

CLACKAMAS COUNTY
SERVICE DISTRICT #5

Street Lighting

Fiscal Year 2023-2024
Budget Report



May 22, 2023

Proposed

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CLACKAMAS COUNTY SERVICE DISTRICT NO. 5

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DAN JOHNSON
DIRECTOR

DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT
DEVELOPMENT SERVICES BUILDING
150 BEAVERCREEK ROAD OREGON CITY, OR 97045

May 22, 2023

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 2023/2024 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 services:

- (1) Build Strong Infrastructure, and
- (2) Support Healthy and Safe Communities.

The District partners with Portland General Electric (PGE), the development community, local agencies and citizens to provide adequate lighting to serve the traveling public.

Street lighting installations in the District happen one of 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 confirms support for the installation. District staff then 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 and City of Happy Valley road improvement projects, and safety projects, where lighting is desirable, to find a means to pay for the operation and maintenance of lighting appropriate to meet county and district goals.

District representatives worked with representatives from citizen committees, the City of Happy Valley, the Development Agency (Urban Renewal), County transportation programs to identify lighting projects within the district that will improve the safety of the roadway sections. For the last nine years, the District has earmarked funds received through the sale of Option B lighting in 2013 to invest in these street lighting improvements.

The District has already invested in five of these projects:

- McLoughlin Boulevard (Citizen Committee)
- Clackamas Regional Center (CRC) Mobility Project – Sunnyside Road Area (Urban Renewal)
- 90th Avenue (County Transportation Program)
- Linwood Avenue (Urban Renewal)
- King Road / SE 129th Avenue & 132nd Avenue (Happy Valley)

The proposed FY 2023/2024 budget includes resources to invest in another three projects:

- D Street / Fuller Road (Urban Renewal)
- Monroe Avenue (Urban Renewal)
- Idleman Road (Happy Valley)

Each year the payment of electrical costs represents a significant portion of the annual budget. PGE electricity rate adjustments are developed through a public process and determined by the Oregon Public Utility Commission (OPUC).

PGE analysis shows the District should expect a 7% increase in electricity costs next fiscal year; however, the ongoing conversion of district lighting is Light Emitting Diode (LED) which will help offset these rising costs, and the district is able to absorb the remaining increase with existing resources. No rate increase is proposed for FY 2023/2024.

The proposed budget for the District for FY 2023/2024 is \$4,941,900. In accordance with Oregon Budget Law, all planned expenditures will be funded through a combination of prior asset sales and user fees.

Sincerely,



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

Enclosures

2023-2024 BUDGET
FOR
CLACKAMAS COUNTY SERVICE DISTRICT NO. 5
STREET LIGHTING

BOARD OF DIRECTORS

CHAIR TOOTIE SMITH
COMMISSIONER PAUL SAVAS
COMMISSIONER MARTHA SCHRADER
COMMISSIONER MARK SHULL
COMMISSIONER BEN WEST

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JEFFREY DAVIS
JEANETTE DECASTRO
BRENT EMBERLIN
EWA ROKAWSKA

COUNTY ADMINISTRATOR & BUDGET OFFICER

GARY SCHMIDT

BUDGET APPROVAL _____ DATE _____

Chair, Budget Committee
Clackamas County Service District No. 5

DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT

150 Beavercreek Rd.
Oregon City, Oregon 97045

Work Program Narrative for **Clackamas County Service District No. 5**

A. Agency Mission/Purpose

Clackamas County Service District No. 5 provides street lighting to unincorporated urban areas of the County and to the City of Happy Valley, by agreement.

The purpose of the Street Lighting program is to provide light installation, maintenance and operation services to the public so they can travel safely. Installation of street lighting can be an effective way of increasing safety as it increases visibility to the travelling public and can be a deterrent against crime.

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 the case of tax exempt property, through direct billing.

The District partners with Portland General Electric (PGE), the development community, local agencies and citizens to provide adequate lighting to serve the traveling public. Street lighting throughout the county is installed 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 confirms support for the installation. District staff then 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 and City of Happy Valley road improvement projects, and safety projects, where lighting is desirable, to find a means to pay for the installation, operation and maintenance of lighting appropriate to meet county and district goals.

Development Projects

District staff will review approximately 50 development applications annually for compliance with street lighting requirements. Each year, about 30 new street lighting projects will install approximately 50 new street lights on local, collector and arterial roads adjoining new residential and commercial development in the district boundary.

