



Budget Message for Fiscal Year 2019-20
East Multnomah Soil and Water Conservation District
Dan Mitten, Budget Officer

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1.0 Introduction

The East Multnomah Soil and Water Conservation District (EMSWCD) is a local unit of government managed by an elected Board of five Directors. In November 2004, the voters of the district approved the establishment of a permanent property tax rate limit for the EMSWCD. The rate limit is a maximum of 10 cents per \$1,000 of assessed value. By law this rate cannot increase. This secure funding source has enabled EMSWCD to better pursue our mission, “to help people care for land and water.”

As a taxing district, EMSWCD is required to establish a Budget Committee, hold one or more public meetings for the review of the upcoming year’s budget, publish the budget in a newspaper of general circulation in the district, and hold a public budget hearing through the Multnomah County Tax Supervising and Conservation Commission (TSCC). In keeping with Oregon Local Budget Law for a district with a population of over 200,000, the EMSWCD Board of Directors serves as the Budget Committee. The Budget Committee is required to meet, review the budget, hear public comment and approve the budget. After the TSCC public hearing, the budget is presented for adoption at a district board meeting.

This Budget Message is presented at the first Budget Committee meeting and is intended to explain the proposed budget and outline any significant changes in the EMSWCD’s financial position. The Budget Message, the accompanying worksheets, and supporting data are provided to the Budget Committee and public for their review. These documents will be available for review at the EMSWCD office throughout the budget development process. As the budget is revised, the older drafts will be replaced with the most recent draft.

The budget includes a General Fund and three special funds. All funds have a Resources and Expenditures and/or Requirements section that must balance and include a variety of categories and



line items specific to the needs of each fund. The structure of the budget is designed to meet the requirements of Oregon Local Budget Law.

Significant changes that are reflected in the proposed FY 2019-2020 budget include:

- General Fund Capital expenses are increasing from \$76,500 in the adopted FY 2018-2019 budget to \$316,540 proposed in FY 2019-2020 due to increased capital improvement needs at the Main Office and the Headwaters Farm. Specific improvements include:
 - Main Williams Office:
 - Purchase and installation of two new electric vehicle charging stations at the Main Office.
 - Repairs and maintenance on landing and steps to sidewalk. Inspection, caulk, and paint entire building. Breakroom remodel and conference room upgrade.
 - Headwaters Farm: Solar installation on barn and upcoming equipment shed.
- Total General Fund personnel services costs are increasing from \$2,112,675 in the adopted FY 2018-2019 budget to \$2,364,366 (approximately 12%) in the proposed FY2019-2020 budget due to annual wage and benefit adjustments. This also includes a proposed \$125,000 in salary and benefits in the Finance & Operations Program for a possible DEI position.
- Total General Fund materials and services costs are increasing from \$1,136,605 in the adopted FY 2018-2019 budget to \$1,291,344 (approximately 13.5%) in the proposed FY2019-2020 budget mostly due to: 1) the board approving \$100,000 of Urban Lands funds to roll into the FY 2019-2020 budget for a multi-year Demonstration Project; 2) the cost associated with the lease of two new electric vehicles; 3) an increase in office furnishings and equipment; 4) an increase in public relations and promotions expenditures; and 5) allocated funds for EMSWCD's Annual Meeting offsite.
- General Fund Contingency fund remains at \$350,000 in the proposed FY 2010-2020 budget as part of a continuing strategy to ensure the EMSWCD is prepared to take advantage of unpredictable opportunities, meet unforeseen increases in costs, and adapt to uncertainties related to global climate change (e.g., catastrophic storms, floods, drought and fire).
- Due to the 2018 CPI Geographic Revision, the Portland area CPI (Portland-Salem CPI-U) has been discontinued. The replacement options are West Size Class A for populations > 1.5 M or West Size Class B/C for populations < 2.5 M in 13 Western states. EMSWCD will recommend the most appropriate option to the Board for approval and adoption into EMSWCD policy.

Please note that this budget is prepared on a modified accrual basis.



2.0 Components of the Budget

2.1 Resources

“New” resources (i.e., funding sources) include a combination of property tax revenues, state/federal/local grants, contract income, fund balance interest, rental income, and income from EMSWCD’s annual native plant sale. The aforementioned may include Oregon Watershed Enhancement Board (OWEB) small grants on behalf of landowners in the district.

Other, “existing” resources are derived from the beginning fund balance, which includes a combination of intentionally unallocated monies (“ending fund balance”), unexpected tax revenues, unspent contingency, and unspent program monies, all from the previous fiscal year.

For most of the above funding sources, the exact amount that will be will received is unknown at this time and is estimated based on past experience and the most current information available.

2.2 Expenditures/Requirements

Budgeted expenditures (i.e., anticipated costs) are grouped and tracked by fund. Each fund is described below.

2.3 General Fund

The purpose of the General Fund is to account for all activities which are not funded by specifically designated and restricted funds such as special funds or reserve funds.

Expenditure categories in the General Fund include personnel, materials and services, capital outlay, contingency, transfers, and unappropriated ending fund balance. The General Fund accounts for many of the normal expenses associated with operating the EMSWCD and its programs, as well as those activities not associated with a special grant commitment. The unappropriated ending fund balance is the allocated carryover of funds from FY 2018-2019 for meeting FY 2019-2020’s costs until the tax revenue is available.

The General Fund budget includes a line for contingency. The purpose of this funding line is: a) to take advantage of unpredictable opportunities; b) to cover unforeseen expenses; and c) to cover budgeted expenses if anticipated revenue (such as grant or contract income) is not received.

