

TSCC Budget Review 2020-21

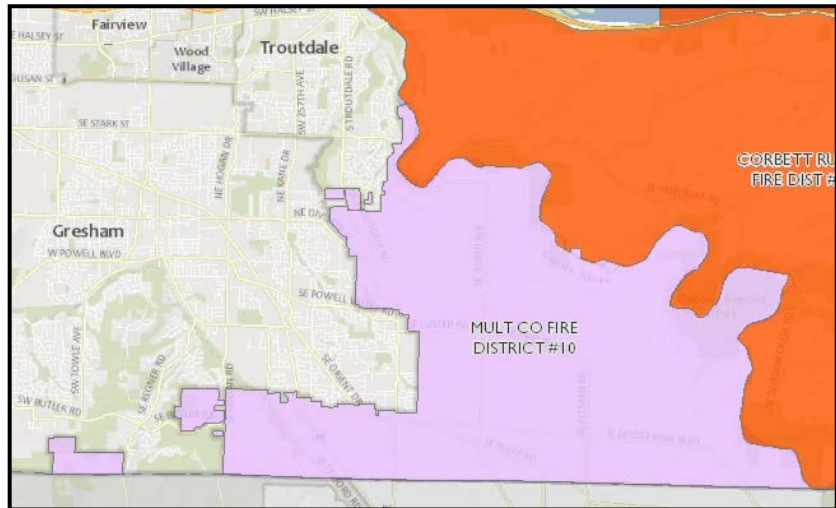
Multnomah RFPD 10

1. Introduction:

Multnomah Rural Fire Protection District 10 serves the unincorporated areas of east Multnomah County and the City of Maywood Park. Five board members elected to four-year terms serve without compensation.

2. History

At one time, the District served the unincorporated area in east Multnomah County as well as the cities of Fairview, Maywood Park, Troutdale and Wood Village. As annexations to Portland and Gresham took place, the area served by the District was reduced. Further reductions occurred when Fairview, Troutdale and Wood Village withdrew from the district. Intergovernmental agreements with the City of Gresham provide fire protection and emergency medical services to the residents in the unincorporated areas and an agreement with the City of Portland provides service to Maywood Park.



While the District does not provide any direct services, it does own two fire stations – Station 75 in Troutdale and a new replacement Station 76 in Orient (completed in June 2015) – a training center and two fire trucks, (a reserve engine purchased new in 2008 and the new engine recently purchased) all used by Gresham Fire.

Multnomah RFPD 10	2016-17	2017-18	2018-19	2019-20
Assessed Value in Millions	\$598.5	\$626.1	\$641.6	\$661.2
Real Market Value (M-5) in Millions	\$854.8	\$948.8	\$990.8	\$1,006.7
Property Tax Rate Extended: Operations	\$2.8527	\$2.8527	\$2.8527	\$2.8527
Measure 5 Loss	\$-110	\$-96	\$-144	\$-142
Number of Employees (FTE's)	0.15	0.15	0.15	0.15

