

# Budget Review 2025-26

## Mid-Multnomah County Street Lighting Service District



### BUDGET HIGHLIGHTS

- The total budget, consisting of only a General Fund, increased by \$296 thousand or 14.8% to \$2.0 million 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 2025-26 will include \$650,000 for the continued construction phase of the SW 257<sup>th</sup> 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 \$880 thousand, up 47.9% from current year, 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	2022-23	2023-24	2024-25	2025-26 (budgeted)
Assessment Per Year	\$70	\$75	\$75	\$75
Properties Served	7,885	7,876	7,876	7,876
Special Assessment Taxes Imposed	\$561,289	\$561,877	\$551,000	\$551,000

### BUDGET OVERVIEW

Multnomah County's Department of Community Services manages the district's administration. The district has only the General Fund, budgeted at \$2.0 million, up 17% from the current year. The increase results from funds carried forward due to unused capital funding. The funds increased the beginning fund balance by 26%, or \$296 thousand, over the current year. The district moves into the construction phase with \$650 thousand budgeted for the street light replacement projects on SW 257<sup>th</sup> Avenue. Included in this budget is \$371 thousand to support daily district operations.

## GENERAL FUND RESOURCES

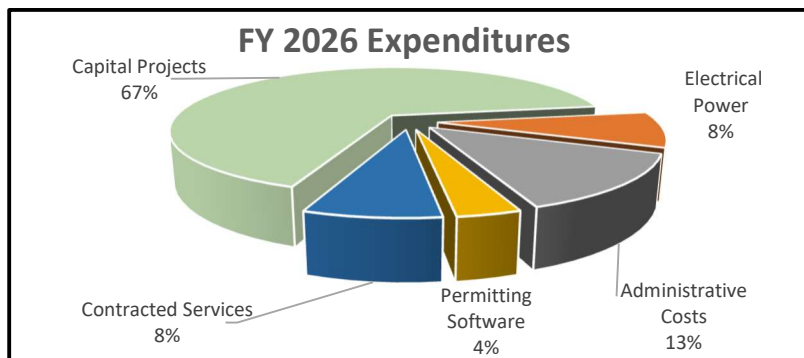
Special assessment taxes are the primary source of the district's revenue. With this budget, the district tax assessments remain flat at \$551 thousand since the annual rate will stay the same as in the current year, \$75 per property. The current rate still provides ample revenue so the district can continue delivering the same services. Other resources include beginning fund balance, interest on investments, and previous years' taxes. Total revenue of \$565 thousand and a fund balance of \$1.4 million equal the requirements and balance the budget.

## REQUIREMENTS

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.

Mid-Multnomah County Street Lighting Service District						
	Total Requirements (\$000)					
	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26
	Actual	Actual	Actual	Actual	Budget	Budget
Electrical Power	82	82	79	88	90	96
Administrative Costs	116	159	121	68	150	150
Permitting Software	17	17	18	28	35	40
Contracted Services	89	26	36	131	85	85
Operational Costs	<b>304</b>	<b>284</b>	<b>255</b>	<b>314</b>	<b>360</b>	<b>371</b>
Capital Projects	155	25	1	73	750	750
Total Expenditures	<b>459</b>	<b>309</b>	<b>256</b>	<b>388</b>	<b>1,110</b>	<b>1,121</b>
Ending Fund Balance	388	625	959	1,181	595	880
Total Requirements	<b>847</b>	<b>934</b>	<b>1,215</b>	<b>1,569</b>	<b>1,705</b>	<b>2,001</b>

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 streetlights and contracted with Portland General Electric (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 thousand for electricity. As shown in the table on the previous page, this dropped to \$82 thousand in FY 2020-21 actual expenditures for power, small increases due to inflation are shown in the proceeding years. Still, other costs increase as the district takes over responsibility (from Portland General Electric) for outage



