

Budget Review 2024-26

Riverdale RFPD 11J



BUDGET HIGHLIGHTS

- The district budgets on a biennial basis, and the total budget for the FY 2024-26 period is \$4.4 million, a 13% increase over the current budget of \$3.9 million.
- The majority of the budget funds contracted services with the City of Lake Oswego for fire services. The current contract expires in June 2024. The district formed a subcommittee to work on contract negotiations and discussions are underway.
- Budget increases are primarily due to planned increases in City of Lake Oswego contracted service costs, which will increase from \$2.5 million for FY 22-24 to \$2.7 million for FY 24-26. Ending fund balance also contributes to the budget increase, with an expended ending fund balance of \$1.6 million, increased from \$1.3 million.
- The district will levy its full permanent rate of \$1.2361 and a portion \$0.2000 of its approved local option levy rate of \$0.500. This is a decrease from last year’s rate of \$0.2500 and the district expects to spend down some of its fund balance.

INTRODUCTION & BACKGROUND

Riverdale Fire District No. 11J serves an unincorporated area in southwest Multnomah County along the Willamette River between Portland and Lake Oswego and extends into Clackamas County.



The district is governed by five board members elected to four-year terms. Board members serve without compensation. The district owns no property or equipment. It contracts with Lake Oswego Fire Department for services and has no employees.

Riverdale RFPD 11J	2020-21	2021-22	2022-23	2023-24
Assessed Value in Millions	\$818.2	\$844.4	\$871.5	\$903.6
Real Market Value (M-5) in Millions	\$1,140.1	\$1,240.3	\$1,301.6	\$1,388.9
Property Tax Rate Extended:				
Operations	\$1.2361	\$1.2361	\$1.2361	\$1.2361
Local Option for Operations	\$0.2500	\$0.2500	\$0.2500	\$0.2500
Total Property Tax Rate	\$1.4861	\$1.4861	\$1.4861	\$1.4861
Measure 5 Impact	\$-1,405	\$-1,618	\$-1,551	\$-1,670

BUDGET OVERVIEW

This district budgets on a biennial basis. The approved budget summary sheet at the end of this review splits the biennial budget into two fiscal years.

The district has only one fund, the General Fund. The budget for the FY 2024-2026 period is \$4.4 million for the two years and \$2.99 million for the first year of the biennium (FY 24-25). The budget represents no major changes from typical spending to meet the district goals.

The district’s permanent property tax rate limit is not sufficient to pay for the fire service contract. As a result, the district has relied on a series of local option levies since 1999. The levy was last approved by voters in November 2023 for a five-year period (through FY 2028-29). The district has authority to levy up to \$0.50 per thousand but has historically levied \$0.25 per thousand. For the FY 24-26 budget they plan to levy \$0.20 per thousand.

Riverdale Approved Budget for FY 24-26

<u>Resources</u>	1st Year 24-25	2nd Year 25-26	Total 2 Year Period 24-26
Beginning Fund Balance	1,589,000	1,586,000	1,589,000
Property Taxes	1,336,000	1,376,000	2,712,000
Interest	60,000	30,000	90,000
Total Resources	2,985,000	2,992,000	4,391,000
<u>Requirements</u>			
Lake Oswego Fire Contract	1,302,000	1,341,000	2,643,000
Insurance and Bonds	5,000	5,000	10,000
Professional Services	6,000	7,000	13,000
Elections and Publications	10,000	10,000	20,000
Supplies	1,000	1,000	2,000
Contingencies	75,000	75,000	150,000
Ending Fund Balance	1,586,000	1,553,000	1,553,000
Total Requirements	2,985,000	2,992,000	4,391,000

REVENUES

Property taxes (a total of \$2.7 million for the biennium) and earned interest (\$60,000 in year one, and \$30,000 in year two) are the district’s sole source of revenue. The voter approved local option levy makes up roughly 16% of total property tax revenue. The district maintains a high beginning fund balance, so even in the event of the voters choosing not to renew the levy, the district would be able to meet obligations for a number of years by spending down the fund balance. This year the district will lower the local option levy to \$0.20. Given their sizable fund balance, they will still be able to easily pay the amounts required by the contract.

Property taxes see an increase in the budget as the district uses current property tax receipts as the base for estimate future years. The tax estimates are reasonable given historical collections.

EXPENDITURES

Expenditures are confined to payments for professional administrative services and the intergovernmental agreement with the City of Lake Oswego for fire service. The contract expires this June and the district has formed a subcommittee to renegotiate the contract. The district has created the budget to match with rates proposed in 2024-2031 seven-year contract. Contracted fire services are budgeted to increase by 3.7% between FY 24 and FY 25, similar to previous year increases.

DEBT STATUS

The district has no debt.

BUDGET/STRATEGIC PLAN ALIGNMENT

District does not have a strategic plan, but the budget achieves the district’s primary objective of paying for the fire services contract.

BUDGET PROCESS & COMPLIANCE

Yes	No	Compliance Issue
X		Did the 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?
X		Does the audit show the district was in compliance with budget law?

LOCAL BUDGET LAW COMPLIANCE

The FY 2024-26 Budget is in compliance with local budget law. Estimates were judged to be reasonable for the purpose shown.

The district completes audits on an annual basis. The FY 2022-23 audit does not note any budget law violations.

CERTIFICATION LETTER RECOMMENDATIONS & OBJECTIONS

TSCC staff notes no deficiencies in the district’s FY 2024-26 budget development process, and we suggest the certification letter contain no recommendations or objections.

Riverdale RFPD District 11J

Budget Summary

	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025	%
	Actual	Actual	Revised	Approved	Change
<u>SUMMARY OF ALL FUNDS</u>					
PROPERTY TAX BREAKDOWN:					
Permanent Rate Property Taxes	991,735	996,024	1,048,000	1,119,835	6.9%
Local Option Levy Property Taxes	203,126	252,439	212,720	216,165	1.6%
Prior Years Property Taxes	22,000	0	0	0	0.0%
TOTAL PROPERTY TAX	1,216,861	1,248,463	1,260,720	1,336,000	6.0%
RESOURCES:					
Beginning Fund Balance	1,397,490	1,433,049	1,337,500	1,589,000	18.8%
Property Taxes	1,216,861	1,248,463	1,260,720	1,336,000	6.0%
Other Income	(18,387)	77,037	10,000	60,000	500.0%
TOTAL RESOURCES	2,595,964	2,758,549	2,608,220	2,985,000	14.4%
REQUIREMENTS BY OBJECT:					
Materials & Services	1,192,783	1,230,513	1,276,500	1,324,000	3.7%
Contingencies	0	0	75,000	75,000	0.0%
Ending Fund Balance	1,403,181	1,528,036	1,256,720	1,586,000	26.2%
TOTAL REQUIREMENTS BY OBJECT	2,595,964	2,758,549	2,608,220	2,985,000	14.4%

Note on "Property Tax Breakdown": The Riverdale audited numbers and budget do not provide a specific breakdown of permanent rate, local option levy, and prior year property taxes. For the purposes of this budget summary and to translate the data into the TSCC chart of accounts, we assign property tax revenues for the permanent rate and local option using the ratio between the property tax rates.