

SECOND QUARTERLY OPERATING REPORT FISCAL YEAR 2013-2014

EXECUTIVE SUMMARY

February 13, 2014

The Quarterly Operating Report is produced and published on the City's web site within 45 days of the close of each fiscal quarter based on Financial Policy 10.04.050, then shared with the City Council's Administrative Services Committee to provide citizens, the Budget Commission, and City Council with information about the City's financial performance for the quarter.

This Executive Summary provides highlights of the City's financials. 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. The second quarter has seen some more distinct improvement in the economy, and in particular the stock market, however the jobs situation remains tenuous. Property values have been rising slowly, however development continues to be more commercial than residential focused. Demand for most City services continues to be strong, which in the face of the relatively flat, and in some cases declining, revenue streams 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 primarily for very specific services or programs.

The Federal Open Market Committee (FOMC) December press release suggests that the economy has continued to expand at a moderate pace since it met last quarter. Although labor market conditions are showing some signs of improvement, the unemployment rate continues to be elevated and job growth rates were disappointing at calendar year-end. Corvallis continues to fare better than the State and the Nation as far as its unemployment rate. Advancements continue in household spending, however the housing sector has slowed in recent months due to an increase in mortgage interest, but expectations are that mortgage rates will remain relatively favorable and home values will continue to climb. The FOMC sees some progress in economic activity and labor market conditions since it began its asset purchase program over a year ago to promote broader economic strength, and thus began tapering its purchases shortly after the second quarter ended. Based on its current assessment of labor market conditions, inflation pressures and expectations, and readings on financial developments, the FOMC is expected to maintain the federal funds rate in the 0% to .25% range even if the unemployment rate

declines below its goal level of 6.5%, especially if projected inflation continues to run below the committee's longer-run objective of 2%.

The City's financial performance through the second quarter of the fiscal year generally has been as expected. Revenue and expenditure timing is close to historical patterns (i.e., Parks & Recreation usually spends more than 25% of its budget in the busy summer months; the majority of Property Tax revenue is received in the second quarter as seen in this report). Charges for Services, including System Development Charges (SDC), is higher in FY 13-14 year-to-date, driven largely by development project application fees, which contributed over a \$1 million increase compared to this time last year and a greater percentage of budget overall than forecast. Miscellaneous revenue received is less than last year since Transit Business Energy Tax Credits received during the second quarter of last year will not be received at all in FY 13-14. Other Financing Sources relating to the refunding of three utility-backed loans in the Water and Wastewater Funds were also recorded in FY 12-13 and will not occur in FY 13-14.

At the end of the second quarter, total expenditures are 43.75% of budget, and operating expenditures are approximately \$369,330 lower than last year's spending levels driven primarily by less capital outlay and special projects (i.e., fewer vehicle replacements have been made year-to-date) when compared to the first half of FY 12-13. Community Development CDBG/HOME grant-related expenditures are higher through the first half of the year compared to last year at the same time. Grant funding was provided 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. Ten loans and eight grants have closed in the second quarter, so related payouts are expected to pick up in the latter part of the 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	2nd Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	AMENDED BUDGET	2nd 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	\$21,574,802	\$20,263,485	92.13%	\$23,904,680	\$20,476,224	\$20,618,908	86.25%
Other Tax	1,372,600	389,826	654,416	47.68%	1,270,650	368,782	622,851	49.02%
Licenses/Permits	9,079,840	2,177,240	4,090,270	45.05%	8,740,150	2,024,387	3,743,452	42.83%
System Development Charges	3,266,130	764,559	2,137,357	65.44%	1,989,780	621,716	1,083,887	54.47%
Charges for Service	38,746,760	9,761,349	20,718,551	53.47%	37,738,370	10,237,976	20,033,741	53.09%
Intergovernmental	17,319,344	4,458,420	6,117,359	35.32%	17,335,633	4,838,493	5,722,108	33.01%
Fines/Forfeitures	1,202,630	287,359	545,728	45.38%	1,283,410	282,102	539,667	42.05%
Miscellaneous	3,504,460	1,130,352	1,680,158	47.94%	2,767,850	1,679,760	2,014,053	72.77%
Other Financing Sources/Transfers in	19,695,047	4,238,689	8,825,252	44.81%	24,023,308	16,464,199	18,583,831	77.36%
TOTAL CURRENT REVENUE	\$116,181,171	\$44,782,595	\$65,032,577	55.98%	\$119,053,831	\$56,993,639	\$72,962,498	61.29%
EXPENDITURE BY DEPARTMENT								
City Manager's Office	\$3,297,010	\$664,820	\$1,919,080	58.21%	\$3,302,670	\$518,647	\$1,669,931	50.56%
Community Development	7,919,050	1,504,800	3,231,840	40.81%	7,506,640	1,381,795	2,611,099	34.78%
Finance	5,005,060	1,221,392	2,328,786	46.53%	4,790,210	1,119,732	2,292,150	47.85%
Fire	10,485,960	2,495,024	5,158,165	49.19%	10,455,220	2,541,018	5,034,197	48.15%
Library	6,524,140	1,415,271	2,829,505	43.37%	6,054,010	1,473,657	2,856,325	47.18%
Park & Recreation	6,181,860	1,341,344	3,075,441	49.75%	6,080,310	1,250,117	2,859,804	47.03%
Police	13,403,410	2,996,187	6,237,087	46.53%	13,031,970	3,063,720	6,443,161	49.44%
Public Works	30,709,350	5,909,981	12,159,311	39.59%	29,744,922	7,112,145	13,342,286	44.86%
Non-Departmental	1,482,220	283,345	626,551	42.27%	1,512,927	474,749	826,144	54.61%
TOTAL OPERATING EXPENDITURES	\$85,008,060	\$17,832,164	\$37,565,766	44.19%	\$82,478,879	\$18,935,580	\$37,935,097	45.99%
Debt Service	\$7,245,970	\$4,145,640	\$5,106,190	70.47%	\$4,734,140	\$1,715,408	\$2,561,251	54.10%
Capital Projects	10,929,889	1,574,581	3,178,598	29.08%	9,687,779	1,528,833	2,021,849	20.87%
Transfers Out / Other Financing Uses	19,665,047	4,130,971	8,638,215	43.93%	26,348,831	18,757,467	20,739,323	78.71%
Contingencies/Reserves	1,694,990	0	0	0.00%	1,611,260	0	0	0.00%
TOTAL ALL EXPENDITURES	\$124,543,956	\$27,683,356	\$54,488,769	43.75%	\$124,860,889	\$40,937,288	\$63,257,520	50.66%
CURRENT REVENUES LESS								
TOTAL EXPENDITURES	(\$8,362,785)	\$17,099,239	\$10,543,808		(\$5,807,058)	\$16,056,351	\$9,704,978	

In general, the status of the City’s finances was in line with expectations for second quarter. Revenues total \$65,032,577, and are at 55.98% of the Amended Total Revenue Budget of \$116,181,171. The Amended Budget reflects the adopted budget, plus any amendments approved by the City Council via resolution during the course of the fiscal year. In the first half of FY 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
10/7/2013	Res - Grant	Benton County Soil & Water	General	Parks & Recreation	\$ 3,000
10/21/2013	Res - Supp Budget	IGA Oregon State University	CIP	Public Works	\$ 600,000
11/18/2013	Res - Grant	Restore Oregon & Kinsman Foundation	General	Parks & Recreation	\$ 5,500
12/2/2013	Res - Donation/Rental	Corvallis-Benton County Library Foundation	General	Library	\$ 645,990
12/2/2013	Res - Donation	Anonymous Donor	CIP	Parks & Recreation	\$ 100,000
12/16/2013	Res - Grant	Benton County Health Department	General	Police	\$ 10,000
Total Increase					\$1,788,724

Significant revenue highlights include:

- **Property taxes** totaled \$20,263,485 through the second quarter, which equals 92.13% of the budgeted property tax revenue. The majority of property taxes are typically collected in the second quarter. FY 13-14 year-to-date property tax revenues are over \$350,000 less than last year’s results for the same time period, 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 of the HP valuation appeal.
- **Other Taxes** are collected from hotels for room taxes and totaled \$654,416 or 47.68% of budget as of second quarter-end. Summer seasonality, attendance at fall sporting events, and signs of mild economic recovery have led to better results thus far in FY 13-14. Current expectations are that receipts will finish higher than budget by year-end due to the one-month lag for these receipts.
- **Licenses, Fees and Permits** totaled \$4,090,270 which represents 45.05% 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, where payments from Allied Waste and Comcast relating to the quarter’s franchise fees, as well as the right-of-way charges on City Utilities, are typically posted in the following quarter, creating a lag that results in lower than target budget percentages each quarter in both years. However, franchise fee receipts are expected to achieve target in FY 13-14 based on year-to-date results and anticipated year-end accruals. The transportation maintenance and sustainability initiative fees, as well as Development Services permit fees are at or above target in the second quarter.
- **System Development Charges** were \$2,137,357 which represents 65.44% of the amended budget and is substantially higher than anticipated this year due to OSU-related construction 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 \$20,718,551, which represents 53.47% of the amended budget. This category is slightly above target as a percentage of budget due to early receipt of three of the four quarterly payments year-to-date from Benton County for various police services, Development Services Fund plan reviews, and Water Fund metered revenue.
- **Intergovernmental** revenues are below target at \$6,117,359 and 35.32% 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 \$2.3 million in traffic and \$553,000 in parking delinquencies, these accounts still have 87% and 60% of their respective balances outstanding.
- **Interest earnings** totaled \$147,696 at the end of the second quarter, which represents 63.02% of budgeted interest and is about 99% 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 \$37,565,766 or 44.19% of the Amended Operating Expenditure Budget which is slightly lower than last year in total dollars expended and as a percentage of budget. These results are primarily due to less spending early in this fiscal year on special projects and capital outlay. Community Development has only spent approximately 10% of its \$335K special project budget in the Development Services Fund for various implementations of software enhancements. Public Works has decided to push out some sizeable vehicle replacements, while other special projects, most notably in the utility funds, are experiencing delays or are in the early design phases with few expenditures incurred at this point in the year.

Non-operating expenditures, which include capital projects, transfers, debt service, and contingency, totaled \$16,923,003 or 42.80% of the \$39,535,896 Amended Non-Operating Budget. In total, expenditures through the second quarter were \$54,488,769 or 43.75% of the \$124,543,956 budgeted, compared to 50.66% for the second 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>		\$47,382,800	\$34,748,050	\$2,877,210	\$85,008,060	
City Manager's Office	\$3,297,010	\$668,720	\$1,250,360	\$0	\$1,919,080	58.21%
Community Development	7,919,050	1,837,334	1,394,506	0	3,231,840	40.81%
Finance	5,005,060	1,587,583	741,203	0	2,328,786	46.53%
Fire	10,485,960	4,294,056	864,109	0	5,158,165	49.19%
Library	6,524,140	1,993,174	836,331	0	2,829,505	43.37%
Parks & Recreation	6,181,860	2,037,667	1,025,638	12,136	3,075,441	49.75%
Police	13,403,410	4,780,083	1,457,004	0	6,237,087	46.53%
Public Works	30,709,350	5,448,757	6,528,779	181,774	12,159,311	39.59%
Non Department	1,482,220	0	626,551	0	626,551	42.27%
TOTAL	\$85,008,060	\$22,647,373	\$14,724,482	\$193,911	\$37,565,766	44.19%
Percent of Budget		47.80%	42.37%	6.74%	44.19%	

Significant expenditure highlights include:

- **Personnel Services** totaled \$22,647,373 or 47.80% of the amended budget of \$47,382,800. 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 \$14,724,482 or 42.37% of the amended budget of \$34,748,050 . The dollars spent in FY 13-14 are roughly \$413,750 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 the first half of FY 12-13 and increased CDBG/HOME spending in Q1 of FY 13-14.
- **Capital Outlay** totaled \$193,911 or 6.74% of the amended budget of \$2,877,210 . 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 and two transit buses, while some have been pushed out to future years such as two dump trucks for utilities.

NON OPERATING EXPENDITURES

- **Capital projects** totaled \$3,178,598 or 29.08% of the amended budget of \$10,929,889. 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 \$5,106,190 or 70.47% of the total budget of \$7,245,970, which is up from the 54.10% spent this time last year; however, FY 12-13 was an anomalous year due to the refunding of three utility-backed loans which took place prior to their respective debt service payments scheduled for Q2. This refunding subsequently lowered the percentage of budget spent on debt service as reported in Q2 of last fiscal year.
- **Transfers and Other Financial Uses** totaled \$8,638,215 or 43.93% 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	2nd Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	2nd 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	\$18,896,232	\$17,648,957	93.01%	\$17,997,900	\$18,140,584	86.37%
Other Tax	1,372,600	389,826	654,416	47.68%	368,782	622,851	49.02%
Licenses/Permits (2)	5,925,060	1,375,809	2,294,957	38.73%	1,296,470	2,145,882	37.59%
Charges for Service	5,889,850	2,287,032	3,725,521	63.25%	2,241,418	3,520,013	60.10%
Intergovernmental (3)	4,220,850	2,383,739	2,594,150	61.46%	2,538,010	2,733,502	63.43%
Fines/Forfeitures (4)	749,530	175,949	343,330	45.81%	153,416	324,332	39.07%
Miscellaneous (5)	1,151,400	745,316	886,448	76.99%	249,144	366,567	63.61%
Other Financing Sources (6)	6,755,405	2,361,139	2,527,382	37.41%	1,727,216	1,893,717	66.55%
TOTAL CURRENT REVENUE	\$45,040,195	\$28,615,041	\$30,675,161	68.11%	\$26,572,357	\$29,747,448	70.16%
EXPENDITURE BY DEPARTMENT							
City Manager's Office (7)	\$326,250	\$79,301	\$145,353	44.55%	\$54,749	\$71,032	18.69%
Community Development	1,309,840	293,024	580,880	44.35%	300,276	607,060	46.29%
Finance	646,770	148,986	312,427	48.31%	142,171	296,107	47.02%
Fire	10,485,960	2,495,024	5,158,165	49.19%	2,541,018	5,034,197	48.15%
Library	6,524,140	1,415,271	2,829,505	43.37%	1,473,657	2,856,325	47.18%
Parks & Recreation	6,181,860	1,341,344	3,075,441	49.75%	1,250,117	2,859,804	47.03%
Police	10,659,520	2,419,213	5,040,582	47.29%	2,430,173	5,187,142	49.41%
Public Works (3)	1,026,260	190,924	342,441	33.37%	265,308	532,558	43.69%
Non-Departmental	1,480,870	283,345	625,701	42.25%	331,801	683,196	50.16%
TOTAL OPERATING EXPENDITURES	\$38,641,470	\$8,666,433	\$18,110,495	46.87%	\$8,789,270	\$18,127,421	48.20%
Debt Service (8)	\$243,180	\$0	\$220,530	90.69%	\$0	\$218,342	89.53%
Transfers / Other Financing Uses (6)	6,899,715	1,729,853	2,190,059	31.74%	1,408,992	1,939,518	62.55%
Contingencies/Reserves	597,200	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$46,381,565	\$10,396,286	\$20,521,084	44.24%	\$10,198,262	\$20,285,281	48.92%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$1,341,370)	\$18,218,755	\$10,154,076		\$16,374,095	\$9,462,167	

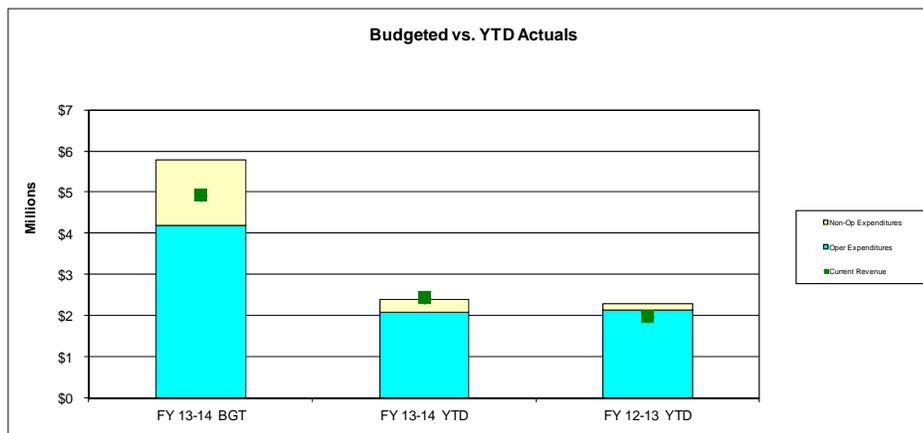
- (1) The majority of current year property taxes are collected in Q2. This year's collection pattern is consistent with prior years, however FY 13-14 year-to-date (YTD) property tax revenues are about \$490,000 less than last year's results for the same time period, and are expected to be nearly \$1 million lower by year-end than what was received for FY 12-13 in total, due primarily to the outcome of the HP valuation appeal.
- (2) Lower franchise fees and dog license revenue collections compared with budget is due primarily to timing of receipts and amounts accrued back to the prior year that are related to that period. Franchise fees however are marginally higher than last year at this time.
- (3) The Benton County Library District payment makes up the majority of the revenue received YTD in this classification, and due to its property tax-based nature, is largely received in Q2 of the fiscal year. Absent this payment, Intergovernmental revenue receipts would be low as a percentage of budget, due to PW grant projects not yet started and/or completed that are reimbursable in nature.
- (4) 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 have been fewer civil penalties and nuisance alarms YTD as compared to the same time last year.
- (5) Miscellaneous revenue is trending higher than budget due to a \$636,000 donation from the Corvallis-Benton County Public Library Foundation to cover the purchase and closing costs of the Fenner building.
- (6) 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 Q2). 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.
- (7) 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.
- (8) The majority of Debt Service spending occurs in Q1 with principal and interest payments for the 2010 CIP Loan. The remaining budget is scheduled to be paid out with an interest only payment in Q3.

