



WEST MULTNOMAH
Soil & Water Conservation District

Approved Budget Fiscal Year 2018-2019

Presented on April 11, 2018

West Multnomah Soil & Water Conservation District does not discriminate based on any class or identity including age, color, disability, gender identity or expression, genetic information, marital status, national origin, race, religion, sex, sexual orientation, and veteran status. The District is an equal opportunity employer and service provider. The District makes reasonable accommodations for persons with disabilities and special needs to provide access to district events, materials and services. If you have requests for accommodations or complaints about discrimination, harassment, unequitable treatment and being denied access to district events, materials and services, or for any questions at all, please contact us at our email info@wmswcd.org or call 503.238.4775.

2701 NW Vaughn Street, Suite 450 • Portland, OR 97210

P: 503.238.4775 • F: 503.326.3942

www.wmswcd.org

Clean Water, Healthy Soil, Diverse Habitat

Table of Contents

SECTION 1: BUDGET PROCESS AND BUDGET COMMITTEE	3
Purpose and Structure of the Budget Message	3
Requirements of a Special District with a Voter-Approved Tax Base	3
Budget Committee	3
Duties of the Budget Committee	4
Duties of the Board of Directors	5
Post Adoption Budget Changes	5
SECTION 2: DISTRICT STRATEGIC GOALS AND STRATEGIES	6
Mission and Goals	6
Racial Equity	6
Vision and Outcomes	6
Partners	7
Summary of Programs	10
Conservation Planning	10
Rural Programs	10
Urban Programs	12
Invasive Species Programs	14
Education Programs	15
Sturgeon Lake Restoration Project	15
Support for Conservation Programs	16
<i>Communications & Outreach</i>	16
Fiscal Oversight	17
SECTION 3: BUDGET AND ASSUMPTIONS	18
Budget Preparation	18
Key Short-term Factors Guiding Development of Budget	18
Priorities and Issues for the Upcoming Year	18
Budget Documents and Funds	19
General Fund Resources (Form LB-20)	19
General Fund Requirements (Form LB-30)	21
Personnel services	22
Materials and Services - Operations	24

Budget Message for Fiscal Year 2018-2019
West Multnomah Soil & Water Conservation District
Michele Levis, Controller and Budget Officer

Materials and Services – Conservation Programs.....	24
Capital outlay	25
Contingency	25
Reserve for future expenditures	26
Unappropriated ending fund balance.....	26
Special Fund Resources and Requirements – Sturgeon Lake (Form LB-10)	27
Supporting Budget Documents contained in Appendix:	28

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, 2018, through June 30, 2019 (FY 2018-2019). The budget is submitted for consideration under Oregon Budget Law, which guides the District through the budgeting process and is defined in Oregon Revised Statutes (ORS) Chapter 294.305 to 294.565 of Oregon State Law. 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 District constituents 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). Our Budget Calendar (see Appendix) reflects all actions and due dates required to ensure we are in compliance with Oregon Budget Law.

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 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.

Budget Message for Fiscal Year 2018-2019
West Multnomah Soil & Water Conservation District
Michele Levis, Controller and Budget Officer

Name	Position	Status
Finlay Anderson	Elector	Re-appointed in 2018, in first year of term
Rachel Dvorsky	Elector	Appointed in 2017, in second year of term
Jan Hamer	Elector	Re-appointed in 2018, in first year of term
Sydney Scout	Elector	Appointed in 2018, in first year of term
Xuan Sibell	Elector	Re-appointed in 2016, in third year of term
Patrick Willis	Elector	Re-appointed in 2017, in second year of term
Edward Woods	Elector	Re-appointed in 2017, in second 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.

Post Adoption Budget Changes

Once the budget is adopted, the District is bound by the resources and requirements for each fund as detailed in the budget document and summarized in the resolution. It is illegal to overspend an appropriation.

There are a number of ways to amend the budget should it become necessary during the fiscal year. The process will vary depending on the nature and magnitude of the change. In all cases, action is required prior to an appropriated amount being exceeded. Some changes require the Board of Directors to pass a resolution; many changes require a supplemental budget; and certain changes require that a public hearing be held before the Board can make the change.

SECTION 2: DISTRICT STRATEGIC GOALS AND STRATEGIES

Mission and Goals

The District's mission is to conserve and protect soil and water resources for people, wildlife, and the environment. The District operates around six strategic goals to fulfill our mission: (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. The District's annual budget supports our mission and strategic goals, and it is guided by our annual work plans. Our annual work plans address the long-term conservation opportunities and associated concerns that are discussed in our Long Range Business Plan (see Appendix). In developing the budget, we considered both our long-term goals and the short-term factors that influenced our annual work plans. These short-term factors are discussed in Section 3.

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 for the District in 2017. 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. Our practices within all program areas honor our ongoing efforts to make equity a central principle and component of all we do.

Vision and Outcomes

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 weeds, rural farms, working forests, conservation education, healthy habitats, and wetland conservation. The District's signature project is the proposed multi-million dollar Sturgeon Lake Restoration Project on Sauvie Island, in partnership with the U.S. Army Corps of Engineers, the Bonneville Power Administration, Multnomah County, Metro Parks and Nature, Oregon Department of Fish and Wildlife (ODFW), the Oregon Watershed Enhancement Board. Several other partners and private donors are contributing funds to the project through the Oregon Wildlife Foundation.

