

Budget Review 2024-25

E. Multnomah Soil & Water Conservation District TSCC



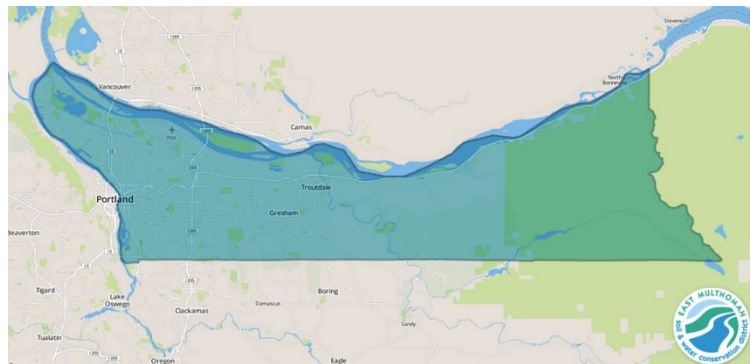
BUDGET HIGHLIGHTS

- The district's FY 2024-25 total approved budget is \$21.4 million, an increase of 11.9% over the current year budget.
- The largest increase is in the Land Conservation Fund, which increases by \$1.6 million to a total of \$8.7 million, a 22% increase. These funds are to support land conservation by buying easements, development rights, or real property district. The budget includes spending authority in this fund available should any potential land acquisition projects arise. The increase is driven by growth in fund balance as dollars unspent this year roll forward.
- The General Fund makes up nearly half of the total budget and is \$10.4 million, an increase of 4.3% from FY24. The district saw anticipated property tax revenue in the current budget year increase due to the closing of urban renewal districts; next year's budget anticipates a higher property tax amount as a result. The additional revenue is allocated in an increase for the Rural Lands program, an additional transfer to the Grants fund, and increased contingency.

INTRODUCTION & BACKGROUND

The East Multnomah Soil & Water Conservation District (EMSWCD) encompasses all of Multnomah County east of the Willamette River centerline, approximately 355 square miles with a population of over 700,000 residents who live, own, or manage land in East County.

The East Multnomah Soil and Water Conservation District provides educational, technical and financial assistance to landowners, land managers, and other residents so they may engage in ecologically sound land management practices. Originally intended to serve primarily farmers in response to the 1930's dust bowl, soil and water conservation districts now serve both rural and urban land owners. The EMSWCD promotes conservation objectives using a variety of programs.



East Multnomah Soil & Water CD	2020-21	2021-22	2022-23	2023-24
Assessed Value in Billions	\$56.373	\$57.911	\$60.264	\$65.651
Real Market Value (M-5) in Billions	\$128.012	\$138.825	\$149.376	\$152.676
Property Tax Rate Extended:				
Operations	\$0.1000	\$0.1000	\$0.1000	\$0.1000
Measure 5 Impact	\$-200,196	\$-202,315	\$-192,279	\$-182,220
Number of Employees (FTE's)	21	23	23	22

The district’s strategic plan was approved in December 2022 and identifies a focus on three specific areas. Supporting these three areas is how the district meets their mission of soil and water health. The mission is also supported by two important lenses: equity and inclusion and climate action.

Key Priorities for Our Work



A survey of Board and staff identified a set of priorities across our work areas. These include: **Water Quality, Soil Quality, Climate Change Impacts, Equity and Inclusion, Farmland Access, Water Conservation, Fish and Wildlife Habitat, and Local Food Production.**

Therefore, our key work areas will focus on the following:

Agriculture and Working Lands

People work land in both rural and urban settings.

- We will strive for economic resiliency of farmers, helping with access to land, and sharing resources for urban gardening.
- We promote sustainable practices that support soil and water health, and mitigate climate impacts by creating strong networks for sharing information and best practices.

Natural Spaces

Natural spaces are prevalent in our region in both urban and rural settings.

- We promote soil and water health in these systems, including access to people historically excluded.
- We will partner with organizations that focus on building healthy and accessible spaces throughout our District.

Urban and Built Environment

Our built environment requires a unique approach to addressing soil and water health.

- Our focus needs to span residential, commercial, industrial, community, and open spaces.
- We will develop innovative approaches to addressing the ways in which the built environment can support healthy habitat for all people and wildlife.

Agriculture and Working Lands

Lands utilized for farming and grazing.