COMBINED STREET FUND*

REVENUE	AMENDED BUDGET	2nd Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	2nd 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	\$209,310	\$381,865	60.36%	\$200,525	\$353,636	58.01%
System Development Charges (1)	559,350	349,631	481,102	86.01%	74,002	158,062	30.20%
Charges for Service (2)	246,100	25,813	86,950	35.33%	93,451	140,654	55.96%
Intergovernmental (3)	3,464,790	856,086	1,362,174	39.31%	818,063	1,306,791	38.30%
Fines/Forfeitures (4)	1,000	270	4,400	440.00%	240	718	71.80%
Miscellaneous (5)	18,390	84,991	116,214	631.94%	5,938	10,440	121.96%
TOTAL CURRENT REVENUE	\$4,922,270	\$1,526,101	\$2,432,705	49.42%	\$1,192,219	\$1,970,301	41.00%
EXPENDITURE BY DEPARTMENT							
Community Development	\$22,120	\$4,601	\$8,918	40.32%	\$4,618	\$9,285	44.17%
Public Works	4,170,440	780,040	2,058,481	49.36%	892,824	2,108,885	52.67%
TOTAL OPERATING EXPENDITURES	\$4,192,560	\$784,641	\$2,067,399	49.31%	\$897,442	\$2,118,170	52.63%
Transfers (6)	\$1,513,550	\$145,610	\$328,670	21.72%	\$135,330	\$178,130	12.51%
Contingencies/Reserves	73,180	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$5,779,290	\$930,251	\$2,396,069	41.46%	\$1,032,772	\$2,296,300	41.50%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$857,020)	\$595,850	\$36,636		\$159,447	(\$325,999)	

* Includes Street SDC Fund

- (1) System Development Charges (SDC) 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 was up last year due to higher revenue from Public Improvement by Private Contract (PIPC) permit fees, and support provided by Street Maintenance and Paint and Sign crews for CIP projects.
- (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 typically comprised primarily of interest on investments (based on proportionate average daily cash balance for the fund) and SDC lien payments or payoffs.
- (6) 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.

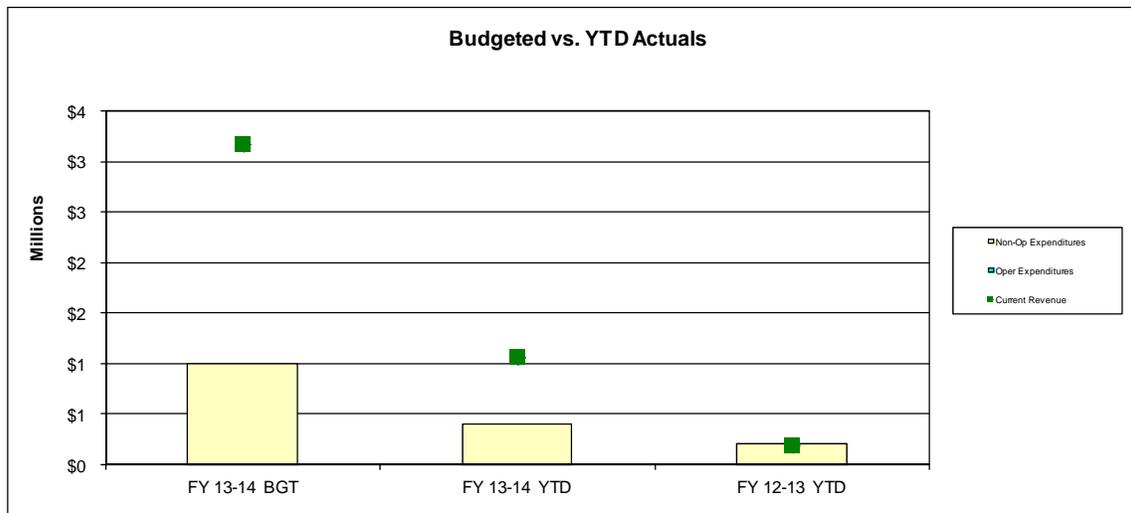


PARKS SYSTEM DEVELOPMENT CHARGE FUND

REVENUE	AMENDED BUDGET	2nd Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	2nd 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	77,598	892,580	76.29%	83,003	187,795	62.60%
Miscellaneous (2)	21,250	102,953	170,020	800.09%	4,114	6,973	142.89%
Other Financing Sources (3)	1,979,542	0	0	0.00%	0	0	0.00%
TOTAL CURRENT REVENUE	\$3,170,792	\$180,551	\$1,062,600	33.51%	\$87,117	\$194,768	63.88%
EXPENDITURE BY DEPARTMENT							
Parks and Recreation	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
TOTAL OPERATING EXPENDITURES	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
Transfers (3)	\$995,020	\$0	\$400,000	40.20%	203,450	203,450	19.02%
TOTAL ALL EXPENDITURES	\$995,020	\$0	\$400,000	40.20%	\$203,450	\$203,450	19.02%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	\$2,175,772	\$180,551	\$662,600		(\$116,333)	(\$8,682)	

* 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.

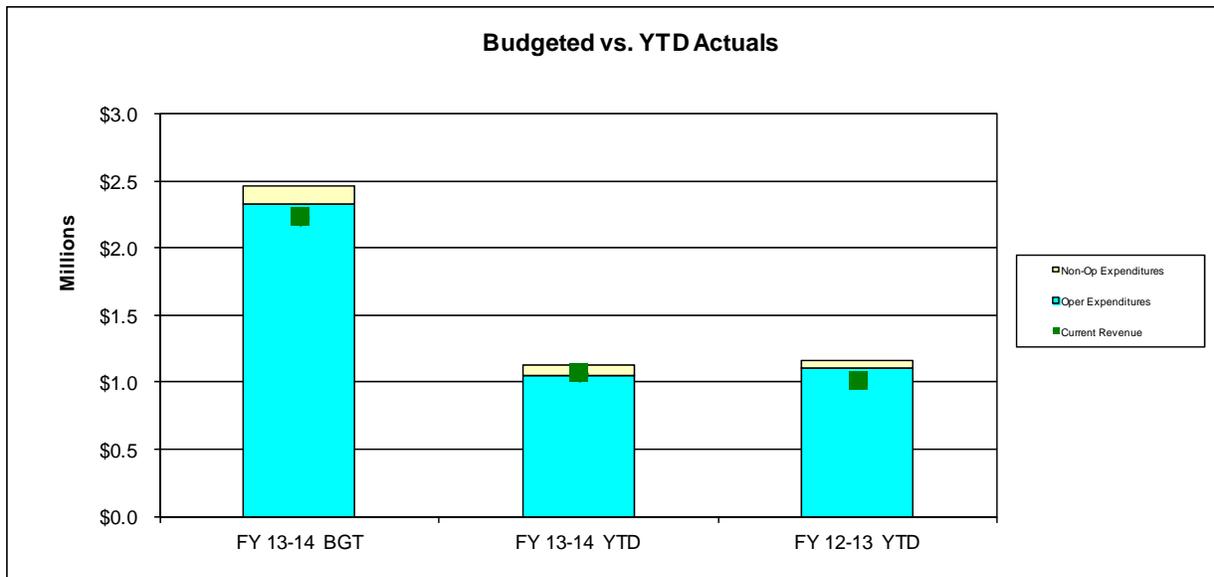
- (1) System Development Charges (SDC) are higher than budgeted due primarily to higher than projected multi-family residential development activity.
- (2) Miscellaneous revenues are higher than budget and last fiscal year due to an unanticipated payoff of an SDC that was financed through the City on a lien basis.
- (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 third quarter, after the FY12-13 financial statements are finalized. 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	2nd Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	2nd 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	\$532,040	49.99%	\$244,794	\$489,588	49.84%
Intergovernmental (1)	1,164,120	287,977	536,484	46.08%	317,963	524,663	44.73%
Miscellaneous (2)	3,580	465	821	22.93%	1,110	1,969	57.41%
TOTAL CURRENT REVENUE	\$2,231,980	\$554,462	\$1,069,345	47.91%	\$563,867	\$1,016,220	47.08%
EXPENDITURE BY DEPARTMENT							
Police (3)	\$2,320,330	\$501,049	\$1,044,731	45.03%	\$559,146	\$1,100,488	50.55%
TOTAL OPERATING EXPENDITURES	\$2,320,330	\$501,049	\$1,044,731	45.03%	\$559,146	\$1,100,488	50.55%
Transfers	\$90,510	\$52,900	\$73,910	81.66%	\$35,990	\$51,070	82.05%
Contingencies/Reserves	45,240	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$2,456,080	\$553,949	\$1,118,641	45.55%	\$595,136	\$1,151,558	50.44%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$224,100)	\$513	(\$49,296)		(\$31,269)	(\$135,338)	

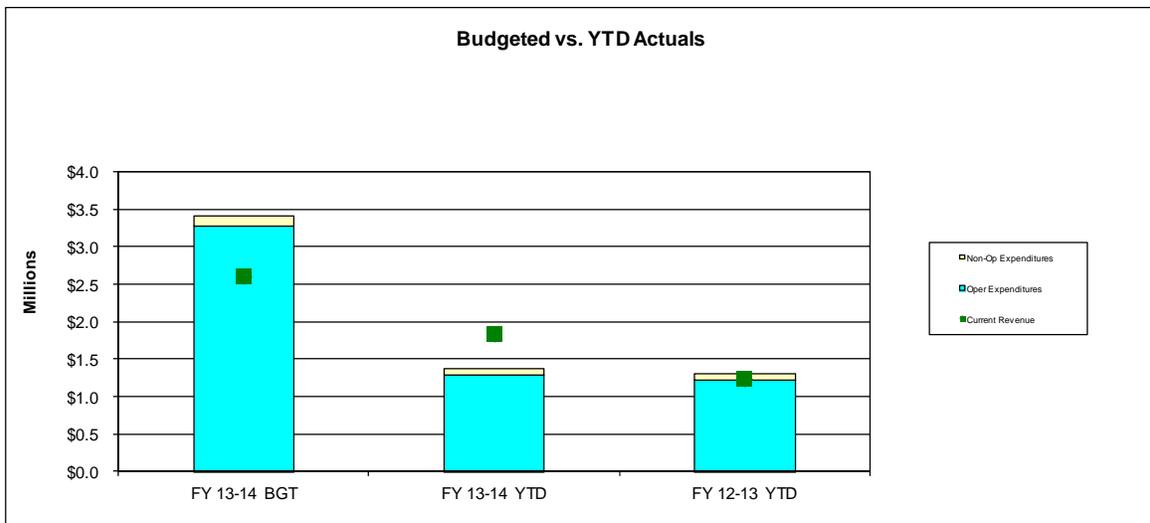
- (1) Intergovernmental revenues are low as a percentage of budget in both years since 9-1-1 State Telephone tax revenues for second quarter are not typically received until February (third quarter).
- (2) Miscellaneous revenue fluctuates year over year since it is comprised primarily of interest on investments (based on proportionate average daily cash balance for the fund) and false alarm billing revenue to outside entities.
- (3) Police expenditures are lower than budget and last fiscal year due two vacant dispatch positions, one of which is currently being recruited.



DEVELOPMENT SERVICES

REVENUE	AMENDED BUDGET	2nd Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	2nd 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	\$280,414	\$619,369	54.17%	\$216,371	\$489,380	45.05%
Charges for Service (2)	1,334,070	239,819	1,088,927	81.62%	412,156	620,981	53.84%
Miscellaneous (3)	6,790	3,778	5,267	77.57%	2,686	4,842	63.13%
Other Financing Sources (4)	118,390	0	118,390	100.00%	0	118,390	100.00%
TOTAL CURRENT REVENUE	\$2,602,700	\$524,011	\$1,831,953	70.39%	\$631,213	\$1,233,593	52.14%
EXPENDITURE BY DEPARTMENT							
Community Development (5)	\$3,274,050	\$647,892	\$1,287,877	39.34%	\$629,566	\$1,220,793	45.17%
TOTAL OPERATING EXPENDITURES	\$3,274,050	\$647,892	\$1,287,877	39.34%	\$629,566	\$1,220,793	45.17%
Transfers (6)	\$85,470	\$49,960	\$69,800	81.67%	\$46,970	\$78,750	37.72%
Contingencies/Reserves	50,000	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$3,409,520	\$697,852	\$1,357,677	39.82%	\$676,536	\$1,299,543	43.88%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$806,820)	(\$173,841)	\$474,276		(\$45,323)	(\$65,950)	

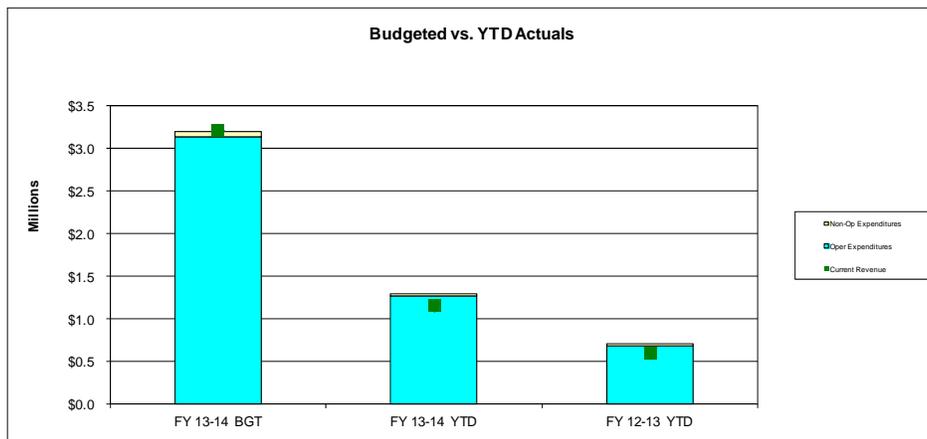
- (1) Licenses/Permits revenue is collected when permits are issued. Revenues during the first half of the year are above the prior fiscal year due to an increase in permits issued for several very large projects, and permits for new homes are generally increasing in comparison to the previous five years.
- (2) Charges for Service revenue, which includes reviews and inspections, are above target and last fiscal year due to a steady stream of applications during the first half of the fiscal year. 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 \$11,000 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	2nd Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	2nd 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	(\$2,133)	\$154,665	99.14%	(\$1,617)	\$136,807	103.90%
Charges for Service	5,000	0	5,000	100.00%	0	5,000	100.00%
Intergovernmental (2)	2,578,000	527,597	885,477	34.35%	186,113	253,868	8.56%
Fines/Forfeitures (3)	2,100	62	231	11.00%	60	136	5.91%
Miscellaneous (4)	469,100	46,528	106,885	22.79%	104,788	203,237	56.55%
TOTAL CURRENT REVENUE	\$3,210,200	\$572,054	\$1,152,258	35.89%	\$289,344	\$599,048	17.28%
EXPENDITURE BY DEPARTMENT							
Community Development (5)	\$3,141,770	\$518,491	\$1,273,665	40.54%	\$407,145	\$692,593	20.95%
TOTAL OPERATING EXPENDITURES	\$3,141,770	\$518,491	\$1,273,665	40.54%	\$407,145	\$692,593	20.95%
Transfers (6)	\$23,710	\$13,860	\$19,360	81.65%	\$10,960	\$18,880	89.73%
Contingencies/Reserves	30,760	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$3,196,240	\$532,351	\$1,293,025	40.45%	\$418,105	\$711,473	21.19%
CURRENT REVENUE LESS TOTAL EXPENDITURES	\$13,960	\$39,703	(\$140,767)		(\$128,761)	(\$112,425)	

