

# Budget Review 2024-25

## West Multnomah Soil & Water Conservation



### HIGHLIGHTS

- The total budget is \$6 million, an increase of \$1,870,861 (45%).
  - Included in this significant increase is \$1,851,500 of anticipated grant funding and expenditures related to a 5-year USDA Community Wildfire Defense Grant (Wildfire Grant), however the district informed TSCC that they did not receive the grant and plans to alter the budget before adoption. Without the grant, the total budget for FY 2024-25 is less than a 1% increase over current year.
- Resources, excluding the USDA Wildfire Grant, remain stagnant with increases in property tax revenue offsetting decreases in Other Income and Beginning Fund Balance.
- Personnel costs decrease 5% to a total of \$1.7 million. One time transition and payout costs for a self-managed time policy occur in current year. Accounting for the one-time costs, Personnel would have increased 4.4%.
- Materials and services costs increase by \$228,939 or 22% (excluding the USDA Wildfire Grant). The increase is correlated with inflation, additional office space and an increase in partner grant support.
- Capital outlay decreases by 79% down to a total of \$12,820. A fleet vehicle and software upgrade occurred in the current year, however no significant capital is planned for FY25.
- Ending fund balance decreases by 7.9% to \$1.1 million as operating costs outpace revenues. The district will review options for a grant writer in future years to mitigate the gap.

### INTRODUCTION & BACKGROUND

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 covers five zones (see map to the right).

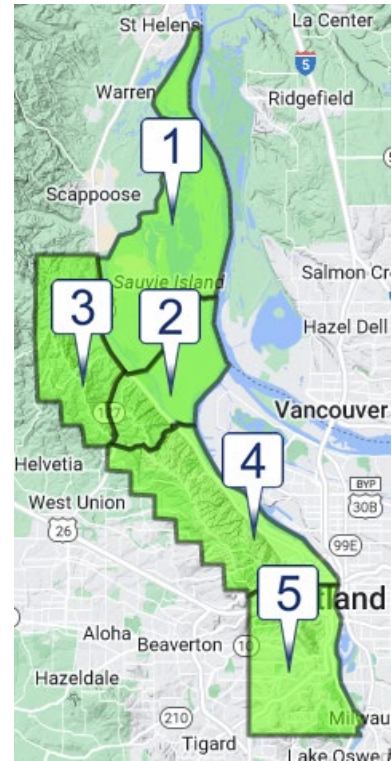
The district was established in 1944 as the Sauvie Island Soil Conservation District to direct agricultural producers to soil conservation technical assistance resources, such as those provided by the federal Soil Conservation Service, known today as the U.S. Department of Agriculture, Natural Resource Conservation Service (NRCS). In 1975, the district expanded the scope of its conservation work, including the types of natural resource concerns addressed and the geographic service area and became the West Multnomah Soil & Water Conservation District. Voters approved a permanent property tax levy in November 2006

and beginning in fiscal year 2007-2008, the district enlarged its staff to provide conservation assistance and resources more broadly throughout the service area.

Now divided into five geographic zones, the district provides voluntary conservation services to people that live, work, or otherwise have an interest in the geographic service area. The district provides resources, information, and expertise for people to actively improve air and water quality, fish and wildlife habitat, and soil health. To accomplish this, the district works with private owners of farms and forests, tenants, schools, non-profit organizations, culturally specific organizations, neighborhood and other local community centers, and government agencies.

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 mission is to “Conserve and protect soil and water resources for people, wildlife, and the environment.”



The district completed a new Long Range Business Plan (LRBP) plan in early 2021. The district has developed goals, tactics, and performance measures for 10 elements of work. The 50-page document is located on the [district web site](#).

<b>West Multnomah Soil &amp; Water CD</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Assessed Value in Billions	\$24.981	\$27.536	\$29.114	\$31.049
Real Market Value (M-5) in Billions	\$56.279	\$57.682	\$60.001	\$58.465
Property Tax Rate Extended: Operations	\$0.0750	\$0.0750	\$0.0750	\$0.0750
Measure 5 Loss	\$-90,738	\$-98,718	\$-90.748	\$-102,466
Number of Employees (FTE's)	11	11	11	12