Natural Spaces

Areas of land and water managed for healthy fish and wildlife habitat.



Urban and Built Environment

Human-dominated spaces that include both the built and natural environment.



BUDGET OVERVIEW

The district’s FY 2024-25 total approved budget is \$21.4 million, an increase of 11.9% over the current year budget. Budget increases are aligned with the district’s new 2023-2027 strategic plan. The current year budget included an organizational restructure and related budget alignment to increase emphasis on outreach. During the strategic planning process, the district identified a need for greater visibility, transparency and accountability with public audiences and partners. The district created a Communications and Engagement program in FY24 as a means of doing so.

The FY25 approved budget includes minimal adjustments to program areas as the district continues to focus on areas identified in the strategic plan. Continued emphasis will be placed on the district’s visibility through development of unified branding for EMSWCD and targeted messaging to priority constituent groups. EMSWCD will also build upon co-created regional campaigns to increase awareness of its programs.

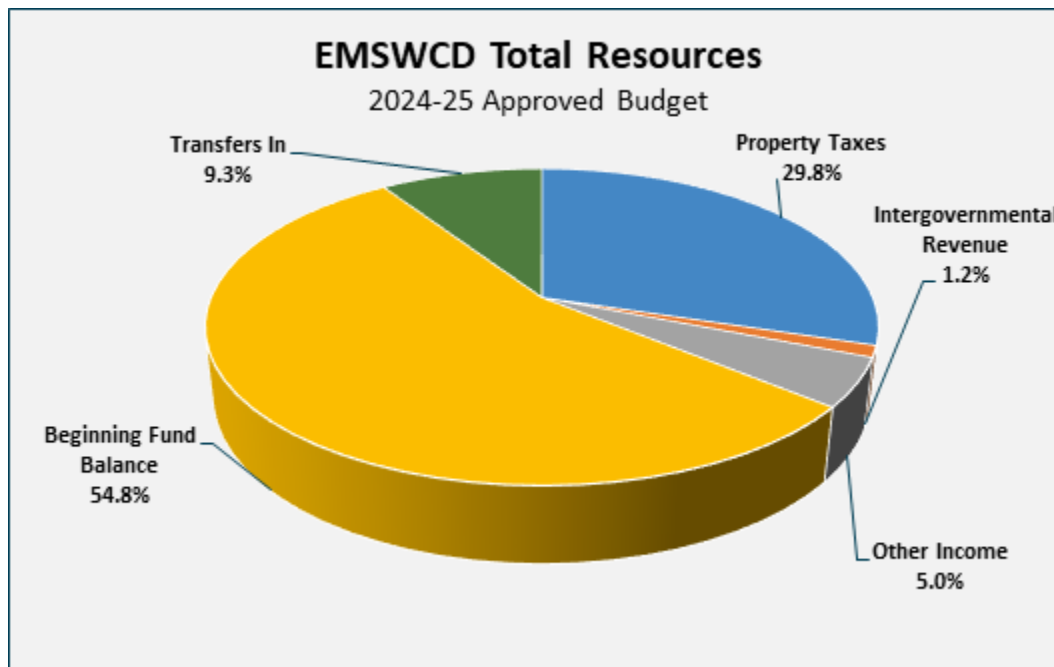
Funding for new “bridge award” grants to support business development for farmers that have completed all Headwaters Incubator Program (HIP) requirements is included in this budget. HIP provides land, water, infrastructure, training and other support for qualified individuals wanted to start a sustainable agricultural business. To date, HIP has graduated 22 farms through these efforts. These grants will provide additional support to graduates.

In the current year budget, the districted included just under \$137,000 in funds for an anticipated USDA grant, a \$2.4 million grant to be split over 5 years. These dollars would have been used for start-up costs to fund projects to improve farm access and farm transition programs. The USDA grant was not received; however, the district is committed to the program and has budgeted some funding for this activity in the Rural Lands Program, funded through property tax dollars.

Increased investment in capital outlay for land purchases increases in this budget. Other items previously budgeted in FY24 are carried forward into FY25 for completion. This includes the removal of the current farm office which is located in a riparian area to an adjacent district-owned property that is better suited for office space.