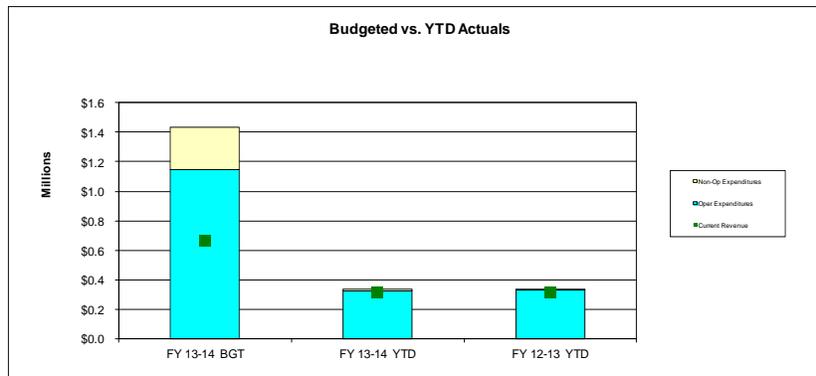
- (1) Invoices are issued in September for the Rental Housing Program so most of the revenue is recorded at the end of the first quarter when billed. Subsequent quarters often reflect net negative activity that represents the write-offs associated with any non-collection of these funds.
- (2) CDBG and HOME program grant revenues are based on reimbursements and received only after expenditures are incurred. Three drawdowns were requested and received in Q2 totaling \$140,597 and \$387,000 for CDBG and HOME respectively. Timing of spending and receipts is sporadic and relatively unpredictable, so results above are typical.
- (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 half.
- (4) Miscellaneous revenues include eight loan payoffs through the second 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. Ten loans and eight grants closed in the second 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	2nd Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	2nd 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	\$3,815	\$15,102	60.41%	\$3,845	\$12,483	49.93%
Charges for Service (2)	187,310	58,471	106,739	56.99%	44,570	86,732	46.34%
Fines/Forfeitures (3)	450,000	110,947	191,556	42.57%	128,251	214,214	47.60%
Miscellaneous (4)	4,790	780	1,394	29.10%	1,925	3,404	87.06%
TOTAL CURRENT REVENUE	\$667,100	\$174,013	\$314,791	47.19%	\$178,591	\$316,833	47.57%
EXPENDITURE BY DEPARTMENT							
Community Development	\$4,220	\$1,010	\$1,997	47.32%	\$964	\$1,965	48.52%
Finance (5)	273,220	51,203	89,792	32.86%	51,941	94,370	43.81%
Police (6)	423,560	75,925	151,774	35.83%	74,401	155,531	43.74%
Public Works (7)	445,330	32,544	79,803	17.92%	50,211	77,677	42.15%
TOTAL OPERATING EXPENDITURES	\$1,146,330	\$160,682	\$323,366	28.21%	\$177,517	\$329,543	43.40%
Transfers (8)	\$273,040	\$9,630	\$13,450	4.93%	\$7,220	\$10,250	3.43%
Contingencies/Reserves	13,340	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$1,432,710	\$170,312	\$336,816	23.51%	\$184,737	\$339,793	31.71%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$765,610)	\$3,701	(\$22,025)		(\$6,146)	(\$22,960)	

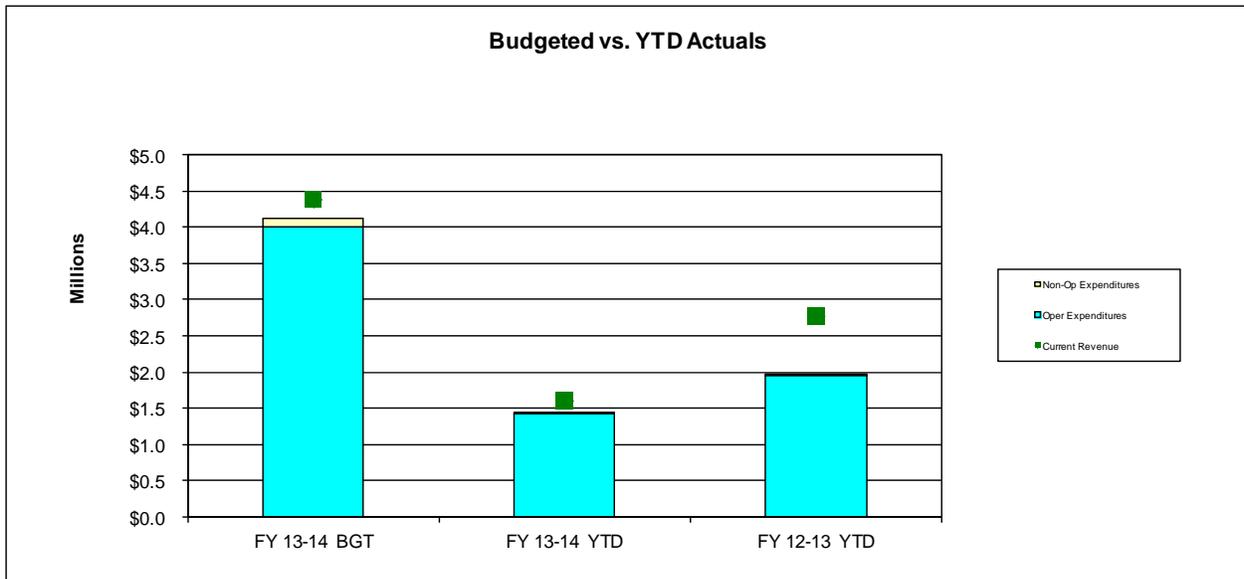
- (1) Residential parking permit fee renewals tend to come in higher in the first half of the year just prior to OSU student arrivals, and sales of off-street parking lot spaces have increased due to greater competition for on-street parking.
- (2) Parking meter revenue is higher this fiscal year due to the number of 10-hour permits sold YTD increasing 100% over last year, due to construction along 1st Street, and FY 12-13 experiencing lost revenue from vandalized meters.
- (3) Fines and Forfeitures represent revenue collected for offenses and infractions. FY 13-14 revenues are lower than budget and FY 12-13 due to 859 fewer citations issued YTD with approximately half of those in FY 12-13 being the higher cost residential zone and improper parking citations. Fewer citations YTD are also a result of OSU's later start date since students returned to campus later which reduces parking citations issued; three evening football games and inclement weather at several games resulted in fewer attendees and citations; and a week's worth of snow/ice in December prevented parking enforcement from issuing citations.
- (4) 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).
- (5) Finance expenditures are low as a percentage of budget and last fiscal year due to no spending YTD in special projects where \$45,700 was budgeted for improved financial software and an electronic parking ticket hardware/software solution; and due to a part-time vacant position at Municipal Court.
- (6) 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. Additionally, \$50,000 in appropriations has been transferred to Police from PW for the intent of hiring an additional Parking Enforcement Officer and parking scooter, both of which are still in process.
- (7) 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.
- (8) Transfers for capital projects are made based on anticipated needs; see the Capital Improvement Program section for information.



TRANSIT FUND

REVENUE	AMENDED BUDGET	2nd Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	2nd Quarter FY 12-13	Y-T-D FY 12-13	FY 12-13 % REC/EXPEND
Budgeted Fund Balance	\$1,740,618						
Licenses, Fees, & Permits	1,192,690	307,726	621,260	52.09%	306,242	601,970	51.28%
Charges for Service (1)	225,960	38,466	92,560	40.96%	76,268	114,359	51.14%
Intergovernmental (2)	2,785,170	296,340	770,023	27.65%	730,413	879,732	37.25%
Fines & Forfeitures	0	0	0	0.00%	25	78	0.00%
Miscellaneous (3)	184,900	81,016	125,857	68.07%	1,144,678	1,180,483	152.81%
TOTAL CURRENT REVENUE	\$4,388,720	\$723,548	\$1,609,700	36.68%	\$2,257,626	\$2,776,622	61.27%
EXPENDITURE BY DEPARTMENT							
Public Works (4)	\$4,021,090	\$814,880	\$1,428,600	35.53%	\$1,399,387	\$1,955,991	47.83%
TOTAL OPERATING EXPENDITURES	\$4,021,090	\$814,880	\$1,428,600	35.53%	\$1,399,387	\$1,955,991	47.83%
Transfers	\$16,860	\$9,860	\$13,770	81.67%	\$7,020	\$9,960	82.04%
Contingencies/Reserves	87,770	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$4,125,720	\$824,740	\$1,442,370	34.96%	\$1,406,407	\$1,965,951	47.05%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	\$263,000	(\$101,192)	\$167,330		\$851,219	\$810,671	

- (1) 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. FY 13-14 receipts are under target relative to last year at this time, and are not expected to meet budget due to the current vacancy in the STF position; however the related expenditures will also not be incurred, so there should be no impact to the fund balance.
- (2) Intergovernmental revenue includes both operating and capital grants and is reimbursable in nature, so tends to lag expenditures.
- (3) The main source of revenue in this category is from OSU and is used for general transit operations and grant matching purposes. The disparity between the two fiscal years is due to roughly \$1 million in Business Energy Tax Credits (BETC) received in FY 12-13; this program has been restructured and is no longer cost beneficial for the City to participate.
- (4) Actuals are lower than budgeted in both years due primarily to delays with special projects. For FY 13-14, the two transit bus purchases were ordered during Q1, but have not yet received as of end of Q2; the OSU Transit Marketing project has been canceled as OSU will be taking the lead instead; and personnel services is low due to a vacancy in the STF program, but recruitment is underway.



2011 OPERATING LEVY FUND

REVENUE	AMENDED BUDGET	2nd Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	2nd 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	\$1,650,698	\$1,650,698	88.23%	\$1,575,619	\$1,575,619	84.65%
TOTAL CURRENT REVENUE	\$1,870,860	\$1,650,698	\$1,650,698	88.23%	\$1,575,619	\$1,575,619	84.65%
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	\$1,650,698	\$1,719,745	90.10%	\$1,640,158	\$1,640,158	87.93%
TOTAL ALL EXPENDITURES	\$1,908,620	\$1,650,698	\$1,719,745	90.10%	\$1,640,158	\$1,640,158	87.93%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$37,760)	(\$0)	(\$69,047)		(\$64,539)	-\$64,539	

- (1) This fund was established with the passage on May 17, 2011 of a 3-year operating levy in support of certain specified property tax services for the Library and Parks & Recreation departments as well as social services in the General Fund. The majority of current year property taxes are collected in the second quarter. This year's collection pattern is consistent with prior years, however FY 13-14 is expected to be nearly \$60,000 lower than budget due primarily to the outcome of the HP valuation appeal.
- (2) The increase in transfers out over revenue collected represents the remaining balance for Library of under-expended 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	2nd Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	2nd Quarter FY 12-13	Y-T-D FY 12-13	FY 12-13 % REC/EXPEND
Budgeted Fund Balance	\$5,502						
Miscellaneous (1)	\$0	\$8	\$15	0.00%	\$11	\$19	0.00%
TOTAL CURRENT REVENUE	\$0	\$8	\$15	0.00%	\$11	\$19	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	\$8	\$15		\$11	\$19	

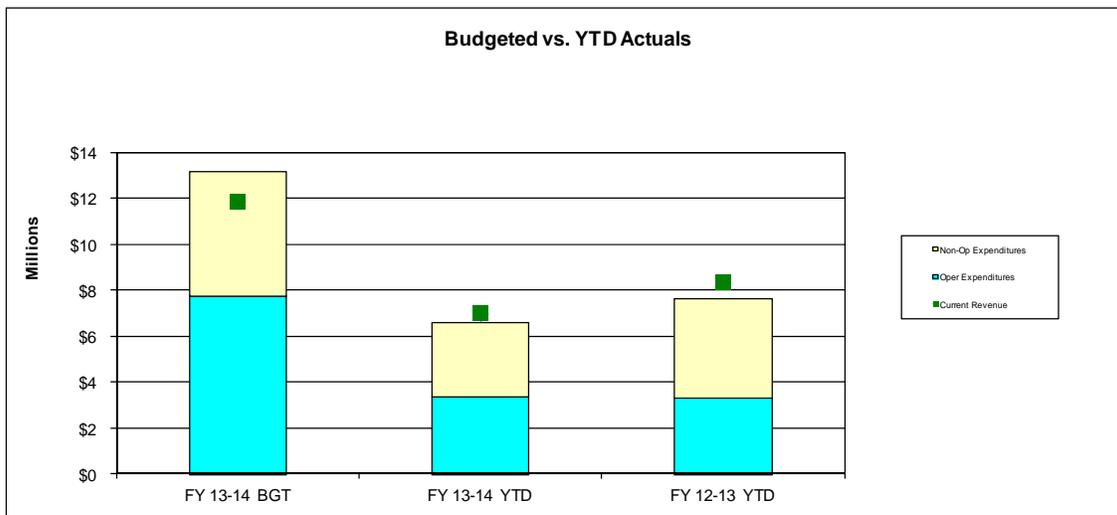
- (1) The Davidson Fund is designated as a Permanent Fund under governmental accounting guidelines due to the \$5,000 endowment established through a 1981 donation in honor of the former librarian Alice Passano Davidson. Only interest earnings are expendable, and so in recent years of minimal revenues, 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	2nd Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	2nd 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	\$100,334	\$222,312	57.58%	\$113,704	\$196,315	55.89%
Charges for Service (2)	8,860,100	1,993,220	4,878,992	55.07%	2,219,479	4,973,702	57.70%
Fines/Forfeitures (3)	0	0	5,385	0.00%	0	50	0.00%
Miscellaneous (4)	344,100	27,008	65,957	19.17%	104,715	120,779	28.98%
Transfers In/Other Financing Sources (5)	2,278,780	30,000	1,812,580	79.54%	2,480,786	3,064,066	77.57%
TOTAL CURRENT REVENUE	\$11,869,080	\$2,150,562	\$6,985,227	58.85%	\$4,918,976	\$8,355,205	62.64%
EXPENDITURE BY DEPARTMENT							
Community Development	\$56,850	\$13,494	\$26,634	46.85%	\$13,441	\$27,187	48.75%
Public Works (6)	7,675,400	1,576,592	3,345,415	43.59%	1,684,364	3,252,696	41.49%
TOTAL OPERATING EXPENDITURES	\$7,732,250	\$1,590,086	\$3,372,049	43.61%	\$1,725,148	\$3,307,226	41.73%
Capital Projects (5)	\$1,306,580	\$224,996	\$268,039	20.51%	\$76,299	\$197,806	17.69%
Debt Service (5)	966,500	952,900	952,900	98.59%	0	0	0.00%
Transfers Out/Other Financing Uses (5)	2,969,370	129,440	1,961,590	66.06%	3,463,082	4,090,082	81.89%
Contingencies/Reserves	188,930	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$13,163,630	\$2,897,422	\$6,554,578	49.79%	\$5,264,528	\$7,595,114	53.08%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$1,294,550)	(\$746,860)	\$430,649		(\$345,553)	\$760,091	

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

- (1) Revenues are trending higher in this fiscal year compared to last year due to higher than projected OSU development activity.
- (2) Charges for Service are derived from metered water usage. Extended dry weather last fiscal year resulted in higher revenues as compared to the current fiscal year.
- (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, but is not expected to be received in FY 13-14 after all. The Forest Service made the decision late last year that they planned to replace the watershed bridge (which is needed to remove the logs); so, given last year's favorable weather, two years worth of harvesting was done at the end of FY 12-13, so none will be done by PW now until the fall.
- (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 were made in Q1 for POB debt service payments. An annual debt service payment is now made in November for the refunded Oregon Business Development Dept loans, that were paid off in FY 12-13.
- (6) Public Works expenditures typically lag against budget at this point in the fiscal year, as most special projects are not completed until the latter half of the fiscal year. There are thirteen special projects budgeted for FY 13-14, with the majority in the early planning stages.

