

TSCC Budget Review 2020-21

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).

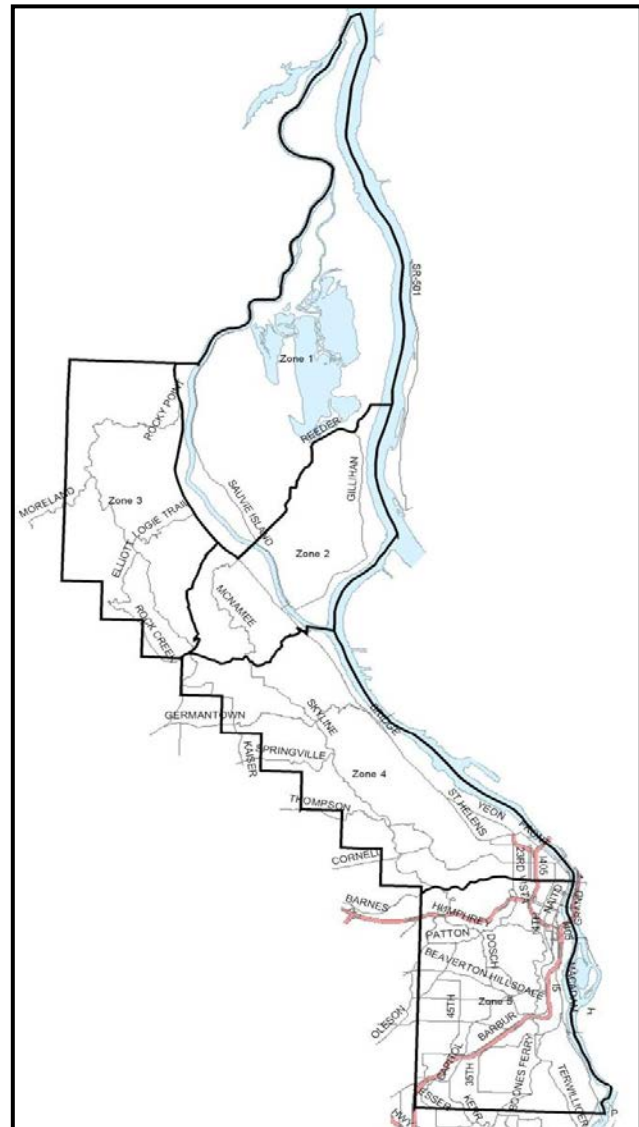
The District's mission is to "Conserve and protect soil and water resources for people, wildlife, and the environment."

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 anticipates its FY21 assessed value will be \$24.7 billion, its tax receipts \$1.7 million, and a loss to compression of \$90,691. The District, estimates are consistent with data provided by TSCC.



West Multnomah Soil & Water CD	2016-17	2017-18	2018-19	2019-20
Assessed Value in Billions	\$24.091	\$25.610	\$26.233	\$27.675
Real Market Value (M-5) in Billions	\$42.034	\$49.019	\$53.070	\$50.541
Property Tax Rate Extended: Operations	\$0.0750	\$0.0750	\$0.0750	\$0.0750
Measure 5 Loss	-\$65,605	-\$73,597	-\$69,525	-\$82,447
Number of Employees (FTE's)	10	11	11	11

3. Strategic Plan/Performance Objectives

The West Multnomah SWCD provides educational, technical, and financial conservation assistance to private landowners, businesses, schools, non-governmental education and conservation organizations, residents, and other members of the public within its service area.

The District's mission is to conserve and protect soil and water resources for people, wildlife, and the environment. They operate around six strategic goals to fulfill their mission:

1. Improve water quality in area watersheds;
2. Minimize erosion and build healthy soils;
3. Enhance habitats, biodiversity and ecosystem function;
4. Enhance the productivity and sustainability of working lands;
5. Cultivate land stewards of all ages; and
6. Ensure that the district is a vibrant agency.

The District's annual budget supports its mission and strategic goals, and is guided by its annual work plans. The annual work plans address the long-term conservation opportunities and associated concerns that are discussed in its Long Range Business Plan.

Partnerships with other organizations are the key to the District's success in achieving its goals. The Budget Message lists over 60 partners with which the District works on projects to support its conservation programs.

In an effort to ensure the District is being responsive to the needs of the communities it serves, the District will be updating the Long-Range Business Plan, integrating the financial sustainability work they started in 2017. The District is anticipating completing the planning process in the fall of this year. They intend to map out a plan through 2025 applying a financial sustainability lens to all decisions, hoping to enhance resiliency and long-term health.

