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CITY APPROVES \$1 MILLION SUPPLEMENTAL BUDGET

LAKE OSWEGO – On June 3, 2008 the Lake Oswego City Council adopted changes to the budget for the 2007-09 biennium. The budget adjustments were reviewed and approved by the Citizens' Budget Committee at its annual budget review and update meeting on May 27, 2008.

The most significant adjustments relate to the Lake Oswego Interceptor Sewer (LOIS) project. The project will replace an existing interceptor which is nearly 50 years old, undersized and structurally unsound. Final costs are anticipated in early July 2008.

The project will be the largest public works project in the City's history. The Council is committed to providing project management and oversight for the project on behalf of taxpayers and timely project information to citizens. To reflect this, the Sanitary Sewer Fund budget was adjusted by \$625,000 to add five new positions dedicated to the project and funded by the project's bond financing. The five positions are related to engineering and public outreach activities. Four of the five positions will be filled with existing City employees. These positions will be back-filled with new employees. Once the project is complete, at least three positions are anticipated to continue working in different program areas for the City, including the Joint Water Supply Project, a partnership with the City of Tigard, and public outreach projects.

This project team, as well as the project contractor team from Barnard Construction, will be located at the West End Building.

Other supplemental budget adjustments approved include:

- Acquisition, installation, and staff training related to new Building Department software. Funding for this software, \$150,000, will come from reserves that are restricted to Building operations.
- \$407,000 for implementation of the Council approved Water Conservation and Management Plan.
- An increase in the General fund budget revenue of \$1 million to reflect the receipt of property tax and franchise fee collections that exceed original budget estimates.

For specific information regarding the changes to the budget for the 2007-09 biennium, please contact Richard Seals, Finance Director, at 503-675-3746.

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