



Marion Soil and Water Conservation District

FISCAL YEAR 2022-23

Budget Message

Brenda Sanchez, Budget Officer

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April 6, 2022

TABLE OF CONTENTS

Contents

Section 1 – About Marion SWCD	3
Section 2 - Budgeting.....	5
Section 2 – Policies and Performance	10
Section 3 - Services.....	12
Section 4 – Accomplishments.....	13
Section 5 - Management	16
Section 7 – Budget for FY22-23	18
Section 8 - Glossary.....	28
Appendix 1 – Property Tax Worksheet	34



Section 1 – About Marion SWCD

On September 10, 1971, the Marion Soil Conservation District “MSWCD” was legally organized “to work together on problems associated with flood control, riverbank stabilization, weed control, improvement of fertility and any other problems effecting the best use of land and water resources within Marion County.”

MSWCD is a special district of the State of Oregon and a local unit of government, formed in 1971 under the authority of ORS 568, and with powers and duties described in that law.

Through the years MSWCD has expanded its service by attaining a tax base to better serve its constituents. The service area represents the vast majority of Marion County.

The core values of the MSWCD that influence how we treat each other are: our work, which includes excellent customer service, collaborative partnerships, honesty, integrity, and fairness, diversity, equity, and inclusion, professional and technical competence, trustworthiness and openness and transparency.

MSWCD have identified unique characteristics that define us. We serve everyone in the Marion SWCD. From farmers to apartment dwellers, we provide education, connect people to resources, and work together to make our community a good place to live. We are local, we follow certain federal and state laws, our focus is always local – to those who largely fund us and those who need our services to benefit all of Marion SWCD. We are connectors. We partner with many organizations and can help residents connect with the resources they need to achieve community conservation goals. We are non-regulatory. We do not enforce any laws, though we can assist residents in understanding and complying with them.

The Marion Soil and Water Conservation District provides technical assistance, financial assistance, and education to create a sustainable, productive, healthy environment for the Marion Soil and Water Conservation District. We identify natural resource challenges and help to determine solutions. Working with landowners and land managers, we help our community implement soil and water practices.

Governance

MSWCD is governed by a seven-member, unpaid Board of Directors. Individual directors are publicly elected in the November General Election held on even- numbered years. Directors serve four-year terms. Five directors are elected to represent specific zones in the District. Two directors are elected “at large,” meaning they do not represent a designated zone.

The MSWCD boundary is nearly identical to that of Marion County, except for a small portion of land in the Woodburn area that opted when of the District when it was established. The District office is in Salem to balance easy access by most Marion County landowners and land managers as well as state agencies.



Technical and Professional Employees

MSWCD has 10.2 full-time equivalent (FTE) positions budgeted for 2021-2022; with current staffing at eight employees with 7.5 FTE.. These employees work to assure the proper management and administration of MSWCD, to educate and inform our constituents, and to provide conservation services to our customers. The District budget allows for an increase from 10.2 to 10.5 FTE during FY22-23.

The majority of MSWCD's employees are engaged in providing conservation services to the landowners and land managers, with specialized skills addressing large and small farms, streams and the health of streamside vegetation, conservation in the urban environment, wildlife needs, outreach and education services, invasive species, and forest health.

Section 2 - Budgeting

The Budget Officer

As a taxing entity subject to Oregon Local Budget Law, Marion Soil and Water Conservation District (MSWCD) must appoint a budget officer to prepare (or supervise the preparation of) the budget document, as described in Oregon Revised Statute (ORS) 294.331:

“... The budget officer... shall prepare or supervise the preparation of the budget document. The budget officer shall act under the direction of the executive officer of the municipal corporation, or where no executive officer exists, under the direction of the governing body.”

For the development of the Fiscal Year July 1, 2022 – June 30, 2023 (FY22) budget, MSWCD’s Board of Directors appointed MSWCD’s Brenda Sanchez as the Budget Officer on March 2, 2022.

The Budget Message

A cornerstone of the public budgeting process is communicating the annual budget to the Budget Committee and to the public. The budget message identifies changes from the previous budget and identifies new initiatives and changes in MSWCD’s programs and operations.

The budget message also communicates how MSWCD will continue to implement MSWCD’s Marion SWCD 5 Year Strategic Plan 2019 in the coming fiscal year.

According to ORS 294.403,

A budget message shall be prepared by or under the direction of the executive officer of the municipal corporation or, where no executive officer exists, by or under the direction of the presiding officer of the governing body.

Budget message shall be delivered at a meeting of the budget committee as provided in ORS 294.426

The Overview of Budget Process

Budget Officer appointed.

Budget Message communicates the proposed budget.

Budget Committee established.

Budget Committee approves (or modifies and approves) proposed budget.

Board of Directors adopts (or modifies and adopts) proposed budget.

(1). *The budget message shall:*

- *Explain the budget document.*
- *Contain a brief description of the proposed financial policies of the municipal corporation for the ensuing year or ensuing budget period.*



- Describe in connection with the financial policies of the municipal corporation, the important features of the budget document.
- Set forth the reason for salient changes from the previous year or budget period in appropriation and revenue items.
- Explain the major changes in financial policy; and
- Set forth any change contemplated in the municipal corporation’s basis of accounting and explain the reasons for the change and the effect of the change on the operations of the municipal corporation.

The Budget Committee

ORS 294 requires public taxing entities to prepare a budget consistent with Oregon Local Budget Law.

MSWCD must establish a Budget Committee (Committee) and must hold at least one public meeting to review and approve the upcoming year’s budget. The Budget Committee consists of MSWCD’s Board of Directors and local registered voters appointed by the Board.

Budget Committee Members

The Budget Committee for FY22-23 consists of 14 members: seven electors and the seven - member Board of Directors. This group provides wide representation on natural resource issues and opportunities throughout the District.

Directors		Public
Dave Budeau		Bob Dettwyler
Terry Hsu		Ralph Fisher
Rochelle Koch		Karen Garst
Darin Olson		Tim Johnson
Kyle Ross		Kenneth Palke
VACANT		Brent Stevenson
VACANT		VACANT

Terms of Service for Budget Committee Members

Citizen members are appointed by MSWCD's Board of Directors to serve three-year terms. Terms of citizen members are staggered to provide continuity from year to year and to allow new ideas and perspectives to be included in the Committee's deliberations.

Duties of the Budget Committee

The Budget Committee reviews the proposed budget submitted by the Budget Officer and either approves it as proposed or modifies it. The Committee elects a presiding officer to help the Committee reach an affirmative vote to approve the budget proposal.

Specifically, the Budget Committee:

- Receives the budget document from the Budget Officer.
- Hears the budget message.
- Hears and considers public comment.
- Discusses and revises the budget as needed.
- Approves the budget.
- Approves the property taxes to be levied.

