

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

**Street Lighting**

**Fiscal Year 2022-2023**  
**Budget Report**



**May 23, 2022**

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**DAN JOHNSON**  
DIRECTOR

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

May 23, 2022

Citizens 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 fiscal year 2022-2023 operating and capital 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 .5% increase in electricity costs for FY 2022-2023. Fortunately, these cost increases continue to be offset with savings in electrical costs facilitated with the ongoing conversions to Light Emitting Diode (LED) for a majority of district lighting.

Last year, based on staff recommendation, the District decreased rates 5%. In FY 2021-2022 funds secured by the sale of district owned lights and Energy Trust Credit were earmarked for a number of capital street lighting projects. Review of these projects is ongoing and the FY 2022-2023 Budget continues to earmark revenues for these projects.

Based on review of the most recent data from the five year forecast utilized by the District, staff is recommending a .5% (half of 1%) decrease in rates be implemented in FY 2022-2023. This assumes a .5% rate reduction each year between FY 2023-2024 and FY 2025-2026.

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 2022-2023 is \$5,467,163. In accordance with Oregon Budget Law, all planned expenditures will continue to be funded through a combination of property taxes and user fees.

Sincerely,

A handwritten signature in cursive script that reads "Gary Schmidt".

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

Enclosures

**2022-2023 BUDGET**  
**FOR**  
**CLACKAMAS COUNTY SERVICE DISTRICT NO. 5**  
**STREET LIGHTING**

**BOARD OF DIRECTORS**

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**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 un-incorporated 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, construction, 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 some special cases, 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, 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 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.

### **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.
- 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 operate 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. Budget Highlights**

### **Rate History**

<b>Budget Year</b>	<b>Rate Change</b>	<b>Reason for Change/No Change</b>
2018-2019	2% Decrease	Cost savings from LED conversions balanced the PGE electricity rate increase.
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 since LED conversions are resulting in cost savings to the district.
2022-2023	0.5% (half of one percent)	Evaluate LED cost savings and capital project costs

## Conversions from High Pressure Sodium to Light Emitting Diode

Conversion of light emitting diode (LED) street lighting continued in 2021/2022, with 401 LED lights being installed either through conversions, new installations and 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.

- 334 Acorn and 67 new/replacement fixtures were converted leaving a total of 551 lights still requiring conversion;
- 512 Techtra style (pendant) fixtures are planned for conversion.

FIXTURE TYPE	LED	NON-LED	Grand Total
ROADWAY	6939	25	6964
TOWN & COUNTRY	1101	3	1104
PENDANT	508	512	1020
POST TOP	605	10	615
FLOOD		1	1
<b>Grand Total</b>	<b>9153</b>	<b>551</b>	<b>9704</b>

\*To be replaced Summer 2022 with conversion capital project

The District forecast for FY 2022-23 shows that there are adequate funds to cover expenditures while maintaining the necessary ending fund balance to cover electrical bills from July 2022 to November 2023 and holding a reserve for future capital investments.

### Revenue

With the proposed 0.5% rate reduction, actual service assessments for FY 2022-23 are projected to adequately cover the operating expenses of the district.

In 2018, the district had outstanding past due assessments totaling approximately \$25,000. Since that time, the district has had a goal of bringing those past due accounts current and at the close of FY 2020-21 the past due balance was down to less than \$800.

### Expenditures

District staff anticipates the monthly bill from PGE for the operation and maintenance of street lights to average between \$156,000 and \$159,000 per month in FY 2022-23, based on current billing rates and planned increases.

#### Average Monthly PGE District Billing

2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Mid July - June 30					Mid Jul 2019- Mar 2020	Mid Jul 2019- Mar 2020
\$ 143,084.00	\$ 135,349.00	\$130,683.72	\$134,015.00	\$148,669.00	\$ 153,374.72	\$153,374.72
	-5.41%	-8.67%	2.46%	13.76%	14.45%	3.17%



### **Special Expenditures**

District staff is coordinating with representatives from the City of Happy Valley, Clackamas County Sheriff, the Development Agency (Urban Renewal) and County transportation programs to identify lighting projects that the District can partner on to help improve the safety of roadway sections or improve lighting on specific roadways that may help deter crime within the district. The district has earmarked funding for construction costs (either direct construction or Portland General Electric construction costs) on the below projects.

