

# Budget Review 2023-24

## Alto Park Water District



### HIGHLIGHTS

- The budget is increasing from \$94,733 to \$95,004, most notable is the increase in Public Safety due to contracted costs for fire protection.
- The district budgeted resources above operating expense as ending fund balance. Budgeting in this manner is reasonable for a district with no capital assets and few expenses outside of contracted services.
- The district's only significant expense is providing fire protection services via a contract with the City of Lake Oswego, and this cost will increase 4.8% from \$60,473 to \$63,400 in FY 2023-24.
- The current contract for fire protection will expire June 30, 2027.

### INTRODUCTION & BACKGROUND

Alto Park Water District is the most southerly district in Multnomah County on the 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.

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

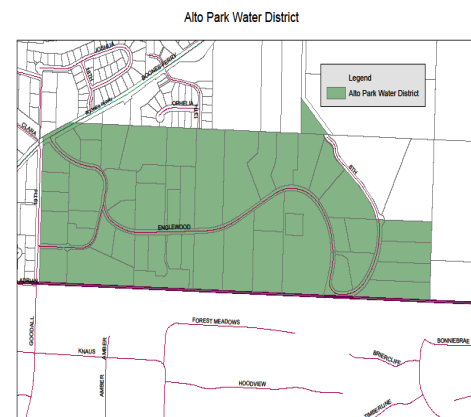
Over the years, the governing body considered annexation options but, to date, has determined to remain a separate water district providing fire protection service to the 40-plus residents.

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 current agreement, which began July 1, 2017, was extended to July 1, 2027.

Historically, Alto Park Water District has levied a permanent tax rate (\$1.5985) and a local option levy (\$0.6000). The district's local option levy was renewed in November 2022 and is included in the budget for FY 2023-24. The district anticipates the permanent rate will generate \$50,000 and the local option levy \$18,000 in the upcoming year.

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



<b>Alto Park Water</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
Assessed Value in Millions	\$28.5	\$29.5	\$30.5	\$31.7
Real Market Value (M-5) in Millions	\$47.5	\$47.9	\$50.4	\$53.6
Property Tax Rate Extended:				
Operations	\$1.5985	\$1.5985	\$1.5985	\$1.5985
Local Option	\$0.6000	\$0.6000	\$0.6000	\$0.6000
Total Property Tax Rate	\$2.1985	\$2.1985	\$2.1985	\$2.1985

## BUDGET OVERVIEW

The 2023-2024 Approved Budget totals \$95,004, 0.3% percent higher than the current year budget. The 4.8% increase in the fire protection contract is offset by the reduction in election fees used in FY 2022-23 when the district asked voters to renew the local option levy in November 2022.

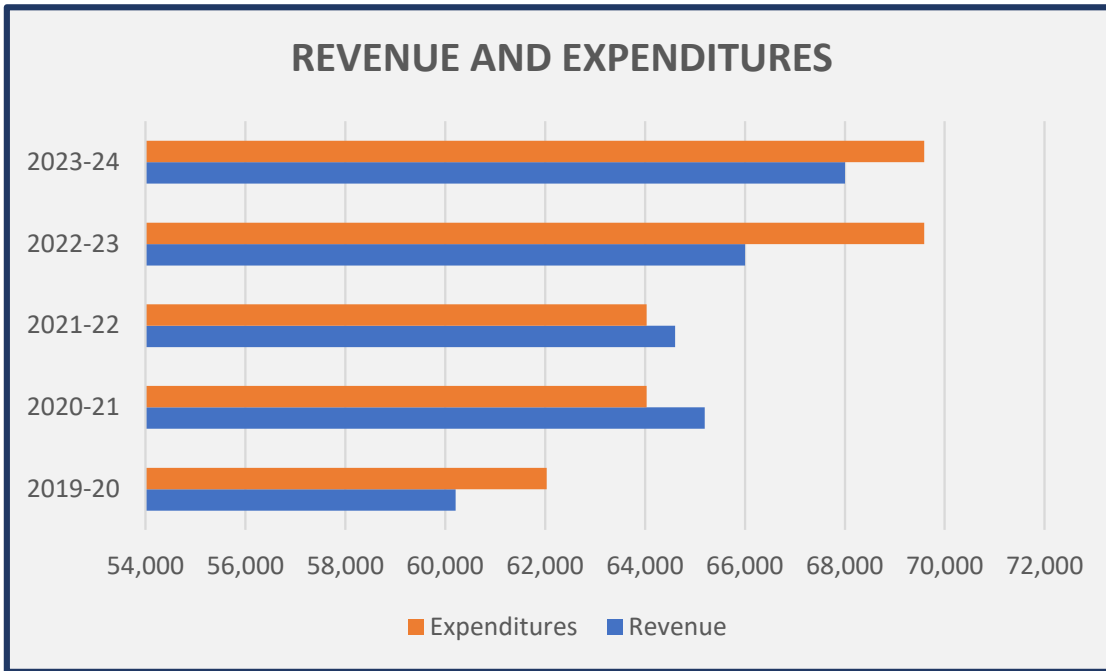
## GENERAL FUND

### RESOURCES & REQUIREMENTS

The district budgets in only one fund, the General Fund. Property tax revenue is the only source of income for the district. No prior year taxes are budgeted because the district receives 97% of taxes imposed upfront (Multnomah County Advance Recovery) rather than a portion of the taxes distributed to each district throughout the year. Thus, no delinquent taxes are collected and distributed from the prior year's taxes. Alto Park Water District has budgeted to receive \$68,000 in taxes from its permanent tax rate and the local option levy.

