,375)	

In general, the status of the City's finances was in line with expectations for first quarter. Revenues total \$20,249,982, and are at 17.64% of the Amended Total Revenue Budget of \$114,816,681. The HP property tax refund primarily accounts for the lag in revenue received at this point in the fiscal year. The Amended Budget reflects the adopted budget, plus any amendments approved by the City Council via resolution during the course of the fiscal year. In the first three months of FY 13-14, the following amendments to the budget were approved:

Date	Amendment Type	Resource	Fund	Department	Net Expenditure Impact
8/19/2013	Res - Grant	Benton County Foundation	General	Parks & Recreation	\$ 9,130
8/19/2013	Res - IGA	IGA Oregon Dept of Aviation	Airport	Public Works	\$ 322,000
9/3/2013	Res - Grant	ODOT Grant	Airport-CIP	Public Works	\$ 93,104
Total Increase					<u>\$ 424,234</u>

Significant revenue highlights include:

- **Property taxes** totaled -\$1,311,317 through the first quarter, which equals -5.96% of the budgeted property tax revenue. First quarter includes the \$1.44 million refund paid out to HP due to their successful valuation appeal in late FY 12-13. Budgeted property tax revenues are about \$2 million less than last fiscal year's budget, and are expected to be nearly \$1 million lower than what was received by year-end FY 12-13, due primarily to the outcome of the HP valuation appeal.
- **Other Taxes** are collected from hotels in the form of room taxes and totaled \$264,590 or 19.28% of budget and are slightly higher in total compared to last fiscal year due to good attendance at fall sporting events and some signs of mild economic recovery.

- **Licenses, Fees and Permits** totaled \$1,913,030 which represents 21.07% of the amended budget and is slightly higher as a percentage of budget received when compared with the same time last year. The largest portion of this category is franchise fees, which appears to be underperforming in the first quarter, but is at typical levels due to some first quarter receipts that are accrued back to the prior fiscal year. The transportation maintenance and sustainability initiative fees, as well as Development Services permit fees are performing at or above target for the first quarter.
- **System Development Charges** were \$1,372,798 which represents 42.03% of the amended budget and is substantially higher than anticipated this year due to OSU-related activity. In both FY 13-14 and the latter part of FY 12-13, the higher percentage of actuals YTD compared to budget was due to un-forecasted increased development for off-campus student housing. SDC income, being of restricted use, has been isolated here and in the income statements from “other charges for service” so as to ensure the understanding that this significant incremental dedicated funding source is not available for operational spending.
- **Charges for Services** (not including SDC’s) were \$10,957,202, which represents 28.29% of the amended budget. This revenue type is slightly above target as a percentage of budget and mostly attributable to Development Services Fund plan reviews and Water Fund metered revenue.
- **Intergovernmental** revenues are below target at \$1,658,939 and 9.59% of budget but are higher as actuals and a percentage of budget than the same time last year. The receipt of grant monies tends to be volatile and highly dependent on timing of related expenditures.
- **Fines & Forfeiture** receipts related to Municipal Court are in line with last year, but ended up low as a percentage of budget in both years due primarily to reduced staffing at Municipal Court and less success with delinquent account collections than originally anticipated. While some improvement continues to be noted from concentrated efforts related to collections in the past several years, after turning over about \$2.2 million in traffic and \$535,000 in parking delinquencies, these accounts still have 88% and 61% of their respective balances outstanding.
- **Interest earnings** totaled \$61,494 at the end of the first quarter, which represents 26.24% of budgeted interest and is about 93% of last year’s earnings at this same point in time. The City’s investment advisory firm has helped bolster what earnings there are in this category; however, the market continues to hover at historic lows, and this situation is expected to prevail through at least mid-2015 according to the Federal Open Market Committee.

Operating expenditures for all funds totaled \$19,733,601 or 23.41% of the Amended Operating Expenditure Budget which is slightly higher than last year in total dollars expended and as a percentage of budget. The most notable increase was seen in Community Development with approximately \$500K in additional expenditures related to CDBG/HOME projects that were carried over from FY 12-13.

Non-operating expenditures, which include capital projects, transfers, debt service, and contingency, totaled \$7,071,811 or 18.19% of the \$38,868,696 Amended Non-Operating Budget. In total, expenditures through the first quarter were \$26,805,412 or 21.76% of the \$123,179,466 budgeted, compared to 17.88% for the first quarter of last fiscal year. A breakdown of departmental expenditures by category is provided below:

OPERATING EXPENDITURES BY DEPARTMENT

DEPARTMENT	AMENDED BUDGET	PERSONNEL SERVICES	SUPPLIES & SERVICES	CAPITAL OUTLAY	TOTAL EXPENDITURES	% OF AMENDED BUDGET
<i>Total Budget by Category</i>		\$47,359,300	\$34,736,840	\$2,214,630	\$84,310,770	
City Manager's Office	\$3,297,010	\$313,484	\$940,776	\$0	\$1,254,260	38.04%
Community Development	7,919,050	907,910	819,129	0	1,727,040	21.81%
Finance	5,005,060	790,375	317,020	0	1,107,394	22.13%
Fire	10,485,960	2,220,573	442,568	0	2,663,141	25.40%
Library	5,878,150	1,009,808	404,425	0	1,414,233	24.06%
Parks & Recreation	6,173,360	1,183,857	538,104	12,136	1,734,097	28.09%
Police	13,343,410	2,400,812	840,088	0	3,240,900	24.29%
Public Works	30,759,350	2,707,658	3,508,752	32,920	6,249,330	20.32%
Non Department	1,449,420	0	343,206	0	343,206	23.68%
TOTAL	\$84,310,770	\$11,534,477	\$8,154,068	\$45,057	\$19,733,601	23.41%
Percent of Budget		24.36%	23.47%	2.03%	23.41%	

Significant expenditure highlights include:

- Personnel Services** totaled \$11,534,477 or 24.36% of the amended budget of \$47,359,300. While there are 2.33 less authorized FTE in FY 13-14 vs. FY 12-13, the personnel services budget in FY 13-14 has increased by over \$1.1 million due to contractual COLA increases for CPOA (2.5%) and IAFF (2.0%), as well as an overall 5.8% increase in benefits, which include PERS/OPSRP and healthcare costs. AFSCME contract negotiations have not yet been finalized, but any contractual increases will need to be offset by other savings and/or reductions.
- Supplies and Services** totaled \$8,154,068 or 23.47% of the amended budget of \$34,736,840. The dollars spent in FY 13-14 are roughly \$900,000 more than the amount spent in FY 12-13 due in part to the Economic Development program in the City Manager's Office not being fully staffed during Q1 of FY 12-13; increased CDBG/HOME spending in Q1 of FY 13-14; and increased purchases of water treatment chemicals and supplies by Public Works due to the dry summer in 2013.
- Capital Outlay** totaled \$45,057 or 2.03% of the amended budget of \$2,214,630. While this is low as a percentage of budget, capital purchases do not tend to follow a regular pattern other than to sometimes weight toward the end of the fiscal year, if practical, to ensure that sufficient budget remains for the acquisition. Several purchases are still on schedule for this fiscal year, such as replacements for three patrol vehicles, two transit buses, and two dump trucks for utilities.

NON OPERATING EXPENDITURES

- Capital projects** totaled \$1,604,018 or 15.68% of the amended budget of \$10,229,889. 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. Several projects have been carried forward to FY 13-14 from FY 12-13.
- Debt service** payments totaled \$960,550 or 13.26% of the total budget of \$7,245,970, which is up from the 11.88% spent this time last year. However, FY 13-14 includes the early payoff of the

Airport Fund's loan, which saved about \$2,500 in interest by paying in July rather than on its next payment date in December, and saved the Fund another \$9,600 compared to the original schedule.

- **Transfers and Other Financial Uses** totaled \$4,507,243 or 22.92% of the amended budget of \$19,665,047. The majority of the transfers are related to capital projects. See the Capital Improvement Program section for information on the status of capital projects.

Please note that a [reader's guide](#) to some of the terminology used throughout the report is available through the hyperlink provided. 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@corvallisoregon.gov.

Nancy Brewer
Finance Director

GENERAL FUND

REVENUE	AMENDED BUDGET	1st Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	1st Quarter FY 12-13	Y-T-D FY 12-13	FY 12-13 % REC/EXPEND
Budgeted Fund Balance	\$6,265,564						
Property Taxes (1)	\$18,975,500	(\$1,247,274)	(\$1,247,274)	-6.57%	\$142,684	\$142,684	0.68%
Other Tax	1,372,600	264,590	264,590	19.28%	254,069	254,069	20.00%
Licenses/Permits	5,925,060	919,148	919,148	15.51%	849,412	849,412	14.88%
Charges for Service	5,879,940	1,438,489	1,438,489	24.46%	1,278,595	1,278,595	21.83%
Intergovernmental (2)	4,207,850	210,411	210,411	5.00%	195,492	195,492	4.54%
Fines/Forfeitures (3)	749,530	167,380	167,380	22.33%	170,916	170,916	20.59%
Miscellaneous (4)	509,820	141,132	141,132	27.68%	117,423	117,423	20.38%
Other Financing Sources (5)	6,755,405	166,243	166,243	2.46%	166,502	166,502	5.85%
TOTAL CURRENT REVENUE	\$44,375,705	\$2,060,119	\$2,060,119	4.64%	\$3,175,093	\$3,175,093	7.49%
EXPENDITURE BY DEPARTMENT							
City Manager's Office (6)	\$326,250	\$66,051	\$66,051	20.25%	\$16,283	\$16,283	4.29%
Community Development	1,309,840	287,856	287,856	21.98%	306,784	306,784	23.39%
Finance	646,770	163,441	163,441	25.27%	153,936	153,936	24.44%
Fire	10,485,960	2,663,141	2,663,141	25.40%	2,493,179	2,493,179	23.85%
Library	5,878,150	1,414,233	1,414,233	24.06%	1,382,668	1,382,668	22.84%
Parks & Recreation (7)	6,173,360	1,734,097	1,734,097	28.09%	1,609,688	1,609,688	26.47%
Police	10,649,520	2,621,368	2,621,368	24.61%	2,756,969	2,756,969	26.26%
Public Works (2)	1,026,260	151,517	151,517	14.76%	267,250	267,250	21.93%
Non-Departmental	1,448,070	342,356	342,356	23.64%	351,395	351,395	25.80%
TOTAL OPERATING EXPENDITURES	\$37,944,180	\$9,444,060	\$9,444,060	24.89%	\$9,338,152	\$9,338,152	24.83%
Debt Service (8)	\$243,180	\$220,530	\$220,530	90.69%	\$218,342	\$218,342	89.53%
Transfers / Other Financing Uses (5)	6,899,715	460,206	460,206	6.67%	530,525	530,525	17.11%
Contingencies/Reserves	630,000	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$45,717,075	\$10,124,796	\$10,124,796	22.15%	\$10,087,019	\$10,087,019	24.32%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$1,341,370)	(\$8,064,678)	(\$8,064,678)		(\$6,911,926)	(\$6,911,926)	

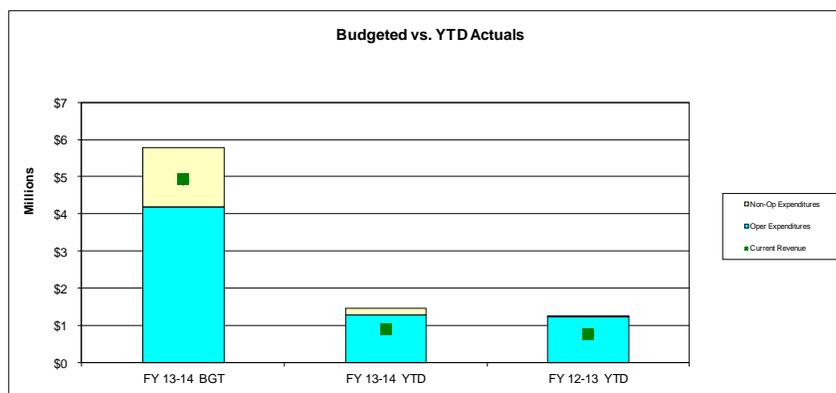
- (1) Collection of current year property taxes does not commence until the second quarter of the fiscal year. Revenues earned in the first quarter typically represent delinquent taxes from prior years; in FY 13-14, those revenues have been offset by an approximate \$1.44 million refund to Hewlett-Packard as a result of this company's successful property valuation appeal.
- (2) Intergovernmental revenue receipts are consistent with the prior year, but low as a percentage of budget, due to grant projects not yet started and/or completed that are reimbursable in nature. This also explains below budget spending for Public Works related to the EECBG and EPA grants YTD. Additionally there have not yet been any turnovers from the Benton County Library District, which is typical; first turnovers occur in the last two months of the calendar year.
- (3) Traffic fine revenue is under-performing FY 12-13 levels and is not keeping pace with anticipated FY 13-14 budget, which is attributed to prior year staffing reductions at Municipal Court, and less success with delinquent account collections than originally anticipated. Additionally, there were fewer civil penalties and nuisance alarms in Q1 as compared to the same time last year.
- (4) Miscellaneous revenue is trending higher than budget due to earlier and larger than expected receipts of various Parks & Recreation (P&R) non-intergovernmental grants; an unforeseen reimbursement from the District Attorney's Office; and higher than expected donations/contributions in P&R and Library (for summer reading program) early in the fiscal year.
- (5) Other Financing Sources and Uses include pass-through agency receipts and payments related to State-mandated surcharges for Municipal Court fines and Community Development permit surcharges. Other sources are from property tax transfers from the 2011 Operating Levy (mostly collected in the second quarter). Uses include transfers for pension obligation bond (POB) payments and capital projects. More information on the status of the Capital Improvement Program (CIP) is in a later section.
- (6) The Economic Development (ED) program, housed in the City Manager's Office, was new in FY 12-13. Expenditures are greater this fiscal year over last since one of the two ED positions was vacant for most of FY 12-13.
- (7) P&R budget is more than 25% expended due to the typical increased use of casual and seasonal labor in the summer months. By year-end P&R spending is expected to align with its operating budget. Expenses are higher in FY 13-14 vs. 12-13 at this time, due to vacant positions that have been filled in FY 13-14 and more special project spending earlier in the fiscal year.
- (8) The majority of Debt Service spending occurs in the first quarter with principal and interest loan payments for the 2010 CIP Loan. The remaining budget is scheduled to be paid out with an interest only payment in the second quarter.

COMBINED STREET FUND*

REVENUE	AMENDED BUDGET	1st Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	1st Quarter FY 12-13	Y-T-D FY 12-13	FY 12-13 % REC/EXPEND
Budgeted Fund Balance	\$3,317,863						
Licenses/Permits	\$632,640	\$172,555	\$172,555	27.28%	\$153,111	\$153,111	25.12%
System Development Charges (1)	559,350	131,471	131,471	23.50%	84,061	84,061	16.06%
Charges for Service (2)	246,100	61,137	61,137	24.84%	47,202	47,202	18.78%
Intergovernmental (3)	3,464,790	506,088	506,088	14.61%	488,728	488,728	14.32%
Fines/Forfeitures (4)	1,000	4,130	4,130	413.00%	478	478	47.80%
Miscellaneous (5)	18,390	31,224	31,224	169.79%	4,503	4,503	52.61%
TOTAL CURRENT REVENUE	\$4,922,270	\$906,605	\$906,605	18.42%	\$778,083	\$778,083	16.19%
EXPENDITURE BY DEPARTMENT							
Community Development	\$22,120	\$4,317	\$4,317	19.52%	\$4,667	\$4,667	22.20%
Public Works (6)	4,170,440	1,278,441	1,278,441	30.65%	1,216,061	1,216,061	30.37%
TOTAL OPERATING EXPENDITURES	\$4,192,560	\$1,282,758	\$1,282,758	30.60%	\$1,220,728	\$1,220,728	30.33%
Transfers (7)	\$1,513,550	\$183,060	\$183,060	12.09%	\$42,800	\$42,800	3.01%
Contingencies/Reserves	73,180	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$5,779,290	\$1,465,818	\$1,465,818	25.36%	\$1,263,528	\$1,263,528	22.83%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$857,020)	(\$559,213)	(\$559,213)		(\$485,445)	(\$485,445)	

* Includes Street SDC Fund

- (1) System Development Charges are trending higher this fiscal year due to continued building of multi-family housing and various other new development projects.
- (2) Other Charges for Service revenue is up mostly due to several street maintenance projects being completed in the first quarter, including work done on parking lots, slurry seal, and an ADA ramp on Campus Way.
- (3) Intergovernmental revenue consists of state and federal grants, as well as state highway taxes. Though consistent with last year's levels, both years appear low in comparison to budget mostly due to the lag for prior year accruals of State Shared Revenue receipts for Highway Tax.
- (4) The Fines/Forfeitures category includes penalty fees and restitution payments, and is therefore dependent upon the timing of citations and damage. First quarter of FY 13-14 includes unanticipated reimbursement for bridge repairs.
- (5) Miscellaneous revenues are higher than budget and last fiscal year due to an unanticipated payoff of an SDC that was financed under a City loan program. This category tends to fluctuate year over year since it is comprised primarily of interest on investments (based on proportionate average daily cash balance for the fund).
- (6) Special project expenditures include those associated with the Sustainability Initiative Fee (SIF) and Transportation Maintenance Fee (TMF) programs. At the end of the first quarter, TMF was complete, expending its entire budget, and all Sidewalk Safety citizen requests were complete.
- (7) Transfers include this fund's portion of the semi-annual debt service payments for the POBs, 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 updates on capital projects.

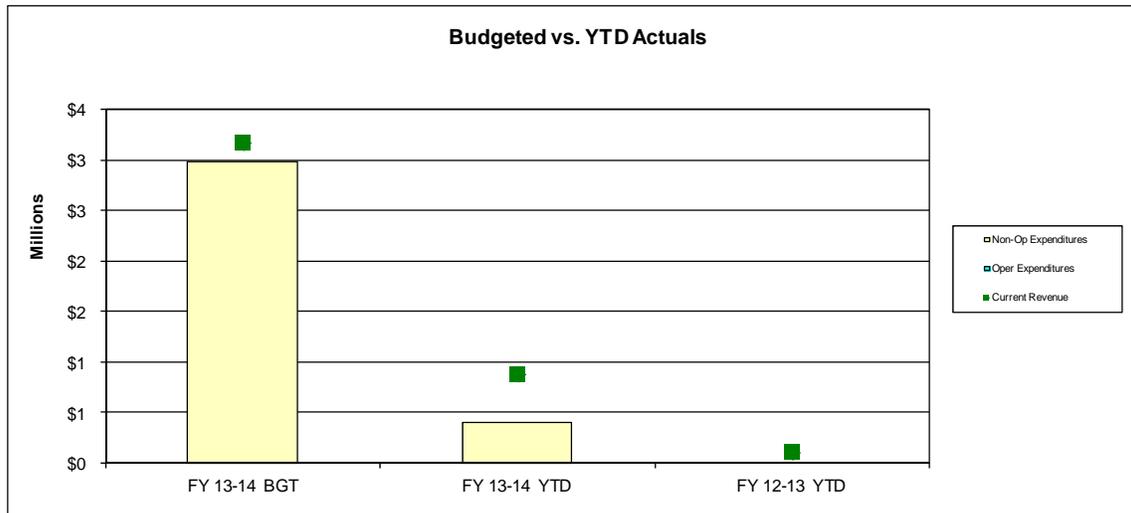


PARKS SYSTEM DEVELOPMENT CHARGE FUND

REVENUE	AMENDED BUDGET	1st Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	1st Quarter FY 12-13	Y-T-D FY 12-13	FY 12-13 % REC/EXPEND
Budgeted Fund Balance	\$0						
System Development Charges (1)	1,170,000	814,982	814,982	69.66%	104,792	104,792	34.93%
Miscellaneous (2)	21,250	67,067	67,067	315.61%	2,859	2,859	58.59%
Other Financing Sources (3)	1,979,542	0	0	0.00%	0	0	0.00%
TOTAL CURRENT REVENUE	\$3,170,792	\$882,049	\$882,049	27.82%	\$107,651	\$107,651	35.31%
EXPENDITURE BY DEPARTMENT							
Transfers (3)	\$995,020	\$400,000	\$400,000	40.20%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$995,020	\$400,000	\$400,000	40.20%	\$0	\$0	0.00%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	\$2,175,772	\$482,049	\$482,049		\$107,651	\$107,651	

* Prior to FY 13-14, Parks SDCs were its own component fund under Parks & Recreation. As of FY 13-14 this is no longer a component fund.

