Capital Asset Management Policies

The capital assets of the City of Lake Oswego are property owned in common by the citizens of our community.

1. These community assets will not be degraded, given away, or allowed to deteriorate except by action of the Council.
2. Funding new long-term capital assets of the city will be the responsibility of the community as a whole and should be funded through general obligation bonds, SDCs, proportionate equity asset shares, grants and gifts, or volunteer contributions when appropriate.
3. New private development in the city that requires increased capacity or places increased demand on the community assets must purchase an equity asset share. This share is based on the development's proportionate share of the current replacement value of the existing assets required by the development, including capacity expansion required to serve the new development.
4. To the extent allowed by law, system development charges will be designed to recapture from new private development the full cost of community assets in place at the time of the development and the necessary expansion of those systems caused by increased demand on those assets.
5. The capitalization threshold used in determining if a given asset qualifies for capitalization is $10,000 per item.
6. The Finance Department shall organize a physical count/inspection of all capital assets as of each fiscal year end, June 30.
7. Adequate insurance shall be maintained on all capital assets consistent with the results of the annual physical count/inspection.
8. GASB 34: The Government Accounting Standards Board has required local governments to report infrastructure and depreciation on all capital assets. Prospective implementation of these requirements was completed with fiscal year ended June 30, 2003. Retroactive infrastructure reporting for major assets acquired after July 1, 1980 was also completed with fiscal year ended June 30, 2003.

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