

CLACKAMAS COUNTY
SERVICE DISTRICT #5
Street Lighting

Fiscal Year 2025-2026
Budget Report



May 27, 2025



CLACKAMAS COUNTY SERVICE DISTRICT #5

**FISCAL YEAR 2025-2026
Proposed Budget**

BUDGET COMMITTEE

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Prepared by:
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Wendi Coryell, Service District Specialist

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DAN JOHNSON
DIRECTOR

DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT

DEVELOPMENT SERVICES BUILDING

150 BEAVERCREEK ROAD OREGON CITY, OR 97045

May 27, 2025

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

I am pleased to present the proposed budget for Clackamas County Service District No. 5 (the "District") for the fiscal year 2025/2026, totaling **\$5,134,878** for your review and approval. The budget has been prepared in accordance with Oregon Budget Law and is balanced, with resources matched to projected annual requirements.

District Overview

The Clackamas County Department of Transportation & Development (DTD) is responsible for administering Service District No.5.

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

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

To meet these objectives, the District collaborates with Portland General Electric (PGE), the local development community, various agencies and citizens to ensure adequate street lighting for the traveling public.

New Street Lighting Installations

Street lighting installations within the District occur in 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 supporting signatures are collected. District staff then coordinates with PGE to design an appropriate lighting solution for the neighborhood's needs.
- In response to development. Staff reviews commercial and residential development proposals within Service District No. 5 and collaborates with developers and PGE to ensure consistent street lighting is installed.
- Through Road Improvement Projects. Staff works alongside designers and project managers on road improvement projects for the County and the City of Happy Valley, as well as safety projects, where lighting is desirable. They seek funding solutions for the operation and maintenance of lighting that aligns with county and district goals.

Safety Investments

The District earmarked and invested the funds received from the 2013 sale of Option B lighting in street lighting projects, partnering with the City of Happy Valley, the Development Agency (Urban Renewal), and County transportation programs to identify lighting projects that enhance roadway safety.

Since FY 2018/2019, the District has contributed almost \$1.39M to a total of 11 projects in the district area:

Fiscal Year	Status	Project
2018-19	PAID	McLoughlin Boulevard
2022-23	PAID	90th Avenue
2022-23	PAID	Linwood
2023-24	PAID	Idleman
2023-24	PAID	King / 129th - Happy Valley Roundabout
2023-24	PAID	King / 132nd - Happy Valley
2023-24	PAID	Fuller Rd. (D Street)
2023-24	PAID	Monroe
2024-25	PAID	CRC
2024-25	PAID	Concord Community Center / Oak Lodge Library
2024-25	PAID	Johnson Creek Blvd - SE 79th Pl to SE 82nd Ave

Future project investments will be funded with interest earnings, as funds are available. The District currently has six applications that will be reviewed to validate each project meets most of the required criteria before a decision is made regarding a possible investment.

If all six projects are approved, the District will invest an additional \$76,000 before the end of FY 2025/2026; additional funds were also programmed in the FY 2025/2026 budget to cover projects that have not yet been applied for.

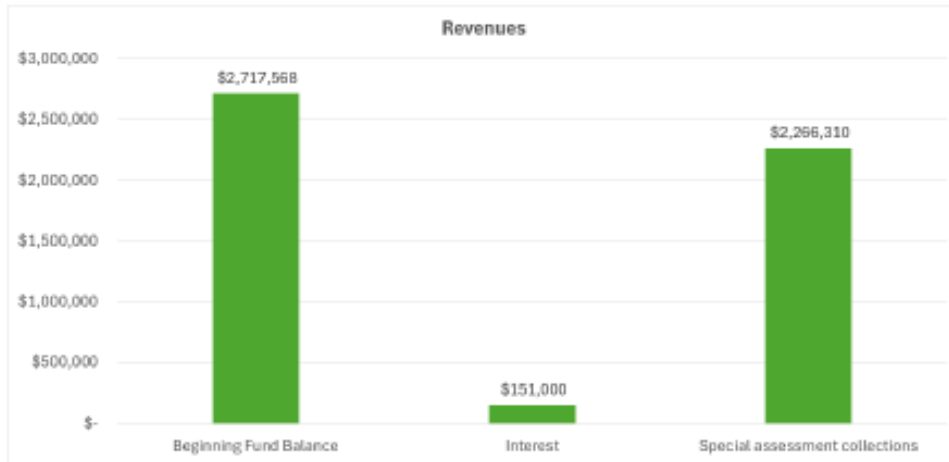
Fiscal Year	Status	Project
2024-25	IN REVIEW	Webster – Bilquist Elementary
2025-26	IN REVIEW	Jennings Rd.
2025-26	IN QUEUE	Courtney (ESTIMATED COST)
2025-26	IN QUEUE	82nd & Jennifer (ESTIMATED COST)
2025-26	IN QUEUE	Stanley (ESTIMATED COST)
2025-26	IN QUEUE	City of HV - 172nd and Scouters Mountain (ESTIMATED COST)