Budget Message for Fiscal Year 2018-2019
West Multnomah Soil & Water Conservation District
Michele Levis, Controller and Budget Officer

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 farms on private land will be stewarded thoughtfully and knowledgeably based on a conservation plan written around landowner goals for owning the lands.
- Residents and neighborhoods will enthusiastically tackle small-scale stormwater catchment projects like de-paving or de-lawnning, building healthy soils, native plant landscaping including planting trees and biodegradable erosion control.
- Pollinator hedgerow projects both big and small will abound and support our native bee populations and other pollinators such as moths and butterflies through a variety of native flora that bloom throughout the season from later winter to late fall.
- 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)
- ❖ Bonneville Power Administration (Sturgeon Lake)

Budget Message for Fiscal Year 2018-2019
West Multnomah Soil & Water Conservation District
Michele Levis, Controller and Budget Officer

- ❖ 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 River Estuary Study Taskforce (Sturgeon Lake)
- ❖ 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)
- ❖ Friends of Tryon Creek (environmental and cultural education)
- ❖ 4-County Cooperative Weed Management Area (invasive species, education and outreach, mapping, technical collaboration)
- ❖ Government Finance Officers Association (fiscal management, budgeting)
- ❖ 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)
- ❖ Oregon Department of Agriculture (capacity, governance, authorities, water quality, invasive species)
- ❖ Oregon Department of Environmental Quality (water quality related grant funding)
- ❖ Oregon Department of Fish and Wildlife (Sturgeon Lake Restoration, Sauvie Island habitats)
- ❖ Oregon Department of Forestry (forestry, wildfire protection)
- ❖ Oregon iMap Invasives (invasive species, mapping)

Budget Message for Fiscal Year 2018-2019
West Multnomah Soil & Water Conservation District
Michele Levis, Controller and Budget Officer

- ❖ 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 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, community science & water quality, outreach & education)
- ❖ 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)
- ❖ U.S. Department of Agriculture, Natural Resources Conservation Service (forestry, agriculture, wetlands, oak woodland and prairie, 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, habitat restoration)
- ❖ Xerces Society (pollinator monitoring and education)

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

Summary of Programs

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. The plans identify practices to best protect soil and water quality, enhance plant and animal health, restore and maintain diverse natural habitats, and financially benefit landowners. The conservation planning process offers a number of tools landowners can use 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. Although the District has a number of urban farms, most large, working farms are on Sauvie Island, with produce, often organic (both certified and noncertified), distributed throughout the area. The District helps farmers get connected to NRCS Farm Bill conservation programs and access financial assistance as well as provides them with small amounts of funding to help them get started with soil building practices. The District also assists livestock, horse barns and other animal operations with issues such as mud, compaction, invasive plants, forage production, and manure management. Farm and livestock 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 in its service area. The overall goal is to help landowners understand their opportunities 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, Oregon State University 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, and, wetlands through technical and financial support to secure planting materials and develop and implement related conservation plans. Oak habitat restoration work includes removing competing vegetation such as mature Douglas-fir, controlling invasive weeds and planting oaks and associated native understory and savanna / prairie species. The District works with partners like NRCS to develop funding sources for oak habitat and wetland restoration / enhancement and expansion on private lands and supports and participates in landscape level strategic planning, such as on Sauvie Island, including via funding to groups such as the Scappoose Bay Watershed Council. The District works 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. The District also provides and supports other education and outreach related to rare or significant habitats, including for pollinators, within the District.

Much of the lowland areas within the District, especially on Sauvie Island and along the Multnomah Channel, were 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 NRCS to implement fish passage and restoration of riparian and other native habitats, including oak savanna, and pollinator hedgerows on private land surrounding the confluence of McCarthy Creek with the Multnomah Channel. Partnership with the Scappoose Bay Watershed Council supports community science water quality monitoring in the Multnomah Channel, and other conservation engagement with the moorage community. The Scappoose Bay Watershed Council is leading the development of an operations and maintenance plan for drainage ditches managed by the Sauvie Island Drainage Improvement Company with the goal of demonstrating drainage ditch maintenance practices that enhance both water quality and habitat.

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 for the District’s full-funding Healthy Streams Program include canals and ditches on Sauvie Island and rural watersheds in the north Tualatin Mountains (McCarthy, Abbey and Rock creek basins).

The District provides conservation planning, secures plant materials and other project supplies, directs and manages native plant establishment and short to long-term maintenance -- including work by paid crews, and does ongoing monitoring and adaptive management to maximize project success -- all on behalf of enrolled Healthy Streams Program landowners. To optimize conservation results in both the rural and urban realm, priority for technical and funding support is given to larger properties or projects involving multiple adjacent properties (e.g. those covering a 1/4 mile of stream), and to projects in watersheds supporting salmonid fish or that are home to other priority wildlife or resource concerns.

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 meadowscapes 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 Park.

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 Bureau of Environmental Services, 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 began last year to invest in an analysis and enhancement initiative for our urban programs. This is being done by contributing to the tuition and fees for the District's urban conservationist to attend the Executive Master of Public Administration Program at Portland State University (PSU), Mark O. Hatfield School of Government, Center for Public Service. 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 (which will be completed in mid-2019) 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 Plants

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; 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

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

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

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 Japanese Beetle Eradication Open Houses occurring throughout the area, most recently in Cedar Mills. The District is continuing 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, oak and other habitat restoration, soil health, and clean water practices. The District has also been running a Community Science Pollinator Monitoring program which trains and uses volunteers to monitor the effectiveness of the District's installed hedgerows and other pollinator habitat plantings in supporting native pollinators; the emphasis is on native bees. The District also aims to provide funding support to key environmental education organizations such as Dig In, Friends of Tryon Creek, and Sauvie Island Center.

Sturgeon Lake Restoration Project

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 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 Foundation. Federal funders are the US Army Corps of Engineers (Corps) and the Bonneville Power Administration (BPA). The Corps, BPA, ODFW and the District have completed the

design, 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. All the necessary permits for the project have been applied for and construction is scheduled for the summer through fall, 2018. Project management, including the hiring of the construction contractor, is through the Columbia River Estuary Study Taskforce (CREST). Some vegetative habitat restoration work outside of the construction has commenced; namely, the removal of invasive plants and replacement with native plants.

