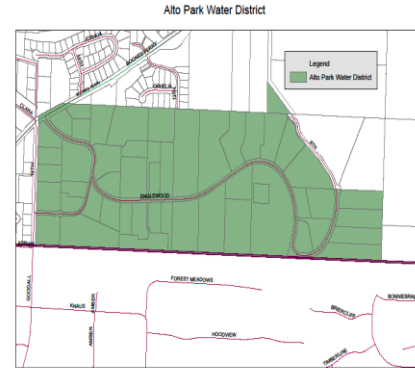


TSCC Budget Review 2017-18

Alto Park Water

1. Introduction to the District:

Alto Park Water District is the most Southerly district next to Clackamas County line just to the west of Palatine Hill, located between the Cities of Portland and Lake Oswego. It provides only fire service to its constituents.



2. History and Operations:

Prior to 1971, Alto Park Water District provided water services and contracted fire protection for the citizens of the district. The City of Portland began providing water services for residents of the district in 1971-72 fiscal year.

Alto Park Water	2014-15	2015-16	2016-17	2017-18
Assessed Value in Millions	\$23.9	\$25.0	\$26.1	
Real Market Value (M-5) in Millions	\$34.5	\$38.1	\$38.8	
Property Tax Rate Extended:				
Operations	\$1.5985	\$1.5985	\$1.5985	
Local Option	\$0.6000	\$0.6000	\$0.6000	
Total Property Tax Rate	\$2.1985	\$2.1985	\$2.1985	
Measure 5 Loss	\$0	\$0	\$0	
Number of Employees (FTE's)	0	0	0	0

Five board members elected to four-year terms serve without compensation.

The District has had a contract with the City of Lake Oswego for fire protection service since 1970. The district entered into a new 5 year contract with them which will begin July 1, 2017 and end June 30, 2022.

Over the years, the governing body considered annexation options but to date, is determined to remain a separate water district providing fire protection service to the 40 some residents.

The district has historically levied a permanent tax rate (\$1.5985) and a local option levy (\$0.6000). The permanent rate generates about \$40,000 annually and the local option levy generates about \$12,000 annually.

The district is not budgeting for local option taxes in 2017-18 because the levy expired in 2016-17 and the district did not renew it. The district plans to put the levy on the November ballot this year, but it would not be effective until 2018-19. Without the local option levy in the 2017-18 budget, the district is using fund balance for operations, reducing fund balance by \$17,500.

3. Strategic Plan/Performance Objectives

The sole purpose of the Alto Park Water District is to ensure residents of the district have access to fire protection service.

4. Analysis of the General Fund:

The District budgets in only one fund, the General Fund, and property tax is the only source of revenue for the district. No prior year taxes are budgeted because the District receives 97% of taxes imposed up front (Multnomah County Advance Recovery) rather than a portion of taxes distributed to each district throughout the year. Thus, there are no delinquent taxes to be collected and distributed from prior year taxes. The District has budgeted to receive \$40,700 in taxes from its permanent tax rate all for operations.

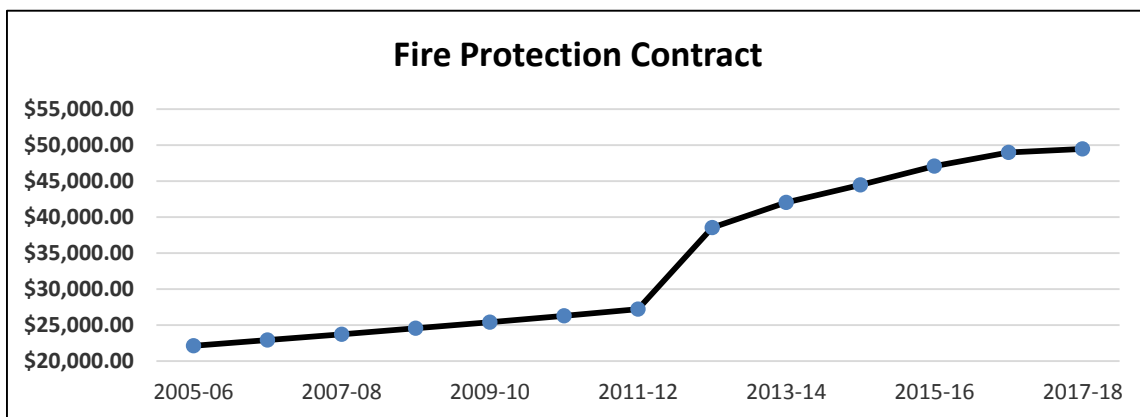
Alto Park Water General Fund General Fund Revenue	2014-15 Actual	2015-16 Actual	2016-17 Budget	2017-18 Budget
Total Fund Resources	50,800	52,873	53,700	40,700
Total Beginning Fund Balance	37,717	39,231	40,049	39,720

