

CLACKAMAS COUNTY
SERVICE DISTRICT #5

Street Lighting

Fiscal Year 2018-2019
Budget Report



June 2018

Draft



June 4, 2018

Citizens of Clackamas County Service District No. 5
Budget Committee Members
Board of County Commissioners

It is a pleasure to present for your review and approval the proposed fiscal year 2018-2019 budget for Clackamas County Service District No. 5 ("District"), managed by the Department of Transportation and Development. The District is the agency responsible for street lighting in the unincorporated urban areas of Clackamas County and, by separate agreement, the City of Happy Valley.

Provision of street lighting throughout the county is primarily provided through the land use development process or by requests from citizens through the District petitioning process. Installation can also occur with capital improvement projects. The District coordinates with Portland General Electric (PGE), the development community, and citizens to provide adequate lighting to serve the traveling public.

A significant portion of the annual budget is dedicated towards the payment of electrical costs. PGE electricity cost adjustments are developed through a public process and determined by the Oregon Public Utility Commission (OPUC). This year PGE analysis showed the District should expect a .05% increase in electricity costs. Incorporating the PGE increase and savings from recent Light Emitting Diode (LED) conversions, district forecasts illustrate that with a 2% rate decrease in all 12 rate categories there will continue to be sufficient funding to cover needed operating expenses.

In the proposed budget, the District illustrates its commitment to align with the County's strategic plan by incorporating a new performance measure and result;

- Measure - Percent of streetlight maintenance requests completed within five (5) business days
- Result - Percent of streetlights operational during random surveys

The District strives to respond to customers' requests in a timely manner. The objective of these measurements is to collect data showing PGE's maintenance response time, then explore options with PGE for improving the timeline to better serve the customer.

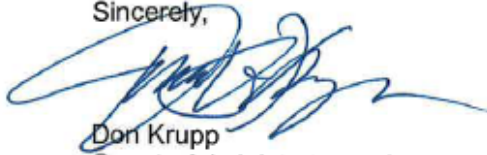
Rate history information and a comprehensive list of performance measures are outlined within the enclosure.

Of particular interest is a recent partnership between the District, Oregon Dept. of Transportation (ODOT), PGE and community members in an effort to enhance safety for the traveling public on McLoughlin Blvd by providing street lighting along the unlit portions north of Gladstone to the southern edge of the City of Milwaukie. This effort is more commonly known as the McLoughlin Boulevard Street Lighting Petition Project. Revenue received from the sales of district assets (Option B lights), an effort to reduce long term maintenance responsibility, were leveraged with funds from energy trust credits and ODOT to fund this project. A noteworthy project milestone for FY 18-19 is the completion of this project.

The FY 18-19 budget continues to earmark revenues for capital street lighting projects which focus on public safety.

The combined capital and operating budget for the District for FY 2018-2019 is \$3,883,238 and assumes a rate decrease in all twelve rate categories. In accordance with Oregon Budget Law, all planned expenditures will continue to be funded through a combination of property taxes and user fees.

Sincerely,



Don Krupp
County Administrator and
Budget Officer for Clackamas County Service District No. 5

Enclosures

FOR
CLACKAMAS COUNTY SERVICE DISTRICT NO. 5
STREET LIGHTING

BOARD OF DIRECTORS

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COUNTY ADMINISTRATOR & BUDGET OFFICER

DON KRUPP

BUDGET APPROVAL _____ DATE _____

Chair, Budget Committee
Clackamas County Service District No. 5

DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT

150 Beaver creek Rd.
Oregon City, Oregon 97045

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Clackamas County Service District No. 5

A. Agency Mission/Purpose

Clackamas County Service District No. 5 provides street lighting to un-incorporated urban areas of the County and to the city of Happy Valley, by agreement.

The Mission of Clackamas County Service District No. 5 is to provide the administration of timely and cost-effective street lighting operation, maintenance and installation to property owners within the District so they can feel more secure traveling to and from their doorways.