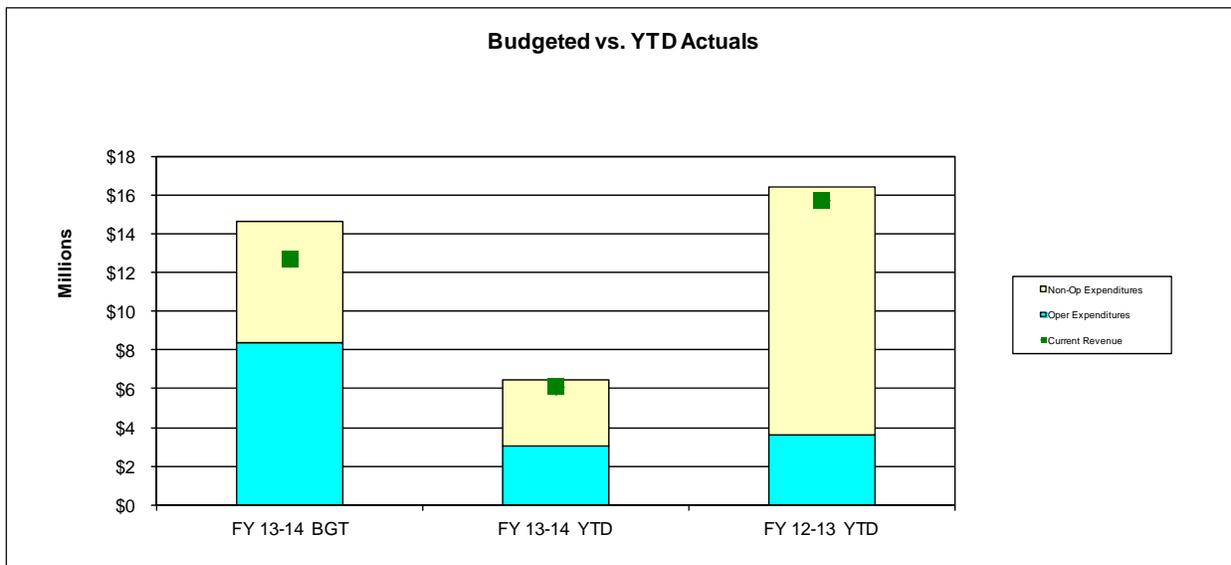


COMBINED WASTEWATER FUND*

REVENUE	AMENDED BUDGET	2nd Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	2nd 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	\$228,654	\$528,577	47.43%	\$346,902	\$532,517	68.37%
Charges for Service (1)	9,482,370	2,264,695	4,343,974	45.81%	2,358,771	4,358,914	46.61%
Fines & Forfeitures	0	90	210	0.00%	90	119	0.00%
Miscellaneous (2)	77,540	17,045	123,687	159.51%	31,734	49,586	80.63%
Other Financing Sources (3)	2,023,980	118,340	1,109,890	54.84%	10,205,888	10,790,048	95.92%
TOTAL CURRENT REVENUE	\$12,698,290	\$2,628,824	\$6,106,338	48.09%	\$12,944,251	\$15,732,049	73.24%
EXPENDITURE BY DEPARTMENT							
Community Development	\$54,640	\$13,143	\$25,932	47.46%	\$12,892	\$26,089	49.44%
Public Works (4)	8,308,200	1,506,976	3,025,328	36.41%	1,829,587	3,479,824	45.50%
TOTAL OPERATING EXPENDITURES	\$8,362,840	\$1,520,119	\$3,051,260	36.49%	\$1,957,233	\$3,620,667	46.30%
Capital Projects (3)	\$1,594,930	\$225,226	\$572,078	35.87%	\$175,239	\$439,659	48.56%
Debt Service	2,253,650	1,556,450	1,580,743	70.14%	115,901	140,202	16.46%
Transfers/Other Financing Uses (3)	2,193,070	213,220	1,249,230	56.96%	11,588,205	12,207,995	96.24%
Contingencies/Reserves	191,840	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$14,596,330	\$3,515,015	\$6,453,311	44.21%	\$13,836,578	\$16,408,524	73.09%
CURRENT REVENUE LESS TOTAL EXPENDITURES	(\$1,898,040)	(\$886,190)	(\$346,973)		(\$892,327)	(\$676,475)	

* Includes Wastewater, Wastewater SDC and Wastewater Construction Funds.

- (1) Charges for Service revenues mostly consist of metered usage, which is lagging in both fiscal years compared to budget, but should hit targeted levels by fiscal yearend after rate increases take effect in February. Revenues from leachate treatment are also down compared to last year due to the recent dry weather limiting the amount of leachate the plant can handle..
- (2) Miscellaneous revenues are higher than budget due to over \$90,000 in an unanticipated SDC lien payoff related to new development. 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.
- (3) 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.
- (4) Public Works expenditures are trending lower compared to last fiscal year due to savings from several vacancies, most of which have recruitments in process, and less spending YTD on special projects, including four replacement vehicle purchases, with two scheduled for later in the year and the other two being pushed out to future years.

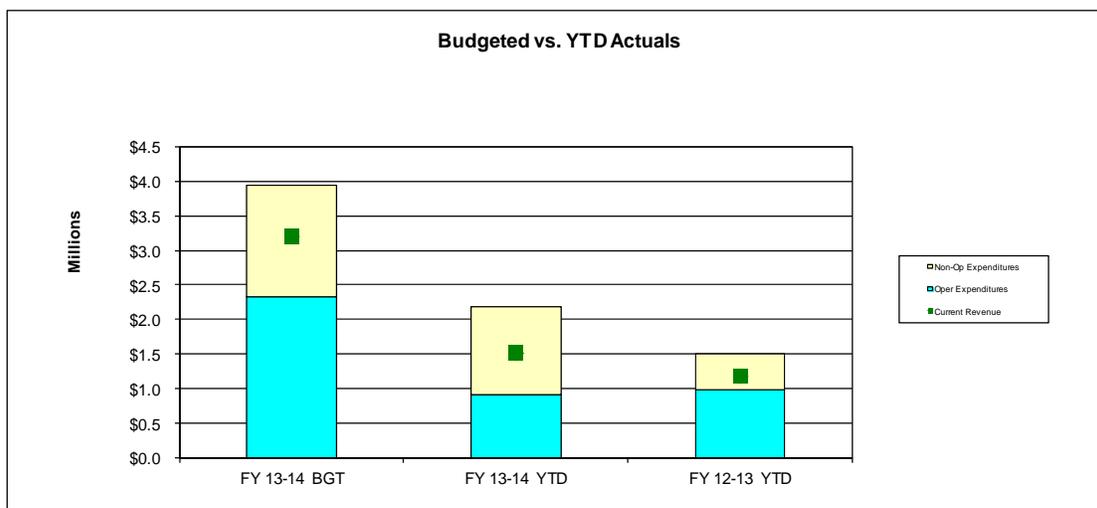


COMBINED STORM WATER FUND*

REVENUE	AMENDED BUDGET	2nd Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	2nd 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	\$8,342	\$12,786	35.24%	\$4,105	\$9,197	25.35%
Charges for Service	2,240,880	537,153	1,025,428	45.76%	509,479	963,753	45.93%
Intergovernmental (2)	357,324	0	(214)	-0.06%	193,892	1,666	0.60%
Fines & Forfeitures	0	40	617	0.00%	20	20	0.00%
Miscellaneous (3)	9,380	1,340	2,592	27.63%	3,833	6,430	73.32%
Other Financing Sources (4)	562,500	88,000	477,750	84.93%	185,000	205,000	41.74%
TOTAL CURRENT REVENUE	\$3,206,364	\$634,876	\$1,518,959	47.37%	\$896,329	\$1,186,066	40.75%
EXPENDITURE BY DEPARTMENT							
Community Development	\$55,560	\$13,145	\$25,938	46.68%	\$12,893	\$26,127	48.68%
Public Works (5)	2,263,460	445,239	876,660	38.73%	474,593	941,494	41.62%
TOTAL OPERATING EXPENDITURES	\$2,319,020	\$458,384	\$902,598	38.92%	\$487,486	\$967,621	41.78%
Capital Projects (4)	\$880,604	\$305,011	\$687,025	78.02%	\$185,308	\$212,689	29.48%
Transfers (4)	696,950	121,070	591,830	84.92%	207,520	307,430	51.27%
Contingencies/Reserves	45,780	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$3,942,354	\$884,466	\$2,181,453	55.33%	\$880,314	\$1,487,740	40.44%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$735,990)	(\$249,590)	(\$662,494)		\$16,015	(\$301,674)	

* 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 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 vacancies and lower than anticipated special project spending at this point in the fiscal year, including replacement of a dump truck being pushed out two years.

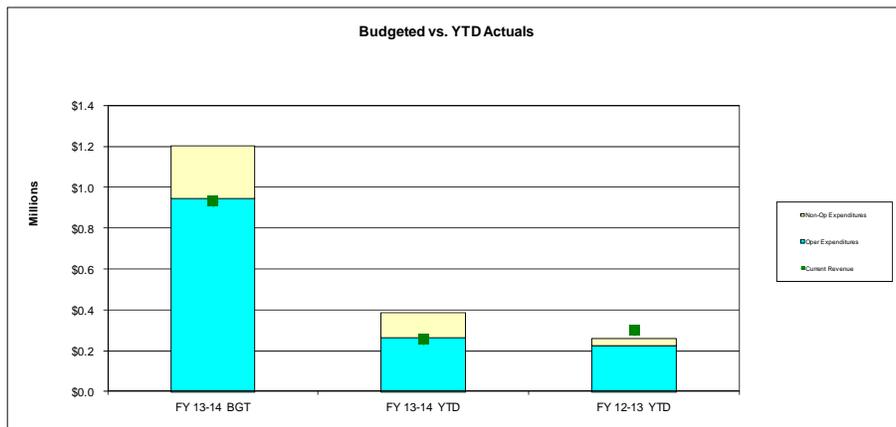


COMBINED AIRPORT FUND*

REVENUE	AMENDED BUDGET	2nd Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	2nd 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	\$2,299	\$3,053	61.07%	\$2,549	\$3,294	65.88%
Charges for Service (2)	398,500	143,626	222,497	55.83%	153,035	238,004	59.73%
Intergovernmental (3)	507,740	26,314	26,314	5.18%	52,882	52,882	21.37%
Miscellaneous (4)	9,570	1,417	3,365	35.16%	1,286	6,732	70.34%
Other Financing Sources (5)	11,290	0	0	0.00%	0	0	0.00%
TOTAL CURRENT REVENUE	\$932,100	\$173,657	\$255,230	27.38%	\$209,752	\$300,912	45.38%
EXPENDITURE BY DEPARTMENT							
Public Works (6)	\$943,050	\$177,971	\$262,227	27.81%	\$99,099	\$224,343	33.74%
TOTAL OPERATING EXPENDITURES	\$943,050	\$177,971	\$262,227	27.81%	\$99,099	\$224,343	33.74%
Capital Projects (5)	\$112,850	\$1,933	\$1,933	1.71%	\$0	\$0	0.00%
Debt Service (7)	115,050	0	112,527	97.81%	31,483	31,483	99.98%
Transfers (5)	19,620	4,870	6,800	34.66%	2,570	3,650	52.52%
Contingencies/Reserves	9,950	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$1,200,520	\$184,773	\$383,487	31.94%	\$133,152	\$259,476	33.89%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$268,420)	(\$11,117)	(\$128,257)		\$76,600	\$41,435	

* Includes Airport and Airport Construction Funds.

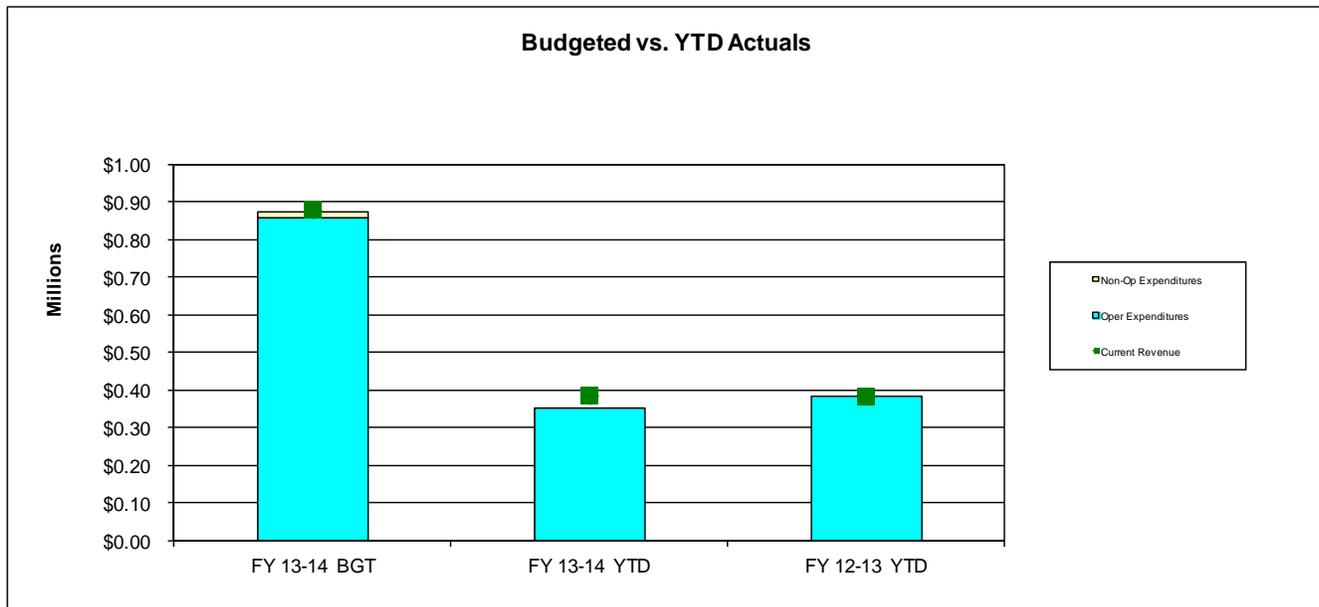
- (1) Licenses/Permits records operator licenses and landing fees, both of which are entirely dependent upon the level of traffic at the airport. Nearly 50% of this revenue stream is typically collected in the second quarter of the fiscal year.
- (2) Charges for Service revenue collection is trending slightly lower than FY 12-13 YTD due primarily to higher profits on seed crop sales on airport property 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) While Public Works actual spending is under budget in both fiscal years due primarily to low special project spending YTD, FY 13-14 is slightly higher in total dollars due to increased personnel services for work on previously deferred maintenance projects.
- (7) The outstanding balance of the Oregon Business Development Department Airport Industrial Park loan was paid off in full, as budgeted, but in the first quarter rather than on the payment due date, in order to achieve some interest rate savings, and given the fact that the fund has the capacity to afford the payoff.