All meetings of the Budget Committee are subject to Oregon's Public Meetings Law (ORS 192.610 - 690). A quorum of the Committee is required to conduct business. A majority of the Committee members is required to act.

For this Budget Committee, a quorum is seven members and simple majority is eight Committee members. At any given time, additional information may be received by requesting it from Brenda Sanchez, Budget Officer. MSWCD anticipates a single meeting of the Budget Committee in 2022. The proposed budget and budget message will be presented by the Budget Officer at the Budget Committee meeting. Any changes requested by the Committee will be presented, and public testimony on the proposed budget will be accepted. The Budget Committee is scheduled to vote on the proposed budget at the second meeting.

Duties of the Board of Directors

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

After the hearing, the Board of Directors can change the amount of estimated expenditures for each fund by no more than \$5,000 or 10% of the estimated expenditures, whichever is greater. The amount or rate of the total ad valorem property taxes to be certified by MSWCD to the assessor may not exceed the amount approved by the Budget Committee. [ORS 294.456]

June 30, 2022, is the deadline for the Board of Directors to enact a resolution that adopts the budget, makes appropriations, imposes tax levies, and categorizes each tax.

Budgeting by Funds

The Oregon Department of Revenue describes a general fund as shown below.

The purpose of the **General Fund** is to record financial transactions relating to all activities for which specific types of funds are not required. It is the general operating fund for the local government. Most local governments have a general fund. Many small districts have only a general fund. ORS 293-105.

The Oregon Department of Revenue describes a reserve fund as shown below.

A local government may set up a **reserve fund** to accumulate money for financing the cost of any service, project, property or equipment that the district can legally perform or acquire. [ORS 294.346, renumbered from 294.525] Under Local Budget Law, a reserve fund is a way to save money from year to year. Expenditures can be appropriated and made directly from a reserve fund.

The resolution or ordinance creating a reserve fund should state the purpose for which the money in the fund can be spent. At least every 10 years after the establishment of a reserve fund, the governing body must review the fund to decide if it should be continued or abolished. Any unexpended or unobligated balance left in the fund when it is abolished can be transferred to the general fund or any other fund designated by the governing body.

Money in a reserve fund can only be used for the purpose for which the fund was established. Expenditures for the purpose may be budgeted and appropriated directly from the reserve fund. Transfers may not be made from a reserve fund unless the fund that receives the transfer uses the money for a purpose consistent with the purpose of the reserve fund. Interfund loans can be made from a reserve fund under ORS 294.468 (renumbered from 294.460).

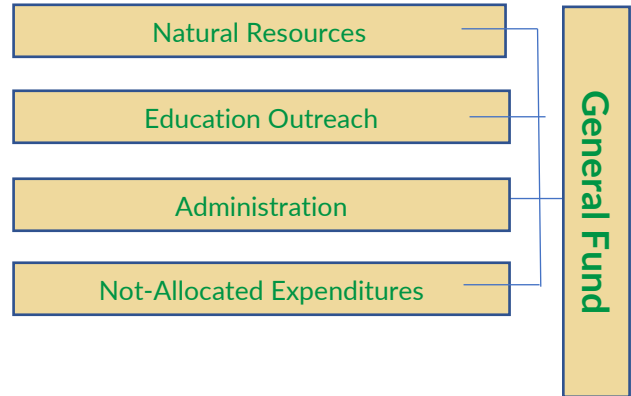
Organization of MSWCD's Funds

The budget is prepared by fund. MSWCD has three funds: A General Fund, a Multipurpose Reserve Fund, and a Building Reserve Fund. The District dissolved the former Vehicle Reserve Fund in 2021.

General Fund

Four programs exist within the general fund: Natural Resources, Education-Outreach and Administration.

The Not-Allocated Expenditures portion of the general fund is used to show transfers to other funds, contingencies, reserved for future expenditures, and the unappropriated fund balance.



Multipurpose Reserve Fund

The Multipurpose Reserve Fund was established March 7, 2012, Amended and Readopted on May 3, 2017 for the following specified purpose: Unanticipated Projects and Catastrophic Loss.

Building Reserve Fund

The Building Reserve Fund was established June 10, 2020 for the following specified purpose: purchasing land, constructing a building or purchasing and/or remodeling an existing building to house District operations and employees.

Vehicle Reserve Fund

The District dissolved the Vehicle Reserve Fund in 2021 and transferred all remaining funds into the General Fund.

Section 2 – Policies and Performance

Basis for Budgeting

MSWCD has always operated on a modified cash basis. Cash basis means revenue is recorded when received, and expenditures are recorded when money is spent. Marion SWCD will continue operating under a modified cash basis.

Funds Held in Approved Institutions

All MSWCD funds are held in qualified public depositories approved by the Oregon State Treasury. For FY22-23, those institutions are US Bank, and the Oregon State Treasury's Local Government Investment Pool (LGIP). In general, long-term savings are held in LGIP accounts, while short-term operating capital is held in a checking account at US Bank. For FY22-23, MSWCD does not anticipate any change in banking institutions.

Expenditures

Expenditures follow a four-step process:

1. The Board of Directors authorizes the expenditures in the adopted budget.
2. The staff consults with the District Manager to manage expenditures according to the budget.
3. The District Manager authorizes expenditures up to \$5,000.00. The Board of Directors reviews and authorizes the expenditures.
4. The District Manager or Financial Officer writes the checks and presents the checks for signature by the Board Treasurer, Board Chair, District Manager or other authorized individuals.

Expenditures are reviewed by the District Manager when recording transactions in MSWCD's accounting software, and when filing documentation which supports each transaction. The District Manager and the Board Treasurer regularly monitor accounts and compare expenditures to limits authorized in the budget. Each month, the Board of Directors reviews and approves expenditures to make certain expenditures are necessary and appropriate. Monthly, the Treasurer (or when advisable, Board of Directors) reviews the budget-to-actual report.

Transparency

MSWCD regularly publishes the agenda for public meetings and posts approved meeting minutes online. MSWCD will make financial reports available upon request to help landowners and land managers. Stay informed about the activities of their soil and water conservation district, MSWCD utilizes newspapers, our website, and social media.

Find our website at <http://marionswcd.net>



Section 3 - Services

In FY22-23, MSWCD will continue developing and implementing services within each program. More landowners and land managers will receive services and investments will continue to be made in on-the-ground conservation and education. The budget proposed for FY22-23 will increase technical assistance and financial assistance available to landowners and land managers.

Technical Assistance

Technical assistance involves working with landowners and land managers to implement sustainable solutions to conserve and enhance natural resources. It is provided through one-on-one site visits and consultation.

