

CLACKAMAS COUNTY
SERVICE DISTRICT #5

Street Lighting

Fiscal Year 2024-2025
Budget Report



May 28, 2024

Draft

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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 28, 2024

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

I am pleased to present for your review and approval the proposed budget for Clackamas County Service District No. 5 ("District") for fiscal year 2024/2025 in the amount of \$5,449,676.

District Overview

The county's Department of Transportation & Development (DTD) is responsible for the administration of Service District No. 5. The budget was prepared in compliance with Oregon Budget Law and is balanced with resources matching projected annual requirements.

The District is responsible for providing street lighting services in the unincorporated urban areas of Clackamas County, and with the City of Happy Valley, through a separate agreement. The District services aim to achieve two main goals:

1. Build Strong Infrastructure; and
2. Support Healthy and Safe Communities.

To achieve its objectives, the district partners with Portland General Electric (PGE), the local development community, agencies, and residents to provide adequate lighting to serve the traveling public.

New Street Lighting Installations

Street lighting installations in the District happen one of three ways:

- In response to resident 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, and to find a means to pay for the operation and maintenance of lighting appropriate to meet county and district goals.

Safety Investments

For more than a decade, the District has earmarked and invested funds received through the sale of Option B Lighting in 2013 to target street lighting improvements.

District staff continues to work with the City of Happy Valley, the Development Agency (Urban Renewal), and County transportation programs to identify lighting projects within the District that will improve the safety of the roadway sections.

These partnerships have resulted in contributing to the completion of six key project investments:

- McLoughlin Boulevard (Citizen Committee)
- 90th Avenue (County Transportation Program)
- King Road / SE 129th Avenue & 132nd Avenue (Happy Valley)
- Idleman Road (Happy Valley)
- D Street / Fuller Road (Urban Renewal)
- Monroe Avenue (Urban Renewal)
- Linwood Avenue (Urban Renewal)

The proposed FY2024/2025 budget includes \$260,000 to invest in the Clackamas Regional Center (CRC) Mobility Project – Sunnyside Road Area (partnering with Urban Renewal funds); and includes \$50,000 for other capital investments that arise during the budget year.

Expenditures

The payment of electrical costs represents a significant portion of the annual budget. PGE rate adjustments are determined by the Oregon Public Utility Commission (OPUC). In January 2024, PGE invoices reflected an approximate 7% increase to the PGE rates, which aligns with the forecast that the District received last fiscal year.

No District rate increase is proposed for FY2024/2025. The district will use current resources, including a combination of prior asset sales, user fees and interest on investments to fund planned expenditures.

Acknowledgements

I want to thank the Budget Committee for assuming this important task on behalf of our community. The time you take to receive and review the budget and attend the meetings is very much appreciated.

We respectfully request that the Budget Committee approve this budget for the fiscal year 2024/2025.

Respectfully submitted,

Sincerely,



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

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 20 development applications for compliance with street lighting requirements in FY 24-25. Each year, the District estimates that 40 projects will install close to 150 new street lights on local, collector and arterial roads adjoining new residential and commercial development in the District boundary.

B. Management Goals and Objectives

- Manage installation, operation and maintenance of street lights in the District. 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
2020-2021	No Change	Light Emitting Diode (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 LED conversions are reducing electrical costs, which helps offset rising electrical costs. District was able to absorb the PGE increase with existing resources.
2024-2025	No Change	Continuing to monitor cost savings while investing in capital projects that meet the objectives of the District. District will absorb the PGE rate increase with existing resources.

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

There are eight remaining LED light fixture conversions which will be completed before the end of calendar year 2024.

Revenue

The District forecast for FY 24-25 shows that with a reserve for future capital projects, there are adequate funds to cover expenditures while maintaining the necessary fund balance to cover electrical bills from July 2024 to November 2025.

Actual service assessments for FY 2024-25 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 will average between \$184,000 and \$187,000 per month in FY 2024-25. This estimate was calculated using current billing rates, adjusted for increases from PGE rate increases and the addition of new street lighting.

2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Mid July - June 30						Mid Jul 2022- Jan 2023
\$ 130,683.72	\$ 134,015.00	\$ 148,669.00	\$ 153,374.72	\$ 156,905.96	\$ 168,725.51	\$ 173,030.43
	2.55%	10.93%	3.17%	2.30%	7.53%	2.55%

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 been investing in street lighting improvements, using earmarked funds received through the sale of Option B lighting in 2013.