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 in the process of acquiring the necessary temporary construction and permanent conservation easements from these landowners; paying fair market value for them as determined through a third-party appraisal that meets federal appraisal standards.

Support for Conservation Programs

Communications & Outreach

The District's ability to remain a vibrant agency is greatly enhanced by its communications programs. Information about conservation opportunities and practices as well as District success stories are regularly communicated to media outlets, neighborhood organizations, partner agencies and interested landowners. Communication tools include social media, online newsletters, annual reports, news releases, workshops, articles in community newsletters and outreach activities, including event tabling, presentations and public speaking engagements.

The communications program engages partner organizations and individuals and participates in a combined effort to educate and inform residents about conservation issues facing them and their communities. The District invests in a wide variety of materials to help educate landowners and homeowners about Priority program areas and conservation activities, including books, brochures, banners, signs, stickers and other creative materials.

The communications program focuses the District's conservation messaging and operates in a strategic manner to reach landowners who will best benefit from District conservation education and practices.

Operations

To maximize efficiencies and staff capacity, the operations team provides grants and contracts administrative support, vehicle fleet maintenance, and up-to-date technology for use in the office and out in the field. To ensure an optimal work environment, the District offers competitive benefits and supportive human resources policies and programs. This support is critical to ensuring that the District gets its vital conservation work done and meets its goal of ensuring the District is a vibrant agency.

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 FY 2018-2019 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 and programs for FY 2018-2019 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), which is consistent with how the District's audited financial statements are prepared.

Key Short-term Factors Guiding Development of Budget

Although the economy is relatively strong, we are feeling resource constraints because our revenues are not growing in proportion to our personnel costs. Constitutional restrictions on property tax growth creates a structural deficit, especially as the rate of inflation increases. Higher inflation creates cost pressures in our budget and a corresponding increase in labor costs and benefits. Our PERS costs, although significant and increasing in proportion to salary and wages, will fortunately not escalate again until FY 2019-2020, but it remains a significant and growing part of our personnel costs. Medical insurance benefits are projected to increase and we continue to look for ways to control these costs. Although we have a need to add administrative support for increased processing related to grants and contracting, we have made the decision to postpone any hiring until we further evaluate the financial sustainability of our current staffing levels and benefit programs.

Priorities and Issues for the Upcoming Year

Our Diversity, Equity and Inclusion work continues to be a priority for our District. Although this work began in 2014, the formal initiative began in FY 2015-16 when the District formed a standing committee to the board of directors and began infusing this core value across all program areas and operations. These efforts over the last 3 years - 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 2018-2019. The budget reflects that we have integrated Diversity, Equity and Inclusion into our work on a personal and organizational level and that our practices within all program areas honor our ongoing efforts to make equity a central principle and component of all we do.

Another priority for us this coming year is to apply the knowledge we gained by participating in the Government Finance Officers Association (GFOA) fall 2018 pilot project to advance [financial sustainability](#) among local governments across North America. Ensuring that we have both the

leadership strategies and behaviors as well as the institutional design principles and processes in place to maintain and even enhance our District's ability to continue our valuable conservation work in a financially sustainable way for decades to come is critical. Our intent is to apply a financial sustainability lens to all our decisions with the hope of enhancing our resiliency in the face of budget shortfalls and the next recession.

The most significant priority dollar-wise in FY 2018-2019 is completion of our multi-million dollar Sturgeon Lake Restoration Project, which is discussed in detail at the [end of this section](#).

Budget Documents and Funds

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 Local Budget (LB) forms prescribed by the Oregon Department of Revenue.

The LB forms contain FY 2015-16 and FY 2016-17 audited financial results, FY 2017-18 Adopted Budget, FY 2017-18 Estimated Actuals and FY 2018-2019 Proposed Budget. The District has a General Fund and one Special Fund for the Sturgeon Lake Restoration Project (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 working capital on 7/1/18, conservatively estimated to be \$890,296. This figure is calculated by taking current cash balances and adding projected revenue and subtracting estimated spending from the current date through 6/30/18. From the expected working capital at 6/30/18, 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 7/1/18.

Additional resources added to the beginning working capital are property tax revenues levied in earlier years of \$29,562, which are estimated to be received only in FY 2018-2019, and interest of \$14,000 earned on LGIP funds.

Budget Message for Fiscal Year 2018-2019
 West Multnomah Soil & Water Conservation District
 Michele Levis, Controller and Budget Officer

Other resources are:

- (1) Grant of \$78,488 from the ODA to support water quality programs, including riparian habitat enhancements, urban technical projects and administrative costs;
- (2) Grant of \$32,300 from the Oregon State Weed Board to fund garlic mustard control programs;
- (3) Revenues of \$10,000 from our \$50,000 Connect SW PDX grant (which is a two year grant that extends into fall of 2018) from Metro Nature in Neighborhoods for Urban programs;
- (4) Revenues of \$36,797 from a Greater Forest Park Ecosystem grant (in its third of three years) from the Oregon Department of Forestry;
- (5) Grant of \$6,477 from Bureau of Land Management to help Upper East Fork McKay watershed woodland owners (originally planned for the current year, but delayed until FY 2018-2019);
- (6) Revenues of \$25,212 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;
- (7) Revenues of \$24,030 from a \$60,075 Conservation Innovation Grant (for the period 9/1/2017 through 8/31/2020) with NRCS to assess forest health in part by focusing on understory species and shrub cover; and
- (8) Projected reimbursements totaling \$13,050 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 provides an estimated \$1,595,000 in property taxes to be received in FY 2018-2019 as calculated in the table below. Although taxes extended would result in \$1,747,728, 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 4.5%. All assumptions are consistent with prior years and have been reviewed by Multnomah County's Tax Supervising & Conservation Commission (TSCC).