- **Safety Equipment & Supplies:** The district has budgeted \$150,000 for direct payments to PGE for installation of PGE owned lighting.
- **Contingency:** The contingency for FY 2022-23 remains healthy at \$500,000.

### **Special Payments**

The district programmed \$500,000 to reimburse charges already incurred by other agencies as part of a capital project.

### **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, 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 \$750,000 in reserve to cover the first five (5) months of electricity bills and \$400,000 for asset management software plus \$1,000,000 in capital reserve for future capital projects.

### **D. Performance Indicators**

- There were approximately 113 lights and 166 lots added to the District in 2021-2022 as a result of residential and commercial development. There are approximately 9684 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 FY 2022-23

### RATE and ASSESSMENT SUMMARY 2022-2023 CLACKAMAS COUNTY SERVICE DISTRICT #5

Schedule	Current Rate	Number of Accounts**		Suggested New Rate	Projected Revenues 22-23
<b>A</b>	\$ 34.00	92	lots	\$ 34.00	\$ 3,128.00
<b>B</b>	\$ 47.00	6,393	lots	\$ 47.00	\$ 289,896.00
<b>C</b>	\$ 65.00	8,915	lots	\$ 65.00	\$ 567,450.00
<b>D *</b>	\$ 1.17	201,742	lin. ft.#	\$ 1.16	\$ 234,935.00
<b>E</b>	\$ 8.00	557	lots	\$ 8.00	\$ 4,456.00
<b>F</b>	\$ 58.00	142	lots	\$ 58.00	\$ 7,946.00
<b>H</b>	\$ 86.00	3,668	lots	\$ 86.00	\$ 317,082.00
<b>J</b>	\$ 114.00	1,786	lots	\$ 113.00	\$ 201,818.00
<b>K</b>	\$ 79.00	364	lots	\$ 79.00	\$ 28,756.00
<b>M</b>	\$ 1.68	14,070	lin. ft.#	\$ 1.67	\$ 43,459.00
<b>R</b>	\$ 244.00	1,346	lots	\$ 243.00	\$ 326,835.00
<b>W</b>	\$ 228.00	1,874	lots	\$ 227.00	\$ 246,295.00
<b>Total</b>		25,137 lots			\$ 2,272,056
		After est. 4% discount for paying taxes early:			<b>\$ 2,181,174</b>
* # of accounts is 595 but assesment is per frontage foot					
** partial year assessments for lights installed in '21-'22, estimated					