To be considered for investment, a project must be within the Urban Growth Boundary and the District must have available funds. Project investments will meet a majority of the following eight criteria:

1. Is there existing lighting in the area?
2. Is street lighting installation new, not a replacement of existing poles/fixtures?
3. Does installation enhance and/or complete a street lighting corridor?
4. Does installation improve school zone safety?
5. Does installation improve community gathering safety?
6. Is project on a high-traffic corridor?
7. Is project in a high-crime area?
8. Is project in an underserved area?

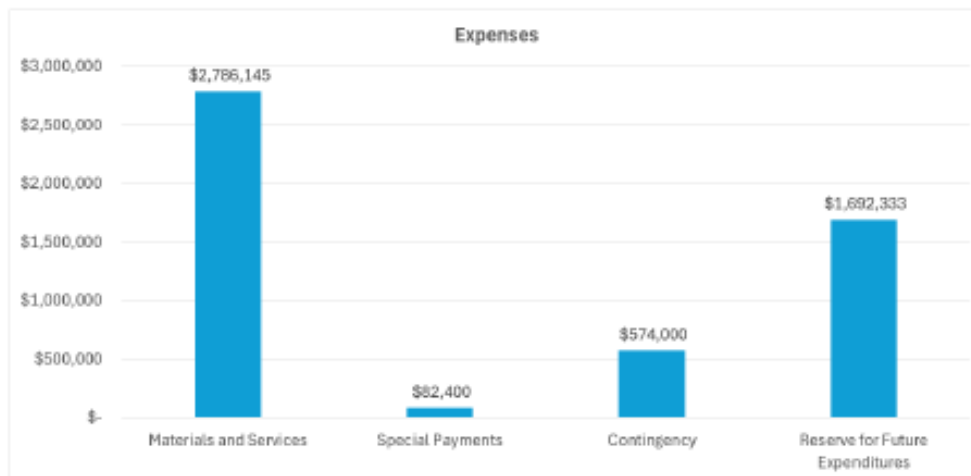
Revenues

No District rate increase is proposed for FY 2025/2026; the District will continue to utilize current resources, including previous asset sales, user fees and interest on investments to fund planned expenditures.



Expenditures

Electrical costs continue to rise and are estimated to hit \$2.4M in FY 2025/2026; this is an increase of almost 18% from FY 2022/2023. The District is not requesting a rate increase for FY2025-2026; so far, the district has been able to absorb the increases within the existing rate structure with offsetting reductions from LED conversions. The cost to energize the lights represents a majority of the annual District budget. The Oregon Public Utility Commission (OPUC) sets PGE rates, approving any request for adjustments.



Activity Highlights

Expanded data tracking will allow for more informed decision making. As an example:

- Tracking the estimated annual revenue for new assessment areas and comparing that to the estimated annual energy cost provided by Portland General Electric (PGE); this will help ensure that each rate category is achieving adequate cost recovery.
- Tracking the number of new lights being added to the District and comparing against changes on the monthly PGE invoices.

Acknowledgments

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 2025/2026.

Respectfully submitted,

A handwritten signature in blue ink that reads "Gary Schmidt". To the left of the signature is a small red rectangular stamp with the word "SIGN" in white capital letters.

