



**Budget Message for Fiscal Year 2024-2025**  
**East Multnomah Soil and Water Conservation District**  
**Dan Mitten, Budget Officer**

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## 1.0 Introduction

This Budget Message is presented at the first Budget Committee meeting and is intended to explain the proposed FY 2024-2025 budget, describe important features within the budget document, and outline significant changes in EMSWCD's financial position. As we gear up for our 24-25 fiscal year and I begin my tenure as the new Executive Director of EMSWCD, we look forward to advancing our vision and growing the work set forth in our 2023-2027 strategic plan. As always, our mission of helping people care for land and water is central to all we do, and we now have key priorities that guide our work across agriculture and working lands, natural spaces and the urban and built environment. My hope is that this budget demonstrates our dedication to the core programs that support soil and water health across the diverse communities we serve, while also leaning into new areas of impact.

Of note, this coming fiscal year our Community Outreach and Engagement team will begin to implement the findings and recommendations from our current phase of listening, learning and message development. With the addition of a new 0.5 FTE (this fiscal year) the team is fully staffed and will build an editorial calendar to align our internal messaging and outreach, create unified branding for EMSWCD and implement targeted messaging based on priority constituent groups we want to reach.

Central to our outreach investment is a redesign of EMSWCD's website to engage more constituents and better communicate our suite of services. In the next year, the District's Urban Program will be deepening ongoing partnerships to support marketing and outreach efforts for co-created regional campaigns (Clean Rivers Coalition) and online web tools ('Solve Pest Problems' and 'Oregon Flora's Native Plant Gardening Portal'). We are also, as part of our commitment to improved water quality, joining forces with USGS to test for toxic algal blooms in the Willamette River. This effort will bring us closer to making the river safer for people, fish, and wildlife.



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Finally, we have a capital improvement project for our Headwaters Farm in our proposed budget that we had hoped to complete this fiscal year. Our goal is to remove our current farm office, which is currently located in a fragile riparian area, and open a new office on adjacent property that we own and is better suited for office space.

Our Headwaters program will also offer a new “bridge award” component to support business development for graduate farmers that have achieved all HIP requirements. The bridge awards will support graduates in leasing land and purchasing equipment needed for the next step in their business plans. This new program addresses an identified barrier for graduate HIP farmers who have demonstrated success and wish to continue to develop their agricultural businesses.

These are just a few of the many changes we look forward to launching in the next fiscal year. Thank you in advance for your review of this proposed budget and the comprehensive set of recommendations it represents.

**Kelley Beamer, Executive Director**

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 in May, the budget is presented for adoption at the June EMSWCD Board meeting.

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 by request or on the District website: <http://emswcd.org/about/organizational-resources/budgets-reports-and-plans/>. Should you not have internet access and would like to request your copy by phone, please call 503-222-7645. 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.



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Significant changes that are reflected in the proposed FY 2024-2025 budget include:

- Total General Fund personnel services costs are increasing by 5.91% from \$2,996,187 in the adopted FY 2023-2024 budget to \$3,173,330 in the proposed FY 2024-2025 budget mostly due to increases in salaries and benefit costs.
- Total General Fund materials and services costs are decreasing by 0.05% from \$2,441,767 in the adopted FY 2023-2024 budget to \$2,440,569 in the proposed FY 2024-2025 budget mostly due to a slight decrease in contracted professional services and programmatic costs.
- Total General Fund capital outlay is decreasing by 11.1% from \$485,000 in the FY 2023-2024 adopted budget to \$431,000 in the proposed FY 2024-2025 budget. This decrease is due to the completion of the prior year building modifications at the District headquarters but still includes office improvements and modifications at the Headwaters Farm office. Additional capital outlay is for the several continued upgrades to the District headquarters and improvements to an EMSWCD property.
- The General Fund Contingency fund is increasing by 39.3% from \$359,000 in FY 2023-2024 to \$500,000 in the proposed FY 2024-2025 budget. This increase is due to potential needs that may arise and unforeseen circumstances in the new fiscal year related to project or initiative outcomes determined after this budget is adopted. This is in line with 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 unforeseen catastrophic events (e.g. storms, floods, drought and fire).