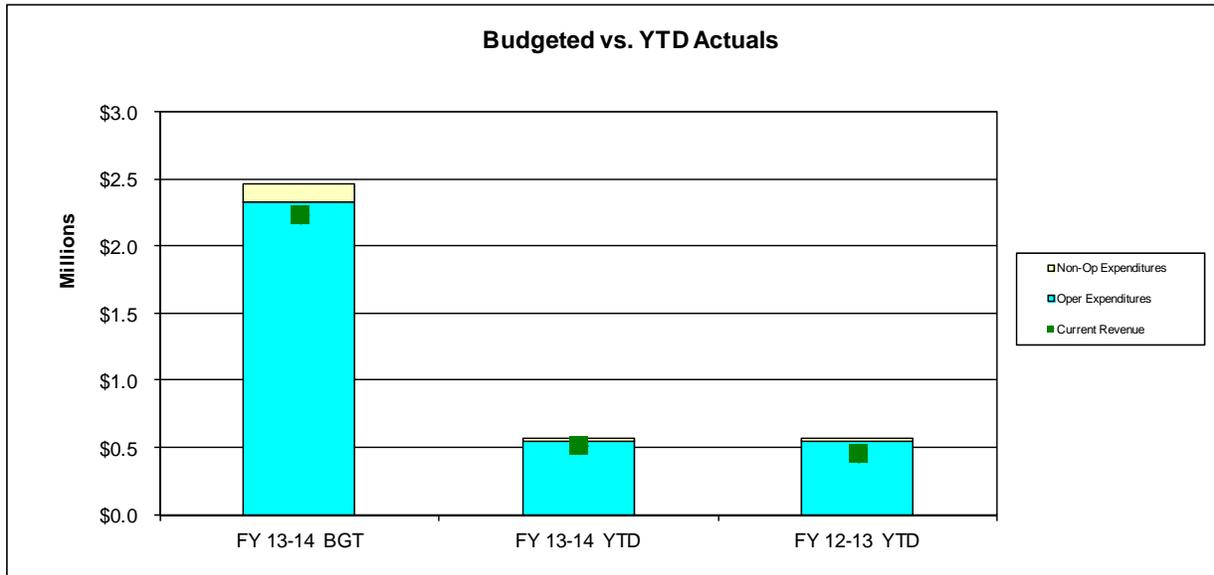
- (1) System Development Charges (SDC) are higher than budgeted due primarily to higher than projected multi-family residential development activity.
- (2) Miscellaneous revenues are higher than budget and last fiscal year due to an unanticipated payoff of an SDC that was financed through the City with a promissory note.
- (3) The majority of transfers in budgeted in FY 13-14 are to close out the former component Parks SDC Fund and transfer the fund balance to the new Parks SDC Fund; the transfers out are budgeted for capital projects. The fund balance transfers in will take place during the second quarter, after the FY12-13 financial statements are complete. YTD, the Parks SDC Fund has transferred \$400K to the Capital Fund for acquisition and development of the Coronado Park subdivision.



911 EMERGENCY SERVICES

REVENUE	AMENDED BUDGET	1st Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	1st Quarter FY 12-13	Y-T-D FY 12-13	FY 12-13 % REC/EXPEND
Budgeted Fund Balance	\$489,194						
Charges for Service	\$1,064,280	\$266,020	\$266,020	25.00%	\$244,794	\$244,794	24.92%
Intergovernmental (1)	1,164,120	248,507	248,507	21.35%	206,700	206,700	17.62%
Miscellaneous (2)	3,580	357	357	9.97%	859	859	25.04%
TOTAL CURRENT REVENUE	\$2,231,980	\$514,884	\$514,884	23.07%	\$452,353	\$452,353	20.96%
EXPENDITURE BY DEPARTMENT							
Police	\$2,320,330	\$543,682	\$543,682	23.43%	\$541,342	\$541,342	24.86%
TOTAL OPERATING EXPENDITURES	\$2,320,330	\$543,682	\$543,682	23.43%	\$541,342	\$541,342	24.86%
Transfers	\$90,510	\$21,010	\$21,010	23.21%	\$15,080	\$15,080	24.23%
Contingencies/Reserves	45,240	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$2,456,080	\$564,692	\$564,692	22.99%	\$556,422	\$556,422	24.37%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$224,100)	(\$49,808)	(\$49,808)		(\$104,069)	(\$104,069)	

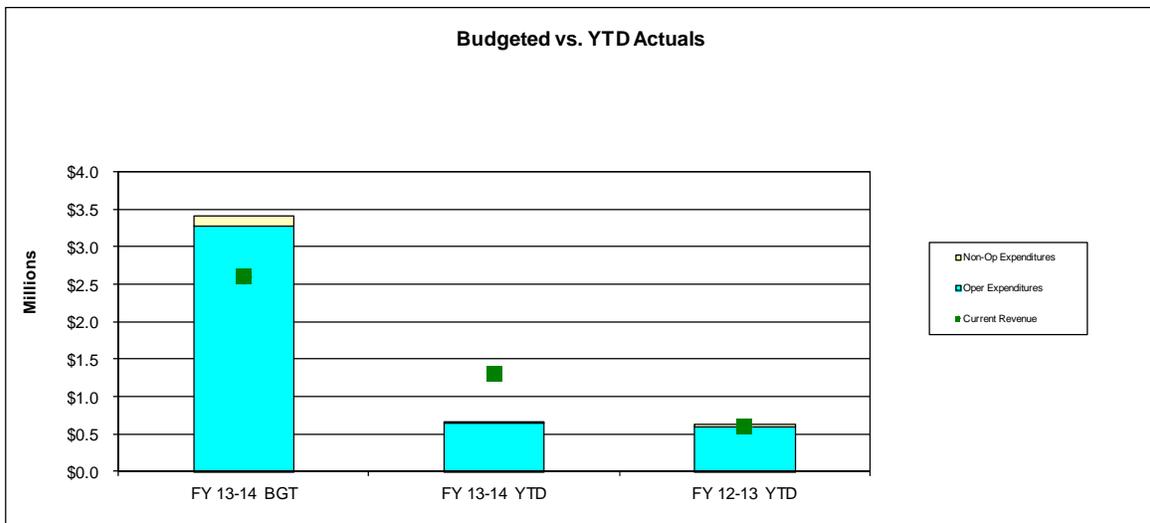
- (1) Intergovernmental revenues are low as a percentage of budget in both years since 9-1-1 State Telephone tax revenues for first quarter are not typically received until October (second quarter).
- (2) Miscellaneous revenue fluctuates year over year since it is comprised primarily of interest on investments (based on proportionate average daily cash balance for the fund) and false alarm billing revenue to outside entities.



DEVELOPMENT SERVICES

REVENUE	AMENDED BUDGET	1st Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	1st Quarter FY 12-13	Y-T-D FY 12-13	FY 12-13 % REC/EXPEND
Budgeted Fund Balance	\$1,024,330						
Licenses/Permits (1)	\$1,143,450	\$338,955	\$338,955	29.64%	\$273,009	\$273,009	25.13%
Charges for Service (2)	1,334,070	849,108	849,108	63.65%	208,825	208,825	18.11%
Miscellaneous (3)	6,790	1,490	1,490	21.94%	2,156	2,156	28.11%
Other Financing Sources (4)	118,390	118,390	118,390	100.00%	118,390	118,390	100.00%
TOTAL CURRENT REVENUE	\$2,602,700	\$1,307,943	\$1,307,943	50.25%	\$602,380	\$602,380	25.46%
EXPENDITURE BY DEPARTMENT							
Community Development (5)	\$3,274,050	\$639,985	\$639,985	19.55%	\$591,227	\$591,227	21.88%
TOTAL OPERATING EXPENDITURES	\$3,274,050	\$639,985	\$639,985	19.55%	\$591,227	\$591,227	21.88%
Transfers (6)	\$85,470	\$19,840	\$19,840	23.21%	\$31,780	\$31,780	15.22%
Contingencies/Reserves	50,000	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$3,409,520	\$659,825	\$659,825	19.35%	\$623,007	\$623,007	21.04%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$806,820)	\$648,118	\$648,118		(\$20,627)	(\$20,627)	

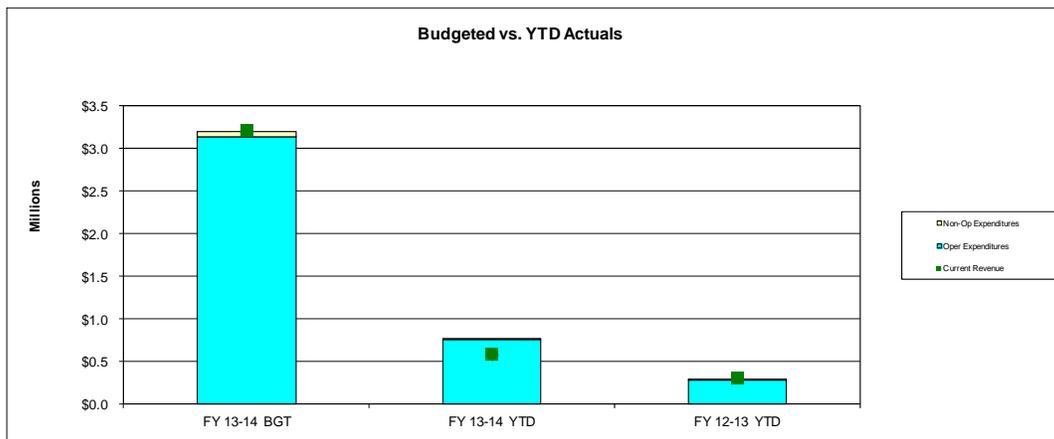
- (1) Licenses/Permits revenue is collected when permits are issued. First quarter revenues are above the prior fiscal year due to an increase in permits issued during the first quarter for several very large projects, and permits for new homes are generally increasing in comparison to the previous five years.
- (2) Charges for Service revenue, which includes reviews and inspections, are above target and last fiscal year due to some large OSU projects. OSU and Good Samaritan projects make up the majority of Development Services' current work load, and project timing can be somewhat variable, creating a less predictable revenue stream.
- (3) Miscellaneous revenue fluctuates year over year since it is comprised primarily of interest on investments (based on proportionate average daily cash balance for the fund).
- (4) Other Financing Sources reflect transfers from: the General Fund to cover land use work done by the senior planner in the Development Services Fund in FY 13-14; the Street SDC, Parks SDC, Water SDC, Wastewater SDC, and Storm Water SDC Funds in support of SDC permitting administration work by Development Services; and the Storm Water Fund support of Erosion and Sediment Control program by Development Services staff. Funding transfers of this nature are typically booked at the beginning of the fiscal year.
- (5) FY 13-14 expenditures are lower than budget due in part to unfilled vacancies, and because only \$12,500 has been spent YTD of a \$335,550 special project budget. FY 12-13 was also lower due to similar reasons.
- (6) Transfers in FY 13-14 include this fund's portion of the semi-annual debt service payments for the POBs, while in FY 12-13 transfers were for both POBs and capital projects based on anticipated needs.



COMMUNITY DEVELOPMENT REVOLVING FUND

REVENUE	AMENDED BUDGET	1st Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	1st Quarter FY 12-13	Y-T-D FY 12-13	FY 12-13 % REC/EXPEND
Budgeted Fund Balance	\$13,914						
Licenses/Permits (1)	\$156,000	\$156,798	\$156,798	100.51%	\$138,424	\$138,424	105.13%
Charges for Service	5,000	5,000	5,000	100.00%	5,000	5,000	100.00%
Intergovernmental (2)	2,578,000	357,880	357,880	13.88%	67,756	67,756	2.28%
Fines/Forfeitures (3)	2,100	169	169	8.05%	76	76	3.30%
Miscellaneous (4)	469,100	60,356	60,356	12.87%	98,449	98,449	27.39%
TOTAL CURRENT REVENUE	\$3,210,200	\$580,203	\$580,203	18.07%	\$309,705	\$309,705	8.94%
EXPENDITURE BY DEPARTMENT							
Community Development (5)	\$3,141,770	\$755,174	\$755,174	24.04%	\$285,448	\$285,448	8.64%
TOTAL OPERATING EXPENDITURES	\$3,141,770	\$755,174	\$755,174	24.04%	\$285,448	\$285,448	8.64%
Transfers (6)	\$23,710	\$5,500	\$5,500	23.20%	\$7,920	\$7,920	37.64%
Contingencies/Reserves	30,760	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$3,196,240	\$760,674	\$760,674	23.80%	\$293,368	\$293,368	8.74%
CURRENT REVENUE LESS TOTAL EXPENDITURES	\$13,960	(\$180,471)	(\$180,471)		\$16,337	\$16,337	

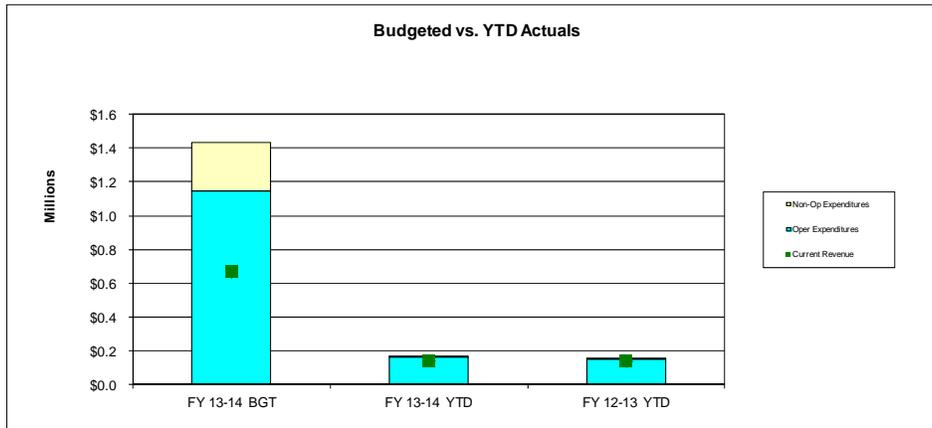
- (1) Invoices are issued in September for the Rental Housing Program so most of the revenue is recorded at the end of the first quarter when billed. Subsequent quarters often reflect net negative activity that represents the write-offs associated with any non-collection of these funds.
- (2) CDBG and 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, particularly early in the year when accruals to the prior year tend to result in lower first quarter earnings.
- (3) This category includes Rental Housing Program penalties applied to delinquent accounts, which are volatile in nature and can fluctuate quarter to quarter. Since the annual Rental Housing Program invoices are not sent out until the end of September, penalty fee activity is typically low during the first quarter.
- (4) Miscellaneous revenues include five loan payoffs through the first quarter, plus regular principal and interest payments on outstanding housing loans, but are running below budget in FY 13-14 because of \$250,000 still anticipated to be received as partial repayment from the sale of completed homes in the Seavey Meadows project.
- (5) Expenditures are primarily grant-related in this fund, and thus variable in timing, with FY 13-14 actuals coming in much higher in comparison to last fiscal year as a large amount of CDBG and HOME projects were carried forward from FY 12-13 and are coming to fruition. Seven loans and eight grants closed in the first quarter of FY 13-14. Grants included funding for seven non-profit agency activities through the CDBG Human Services Fund and one CDBG grant for Microbusiness program funding for Linn-Benton Community College.
- (6) Transfers include this fund's portion of the semi-annual debt service payments for the POBs and transfers related to capital projects. Transfers for capital projects are made based on anticipated needs. Please see the Capital Improvement Program section for information on the status of capital projects.



PARKING FUND

REVENUE	AMENDED BUDGET	1st Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	1st Quarter FY 12-13	Y-T-D FY 12-13	FY 12-13 % REC/EXPEND
Budgeted Fund Balance	\$1,027,171						
Licenses/Permits (1)	\$25,000	\$11,287	\$11,287	45.15%	\$8,638	\$8,638	34.55%
Charges for Service	187,310	48,268	48,268	25.77%	42,162	42,162	22.53%
Fines/Forfeitures (2)	450,000	80,608	80,608	17.91%	85,963	85,963	19.10%
Miscellaneous (3)	4,790	614	614	12.82%	1,479	1,479	37.83%
TOTAL CURRENT REVENUE	\$667,100	\$140,777	\$140,777	21.10%	\$138,242	\$138,242	20.75%
EXPENDITURE BY DEPARTMENT							
Community Development	\$4,220	\$987	\$987	23.39%	\$1,001	\$1,001	24.72%
Finance (4)	273,220	38,589	38,589	14.12%	42,429	42,429	19.70%
Police (5)	373,560	75,850	75,850	20.30%	81,130	81,130	22.82%
Public Works (6)	495,330	47,259	47,259	9.54%	27,467	27,467	14.91%
TOTAL OPERATING EXPENDITURES	\$1,146,330	\$162,685	\$162,685	14.19%	\$152,027	\$152,027	20.02%
Transfers (7)	\$273,040	\$3,820	\$3,820	1.40%	\$3,030	\$3,030	1.01%
Contingencies/Reserves	13,340	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$1,432,710	\$166,505	\$166,505	11.62%	\$155,057	\$155,057	14.47%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$765,610)	(\$25,728)	(\$25,728)		(\$16,815)	(\$16,815)	

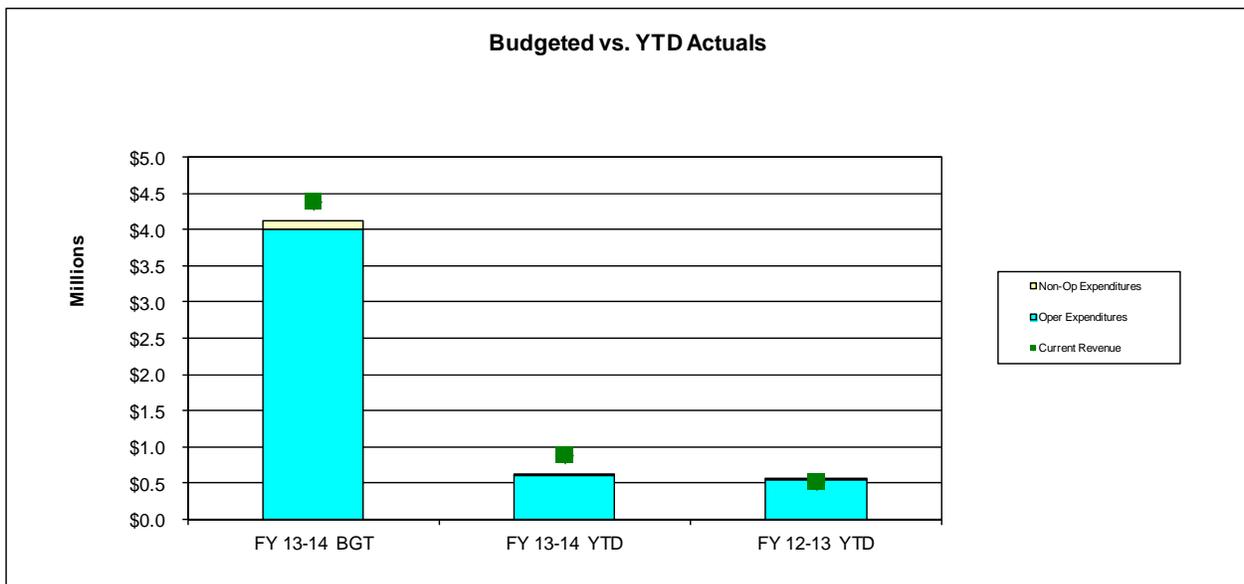
- (1) Residential parking permit fees tend to come in higher in the first quarter of the year with renewals just prior to OSU student arrivals.
- (2) Revenue from fines and forfeitures represents revenue collected for offenses and infractions. FY 13-14 revenues are lower than budget and FY 12-13 due to 446 fewer citations issued Q1 of this fiscal year because of Oregon State University's later start date; the timing of students returning to Corvallis impacts that number of parking citations issued and a later start date results in fewer tickets. With the return of students to OSU and three scheduled home football games in Q2, budgeted fine levels are likely to be attained.
- (3) Miscellaneous revenue fluctuates year over year since it is comprised primarily of interest on investments (based on proportionate average daily cash balance for the fund).
- (4) Finance expenditures are low as a percentage of budget and last fiscal year due to a vacancy and no spending YTD in special projects where \$45,700 was budgeted for improved financial software and an electronic parking ticket hardware/software solution.
- (5) Police expenditures are below budget primarily due to special projects having not been spent at targeted levels. There was a carry-over of funding from FY 12-13 to FY 13-14 for two parking enforcement scooters; however those both ended up being purchased in Q4 of FY 12-13.
- (6) Public Works expenditures are below budget due to a 0.5 FTE vacancy for the Transportation Program Specialist and because the OSU/City collaboration parking district special project has not been spent at targeted levels.
- (7) Transfers for capital projects are made based on anticipated needs. Please see the Capital Improvement Program section for information on the status of capital projects.