RESOURCES

EMSWCD BUDGET SUMMARY - RESOURCES					
RESOURCES:	2021-22 Actuals	2022-23 Actuals	2023-24 Revised	2024-25 Approved	
Property Taxes	5,405,791	5,708,791	5,720,418	6,379,272	11.5%
Intergovernmental Revenue	87,907	150,244	431,568	251,594	-41.7%
Other Income	157,895	728,293	428,000	1,061,257	148.0%
Subtotal Revenues	5,651,593	6,587,328	6,579,986	7,692,123	16.9%
Beginning Fund Balance	10,713,421	11,329,991	10,715,182	11,733,373	9.5%
Transfers In	1,214,085	1,626,815	1,849,435	1,993,754	7.8%
TOTAL RESOURCES	17,579,099	19,544,134	19,144,603	21,419,250	11.9%

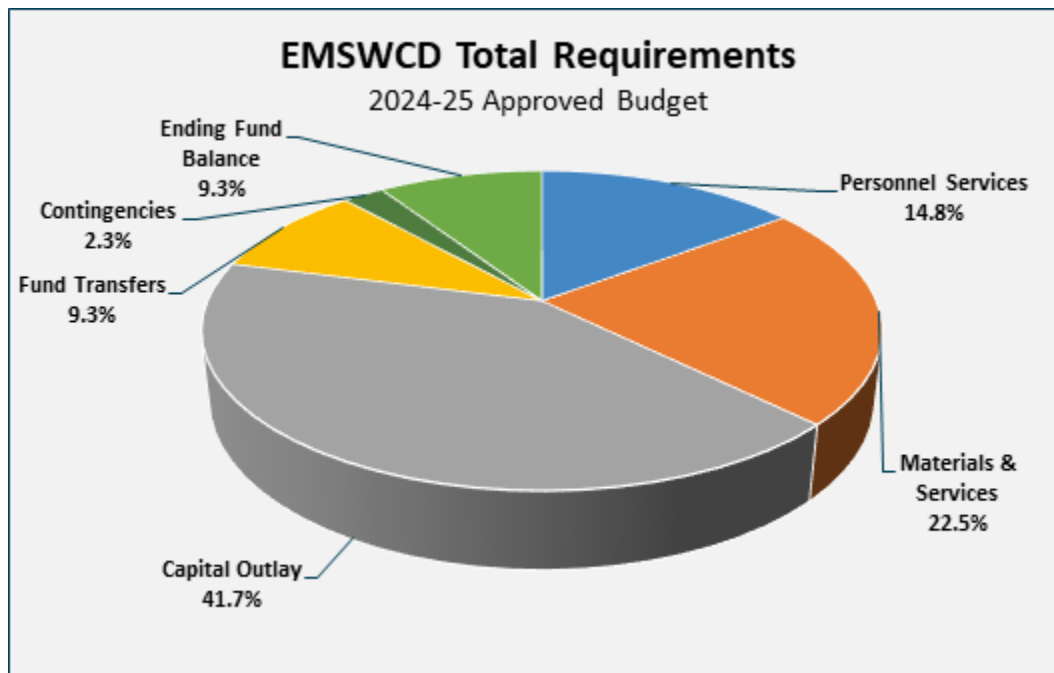


The district’s total resources increased just under \$2.3 million, an 11.8% increase from the revised budget. The district carries a large fund balance which it maintains for capital conservation purchases such as conservation easements.

Property taxes are the district’s primary source of income and are budgeted to grow by 9.8%. The district levies its full rate of \$0.1000 per \$1,000 of assessed value. Taxes account for nearly 70.0% of the district’s ongoing revenues. Intergovernmental revenue decreases this year by 46% due to an anticipated new grant from the USDA Land and Capital Access Pilot Project which increased the budget in FY24 but was not received. Other income increases are due to a new budget lane for the potential sale of property in the Land Conservation Fund (\$450,000).