3. Strategic Plan/Performance Objectives

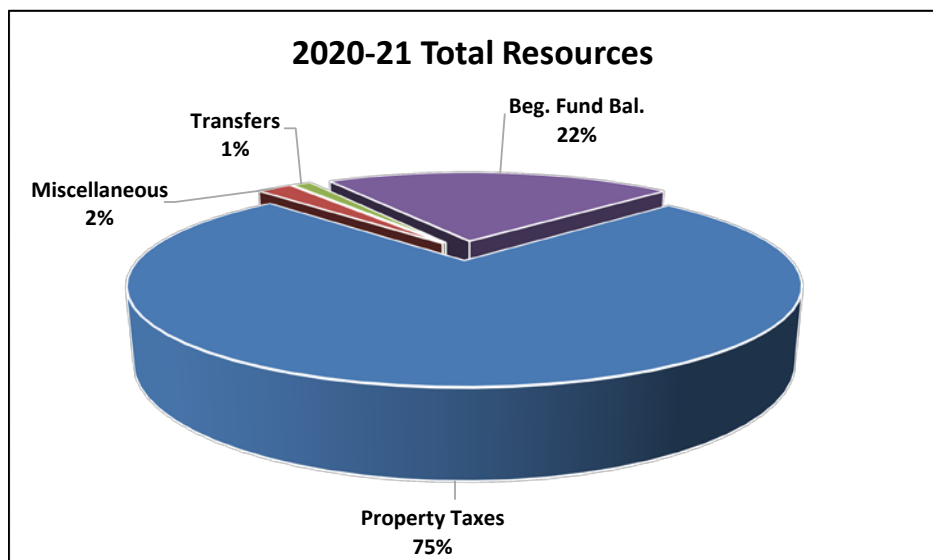
The District does not have a Strategic Plan/ Performance Objective. However, they do prepare a five-year projection of General Fund and the Capital Reserve Fund resources and requirements. The General Fund expenditures include extra loan payments to reduce debt faster. The Capital Reserve Fund shows only transfers into this fund in anticipation of future purchase of equipment/fire engine so there are no entries for expenditures.

FIVE YEAR PROJECTION					
	2020-21	2021-22	2022-23	2023-24	2023-24
General Fund					
Taxes	1,854,641	1,910,298	1,967,627	2,026,674	2,087,495
Other Revenue	73,219	62,700	63,600	65,000	67,200
Beginning FB	409,250	314,555	274,463	251,432	260,202
Total Resources	2,337,110	2,287,553	2,305,690	2,343,106	2,414,897
Expenditures	1,982,555	1,963,090	1,974,258	1,982,904	1,977,447
Transfers	40,000	50,000	80,000	100,000	100,000
Ending FB	314,555	274,463	251,432	260,202	337,450
Total Requirements	2,337,110	2,287,553	2,305,690	2,343,106	2,414,897
Capital Reserve Fund					
Transfers In	40,000	50,000	80,000	100,000	100,000
Interest	3,200	4,300	5,500	7,400	9,800
Beginning FB	146,621	189,821	244,121	329,621	437,021
Total Resources	189,821	244,121	329,621	437,021	546,821
Expenditures	0	0	0	0	0
Ending FB	189,821	189,821	244,121	329,621	437,021
Total Requirements	189,821	189,821	244,121	329,621	437,021
Ending Fund Balance					
Combine Funds	504,376	464,284	495,553	589,823	774,471

4. Budget in Total

The district has only two funds: the General Fund and the Capital Reserve Fund.

The District relies almost exclusively on property tax revenue and all the property tax revenue is receipted into the General Fund. Money is then transferred to the Capital Reserve fund as the Board chooses in order to fund capital purchases.



The total budget for FY21 is \$2.5 million. This is a slight decrease from the current revised budget. Transfers to the reserve fund, contingencies and total ending fund balance are all slightly less.

RFPD #10 Total Resources				
	Thousands			
	2017-18	2018-19	2019-20	2020-21
	Actual	Actual	Estimate	Budget
Property Taxes	1,721	1,821	1,828	1,877
Miscellaneous	47	61	58	54
Total Revenue	1,767	1,882	1,886	1,931
Transfers	175	50	40	30
Beg. Fund Bal.	1,217	547	595	556
Total Resources	3,160	2,479	2,521	2,517

District revenue includes property taxes, local government cost sharing with the City of Portland, and miscellaneous income. The district has also used debt proceeds historically. None is budgeted for this year or next.

Total Resources include revenue, transfers and beginning fund balance. Transfers to the Capital Reserve Fund decreased to \$30K in the Approved Budget from \$40K in the Revised Budget. This will be used in the future to purchase a replacement fire engine in ten or twelve years.

Total Appropriations will remain consistent with current year revised estimate of \$2.0 million with the \$74 thousand increase in debt services offset by and decrease in transfers, contingency and ending fund balance.

