

CLACKAMAS COUNTY
SERVICE DISTRICT #5
Street Lighting

Fiscal Year 2026-2027
Budget Report



May 26, 2026



CLACKAMAS COUNTY SERVICE DISTRICT #5

**FISCAL YEAR 2026-2027
Proposed Budget**

BUDGET COMMITTEE

Board of County Commissioners

Craig Roberts, Chair
Paul Savas, Commissioner
Martha Schrader, Commissioner
Ben West, Commissioner
Diana Helm, Commissioner

Citizen Members

Kevin Bailey
Ryan Founds
Mark Aasland
Ewa Rakowska
Jeffrey Davis

Clackamas County Administrator/Library District Budget Officer
Gary Schmidt

Department of Transportation & Development Services Director
Dan Johnson

Prepared by:
Department of Transportation & Development
Wendi Coryell, Service District Specialist

TABLE OF CONTENTS

CLACKAMAS COUNTY SERVICE DISTRICT NO. 5

Budget Message..... 1-4

Highlights of Budget..... 5

Performance Indicators..... 6



Appendix:

Rate Schedule Descriptions..... 8

Rate Schedule Definitions..... 9

Budget Summary..... 10-11

Department Org Chart..... 12

Strategic Plan: Performance Measure..... 13

District Map..... 14

5-Year Budget Forecast..... 15





DAN JOHNSON
DIRECTOR

DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT

DEVELOPMENT SERVICES BUILDING

150 BEAVERCREEK ROAD OREGON CITY, OR 97045

May 26, 2026

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

It is my pleasure to present the proposed budget for Clackamas County Service District No. 5 (the "District") for the fiscal year 2026/2027, totaling **\$5,021,596** 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

Since FY 2018/2019, the District has contributed almost \$1.41M to projects in the district area:

Fiscal Year	Project
2018-19	McLoughlin Boulevard
2022-23	90th Avenue
2022-23	Linwood
2023-24	Idleman
2023-24	King / 129th - Happy Valley Roundabout
2023-24	King / 132nd - Happy Valley
2023-24	Fuller Rd. (D Street)
2023-24	Monroe
2024-25	Concord Community Center / Oak Lodge Library
2024-25	CRC
2024-25	Monroe
2025-26	Johnson Creek Blvd - SE 79th Pl to SE 82nd Ave
2025-26	Webster Rd. -- Bilquist Elementary
2025-26	82nd & Jennifer St.
2025-26	Jennings Rd./99E Oatfield
2025-26	Courtney

The District reviews funding applications to ensure each project meets the required criteria before making investment decisions. The District will continue to fund future projects with interest earnings as funds allow. The FY 2026/2027 proposed budget includes a placeholder of \$161,200; \$61,200 for three projects currently under review and ensuring funds are available for projects that have not yet been submitted for review.

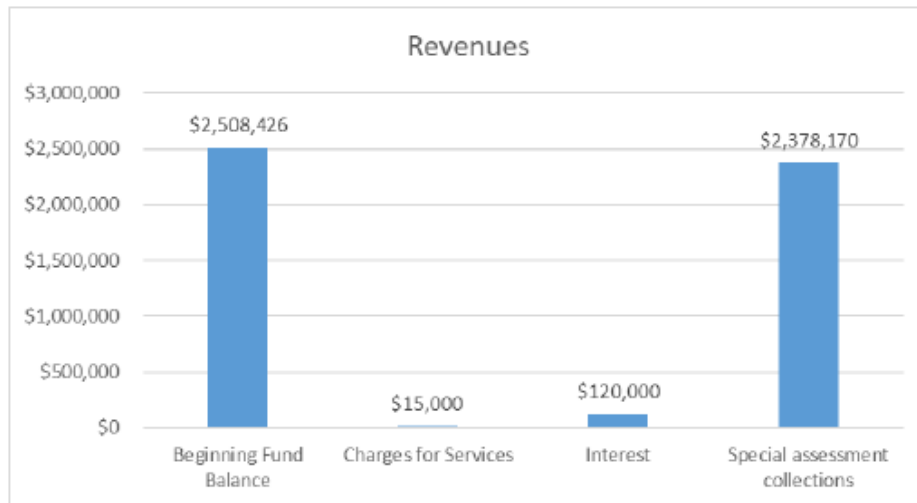
2026-27	Stanley (ESTIMATED COST)
2026-27	City of HV - 172nd (ESTIMATED COST)
2026-27	City of HV - Scouters Mountain (ESTIMATED COST)

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?