- **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 \$310,000 to reimburse charges already incurred by other agencies as part of a capital project.
- **Contingency (Account 49997).** The contingency for FY 2024-25 remains healthy at \$475,000.

Reserves

The operational revenue needed to provide for the payment of expenses in future years.

Reserve (Account 49999). This year the District budgeted \$2,116,600 in reserve. This is set aside to cover:

- The estimated \$831,349 required to pay for the five (5) months of electricity bills that PGE charges for operation and maintenance of street lights in FY 2025/2026. The period of July 1, 2025, when the fiscal year begins, through November 15, 2026, when the revenues will start to be received from the County Tax Collector requires the use of a prior year fund balance to pay for lighting operations.
- An additional \$1,285,251 to help reduce the impact of future PGE rate increases on rate payors, required repairs on District owned lights, investment in street lighting projects, billing/project management system upgrades, and other District requirements.

D. Performance Indicators

- There were approximately 136 lights and 174 lots added to the District in 2023-2024 as a result of residential and commercial development.
- There are approximately 9,703 lights in the District.
- The District continues to require the install of Light Emitting Diode (LED) cobra, acorn and Aurora pendant style fixtures on new projects.

RATE and PROJECTED 2024-2025 ASSESSMENTS
CLACKAMAS COUNTY SERVICE DISTRICT #5

Schedule	Current Rate	Number of Accounts**		Projected Revenues 24-25
A	\$ 34.00	92	lots	\$ 3,128.00
B	\$ 47.00	6,255	lots	\$ 293,985.00
C	\$ 65.00	8,915	lots	\$ 579,475.00
D *	\$ 1.16	213,167	lin. ft.#	\$ 247,274.00
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	\$ 113.00	1,786	lots	\$ 201,818.00
K	\$ 79.00	482	lots	\$ 38,078.00
M *	\$ 1.67	25,878	lin. ft.#	\$ 43,217.00
R	\$ 243.00	1,345	lots	\$ 326,835.00
W	\$ 227.00	1,152	lots	\$ 261,504.00
Total		24,416 lots		\$ 2,325,486
After est. 4% discount for paying taxes early:				\$ 2,232,467
* # of accounts is 772, assessment is per frontage foot				
** partial year assessments for lights installed in '24-'25, 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 2024/2025 staff will perform 6 random surveys, looking at approximately 300 lights; based on past surveys, we anticipate 92% of the district managed lighting will be operational.
- There is an upward trend in the number of requests Portland General Electric is receiving to repair district lighting. There was a spike in December 2023, due to the winter storm; but the prior year, FY2022/2023 was trending upward. We are estimating 775 repair tickets will be submitted next year. Currently 75% of these repairs are being completed within 5 (five) business days, but we are targeting that on average the repairs will be done within 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 21-22 Actual	FY 22-23 Actual	FY 23-24 Target	FY 23-24 Actuals as of 12/31/23	FY 24-25 Target
RESULT	By 2025, invest in four capital projects to increase safety within the district	NEW	25%	90%	150%	200%
OUTPUT	# street lighting service repairs	493	870	400	959	775
CUSTOMER SERVICE	Average # days a repaired street light was malfunctioning before the PGE repair was completed.	7	6	6	7	6
RATIO	# street lights surveyed : # street lights operational during random surveys ¹	99%	90 : 89	400 : 340	275 : 266	300 : 275

¹ Ratio measure was previously reported as a percentage.