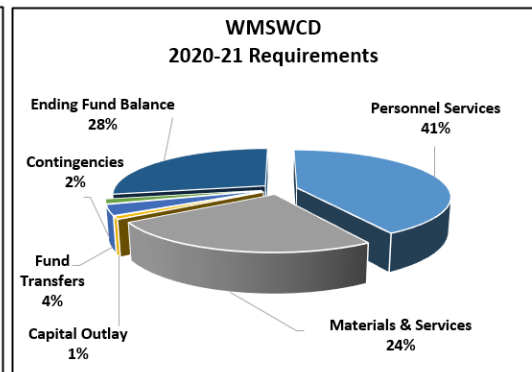
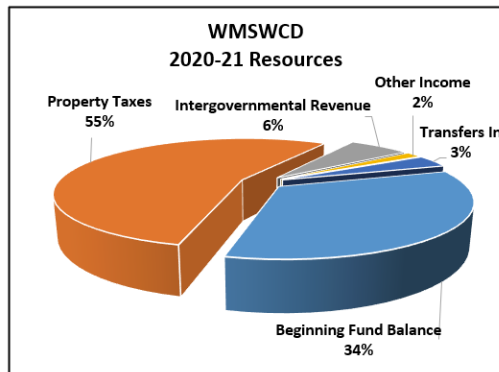
4. Budget in Total

The total budget is \$3.1 million, a decrease of \$235K (7%). The total Beginning Fund Balance of \$1.1 million is down \$223K due mainly to cost overruns on the Sturgeon Lake Project (approximately \$200K through FY20 and another \$111K expected in FY21). Property taxes and Federal grants are the only revenue sources that are not declining.

The District will generate 87% of its FY21 revenue from property taxes. State revenues include funding for water quality; invasive weed control programs; Oak habitat enhancements; and, new in FY21, is a \$2,000 grant for pest prevention outreach. Federal dollars are directed toward forestry projects and the Wetland Reserve Program easement project for McCarthy Creek.

West Multnomah Soil & Water Conservation District						
Total Resources						
	2017-18	2018-19	2019-20	2020-21	Change	
	Actual	Actual	Revised	Approved	\$	%
Property Taxes	1,532,969	1,615,254	1,626,414	1,727,732	101,318	6%
Federal	61,421	43,647	29,669	67,553	37,884	128%
State	743,103	234,106	173,964	128,562	-45,402	-26%
Local	13,033	23,939	43,650	7,000	-36,650	-84%
Other Income	41,185	52,074	59,920	50,310	-9,610	-16%
Transfers In	0	21,729	170,500	111,000	0	0%
Beginning Fund Balance	1,029,973	1,294,359	1,281,332	1,058,396	-222,936	-17%
Total Resources	3,421,684	3,285,108	3,385,449	3,150,553	-234,896	-7%

West Multnomah Soil & Water Conservation District						
Total Requirements						
	2017-18	2018-19	2019-20	2020-21	Change	
	Actual	Actual	Revised	Approved	\$	%
Personnel Services	1,067,209	1,127,636	1,263,471	1,307,770	44,299	4%
Materials & Services	1,052,916	791,257	870,467	772,002	-98,465	-11%
Capital Outlay	7,200	63,154	22,500	29,050	6,550	29%
Fund Transfers	0	21,729	170,500	111,000	-59,500	-35%
Contingencies	0	0	0	50,000	50,000	100%
Ending Fund Balance	1,294,359	1,281,332	1,058,511	880,731	-177,780	-17%
Total Requirements	3,421,684	3,285,108	3,385,449	3,150,553	-234,896	0



5. Analysis of General Fund

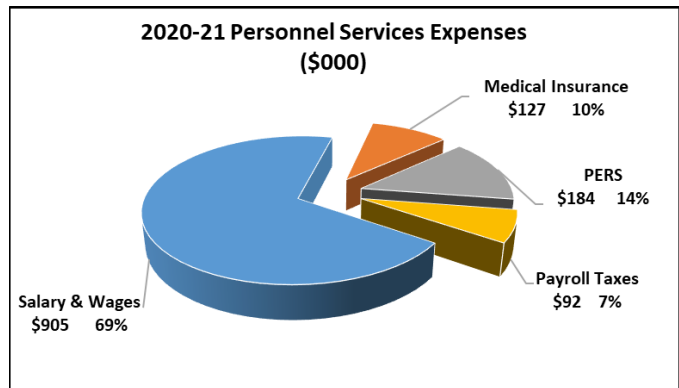
Requirements

The General Fund budget is \$2.9 million, a 4% decrease from the current year. Reductions in both the fund balance and transfers to the Sturgeon Lake fund are the reason for the drop in the General Fund budget.