TRANSIT FUND

REVENUE	AMENDED BUDGET	1st Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	1st Quarter FY 12-13	Y-T-D FY 12-13	FY 12-13 % REC/EXPEND
Budgeted Fund Balance	\$1,740,618						
Licenses, Fees, & Permits (1)	1,192,690	313,534	313,534	26.29%	295,728	295,728	25.19%
Charges for Service (2)	225,960	54,094	54,094	23.94%	38,091	38,091	17.03%
Intergovernmental (3)	2,785,170	473,683	473,683	17.01%	149,319	149,319	6.32%
Fines & Forfeitures	0	0	0	0.00%	53	53	0.00%
Miscellaneous (4)	184,900	44,841	44,841	24.25%	35,805	35,805	4.63%
TOTAL CURRENT REVENUE	\$4,388,720	\$886,152	\$886,152	20.19%	\$518,996	\$518,996	11.45%
EXPENDITURE BY DEPARTMENT							
Public Works (5)	\$4,021,090	\$613,720	\$613,720	15.26%	\$556,604	\$556,604	13.61%
TOTAL OPERATING EXPENDITURES	\$4,021,090	\$613,720	\$613,720	15.26%	\$556,604	\$556,604	13.61%
Transfers	\$16,860	\$3,910	\$3,910	23.19%	\$2,940	\$2,940	24.22%
Contingencies/Reserves	87,770	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$4,125,720	\$617,630	\$617,630	14.97%	\$559,544	\$559,544	13.39%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	\$263,000	\$268,522	\$268,522		(\$40,548)	(\$40,548)	

- (1) License, Fees, & Permits revenue is based on the Sustainability Initiative Fee. Revenue collection for FY 13-14 is greater than the same time last year due to an increase in per household fees, driven by the related City ordinance, which went into effect in February 2013.
- (2) Charges for Service revenue are collected from the City of Adair, the City of Philomath, and Benton County for special transportation funding (STF), and ASOSU for the Beaver Bus, respectively. Prior year revenues were lower than anticipated at the time, due to delays in the billing process.
- (3) Intergovernmental revenue includes both operating and capital grants and is reimbursable in nature, so tends to lag expenditures. The first quarter acquisition of buses and the related capital grant receipts has resulted in the total dollars reimbursed being higher than last fiscal year at the same time.
- (4) The main source of revenue in this category is from OSU and is used for general transit operations and grant matching purposes.
- (5) Actuals are lower than budgeted in both years due primarily to delays with special projects. The two transit bus purchases for FY 13-14 were ordered during the first quarter, the Vehicle Information System Replacement is underway with scheduled completion in November 2013, and the OSU Transit Marketing project has been canceled as OSU will be taking the lead instead.



2011 OPERATING LEVY FUND

REVENUE	AMENDED BUDGET	1st Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	1st Quarter FY 12-13	Y-T-D FY 12-13	FY 12-13 % REC/EXPEND
Budgeted Fund Balance	\$37,759						
Property Taxes (1)	\$1,870,860	\$0	\$0	0.00%	\$0	\$0	0.00%
TOTAL CURRENT REVENUE	\$1,870,860	\$0	\$0	0.00%	\$0	\$0	0.00%
EXPENDITURE BY DEPARTMENT							
Non-Departmental	0	0	0	0.00%	0	0	0.00%
TOTAL OPERATING EXPENDITURES	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
Transfers (2)	\$1,908,620	\$69,048	\$69,048	3.62%	\$0	\$0	0.00%
TOTAL ALL EXPENDITURES	\$1,908,620	\$69,048	\$69,048	3.62%	\$0	\$0	0.00%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$37,760)	(\$69,048)	(\$69,048)		\$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. Revenue is received in the second quarter when the first property tax installments are received.
- (2) Once Property taxes are received in the second quarter the majority of the transfers will take place. The transfer shown in Q1 represents the remaining balance for Library of underexpended levy funds from FY 11-12 and FY 12-13. These funds have been transferred back to the Library for use in FY 13-14.

DAVIDSON FUND

REVENUE	AMENDED BUDGET	1st Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	1st Quarter FY 12-13	Y-T-D FY 12-13	FY 12-13 % REC/EXPEND
Budgeted Fund Balance	\$5,502						
Miscellaneous (1)	\$0	\$7	\$7	0.00%	\$8	\$8	0.00%
TOTAL CURRENT REVENUE	\$0	\$7	\$7	0.00%	\$8	\$8	0.00%
EXPENDITURE BY DEPARTMENT							
Library (1)	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
TOTAL OPERATING EXPENDITURES	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	\$0	\$7	\$7		\$8	\$8	

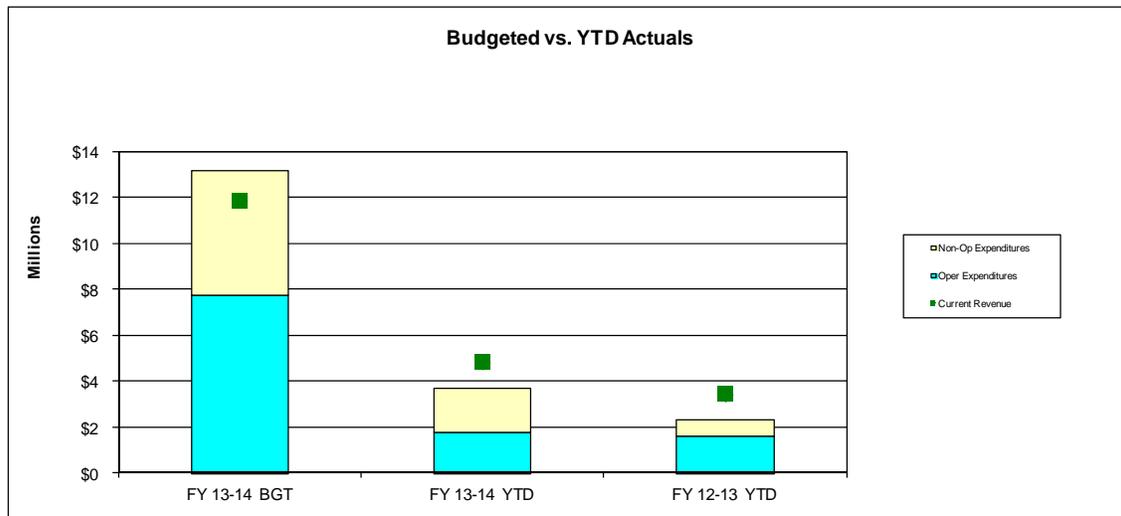
- (1) The Davidson Fund is designated as a Permanent Fund under governmental accounting guidelines due to the \$5,000 endowment established through a 1981 donation in honor of the former librarian Alice Passano Davidson. Only interest earnings are expendable, and so in recent years of minimal revenues,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

COMBINED WATER FUND*

REVENUE	AMENDED BUDGET	1st Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	1st Quarter FY 12-13	Y-T-D FY 12-13	FY 12-13 % REC/EXPEND
Budgeted Fund Balance	\$6,919,419						
System Development Charges (1)	\$386,100	\$121,978	\$121,978	31.59%	\$82,611	\$82,611	23.52%
Charges for Service (2)	8,860,100	2,885,773	2,885,773	32.57%	2,754,224	2,754,224	31.95%
Fines/Forfeitures (3)	0	5,385	5,385	0.00%	50	50	0.00%
Miscellaneous (4)	344,100	38,949	38,949	11.32%	16,064	16,064	3.85%
Transfers In/Other Financing Sources (5)	2,278,780	1,782,580	1,782,580	78.23%	583,280	583,280	14.77%
TOTAL CURRENT REVENUE	\$11,869,080	\$4,834,665	\$4,834,665	40.73%	\$3,436,229	\$3,436,229	25.76%
EXPENDITURE BY DEPARTMENT							
Community Development	\$56,850	\$13,140	\$13,140	23.11%	\$13,746	\$13,746	24.65%
Public Works	7,675,400	1,768,823	1,768,823	23.05%	1,568,332	1,568,332	20.00%
TOTAL OPERATING EXPENDITURES	\$7,732,250	\$1,781,963	\$1,781,963	23.05%	\$1,582,078	\$1,582,078	19.96%
Capital Projects (5)	\$1,306,580	\$43,044	\$43,044	3.29%	\$121,508	\$121,508	10.87%
Debt Service (5)	966,500	0	0	0.00%	0	0	0.00%
Transfers Out/Other Financing Uses (5)	2,969,370	1,832,150	1,832,150	61.70%	627,000	627,000	12.55%
Contingencies/Reserves	188,930	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$13,163,630	\$3,657,156	\$3,657,156	27.78%	\$2,330,585	\$2,330,585	16.29%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$1,294,550)	\$1,177,509	\$1,177,509		\$1,105,644	\$1,105,644	

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

- (1) Revenues are trending higher in this fiscal year compared to last due to higher than projected OSU development activity.
- (2) Charges for Service are derived from metered water usage. Receipts are typically higher in the first quarter due to increased consumption for irrigation purposes.
- (3) Fine/Forfeiture revenues were not anticipated in FY 13-14; however, there was some monetary restitution made associated with three cases of water main valve damage.
- (4) Miscellaneous revenue includes leases for telecommunication facilities on the Corvallis Watershed, interest on investments (based on proportionate average daily cash balance for the fund), scrap metal sales, and revenue from timber thinning. The latter amount represents the majority of the budget and is typically received in one major lump sum in a later quarter.
- (5) Other Financing Sources/Uses, Capital Projects, and Transfers In/Out activity are related to capital projects and debt service activity. Transfers for capital projects are made based on anticipated needs. See the Capital Improvement Program section for details regarding capital project expenditures. Transfers out have already been made in Q1 for POB debt service payments.

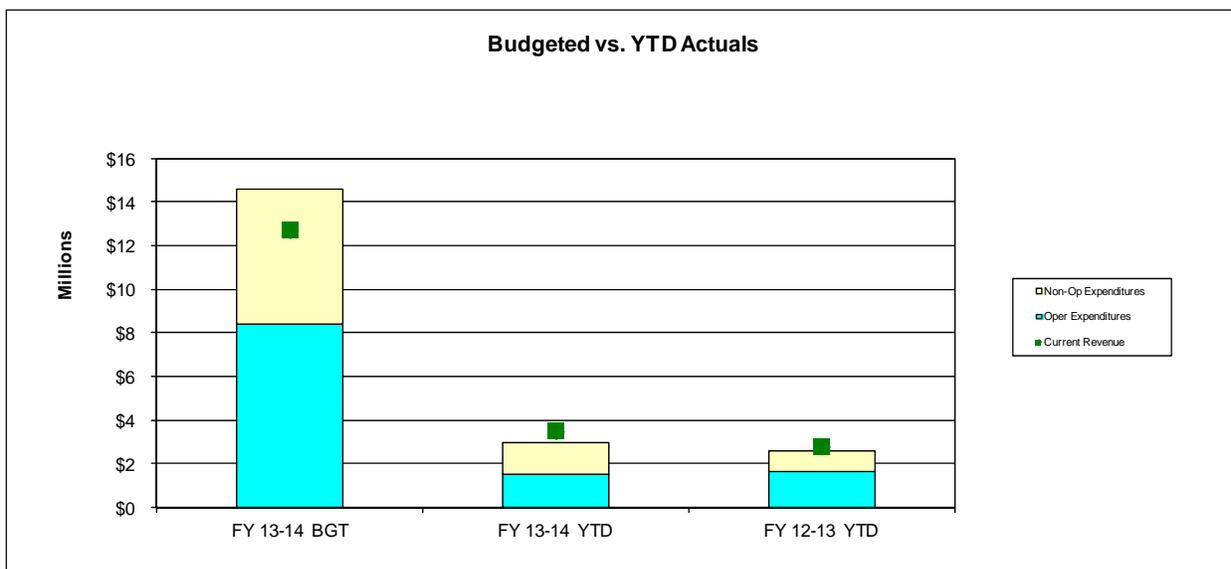


COMBINED WASTEWATER FUND*

REVENUE	AMENDED BUDGET	1st Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	1st Quarter FY 12-13	Y-T-D FY 12-13	FY 12-13 % REC/EXPEND
Budgeted Fund Balance	\$12,475,203						
System Development Charges	\$1,114,400	\$299,923	\$299,923	26.91%	\$185,615	\$185,615	23.83%
Charges for Service	9,482,370	2,079,279	2,079,279	21.93%	2,000,143	2,000,143	21.39%
Fines & Forfeitures	0	120	120	0.00%	29	29	0.00%
Miscellaneous (1)	77,540	106,642	106,642	137.53%	17,851	17,851	29.03%
Other Financing Sources (2)	2,023,980	991,550	991,550	48.99%	584,160	584,160	5.19%
TOTAL CURRENT REVENUE	\$12,698,290	\$3,477,514	\$3,477,514	27.39%	\$2,787,798	\$2,787,798	12.98%
EXPENDITURE BY DEPARTMENT							
Community Development	\$54,640	\$12,789	\$12,789	23.41%	\$13,197	\$13,197	25.01%
Public Works (3)	8,308,200	1,518,352	1,518,352	18.28%	1,650,237	1,650,237	21.58%
TOTAL OPERATING EXPENDITURES	\$8,362,840	\$1,531,141	\$1,531,141	18.31%	\$1,663,435	\$1,663,435	21.27%
Capital Projects (2)	\$1,594,930	\$346,852	\$346,852	21.75%	\$264,421	\$264,421	29.21%
Debt Service	2,253,650	24,293	24,293	1.08%	24,301	24,301	2.85%
Transfers/Other Financing Uses (2)	2,193,070	1,036,010	1,036,010	47.24%	619,790	619,790	4.89%
Contingencies/Reserves	191,840	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$14,596,330	\$2,938,297	\$2,938,297	20.13%	\$2,571,946	\$2,571,946	11.46%
CURRENT REVENUE LESS TOTAL EXPENDITURES	(\$1,898,040)	\$539,217	\$539,217		\$215,852	\$215,852	

* Includes Wastewater, Wastewater SDC and Wastewater Construction Funds.

- (1) Miscellaneous revenues are higher than budget due to an unanticipated \$85,000 payoff received on an SDC loan. In FY 12-13, the higher than budgeted revenues relate primarily to unbudgeted purchasing card rebates, sales of scrap metal and various court judgment payouts.
- (2) Other Financing Sources/Uses and Transfers are related to capital projects and debt service activity. Transfers for POB debt payments are made primarily in the first quarter. Transfers out 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 expenditures are trending lower compared to last fiscal year due to vacancy savings and less spending YTD on special projects, including four replacement vehicle purchases that are scheduled for later in the year.

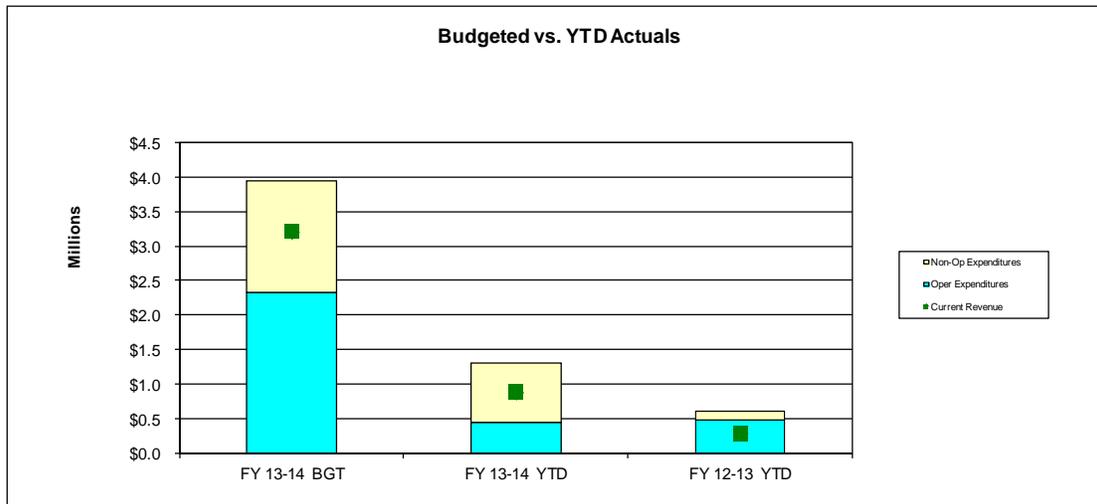


COMBINED STORM WATER FUND*

REVENUE	AMENDED BUDGET	1st Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	1st Quarter FY 12-13	Y-T-D FY 12-13	FY 12-13 % REC/EXPEND
Budgeted Fund Balance	\$1,363,493						
System Development Charges (1)	\$36,280	\$4,444	\$4,444	12.25%	\$5,093	\$5,093	14.04%
Charges for Service	2,240,880	488,274	488,274	21.79%	454,274	454,274	21.65%
Intergovernmental (2)	357,324	(214)	(214)	-0.06%	(192,226)	(192,226)	-69.65%
Fines & Forfeitures	0	577	577	0.00%	0	0	0.00%
Miscellaneous (3)	9,380	1,251	1,251	13.34%	2,597	2,597	29.61%
Other Financing Sources (4)	562,500	389,750	389,750	69.29%	20,000	20,000	4.07%
TOTAL CURRENT REVENUE	\$3,206,364	\$884,083	\$884,083	27.57%	\$289,738	\$289,738	9.96%
EXPENDITURE BY DEPARTMENT							
Community Development	\$55,560	\$12,793	\$12,793	23.02%	\$13,233	\$13,233	24.66%
Public Works (5)	2,263,460	431,421	431,421	19.06%	466,902	466,902	20.64%
TOTAL OPERATING EXPENDITURES	\$2,319,020	\$444,213	\$444,213	19.16%	\$480,135	\$480,135	20.73%
Capital Projects (4)	\$880,604	\$382,013	\$382,013	43.38%	\$27,382	\$27,382	3.80%
Transfers (4)	696,950	470,760	470,760	67.55%	99,910	99,910	16.66%
Contingencies/Reserves	45,780	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$3,942,354	\$1,296,987	\$1,296,987	32.90%	\$607,427	\$607,427	16.51%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$735,990)	(\$412,904)	(\$412,904)		(\$317,689)	(\$317,689)	

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

- (1) System Development Charges (SDC) is dependent upon new development. Unlike higher than budgeted SDC levels YTD in several other funds, Storm Water SDC's are lagging projections in FY 13-14 due to most permits issued YTD having been for replacement structures with little change to impervious surfaces that would result in Storm Water SDCs.
- (2) The negative actual in the current and previous fiscal year reflects accrual entries of anticipated future period grant receipts for accounting recognition of the period in which related expenditures were incurred.
- (3) Miscellaneous revenue fluctuates year to year since it is primarily comprised of interest on investments (based on proportionate average daily cash balance for the fund).
- (4) Other Financing Sources relate primarily to capital projects (i.e., 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 out also include this fund's portion of the semi-annual debt service payment for the POBs and the CD-managed erosion sediment control program.
- (5) Actuals are under budget in both fiscal years due primarily to lower than anticipated special project spending at this point in the fiscal year.