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

Enclosures

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

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	Evaluating LED cost savings and capital project investments.
2023-2024	No Change	Ongoing LED conversions continue to reduce electrical costs, which helps offset rising electrical costs. District was able to absorb the PGE increase with existing resources.
2024-2025	No Change	LED conversion of existing light fixtures in the District is now 100% complete. District is monitoring each rate category for adequate service reimbursement. District absorbed the PGE rate increase with existing resources.
2025-2026	No Change	Continue to monitor LED cost savings while investing in capital projects that meet the objectives of the District. District will absorb the PGE rate increase with existing resources.

Expenditures

District staff anticipates the monthly bill from PGE for the operation and maintenance of streetlights will be between \$195,000-\$198,000 per month in FY 2025-26. This estimate was calculated using current billing rates, adjusted for PGE rate increases and the addition of new street lighting.

Special Expenditures

- **Safety Equipment & Supplies (Account 44260).** The district has budgeted \$91,000 for direct payments to PGE for installation of street lighting.
- **Special Payments (Account 47520).** The district programmed \$82,400 to reimburse charges already incurred by other agencies as part of a capital project.

Contingency & Reserves

Contingency (Account 49997). The contingency for FY 2025-26 remains healthy at \$574,000 and reflects a 20% operating contingency.

Reserve (Account 49999). This year the District budgeted \$1,692,334 in reserve. This is set aside to cover:

- The period of July 1, 2026, when the fiscal year begins, through November 15, 2027, 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 estimated \$900,000 was held in reserve to pay for the five (5) months of electricity bills that PGE charges for operation and maintenance of streetlights in FY 2026/2027 prior to receiving tax assessments from rate payors.
- An additional \$800,000 to cover District requirements such as reducing the impact of future PGE rate increases on rate payors, investment in street lighting projects, billing/project management system upgrades.

Performance Indicators

- There were approximately 147 lights and 132 lots added to the District in 2024-2025 as a result of residential and commercial development projects.
- There are approximately 9,787 lights in the District.
- The conversion of all Light Emitting Diode (LED) light fixtures in the District is now 100% complete. The District requires the installation of Light Emitting Diode (LED) Cobra, Acorn, and Aurora pendant style fixtures on new projects.
- District staff will review approximately 25 new development applications for compliance with street lighting requirements in FY 25-26.

APPENDIX

RATE and PROJECTED 2025-2026 ASSESSMENT
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	6,221	lots	\$ 292,387.00
C	\$ 65.00	8,930	lots	\$ 580,450.00
D *	\$ 1.16	213,855	lin. ft.#	\$ 248,072.00
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	26,087	lin. ft.#	\$ 43,565.00
R	\$ 243.00	1,345	lots	\$ 326,835.00
W	\$ 227.00	1,305	lots	\$ 296,235.00
Total		24,550	lots	\$ 2,360,740
After est. 4% discount for paying taxes early:				\$ 2,266,310
* # of accounts is 794, assessment is per frontage foot				
** partial year assessments for lights installed in '25-'26, 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.

FY 2025-2026 Budget



3003-Transportation Services

300310-Street Lighting (CCSD5)

