



WEST MULTNOMAH
Soil & Water Conservation District

Proposed Budget Fiscal Year 2017-2018

Presented on April 12, 2017

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Conserving soil and water resources for people, wildlife and the environment

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SECTION 1: BUDGET PROCESS AND BUDGET COMMITTEE

Purpose and Structure of the Budget Message

This Budget Message explains the West Multnomah Soil & Water Conservation District (District) budget proposed for July 1, 2017, through June 30, 2018 (FY 2017-18). The budget is submitted for consideration under Oregon Budget Law, which is defined in Oregon Revised Statutes (ORS) Chapter 294.305 to 294.565 of Oregon State Law. It guides the District through the budgeting process. This document is organized into three sections. Sections 1 and 2 provide background information for a better understanding of the budgeting process and the District's programs. Section 3 provides a written explanation of the proposed budget and the assumptions used.

Requirements of a Special District with a Voter-Approved Tax Base

The District is a special district of the State of Oregon. It is a local unit of government formed under the authority of, and with the powers and duties described under ORS chapter 568.

District voters approved a tax base in 2006, ensuring a stable revenue source for programs delivered to west side citizens beginning in FY 2007-08. The permanent rate limit is set at 7.5 cents per \$1,000 of assessed value. The District's classification as a public taxing entity requires compliance with Oregon Local Budget Law.

The District is required to establish a Budget Committee, hold public meetings, and approve the proposed budget (normally in early April, with the option to extend deliberations into late April if necessary). All meetings of the Budget Committee are subject to Oregon's Public Meetings Law (ORS 192.610 through ORS 192.690).

The Budget Message and accompanying worksheets and supporting data are provided to the Budget Committee and the public for review and are intended to explain the proposed budget and highlight any significant changes in the District's financial position. These documents will be available at the District office and on the District website (www.wmswcd.org) throughout the budget process.

Budget Committee

The Budget Committee (see table below) is composed of the District's seven-member Board of Directors and an equal number of local registered voters (Electors) residing within the District's boundary. Electors are appointed by the District's Board of Directors to serve three-year

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terms. Terms of Electors are staggered to help provide continuity from year to year and to allow new ideas and perspectives to be part of the Committee's deliberations.

Name	Position	Status
Finlay Anderson	Elector	Appointed in 2015, in third year of term
Rachel Dvorsky	Elector	Appointed in 2017, in first year of term
Jan Hamer	Elector	Appointed in 2015, in third year of term
Xuan Sibell	Elector	Re-appointed in 2016, in second year of term
Gillian Wildfire	Elector	Appointed in 2017, in first year of term
Patrick Willis	Elector	Re-appointed in 2017, in first year of term
Edward Woods	Elector	Re-appointed in 2017, in first year of term
Jane Hartline	Board, Zone 2	Elected Board member through 12.31.20
Brian Lightcap	Board Secretary, Zone 4	Elected Board member through 12.31.18
Shawn Looney	Board Vice Chair, At-Large	Elected Board member through 12.31.18
Weston Miller	Board Treasurer, At-Large	Elected Board member through 12.31.20
Kim Peterson	Board, Zone 1	Elected Board member through 12.31.20
Terri Preeg Riggsby	Board Chair, Zone 5	Elected Board member through 12.31.18
George Sowder	Board, Zone 3	Elected Board member through 12.31.20

Duties of the Budget Committee

The official duties of the Budget Committee are to:

1. Meet publicly to review the proposed budget document and message;
2. Provide an opportunity for public input and discussion on the proposed budget; and
3. Approve the budget and the necessary property tax rate as proposed or as modified with all funds in balance.

The Committee elects a presiding officer to help the Committee reach an affirmative vote in approving the budget. In order to perform its duties, the Committee must have a quorum present, which is defined as a majority (eight or more) of the total Committee membership (14). In order to take formal action, the Committee must have an affirmative vote at least equal to a quorum.

After the Budget Committee has approved the budget, set the property tax levy and submitted the Approved Budget to the Board of Directors, their work as the Budget Committee is done.

Duties of the Board of Directors

Following approval of the budget by the Budget Committee, the District's Board of Directors holds a budget hearing on the budget as approved by the Committee. Any person may comment on the approved budget at the hearing.

After the hearing, the Board of Directors may change the budget expenditures approved by the Budget Committee. However, if the Board increases expenditures in either the General Fund or the Sturgeon Lake Fund by 10 percent or more, the District must republish the amended budget summary and hold another budget hearing.

The deadline for the Board of Directors to enact a resolution that adopts the budget, makes appropriations, and imposes a tax levy is June 30.

SECTION 2: DISTRICT

Mission

The District's mission is to conserve and protect soil and water resources for people, wildlife, and the environment. The District operates around six goals: (1) improve water quality in our 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.

Racial Equity

In recognition of the need to address unconscious bias, remove cultural barriers in our programs and eliminate disparities in our work, the District's Board of Directors adopted a Racial Equity Statement (see Appendix) for the District at its February 9, 2017 Board Meeting. The Racial Equity Statement contains the Board's vision for racial equity, the need for it and how the District will hold itself accountable to it.

Vision

The District 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; which consists of Multnomah County west of the Willamette River and all of Sauvie Island (including the Columbia County portion of the island) and the Bonny Slope area of the Tualatin Mountains in Washington County. Specific programs include conservation planning, healthy streams, urban habitats, neighborhood demonstration projects, invasive weeds, canopy

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weeds, rural farms, working forests, conservation education, healthy habitats, wetland conservation, and other conservation efforts funded through our Financial Incentives for Sustainable Habitat (FISH) grants and other partner funding agreements. The District's signature project is the multi-million dollar Sturgeon Lake Restoration Project on Sauvie Island, in partnership with the U.S. Army Corps of Engineers, the Bonneville Power Administration, Oregon Wildlife Heritage Foundation, Multnomah County, Metro Parks and Nature, Oregon Department of Fish and Wildlife (ODFW) and the Oregon Watershed Enhancement Board.

The District's budget is guided by its annual work plans, which are consistent with the District's Long Range Business Plan, as well as with state law and cooperative agreements with the Oregon Department of Agriculture (ODA).

Our budget supports the following outcomes:

- More urban and rural landowners will be knowledgeable about invasive weeds and will be diligent about controlling them on their property.
- Horses, cows, goats and sheep will enjoy lush pastures and their feces won't pollute our streams and rivers.
- Our streams, rivers and watersheds will be healthier and support threatened and endangered fish species such as salmon and steelhead.
- Wildlife will thrive with ample food and shelter, and will co-exist with people on farms and in suburban backyards.
- Rare habitats, such as oak savannahs, ash swales, wet meadows and ponds will be appreciated and restored.
- Forests and small woodlots on private land will be stewarded thoughtfully and knowledgeably based on a conservation plan written around landowner goals.
- Residents and communities will enthusiastically tackle small-scale conservation projects like depaving, meadowscapes, and pollinator hedgerows.
- We'll enjoy more locally-grown food, farmed with methods that contribute to the long-term health of the land.
- Historically-underserved communities will be safe, comfortable and rich in healthy soil, clean water and diverse habitats.

Our work will only be successful if we are able to truly partner with all facets of the community, engage with respect, authentically listen, and have the courage to share decision making, control and resources with others. The District is committed to continuously evaluating and updating our programs to better serve communities of color. Our goal is to welcome, engage and include people of color in all facets of our organization.