Assumptions	FY 2018-2019	Source
Actual Prior Year Assessed Value	\$ 22,193,376,520	Multnomah Co. Assessor
Assumed Growth	5 %	TSCC
Calculated Assumed Assessed Value	\$ 23,303,045,346	
Taxes Extended	1,747,728	\$0.075/\$1,000 AV

Budget Message for Fiscal Year 2018-2019
West Multnomah Soil & Water Conservation District
Michele Levis, Controller and Budget Officer

Assumed Measure 5 Compression	77,184	TSCC – increasing at a higher rate in coming years
Calculated Taxes Imposed	1,670,544	
Assumed Discount and Delinquency Rate	4.5 %	TSCC
Property Taxes Estimated to be Received	\$ 1,595,000	(Rounded to thousands)

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	FY 2017-18	FY 2018-19	Increase/ (Decrease)	%	Reason for Change
Personnel services	1,109,852	1,187,610	77,758	7	5% COLA & merit/parity combined with staff overlap due to retirement & new hire, increase in provisions for paid-time-off payout due to retirement
Materials & services: Operations	233,175	231,090	(2,085)	(1)	Minimal change
Materials & services: Conservation Programs	599,016	493,659	(105,357)	(18)	See detail by conservation area in table below on page 25
Capital outlay	20,000	7,500	(12,500)	(63)	Only minimal IT replacements or upgrades planned
Contingency	50,000	50,000	-	-	Based on current year unused amount, proposed amount deemed adequate
Reserve for future expenditures	0	25,000	25,000	n/a	To save for future opportunities
Unappropriated ending fund balance	742,500	760,354	17,854	2	Factors in increase of \$1,500/mo. for fall 2018 spending

Personnel services

Personnel services of \$1,187,610 include salaries and wages of \$792,873, health and workers' compensation insurance of \$185,649, PERS retirement plan contributions of \$128,265, and payroll taxes of \$80,823.

Staffing:

The budget includes seven full-time and four part-time permanent staff, as well as two part-time seasonal conservation interns. Our staffing levels will remain essentially the same for FY 2018-2019. Although we decreased our part-time seasonal conservation interns from three to two, the effect was insignificant on FTE count.

The majority of the District's employees (Senior Conservationist, Urban Conservationist, Invasive Species Coordinator, Rural Conservationist, Forestry Conservationist, Conservationist and Education Coordinator, Seasonal Conservation Technician, and Field/GIS 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 with GIS (Geographic Information System) data, database management and technical analyses during the summer.

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).

Summary of full-time equivalent (FTE) employees:

Category	FY 2016-17	FY 2017-18	FY 2018-19
Administrative staff, including communications	3.2	3.4	3.4
Conservation staff, including temporary seasonal workers	6.6	7.4	7.4
Total	9.8	10.8	10.8

Merit, Step, and COLA Wage Increases:

As the basis for determining a cost of living adjustment (COLA), we previously used a consumer price index (CPI) figure developed by the Local Government Personnel Institute, however that was discontinued in 2017. We are now using the Bureau of Labor Statistics' published CPI for Urban Wage Earners and Clerical Workers in the West, size class A, (CPI-W), which is 3.6% for the last 12-month period. In addition to COLA, the budget anticipates an across-the-board merit/step increase of 1.4%.

The overall increase of 7% in Salaries and Wages also reflects a short overlap of our Communications Coordinator position due to an anticipated retirement and new-hire occurring in fall 2018, a provision for bonuses, and also an increased provision for expected payouts of vacation and other paid time off when staff leave or retire from the District.

Health and Workers' Compensation Insurance:

For employee benefits, the budget assumes the health care benefit cost, including contributions to employees' Health Reimbursement Arrangement Voluntary Employees' Beneficiary Association (HRA VEBA) accounts, will increase by 7%. Estimates are based on our insurance agent's estimates of market factors when our plans are renewed in late 2018, and on estimates of employees enrolled. Employees use their HRA VEBA account for qualified out-of-pocket medical care costs that are not covered by the medical plan. The current and proposed contribution is \$70 per month per permanent employee eligible for medical coverage plus an incremental amount determined by the difference between the cost of the medical plan that is the most expensive to the District and the plan chosen by the employee. Workers' Compensation insurance rates are expected to increase 3%.

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

Budget Message for Fiscal Year 2018-2019
West Multnomah Soil & Water Conservation District
Michele Levis, Controller and Budget Officer

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 that took effect July 1, 2017. Rates are locked for two years. The FY 2018-2019 budget assumes the District will be contributing 20.06% for Tier I / Tier II employees (those hired before August 28, 2003) and 15.75% for all other eligible employees hired after August 29, 2003. The District is budgeting an overall increase of 7%, consistent with the increase in salaries and wages.

Oregon lawmakers passed Senate Bill 1566 in March 2018 to help public employers defray rising public pension costs. The Bill provides incentives for employers to make extra, one-time contributions to pay down unfunded liabilities faster. Although 2017 stock market returns helped shrink the system's unfunded liability (the difference between its assets and the promised benefits), it isn't enough to head off the large contribution increases that will be required in future years. The Bill establishes a fund that will match by 25 cents on the dollar any extra contributions an employer makes to the pension fund beyond required contributions. Those extra contributions and the state funds would go into employers' individual accounts, be invested alongside existing pension assets, and be gradually drawn down to reduce those employers' contributions. This would be a low-risk plan, which, barring a severe stock market downturn, would result in an immediate 25 percent return for the District on extra contributions. The District will be evaluating potential extra contributions as part of its financial sustainability project and will have recommendations for the budget committee in 2019.