REQUIREMENTS

EMSWCD BUDGET SUMMARY - REQUIREMENTS					
REQUIREMENTS:	2021-22	2022-23	2023-24	2024-25	
	Actuals	Actuals	Revised	Approved	
Personnel Services	2,414,532	2,726,330	2,996,187	3,173,330	5.9%
Materials & Services	2,387,416	2,168,502	4,548,767	4,817,569	5.9%
Capital Outlay	233,075	1,244,784	7,420,154	8,932,707	20.4%
Subtotal Expenditures	5,035,023	6,139,616	14,965,108	16,923,606	13.1%
Fund Transfers	1,214,085	1,626,815	1,849,435	1,993,754	7.8%
Contingencies	-	-	359,000	500,000	39.3%
Ending Fund Balance	11,329,991	11,777,703	1,971,060	2,001,890	1.6%
TOTAL REQUIREMENTS	17,579,099	19,544,134	19,144,603	21,419,250	11.9%



Expenditures total \$16.9 million in FY25; this is 79.0% of the total budget. The remaining balance is made up of transfers, contingency, and ending fund balance. Total expenditures are 13.1%

higher than the current year budget, driven by increased capital outlay of \$1.5 million in the FY 24-25 budget. Capital Outlay is primarily budgeted for Land Conservation projects, which account for \$8.2 million of the \$8.9 million total budgeted in capital outlay. The budget also includes \$411,000, down from \$447,000 in FY24, to complete replacement of the Headwaters Farm office and upgrade the conference room at the EMSWCD offices building.

Actual expenditures for prior years have been significantly less than budgeted as most of the money budgeted for capital spending on conservation easements has not been spent. The district budgets so funding is available should any potential projects arise (see Land Conservation Fund on p.9 for more details).

SIGNIFICANT FUNDS/PROGRAMS

EMSWCD BUDGET SUMMARY - BY FUND					
	2022 Actuals	2023 Actuals	2024 Revised	2025 Approved	
General Fund	9,137,575	10,613,320	10,102,449	10,540,543	4.3%
Grants Fund	1,531,664	1,440,097	1,932,000	2,202,000	14.0%
Land Conservation Fund	6,909,860	7,490,717	7,085,154	8,651,707	22.1%
Partner Grants Mgt Fund	-	-	25,000	25,000	0.0%
TOTAL ALL FUNDS	17,579,099	19,544,134	19,144,603	21,419,250	11.9%

General Fund

The FY 2024-25 General Fund budget is \$10.5 million, an increase of 4.3%. The General Fund makes up nearly half of the district’s total budget and is home to the programmatic functions of the district.

The General Fund is primarily funded by property tax, and all property tax revenue for the district is budgeted here. Intergovernmental revenue and grants for operating programs are also budgeted in the General Fund.

Expenditures in the General Fund increase by 2.1%, with the largest percentage increase in personnel services. Materials and services remain consistent with FY24 and capital outlay decreases 11.1% from \$485,000 to \$431,000 for improvements at the district headquarters, previously budgeted in FY24, which are carried forward for completion in FY25.

Ending fund balance increases slightly, while \$150,000 is added to contingency for unforeseen events in 2024-2025.

GENERAL FUND EXPENDITURES BY PROGRAM

	2022	2023	2024	2025	
	Actuals	Actuals	Revised	Approved	
Conservation/Land Legacy	491,235	551,876	-	-	
Finance and Operations	1,016,153	1,077,297	1,607,736	1,524,760	-5.2%
Headwaters Farm Program	412,133	424,969	901,118	912,497	1.3%
Rural Lands Program	1,044,580	1,147,457	1,857,985	1,983,747	6.8%
Urban Lands Program	667,008	815,231	920,800	949,300	3.1%
Community Engagement	-	-	635,315	674,595	6.2%
Subtotal	3,631,109	4,016,830	5,922,954	6,044,899	2.1%
Transfers Out	1,214,085	1,626,815	1,849,435	1,993,754	7.8%
Contingencies	-	-	359,000	500,000	39.3%
Ending Fund Balance	4,292,381	4,969,675	1,971,060	2,001,890	1.6%
Total	9,137,575	10,613,320	10,102,449	10,540,543	4.3%

Finance and Operations sees slight adjustments to materials and services and personnel service costs for 5.50 FTE.

The **Headwaters Farm Program** (2.50 FTE) increases by \$11,379 overall. The district added \$60,000 in Program Grants within the materials and services budget. The FY24 budget included capital outlay to relocate the Headwaters Farm Office; the current facility poses a conservation liability with an aging septic system in close proximity to a creek. The district plans to procure a double-wide farm office and to remove the existing office and decommission its septic system; related capital outlay and contracted services are budgeted at \$235,000 in FY25 as a carry forward from last year's budget.