B. Management Goals and Objectives

- Pursue installation, operation and maintenance of street lights. PGE owns, installs, operates and maintains the street lights and the District pays a monthly fee for this service.
- Respond to requests for petitions by supplying a petition package within one week.
- Coordinate with capital Improvement project managers and designers on County and City of Happy Valley road improvement projects, and safety projects, to ensure street light design and installation meets district standards. Ensure adequate funding is available for ongoing operation and maintenance of the street lights included in the scope of these projects when the district plans to annex the lights.
- Participate in the design review process to ensure street light installation on all residential and commercial projects is appropriate. Annex benefitting properties in to the district to secure ongoing funding for providing the street lighting services.
- Prepare an accurate assessment roll each year within the timeline set by the Assessor's Office, and invoice property tax exempt accounts, to ensure timely receipt of street lighting assessments to pay for the operation of street lights within the District.
- Review projected financial needs of the District and recommend rate schedule adjustments to ensure adequate funds to install, operate and maintain street lights in the District.

C. Highlights of Budget

Rate History

Budget Year	Rate Change	Reason for Change/No Change
2019-2020	No Change	LED cost savings not yet realized.
2020-2021	No Change	LED cost savings not yet realized.
2021-2022	5% Decrease	Balance rates to align with reduced PGE invoices as LED conversions result in cost savings to the district.
2022-2023	0.5% (half of one percent) Decrease	Evaluate LED cost savings and capital project costs.
2023-2024	No Change	Ongoing Light Emitting Diode (LED) conversions are reducing electrical costs, which helps offset these rising costs. District is able to absorb the remaining increase with existing resources.

Conversions from High Pressure Sodium to Light Emitting Diode (LED)

Conversion of light emitting diode (LED) street lighting continued in 2022/2023, with 576 LED lights being installed either through conversions, new installations or replacements. There continues to be no cost to Service District 5 for the conversions; Portland General Electric has covered all costs associated with this transition.

- 497 Pendant, 8 replacements and 71 new fixtures were converted leaving a total of 22 lights still requiring conversion.

Revenue

The District forecast for FY 23-24 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 2023 to November 2024.

With no rate change, actual service assessments for FY 2023-24 are projected to adequately cover the operating expenses of the district.

Expenditures

Each year the payment of electrical costs represents a significant portion of the annual budget. PGE electricity rate adjustments are developed through a public process and determined by the Oregon Public Utility Commission (OPUC).

District staff anticipates the monthly bill from PGE for the operation and maintenance of street lights to average between \$168,000 and \$172,000 per month in FY 2023-24, based on current billing rates and planned increases.

Average Monthly PGE District Billing

2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
						Mid Jul 2022- Jan 2023
Mid July - June 30						
\$ 135,349.00	\$ 130,683.72	\$ 134,015.00	\$ 148,669.00	\$ 153,374.72	\$ 156,905.96	\$ 168,725.51
	-3.45%	2.55%	10.93%	3.17%	2.30%	7.53%

Special Expenditures

District representatives worked with representatives from citizen committees, the City of Happy Valley, the Development Agency (Urban Renewal), County transportation programs to identify lighting projects within the district that will improve the safety of the roadway sections. For the last nine years, the District has earmarked funds received through the sale of Option B lighting in 2013 to invest in these street lighting improvements.

The District has already invested in five of these projects:

- McLoughlin Boulevard (Citizen Committee)
- Clackamas Regional Center (CRC) Mobility Project – Sunnyside Road Area (Development Agency)
- 90th Avenue (County Transportation Program)
- Linwood Avenue (Development Agency)
- King Road / SE 129th Avenue & 132nd Avenue (Happy Valley)

The proposed FY 2023/2024 budget includes resources to invest in another three projects:

- D Street / Fuller Road (Development Agency)
- Monroe Avenue (Development Agency)
- Idleman Road (Happy Valley)
- **Safety Equipment & Supplies (Account 44260).** The district has budgeted \$100,000 for direct payments to PGE for installation of street lighting.
- **Special Payments (Account 47520).** The district programmed \$200,000 to reimburse charges already incurred by other agencies as part of a capital project.
- **Contingency (Account 49997).** The contingency for FY 2023-24 remains healthy at \$485,000.