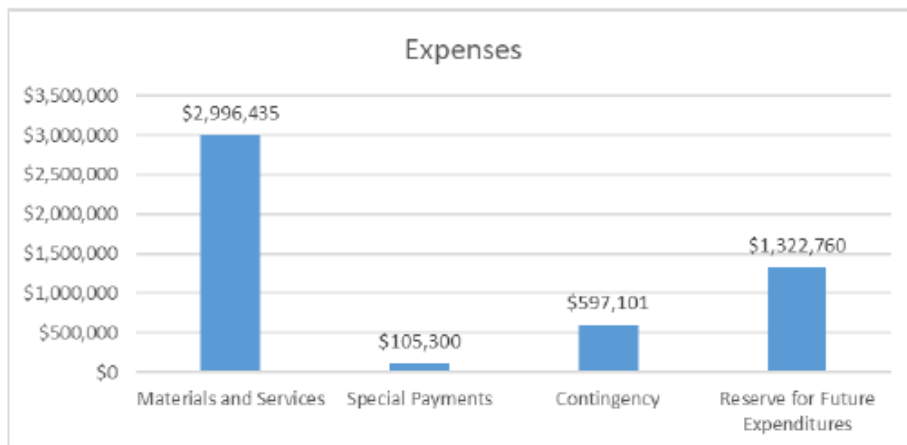
Revenues

No District rate increase is proposed for FY 2026/2027; 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 \$2.6M in FY 2026/2027; this is an increase of almost 9.9% from FY 2025/2026. The District is not requesting a rate increase for FY2026/2027; 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 examples:

- 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; this will validate the changes to district electrical invoices.

Acknowledgments

Thank you to 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.

Respectfully submitted,



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 absorbed the PGE rate increase with existing resources.
2026-2027	No Change	Tracking cyclical nature of PGE rate increases and impacts on the budget. District will absorb the PGE rate increase with existing resources.

Expenditures

District staff estimates the monthly bill from PGE for the operation and maintenance of streetlights may average \$220,000/month in FY 2026-27. 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 \$55,900 for direct payments to PGE for installation of street lighting.
- **Special Payments (Account 47520).** The district programmed \$105,300 to reimburse charges already incurred by other agencies as part of a capital project.

Contingency & Reserves

Contingency (Account 49997). The contingency for FY 2026-27 remains healthy at \$597,101 and reflects a 19% operating contingency.

Reserve (Account 49999). This year the District budgeted \$1,322,760 in reserve. This is set aside to cover:

- Utility costs in FY2027/2028. The period of July 1, 2027, when the fiscal year begins, through November 15, 2028, 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 \$1,100,000 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 2027/2028 prior to receiving tax assessments from rate payors.
- An additional \$220,000 to cover District requirements such as reducing the impact of future PGE rate increases on rate payors, investment in street lighting projects, or system upgrades.

Performance Indicators

- There were approximately 146 lights and 539 lots added to the District in FY 2025-26 through residential and commercial development projects.
- There are approximately 9,866 lights in the District.
- District staff will review approximately 20 new development applications for compliance with street lighting requirements in FY 2026-27.