Payroll Taxes:

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

Materials and Services - Operations

Materials and services is the broad expense category that supports general operations and conservation programs and services. Approximately 32% of the Materials and Services 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. Slight cost increases in rent, vehicle maintenance, and telephone services were offset by expected savings in outreach events.

Materials and Services – Conservation Programs

The remaining Materials and Services costs are dedicated to conservation programs and services and represent 68% 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.

Budget Message for Fiscal Year 2018-2019
 West Multnomah Soil & Water Conservation District
 Michele Levis, Controller and Budget Officer

Conservation Area	FY 2017-2018	FY 2018-2019	Increase / (Decrease)	%	Reason for \$ Change
Rural Farms and Healthy Habitats and Streams	185,500	110,462	(75,038)	(40)	Reflects decreases of 20k in healthy streams programs and 10k in Wisdom of Elders project due to limited capacity; 41k decrease in NRCS reimbursable grant related costs.
Rural Forests	43,326	70,785	27,460	63	Increases are all grant supported: 18k incr. specific to new ecosystem wildlife focused projects grants.
Urban	100,500	69,250	(31,250)	(31)	Decrease of 10k in Metro NIN reimbursable grant costs, 7k decrease in restoration programs due to limited capacity, 12k decrease in canopy weed program (will continue w/ Forest Park Conservancy), 5k decrease in Stormwater Stars program (although work continues through partner funding).
Invasive Species	89,340	87,600	(1,740)	(2)	Stable
Education	18,325	16,220	(2,105)	(11)	Stable
FISH Grants	28,800	0	(28,800)	(100)	All outstanding grants will be completed in FY2017-2018; no new grants.
OSU Ext. Support	25,500	19,140	(6,360)	(25)	Stable funding, slight decrease due to reduced IPM website funding
Partner Support	107,725	120,202	12,477	12	Stable funding of all partners; increase to Friends of Tryon Creek
Total	599,016	493,659	(105,357)	(18)	

Capital outlay

Capital outlay is for purchases of capital assets, defined as assets that have a value 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 \$20,000, for information technology related purchases and upgrades. The proposed capital outlay budget for FY 2018-2019, which has decreased by \$12,500 to \$7,500, anticipates only the purchase of a new (or upgrade of our existing) phone system and possible computer hardware replacements.

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

Budget Message for Fiscal Year 2018-2019
West Multnomah Soil & Water Conservation District
Michele Levis, Controller and Budget Officer

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.

Reserve for future expenditures

This is a new account to set aside funds annually to save for future opportunities. The amount set aside in our proposed budget is \$25,000. In the next year, as we embark on our financial sustainability work, we will further define a purpose for these funds and consider separating them out from the General Fund into a new Special Fund in FY 2019-2020. Any use will be consistent with the goals and priorities in our Long-Range Business Plan.

Debt

The District has no debt and does not anticipate taking on any debt obligations in the near or long-term future.

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, 2019 until tax revenue is received in mid-November 2019. 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 2019 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 2018-2019 is budgeted at \$760,354, representing cash flow requirements and anticipated expenditures for the first four and a half months of the following fiscal year (FY 2019-2020), assuming spending of approximately \$169,000 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 Foundation, Multnomah County and the Oregon Department of Fish and Wildlife (ODFW). A portion of the Sturgeon Lake Fund contains specifically assigned amounts in an 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 and dedicated account since then. Monies from this account will be appropriated in FY 2018-2019, in anticipation of the Sturgeon Lake Restoration Project being completed.

Sources of Funding

Table 1 shows the sources and the amounts of the non-federal funding over multiple year for the Sturgeon Lake Fund, reflecting the total amount of \$1,131,887 raised by the District and partners. Of this amount, \$895,260 will have been expended through June 30, 2018. All of the resources needed for the remainder of the project requirements are secured through the existing fund balance, grants and committed pledges.

Table 1: Sources of Funding for Non-Federal Funding	Prior to 6/30/16	FY 2016-17	FY 2017-18	Total through FY 2017-18	FY 2018-19	Future Ongoing O&M	Total
WMSWCD - Cash	\$ 2,918	\$ -	\$ 519	\$ 3,437	\$ 42,220	\$ 35,618	\$ 81,275
Oregon Watershed Enhancement Board	31,875	-	-	31,875	25,625	-	57,500
Multnomah County	-	-	173,000	173,000	127,000	-	300,000
Metro Parks and Nature	-	94,691	5,309	100,000		-	100,000
Oregon Wildlife Foundation Save Sturgeon Lake Campaign	-	236	259,600	259,836	6,164	-	266,000
Oregon Wildlife Foundation Help Fund the Bridge Campaign	-	-	227,112	227,112		-	227,112
Oregon Department of Fish and Wildlife Fish Passage Grant	-	-	100,000	100,000		-	100,000
Total Funds (excludes work-in-kind)	\$ 34,793	\$ 94,927	\$ 765,540	\$ 895,260	\$ 201,009	\$ 35,618	\$ 1,131,887

Status of the Sturgeon Lake Special Fund

Form LB-10 shows the resources and requirements within the Sturgeon Lake Special Fund. Resources include Working Capital, Investment Earnings, and Grants and Contributions. The FY 2018-2019 beginning fund balance for the Sturgeon Lake Special Fund is \$89,385 and includes the Stewardship Account. This reflects the accumulation of investment earnings during FY 2017-18. Additional resources are earnings of \$1,857 from investments. Expenditures expected in FY 2018-2109 will be \$201,029. Of

Budget Message for Fiscal Year 2018-2019
West Multnomah Soil & Water Conservation District
Michele Levis, Controller and Budget Officer

this amount, \$74,029 will be for contracted services, including \$34,029 for legal fees associated with due diligence, and for native plant restoration; the remaining \$40,000 is specific to maintenance and monitoring that will begin subsequent to the project's completion. The resources used for the \$40,000 of maintenance and monitoring will come from the Sturgeon Lake Stewardship Account. The other category of expenditures to be appropriated is capital outlay. In FY 2018-2019, capital outlay of \$133,000 is for additional easements and an irrigation pipe. The expected unappropriated ending fund balance on June 30, 2019 is \$37,838, all of which represents the funds held in the Sturgeon Lake Stewardship Account.