Reserves

The operational revenue needed to provide for the payment of expenses for the period of July 1, 2023, when the fiscal year begins, through November 15, 2024, when the revenues begins to be received from the County Tax Collector. 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.

- **Reserve (Account 49999).** This year the District budgeted \$848,000 in reserve to cover the first five (5) months of electricity bills, \$400,000 for a future investment in asset management software, and \$522,000 in capital reserve for future capital projects.

D. Performance Indicators

- There were approximately 137 lights and 166 lots added to the District in 2022-2023 as a result of residential and commercial development. Currently there are approximately 9,632 lights in the District.
- The District continues to install Light Emitting Diode (LED) in new cobra, acorn and Aurora pendant style fixtures.

Rate Schedule 2023-2024

RATE and ASSESSMENT SUMMARY 2023-2024 CLACKAMAS COUNTY SERVICE DISTRICT #5

Schedule	Current Rate	Number of Accounts**		Projected Revenues 22-23
A	\$ 34.00	92	lots	\$ 3,128.00
B	\$ 47.00	6,208	lots	\$ 291,776.00
C	\$ 65.00	8,885	lots	\$ 577,525.00
D *	\$ 1.17	209,765	lin. ft.#	\$ 243,327.00
E	\$ 8.00	557	lots	\$ 4,456.00
F	\$ 58.00	137	lots	\$ 7,946.00
H	\$ 86.00	3,695	lots	\$ 317,770.00
J	\$ 114.00	1,786	lots	\$ 201,818.00
K	\$ 79.00	482	lots	\$ 38,078.00
M *	\$ 1.68	25,878	lin. ft.#	\$ 43,217.00
R	\$ 244.00	1,345	lots	\$ 326,835.00
W	\$ 228.00	1,103	lots	\$ 250,381.00
Total		24,290	lots	\$ 2,306,257
		After est. 4% discount for paying taxes early:		\$ 2,214,007
* # of accounts is 595, assessment is per frontage foot				
** partial year assessments for lights installed in '22-'23, 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 (Aurora Pendant lights (previously Westbrook) with decorative aluminum poles)

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.

APPENDIX

Board of County Commissioners

County Administrator,
Gary Schmidt

Department of Transportation & Development

Administrative Services	Transportation Services	Community Services	Development Services	Visioning Services
Office of the Director	Traffic Safety	Code Enforcement	County Surveyor	Urban Renewal
	Trans Engineering & Const	Dog Services	Current Planning	Long-Range Planning
	Transportation Maintenance	Sustainability & Solid Waste	Building Codes	Regional Policy Coordination
	Community Road Fund	Library Support Services	Septic	Office of Economic Development
	Damascus Roads	Oak Lodge Library	Development Engineering	
	Fleet	Gladstone Library	Public Land Corner	
	Street Lighting	County Parks		
		Forestry		



Transportation Services

Street Lighting

Purpose Statement

Fund the maintenance, repair + installation of street lighting to improve safety and deter crime

Performance Narrative Statement

This program installs, operates and maintains street lighting for the unincorporated areas of Clackamas County (primarily in the urban area) and within the City of Happy Valley. The District coordinates with Portland General Electric and provides operational oversight for the street lighting network. Contract staff provides review and coordination services for the installation of new street lighting (both through capital projects, new construction related to development within the district boundary and other requests to annex in to the district through petition) and equipment (primarily shields) to support enhancements of the existing system.

- In FY 2022/2023 staff performed 3 random surveys, looking at 100 lights; during which 88% of the district managed lighting was operational.
- Portland General Electric received 497 requests to repair district lighting last year, and 75% of these repairs were completed within 5 (five) business days.
- Due to staff shortages and required PGE emergency response needs (such as inclement weather), 19 of the repairs took more than 6 days.

Installation of street lighting can be an effective way of increasing safety as it increases visibility to the travelling public and can be a deterrent against crime. The Street Lighting District offers services which support Building Strong Infrastructure and Healthy and Safe Communities.

