

**CLACKAMAS COUNTY**  
**SERVICE DISTRICT #5**

**Street Lighting**

**Fiscal Year 2020-2021**  
**Budget Report**



**May 26, 2020**



May 26, 2020

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

It is my pleasure to present for your review and approval the proposed fiscal year 2020-2021 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.

The District partners with Portland General Electric (PGE), the development community, and citizens to provide adequate lighting to serve the traveling public. Street lighting throughout the county is installed in three ways:

- 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.

Each year 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). PGE analysis showed the District should expect a 1% increase in electricity costs for FY 2020-2021. This increase is offset by the savings from continued Light Emitting Diode (LED) installations.

The District utilizes a five year forecast to assess whether or not the current rates are sufficient to meet projected expenses. This year's forecast shows that even with a portion earmarked for future projects, intended to provide cost savings or enhance public safety, the District will continue to have adequate revenue to cover the expenditures and the necessary reserves. As a result, the District is proposing no rate changes for FY 2020-2021.

The remainder of this Budget Report includes Rate history information and a comprehensive list of performance measures which illustrates the District's continued commitment to align with the County's strategic plan.

The combined capital and operating budget for the District for FY 2020-2021 is \$4,936,198 and assumes no rate change in any of the 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,



Gary Schmidt  
County Administrator and  
Budget Officer for Clackamas County Service District No. 5

Enclosures

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***Work Program Narrative for***  
**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 46 development applications annually for compliance with street lighting requirements which will result, annually, in about 24 new street lighting projects installing approximately 200 new street lights on local, collector and arterial roads adjoining new residential and commercial development.

## **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**

<b>Budget Year</b>	<b>Rate Change</b>	<b>Reason for Change/No Change</b>	<b>Additional information</b>
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	
2019-2020	No Change	Evaluate LED cost savings and capital project costs	
2020-2021	No Change	Evaluate LED cost savings and capital project costs	

## C. 2019-2020 Budget Highlights

Last year the District converted several light fixtures from high pressure sodium to light emitting diode. They are listed in the below table.

**FY 19/20 Light Emitting Diode (LED) Conversions**

CLACKAMAS COUNTY STREETLIGHTS	LED	NON- LED Opt A	NON- LED Opt B	NON- LED Opt C	Grand Total	
COBRA / ROADWAY	6805	35	66		6906	
TOWN & COUNTRY	94	1002	5		1101	To be converted Q2 2020
ACORN	251	342	6		599	
TECHTRA		526	21		547	
WESTBROOKE	383			7	390	
ORNAMENTAL		7			7	
FLOOD		1			1	
<b>Grand Total</b>	<b>7533</b>	<b>1913</b>	<b>98</b>	<b>7</b>	<b>9551</b>	

The District forecast for FY 20-21 shows that with a reserve for future capital projects, there are still adequate funds to cover expenditures while maintaining the necessary ending fund balance to cover electrical bills from July 2020 to November 2021.

## Expenditures

Expense categories, (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 31% 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 \$149,000 and \$154,000 per month in 2020-2021.

**Average Monthly PGE District Billing**

LED Installs Done		PGE 15% Rate Increase				
2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Mid July - June 30						Mid Jul 2019- Mar 2020
\$ 135,296.00	\$ 142,036.00	\$ 143,084.00	\$ 135,349.00	\$ 130,683.72	\$ 134,015.00	\$ 150,815.00
	4.98%	0.74%	-5.41%	-8.67%	-0.99%	15.40%

## Special Expenditures

- **Operational Revenue:** The operational revenue needed to provide for the payment of expenses for the period of July 1, 2020, when the fiscal year begins, through November 15, 2020, 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 \$737,137 in reserve to cover the first five (5) months of electricity bills and \$1,629,804 in capital reserve for future capital projects.
- **Contingency:** The contingency for FY 20-21 remains healthy at \$300,000, representing 6.9% of the total budget.
- **Capital Construction:** The fund line for construction (481200) in the amount of \$200,000 is to help pay for future capital street lighting projects or Light Emitting Diode (LED) installations.