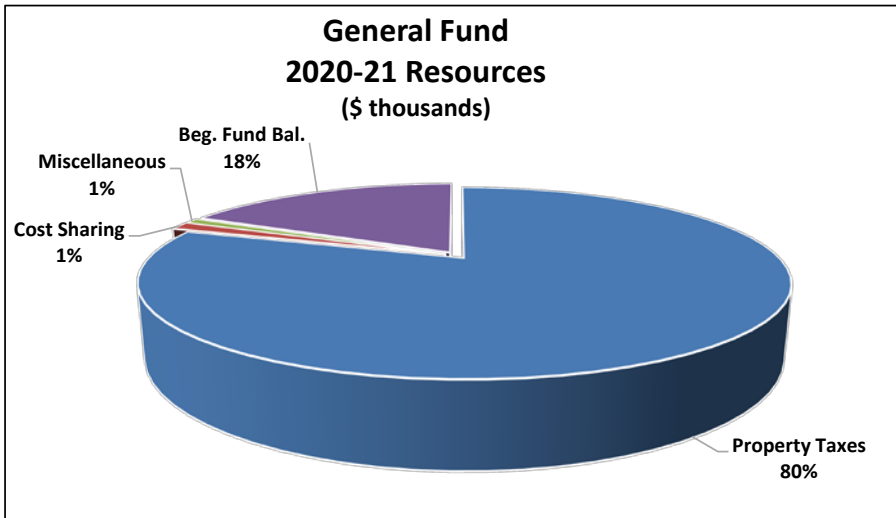
RFPD #10 Total Budget Requirements				
	Thousands			
	2017-18	2018-19	2019-20	2020-21
	Actual	Actual	Estimate	Budget
Personnel Services	13	13	14	18
Materials & Svcs	1,300	1,313	1,340	1,455
Capital Outlay	604	45	92	37
Debt Service	523	463	420	493
Fund Transfer	175	50	40	30
Contingencies	0	0	60	50
Total Appropriations	2,614	1,884	1,965	2,083
Ending Fund Balance	547	595	556	434
Total Requirements	3,162	2,479	2,521	2,517

Analysis of the General Fund

RFPD #10 General Fund Resources				
	Thousands			
	2017-18	2018-19	2019-20	2020-21
	Actual	Actual	Estimate	Budget
Property Taxes	1,721	1,821	1,828	1,877
Miscellaneous	20	31	26	20
Cost Sharing	27	27	30	31
Total Revenue	1,768	1,880	1,883	1,928
Beg. Fund Bal.	747	495	491	409
Total Resources	2,515	2,375	2,374	2,337

Resources

The chart above shows the district's General Fund Resources. The amounts are not significantly different from prior years.



Local government cost sharing is money received (\$30,800) from the City of Portland's share of retirement obligations for former District employees. Portland's share of retirement obligations is 65%. Currently there are two individuals receiving benefits, both are surviving spouses

who receive 50% of the firefighter's benefit.