General Overview of Program and Major Projects

The District contracts with Portland General Electric (PGE) to design, install, maintain and operate street lights. PGE in turn bills the Service District for this service based on tariff rates set by the Oregon Public Utility Commission (OPUC). These costs are passed on to those served by the District as a special assessment on their individual property tax statements, or, in some special cases, through direct billing.

- In response to citizen requests for street lighting in existing neighborhoods, staff evaluates the existing conditions, prepares petition materials for neighborhood sponsors and follows up with informational mailings after the initial signature gathering phase, and works with PGE to achieve a design appropriate to the neighborhood's needs.
- In response to development, staff comments on commercial and residential development proposals for properties in Service District No. 5 and works with developers and PGE to ensure consistent street light installation appropriate to each development.
- Staff works with designers and project managers on County road improvement projects where lighting is desirable, to find a means to pay for the operation and maintenance of lighting appropriate to the project.

Major Projects

- District staff will review approximately 69 development applications annually for compliance with street lighting requirements which will result, annually, in about 65 new street lighting projects installing approximately 134 new street lights on local, collector and arterial roads adjoining new residential and commercial development.
- Clackamas County Service District No. 5 will continue to provide administration during the design and installation phase of one road petition project (Mcloughlin Blvd.). Capital funding to support this project is identified in budget. Planned completion expected September 30, 2018.

B. Management Goals and Objectives

- Continue installation, operation and maintenance of street lights under PGE Option A. Under Option A, PGE owns, installs, operates and maintains the street lights and the District pays a monthly fee for this service.
- Continue to respond to requests for petitions by supplying a petition package within one week.
- Coordinate with Capital Improvement project managers and designers to ensure appropriate design, installation and operation and maintenance funding for street lights on these major projects.
- Continue design review participation to ensure street light installation on all residential and commercial projects as appropriate.
- Review street light rate structures.
- Continue to prepare annually an accurate assessment roll within the timeline set by the Assessor's Office and will also bill property tax exempt accounts to ensure timely receipt of street lighting assessments to operate street lights within the District.
- Continue to review projected financial needs of the District annually and recommend rate schedule adjustments accordingly to ensure adequate funds to operate and maintain street lights in the District.

C. Highlights of Budget

Rate History

Budget Year	Rate Change	Reason for Change/No Change	Additional information
2015-2016	5.5% Increase	Phased increase for District rates from the 15% 2013 PGE rate increase	
2016-2017	No Change	Evaluate LED cost savings and capital project costs	
2017-2018	2% Decrease	Continued cost savings from LED installations outweighs the PGE electricity cost increases	6% decrease in electricity
2018-2019	2% Decrease	Continued cost savings from LED installations outweighs the PGE electricity cost increases	

Over the last several years the District has largely focused on increasing lighting levels on McLoughlin Blvd. in an effort to increase public safety for this area. Due to revenues received from the sale of the option B poles and energy trust credits in 2014 the District was able to earmark funds for this project.

Due to ongoing cost savings from light emitting diode (LED) installations the District was able to decrease rates 2% in FY 17-18 with the forecast showing that future decreases would be needed to reduce the ending fund balance.

The forecast for FY 18-19 suggests that with another 2% decrease in overall rates, the District will have adequate funding to meet planned expenditures and reserves while providing the necessary ending fund balance to cover electrical bills from July 2018 until November 2018.

Expenditures

Expense categories (421200) Computer Supplies, (431100) Accounting and Auditing Service, (431918) Internal County Contracted Service, (434100) Printing and Duplicating, (435180) Casualty Insurance and (437260) Office Furniture & Equipment will be phased out as they are historically not used or duplicates of other similar categories already in use.

Allocated costs (478102) Tech Services, (478104) PGA, (478105) Records Management, (478107) Courier, (478111) County Admin and (478117) Mailroom Overhead will also be phased out creating a 24% decrease in allocated costs.

- Based on current billing rates and planned increases, we anticipate the monthly bill from PGE for the operation and maintenance of street lights to average between \$131,000 and \$138,000 per month in 2018-2019.

