Budget Message for Fiscal Year 2025-2026

Sherman County Soil & Water Conservation District (SWCD)

March 2025

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. The 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 meeting 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, tree sale and newsletter advertisements. 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, the District does supply 2 cell phones for employee use and another internet option for the office.

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 2025-2026 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); newsletter advertising; tree sales & range drill rental; and wind tower strategic investment (SIP) contracts. The SIP funds decreased this FY due to sites coming to an end on their contracts.

Requirements: Expenditure categories in the General Fund include personnel for 1.5 FTE employees, materials & services, liability/general insurance, professional fees, cost of meetings, state & national association dues, general office operations, training & travel, education 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 to equal an account balance of $500,000. Transfer to the Watershed Education Reserve Fund was made to create a balance of $50,000.

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 ensure 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 along with technical and program support for those 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 groundwork and technical assistance; and Oregon Department of Agriculture (ODA) funding for technical assistance in implementing water quality projects. The OWEB Council Capacity was applied for again this year and that amount is reflected. We also intend on applying for the CREP TA grant through OWEB. Other resources are grant funds obtained for our Conservation Awareness Program (CAP).

Requirements: Expenditure categories for this fund include personnel expenses for 2.5 FTE employees and 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. This year an equipment fund was added under Capital Outlay to purchase Place Based Units for CAP.

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 ensure 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 help keep operations active for one year.

Transfers: The budget officer suggests transferring funds to this account from the General Fund so the account balance equals $500,000.

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 $8,000 for education grants and $12,000 for the District scholarship program.

Transfers: The budget officer suggests a fund transfer of $24,500 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 2004 First St. in Moro, Oregon, on our website www.shermancountyswcd.com, or request by emailing amanda.whitman@or.nacdnet.net. The Sherman County SWCD may be reached by phone at 541-565-3216.