## Revenue

- Actual service assessments for fiscal year 2020-2021 are projected to be close to what was budgeted.

## D. Performance Indicators

- There were approximately 209 lights and 1500 lots added to the District in 2019-2020 as a result of residential and commercial development. With this addition there are approximately 9686 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 2020-2021

### RATE and ASSESSMENT SUMMARY 2020-2021 CLACKAMAS COUNTY SERVICE DISTRICT #5

Schedule	Current Rate	Number of Accounts**		Suggested New Rate	Projected Revenues 15-16
A	\$ 35.38	92	lots	\$ 35.38	\$ 3,254.96
B	\$ 49.01	6,229	lots	\$ 49.01	\$ 305,283.29
C	\$ 68.72	8,840	lots	\$ 68.72	\$ 607,484.80
D *	\$ 1.23	200,842	lin. ft.#	\$ 1.23	\$ 247,035.66
E	\$ 8.27	557	lots	\$ 8.27	\$ 4,606.39
F	\$ 61.30	142	lots	\$ 61.30	\$ 8,704.60
H	\$ 90.04	3,656	lots	\$ 90.04	\$ 329,186.24
J	\$ 119.64	1,786	lots	\$ 119.64	\$ 213,677.04
K	\$ 82.65	364	lots	\$ 82.65	\$ 30,084.60
M	\$ 1.77	14,070	lin. ft.#	\$ 1.77	\$ 24,903.90
R	\$ 257.31	1,346	lots	\$ 257.31	\$ 346,339.26
W	\$ 240.10	1,733	lots	\$ 240.10	\$ 416,093.30
Total		25,336 lots			\$ 2,536,654
After est. 4% discount for paying taxes early:					\$ 2,435,188
* # of accounts is 591 but assesement is per frontage foot					
** partial year assessments for lights installed in '18-'19, estimated					

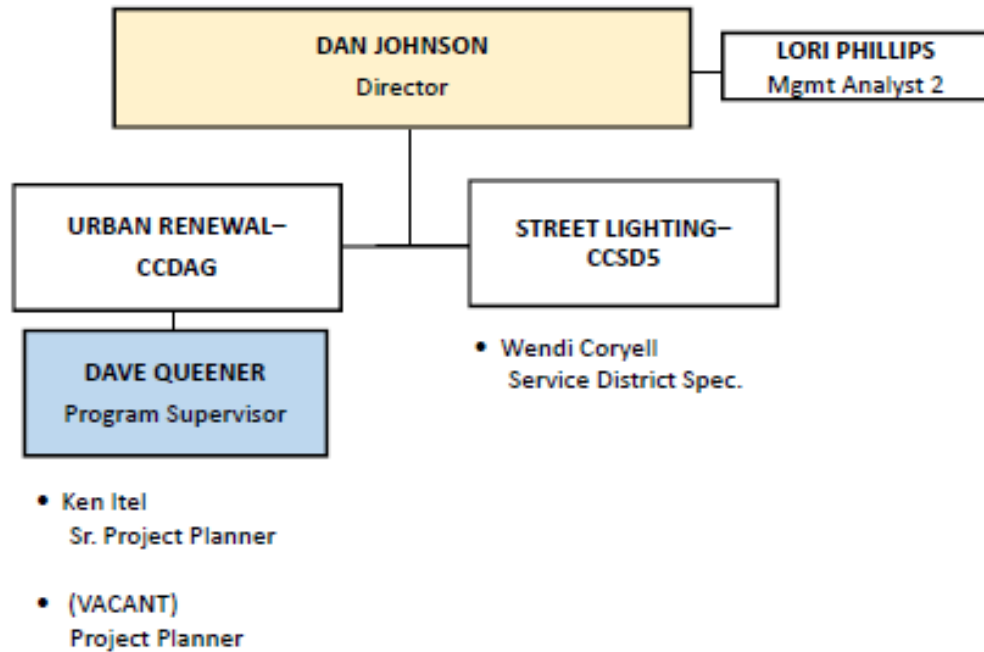
## DEFINITION OF RATE SCHEDULES

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**  
**Targeted Improvement Areas**  
**Urban Renewal – CCDAG | Street Lighting – CCSD5**  
**FY 2020-2021**