APPENDIX

RATE and PROJECTED 2026-2027 ASSESSMENT
CLACKAMAS COUNTY SERVICE DISTRICT #5

Schedule	Current Rate	Number of Accounts**		Projected Revenues 26-27
A	\$ 34.00	92	lots	\$ 3,128.00
B	\$ 47.00	6,283	lots	\$ 295,301.00
C	\$ 65.00	8,932	lots	\$ 580,580.00
D*	\$ 1.16	214,593	lin. ft.#	\$ 248,927.00
E	\$ 8.00	557	lots	\$ 4,456.00
F	\$ 58.00	137	lots	\$ 7,946.00
H	\$ 86.00	3,697	lots	\$ 317,942.00
J	\$ 113.00	1,786	lots	\$ 201,818.00
K	\$ 79.00	548	lots	\$ 43,292.00
M*	\$ 1.67	26,087	lin. ft.#	\$ 43,565.00
R	\$ 243.00	1,345	lots	\$ 326,835.00
W	\$ 227.00	1,695	lots	\$ 384,765.00
Total		25,072 lots		\$ 2,458,555
After est. 4% discount for paying taxes early:				\$ 2,360,213
* # of accounts is 622, assessment is per frontage foot				
** partial year assessments for lights installed in '26/27, 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 2026-2027 Budget



3003-Transportation Services

300310-Street Lighting (SDN5)

BCC Priority Alignment: Strong Infrastructure

Program Budget Summary

Budget-to-Budget:

	FY23-24 Actuals	FY24-25 Actuals	FY25-26 Amended Budget	FY25-26 Projected Year-End	FY26-27 Budget	\$ Variance	% Variance
Beginning Fund Balance	3,172,984	3,157,152	2,717,568	2,786,638	2,508,426	(209,142)	-8%
Taxes	-	-	-	-	-	-	-
Federal, State, Local, All Other Gifts	-	-	-	-	-	-	-
Charges, Fees, License, Permits, Fines	2,231,775	2,289,417	2,266,310	2,348,200	2,393,170	126,860	6%
Revenue from Bonds & Other Debts	-	-	-	-	-	-	-
All Other Revenue Resources	180,639	174,484	151,000	132,000	120,000	(31,000)	-21%
Other Interfund Transfers	-	-	-	-	-	-	-
General Fund Support	-	-	-	-	-	-	-
Operating Revenue	2,412,414	2,463,901	2,417,310	2,480,200	2,513,170	95,860	4%
Total Revenue	5,585,398	5,621,054	5,134,878	5,266,838	5,021,596	(113,282)	-2%
Personnel Services	-	-	-	-	-	-	-
Materials and Services	2,379,557	2,568,824	2,786,145	2,735,069	2,996,435	210,290	8%
Capital Outlay	-	-	-	-	-	-	-
Operating Expense	2,379,557	2,568,824	2,786,145	2,735,069	2,996,435	210,290	8%
Debt Service	-	-	-	-	-	-	-
Special Payments	48,689	265,591	82,400	23,343	105,300	22,900	28%
Transfers	-	-	-	-	-	-	-
Contingency	-	-	574,000	-	597,101	23,101	4%
Unappropriated Ending Fund Balance	-	-	-	-	-	-	-
Total Appropriated	2,428,246	2,834,416	3,442,545	2,758,412	3,698,836	256,291	7%
Reserve for Future Expenditures	-	-	1,692,333	-	1,322,760	(369,573)	-22%
Total Expense	2,428,246	2,834,416	5,134,878	2,758,412	5,021,596	(90,181)	-2%
Revenues Less Expenses	3,157,152	2,786,638	-	2,508,426	-		

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.



