

Budget Review 2025-26

Alto Park Water District



HIGHLIGHTS

- The FY 26 budget is increasing from \$96,747 to \$99,557; most notable is the increase in the ending fund balance as the district anticipates potential increases in contracted costs for fire protection in future years.
- 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 from \$65,400 to \$66,950 in FY 2025-26.
- The current contract for fire protection will expire June 30, 2027.
- The district budgeted resources above operating expenses as an ending fund balance and will see a fund balance increase of 5%. This is the only line item in the district's budget that changed more than 3%.

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 district residents in the 1971-72 fiscal year.

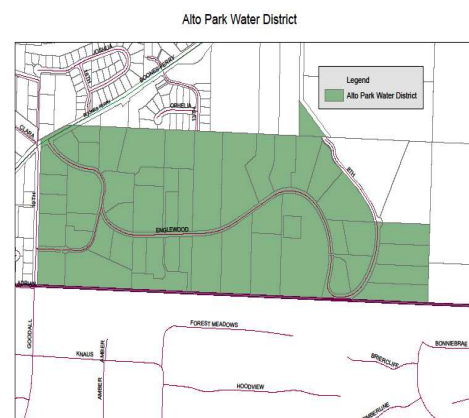
Over the years, the governing body has considered annexation options but, to date, has decided to remain a separate water district that provides fire protection service to 40-plus residents.

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

The district has contracted for fire protection services with the City of Lake Oswego 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 local option levy was approved by voters for 2011 through 2016 and then 2018 to present (the district did not renew the levy for 2017 and therefore did not receive the local option revenue that year; they spent down reserves to cover operating costs). The local option levy rate has consistently been \$0.6000 per \$1,000 assessed value. The district's local option levy was most recently renewed in November 2022 and is included in the budget for FY 2025-26. The district anticipates the permanent rate and local option levy will generate \$71,000 in the upcoming year.

The Alto Park Water District's sole purpose is to ensure its residents have fire protection services.



Alto Park Water	2021-22	2022-23	2023-24	2024-25
Assessed Value in Millions	\$30.5	\$31.7	\$32.7	\$33.9
Real Market Value (M-5) in Millions	\$50.4	\$53.6	\$56.3	\$58.4
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 2025-26 Approved Budget totals \$99,557, 2.9% percent higher than the current year's budget. This budget is status quo with little change over the current year. The Fire Protection budgeted costs increased \$1,550, or 2.4% as expected since the fire protection contract is tied to the property value. So as the district's value increases so does the cost of fire protection.

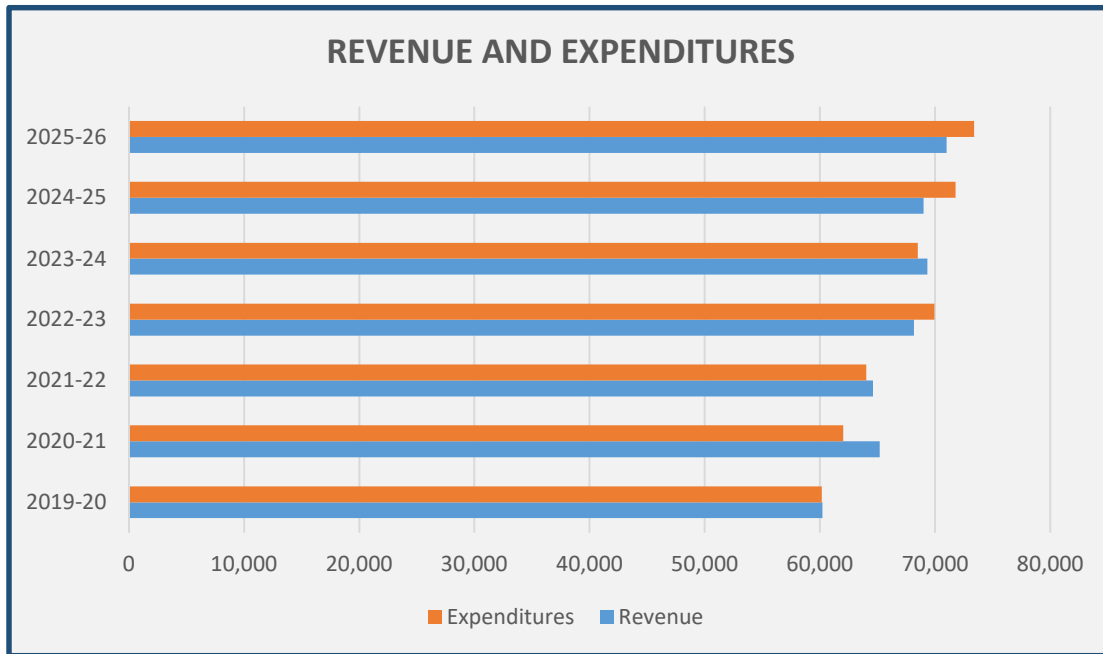
GENERAL FUND

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. As stated earlier, Alto Park Water District has budgeted to receive \$71,000 in taxes from its permanent tax rate and the local option levy.