Average Monthly PGE District Billing

LED Installs Done	PGE 15% Rate Increase				
	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
	Mid July - June 30				July - Feb 2018
\$ 135,296.00	\$ 142,036.00	\$ 143,084.00	\$ 135,349.00	\$ 133,851.00	
	4.98%	0.74%	-5.41%	-6.45%	

Special Expenditures

- **Operational Revenue:** The operational revenue needed to provide for the payment of expenses for the period of July 1, 2018, when the fiscal year begins, through November 15, 2018, when the revenues begins to be received from the County Tax Collector, is created by the line item for reserves for future expenditures and any carry over from the prior year's budget, which is recognized the following year as the ending fund balance. The amount needs to be enough to pay for the five (5) months of electricity bills that PGE charges for operation and maintenance of street lights. This year the District budgeted \$500,000 in reserve to cover the first five (5) months of electricity bills and \$30,000 in capital reserve for future capital projects.
- **Contingency:** The contingency for FY 18-19 remains healthy at \$944,674 for 2018-2019, representing 24% of the total budget.
- **Capital Construction:** The fund line for construction (481200) in the amount of \$500,000 is to help pay for the Mcloughlin Blvd. capital street lighting project and other capital projects should funding be remaining.

Revenue

- Actual service assessments for fiscal year 2018-2019 are projected to be close to what was budgeted.

D. Performance Indicators

- There were approximately 222 lights and 152 lots added to the District in 2017-2018 as a result of residential and commercial development. With this addition there are approximately 9100 currently served lights in the District.
- The District continues to install Light Emitting Diode (LED) in new cobra, acorn and westbrook style fixtures.

Rate Schedule Descriptions 2018-2019

RATE and ASSESSMENT SUMMARY 2018-2019 CLACKAMAS COUNTY SERVICE DISTRICT #5

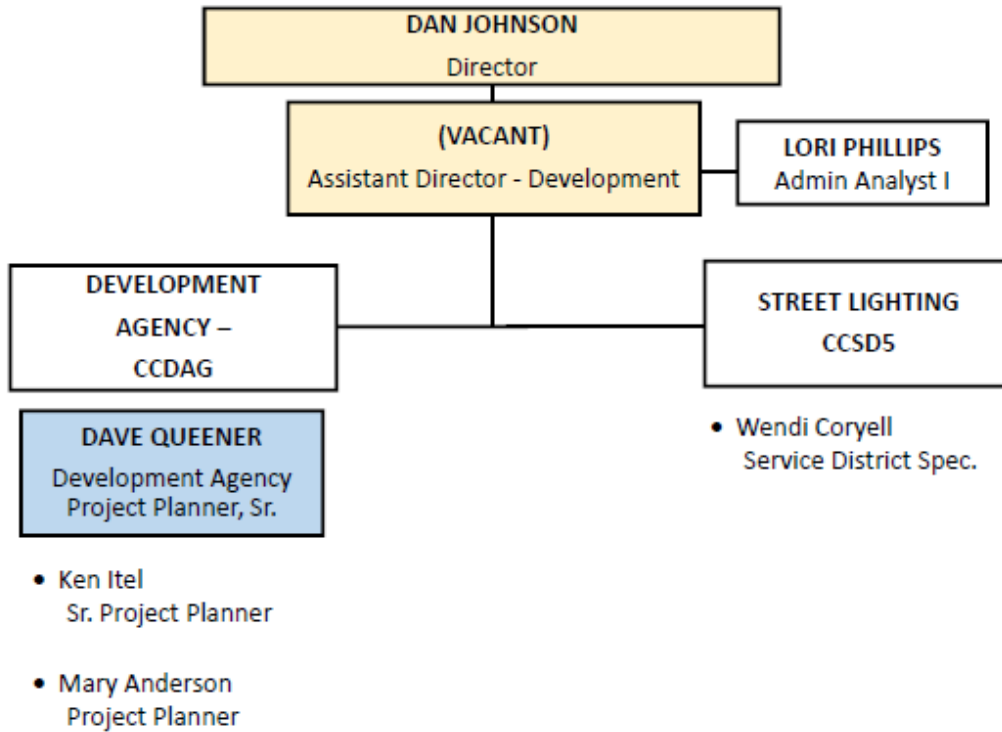
Schedule	Current Rate	Number of Accounts**		Suggested New Rate	Projected Revenues 15-16
A	\$ 36.10	92	lots	\$ 35.38	\$ 3,254.96
B	\$ 50.01	6,069	lots	\$ 49.01	\$ 297,441.69
C	\$ 70.12	8,707	lots	\$ 68.72	\$ 598,345.04
D *	\$ 1.25	202,911	lin. ft.#	\$ 1.23	\$ 249,580.53
E	\$ 8.44	557	lots	\$ 8.27	\$ 4,701.08
F	\$ 62.55	142	lots	\$ 61.30	\$ 8,704.60
H	\$ 91.88	3,657	lots	\$ 90.04	\$ 329,276.28
J	\$ 122.08	1,786	lots	\$ 119.64	\$ 213,677.04
K	\$ 84.34	364	lots	\$ 82.65	\$ 30,084.60
M	\$ 1.81	24,630	lin. ft.#	\$ 1.77	\$ 43,595.10
R	\$ 262.56	1,346	lots	\$ 257.31	\$ 346,339.26
W	\$ 245.00	335	lots	\$ 240.10	\$ 80,433.50
Total		23,640 lots			\$ 2,205,434
After est. 4% discount for paying taxes early:					\$ 2,117,216
<p>* # of accounts is 585 but assesment is per frontage foot</p> <p>** partial year assessments for lights installed in '17-'18, estimated</p>					