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**Divisional Structure**

 Director / Assistant Director

 Managers

 Supervisors

(Employees are 1.0 FTE Unless otherwise indicated.)

30 April 2020

## APPENDIX



## Transportation & Development & Development

### Street Lighting District - CCSD5

#### Purpose Statement

The purpose of the Street Lighting program is to provide light installation, construction, maintenance and operation services to the public so they can travel safely.

#### Performance Narrative Statement

Clackamas County Street Lighting District (CCSD5) proposes a \$2,269,257 operating 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 revenue to contribute towards street lighting installation for capital projects.

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

		FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Target	FY 19-20 Actuals as of 12/31/19	FY 20-21 Target
Result	% of streetlight maintenance requests completed within five (5) business days	New measure -- added FY 2019/2020.		75%	94%	75%
Result	% of streetlights operational during random surveys	New measure -- added FY 2019/2020.		95%	100%	95%
Output	Average # days a repaired street light was malfunctioning before the PGE repair was completed	New measure -- added FY 2020/2021.				3
Output	# street lighting service repairs <sup>1</sup>	New measure.	9	24	12	1,200
Output	# lots annexed into the street lighting district	165	649	Discontinue		
Result	% of requests for new street lighting and street lighting maintenance responded to within one business day of initial inquiry.	85%	97%	Discontinue		
Output	# new street light requests	6	8	Discontinue		