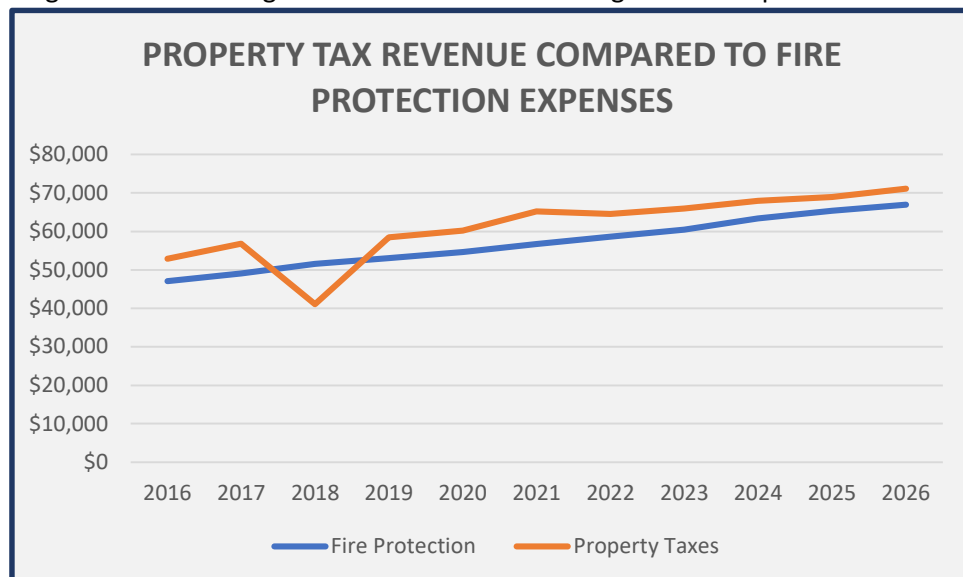
Alto Park Water District				
	FY23 Actual	FY24 Actual	FY25 Revised	FY26 Approved
Beginning Fund Balance	28,604	26,830	27,747	28,557
Property Tax	68,158	69,330	69,000	71,000
Total Resources	96,762	96,160	96,747	99,557
Fire Protection Contract	60,869	62,856	65,400	66,950
Administrative Costs	9,081	5,629	6,390	6,430
Contingency/Ending Fund Balance	26,830	27,682	24,957	27,667
Total Requirements	96,780	96,167	96,747	99,557
Annual Gain/(Loss)	(1,792)	845	(2,790)	(2,380)

The 2024-25 and 2025-26 budgets conservatively show expenditures exceeding revenues. Historically, however, actual revenue typically comes in higher than expected and exceeds district expenses. The most only exception in recent years was in FY 22-23, during which the district saw a loss of \$1,792 due to higher administrative costs. The district was able to use fund balance dollars to cover the gap. The district maintains a healthy fund balance of at least 36% of total property tax revenue in all recent budget years.