FLEET MAINTENANCE FUND

REVENUE	AMENDED BUDGET	2nd Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	2nd 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	\$181,016	\$385,323	43.86%	\$185,692	\$382,519	46.31%
Miscellaneous (1)	1,300	197	393	30.27%	119	423	31.57%
TOTAL CURRENT REVENUE	\$879,800	\$181,213	\$385,716	43.84%	\$185,810	\$382,942	46.29%
EXPENDITURE BY DEPARTMENT							
Public Works (2)	\$855,450	\$188,112	\$350,969	41.03%	\$217,487	\$383,905	46.61%
TOTAL OPERATING EXPENDITURES	\$855,450	\$188,112	\$350,969	41.03%	\$217,487	\$383,905	46.61%
Contingencies/Reserves	\$16,000	\$0	\$0	0.00%	\$0	\$0	0.00%
TOTAL ALL EXPENDITURES	\$871,450	\$188,112	\$350,969	40.27%	\$217,487	\$383,905	45.72%
CURRENT REVENUE LESS TOTAL EXPENDITURES	\$8,350	(\$6,900)	\$34,747		(\$31,677)	(\$963)	

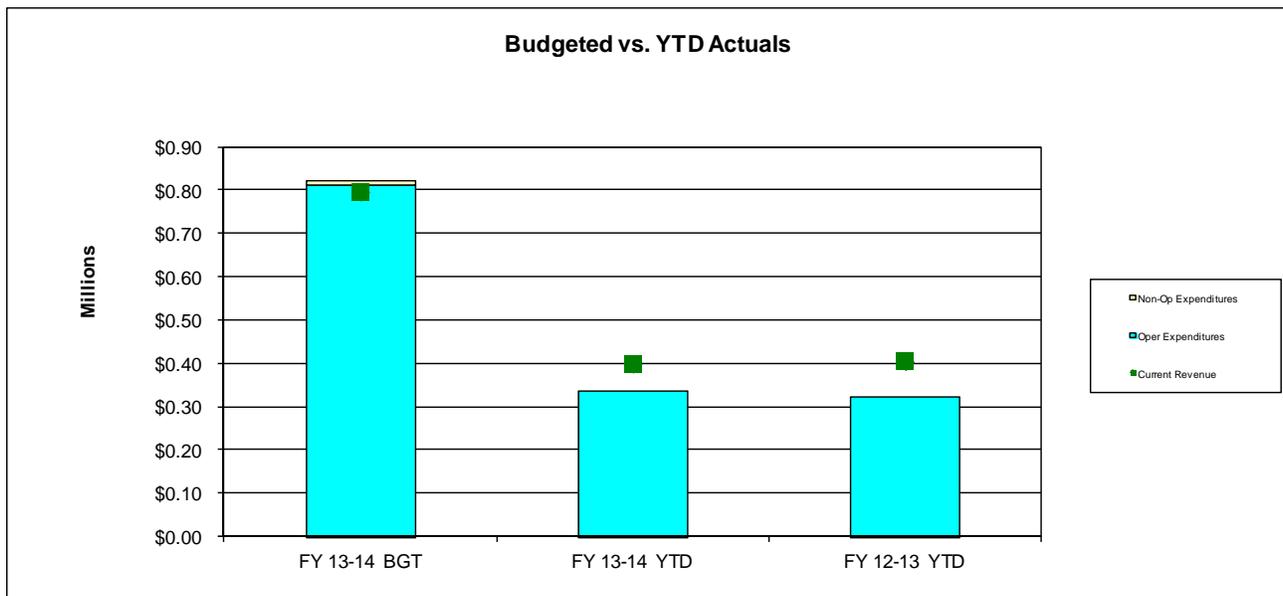
- (1) The sources of Miscellaneous Revenue are primarily scrap metal sales and interest on investments (based on proportionate average daily cash balance for the fund), which are usually insignificant in dollar value and tend to fluctuate year to year.
- (2) Expenditures are lower than both budgeted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



FACILITY MAINTENANCE FUND

REVENUE	AMENDED BUDGET	2nd Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	2nd 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	\$396,780	50.00%	\$201,123	\$402,246	50.00%
Miscellaneous	2,310	137	1,299	56.24%	388	1,445	53.31%
TOTAL CURRENT REVENUE	\$795,870	\$198,527	\$398,079	50.02%	\$201,511	\$403,691	50.01%
EXPENDITURE BY DEPARTMENT							
Public Works (1)	\$809,840	\$162,690	\$333,475	41.18%	\$167,520	\$320,000	40.04%
TOTAL OPERATING EXPENDITURES	\$809,840	\$162,690	\$333,475	41.18%	\$167,520	\$320,000	40.04%
Contingencies/Reserves	\$10,000	\$0	\$0	0.00%	\$0	\$0	0.00%
TOTAL ALL EXPENDITURES	\$819,840	\$162,690	\$333,475	40.68%	\$167,520	\$320,000	39.55%
CURRENT REVENUE LESS TOTAL EXPENDITURES	(\$23,970)	\$35,837	\$64,604		\$33,991	\$83,690	

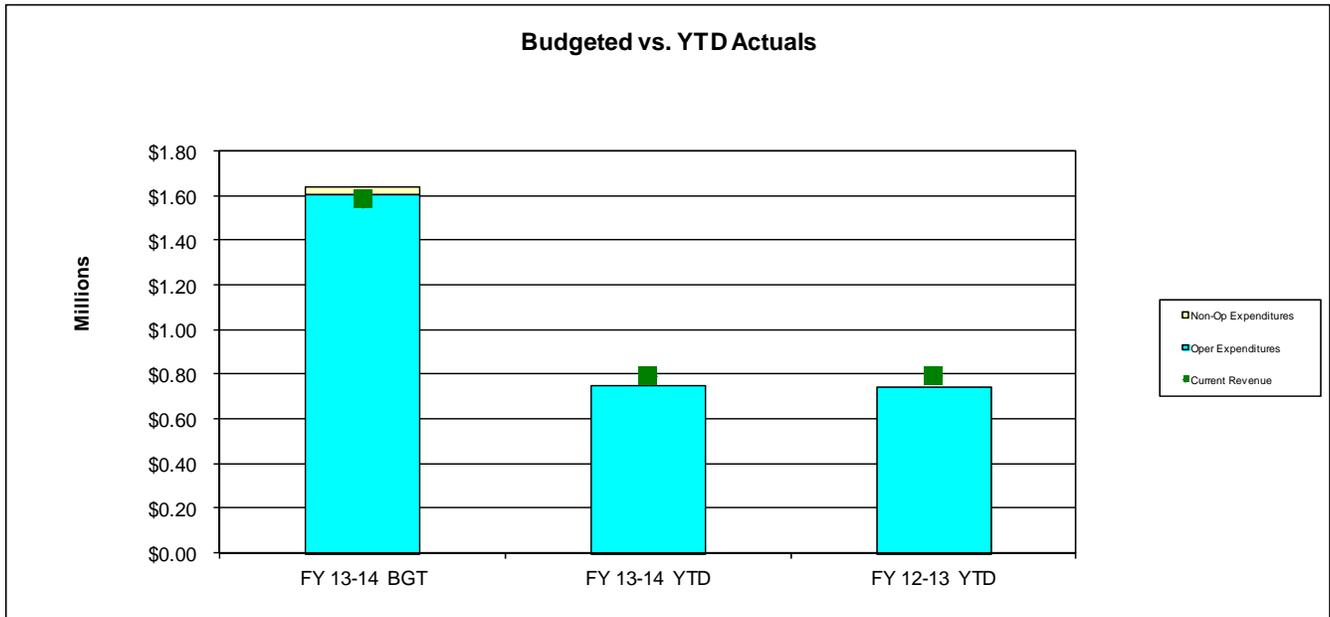
(1) Actual spending is slightly more aligned with budget in FY 13-14 now that a vacant position is filled, but is still low as a percentage of budget as most special projects have not been completed at this point in the year.



TECHNOLOGY AND COMMUNICATIONS FUND

REVENUE	AMENDED BUDGET	2nd Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	2nd 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	\$395,792	\$791,775	50.01%	\$395,859	\$791,575	50.00%
Miscellaneous (1)	4,430	1,138	1,620	36.56%	1,076	3,819	111.67%
TOTAL CURRENT REVENUE	\$1,587,540	\$396,930	\$793,395	49.98%	\$396,934	\$795,395	50.13%
EXPENDITURE BY DEPARTMENT							
Finance	\$1,417,940	\$404,021	\$693,256	48.89%	\$310,650	\$677,144	46.92%
Public Works (2)	190,830	34,013	55,912	29.30%	31,766	64,911	30.80%
TOTAL OPERATING EXPENDITURES	\$1,608,770	\$438,033	\$749,168	46.57%	\$342,416	\$742,054	44.86%
Contingencies/Reserves	\$30,000	\$0	\$0	0.00%	\$0	\$0	0.00%
TOTAL ALL EXPENDITURES	\$1,638,770	\$438,033	\$749,168	45.72%	\$342,416	\$742,054	44.06%
CURRENT REVENUE LESS TOTAL EXPENDITURES	(\$51,230)	(\$41,103)	\$44,227		\$54,519	\$53,340	

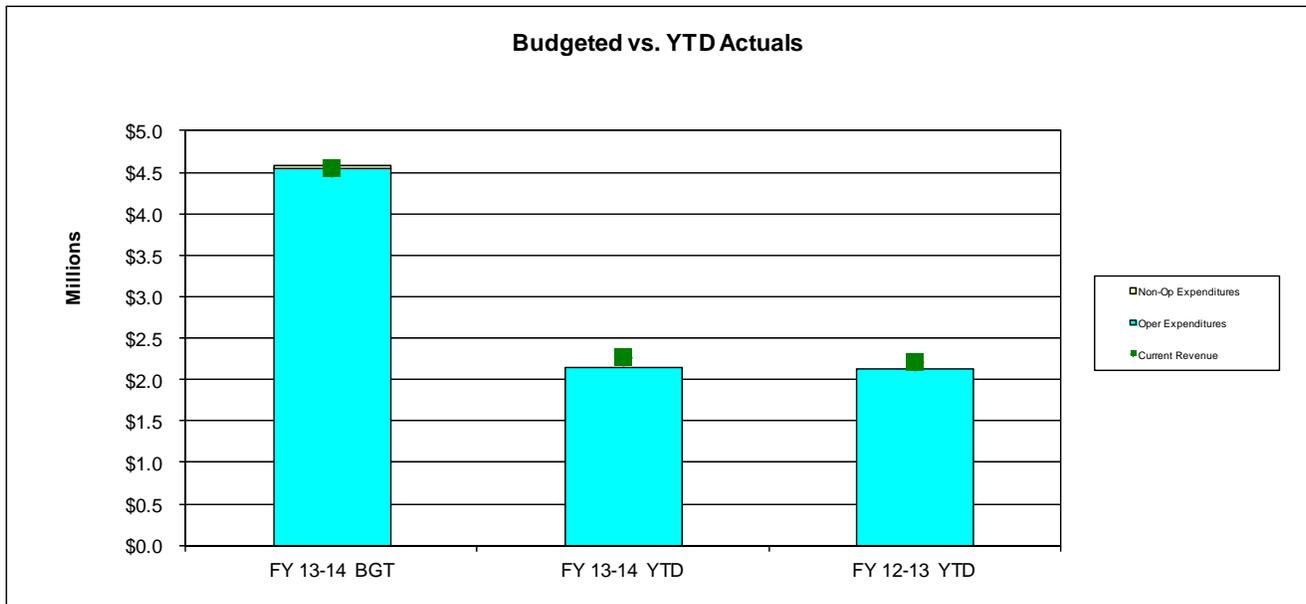
- (1) FY 13-14 miscellaneous revenue is due to interest on investments (based on proportionate average daily cash balance for the fund). This year is lower than last since FY 12-13 included receipt of a credit from a vendor for purchases made in the previous fiscal year. Absent this credit in FY 12-13, revenue in the two fiscal years was very similar.
- (2) 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	2nd Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	2nd 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	\$2,263,674	50.00%	\$1,101,882	\$2,203,764	50.00%
Miscellaneous (1)	27,010	3,083	5,278	19.54%	4,709	9,964	56.71%
TOTAL CURRENT REVENUE	\$4,554,350	\$1,134,920	\$2,268,952	49.82%	\$1,106,591	\$2,213,728	50.03%
EXPENDITURE BY DEPARTMENT							
Finance (2)	\$2,667,130	\$617,182	\$1,233,312	46.24%	\$614,970	\$1,224,529	48.95%
City Manager's Office	1,876,930	421,623	913,912	48.69%	379,131	906,014	47.17%
TOTAL OPERATING EXPENDITURES	\$4,544,060	\$1,038,805	\$2,147,223	47.25%	\$994,101	\$2,130,543	48.18%
Contingencies/Reserves	30,000	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$4,574,060	\$1,038,805	\$2,147,223	46.94%	\$994,101	\$2,130,543	47.85%
CURRENT REVENUE LESS TOTAL EXPENDITURES	(\$19,710)	\$96,116	\$121,728		\$112,490	\$83,185	

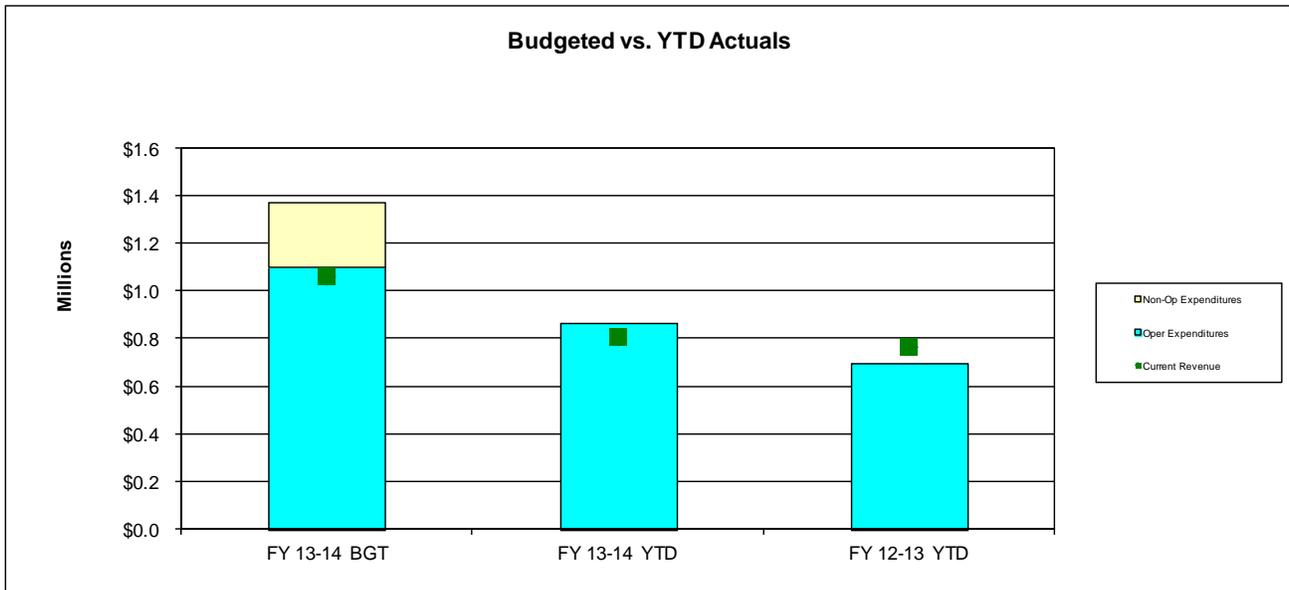
- (1) FY 13-14 miscellaneous revenue received YTD is due to interest on investments (based on proportionate average daily cash balance for the fund). Purchasing card rebates will also be represented as revenue in January (third quarter). This year is lower than last year at the same time due to a credit 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) Finance expenditures are under budget in the first half of FY 13-14 due to two vacant positions, one of which is staffed by a temporary employee and one that is on-hold.