DEFINITION OF RATE SCHEDULES

Schedule A	District owned residential lights and poles
Schedule B	PGE owned lights on existing distribution poles (Cobra lights on existing wood poles)
Schedule C	PGE owned lights and poles with underground service (Cobra lights on gray fiberglass poles or Town and Country lights and poles)
Schedule D	PGE and District owned lights and poles for commercial, multifamily and/or industrial areas (all types not on McLoughlin Blvd.)
Schedule E	PGE owned lights and poles for condominiums (all types)
Schedule F	PGE owned lights and painted steel poles (formerly Southwood Park Highway Lighting District)
Schedule H	PGE owned lights and poles for service in the City of Happy Valley (Shoebox lights w/ poles)
Schedule J	PGE owned lights and poles, ornamental Acorn light with fluted fiberglass poles (may substitute fluted aluminum pole)
Schedule K	PGE owned lights and poles for service in the City of Happy Valley for <u>high density</u> residential development (Techtra lights w/ Shepherd's Crook poles)
Schedule M	PGE owned lights poles for commercial, multi-family and/or industrial uses on urban highways. (cobra LED lights with wood and aluminum poles)
Schedule R	PGE owned lights and poles for service in the City of Happy Valley (Techtra lights w/ Shepherd's Crook poles)
Schedule W	PGE owned lights and poles for service in the City of Happy Valley (Westbrook lights with decorative aluminum poles)

The District has twelve rate schedules to accommodate the differences in the nature of service while retaining those rates inherited from the Highway Lighting Districts. New accounts are placed in one of the existing rate schedules with most of the new development occurring under rates B, C, D, J, M and W. All lights within the District have electricity and maintenance supplied by PGE.

Department of Transportation & Development
 DTD Special Districts
 Development Agency – CCDAG | Street Lighting – CCSD5
FY 2018-2019



Divisional Structure

- Director / Assistant Director
- Managers
- Supervisors

(Employees are 1.0 FTE Unless otherwise indicated.)

9 April 2018

APPENDIX



Transportation & Development

Street Lighting District - CCSD5

Purpose Statement

The purpose of the Street Lighting District - CCSD5 (Clackamas County Service District 5) program is to provide installation, maintenance and operation of street lighting in the urban unincorporated areas of Clackamas County and in the cities of Happy Valley and Damascus to assist the travelling public in maneuvering the transportation system safely in the dark.

Performance Narrative Statement

Clackamas County Street Lighting District (CCSD5) proposes a \$3,883,237.98 dollar budget. These resources will allow the District to cover the operational costs for the existing street lighting while providing support for the installation of new street lighting. These resources also provide the revenue necessary for a capital project to install street lighting along a portion of SE McLoughlin Blvd.

