

TSCC Budget Review 2017-18

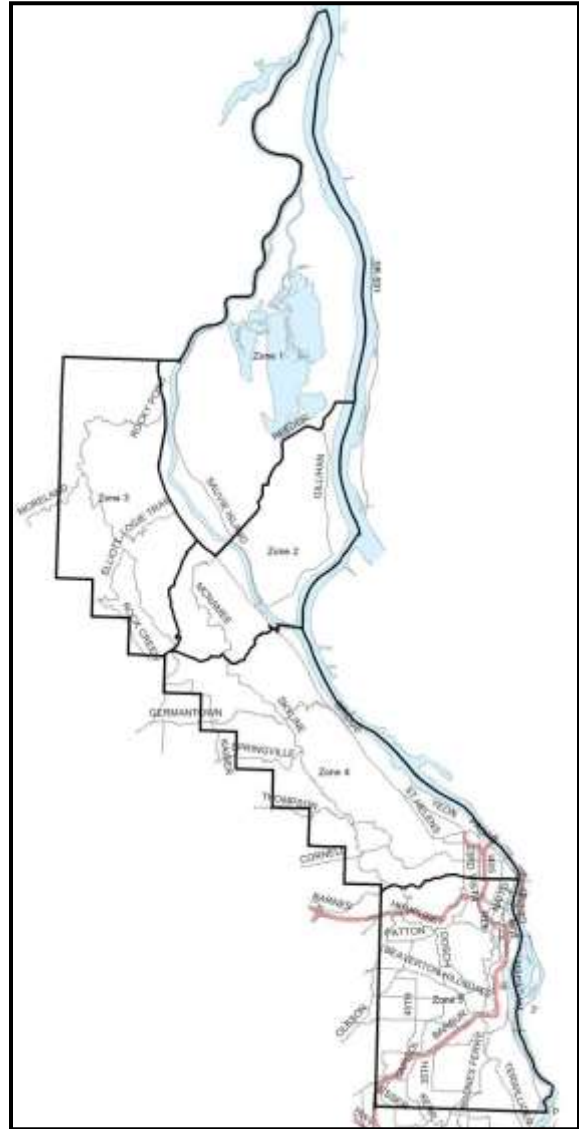
West Multnomah Soil & Water Conservation District

1. Introduction to the District:

The West Multnomah Soil & Water Conservation District's (SWCD) service area includes all of Multnomah County west of the Willamette River, a portion of Washington County known as Bonnie Slope West, and all of Sauvie Island, including that portion of the island within Columbia County. It is estimated to cover 86,260 acres (135 square miles).

The District's mission is to "Conserve and protect soil and water resources for people, wildlife, and the environment." Its vision is:

The District is committed to working with its constituents to meet the demand for natural resource education and technical assistance to urban and rural residents, farmers, business owners, public schools and the general public and to increase the economic viability and environmental health of the rural and urban regions.



2. History

The District originated in 1944 as the Sauvie Island Soil Conservation District. It was established to direct agricultural producers to technical assistance and other resources to help them care for their land. The District expanded to its current size in April 1975 and adopted its current name. District voters approved a tax base in November 2006, ensuring a stable revenue source for programs delivered to west side citizens beginning in fiscal year 2007-2008.

The District is governed by a seven member Board of Directors: five represent geographic areas and two are elected at large. Directors are elected to four year terms and serve without compensation.

The District’s assessed value is \$24 billion. It has increased by an average of 4.6% in the three years since 2013-14. The loss to compression over the same time has halved, from \$132,000 to \$65,600.