Conservation Planning

A Conservation Plan is a customized, detailed guide to help a landowner manage their land while protecting natural resources. Plans address site-specific issues through practices to conserve soil, water, and related plant and animal resources. MSWCD helps develop plans at no cost to landowners and land managers. Each landowner or land manager makes all decisions on their plan, implements the plan, and has complete control over the activities on their land (within local permitting guidelines).

Financial Assistance

Funding to implement projects to address natural resource concerns is distributed through the Landowner Assistance Program (LAP) Special Grants Program (SPG) and the Cover Crop program. Funding for Conservation education is given through CLEAR grants.

Education and Outreach

Helping Marion County landowners and land managers understand natural resource problems and implement practices to conserve natural resources is essential. MSWCD holds workshops, attends events, gives presentations, authors articles on conservation topics, and utilizes a website and social media to communicate effectively with the public.

Education is provided to the community about natural resource concerns through:

- Workshops, events, presentations, displays, and traditional news media.
- Publications, including fact sheets, brochures, and newsletters.
- Online media, including social media, website, and video production.
- K-12 education and youth education, including teacher professional development and natural resource conservation curricula.



Section 4 – Accomplishments

MSWCD provides technical assistance, financial assistance, and education to create a sustainable, productive, healthy environment in Marion County. Every year, MSWCD expands our reach through events and education opportunities, refining conservation programs to address natural resource concerns, and enrolling more landowners and land managers in conservation programs.

Conservation Priorities

Our conservation priorities for the last five years have related to water quality and quantity, wetland/riparian areas, soil health and invasive and native plant species management species, wetland restoration and education. We educate the public on local natural resource concerns, teach best management practices to manage these resources, and provide conservation tools to create a healthy and livable community.

Technical Assistance and Conservation Planning

Landowner Assistance Program (LAP)

The Landowner Assistance Program (LAP) is a core conservation program for Marion SWCD. The program allows for the installation of conservation practices on properties throughout the county. The LAP enables landowners to implement conservation projects via a 50% cost share in which Marion SWCD pays half of the project cost, up to \$7,500, and cooperators are required to provide remaining project funds using labor (i.e., sweat equity), materials, and/or cash. Projects must address a specific natural resource issue based on defined natural resource concerns that have been identified by the Marion SWCD Board of Directors and are synchronized with the state-wide priorities defined by the Department of Environmental Quality, the Oregon Water Resources Department, and the Agricultural Water Quality Management Plan (AgWQMP).

There were 49 applications for funding received in the 2020-2021 fiscal year, with funding approved for 49 projects in the total amount of \$2,343,431. During the 2020-2021 fiscal year there were 35 LAP projects completed, which resulted in \$206,470 in grant assistance provided from District funds; this amount was matched by \$842,640 in landowner contributions. That's \$1,049,110 in conservation dollars on the ground!

Special Projects Grant (SPG)

The Special Projects Grant (SPG) program provides financial assistance to demonstrate innovative and sustainable conservation projects and speed the development and availability of new and effective conservation practices in the District. Projects require a 50% cost share in which Marion SWCD pays half of the project cost, up to \$7,500, and cooperators are required to provide remaining project funds using labor (i.e., sweat equity), materials, and/or cash. There were no applications received for the SPG program during the 2020-2021 fiscal year, with one project from a prior year completed after receiving all



permits to install an innovative geotextile streambank repair. Previous projects have included an integrated rainwater catchment system, an urban rain garden, hydroponic fodder feeder, and a precision GPS guided planter.

Disaster Response

In late summer of 2020, the Bechie Creek and Lionshead wildfires ignited and swept through the Santiam Canyon, before all the fires were extinguished the District began providing technical assistance to aid victims of the fires. The District partnered with the North Santiam Watershed Council to provide over \$30,000 in cash and technical staff time to assist with those recovery efforts. The District continues to work with properties affected by the fires and assisting partner agencies with the recovery efforts.

2021 wrought landscape level damage with an ice storm in February and an unprecedented heat dome in June. Throughout the District has provided technical assistance and grant funding to assist with recovery through implementation of conservation practices.

Cover Crop Program

The Cover Crop Program was a pilot program for the 2019-2020 fiscal year. The Cover Crop Program provided financial incentive to land operators to plant a winter cover crop to improve soil health and reduce soil erosion. Projects received the incentive on a flat rate per acre basis, up to \$7,500 per cooperator. There were 9 applications received for the program: with 7 projects funded and completed, putting cover crop on 780 acres of otherwise bare ground for the winter of 2019-2020.

Oregon Watershed Enhancement Board (OWEB) Small Grants

Every two years the Mid-Willamette East OWEB Small Grant Team has \$100,000 available for landowner projects that enhance the function of local watersheds. Marion SWCD is a participant in the Mid-Willamette East OWEB small grant program which supports implementation of the Oregon Plan for Salmon and Watersheds by funding projects designed to improve water quality, water quantity, and fish and wildlife habitat. This program funds on-the-ground watershed restoration and enhancement projects on forest, agricultural, range, urban, and rural residential lands. During the 2019-2021 biennium, seven projects were awarded funding totaling \$100,000; four of the projects were for Marion SWCD cooperators with awards totaling \$58,212, not including match funding. Projects include erosion control, manure storage facilities, irrigation improvements, and wetland habitat improvement.

Invasive Species Surveys and Control

The District continues to work with the City of Salem to address riparian and upland knotweed infestations; in the fall of 2020 17 locations were treated.

The District partnered with the North Santiam Watershed Council beginning in 2019 to control infestations of water primrose, an aggressive aquatic invasive plant. With funding from the Oregon State Weed Board, the partnership has been able to survey the extent of the infestation and provide treatments to eradicate the plant, work will continue into FY2022-23



CREP Technical Assistance Partnership

The District partners with Clackamas and Yamhill SWCD's provide local technical assistance for landowners seeking to, and participating in, the USDA's Conservation Reserve Enhancement Program (CREP), the partnership also receives funding from OWEB. CREP is a voluntary program for agricultural landowners that provides financial and technical assistance to restore riparian buffers.

Education/Outreach

MSWCD will continue to host educational workshops, development education materials, and be represented at community events and meetings. MSWCD will invest time and energy to drive increased engagement through digital channels, including our website and social media. These efforts will result in a more visible profile of MSWCD and will improve public understanding of what we do to help the community conserve and enhance natural resources.

CLEAR: Conservation Education Grants

CLEAR is an acronym for Conservation, Learning Education and Resource Grants. Applications for this grant program are accepted on a rolling basis. Successful project applications are those related to environmental and conservation education programs or activities for youth, families, and adults. The goal of the CLEAR Grant program is to support efforts to connect people to their watershed and raise awareness of natural resources and conservation. The proposed project must focus on conservation education programming. It must advance the mission of MSWCD to create a sustainable, productive, healthy environment for the Marion County community and must be located within the Marion SWCD District Boundary.