Improved street lighting increases safety for the traveling public and is widely thought to be an effective means of reducing crime.

The Street Lighting District offers services which support the Board of County Commissioners adopted goals of:

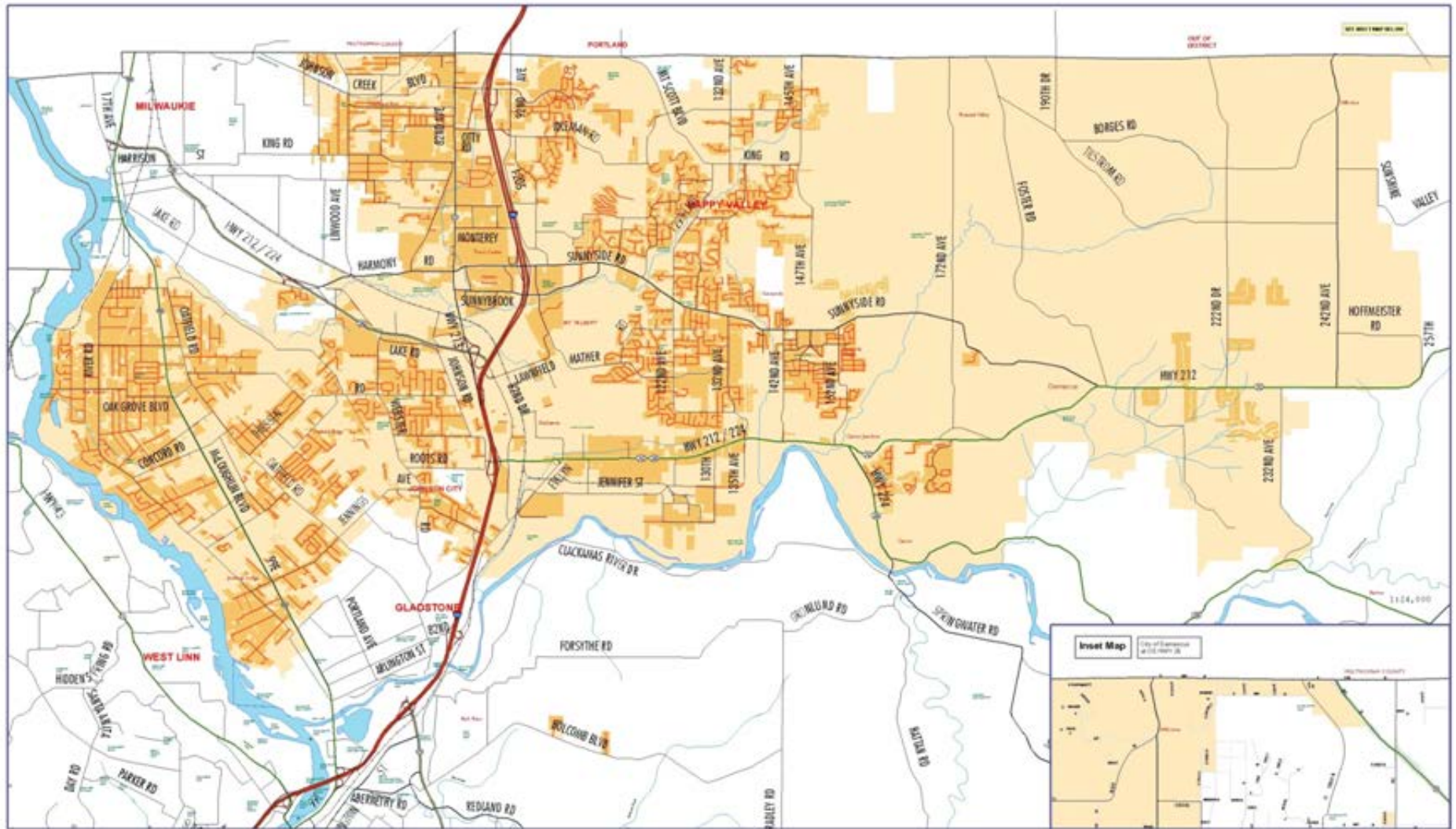
- Building a strong infrastructure; and
- Healthy and safe communities.

