

Budget Review 2023-24

Mid-Multnomah County Street Lighting Service District



BUDGET HIGHLIGHTS

- The total budget, consisting of only a General Fund, increased by \$290,000 or 25% to \$1,448,000 due to the fund balance carried forward from the current year.
- The annual property assessment for street lighting will remain at \$75 a year per property, allowing the district to meet operational and capital maintenance needs.
- Capital Projects in FY 24 will include \$555,000 for the construction phase of the SW 257th Avenue Lighting Enhancement project.
- The district set aside \$100,000 in capital funds to support the replacement of poles, circuits, and lighting equipment due to knockdown or equipment failure and to address pole placement that has reached the end of usefulness.
- The ending fund balance is \$448,000. This amount is one and a half times the current year's ending balance as the district builds up reserves for future capital projects.

INTRODUCTION & BACKGROUND

Mid-Multnomah County Street Lighting 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 service costs. This is accomplished through annual property assessments included on property tax bills.

The Multnomah County Board of Commissioners, who govern the district, established Mid-Multnomah County Street Lighting Service 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 cities of Maywood Park, Troutdale, and Fairview.

Mid-Multnomah County Street Lighting CSD	2019-20	2020-21	2021-22	2022-23
Assessment Per Year	\$60	\$60	\$70	\$75
Connections	7,934	7,895	7,885	\$7,876
Special Assessment Taxes Imposed	\$470,224	\$469,687	\$547,202	\$585,888

BUDGET OVERVIEW

Multnomah County's Department of Community Services manages the district's administration. The district has only the General Fund, budgeted at \$1,448,000, up 25% from the current year. The increase results from funds carried forward due to unused capital funding. The funds increased the beginning fund balance by 47%, or \$283K, over the current year. The district has built up resources to address planned current and future capital work. The Mid-Multnomah County Street Lighting District has set aside \$550,000 for design and construction activities to replace street lighting along 257th. The construction phase of the streetlight replacement project on SW 257th Drive will mainly happen during FY 24 and FY 25. Included in this budget is \$345K to support daily district operations.

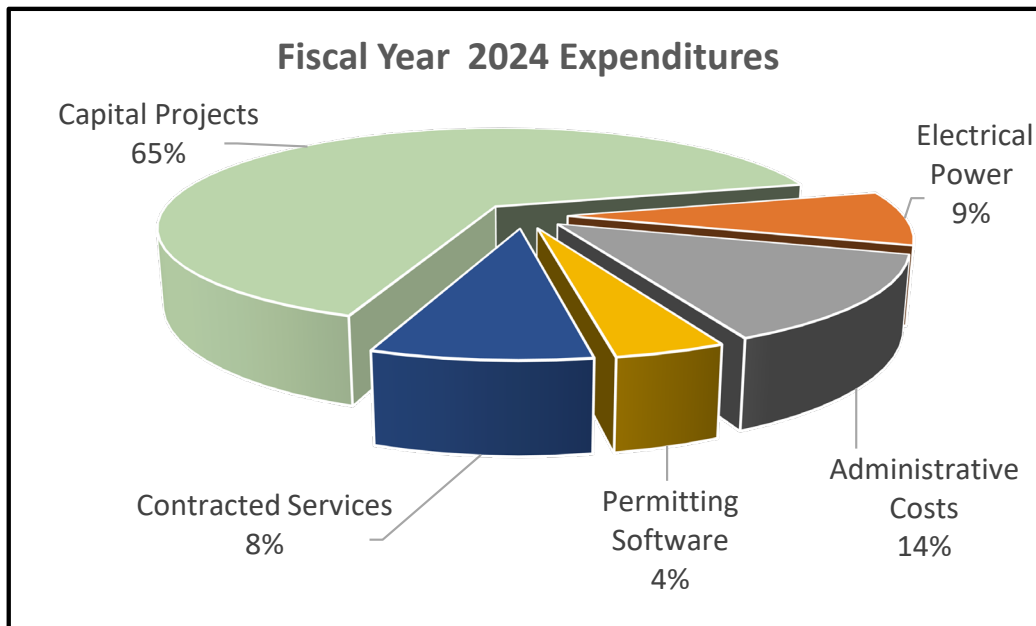
**GENERAL FUND
 RESOURCES**

Special assessment taxes are the primary source of the district's revenue. With this budget, the district tax assessments will remain flat at \$551K since the annual rate will stay the same as in the current year, \$75 per property. The current rate still provides ample revenue so the district can continue delivering the same services. The total income expected from tax assessments is \$551,000. Other resources include beginning fund balance, interest on investments, and previous years' taxes. Total revenue of \$565,000 and a fund balance of \$883,000 equal the requirements and balance the budget.

