

TSCC Budget Review 2020-21

Mid-County Street Lighting Service District No. 149

1. Introduction:

Mid-County Service District provides street lighting to the unincorporated areas of Multnomah County and the cities of Fairview, Maywood Park and Troutdale. The district operates as an enterprise fund, whereby it must generate revenues for operations by charging rates to recover all costs of providing services. This is accomplished through annual property assessments that are included on property tax bills.

2. History:

Mid-County Service District was established by the Multnomah County Board of Commissioners who govern the District. The District was organized in 1967 as Tulip Acres Lighting District. The district provides street lighting to the unincorporated urban areas of the County and to cities of Maywood Park, Troutdale, and Fairview.

The District is managed by the Multnomah County's Department of Community Service.

Mid-County Lighting CSD	2016-17	2017-18	2018-19	2019-20
Assessment Per Year	\$60	\$60	\$60	\$60
Connections	7,995	7,973	7,929	7,934
Special Assessment Taxes Imposed	\$468,489	\$470,536	\$470,348	\$470,224

3. Strategic Plan/Performance Objectives

The district does not report a strategic plan, but it is nearing the conclusion of a multi-year project to convert 2,700 street lights to LED lights. This project will result in lower electric costs, but higher administrative and maintenance costs. However, overall costs are projected to be lower with these new light fixtures.

4. Analysis of the General Fund

The district has only the General Fund which is budgeted at \$744K, up 13% from the current year. The beginning fund balance is increasing due to unfinished projects that will carry over into the ensuing budget. Annual assessment per property within the district is the main resource.

The revenues necessary to support the operations of the district are:

- Special Assessment collected through the property tax system
 - will remain flat at \$60 per year
 - anticipated to result in \$450,000 in revenue
- Interest on investment earnings
- Prior year assessments
- Beginning Fund Balance

Personnel Services Expenditures

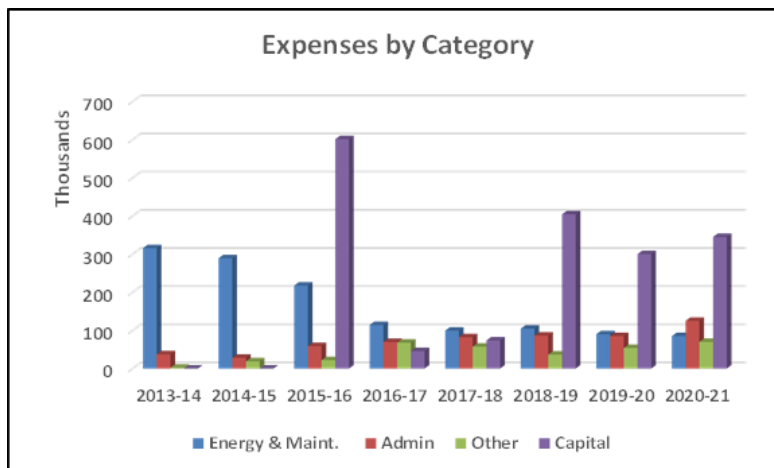
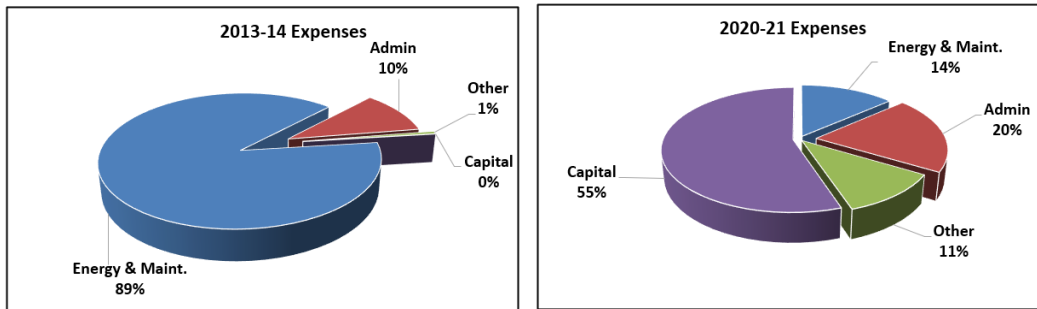
The District has no personnel services. Multnomah County is reimbursed for time and materials. The district is budgeting \$125K for administrative services in FY21.

Materials & Services and Capital Projects Expenditures

Mid-County Lighting CSD (\$ in Thousands)	2017-18 Actual	2018-19 Actual	2019-20 Revised	2020-21 Approved	Change	
					\$	%
Electrical Power	99	105	90	85	-5	-6%
Administrative Costs	82	86	85	125	40	47%
Maintenance	57	37	54	70	16	30%
Capital Projects	74	404	300	345	45	15%

The District has fundamentally changed its operations and budget of the last few years as it has converted the street lights to LED fixtures. The conversion has been a capital project and is almost completed. With the new fixtures, the cost of power will decrease, but other costs will increase as the district takes over responsibility (from Portland General Electric) for outage response, maintenance, and things such as power pole knockdowns. Administrative costs have increased from the “Pre-LED Project” years. This is due, again, to the district’s expanded role in managing the streetlights previously mentioned.

The following charts show the difference in the budget allocation over the last 8 years. Energy & maintenance in FY14 was the major portion of the district’s spending (89%). In the current year that has declined to only 14% and Capital expenditures are 55%. Once the capital projects are completed, administration of the district will be the predominant expenditure. The “Other” category shown in the graphs covers various expenses for maintaining the street lighting.