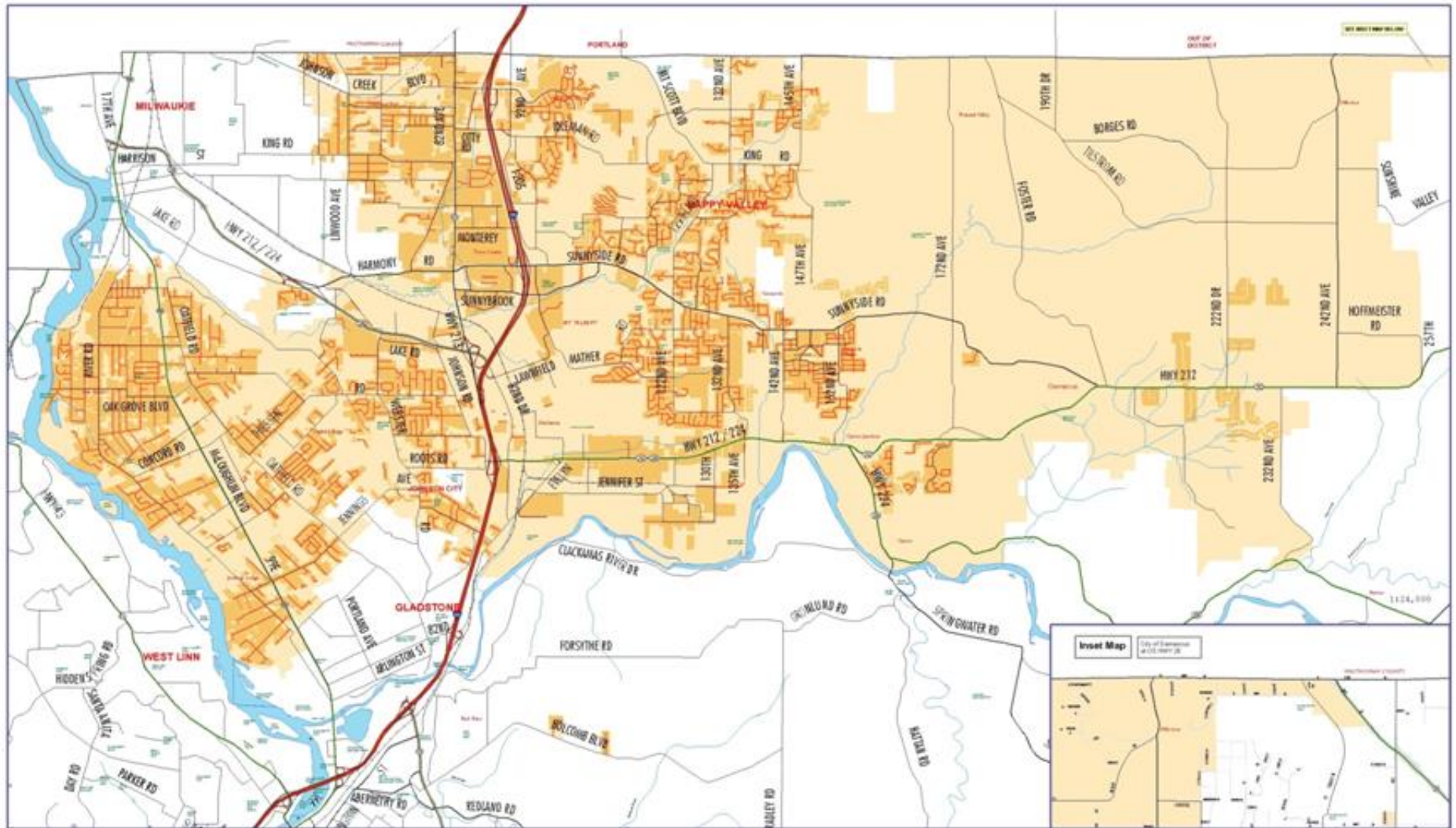
<sup>1</sup> Beginning in FY 2020/2021 we are reporting the total number of street lighting service requests called in to both Clackamas County and those reported directly to PGE. Previous years only reported the number of streetlight repairs called in to Clackamas County and the number was not capturing the PGE direct reports.

	FY 17-18 Actual	FY 17-18 Actual	FY 19-20 Amended Budget	FY 19-20 Actuals as of 12/31/19	FY 19-20 Proposed
CCSD5 Operating Budget	\$ 2,468,835	\$ 2,425,373	\$ 4,305,709	\$ 2,085,127	\$ 4,936,198
Full Time Equiv Pos (FTE) Budgeted *	1.0 FTE	1.0 FTE	1.0 FTE	1.0 FTE	1.0 FTE

\* Program FTE is programmed in the DTD Land Use, Development Review & Permitting program and provides support for the Development Review function. The cost of this FTE is shown as 'contracted labor', there are no personal services categories in this district.