Key Performance Measures

		2015/2016 Actual	2016/2017 Actual	2017/2018 Projected Performance	2018/2019 Target	
	Key Measure	% of streetlight maintenance requests completed within five (5) business days	NEW	NEW	NEW	75%
	Result	% of streetlights operational during random surveys	NEW	NEW	NEW	95%
	Output	# street lighting service repairs	53	35	20	18
	Output	# lots annexed into the street lighting district	382	346	NEW	152
	Result	% of requests for new street lighting and street lighting maintenance responded to within one business day of initial inquiry.	100%	100%	97%	Discontinue
	Output	# new street light requests	65	64	69	Discontinue

	2015/2016 Actual	2016/2017 Actual	2017/2018 Projected YE	2018/2019 Proposed
CCSD5 Budget	\$ 1,812,021	\$ 1,822,440	\$ 3,214,986	\$ 3,883,238

Service District No. 5 Boundary Map



Clackamas County Service District #5 STREET LIGHTING

- Legend**
- SD #5 Boundary
 - Lighted Parcels
 - Lighted Streets

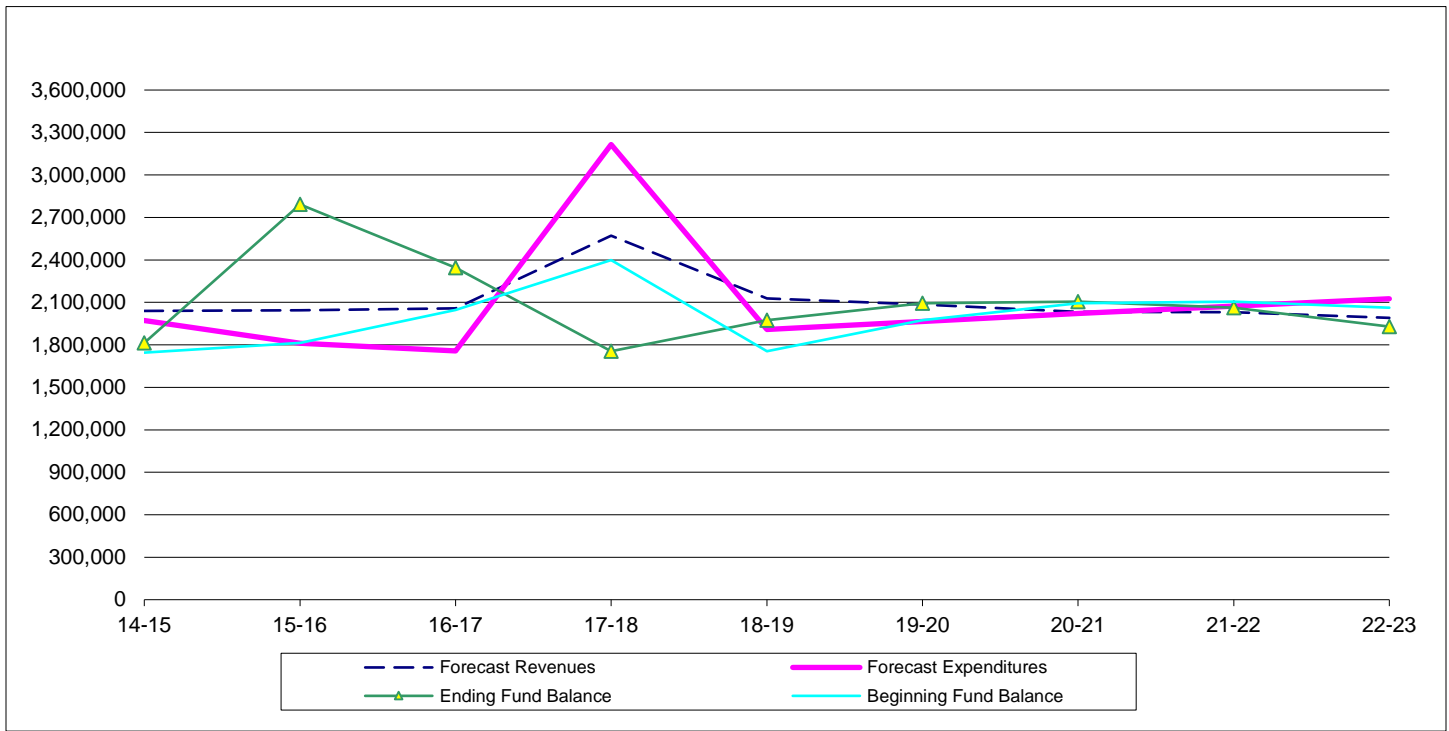


1:26,000
1 inch equals 0.41 miles