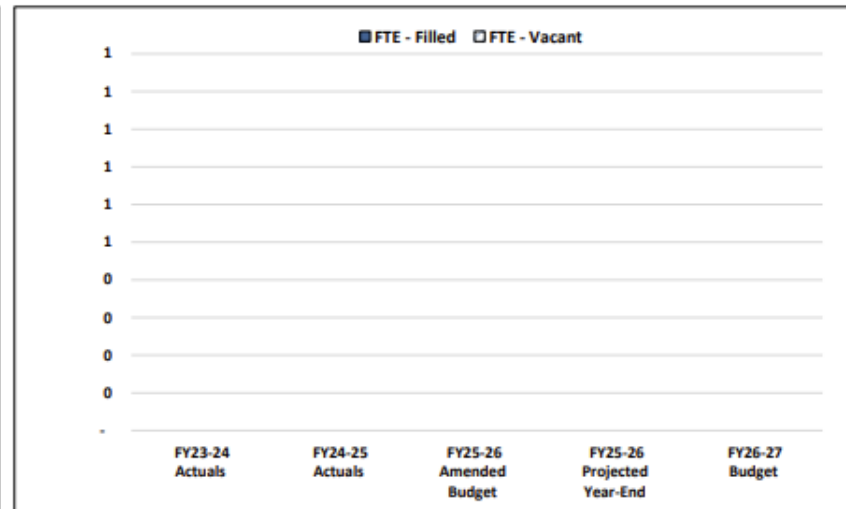
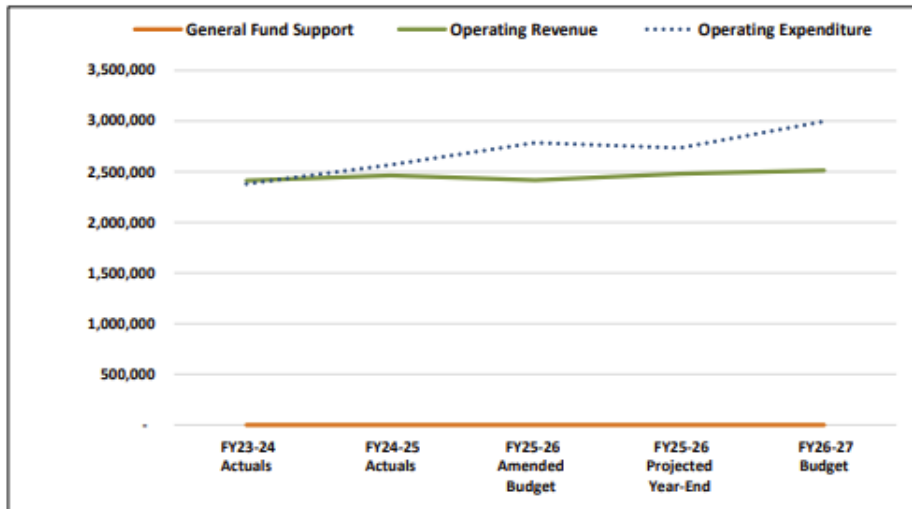
Transportation & Development - SDN5 (30)

Budget Summary by Fund

Line of Business	Program	FY26-27 Service District No. 5 Fund (615)	FY26-27 Total Budget	FY26-27 General Fund Support in Budget*	% of Total	FY26-27 Total FTE **
Transportation Services	Street Lighting (SDN5)	5,021,596	5,021,596	-	0%	
TOTAL		5,021,596	5,021,596	-	0%	
FY25-26 Budget (Amended)		5,134,878	5,134,878	-	0%	
\$ Increase (Decrease)		-113,282	-113,282	-	-	
% Increase (Decrease)		-2%	-2%	-	-	

*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 provides oversight for street lighting services in unincorporated areas of Clackamas County, primarily in urban communities, and within the City of Happy Valley. In coordination with Portland General Electric (PGE), the District manages the operation and upkeep of the lighting system. Staff also evaluate and facilitate new lighting installations related to capital projects private development within District boundaries, and annexations initiated through petition.

- In FY 2026/2027 staff will perform 5 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 2026/2027. We are estimating 650 repair tickets will be submitted next year. Currently 92% of these repairs are being completed within 6 (five) business days, but we are targeting that on average the repairs will be done within 5 days.
- The focus for FY 2026/2027 will continue to be on residential / local streets and less on arterial and collector streets during random surveys.

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 22-23 Actual	FY 23-24 Actuals	FY 24-25 Actuals	FY 25-26 Target	FY 25-26 Actuals as of 12/31/25	FY 26-27 Target
RESULT	By 2026, invest in three capital projects to increase safety within the district	25%	100%	100%	100%	4%	100%
OUTPUT	# street lighting service repairs	870	1827	1018	700	491	650
CUSTOMER SERVICE	Average # days a repaired street light was malfunctioning before the PGE repair was completed.	6	5	4	6	6	5
RATIO	# street lights surveyed : # street lights operational during random surveys ¹	90 : 89	300 : 289	139 : 137	300 : 295	141 : 140	300 : 296

¹ Ratio measure was previously reported as a percentage.