Partners

The District achieves our Vision by working with people, communities, landowners, agencies, non-governmental organizations and businesses. Partners (with example references to our shared interests) include, but are not limited to:

- Audubon Society of Portland (Backyard Habitat Certification Program, education and outreach, landowner outreach)
- Center for Diversity and the Environment (diversity equity and inclusion)
- City of Portland, Bureau of Environmental Services (invasive species, habitat restoration, volunteer support, funding support, stormwater management)
- City of Portland, Parks and Recreation (forestry, canopy weeds, habitat diversity)
- Clackamas Soil and Water Conservation District (shared programs)
- Clarian Homeowner Association (conservation planning)
- Clean Water Services (invasive species)
- Coalition of Communities of Color (diversity equity and inclusion)
- Columbia Land Trust (Backyard Habitat Certification Program, education and outreach, landowner outreach)
- Columbia Soil and Water Conservation District (shared programs)
- DEPAVE (stormwater, habitat restoration)
- Dig In (education, environmental service learning, volunteer support, school programs)
- East Multnomah Soil and Water Conservation District (shared programs)
- Forest Heights Homeowner Association (stormwater, habitat restoration)
- Forest Park Conservancy (forestry, habitat diversity, invasive species)
- Forest Park Neighborhood Association (invasive species, outreach, collaborative efforts)
- Friends of Marquam (volunteer support, landowner outreach, collaborative efforts)
- Friends of Terwilliger (volunteer support, landowner outreach, collaborative efforts)
- 4-County Cooperative Weed Management Area (invasive species, education and outreach, mapping, technical collaboration)
- Friends of Tryon Creek (education and outreach)
- Lower Columbia River Estuary Partnership (wetland conservation)
- Linnton Neighborhood Association (invasive species, native landscapes)
- Metro Parks and Nature (forestry, oak mapping, strategic planning, habitat restoration, invasive species education)
- Non Profit Association of Oregon (administrative, training)
- Oregon Association of Conservation Districts (regional and statewide coordination)

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- Oregon Department of Agriculture (capacity, governance, authorities, water quality, invasive species)
- Oregon Department of Fish and Wildlife (Sturgeon Lake Restoration)
- Oregon Department of Forestry (forestry, wildfire protection)
- Oregon iMap Invasives (invasive species, mapping)
- Oregon Invasive Species Council (invasive species)
- Oregon Parks and Recreation Department (invasive weeds, conservation education)
- Oregon State University Extension Service (Master Gardeners, Forestry, Agriculture, Soil, Master Naturalists, Oregon Integrated Pest Management Website, Soil School)
- Oregon Wildlife Heritage Foundation (fundraising for conservation)
- Oregon Zoo Education Center (education, outreach)
- Pinchot Institute of Conservation (forestry, forest carbon offsets)
- PKS International LLC Community Engagement Liaison Services (community engagement, listening surveys, diversity, equity and inclusion)
- Portland State University, Center for Lakes and Reservoirs (monitoring)
- Portland State University, Mark O. Hatfield School of Government, Center for Public Service, Executive Master of Public Administration Program (urban program development)
- River View Cemetery (forests, healthy streams, native habitats)
- Sauvie Island Center (education, organic farming)
- Sauvie Island Community Association (education and outreach)
- Sauvie Island Drainage Improvement Company (habitat restoration, water quality)
- Sauvie Island Habitat Partnership (invasive weeds, canopy weeds, habitat restoration, strategic planning)
- Scappoose Bay Watershed Council (wetland restoration, strategic conservation planning, moorages)
- Skyline Ridge Neighbors (forestry, invasive plants, canopy weeds)
- Southwest Watershed Resource Center (habitat restoration, stormwater management, volunteer and neighborhood support)
- Special Districts Association of Oregon (administrative)
- Tax Supervising and Conservation Commission (budgeting)
- The Intertwine Alliance (education and outreach, diversity equity and inclusion, oak habitats, strategic conservation planning, urban and residential programs)
- Tryon Creek Watershed Council (healthy streams, restoration, invasive species)
- Tualatin River Watershed Council (water quality, fish passage, habitat restoration)
- Tualatin Soil and Water Conservation District (Soil School, shared programs)

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- U.S. Department of Agriculture, Natural Resources Conservation Service (forestry, agriculture, wetlands and other rare habitats)
- Verde (workforce development)
- West Willamette Restoration Partnership (invasive species, habitat restoration, volunteer and neighborhood support)
- Western Invasives Network (invasive species)
- Willamette Partnership (ecosystem services; market incentives for conservation)
- Wisdom of the Elders (equity and inclusion; workforce development)
- Xerces Society (pollinator monitoring)

Partners having a significant impact on the budget are discussed in more detail in Section 3.

Summary of Programs

The District provides technical and financial assistance for a variety of programs and projects, including the following:

Conservation Planning

Conservation professionals work with landowners to develop individualized conservation plans that achieve their conservation goals in the context of their overall goals for their property and identify practices to best protect soil and water quality, enhance plant and animal health, restore and maintain diverse natural habitats and to financially benefit landowners. The conservation planning process offers a number of tools landowners can utilize to meet these ends, whether they have forests, farms, or other types of properties.

Rural Programs

Farms -- The District partners with the U.S. Department of Agriculture's Natural Resources Conservation Service (NRCS), the ODA and Oregon State University (OSU) Extension Service to provide farmers the education, technical and financial assistance they need to prevent soil erosion, improve soil health and maintain water quality while operating their farm. Most large, working farms in the District are on Sauvie Island. OSU Extension Service and the U.S. Department of Agriculture, Natural Resources Conservation Service (NRCS) provides specific cover crop recommendations; upon which the District helps farmers get connected to NRCS Farm Bill conservation programs as a means to provide the financial assistance for getting started. Farm owners also host District conservation projects implemented through Healthy Streams and Healthy Habitats programs.

Forests -- The District is the lead management planning, technical and financial assistance provider to private non-industrial forest landowners with the overall goal of helping landowners understand their goals and responsibilities in owning forestland and encouraging

them to actively manage their forests to these ends so as to keep forests healthy and working. Specific programs focus on canopy weed removal, managing unhealthy overcrowded tree stocking through selective thinning that promotes the development of larger trees, the development of important structural wildlife habitats through dead and down wood and standing dead trees as well as practices that remove hazardous wildfire fuels and create defensible space in case of a wildfire. An emerging priority emphasis area in the north Tualatin Mountains – the Greater Forest Park Conservation Initiative – is centered around partnerships with the Forest Park Conservancy, Metro Parks and Nature, Oregon Department of Forestry, OSU Forestry and Natural Resource Extension and other non-governmental forestry organizations.

Healthy Habitats -- The District helps landowners enhance and expand regionally significant habitats such as Oregon white oak woodlands, savanna and prairie. The District is working with partners through The Intertwine Alliance to map Oregon white oak across the region, develop a strategic plan for oak conservation, and educate the public about the value of this declining habitat. Oak habitat restoration work includes removing competing vegetation such as mature Douglas-fir, controlling invasive weeds and planting native species.

Much of the lowland areas within the District was originally wetland, wet prairie and other lowland off-channel habitat that was converted to farmland, industrial and residential use. Fragments of these important habitats – such as wetlands and ponds -- still play a key role in protecting water quality, controlling floodwaters, and providing habitat for a wide range of wildlife. Wet meadows are an increasingly rare feature that can be host to uncommon native wildflowers, grasses and pollinators. Ponds and ditches compensate for some of the lost emergent and open water wetland habitat and provide homes to native frogs, salamanders and turtles. The District works closely with private landowners who own these types of habitats so as to maintain and enhance them. The District has a multiple-year Cooperative Agreement with the NRCS to implement fish passage and restoration of riparian and other native vegetative habitats on private land surrounding the confluence of McCarthy Creek with the Multnomah Channel.

Healthy Streams -- Financial and technical assistance is provided to landowners for streamside (aka “riparian”) restoration to improve water quality, fish and wildlife habitat and to minimize streambank erosion. Current target areas include canals and ditches on Sauvie Island and rural watersheds in the north Tualatin Mountains (McCarthy, Abbey and Rock creek basins). In the rural and urban realm, priority is given to larger properties or projects involving multiple adjacent properties (e.g. those covering a 1/4 mile of stream) to optimize conservation results.

Urban Programs

Backyard Habitat Certification -- The District serves as a funding partner for Portland Audubon and the Columbia River Land Trust in the delivery of the Backyard Habitat Certification Program to District urban landowners that own an acre or less. This program certifies that landowners have successfully controlled invasive weeds and restored native plants habitats.

Neighborhood Demonstration Projects -- Neighborhood demonstration projects provide assistance to groups of engaged neighbors and neighborhood associations focused on using innovative ways to conserve soil and water resources and/or restore wildlife habitat health and connectivity so as to improve the livability of their neighborhoods. Examples include demonstration of stormwater control projects, pollinator hedgerows and meadows that also serve as education and outreach tools to the larger community.

Urban Habitats -- The District works with land managers including residential homeowners, homeowner associations, commercial land managers and educational institutions to develop and implement plans focused on invasive plant removal, native plant establishment, stormwater management and wildlife enhancements. The Urban Habitats program prioritizes funding and project management support to assist with implementation of these plans through a ranking of the overall acreage impacted, unique critical habitats protected or enhanced, adjacency to natural areas and/or other restored properties and number of landowners impacted.