BCC Priority Alignment: Strong Infrastructure

Program Budget Summary

	FY22-23 Actuals	FY23-24 Actuals	FY24-25 Amended Budget	FY24-25 Projected Year-End	FY25-26 Budget	Budget-to-Budget:		Budget-to-3 Yr Avg:	
						\$ Variance	% Variance	\$ Variance	% Variance
Beginning Fund Balance	3,092,162	3,172,984	3,087,610	3,157,151	2,717,568	(370,042)	-12%	(423,198)	-13%
Taxes	-	-	-	-	-	-	-	-	-
Federal, State, Local, All Other Gifts	-	-	-	-	-	-	-	-	-
Charges, Fees, License, Permits, Fines	2,243,356	2,231,775	2,232,466	2,232,466	2,266,310	33,844	2%	30,444	1%
Revenue from Bonds & Other Debts	-	-	-	-	-	-	-	-	-
All Other Revenue Resources	107,480	180,639	129,600	165,000	151,000	21,400	17%	(39)	0%
Other Interfund Transfers	-	-	-	-	-	-	-	-	-
General Fund Support	-	-	-	-	-	-	-	-	-
Operating Revenue	2,350,836	2,412,414	2,362,066	2,397,466	2,417,310	55,244	2%	30,405	1%
Total Revenue	5,442,998	5,585,398	5,449,676	5,554,617	5,134,878	(314,798)	-6%	(392,793)	-7%
Personnel Services	-	-	-	-	-	-	-	-	-
Materials and Services	2,270,014	2,379,557	2,548,076	2,561,049	2,786,145	238,069	9%	382,605	16%
Capital Outlay	-	-	-	-	-	-	-	-	-
Operating Expense	2,270,014	2,379,557	2,548,076	2,561,049	2,786,145	238,069	9%	382,605	16%
Debt Service	-	-	-	-	-	-	-	-	-
Special Payments	-	48,689	310,000	276,000	82,400	(227,600)	-73%	(25,830)	-24%
Transfers	-	-	-	-	-	-	-	-	-
Contingency	-	-	475,000	-	574,000	99,000	21%	574,000	-
Total Appropriated	2,270,014	2,428,246	3,333,076	2,837,049	3,442,545	109,469	3%	930,776	37%
Reserve for Future Expenditures	-	-	2,116,600	-	1,692,333	(424,267)	-20%	1,692,333	-
Total Expense	2,270,014	2,428,246	5,449,676	2,837,049	5,134,878	(215,798)	-4%	2,623,109	
Revenues Less Expenses	3,172,984	3,157,152	-	2,717,568	-				

Notes:

The District is responsible for street lighting within the unincorporated areas of Clackamas County and the City of Happy Valley. It contracts with PGE for the design, installation, maintenance and operation of street lights. Electricity and operating costs are covered by rate payors. A 1% operational variance accommodates PGE rate increases and usage fluctuations impacting electricity costs. \$365,000 is budgeted for ten projects aimed at reducing crime and improving safety for the traveling public.



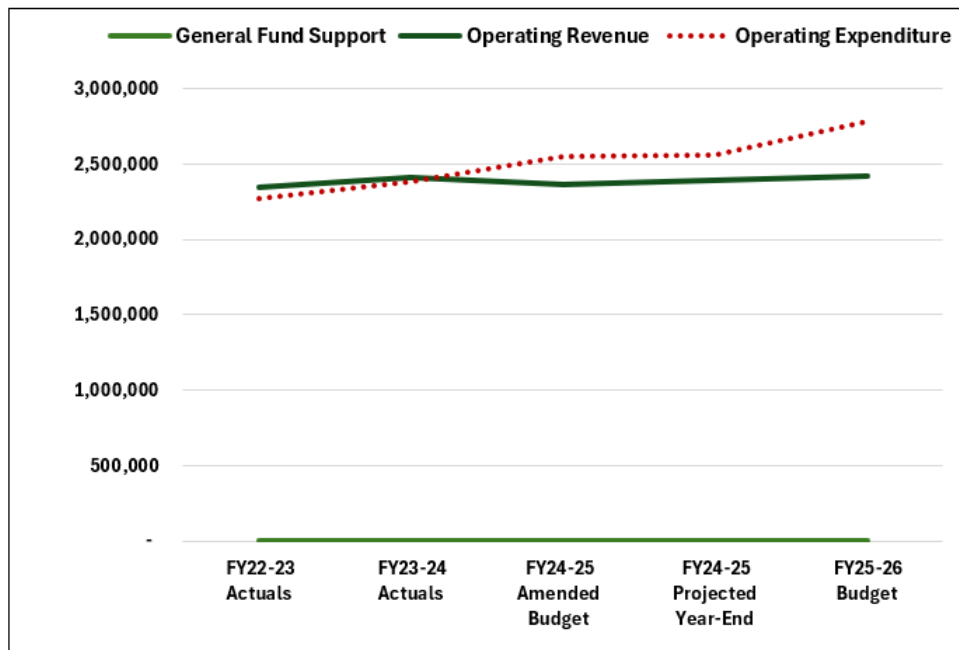
Transportation & Development - SDN5 (30)

