

## **Budget Message for Fiscal Year 2023-2024**

### **Sherman County Soil & Water Conservation District (SWCD)**

**April 2023**

**Introduction:** The Sherman County SWCD is a unit of local government managed by an elected Board of Directors. In November 2006, the voters of the District approved the establishment of a permanent property tax rate limit for the Sherman County SWCD. This secure funding source has enabled the Sherman County SWCD to better pursue our mission “to promote and protect the natural resources of not only Sherman County, but also all the areas included in our watershed drainage’s. This board of directors believes that cooperation between State of Oregon and Federal agencies, public interest groups, and landowner/operators is of the utmost importance in achieving the goals of this district. We will continue to work for not only better soil and water conservation practices, but also for a better understanding between all parties concerned with the protection of our natural resources”.

As a taxing district, the Sherman County SWCD is required to establish a Budget Committee, hold one or more public meetings for the review of the upcoming year’s budget, publish the budget in a newspaper of general circulation in the District, and hold a public budget hearing.

The following Budget Message is presented with the budget documents and is available for public review. The Budget Message is intended to explain the proposed budget and point out any significant changes in the District’s financial position. The budget includes a general fund; a watershed improvement fund, and two reserve funds. All funds have a Resources and Requirements section that must balance, and include a variety of categories and line items specific to the needs of each fund. These documents will be available for review at the District office throughout the budget development process. As the budget is revised, the older drafts will be replaced with the newest.

**Resources:** District activities are funded from property tax revenues, County SIP, state, federal, and local grants, local contributions, donations, and proceeds from the rental of a range drill. The Natural Resources Conservation Service (NRCS) donates office space, use of telephone, internet and computer system, and some supplies in exchange for technical assistance. However, this fiscal year we are in between office space so the District is paying office rent.

**Tax Rate Levy or Amount of Total Levy:** The current law allows taxing Districts to approve the budget by an amount or a permanent rate. If an amount is certified, that is the maximum the District can collect. If new growth exceeds expectations and the permanent rate generates more than expected, the District can choose not to collect it. By certifying the rate, the District

will be allowed to collect the total amount generated by the established assessed value. Historically, the District has certified the maximum rate. The recommendation for the 2023-2024 fiscal year is to levy the total permanent rate of 26 cents per \$1,000 assessed value.

**Budget Detail Sheets:** The budget is categorized by General Fund, Watershed Improvement Fund, General Operating Reserve Fund and Watershed Education Reserve Fund. The following is an overview of all Funds and any recommendations or changes for each fund.

**General Fund – Definition:** The purpose of the General Fund is to account for all activities which are not funded by specifically designated and restricted funds such as special funds or reserve funds

**Resources:** Resources for the General Fund come from taxes levied; administration funding from Oregon Department of Agriculture (ODA) and Oregon Watershed Enhancement Board (OWEB); annual meeting; newsletter advertising; tree sales & range drill rental; and wind tower strategic investment contracts. The SIP funds increased this FY due to a new wind tower project.

**Requirements:** Expenditure categories in the General Fund include personnel for 1 FTE employee, materials & services, professional fees, cost of meetings, state & national association dues, general office operations, office rent, training & travel, education projects, weed projects and vehicle costs.

**Special Payments:** Special payments include grants funded through the County Cost Share program and Watershed & Weed Projects.

**Transfers:** Transfer from tax levy funds was made to the General Operation Reserve Fund account to match the CDARS account balance.

**Operating Contingency:** Funds are made available to be spent on unidentified operating expenses.

**Reserved for Future Expenditures:** Funds saved for future spending and not planned to be used for this fiscal year.

**Unappropriated Ending Fund Balance:** Funds are carried in this fund to insure the continued operation of the District through the first four months of the new fiscal year or until the District starts to receive property tax funds in November.

**Watershed Improvement Fund – Definition:** The purpose of the Watershed Improvement Fund is to have funds designated to Watershed Improvement projects.

**Resources:** Resources for this fund are obtained through the grant process. Current resources come from the Oregon Watershed Enhancement Board (OWEB) project grants for on the ground work; OWEB support for the Watershed Council Coordinator and CREP Technical Assistance; and Oregon Department of Agriculture (ODA) funding for technical assistance in implementing water quality projects. Due to not having a Watershed Coordinator on staff it was decided to not apply for the Capacity grant this year. CREP work is limited so we will pay for it with other grant funds such as NRCS TA or other TA grants applied for. Funds in Other for John Day Partnership (JDP) and Lower John Day Working Group (LJDWG) funds.

**Requirements:** Expenditure categories for this fund include personnel expenses for two employees and part of their operation expenses for office operations, legal and accountant expenses, training & travel, and dues and insurance and equipment. Expenditures also include the cost of watershed improvement projects as provided by grant funding.

**Transfers:** No transfers will be made from this fund unless deemed necessary by the District board of directors.

**Operating Contingency:** Funds are made available to be spent on unidentified operating expenses.

**Unappropriated Ending Fund Balance:** Funds are carried over because of grants that are secured over two fiscal years.

**General Operating Reserve Fund – Definition:** This Reserve fund was established in order to insure that the District can maintain continuity of service & operation of personnel and equipment if other funding sources are lost.

**Resources:** Resources for this fund consist of carry over funds.

**Requirements:** Each year the District appropriates funds for personnel service and for materials & services in an amount sufficient to keep operations active for one year.

**Transfers:** The budget officer suggests transferring funds to this account from the General Fund so it matches the two CDARS current account balance.

**Unappropriated Ending Fund Balance:** Funds are carried in this fund to insure the continued operation of the District through the following year.

**Watershed Education Reserve Fund – Definition:** This fund was established by the District in 2010 for the purpose of providing education & outreach funding for natural resource &

conservation education programs. Participants apply for grant funding up to \$2,000 and must show a 25% match in funding. The District added a scholarship to this fund in 2019.

**Resources:** Resources for this fund consist of carry over funds and a transfer of funds from the General Fund when deemed necessary.

**Requirements:** Each year the District appropriates funds for Education Services and Education Materials. This year appropriations total \$7,500 for education grants and \$7,500 for the District scholarship program.

**Transfers:** The budget officer does not suggest a fund transfer this year.

**Supporting Documents:**

This Budget Message is accompanied by the following documents:

- General Fund Resources (Form LB 20)
- General Fund Requirements (Form LB 30 Allocated & LB 30 Not Allocated)
- Watershed Improvement Fund Resources (Form LB 20)
- Watershed Improvement Fund Requirements (Form LB 30 Allocated & LB 30 Not Allocated)
- General Operating Reserve Fund Resources & Requirements (Form LB 11)
- Watershed Education Reserve Fund Resources & Requirements (Form LB 11)
- Budget Notes

These documents are available at the Sherman County SWCD office at 66365 Lone Rock Rd in Moro, Oregon or request by emailing [amanda.whitman@or.nacdnet.net](mailto:amanda.whitman@or.nacdnet.net). The Sherman County SWCD may be reached by phone at 541-705-5070.