In FY 2019-2020 EMSWCD's Board adopted the CPI-W West-Size A index in its salary & wage schedule adjustments to account for inflation. EMSWCD continues to use the CPI-W West-Size A index.

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 also 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 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 EMSWCD and its programs, as well as those activities not associated with a special grant commitment. The unappropriated ending fund balance includes the allocated carryover of funds from FY 2023-2024 for meeting FY 2024-2025'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. EMSWCD is therefore pursuing land conservation through a variety of avenues. Resources budgeted in this fund are primarily for the purchase of easements, development rights, or real property with high agricultural and/or conservation value. The fund can also be used for extraordinary easement enforcement costs. 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 projects. 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 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 Events (SPACE): Grants for smaller conservation and education projects (under \$2,500). 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,



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manure storage sheds, erosion control measures, bioswales, and planting trees and shrubs for wildlife habitat. We plan to redesign the CLIP program to focus these efforts in the rural areas of our district and create a complementary CLIP program for our urban lands efforts that is focused on industrial and commercial spaces.

- Strategic Conservation Partnership (SPA): EMSWCD will continue its SPA funding for the Columbia Slough Watershed Council and the Johnson Creek Watershed Council, both of which serve as critical partners for the work we do. Under a continued agreement with the two watershed councils operating within the EMSWCD service area, EMSWCD provides funding per council for work to achieve mutual goals.
- Equity-focused Strategic Opportunity Grants (EFSOG) - Grants to support community organizations and initiatives helping to advance equity, diversity and inclusion related to EMSWCD's mission and programmatic goals. These grants are made as needed when opportunities are identified.
- People's Garden Initiative Grants: Is an agreement between the USDA, NRCS, & EMSWCD. EMSWCD will administer these grants for the purposes of producing vegetables and fruit important to small and large communities and urban neighborhoods lacking access to locally grown produce. EMSWCD will sub-award the funds to grantees meeting the Initiative's requirements.

Additional grant projects are budgeted for in the General Fund under the program responsible for the work. Dollars to support the Grants 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 FY24-25.

## 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 FY 2009-2010, 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 supports and oversees all of EMSWCD's work. Finance and Operations provides administrative support, web services, fleet & facilities management, financial oversight and report preparations, budget development and monitoring, 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 that cross all programs, telecommunications, and most costs associated with our Headquarters office.

### 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 improving water quality, increasing irrigation efficiency, improving soil health, reducing erosion, and restoring native habitat including controlling invasive species.

### 3.3 Urban Lands Program

The Urban Lands Program works primarily on residential, institutional, and business/industrial lands within the Urban Growth Boundary of EMSWCD. Program services include public workshops (e.g., Naturescaping, Rain Gardens, etc.), technical and financial assistance, annual events (Native Plant Sale, etc.) community projects with partners, and large-scale demonstration projects. The primary goals of the program are to reduce soil and water pollution by reducing the volume and rate of stormwater runoff, reduce water consumption by urban residents, and to improve climate resiliency and natural habitat in the urban area.

### 3.4 Community Outreach & Engagement

The Community Outreach & Engagement Program works primarily to prioritize EMSWCD's efforts and to direct resources in service of our mission by positioning the District to deliver communications and outreach on a districtwide, increased scale. This program is also charged with measuring impact, cross-collaborative efforts between programs, and maximizing partnerships, community engagement and service to EMSWCD's constituents.

### 3.5 Headwaters Farm Program

The Headwaters Farm hosts the Headwaters Incubator Program (HIP), which provides land, water, infrastructure, training and other support for qualified individuals wanting to start a sustainable agricultural business who would otherwise not be able to do so. The HIP program started in the 2013 growing season, and after ramping up with new cohorts every year, the program has been operating at or near capacity for years. 2023 concluded the eleventh season of the Headwaters Incubator Program and the seventh cohort of graduating farmers. To date, HIP has graduated 22 farms with over 85% of them still actively farming.

## 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)