115-2450 Service District #5 – Street Lighting 2017-2021

Baseline Forecast



The ending fund balance represents an accumulation of the prior years balances.

	16-17	17-18	17-18	18-19	19-20	20-21	21-22
	Actual	Budget	YE Est	Forecast	Forecast	Forecast	Forecast
Beginning Fund Balance	2,045,737	2,535,105	2,398,921	1,755,113	1,974,674	2,093,514	2,104,923
Revenues							
State Revenue (ODOT)	0	0	400,000	0	0	0	0
Interest Earned	23,981	11,000	24,000	11,000	9,873	10,468	10,525
Assessments	2,033,535	2,147,178	2,147,178	2,117,125	2,074,783	2,021,839	2,020,791
Total Revenues	2,057,516	2,158,178	2,571,178	2,128,125	2,084,656	2,032,307	2,031,316
			25.0%	-17.2%	-2.0%	-2.5%	0.0%
Expenditures							
Materials & Services	1,757,179	1,865,770	1,814,986	1,908,564	1,965,817	2,020,897	2,073,490
Capital Outlay	0	1,600,000	1,400,000	0	0	0	0
Reserves & Contingency		1,227,513		0	0	0	0
Total Expenditures	1,757,179	4,693,283	3,214,986	1,908,564	1,965,817	2,020,897	2,073,490
			83.0%	-40.6%	3.0%	2.8%	2.6%
Ending Fund Balance	2,346,074	0	1,755,113	1,974,674	2,093,514	2,104,923	2,062,749