Table 2 shows the full cost of the Sturgeon Lake Restoration Project by reflecting amounts contributed by the primary funders: the US Army Corps of Engineers and the Bonneville Power Administration. By the end of FY 2017-18, almost \$3.7 million in costs will have been incurred. Of this amount, \$895,260 (24%) will have been provided by the District through the non-federal funds raised (Table 1). The project is on track for construction to begin in July 2018.

Table 2: Sturgeon Lake Restoration Project Budget	Prior to 6/30/16	FY 2016-17	FY 2017-18	Total through FY 2017-18	FY 2018-19	Post Project Completion	Total
Phase of Project	Feasibility Study, Detailed Design Report	Project Design & Pre-Project Monitoring, Real Estate Due Diligence	Plans & Specifications, Permits, Construction Easements, Outreach, Begin Vegetation Work		Construction, Permanent Easement Acquisition, Post Project Vegetation Work	Monitoring, Operations & Maintenance, Adaptive Management	
Non-Federal Funding (cash portion)	\$ 34,793	\$ 94,927	\$ 765,540	\$ 895,260	\$ 201,009	\$ 35,618	\$ 1,131,887
Federal US Army Corps of Engineers Funding	1,653,623	419,957	-	2,073,580	-	-	2,073,580
Bonneville Power Administration Funding	442,230	107,478	175,000	724,708	3,000,000	-	3,724,708
Total Project Costs	\$ 2,130,646	\$ 622,362	\$ 940,540	\$ 3,693,548	\$ 3,201,009	\$ 35,618	\$ 6,930,175

Supporting Budget Documents contained in Appendix 1:

Notice of Budget Hearing (Form LB-1)

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 Expenditures

FORM LB-1**NOTICE OF BUDGET HEARING**

A public meeting of the West Multnomah Soil & Water Conservation District will be held on June 13, 2018, at 6:00 p.m. at 2701 NW Vaughn St., Suite 452, Portland, Oregon. The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2018, as approved by the West Multnomah SWCD Budget Committee. A summary of the budget is presented below. A copy of the budget may be inspected or obtained at our office between the hours of 9:00 a.m. and 5:00 p.m., or online at www.wmswcd.org. This budget is for an annual budget period. This budget was prepared on a basis of accounting that is the same as the preceding year.

Contact: M. Levis

Telephone: 503-238-4775 Email: michele@wmswcd.org

FINANCIAL SUMMARY - RESOURCES

TOTAL OF ALL FUNDS	Actual Amount 2016-17	Adopted Budget This Year 2017-18	Approved Budget Next Year 2018-19
Beginning Fund Balance/Net Working Capital	1,006,056	1,013,708	979,681
Federal, State and All Other Grants, Gifts, Allocations and Donations	294,818	997,057	360,929
All Other Resources Except Property Taxes	27,544	61,577	58,469
Property Taxes Estimated to be Received	1,458,879	1,525,171	1,595,000
Total Resources	2,787,297	3,597,513	2,994,079

FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION

Personnel Services	954,451	1,109,852	1,187,610
Materials and Services	780,177	1,421,731	798,777
Capital Outlay	22,696	196,000	134,500
Reserves (Special Reserve and General Operating Contingencies)	-	50,000	75,000
Unappropriated Ending Fund Balance	1,029,973	819,930	798,192
Total Requirements	2,787,297	3,597,513	2,994,079

FINANCIAL SUMMARY—REQUIREMENTS AND FULL-TIME EQUIVALENT EMPLOYEES (FTE) BY ORGANIZATIONAL UNIT OR PROGRAM

Name of Organizational Unit or Program FTE for that unit or program			
District Programs	1,672,284	2,012,043	1,994,858
FTE	9.8	10.8	10.8
Sturgeon Lake Restoration Program	85,040	765,540	201,029
FTE	0.0	0.0	0.0
Not Allocated to Organizational Unit or Program	1,029,973	819,930	798,192
FTE	0.0	0.0	0.0
Total Requirements	2,787,297	3,597,513	2,994,079
Total FTE	9.8	10.8	10.8

STATEMENT OF CHANGES IN ACTIVITIES and SOURCES OF FINANCING

Our resources in FY 2018-19 will decrease \$603,434 primarily due to the winding down of the Sturgeon Lake (SL) restoration project, which had Grants and Contributions of \$765,520 this year and only \$147,625 budgeted for FY 2018-19. The resources in the General Fund will be essentially flat, with a budgeted increase in property taxes fully offset by a decrease in state and local grants and the beginning fund balance. Personnel Services requirements increased due to projected cost-of-living and merit pay adjustments, as well as higher health and retirement benefit costs. The Materials and Services requirements will decrease by \$622,954, and Capital Outlay by \$61,500, primarily due to SL related activity that will drop off due to project completion. Additionally, in the General Fund, certain grant funding existing in FY 2017-18 will not continue into FY 2018-19, resulting in a decrease in associated grant costs within Materials and Services.