Budget Summary by Fund

Line of Business	Program	FY25-26 Service District No. 5 Fund (615)	FY25-26 Total Budget	FY25-26 General Fund Support in Budget*	% of Total	FY25-26 Total FTE **
Transportation Services	Street Lighting (SDN5)	5,134,878	5,134,878	-	0%	-
TOTAL		5,134,878	5,134,878	-	0%	-
<i>FY24-25 Budget (Amended)</i>		5,449,676	5,449,676	-	0%	-
<i>\$ Increase (Decrease)</i>		-314,798	-314,798	-	-	-
<i>% Increase (Decrease)</i>		-6%	-6%	-	-	-

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

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



Board of County Commissioners

County Administrator,
Gary Schmidt

Transportation & Development

Roads & Infrastructure		Culture, education, and recreation		Economic development		Misc/Pass-Through
Administrative Services	Transportation Services	Community Services	Development Services	Visioning Services	DTD Accounting Programs	
Office of the Director	Traffic Safety	Gladstone Library	County Surveyor	Urban Renewal	County Fair & Event Center	
	Trans Engineering & Const	Library Support Services	Public Land Corner	Long-Range Planning	Tax Title Land	
	Transportation Maintenance	Oak Lodge Library	Current Planning	Regional Policy Coordination	\$ Coll on Behalf of Oth Ag	
	Community Road Fund	Code Enforcement	Building Codes	Office of Ec Dev	Countywide TSDCs	
	Damascus Roads	Dog Services	Septic		HV Joint Subarea TSDCs	
	Fleet	Sustainability & Solid Waste	Development Engineering		Library District	
	Street Lighting	County Parks			Dog Services Charitable Fund	
		Forestry				
		Property Disposition				



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

Performance Narrative Statement

This program is responsible for the installation, operation and maintenance of street lighting in the unincorporated areas of Clackamas County, mainly in urban locations, as well as within the City of Happy Valley. The District collaborates with Portland General Electric to oversee the street lighting network. District staff are engaged to review and coordinate the installation of new street lighting, which includes projects funded through capital improvement projects, new construction related to development within the district's boundaries and other requests to annex into the district via petition.

- In FY 2025/2026 staff will perform 6 random surveys, looking at approximately 300 lights; based on past surveys, we anticipate 98% of the district managed lighting will be operational.
- The number of repairs is trending downward and we expect less repairs than in 24/25. We are estimating 700 repair tickets will be submitted next year. Currently 76% 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.
- Arterial and collector streets have been the focus for most random surveys, but the plan is to transition to survey more residential / local streets in FY25/26.

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 Actuals	FY 24-25 Target	FY 24-25 Actuals as of 12/31/24	FY 25-26 Target
RESULT	By 2026, invest in three capital projects to increase safety within the district	NEW	25%	100%	200%	100%	100%
OUTPUT	# street lighting service repairs	493	870	1,827	775	438	700
CUSTOMER SERVICE	Average # days a repaired street light was malfunctioning before the PGE repair was completed.	7	6	5	6	6	6
RATIO	# street lights surveyed : # street lights operational during random surveys ¹	99%	90 : 89	300 : 289	300 : 275	89 : 87	300 : 295

¹ Ratio measure was previously reported as a percentage.