West Multnomah Soil & Water CD	2014-15	2015-16	2016-17	2017-18
Assessed Value in Billions	\$21.926	\$22.999	\$24.091	
Real Market Value (M-5) in Billions	\$32.945	\$36.629	\$42.034	
Property Tax Rate Extended: Operations	\$0.0750	\$0.0750	\$0.0750	
Measure 5 Loss	\$-99,397	\$-77,404	\$-65,605	
Number of Employees (FTE's)	9.1	9.6	9.8	

3. Strategic Plan/Performance Objectives

The District provides educational, technical, and financial conservation assistance to private landowners, businesses, schools, non-governmental education and conservation organizations, residents, and other member of the public with in its service area. It adopted a three-year Business Plan in 2015, which answers the question: How will the District look if our staff, board, and volunteers do their work well?

The plan provides these answers to that question.

- More urban and rural landowners will know about invasive plant species and be diligent about controlling them on their property.
- Horses, cows, goats and llamas will enjoy lush pastures without polluting our streams and rivers.
- Our streams, rivers and watersheds will be healthier, supporting the return of endangered salmon species.
- Birds and bees will thrive with ample food and shelter and will co-exist with people on farms and in suburban backyards.
- Rare habitats, such as oak savannas, ash swales and sedge meadows, will be appreciated and restored.
- Private landowners will be thoughtful and knowledgeable stewards of their forests and small wood lots.
- District residents will enthusiastically tackle conservation initiatives like rain gardens, bio swales, hedgerows, and other native planting projects.
- District residents will enjoy more locally-grown food, farmed with methods that contribute to the long-term health of the land.

Key to the District’s success in achieving these goals is a set of partnerships. The Budget Message lists 59 partner organizations, up from about 40 last year.

4. Budget in Total

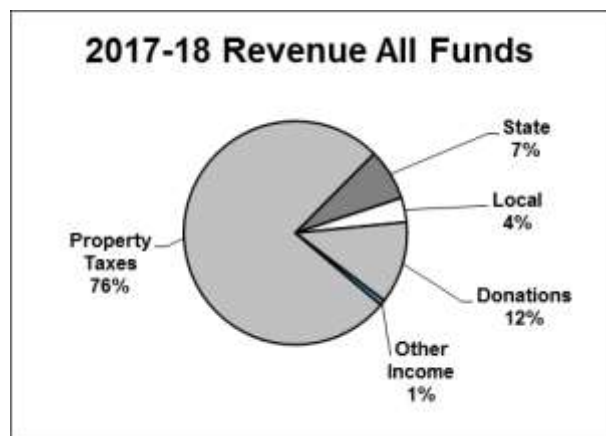
The District's budget is decreasing by \$549k (15%) to \$3.1 million. A culvert removal project at Sturgeon Lake (more information below) caused a bump-up of annual expenditures this year. The District's budget returns to its historical level (trended) next year.

West Multnomah Soil & Water Conservation District				
Total Budget (\$000)				
	2014-15	2015-16	2016-17	2017-18
Personnel Services	\$ 789	\$ 880	\$ 1,018	\$ 1,110
Materials & Services	535	620	1,775	1,078
Capital Outlay	18	4	35	20
Contingencies	-	-	50	50
Ending Fund Balance	920	1,006	749	820
Total Requirements	\$ 2,261	\$ 2,510	\$ 3,627	\$ 3,078

West Multnomah Soil & Water Conservation District				
Total Resources (\$000)				
	2014-15	2015-16	2016-17	2017-18
Beginning Fund Balance	\$ 836	\$ 920	\$ 1,000	\$ 1,021
Property Taxes	1,309	1,400	1,507	1,571
State	71	73	173	153
Local	26	51	542	73
Donations	-	43	390	245
Other Income	19	24	16	16
Total Resources	\$ 2,261	\$ 2,510	\$ 3,627	\$ 3,078

The District generates 76% of its 2017-18 revenue from property taxes.

As an example of the collaboration required for successful conservation work, the current year budget includes grants from Metro and Multnomah county, state grants, and donations from private organizations, e.g, Ducks Unlimited to fund the Sturgeon Lake project. The Oregon Wildlife Heritage Foundation sponsored a fund raiser that generated approximately \$350,000 from the public for the project.