West Multnomah Soil & Water Conservation District						
General Fund Requirements						
	2017-18	2018-19	2019-20	2020-21	Change	
	Actual	Actual	Revised	Approved	\$	%
Personnel Services	1,067,209	1,127,636	1,263,471	1,307,770	44,299	4%
M&S Administrative	203,152	245,975	240,000	240,281	281	0%
M&S Conservation Services	438,732	341,745	420,000	426,121	6,121	1%
Capital Outlay	7,200	0	4,000	5,150	1,150	29%
Transfers	0	21,729	170,500	111,000	-59,500	-35%
Total Expenditures	1,716,293	1,737,085	2,097,971	2,090,322	-7,649	-0.4%
Contingency	0	0	0	50,000	50,000	100%
Ending Fund Balance	1,018,020	1,151,319	985,115	824,000	-161,115	-16%
Total Fund Requirements	2,734,313	2,888,404	3,083,086	2,964,322	-118,764	-4%

Because property tax revenues are the main resource for West Multnomah SWCD, the District's Ending Fund Balance is critical for funding operations between July 1 and November 15, when the first significant property tax transfer is completed. The 2020-21 combined Ending Fund Balance/Contingency decreases by \$111K (16%) to \$874K, but will be sufficient for this purpose.

All the District's personnel services costs are recorded in the General Fund. Total personnel services costs are \$1.3 million, 63% of the fund expenditures and an increase of \$44K or 4% over the current year. The increase is driven by cost of living salary adjustments (3.1%) and merit increases (1.9%) for all staff. This increase is partially offset by a decrease in salaries due to an employee's leave of absence in FY21.



Health insurance benefits are estimated to increase 11% from \$113,854 to \$126,742. Estimates are based on the District's insurance agent's estimates of market factors when plans are renewed and staff demographics.

In FY20 the district made a \$25,000 contribution to pay down unfunded PERS liabilities faster and receive a 25% matching incentive contribution from the State of Oregon. Since they are not making a contribution to the side-account in FY21 PERS contribution will decrease from the current year's \$203,901 to \$184,100 in FY21.

The district budgets for seven full-time and four part-time regular positions and two part-time seasonal conservation positions. Staffing levels will be reduced by 0.5 FTE in the FY21 budget while the Habitat Incentive Program is put on hold for a year awaiting the suspension of social distancing restrictions brought about by the COVID-19 pandemic.

Materials and Services costs are 32% of the budgeted expenditures. Most of these expenditures are for contracted services and grants to partner organizations to carry out conservation field work. Examples include health streams projects and eradication of invasive species.

Resources

FY21 General Fund revenues will be in line with previous years' earnings. Property taxes are the primary revenue source and will be increasing just over \$100K.

West Multnomah Soil & Water Conservation District						
General Fund Resources						
	2017-18	2018-19	2019-20	2020-21	Change	
	Actual	Actual	Revised	Approved	\$	%
Beginning Fund Balance	955,296	1,018,020	1,151,319	985,000	-166,319	-14%
Revenues:						
Property Tax	1,532,969	1,615,254	1,626,414	1,727,732	101,318	6%
Federal Revenue	61,421	43,647	29,669	67,553	37,884	128%
State Revenue	131,740	140,454	173,964	128,562	-45,402	-26%
Local Revenue	13,033	23,939	43,650	7,000	-36,650	-84%
Other Income	39,854	47,090	58,070	48,475	-9,595	-17%
Total Revenues	1,779,017	1,870,384	1,931,767	1,979,322	47,555	2%
TOTAL FUND RESOURCES	2,734,313	2,888,404	3,083,086	2,964,322	-118,764	-4%

Resource fluctuations are the result of the revenue from multiple sources for the Sturgeon Lake project. This funding is receipted into the General Fund and then transferred as needed to the Sturgeon Lake Fund.

The following chart shows that the district has maintained adequate fund balance in the General Fund.