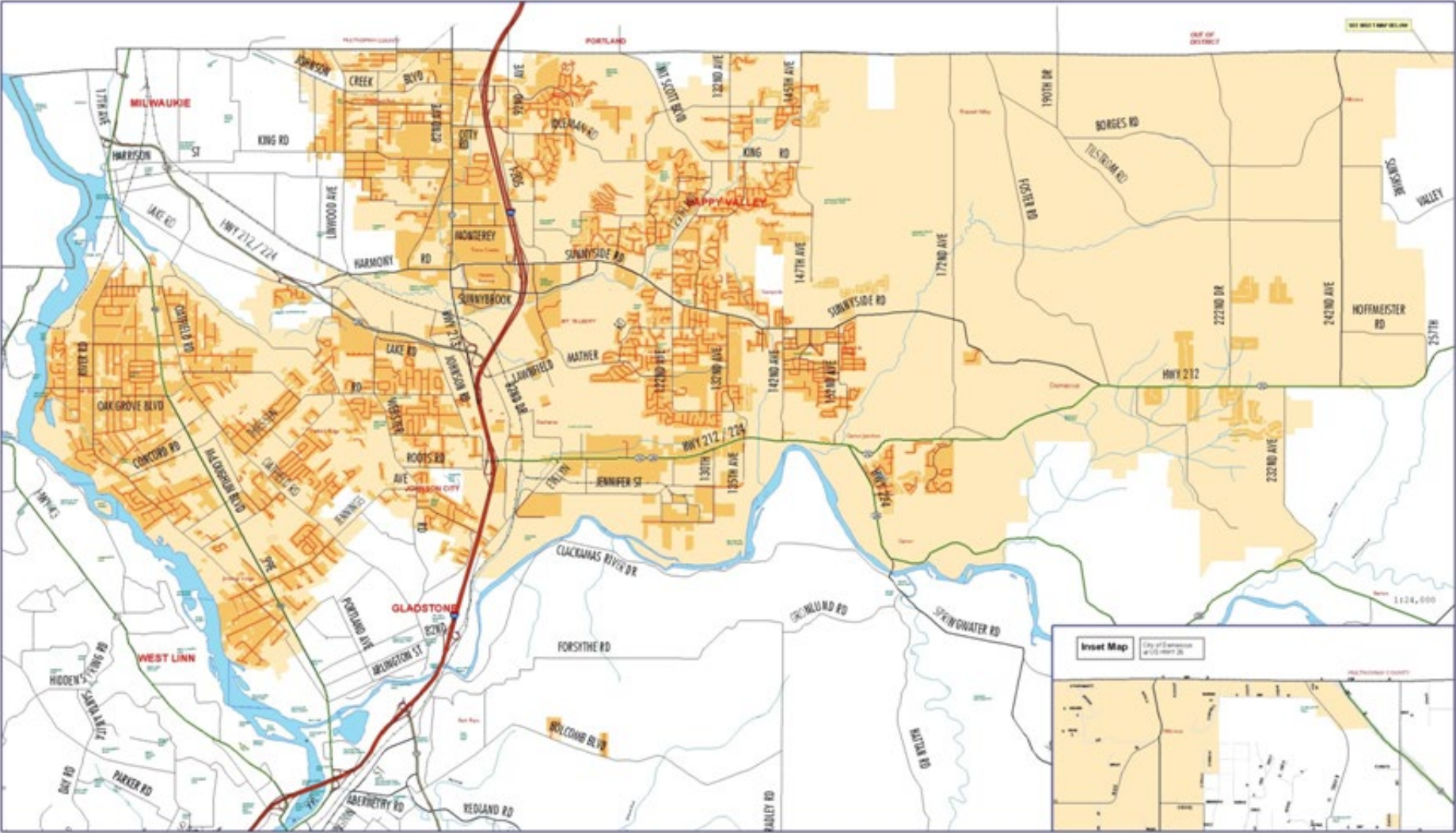
Program includes:

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



Explanation

Service District No. 5 Boundary Map



**Clackamas County Service District #5
STREET LIGHTING**

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

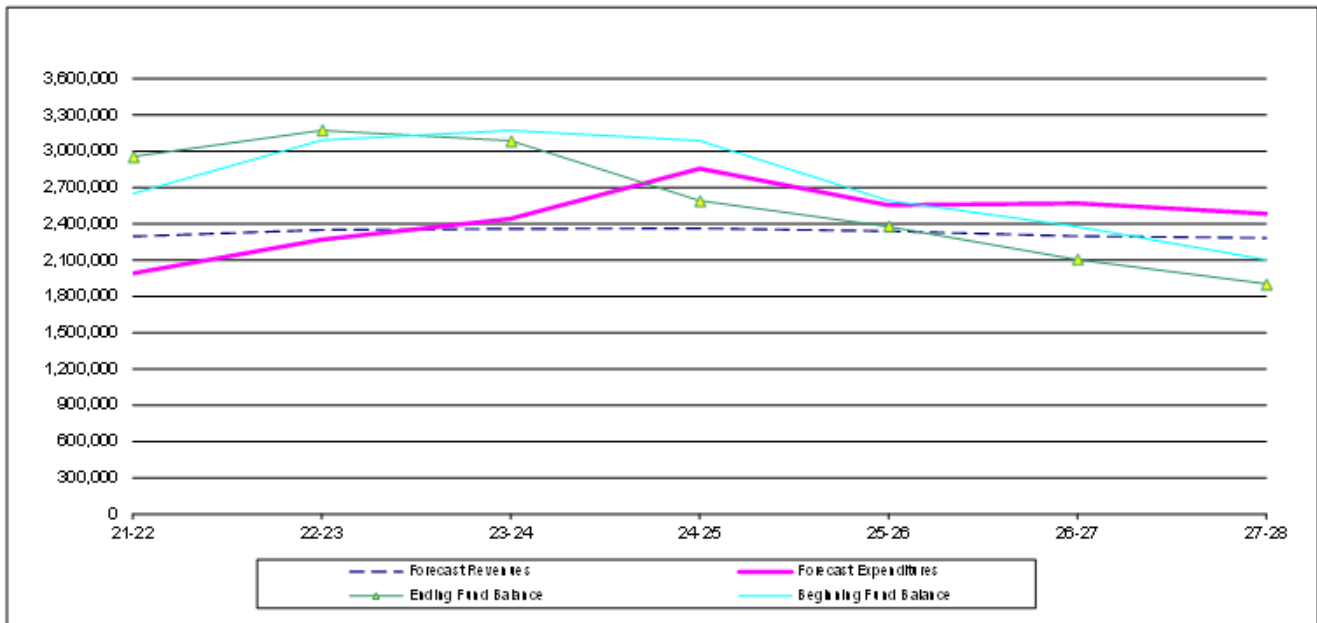


1:26,000
1 inch equals 0.41 miles



**615-300310 Service District #5- Street Lighting
2023-2028 Forecast**

Baseline Forecast



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

	22-23 Actual	23-24 Budget	23-24 YE Est	24-25 Budget	25-26 Forecast	26-27 Forecast	27-28 Forecast
Beginning Fund Balance	3,092,162	2,667,893	3,172,984	3,087,610	2,591,600	2,377,153	2,104,987
Revenues							
Interest Earned	107,480	60,000	144,000	129,600	108,000	90,000	75,000
Assessments	2,243,356	2,214,007	2,214,007	2,232,466	2,232,466	2,208,736	2,208,736
Total Revenues	2,350,836	2,274,007	2,358,007	2,362,066	2,340,466	2,298,736	2,283,736
			0.3%	3.9%	-0.9%	-1.8%	-0.7%
Expenditures							
Materials & Services	2,270,014	2,485,956	2,393,381	2,548,076	2,354,913	2,420,902	2,483,921
Capital Outlay		200,000	50,000	310,000	100,000	100,000	
Computer Software					100,000	50,000	
Reserves & Contingency		2,255,944					
Total Expenditures	2,270,014	4,941,900	2,443,381	2,858,076	2,554,913	2,570,902	2,483,921
			7.6%	-42.2%	-10.6%	0.6%	-3.4%
Ending Fund Balance	3,172,984	0	3,087,610	2,591,600	2,377,153	2,104,987	1,904,803

Narrative/Assumptions

No rate change took place in 23-24
 Assessment revenue increase if new assessment areas are formed
 No rate increase assumed for 24-25