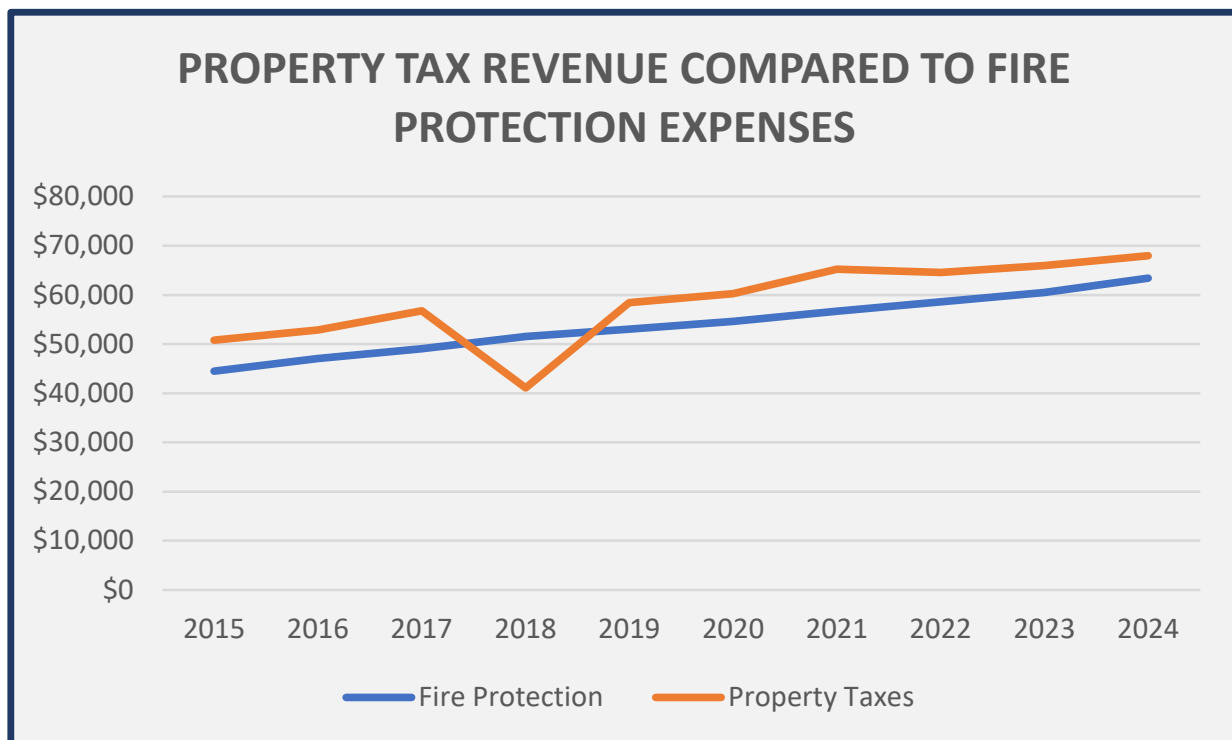
<b>Alto Park Water District</b>				
	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>
	<b>Actual</b>	<b>Actual</b>	<b>Revised</b>	<b>Approved</b>
Beginning Fund Balance	25,167	28,035	28,733	27,004
Property Tax	65,198	64,603	66,000	68,000
<b>Total Resources</b>	<b>90,365</b>	<b>92,638</b>	<b>94,733</b>	<b>95,004</b>
Fire Protection Contract	56,715	58,597	60,473	63,400
Administrative Costs	5,317	5,438	9,865	6,190
Contingency/Ending Fund Balance	28,333	28,603	24,395	25,414
<b>Total Requirements</b>	<b>90,365</b>	<b>92,638</b>	<b>94,733</b>	<b>95,004</b>
<b>Annual Gain/(Loss)</b>	<b>3,166</b>	<b>568</b>	<b>(4,338)</b>	<b>(1,590)</b>

Both the 2022-23 and 2023-24 budgets conservatively show expenditures exceeding revenues. Historically, however, actual revenue comes in higher than expected and exceeds district expenses.