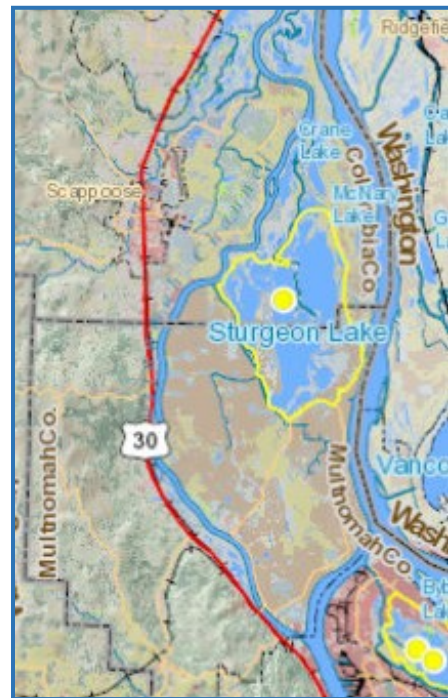
West Multnomah Soil & Water Conservation District				
General Fund Summary (\$000)				
	2017-18	2018-19	2019-20	2020-21
	Actual	Actual	Revised	Approved
Beginning Fund Balance	955	1,018	1,151	985
Total Fund Revenues	1,779	1,870	1,932	1,979
Total Expenditures & Transfers Out	1,716	1,737	2,098	2,090
Annual Gain/Loss	63	133	-166	-111
Contingency	0	0	0	50
Ending Fund Balance	1,018	1,151	985	824

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, grants and transfer from the General Fund) and expenditures of the Sturgeon Lake/Dairy Creek restoration project. Current year expenditures will be about \$229K and will drop to \$130K in FY21.

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 restore and preserve the Sturgeon Lake area as an essential habitat area for the Pacific Flyway and 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.

After over a decade of partnership building, planning, fundraising, engineering, and months of construction the Dairy Creek channel reopened the flow between Columbia River and Sturgeon Lake for the first time in 22 years in 2018. The project restored the Dairy Creek water flow which had been obstructed by silt, infill, and failed culverts. Work will continue on this project in FY21.



This fund accounts for expenditures incurred by the District on this project. The primary funders of the project are the US Army Corps of Engineers and the Bonneville Power Administration. The District's contributions to the project have been through the non-federal funds raised through efforts of the Oregon Wildlife Foundation; additional state and local

project funds have come from Metro, Multnomah County, Oregon Department of Fish and Wildlife, and other fund raising efforts.

The FY21 budget includes \$129,500 for expenditures as follows:

- \$55,000 for an irrigation reconfiguration project which involves the digging of an irrigation well
- \$25,000 for continued revegetation of the site
- \$25,000 for legal fees associated with securing permanent access for monitoring & maintenance
- \$6,000 for closing on the remaining permanent easement
- \$18,500 for maintenance and monitoring, which is what the Sturgeon Lake Fund will be used for once the project is completed.

West Multnomah Soil & Water Conservation District				
Sturgeon Lake Fund Summary Lake				
	2017-18	2018-19	2019-20	2020-21
	Actual	Actual	Revised	Approved
Beginning Fund Balance	74,677	276,339	130,013	73,396
Revenue	612,694	98,636	1,850	1,835
Transfers In	0	21,729	170,500	111,000
Expenditures	411,032	266,691	228,967	129,500
Ending Fund Balance	276,339	130,013	73,396	56,731

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 following chart illustrates the level of performance in current and previous years and the goals for the ensuing year.

Metrics	FISCAL YEAR TOTAL					
	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Actual	2019-2020 Work Plans	2020-2021 Goals
Conservation Plans Completed	34	39	32	27	28	25
Landowners Served	649	825	824	546	562	540
Acres Treated for Invasive Plants	237	129	46	47	48	48
Acres of Native Habitat Enhanced	281	251	257	236	243	243
Acres of Cropland Improved through Soil Health Practices	-	38	25	47	48	240
Native Plants Installed	150,004	55,623	30,985	69,926	31,751	30,000
Linear Feet of Streams/Banks Enhanced	28,261	46,090	36,254	30,826	37,342	30,000
People Served at Outreach Events	3,585	1,237	2,550	3,370	3,471	3,300
Public Meetings Held (Board Meetings, DEI Meetings, Annual Meeting)	15	17	17	17	18	18
Recognition Awards Given	7	5	4	8	8	8
Partners Engaged	44	44	59	67	69	72

9. Budget Law Compliance

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

10. Highlights of 2020-21 Budget

- The District's FY20 budget is \$3.1 million, a decrease of \$235K or 7%.
- The budget decrease is due to both drop in beginning fund balance and transfers to the Sturgeon Lake Fund.
- The District will generate 87% of its 2020-21 revenue from property taxes.
- The General Fund is decreasing by \$119K (-4%) to \$2.96 million.
- The Sturgeon Lake Restoration of Dairy Creek channel reopened the flow between Columbia River and Sturgeon Lake for the first time in 22 Years in November 2018. This budget includes \$130K for expenditures associated with the completion of this project.