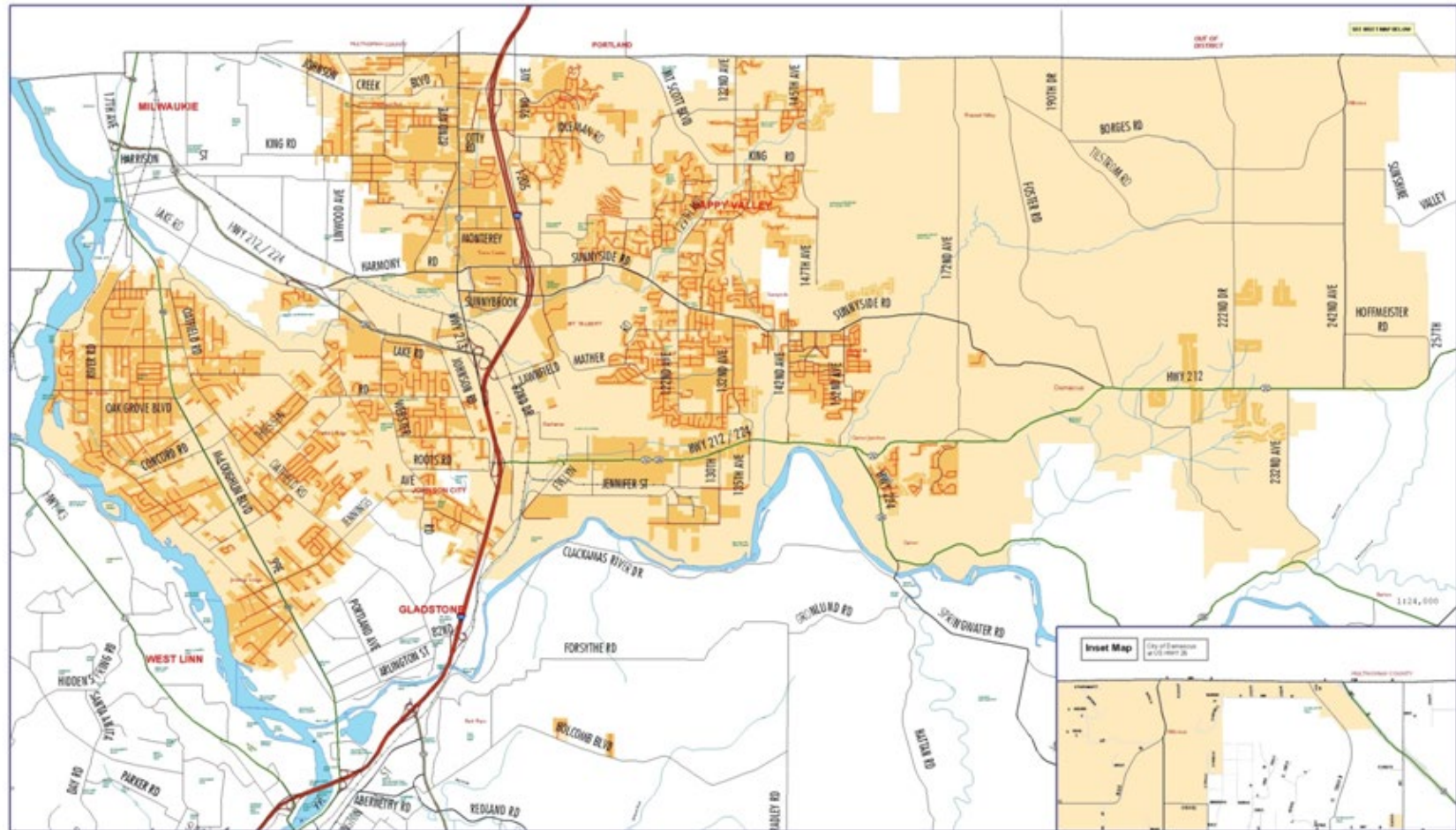
Program includes:

