

## BUDGET MESSAGE

### Umatilla Morrow Radio & Data District

May 21<sup>st</sup>, 2014

The Umatilla Morrow Radio and Data District (UMRDD) includes 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 \$5,932,837,685. 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, 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 2014-2015 Budget is the district's fourth budget. As more experience is gained in the actual costs involved with maintaining and upgrading communications systems, more accurate predictions of future expenses are possible. This year's budget is significantly different from 2013-2014 in that there has been an increase in Personnel costs and a decrease in Materials and Services. This change is due to the hiring of a full-time district technician and the end of Voice System and Microwave System maintenance contracts with Day Wireless. This change in operations has also caused the district to make an investment in test equipment, tools, and materials.

I have continued to include four months of funding in Unappropriated Ending Fund Balances in General Fund categories as I did in previous years. The Unappropriated Ending Fund Balance figures have been calculated for current monthly expenses and include a \$327,219.61 payment to Motorola on September 1<sup>st</sup>, 2015. This arrangement allows the budget line items to represent accurate annual costs per line item, but increase the budget by \$442,220.

This year's Infrastructure & Equipment Replacement category has been reduced from last year's budget in order to pay back \$654,439.22 of the \$1,223,027 that was financed for the purchase of the upgraded dispatch console system. The first \$327,219.61 payment is due September 1<sup>st</sup>, 2014. I anticipate paying the remainder of this debt in the 2015-2016 budget.

So far this year, the UMRDD has collected \$943,257 from 2013-2014 taxes, \$19,121 from 2012-2013 taxes, and \$9,972 from 2011-2012 taxes. Assessment forecasts for the 2014-2015 budget year advise a 1% increase. \$984,086 is estimated to be received for the 2014-2015 budget year, \$19,000 for the 2013-2014 budget year, and \$9,000 for the 2012-2013 budget year. The district expects to receive \$16,500 in the form of user fees charged to the Confederated Tribes of the Umatilla Indian Reservation, \$11,618 in lease payments from US Cellular for their use of the East Pendleton site, \$1,800 from Union Pacific Railroad this year for user fees, and \$35,000 from Umatilla County and \$30,000 from Morrow County for repayment of logging recorder expenses.

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

I. Personnel Services

- A. Administrator Salary: No change.
- B. Administrative/Technical Assistant Salary: No change.
- C. Communication Technician: This is a new position paying \$68,000/year with \$2,000 added for possible overtime.
- D. Payroll Taxes: Based on a book keeper estimate.
- E. PERS: Based on historical cost of \$1,950.38/month and \$4,000 to absorb any fee increases.
- F. Medical Insurance: The District pays \$1,000/month towards each employee's medical insurance costs. This item has increased with the addition of another employee who has multiple dependents. The cost of this employee's insurance is in excess of the \$1,000/month that the District pays. The District will be subtracting an extra \$9,300 from the employees pay to make up the difference. The upcoming changes caused by the Affordable Care Act will increase the cost of medical insurance offered by the district, it will be up to the board to determine how these extra costs are distributed.
- G. Workers Comp: Based on historical cost and increases in personnel.
- H. Life Insurance: Based on historical cost and increase in personnel.
- I. Long Term Disability: Based on historical cost and increase in personnel.

II. Materials and Services

- A. Professional Services: For small projects outside of the District Administrator's field of expertise.
- B. Voice System Maintenance: Reduced by \$50,000 with the addition of the Comm Tech position due to anticipation not renewing the agreement with Day Wireless Systems for system maintenance and less 'above contract' technician time and materials expense. Includes \$20,000 for an annual system optimization, I anticipate no longer needing go outside of the District for this work after this year.

- C. IT Services: Reduced by \$23,000 with the addition of the Comm Tech position because the District no longer needs support from Umatilla County for IT services. \$2,000 will provide for an internet connection independent of Umatilla County's IT Department.
- D. Microwave System Maintenance: Reduced by \$35,000 with the addition of the Comm Tech position due to anticipation not renewing the agreement with Day Wireless Systems for system maintenance and less 'above contract' technician time and materials expense.
- E. Subscriber Unit Maintenance: Historical costs.
- 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: Increased by \$10,000 in order to provide additional training for the newly hired Communication Tech position. It will also fund travel to meetings and training sessions in the region including the annual SDAO conference.
- I. Office Space Rent: Historical costs.
- J. Warehouse Rent: No longer required.
- K. Dues/Fees: Estimation based on professional association dues, audit submission fee, and Oregon Association of Public-Safety Communications Officials (APCO fees).
- L. Subscriber Unit Software Maintenance: Based on historical costs.
- M. Insurance: Historical costs.
- N. Annual Audit: Cost of audit from Barnett & Moro, Pc.
- O. Quarterly Bookkeeping Review: No longer required.
- P. Elections: Based on historical costs.
- Q. Cell Phone and Data Card: Based on historical costs with the addition of another cell phone.
- R. Protective Clothing and Equipment: Clothing and safety equipment for the District staff.
- S. Test Equipment Maintenance: Increased due to more test equipment.

- T. Vehicle Expenses: Based on historical costs and the cost of continuing to outfit a new vehicle as well as maintaining the communications trailer.
- U. Legal Expenses: Minimal costs are expected, but funds should be available.
- V. Board Expenses: Historical costs.
- W. Bookkeeping Contract: Increased costs with new book keeping agreement.
- X. Bi-County Computer Aided Dispatch System: No longer needed.
- Y. Technical Support: A new line. Quote of \$12,000 from Motorola for Technical Support of the District's Motorola systems. Formally provided by Day Wireless Systems, for support of the new Comm Tech position.

### III. Facilities

- A. Site Leases: Increased due to the recent acquisition of the Weston Mountain site and a possible new site lease.
- B. Site Maintenance: Estimated costs of power, propane, weed abatement, HVAC, tower, building, road, UPS and generator maintenance.
- C. Site Property: A new line. Estimated cost of purchasing the property at the Boardman site.
- D. Site Development: A new line. UMRDD may partner with the State of Oregon for the improvement of an existing ODOT site on Cabbage Hill. This site will provide a microwave connection to the Weston Mountain site and a reduced lease cost over the existing US Cellular site on Cabbage Hill.

### IV. Equipment

- A. Site Equipment: Costs of adding additional site/fixed equipment and network equipment.
- B. Field Equipment: Costs of field radio equipment.
- C. Interoperability Equipment: Mobile and fixed interoperability equipment.
- D. Channel Bank Upgrade Project: No longer needed.
- E. Test Equipment: Expected cost of new test equipment.

## V. Equipment & Infrastructure Replacement

- A. Partial unappropriated costs of the dispatch console upgrade project and possible equipment replacement.

## VI. Contingency

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