REQUIREMENTS

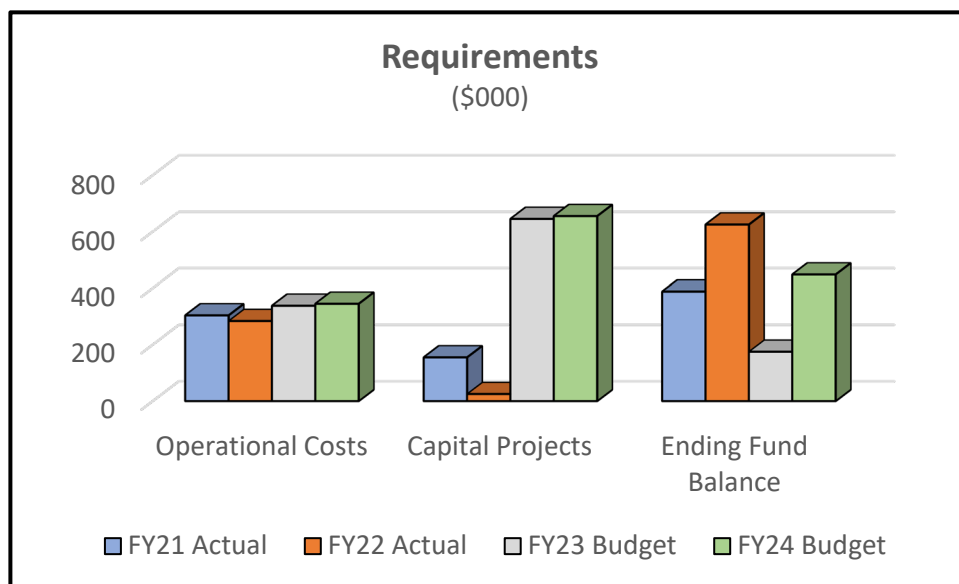
Mid-Multnomah County Street Lighting Service District						
	Total Requirements (\$000)					
	FY 19 Actual	FY 20 Actual	FY 21 Actual	FY 22 Actual	FY 23 Budget	FY 24 Budget
Electrical Power	105	88	82	82	85	85
Administrative Costs	86	125	116	159	135	135
Permitting Software	0	0	17	17	35	42
Contracted Services	37	33	89	26	83	83
Operational Costs	228	246	304	284	338	345
Capital Projects	404	107	155	25	645	655
Total Expenditures	632	353	459	309	983	1,000
Ending Fund Balance	256	379	388	625	175	448
Total Requirements	888	732	847	934	1,158	1,448

Expenditures for operations are all classified as **materials and services** since the district does not have employees but contracts with Multnomah County for the agency's administration.



The Mid-Multnomah County Street Lighting Service District has fundamentally changed its operations budget over the last seven years. Initially, the district owned the poles and street lights and contracted with PGE for energy and pole maintenance. In 2016, when the service district converted to LED street lights, they also took over maintenance. Now PGE's only role is to provide electric power. The conversion project resulted in substantial savings in the cost of energy. In 2017 the district paid \$114,000 for electricity. As shown in the table on the previous page, this dropped to \$82,000 in FY 21 actual expenditures for power. Still, other costs increase as the district takes over responsibility (from Portland General Electric) for outage response, maintenance, and power pole knockdowns. In addition, administrative costs have increased from the "Pre-LED Project" years. The rise is due to the district's expanded role in managing the streetlights.

With complete ownership of the system, the district continues making improvements. For example, labels on each street light pole will make it easy for residents to report outages. In addition, the permitting software enhances incident tracking and identifying problem areas.



The district has set aside \$545,000 to support construction activities for street light enhancements along SW 257th Avenue. The service district will accomplish this in two phases. Phase One of this project will increase lighting levels just west of Columbia River Highway to SW Cherry Park Road. This phase started in October 2021 and is projected to be completed in 2024. Phase two will pick up at SW Cherry Park Road and extend to SW Stark Avenue. Mid-Multnomah County Lighting District will work with the Multnomah County Department of Transportation and focus solely on street lighting and improving public safety.

Due to knockdown and equipment failures, the agency budgeted \$100,000 to accommodate replacement poles, circuits, and lighting equipment.

The ending fund balance increases 156% from \$175,000 to \$448,000 as the district builds reserves to support future capital activities.

DEBT STATUS

The district has no outstanding debt.

BUDGET PROCESS & COMPLIANCE

Yes	No	Compliance Issue
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Did the district meet publication requirements?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Do resources equal requirements in every fund?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Did the budget committee approve the budget?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Did the budget committee approved the assessment?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the audit show the district was in compliance with budget law?

LOCAL BUDGET LAW COMPLIANCE

The FY 2023-24 Approved Budget is in substantial compliance with local budget law.

The audit report for the FY 2021-22 notes no exceptions.

CERTIFICATION LETTER RECOMMENDATIONS & OBJECTIONS

TSCC staff did not find any deficiencies in the district's FY 2023-24 budget or budget process, and we recommend the Certification Letter contain no recommendations or objections.

Mid-Multnomah County Street Lighting Service District

Budget Summary

SUMMARY OF ALL FUNDS	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	%
PROPERTY TAX BREAKDOWN:	Actual	Actual	Revised	Approved	Change
TOTAL PROPERTY TAX	0	0	0	0	0.0%
RESOURCES:					
Beginning Fund Balance	379,235	388,109	600,000	883,000	47.2%
Other Taxes	453,965	532,234	555,000	555,000	0.0%
Fees and Charges	2,192	8,051	0	0	0.0%
Other Income	10,968	5,956	3,000	10,000	233.3%
TOTAL RESOURCES	846,360	934,350	1,158,000	1,448,000	25.0%
REQUIREMENTS BY FUNCTION:					
Streets Transportation and Parking	458,250	309,628	983,000	1,000,000	1.7%
Ending Fund Balance	388,110	624,722	175,000	448,000	156.0%
TOTAL REQUIREMENTS BY FUNCTION	846,360	934,350	1,158,000	1,448,000	25.0%
REQUIREMENTS BY OBJECT:					
Materials & Services	303,202	284,408	338,000	345,000	2.1%
Capital Outlay	155,048	25,220	645,000	655,000	1.6%
Ending Fund Balance	388,110	624,722	175,000	448,000	156.0%
TOTAL REQUIREMENTS BY OBJECT	846,360	934,350	1,158,000	1,448,000	25.0%

This district has only one fund ~ The General Fund.