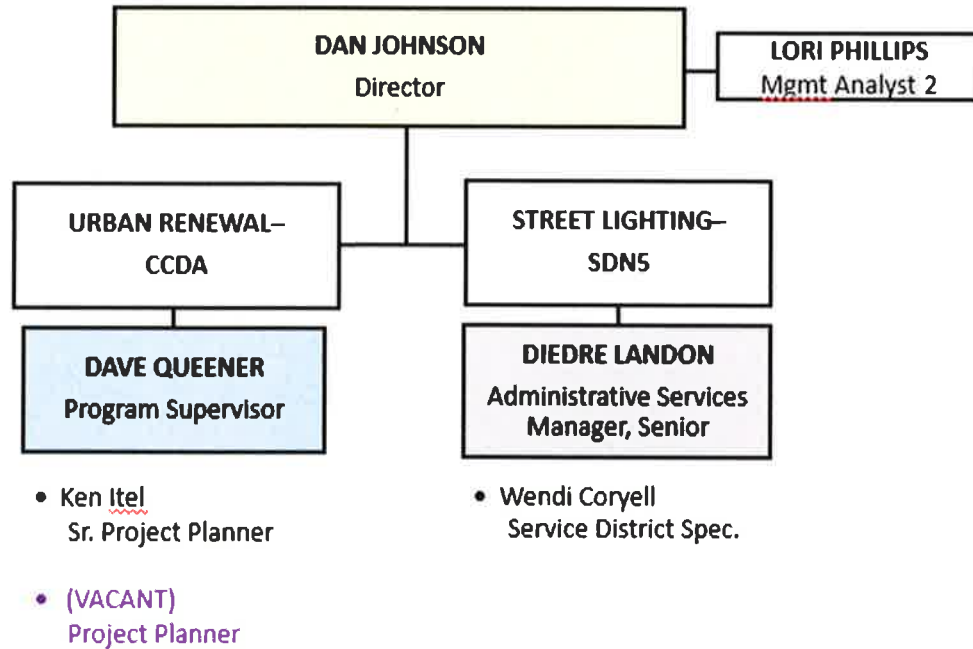
## DEFINITION OF RATE SCHEDULES

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 2022-2023

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**Divisional Structure**

- Director / Assistant Director
- Managers
- Supervisors

(Employees are 1.0 FTE Unless otherwise indicated.)

28 April 2022

# APPENDIX



## Transportation & Development (60)

### 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 \$5,467,162 budget. This reflects a 5% rate reduction in FY 2021/2022; and assumes a further 0.5% (half of one percent) rate reduction for FY 2022/2023. District staff is forecasting additional 0.5% reductions through FY 2026/2027.

These resources cover the installation, operation and maintenance of 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 2021/2022 staff performed 2 random surveys, looking at 50 lights; during which 98% of the district managed lighting was operational.
- Portland General Electric received 136 requests to repair district lighting last year, and 90% of these repairs were completed within 5 (five) business days.
- Due to supply chain issues and required PGE emergency response needs (such as inclement weather and wildfires), 76 of the repairs took more than 3 days, which increased the average number of days a light was malfunctioning to 6 days. Looking at the trend from FY 2020/2021 to the YTD actuals through 12/31/2021; we have increased our target to reflect an average of 6 days, which we feel is still a reasonable response time.