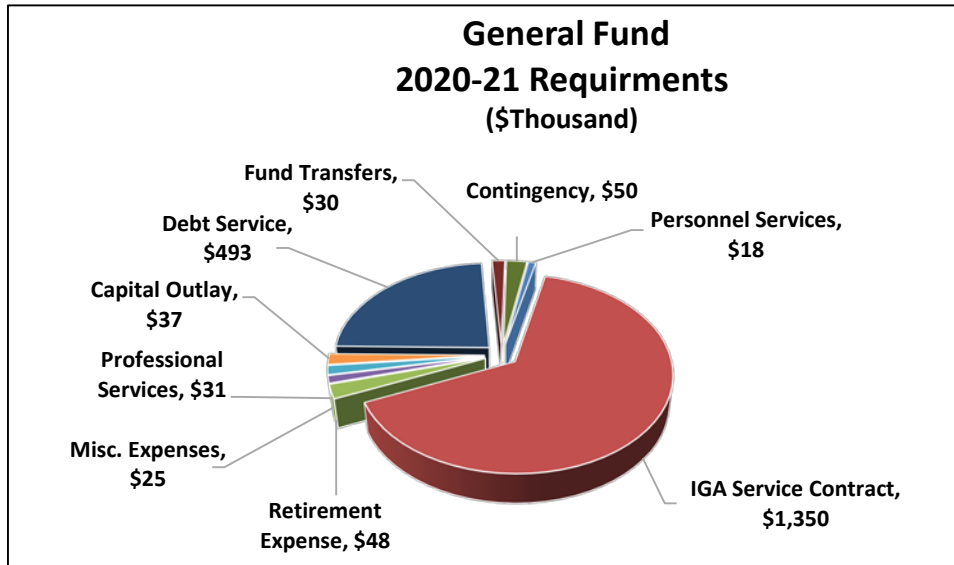
Requirements

The District's main expense is its ten year Intergovernmental Agreement with the City of Gresham for fire service (\$1.2 million in FY21). The agreement was renewed in 2015 and will expire at the end of 2024-25 fiscal year; with a possible review at after June 30, 2020. The terms of the contract are a cost of \$1.90 per thousand assessed value of taxable property within the district, not including property within the City of Maywood Park as that is covered by an intergovernmental agreement with the City of Portland. Since both contracts are tied to property taxes, both have-and will-increase.

The Personnel Services costs (\$17,650) include the salaries for a part-time Administrative Assistant as well as a potential backup assistant in training. This expenditure will increase slightly over the current budget. The district does not provide medical insurance. The expenditures for former employees' retirement benefits are budgeted as Materials and Services.

Capital Expenditures are budget at \$35K for any major repairs or facility improvements. There is also \$1.5K set aside for any equipment needs the district may have in FY21. The District's debt service payments are for a \$4 million bank loan taken out in FY15 to finance construction of the new fire station. Debt service due in 2020-21 is \$313,444, but the district is budgeting for an additional principal payment of \$180 thousand.

Retirement Benefits (\$46k) are the result of a complicated history of formerly paid firefighters, intergovernmental agreements, and legal cases for employees who retired prior to July 1, 1982. The extant beneficiaries are two surviving spouses. As stated in the discussion of resources above, these expenses are partially offset by payment from the City of Portland.



5. Analysis of other Funds

In addition to the General Fund the district budgets in only one other fund.

- Capital Reserve Fund. The sole revenue source for this fund is a routine transfer from the General Fund. The FY21 transfer of \$30K is in anticipation of purchasing a replacement fire engine several years down the road.

6. Debt Status:

As of June 30, 2020, the district's outstanding debt will be \$1,848,065. This is the principal owed on the December 2014 bank loan. The district is reducing the overall cost of the loan to taxpayers by paying off the loan as quickly as possible. They are anticipating paying the regular principal payment of \$256k plus an additional \$180K leaving a balance of \$1.4 million at the close of FY21.

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

The district is in sync with the 5-year financial 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?
NA		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?
√		6. Did Budget committee set the levy?
√		7. Does audit show the district was in compliance with budget law?

9. Highlights of the 2020-21 Budget to be published in TSCC Annual Report:

- The total budget decreased \$4 thousand which can be attributed to a decrease in balance carried forward from current year as well as a decrease in fund transfers.
- The General Fund decreased by 2%, from \$2,374,425 to \$2,337,110.
- The district will carry \$179 thousand in the Capital Reserve Fund.
- The district will pay \$436 thousand to pay down debt acquired in fiscal year 2015 to build the new fire station. This is an extra \$180,000 on principal above what is currently due.

Local Budget Law Compliance:

The audit report for fiscal year 2018-19 does not note any expenditures in excess of budget.

In reviewing the 2020-21 Budget we found the budget to be in compliance with Local Budget Law. Staff recommends the Certification Letter contain no recommendations or objections.