Urban Partners -- The challenge the District faces when servicing residents, businesses and other private landowners in heavily urbanized areas of the District is that the number of individuals we would like to reach exceeds our capacity. The District addresses this challenge by funding organizations that do have the capacity to reach most everyone. Four important Partner organizations – which receive capacity funding from the District – are the Forest Park Conservancy, Tryon Creek Watershed Council, the Southwest Watershed Resource Center (SWRC) and the West Willamette Restoration Partnership (WWRP). The Forest Park Conservancy helps us focus on critical habitat corridor issues, invasive species project prioritization and monitoring, volunteer engagement and green infrastructure progress in northwest Portland. The Tryon Creek Watershed Council focuses on riparian and upland habitat restoration, water quality, invasive species and fish passage in the Tryon Creek through monitoring, watershed planning, and the coordination of partnerships. District funding enables the watershed council to service private landowners, neighborhoods, residents and businesses. The SWRC works with southwest Portland neighborhood associations and community organizations such as the Islamic School of Portland, the Home Forward Slavin Court public housing community, and the African Youth and Community Organization to connect residents with technical information and referrals for invasive plant removal, native plant landscaping, stormwater management, natural gardening and other practices that enhance the health of the Fanno Creek, Tryon Creek, Stephens Creek, and other Willamette River sub-watersheds. The WWRP supports habitat enhancement and stewardship efforts in southwest Portland's Willamette River sub-watersheds to provide a key link in the wildlife corridor connecting Forest Park and Tryon Creek State Natural Area.

Connect SW PDX -- Connect SW PDX is a project funded through Metro's Nature in Neighborhoods grant program that links neighbors and partners in southwest Portland through a story-telling social media and signage campaign, on-the-ground restoration, community input meetings, neighborhood liaison trainings and conversational surveys and action pledges with residents that engage and inform individuals and partners. The District

serves as the project coordinator. Partners on the project are the Wisdom of the Elders, Jackson SUN School, PKS International LLC Community Engagement Liaison Services, Dig In, WWRP, Tryon Creek Watershed Council, SWRC, Friends of Terwilliger, Friends of Marquam, Portland Parks & Recreation, City of Portland BES and Backyard Habitat Certification Program. Focal areas are the area surrounding George Himes Park and the Falling Creek watershed. In the George Himes Park area, the project will continue to engage landowners with conservation planning assistance, financial incentives and volunteer work-party offerings. The project will also support continued landowner engagement in the area surrounding nearby Marquam Nature Park. The Falling Creek watershed is a new focal area aimed towards engaging and partnering with members of historically underserved communities (i.e. low-income and communities of color) as well as its ecological importance as a tributary to Tryon Creek. Potential additional partners are Masjed As-Sabr, West Portland Park Neighborhood Association and the African Youth & Community Organization.

Urban Programs Development Initiative -- 2018 will mark the ten year anniversary of the District's Urban Programs. Crafting strategies to respond to urban development policy and predicted urban growth impacts to natural resources will be critical to the future success of our urban programs. To ensure that the District is a vibrant agency we are investing in an analysis and enhancement initiative for our urban programs over the next two years. This will be done by enrolling the District's urban conservationist in Portland State University (PSU), Mark O. Hatfield School of Government, Center for Public Service's Executive Master of Public Administration Program. This program integrates theory and practice through a process of co-production, community engagement and discussions amongst citizens, public service executives, academic colleagues, and practitioners. Our goal is to analyze the organizational, administrative and critical public policy environment that influences our urban programs and to develop proposals that will improve their efficacy and efficiency based on our findings. It is anticipated that the capstone project of this degree will focus on solutions to stormwater issues in southwest Portland that, if left unaddressed, form barriers to residents willing to complete conservation actions on their property.

Invasive Species Programs

Early Detection, Rapid Response (EDRR) Invasive Plant Program -- This program promotes removing invasive, noxious weeds, through a prevention campaign combined with early detection and rapid response through surveying and timely control measures. Priority invasive targets are garlic mustard, knotweed, spurge laurel, giant hogweed, orange hawkweed and several other priority species. The goal is avoid introductions through prevention; or eradication where possible in the event of an introduction, otherwise contain or slow the spread of these plants where eradication is not possible. This management strategy is designed to limit the spread of new infestations while populations are small so as to prevent new infestations from becoming established. If prevention isn't possible, the most time and cost-effective way to manage new invasive weeds is through aggressive targeted eradication control efforts of newly discovered and localized infestations. District staff utilize a

customizable mobile data collection platform application called “Fulcrum” to map and track all our EDRR survey, control and data records. These include, absence or presence data, locations of infestations and extent, site data information, herbicide treatment information, annual status, and more. Additionally, staff and contractors alike use it as a historical record-keeping device to locate past sites and monitor them (and perform any necessary follow-up measures).

Native Plant Revegetation Program -- These funds are used on cost-share projects with landowners to implement “full-scale restoration plans” using contractors at priority sites where EDRR efforts are being performed. Typically these funds are used to implement written conservation plans that the Invasive Species Program Coordinator creates with landowners. Projects require a 50-50 cash/in-kind match that is provided by the participating landowner. Another developing aspect of the program, which aims to expand revegetation efforts beyond what the District can implement through contractors, is to provide landowners that have an EDRR treatment site with “out of the box” restoration kits such as native plants and native seed mixes. Landowners are expected to perform any additional site preparation and are responsible for sowing the seed and/or installing the native plants.

Canopy Weeds Program -- The District’s canopy weeds program targets aggressive, climbing invasive vines such as ivy and clematis. Reducing canopy weeds is known to greatly reduce the seed source of these weeds and therefore reduce the spread to un-infested areas. Partner funding helps local non-governmental groups and neighborhood associations combat canopy weeds on individual trees and properties in residential areas. The District works cooperatively with the Forest Park Conservancy, Portland Parks and Recreation, and Metro to remove or kill canopy weeds in and around Portland’s Forest Park. Canopy weed removal is also a component of the District’s rural farms and forest programs; in many cases canopy weed removal projects serve as a gateway to further conservation work, and as such, the program provides a means for the District to develop a lasting stewardship relation with the landowner. The District works cooperatively with the Sauvie Island Habitat Partnership to remove and control canopy weeds on priority Sauvie Island sites and along the Highway 30 corridor that extends north through the Linnton neighborhood. Another focal area is southwest Portland’s River View area.

Partner Support -- Three partner organizations currently receive funding support through the Invasives Species Program, including iMap Invasives, OSU Extension Service’s Urban Integrated Pest Management website, and the 4-County Cooperative Weed Management Area.

Field Supplies & Equipment Program -- This includes prevention equipment such as mobile boot wash stations, as well as tools and equipment, such as backpack spraying equipment, maintenance needs, safety gear, and personal protective equipment.

Education Programs

Educational efforts include installing demonstration gardens and habitats in high visibility areas at schools and community centers as well as delivering conservation education through

workshops, training, and other events such as Soil School, Weed Watchers, and Open Houses such as the recent Japanese Beetle Eradication Open House event near Forest Heights. Other conservation education programs include Urban Watershed Mentors training and the Stormwater Stars program, which provides residents and businesses a menu of simple-to-implement practices to reduce stormwater runoff. The District just recently entered into a Partnership with the Oregon Zoo Education Center to design and implement interpretive programs that provide information to the public on a wide array of conservation-related topics including but not limited to invasive species identification and removal, native plants for pollinators, habitat restoration, soil health, wildlife enhancement, and clean water practices. The District is also providing Partner Funding to a new environmental service learning non-governmental organization, Dig In. Dig In is filling the void created when SOLVE eliminated its Green Team and Team Up programs. Dig In is also managing one of our Urban Habitat Program sites in southwest Portland, Trillium Creek.

The District also runs a Community Science Pollinator Monitoring program which uses trained volunteers to monitor the effectiveness of the District's installed hedgerows in supporting native pollinators; with an emphasis on native bees. The Community Science Pollinator Monitoring program is being expanded in FY 2017-18 in partnership with the OSU Extension Service, Master Naturalist Program.

Financial Incentives for Sustainable Habitat (FISH) Grants

This program advances the mission of the District by leveraging funds through conservation-related work carried out by partner organizations and cooperating landowners. This program provides grant funds (up to \$10,000 per project) to support conservation projects, conservation education, and community events that promote natural resource conservation. Six projects – encompassing community gardens, habitat restoration and naturescaping – are scheduled for completion in FY 2017-18. However, in order to evaluate the effectiveness of this program, new grant awards will be suspended for FY 2017-18.