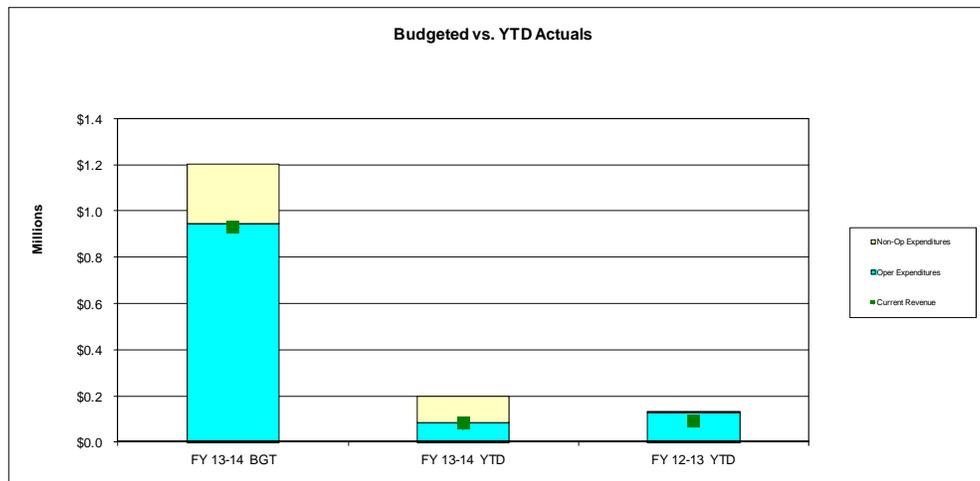


COMBINED AIRPORT FUND*

REVENUE	AMENDED BUDGET	1st Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	1st Quarter FY 12-13	Y-T-D FY 12-13	FY 12-13 % REC/EXPEND
Budgeted Fund Balance	\$778,630						
Licenses/Permits (1)	\$5,000	\$754	\$754	15.08%	\$744	\$744	14.89%
Charges for Service (2)	398,500	78,872	78,872	19.79%	84,969	84,969	21.32%
Intergovernmental (3)	507,740	0	0	0.00%	0	0	0.00%
Miscellaneous (4)	9,570	1,948	1,948	20.35%	5,446	5,446	56.91%
Other Financing Sources (5)	11,290	0	0	0.00%	0	0	0.00%
TOTAL CURRENT REVENUE	\$932,100	\$81,573	\$81,573	8.75%	\$91,159	\$91,159	13.75%
EXPENDITURE BY DEPARTMENT							
Public Works (6)	\$943,050	\$84,256	\$84,256	8.93%	\$125,244	\$125,244	18.84%
TOTAL OPERATING EXPENDITURES	\$943,050	\$84,256	\$84,256	8.93%	\$125,244	\$125,244	18.84%
Capital Projects (5)	\$112,850	\$0	\$0	0.00%	\$0	\$0	0.00%
Debt Service (7)	115,050	112,527	112,527	97.81%	0	0	0.00%
Transfers (5)	19,620	1,930	1,930	9.84%	1,080	1,080	15.54%
Contingencies/Reserves	9,950	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$1,200,520	\$198,713	\$198,713	16.55%	\$126,324	\$126,324	16.50%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$268,420)	(\$117,140)	(\$117,140)		(\$35,165)	(\$35,165)	

* Includes Airport and Airport Construction Funds.

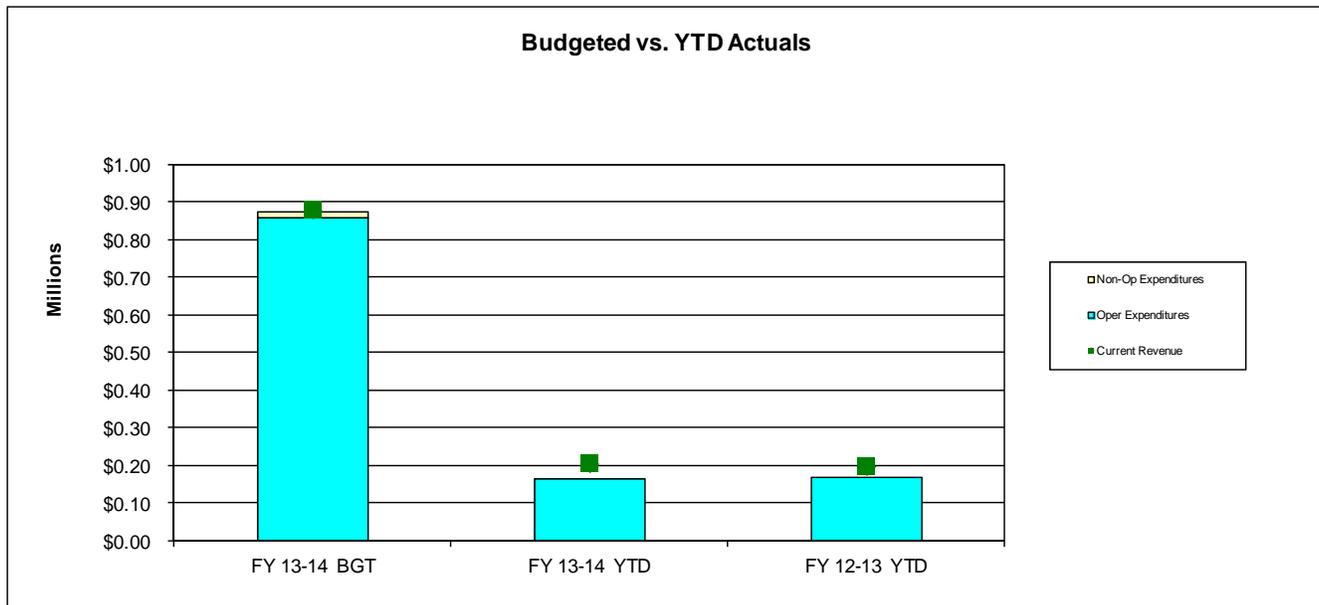
- (1) Licenses/Permits records operator licenses and landing fees, both of which are entirely dependent upon the level of traffic at the airport. Nearly 50% of this revenue stream is typically collected in the second quarter of the fiscal year.
- (2) Charges for Service revenue collection is trending lower YTD due to vacancies in building rental space which were occupied last year.
- (3) Intergovernmental revenue is grant related and is reimbursable in nature, so tends to lag expenditures.
- (4) Miscellaneous revenue in this fund is generated from interest on investments (based on proportionate average daily cash balance for the fund) and outside usage of the airport property for training purposes, so tends to fluctuate significantly throughout the year and from one year to the next.
- (5) Other Financing Sources in FY 13-14 relate to the construction fund transfer for the current revenue grant match portion of an airport facility improvements project. Information on all capital project related expenditures can be found in the Capital Improvement Program section. Other transfers out include this fund's portion of the semi-annual debt service payments for the POBs.
- (6) Public Works actual spending is under budget in both fiscal years due primarily to low special project spending YTD.
- (7) The outstanding balance of the Oregon Business Development Department Airport Industrial Park loan was paid in full in the first quarter, as budgeted, due to its relatively high interest rate and the fact that the fund has the capacity to afford the payoff.



FLEET MAINTENANCE FUND

REVENUE	AMENDED BUDGET	1st Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	1st Quarter FY 12-13	Y-T-D FY 12-13	FY 12-13 % REC/EXPEND
Budgeted Fund Balance	\$17,304						
Charges for Service	\$878,500	\$204,307	\$204,307	23.26%	\$196,827	\$196,827	23.83%
Miscellaneous (1)	1,300	196	196	15.11%	305	305	22.73%
TOTAL CURRENT REVENUE	\$879,800	\$204,503	\$204,503	23.24%	\$197,132	\$197,132	23.83%
EXPENDITURE BY DEPARTMENT							
Public Works (2)	\$855,450	\$162,857	\$162,857	19.04%	\$166,419	\$166,419	20.21%
TOTAL OPERATING EXPENDITURES	\$855,450	\$162,857	\$162,857	19.04%	\$166,419	\$166,419	20.21%
Contingencies/Reserves	\$16,000	\$0	\$0	0.00%	\$0	\$0	0.00%
TOTAL ALL EXPENDITURES	\$871,450	\$162,857	\$162,857	18.69%	\$166,419	\$166,419	19.82%
CURRENT REVENUE LESS TOTAL EXPENDITURES	\$8,350	\$41,647	\$41,647		\$30,713	\$30,713	

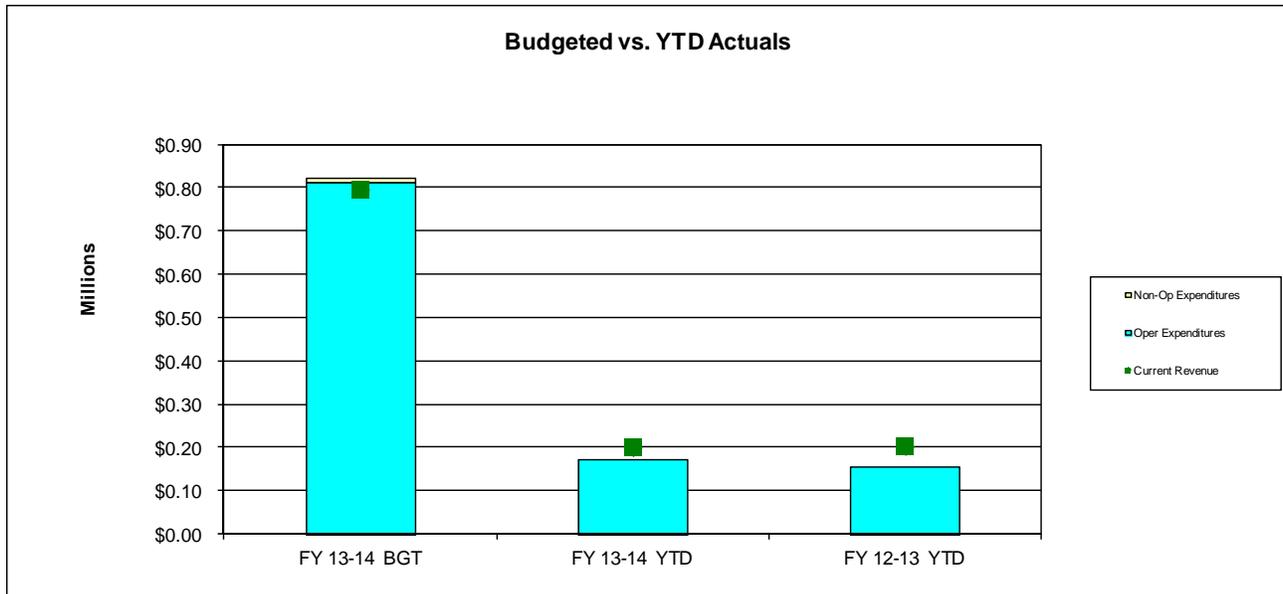
- (1) The sources of Miscellaneous Revenue are primarily scrap metal sales and interest on investments (based on proportionate average daily cash balance for the fund), which are usually insignificant in dollar value and tend to fluctuate year to year.
- (2) Expenditures are lower than both budgeted and prior year due to variations in the timing of fuel deliveries.



FACILITY MAINTENANCE FUND

REVENUE	AMENDED BUDGET	1st Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	1st Quarter FY 12-13	Y-T-D FY 12-13	FY 12-13 % REC/EXPEND
Budgeted Fund Balance	\$89,420						
Charges for Service	\$793,560	\$198,390	\$198,390	25.00%	\$201,123	\$201,123	25.00%
Miscellaneous (1)	2,310	1,162	1,162	50.31%	1,057	1,057	39.00%
TOTAL CURRENT REVENUE	\$795,870	\$199,552	\$199,552	25.07%	\$202,180	\$202,180	25.05%
EXPENDITURE BY DEPARTMENT							
Public Works (2)	\$809,840	\$170,785	\$170,785	21.09%	\$152,481	\$152,481	19.08%
TOTAL OPERATING EXPENDITURES	\$809,840	\$170,785	\$170,785	21.09%	\$152,481	\$152,481	19.08%
Contingencies/Reserves	\$10,000	\$0	\$0	0.00%	\$0	\$0	0.00%
TOTAL ALL EXPENDITURES	\$819,840	\$170,785	\$170,785	20.83%	\$152,481	\$152,481	18.84%
CURRENT REVENUE LESS TOTAL EXPENDITURES	(\$23,970)	\$28,767	\$28,767		\$49,699	\$49,699	

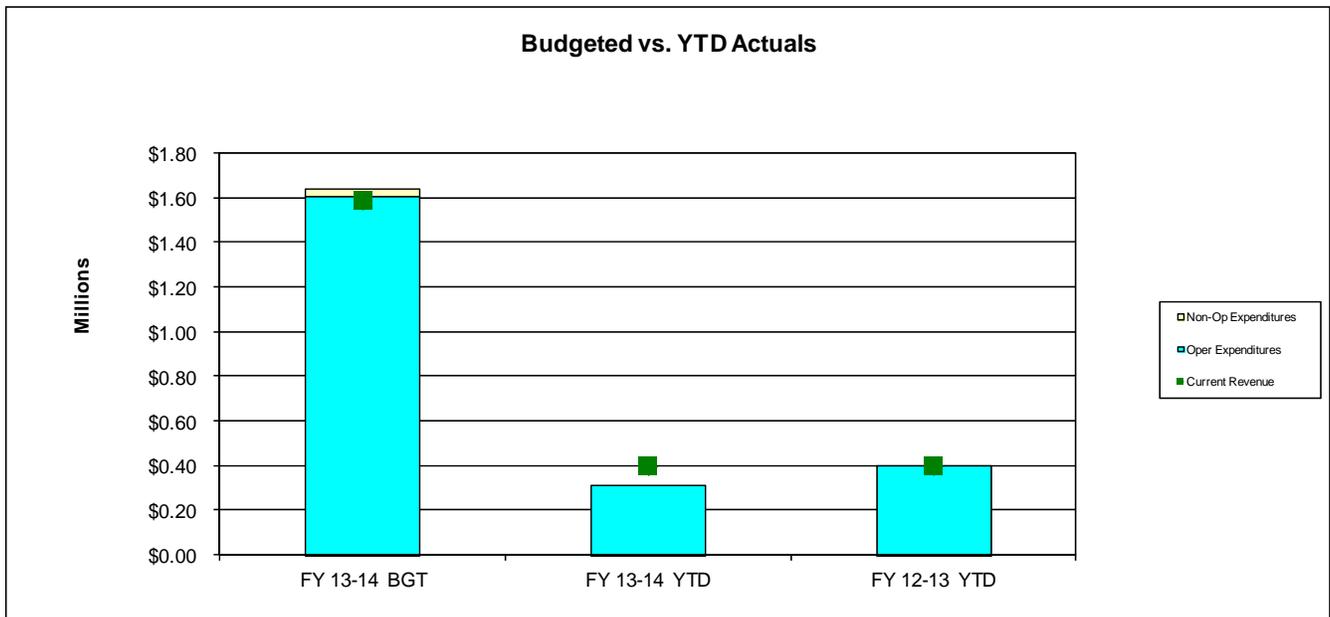
- (1) Scrap metal sales and unanticipated interest on investments from higher proportional cash balances for the fund contributed to revenues that were higher than budget in both years.
- (2) Actual spending is more aligned with budget in FY 13-14 now that a vacant position is filled, but is still low as a percentage of budget as most special projects have not yet started at this point in the year.



TECHNOLOGY AND COMMUNICATIONS FUND

REVENUE	AMENDED BUDGET	1st Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	1st Quarter FY 12-13	Y-T-D FY 12-13	FY 12-13 % REC/EXPEND
Budgeted Fund Balance	\$400,734						
Charges for Service	\$1,583,110	\$395,983	\$395,983	25.01%	\$395,717	\$395,717	24.99%
Miscellaneous (1)	4,430	481	481	10.87%	2,744	2,744	80.22%
TOTAL CURRENT REVENUE	\$1,587,540	\$396,465	\$396,465	24.97%	\$398,460	\$398,460	25.11%
EXPENDITURE BY DEPARTMENT							
Finance (2)	\$1,417,940	\$289,235	\$289,235	20.40%	\$366,494	\$366,494	25.39%
Public Works (3)	190,830	21,899	21,899	11.48%	33,145	33,145	15.73%
TOTAL OPERATING EXPENDITURES	\$1,608,770	\$311,135	\$311,135	19.34%	\$399,639	\$399,639	24.16%
Contingencies/Reserves	\$30,000	\$0	\$0	0.00%	\$0	\$0	0.00%
TOTAL ALL EXPENDITURES	\$1,638,770	\$311,135	\$311,135	18.99%	\$399,639	\$399,639	23.73%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$51,230)	\$85,330	\$85,330		(\$1,178)	(\$1,178)	

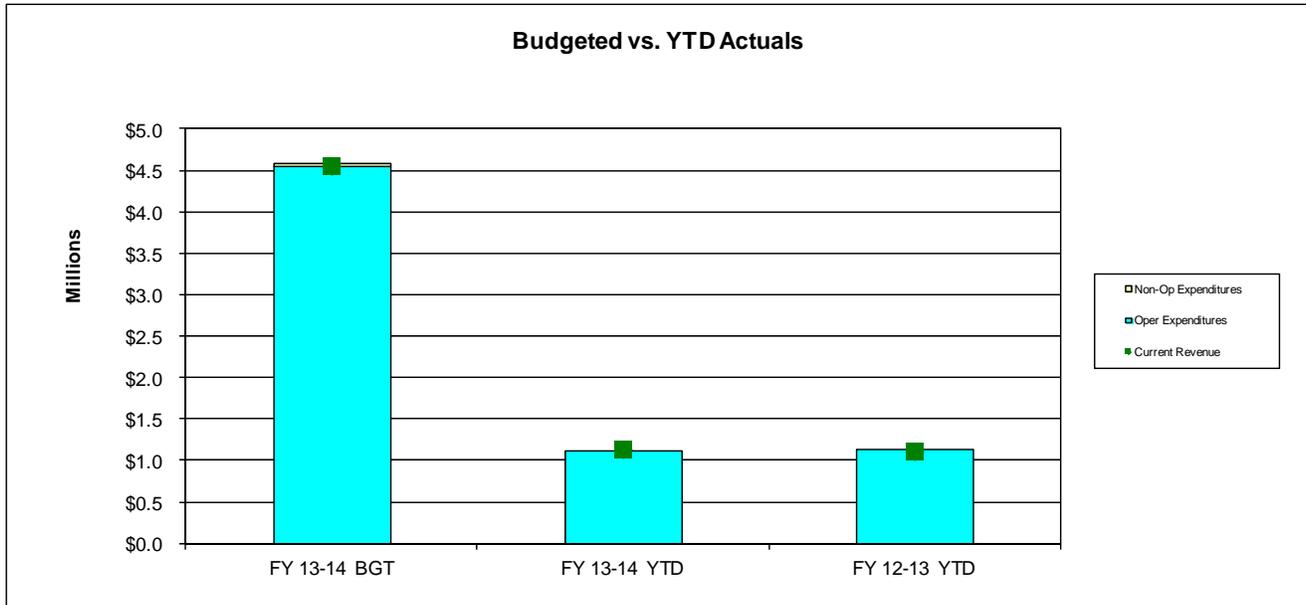
- (1) FY 13-14 miscellaneous revenue is due to interest on investments (based on proportionate average daily cash balance for the fund). This year is lower than last since FY 12-13 included receipt of a credit from a vendor for purchases made in the previous fiscal year. Absent this credit in FY 12-13, revenue in the two fiscal years was very similar.
- (2) Finance spending is low as a percentage of budget and last fiscal year due to no spending activity in special projects YTD, which includes approximately \$70,000 budgeted for financial system software and network upgrades.
- (3) Public Works spending is low as a percentage of budget in both years, driven by City-requested work orders varying year to year, as well as a 1.0 FTE position being held open pending further analysis and possible reorganization.