11. Local Budget Law Compliance:

The 2020-21 Budget is in substantial compliance with local budget law. Estimates were judged to be reasonable for the purpose shown.

The audit report for fiscal year 2018-19 does not note any expenditures in excess of budget.

12. Certification Letter Recommendations and Objections:

TSCC staff did not find any deficiencies in the District's FY 2020-21 budget or budget process and will recommend the Certification Letter contain no recommendations or objections.

West Multnomah Soil & Water

Annual Report

	2017-18 Actual	2018-19 Actual	2019-20 Rev. Budget	2020-21 Apv. Budget	Budget % Change
SUMMARY OF ALL FUNDS					
Property Tax Breakdown:					
Permanent Rate Property Taxes	1,513,348	1,565,635	1,597,000	1,698,000	6%
Prior Years Property Taxes	19,621	49,619	29,414	29,732	1%
Total Property Taxes	1,532,969	1,615,254	1,626,414	1,727,732	6%
Resources:					
Beginning Fund Balance	1,029,973	1,294,359	1,281,332	1,058,396	-17%
Property Taxes	1,532,969	1,615,254	1,626,414	1,727,732	6%
Intergovernmental Revenue	817,557	301,692	247,283	203,115	-18%
Other Income	41,185	52,074	59,920	50,310	-16%
Transfers In	0	21,729	170,500	111,000	-35%
TOTAL RESOURCES	3,421,684	3,285,108	3,385,449	3,150,553	-7%
Requirements by Function:					
Environmental and Conservation Services	2,127,325	1,982,047	2,156,438	2,108,822	-2%
Transfers Out	0	21,729	170,500	111,000	-35%
Contingencies	0	0	0	50,000	0%
Ending Fund Balance	1,294,359	1,281,332	1,058,511	880,731	-17%
TOTAL REQUIREMENTS	3,421,684	3,285,108	3,385,449	3,150,553	-7%
Requirements by Object:					
Personnel Services	1,067,209	1,127,636	1,263,471	1,307,770	4%
Materials & Services	1,052,916	791,257	870,467	772,002	-11%
Capital Outlay	7,200	63,154	22,500	29,050	29%
Fund Transfers	0	21,729	170,500	111,000	-35%
Contingencies	0	0	0	50,000	0%
Ending Fund Balance	1,294,359	1,281,332	1,058,511	880,731	-17%
TOTAL REQUIREMENTS	3,421,684	3,285,108	3,385,449	3,150,553	-7%
SUMMARY OF BUDGET - BY FUND					
General Fund	2,734,313	2,888,404	3,083,086	2,964,322	-4%
Sturgeon Lake Fund	687,371	396,704	302,363	186,231	-38%
GRAND TOTAL ALL FUNDS	3,421,684	3,285,108	3,385,449	3,150,553	-7%
DETAIL OF GENERAL FUND					
Resources:					
Beginning Fund Balance	955,296	1,018,020	1,151,319	985,000	-14%
Property Tax	1,532,969	1,615,254	1,626,414	1,727,732	6%
Federal Revenue	61,421	43,647	29,669	67,553	128%
State Revenue	131,740	140,454	173,964	128,562	-26%
Local Revenue	13,033	23,939	43,650	7,000	-84%
Other Income	39,854	47,090	58,070	48,475	-17%
TOTAL FUND RESOURCES	2,734,313	2,888,404	3,083,086	2,964,322	-4%
Requirements:					
Environmental and Conservation Services	1,716,293	1,715,356	1,927,471	1,979,322	3%
Transfers Out	0	21,729	170,500	111,000	-35%
Contingencies	0	0	0	50,000	0%
Ending Fund Balance	1,018,020	1,151,319	985,115	824,000	-16%
TOTAL FUND REQUIREMENTS	2,734,313	2,888,404	3,083,086	2,964,322	-4%
BALANCE SHEET AS OF JUNE 30 EACH YEAR					
	2017-18	2018-19			
Assets:					
Cash & Investments	1,285,127	1,354,227			
Receivables	167,324	105,974			
Inventory	100,200	6,357			
Fixed Assets	22,107	77,193			
Deferred Outflows	360,244	823,528			
TOTAL ASSETS	1,935,002	2,367,279			
Liabilities and Equity:					
Liabilities	912,981	1,342,089			
Equity	924,925	727,109			
Deferred Inflows	97,096	298,081			
TOTAL LIABILITIES AND EQUITY	1,935,002	2,367,279			