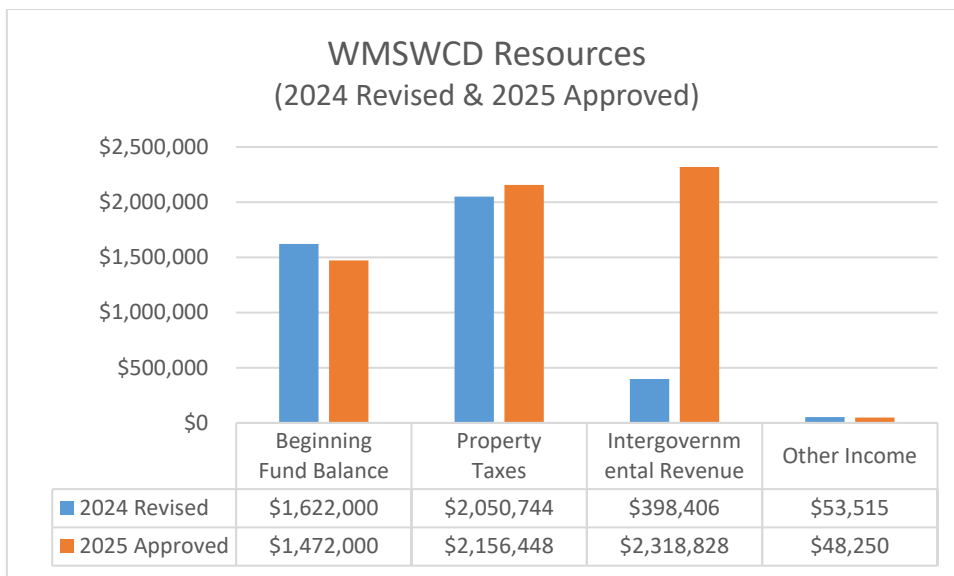
**BUDGET OVERVIEW**

Total budget for FY 2024-25 is \$6 million, a 45% increase from FY 2023-24 (an increase of \$1,870,861). This drastic increase is due to the federal grant for wildfire resiliency that will be expensed over the next five years. However, since submittal the district has informed TSCC that they did not receive the grant and will be adjusting before the Adopted budget. Without the grant, the total budget for FY 2024-25 is less than a 1% increase over current year. The district has only one fund (the General Fund) following the 2021 closure of the Sturgeon Lake Fund.

**RESOURCES**

Resources are primarily made up of property taxes (\$2.2 million) and beginning fund balance (\$1.5 million). The district levies its full property tax rate of \$0.0750 each year. Property tax revenue covers 73% of operating costs but is increasing slower than the costs of the program. The district may need to look at hiring a grant writer in future years to help support the gap.

Budgeted Intergovernmental Revenue sees the largest percentage increase, with \$1.9 million additional dollars budgeted based on grants anticipated to be secured by the district. As they have learned that they did not secure the grant, the next largest percentage increase is property taxes at 5.2% increase.



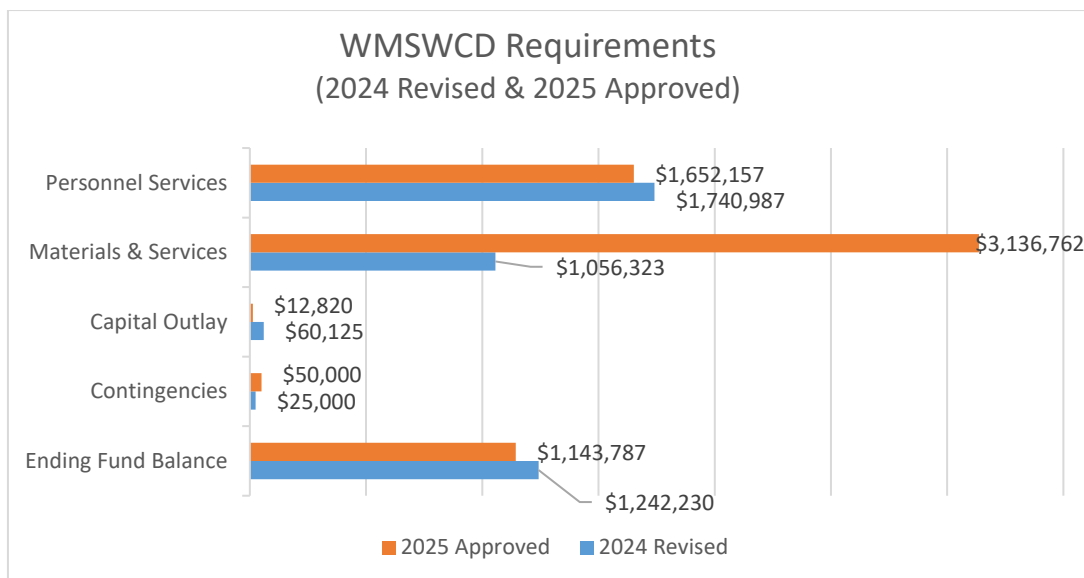
The beginning fund balance decreases by \$150,000 over FY24 attributed primarily to additional personnel costs in FY24 during staff transitions, a one-time payout as the District transitions to a new paid-time-off (PTO) system eliminating the accruing PTO liability for the District, as well as capital purchases (new fleet vehicle and IT upgrades). Other shifts in resources are shown in the table below:

Type	FY 23-24	FY 24-25	Comparison- FY24-25 to FY23-24	
			Increase / (Decrease)	%
<b>Beginning Fund Balance</b>	1,622,000	<b>1,472,000</b>	(150,000)	(9)
<b>Property Taxes</b>	2,050,744	<b>2,156,448</b>	105,704	5
<b>Federal Funding **</b>	250,000	<b>2,085,914</b>	1,835,914	734
<b>State Funding</b>	148,406	<b>232,914</b>	84,508	57
<b>Local and Other Funding</b>	-	-	-	0
<b>Miscellaneous</b>	16,015	<b>6,250</b>	(9,765)	(61)
<b>Interest</b>	37,500	<b>42,000</b>	4,500	12
<b>Total</b>	<b>4,124,665</b>	<b>5,995,526</b>	<b>1,870,861</b>	<b>45</b>

\*\* Contains anticipated but not secured federal grant funding of \$1,851,500. Without unsecured funding the increase is 20%

The budget identifies expenditures reliant on estimated grant resources, and if the grants are not received, those corresponding expenditures will not be authorized as part of the fiscal oversight of the budget. The exact make up of grants varies from year to year. In FY25 the district will see Partner Grants increase by 35% to \$283,171. Partner grants support the district to amplify reach and service delivery through financial support of partners with shared mission and practices.

**REQUIREMENTS**



Type	FY 23-24	FY 24-25	Comparison- FY24-25 to FY23-24	
			Increase / (Decrease)	%
Personnel Services	1,740,987	1,652,157	(88,830)	(5)
Conservation Operations	326,603	338,263	11,660	4
Conservation Programs & Services	729,720	2,798,499	2,068,779	284
Capital Outlay	60,125	12,820	(47,305)	(79)
Contingency	50,000	50,000	-	0
Reserve for Future Expenditures	25,000	25,000	-	0
Unappropriated Ending Fund Balance	1,192,230	1,118,787	(73,443)	(6)
<b>Total</b>	<b>4,124,665</b>	<b>5,995,526</b>	<b>1,870,861</b>	<b>45</b>

Note on the above table from the district's budget. FY 23-24 contingency and reserve for future expenditure amounts are swapped. We have notified the district of the typo.

**Personnel Services** costs are decreasing by a net \$88,830 (5%). The district had a one-time transition payout eliminating PTO liability (\$121,000) as they moved to a self-managed time policy, replacing the existing accrued leave policy in FY24. No double-fill positions for known staffing transitions are planned in FY25, also contributing to the reduction.

Accounting for the one-time double-fill and liability costs incurred in FY 24, the increase for Personnel Services would have been 4.4% higher in FY 25. Cost increases driven by the Cost-of-Living Adjustment (COLA) for FY25 is budgeted at 3.2% as determined by the Bureau of Labor Statistics' Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers in the West (CPI-W). The increase is balanced by attrition of current staff and the expectation that new employees will start at a lower pay threshold.

Planned staffing levels remain constant from prior years as depicted on the chart below:

Summary of full-time equivalent (FTE) employees:

Category	FY 21	FY 22	FY 23	FY 24	FY 25
Operations & Finance staff, including communications	3.6	3.8	3.7	4.0	4.0
Conservation staff, including seasonal workers	7.2	7.0	7.6	7.6	7.6
<b>Total</b>	<b>10.8</b>	<b>10.8</b>	<b>11.3</b>	<b>11.6</b>	<b>11.6</b>

Also in FY25, budget allows for a pay equity and position classifications review to inform compensation projections, operational technology improvements such as automated approval systems for accounts payable, self-managed payroll systems and optimization of the current payroll system that will result in reduced administrative inputs.

**Materials and Services** costs increase by \$2,080,439 to \$3,136,762 as the district anticipated the award of the USDA Wildfire Defense Grant. However, since the submittal of the budget the district has learned that the grant was not secured. Excluding the grant, the increase to materials and services results in an increase of 18% correlated with inflation, additional office space and a large jump in partner grant support.

Conservation program spending in partner support is increased by 35%. In FY25 the district welcomed additions of partnerships centered on black, Indigenous, and People of Color (BIPOC) Communities centered on community and garden educations.

**Capital Outlay** is only a small portion of the budget and is defined as assets that have a value of \$2,000 or more and useful life of over one year. Current year includes funds for a new fleet vehicle and an upgraded computer server. In FY25 there are no anticipated significant capital outlay expenses.

The district's **Contingency** (\$50,000), **Reserves for Future Opportunities** (\$25,000) and **Ending Fund Balance** (\$1,118,787) are consistent with prior years. Ending Fund Balance reduces by 8.6% as expenses for the district outpace revenues in the current year.