ADMINISTRATIVE SERVICES FUND

REVENUE	AMENDED BUDGET	1st Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	1st Quarter FY 12-13	Y-T-D FY 12-13	FY 12-13 % REC/EXPEND
Budgeted Fund Balance	\$43,097						
Charges for Service	\$4,527,340	\$1,131,837	\$1,131,837	25.00%	\$1,101,882	\$1,101,882	25.00%
Miscellaneous (1)	27,010	2,194	2,194	8.12%	5,256	5,256	29.91%
TOTAL CURRENT REVENUE	\$4,554,350	\$1,134,031	\$1,134,031	24.90%	\$1,107,138	\$1,107,138	25.02%
EXPENDITURE BY DEPARTMENT							
Finance	\$2,667,130	\$616,130	\$616,130	23.10%	\$609,559	\$609,559	24.37%
City Manager's Office (2)	1,876,930	492,289	492,289	26.23%	526,883	526,883	27.43%
TOTAL OPERATING EXPENDITURES	\$4,544,060	\$1,108,419	\$1,108,419	24.39%	\$1,136,442	\$1,136,442	25.70%
Contingencies/Reserves	30,000	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$4,574,060	\$1,108,419	\$1,108,419	24.23%	\$1,136,442	\$1,136,442	25.52%
CURRENT REVENUE LESS TOTAL EXPENDITURES	(\$19,710)	\$25,613	\$25,613		(\$29,305)	(\$29,305)	

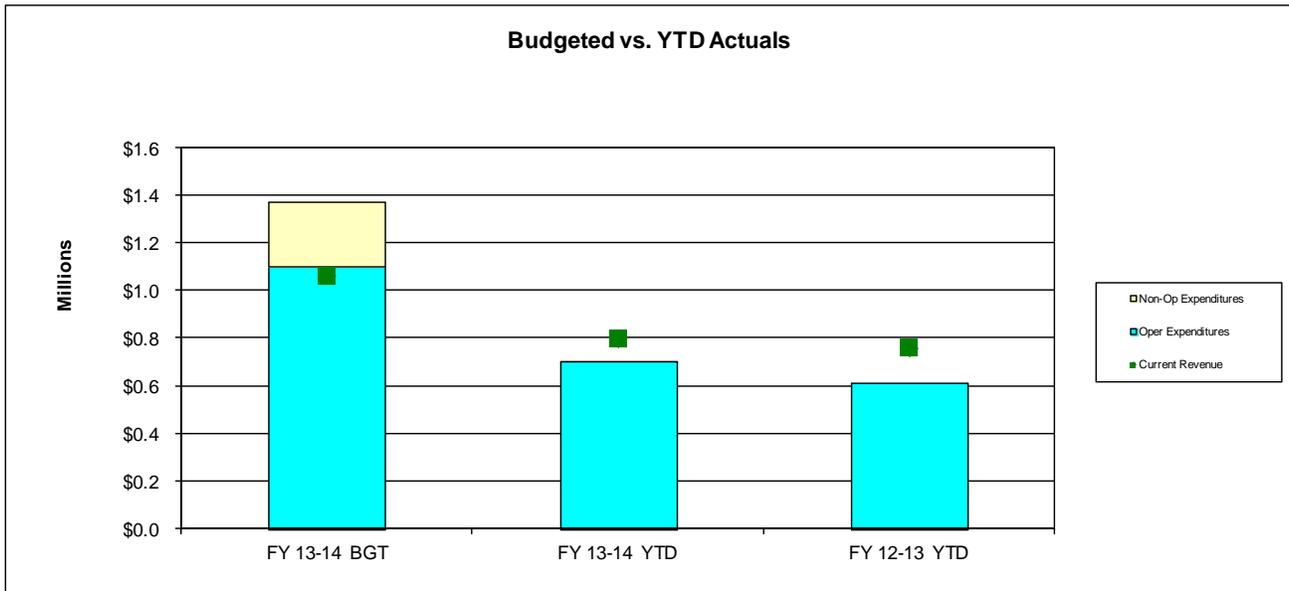
- (1) FY 13-14 miscellaneous revenue received YTD is due to interest on investments (based on proportionate average daily cash balance for the fund). Purchasing card rebates will also be represented as revenue in January (third quarter). This year is lower than last year at the same time due to a credit received for an overpayment of permit mailings in the previous fiscal year. Absent this credit in FY 12-13, revenue for the two fiscal years was very similar.
- (2) City Manager's Office expenditures are trending over budget in the first quarter of FY 13-14 due to payment of annual subscriptions and association dues in the first quarter.



RISK MANAGEMENT FUND

REVENUE	AMENDED BUDGET	1st Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	1st Quarter FY 12-13	Y-T-D FY 12-13	FY 12-13 % REC/EXPEND
Budgeted Fund Balance	\$847,639						
Charges for Service (1)	\$1,029,830	\$772,372	\$772,372	75.00%	\$741,937	\$741,937	75.00%
Miscellaneous (2)	32,000	24,342	24,342	76.07%	16,626	16,626	45.24%
TOTAL CURRENT REVENUE	\$1,061,830	\$796,714	\$796,714	75.03%	\$758,563	\$758,563	73.93%
EXPENDITURE BY DEPARTMENT							
City Manager's Office (1)	\$1,093,830	\$695,919	\$695,919	63.62%	\$608,119	\$608,119	60.69%
TOTAL OPERATING EXPENDITURES	\$1,093,830	\$695,919	\$695,919	63.62%	\$608,119	\$608,119	60.69%
Contingencies/Reserves	275,000	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$1,368,830	\$695,919	\$695,919	50.84%	\$608,119	\$608,119	47.62%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$307,000)	\$100,794	\$100,794		\$150,444	\$150,444	

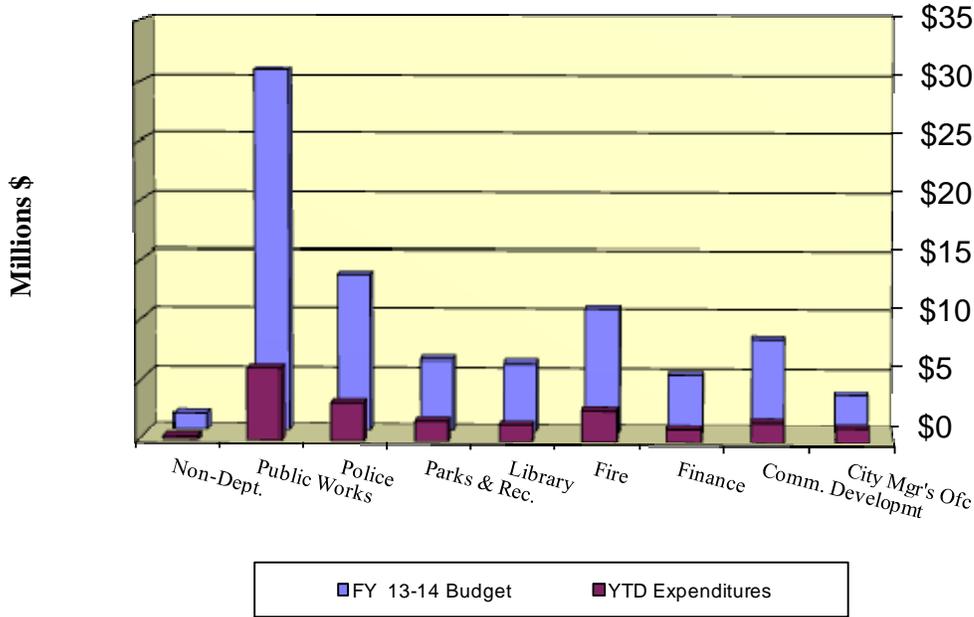
- (1) Timing of internal service charges to departments is weighted to coincide with insurance premium payments, 75% of which occur in July and 25% in January.
- (2) Miscellaneous revenue in this fund is driven by both interest on investments (based on proportionate average daily cash balance for the fund) and by claim recoveries from insurance. Receipts for FY 13-14 include approximately \$24,000 in loss reimbursements and return to work credits related to nine City claims, compared to only two cases totaling approximately \$15,000 in the same period last year.



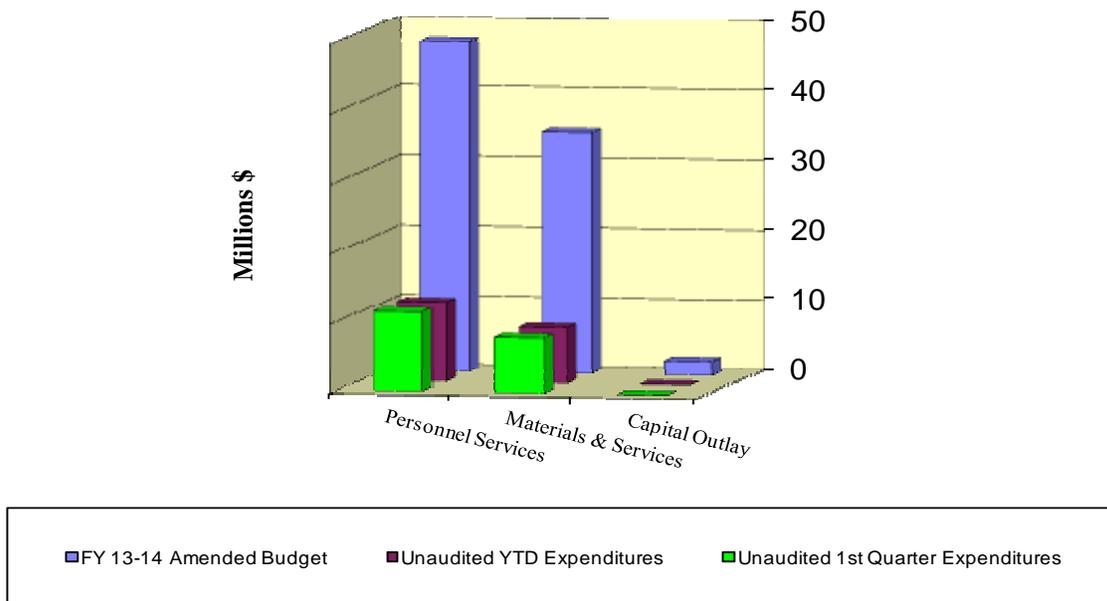
BUDGET PERFORMANCE BY DEPARTMENT

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	2013-14 Amended Budget	Unaudited 1st Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personnel Services	\$1,414,780	\$313,484	\$313,484	22.16%
Supplies and Services	1,882,230	940,776	940,776	49.98%
Capital Outlay	0	0	0	0.00%
Total Operating Expenditures	\$3,297,010	\$1,254,260	\$1,254,260	38.04%

Fund Sources Combined: General, Administrative Services, and Risk Management Funds.

Noteworthy Accomplishments during this Quarter:

- In July, Governance staff assisted the Mayor with hosting the 2013 Oregon Mayors' Conference in Corvallis.
- In September, Economic Development staff coordinated the Oregon Economic Development Conference in Corvallis.
- A City-sponsored Ward 2 meeting was held with Councilor Hogg and City staff; 18 citizens attended the meeting.
- The Public Participation Task Force was formed and its first meeting was held on September 19th.

Upcoming/Pending Items:

- In conjunction with the Finance Department, the City Manager's Office will support the full onsite appraisal of City property values by AssetWorks during the second quarter.
- The Willamette Innovators Network Conference will be held in Corvallis in November. The Economic Development office is participating as a sponsor.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY12-13 ACTUAL	FY13-14 TARGET	1st QTR ACTUAL	FY13-14 YTD
Cost Efficiency	Reduce average workers' compensation claims per employee through promotion of a safe workplace.	# of workers compensation claims per 100 FTE. ⁽¹⁾	8.85	<8.80	3.3	3.3
	Maximize workplace productivity	Number of sick leave hours used per 1,000 hours worked. ⁽²⁾	30.5	<28.0	20.4	20.4
Sustainability	Measure City employee benefits to compensation ratio for competitiveness, retention, attraction and comparator purposes.	Benefits as a % of total compensation.	35.7%	<35%	34%	34%
	Provide a local business environment that supports a successful, diverse traded-sector entrepreneurial community.	Number of start-up companies the City has assisted with roll-out in partnership with OSU and ONAMI/MBI.	NEW	5	1	1
	Develop a program that will focus on increased tenancy in existing vacant building & Enterprise Zone locations by business and industry types that are consistent with the <i>Prosperity that Fits Plan</i> .	Develop a thorough database of current vacant properties in Benton County ready for development. ⁽³⁾	NEW	Complete database by June 30, 2014	Complete	Complete

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY12-13 ACTUAL	FY13-14 TARGET	1st QTR ACTUAL	FY13-14 YTD
		Develop a Marketing Plan that would promote the implementation of the Economic Development Strategy and increase tenancy in commercially and industrially zoned properties. ⁽⁴⁾	NEW	Complete Marketing Plan by June 30, 2014	Complete	Complete
	Seek out the most promising Stage 2 companies in Benton County as determined by local employment growth and capital investment and develop a major account manager program that will proactively address their needs and growth opportunities.	Number of staff visits to Benton County's promising Stage 2 companies.	NEW	150	31	31
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. ⁽⁵⁾	86%	>88%	N/A	N/A
	Maximize citizen satisfaction with City communications and outreach.	% of Citizen Survey respondents who agree the City does a good job informing citizens about City Council decisions. ⁽⁵⁾	NEW	75%	N/A	N/A
Diversity	Provide a welcoming organization that promotes and respects diversity.	% of job applicants for regular positions who identify themselves as a minority. ⁽⁶⁾	15%	16%	16%	16%

- (1) From the 390.75 FTE in the first quarter, there were 13 workers compensation claims filed.
- (2) Sick leave usage tends to be lower in the first quarter of each fiscal year.
- (3) The database was updated by the Council of Governments in June 2013.
- (4) The marketing plan was completed in July 2013.
- (5) The City is moving to a biennial survey model, therefore the 2013 Citizen Attitude Survey will not be completed.
- (6) Of the 488 applicants in the first quarter, 78 indicated they are a minority.

COMMUNITY DEVELOPMENT

Type of Expenditure	2013-14 Amended Budget	Unaudited 1st Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personnel Services	\$4,085,370	\$907,910	\$907,910	22.22%
Supplies and Services	3,764,680	819,129	819,129	21.76%
Capital Outlay	69,000	0	0	0.00%
Total Operating Expenditures	\$7,919,050	\$1,727,040	\$1,727,040	21.81%

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

Noteworthy Accomplishments during this Quarter:

- Housing received 203 Rental Housing Program-related contacts in the first quarter outlining 315 separate issues, with 81 issues related to habitability and 233 of a non-habitability nature. Forty-six of the habitability issues reported are or may be subject to the Rental Housing Code, so Housing staff are working with complainants to confirm violations and then as applicable, achieve resolution or move to enforcement. Two of the issues have resulted in violations (lack of smoke detectors and working locks).
- Four First Time Home Buyer down payment assistance loans totaling \$50,081 were approved during the first quarter. The loans will help low income families acquire their first homes.
- Two Essential Repair loans were approved and closed in the first quarter totaling \$71,360, while one Neighborhood Improvement Program loan in the amount of \$13,522 was approved and closed. These loans assist low income families with funding for needed home repairs.
- The City's five-year CDBG/HOME Consolidated Plan was submitted to HUD for review and approval on July 18th and approved by HUD on August 15th. The Housing Division is moving forward with execution of funding agreements for the activities identified in the FY 13-14 Action Plan section of the Consolidated Plan.
- Housing completed a draft FY 12-13 Consolidated Annual Performance Evaluation Report (CAPER) for the City's Community Development Block Grant and HOME Investment Partnerships programs during September. The CAPER was presented for consideration and approved by the Housing and Community Development Commission on September 18th, after which it was submitted for HUD approval.
- Three new Historical Commissioners were added to the Board in July: Rosalind Keeney, Cathy Kerr, and Eric Hand.
- Public hearings were held by the Planning Commission on the Campus Crest and the 9th Street and Maxine Avenue land use applications in September, two of which were held in LaSells Stewart Center to accommodate the number of people participating in the public hearings.
- The Planning Division issued 14 land use decisions in the first quarter, including the Planned Development and one change at Wilco Business Park, a City Council decision on remand from LUBA for the Creekside Center I & II application.
- Twelve land use applications were received by the Planning Division this quarter, including seven Historical Preservation permit applications. A Historic Preservation Project Grant is being developed by staff to assist historic homeowners in upgrading their homes. The funds for these grants come from a portion of the SHPO Grant received in March of this year.
- Development Services staff processed 115 residential and 177 non-residential plan reviews for proposed construction projects in the first quarter, and conducted 3,955 construction inspections.
- Of the 664 mechanical and electrical permits issued in the first quarter, 336 or 50.6% were issued online.
- As a result of citizens' complaints, 103 new cases were opened in the Code Enforcement Program this quarter.
- The Parking and Traffic and Neighborhood Planning Workgroups each met several times in the first quarter. Parking and Traffic continued work on the Draft Pedestrian/Bicycle Safety Corridor Assessment; the Neighborhood Planning Workgroup continued work on the final draft demolition recommendation and to finalize the rezoning recommendations.
- Community Development staff formed a workgroup to provide guidance on the development of a property maintenance code (PMC) as recommended by the Collaboration project and requested by the City Council. The advisory group met twice during the quarter.
- Community Development staff met with Corvallis Homeless Shelter Coalition representatives on several occasions to identify land use and building issues associated with potential sites for a permanent shelter.

