

BUDGET MESSAGE

Umatilla Morrow Radio & Data District

May 17th, 2012

The Umatilla Morrow Radio and Data District (UMRDD) covers 5,280 square miles that lie inside Umatilla and Morrow Counties, excluding the Confederated Tribes of the Umatilla Indian Reservation and the City of Milton-Freewater. The Assessed Value for the District is \$5,119,116,599. The total population is 82,628.

The District's purpose is to provide all public safety agencies within its boundaries with the ability to communicate via land mobile radio based voice or data systems and to replace equipment when it becomes inoperable due to damage, regulation, it becomes unserviceable, or new technologies become available.

UMRDD operates and maintains the current bi-county trunked UHF communications system – a legacy system - provided by the Chemical Stockpile Emergency Preparedness Program (CSEPP) and several smaller conventional UHF and VHF systems currently in service throughout the District.

The 2012-2013 Budget is the second budget for the district, and is partially based on information gathered over the last six months of operational expenses. I will not have a clear picture of annual expenses until November 2012 when the district will have experienced 12 months of expenses. I have done my best to estimate remaining unknown expenses.

This year, I have included funding in Unappropriated Ending Fund Balances in General Fund categories. This was done to ensure funds availability during the four months between the beginning of the budget year in July 2013 and the arrival of funds in November 2013. These amounts account for four months of expenses in line items that contain fixed costs. This arrangement allows the budget line items to represent accurate annual costs per line item, but increase the budget by \$97,614.

I have started an Infrastructure & Equipment Replacement category with this year's budget. This budget line will collect funds for future system upgrades.

This budget calls for \$145,000 in Site Equipment and Field Equipment lines that are meant, in large part, to replace equipment that will become unserviceable due to regulation, specifically the Federal Communications Commission rule that calls for all public safety VHF and UHF frequencies to be narrowbanded by January 1, 2013. Many radio systems currently in service within UMRDD are affected by this rule.

The 2011-2012 Budget included for \$200,000 for narrowbanding equipment replacement. Only \$74,996.76 was expended from the Field Equipment line in order to purchase replacement VHF pager equipment. Narrowbandable mobile and portable VHF radios still need to be purchased. Site equipment has not been purchased in the 2011-2012 budget year.

So far this year, the UMRDD has collected \$853,200 from taxes. Assessment forecasts for the 2012-2013 budget year are flat. \$853,200 is estimated to be received for the 2012-2013 budget. The district received

\$16,500 in the form of user fees charged to the Confederated Tribes of the Umatilla Indian Reservation last year and expects the same amount to be collected in the 2012-2013 budget.

The budget will be broken down by section explained line by line below.

I. Personnel Services

- A. Administrator Salary: This item is unchanged from last year.
- B. Administrative/Technical Assistant Salary: This item has been increased from last year's budget to reflect a change in duties that includes technical responsibilities.
- C. Payroll Taxes: Based on historical cost.
- D. PERS: Based on historical cost.
- E. Medical Insurance: The District has decided to pay \$1,000 per month towards each employee's medical insurance costs. One employee has elected to take advantage of this benefit.
- F. Workers Comp: Based on historical cost.
- G. Life Insurance: For both employees, quoted cost.
- H. Long Term Disability: For both employees, quoted cost.

II. Materials and Services

- A. Professional Services: For small projects outside of the District Administrator's field of expertise.
- B. Voice System Maintenance: Based on historical costs.
- C. IT Services: The district is contracting with Umatilla County for quarter-time employment of one IT specialist that will be available to UMRDD for maintenance of system infrastructure as well as general IT support.
- D. Microwave System Maintenance: Based on a quote from Day Wireless and historical costs.
- E. Subscriber Unit Maintenance: Historical Costs adjusted for older equipment.

- F. Office Supplies and Maintenance: Estimation of costs associated with the District Administrator's office equipment and consumables.
- G. Notifications and Publication: Estimation of costs associated with required publications.
- H. Training/Travel: Based on historical costs.
- I. Office Space Rent: Historical costs.
- J. Warehouse Rent: Based on quote from Intermountain Education Service District.
- K. Dues/Fees: Estimation based on professional association dues.
- L. Subscriber Unit Software Maintenance: Based on historical costs.
- M. Insurance: Historical costs and estimate.
- N. Annual Audit: Quote from Barnett & Moro, Pc.
- O. Quarterly Bookkeeping Review: Estimation based on information obtained while at the 2011 SDAO Conference.
- P. Elections: Based on historical costs.
- Q. Cell Phone and Data Card: Based on historical costs.
- R. Protective Clothing and Equipment: Clothing and equipment for the District Administrator and the Administrative/Technical Assistant.
- S. Test Equipment Maintenance: Estimated cost of calibration/repair of one piece of test equipment.
- T. Vehicle Expenses: Based on historical costs and the cost of a purchasing and outfitting a new vehicle as well as maintaining a newly acquired communications trailer.
- U. Legal Expenses: Minimal costs are expected, but funds should be available.
- V. Board Expenses: Historical costs.
- W. Bookkeeping Contract: Historical costs.

III. Facilities

- A. Site Leases: Estimated cost of potential site leases. These leases will need to be transferred from the State of Oregon to UMRDD. The leases could be renegotiated at the time of the transfer and current costs may increase. This number has been inflated to protect against unknown costs.
- B. Site Maintenance: Estimated costs of power, propane, weed abatement, HVAC, tower, building, and generator maintenance.

IV. Equipment

- A. Site Equipment: Projected cost of six new VHF repeaters; associated with narrowbanding replacement.
- B. Field Equipment: Projected cost of 100 new VHF mobiles or portables; associated with narrowbanding replacement.
- C. Interoperability Equipment: Mobile and fixed interoperability equipment.
- D. Channel Bank Upgrade Project: Quoted costs for replacing configuration memory batteries in the trunked system channel banks.
- E. Equipment & Infrastructure Replacement: Future system upgrades.

V. Equipment & Infrastructure Replacement

- A. Future System Upgrades

VI. Contingency

- A. Contingency: The unknown nature of many costs within this budget calls for a contingency fund.