Sturgeon Lake Restoration

Sturgeon Lake, which forms the core of the 3,200 acre Sturgeon Lake Wildlife Refuge managed by the ODFW, is important habitat for endangered salmon, sturgeon and Pacific lamprey and is an integral part of the Pacific flyway for pacific coast migratory waterfowl. It is one of the premier natural and biologically significant aquatic and wildlife habitats in the state. The lake is threatened with sediment infill due to the lack of sediment flushing during tidal floods and other high flow events. Sturgeon Lake is identified in the Oregon Conservation Strategy as a "Conservation Opportunity Area" and restoring hydrological flows from the Columbia River to the lake for salmon habitat restoration is specifically named as a state strategy.

The District's role is to serve as the local sponsor for the Project. Over one million dollars of local non-federal funding for the project has been committed to the District; nearly half through the efforts of the Oregon Wildlife Heritage Foundation. Other funders are the US

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Army Corps of Engineers (Corps) and the Bonneville Power Administration (BPA). The Corps, BPA, ODFW and the District are actively engaged in completing the design and plans and specifications for the project, which centers on reconnecting Sturgeon Lake to the tidal, high winter and spring runoff flows of the Columbia River by replacing two failed culverts at the Reeder Road over Dairy Creek with a bridge. Another aspect of the project is to restore the Dairy Creek channel, including its confluence with the Columbia River, to accommodate both high and low flows into Sturgeon Lake. Construction is scheduled for the summer to fall, 2018; though some work outside of the construction area will commence during FY 2017-18; namely, removing invasive plants and restoring these areas to native habitats.

Dairy Creek's confluence with the Columbia River and the Dairy Creek channel is surrounded by four cooperating private landowners and two public owners – the ODFW and the Oregon Department of State Lands. The District is currently working on acquiring the necessary temporary work area and permanent conservation easement real estate interests from these landowners and is in the process of completing a fair market appraised valuation of these interests. This work will extend into FY 2017-18. Private landowner participation is voluntary.

Fiscal Oversight

The District Manager, Controller, and Board Treasurer regularly monitor accounts and compare expenditures to limits authorized in the budget. Each month, the Board of Directors reviews the District's financial statements and obtains explanation for any variances from budget or changes in financial position. Financially, the District has done a good job of substantially increasing activity while controlling costs.

All District funds are held in Qualified Public Depositories approved by the Oregon State Treasury: the Oregon State Treasury's Local Government Investment Pool (LGIP) and US Bank. In general, long-term savings are held in the LGIP account, while short-term operating capital is held in the US Bank account.

The District's financial statements are audited annually. The audit report is filed with the Oregon Secretary of State, Division of Audits. A strong and effective system of internal controls is employed to protect the public funds entrusted to the care of the District.

SECTION 3: BUDGET AND ASSUMPTIONS

Budget Preparation

The proposed FY2017-18 budget is in balance and complies with Oregon Local Budget Law, state statutes, and generally accepted accounting principles. The budget supports implementation of the District's annual work plans for FY2017-18 as summarized in Section 2 and is consistent with the District's mission, vision, and desired outcomes. It is prepared on a modified accrual basis (recognizing revenues when they become available and measurable, and recognizing expenditures when liabilities are incurred).

Budget Documents

Budget documents are provided to the Budget Committee and to the public for their review. The District is required to submit the final budget on standardized budget forms prescribed by the Oregon Department of Revenue.

The Local Budget (LB) forms contain FY2014-15 and FY 2015-16 audited financial results, FY2016-17 Adopted Budget, and FY2017-18 Proposed Budget. The District has a General Fund and one Special Fund for the Sturgeon Lake Restoration Project (henceforth referred to as the Sturgeon Lake Fund). The purpose of the General Fund is to account for operations and general services of the District; it can be used whenever a specific type of fund is not required. The Sturgeon Lake Fund is used to record revenue dedicated for the specific expenditures related to the Sturgeon Lake Restoration Project. Resources and requirements within each fund are equal, creating a balanced fund.

Specific forms submitted by the District are: General Fund Resources (Form LB-20); General Fund Requirements (Form LB-30); Special Fund (Sturgeon Lake) Resources and Requirements (Form LB-10). Each is described below.

General Fund Resources (Form LB-20)

The LB-20 Resources page of the General Fund begins with the projected cash available on 7/1/17, conservatively estimated to be \$943,849. This figure is calculated by taking cash balances on 3/31/17 and adding projected revenue and subtracting estimated spending from 3/31/17 through 6/30/17. From the expected cash balances at 6/30/17, the portion allocated specifically to the Sturgeon Lake Special Fund is subtracted to arrive at the amount expected to be in the General Fund at 7/1/17.

Additional resources added to the beginning cash balance are property tax revenues levied in earlier years of \$46,000, which are estimated to be received only in FY2017-18, and interest of \$4,000 earned on LGIP funds.

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Other resources are:

- (1) a grant of \$72,674 from the ODA to support water quality programs, including riparian habitat enhancements, urban technical projects and administrative costs;
- (2) a grant of \$24,800 from the Oregon State Weed Board to fund Garlic Mustard control programs;
- (3) revenues of \$20,000 from a grant (in its second of two years) from Metro Nature in Neighborhoods for Urban programs;
- (4) revenues of \$32,272 from a grant (in its second of three years) from the Oregon Department of Forestry;
- (5) a Bureau of Land Management forestry grant for \$6,477;
- (6) revenues of \$69,500 from a \$131,511 Cooperative Agreement (for the period 8/1/2016 through 12/31/2019) with NRCS to fund the District's implementation of practices under the federal Wetland Reserve Program (WRP) for a lower McCarthy Creek WRP easement property; and
- (7) projected reimbursements totaling \$11,000 from workshops and trainings provided by the district and also from contributions from partners for the WWRP.

The primary source of revenue for the General Fund is the District's permanent taxing authority established by voters in the 2006 General Election. The permanent rate limit is set at 7.5 cents per \$1,000 of assessed value. Assessing the maximum rate allowed would provide an estimated \$1,525,171 in property taxes to be received in FY2017-18 as calculated in the table below. Although taxes imposed would result in \$1,641,203, this amount is reduced for estimated Measure 5 tax revenue compression (due to Portland's expansive urban renewal program costs and increases in other local government spending) and a presumed delinquency rate of 4%. All assumptions are consistent with prior years and have been reviewed by Multnomah County's Tax Supervising & Conservation Commission (TSCC).

Assumptions	FY2017-18	Source
Actual Prior Year Assessed Value	\$ 20,840,676,570	Multnomah Co. Assessor
Assumed Growth	5 %	Multnomah Co. Assessor
Calculated Assumed Assessed Value	\$ 21,882,710,399	
Taxes Extended	1,641,203	\$0.075/\$1,000 AV
Assumed Measure 5 Compression	52,484	25% decrease per TSCC

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Calculated Taxes Imposed	1,588,719	
Assumed Discount and Delinquency Rate	4 %	96% collection per TSCC
Property Taxes Estimated to be Received	\$ 1,525,171	

General Fund Requirements (Form LB-30)

Categories in the General Fund requirements and their increase from prior year's budget are reflected in the table below and discussed in detail within each section.

Category	FY2016-17	FY2017-18	Increase / (Decrease)	%	Reason for Change
Personnel services	1,017,622	1,109,852	92,230	9	2.6% COLA, 2.4% merit/parity, 10% health insurance; PERS 19%; \$55k for Seasonal Conservation Tech
Materials and services	885,196	833,391	(51,805)	(6)	
- Operations	216,222	233,175	16,953	8	Staff training for Urban program development initiative
- Conservation Programs	668,974	600,216	(68,758)	(10)	See detail by conservation area in table below
Capital outlay	35,000	20,000	(15,000)	(43)	No vehicle purchase; only IT replacements
Contingency	50,000	50,000	-	-	Based on current year unused amount, proposed amount deemed adequate
Unappropriated ending fund balance	672,124	742,500	70,376	10	Factors in increase of \$15,000/mo. in future spending

Personnel services

Personnel services of \$1,109,852 include salary and wages (\$747,884), health and workers' compensation insurance (\$181,257), PERS retirement plan contributions (\$109,423), and payroll taxes (\$71,288).

Staffing:

The current year's budget included seven full-time and three part-time permanent staff, as well as three seasonal part-time conservation interns. The expansion of the Office Manager role to full-time this year has enabled the District to manage more grants and projects and to reach out to new communities within our District. The District will continue to employ a

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temporary, part-time, Equity and Inclusion Intern to support the development of youth mentoring opportunities and a career development field internship as part of the District's Diversity, Equity and Inclusion Initiative. In order to address an increasing workload in our EDRR program, to add capacity in our database management and use of geographic information systems (GIS), and to provide additional monitoring capacity, the District created a permanent Seasonal Conservation Technician position. The FY 2017-18 budget anticipates no additions to our current permanent staff.