Upcoming/Pending Items:

- The Neighborhood Planning and Parking and Traffic Workgroups are finalizing their recommendations to present to the Steering Committee's November 8th meeting.
- Community Development staff will be seeking Council direction in early October regarding moving forward with potential Land Development Code Amendments and other recommendations from the OSU Collaboration Work Groups.
- With advice from the PMC advisory group, staff will develop a recommendation to the City Council on a PMC and associated program elements.
- Community Development staff expect to submit a grant request to the Department of Land Conservation and Development's Technical Assistance Program in early October to help fund an update to the City's Buildable Lands Inventory (BLI). Information from the updated BLI will provide additional housing-related information to the community and decision-makers.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY12-13 ACTUAL	FY13-14 TARGET	1st QTR ACTUAL	FY13-14 YTD
Cost Efficiency	Maintain stated objective of completing inspections within same day of request.	Percentage of building inspections completed on time.	100%	95%	99%	99%
	Achieve plan review turn-around time consistent with other Oregon cities.	Percentage of initial residential plan review completed within 14 calendar days. ⁽¹⁾	84%	90%	90%	90%
	Meet or exceed State requirements for land use application review time.	Average review time (in days) to process a public hearing-level land use application. ⁽²⁾	33	< 100 days	31	31
	Meet or exceed State requirements for land use application review time.	Average review time (in days) to process administrative land use application. ⁽²⁾	22	< 45 days	35	35
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. ⁽³⁾	3.2	10.0	7.2	7.2
Community Involvement	Achieve at least the targeted % citizen rating of 'very valuable' and 'somewhat valuable' combined for the survey question on land use planning services.	Improve level of citizen satisfaction with land use process from Citizen Attitude Survey. ⁽⁴⁾	81%	>75%	N/A	N/A
Sustainability	Conserve resources by reducing fuel and paper use.	Percentage of permits issued online (mechanical, electrical, and plumbing). ⁽⁵⁾	49%	35%	50.6%	50.6%
	Maintain the quality of low income housing in a cost effective manner.	Units of housing rehabilitated per \$100,000 in City funds invested. ⁽⁶⁾	3.5	3.0	4.5	4.5

- (1) During the first quarter, 102 of 114 residential plan reviews were completed within 14 calendar days. Performance appears to be back on track after some previous setbacks with implementation of the new permit tracking system during last fiscal year.
- (2) The Planning Division issued final decisions on ten public hearing-level land use applications and five administrative land use applications in the first quarter. There were no appeals on public hearing-level, thus review time was short, and only one complex minor land partition application took longer to resolve than is typical.
- (3) In the first quarter, there were four First Time Home Buyer down payment assistance loans approved and closed, totaling \$50,081.
- (4) The City is moving to a biennial survey model, therefore the 2013 Citizen Attitude Survey will not be completed.
- (5) Performance is exceeding target due to increased awareness of online permit services; 336 of 664 permits were issued online, saving trips to City Hall.
- (6) One Essential Repair Loan Program owner occupied housing rehabilitation project reached completion during the first quarter.

FINANCE

Type of Expenditure	2013-14 Amended Budget	Unaudited 1st Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personnel Services	\$3,370,860	\$790,375	\$790,375	23.45%
Supplies and Services	1,579,200	317,020	317,020	20.07%
Capital Outlay	55,000	0	0	0.00%
Total Operating Expenditures	\$5,005,060	\$1,107,394	\$1,107,394	22.13%

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

Noteworthy Accomplishments during this Quarter:

- The Customer Services Division acquired an automated remittance payment hardware and software solution.
- The Financial Services workgroup began work on the FY 12-13 year-end audit.
- Filings were prepared and sent to the County and State respectively, related to Property Tax levies, Revenue Sharing resolution and FY 13-14 Budget Adoption.
- The Adopted FY 13-14 Budget Document was submitted for the annual GFOA award process.
- The Airport Loan with the Oregon Business Development Bank was prepaid, as budgeted, saving Public Works over \$12,000 in scheduled interest expenditures in the Airport Fund.
- Employee payroll files were updated with new fiscal year labor contract changes such as COLA's or other benefits.
- Municipal Court staff assisted in the transition of a new municipal court judge.
- The MIS Division began phase I of system implementation for the electronic traffic and parking citations system; upgraded several centralized computing resources and network services such as 911 and RMS; continued working on the implementation of the SunGard OneSolution Financial System; and continued to build business continuity through upgrading the City Disaster Recovery Plan.

Upcoming/Pending Items:

- A report to Council on the advantages of moving volunteers from a worker's comp plan to an accident coverage plan will be prepared and provided by the City's Risk Manager;
- An initiative paper for Council will be developed by staff which addresses the potential for credit card surcharges and/or convenience fees related to mobile payment applications and OneSolution Gov.Now online payment platform.
- Budget and Financial Planning (BFP) staff will conduct a first full parallel processing using the proposed new financial system software OneSolution's payroll module in the second quarter.
- Depending on the outcome of the November 2013 ballot measure, budget office staff will address the potential impacts on the FY 14-15 budget process;
- A second quarter meeting will be held for Budget Commission, with other City Boards and Commission members invited, for staff to present and discuss a potential new sustainable budget process.
- Municipal Court will complete work with online payment options for traffic tickets.
- The MIS Division will continue to assist with the financial system conversion; work on implementation of an electronic citations solution for both traffic and parking tickets; implement the Accela asset management and work order application for the Public Works department; and upgrade the Windows Server Domain to become compliant with new federal security requirements as well as take advantage of new features offered with the new operating system.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY12-13 ACTUAL	FY13-14 TARGET	1st QTR ACTUAL	FY13-14 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 \$1,550 per capita.	\$1,609	≥ \$1,550	\$285	\$285
	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.	5.6%	<7.0%	5.61%	5.61%
	Provide necessary information technology resources for departments to operate efficiently.	Achieve 100% server uptime relative to scheduled server uptime. ⁽¹⁾	99.74%	100%	98.2%	98.2%
	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 two 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⁾	1.22/1	2.00/1	.87/1	.87/1
	Increase organizational efficiency in providing service output.	Maintain operating expenditures less than or equal to \$1,490 per capita.	\$1,342	≤ \$1,490	\$358	\$358
Sustainability	Reduce department wide paper consumption through increased use of electronic file sharing and software upgrades.	Reduce paper purchases by 10% in FY 12/13 over actual FY 11/12 consumption with an additional 3% reduction in FY 13/14 (as measured in reams on a quarterly basis). ⁽³⁾	560	550	170	170
	Reduce paper and postage costs by increasing proportion of Utility Billing customers participating in E-Bill program.	Increase number of E-Bill participants to 13% of Utility Billing customers in FY 13/14 through increased advertisement. ⁽⁴⁾	1,739	2,000	1,752	1,752

- (1) During the first quarter, MIS experienced one significant power outage that caused server downtime. Overall performance for the fiscal year is still near perfect which indicates adequate server backup and scheduling of maintenance.
- (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. This results in fewer incidents that require tracking and more resolved service calls. In the first quarter, MIS had 316 service calls to 363 repair calls.
- (3) Paper consumption in the first quarter is traditionally more than later in the fiscal year due to in-house printing of the Budget Document as well as audit file preparation. Efforts to reduce paper consumption are still strong but may have reached the limit due to cost saving measures such as printing major financial documents in-house, instead of contracting with an outside vendor, which has contributed to an increase in paper use.
- (4) E-Bill customers increased modestly in the 1st quarter over FY 12-13 exit. Staff is continuing to publicize the benefits of an E-Bill with a special message on the monthly City Services bill and anticipates continued increases in participation by all utility customers.

FIRE

Type of Expenditure	2013-14 Amended Budget	Unaudited 1st Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personnel Services	\$8,558,690	\$2,220,573	\$2,220,573	25.95%
Supplies and Services	1,927,270	442,568	442,568	22.96%
Capital Outlay	0	0	0	0.00%
Total Operating Expenditures	\$10,485,960	\$2,663,141	\$2,663,141	25.40%

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

Noteworthy Accomplishments during this Quarter:

- The radio installation on Mary's Peak was equipped with a new generator.
- The seventh annual Greek Fire Academy for OSU living groups was held on September 25th.
- Regional HazMat Team personnel participated in a multi-agency, full-scale bio-terror exercise on September 13th.

Upcoming/Pending Items:

- The annual Open House & Safety Fair will be held at Stations 1 and 6 on October 12th from noon to 4pm.
- Facilitate the sale of two fire apparatus that are no longer in service.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY12-13 ACTUAL	FY12-13 TARGET	1st QTR ACTUAL	FY13-14 YTD
Community Involvement	Interact with at least 10% of residents (city and rural district) in public education events annually.	Percentage of citizens attending public education events.	8.4%	≥ 10%	2%	2%
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 70%	Percentage of total fire calls with a response time of 5 minutes or less from dispatch to arrival within city limits. ⁽¹⁾	66.0%	>70.0%	50%	50%
	Achieve a response time of 5 minutes or less from dispatch to arrival of ALS equipment of Code 3 EMS calls within the city limits, greater than the 45% ASA contract target.	Percentage of EMS calls requiring ALS with response time of 5 minutes or less from dispatch to arrival within city limits. ⁽¹⁾	57.0%	60.0%	50%	50%
	Maintain false alarm due to system malfunction at or below the 34% level reported by NFPA.	False Alarms due to system malfunction as a percentage of total false alarm incidents. ⁽²⁾	31.0%	<34.0%	26%	26%
Sustainability	Maintain average loss per capita within city and district limits less than regional average of \$35.5.	Maintain average loss per capita within city & district limits less than national average. ⁽³⁾	\$8.01	<\$35.50	\$4.49	\$4.49

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY12-13 ACTUAL	FY12-13 TARGET	1st QTR ACTUAL	FY13-14 YTD
	Maintain the number of reported residential structure fires within the city limits at less than the national average of 70 for similar-sized communities.	Residential structure fires within city limits.	55	<70	12	12

- (1) Staffing level reductions are resulting in some below target response times, but department is still working to manage within the range of comparators.
- (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) In FY 12-13, this measure applied to fire loss within the City of Corvallis only.

LIBRARY

Type of Expenditure	2013-14 Amended Budget	Unaudited 1st Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personnel Services	\$3,968,080	\$1,009,808	\$1,009,808	25.45%
Supplies and Services	1,910,070	404,425	404,425	21.17%
Capital Outlay	0	0	0	0.00%
Total Operating Expenditures	\$5,878,150	\$1,414,233	\$1,414,233	24.06%

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

Noteworthy Accomplishments during this Quarter:

- Upgraded the hardware and software information phone line to give users the ability to record their own name in the system.
- Instituted the Second Chance fine forgiveness program to restore borrowing privileges to young people.
- Installed four new self-check stations, replacing older equipment.
- Received and evaluated seven requests for proposal for periodical services. The review resulted in selection of Wolper Information Services and subscriptions will begin in the new calendar year.
- Activated text messaging services for library notifications for things such as overdue items and arrivals on holds.
- Submitted the 2013-2014 Ready to Read grant to the Oregon State Library and received approximately \$9,800 to be used for early literacy and summer reading activities; summer reading programs and activities were offered for all ages at all library locations.
- The Monroe City Council unanimously agreed to take ownership of the Monroe Community Library and also approved four/week of janitorial service for the Library.
- Received recognition from the Gazette Times for the installation of the hearing loop system in the Main Meeting Room.
- Finalized the discontinuation of the inter-library loan program, which was eliminated due to budget reductions.
- The Corvallis and Philomath libraries had winners in the College Savings Plan contest associated with the summer reading program.
- Began a new partnership with Strengthening Rural Families Parent Enhancement Program in Monroe & Philomath.
- Hosted the 11th annual model train show with approximately 300 visitors.
- Friends of the Library received over \$600 from a fundraiser sponsored by Papa's Pizza.
- The annual Fall Festival Book Sale was held by Friends of the Library.
- Completed the first phase of sustainable landscaping around the library with installation of new soil and plants.
- Installed new wall shelving, a gift from the OSU Beaver bookstore, at the Monroe Community Library

Upcoming/Pending Items:

- Continue planning for the second quarter Staff In-Service Day to take place at the Monroe Community Library.
- Building maintenance and special projects: continue major landscaping project, HVAC ductwork cleaning, and refinish woodwork in the Belluschi wing.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY12-13 ACTUAL	FY13-14 TARGET	1st QTR ACTUAL	FY13-14 YTD
Cost Efficiency	Be below national average total operating expenditures per item circulated: <\$4.05	Total operating expenditures per item circulated.	NEW	\$3.60	\$3.20	\$3.20
	Circulate more per FTE than national average of comparable libraries: >18,206	Circulation per FTE.	37,540	40,500	10,499	10,499
Community Involvement	Achieve a rating of excellent or good from at least 90% of annual survey responses.	Citizen rating of overall library services. ⁽¹⁾	96%	90%	N/A	N/A
	Achieve above national average circulation rate per capita: >10.9	Circulation rates per capita. ⁽²⁾	19.67	19.00	5.10	5.10
	Encourage and provide opportunities for citizen involvement with library services.	Number of volunteer hours worked. ⁽³⁾	14,619	17,000	3,548	3,548
Diversity	Offer programs reflecting the diverse populations within Benton County.	Total number of programs and attendees.	1,581/ 44,379	1,300/ 37,000	400/ 12,289	400/ 12,289
Sustainability	Encourage remote usage of online services. Increase by 1% annually.	Number of remote users.	830,636	768,000	269,789	269,789
	Achieve above national average use of materials in the collection: >3.39 turnover rate	Circulation turnover rate of items in the collection.	4.71	4.82	1.21	1.21
	Provide the materials people want to use and keep them moving through the community exceeding the national average of 18.62	Circulation per registered borrower.	34.66	33.00	9.06	9.06

(1) The City is moving to a biennial survey model, therefore the 2013 Citizen Attitude Survey will not be completed.

(2) Measure uses Benton County population of 86,785, per PSU population report December 2012.

(3) The Library continues to utilize volunteers to keep up with demand for services and provide community involvement opportunities, however the number of hours in Q1 are down because of changes in assigned tasks.

PARKS & RECREATION

Type of Expenditure	2013-14 Amended Budget	Unaudited 1st Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personnel Services	\$3,817,830	\$1,183,857	\$1,183,857	31.01%
Supplies and Services	2,281,460	538,104	538,104	23.59%
Capital Outlay	74,070	12,136	12,136	16.38%
Total Operating Expenditures	\$6,173,360	\$1,734,097	\$1,734,097	28.09%

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

Noteworthy Accomplishments during this Quarter:

- The Avery Park Dinosaur Bones restoration work was completed.
- Repairs and upgrades were performed on the Riverfront fountain to maintain compliance with water quality standards.
- The Collaborative Youth Exploration program was implemented by staff, with the assistance of the Benton County Foundation and the Boys and Girls Club.
- The Comepones De Salud Soccer Tournament and Family Weekend at Willamette Park was held, which included sixteen participating teams and over 1,500 visitors.
- A grant was received from the Oregon Parks and Recreation Department for the rehabilitation of Arnold Park.
- Completed the acquisition and improvements of Coronado Park.
- The Heritage Tree Program committee selected four trees into the program.
- A Youth Volunteer program survey was submitted to the national organization resulting in a \$250 acknowledgement.
- The Osborn Aquatic Center had over 1,000 children and adults participate in Parents Night Out, Family Movie Night, and the Labor Day special swim; 5,000 adults and seniors participate in Fitness and Therapy classes; and almost 9,000 children/adults participate in swimming and water safety classes.
- Volunteer hours at Parks reached 17,670, which is equivalent to approximately 8.5 staff members.
- Parks and Recreation Nutritional guidelines for vending machines in the Department's operations were completed.
- The final interview occurred with the Robert Woods Johnson Foundation for the Healthy Kids Healthy Community initiative.
- A historical barn renovation workshop was held at Owens Farm highlighting techniques and methods.
- The grand opening of the Rotary Picnic Shelter at Willamette Park took place on September 12, 2013.

Upcoming/Pending Items:

- Begin implementation of the Leonard and Edith Chandler Trust plan.
- Continue the Tunison Park Rehabilitation Project, and restoration of the Chip Ross Natural Area.
- Commence updating park facilities for American Disability Act (ADA) compliance.
- Start work on the Shawala Point Master Plan.
- Investigate the benefits/consequences of contracting parks maintenance services to an outside vendor.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY12-13 ACTUAL	FY13-14 TARGET	1st QTR ACTUAL	FY13-14 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⁾	25,069 (12FTE)	27,500 (13 FTE)	23,262 (11 FTE)	23,262 (11FTE)
	Provide individual and community programs to promote high community livability and resident well-being in a cost efficient manner.	Tier 3 of the Cost Recovery Model will meet or exceed 90% cost recovery.	159%	90%	103%	103%
	Provide intermediate and advanced level programs that promote high community livability and resident well-being while recovering all direct expenses.	Tier 4 of the Cost Recovery Model will meet or exceed 100% of cost recovery.	123%	100%	144%	144%

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY12-13 ACTUAL	FY13-14 TARGET	1st QTR ACTUAL	FY13-14 YTD
	Provide opportunities and venues that generate revenue and promote economic vitality.	Tier 5 of the Cost Recovery Model will meet or exceed 200% of cost recovery.	379%	200%	415%	415%
Community Involvement	Provide multiple opportunities for public involvement.	Total number of hours of Board, Commissions and Stakeholder, and Public Meetings.	80	80	22	22
Sustainability	Increase the utilization percentage of granted scholarships.	Percent of total scholarship value expended. ⁽²⁾	64%	45%	25%	25%
	Maintain or improve the ratio of acres per population of comparator cities.	Total park acres per 1,000 population. ⁽³⁾	31.5	31.5	31.5	31.5
	Increase environmental awareness of the community with distinctive open space & natural features, protected habitats, parks & outdoor recreation.	Maintain or improve the percentage of households using the city parks, trails, and open spaces. ⁽⁴⁾	NEW	89%	N/A	N/A
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 registrations.	2,040/ 85,149	1,820/ 100,000	396/ 39,345	396/ 39,345

- (1) Volunteers are most prevalent in the first and fourth quarters; P&R anticipates exceeding annual goal based on quarter one actuals. Parks operations continue to be a leader in the utilization of volunteer labor – capitalizing on college and community need for service project opportunities.
- (2) This program is designed for families at or below federal poverty guidelines. Due to outreach and changes in eligibility per cost recovery policy, utilization rates are expected to exceed expectations.
- (3) FY13-14 YTD is based on acres vs. deeds and thus results in current acres of 1,734.16 (which includes the addition of 0.56 acres for the new Coronado Park addition) to a population of 55,055, per PSU population report December 2012.
- (4) The City is moving to a biennial survey model, therefore the 2013 Citizen Attitude Survey will not be completed which is where this data point is obtained.

POLICE

Type of Expenditure	2013-14 Amended Budget	Unaudited 1st Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personnel Services	\$9,960,890	\$2,400,812	\$2,400,812	24.10%
Supplies and Services	3,154,690	840,088	840,088	26.63%
Capital Outlay	227,830	0	0	0.00%
Total Operating Expenditures	\$13,343,410	\$3,240,900	\$3,240,900	24.29%

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:

- A Corvallis Police Department (CPD) sub-station opened within the Emergency Department of Good Samaritan Regional Medical Center.
- CPD staff participated in the Law Enforcement Torch Run and the Oregon State Summer Games for the Special Olympics.
- Corvallis Police Auxiliary conducted the National Night out with twenty-two neighborhood events registered and visited.
- A tactical action plan was implemented for the Independence Day holiday and fireworks display whereby officers were deployed on bicycle to maintain a visible presence.
- CPD cadets attended the Annual Oregon Law Enforcement Challenge and competed against sixteen other law enforcement agencies. CPD cadets won awards in the following events: Impaired Driver Investigation, Marksman Shooter, Domestic Violence Investigation, and Building Searches.
- Recruitment and job offers were completed for four open police officer positions with start dates in October.