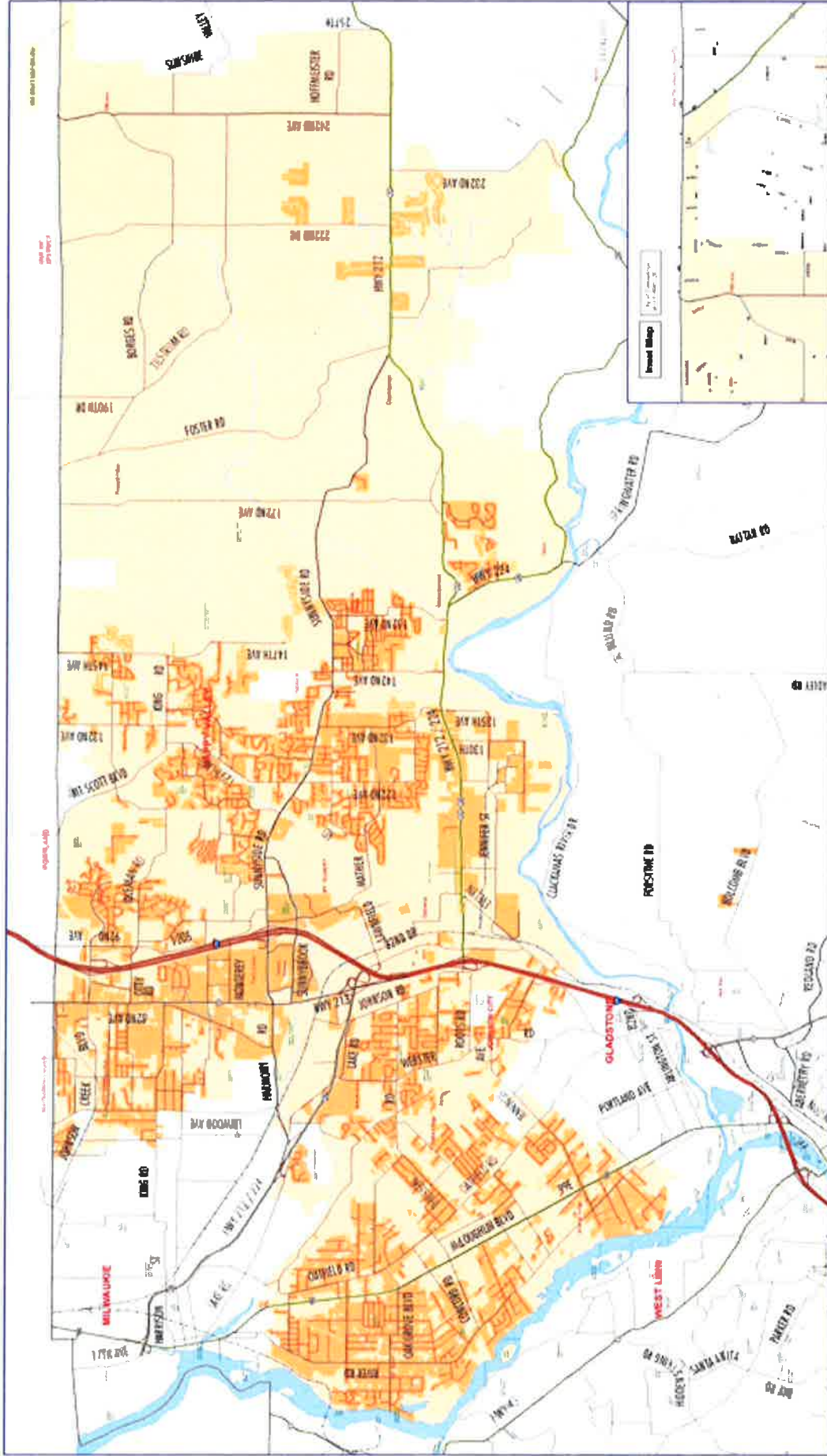
Installation of street lighting can be an effective way of increasing safety as it increases visibility to the travelling public and can be a deterrent against crime. The Street Lighting District offers services which support the Board of County Commissioners adopted goals of (1) Building Strong Infrastructure and (2) Healthy and Safe Communities.

#### Key Performance Measures

		FY 19-20 Actuals	FY 20-21 Actuals	FY 21-22 Target	FY 21-22 Actuals as of 12/31/21	FY 22-23 Target
Result	% of streetlight maintenance requests completed within five (5) business days		80%	80%	90%	90%
Result	% of streetlights operational during random surveys	New measure -- added FY 2020/2021.	100%	95%	98%	95%
Output	Average # days a repaired street light was malfunctioning before the PGE repair was completed		5	3	6	6
Output	# street lighting service repairs <sup>1</sup>		605	137	40	136

<sup>1</sup> In FY 2019/2020 PGE was providing a running total of repairs from the beginning of the district Performance Clackamas reporting, rather than providing a month to month figure. 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.