PROPERTY TAX LEVIES

	Rate or Amount Imposed	Rate or Amount Imposed	Rate or Amount Approved
Permanent Rate Levy (rate limit 7.5 cents per \$1,000)	\$ 0.0750	\$ 0.0750	\$ 0.0750

STATEMENT OF INDEBTEDNESS

LONG TERM DEBT	Estimated Debt Outstanding on July 1	Estimated Debt Authorized, But Not Incurred on July 1
Total	None	None

	Historical Data				RESOURCE DESCRIPTION	Budget for Next Year 2018-19			
	Actual		Adopted Budget This Year 2017-18	Estimated This Year 2017-18		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2015-16	First Preceding Year 2016-17							
					Beginning Fund Balance:				
1					1. Available cash on hand* (cash basis) or				1
2	886,611	941,975	936,835	955,296	2. Net working capital (modified accrual basis)	890,296	890,296		2
3	24,052	21,975	46,000	34,000	3. Previously levied taxes estimated to be received	29,562	29,562		3
4	7,028	11,194	4,000	13,000	4. Interest	14,000	14,000		4
5					5. OTHER RESOURCES				5
6					6. Fiscal Agency Fees				6
7	72,674	72,674	78,488	78,488	7. Oregon Department of Agriculture	78,488	78,488		7
8	51,011	127,217	153,049	124,028	8. Project Grants	134,816	134,816		8
9					9.				9
10	16,416	15,641	11,000	15,000	10. Reimbursements & Misc	13,050	13,050		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	1,057,792	1,190,676	1,229,372	1,219,812	29. Total resources, except taxes to be levied	1,160,212	1,160,212	0	29
30			1,525,171	1,502,935	30. Taxes estimated to be received	1,595,000	1,595,000		30
31	1,376,281	1,436,904			31. Taxes collected in year levied				31
32	2,434,073	2,627,580	2,754,543	2,722,747	32. TOTAL RESOURCES	2,755,212	2,755,212	0	32

**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 2018-19			
	Actual		Adopted Budget This Year 2017-18	Estimated This Year 2017-18		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2015-16	First Preceding Year 2016-17							
					PERSONNEL SERVICES				
1	880,045	954,451	1,109,852	1,104,889	1. Personnel Services	1,187,610	1,187,610		1
2					2.				2
3					3.				3
4					4				4
5					5				5
6					6				6
7	880,045	954,451	1,109,852	1,104,889	7 TOTAL PERSONNEL SERVICES	1,187,610	1,187,610	0	7
	9.6	9.8	10.8	10.8	Total Full-Time Equivalent (FTE)	10.8	10.8		
					MATERIALS AND SERVICES				
8	153,028	200,535	233,175	231,930	8. Operations	231,090	231,090		8
9	454,875	494,602	599,016	495,632	9. Conservation Programs & Services	493,658	493,658		9
10					10				10
11					11				11
12					12				12
13					13				13
14	607,903	695,137	832,191	727,562	14 TOTAL MATERIALS AND SERVICES	724,748	724,748	0	14
					CAPITAL OUTLAY				
15	4,150	22,696	20,000	0	15 Capital Outlay	7,500	7,500		
16					16				16
17					17				17
18					18				18
19					19				19
20					20				20
21	4,150	22,696	20,000	0	21 TOTAL CAPITAL OUTLAY	7,500	7,500	0	21
					TRANSFERRED TO OTHER FUNDS				
22	0	0	0	0	22				22
23					23				23
24					24 Reserved for Future Expenditures	25,000	25,000		24
25			50,000	0	25 General Operating Contingency	50,000	50,000		25
26	0	0	50,000	0	26 TOTAL TRANSFERS, RESERVES AND CONTINGENCIES	75,000	75,000		26
27	1,492,098	1,672,284	2,012,043	1,832,451	27 TOTAL EXPENDITURES	1,994,858	1,994,858	0	27
28	941,975	955,296	742,500	890,296	28 UNAPPROPRIATED ENDING FUND BALANCE	760,354	760,354		28
29	2,434,073	2,627,580	2,754,543	2,722,747	29 TOTAL	2,755,212	2,755,212	0	29

SPECIAL FUND
RESOURCES AND REQUIREMENTS

Sturgeon Lake

(Fund)

West Multnomah Soil & Water Conservation District

	Historical Data		Adopted Budget This Year 2017-18	Estimated This Year 2017-18	DESCRIPTION RESOURCES AND REQUIREMENTS	Budget for Next Year 2018-19			
	Actual					Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2015-16	First Preceding Year 2016-17							
					RESOURCES				
					Beginning Fund Balance:				
1					1. Cash on hand * (cash basis), or				1
2	33,301	64,081	76,873	74,677	2. Working Capital* (modified accrual basis)	89,385	89,385		2
3					3. Previously levied taxes estimated to be received				3
4	485	709	577	1,344	4. Earnings from temporary investments	1,857	1,857		4
5					5. Transferred from other funds				5
6	42,500	94,927	765,520	778,904	6. Project Grants and Contributions	147,625	147,625		6
7					7				7
8					8				8
9	76,286	159,717	842,970	854,925	9. Total Resources, except taxes to be levied	238,867	238,867	0	9
10					10. Taxes estimated to be received				10
11					11. Taxes collected in year levied				11
12	76,286	159,717	842,970	854,925	12. TOTAL RESOURCES	238,867	238,867	0	12
					MATERIALS AND SERVICES				
13	12,205	85,040	589,540	589,540	13 Contracted Services	34,029	34,029		13
14				0	14 Contracted Expenditures from Stewardship Acct.	40,000	40,000		14
15	12,205	85,040	589,540	589,540	15 TOTAL MATERIALS AND SERVICES	74,029	74,029	0	15
					CAPITAL OUTLAY				
16			176,000	176,000	16 Capital Outlay	127,000	127,000		16
17					17				17
18					18				18
19					19				19
20					20				20
21					21				21
22	0	0	176,000	176,000	22 TOTAL CAPITAL OUTLAY	127,000	127,000	0	22
					TRANSFERRED TO OTHER FUNDS				
23	0	0	0	0	23				23
24					24				24
25					25				25
26					26 General Operating Contingency				26
27	0	0	0	0	27 TOTAL TRANSFERS, RESERVES AND CONTINGE	0	0	0	27
28	12,205	85,040	765,540	765,540	28 TOTAL EXPENDITURES	201,029	201,029	0	28
29	64,081	74,677	77,430	89,385	29 UNAPPROPRIATED ENDING FUND BALANCE	37,838	37,838	0	29
30	76,286	159,717	842,970	854,925	30 TOTAL REQUIREMENTS	238,867	238,867	0	30