Upcoming/Pending Items:

- Upon the incumbent’s retirement, selected internal applicants will be promoted in the second quarter for the positions of Sergeant and Lieutenant.
- Work is continuing on the grant funded E-Citation project and the radio interoperability project.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY12-13 ACTUAL	FY13-14 TARGET	1st QTR ACTUAL	FY13-14 YTD
Public Safety/Livability	Increase community safety by reducing response time to top priority calls.	Response time in seconds to top priority calls.	296	<300	293	293
	Increase community safety by clearing part 1 criminal investigations.	Percentage of Part 1 Crimes Cleared.	Violent 53%	70%	67%	67%
			Property 23%	20%	18%	18%
	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.	0	<90	92	92
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. ⁽¹⁾	2.5	<2.50	.7	.7	
Diversity	Increase diversity of applicant pool through targeted outreach efforts.	Number of new, targeted outreach efforts. ⁽²⁾	8	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. ⁽³⁾	81%	85%	N/A	N/A
Sustainability	Reduce printing costs and staff time through implementation and use of Electronic Citation Process.	Percentage of total traffic violations written through the E-citation system. ⁽⁴⁾	NEW	60%	0	0

- (1) There have been 40 accidents, or .7 per thousand, year-to-date. This is well below the State average and is on track to meet target for the fiscal year. FY13-14 year-to-date figures utilize the most recent actual PSU Population Research Group figure of 55,055 (December 2012).
- (2) Recruitments closed at the end of fourth quarter; so no new recruitments in the first quarter.
- (3) The City is moving to a biennial survey model, therefore the 2013 Citizen Attitude Survey will not be completed which is where this data point is obtained.
- (4) There is no activity to report during the first quarter as the project is still in the implementation phase.

PUBLIC WORKS

Type of Expenditure	2013-14 Amended Budget	Unaudited 1st Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personnel Services	\$12,182,800	\$2,707,658	\$2,707,658	22.23%
Supplies and Services	16,787,820	3,508,752	3,508,752	20.90%
Capital Outlay	1,788,730	32,920	32,920	1.84%
Total Operating Expenditures	\$30,759,350	\$6,249,330	\$6,249,330	20.32%

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:

- Worked with Accela to complete workgroup gap analysis meetings to identify the baseline structure of the new work order and asset management program. Began building templates in Accela to track assets, work orders, and service requests.
- Presented Utility Service Rate Study cost of service findings to the City Manager and Finance Director.
- Negotiated several changes to various sections of the proposed 10-year cable franchise agreement with Comcast.
- Implemented an Emergency Ride Home program in conjunction with the Cascades West Council of Governments rideshare program. This is available to any employees of Benton, Linn, or Lincoln Counties who walk, bicycle, carpool, or vanpool to work.
- Completed the installation of the real-time component of the replacement of the Vehicle Information System (VIS) for Corvallis Transit System (CTS). This allows users to query the system to determine the real-time bus route information (Where's My Bus?).
- Finished the 2013 Crack and Slurry Seal and Grind/Inlay street maintenance projects, and resurfaced two City owned parking lots.
- Finalized the 2013 Sidewalk Safety program, which includes all citizen requests to date.
- Accomplished construction of the new Corvallis Forest main entry road bridge.
- Conducted a number of community outreach events in relation to the Healthy Streets/Streams initiative funded through an Environmental Protection Agency (EPA) Water Program grant.
- Completed the Wetlands Services Master Agreement.
- Initiated the construction of all FY13-14 CIP construction projects.

Upcoming/Pending Items:

- Build remaining templates in Accela to track assets, work orders, and service requests. Begin data migration from the existing system (Gismo/MP2) to Accela.
- Prepare the utility fund viability report and present recommendations to the City Council.
- Perform the organizational green house gas inventory project for the EPA's Climate Showcase Communities grant.
- Secure City Council approval of the FAA-approved Airport Master Plan and initiate the Comprehensive Plan Amendment with Planning staff.
- Finish replacement of the remaining components of the CTS Vehicle Information System. This includes automated passenger counting, stop announcements, and vehicle location indicators.
- Complete the siding and window projects on the main hangar, runway painting, and fog sealing at the Corvallis Municipal Airport.
- Secure renewal of the City's Storm Water Utility NPDES discharge permit issued by EPA/DEQ.
- Work on the 2013 water quality/temperature monitoring projects on the City's urban streams and the Rock Creek watershed.
- Initiate construction of the following capital improvement projects: Storm Pipe Replacement, Dixon Creek Bank Stabilization, Water Distribution System Rehabilitation, Sanitary Sewer Rehabilitation, Corvallis-Albany Trail, and Street Reconstruction.
- Negotiate a contract with the consultant for the Storm Water Design Manual.
- Conduct the annual CIP Commission public hearing with a CIP document recommendation to the Planning and Budget Commissions.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY12-13 ACTUAL	FY13-14 TARGET	1st QTR ACTUAL	FY13-14 YTD
Cost Efficiency	Maintain transit costs below national average of \$2.70 per ride.	Costs per transit ride. ⁽¹⁾	\$1.64	<\$2.70	\$2.01	\$2.01
	Have utility rates that contribute to Corvallis being an attractive place to live.	Control operation and maintenance costs to minimize annual utility rate increases. ⁽²⁾	3.0%	≤ 3.0%	N/A	N/A
		Percent of average annual water bill to median household income (\$80,800). ^{(2) (3)}	0.36%	<0.45%	N/A	N/A
		Percent of average annual wastewater bill to median household income (\$80,800). ^{(2) (3)}	0.48%	<0.65%	N/A	N/A
Community Involvement	Encourage citizen input on Public Works projects and activities.	Number of public meetings held on department projects. ⁽⁴⁾	27	≥20	0	0
Sustainability	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. ⁽⁵⁾	\$94.55	< \$80.00	N/A	N/A
	Remain below national average of 10% annual for water loss in the distribution system.	Percent of water loss in the distribution system. ⁽⁶⁾	4.86%	<10.00%	2.8%	2.8%

(1) Fareless transit has led to significantly higher ridership resulting in a lower cost per rider than historically obtained despite higher program costs.

(2) This is an annual measure calculated in the second quarter; no additional data is collected in the first, third, or fourth quarters.

(3) Income figures are determined and published by the U.S. Department of Housing and Urban Development (HUD).

(4) This measure is seasonally impacted, with the frequency of meetings increasing toward the end of the fiscal year.

(5) This is an annual measure calculated in the fourth quarter; no additional data is collected in the first three quarters.

(6) This measure reports on three months of data; the third month is collected after this report is published resulting in future quarter updates.

NON-DEPARTMENTAL

Type of Expenditure	2013-14 Amended Budget	Unaudited 1st Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personnel Services	\$0	\$0	\$0	0.00%
Supplies and Services	1,449,420	343,206	343,206	23.68%
Capital Outlay	0	0	0	0.00%
Total Operating Expenditures	\$1,449,420	\$343,206	\$343,206	23.68%

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

CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program section is included in the Quarterly Operating Report to update readers on the status of projects currently in progress. Projects have been placed in one of seven broad-based infrastructure functional areas: Airport; Buildings and Facilities; Parks and Recreation; Storm Water; Transportation; Wastewater; and Water. At the end of the first quarter, Capital Project year-to-date expenditures totaled \$1,604,018 or 15.68% of the \$10,229,889 Amended Budget. The lists below include a breakout of major projects by those that were completed and projects deferred or cancelled. The projects for which only the design phase is to be completed have been marked as such. Please refer to the detail section starting on page three for more information on the status of all projects, including those below.

Projects Completed or Expected to be Completed

Page#

City Hall Block – Wayfinding Signage	<u>3</u>
Acquisition / Development – Coronado Park	<u>4</u>
Park Improvements – Tunison	<u>4</u>
SWMP – Dixon Creek Slope Stabilization	<u>5</u>
SWMP – Greeley Overflow Pipe	<u>5</u>
Corvallis to Albany Trail	<u>6</u>
Street Reconstruction – 10 th (Construction)	<u>7</u>
36 th and Grant Water Pump Station Improvements	<u>8</u>

Projects Deferred or Cancelled

Reservoir Road Improvements	<u>6</u>
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SUMMARY OF CIP PROJECTS

AIRPORT	ADOPTED	AMENDED	Y-T-D
Airport Facility Improvements	\$112,850	\$112,850	\$0
TOTAL Airport Projects	<u>\$112,850</u>	<u>\$112,850</u>	<u>\$0</u>
BUILDINGS AND FACILITIES	ADOPTED	AMENDED	Y-T-D
City Hall Block	\$168,100	\$110,570	\$51,314
Fire Department Facilities Relocation	219,000	206,070	1,546
Municipal Buildings Rehabilitation	90,000	90,000	0
TOTAL Buildings and Facilities	<u>\$477,100</u>	<u>\$406,640</u>	<u>\$52,860</u>
PARKS	ADOPTED	AMENDED	Y-T-D
Acquisition of Land	\$430,235	\$429,755	\$0
Osborn Aquatic Center	40,000	25,000	0
Park Development - New	629,520	624,880	399,752
Park Facility Renovation	250,000	240,000	0
Park Improvements - Existing	523,000	488,930	80,409
Riverfront Commemorative Park Signage	31,150	31,150	0
Special Use Facilities	190,000	190,000	0
Trails/Bike Paths	35,000	35,000	0
TOTAL Parks	<u>\$2,128,905</u>	<u>\$2,064,715</u>	<u>\$480,161</u>
STORM WATER	ADOPTED	AMENDED	Y-T-D
Storm Drain Replacement	\$467,500	\$628,284	\$290,625
Storm Water Master Plan Projects	305,000	215,250	91,388
Utility and Street Improvements	15,000	35,000	0
Carryover Adjustment - Unused Budget	0	2,070	0
TOTAL Storm Water Projects	<u>\$787,500</u>	<u>\$880,604</u>	<u>\$382,013</u>
TRANSPORTATION	ADOPTED	AMENDED	Y-T-D
15th Street/Washington Way Improvements	\$37,400	\$37,400	\$14,122
35th Street Sidwalk & RR Crossing	\$261,000	\$261,000	\$0
City Hall Parking	10,000	10,000	0
Covallis to Albany Trail	664,500	664,500	223,542
Downtown Public Parking	200,000	200,000	0
Downtown Wayfinding	345,670	345,670	0
Goodnight ROW Acquisition	370,000	370,000	0
Highway 99 Widening	307,160	307,160	6,004
Morris Avenue Bridge	178,000	142,100	2,650
Pedestrian Crossings	48,200	48,200	0
Reservoir Road Improvements	300,000	0	0
Safe Routes to Schools	343,950	343,950	0
Street Reconstruction	463,040	539,040	52,771
Utility and Street Improvements	200,000	124,000	0
Carryover Adjustment - Unused Budget	0	470,550	0
TOTAL Transportation	<u>\$3,728,920</u>	<u>\$3,863,570</u>	<u>\$299,088</u>
WASTEWATER	ADOPTED	AMENDED	Y-T-D
Biosolids Storage Tank	\$40,000	\$39,410	\$1,261
Sanitary Sewer Line Rehabilitation	671,930	671,930	336,000
WWRP Secondary Clarifiers	850,000	820,360	9,591
Utility and Street Improvements	33,000	33,000	0
Carryover Adjustment - Unused Budget	0	30,230	0
TOTAL Wastewater Projects	<u>\$1,594,930</u>	<u>\$1,594,930</u>	<u>\$346,852</u>
WATER	ADOPTED	AMENDED	Y-T-D
36th and Grant Water Pump Station Improvements	\$877,400	\$875,210	\$38,285
Rock Creek Hydroelectric	37,500	37,500	0
Water Distribution System Rehabilitation	320,000	300,010	4,758
West Corvallis Second Level Water	38,680	38,680	0
Utility and Street Improvements	33,000	33,000	0
Carryover Adjustment - Unused Budget	0	22,180	0
TOTAL Water Projects	<u>\$1,306,580</u>	<u>\$1,306,580</u>	<u>\$43,044</u>
TOTAL All Areas	<u>\$10,136,785</u>	<u>\$10,229,889</u>	<u>\$1,604,018</u>

AIRPORT AND INDUSTRIAL PARK

<i>Airport Facility Improvements</i>	<u>CIP Doc Pg:</u> 1	<u>Adopted Budget:</u> \$112,850	<u>Amended:</u> \$112,850	<u>YTD Expended:</u> \$0
<p>This project allows for improvements as identified in the Airport Master Plan (AMP). The latter is currently pending FAA approval. Following this approval, specific projects identified in the Plan can be requested for FAA funding. Design for AMP projects has been included in the adopted FY 13-14 budget with design expected in the fall/winter and construction in the summer of 2014.</p>				

BUILDING AND FACILITIES

<i>City Hall Block</i>	<u>CIP Doc Pg:</u> 9	<u>Adopted Budget:</u> \$168,100	<u>Amended:</u> \$110,570	<u>YTD Expended:</u> \$51,314
<p>This project continues to address the long-term facility needs for the City Hall block. FY 13-14 budget includes providing way-finding signage for municipal offices in the City Hall area.</p> <p>A contract for the way-finding signage was awarded, with production of the signs to beginning mid-August. Sign samples have been received for City approval with production anticipated for November and installation in December.</p>				
<i>Fire Department Facilities Relocation</i>	<u>CIP Doc Pg:</u> 11	<u>Adopted Budget:</u> \$219,000	<u>Amended:</u> \$206,070	<u>YTD Expended:</u> \$1,546
<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.</p> <p>Design is in progress and construction is programmed for FY 14-15.</p>				
<i>Municipal Buildings Rehabilitation</i>	<u>CIP Doc Pg:</u> 13	<u>Adopted Budget:</u> \$90,000	<u>Amended:</u> \$90,000	<u>YTD Expended:</u> \$0
<p>This project extends the life of municipal buildings through a planned program of rehabilitation projects. This fiscal year's adopted budget include replacement of the air conditioning unit in the Library computer room.</p> <p>This project has not been initiated.</p>				

PARKS AND RECREATION

<i>Acquisition of Land</i>	<u>CIP Doc Pg:</u> 17	<u>Adopted Budget:</u> \$430,235	<u>Amended:</u> \$429,755	<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.</p> <p>The purchase of land in the Coronado sub-division for the purposes of a neighborhood park was completed during the 1st quarter and the park is open to the public. The land purchase and development are all included in the Park Development-New FY 13-14 budget.</p>				
<i>Osborn Aquatic Center</i>	<u>CIP Doc Pg:</u> 19	<u>Adopted Budget:</u> \$40,000	<u>Amended:</u> \$25,000	<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 installation of an in-water climbing wall. Fund raising efforts are underway for this project.</p>				

Park Development - New	<u>CIP Doc Pg:</u> 21	<u>Adopted Budget:</u> \$629,520	<u>Amended:</u> \$624,880	<u>YTD Expended:</u> \$399,752
<p>This project allows for the creation of new parks as Corvallis expands its City limits to include land within the Urban Growth Boundary. This fiscal year's budget includes improvements to Harding Neighborhood Park, pending acquisition; Shawala Point Park; and completion of the Coronado subdivision neighborhood park.</p> <p>The purchase of land in the Coronado sub-division for the purposes of a neighborhood park was completed during the 1st quarter and the park is open to the public.</p>				
Park Facility Renovation	<u>CIP Doc Pg:</u> 23	<u>Adopted Budget:</u> \$250,000	<u>Amended:</u> \$240,000	<u>YTD Expended:</u> \$0
<p>This project allows for significant renovation of existing parks with facilities that have deteriorated beyond the routine repair stage. This fiscal year's budget includes completion re-roofing and stabilizing the existing barn at Owens Farm; design of Walnut Barn renovations. These projects have not yet been initiated.</p>				
Park Improvements - Existing	<u>CIP Doc Pg:</u> 25	<u>Adopted Budget:</u> \$523,000	<u>Amended:</u> \$488,930	<u>YTD Expended:</u> \$80,409
<p>This project provides for improvements to existing City Parks. The Willamette Park Rotary shelter was 90% complete in the first quarter and a grant opening celebration held. Finish work will be completed during the second quarter and the shelter will be available for rental to the public beginning with dates in April, 2014.</p> <p>During the first quarter, a construction contract was awarded for the Tunison Park improvements with completion scheduled for the 2nd quarter.</p> <p>A large steel arbor was fabricated and installed in the Avery Rose Garden Plaza during first quarter. The arbor was donated to the City by the Corvallis Rose Society. With no net out-of-pocket City expense for this project, the capital asset value to be recorded for this donation has not yet been determined.</p>				
Riverfront Commemorative Park Signage	<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 to be completed by volunteers; there has been no activity in the first quarter.</p>				
Special Use Facilities	<u>CIP Doc Pg:</u> 29	<u>Adopted Budget:</u> \$190,000	<u>Amended:</u> \$190,000	<u>YTD Expended:</u> \$0
<p>This project allows for improvement to facilities which are site specific. Improvements will include sustainable materials and construction techniques. This fiscal year's budget includes constructing a covered bike shelter with seating area at the Senior Center/Chintimini Park; and design/construction of Skate Park lighting upgrades. No activity has occurred during the 1st quarter.</p>				
Trails/Bike Paths	<u>CIP Doc Pg:</u> 31	<u>Adopted Budget:</u> \$35,000	<u>Amended:</u> \$35,000	<u>YTD Expended:</u> \$0
<p>This project improves and adds trails and bike paths for citizen enjoyment. This fiscal year's budget includes an integrated trail system at Herbert Farms.</p> <p>Staff has been awarded FEMA funds for the removal and replacement of the boardwalk trail at Marys River Natural Area that was damaged during the January 2012 storm event. The collapsed boardwalk was removed from the site and all salvageable material was stored for future use. Staff has not been successful in obtaining grant funds to use as match funds for the FEMA grant and is looking at other options to raise funds to do the project.</p>				

STORM WATER UTILITY

<i>Storm Drain Replacement</i>	<u>CIP Doc Pg:</u> 37	<u>Adopted Budget:</u> \$467,500	<u>Amended:</u> \$628,284	<u>YTD Expended:</u> \$290,625
<p>This annual program replaces or rehabilitates storm water pipelines that are inadequately sized or have exceeded their useful service life. The facilities to be replaced are selected based on their condition as determined through inspection. Construction of projects designed in FY 12-13 is in progress.</p>				
<i>Storm Water Master Plan Projects</i>	<u>CIP Doc Pg:</u> 39	<u>Adopted Budget:</u> \$305,000	<u>Amended:</u> \$215,250	<u>YTD Expended:</u> \$91,388
<p>This project implements recommendations from the adopted Storm Water Master Plan. Projects were prioritized and developed based on highest system need while addressing flood mitigation, system capacity, operations and maintenance needs, and preservation and enhancement of natural resources.</p> <p>Design was completed in FY 12-13 to provide bank stabilization on the east bank of Dixon Creek where the bank has experienced a slope failure. Construction is currently underway and approximately 50% complete. Weather impacts and Oregon Department of Fish & Wildlife delays have hindered progress.</p> <p>Construction has been completed on the Greeley Avenue project to replace an undersized 8-inch pipe running east to west on the street.</p>				
<i>Utility and Street Improvements</i>	<u>CIP Doc Pg:</u> 87	<u>Adopted Budget:</u> \$15,000	<u>Amended:</u> \$35,000	<u>YTD Expended:</u> \$0
<p>These storm water assessments provide utility improvements to existing properties or to new developments that are not currently being served. Assessment projects require that the costs of the projects be paid by the owners and may be initiated by the City or by the owners of the property who benefit. This project is also used to reimburse developer-financed projects where System Development Charge (SDC) participation is appropriate. There were no storm water utility reimbursements in the 1st quarter.</p>				

