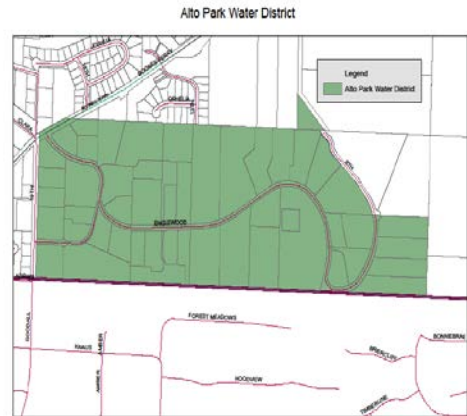


Alto Park Water District TSCC Budget Review 2020-21

1. Introduction to the District:

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.



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	2016-17	2017-18	2018-19	2019-20
Assessed Value in Millions	\$26.1	\$26.8	\$27.6	\$28.5
Real Market Value (M-5) in Millions	\$38.8	\$42.2	\$46.2	\$47.5
Property Tax Rate Extended:				
Operations	\$1.5985	\$1.5985	\$1.5985	\$1.5985
Local Option	\$0.6000	\$0.0000	\$0.6000	\$0.6000
Total Property Tax Rate	\$2.1985	\$1.5985	\$2.1985	\$2.1985

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 5-year contract which began July 1, 2017, will expire 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 will generate about \$45,400 annually and the local option levy generates about \$17,000.

The local option levy expired in 2016 and was not put before the voters for renewal until November 2017. Upon passage the local option levy again became available in FY 2018-19 and is included in this budget.

3. Strategic Plan/Performance Objectives

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

4. Analysis of the General Fund:

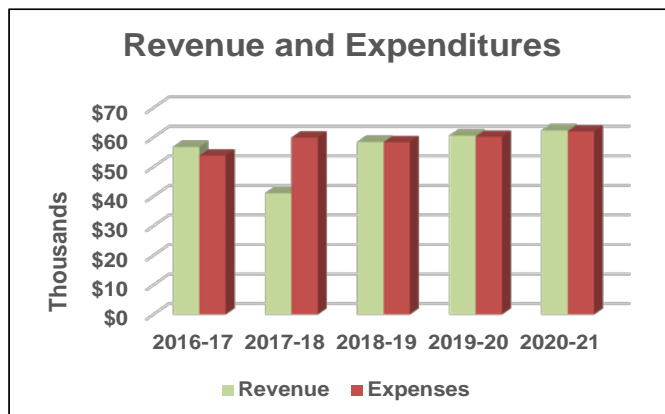
The District budgets in only one fund, the General Fund, and property tax is the only source of revenue for the district. No prior year taxes are budgeted because the District receives 97% of taxes imposed up front (Multnomah County Advance Recovery) rather than a portion of the taxes distributed to 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 \$62,400 in taxes from its permanent tax rate and local option levy all for operations.

Alto Park Water District					
		2017-18	2018-19	2019-20	2020-21
		Actual	Actual	Budget	Budget
Beginning Fund Balance	\$	43,280	24,638	30,084	24,910
Earned Interest		0	107	0	0
Property Tax		41,114	58,451	60,600	62,400
Total Resources	\$	84,394	83,196	90,684	87,310
Fire Protection Contract	\$	51,512	53,063	54,655	56,287
Administrative Costs		8,454	5,024	5,540	5,765
Contingency/Ending FB		24,428	25,110	30,489	25,258
Total Requirements	\$	84,394	83,197	90,684	87,310

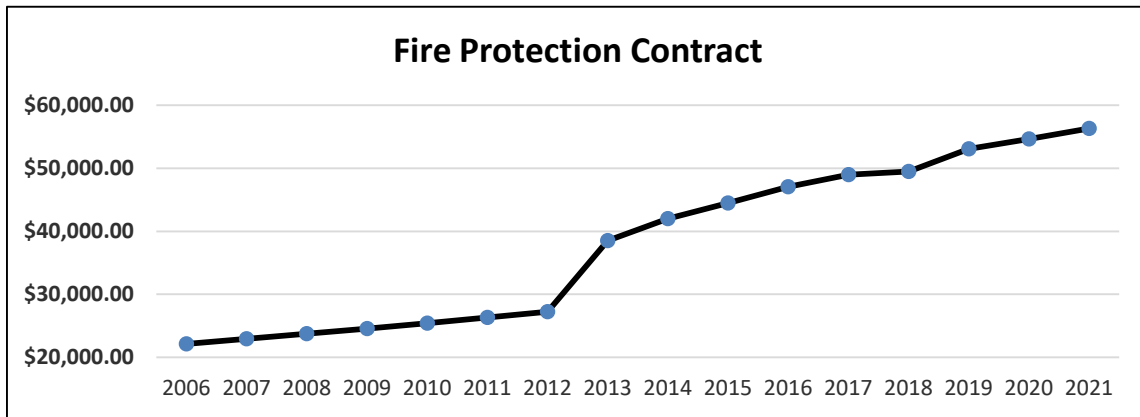
Budget components are Fire Protection Contract and Administrative Services expenditures, and contingencies.

No personnel services are budgeted as all services are contracted.