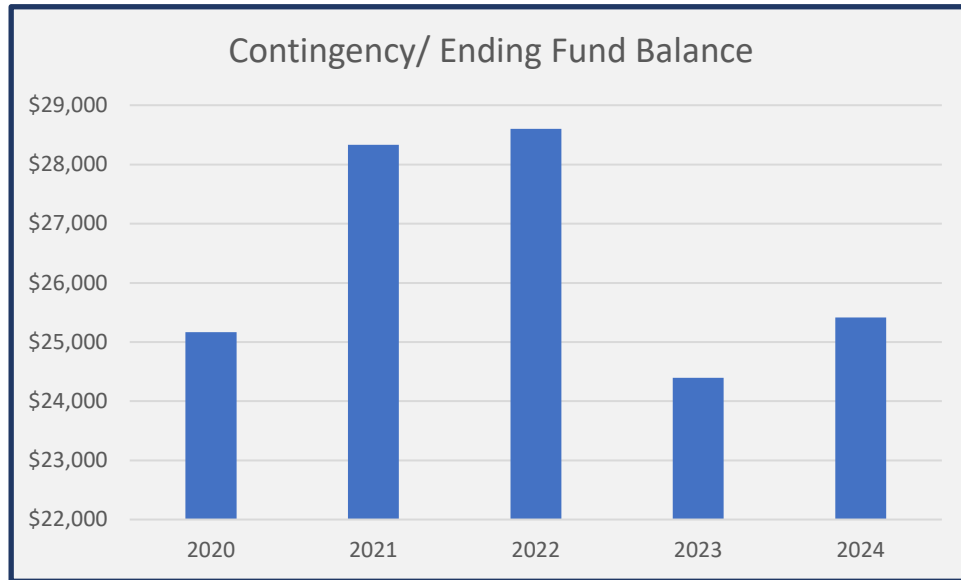


No personnel services are budgeted as all services are contracted. Budget components are for the contracted fire protection and administrative services expenses. The Fire Protection Contract makes up 91% of the district’s operating expenses.

The cost of the fire service contract is dependent on the assessed valuation of the Alto Park Water District. The contract rate is \$1.92 per \$1,000 AV for the fire protection services. As shown in the following chart, since 2015 the cost of the fire service contract has increased. These payments are made in three installments. Since the district will collect \$2.1953 per \$1,000 AV from the permanent tax rate and the five-year local option levy, there is a net \$0.2153 per \$1,000 AV after paying the fire service contract which is budgeted in ending fund balance. The current agreement expires in June 2027.



Alto Park Water District budgeted miscellaneous operating costs such as budget preparation and publication, insurance, and filing fees at \$6,190 in this budget.



Ending fund balance and contingency amounts remain in the \$25,000 to \$29,000 range. The lower amounts are usually budgeted while the higher amounts reflect actual balances at the end of the year.

**DEBT STATUS**

The district has no outstanding debt.

**BUDGET PROCESS & 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?
N/A		3. Does the G.O. Debt Service Fund show only principal and interest payments?
X		4. Are contingencies shown only in operating funds?
X		5. Did the budget committee approve the budget?
X		6. Did the Budget committee set the levy?
N/A		7. Does the audit show the district complied with budget law (no over-expenditures or budget violations)?

**LOCAL BUDGET LAW COMPLIANCE**

The 2023-2024 Budget is in substantial compliance with local budget law. Estimates were judged to be reasonable for the purpose shown. Due to budget size, the district is not required to file an audit.

**CERTIFICATION LETTER RECOMMENDATIONS & OBJECTIONS**

TSCC staff did not find any deficiencies in the district’s FY 2023-24 budget or budget process, and suggest the Certification Letter contain no recommendations or objections.

	2020-2021 Actual	2021-2022 Actual	2022-2023 Revised	2023-2024 Approved	% Change
<b><u>SUMMARY OF ALL FUNDS</u></b>					
<b>PROPERTY TAX BREAKDOWN:</b>					
Permanent Rate Property Taxes	65,198	64,603	66,000	68,000	3.0%
<b>TOTAL PROPERTY TAX</b>	<b>65,198</b>	<b>64,603</b>	<b>66,000</b>	<b>68,000</b>	<b>3.0%</b>
<b>RESOURCES:</b>					
Beginning Fund Balance	25,167	28,035	28,733	27,004	-6.0%
Property Taxes	65,198	64,603	66,000	68,000	3.0%
<b>TOTAL RESOURCES</b>	<b>90,365</b>	<b>92,638</b>	<b>94,733</b>	<b>95,004</b>	<b>0.3%</b>
<b>REQUIREMENTS BY OBJECT:</b>					
Materials & Services	62,032	64,035	70,338	69,590	-1.1%
Contingencies	0	0	24,395	0	-100.0%
Ending Fund Balance	28,333	28,603	0	25,414	0.0%
<b>TOTAL REQUIREMENTS BY OBJECT</b>	<b>90,365</b>	<b>92,638</b>	<b>94,733</b>	<b>95,004</b>	<b>0.3%</b>
<b>REQUIREMENTS BY FUNCTION:</b>					
Administrative Services	5,317	5,438	9,865	6,190	-37.3%
Public Safety	56,715	58,597	60,473	63,400	4.8%
Contingencies	0	0	24,395	0	-100.0%
Ending Fund Balance	28,333	28,603	0	25,414	0.0%
<b>TOTAL FUND REQUIREMENTS</b>	<b>90,365</b>	<b>92,638</b>	<b>94,733</b>	<b>95,004</b>	<b>0.3%</b>