5. Analysis of General Fund

The General Fund is increasing by \$96K (3.6%) to \$2.75 million. Personnel Services costs account for \$92k of that increase. Materials and Services and Capital Outlay budgets are decreasing.

West Multnomah Soil & Water Conservation District				
General Fund Budget (\$000)				
	2014-15	2015-16	2016-17	2017-18
Personnel Services	\$ 789	\$ 880	\$ 1,018	\$ 1,110
Materials & Services - Contracted	371	455	669	600
Materials & Services - Operating	119	153	216	233
Capital Outlay	18	4	35	20
Contingency	-	-	50	50
Sub-Total Requirements	\$ 1,297	\$ 1,492	\$ 1,988	\$ 2,013
Ending Fund Balance	\$ 887	\$ 942	\$ 672	\$ 743
TOTAL FUND REQUIREMENTS	\$ 2,184	\$ 2,434	\$ 2,660	\$ 2,756

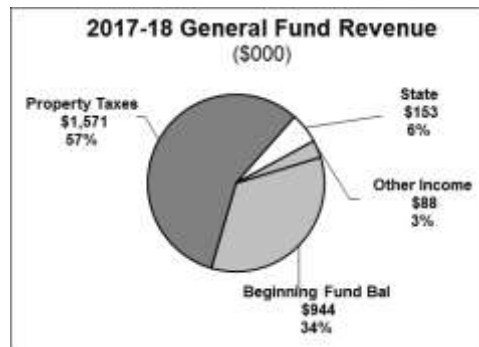
West Multnomah Soil & Water Conservation District				
Personnel Service Costs				
	2014-15	2015-16	2016-17	2017-18
Personnel Services	\$ 788,776	\$ 880,045	\$ 1,017,622	\$ 1,109,852
Full Time Equivalent Postions	9.1	9.6	9.8	10.8
PS Costs per FTE	\$ 86,679	\$ 91,671	\$ 103,839	\$ 102,764

All personnel costs are in the General Fund. Full-Time Equivalent (FTE) positions increase by 1 with the addition of a full time Conservation Technician. The District offers health insurance and PERS retirement benefits. For 2017-18, benefits costs (net of statutorily required benefits) are \$293k, 26% of total personnel services costs.

Materials and Services costs are 42% of the operating budget. This is higher than most local governments because conservation Districts achieve their objectives by granting funds to other organizations. 73% of Materials and Services costs go to this effort.

Since the District's primary revenue source is property tax revenues, its ending fund balance is critical for funding operations between July 1 and November 15, when the first significant property tax transfer is done. The 2017-18 fund balance (both beginning and ending) will increase.

2017-18 General Fund revenues will be in line with previous years'. Property taxes are the primary revenue source and they will be increasing by 4.2%

