

TSCC Budget Review 2017-18

Dunthorpe-Riverdale Service District

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1. Introduction:

Dunthorpe-Riverdale County Service District provides sanitary sewer services to the Southwest areas of the County bordering the Willamette River and into a small portion of Clackamas County. It is governed by the Multnomah County Board of Commissioners and administration of the district is managed by the Multnomah County Department of Community Services. The district consists of 565 households including 19 in northern Clackamas County.

2. History:

Dunthorpe-Riverdale County Service District was established in 1964 by the Multnomah County Board of Commissioners. It was organized to construct and operate sanitary sewer service in the southwest areas of the County. By 1970 service to these unincorporated areas of Dunthorpe-Riverdale had resulted in elimination of a major source of pollution in the Willamette River.

The sewer lines are maintained through a contract with the City of Portland. Sewage flow treatment is performed at Portland's Tryon Creek station. Operations are funded by user fees and connection charges sufficient to recover all costs of goods and services. The fees are collected via special assessments that are added to property tax bills for properties served by the District.

A Sanitary System Facility Plan was developed by the City of Portland in 2006. It spans a 20 year planning period to aid the District in making decisions for future management and improvement of the area's sanitary sewer collection system. Since 2006, the District has been targeting system needs identified in the plan and gradually increasing property assessments in order to make the necessary changes required to meet these goals. At the 10 year mark, the district had contributed \$3 million towards the capital maintenance activities identified in the plan.

Dunthorpe-Riverdale CSD	2014-15	2015-16	2016-17	2017-18
Assessment Per Month	\$130	\$130	\$105	\$105
Connections	574	569	577	577
Special Assessment Taxes Imposed	\$875,340	\$880,339	\$727,020	\$727,020

3. Strategic Plan/Performance Objectives

There are no strategic plan /performance objectives specific to service district but they do have the 20 year project plan discussed above.

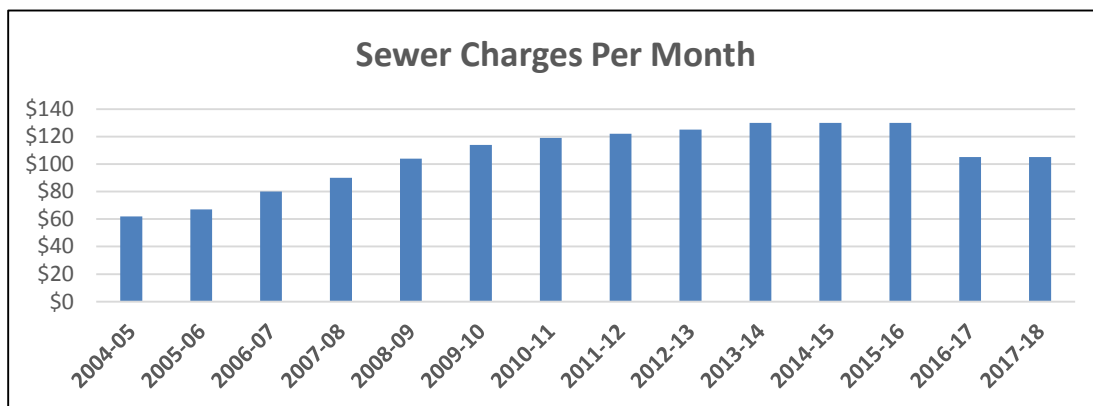
4. Analysis of the General Fund

The budget is comprised of the General Fund only and is increasing \$215k or 13% due mainly an increase in expenditures for capital projects.