The majority of the District's employees (Senior Conservationist, Urban Conservationist, Invasive Species Coordinator, Rural Conservationist, Forestry Conservationist, Conservation Technician and Education Coordinator, Seasonal Conservation Technician, and Seasonal Interns) are engaged in providing conservation services to the public as outlined in Section 2. The seasonal conservation interns assist staff with planting and weed eradication work in the spring and fall and GIS data, database management and technical analyses during the summer. The budget anticipates three summer field/GIS interns in 2017 and the addition of a fourth career development field internship to begin in June 2018 and continue through that summer. The career development field internship would specifically be for a candidate with no formal conservation training, but with a strong interest in natural resource conservation as a possible career path.

The remaining four employees (District Manager, Controller, Office Manager, and Communications Coordinator) provide management and administration of the organization, ensuring that the organization is fully compliant with all laws and regulations pertaining to public funds, including having a comprehensive system of fiscal and budgetary controls and reporting functions; additional support services include help with planning workshops and events, as well as creating marketing and educational materials.

All work occurs under the supervision of the District Manager, who reports to the Board of Directors and supports the District's conservation mission by working directly with a wide variety of organizations and individuals, such as local, regional, state and federal government agencies, non-profits, citizens, community groups, elected officials, and private businesses, to move forward the goals and initiatives of the District. In particular, this position is instrumental in all fundraising goals and overall program management related to the multi-year Sturgeon Lake Restoration project. The District Manager also contributes directly to all program areas (conservation programs as well as administrative and operational areas).

Merit, Step, and COLA Wage Increases:

As the basis for determining a cost of living adjustment (COLA), we used a consumer price index (CPI) figure developed by the Local Government Personnel Institute (LGPI); specifically, we used the most currently available CPI-U for the Portland area, which is for the second half of 2016 and is 2.6%. In addition to COLA, the budget anticipates an across-the-board

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merit/step increase of 2.4%. The District positions that have direct supervisory functions assigned to them are the Controller, who supervises the Office Manager, the Senior Conservationist, who supervises the Permanent Seasonal Conservation Technician, and a rotating Conservationist, who supervises the Seasonal Interns. Incremental to the current year is the increase resulting from the supervisory pay differential of 5% for the Senior Conservationist during the eight months the Permanent Seasonal Conservation Technician is working for the District.

Health and Workers' Compensation Insurance:

For employee benefits, the budget proposal assumes the health care benefit cost will increase by 10% for medical and 8% for dental (based on Insurance Agent's estimates of market factors when our plans are renewed in late 2017, and on estimates of employees enrolled). These increases are partially offset by a reduction in the District's contributions to employees' Health Reimbursement Arrangement Voluntary Employees' Beneficiary Association (HRA VEBA) accounts. Employees use their HRA VEBA account for qualified out-of-pocket medical care costs that are not covered by the medical plan. The current contribution is \$140 per month per permanent employee working 22 or more hours per week. The proposed budget has reduced this amount in half, to \$70 per month. Workers' Compensation insurance rates are expected to remain flat.

Public Employees Retirement System (PERS):

The District participates in PERS, a cost sharing, multiple-employer defined benefit pension plan administered by the State of Oregon. PERS funding policy requires the District to contribute monthly at an actuarially determined rate, established biennially. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The budget increases for PERS reflect the most recent set of rates taking effect July 1, 2017. Rates are locked for two years. The FY 2017-18 budget assumes the District will be contributing 18.82% for Tier I / Tier II employees (those hired before August 28, 2003) and 12.44% for all other eligible employees hired after August 29, 2003. The District is budgeting an overall increase of 19%, resulting in \$18,000 more paid into PERS than the current year.

The system's unfunded liability (the difference between its assets and the benefits it has promised) stands at \$22 billion as of February 2017 and will grow further if the fund's investments return less than 7.5 percent a year. Currently, Oregon lawmakers are working on possible reforms and evaluating the potential savings, constitutionality and fairness of several bills introduced in the current legislative session.

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Payroll Taxes:

Employer payroll taxes increased in proportion to salary and wage increases.

Materials and services

Materials and Services is the broad expense category that supports general operations and conservation programs and services. The proposed budget of \$833,392 reflects a decrease of \$52k, or 6% from the current budget. Approximately 27% of the Materials and Supplies category covers operating expenses such as rent, computer and IT services, vehicle maintenance, insurance, staff and board training, audits, printing, signage and displays. These costs will remain relatively stable with the exception of staff training, which is expected to increase by \$15,000 due to the District's contributions towards the cost of enrolling the urban conservationist in PSU's Executive Masters in Public Administration as part of the District's Urban Programs Development Initiative. The other component of this category is our Diversity Equity and Inclusion (DEI) initiative. This initiative began in FY2015-16 when the District formally recognized the initiative by forming a standing committee to the board of directors and began infusing this core value across all program areas and operations. These efforts -- namely demographic mapping and analysis of the communities within our District as well as continued training in equity hiring practices and being culturally responsive in our programs -- are continuing and are stable going into FY 2017-18; though with a slight shift from Materials and Services to Personnel.

The remaining Materials and Services costs are dedicated to conservation programs and services and represent 73% of the costs in this category. The table below highlights changes from the prior year. See section 2 above for more details about these conservation programs and services.

Conservation Area	FY2016-17	FY2017-18	Increase / (Decrease)	%	Reason for Change
Rural Farms and Healthy Habitats and Streams	131,500	185,500	54,000	41	Reflects NRCS reimbursable grant related costs increases of \$59k; offset by decreases of \$5k in water quality monitoring
Rural Forests	77,022	43,326	(33,696)	(44)	Decrease in funds needed to continue ongoing projects; new project spending pushed out past FY2017-18
Urban	135,500	88,000	(47,500)	(35)	Decrease in restoration sites \$16k, Stormwater & Watershed Ed \$13.5k (although work continues through partner funding), NIN reimbursable grant costs \$10k, misc. other \$8K. Some funds (15k) shifted to training for the Urban Programs Development Initiative

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Invasive Species	84,540	89,340	4,800	6	Increase in EDRR program and support for 4 County Cooperative Weed Management Area
Education	29,500	26,850	(2,650)	(9)	Stable
FISH Grants	73,112	30,000	(43,112)	(59)	Decrease in reimbursement requests on outstanding grants and no new grants
OSU Ext. Support	29,500	25,500	(4,000)	(14)	Stable funding, but Master Naturalist supported in FY 17-18 rather than BUFA, which was supported in 16-17
Partner Support	108,300	111,700	3,400	3	Stable
Total	668,974	600,216	(68,758)	(10)	

Capital outlay

Capital outlay typically describes larger purchases that are of \$2,000 or more and have a useful life of more than one year. Capital outlay requirements in the past have primarily been for office equipment (computers and other technology related upgrades) and vehicles. The current year's budget included a capital outlay of \$35,000, representing \$20,000 for replacement of one of the District's vehicles, \$8,500 for a new server, and possible computer replacements of \$6,500. The proposed capital outlay budget for FY 2017-18, which has decreased by \$15,000 to \$20,000, anticipates only the purchase of new computers.

Contingency

The Contingency category is supported by Oregon Local Budget Law to manage unforeseen or unexpected operating situations. Contingency funds can be used to cover shortfalls in any of the General Fund budget categories described above. We don't expect to use contingency funds, but \$50,000, an amount considered prudent, is included to manage unforeseen events.

Unappropriated ending fund balance

This category represents the amount of money the District needs to cover expenses after the new fiscal year ends and before substantial tax revenue is received. This period is from July 1, 2018 until tax revenue is received in mid-November 2018. It is called "unappropriated" because we cannot appropriate funds beyond the end of the fiscal year, but we know we will need to have those funds to meet expenses for the July-through-mid-November 2017 period.

The unappropriated ending fund balance for a given fiscal year is carried forward as a Resource (cash on hand or working capital) to begin the following fiscal year. For the General Fund, the unappropriated ending balance for FY 2017-18 is budgeted at \$742,500, representing cash flow requirements and anticipated expenditures for the first four and a half months of the new fiscal year (FY 2018-19), assuming spending of approximately \$165,000 per month.