Plan for Your Land

Plan for Your Land is a multi-week training which teaches landowners about conservation and assists them in developing a long-term conservation plan for their property.

Other Education and Outreach Activities

- Program Binds
- Salmon Watch
- Farmer's Markets and Community Events



Section 5 - Management

Growth in Property Values

MSWCD assumes the value of assessed real property will continue to increase. The Oregon State Constitution limits the annual increase in assessed property value for a property to three percent (3%).

Manage Costs while Increasing Services.

MSWCD carefully manages expenditures and continually seeks more efficient delivery methods to improve service, improve safety, and reduce cost. The challenge is to improve services while managing cost, so the costs remain less than the expected growth in revenues.

Staffing is MSWCD's greatest single cost center, but it is also the primary way conservation assistance is provided to landowners and land managers. MSWCD's services are being designed to:

- Protect clean water for drinking and for fish and wildlife.
- Encourage good stewardship practices that keep pesticides and fertilizers out of our water supply.
- Educate landowners about efficient irrigation and how to minimize the use of water.
- Improve soil health by controlling erosion, fighting invasive weeds, and protecting against damaging rainstorms and drought.
- Help small woodland and private forest owners improve forest health, protect water quality, reduce fire risks, and improve fish and wildlife habitat.
- Educate county landowners and land managers. (particularly children and youth, educators, and under-served communities) about conservation, nature, and gardening.
- Support local farmers who provide fresh, healthy, affordable food, and beverages.
- Promote better protection of pollinators; and
- Work with partners to fill mutually identified gaps while avoiding duplication.

Increase Services to Landowners and Land Managers.

The FY22-23 budget will expand our technical, education, and financial assistance to landowners and land managers in the following areas in Natural Resources and Administration.

Staffing Level in FY22-23

The staffing level will increase from 10.2 budgetted to 10.5 full-time equivalents. The staff increase will provide technical support for the entire District and upgraded administrative support. A financial officer position is being considered in spring 2022 and the Budget includes funds for that position. An Urban Conservation Planner is also conceptualized, with additional grant funds on the horizon to support staffing increases. Since we are a service organization, the success of our mission depends heavily on the work of our employees.

Building Sustainable Financial Assistance Mechanisms

As a district, our intent is to leverage our funding by seeking more outside funding.

MSWCD has access to funds from the Oregon Watershed Enhancement Board, Oregon Department of Agriculture, USDA-Natural Resources Conservation Service, USDA-Farm Service Agency, and other state and federal agency funding, and private contributors. As MSWCD's engagement in the region increases and as our reputation for effective, efficient work continues to grow, our grant-seeking efforts will become more successful. MSWCD will be positioned to be more competitive in seek grant funding for conservation projects.

Due to tax levy funding, MSWCD has been able to offer financial assistance for both on-the-ground conservation and education efforts for both partner and community requests, and MSWCD-initiated projects since 2001.

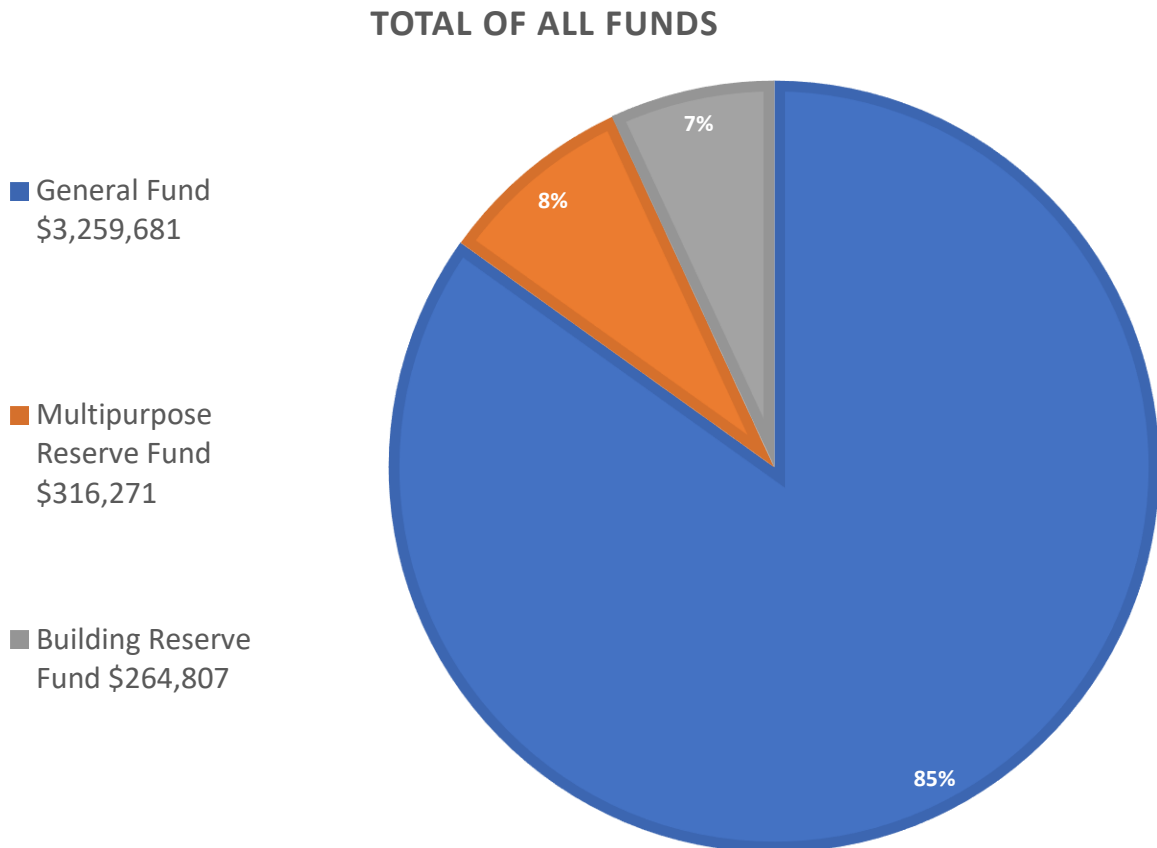


Section 7 – Budget for FY22-23

MSWCD's budget for FY22-23 reflects the continued commitment to implement core components of the Marion SWCD 5 Year Strategic Plan 2019 and pursue the conservation priorities adopted by the Board of Directors. The Marion SWCD 5 Year Strategic Plan 2019 is available on the MSWCD website: www.Marionswcd.net.

The total budget for the 2022-2023 fiscal year is **\$3,840,759**

- General Fund is \$3,259,681
- Multipurpose Reserve Fund is \$316,271
- Building Fund is \$264,807



Marion SWCD Priorities Addressed by Three Funds

The proposed budget is structured around three funds:

- General Fund
- Multipurpose Reserve Fund
- Building Reserve Fund

MSWCD's top priority is to assure consistent, timely, professional service to Marion County landowners and land managers. We help our community implement sustainable solutions to conserve and enhance natural resources. We do this by providing technical assistance, education to landowners and land managers, and District generated financial assistance. This includes leveraging state, federal, and private dollars to get even more conservation on the ground.