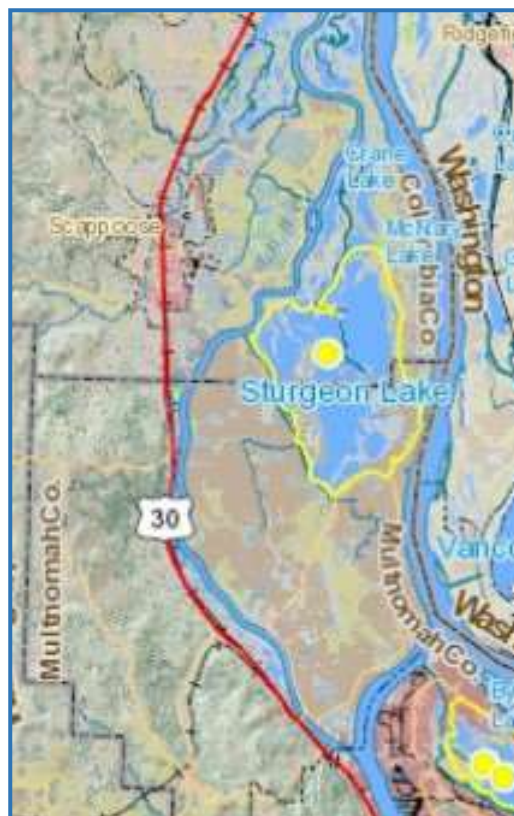


6. Analysis of Other Funds

The District has one other fund, the Sturgeon Lake Fund. This is a dedicated fund used to account for revenue (all funding is from partner organizations and grants) and expenditures of the Sturgeon Lake/Dairy Creek restoration project. Current year expenditures will be about \$100,000, well short of budget. It is a complex project and progress has been slower than anticipated. The rest of the budgeted expenditures will be spread out over the next two fiscal years.

West Multnomah Soil & Water Conservation District Sturgeon Lake Fund Summary				
	2014-15	2015-16	2016-17	2017-18
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
Beginning Fund Balance	\$ 77,462	\$ 33,301	\$ 76,301	\$ 76,873
Revenues	204	42,985	890,592	245,577
Expenditures	44,365	12,205	890,020	245,020
Contingency	0	0	0	0
Ending Fund Balance	\$ 33,301	\$ 64,081	\$ 76,873	\$ 77,430

Sturgeon Lake is located in the middle of Sauvie Island. It is owned by the Oregon Department of Fish and Wildlife. Under a Memorandum of Agreement with the Oregon Departments of Environmental Quality and Fish and Wildlife, the District sponsors a project to preserve the Sturgeon Lake area as an essential habitat area for the Pacific Flyway and all the wild species that are a part of that ecosystem. The area includes the 3,200 acre Sturgeon Lake and its feeder channel, Dairy Creek.



The District is the sponsor for this multi-jurisdictional project. It established this fund to account for the dedicated revenues and expenditures incurred by the District for this project. Revenues are entirely from grants. The District partners with the US Army Corps of Engineers, Grand Ronde Tribe, Multnomah County, Bonneville Power Administration, and other partners.

Working with the Corps, the District is securing temporary construction easements and permanent conservation easement along Dairy Creek. The creek's water flow is impeded by natural and manmade structures and that has resulted in high silt levels in the lake. Securing the needed permits is complicated by ownership and water rights tangles. While the District reports a cooperative process with the private land owners, the federal and state governments, and the participating agencies, it is a legal tangle. Metro has provided a grant to fund the legal processes underway. The District anticipates closing on the easements by the end of 2017-18. A feasibility study, a design report, and plans and specifications have all been prepared for the project.



Figure 1. A view of Sauvie Island's Sturgeon Lake looking East, with the Columbia River to the right and the Multnomah Channel and Highway 30 to the left.

7. Debt Status

The District has no debt.

8. Is Budget in Sync with Strategic Plan/Performance Objectives?

The District's Budget Officer produces one of the most in-depth budget messages of any TSCC client. The District's financial and budget documentation is thorough. The budget is tied to the District's Long Range Business Plan, but direct connections are implied, not spelled out, in the budget document. The budget officer plans to illustrate those connections in next year's budget document.

9. Budget Law Compliance

Yes	No	Compliance Issue
✓		1. Did District meet publication requirements?
✓		2. Do resources equal requirements in every fund?
N/A		3. Does the G.O. Debt Service Fund show only principle and interest payments
✓		4. Are contingencies shown only in operating funds?
✓		5. Did budget committee approve the budget?
✓		6. Did budget committee set the levy?
✓		7. Does audit show the District was in compliance with budget law?

10. Highlights of 2017-18 Budget

- The District's budget is decreasing by \$549k (15%) to \$3.1 million
- The decrease is due to fewer planned expenditures next year on the Sturgeon Lake Project
- The District anticipates closing on the easements needed to undertake the Sturgeon Lake project by the end of 2017-18.
- The District is budgeting for one additional position next year.