Budget Spreadsheets - Detail

Type	Account	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Amended Budget (12 14 23)	FY 23-24 Year End Estimate	FY 24-25 Proposed Budget
Revenues	30110-Restricted Beginning Fund Balance	\$ 2,957,275	\$ 3,092,162	\$ 2,667,893	\$ 3,172,984	\$ 3,087,610
	36110-Interest Income	\$ 18,722	\$ 107,480	\$ 60,000	\$ 144,000	\$ 129,600
	37100-Assessments	\$ 2,200,482	\$ 2,243,356	\$ 2,214,007	\$ 2,214,007	\$ 2,232,466
Total Revenues		\$ 5,176,478	\$ 5,442,998	\$ 4,941,900	\$ 5,530,991	\$ 5,449,676
Expenses	42010-Advertising/Marketing	\$ -	\$ 433	\$ 500	\$ 500	\$ 500
	42080-Dues & Memberships	\$ -	\$ 549	\$ 600	\$ 1,500	\$ 1,800
	42100-Fees	\$ 4,105	\$ 4,380	\$ 4,000	\$ 4,500	\$ 4,000
	42220-Office Supplies	\$ 25	\$ -	\$ -	\$ -	\$ -
	42240-Postage/Shipping	\$ 49	\$ 44	\$ 100	\$ 75	\$ 100
	42320-Training & Development	\$ -	\$ 35	\$ 300	\$ -	\$ 300
	42330-Transportation - Mileage	\$ -	\$ -	\$ 200	\$ -	\$ 200
	42400-Utilities - Electricity	\$ 1,905,027	\$ 2,053,001	\$ 2,180,000	\$ 2,125,000	\$ 2,227,932
	43100-Professional Services	\$ 4,050	\$ 4,000	\$ 5,000	\$ 4,000	\$ 5,000
	43130-Audit & Financial Services	\$ -	\$ 250	\$ -	\$ -	\$ -
	43160-Contract Employees	\$ 7,225	\$ 14,247	\$ -	\$ -	\$ -
	43240-Legal Services	\$ 599	\$ 484	\$ 2,000	\$ 2,500	\$ 5,000
	43280-Other Contracted Services	\$ 125,949	\$ 132,957	\$ 153,000	\$ 153,000	\$ 155,000
	44120-Computer < \$5K	\$ 2,067	\$ -	\$ 500	\$ 50	\$ 200
	44260-Safety Equipment & Supplies	\$ -	\$ 24,854	\$ 100,000	\$ 65,000	\$ 100,000
	45190-Miscellaneous Repair & Maint	\$ 225	\$ 300	\$ 3,000	\$ 500	\$ 3,000
	46150-Leases - Office	\$ 2,788	\$ 2,870	\$ 1,536	\$ 1,536	\$ 3,841
	47100-Cost Allocation - Finance	\$ 4,469	\$ 4,470	\$ 941	\$ 941	\$ 902
	47110-Division Indirect Costs	\$ -	\$ -	\$ -	\$ -	\$ -
	47120-Cost Allocation - Facilities	\$ 1,901	\$ 1,900	\$ 3,324	\$ 3,324	\$ 3,244
	47130-Cost Allocation - Utilities	\$ 321	\$ 330	\$ 840	\$ 840	\$ 798
	47140-Cost Allocation - Tech Services	\$ -	\$ -	\$ 2,165	\$ 2,165	\$ 2,666
	47150-Cost Allocation - PGA	\$ -	\$ -	\$ 255	\$ 255	\$ 293
	47160-Cost Allocation - Records Management	\$ -	\$ -	\$ 71	\$ 71	\$ 100
	47170-Cost Allocation - Human Resources	\$ -	\$ -	\$ 702	\$ 702	\$ 700
	47180-Cost Allocation - County Admin	\$ -	\$ -	\$ 134	\$ 134	\$ -
	47190-Cost Allocation - County Counsel	\$ -	\$ -	\$ 278	\$ 278	\$ 300
	47300-Dept. Indirect Costs	\$ 25,516	\$ 24,910	\$ 26,510	\$ 26,510	\$ 32,200
	47520-Pass Thru Payments -Local Govt&Other Agencies	\$ -	\$ -	\$ 200,000	\$ 50,000	\$ 310,000
	49997-Contingency	\$ -	\$ -	\$ 485,000	\$ -	\$ 475,000
	49999-Reserve - Designated	\$ -	\$ -	\$ 1,770,944	\$ -	\$ 2,116,600
Total Expenses		\$ 2,084,316	\$ 2,270,014	\$ 4,941,900	\$ 2,443,381	\$ 5,449,676
Ending Fund Balance		\$ 3,092,162	\$ 3,172,984	\$ -	\$ 3,087,610	\$ 0

Budget Spreadsheets - Summary



Transportation & Development - SDN5 (30)

Budget Summary by Fund

Line of Business Name	Program Name	FY24-25 Service District No. 5 Fund (615)	FY24-25 Total Budget	FY24-25 General Fund Support in Budget*	% of Total	FY24-25 Total FTE **
Transportation Services	Street Lighting (SDN5)	5,449,676	5,449,676	-	0%	-
TOTAL		5,449,676	5,449,676	-	0%	
<i>FY23-24 Budget (Amended)</i>		4,941,900	4,941,900	-	0%	-
<i>\$ Increase (Decrease)</i>		507,776	507,776	-		-
<i>% Increase (Decrease)</i>		10%	10%	-	-	-

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

*** Personnel services are shown as "Contracted Labor".*