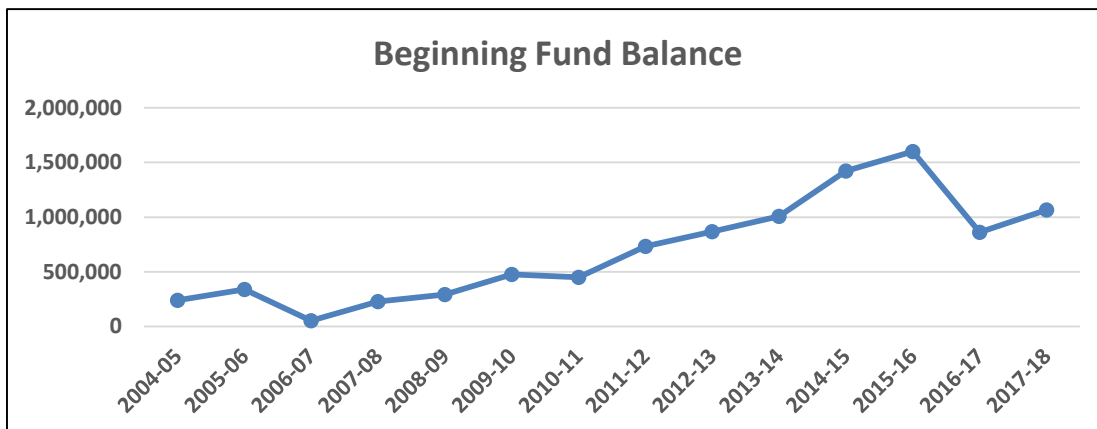
Dunthorpe-Riverdale CSD (Thousands)	2014-15 Actual	2015-16 Actual	2016-17 Budget	2017-18 Budget
Total General Fund	2,382	2,455	1,585	1,799
General Fund Beginning Balance	1,476	1,551	862	1,066

Resources:

The district's source of operating revenue is from assessment fees added to property tax bills for properties served by the district. In preparation for capital projects the District increased the monthly per household rates 14% from \$114 in 2010 to \$130 in 2016. In FY 17 that monthly charge was reduced by 20% to \$105 per connection and will remain at that rate in FY 18. This lower rate provides the district with the necessary operating resources to meet maintenance costs as well as keeping pace with the 20 year improvement plan.



The district also receives some revenue from connection charges (\$2,500) and from interest earnings (\$12,500).



With previous increases in assessments, the beginning fund balance has been steadily increasing since 2005 with the exception of 2006-07 and the 2010-11 fiscal year when it

dropped due to extensive capital projects. It peaked at \$1.6 million in FY2016 due to timing of major capital projects. With the completion of the Riverview Force Main Project at the end of FY2016, the beginning fund balance will drop to \$862K. With this budget, the beginning fund balance will once again begin to climb as the district rebuilds the reserve in anticipation of future projects.

Expenditures:

The district has no personnel services costs. Multnomah County is reimbursed \$30,000 for administrative services.

Disposal and system maintenance is budgeted at \$560k; an increase of \$6K. This includes anticipated maintenance on the private lift station located outside the district but covered by an IGA with the City of Portland; and the balance to cover treatment services provided by the City of Portland.

Dunthorpe-Riverdale CSD (\$ in Thousands)	2014-15 Actual	2015-16 Actual	2016-17 Budget	2017-18 Budget
Disposal and System Maintenance (thousands)	488	507	554	560
Administrative Costs	45	20	40	30
Capital Outlay	285	1,045	150	300

The district has allocated \$300K for capital programs. Construction design on the Tyron Pump Station is estimated at \$150K in 2017-18. The District's share of the entire capital improvement project is \$1.55M. This will be paid over the next five years as the project progresses. The remaining \$150K in Capital Projects is set aside for pipe rehabilitation projects throughout the district.

Contingency is budgeted at \$50,000, or 5% of expenditures.

5. Analysis of other Funds

The District has no other funds only the General Fund.

6. Debt Status:

The district now has no debt.

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

The district has no Strategic Plan/Performance Objectives specific to the service district but they do have the 20 year project plan which is used when planning the budget expenditures. This budget is in line with the 20 year plan.

8. Local Budget Law Compliance

Yes	No	Compliance Issue (If not in compliance, explain below)
✓		1. Did district meet publication requirements?
✓		2. Do resources equal requirements in every fund?
N/A		3. Does the G.O. Debt Service Fund show only principle and Interest payments
✓		4. Are contingencies shown only in operating funds?
✓		5. Did budget committee approve the budget?
N/A		6. Did Budget committee set the levy?
✓		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, consisting of only a General Fund, increased from \$1.6 million to \$1.8 million or 14%.
- Capital Outlay is budgeted at \$300,000 with \$150K set aside for the Tryon Pump Station project and \$150K to continue with various pipe rehabilitation projects to prevent inflow and infiltration of ground water into the sewer lines.
- Monthly service charges for line connections to the District’s system will remain the same as in FY17 at \$105 which will cover system improvements planned by the district.
- The District continues to build the unappropriated fund balance (\$859K) in order to meet the future anticipated capital needs planned through 2027.

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 will recommend the Certification Letter contain no recommendations or objections.