# Service District No. 5 Boundary Map



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

**Legend**

- SD #5 Boundary
- Lighted Parcels
- Lighted Streets

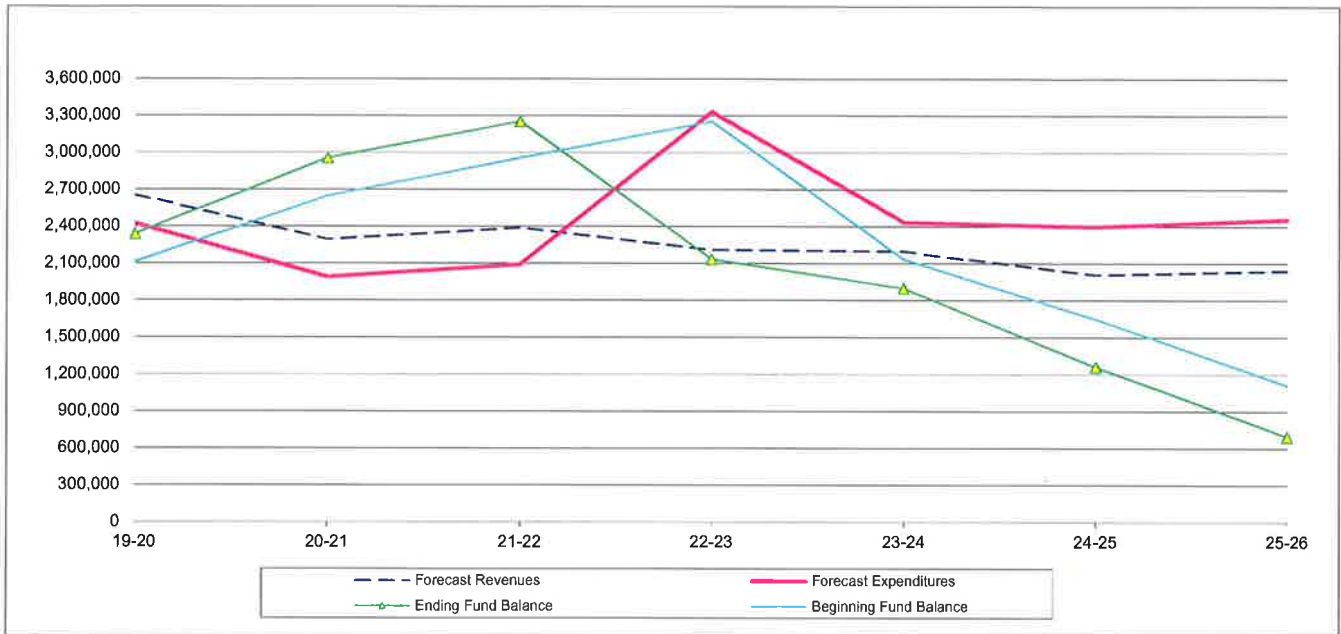


Scale: 1 inch = 100 feet



**115-2450 Service District #5-Street Lighting  
2021-2026 Forecast**

**Baseline Forecast**



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

	20-21 Actual	21-22 Budget	21-22 YE Est	22-23 Budget	23-24 Forecast	24-25 Forecast	25-26 Forecast
<b>Beginning Fund Balance</b>	2,650,242	2,948,671	2,957,275	3,255,982	2,136,325	1,651,300	1,112,166
<b>Revenues</b>							
Interest Earned	24,281	65,990	30,000	30,000	25,000	20,833	17,361
Assessments	2,272,461	2,360,318	2,360,318	2,181,173	2,175,790	1,988,486	2,025,023
<b>Total Revenues</b>	2,296,742	2,426,308	2,390,318 4.1%	2,211,173 -8.9%	2,200,790 -0.5%	2,009,320 -8.7%	2,042,384 1.6%
<b>Expenditures</b>							
Materials & Services	1,989,709	2,096,803	2,091,611	2,330,830	2,235,815	2,298,453	2,358,266
Capital Outlay	0	250,000	0	500,000	200,000	100,000	100,000
Reserves & Contingency		3,028,176		500,000	0	0	0
<b>Total Expenditures</b>	1,989,709	5,374,979	2,091,611 5.1%	3,330,830 -38.0%	2,435,815 -26.9%	2,398,453 -1.5%	2,458,266 2.5%
<b>Ending Fund Balance</b>	2,957,275	0	3,255,982	2,136,325	1,901,300	1,262,166	696,284

**Narrative/Assumptions**

0.5% Reduction in 22-23  
 Revenue - Assessments only  
 Partnering on capital safety projects for CRC, 90th, COCC, Linwood and Idleman