The Fire Protection Contract is 91% of the district's expenses. The chart at the right shows three years of actual and two years of budgeted revenue and expenses. As indicated in the FY17, revenue is barely exceeding expenses and in FY18 the district did not levy a local option tax so expenditures exceeded revenue by almost \$19,000. With the resumption of the Local Option Tax revenue in FY19, expenditures and revenue are very close to equal.



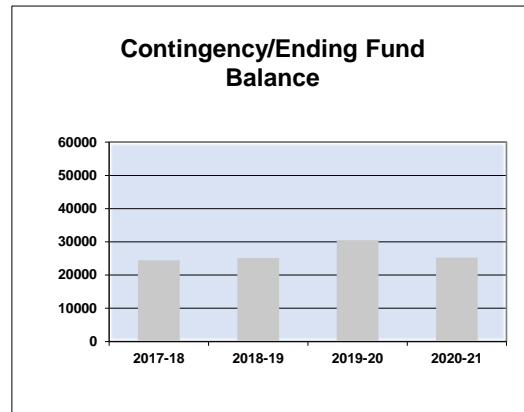
As shown in the following chart, since 2015, the cost of the fire service contract increases annually as it is contingent on the assessed value of the district. The contract rate is \$1.92 per \$1,000 AV for the fire protection services. These payments are made in 3 annual installments. Since the district will collect \$2.1953 per \$1,000 AV from the permanent tax rate and the five-year local option levy they will net \$0.2153 per \$1,000 AV after paying the fire service contract.



The District also contracts with a local law firm to handle budget preparation. This expenditure will increase slightly to \$4,600. Miscellaneous operating costs such as budget publication, election costs, insurance, and filing fees combined are budgeted at \$1,165.

Contingencies and Unappropriated Funds:

- Anticipating the Fire Protection Contract increase and the expiration of the local option tax levy in 2016, Alto Park built up their fund balance. The Local Option Tax had expired in 2017 so the ending fund balance decreased considerably in FY18. This levy was renewed November 2017.
- Contingency is used to fill the gap between what taxes are collected and funds needed 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?
NA		7. Does audit show the district was in compliance with budget law (no over-expenditures or budget violations)?

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

- The total budget, the General Fund, is decreasing from \$90,684 to \$87,310, most notably because the district reduced the contingency from \$30,489 to \$25,258.
- The District budgets any resources above operating expense as contingency, not as a planned ending fund balance. This is reasonable for a district with no capital assets.
- The only major expense, providing fire protection services via a contract with the City of Lake Oswego, increases from \$54,655 to \$56,287 in 2020-21.
- This is the fourth year of the current contract.

Local Budget Law Compliance:

The 2020-21 Budget is in substantial compliance with local budget law. Estimates were judged to be reasonable for the purpose shown.

Certification Letter Recommendations and Objections:

TSCC staff did not find any deficiencies in the district's FY 2020-21 budget or budget process and recommend the Certification Letter contain no recommendations or objections.

Alto Park Water District

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	41,114	58,452	60,600	62,400	3%
Total Property Taxes	41,114	58,452	60,600	62,400	3%
Resources:					
Beginning Fund Balance	43,280	24,638	30,084	24,910	-17%
Property Taxes	41,114	58,452	60,600	62,400	3%
Other Income	0	107	0	0	0%
TOTAL RESOURCES	84,394	83,197	90,684	87,310	-4%
Requirements by Function:					
Administrative Services	8,454	5,024	5,540	5,765	4%
Public Safety	51,512	53,063	54,655	56,287	3%
Contingencies	0	0	30,489	25,258	-17%
Ending Fund Balance	24,428	25,110	0	0	0%
TOTAL REQUIREMENTS	84,394	83,197	90,684	87,310	-4%
Requirements by Object:					
Materials & Services	59,966	58,087	60,195	62,052	3%
Contingencies	0	0	30,489	25,258	-17%
Ending Fund Balance	24,428	25,110	0	0	0%
TOTAL REQUIREMENTS	84,394	83,197	90,684	87,310	-4%
SUMMARY OF BUDGET - BY FUND					
General Fund	84,394	83,197	90,684	87,310	-4%
GRAND TOTAL ALL FUNDS	84,394	83,197	90,684	87,310	-4%

DETAIL OF GENERAL FUND					
Resources:					
Beginning Fund Balance	43,280	24,638	30,084	24,910	-17%
Property Tax	41,114	58,452	60,600	62,400	3%
Other Income	0	107	0	0	0%
TOTAL FUND RESOURCES	84,394	83,197	90,684	87,310	-4%
Requirements:					
Administrative Services	8,454	5,024	5,540	5,765	4%
Public Safety	51,512	53,063	54,655	56,287	3%
Contingencies	0	0	30,489	25,258	-17%
Ending Fund Balance	24,428	25,110	0	0	0%
TOTAL FUND REQUIREMENTS	84,394	83,197	90,684	87,310	-4%

BALANCE SHEET AS OF JUNE 30 EACH YEAR		
	2017-18	2018-19
Assets:		
Cash & Investments	24,638	24,638
TOTAL ASSETS	24,638	24,638
Liabilities and Equity:		
Equity	24,638	24,368
TOTAL LIABILITIES AND EQUITY	24,638	24,368