RISK MANAGEMENT FUND

REVENUE	AMENDED BUDGET	2nd Quarter FY 13-14	UNAUDITED FY 13-14	FY 13-14 % REC/EXPEND	2nd 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	\$0	\$772,372	75.00%	\$0	\$741,937	75.00%
Miscellaneous (2)	32,000	10,008	34,350	107.34%	7,699	24,325	66.19%
TOTAL CURRENT REVENUE	\$1,061,830	\$10,008	\$806,722	75.97%	\$7,699	\$766,262	74.68%
EXPENDITURE BY DEPARTMENT							
City Manager's Office (1)	\$1,093,830	\$163,896	\$859,816	78.61%	\$84,767	\$692,886	69.15%
TOTAL OPERATING EXPENDITURES	\$1,093,830	\$163,896	\$859,816	78.61%	\$84,767	\$692,886	69.15%
Contingencies/Reserves	275,000	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$1,368,830	\$163,896	\$859,816	62.81%	\$84,767	\$692,886	54.26%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$307,000)	(\$153,888)	(\$53,093)		(\$77,067)	\$73,376	

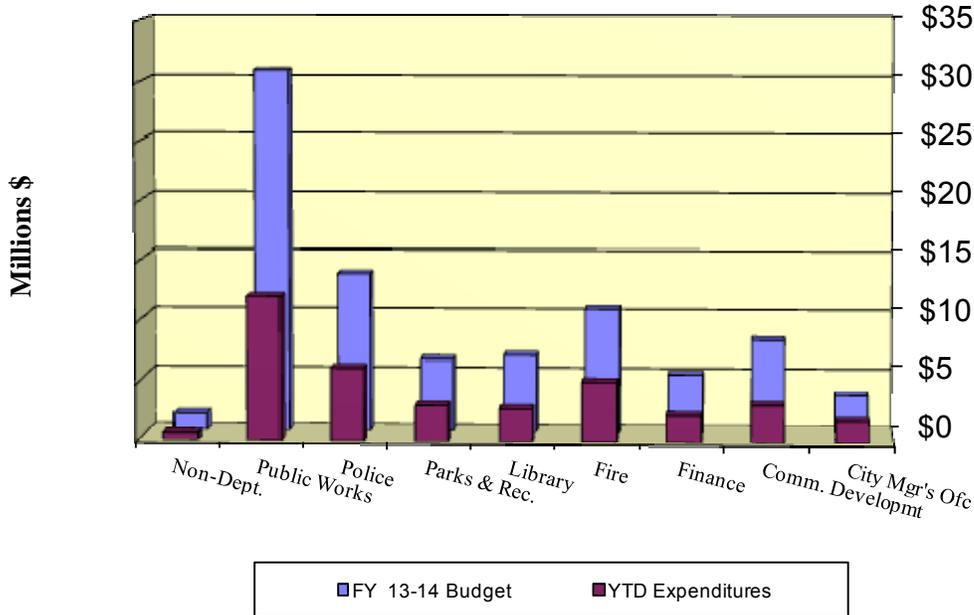
- (1) Timing of internal service charges to departments is weighted to coincide with insurance premium payments, 75% of which occur in July and 25% in January. Annual insurance premiums and most flood insurance premiums have been paid, expending 79% of the insurance program budget YTD, but three quarters of workers compensation invoices are still scheduled. Self insurance expenditures have been running low, so any savings there may help to offset any potential overages in the insurance program. Staff will continue to monitor the insurance program budget closely through the end of the fiscal year.
- (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 \$33,000 in loss reimbursements and return to work credits related to nine City claims, compared to only five cases totaling approximately \$18,000 in the same period last year.



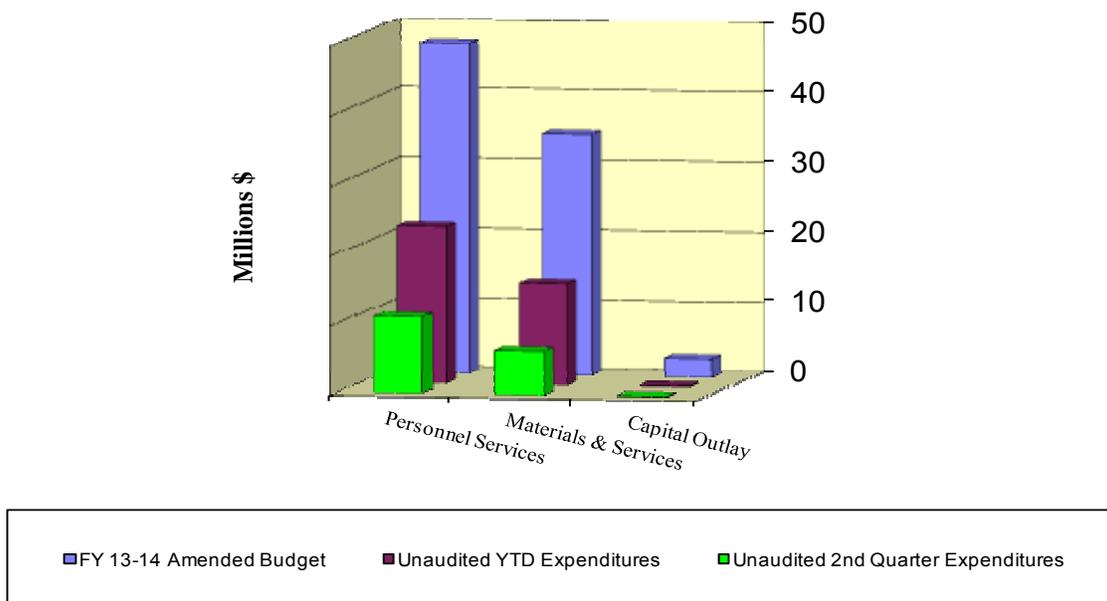
BUDGET PERFORMANCE BY DEPARTMENT

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 2nd Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personnel Services	\$1,414,780	\$355,236	\$668,720	47.27%
Supplies and Services	1,882,230	309,584	1,250,360	66.43%
Capital Outlay	0	0	0	0.00%
Total Operating Expenditures	\$3,297,010	\$664,820	\$1,919,080	58.21%

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

Noteworthy Accomplishments during this Quarter:

- The Economic Development program participated as a sponsor in the Willamette Innovators Network (WIN) Conference that was held in Corvallis in November.

Upcoming/Pending Items:

- The Corvallis Municipal Code will be converted to an online version that is more user-friendly.
- The Economic Development Office will coordinate logistics for WIN board meetings and monthly Pub-Talks.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY12-13 ACTUAL	FY13-14 TARGET	2 nd 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	3.9	7.2
	Maximize workplace productivity	Number of sick leave hours used per 1,000 hours worked. ⁽²⁾	30.5	<28.0	18.5	19.4
Sustainability	Measure City employee benefits to compensation ratio for competitiveness, retention, attraction and comparator purposes.	Benefits as a % of total compensation.	35.7%	<35%	35%	35%
	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	14
	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
		Develop a plan that would promote the implementation of the Economic Development Strategy & increase tenancy in commercially & industrially zoned properties. ⁽⁴⁾	NEW	Complete Marketing Plan by June 30, 2014	Complete	Complete

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY12-13 ACTUAL	FY13-14 TARGET	2 nd QTR ACTUAL	FY13-14 YTD
	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	53	84
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%	18%	17%

- (1) From the 383.95 FTE in the second quarter, there were 15 workers compensation claims filed.
- (2) Sick leave usage tends to be lower in the first half 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 754 applicants in the second quarter, 135 indicated they are a minority.

COMMUNITY DEVELOPMENT

Type of Expenditure	2013-14 Amended Budget	Unaudited 2nd Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personnel Services	\$4,085,370	\$929,424	\$1,837,334	44.97%
Supplies and Services	3,764,680	575,377	1,394,506	37.04%
Capital Outlay	69,000	0	0	0.00%
Total Operating Expenditures	\$7,919,050	\$1,504,800	\$3,231,840	40.81%

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

Noteworthy Accomplishments during this Quarter:

- Housing received 126 Rental Housing Program-related contacts in the second quarter outlining 255 separate issues, with 102 issues related to habitability and 153 of a non-habitability nature. Sixty-two 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).
- Three First Time Home Buyer down payment assistance loans totaling \$44,013 were approved during the second quarter, which will help low income families to acquire their first home.
- 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.
- Request for Proposals seeking agency applications for FY 14-15 Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) program funding were issued in October, with letters of intent to apply due to the City (Housing Division) on November 15th. The amounts of funding the City will receive from the U.S. Department of Housing and Urban Development (HUD) are unknown at this time.
- The City’s FY 13-14 Consolidated Annual Performance Evaluation Report, which provides an overview of activities funded with federal CDBG and HOME resources during the year, was approved by HUD.
- In October, the City Council authorized Planning Division staff to move forward with two packages of Land Development Code Amendments, to include recommendations from the OSU/Corvallis Collaboration Project, along with those intended to streamline Historic Preservation reviews and modifications to approved Planned Developments.
- The Historic Resources Commission held a special work session on December 3rd to consider potential amendments to Chapter 2.9 of the Land Development Code.
- On December 18th, the Planning Commission conducted its annual review of the City’s Capital Improvement Program.
- The Planning Division issued decisions on four land use applications in December, including a denial of the Gazette-Times Building PD Nullification, and received eleven land use applications, including three Historic Preservation permit applications and two Conditional Development applications.
- Development Services staff processed 99 residential and 102 non-residential plan reviews for proposed construction projects and conducted 3,487 construction inspections in the second quarter.
- Of the 571 mechanical and electrical permits issued in the second quarter, 323 of 57% were issued online.
- As a result of citizens’ complaints, 70 new cases were opened in the Code Enforcement Program this quarter.
- The Collaboration Corvallis Steering Committee met in early November to receive the fifth set of recommendations forwarded by the work groups. The Project Manager also presented updates to the recommendation matrices that were presented to the committee in June. As the Collaboration Corvallis project focuses primarily on responding to the various recommendations, both City and OSU staff will be responsible for further evaluation and implementation.
- In December, the Property Maintenance Code Advisory Group provided input to staff for development of a Corvallis Property Maintenance Code compliance program and neighborhood/community outreach and education program.

Upcoming/Pending Items:

- Per City Council direction, Community Development staff is developing potential Land Development Code Amendments and other recommendations from the Collaboration Work Groups. It is anticipated that the Planning Commission will commence review of these amendments in early February.
- Staff is developing a recommendation to City Council on a property maintenance code and associated program elements.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY12-13 ACTUAL	FY13-14 TARGET	2 nd 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%	100%	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%	84%	87%
	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	40	36

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY12-13 ACTUAL	FY13-14 TARGET	2 nd QTR ACTUAL	FY13-14 YTD
	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	25	30
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	6.8	7.0
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%	57%	51.4%
	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	5.8	5.1

- (1) During the second quarter, 83 of 99 residential plan reviews were completed within 14 calendar days. Results should continue to improve as staff has a new awareness of tracking projects and additional staffing has been hired.
- (2) The Planning Division issued final decisions on seven public hearing-level land use applications and six administrative land use applications in the second quarter. Due to one appeal, the average time to a final decision increased.
- (3) In the second quarter, there were three First Time Home Buyer down payment assistance loans approved and closed, totaling \$44,013.
- (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; 323 of 571 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 2nd Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personnel Services	\$3,370,860	\$797,208	\$1,587,583	47.10%
Supplies and Services	1,579,200	424,184	741,203	46.94%
Capital Outlay	55,000	0	0	0.00%
Total Operating Expenditures	\$5,005,060	\$1,221,392	\$2,328,786	46.53%

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

Noteworthy Accomplishments during this Quarter:

- The Customer Services Division completed an on-site appraisal with the AssetWorks consultant and staff is reviewing the appraisal information for the final report; completed a report to Council on the advantages of moving volunteers from a workers' comp plan to accident coverage plan; finalized installation of Creditron Automated Remittance Software; began discussions with Wells Fargo to implement remote deposit to enable sending digital images to customer checks; and investigated with vendors to provide telephone and website payment options for ambulance billing customers.
- The Financial Services workgroup completed the FY 12-13 year-end audit and submitted a final draft to Council; and began discussions on how to implement purchasing/accounts payable processes to reduce time consuming tasks.

Noteworthy Accomplishments during this Quarter (continued):

- An additional parallel payroll processing and end-user training was conducted in the new OneSolution financial system;

- The Budget Office assisted with the November 2013 ballot measure outcome and its impacts on the budget process and facilitated an early October meeting with Budget Commission and other Boards & Commissions to present and discuss a new sustainable budget process;
- A larger than usual number of retirement cashouts were processed by for all departments by payroll staff, that for the six months ended December 31st totaled twelve individual retirees and exceeded \$335,000.
- The MIS Division continued to progress on implementing the Accela asset management and work order application system; assisted with the electronic citation solution implementation for both traffic and parking tickets; upgraded the City’s firewall device and Windows Server Domain controller to become compliant with new federal security requirements; continued to assist with the OneSolution financial system conversion process; and participated, along with Municipal Court staff, in several demonstrations of the electronic parking ticket software.

Upcoming/Pending Items:

- A customer service initiative paper will be developed for City Council which addresses credit card surcharges, convenience fees, mobile payment applications and impacts to OneSolution financial software.
- Liquor and tobacco annual renewal process will commence.
- Work with vendors to provide telephone and website payment options for ambulance billing customers will continue.
- Budget proposals will be received from Department Directors and reviewed by the Budget Office in preparation of the City Manager’s sustainable Propose Budget for Budget Commission, utilizing the expenditure limit process.
- Municipal Court will select a vendor for the electronic parking ticket software and will complete work with the online payment option for traffic tickets.
- The MIS Division will continue to assist with the OneSolution financial system conversion and will continue to build business continuity through improved disaster recovery solutions including upgrading the City Disaster Recovery Plan.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY12-13 ACTUAL	FY13-14 TARGET	2 nd 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	\$733	\$1,016
	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%	5.82%	5.71%
	Provide necessary information technology resources for departments to operate efficiently.	Achieve 100% server uptime relative to scheduled server uptime. ⁽¹⁾	99.74%	100%	99.9%	99.1%
	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	.83/1	.85/1
	Increase organizational efficiency in providing service output.	Maintain operating expenditures less than or equal to \$1,490 per capita.	\$1,342	≤ \$1,490	\$322	\$680

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY12-13 ACTUAL	FY13-14 TARGET	2 nd QTR ACTUAL	FY13-14 YTD
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	118	288
	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	1,723	1,723

- (1) During the first quarter, MIS experienced one significant power outage that caused server downtime and no significant downtime during Q2. 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 half, MIS had 613 service calls to 721 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 decreased modestly in the 2nd quarter over FY 12-13 exit and Q1 due to OSU student moves. 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 2nd Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personnel Services	\$8,558,690	\$2,073,483	\$4,294,056	50.17%
Supplies and Services	1,927,270	421,541	864,109	44.84%
Capital Outlay	0	0	0	0.00%
Total Operating Expenditures	\$10,485,960	\$2,495,024	\$5,158,165	49.19%

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

Noteworthy Accomplishments during this Quarter:

- Two pieces of fire apparatus that were out of service were sold.
- A successful Open House & Safety Fair was held at Stations 1 and 6 on October 12th.
- The 2012-2013 Annual Report was published.
- Inspections were completed on all 509J buildings and congregate housing units near OSU.