County of Clackamas  
 FY22-23 Requested By Program - Types  
 Download generated on 04/25/2022

Service District No. 5  
 Clackamas County Service District No. 5

Account	FY19-20 Actual	FY20-21 Actual (as of 3-31-22)	FY21-22 Amended (3-3-22)	FY21-22 Projections	FY22-23 Requested
(30110) Restricted Beginning Fund Balance	2,342,138	2,650,242	2,948,671	2,957,275	3,255,982
(36110) Interest Income	56,759	24,281	65,990	30,000	30,000
(37100) Assessments	2,229,037	2,272,461	2,360,318	2,360,318	2,181,180
Revenues	4,627,935	4,946,984	5,374,979	5,347,593	5,467,162
(42010) Advertising/Marketing	0	369	500	500	500
(42080) Dues & Memberships	549	549	600	600	600
(42100) Fees	2,573	3,842	2,500	2,500	4,000
(42240) Postage/Shipping	0	40	0	50	100
(42250) Printing & Copies	0	0	300	100	100
(42320) Training & Development	0	0	500	0	500
(42330) Transportation - Mileage	0	0	500	0	500
(42400) Utilities - Electricity	1,802,507	1,834,034	1,911,689	1,922,607	2,000,000
(43100) Professional Services	3,600	3,700	0	5,000	5,000
(43130) Audit & Financial Services	0	0	5,000	0	0
(43160) Contract Employees	127,086	127,104	135,000	0	0
(43240) Legal Services	422	320	1,000	1,000	2,000
(43280) Other Contracted Services	0	0	0	1,000	2,000
(44120) Computer < 55K	0	100	300	2,300	135,000
(44260) Safety Equipment & Supplies	0	0	0	0	500
(45190) Miscellaneous Repair & Maint	0	245	4,000	2,000	150,000
(46140) Rental - Venue	2,628	2,706	0	0	4,000
(46150) Leases - Office	0	0	2,707	2,707	0
(47100) Allocated Cost - Finance	6,713	6,589	4,469	4,469	2,790
(47110) Indirect Costs	10,536	10,111	0	0	4,470
(47120) Allocated Costs - Facilities	0	0	1,901	1,901	0
(47130) Allocated Costs - Utilities	0	0	321	321	1,900
(47300) Indirect Costs	0	0	25,516	25,516	330
(47520) Pass Thru Payments - Local Govt & Other Agencies	0	0	0	0	24,910
(48150) Construction	21,079	0	250,000	0	500,000
(49910) YE Proj Bal - Restricted	0	0	0	3,255,982	0
(49997) Contingency	0	0	1,284,024	0	0
(49999) Reserve - Designated	0	0	1,744,152	0	500,000
Expenses	1,977,693	1,969,709	5,374,979	5,347,593	2,129,962
Revenues Less Expenses	2,650,242	2,957,275	0	0	5,467,162



# Transportation & Development (60)

## Special District Budget Summary by Fund

Line of Business	Program	Progr #	FTE *	FY 22/23 Street Lighting District (SD5) Fund 615	FY 22/23 Total Budget	FY 22/23 General Fund Subsidy in Budget**
Targeted Improvement Areas - Clackamas County						
Service District #5 (SDN5)						
	Street Lighting	600402	0.0	5,467,162	5,467,162	-
<b>TOTAL</b>				<b>5,467,162</b>	<b>5,467,162</b>	<b>-</b>
<b>FY 21/22 Budget</b>						
				<b>5,374,979</b>	<b>5,374,979</b>	<b>-</b>
<b>\$ Increase (Decrease)</b>				<b>92,183</b>	<b>92,183</b>	<b>-</b>
<b>% Increase (Decrease)</b>				<b>1.72%</b>	<b>1.72%</b>	<b>-</b>

\* FTE is shown in Material & Services (Contracted Labor). There are no personnel services in the districts.

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