

Budget Review 2025-26

West Multnomah Soil & Water Conservation



HIGHLIGHTS

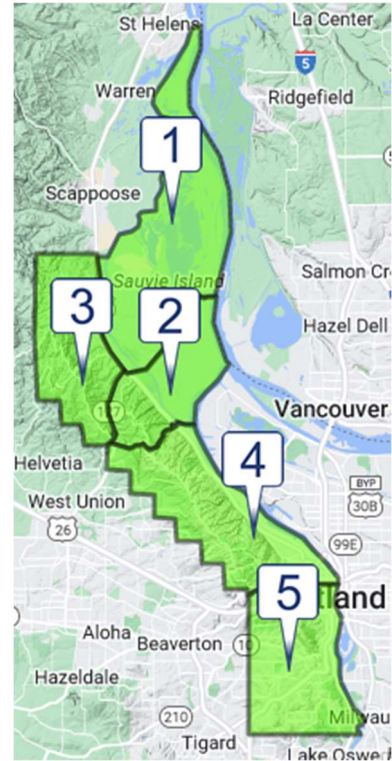
- The total budget for FY26 is \$5,187,057, an increase of \$1,043,032 (25%) from the FY25 budget of \$4,144,025.
 - A significant portion of this increase—\$1,034,500—is associated with anticipated federal grant funding from the USDA Community Wildfire Defense Grant (CWDG). These funds are proposed for wildfire risk reduction projects across approximately 1,500 acres in the Tualatin Mountains.
 - Without the CWDG, the year-over-year budget increase is only \$8,530, or 0.2%, effectively a flat budget when excluding the grant.
- Resources, excluding the USDA Wildfire Grant, remain stagnant with increases in property tax revenue offsetting decreases in Other Income and Beginning Fund Balance.
 - Property tax revenue remains the district's largest and most stable resource, totaling \$2,160,693 in FY26, up slightly by \$4,245 from FY25. The district levies a permanent tax rate of \$0.075 per \$1,000 of assessed value.
- In FY26, the District is restructuring its financial assistance framework and temporarily pausing traditional Partner Grants to create more equitable and accessible funding mechanisms. As a result, Partner Grants drop to \$0 from \$178,271 in FY25, while a new category—District Financial Assistance Products (DFAP)—is introduced, with \$236,800 allocated to support conservation work through structured grants, rebates, cost-share programs, and other resources.
- Personnel Services total \$1,761,702, an increase of \$109,546 (7%) from FY25. This includes salary step increases, a 2.9% COLA, and rising benefit costs. Staffing increases slightly to 11.9 FTE, with the addition of a part-time position to support the Stormwater Stars program.
- Materials & Services total \$2,137,105, increasing \$852,843 (66%) from FY25. When excluding the CWDG expenditures, the increase is \$46,657 (14%), due to higher rental expenses from adding another office space and increased contracted services for legal, HR, and accounting.
- Reserve for Future Expenditures increases from \$25,000 to \$200,000, bringing combined reserves and ending fund balance to \$1.2 million—consistent with prior years. The Ending Fund Balance of \$1,024,250 is down \$94,537 (–8%) from last year, but this decrease is largely due to a change in budgeting practice to hold more ending fund balance as reserve for future expenditures.

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](#).

West Multnomah Soil & Water CD	2021-22	2022-23	2023-24	2024-25
Assessed Value in Billions	\$27.536	\$29.114	\$31.049	\$31.020
Real Market Value (M-5) in Billions	\$57.682	\$60.001	\$58.465	\$54.820
Property Tax Rate Extended: Operations	\$0.0750	\$0.0750	\$0.0750	\$0.0750

Measure 5 Impact	\$-98,718	\$-90,748	\$-102,466	\$-133,096
Number of Employees (FTE's)	11	11	12	12