Key Performance Measures

		FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Target	FY 22-23 Actuals as of 12/31/22	FY 23-24 Target
RESULT	By 2025, invest in four capital projects to increase safety within the district	NEW	NEW	NEW	NEW	90%
OUTPUT	# street lighting service repairs	137	497	100	297	400
CUSTOMER SERVICE	Average # days a repaired street light was malfunctioning before the PGE repair was completed.	5	7	6	6	6
RATIO	# street lights surveyed : # street lights operational during random surveys ¹	100%	23%	95%	88%	400 : 340
Result	% of streetlight maintenance requests completed within five (5) business days	80%	76%	90%	88%	DISCONTINUE

¹ Ratio measure was previously reported as a percentage.

Program includes:

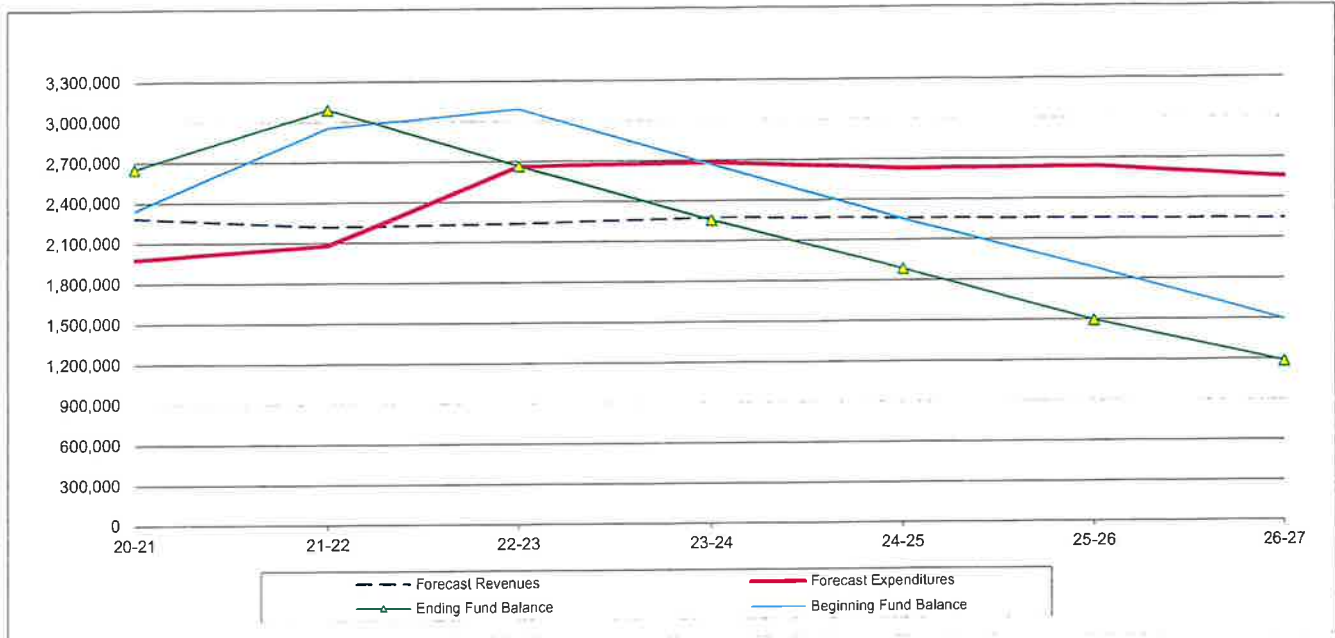
Mandated Services	<input type="checkbox"/> Yes
Shared Services	<input type="checkbox"/> No
Grant Funding	<input type="checkbox"/> No



Explanation

**615-300310 Service District #5-Street Lighting
2022-2027 Forecast**

Baseline Forecast



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

	21-22 Actual	22-23 Budget	22-23 YE Est	23-24 Budget	24-25 Forecast	25-26 Forecast	26-27 Forecast
Beginning Fund Balance	2,957,275	3,255,982	3,092,162	2,667,892	2,255,943	1,886,283	1,497,404
Revenues							
Interest Earned	18,722	30,000	60,000	60,000	50,000	41,667	34,722
Assessments	2,200,482	2,181,180	2,181,180	2,214,007	2,214,007	2,214,006	2,214,007
Total Revenues	2,219,204	2,211,180	2,241,180	2,274,007	2,264,007	2,255,673	2,248,729
			1.0%	2.8%	-0.4%	-0.4%	-0.3%
Expenditures							
Materials & Services	2,084,316	2,337,200	2,325,450	2,485,956	2,433,666	2,494,553	2,559,479
Capital Outlay		500,000	340,000	200,000	100,000	100,000	
Computer Software					100,000	50,000	
Reserves & Contingency		2,629,962					
Total Expenditures	2,084,316	5,467,162	2,665,450	2,685,956	2,633,666	2,644,553	2,559,479
			27.9%	-50.9%	-1.9%	0.4%	-3.2%
Ending Fund Balance	3,092,163	0	2,667,892	2,255,943	1,886,283	1,497,404	1,186,653

Narrative/Assumptions

Rate reduced in 21-22 and 22-23.