TRANSPORTATION

<i>15th Street/Washington Way Improvements</i>	n/a	<u>Adopted Budget:</u> \$37,400	<u>Amended:</u> \$37,400	<u>YTD Expended:</u> \$14,122
<p>This project now combines the planned reconstruction of 15th Street from Western Boulevard to Jefferson Avenue, formerly part of the Street Reconstruction – Arterial/Collector project on page 77 of the CIP document, with OSU’s proposed realignment of Washington Way, construction of a traffic signal, a new railroad gate crossing at 15th Street/Washington Way, and relocation of a 20-inch water line. City staff will manage design and construction of this expanded scope in collaboration with OSU through an intergovernmental agreement (IGA). Both the IGA and associated supplemental budget will be approved by City Council in the second quarter. Design work has commenced.</p>				
<i>35th Street Sidwalk & RR Crossing</i>	<u>CIP Doc Pg:</u> 45	<u>Adopted Budget:</u> \$261,000	<u>Amended:</u> \$261,000	<u>YTD Expended:</u> \$0
<p>This project makes improvements to 35th Street between Western Boulevard and Jefferson way to facilitate safe movement of pedestrians and bicyclists.</p> <p>Design will proceed this winter with construction expected to occur in FY 14-15.</p>				
<i>City Hall Parking</i>	<u>CIP Doc Pg:</u> 49	<u>Adopted Budget:</u> \$10,000	<u>Amended:</u> \$10,000	<u>YTD Expended:</u> \$0
<p>This project will investigate remote parking opportunities for downtown employees, including those at City Hall. This project has not yet been initiated 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 looking at options for remote parking.</p>				

<i>Covallis to Albany Trail</i>	<u>CIP Doc Pg:</u> 51	<u>Adopted Budget:</u> \$664,500	<u>Amended:</u> \$664,500	<u>YTD Expended:</u> \$223,542
<p>The City of Corvallis, City of Albany, and Benton County are participating in a joint effort to develop a multi-use path from Corvallis to Albany. This project will be developed in phases and supports the City's sustainability policies by providing an improved bicycle and pedestrian route between Corvallis and Albany. Project design will be completed by Benton County, with the City constructing all segments within the City Limits.</p> <p>City staff has been meeting with the Oregon Department of Transportation (ODOT) Rail Division to discuss trail crossing options. This process has resulted in an administrative hearing which will not impact the construction dates. Construction is underway with completion scheduled for the second quarter.</p>				
<i>Downtown Public Parking</i>	<u>CIP Doc Pg:</u> 53	<u>Adopted Budget:</u> \$200,000	<u>Amended:</u> \$200,000	<u>YTD Expended:</u> \$0
<p>This project funds upgrading, altering and constructing public parking within the central business district. This project is a placeholder for opportunities to secure additional sites or to make improvements to existing parking facilities. No upgrades have been identified during the 1st quarter.</p>				
<i>Downtown Wayfinding</i>	<u>CIP Doc Pg:</u> 55	<u>Adopted Budget:</u> \$345,670	<u>Amended:</u> \$345,670	<u>YTD Expended:</u> \$0
<p>This project provides downtown wayfinding signage as identified in the Downtown Corvallis Strategic Plan. This project has not yet been initiated due to awaiting grant funding opportunities.</p>				
<i>Goodnight ROW Acquisition</i>	<u>CIP Doc Pg:</u> 57	<u>Adopted Budget:</u> \$370,000	<u>Amended:</u> \$370,000	<u>YTD Expended:</u> \$0
<p>This project will acquire right-of-way to allow for alignment of eastern and western legs of Goodnight Avenue at its intersection with Highway 99. The project budget will be used to negotiate an agreement with the current property owner allowing the City a first right-of-refusal in the event the property is offered for sale.</p>				
<i>Highway 99 Widening</i>	<u>CIP Doc Pg:</u> 59	<u>Adopted Budget:</u> \$307,160	<u>Amended:</u> \$307,160	<u>YTD Expended:</u> \$6,004
<p>This project will design the third and final phase of improvements to Highway 99 between the railroad overcrossing and Elks Drive. This phase will widen Highway 99 from two to four lanes between the railroad overpass to Circle Boulevard.</p> <p>Engineering has incurred costs to begin work on a Request for Proposal (RFP) for consultant services, but design work has not yet been initiated.</p>				
<i>Morris Avenue Bridge</i>	<u>CIP Doc Pg:</u> 67	<u>Adopted Budget:</u> \$178,000	<u>Amended:</u> \$142,100	<u>YTD Expended:</u> \$2,650
<p>This project will replace the existing Morris Avenue Bridge over Oak Creek near 26th Street. An interagency agreement between the City and ODOT for project design and construction has been fully executed. Staff is negotiating a consultant contract and expects design to be completed in FY 13-14 and construction to occur in FY 14-15 and 15-16.</p>				
<i>Pedestrian Crossings</i>	<u>CIP Doc Pg:</u> 69	<u>Adopted Budget:</u> \$48,200	<u>Amended:</u> \$48,200	<u>YTD Expended:</u> \$0
<p>This project will improve pedestrian crossing opportunities at selected locations along 9th Street, Walnut Boulevard, and Highland Drive. A New Freedom grant provides funding for this project. Design is currently underway.</p>				
<i>Reservoir Road Improvements</i>	<u>CIP Doc Pg:</u> 71	<u>Adopted Budget:</u> \$300,000	<u>Amended:</u> \$0	<u>YTD Expended:</u> \$0
<p>This project provides Street SDC funds for improvements to Reservoir Road, a facility identified in the Corvallis Transportation Master Plan and included on the City's Street SDC project list, but currently under Benton County jurisdiction. The City processed the reimbursement to the County in May, 2013. There will be no expenditures in FY 13-14.</p>				

<i>Safe Route To Schools</i>	<u>CIP Doc Pg:</u> 73	<u>Adopted Budget:</u> \$343,950	<u>Amended:</u> \$343,950	<u>YTD Expended:</u> \$0
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This project will construct various infrastructure elements to improve safety and access for children walking and bicycling to schools in the community. This project is primarily funded with a Safe Routes to Schools grant. Design is anticipated to begin in the second quarter.

<i>Street Reconstruction</i>	<u>CIP Doc Pg:</u> 77	<u>Adopted Budget:</u> \$463,040	<u>Amended:</u> \$539,040	<u>YTD Expended:</u> \$52,771
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This project is the annual re-construction and overlay of selected streets based upon priorities set by a survey of pavement conditions.

Design was completed in FY 12-13 for the reconstruction of 10th Street between Buchanan and Grant Avenues. Construction will be substantially completed in the second quarter.

<i>Utility and Street Improvements</i>	<u>CIP Doc Pg:</u> 87	<u>Adopted Budget:</u> \$200,000	<u>Amended:</u> \$124,000	<u>YTD Expended:</u> \$0
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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 1st quarter.

WASTEWATER UTILITY

<i>Biosolids Storage Tank</i>	<u>CIP Doc Pg:</u> 95	<u>Adopted Budget:</u> \$40,000	<u>Amended:</u> \$39,410	<u>YTD Expended:</u> \$1,261
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This project provides for the replacement/rehabilitation of the existing biosolids storage tank and pumping system which are showing signs of age. Staff is negotiating with a consultant for design services. Design will be completed in conjunction with the WWRP Secondary Clarifier project.

<i>Sanitary Sewer Line Rehabilitation</i>	<u>CIP Doc Pg:</u> 97	<u>Adopted Budget:</u> \$671,930	<u>Amended:</u> \$671,930	<u>YTD Expended:</u> \$336,000
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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. Design work for projects to be constructed in FY 13-14 is complete and construction is in progress. Five sanitary sewer lines will be replaced on 21st Street between Harrison Boulevard and Polk Avenue, as well as a line in Johnson Avenue between 28th to 30th Streets and at Walnut Boulevard and Glenridge Drive.

<i>WWRP Secondary Clarifiers</i>	<u>CIP Doc Pg:</u> 105	<u>Adopted Budget:</u> \$850,000	<u>Amended:</u> \$820,360	<u>YTD Expended:</u> \$9,591
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This project will construct two new secondary clarifiers at the WWRP. The new clarifiers will accommodate increased flows due to community growth. Staff is negotiating with a consultant for design services. Design of this project will be completed in conjunction with the Biosolids Storage Tank project.

<i>Utility and Street Improvements</i>	<u>CIP Doc Pg:</u> 87	<u>Adopted Budget:</u> \$33,000	<u>Amended:</u> \$33,000	<u>YTD Expended:</u> \$0
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These sewer assessments provide utility improvements to existing properties or to new developments that are not currently being served. Assessment projects require that the costs of the projects be paid by the owners and may be initiated by the City or by the owners of the property who benefit. This project is also used to reimburse developer-financed projects where System Development Charge (SDC) participation is appropriate. There were no wastewater utility reimbursements in the 1st quarter.

WATER UTILITY

<i>36th and Grant Water Pump Station Improvements</i>	<u>CIP Doc Pg:</u> 109	<u>Adopted Budget:</u> \$877,400	<u>Amended:</u> \$875,210	<u>YTD Expended:</u> \$38,285
This project replaces the building and electrical equipment at the 36 th Street and Grant Avenue water pump station. Design is complete and a construction is underway with completion scheduled for April, 2014.				
<i>Rock Creek Hydroelectric</i>	<u>CIP Doc Pg:</u> 117	<u>Adopted Budget:</u> \$37,500	<u>Amended:</u> \$37,500	<u>YTD Expended:</u> \$0
This project will construct a small-scale hydro power facility at the City's Rock Creek Water Treatment Plant utilizing existing pipelines which convey water from Rock Creek to the Baldy reservoir. This project has not yet been initiated.				
<i>Water Distribution System Rehabilitation</i>	<u>CIP Doc Pg:</u> 121	<u>Adopted Budget:</u> \$320,000	<u>Amended:</u> \$300,010	<u>YTD Expended:</u> \$4,758
This program provides for ongoing replacement or rehabilitation of the City's water distribution system infrastructure. Design was completed in FY 12-13 for projects to be constructed in FY 13-14. A construction contract has been awarded and work will begin in the second quarter.				
<i>West Corvallis Second Level Water</i>	<u>CIP Doc Pg:</u> 123	<u>Adopted Budget:</u> \$38,680	<u>Amended:</u> \$38,680	<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> 87	<u>Adopted Budget:</u> \$33,000	<u>Amended:</u> \$33,000	<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 1 st quarter.				

CORVALLIS CITY COUNCIL GOALS 2013-2014

PREFACE:

This is an update on work accomplished on Council Goals during the first quarter, with a summary of expected work to be accomplished in the future. The City Council goals continue to reflect an ongoing commitment to the overarching goals of:

- ◆Diversity ◆Citizen Involvement ◆Sustainability ◆Cost Efficiency

Council goals are also connected to both the Vision 2020 Statement Categories and the City Manager’s Core Responsibilities:

Goals	Corvallis 2020 Vision Statement Categories	City Manager’s Core Responsibilities
<p><u>SUSTAINABLE BUDGET</u> Council will achieve a sustainable budget where recurring revenues equal or exceed recurring expenditures in all City funds by continuing to seek expenditure efficiencies and by exploring and implementing a broad range of revenue sources.</p> <p><u>Accomplished through September 30, 2013:</u></p> <ul style="list-style-type: none"> • Public Works reviewed data provided by a consultant, Raftellis Financial Consultants, to identify options to improve the current utility rate structure to ensure equitable and defensible cost recovery in the three utility enterprise funds. • The City manager worked to develop a revised budget model that would address financial sustainability for the next five years. • The legislature, meeting in special session, passed a bill to further modify PERS cost-of-living-adjustments. If the language in the bill withstands an expected appeal to the Oregon Supreme Court, employer PERS rates should stabilize somewhat in ratings for July 1, 2015 and July 1, 2017 rate changes. <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> • The City Manager will present the new budget model to the Budget Commission on October 8. • Budget development work for FY 14-15 will begin. 	<p>Culture/Recreation Central City Economic Vitality Education/Human Services Governing and Civic Involvement Protecting the Environment Where we Live</p>	<p>Resident Well Being Public Safety Livability Infrastructure Economic Vitality</p>
<p><u>HOMELESS COLD WEATHER SHELTER</u> Participate in the development of a plan to find a permanent solution by December 2014 for a cold weather shelter and daytime drop-in center.</p> <p><u>Accomplished through September 30, 2013:</u></p> <ul style="list-style-type: none"> • The winter shelter intends to open November 1, 2013 and run through the end of March 2014, with operations to again be located at 530 SW 4th Street. • The annual contract with Corvallis Homeless Shelter Coalition for operating funding was completed with payment anticipated to begin in December after the first month of shelter operations is complete. • Community Development staff met with Coalition representatives on several occasions to identify land use and building issues associated with potential sites for a permanent shelter. <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> • The CHSC continues to evaluate opportunities to acquire a building that will house a men’s and women’s shelter, drop-in center and meal site. 	<p>Central City Education/Human Services Governing/Civic Involvement Where we Live</p>	<p>Resident Well Being Public Safety Livability Infrastructure</p>

Goals	Corvallis 2020 Vision Statement Categories	City Manager's Core Responsibilities
<p><u>CITY/ OSU COLLABORATION</u> The Collaboration Corvallis project will be completed by the end of 2014 with Council approved recommendations implemented or planned, including a collaboration framework for the future.</p> <p><u>Accomplished through September 30, 2013:</u></p> <ul style="list-style-type: none"> • Police Department staff enhanced communication with Oregon State Police-OSU and Office of Student Conduct related to off-campus incidents. • The Parking and Traffic and Neighborhood Planning Workgroups each met several times in the first quarter. Parking and Traffic continued work on the Draft Pedestrian/Bicycle Safety Corridor Assessment; the Neighborhood Planning Workgroup continued work on the final draft demolition recommendation and to finalize the rezoning recommendations. • Public Works completed the initial launch of software that will provide access to real-time transit bus location information; meeting one of the Parking and Traffic Work Group's recommended actions within the estimated timeframe. • Working with OSU, Public Works Transportation staff has been in discussions with OSU marketing staff to develop a marketing plan to promote the transit system in general and the new system that provides real-time bus ETA by stop (Vehicle Information System or VIS). These actions support the overall Collaboration goals of increasing transit ridership and discouraging OSU related parking in neighborhoods. • Public Works, along with Finance, Police and Community Development, facilitated discussions at Urban Services Committee meetings to develop parameters of an expanded residential parking district program. Consensus reached to date include number of new districts; general boundaries of those districts and a restriction on parking to vehicles with permits. • Community Development staff formed a workgroup to advise staff in the development of a property maintenance code as recommended by the Collaboration project and requested by the City Council. The advisory group met twice during the quarter. <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> • The Neighborhood Planning and Parking and Traffic Workgroups are finalizing their recommendations to present to the Steering Committee in November. • The Steering Committee is scheduled to meet on November 8th to receive the workgroup's recommendations. • Community Development Staff will be seeking Council direction in early October regarding moving forward with potential Land Development Code Amendments and other recommendations from the Collaboration Work Groups. • With advice from the PMC advisory group, staff will develop a recommendation to the City Council on a property maintenance code and associated program elements. • City staff will continue to work through the residential parking districts program elements with USC and do a preliminary public outreach to the potentially affected properties. 	<p>Central City Economic Vitality Education/Human Services Governing and Civic Involvement Where we Live</p>	<p>Resident Well Being Public Safety Livability Infrastructure Economic Vitality</p>

Goals	Corvallis 2020 Vision Statement Categories	City Manager's Core Responsibilities
<p><u>ECONOMIC DEVELOPMENT</u></p> <ul style="list-style-type: none"> ▪ Economic Development Commission will review and possibly supplement the current economic development strategy incorporating aspects of agriculture-related businesses, local investment, arts and culture, as well as the City's overarching goals. ▪ The Economic Development Commission will provide recommendations to the Council by the end of 2013. ▪ Council takes action by mid-2014. <p><u>Accomplished through September 30, 2013:</u></p> <ul style="list-style-type: none"> • The Economic Development Commission has taken the Council's goal under advisement, and has invited representatives of the various constituencies to present at EDC meetings. The EDC will present an update and a response at the Council's November 4, 2013 meeting. • The new Economic Development Officer started July 1, 2013. She has made 28 first-time business visits and 4 follow-on visits in the past quarter. • The Economic Development Office has responded to requests from 8 business start-ups, 9 business expansions, 4 business retentions, and 13 business recruitments in the first quarter. • The Economic Development Office commissioned Cleland Consulting to develop a branding and marketing strategy, web portal, and social media campaign. The YesCorvallis website was launched in July 2013. <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> • The Economic Development Officer will continue to implement the business retention and expansion program in FY 13-14. • The Economic Development Office will partner with the OSU Venture Accelerator to further innovation commercialization efforts in FY 13-14. • The Economic Development Office will partner with the Small Business Development Center to establish a robust business assistance program in FY 13-14. • The Economic Development Office will partner with industrial land owners and developers to certify, and subsequently market their sites in FY 13-14. 	<p>Culture/Recreation Central City Economic Vitality</p>	<p>Resident Well Being Public Safety Livability Infrastructure Economic Vitality</p>

Goals	Corvallis 2020 Vision Statement Categories	City Manager's Core Responsibilities
<p><u>HOUSING</u> By the end of 2013, the Council will have access to comprehensive and objective information about the demands for housing in the Corvallis Urban Growth Boundary and the causes of the current housing mix. By the end of 2014, the Council will create policies, regulations, and strategies to help meet the housing needs of those who live here or wish to live here.</p> <p><u>Accomplished through September 30, 2013:</u></p> <ul style="list-style-type: none"> • Councilors Beilstein, Brauner and Brown have been selected to represent the City Council in completing this goal. <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> • The committee will meet with Community Development staff during the quarter to develop a project framework, identify available/desired data, develop a statement of work, and begin a consultant solicitation process. • Community Development Staff expect to submit a grant request to DLCD's Technical Assistance Program in early October to help fund an update to the City's Buildable Lands Inventory. Information from the updated BLI will provide additional housing-related information to the community and decision-makers. 	Central City Economic Vitality Protecting the Environment Where we Live	Resident Well Being Livability Infrastructure Economic Vitality
<p><u>PUBLIC PROCESS AND PARTICIPATION</u> By December 2014, the Council will revise its processes and structures into a more effective and efficient citizen engagement program to develop diverse future leaders, enhance communication between citizens and the Council, help connect citizens to each other to strengthen community and neighborhoods, and utilize the expertise of citizen-volunteers in solving community problems.</p> <p><u>Accomplished through September 30, 2013:</u></p> <ul style="list-style-type: none"> • The City Council established the Public Participation Task Force and the Mayor appointed ten members. • The Public Participation Task Force held its first meeting on September 19. <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> • The Task Force will present a funding request to Council at their October 7 meeting. • The Task Force will review the PPFT charge and prioritize what to do, how to do it, and set a timeline for the work. • The Task Force will determine expectations for presentations by department heads. Suggested points of discussion include how the system of boards and commissions is currently working, the impacts of any changes, and how boards and commissions work with citizens. • The Task Force will establish a regular meeting time and location. 	Culture/Recreation Central City Economic Vitality Education/Human Services Governing and Civic Involvement Protecting the Environment Where we Live	Resident Well Being