Clackamas County, OR.
Revenue and Expense by Fund and Organization

	2015-16 Actual	2016-17 Actual	2017-18 Amended Budget	2017-18 Actual (incomplete)	2017-18 Projected Year End	2018-19 Proposed Budget	Change from Prior Year Budget	Pct. Change from Prior Year Budget
All CCSD5 Orgs								
CCSD5 All CCSD5 Orgs								
CCSD5 All CCSD5 Funds								
302001 Fund Bal at End of Prior Year	1,812,913	2,045,737	2,535,105	2,398,921	2,398,921	1,755,113	(779,992)	(30.77)
332001 State Revenue	0	0	0	400,000	400,000	0	0	0.00
361000 Interest Earned	11,311	23,981	11,000	21,449	24,000	11,000	0	0.00
363000 Assessments	2,033,535	2,151,642	2,147,178	2,080,535	2,147,178	2,117,125	(30,053)	(1.40)
Total Revenue	3,857,758	4,221,360	4,693,283	4,880,905	4,970,099	3,883,238	(810,045)	(17.26)
421100 General Office Supplies	0	0	1,000	0	1,000	1,000	0	0.00
421110 Postage	0	0	50	0	50	50	0	0.00
421200 Computer Supplies	0	0	2,000	0	2,000	0	(2,000)	(100.00)
421210 Computer Non-Capital	0	0	100	61	100	2,000	1,900	1,900.00
424900 Misc Repair & Maintenance	0	679	5,000	2,020	5,000	5,000	0	0.00
431000 Professional Services	0	3,300	5,000	0	5,000	5,000	0	0.00
431100 Accounting & Auditing Service	3,183	0	0	0	0	0	0	0.00
431420 Legal Fees	1,177	3,307	4,000	620	4,000	4,000	0	0.00
431630 Permit Fees	0	0	1,000	0	1,000	1,000	0	0.00
431918 Internal County Contracted Svc	43,074	0	0	0	0	0	0	0.00
431920 Contracted Labor	94,224	157,829	150,000	74,846	150,000	150,000	0	0.00
432400 Advertising	306	296	500	0	500	500	0	0.00
433100 Travel and Per Diem (no mileage)	0	0	1,000	0	1,000	1,000	0	0.00
434100 Printing & Duplicating Services	51	0	0	0	0	0	0	0.00
435180 Casualty Insurance	1,205	1,205	0	0	0	0	0	0.00
436100 Electric	1,626,897	1,566,985	1,673,966	978,182	1,623,182	1,722,310	48,344	2.89
437260 Office Furn & Equip Non-Capital	0	852	0	0	0	0	0	0.00
438110 Office Rental	4,610	2,305	2,420	1,210	2,420	2,528	108	4.46
439100 Dues & Memberships	396	396	500	0	500	500	0	0.00
439200 Training & Staff Development	0	0	500	0	500	500	0	0.00
477200 Division Indirect Costs	11,819	9,292	9,228	6,921	9,228	8,472	(756)	(8.19)
478101 Finance Alloc Cost	15,924	1,578	2,374	2,374	2,374	968	(1,406)	(59.22)
478102 Tech Svc Alloc Cost	2,647	2,647	2,211	2,211	2,211	0	(2,211)	(100.00)
478103 Building Maint Alloc Cost	3,271	3,271	1,775	1,775	1,775	1,617	(158)	(8.90)
478104 PGA Alloc Cost	557	557	659	659	659	0	(659)	(100.00)
478105 Records Mgt Alloc Cost	160	160	0	0	0	0	0	0.00
478106 Purchasing Alloc Cost	57	57	28	28	28	1,799	1,771	6,325.00
478107 Courier Alloc Cost	43	43	1,645	1,645	1,645	0	(1,645)	(100.00)
478111 Personnel Admin Alloc Cost	1,239	1,239	0	0	0	0	0	0.00

Clackamas County, OR.
Revenue and Expense by Fund and Organization

	2015-16 Actual	2016-17 Actual	2017-18 Amended Budget	2017-18 Actual (incomplete)	2017-18 Projected Year End	2018-19 Proposed Budget	Change from Prior Year Budget	Pct. Change from Prior Year Budget
All CCSD5 Orgs								
CCSD5 All CCSD5 Orgs								
CCSD5 All CCSD5 Funds								
478112 County Admin Alloc Cost	445	445	525	525	525	0	(525)	(100.00)
478117 Mailroom Overhead Allocation	60	60	0	0	0	0	0	0.00
478201 Electric Utility Alloc	466	466	220	220	220	226	6	2.73
478202 Natural Gas Utility Alloc	97	97	15	15	15	40	25	166.67
478203 Water Utility Alloc	79	79	36	36	36	34	(2)	(5.56)
478204 Trash Removal Alloc	34	34	18	18	18	20	2	11.11
481200 Construction	0	65,261	1,400,000	166,114	1,400,000	500,000	(900,000)	(64.29)
490001 Reserve for Future Expenditure	0	0	627,737	0	0	500,000	(127,737)	(20.35)
490060 Capital Projects Reserves	0	0	200,000	0	0	30,000	(170,000)	(85.00)
499001 Contingency	0	0	599,776	0	0	944,674	344,898	57.50
Total Expense	1,812,020	1,822,439	4,693,283	1,239,479	3,214,986	3,883,238	(810,045)	(17.26)
Total All CCSD5 Funds	2,045,737	2,398,921	0	3,641,426	1,755,113	0	0	0.00
Total All CCSD5 Orgs	2,045,737	2,398,921	0	3,641,426	1,755,113	0	0	0.00
Grand Total	2,045,737	2,398,921	0	3,641,426	1,755,113	0	0	0.00