



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

(Revised: 8/18/11)

Board Clerk Use Only

Meeting Date: 4/19/12
 Agenda Item #: R.1
 Est. Start Time: 9:30 am
 Date Submitted: 4/2/12

Agenda Title: Public Hearing and Consideration of Approval of the 2012-2013 Dunthorpe-Riverdale Sanitary Service District No. 1 Proposed Budget for Submittal to Tax Supervising and Conservation Commission

Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title sufficient to describe the action requested.

Requested Meeting Date: April 19, 2012 **Time Needed:** 10 minutes
Department: Community Services **Division:** Budget & Operations
Contact(s): Tom Hansell
Phone: (503) 988-5050 **Ext.** 29833 **I/O Address:** 425/2
Presenter Name(s) & Title(s): Tom Hansell, Program Manager

General Information

1. What action are you requesting from the Board?

Convene as the governing body of the Dunthorpe-Riverdale Service District to:

- Select presiding officer from among budget committee members present;
- Hear budget message;
- Open Public Hearing to consider any testimony presented by the public about the proposed budget, and
- Vote and approve on the budget for submittal to Tax Supervising and Conservation Commission

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

Multnomah County's Service District was created under the provisions of the Oregon Revised Statutes (ORS) Chapter 451 to provide construction and operation of sanitary sewer systems in the County. The Multnomah County Board of Commissioners serves as the governing body of the District. The budget committee for each District consists of the members of the Board and residents of the District appointed by the Board for terms of three years. Returning budget committee member Mr. Jeffery Van Osdel joins the Board of County Commissioners as a District resident and holds equal authority with the governing board during the budget committee process to ask questions, comment, and vote on the budget.

The annual budget for each District is prepared under the direction of a budget officer designated by the Board. Tom Hansell from the Department of Community Services' Land Use and Transportation Program serves as the budget officer for the District. The budget committee reviews the annual budget and approves it either as submitted by the budget officer or with revisions requested by the committee.

The actions taken by the District Budget Committee fulfill the requirements of Oregon's Local Budget Law (ORS Chapter 294), which provides specific methods for obtaining public review and comment on the financial and administrative policies of the District.

Multnomah County's Departments of County Management and Community Services provide financial and administrative services, respectively, to the District. The District is, however, a separate and independent financial entity. Expenses incurred, such as external auditing and administration, and financial management provided by both departments are met with revenue from sewer user charges, connection fees, and/or assessments to real property within the service District.

This District was formed in the middle 1960's and by 1970 had removed a significant source of pollution from the Willamette River. Its 563 clients are mainly located in unincorporated Multnomah County with a few customers in northern Clackamas County and the City of Portland. District growth has stabilized due to substantial completion of municipal annexations and slowing in new residential construction starts.

The District contracts with the City of Portland's Bureau of Environmental Services (BES) to maintain District lines and treat the sewage flow at Portland's Tryon Creek Treatment Plant. BES also provides design and engineering services for construction, reconstruction, and/or improvement of the District's facilities.

3. Explain the fiscal impact (current year and ongoing).

The District has a proposed total budget of \$1,674,250 for fiscal year 2013. The proposed budget shows a \$22,250 increase for general operations, a \$45,000 increase in planned capital, and a \$78,425 increase to unappropriated fund balance. These significant changes are planned to respond to forecasted rate increases for contracted treatment services, planned capital projects, and continued build-up of the District's fund reserve for future capital.

The District capital program will complete final project close out costs associated with the Elk Rock Pump Station at \$85,000, \$415,000 to replace a pressure main, and \$25,000 to target miscellaneous pipe repairs throughout the District. In anticipation of future capital, the proposed budget includes an unappropriated fund balance of \$623,000. Future capital needs are identified in the District's Sanitary System Facility Plan. This plan helps to guide decision making, looks at a 20-year planning horizon, and assists in developing the District's capital funding strategies.

The current service charge is \$122.00 per month per property. To meet current operations, maintenance, and capital for fiscal year 2013, the District rate is proposed to increase to \$125.00 per month. The rate adjustment represents a 2.5% increase to District customers. The new rate provides the necessary operating resources to meet the District's proposed requirements.

4. Explain any legal and/or policy issues involved.

The District is a separate legal entity (ORS 451). Because of its size, it requires a budget committee. The actions requested of the District Budget Committee are consistent in meeting the requirements of Tax Supervising Conservation Commission and statewide local budget law.

- 5. Explain any citizen and/or other government participation that has or will take place.**
Published two Notices of Public Hearing for the Budget Committee Meeting.

Required Signature

**Elected
Official or
Department
Director:**

Cecilia M. Collier /s/

Date:

4/2/2012