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

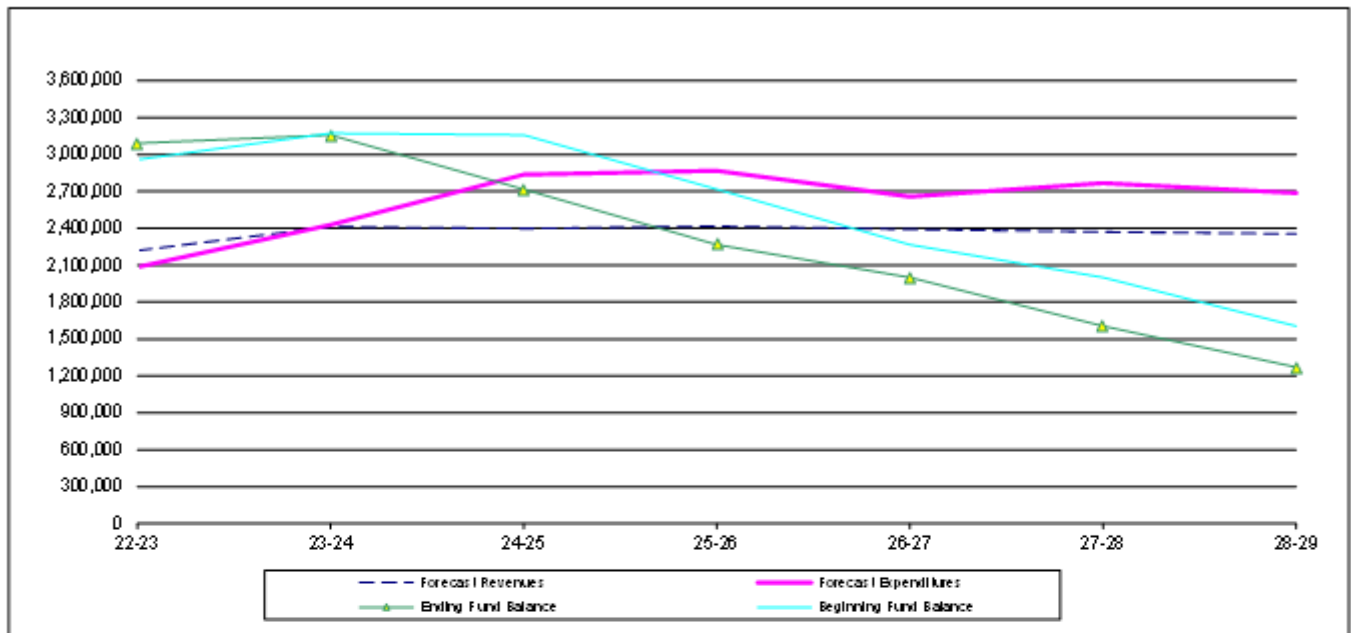


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1 inch equals 0.41 miles



**615-300310 Service District #5-Street Lighting
2024-2029 Forecast**

Baseline Forecast



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

	23-24 Actual	24-25 Budget	24-25 YE Est	25-26 Budget	26-27 Forecast	27-28 Forecast	28-29 Forecast
Beginning Fund Balance	3,172,984	3,087,610	3,157,152	2,717,569	2,266,334	2,001,491	1,604,322
Revenues							
Interest Earned	180,639	129,600	165,000	151,000	125,833	104,861	87,384
Assessments	2,231,775	2,232,466	2,232,466	2,266,310	2,266,310	2,266,310	2,266,310
Total Revenues	2,412,414	2,362,066	2,397,466 -0.6%	2,417,310 2.3%	2,392,143 -1.0%	2,371,171 -0.9%	2,353,694 -0.7%
Expenditures							
Materials & Services	2,428,246	2,548,076	2,561,049	2,786,145	2,546,987	2,618,340	2,686,476
Capital Outlay		310,000	276,000	82,400	100,000	100,000	
Computer Software					10,000	50,000	
Reserves & Contingency		2,591,600					
Total Expenditures	2,428,246	5,449,676	2,837,049 16.8%	2,868,545 -47.4%	2,656,987 -7.4%	2,768,340 4.2%	2,686,476 -3.0%
Ending Fund Balance	3,157,152	0	2,717,569	2,266,334	2,001,491	1,604,322	1,271,540

Narrative/Assumptions

1. No rate increase is programmed for FY 2025-2026
2. Includes \$100k for capital project investments each year for FY 2026/2027 and FY 2027-2028
3. \$60,000 programmed between FY 2026-2027 and FY 2027-2028 to support software upgrades for exempt billing, project tracking and overall district administration. District carries approximated \$900k in Reserve to cover the Portland General Electric bills from July to November each fiscal year, to ensure continuation of operations from year to year.