Making up the expenditures are the Fire Protection Contract which is 62% of the expenditure budget; and Administrative services and contingencies make up the balance.

Alto Park Water	2014-15 Actual	2015-16 Actual	2016-17 Budget	2017-18 Budget
Fire Protection Contract	44,484	47,057	48,979	49,481
Administrative Services	4,802	4,727	5,050	8,325

No personnel services are budgeted. All services are contracted.

The Fire Protection Contract is 86% of the district's expenses. As shown in the chart below, the five-year contract effective in 2017-18 increased the cost of service just 1% over the previous year. The contract is contingent on the assessed value of the district. They will pay \$1.92 per \$1,000 AV in 3 annual installments as taxes are collected. The district has a permanent tax rate of \$1.5953 and will be asking the voters for another \$0.60 five year local option in November.



The District also contracts with a local law firm to handle budget preparation. This expenditure will increase \$200 to \$4,400 and the district is including another \$3,000 for legal fees connected

with the preparation of the Local Option Tax Levy. Miscellaneous operating costs such as budget publication, election costs, insurance bond and filing fees combined are budgeted at \$925.

Contingencies and Unappropriated Funds:

- Anticipating of the Fire Protection Contract increase and the expiration of the local option tax levy, Alto Park built up fund.
- With the expiration of this levy in FY17, combined, contingency and unappropriated ending fund balance in 2017-18 has decreased from \$39,720 to \$25,614. This amount represents 28% of the total budget.
- Contingency is used to fill the gap between what taxes are collected and funds needed to for the fire protection contract.

5. Analysis of other Funds

The District has only the General Fund

6. Debt History:

The district has no outstanding debt.

7. Is the Budget in sync with Strategic Plan/Performance Objectives

Yes this budget ensures the district will have access to fire protection services through the contract with Lake Oswego.

8. Budget Law Compliance

Yes	No	Compliance Issue (If not in compliance, explain below)
X		1. Did district meet publication requirements?
X		2. Do resources equal requirements in every fund?
NA		3. Does the G.O. Debt Service Fund show only principle and Interest payments
X		4. Are contingencies shown only in operating funds?
X		5. Did budget committee approve the budget?
X		6. Did Budget committee set the levy?
X		7. Does audit show the district was in compliance with budget law (no over-expenditures or budget violations)?

9. Highlights of the 2017-18 Budget to be published in TSCC Annual Report:

- The total budget, the General Fund, decreasing from \$ \$93,749 to \$80,420 due to the expiration of the Local Option levy.
- The District continues the goal of maintaining a substantial contingency; with this budget it is equal to 39% of the fund expenditures.
- The only major expense, providing fire protection services via a contract with the City of Lake Oswego, increases from \$47,057 to \$49,481 in 2017-18.
- This is the first year of the current contract.

Local Budget Law Compliance:

The 2017-18 Budget is in substantial compliance with local budget law. Estimates were judged to be reasonable for the purpose shown.

The audit report for fiscal year 2015-16 does not note any expenditures in excess of budget.

Certification Letter Recommendations and Objections:

TSCC staff did not find any deficiencies in the district's FY 2017-18 budget or budget process and recommended the Certification Letter contain no recommendations or objections.