BUDGET OVERVIEW

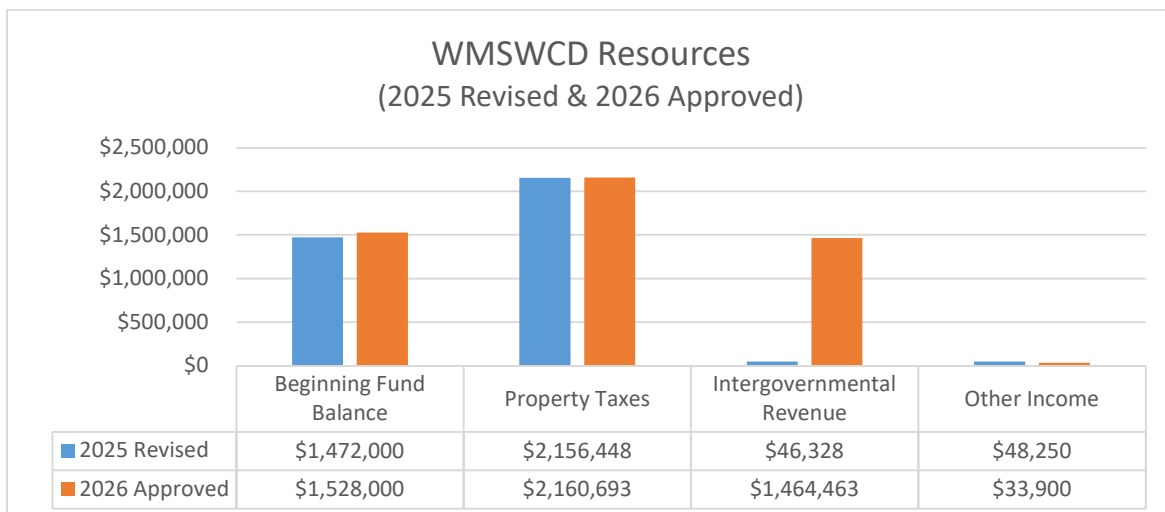
The West Multnomah Soil & Water Conservation District's FY26 total proposed budget is \$5,187,057 – a 25% increase (\$1,043,032) from the prior year's adopted budget. However, a large portion of this increase is attributed to the anticipated receipt of federal grant funding. Without the unconfirmed wildfire grant funding included, the district's budget reflects a minor increase of \$8,530, or 0.2%, over FY25. A key change in FY26 is the restructuring of the district's grant programs: the traditional Partner Grants were replaced by a new \$236,800 District Financial Assistance Products (DFAP) framework designed to improve accessibility and equity.

The district continues to operate one fund—the General Fund— after the closure of the Sturgeon Lake Fund in 2021.

RESOURCES

Resources are primarily made up of property taxes (\$2.16 million) and beginning fund balance (\$1.53 million). The District levies its full permanent property tax rate of \$0.0750 per \$1,000 of assessed value each year. Property tax revenue remains the District's most stable resource, covering approximately 41% of total resources and continuing to be the primary source of funding for ongoing operating costs. However, property tax revenue growth remains relatively flat (less than 1%) compared to rising program and personnel costs.

Budgeted intergovernmental revenues initially reflected a large increase, with approximately \$1.2 million in additional dollars tied to anticipated grants, primarily the Community Wildfire Defense Grant. However, without the the additional Grant dollars, it's a slight increase of 0.2% from FY25.



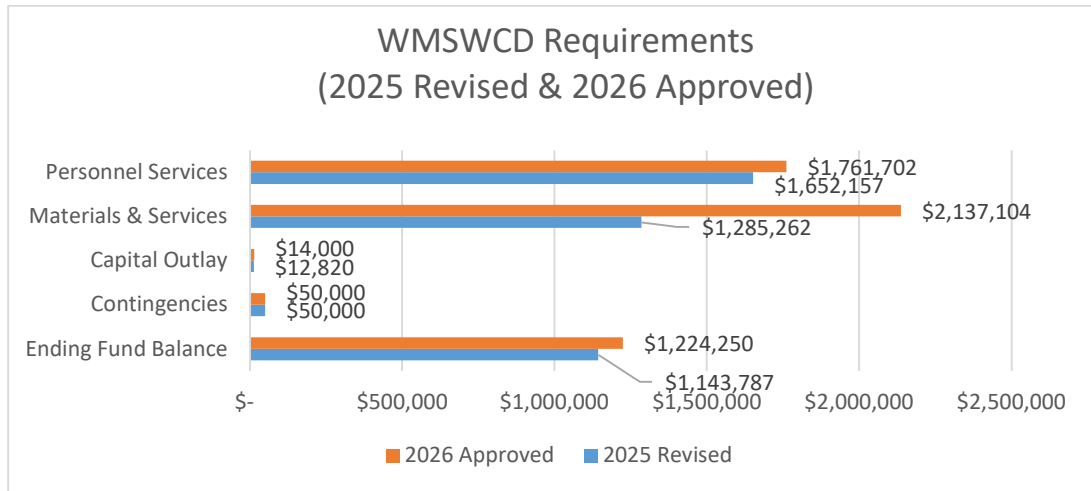
The beginning fund balance increased by \$56,000 from FY25 due to the district's transition from a modified accrual basis to a modified cash basis of accounting, resulting in a slightly higher carryforward amount than originally projected. Other shifts in resources are shown in the table below:

Type	FY 24-25 Budget	FY 25-26 Budget	Comparison- FY25-26 to FY24-25	
			Increase / (Decrease)	%
Beginning Fund Balance	1,472,000	1,528,000	56,000	4
Property Taxes	2,156,448	2,160,693	4,245	0
Federal Funding **	234,414	1,234,500	1,000,086	427
State Funding	232,913	229,964	(2,949)	(1)
Local and Other Funding	-	-	-	0
Miscellaneous	6,250	6,400	150	2
Interest	42,000	27,500	(14,500)	(35)
Total	4,144,025	5,187,057	1,043,032	25

** 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 FY26, the district is restructuring its financial assistance framework and temporarily pausing traditional Partner Grants to create more equitable and accessible funding mechanisms. As a result, Partner Grants drop to \$0 from \$178,271 in FY25, while a new category—District Financial Assistance Products (DFAP)—is introduced, with \$236,800 allocated to support conservation work through structured grants, rebates, cost-share programs, and other resources. This transition reflects the district's shift to better align funding with its Long Range Business Plan and ensure low-barrier access to conservation support across the community.

REQUIREMENTS



Type	FY 24-25 Budget	FY 25-26 Budget	Comparison- FY25-26 to FY24-25	
			Increase / (Decrease)	%
Personnel Services	1,652,157	1,761,702	109,545	7
Conservation Operations	338,262	384,920	46,658	14
Conservation Programs & Services	946,999	1,752,185	805,186	85
Capital Outlay	12,820	14,000	1,180	9
Contingency	50,000	50,000	-	0
Reserve for Future Expenditures	25,000	200,000	175,000	700
Unappropriated Ending Fund Balance	1,118,787	1,024,250	(94,537)	(8)
Total	4,144,025	5,187,057	1,043,032	25

Personnel Services costs for FY26 are increasing by \$109,546, or 7%, from the prior year, bringing the total to \$1,761,702. This includes salaries and wages of \$1,156,981, benefits of \$213,405, PERS contributions of \$290,501, and payroll taxes of \$100,816. In FY24, the District incurred one-time costs, including a \$121,000 transition payout to eliminate PTO liability as it adopted a self-managed time policy, and additional costs from double-filling positions during known staffing transitions.

The FY26 budget reflects an overall 5% increase in salaries and wages, partially offset by anticipated staff turn over, with new hires likely to begin at lower steps on the district's merit-based pay scale. Four employees are currently at the top of their salary range and will receive only the cost-of-living adjustment (COLA), which is budgeted at 2.9% based on the Consumer Price Index for Urban Wage Earners and Clerical Workers in the West (CPI-W). Health and workers' compensation insurance is budgeted to increase by over 9%, and PERS rates are also higher for the biennium beginning July 2025.

Planned staffing levels remain stable, with a slight increase to 11.9 FTE in FY26. This includes adding a new 0.38 FTE part-time position to expand the Stormwater Stars program, which helps residents manage stormwater on their property through sustainable landscaping practices. Originally launched by the district and later supported through partner grants, the program is now being fully integrated into the district's core services to increase community engagement and support water quality improvements.

Summary of full-time equivalent (FTE) employees:

Category	FY 22	FY 23	FY 24	FY 25	FY 26
Operations & Finance staff, including communications	3.8	3.7	4.0	4.0	4.0
Conservation staff, including seasonal workers	7.0	7.6	7.6	7.6	7.9
Total	10.8	11.3	11.6	11.6	11.9

In FY25, the district completed a pay equity and position classification review to inform compensation projections and ensure competitive, equitable salaries. The year also saw key operational technology upgrades, including the implementation of automated expense approval systems and a self-managed payroll platform. These improvements allowed employees to make over 5,300 system changes directly, reducing administrative workload and generating an estimated savings of \$22,675.

Materials and Services increase by 66% to \$2,137,105 in FY26 (\$1,285,262 in FY25), largely due to the anticipated award of the USDA Community Wildfire Defense Grant. Excluding grant-related expenditures, the increase to Materials and Services is approximately 18%, driven by inflation, expanded office space, and increased contracted support services.

