

**UMATILLA MORROW RADIO & DATA DISTRICT**

Budget Committee Meeting

Boardman City Hall

May 1, 2018 – 2:30PM

Committee Members Present: Director Pratt, Bill Miller, Ray Denny, Director Matlack, Steve Myren, Pat Hart

Staff: Shawn Halsey, Rosanna Brown

Guests: Loren Dieter, Boardman

- I. Call to Order: The Budget Committee meeting was called to order at 3:22pm.
  
- II. Chairperson Election  
*A motion to appoint Steve Myren as chairperson was made by Director Pratt and seconded by Pat Hart.*  
*Ray Denny: Aye*  
*Bill Miller: Aye*  
*Director Matlack: Aye*  
*Director Pratt: Aye*  
*Pat Hart: Aye*  
*Steve Myren: Aye*
  
- III. Budget Message: Shawn read the Budget Message aloud.

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BUDGET MESSAGE

Umatilla Morrow Radio & Data District

May 1, 2018

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 \$6,856,451,285. 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 communications system and several smaller conventional systems currently in service throughout the District.

The 2018-2019 Budget is the district's eighth budget. Multiple changes and reassessments of the district's actual expenses have allowed for the creation of the most accurate budget to date.

This year's budget format maintains the same layout as last year's budget, which had been reformatted with input from the Oregon Department of Revenue's Finance and Taxation Office.

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. This arrangement allows the budget line items to represent accurate annual costs per line item, but increase the budget by \$135,650.

The district expects to have approximately \$2,169,500 cash on hand at the beginning of the 2018-2019 fiscal year.

The district expects to receive \$16,500 in the form of user fees charged to the Confederated Tribes of the Umatilla Indian Reservation, \$18,024 in lease payments from US Cellular and Sprint, \$1,800 from Union Pacific Railroad this year for user fees, \$7,160 in user fees from the US Navy, \$15,000 in interest, and \$7,325 in user fees from local school districts with Morrow County School District, Umatilla School District, and Athena Weston School District using the system.

During the 2017-2018 budget year, UMRDD has collected \$1,103,454 from 2017-2018 taxes with an estimated \$52,144 yet to be collected making the estimated 2017-2018 budget revenues \$1,155,598.

UMRDD has collected \$16,262 from 2016-2017 taxes, \$4,472 from 2015-2016 taxes, \$2,293 from 2014-2015 taxes, \$3,434 from 2013-2014 taxes, \$110 from 2012-2013 taxes, and \$13 from 2011-2012 taxes during this budget year for a total of \$26,584 collected from previous year's taxes. The total taxes collected from all years for the 2017-2018 fiscal year is estimated to be \$1,182,182.

Assessment forecasts for the 2018-2019 budget year advise a 1.15% increase in Morrow County assessments and a 2.5% increase in Umatilla County assessments. \$1,214,312 is estimated to be received this budget year. \$30,000 is expected to be collected from previously levied taxes in 2018-2019. The total taxes collected from all years for the 2017-2018 fiscal year are estimated to be \$1,244,312.

I have added \$500,000 in the Grant Funds line as there is a possibility that the District may receive grant funding for new subscriber units in the 2018-2019 budget year.

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

I. Personnel Services

- A. Administrator Salary: A 1% increase to \$87,659 was added this year.
- B. Administrative/Technical Assistant Salary: A national COLA increase of 2% to \$42,037 plus \$2,000 added for possible overtime.
- C. Communication Technician: Increased to \$77,815 with a 2.5% step increase per district policy, a 2% national COLA increase, and \$2,000 added for possible overtime.
- D. Payroll Taxes: Estimate from book keeper, about 9% of salary total.
- E. PERS: This line will be increased by approximately 11% per year until 2026 according to PERS predictions.
- F. Medical Insurance: Based on district policy that limits medical cost to this maximum amount.
- G. Workers Comp: Based on historical costs.
- H. Life Insurance: Based on historical cost.
- I. Long Term Disability: Based on historical cost.

II. Materials and Services

- A. Professional Services: For small projects outside of the District Administrator's field of expertise. This line has been increased to \$65,000 due to need of consultant assistance with procuring a new communications system.
- B. Voice System Maintenance: Based on historical costs, reduced by \$12,000 this year.
- C. IT Services: Based on historical costs.
- D. Microwave System Maintenance: Based on historical costs, reduced by \$3,000 this year.
- E. Subscriber Unit Maintenance: Based on historical costs.
- F. Office Supplies and Maintenance: Based on historical costs.
- G. Notifications and Publication: Estimation of costs associated with required publications.
- H. Training/Travel: Provides training for district staff and funds to travel to meetings, local training sessions, and conferences. Reduced by \$5,000 this year.
- I. Office Space Rent: Based on rental agreement with Umatilla County.