Assessment revenue increase due to new assessment areas

Beginning FY 2022/2023, Materials & Services category includes direct payment to PGE for installation of PGE owned lighting.

Beginning FY 2022/2023, Capital Outlay in the forecast includes any assumed Special Payments to reimburse charges already incurred by other agencies as part of a capital project.

Account Full	20-21 Actuals	FY21-22 Actuals	FY22-23 Amended	FY22-23 Projection	FY23-24 Budget
30110-Restricted Beginning Fund Balance	2,650,242	2,957,275	3,255,982	3,092,163	2,667,893
36110-Interest Income	24,281	18,722	30,000	60,000	60,000
37100-Assessments	2,272,461	2,200,482	2,181,180	2,181,180	2,214,007
Total Revenues	4,946,983	5,176,478	5,467,162	5,333,343	4,941,900
42010-Advertising/Marketing	369	-	500	500	500
42080-Dues & Memberships	549	-	600	600	600
42100-Fees	3,842	4,105	4,000	4,000	4,000
42220-Office Supplies	-	25	-	-	-
42240-Postage/Shipping	40	49	100	75	100
42250-Printing & Copies	-	-	100	-	-
42320-Training & Development	-	-	500	35	300
42330-Transportation - Mileage	-	-	500	-	200
42400-Utilities - Electricity	1,834,034	1,905,027	2,000,000	2,040,140	2,180,000
43100-Professional Services	3,700	4,050	5,000	4,000	5,000
43160-Contract Employees	127,104	7,225	-	-	-
43240-Legal Services	320	599	2,000	2,000	2,000
43280-Other Contracted Services	-	125,949	135,000	153,000	153,000
44120-Computer < \$5K	100	2,067	500	200	500
44260-Safety Equipment & Supplies	-	-	150,000	86,000	100,000
45190-Miscellaneous Repair & Maint	245	225	4,000	500	3,000
46150-Leases - Office	2,706	2,788	2,790	2,790	1,536
47100-Cost Allocation - Finance	6,589	4,469	4,470	4,470	941
47110-Division Indirect Costs	10,111	-	-	-	-
47120-Cost Allocation - Facilities	-	1,901	1,900	1,900	3,324
47130-Cost Allocation - Utilities	-	321	330	330	840
47140-Cost Allocation - Tech Services	-	-	-	-	2,165
47150-Cost Allocation - PGA	-	-	-	-	255
47160-Cost Allocation - Records Management	-	-	-	-	71
47170-Cost Allocation - Human Resources	-	-	-	-	702
47180-Cost Allocation - County Admin	-	-	-	-	134
47190-Cost Allocation - County Counsel	-	-	-	-	278
47520-Pass Thru Payments -Local Govt&Other Agencies	-	-	500,000	340,000	200,000
49910-YE Proj Bal - Restricted	-	-	-	2,667,893	-
49997-Contingency	-	-	500,000	-	485,000
49999-Reserve - Designated	-	-	2,129,962	-	1,770,944
Total Expenses	1,989,709	2,084,316	5,467,162	5,333,343	4,941,900



Transportation & Development (60)

Budget Summary by Fund

Line of Business Name	Program Name	Service District No. 5 Fund (615)	FY 23-24 Total Budget	FY 23-24 General Fund Support in Budget**	FY 23-24 Total FTE *
Transportation Services	Street Lighting (SDN5)	4,941,900	4,941,900		-
TOTAL		4,941,900	4,941,900		
FY 22-23 Budget (Amended)		5,467,162	5,467,162		
\$ Increase (Decrease)		-525,262	-525,262		
% Increase (Decrease)		-9.61%	-9.61%		

* Personnel services are shown as "Contracted Labor". FTE county rolls up into department 80.

**General Fund Support is the subsidy, net of any other revenue received by the department.