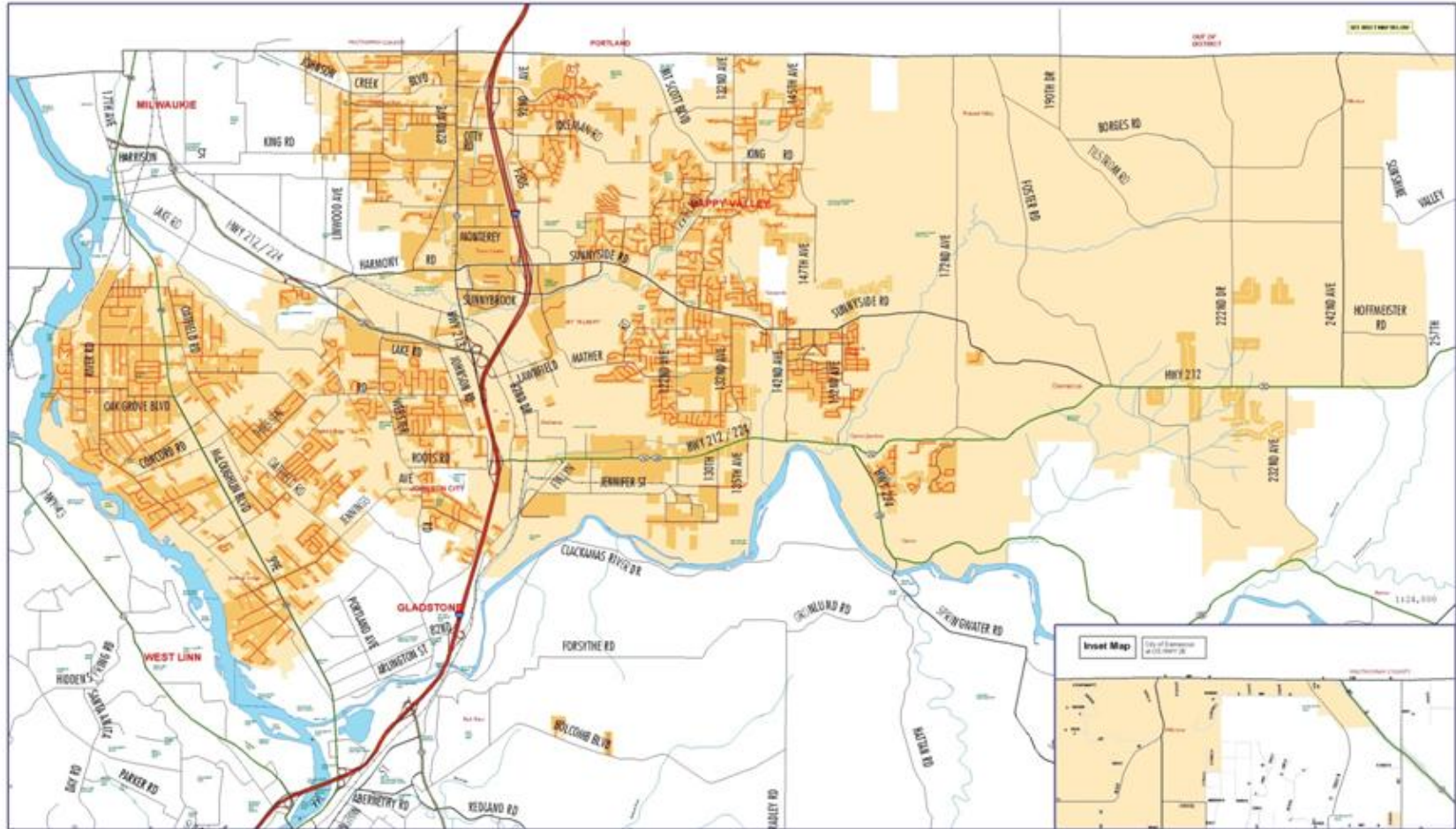
Program includes:

- Mandated Services Yes
- Shared Services No
- Grant Funding No



Explanation

Service District No. 5 Boundary Map



Clackamas County Service District #5 STREET LIGHTING

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

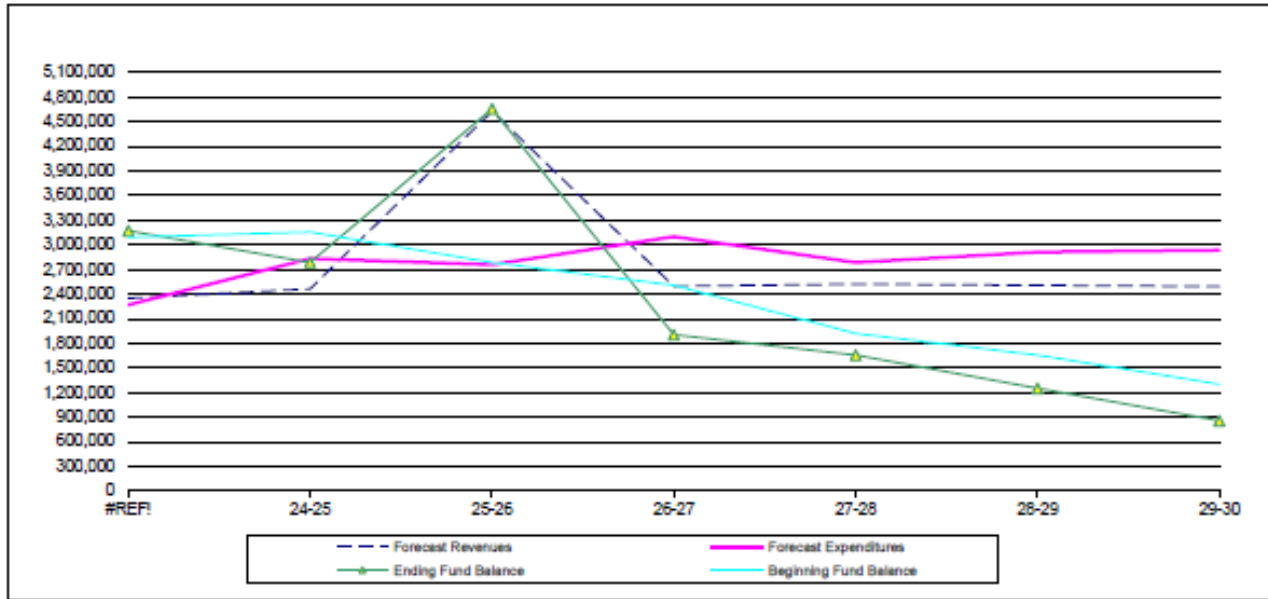


1:26,000
1 inch equals 0.41 miles



**615-300310 Service District #5-Street Lighting
2025-2030 Forecast**

Baseline Forecast



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

	24-25 Actual	25-26 Budget	25-26 YE Est	26-27 Budget	27-28 Forecast	28-29 Forecast	29-30 Forecast
Beginning Fund Balance	3,157,152	2,717,568	2,786,638	2,508,426	1,920,251	1,659,249	1,303,567
Revenues							
Interest Earned	174,484	2,266,310	2,314,200	120,000	100,000	83,333	69,444
Assessments	2,289,417	2,266,310	2,314,200	2,378,170	2,424,324	2,424,324	2,424,324
Total Revenues	2,463,901	4,532,620	4,628,400	2,498,170	2,524,324	2,507,657	2,493,768
			87.8%	-44.9%	1.0%	-0.7%	-0.6%
Expenditures							
Materials & Services	2,834,416	2,868,545	2,735,069	2,996,045	2,785,326	2,863,339	2,937,828
Capital Outlay		82,400	23,343	105,300	0	0	
Computer Software					0	50,000	
Reserves & Contingency		2,266,333					
Total Expenditures	2,834,416	5,217,278	2,758,412	3,101,345	2,785,326	2,913,339	2,937,828
			-2.7%	-40.6%	-10.2%	4.6%	0.8%
Ending Fund Balance	2,786,638	2,032,910	4,656,626	1,905,251	1,659,249	1,253,567	859,507

Narrative/Assumptions

No rate change took place in 25/26

Assessment revenue increase if new assessment areas are formed