Special Fund Resources and Requirements – Sturgeon Lake (Form LB-10)

Purpose

The Sturgeon Lake Fund is a separate distinct fund from the General Fund. The purpose of the fund is to clearly identify, track and account for external funds contributed to the Sturgeon Lake Restoration Project by third party partners such as Metro Parks and Nature, the Oregon Wildlife Heritage Foundation, Multnomah County and the ODFW. The Sturgeon Lake Fund contains an unappropriated reserve account called the Sturgeon Lake Stewardship Account. The Sturgeon Lake Stewardship Account was established in 1993 by a Memorandum of Agreement with the Oregon Department of Environmental Quality, the ODFW and the District for the purpose of performing maintenance and monitoring of the Sturgeon Lake Restoration Project. The Sturgeon Lake Stewardship Account has remained a separate account since then and will continue to be a dedicated account for this purpose. Monies from this account will not be available for appropriation until after the Sturgeon Lake Restoration Project has been completed, which is expected to be by the end of FY 2018-19.

Sources of Funding

Table 1 shows funding sources for the Sturgeon Lake Fund. Of the \$1,132,648 identified; only \$222,848 has been secured. This represents grant awards from the Oregon Watershed Enhancement Board (\$42,500) and Metro Parks and Nature (\$100,000) plus an additional \$80,348 of District provided funds. The District provided funds consisting of the \$77,430 that resides in the Sturgeon Lake Stewardship Account; an additional \$1,668 provided to the US Army Corps of Engineers (Corps) in 2015 to be used toward the completion of the Sturgeon Lake Project's feasibility study and \$1,250 that was necessary for attorney fees relating to the project. For the FY 2017-18 budget period, \$245,000 will be secured from the Oregon Wildlife Heritage Foundation.

Status of the Sturgeon Lake Fund

Form LB-10 shows the resources and requirements within the Sturgeon Lake Fund. Resources include Cash on Hand, Investment Earnings and monies sourced from Project Grants and Contributions. For the FY 2016-17 budget period, \$890,020 was expected to be secured from grants and contributions; but as reflected in Table 1 below, the expected actual received is the \$100,000 from Metro Parks and Nature. The difference is due to delays in project timing.

The Cash on Hand balance for FY 2017-18 shows a beginning budget period balance for the Sturgeon Lake Stewardship Account of \$76,873. This represents the cash on hand amount entering the FY 2017-18 budget period and reflects the accumulation of investment earnings over the FY 2016-17 budget period. Interest earnings are reduced by banking fees allocated to the Sturgeon Lake Fund, and only the net investment earnings are credited to the Sturgeon Lake Stewardship Account. Specifically, the Sturgeon Lake Fund is expected to earn \$577 over

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Table 1: Sources of Funding for Non-Federal Funding	Total	Prior to 6/30/16	FY 2016-17	FY 2017-18	FY 2018-19	Future Ongoing O&M
WMSWCD - Cash	\$ 80,348	\$ 2,918				\$ 77,430
Oregon Watershed Enhancement Board	\$ 42,500	\$ 42,500				
Multnomah County	\$ 300,000				\$ 300,000	To Be Determined
Metro	\$ 100,000		\$ 100,000			
Oregon Wildlife Heritage Foundation - Committed	\$ 245,000			\$ 245,000		
Oregon Wildlife Heritage Foundation - Pledged	\$ 265,000				\$ 265,000	
Oregon Department of Fish and Wildlife	\$ 100,000				\$ 100,000	To Be Determined
Total Funds	\$ 1,132,848	\$ 45,418	\$ 100,000	\$ 245,000	\$ 665,000	\$ 77,430
NET USED FOR STURGEON LAKE FUND (REIMBURSEABLE) BUDGET IN FY2017-18 (excludes BPA funds and work-in-kind contributions)				\$ 245,000		

the FY 2017-18 budget period, of which \$557 will be credited to the Sturgeon Lake Stewardship account at the end of the period; for an expected ending amount of \$77,430.

Status of the Sturgeon Lake Restoration Project

Table 2 shows the complete budget picture for the Sturgeon Lake Restoration Project. By the end of FY 2016-17, over \$2.8 million in costs will have been incurred – most of which has been covered by the Corps and BPA. The amount provided by the District totals \$216,179. This represents the \$42,500 from the Oregon Watershed Enhancement Board in 2015, the District's \$2,918 cash contribution in 2015, \$100,000 secured from Metro Parks and Nature through their Nature in Neighborhoods grant program and \$70,761 of District in-kind credit (through 12/31/16) accepted and certified by the Corps.

Project activity increased significantly during FY 2016-17 with the completion of the Detailed Design Report (and accompanying models) and completion of plans and specifications through 90%. The Detailed Design Report work was especially significant as the modelling of benefits to salmon habitat led to an adjustment by the Expert Regional Technical Group in the project's Survival Benefit Unit (SBU) score from an original score of 0.3 SBU to a revised score exceeding 1.0 SBU. The increase is due to the Detailed Design Report demonstrating the wetland fringe habitat benefit within Sturgeon Lake that will result from the project. This habitat, and the project's guaranteeing access to it, is important for juvenile salmonid rearing in the lower Columbia River estuary.

The District has also been active on the real estate front in FY 2016-17. The District completed negotiations with the Corps regarding the type and extent of the real estate interests to be acquired by the District from the six affected Dairy Creek landowners, who are voluntarily participating in the project as willing sellers. This led to the District receiving the official Notice to Proceed from the Corps to acquire these interests. In general, the interests can be lumped into two categories – Temporary Construction and Work Area Easements and Permanent Conservation Easements. Essentially, one of each for each of the 6 affected landowners for 12 real estate transactions in all. Challenges we have faced are: (1) researching the water rights for one affected landowner so we can ensure the landowner's current use of these rights can be kept whole after the project and (2) resolving ambiguities over the Oregon Department of

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Table 2: Sturgeon Lake Restoration Project Budget	Total through FY 2016-17	Prior to 6/30/16	FY 2016-17	FY 2017-18	FY 2018-19	Summary of costs post-FY2018-19
Phase of Project		Feasibility Study, Detailed Design Report, Plans & Specifications	Detailed Design Report, Plans and Specifications, Real Estate due diligence and appraisal	Temporary Easement Acquisition, Final Plans & Specifications, Vegetation Work, Permits, Outreach	Construction	Monitoring, Operations & Maintenance, Adaptive Management
Non-Federal Funding of Cash and Work In Kind	\$ 216,179	\$59,226	\$156,953	\$ 245,000	\$ 665,000	To Be Determined
Federal US Army Corps of Engineers Funding	\$ 1,699,172	\$1,599,172	\$ 100,000			
Bonneville Power Administration Funding	\$ 918,800	\$918,800		\$ 250,000	\$ 2,250,000	To Be Determined
Total Project Costs	\$ 2,834,151	\$ 2,577,198	\$ 256,953	\$ 495,000	\$ 2,915,000	\$ -

State Lands claim of ownership of the bed and banks below the high (tidally influenced) water mark of Dairy Creek from Dairy Creek's confluence with the Columbia River to Reeder Road. These complexities have led to significant increases in the project's attorney fees, which are expected to reach \$100,000 by the end of FY 2016-17. Fortunately, Metro Parks and Nature granted us a modification to our Nature in Neighborhoods grant so these funds (\$100,000) could be used to cover attorney fees. Attorney fees are projected to total \$60,000 over the FY 2017-18 budget period.

The District has also hired a qualified contract appraiser (who has been approved by the Corps) to determine a fair market value of the real estate interests to be acquired. The cost of the appraisal contract is \$48,000. It is expected that the District will close on the Temporary Construction and Work Area Easements by the end of FY 2017-18 at a projected acquisition cost of \$116,500 (the actual amount will be based on the appraised fair market valuation). Additionally, the District expects \$15,000 to be expended on vegetation restoration work outside the construction area, \$5,000 in permit costs and \$500 in outreach expenditures during FY 2017-18. In total, FY 2017-18 project costs from the Sturgeon Lake Fund will total \$245,000, which will be secured from the committed funds held by the Oregon Wildlife Heritage Foundation.