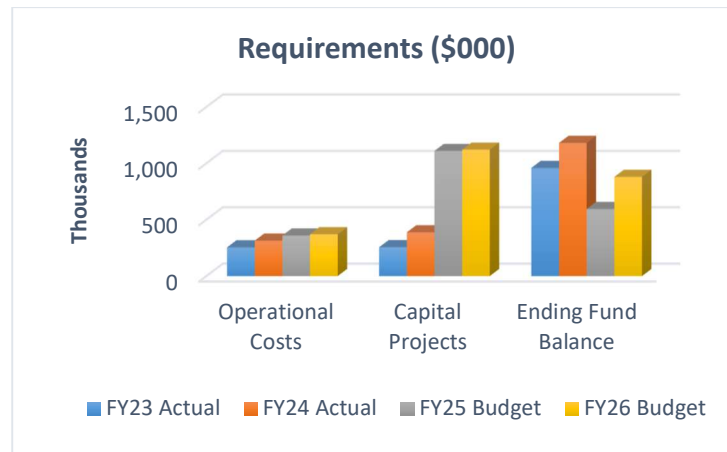
response, maintenance, and power pole knockdowns. In addition, administrative costs have increased from the "Pre-LED Project" years. The rise is due to the district's expanded role in managing the streetlights.

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 \$650,000 to support construction activities for street light enhancements along SW 257<sup>th</sup> Avenue. The service district will accomplish this in two phases. Phase One of this project increased lighting levels just west of Columbia River Highway to SW Cherry Park Road. This phase started in October 2021 and was projected to be completed in 2024. Phase two will pick up at SW Cherry Park Road and extend to SW Stark Avenue. The district had anticipated all work would be completed by the end of FY 2025; project work was delayed a year and is now anticipated for completion next year. 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, just as they had in current year.

The ending fund balance increases 48% from \$595 thousand to \$880 thousand 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
X		Did the district meet publication requirements?
X		Do resources equal requirements in every fund?
X		Did the budget committee approve the budget?
X		Does the audit show the district was in compliance with budget law?

### LOCAL BUDGET LAW COMPLIANCE

The 2025-26 Budget is in substantial compliance with local budget law. TSCC staff judged that the district's budget estimates were reasonable for the purposes shown.

The audit report for the fiscal year 2023-24 states that all expenditures were within budget appropriations, and the budget met all local budget law requirements.

### CERTIFICATION LETTER RECOMMENDATIONS & OBJECTIONS

TSCC staff did not find any deficiencies in the district's FY 2025-26 budget or budget process, and we suggest the Certification Letter contains no recommendations or objections.

Mid-County Lighting					
Budget Summary					
	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026	%
<u>SUMMARY OF ALL FUNDS</u>	Actual	Actual	Revised	Approved	Change
<b>PROPERTY TAX BREAKDOWN:</b>					
<b>TOTAL PROPERTY TAX</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
<b>RESOURCES:</b>					
Beginning Fund Balance	622,338	959,180	1,140,000	1,436,000	26.0%
Other Taxes	561,289	561,877	551,000	551,000	0.0%
Fees and Charges	5,923	3,959	4,000	4,000	0.0%
Other Income	25,560	43,743	10,000	10,000	0.0%
<b>TOTAL RESOURCES</b>	<b>1,215,110</b>	<b>1,568,759</b>	<b>1,705,000</b>	<b>2,001,000</b>	<b>17.4%</b>
<b>REQUIREMENTS BY OBJECT:</b>					
Materials & Services	254,929	314,480	360,000	371,000	3.1%
Capital Outlay	1,001	73,397	750,000	750,000	0.0%
Ending Fund Balance	959,180	1,180,882	595,000	880,000	47.9%
<b>TOTAL REQUIREMENTS BY OBJECT</b>	<b>1,215,110</b>	<b>1,568,759</b>	<b>1,705,000</b>	<b>2,001,000</b>	<b>17.4%</b>

*This district has only one fund ~ The General Fund.*