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)	Approved Budget FY 2018-19
Working Capital	890,296						890,296	89,385	979,681
Previously Levied Taxes estimated to be rec'd	29,562						29,562		29,562
Earnings from temporary investments	14,000						14,000	1,857	15,857
Total Beginning Fund Balance	933,858	-	-	-	-	-	933,858	91,242	1,025,100
Oregon Dept. of Agriculture	23,546			54,942			78,488,000		78,488
Project Grants (NIN, OWEB, OSWB, ODForestry)	3,066	-	64,238	25,212	32,300	10,000	134,816	-	134,816
Sturgeon Lake Related Grants & Contributions								147,625	147,625
Reimb & Misc (workshops, cost-share, BES, Parks)	4,250					8,800	13,050		13,050
Total Other Resources	30,862	-	64,238	80,154	32,300	18,800	226,354	147,625	373,979
									-
Taxes Estimated to be Received - at assumed tax rate of 7.50%	1,595,000						1,595,000		1,595,000
Total Resources	2,559,720	-	64,238	80,154	32,300	18,800	2,755,212	238,867	2,994,079
							-		
Expenditures							-		
Salaries & Wages	370,100	63,251	90,134	88,245	93,405	87,738	792,873		792,873
Insurance: Medical, Life, Vision, Dental	64,906	10,509	22,598	38,545	29,604	15,946	182,108		182,108
Worker's Comp	1,928	151	253	584	356	267	3,540		3,540
PERS	45,519	9,962	12,589	29,863	16,966	13,365	128,265		128,265
Payroll Taxes	37,727	6,448	9,188	8,995	9,521	8,944	80,823		80,823
									-
Total Personnel Services	520,180	90,320	134,764	166,232	149,853	126,260	1,187,610	-	1,187,610
Forest Projects			70,785				70,785		70,785
Rural Projects (includes Healthy Streams and Habitats)				100,462			100,462		100,462
Urban Projects						69,250	69,250		69,250
Invasives Projects					87,600		87,600		87,600
Sturgeon Lake							-	74,009	74,009
Education Programs		16,220					16,220		16,220
FISH Grants		-					-		-
OSU Ext. (Master Grdnrs) and Metro (IPM website) support		11,640			7,500		19,140		19,140
Partner Funding		17,140		10,000	8,500	94,562	130,202		130,202
Total Conservation Funding/Support/Grants and Education Program	-	45,000	70,785	110,462	103,600	163,812	493,659	74,009	567,668
Events & Supplies	7,500						7,500		7,500
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	500						500		500
Postage and Delivery	2,000						2,000		2,000
Website	1,000						1,000		1,000
Total Communication & Outreach Expenses	31,500		-	-	-	-	31,500		31,500
Rent (includes office space, storage facilities, employee parking)	76,400						76,400		76,400
Computers/Maintenance (monthly support and add-ons)	19,100						19,100		19,100
Cultural History Project	0						-		-
District Vehicle - Gas/Maintenance/Fees/Parking	11,400						11,400		11,400

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)	Approved Budget FY 2018-19
Telephone (include landline & cell reimb. from 40 - 50 / mo)	10,500						10,500		10,500
Membership & Profess. Organizational Dues	6,000						6,000		6,000
Insurance (genral liab., auto, property, crime)	9,800						9,800		9,800
Office supplies (includes field supplies used across programs)	8,700						8,700		8,700
Audit	4,800						4,800		4,800
Refreshments for office & Internal (Staff & Board) Meeting Snacks	2,800						2,800		2,800
Furniture / Office Equipment	1,000						1,000		1,000
Professional Contracted Non-Employee Services	8,540						8,540		8,540
Program related meeting meals & snacks for conserv. programs	1,500						1,500		1,500
Payroll Service Fee	2,500						2,500		2,500
TriMet in lieu of Parking Pass	2,100						2,100		2,100
Program related mileage and parking	2,100						2,100		2,100
Legal Notices	1,700						1,700		1,700
Field Supplies - non-program specific	1,600						1,600		1,600
Licensing/Fees	1,200						1,200		1,200
Bank & LGIP Fees	500						500	20	520
Recruiting	500						500		500
Total Admin Operating Expenses	172,740	-	-	-	-	-	172,740	20	172,760
Travel & Food (per diem) for workshops / training	3,250						3,250		3,250
Board Development	1,750						1,750		1,750
Staff Development (includes tuition for approved programs)	21,850						21,850		21,850
Total Board/Staff Training Expenses	26,850	-	-	-	-	-	26,850	-	26,850
									193,110
Total Operations Expenses	231,090	-	-	-	-	-	231,090	20	231,110
Total Materials and Services Expenses	231,090	45,000	70,785	110,462	103,600	163,812	724,749	74,029	798,778
							-		-
Misc. Capital Purchases	7,500						7,500	127,000	134,500
Total Capital Outlay	7,500						7,500	127,000	134,500
General Operating Contingency	50,000						50,000		50,000
Special Reserve	25,000						25,000		25,000
Total Transfers and Contingencies	75,000	-	-	-	-	-	75,000	-	75,000
Total Expenditures	833,770	135,320	205,549	276,694	253,453	290,072	1,994,859	201,029	2,195,888
Unappropriated Ending Fund Balance Required							760,354	37,838	798,192
Total Requirements							2,755,212	238,867	2,994,079