

CLACKAMAS COUNTY SERVICE DISTRICT NO.5
BUDGET COMMITTEE MEETING MINUTES
May 28, 2024

The Budget Committee for Clackamas County Service District No. 5 met through an in person/Zoom meeting on May 28, 2024 for the purpose of receiving the budget message and document of the District for fiscal year 2024-2025. Budget Committee members present were:

Mark Aasland, citizen
Kevin Bailey, citizen
Jeffrey Davis, citizen
Ryan Founds, citizen
Ewa Rokowska, citizen
Martha Schrader, County Commissioner
Mark Schull, County Commissioner
Paul Savas, County Commissioner
Ben West, County Commissioner, Vice Chair

Others present were:

Gary Schmidt, Budget Officer
Elizabeth Comfort, Finance Director
Dan Johnson, DTD Director
Wendi Coryell, Service District No.5 Specialist

Commissioner West convened the meeting at 8:52 a.m. He asked the committee to introduce themselves. Commissioner West then called for the election of a Budget Committee Chair. Jeffrey Davis was nominated for Chair by Ryan Founds, the motion was seconded by Ewa Rakowska and he was elected unanimously. Chair Davis called for nominations for Secretary. Mark Aasland was nominated by Kevin Bailey. It was seconded by Commissioner Ryan Founds. The motion was approved unanimously.

The Chair called for presentation of the 2024-2025 budget message. Dan Johnson briefly explained that street lighting is installed within the unincorporated areas of Clackamas County within the Urban Growth Boundary and in the City of Happy Valley thru capital projects, development projects or a citizen petition process. Then he presented an overview of the budget highlighting the revenue and expense special payments line.

Mr. Johnson indicated that PGE is forecasting a 7% rate increase and said the District closely monitored the impact of this increase. He said the District is not proposing any rate change to this budget since there are enough funds to keep the rate flat.

Commissioner Savas asked if rate increases go before the voters for approval. Mr. Johnson explained that all proposed rate changes go before the budget committee and Board of County Commissioners for approval.

Mr. Aasland asked if reserves would be used by not adding a rate increase. Mr. Johnson answered, yes and briefly discussed the FY23/24 and FY24/25 reserve lines. Mr. Aasland then responded asking if there is a set amount of reserve that the District wants to maintain. Mr. Johnson answered,

no and said our choice would be to reduce the capital investment to ensure the rate structure is solid and secure. Ms. Coryell added an example of how a 1% PGE rate increase annually impacts the budget by about \$20,000 -\$30,000 annually and that any PGE rate increase is closely monitored thru the 5-year forecast.

Commissioner Savas asked if the District knows what the future increases will be. Ms. Coryell responded saying that the increases are not known until the PGE rates are approved and that PGE shares these rate changes with the District in January each year.

Commissioner Shull asked if the beginning fund balance (BFB) is able to be used should we need to augment any PGE increase. Dan responded saying we hold the BFB for future years. Commission Shull said he appreciates the austerity and concern to the rate payer that the street lighting district always is concerned with.

There were no public comments via Zoom or in person.

Mark Aasland moved for approval of the Clackamas County Service District No. 5 budget request for FY 24/25 in the amount of \$5,449,676 with appropriations of \$3,333,076 as presented and recommending the budget be adopted as outlined. The budget request was approved unanimously.

The Chair adjourned the meeting at 9:12 a.m.

Respectfully Submitted,



Mark Aasland, Secretary