With the completion of the LED project, the District operating expenses have declined from \$355K in FY14 to \$280K in FY21. Energy and maintenance costs decrease from \$316K in FY14 to an estimated \$85K in FY21.

This lighting conversion project earned the district the County’s 2020 Sustainability Award. The project established brighter street lighting that will aid drivers, pedestrians, and bike riders. It will be less expensive to maintain. Labels on each street light pole will make it easy for residents to report outages. And an enhanced maintenance and incident tracking system-operated by the district rather than the utility company-will improve operations and response times.

In FY21 the district is budgeting \$345K for capital projects.

- The district will replace 81 light fixtures with LED models in Troutdale and Fairview to address their lighting needs. The ones selected for Troutdale will be similar to their historic décor while the ones for Fairview will be more of a traditional globe fixture. When this project is completed the district anticipates a 52-55% reduction in energy usage in the Halsey Corridor. They have budgeted \$200K for completion of this project.
- The District will make a \$45K contribution to Multnomah County’s “Modernization of the Permitting” software project which includes an update the software system to provide mobile-friendly, online permitting to improve access for community members and developers.
- As they have been doing in the last couple years, Mid-County Lighting District will continue replacing poles and circuits that have reached the end of usefulness (\$100K).

5. Analysis of other Funds

The district has no other funds, only the General Fund.

6. Debt Status:

The District has no outstanding debt.

7. Is the Budget in sync with Strategic Plan/Performance Objectives

The district has no strategic plan/performance objectives.

8. Local Budget Law Compliance

Yes	No	Compliance Issue (If not in compliance, explain below)
X		1. Did district meet publication requirements?
X		2. Do resources equal requirements in every fund?
N/A		3. Does the G.O. Debt Service Fund show only principle and Interest payments
N/A		4. Are contingencies shown only in operating funds?
X		5. Did budget committee approve the budget?
N/A		6. Did Budget committee set the levy?
	X	7. Does audit show the district was in compliance with budget law (no over-expenditures or budget violations)?

9. Highlights of the 2020-21 Budget to be published in the Annual Report:

- The total budget, consisting of only a General Fund, increased from \$688K to \$774K due to unfinished projects moving to the current year.

- Capital funds will be used for replacement of wooden street light poles which have reached usefulness and the completion of the project to replace street lights on NE Halsey.
- Mid County Street Lighting Service District will contribute \$45,000 to Multnomah County to update permitting software.
- With the completion of the LED project, the District operating expenses have declined from \$355K in FY14 to \$280K in FY21. Energy and maintenance costs decrease from \$316K in FY14 to an estimated \$85K in FY21.

10. Local Budget Law Compliance:

The 2020-21 Budget is in substantial compliance with local budget law. Estimates were judged to be reasonable for the purpose shown.

The audit report for fiscal year 2018-19 does not note any expenditures in excess of budget.

11. Certification Letter Recommendations and Objections:

TSCC staff did not find any deficiencies in the district's FY21 budget or budget process and will recommend the Certification Letter contain no recommendations or objections.

Mid-County Lighting

Annual Report

	2017-18 Actual	2018-19 Actual	2019-20 Rev. Budget	2020-21 Apv. Budget	Budget % Change
SUMMARY OF ALL FUNDS					
Resources:					
Beginning Fund Balance	260,424	419,605	228,000	316,000	39%
Other Taxes	466,104	456,891	455,000	454,000	0%
Fees and Charges	0	1,462	0	0	0%
Other Income	5,736	10,159	5,000	4,000	-20%
TOTAL RESOURCES	732,264	888,117	688,000	774,000	13%
Requirements by Function:					
Streets Transportation and Parking	312,659	631,979	529,000	625,000	18%
Ending Fund Balance	419,605	256,138	159,000	149,000	-6%
TOTAL REQUIREMENTS	732,264	888,117	688,000	774,000	13%
Requirements by Object:					
Materials & Services	239,033	227,776	229,000	280,000	22%
Capital Outlay	73,626	404,203	300,000	345,000	15%
Ending Fund Balance	419,605	256,138	159,000	149,000	-6%
TOTAL REQUIREMENTS	732,264	888,117	688,000	774,000	13%
SUMMARY OF BUDGET - BY FUND					
General Fund	732,264	888,117	688,000	774,000	13%
GRAND TOTAL ALL FUNDS	732,264	888,117	688,000	774,000	13%
DETAIL OF GENERAL FUND					
Resources:					
Beginning Fund Balance	260,424	419,605	228,000	316,000	39%
Other Taxes	466,104	456,891	455,000	454,000	0%
Fees and Charges	0	1,462	0	0	0%
Other Income	5,736	10,159	5,000	4,000	-20%
TOTAL FUND RESOURCES	732,264	888,117	688,000	774,000	13%
Requirements:					
Streets Transportation and Parking	312,659	631,979	529,000	625,000	18%
Ending Fund Balance	419,605	256,138	159,000	149,000	-6%
TOTAL FUND REQUIREMENTS	732,264	888,117	688,000	774,000	13%
BALANCE SHEET AS OF JUNE 30 EACH YEAR					
	2017-18	2018-19			
Assets:					
Cash & Investments	393,088	260,633			
Receivables	36,738	41,093			
Fixed Assets	1,978,566	2,248,733			
TOTAL ASSETS	2,408,392	2,550,459			
Liabilities and Equity:					
Liabilities	1,100	36,257			
Equity	2,407,293	2,514,202			
TOTAL LIABILITIES AND EQUITY	2,408,393	2,550,459			