The **Rural Lands Program** (6.00 FTE) increases by 6.8% to nearly \$2.0 million. The increase reflects increased budget for contracted services and other minor adjustments to line items in materials and services. The FY25 approved budget also adds \$75,000 in capital outlay for improvements to real property and contracted services increase by just over \$250,000, the majority of which is related to work coming over from the dissolved Conservation/Land Legacy program.

Spending in the **Urban Lands Program** increases by \$28,500 overall for its staff of 4.00 FTE. Contracted services decrease by \$18,000 in this budget.

In FY24, the district created the **Community Outreach and Engagement Program** with a total of 3.50 FTE. The program consolidated and enhanced outreach efforts. In the first year, focus was on inventorying program needs, creating a strategic communications plan, and updating the engagement and outreach infrastructure. The focus in the second year is on creation of unified branding for the district, implementation of targeted messaging to priority constituent groups and ongoing support for co-created regional campaigns that further the district's mission.

Grants Fund

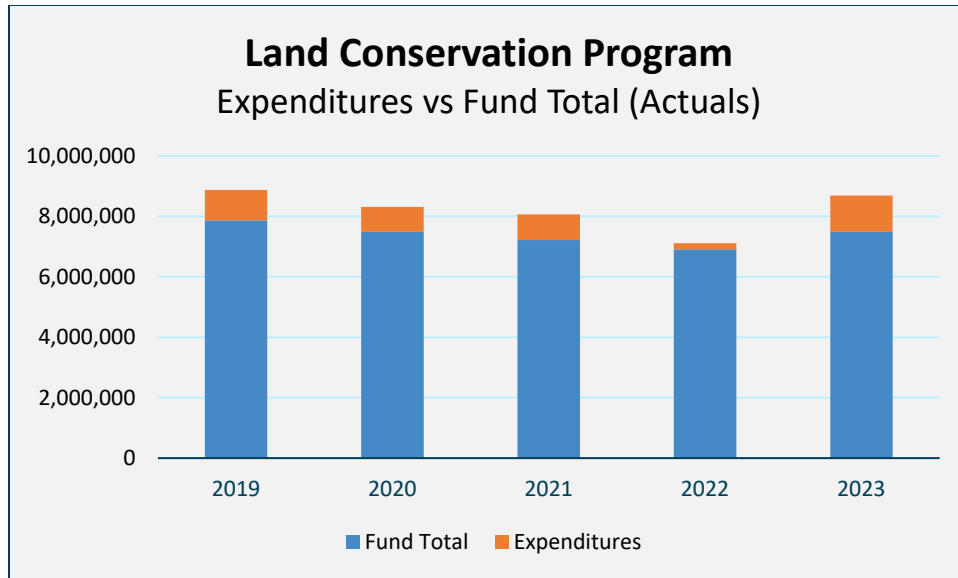
The Grants Fund contains dollars sent directly to the community. Overall, the fund increases to \$2.2 million, a 14% increase from the \$1.9 million budget last year. All money in the fund is budgeted to be spent. The fund’s revenue increased by \$270,000 in transfers from the General Fund.

The Grants Fund supports conservation and environmental education projects. Awards are given through several programs. Three grant programs grow in FY25, while two budget the same amount as the current year and one decreases slightly from current funding levels.

Grant	Purpose	FY 2024-25 Budget	Change from Prior Year
Partners in Conservation (PIC)	The largest grant program, supports projects related to the organization’s mission	\$1.4 million	+\$210,000
People’s Garden Initiative	For improvement or establishment of community gardens	\$115,000	+\$15,000
Cooperative Landowner Incentive Program (CLIP)	Provides cost share for conservation practices on private properties	\$300,000	+\$50,000
SPACE	Supports people growing health food, protect water quality and soil health, and connect to nature	\$102,000	\$0
Equity Focused Strategic Opportunity	Provide dollars for marginalized and disadvantaged folks that may not otherwise be eligible for grants as determined with a strategically focused equity lens	\$75,000	\$0
Strategic Partnerships	Direct funding to active Watershed Councils within EMSWCD boundaries	\$200,000	-\$5,000

Land Conservation Fund

This fund holds money for use in the pursuit of land conservation by buying easements, development rights, or real property. The district transfers property tax revenue from the General Fund to the Land Conservation Fund annually. The transfer is \$400,000 in the FY25 budget, down from \$550,000 in the current year, and a decrease from the \$500,000 budgeted in the three years prior. Expenditures have been limited historically to less than a million dollars annually. As a result, the fund balance is historically between \$6 to \$8 million each year; the actual ending fund balance for 2022-23 was \$6.3 million.