## Service District No. 5 Boundary Map



### Clackamas County Service District #5 STREET LIGHTING

**Legend**

- SD #5 Boundary
- Lighted Parcels
- Lighted Streets

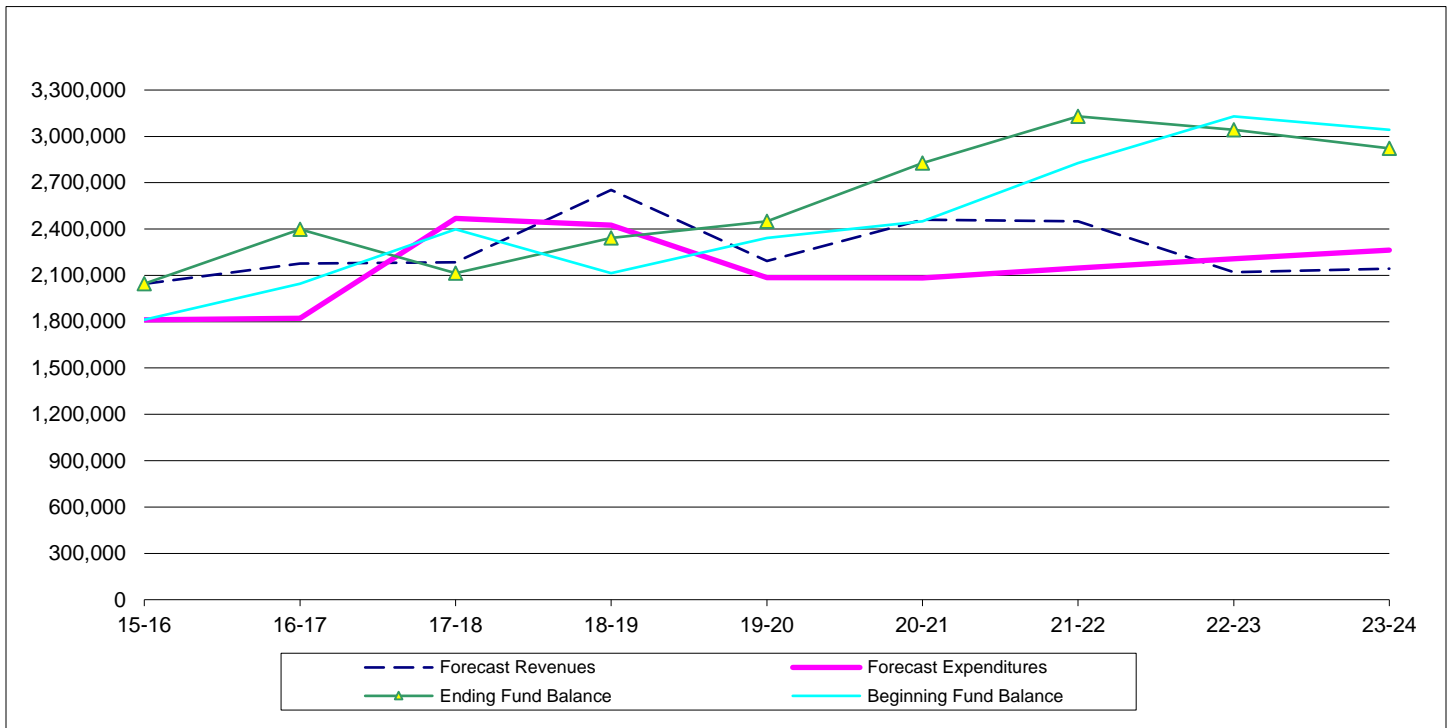


1:26,000  
1 inch equals 0.41 miles



# 115-2450 Service District #5 – Street Lighting 2017-2023

## Baseline Forecast



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

	18-19 Actual	19-20 Budget	19-20 YE Est	20-21 Forecast	21-22 Forecast	22-23 Forecast	23-24 Forecast
<b>Beginning Fund Balance</b>	2,114,422	2,136,710	2,342,138	2,451,010	2,826,941	3,129,467	3,043,378
<b>Revenues</b>							
State Revenue (ODOT)	400,000	0	0	0	0	0	0
Interest Earned	62,930	25,000	50,000	25,000	14,135	15,647	15,217
Assessments	2,190,159	2,143,999	2,143,999	2,435,188	2,435,188	2,105,205	2,129,112
<b>Total Revenues</b>	2,653,089	2,168,999	2,193,999	2,460,188	2,449,323	2,120,852	2,144,329
			-17.3%	12.1%	-0.4%	-13.4%	1.1%
<b>Expenditures</b>							
Materials & Services	1,801,379	1,961,665	1,969,127	2,084,257	2,146,797	2,206,942	2,264,375
Capital Outlay	623,994	1,400,000	116,000	0	0	0	0
Reserves & Contingency		944,044		0	0	0	0
<b>Total Expenditures</b>	2,425,373	4,305,709	2,085,127	2,084,257	2,146,797	2,206,942	2,264,375
			-14.0%	0.0%	3.0%	2.8%	2.6%
<b>Ending Fund Balance</b>	2,342,138	0	2,451,010	2,826,941	3,129,467	3,043,378	2,923,331