- J. Dues/Fees: Increased by \$2,850. Estimation based on professional association dues, audit submission fee, and Oregon Association of Public-Safety Communications Officials (APCO fees), and an increase in the Dunn & Bradstreet fee.
- K. Subscriber Unit Software Maintenance: Based on possible costs.
- L. Insurance: Based on historical costs.
- M. Annual Audit: Based on historical costs with annual increase.
- N. Elections: Based on historical costs, two board positions will be on the ballot this year.
- O. Cell Phone and Data Card: Based on historical costs.
- P. Protective Clothing and Equipment: Clothing and safety equipment for the district staff.
- Q. Test Equipment Maintenance: Based on historical costs.
- R. Vehicle Expenses: Based on historical costs.
- S. Legal Expenses: Minimal costs are expected, but funds should be available.
- T. Board Expenses: Based on historical costs.
- U. Bookkeeping Contract: Based on historical costs.

III. Facilities

- A. Site Leases: Based on historical costs.
- B. Site Maintenance: Estimated costs of power, propane, weed abatement, HVAC, tower, building, road, UPS/battery plant maintenance, as well as planned preservation work at two sites and tower inspections.

IV. Equipment

- A. Site Equipment: Estimated costs of adding additional site/fixed equipment, network equipment, and replacing two battery plants.
- B. Infrastructure and Equipment Replacement: This line will fund the microwave system upgrade project beginning this year. The remaining amount will be available for the follow on LMR system upgrade.
- C. Field Equipment: Estimated costs of field radio equipment plus \$500,000 of potential grant funding for next system subscriber units.
- D. Interoperability Equipment: Miscellaneous interoperability equipment.
- E. Test Equipment: Possible cost of a new frequency counter. Large test equipment purchases will not occur until after the new microwave and voice systems are installed.

V. Contingency

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

Regarding *Personnel services*, Director Matlack asked Shawn to discuss the salary increases. Shawn explained that, according to District policy, Rosanna's and Brett's salaries would increase by 2% for COLA. Additionally, Brett would receive a salary step increase

of 2.5%. Shawn salary would increase by 1%. The personnel policy cites the Social Security website for the COLA increases each year. The committee expressed concern that the District Administrators salary would not increase the same amount as the employee salaries. Shawn explained that his employment contract was separate from the Personnel policy and did not include language for specific and set increases. He also noted that his contract was renewed annually for the first 3 years, but auto renewed since. He did not plan to take more than 1% per year. Director Matlack felt that the increase should be more and the committee agreed, if the budget allowed. Shawn noted that there was probably room in the budget. Since the budget is all a General Fund, funds could be moved as needed.

*The Budget Committee recommended that the Board of Directors consider increasing the Administrator's salary to equal the subordinate increases this November, when his contract was up for renewal.*

Regarding the *Training and Travel* line, Shawn reduced it to \$13,000, from \$18,000, because he expected less trips to look at equipment in the next year.

Regarding the *Elections* line, Directors Kennedy and Pratt will be up for re-election in 2018.

Regarding the *Material and Services* line, the committee asked if, since the microwave was at the end of life cycle, was it a good idea to reduce the amount and Shawn felt sure that there were sufficient spares to address any problems that might come up.

Regarding the *Field Equipment* and *Interoperability* lines, Ray Denny asked what is included. Shawn explained that the Field Equipment line was for new and replacement radios and includes the possible grant of \$500,000 and the Interoperability line includes switches in District vehicles, fill in sites, and the portable repeater.

The *Contingency* line amount of \$61,800 was the same as years previous. Shawn noted that occasionally a little of it was spent, but never maxed out.

The carryover from last year goes into the Cash On Hand line.

- V. Additional Questions or Comments: Ray Denny asked the committee if they had any concerns with the budget and there were none.
  
- VI. Budget Approval  
*A motion to accept the budget, as presented and including comments regarding the Budget Message, was made by Director Matlack and seconded by Ray Denny.*  
*Ray Denny: Aye*  
*Bill Miller: Aye*  
*Director Matlack: Aye*  
*Director Pratt: Aye*  
*Pat Hart: Aye*  
*Steve Myren: Aye*
  
- VII. Adjourn: The meeting was adjourned at 3:46pm.