Multnomah RFPD District 10

Annual Report

	2017-18 Actual	2018-19 Actual	2019-20 Rev. Budget	2020-21 Apv. Budget	Budget % Change
SUMMARY OF ALL FUNDS					
Property Tax Breakdown:					
Permanent Rate Property Taxes	1,698,619	1,755,585	1,803,000	1,854,641	3%
Prior Years Property Taxes	22,023	65,736	25,000	22,000	-12%
Total Property Taxes	1,720,642	1,821,321	1,828,000	1,876,641	3%
Resources:					
Beginning Fund Balance	1,217,498	547,218	595,075	555,871	-7%
Property Taxes	1,720,642	1,821,321	1,828,000	1,876,641	3%
Intergovernmental Revenue	27,236	27,236	29,552	30,800	4%
Other Income	21,333	33,546	28,419	23,619	-17%
Transfers In	175,000	50,000	40,000	30,000	-25%
TOTAL RESOURCES	3,161,709	2,479,321	2,521,046	2,516,931	0%
Requirements by Function:					
Facilities Acquisition and Construction	594,924	0	0	0	0%
Public Safety	1,321,350	1,371,104	1,445,380	1,509,100	4%
Debt Service	523,217	463,142	419,795	493,455	18%
Transfers Out	175,000	50,000	40,000	30,000	-25%
Contingencies	0	0	60,000	50,000	-17%
Ending Fund Balance	547,218	595,075	555,871	434,376	-22%
TOTAL REQUIREMENTS	3,161,709	2,479,321	2,521,046	2,516,931	0%
Requirements by Object:					
Personnel Services	12,507	13,107	13,620	17,650	30%
Materials & Services	1,299,634	1,312,870	1,340,260	1,454,950	9%
Capital Outlay	604,133	45,127	91,500	36,500	-60%
Debt Service	523,217	463,142	419,795	493,455	18%
Fund Transfers	175,000	50,000	40,000	30,000	-25%
Contingencies	0	0	60,000	50,000	-17%
Ending Fund Balance	547,218	595,075	555,871	434,376	-22%
TOTAL REQUIREMENTS	3,161,709	2,479,321	2,521,046	2,516,931	0%
SUMMARY OF BUDGET - BY FUND					
General Fund	2,514,899	2,375,300	2,374,425	2,337,110	-2%
Capital Reserve Fund	646,810	104,021	146,621	179,821	23%
GRAND TOTAL ALL FUNDS	3,161,709	2,479,321	2,521,046	2,516,931	0%
DETAIL OF GENERAL FUND					
Resources:					
Beginning Fund Balance	747,346	495,332	491,054	409,250	-17%
Property Tax	1,720,642	1,821,321	1,828,000	1,876,641	3%
Local Revenue	27,236	27,236	29,552	30,800	4%
Other Income	19,675	31,411	25,819	20,419	-21%
TOTAL FUND RESOURCES	2,514,899	2,375,300	2,374,425	2,337,110	-2%
Requirements:					
Public Safety	1,321,350	1,371,104	1,445,380	1,509,100	4%
Debt Service	523,217	463,142	419,795	493,455	18%
Transfers Out	175,000	50,000	40,000	30,000	-25%
Contingencies	0	0	60,000	50,000	-17%
Ending Fund Balance	495,332	491,054	409,250	254,555	-38%
TOTAL FUND REQUIREMENTS	2,514,899	2,375,300	2,374,425	2,337,110	-2%
BALANCE SHEET AS OF JUNE 30 EACH YEAR					
	2017-18	2018-19			
Assets:					
Cash & Investments	723,006	781,932			
Receivables	95,585	54,694			
Fixed Assets	5,915,615	5,751,056			
TOTAL ASSETS	6,734,206	6,587,682			
Liabilities and Equity:					
Liabilities	2,770,669	2,393,527			
Equity	3,963,537	4,194,155			
TOTAL LIABILITIES AND EQUITY	6,734,206	6,587,682			