Upcoming/Pending Items:

- Contract negotiations will begin with the Rural Fire District.
- The results/outcome of a requested Occupational Safety and Health Administration (OSHA) inspection will be reviewed.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY12-13 ACTUAL	FY13-14 TARGET	2 nd 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%	4%	6%

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY12-13 ACTUAL	FY13-14 TARGET	2 nd QTR ACTUAL	FY13-14 YTD
Cost Efficiency	Achieve a response time of 5 minutes or less from dispatch to arrival on Code 3 fire calls within the city limits, greater than our comparator's average of 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%	55.1%	52.5%
	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%	29%	27.5%
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	\$.22	\$4.71
	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	9	21

- (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 2nd Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personnel Services	\$3,968,080	\$983,366	\$1,993,174	50.23%
Supplies and Services	1,919,980	431,906	836,331	43.56%
Capital Outlay	636,080	0	0	0.00%
Total Operating Expenditures	\$6,524,140	\$1,415,271	\$2,829,505	43.37%

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

Noteworthy Accomplishments during this Quarter:

- Held the annual staff In-Service day at the Monroe Community Library, which covered a variety of topics including presentations from County Commissioner Linda Modrell; presentations from staff; Cover Oregon; and strategies for dealing with difficult behaviors.
- One of the Corvallis-Benton Public Library Community Library Specialists won the Monroe Citizen of the Year award given by the Tri-County Chamber of Commerce.
- Completed publication of the “Art in the Library” brochure, which offers a walking tour around the Corvallis Library outlining the collection of fine art pieces.
- The Library Foundation hosted a “Complete the Block” party to thank donors who helped raise money to purchase the Fenner property adjacent to the Library.
- After passage of the November operating levy, Library Management Team began planning for related service changes that will take effect with FY 14-15, most notably being open on Sundays.
- Implemented updates to the Library Meeting Room Policy, including a room rental rate increase and the rooms being available on Sundays.
- Completed two surveys of users at our services desks to find out what open hours they would prefer on Sundays and another about how to offer new DVD titles.
- Submitted the final report for the 2012-13 Ready to Read Grant to the Oregon State Library.
- Youth Services staff worked on details of providing early literacy activities in the Library for parents and preschoolers using iPads. Staff attended multiple webinar trainings on the use of tablet PCs and iPads.
- Two Reference Librarians attended a Garfield Elementary School Literacy Night for dual immersion (English/Spanish) students and their families. An introduction to the Library’s Spanish collection was provided; books were given away; and staff ensured everyone had a library card.
- The Friends of the Library holiday book sale in Corvallis and Monroe were cancelled due to heavy snow and below freezing temperatures in December, which also forced early closure of the Library on several days.
- Participants in the NaNoWriMo National Novel Writing Month programs at the Library worked on novels and submitted excerpts that will be compiled, published by the Library, and added to the collection.
- Staff continued work on a major weeding project in the juvenile nonfiction area; shelves will be less crowded and newer materials will be more visible.
- Youth Services staff and shelvers are planning how to use the wooden shelves we acquired from the OSU Bookstore in place of older shelves for books on CD, CDs, series and graphic novels.
- Cleaning of the HVAC ductwork throughout the Library was completed.
- On December 16, Library Foundation board members presented a check to the City Council for \$636,075 for the purpose of purchasing the Fenner property adjacent to the Library. The gift was the culmination of the Foundation’s successful Complete the Block fundraising campaign.

Upcoming/Pending Items:

- Staff reorganization will occur as a result of staff vacancies.
- Management will continue work on the FY 14-15 Budget.
- Building maintenance and special projects: continue major landscaping project, and refinish woodwork in the Belluschi wing.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY12-13 ACTUAL	FY13-14 TARGET	2 nd 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	\$3.36	\$3.28
	Circulate more per FTE than national annual average of comparable libraries: >18,206	Circulation per FTE.	37,540	40,500	9,987	20,486
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 annual circulation rate per capita: >10.9	Circulation rates per capita. ⁽²⁾	19.67	19.00	4.80	9.84
	Encourage and provide opportunities for citizen involvement with library services.	Number of volunteer hours worked. ⁽³⁾	14,619	17,000	3,315	6,871
Diversity	Offer programs reflecting the diverse populations within Benton County.	Total number of programs and attendees.	1,581/ 44,379	1,300/ 37,000	363/ 8,378	763/ 20,667
Sustainability	Encourage remote usage of online services. Increase by 1% annually.	Number of remote users.	830,636	768,000	241,987	511,776
	Achieve above national average use of materials annually in the collection: >3.39 turnover rate	Circulation turnover rate of items in the collection.	4.71	4.82	1.15	2.36
	Provide the materials people want to use and keep them moving through the community exceeding the national annual average of 18.62	Circulation per registered borrower.	34.66	33.00	8.62	17.68

(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 87,725, per PSU population report December 2013 and is cumulative over the course of the year.

(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 the first half of the fiscal year are down because of changes in assigned tasks and due to some Library closure in December from heavy snow/ice.

PARKS & RECREATION

Type of Expenditure	2013-14 Amended Budget	Unaudited 2nd Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personnel Services	\$3,817,830	\$853,810	\$2,037,667	53.37%
Supplies and Services	2,289,960	487,535	1,025,638	44.79%
Capital Outlay	74,070	0	12,136	16.38%
Total Operating Expenditures	\$6,181,860	\$1,341,344	\$3,075,441	49.75%

Fund Sources: General Fund. Capital outlay includes scheduled vehicle and machinery replacements.

Noteworthy Accomplishments during this Quarter:

- In preparation for winter, restrooms were closed and most port-a-potties have been removed from the park system.
- Youth fall sports programs increased enrollment by 19%.
- The Senior Center hosted Dorothy Brown-Kwaioser to share her story of hiking the entire 2,669 mile Pacific Crest Trail.
- The Aquatic Center held “Dog Day”, which opened Otter Beach as a fenced dog park for a day directly before the annual draining and maintenance, resulting in net revenue of \$2,700.
- Installed a new stainless steel squirrel, funded by the Madison Avenue Task Force, in The Arts Center Plaza to replace the squirrel that was stolen.
- Completed the rehabilitation of the playground at Tunison Park, which included adding play equipment funded through a grant from Oregon State Parks and Recreation.
- Repaired minor water line breaks brought on by the December freeze at one of the Riverfront restrooms and the Berg Industrial Building.
- The Senior Center offered a variety of Fitness classes in the fall term with 176 enrolled students.
- Received a donation for the move of Sunnyside School to the Knotts-Owens Farm.
- Worked with the 509J School District, Boys and Girls Club of Corvallis and Benton County Health Department on the 21st Century Grant application, which was awarded to the District and where P&R will provide swimming lessons for approximately 100 elementary school students.
- Hosted the Santa Cross Bicycle event at Avery Park, with 200 participants and net revenue of \$1,000.
- Installed P&R banners at the Arts Center Plaza promoting community participation and appreciation.

Upcoming/Pending Items:

- Progress on the restoration and fundraising of the Marys River Boardwalk.
- Carry on with the Sunnyside School House relocation.
- Review the Chandler Trust terms and develop information to share with stakeholders.
- Continue restoration of the Chip Ross Natural Area, and development of the right-of-way (ROW) tree planning program.
- The Shawala Point Master Plan, Tunison Park rehabilitation project, P&R Master Plan, and development of the spring/summer recreation programs are all pending projects.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY12-13 ACTUAL	FY13-14 TARGET	2 nd 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)	3,774 (1.82 FTE)	6,212 (2.99FTE)
	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%	162%	133%
	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%	154%	149%

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY12-13 ACTUAL	FY13-14 TARGET	2 nd 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%	561%	488%
Community Involvement	Provide multiple opportunities for public involvement.	Total number of hours of Board, Commissions and Stakeholder, and Public Meetings.	80	80	18	40
Sustainability	Increase the utilization percentage of granted scholarships.	Percent of total scholarship value expended. ⁽²⁾	64%	45%	45%	35%
	Maintain or improve the ratio of acres per population of comparator cities.	Total park acres per 1,000 population. ⁽³⁾	31.5	31.5	31.3	31.3
	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	551/ 9,845	947/ 49,190

- (1) Volunteers are most prevalent in the third and fourth quarters; P&R fixed a Q1 reported error for volunteers, which is reflected in the YTD value. 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. A quarter's utilization rate can exceed year-to-date utilization rates since awards are granted throughout the entire year, which can impact the percent of utilization. There is no cap on awards granted and they're not all granted at the beginning of the fiscal year, which can cause a year-to-date utilization rate to be lower than a quarter's percentage as occurred during Q2.
- (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 55,345, per PSU population report December 2013.
- (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 2nd Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personnel Services	\$9,984,390	\$2,379,271	\$4,780,083	47.88%
Supplies and Services	3,164,690	616,916	1,457,004	46.04%
Capital Outlay	254,330	0	0	0.00%
Total Operating Expenditures	\$13,403,410	\$2,996,187	\$6,237,087	46.53%

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:

- Street Crimes Unit detectives partnered with the Department of Justice and Albany Police Department on a case involving large quantities of heroin and methamphetamine being distributed in the mid-valley. Three suspects were arrested.
- Police staff participated in the annual Shop with a Cop event in which 50 children were given a gift card to an area store to holiday shop for themselves and their families. The event provides children, ages 4-10, a positive interaction with members of law enforcement.
- A Tactical Action Plan (TAP) was implemented to address increased parties and alcohol related events around Halloween and the weekends before and after. Bike patrols were used in the College Hill area and in Downtown Corvallis. Activity levels were high and in the four days of the TAP, 93 citations/arrests were made and 33 Special Response Notices were issued.
- The Police Department FY 12/13 Annual Report was published.
- Five new police officers joined the force in October and November 2013.
- Corvallis Regional Communications Center staff received the Critical Incident Award for excellent work during the officer involved shooting in August 2012. The award was presented at the annual Association of Public Safety Communications Officials (APCO) Conference.

Upcoming/Pending Items:

- The recruitment process for a newly authorized Parking Enforcement Officer (due to the Residential Parking District) was opened in December. This recruitment has an anticipated hire date of April 2014.
- The background phase for two police officers, to back-fill retirements, will continue.
- In January, the Corvallis Regional Communications Center will implementing a major software upgrade to the E911 telephone system which is expected to take the main 911 telephone system offline for a period of time, during which the backup 911 Center at the Fire Department will be activated.
- Work is continuing on the grant funded E-Citation project and the radio interoperability project.
- The Commission on Accreditation for Law Enforcement Agencies (CALEA) onsite inspection will occur in December 2014 so preparations will occur throughout the year.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY12-13 ACTUAL	FY13-14 TARGET	2 nd 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	364	329
	Increase community safety by clearing part 1 criminal investigations.	Percentage of Part 1 Crimes Cleared.	Violent 53%	70%	36%	40%
			Property 23%	20%	16%	17%
	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	76	87
	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	1.4
Diversity	Increase diversity of applicant pool through targeted outreach efforts.	Number of new, targeted outreach efforts. ⁽²⁾	8	6	0	0

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY12-13 ACTUAL	FY13-14 TARGET	2 nd QTR ACTUAL	FY13-14 YTD
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 78 accidents, or 1.4 per thousand, year-to-date. FY13-14 year-to-date figures utilize the most recent actual PSU Population Research Group figure of 55,345 (December 2013).

(2) Recruitments closed at the end of fourth quarter FY 12-13; so no new recruitments in the first or second 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 or second quarter as the project is still in the implementation phase.

PUBLIC WORKS

Type of Expenditure	2013-14 Amended Budget	Unaudited 2nd Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personnel Services	\$12,182,800	\$2,741,100	\$5,448,757	44.73%
Supplies and Services	16,737,820	3,020,027	6,528,779	39.01%
Capital Outlay	1,788,730	148,854	181,774	10.16%
Total Operating Expenditures	\$30,709,350	\$5,909,981	\$12,159,311	39.59%

Fund Sources Combined: General, Street, Parking, Transit, Water, Water Timber, Wastewater, Storm Water, Airport, Fleet Maintenance, Facility Maintenance and Technology and Communications Fund. Capital outlay includes scheduled vehicle and equipment replacements.

Noteworthy Accomplishments during this Quarter:

- Worked to complete the data migration from the existing work order management system (Gismo/MP2) to Accela; finalized the majority of templates to track assets, work orders and service requests, and met with workgroups to begin training.
- Collected data and completed the annual utility rate review for the Water, Wastewater and Stormwater utility funds, and presented recommendations to the City Council.
- Coordinated work efforts associated with six employee retirements, eleven recruitments and the corresponding job description updates.
- Completed the Fall Leaf Collection Program in cooperation with Republic Services.
- Conducted bicycle counts at thirteen major intersections in the city with assistance from the Mid Valley Bike Club, Corvallis Sustainability Coalition, and the Bicycle and Pedestrian Advisory Commission.
- Met with Benton County Health Department and Senior Center staff to discuss their parking needs relative to the planned Residential Parking District expansion.
- Bonneville Power Administration (BPA) signed the agreement for the hydroelectric project at the Rock Creek Water Treatment Plant.
- Rock Creek temperature monitoring has been completed; stream temperatures are within proper parameters.
- Completed all capital construction projects with the exception of the 36th & Grant Pump Station project, which is scheduled for completion in April 2014.
- Developed the proposed Capital Improvement Program document for consideration by the Budget Commission.
- Awarded the contract for the design of the Wastewater Treatment Plant's Secondary Clarifier Project to Kennedy Jenks.
- Completed an intergovernmental agreement with OSU for a cooperative project to make improvements to 15th Street between Western Boulevard and Jefferson Way.

Upcoming/Pending Items:

- Complete the organizational greenhouse gas inventory project funded by the Environmental Protection Agency’s Climate Showcase Communities grant.
- Identify and implement new tracking tools for special projects, capital projects and reserve purchases for Public Works as part of the new budget process for FY 14-15.
- Implement a vehicle fuel tracking report to aid supervisors in identifying ways that work groups can reduce fuel use.
- Schedule a collaborative transit and bicycle/pedestrian safety event to give away safety lights provided by ODOT.
- Adopt the Airport Master Plan through Community Development/Comprehensive Plan amendment processes.
- Finish the Vehicle Information System (VIS) project for the CTS buses.
- Document the specifications for six vehicle/heavy equipment purchases and begin the procurement process.
- Obtain City sign-off on the BPA agreement and begin work on the Rock Creek hydroelectric project.
- Assist in the design of the Pacific Power grant-funded solar array project at the Wastewater Reclamation Plant.
- Initiate the development of the Storm Water Design Criteria manual.
- Conduct the bidding process for the 15th Street improvement project.
- Commence design work on the Wastewater Treatment Plant’s Secondary Clarifier Project.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY12-13 ACTUAL	FY13-14 TARGET	2 nd 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	\$1.70	\$1.86
	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%	2.8%	2.8%
		Percent of average annual water bill to median household income (\$80,800). ⁽²⁾⁽³⁾	0.36%	<0.45%	0.33%	0.33%
		Percent of average annual wastewater bill to median household income (\$80,800). ⁽²⁾⁽³⁾	0.48%	<0.65%	0.46%	0.46%
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%	5.65%	4.20%

(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 2nd Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personnel Services	\$0	\$0	\$0	0.00%
Supplies and Services	1,482,220	283,345	626,551	42.27%
Capital Outlay	0	0	0	0.00%
Total Operating Expenditures	\$1,482,220	\$283,345	\$626,551	42.27%

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 second quarter, Capital Project year-to-date expenditures totaled \$3,178,598 or 29.08% of the \$10,929,889 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	3
Acquisition / Development – Coronado Park	4
Park Improvements – Tunison	4
Park Improvements – Willamette Park Rotary Shelter	4
Sunnyside School Building	4
Storm Drain Replacement (Construction)	5
SWMP – Dixon Creek Slope Stabilization	5
SWMP – Greeley Overflow Pipe	5
Corvallis to Albany Trail	6
Street Reconstruction – 10 th (Construction)	7
Sanitary Sewer Line Rehabilitation (Construction)	7
36 th and Grant Water Pump Station Improvements	8
Water Distribution System Rehabilitation (Construction)	8

Projects Deferred or Cancelled

Reservoir Road Improvements	6
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SUMMARY OF CIP PROJECTS