Our second priority is to coordinate Education and outreach events. Our work helps to create healthy, livable communities that are good places to work and to play. We continue to learn and grow to serve our community's needs.

Budget Detail Sheets

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

The proposed budget for FY22-23 is categorized by a General Fund containing three programs (Natural Resources, Education Outreach and Administration, plus a sheet for not-allocated expenditures.)

The Multipurpose Reserve Fund established to help MSWCD save for future opportunities that address MSWCD's conservation priorities.

All funds have a budget that includes a resources (revenue) section and a requirements section (expenditures). The totals for both sections must balance for each fund. Budgets include a variety of categories and line items specific to the needs of each fund.

Notable Changes in the Budget

The 2021-22 Budget had many significant format changes. They have proven to be well-made changes as the budget performed well for the District business in this fiscal year. Therefore, we make few changes in the 2022-23 Budget. Additionally, the purchase and occupation of the Stayton, OR office building was a major unknown going into our 2021-22 budget. At the close of this budget year, we do not have the same degree of uncertainty and are able to budget with greater certainty for the upcoming year.



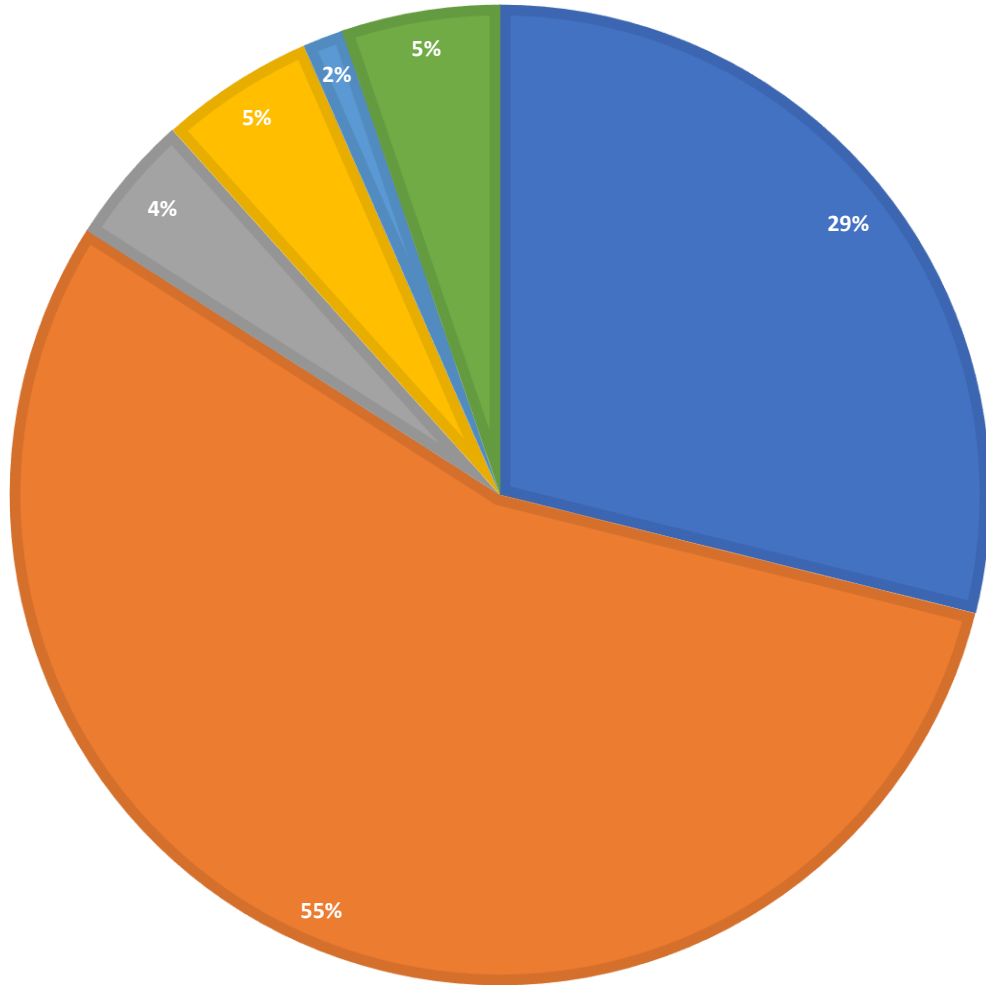
Resources

- Available cash on hand (carry-over balance) has increased slightly as a result of:
 - staff vacancies,
 - lower than anticipated facilities costs, and
 - higher than anticipated revenues.
- Increase funding from ODA grants; District Capacity, SOW, and Strategic Implementation Area (SIA)
- Increased revenues from the Native Plant and Tree sale

Requirements

- Personnel Services increase as a result of:
 - Increase in FTE (0.3 additional) and,
 - increase in District shared insurance coverages.
- Natural Resources Materials & Services increase to reflect costs associated with implementation of ODA grants, CREP Technical Assistance
- Conservation Grants increase with higher carry-over for previously awarded LAP grants
- Educational Expenses and Supplies increase to resupply our education programs
- Marketing / Public Relations / Community Outreach reflects rebuilding the District website, outreach/marketing related to ODA grants, and updating printed materials
- Backyard Habitat Program launch
- Administration Materials and Services better reflects operating costs, and anticipates additional costs related to post-pandemic interest as well as inflation
- Staff and Director Training to include DEI training but focusing on professional development.
- Multipurpose Fund to remain static from previous fiscal year
- Building Reserve Fund retains funds for remodel and paving/improvements
- Vehicle Reserve Fund dissolved; remains on Budget sheets for three years after dissolution

ALLOCATION OF ALL FUNDS



- Personnel Services \$1,109,471
- Materials and Services \$2,119,288
- Capital Outlay \$165,000
- Contingencies \$195,000
- Special Payments \$52,000
- Unappropriated Ending Balance and Reserved for Future Expenditure \$200,000

General Fund

MSWCD is a service organization. The budget reflects this commitment to service delivery.

Within the general fund are four programs: Natural Resources Program, Conservation Education and Outreach Program, and District Operation/Administration. A fourth detail sheet in the budget shows expenditures not allocated to any program.

According to the Oregon Department of Revenue ORS 293.105, "A general fund contains the estimates of the revenues and expenditures needed to run the daily operations of the local government such as wages, supplies, rent, and utilities."

Resources

The OR-LB-20 General Fund Resources page begins with the projected available cash on hand (cash basis) from FY22-23. This available cash will be the ending balance of the programs on projects that have begun in FY21-22 and will continue into FY22-23.