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

	2017-18 Actual	2018-19 Actual	2019-20 Amended Budget	2019-20 1st Half	2019-20 Projected Year End	2020-21 Adopted Budget	Change from Prior Year Budget	Pct. Change from Prior Year Budget
<b>Street Lighting</b>								
<b>7492 Street Lighting</b>								
<b>115 CCSD #5 Street Lighting Fund</b>								
302001 Fund Bal at End of Prior Year	2,398,921	2,114,422	2,136,710	2,342,138	2,342,138	2,451,010	314,300	14.71
332001 State Revenue	0	400,000	0	0	0	0	0	0.00
361000 Interest Earned	48,029	62,930	25,000	22,189	50,000	50,000	25,000	100.00
363000 Assessments	2,136,783	2,190,159	2,143,999	2,044,692	2,143,999	2,435,188	291,189	13.58
<b>Total Revenue</b>	<b>4,583,732</b>	<b>4,767,511</b>	<b>4,305,709</b>	<b>4,409,018</b>	<b>4,536,137</b>	<b>4,936,198</b>	<b>630,489</b>	<b>14.64</b>
421100 General Office Supplies	0	48	1,000	0	0	0	(1,000)	(100.00)
421110 Postage	0	0	50	0	0	0	(50)	(100.00)
421210 Computer Non-Capital	61	1,691	2,000	0	0	250	(1,750)	(87.50)
424900 Misc Repair & Maintenance	2,170	3,272	5,000	0	5,000	5,000	0	0.00
431000 Professional Services	0	3,500	5,000	3,250	5,000	5,000	0	0.00
431100 Accounting & Auditing Service	3,400	0	0	0	0	0	0	0.00
431420 Legal Fees	1,116	661	3,000	236	2,000	2,000	(1,000)	(33.33)
431460 Fee Expense	0	0	0	423	0	0	0	0.00
431920 Contracted Labor	129,920	119,892	150,000	51,971	120,000	135,000	(15,000)	(10.00)
432400 Advertising	304	380	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	0	372	0	0	200	0	0	0.00
436100 Electric	1,603,911	1,655,384	1,773,238	779,123	1,815,000	1,900,000	126,762	7.15
438110 Office Rental	2,420	2,528	2,628	657	2,628	2,707	79	3.01
439100 Dues & Memberships	0	475	500	549	550	600	100	20.00
439200 Training & Staff Development	0	0	500	0	0	500	0	0.00
477200 Division Indirect Costs	9,228	8,472	10,536	4,390	10,536	10,111	(425)	(4.03)
478101 Finance Alloc Cost	2,374	968	2,468	2,468	2,468	2,468	0	0.00
478102 Tech Svc Alloc Cost	2,211	0	0	0	0	0	0	0.00
478103 Building Maint Alloc Cost	1,775	1,617	1,960	1,960	1,960	1,843	(117)	(5.97)
478104 PGA Alloc Cost	659	0	0	0	0	0	0	0.00
478106 Purchasing Alloc Cost	28	1,799	2,001	2,001	2,001	2,001	0	0.00
478107 Courier Alloc Cost	1,645	0	0	0	0	0	0	0.00
478112 County Admin Alloc Cost	525	0	0	0	0	0	0	0.00
478201 Electric Utility Alloc	220	226	226	226	226	213	(13)	(5.75)
478202 Natural Gas Utility Alloc	15	40	2	2	2	1	(1)	(50.00)
478203 Water Utility Alloc	36	34	34	34	34	40	6	17.65
478204 Trash Removal Alloc	18	20	22	22	22	23	1	4.55
481200 Construction	706,799	623,994	450,000	28,977	116,000	200,000	(250,000)	(55.56)