The General Fund resources and expenditures sheets are accompanied by worksheets detailing the budget expenses for each of the EMSWCD’s programs.

2.4 Special Funds

2.4.1 Land Conservation Fund

EMSWCD is concerned about the future of agriculture in the district as well as the health and continued function of key ecosystem processes and access to nature for residents of the district. We are therefore pursuing land conservation through a variety of avenues. Resources budgeted in this fund are primarily for the purchase of easements, development rights, or property with high agricultural and/or conservation value. EMSWCD intends to work with partners to accomplish our land conservation goals. By so doing, we can avoid administrative duplication and devote more funds directly to land conservation. In keeping with EMSWCD’s philosophy of voluntary conservation action, all our land conservation work will be on a voluntary (willing seller, willing buyer) basis.

The Land Conservation Fund is made up of dollars transferred from the General Fund.



2.4.2 Grants Fund

The Grants Fund (formerly called the “Projects and Cost-share Fund”) contains resources set aside to support conservation and environmental education projects. These projects include on-the-ground installation of conservation practices as well as outreach and educational efforts in support of EMSWCD’s mission. With the intention of being flexible and responsive and at the same time ensuring accountability and the strategic investment of public funds, projects are funded through several mechanisms, as identified below.

- Partners in Conservation (PIC): Annual competitive grants for conservation and environmental education projects undertaken by partners.
- Small Project and Community Event (SPACE): Grants for smaller conservation and education projects (under \$2,000). SPACE grants are provided on a monthly basis throughout each fiscal year.
- Cooperative Landowner Incentive Program (CLIP): A cost-share program that provides financial assistance to landowners who are installing conservation practices such as fencing, manure storage sheds, and trees and shrubs for wildlife habitat
- Strategic Conservation Partnership (SPA): Under a five-year agreement with the three watershed councils operating within the district, EMSWCD provides funding not to exceed \$100,000 per year per council for work the achieve mutual goals.
- Strategic Conservation Investments (SCI): Although there are no specific monies allocated to this grant program, the opportunity for EMSWCD to provide grants to partners through SCI still exists. SCI grants are intended for projects that were not envisioned or planned for during the preceding fiscal year but are intended to help out in urgent or time-sensitive situations. Should an SCI opportunity arise, monies from other grant programs or the contingency line item may be used.

Additional projects are budgeted for in the General Fund under the program responsible for the work. Dollars to support this Fund will be transferred from the General Fund.

2.4.3 Partner Grants Management Fund

This Fund is used to hold grants made to the EMSWCD on behalf of partners. This is how OWEB small grants are configured. Funds budgeted here are not a net cost to the EMSWCD. The sum budgeted for this year is an estimate based on past experience intended to cover grants received on behalf of partners in FY18-19.

3.0 Budget Committee Approval – Tax Rate Levy or Amount of Total Tax

Oregon law allows taxing districts to approve the budget by an amount (dollar figure) or rate. Prior to FY 2009-2010, EMSWCD levied an amount rather than a rate. Since FY2009-2010, the Budget Committee has decided to levy at the full rate. The Budget Officer recommends that the EMSWCD again levy at the full rate.

Funds are tracked by program as well as by fund. General Fund appropriations are made by program.

3.1 Finance and Operations

The Finance and Operations budget center supports and oversees all of EMSWCD’s work. Finance and Operations provides administrative support, web services, bookkeeping services, and supervision to the other program areas as well as support to the Board of Directors. The Finance and Operations budget



contains a wide range of items such as contracted legal and other professional services, telecommunications and most costs associated with our Headquarters.

3.2 Rural Lands Program

The Rural Lands Program protects natural resources by providing property owners/managers of working lands with technical, resource, labor, and financial assistance to help them identify opportunities for conservation and install conservation practices on their land. The primary focus is water quality and soil conservation including invasive species management.

3.3 Urban Lands Program

The Urban Lands Program works primarily on residential, institutional, and business/industrial lands. Common activities include public workshops (e.g., for Naturescaping), the annual native plant sale, stormwater improvement, and demonstration projects. The primary goals of the program are to reduce soil and water pollution, reduce the volume and rate of storm water runoff, and reduce water consumption by urban residents.

3.4 Conservation Legacy Program

The Conservation Legacy Program supports on-the-ground conservation projects and conservation education by providing financial assistance to landowners, partner organizations, and community groups. It also uses conservation easements and land acquisition (to be held by EMSWCD or by partners) to further EMSWCD's mission.

3.5 Headwaters Farm Program

The Headwaters Farm Program hosts the Headwaters Incubator Program (HIP), which provides land, water, infrastructure and other support for qualified individuals wanting to start a sustainable agricultural business who would otherwise not be able to do so. The program began operation in FY 2013-2014 with a small number of farms and will increase gradually.

4.0 Supporting Documents

This Budget Message is accompanied by the following:

- RESOURCES: General Fund: Resource Description (revenues) (Form LB 20)
- EXPENDITURE SUMMARY: By Fund, Organizational Unit, or Program (Form LB 30)
- DETAILED EXPENDITURES: General Fund: Expenditure Description (Form LB 31)
- DETAILED EXPENDITURES: An LB 31 worksheet for each program and for District operations & administration
- SPECIAL FUNDS: Land Conservation Fund: Resources and Requirements (Form LB 10)
- SPECIAL FUNDS: Grants Fund (formerly called Projects and Cost Share Program): Resources and Requirements (Form LB 10)
- SPECIAL FUNDS: Partner Grants Management Fund: Resources and Requirements (Form LB 10)