



Budget Message for Fiscal Year 2011-12

East Multnomah Soil and Water Conservation District (EMSWCD)

Lissa Adams, Budget Officer

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 East Multnomah SWCD. The rate limit is a maximum of 10 cents per \$1000 assessed value. By law this rate cannot increase. This secure funding source has enabled EMSWCD to better pursue our mission “to conserve, protect and enhance soil, water and other natural resources to achieve a healthy environment for the people, fish and wildlife of Multnomah County.”

As a taxing district, the East Multnomah SWCD 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 East Multnomah SWCD 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 District’s financial position. The Budget Message and 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 District office throughout the budget development process. As the budget is revised, the older drafts will be replaced with the latest.

The budget includes a General Fund, five special funds, and a reserve fund. All funds have a Resources and 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 patterned to meet the requirements of Oregon Local Budget Law.

Changes that are reflected in the proposed FY 2011-2012 budget include:

- Capitol expenses are increased slightly from \$30,000 in the adopted FY 2010-2011 budget to \$50,000 proposed in FY 2011-2012 to cover potential capital improvements that may be needed for future agricultural properties.
- The Grant Assistance/Volunteer Coordinator position in the PACE program created in the FY 2010-2011 budget but never filled is replaced by a Weed Control Technician position in the CTA Program.
- Certain operational costs have increased to provide a greater volume of production (more site visits, more on-the-ground conservation projects, etc.) The bulk of these increases are reflected under contracted services. Other operational costs have decreased as many expenses related to moving into the new office and repairing the grounds are complete.
- \$1,500,000 will be transferred to the Land Conservation Fund this Fiscal Year, no change from FY 2010-2011.
- \$555,714 will be transferred to the Projects and Cost Share Fund this Fiscal Year, down from \$782,732 in FY2010-2011
- \$437,553 will be transferred to the Debt Service Fund this Fiscal Year, down from \$536,550 in FY2010-2011

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

COMPONENTS OF THE BUDGET

RESOURCES (The District's Funding Sources)

District activities are funded using a combination of tax revenues and state, federal and local grants and contracts as well as interest, workshop sponsoring organization fees (Naturescaping program) and the District's annual native plant sale. The District also typically receives several Oregon Watershed Enhancement Board (OWEB) small grants on behalf of landowners in the District. The District may pursue additional funding through grants and contracts. For most of these funding sources, the amount that will be received is unknown at this time and is estimated based on past experience and the most current information available.

EXPENDITURES (Anticipated costs)

Budgeted expenditures are grouped and tracked by fund. Each fund is described below.

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 District 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 2011-2012 for meeting FY 2012-2013's costs until the tax revenue is available.

The General Fund budget includes a line for contingency. The purpose of this line is: a) to have funding to cover unforeseen expenses, and b) 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 District's programs.

RESERVE FUND

Building Reserve Fund

The Building Reserve Fund was used for the purchase of the District's new Headquarters. It is no longer needed and was dissolved in FY 2009-2010. Remaining funds were transferred to the general fund.

SPECIAL FUNDS

Land Conservation Fund

The District is concerned about the future of agriculture in the District as well as the health and continued function of key ecosystem processes. We are therefore pursuing land conservation through a variety of avenues. Resources budgeted in this fund are for the purchase of easements, of development rights or purchase of property with high conservation value. The District 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 of 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.

Projects and Cost Share Fund

This fund contains resources set aside to support conservation projects. These projects include on-the-ground installation of conservation practices as well as outreach and educational efforts in support of the District'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.

First the District has a cost share program that provides financial assistance to landowners who are installing such conservation practices as fencing, manure storage sheds, and trees and shrubs for wildlife habitat. This is called the "Conservation Landowner Incentive Program" or CLIP. Second, we have a competitive grants program for conservation projects undertaken by partners. This is called "Partners in Conservation" or PIC. Third, smaller projects (under \$1,500) may be funded through the "Small Project and Community Events" or SPACE program.

Finally, all of the District's program areas are involved with partner organizations in various types of project work. Where staff is involved in projects closely aligned with our core work, the District is sometimes called on to cover project costs. An amount is budgeted in the District-led Projects line to support projects of this nature that are not specifically known at the time of budget development. 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.

Agency Fund

This fund is designed to be used for projects in which the District is simply the fiscal agent.

Partner Grants Management Fund

This Fund is used to hold grants made to the District on behalf of partners. This is how OWEB small grants are configured. Funds budgeted here are not a net cost to the District. The sum budgeted for this year is an estimate based on past experience intended to cover grants received on behalf of partners in FY 11-12.

Debt Services Fund

This fund was added for the 2008-2009 Fiscal year. It is not required by Local Budget Law but has been used to clearly set aside (unappropriated) funds toward early repayment of the building loan. We anticipate that the building loan will be paid off completely in FY 11-12.

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. In FY2009-2010 and FY2010-2011, the Budget Committee decided to levy at the full rate. The Budget Officer recommends that the District again levy at the full rate.

PROGRAMS (General Fund)

Funds are tracked by program as well as by fund; General Fund appropriations are made by program. No additional programs are proposed in this draft budget; services provided by existing programs will be expanded and improved.

Conservation Technical Assistance program (CTA)

This program protects natural resources by providing property owners/managers with technical 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.

Sustainable Urban Landscapes program (SUL)

This program includes the Naturescaping program, the annual native plant sale and the District's Low Impact Development (stormwater) work. 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.

Partner Assistance and Conservation Easements program (PA/CE)

This 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 the District's mission.

District Operations and Administration

This budget center supports and oversees all of the District's work. District 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 District Operations budget contains a wide range of items such as contracted legal and other professional services, telecommunications and most costs associated with our Headquarters.

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
- RESERVE FUND: Building Reserve Fund: Resources (income) and Requirements (expenses) (Form LB 11)
- SPECIAL FUNDS: Land Conservation Fund: Resources and Requirements (Form LB 10)
- SPECIAL FUNDS: Projects and Cost Share Program: Resources and Requirements (Form LB 10)
- SPECIAL FUNDS: Agency Fund: Resources and Requirements (Form LB 10)
- SPECIAL FUNDS: Debt Services Fund: : Resources and Requirements (Form LB 10)