This value is particularly challenging to estimate because of so many unknown factors in grant funds that may be awarded to MSWCD.

Tax Rate Determination and Amount to Levy

Current law allows taxing districts to establish their property tax revenue for a given budget period by either (a) requesting a special dollar amount or by (b) certifying a rate to be levied. If a specific dollar amount is requested, the maximum MSWCD can receive for that budget period is that dollar amount, even if new growth exceeds expectations and the assessed value of real property rises. If MSWCD certifies a rate, then it can receive the total amount generated by that rate.

Maximum Tax Rate Approved by Voters

MSWCD's permanent rate limit was established in 2001 at five cents per thousand (\$0.05 per \$1,000) of assessed value of property in Marion County.

For FY22-23, the proposed budget uses the rate method to calculate what will be levied.

FY22-23 Taxes estimated to be collected is \$1,329,383.

Calculation of tax revenue – See Appendix 1



Other Resources

Other revenue comes from a variety of grants, contracts, and interest generated from the savings account. We also anticipate receiving donations. From time to time, MSWCD may apply for grants to leverage its tax revenue by bringing in supplemental funds to support our work.

Anticipated Sources:

- Previously levied taxes
- Interest
- Native Plant and Tree Sale
- Rent
- Oregon Department Agriculture Grants
- Federal State and Local Grants
- Refunds, Gift, and other allocations

Requirements

The program expenditures pages on form OR-LB-30 (Natural Resources Program, Education Outreach Program, and Administration) and the Not-Allocated Expenditures page are all summarized and balance to the requirements of these programs on form OR-LB-20 Resources: General Fund.

Required Categories in the General Fund

Categories that are required in the General Fund include:

- Personnel Services
- Materials and Services
- Capital Outlay
- Transferred to Other Funds
- Contingency
- Unappropriated Ending Fund Balance

For more information refer to the Glossary.

Snapshot of the General Fund

FINANCIAL SUMMARY - RESOURCES				
	Actual Amount 2019-2020	Actual Amount 2020-2021	Adopted Budget This Year 2021-2022	Proposed by Budget Officer Next Year 2022-2023
Beginning Fund Balance/Net Working Capital	1,087,572	1,179,260	1,342,209	1,527,736
Fees, Licenses, Permits, Fines, Assessments & Other Service Charges				
Federal, State & all Other Grants, Gifts, Allocations & Donations	130,876	118,282	317,895	338,762
Revenue from Bonds and Other Debt				
Interfund Transfers / Internal Service Reimbursements	0	802,877	0	0
All Other Resources Except Current Year Property Taxes	92,080	97,174	66,800	63,800
Current Year Property Taxes Estimated to be Received	1,172,465	1,227,008	1,258,646	1,329,383
Total Resources	2,482,993	3,424,601	2,985,550	3,259,681

FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION				
Personnel Services	637,770	633,279	956,500	1,109,471
Materials and Services	649,076	656,686	1,410,050	1,538,210
Capital Outlay	1,447	9,937	173,000	165,000
Debt Service				
Interfund Transfers	0	750,000	0	0
Contingencies			195,000	195,000
Special Payments	15,440	7,200	51,000	52,000
Unappropriated Ending Balance and Reserved for Future Expenditure	0	0	200,000	200,000
Total Requirements	1,303,733	2,057,102	2,985,550	3,259,681

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				
Natural Resources	274,120	291,731	1,340,800	1,511,610
FTE	0.00	0.00	4.45	5.15
Education/Outreach	19,943	17,952	207,500	266,246
FTE	0.00	0.00	1.50	1.85
District Operations/Administration	992,784	980,282	818,250	869,825
FTE	8.22	8.16	4.25	3.50
Not Allocated to Organizational Unit or	16,887	767,137	619,000	612,000
FTE	0	0	0	0.00
Total Requirements	1,303,733	2,057,102	2,985,550	3,259,681
Total FTE	8.22	8.16	10.20	10.50



Natural Resources Program

The Natural Resources Program includes the costs associated with providing services to customers and partners. Urban conservation, rural conservation, stream enhancement, forestry, and habitat conservation activities are included in this program.

Personnel. Salaries and Benefits for FTE 5.15 of employees.

Materials and Services.

Natural Resources Materials & Services. (previously: Grant Expenses-Materials & Services; with addition of costs associated with providing technical services) Includes:

- Oregon Department of Agriculture Grant – Scope of Work
- Oregon Department of Agriculture Grant – Strategic Implementation Area
- Oregon Department of Agriculture Grant – Water Quality Monitoring
- Oregon Department of Agriculture Grant – Pesticide Stewardship Program (*tentative*)
- OWEB Small Grants
- General Materials & Services required to implement, e.g. engineering for projects, mailing, etc.

Conservation Grants. This incorporates:

- Landowner Assistance Program
- Awarded Funds carried over from previous year Landowner Assistance Program
- Conservation Projects/Special Projects Grant Program
- Conservation Cover Crop Program

Invasive Species Program. Expenses includes the costs associated with providing services to customers and partners related to invasive species regarding both plants and animals. Invasive species and public education related to invasive species are activities included in this program.

Native Plant and Tree Sale. This is to fund the scholarship program.

Water Flow Program with USGS. This is partnership with the USGS to operate two flow monitoring stations.

Education – Outreach Program

The Conservation Education Program includes the costs to provide education services to landowners and land managers. and partners. Events targeting both adults and children, development of education materials, and delivery of education are activities included in this program.

Personnel. Salaries and Benefits for FTE 1.85 of employees.

Materials and Services.



Educational Expenses and Supplies.

Education Projects/CLEAR Grant Program.

Backyard Habitat Improvement Program Expenses.

Marketing/Public Relations/Community Outreach Expenses.

District Operations - Administration

District Operations includes the costs associated with our work as a public entity: holding meetings of the Board of Directors, personnel, maintaining an office and associated infrastructure, financial management, fleet vehicles, and other administrative costs are activities included in this program.

Personnel. Salaries and Benefits for FTE 3.5 of employees.

Materials and Services

Annual Meeting and Report.

Communications. Telephone and cell phones, and internet.

Contracted Services. Contracted Services, Large Printing/Copying, Equipment Rental/Lease.

Dues, Memberships, Subscriptions.

Facilities. Office Rent/Maintenance (historical), utilities and related costs associated with operating facility.

Insurances.

IT Services.

Supplies. Office supplies, janitorial supplies, postage, reference books, field supplies.

Professional Services. Includes annual audit.

Staff and Director Travel and Training.

Vehicle Operation and Maintenance.

Non Allocated

Not Allocated Costs includes those costs that have been incorporated into the Not Allocated to Any Department sheet because spreading these costs across individual departments does not reflect line item usage.