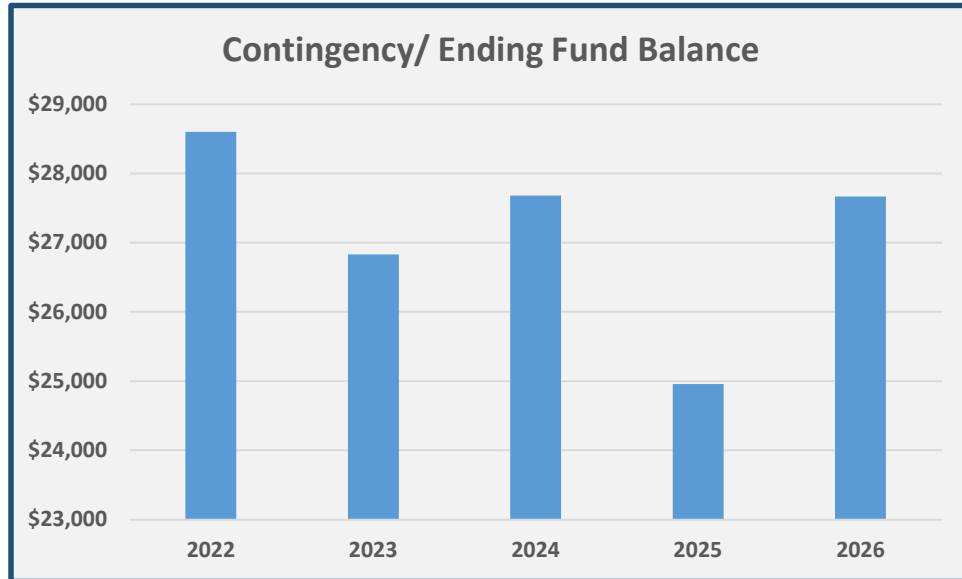


No personnel services are budgeted as all services are contracted. Budget components are for the contracted fire protection and administrative services expenses. The Fire Protection Contract is responsible for 91% of the district's operating expenses.

The contract rate is \$1.92 per \$1,000 of assessed value (AV) for the fire protection services. As shown in the chart below, since 2016, the cost of the fire service contract has increased as assessed value in the district have grown. Contract payments are made in three installments. Since the district will collect \$2.1985 per \$1,000 AV from the permanent tax rate and the five-year local option levy, there is a net \$0.2785 per \$1,000 AV after paying the fire service contract, which covers operating expenditures and the balance is budgeted in the 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 \$6,430 in this budget, the same as in the current year, slightly more as the cost of filing with the state increased \$40.



During the 2022-23 fiscal year, the district asked the voters to re-approve the local option levy for another five-year term. The preparation for the levy resulted in additional legal fees (\$3,500), which decreased the ending fund balance. The ending fund balance and contingency amounts are in the \$25,000 to \$28,000 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		Did district meet publication requirements?
x		Do resources equal requirements in every fund?
x		Are contingencies shown only in operating funds?
x		Did the budget committee approve the budget?
x		Did the Budget committee set the levy?

LOCAL BUDGET LAW COMPLIANCE

The 2025-26 Approved 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 required to file only a "Report in Lieu of Audit".

CERTIFICATION LETTER RECOMMENDATIONS & OBJECTIONS

TSCC staff did not find any deficiencies in the district's FY 2025-26 budget or budget process and suggest the Certification Letter contain no recommendations or objections.

Alto Park Water District

Budget Summary

	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026	%
	Actual	Actual	Revised	Approved	Change
<u>SUMMARY OF ALL FUNDS</u>					
PROPERTY TAX BREAKDOWN:					
Permanent Rate Property Taxes	68,158	69,330	69,000	71,000	2.9%
TOTAL PROPERTY TAX	68,158	69,330	69,000	71,000	2.9%
RESOURCES:					
Beginning Fund Balance	28,604	26,830	27,747	28,557	2.9%
Property Taxes	68,158	69,330	69,000	71,000	2.9%
Other Income	18	7	0	0	0.0%
TOTAL RESOURCES	96,780	96,167	96,747	99,557	2.9%
REQUIREMENTS BY FUNCTION:					
Administrative Services	9,081	5,629	6,390	6,430	0.6%
Public Safety	60,869	62,856	65,400	66,950	2.4%
Ending Fund Balance	26,830	27,682	24,957	26,177	4.9%
TOTAL REQUIREMENTS BY FUNCTION	96,780	96,167	96,747	99,557	2.9%
REQUIREMENTS BY OBJECT:					
Materials & Services	69,950	68,485	71,790	73,380	2.2%
Ending Fund Balance	26,830	27,682	24,957	26,177	4.9%
TOTAL REQUIREMENTS BY OBJECT	96,780	96,167	96,747	99,557	2.9%
<u>SUMMARY OF BUDGET - BY FUND</u>					
General Fund	96,780	96,167	96,747	99,557	2.9%
GRAND TOTAL ALL FUNDS	96,780	96,167	96,747	99,557	2.9%
<u>DETAIL OF GENERAL FUND</u>					
RESOURCES:					
Beginning Fund Balance	28,604	26,830	27,747	28,557	2.9%
Property Tax	68,158	69,330	69,000	71,000	2.9%
Other Income	18	7	0	0	0.0%
Transfers In	0	0	0	0	0.0%
TOTAL FUND RESOURCES	96,780	96,167	96,747	99,557	2.9%
REQUIREMENTS:					
Administrative Services	9,081	5,629	6,390	6,430	0.6%
Public Safety	60,869	62,856	65,400	66,950	2.4%
Ending Fund Balance	26,830	27,682	24,957	26,177	4.9%
TOTAL FUND REQUIREMENTS	96,780	96,167	96,747	99,557	2.9%