AIRPORT	ADOPTED	AMENDED	Y-T-D
Airport Facility Improvements	\$112,850	\$112,850	\$1,933
TOTAL Airport Projects	<u>\$112,850</u>	<u>\$112,850</u>	<u>\$1,933</u>
BUILDINGS AND FACILITIES			
BUILDINGS AND FACILITIES	ADOPTED	AMENDED	Y-T-D
City Hall Block	\$168,100	\$110,570	\$53,137
Fire Department Facilities Relocation	219,000	206,070	3,341
Municipal Buildings Rehabilitation	90,000	90,000	0
TOTAL Buildings and Facilities	<u>\$477,100</u>	<u>\$406,640</u>	<u>\$56,477</u>
PARKS			
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	400,504
Park Facility Renovation	250,000	240,000	0
Park Improvements - Existing	523,000	488,930	146,860
Riverfront Commemorative Park Signage	31,150	31,150	0
Special Use Facilities	190,000	190,000	0
Sunnyside School Building	0	100,000	0
Trails/Bike Paths	35,000	35,000	0
TOTAL Parks	<u>\$2,128,905</u>	<u>\$2,164,715</u>	<u>\$547,364</u>
STORM WATER			
STORM WATER	ADOPTED	AMENDED	Y-T-D
Storm Drain Replacement	\$467,500	\$628,284	\$543,633
Storm Water Master Plan Projects	305,000	235,250	140,300
Utility and Street Improvements	15,000	15,000	3,092
Carryover Adjustment - Unused Budget	0	2,070	0
TOTAL Storm Water Projects	<u>\$787,500</u>	<u>\$880,604</u>	<u>\$687,025</u>
TRANSPORTATION			
TRANSPORTATION	ADOPTED	AMENDED	Y-T-D
15th Street/Washington Way Improvements	\$37,400	\$637,400	\$71,172
35th Street Sidwalk & RR Crossing	\$261,000	\$261,000	\$2,225
City Hall Parking	10,000	10,000	0
Covallis to Albany Trail	664,500	664,500	512,749
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	11,573
Morris Avenue Bridge	178,000	142,100	4,746
Pedestrian Crossings	48,200	48,200	2,769
Reservoir Road Improvements	300,000	0	0
Safe Routes to Schools	343,950	343,950	1,833
Street Reconstruction	463,040	539,040	438,615
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>\$4,463,570</u>	<u>\$1,045,682</u>
WASTEWATER			
WASTEWATER	ADOPTED	AMENDED	Y-T-D
Biosolids Storage Tank	\$40,000	\$39,410	\$1,293
Sanitary Sewer Line Rehabilitation	671,930	671,930	559,225
WWRP Secondary Clarifiers	850,000	820,360	11,560
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>\$572,078</u>
WATER			
WATER	ADOPTED	AMENDED	Y-T-D
36th and Grant Water Pump Station Improvements	\$877,400	\$875,210	\$232,861
Rock Creek Hydroelectric	37,500	37,500	0
Water Distribution System Rehabilitation	320,000	300,010	35,178
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>\$268,039</u>
TOTAL All Areas	<u>\$10,136,785</u>	<u>\$10,929,889</u>	<u>\$3,178,598</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> \$1,933
<p>This project allows for improvements as identified in the Airport Master Plan (AMP). FY 13-14 budget includes design of the new access road from Airport Place to the existing cargo loading ramp at the Airport. A separate Connect Oregon grant application has been submitted for the ramp construction.</p> <p>Design work is currently underway and will continue into FY 14-15. Construction is planned for FY 15-16.</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> \$53,137
<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>Signs are in the final stages of completion. The exterior signs will be installed in January, 2014. Interior signs will be installed February, 2014 and kiosk signs in May, 2014.</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> \$3,341
<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>Discussion and spending for the purchase of land in the Coronado sub-division for the purposes of a neighborhood park, as well as the development and completion of same, are all included under "Park Development-New" below.</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> \$400,504
<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 re-roofing and stabilizing the existing barn at Owens Farm and 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> \$146,860
<p>This project provides for improvements to existing City Parks. The Willamette Park Rotary shelter was completed during the second quarter and the shelter will be available for rental to the public beginning with dates in April, 2014.</p> <p>Tunison Park improvements were completed during the 2nd quarter, which included installation of playground equipment and surfacing, and all of the concrete curbing and ADA access items. The park has been opened to the public.</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. There was no net out-of-pocket City expense for this project; however, a capital asset will be recorded for the value of the donation.</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 this fiscal year.</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 2nd quarter.</p>				
Sunnyside School Building	<u>CIP Doc Pg:</u> n/a	<u>Adopted Budget:</u> \$0	<u>Amended:</u> \$100,000	<u>YTD Expended:</u> \$0
<p>City Council accepted an anonymous donation of \$100,000 to move the former Sunnyside School building from 9th Street to Owen Farm. Staff hired a contractor and house mover to relocate the building to Owens Farm, which will occur towards the end of January, 2014.</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> \$543,633
<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 is complete for projects designed in FY 12-13.</p>				
<i>Storm Water Master Plan Projects</i>	<u>CIP Doc Pg:</u> 39	<u>Adopted Budget:</u> \$305,000	<u>Amended:</u> \$235,250	<u>YTD Expended:</u> \$140,300
<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 99% complete with final installation of bank stabilizing vegetation remaining.</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> <p>Staff is finalizing a consultant task order which will make recommendations for future improvements to enhance the conveyance and reduce localized flooding along Sequoia Creek within City limits.</p>				
<i>Utility and Street Improvements</i>	<u>CIP Doc Pg:</u> 87	<u>Adopted Budget:</u> \$15,000	<u>Amended:</u> \$15,000	<u>YTD Expended:</u> \$3,092
<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 2nd quarter.</p>				

TRANSPORTATION

<i>15th Street/Washington Way Improvements</i>	n/a	<u>Adopted Budget:</u> \$37,400	<u>Amended:</u> \$637,400	<u>YTD Expended:</u> \$71,172
<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 were approved by City Council during the second quarter. Designs are 95% complete, and the bid date is anticipated to occur in March, 2014. Construction is planned to begin in April, 2014.</p>				
<i>35th Street Sidewalk & RR Crossing</i>	<u>CIP Doc Pg:</u> 45	<u>Adopted Budget:</u> \$261,000	<u>Amended:</u> \$261,000	<u>YTD Expended:</u> \$2,225
<p>This project makes improvements to 35th Street between Western Boulevard and Jefferson way to facilitate safe movement of pedestrians and bicyclists.</p> <p>Staff is working on coordination with private development to join both projects at a common point south of the railroad. Design is currently underway.</p>				

City Hall Parking	<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>				
Covallis to Albany Trail	<u>CIP Doc Pg:</u> 51	<u>Adopted Budget:</u> \$664,500	<u>Amended:</u> \$664,500	<u>YTD Expended:</u> \$512,749
<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 was 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 does not impact the construction dates. Construction of all segments within city limits has been completed.</p>				
Downtown Public Parking	<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 were identified during the 2nd quarter.</p>				
Downtown Wayfinding	<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>				
Goodnight ROW Acquisition	<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>				
Highway 99 Widening	<u>CIP Doc Pg:</u> 59	<u>Adopted Budget:</u> \$307,160	<u>Amended:</u> \$307,160	<u>YTD Expended:</u> \$11,573
<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>Survey work has begun for development of 50% plans. ODOT will conduct a Request For Proposal (RFP) for environmental consultant services.</p>				
Morris Avenue Bridge	<u>CIP Doc Pg:</u> 67	<u>Adopted Budget:</u> \$178,000	<u>Amended:</u> \$142,100	<u>YTD Expended:</u> \$4,746
<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. A consultant contract has been finalized and design is underway with completion in FY 14-15 and construction to occur in 15-16.</p>				
Pedestrian Crossings	<u>CIP Doc Pg:</u> 69	<u>Adopted Budget:</u> \$48,200	<u>Amended:</u> \$48,200	<u>YTD Expended:</u> \$2,769
<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>				

Reservoir Road Improvements	<u>CIP Doc Pg:</u> 71	<u>Adopted Budget:</u> \$300,000	<u>Amended:</u> \$0	<u>YTD Expended:</u> \$0
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.				
Safe Route To Schools	<u>CIP Doc Pg:</u> 73	<u>Adopted Budget:</u> \$343,950	<u>Amended:</u> \$343,950	<u>YTD Expended:</u> \$1,833
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 underway and survey work has begun for development of 50% plans.				
Street Reconstruction	<u>CIP Doc Pg:</u> 77	<u>Adopted Budget:</u> \$463,040	<u>Amended:</u> \$539,040	<u>YTD Expended:</u> \$438,615
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 10 th Street between Buchanan and Grant Avenues. Construction is complete and final payment will be processed upon completion of punch list items. Design is underway for reconstruction of 12 th Street north of Maple Avenue. Funding availability is currently being reviewed. If funding is available, the project is scheduled to bid in June, 2014 with construction in FY 14-15.				
Utility and Street Improvements	<u>CIP Doc Pg:</u> 87	<u>Adopted Budget:</u> \$200,000	<u>Amended:</u> \$124,000	<u>YTD Expended:</u> \$0
These street assessments provide street improvements to existing properties or to new developments that are not currently being served. Assessment projects require that the costs of the projects be paid by the owners and may be initiated by the City or by the owners of the property who benefit. This project is also used to reimburse developer-financed projects where System Development Charge (SDC) participation is appropriate. There was no street related activity during the 2 nd quarter.				

WASTEWATER UTILITY

Biosolids Storage Tank	<u>CIP Doc Pg:</u> 95	<u>Adopted Budget:</u> \$40,000	<u>Amended:</u> \$39,410	<u>YTD Expended:</u> \$1,293
This project provides for the replacement/rehabilitation of the existing biosolids storage tank and pumping system which are showing signs of age. A consultant contract for design services has been awarded. Design will be completed in conjunction with the WWRP Secondary Clarifier project.				
Sanitary Sewer Line Rehabilitation	<u>CIP Doc Pg:</u> 97	<u>Adopted Budget:</u> \$671,930	<u>Amended:</u> \$671,930	<u>YTD Expended:</u> \$559,225
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. Construction was completed during the 2 nd quarter. Five sanitary sewer lines were replaced on 21 st Street between Harrison Boulevard and Polk Avenue, as well as a line in Johnson Avenue between 28 th to 30 th Streets and at Walnut Boulevard and Glenridge Drive. Design is underway for projects to be constructed in FY 14-15.				
WWRP Secondary Clarifiers	<u>CIP Doc Pg:</u> 105	<u>Adopted Budget:</u> \$850,000	<u>Amended:</u> \$820,360	<u>YTD Expended:</u> \$11,560
This project will construct two new secondary clarifiers at the WWRP. The new clarifiers will accommodate increased flows due to community growth. A consultant contract for design services has been awarded. 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 2nd 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> \$232,861
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This project replaces the building and electrical equipment at the 36th Street and Grant Avenue water pump station. Design is complete and 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
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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> \$35,178
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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 currently under construction. Construction is substantially complete with final payment to be processed in next quarter.

Design is underway for projects to be constructed in FY 14-15.

<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
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This project provides water distribution facilities in the West Corvallis second level service areas. Design work is on hold pending acquisition of easements required across private property south of West Hills Road.

<i>Utility and Street Improvements</i>	<u>CIP Doc Pg:</u> 87	<u>Adopted Budget:</u> \$33,000	<u>Amended:</u> \$33,000	<u>YTD Expended:</u> \$0
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These water assessments provide utility improvements to existing properties or to new developments that are not currently being served. Assessment projects require that the costs of the projects be paid by the owners and may be initiated by the City or by the owners of the property who benefit. This project is also used to reimburse developer-financed projects where System Development Charge (SDC) participation is appropriate. There were no water utility reimbursements in the 2nd quarter.

CORVALLIS CITY COUNCIL GOALS 2013-2014

PREFACE:

This is an update on work accomplished on Council Goals during the last 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:

SUSTAINABLE BUDGET

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.

Accomplished through December 31, 2013:

- Staff continues to work on developing FY 14-15 budgets within the firm expenditure limits set for each department in the General Fund. All other fund budgets are being developed, though without the firm expenditure limits.
- Departments began discussions with advisory boards and commissions on setting budget funding priorities for FY 14-15.

Next Steps:

- Revenue projections for FY 14-15 will be updated in January with six months of historical data for the current year as an information source.
- Current year budgets will be tested to project ending balances for June 30, 2014 to ensure all funds will be in a positive position; mitigating actions will be planned if funds appear to be in difficulty.
- Finance Department staff will develop budget document pages to reflect the new budget process and will begin to develop plans for the Proposed Budget document.
- The Budget Commission will convene in April to receive the Proposed Budget.

Vision 2020 Statement Categories

Culture/Recreation
Central City
Economic Vitality
Education/Human Services
Governing and Civic Involvement
Protecting the Environment
Where we Live

City Manager's Core Responsibilities

Resident Well Being
Public Safety
Livability
Infrastructure
Economic Vitality

ECONOMIC DEVELOPMENT

- **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.**

Vision 2020 Statement Categories

Culture/Recreation
Central City
Economic Vitality

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Accomplished through December 31, 2013:

- The Economic Development Commission presented an update and recommendations to the Council. The EDC recommended that the Strategy not be altered, but that agriculture and local investing be addressed in the Economic Development Office's (EDO) implementation of the Strategy.
- The EDO was recognized by the Oregon Economic Development Association for excellence in marketing and promotion for the establishment of the YesCorvallis website and marketing plan.
- The EDO coordinated the Willamette Innovators Network Expo which had over 450 attendees, 37 exhibiting companies, and 15 concept technologies from the Advantage Accelerator.
- Coordinated and presented at Leadership Corvallis – Economic Vitality Day – rolled out new "Traded Sector" video.
- The EDO worked on five start-ups, one expansion, and three recruitments for the quarter. The Economic Development Officer made eleven new business visits.

Next Steps:

- The EDO will continue to implement the Economic Development Strategy, focusing on assistance and facilitation for business start-ups, retention and expansion, and recruitments.
- The EDO will continue to implement the marketing plan, update the YesCorvallis website, and use social media to promote economic development.
- The EDO will continue to coordinate meetings and pubtalks for Willamette Innovators Network (WiN).
- The EDO will develop and coordinate a "Business Resource Fair" in partnership with WiN, Corvallis Chamber, the Small Business Development Center (SBDC), and other local partners in March 2014.
- The EDO will continue to partner with the OSU Advantage Accelerator and RAIN to promote opportunity for business start-ups in the region.

CITY/ OSU COLLABORATION

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.

Accomplished through December 31, 2013:

- The Collaboration Corvallis Steering Committee met in early November to receive the fifth set of recommendations forwarded by the work groups. The Project Manager also presented updates to the recommendation matrices that were presented to the committee in June. As the Collaboration Corvallis project moves into a phase focused primarily on responding to the various work group recommendations, staff at the City of Corvallis and Oregon State University will be responsible for further evaluating and implementing the recommendations.
- Public Works staff developed Requests for Proposals for the sign fabrication and installation in the proposed expanded Residential Parking Districts (RPD).
- Public Works staffed two booths at OSU's Be Safe Be Seen event on October 30 as part of the City/OSU Collaboration efforts to promote transit, bicycle and pedestrian safety, and other transportation options. Public Works also staffed two tables at an Oregon State University INTO Transportation and Safety Fair.

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Next Steps:

- Per City Council direction, Community Development Staff will be developing two packages of potential Land Development Code Amendments from the Collaboration Work Groups for consideration this year. Staff anticipates that the Planning Commission will begin formal consideration of the Package #1 Amendments in March. It is hoped that this set of amendments, focused on neighborhood design standards, will be adopted by the fall of 2014.
- Additional work on recommendations from the Parking and Traffic Work Group and the Neighborhood Livability Work Group are underway, including work to develop a Property Maintenance Code for Corvallis, expanding residential parking districts, etc.
- Recommendations from the Collaboration Steering Committee meeting will be presented to the City Council for direction on implementation.
- Targeted public outreach on the Residential Parking District program proposal will occur in January.
- The Urban Services Committee will continue to refine the Residential Parking District program elements.

HOUSING

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.

Accomplished through December 31, 2013:

- Councilors Beilstein, Brauner and Brown have been selected to represent the City Council in completing this goal.
- The Councilor/staff committee has completed a statement of work relative to goal achievement, and has drafted and distributed a Request for Qualifications document for consultants interested in carrying out research, data gathering and policy analysis related to the statement of work.

Next Steps:

- The committee will meet in late January to review consultant RFQ submittals and begin the process of identifying and negotiating a finished scope of work.
- The consultant is expected to begin work in mid-March and complete in early May, with policy/regulatory/ strategic recommendations coming forward to City Council in late June.

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HOMELESS COLD WEATHER SHELTER

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.

Accomplished through December 31, 2013:

- The Corvallis Homeless Shelter Coalition completed its purchase of a building at 530 SW Fourth Street to provide a permanent winter shelter location. The building first housed the winter shelter during FY 12-13.

Next Steps:

- The Coalition continues fund raising efforts to cover the costs of operating the winter shelter.
- The organization will begin to evaluate options to rehabilitate or rebuild the facility in order to expand services to include shelter space for women, a daytime drop-in center, and a meal site for people who are homeless.

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PUBLIC PROCESS AND PARTICIPATION

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.

Accomplished through December 31, 2013:

- The City Council established the Public Participation Task Force (PPTF) and the Mayor appointed ten members.
- The PPTF's first meeting was in September and the group has held bi-monthly meetings since October.

Next Steps:

- The PPTF will host a world café on January 13, 2014 to explore ideas about public participation in Corvallis.

*Vision 2020 Statement
Categories*

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