Partner Support saw a structural shift rather than an increase—traditional Partner Grants of \$178,271 in FY25 were paused in FY26 as the district launched a new \$236,800 District Financial Assistance Products (DFAP) program, enhancing equity and accessibility in funding. New partnerships have been developed with organizations serving BIPOC communities and promoting garden and conservation education.

Capital Outlay remains a small portion of the budget. In FY26, capital expenditures total just \$14,000, budgeted for the replacement of aging computer equipment, with no major capital purchases planned.

The district's **Contingency** (\$50,000), **Reserves for Future Opportunities** (\$200,000) and **Ending Fund Balance** (\$1,024,250) are consistent with prior years. The Ending Fund Balance decreases by 8%, primarily due to the increase in reserves from \$25,000 to \$200,000.

DEBT STATUS

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

BUDGET PROCESS & COMPLIANCE

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

LOCAL BUDGET LAW COMPLIANCE

The 2025-26 Budget is in substantial compliance with local budget law. Estimates were judged to be reasonable for the purpose shown. The audit report for FY 2023-24 notes no exceptions.

CERTIFICATION LETTER RECOMMENDATIONS & OBJECTIONS

The district transitioned from a modified accrual to a modified cash accounting method in FY25 to better align its budget and financial reporting with actual cash flow. This change resulted in a prior period adjustment shown in the FY23-24 audit, which impacts how historical actuals appear in the budget. As a result, the historical fund numbers are out of balance for FY 23-24. The district has chosen to present actual audited numbers with an explanation in the LB-1 to ensure transparency. Going forward, all reported figures will align under the modified cash method. TSCC staff did not find any deficiencies in the district's FY 2025-26 budget or budget process and will suggest a Certification Letter containing no recommendations or objections.

West Multnomah Soil & Water

Budget Summary

	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026	%
<u>SUMMARY OF ALL FUNDS</u>	Actual	Actual	Revised	Approved	Change
PROPERTY TAX BREAKDOWN:					
Permanent Rate Property Taxes	1,998,157	2,051,447	2,136,000	2,140,000	0.2%
Prior Years Property Taxes	46,670	44,109	20,448	20,693	1.2%
TOTAL PROPERTY TAX	2,044,827	2,095,556	2,156,448	2,160,693	0.2%
RESOURCES:					
Beginning Fund Balance	1,486,090	1,642,664	1,472,000	1,528,000	3.8%
Property Taxes	2,044,827	2,095,556	2,156,448	2,160,693	0.2%
Intergovernmental Revenue	220,303	198,639	467,328	1,464,463	213.4%
Other Income	74,685	109,663	48,250	33,900	-29.7%
TOTAL RESOURCES	3,825,905	4,046,522	4,144,026	5,187,056	25.2%

REQUIREMENTS BY OBJECT:

Personnel Services	1,453,165	1,726,975	1,652,157	1,761,702	6.6%
Materials & Services	720,389	731,228	1,285,262	2,137,104	66.3%
Capital Outlay	9,687	47,844	12,820	14,000	9.2%
Contingencies	0	0	50,000	50,000	0.0%
Ending Fund Balance	1,642,664	1,588,659	1,143,787	1,224,250	7.0%
TOTAL REQUIREMENTS BY OBJECT	3,825,905	4,094,706	4,144,026	5,187,056	25.2%

SUMMARY OF BUDGET - BY FUND

General Fund	3,825,905	4,094,706	4,144,026	5,187,056	25.2%
GRAND TOTAL ALL FUNDS	3,825,905	4,094,706	4,144,026	5,187,056	25.2%

DETAIL OF GENERAL FUND

RESOURCES:

Beginning Fund Balance	1,486,090	1,642,664	1,472,000	1,528,000	3.8%
Property Tax	2,044,827	2,095,556	2,156,448	2,160,693	0.2%
Federal Revenue	56,200	33,188	234,414	1,234,500	426.6%
State Revenue	149,971	165,451	232,914	229,963	-1.3%
Local Revenue	14,132	0	0	0	0.0%
Other Income	74,685	109,663	48,250	33,900	-29.7%
Transfers In	0	0	0	0	0.0%
TOTAL FUND RESOURCES	3,825,905	4,046,522	4,144,026	5,187,056	25.2%

REQUIREMENTS:

Environmental and Conservation Services	2,183,241	2,506,047	2,950,239	3,912,806	32.6%
Contingencies	0	0	50,000	50,000	0.0%
Ending Fund Balance	1,642,664	1,588,659	1,143,787	1,224,250	7.0%
TOTAL FUND REQUIREMENTS	3,825,905	4,094,706	4,144,026	5,187,056	25.2%