## **DEBT STATUS**

The district has no debt and does not anticipate taking on any debt obligations.

## **BUDGET PROCESS & COMPLIANCE**

<b>Yes</b>	<b>No</b>	<b>Compliance Issue</b>
x		1. Did District meet publication requirements?
x		2. Do resources equal requirements in every fund?
x		3. Are contingencies shown only in operating funds?
x		4. Did budget committee approve the budget?
x		5. Did budget committee set the levy?
x		6. Does audit show the district was in compliance with budget law?

### **LOCAL BUDGET LAW COMPLIANCE**

The 2024-25 Budget is in substantial compliance with local budget law. Estimates were judged to be reasonable for the purpose shown. The Approved budget document had a typo for two numbers in FY 23-24; we notified the district and they will fix before budget adoption. The audit report for FY 2023-24 notes no exceptions.

### **CERTIFICATION LETTER RECOMMENDATIONS & OBJECTIONS**

TSCC staff did not find any deficiencies in the district's FY 2024-25 budget or budget process and will recommend a Certification Letter containing no recommendations or objections.

## West Multnomah Soil & Water

### Budget Summary

	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025	%
	Actual	Actual	Revised	Approved	Change
<b>SUMMARY OF ALL FUNDS</b>					
<b>PROPERTY TAX BREAKDOWN:</b>					
Permanent Rate Property Taxes	1,896,856	1,997,461	2,029,000	2,136,000	5.3%
Prior Years Property Taxes	22,718	46,670	21,743	20,448	-6.0%
<b>TOTAL PROPERTY TAX</b>	<b>1,919,574</b>	<b>2,044,131</b>	<b>2,050,743</b>	<b>2,156,448</b>	<b>5.2%</b>
<b>RESOURCES:</b>					
Beginning Fund Balance	1,283,653	1,486,090	1,622,000	1,472,000	-9.2%
Property Taxes	1,919,574	2,044,131	2,050,743	2,156,448	5.2%
Intergovernmental Revenue	195,434	220,304	398,407	2,318,828	482.0%
Other Income	45,772	74,685	53,515	48,250	-9.8%
<b>TOTAL RESOURCES</b>	<b>3,444,433</b>	<b>3,825,210</b>	<b>4,124,665</b>	<b>5,995,526</b>	<b>45.4%</b>
<b>REQUIREMENTS BY OBJECT:</b>					
Personnel Services	1,315,922	1,453,165	1,740,987	1,652,157	-5.1%
Materials & Services	642,421	722,106	1,056,323	3,136,762	197.0%
Capital Outlay	0	9,687	60,125	12,820	-78.7%
Contingencies	0	0	25,000	50,000	100.0%
Ending Fund Balance	1,486,090	1,640,252	1,242,230	1,143,787	-7.9%
<b>TOTAL REQUIREMENTS BY OBJECT</b>	<b>3,444,433</b>	<b>3,825,210</b>	<b>4,124,665</b>	<b>5,995,526</b>	<b>45.4%</b>
<b>SUMMARY OF BUDGET - BY FUND</b>					
General Fund	3,444,433	3,825,210	4,124,665	5,995,526	45.4%
<b>GRAND TOTAL ALL FUNDS</b>	<b>3,444,433</b>	<b>3,825,210</b>	<b>4,124,665</b>	<b>5,995,526</b>	<b>45.4%</b>
<b>DETAIL OF GENERAL FUND</b>					
<b>RESOURCES:</b>					
Beginning Fund Balance	1,283,653	1,486,090	1,622,000	1,472,000	-9.2%
Property Tax	1,919,574	2,044,131	2,050,743	2,156,448	5.2%
Federal Revenue	30,000	56,200	250,000	2,085,914	734.4%
State Revenue	135,434	149,972	148,407	232,914	56.9%
Local Revenue	30,000	14,132	0	0	0.0%
Other Income	45,772	74,685	53,515	48,250	-9.8%
Transfers In	0	0	0	0	0.0%
<b>TOTAL FUND RESOURCES</b>	<b>3,444,433</b>	<b>3,825,210</b>	<b>4,124,665</b>	<b>5,995,526</b>	<b>45.4%</b>
<b>REQUIREMENTS:</b>					
Environmental and Conservation Services	1,958,343	2,184,958	2,857,435	4,801,739	68.0%
Contingencies	0	0	25,000	50,000	100.0%
Ending Fund Balance	1,486,090	1,640,252	1,242,230	1,143,787	-7.9%
<b>TOTAL FUND REQUIREMENTS</b>	<b>3,444,433</b>	<b>3,825,210</b>	<b>4,124,665</b>	<b>5,995,526</b>	<b>45.4%</b>