Change in Project Management

The total cost for the Sturgeon Lake Restoration Project has ballooned from an original \$6.5 million dollar estimate to a cost of \$10.0 million dollars. The \$3.5 million cost increase is due to cost overruns incurred for completion of the Feasibility Study, the Detailed Design Report and Plans and Specifications and projected higher costs for construction. The only available source of funds to meet the \$880,000 non-federal share (25%) of this cost increase is the BPA. One area of disagreement with the Corps is over actually installing a highway bridge as the Reeder Road crossing over Dairy Creek; the Corps is stating that their policies and procedures prohibit giving cost share credit for the bridge; meaning that only the Corps' large, single spanning, concrete culvert arch can be accepted in the project design. Unfortunately, the

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concrete culvert is \$800,000 more expensive than a bridge. Had the Corps accepted the bridge as cost share, the needed non-federal cost share increase would have been \$200,000.

This has led the District to seek to have the Corps transfer the project to the BPA for completion. The BPA anticipates cost savings in the final design work and actual construction of the project. Additional savings will be sought in the vegetation restoration plan (which would be developed and implemented by the District). Barriers to successfully transfer the project to the BPA involve general uncertainty in the federal fiscal environment for federal FY 2017-18 funding and the possibility of unanticipated Rivers and Harbors Act Section 408 consultation with the Corps on the project's effects to the Sauvie Island levees and the navigation channel of the Columbia River. While the Corps' Section 408 consultation is entirely procedural, as it is known the project will have no effect on the levees and navigation channel, the procedure necessary to document this could result in substantial delays in scheduling the project as well as increased administrative cost.

Table 2 outlines the Sturgeon Lake Restoration Project projected budget as if the project is successfully transferred to the BPA. The projected cost for the project's final design (\$250,000) and construction (\$2.25 million) reflect the desired cost cap for BPA taking over the project. Should BPA's final cost estimate exceed the sum of these amounts (\$2.5 million), the District may face another fundraising campaign to raise the additional amount needed.

Supporting Documents

This Budget Message is accompanied by the following:

BUDGET DOCUMENTS:

- General Fund Resources (Form LB-20)
- General Fund Requirements (Form LB-30)
- Special Fund (Sturgeon Lake) Resources and Requirements (Form LB-10)
- Detailed Resources and Requirements for Current Year Budget

OTHER: Racial Equity Statement

RESOURCES
General Fund
(Fund)

West Multnomah SWCD

	Historical Data			RESOURCE DESCRIPTION	Budget for Next Year 2017-18			
	Actual		Adopted Budget This Year 2016-17		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2014-15	First Preceding Year 2015-16						
				Beginning Fund Balance:				
1	758,062	886,611	923,443	1. Available cash on hand* (cash basis) or	943,849			1
2				2. Net working capital (accrual basis)				2
3	23,751	24,052	44,000	3. Previously levied taxes estimated to be received	46,000			3
4	4,897	7,028	4,000	4. Interest	4,000			4
5				5. OTHER RESOURCES				5
6				6. Fiscal Agency Fees				6
7	70,930	72,674	72,674	7. Oregon Department of Agriculture	72,674			7
8	26,180	51,011	141,624	8. Project Grants	153,049			8
9								9
10	14,237	16,416	11,200	10. Reimbursements & Misc	11,000			10
11				11				11
12				12				12
13				13				13
14				14				14
15				15				15
16				16				16
17				17				17
18				18				18
19				19				19
20				20				20
21				21				21
22				22				22
23				23				23
24				24				24
25				25				25
26				26				26
27				27				27
28				28				28
29	898,057	1,057,792	1,196,941	29. Total resources, except taxes to be levied	1,230,572	0	0	29
30			1,463,000	30. Taxes estimated to be received	1,525,171			30
31	1,285,721	1,376,281		31. Taxes collected in year levied				31
32	2,183,778	2,434,073	2,659,941	32. TOTAL RESOURCES	2,755,743	0	0	32

*Includes Unappropriated Balance Budgeted Last Year

**FORM
LB-30**

**REQUIREMENTS SUMMARY
BY FUND, ORGANIZATIONAL UNIT OR PROGRAM**

General Fund
(name of organizational unit - fund)

West Multnomah SWCD

	Historical Data			EXPENDITURE DESCRIPTION	Budget for Next Year 2017-18				CY Proposed vs. PY Adopted
	Actual		Adopted Budget This Year 2016-17		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body		
	Second Preceding Year 2014-15	First Preceding Year 2015-16							
				PERSONNEL SERVICES					
1	788,776	880,045	1,017,622	1. Personnel Services	1,109,852			1	92,230
2				2.				2	9%
3				3.				3	
4				4				4	
5				5				5	
6				6				6	
7	788,776	880,045	1,017,622	7 TOTAL PERSONNEL SERVICES	1,109,852	0	0	7	
	9.1	9.6	9.8	Total Full-Time Equivalent (FTE)	10.8				
				MATERIALS AND SERVICES					
8	119,246	153,028	216,221	8. Operations	233,175			8	16,954
9	371,343	454,875	668,974	9. Conservation Programs & Services	600,216			9	8%
10				10				10	-68,759
11				11				11	-10%
12				12				12	
13				13				13	
14	490,589	607,903	885,195	14 TOTAL MATERIALS AND SERVICES	833,390	0	0	14	-51,805
				CAPITAL OUTLAY					-6%
15	17,802	4,150	35,000	15 Capital Outlay	20,000				-15,000
16				16				16	-43%
17				17				17	
18				18				18	
19				19				19	
20				20				20	
21	17,802	4,150	35,000	21 TOTAL CAPITAL OUTLAY	20,000	0	0	21	
				TRANSFERRED TO OTHER FUNDS					
22				22				22	
23	0	0	0	23				23	
24				24				24	
25			50,000	25 General Operating Contingency	50,000			25	0
26	0	0	50,000	26 TOTAL TRANSFERS AND CONTINGENCIES	50,000	0	0	26	0%
27	1,297,167	1,492,098	1,987,817	27 TOTAL EXPENDITURES	2,013,242	0	0	27	
28	886,611	941,975	672,124	28 UNAPPROPRIATED ENDING FUND BALANCE	742,500			28	70,376
29	2,183,778	2,434,073	2,659,941	29 TOTAL	2,755,742	0	0	29	10%

**FORM
LB-10**

**SPECIAL FUND
RESOURCES AND REQUIREMENTS**

Sturgeon Lake

West Multnomah Soil & Water Conservation District

(Fund)

	Historical Data			DESCRIPTION RESOURCES AND REQUIREMENTS	Budget for Next Year 2017-18			
	Actual		Adopted Budget This Year 2016-17		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2014-15	First Preceding Year 2015-16						
				RESOURCES				
				Beginning Fund Balance:				
1	77,462	33,301	76,301	1. Cash on hand * (cash basis), or	76,873			1
2				2. Working Capital* (accrual basis)				2
3				3. Previously levied taxes estimated to be received				3
4	204	485	572	4. Earnings from temporary investments	577			4
5				5. Transferred from other funds				5
6	0	42,500	890,020	6. Project Grants and Contributions	245,000			6
7				7				7
8				8				8
9	77,666	76,286	966,893	9. Total Resources, except taxes to be levied	322,450	0	0	9
10				10. Taxes estimated to be received				10
11				11. Taxes collected in year levied				11
12	77,666	76,286	966,893	12. TOTAL RESOURCES	322,450	0	0	12
				REQUIREMENTS				
1				1. Personnel Services				1
2	44,365	12,205	890,020	2. Contracted Services	245,020		0	2
3				3				3
4				4				4
5				5				5
6				6				6
7				7				7
8				8				8
9				9				9
10				10				10
11				11				11
12				12				12
13				13				13
14				14				14
15				15				15
16	33,301	64,081	76,873	16. UNAPPROPRIATED ENDING FUND BALANCE	77,430	0	0	16
17	77,666	76,286	966,893	17. TOTAL REQUIREMENTS	322,450	0	0	17