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

	2017-18 Actual	2018-19 Actual	2019-20 Amended Budget	2019-20 1st Half	2019-20 Projected Year End	2020-21 Adopted Budget	Change from Prior Year Budget	Pct. Change from Prior Year Budget
<b>Street Lighting</b>								
<b>7492 Street Lighting</b>								
<b>115 CCSD #5 Street Lighting Fund</b>								
490001 Reserve for Future Expenditure	0	0	649,777	0	0	737,137	87,360	13.44
490060 Capital Projects Reserves	0	0	950,000	0	0	1,629,804	679,804	71.56
499001 Contingency	0	0	294,267	0	0	300,000	5,733	1.95
<b>Total Expense</b>	<b>2,468,835</b>	<b>2,425,373</b>	<b>4,305,709</b>	<b>876,289</b>	<b>2,085,127</b>	<b>4,936,198</b>	<b>630,489</b>	<b>14.64</b>
<b>Total CCSD #5 Street Lighting Fund</b>	<b>2,114,897</b>	<b>2,342,138</b>	<b>0</b>	<b>3,532,730</b>	<b>2,451,010</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>Total Street Lighting</b>	<b>2,114,897</b>	<b>2,342,138</b>	<b>0</b>	<b>3,532,730</b>	<b>2,451,010</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>Grand Total</b>	<b>2,114,897</b>	<b>2,342,138</b>	<b>0</b>	<b>3,532,730</b>	<b>2,451,010</b>	<b>0</b>	<b>0</b>	<b>0.00</b>

**Clackamas County, OR.**  
**Revenue and Expense Summary**

	2017-18 Actual	2018-19 Actual	2019-20 Amended Budget	2019-20 1st Half	2019-20 Projected Year End	2020-21 Adopted Budget	Change from Prior Year Budget	Pct. Change from Prior Year Budget
Street Lighting								
7492 Street Lighting								
ALLFUNDS All Funds in Database								
302000 Fund Bal at End of Prior Yr	2,398,921	2,114,422	2,136,710	2,342,138	2,342,138	2,451,010	314,300	14.71
332000 State Revenues	0	400,000	0	0	0	0	0	0.00
360000 Miscellaneous Revenue	2,184,811	2,253,089	2,168,999	2,066,880	2,193,999	2,485,188	316,189	14.58
Total Revenue	<u>4,583,732</u>	<u>4,767,511</u>	<u>4,305,709</u>	<u>4,409,018</u>	<u>4,536,137</u>	<u>4,936,198</u>	<u>630,489</u>	<u>14.64</u>
420000 Materials & Services	1,743,302	1,788,203	1,944,416	836,209	1,951,878	2,052,557	108,141	5.56
476000 Indirect Costs	9,228	8,472	10,536	4,390	10,536	10,111	(425)	(4.03)
478000 Cost Allocation Charges	9,506	4,704	6,713	6,713	6,713	6,589	(124)	(1.85)
480000 Capital Outlay	706,799	623,994	450,000	28,977	116,000	200,000	(250,000)	(55.56)
490000 Reserve for Future Expenditures	0	0	1,599,777	0	0	2,366,941	767,164	47.95
499000 Contingency	0	0	294,267	0	0	300,000	5,733	1.95
Total Expense	<u>2,468,835</u>	<u>2,425,373</u>	<u>4,305,709</u>	<u>876,289</u>	<u>2,085,127</u>	<u>4,936,198</u>	<u>630,489</u>	<u>14.64</u>
Total All Funds in Database	2,114,897	2,342,138	0	3,532,730	2,451,010	0	0	0.00
Total Street Lighting	2,114,897	2,342,138	0	3,532,730	2,451,010	0	0	0.00
Grand Total	2,114,897	2,342,138	0	3,532,730	2,451,010	0	0	0.00