

2012-2013
Umatilla Morrow Radio & Data District
Budget Committee Meeting
5/17/2012

Director Roxbury called the meeting to order at 1:45pm.

A motion to elect Steve Myren as the chair of the budget committee was made by Director Lieuallen and seconded by Director Matlack.

Director Roxbury: Aye

Director Matlack: Aye

Director Lieuallen: Aye

Director Kennedy: Aye

Pete Wells: Aye

Steve Frazier: Aye

Steve Myren: Aye

Shawn read the Budget Message.

Discussion:

Shawn reported that the assessed value for the District is the number given to him by the Umatilla County Assessor's office and he feels comfortable using that amount. He also reported that the amount listed as estimated taxes to be received is the actual number of taxes collected so far this year.

Based on the estimated taxes, a user fee from CTUIR, and net working capital, this year's budget amount is \$1,388,483.

Personnel Services:

Shawn increased the Admin/Tech Assistant salary when he added the technical duties to the position. The current salary is \$39,000. The budgeted amount of \$42,000 leaves room for overtime and the possible increase in pay after an annual performance review.

Payroll Taxes and PERS costs increased with a second employee.

Medical Insurance costs decreased because only one employee is taking advantage of the benefit of the district paying up to \$1000 per month toward insurance.

The amount for Worker's Comp is very high right now because Liberty Mutual charges based on the district owning towers, even though the employees do not climb them. In July, SDAO will begin providing the insurance and the cost will decrease considerably.

Life Insurance and Long Term Disability are new expenses and are a requirement of the employee policy.

Steve Myren pointed out that the Payroll Tax amount seems low. Shawn arrived at that number by averaging what has been spent up until this point and his information came from his financial advisor. The committee was comfortable relying on the finance department's numbers.

Pete Wells asked Shawn for clarification regarding the unappropriated ending balance in this category. Shawn explained that the budget will run out in July, but funding will not start to come in until November so he created that line to cover costs for those 4 months. The line only covers fixed costs and was not included in the regular lines because he did not want to artificially enlarge those lines. The \$4000 listed on line 27 of the summary is an additional amount set aside to cover expenses, not assigned to any specific line or category. In Pete's experience, the Department of Revenue prefers to have one amount listed in an unappropriated fund for the entire general fund. Pete worried that splitting the amount between lines will make it more difficult to access if needed. Shawn will check with the Department of Revenue. The amount will be the same either way it is listed.

Material and Services:

Shawn increased the amount in Voice System Maintenance to cover the system optimization that will be taking place soon and the costs will be higher, based on the quotes he has gotten.

IT Services will be \$25,000, not \$31,920. The \$6920 was added to the Infrastructure Replacement category, making the new total \$387,565 and the Materials and Services category total \$376,642.

The amount in Microwave System Maintenance was based on what is currently contracted, plus the annual system optimization.

The subscriber Unit Maintenance was increased because the aging radios will need work.

The amount for Notifications and Publication is lower, based on the historical costs.

The amount for Office Rent was higher than anticipated.

SDAO does not charge a membership fee if insurance is purchased through them so the Dues/Fees line was decreased.

The lower Annual Audit amount was based on the actual quote for services.

The cost of elections is usually unknown and there will be a District election of four board directors in 2013 so that amount is a guess, based on historical costs.

Clothing costs were increased to cover an additional employee.

The amount listed in Test Equipment Maintenance was based on an actual quote.

The vehicle expenses were increased to cover the new vehicle (Tahoe) and the outfitting for it. It will not be outfitted to the extent of the truck but will be well equipped.

Bookkeeping services were less expensive than expected.

Steve Frazier asked for additional clarification regarding the unappropriated funds. Shawn explained that he looked for items with fixed costs that must be paid during the months from July to November and for additional items needed in that time period between the budget year beginning and the funding being received. The amounts could all be added together for the final report, but he listed them line by line to keep track of where the money will go. Pete agreed that it was a good working document.

Steve Myren asked Shawn to discuss the cost of his training versus contracting services to other entities. Shawn explained that some of the training is to provide him the knowledge to effectively supervise the contractors and avoid additional costs to the district for unnecessary work or calls for service that Shawn is now able to take care of. Director Roxbury stated that the cost for the trainings is high but the bulk of the cost is in the travel expenses because these courses are not offered locally.

Shawn also explained that some of the training budget for this year is for the Admin/Tech assistant. The cost for the basic introduction to RF course is \$2300. With travel expenses, the expected cost is around \$5000.

Facilities:

Shawn expects most site leases to be around \$500 per month but does not have the numbers yet. He expects to pay leases in July. Sillusi is the cheapest lease and will be \$500 per year. Pete asked Shawn if \$10,000 will be enough if all of the leases are due in July and Steve Myren asked if Shawn could negotiate to have the leases due at different times during the year. Shawn agrees that \$10,000 might be too low. He will do further research.

Equipment:

Channel banks are how microwave radios connect all of the sites together. The information comes out of the Justice Center site and the channel bank determines how it is dropped. All of the information goes through the channel banks and the sites would not work without them. The banks have batteries that hold the configuration for when the site comes back up and that configuration deteriorates as the batteries age past 10 years so they need to be replaced. Pete asked Shawn why the Field Equipment cost is down by \$18,000 and Shawn explained that progress was made in that category this year. Many pagers have been purchased. The Site Equipment and Field Equipment budgets are mostly for narrowbanding costs and those will not be as high next year. Shawn plans to buy up to 60 VHF radio and that will likely be enough.

Infrastructure and Equipment Replacement:

The Motorola quote for consoles is \$1.2 million however Shawn felt that it will end up closer to \$1 million. Shawn plans to have the funding to pay for it soon and has been very conservative with the rest of the budget to allow the funding for this project. The cash carryover amount from this year is currently \$535,283 but that is contingent on spending the remaining \$350,000 which probably will not all be spent. The four months of expenses budgeted is about \$100,000 and what is spent of that could be considerably less. The adjusted total for this category is \$387,565

Director Lieuallen asked for clarification regarding the \$700,000 for Alpha Numeric Paging under Equipment. Director Roxbury explained that there was a plan to ask for a Fire Ag grant for paging and the District would have needed to show that money in the budget to be able to spend it. It was decided not to apply for it because there were many other important projects being work on over the last year. The board, at this point, has not agreed to go with an Alpha Numeric system but it would be possible to call the board together for a supplemental budget if the grant became a priority.

Steve Myren asked the committee for additional questions or comments and none were given.

The Budget Resolution will be presented at the next regular board meeting. Director Roxbury reminded Shawn to review and include the total budget plus the levy rate.

A motion to approve the Umatilla Morrow Radio & Data District budget, with adjustments, was made by Pete Wells and seconded by Steve Frazier.

*Director Roxbury: Aye
Director Matlack: Aye
Director Lieuallen: Aye
Director Kennedy: Aye
Pete Wells: Aye
Steve Frazier: Aye
Steve Myren: Aye*

A motion to adjourn was made by Director Lieuallen and seconded by Director Matlack.

*Director Roxbury: Aye
Director Matlack: Aye
Director Lieuallen: Aye
Director Kennedy: Aye
Pete Wells: Aye
Steve Frazier: Aye
Steve Myren: Aye*