WEST MULTNOMAH SOIL & WATER CONSERVATION DISTRICT BUDGET DETAIL	Admin. & Commun.	DEI	Education & OSU Support &FISH	Forest Programs	Rural Programs (includes Healthy Streams)	Invasive Weeds Programs	Urban Programs	General Fund (LB-20 & 30)	Sturgeon Lake (LB-10)	Proposed Budget FY 2017-18
Cash on Hand	943,849							943,849	76,873	1,020,722
Previously Levied Taxes estimated to be rec'd	46,000							46,000		46,000
Earnings from temporary investments	4,000							4,000	577	4,577
Total Beginning Fund Balance	993,849		-	-	-	-	-	993,849	77,450	1,071,299
Oregon Dept. of Agriculture	21,774				50,900			72,674		72,674
Project Grants (NIN, OWEB, OSWB, ODForestry)	-		-	38,749	69,500	24,800	20,000	153,049	-	153,049
Sturgeon Lake Related Grants & Contributions									245,000	245,000
Reimb & Misc (workshops, cost-share, BES, Parks)	2,200						8,800	11,000		11,000
Total Other Resources	23,974		-	38,749	120,400	24,800	28,800	236,723	245,000	481,723
										-
Taxes Estimated to be Received - at assumed tax rate of 7.50%	1,525,171							1,525,171		1,525,171
Total Resources	2,542,994		-	38,749	120,400	24,800	28,800	2,755,743	322,450	3,078,192
								-		
Expenditures								-		
Salaries & Wages	267,787	1,500	61,239	87,428	154,069	89,910	85,951	747,884		747,884
Insurance: Medical, Life, Vision, Dental	65,381		10,243	21,648	23,064	36,081	21,648	178,066		178,066
Worker's Comp	1,872		147	-	567	346	259	3,191		3,191
PERS	46,626		9,688	-	25,381	16,061	11,665	109,423		109,423
Payroll Taxes	28,904	162	6,610	-	16,630	9,705	9,277	71,288		71,288
Total Personnel Services	410,571	1,662	87,927	109,076	219,712	152,103	128,801	1,109,852	-	1,109,852
Forest Projects				43,326				43,326		43,326
Rural Projects (includes Healthy Streams and Habitats)					185,500			185,500		185,500
Urban Projects							88,000	88,000		88,000
Invasives Projects						89,340		89,340		89,340
Sturgeon Lake								-	245,000	245,000
Education Programs			26,850					26,850		26,850
FISH Grants			30,000					30,000		30,000
OSU Ext. (Master Naturalist and Master Grdnrs) and Metro (IPM website) support			13,000			12,500		25,500		25,500
Partner Funding					10,000	7,000	94,700	111,700		111,700
Total Conservation Funding/Support/Grants and Education Programs	-	-	69,850	43,326	195,500	108,840	182,700	600,216	245,000	845,216
										Conserva
Events & Supplies	10,000							10,000		10,000
Printing/Production/Signage, Banners, Displays	8,500							8,500		8,500
Video Production	5,000							5,000		5,000
Sponsorship of Community Events	2,500							2,500		2,500
Graphic Designer	4,500							4,500		4,500
Media, Advertising, Marketing	2,000							2,000		2,000
Postage and Delivery	2,000							2,000		2,000
Website	2,000							2,000		2,000
Total Communication & Outreach Expenses	36,500			-	-	-	-	36,500		36,500
Professional Contracted Non-Employee Services	2,800	6,000						8,800		8,800
Rent (includes office space, storage facilities, employee parking)	74,160							74,160		74,160
Computers/Maintenance (monthly support and add-ons)	18,540							18,540		18,540
Insurance (genral liab., auto, property, crime)	9,548							9,548		9,548
Membership & Organizational Dues	9,500							9,500		9,500
Telephone & tablet data plans (include landline & cell reimb. \$50 / mo)	9,049							9,049		9,049
District Vehicle - Gas/Maintenance/Fees/Parking	9,182							9,182		9,182
Office supplies	8,446							8,446		8,446
Audit	4,600							4,600		4,600

WEST MULTNOMAH SOIL & WATER CONSERVATION DISTRICT BUDGET DETAIL	Admin. & Commun.	DEI	Education & OSU Support &FISH	Forest Programs	Rural Programs (includes Healthy Streams)	Invasive Weeds Programs	Urban Programs	General Fund (LB-20 & 30)	Sturgeon Lake (LB-10)	Proposed Budget FY 2017-18
Refreshments for office & Internal (Staff & Board) Meeting Snacks	2,600							2,600		2,600
TriMet passes in-lieu of parking passes	2,000							2,000		2,000
Payroll Service Fee	2,206							2,206		2,206
Legal Notices	1,550							1,550		1,550
Licensing/Fees	1,143							1,143		1,143
Field Supplies - non-program specific	1,000							1,000		1,000
Furniture / Office Equipment	1,000							1,000		1,000
Program related meeting meals & snacks for conserv. programs	600							600		600
Bank & LGIP Fees	600							600	20	620
Program related mileage and parking	500							500		500
Recruiting	400							400		400
Total Admin Operating Expenses	159,425	6,000	-	-	-	-	-	165,425	20	165,445
Travel & Food (per diem) for workshops / training	3,250							3,250		3,250
Board Development	1,500							1,500		1,500
Staff Development (includes tuition for approved programs)	26,000	500						26,500		26,500
Total Board/Staff Training Expenses	30,750	500	-	-	-	-	-	31,250	-	31,250
										190,195
Total Operations Expenses	226,675	6,500	-	-	-	-	-	233,175	20	233,195
Total Materials and Services Expenses	226,675	6,500	69,850	43,326	195,500	108,840	182,700	833,390	245,020	1,078,410
								-		-
Misc. Capital Purchases	20,000							20,000		20,000
Total Capital Outlay	20,000							20,000		20,000
General Operating Contingency	50,000							50,000		50,000
Total Transfers and Contingencies	50,000	-	-	-	-	-	-	50,000	-	50,000
Total Expenditures	707,246	8,162	157,777	152,402	415,212	260,943	311,501	2,013,242	245,020	2,258,262
Unappropriated Ending Fund Balance Required								742,500	77,430	819,930
Total Requirements								2,755,742	322,450	3,078,192



Resolution of the West Multnomah Soil & Water Conservation District

Resolution #2017-02-08a

A Resolution to Adopt the West Multnomah SWCD's Racial Equity Statement

WHEREAS, the District does not discriminate based on age, color, disability, gender identity or expression, genetic information, marital status, national origin, race, religion, sex, sexual orientation, or veteran status, or any other characteristics, class or identity; and

WHEREAS, the District has initiated an effort to increase its emphasis on serving constituents equitably and to explore strategies to add diversity to the staff and board of directors; and

WHEREAS, the District is initially focusing on racial equity to address Portland's most glaring inequities while developing policies and practices that result in more accessible programs and services for all; and

WHEREAS, the District would like to capture and affirm its Racial Equity Statement officially by resolution; and


WHEREAS, the members of the Board of Directors of the West Multnomah SWCD and District staff have undergone training which reviewed the history of institutional racism in Oregon and which also included sessions on recognizing and avoiding systemic racism and implicit biases; and

WHEREAS, the Board of Director's standing Diversity, Equity and Inclusion Committee consisting of a subgroup comprised of both members of the Board and District staff has developed a draft Racial Equity Statement for the Board's consideration; and

WHEREAS, the members of the Board of Directors of the West Multnomah SWCD have received the proposed Racial Equity Statement, have had the opportunity to review it, and said statement is attached to this Resolution as Appendix "A";

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the West Multnomah SWCD that the proposed Racial Equity Statement as attached to this Resolution as Appendix "A" is hereby adopted.

APPROVED AND ADOPTED BY THE BOARD OF DIRECTORS THIS 8th DAY OF FEBRUARY, 2017.


Terri Preeg Riggsby, Board Chair

2/8/2017
Date

ATTEST:


~~Brian Lightcap, Board Secretary~~

Shawn Looney, Vice Chair

2/8/2017
Date

Appendix A

West Multnomah Soil & Water Conservation District

ADOPTED – Racial Equity Statement – ADOPTED

Vision

The West Multnomah Soil & Water Conservation District is a culturally inclusive organization that welcomes and engages people of color in all facets of our organization, activities and programs. The Board and staff of the District, the customers we serve, the contractors we hire and the people who benefit from our work resemble the racial diversity found within our service territory. The District reaches out to communities of color to determine their conservation priorities for the purpose of enhancing livability through healthy soil, clean water and diverse habitats. We willingly share with others our experiences in pursuing racial equity.

Need

Our District has taken the initiative to review the history of racial disparity in Oregon, and how this history persists in the form of unconscious biases and cultural barriers that contribute to disparities in how we work, whom we work with and whom we serve. We recognize that gaining the perspectives of, and working with, communities of color will increase our organization's overall strength. By working proactively and deliberately to be equitable and inclusive, we will be more successful in our work.

Accountability

We will hold ourselves accountable to racial equity by addressing disparities when found, and by developing, implementing, tracking and reporting on Specific, Measurable, Achievable, Realistic, and Time-Bound racial equity goals. Priorities include fully understanding the demographics of the communities we serve, developing new and lasting partnerships with communities of color and organizations that represent them, and recruitment and retention of persons of color on our Board, staff and supporting committees.