Capital Outlay.

Office Equipment/Furniture/Computer Hardware & Software.



Vehicle. Includes purchase and/or major repair.

Special Payments.

Sponsorship/Support of Local Community Events.

Scholarships.

Grant Match Funds for Watershed Councils/other entities.

Conservation Projects with Partners.

Operating Contingency.

Unappropriated Ending Balance.

Reserve Funds

Reserve Funds are established to accumulate money from year to year for a specific purpose, such as purchase of new equipment.

Multipurpose Reserve Fund

The Multipurpose Reserve Fund was created on March 7, 2012, amended and readopted on May 3, 2017 for the following specified purpose: Unanticipated Projects and Catastrophic Loss.

Building Reserve Fund

The Building Reserve Fund was created June 10, 2020 for the following specified purpose: purchasing land, constructing a building or purchasing and/or remodeling an existing building to house District operations and employees.

The District purchased the building in Stayton at 408 Third Street in 2020. The balance of the funds are earmarked for remodeling in the FY2022-23.

Vehicle Reserve Fund

The District dissolved the Vehicle Reserve Fund in 2021 and transferred all remaining funds into the General Fund.



Section 8 - Glossary

Accrual basis. Method of accounting recognizing transactions when they occur without regard to cash flow timing [ORS 294.311(1)]

Activity. That portion of the work of an organizational unit relating to a specific function or class of functions, a project or program, a subproject or subprogram, or any convenient division of these. [ORS 294.311(2)]

Adopted budget. Financial plan that is the basis for appropriations. Adopted by the governing body. [ORS 294.456]

Ad valorem tax. A property tax computed as a percentage of the value of taxable property. See "Assessed Value".

Appropriation. Authorization for spending a specific amount of money for a specific purpose during a fiscal year. It is based on the adopted budget, including supplemental budgets, if any. It is presented in a resolution or ordinance adopted by the governing body. [ORS 294.311(3)]

Approved budget. The budget that has been approved by the budget committee. The data from the approved budget is published in the Financial Summary before the budget hearing. [ORS 294.428]

Assessed value. The value set on real and personal property as a basis for imposing taxes. It is the lesser of the property's maximum assessed value or real market value. The growth is limited to 3% unless an exception applies (e.g., new or enlarged structure).

Assessment date. The date on which the real market value of property is set – January 1.

Audit. The annual review and appraisal of a municipal corporation's accounts and fiscal affairs conducted by an accountant under contract or the Secretary of State. [ORS 297.425]

Audit report. A report in a form prescribed by the Secretary of State made by an auditor expressing an opinion about the propriety of a local government's financial statements, and compliance with requirements, orders and regulations.

Billing rate. A district's tax rate used to compute ad valorem taxes for each property. The billing rate is expressed in dollars per \$1,000 of assessed property value.

Budget. Written document showing the local government's comprehensive financial plan for one fiscal year or biennium. It must include a balanced statement of actual revenues and expenditures during each of the last two years, and estimated revenues and expenditures for the current and upcoming year. [ORS 294.311(5)]

Budget committee. Fiscal planning board of a local government, consisting of the governing body plus an equal number of registered voters appointed from the district. [ORS 294.414]

Budget message. Written explanation of a local government's budget and financial policies, including any changes from the prior fiscal year. It is prepared and presented under the direction of the executive officer or chairperson of the governing body. [ORS 294.403]

Budget officer. Person appointed by the governing body to assemble budget material and information and to physically prepare the proposed budget. [ORS 294.331]

Budget transfers. Amounts moved from one fund to finance activities in another fund. They are shown as expenditures in the originating fund and revenues in the receiving fund.

Capital outlay. Items which generally have a useful life of one or more years, such as machinery, land, furniture, equipment, or buildings.

Cash basis. System of accounting under which revenues are accounted for only when received in cash, and expenditures are accounted for only when paid. [ORS 294.311(9)]

Compression. A reduction in taxes required by Measure 5 (1990) property tax limits. Compression is computed on a property-by-property basis, and is first applied towards location option tax levies, then permanent rate levies.

Consolidated billing tax rate. The consolidated billing tax rate is the combined total of the billing rates for all taxing districts in a limitation category in the code area but does not include the billing rate for any urban renewal special levies and non-ad valorem taxes, fees, or other charges.

Constitutional limits. The maximum amount of tax on property that can be collected from an individual property for education and for other government activities (Article XI, section 11b, Oregon Constitution).

Contingency. An amount appropriated in anticipation that some operating expenditures will become necessary which cannot be foreseen and planned in the budget. A general operating fund may contain one line for operation contingency. [ORS 294.388]

Debt service fund. A fund established to account for payment of general long-term debt principal and interest. [OAR 150-294.0420(2)(d)]

District. See "Local government." A local government entity that imposes property taxes (e.g. county, city, K-12 school district).

Double majority. A term that refers to an election where at least 50 percent of the registered voters eligible to vote in the election cast a ballot and more than 50 percent voting approve the question (any March or September election).



Expenditures. Total amount incurred if accounts are kept on an accrual basis; total amount paid if accounts are kept on cash basis. Does not include amounts budgeted for interfund transfers, contingency, reserved for future expenditure or unappropriated ending fund balance. [ORS 294.311(16)]

Fiscal year. A 12-month period to which the annual operating budget applies. The fiscal year is July 1 through June 30 for local governments. [ORS 294.311(17)]

Fund. A fiscal and accounting entity with self-balancing accounts to record cash and other financial resources, related liabilities, balances and changes, all segregated for specific, regulated activities and objectives.

Fund balance. The excess of the assets of a fund over its liabilities and reserves. [ORS 294.311(18)]

Fund type. One of nine fund types: General, special revenue, debt service, capital projects, special assessment, enterprise, internal service, trust and agency, and reserve. [OAR 150-294.0420]

General fund. A fund used to account for most fiscal activities except for those activities required to be accounted for in another fund. [OAR 150-294.0420(2)(a)]

General government category. The limitation category for taxes used to support general government operations that are not for the purposes of paying exempt bonded indebtedness. [ORS 310.150(1)(c)]

Governing body. County court or board of commissioners, city council, school board, board of trustees, board of directors, or other managing board of a local government unit. [ORS 294.311(20)]

Grant. A donation or contribution in cash by one governmental unit to another unit which may be made to support a specified purchase or function, or general purpose. [ORS 294.311(21)]

Interfund loan. Loan made from one fund to another and authorized by resolution or ordinance. [ORS 294.468]

Interfund transfer. Transfer from one existing appropriation category to another within the same fund. [ORS 294.463]

Intra-fund transfer. Transfer from an existing appropriation category in one fund to another existing appropriation category in another fund. [ORS 294.463]

Internal service fund. A fund used to account for fiscal activities when goods or services are provided by one organizational unit to another on a cost- reimbursement basis. [ORS 294.311(23) and 294.343]

Levy. Amount of ad valorem tax certified by a local government for the support of governmental activities.