The district is actively seeking conservation projects to fulfill the goal of this fund, and budgets the full fund amount to allow for purchase of easements or real property if the opportunity arises.

DEBT STATUS

The district has no debt.

BUDGET PROCESS & COMPLIANCE

Yes	No	Compliance Issue
X		Did the district meet publication requirements?
X		Do resources equal requirements in every fund?
X		Are contingencies shown only in operating funds?
X		Did the budget committee approve the budget?
X		Did the budget committee set the levy?
X		Does the audit show the district was in compliance with budget law?

LOCAL BUDGET LAW COMPLIANCE

The FY 2024-25 Budget is in substantial compliance with local budget law. Estimates were judged to be reasonable for the purpose shown.

Staff reviewed the FY 2022-23 audit and there were no findings.

CERTIFICATION LETTER RECOMMENDATIONS & OBJECTIONS

TSCC staff did not find any deficiencies in the district's FY 2024-2025 Approved Budget or budget process, and submits the Certification Letter with no recommendations or objections.

East Multnomah Soil & Water

Budget Summary

	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025	%
	Actual	Actual	Revised	Approved	Change
SUMMARY OF ALL FUNDS					
PROPERTY TAX BREAKDOWN:					
Permanent Rate Property Taxes	5,405,791	5,708,791	5,720,418	6,279,272	9.8%
Prior Years Property Taxes	0	0	0	100,000	n/a
TOTAL PROPERTY TAX	5,405,791	5,708,791	5,720,418	6,379,272	11.5%
RESOURCES:					
Beginning Fund Balance	10,713,421	11,329,991	10,715,182	11,733,373	9.5%
Property Taxes	5,405,791	5,708,791	5,720,418	6,379,272	11.5%
Intergovernmental Revenue	87,907	150,244	398,568	216,594	-45.7%
Other Income	157,895	728,293	461,000	1,096,257	137.8%
Transfers In	1,214,085	1,626,815	1,849,435	1,993,754	7.8%
TOTAL RESOURCES	17,579,099	19,544,134	19,144,603	21,419,250	11.9%
REQUIREMENTS BY OBJECT:					
Personnel Services	2,414,532	2,726,330	2,996,187	3,173,330	5.9%
Materials & Services	2,387,416	2,168,502	4,548,767	4,817,569	5.9%
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Fund Transfers	1,214,085	1,626,815	1,849,435	1,993,754	7.8%
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SUMMARY OF BUDGET - BY FUND					
General Fund	9,137,575	10,613,320	10,102,449	10,540,543	4.3%
Land Conservation Fund	6,909,860	7,490,717	7,085,154	8,651,707	22.1%
Partner Grants Management Fund	0	0	25,000	25,000	0.0%
Grants Fund	1,531,664	1,440,097	1,932,000	2,202,000	14.0%
GRAND TOTAL ALL FUNDS	17,579,099	19,544,134	19,144,603	21,419,250	11.9%
DETAIL OF GENERAL FUND					
RESOURCES:					
Beginning Fund Balance	3,534,574	4,292,381	3,822,463	3,773,420	-1.3%
Property Tax	5,405,791	5,708,791	5,720,418	6,379,272	11.5%
Federal Revenue	0	19,500	151,974	20,000	-86.8%
State Revenue	87,907	109,462	96,594	96,594	0.0%
Local Revenue	0	21,282	50,000	0	-100%
Other Income	109,303	461,904	261,000	271,257	3.9%

Transfers In	0	0	0	0	0.0%
TOTAL FUND RESOURCES	9,137,575	10,613,320	10,102,449	10,540,543	4.3%
REQUIREMENTS:					
Administrative Services	1,016,153	1,077,297	1,607,736	1,524,760	-5.2%
Environmental and Conservation Services	2,614,956	2,939,533	4,315,218	4,520,139	4.7%
Transfers Out	1,214,085	1,626,815	1,849,435	1,993,754	7.8%
Contingencies	0	0	359,000	500,000	39.3%
Ending Fund Balance	4,292,381	4,969,675	1,971,060	2,001,890	1.6%
TOTAL FUND REQUIREMENTS	9,137,575	10,613,320	10,102,449	10,540,543	4.3%