Liability. Debt or other legal obligation arising from transactions in the past which must be liquidated, renewed, or refunded at a future date; does not include encumbrances. [ORS 294.311(24)]

Local government. Any city, county, port, school district, community college, public or quasi-public corporation (including a municipal utility or dock commission) operated by a separate board or commission, a municipal corporation or municipality. [ORS 294.311(26)]

Materials and services. Expenses for operating costs and supplies and contracted services, such as utilities, rent, liability insurance, repair parts, fuel, accountant's fees, etc.

Maximum assessed value (MAV). The maximum taxable value limitation placed on real or personal property by the Article XI, section 11 of the Constitution. It can increase a maximum of 3 percent each year. The 3 percent limit may be exceeded if there are qualifying improvements made to the property, such as a major addition or new construction. [ORS 308.146]

Measure 5. A constitutional tax rate limitation (Article XI, Section 11b) passed by the voters in 1990 which restricts the amount an individual property can be taxed. Measure 5 limits school taxes to \$5 per \$1,000 of "real market value". All other general government taxes are limited to \$10 per \$1,000 of "real market value".

Measure 50. Initially this measure was passed as Measure 47 in 1996 and was found to unworkable, so was rewritten and submitted to the voters as Measure 50 in 1997 and passed. M50 reduced every property's 1995-96 assessed value by 10% and limited the amount of annual growth of the assessed value to 3%. M50 also established permanent rate limitations for each taxing district in the state based on the current year tax in 1997, and then reduced 13% for most districts. If a district did not have a tax levy in 1997 and had never levied a tax, they could later request a permanent rate limit by going to the voters through a ballot measure.

Net working capital. The sum of the cash balance, accounts receivable expected to be realized during the ensuing year, inventories, supplies, prepaid expenses minus current liabilities and, if encumbrance method of accounting is used, reserve for encumbrances. [ORS 294.311(27)]

Object classification. A grouping of expenditures, such as personnel services, materials and services, capital outlay, debt services, and other types of requirements. [ORS 294.311(29)]

Operating rate. The rate determined by dividing the local government's tax amount by the estimated assessed value in district. This rate is calculated by the assessor when a local government imposes its operating tax as an amount, rather than a tax rate.



Ordinance. A formal enactment by the governing board of a municipality.

Organizational unit. Any administrative subdivision of the local government, especially one charged with carrying on one or more specific functions such as a department, office, or division. [ORS 294.311(3)]

Personnel services. Expenses related to the compensation of salaried employees, such as health and accident insurance premiums, Social Security and retirement contributions, civil service assessments.

Permanent rate limit. The maximum rate of ad valorem property taxes that a local government can impose. Taxes generated from the permanent rate limit can be used for any purpose. No action of the local government or its voters can increase or decrease a permanent rate limit. A district can levy any rate or amount up to their permanent rate authority each year.

Prior year's tax levies. Taxes levied for fiscal years preceding the current one.

Program. A group of related activities to accomplish a major service or function for which the local government is responsible. [ORS 294.311(33)]

Property taxes. An ad valorem tax, another other "tax on property", or fees, charges and assessments that are specifically authorized by statute to be certified to the county assessor by a local government unit.

Proposed budget. Financial and operating plan prepared by the budget officer. It is submitted to the public and the budget committee for review.

Publication. Public notice given by publication in a newspaper of general circulation within the boundaries of the local government; mailing through the U.S. Postal Service by first class mail to each street address, PO Box and Rural Route within the boundaries of the local government; or hand delivery to each street address, PO Box and Rural Route address within the boundaries of the local government.

Real market value. The amount in cash which could reasonably be expected by an informed seller from an informal buyer in an arm's-length transaction as of the assessment date (Jan 1). [ORS 308.205]

Reserve for future expenditure. An amount budgeted, but not appropriated, that is not anticipated to be spent in the fiscal year, but rather carried forward into future fiscal years. The correct way to "save" money under Local Budget Law.

Reserve fund. Established to accumulate money from year to year for a specific purpose, such as purchase of new equipment. [ORS 294.346; 280.050]

Resolution. A formal order of a governing body; lower legal status than an ordinance.

Resource. Estimated beginning funds on hands plus anticipated receipts. [ORS 294.361]



Special revenue fund. A fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes. [OAR 150- 294.0420(2)(b)]

Special payment. A budget expenditure category for distribution, pass-through payments, grants made to other organizations and other one-time or unusual expenditures where goods or services are not received in return, and that do not fall into the other categories of personnel services, materials and services, capital outlay, etc.

Supplemental budget. A revised financial plan prepared to meet unexpected needs or to spend revenues not anticipated when the regular budget was adopted. It cannot be used to authorize additional taxes. [ORS 294.471]

Tax on property. Any tax, fee, charge or assessment imposed by any government unit upon property or upon a property owner as a direct consequence of ownership of that property. [ORS 310.140(18)]

Tax rate. The amount of tax state in terms of a unit of tax for each \$1,000 of assessed value of taxable property.

Tax roll. The official list showing the amount of taxes imposed against each taxable property.

Tax year. The fiscal year from July 1 through June 30.

Unappropriated ending fund balance. Amount set aside in the budget to be used as a cash carryover to the next year's budget. It provides the local government with operating cash until tax money is received from the county treasurer in November. This amount cannot be transferred by resolution or used through a supplemental budget, unless necessitated by a qualifying emergency. [ORS 294.398]

Appendix 1 – Property Tax Worksheet
FY2022-2023 Budget

PROPERTY TAX WORKSHEET

1. Permanent Rate Limit		\$0.0500 / \$1000	
			Enter your Permanent Rate levy
2. Est. Assessed Value		\$27,926,200,000.00	Enter your estimated total Assessed Value.
3. Tax rate (per dollar) <i>(converts rate to a decimal)</i>	X	0.0000500	
4. Amount the Rate would raise		\$1,396,310.00	
5. Estimate Measure 5 loss (compression) <i>Assessor sends report in Oct each yr shows current yr information referred to as the Table 4a - Summary of Assessment & Levies (SAL) - This inform is entered on LB- 1 & 3 form, line 14a</i>	-	\$4,286.18	
6. Tax to be billed	=	\$1,392,023.82	
7. Average Collection Factor <i>See your forms & instructions booklet - Page 17 for a 5 year report - by county</i>	X	0.96	
8. Taxes Estimated to be Received <i>Gets entered on LB- 1 & 3 form, line 11</i>	=	\$1,329,382.75	
9. Loss due to discount & uncollectables (line 6 minus line 8) <i>Gets entered on LB- 1 & 3 form, line 14b</i>	=	\$62,641.07	

