

BUDGET MESSAGE

Umatilla Morrow Radio & Data District

May 7, 2019

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 2019-2020 Budget is the district's ninth budget. I have made multiple changes and reassessments of the district's predicted expenses which has made this budget more accurate line by line than previous budgets.

This year's budget format maintains the same layout as last year's budget.

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 \$125,083.

The district expects to have approximately \$5,775,750 cash on hand at the beginning of the 2019-2020 fiscal year. \$3,505,134 of these funds were provided by a lease agreement entered into by the District during 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, \$9,320 in user fees from the US Navy, \$65,000 in interest, and \$7,241 in user fees from local school districts that use UMRDD system radios.

During the 2018-2019 budget year, UMRDD has collected \$1,222,504 from 2018-2019 taxes with an estimated \$23,000 yet to be collected making the estimated 2018-2019 budget revenues \$1,245,504.

UMRDD has collected \$19,798 from 2017-2018 taxes, \$5,105 from 2016-2017 taxes, \$4,586 from 2015-2016 taxes, \$3,292 from 2014-2015 taxes, \$354 from 2013-2014 taxes, \$263 from 2012-2013 taxes, and \$60 from 2011-2012 taxes during this budget year for a total of \$33,458 collected from previous year's taxes. The total taxes collected from all years for the 2018-2019 fiscal year is estimated to be \$1,278,962.

Assessment forecasts for the 2019-2020 budget year advise a 9% increase in Morrow County assessments and a 2% increase in Umatilla County assessments. \$1,287,410 is estimated to be received for this budget year.

\$40,000 is expected to be collected from previously levied taxes in 2019-2020. The total taxes collected from all years for the 2019-2020 fiscal year are estimated to be \$1,327,410.

I have added \$500,000 in the Grant Funds line as there is a possibility that the District may receive grant funding in the 2019-2020 budget year.

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

I. Personnel Services

- A. Administrator Salary: A 3% increase to \$92,077 was added this year.
- B. Administrative/Technical Assistant Salary: A national COLA increase of 2% to \$43,214 plus \$2,000 added for possible overtime.
- C. Communication Technician: Increased to \$79,994 with 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 \$148,670 due to need of consultant assistance with procuring a new communications system.
- B. Voice System Maintenance: Based on service support agreements with LMR and Dispatch Console vendors.
- C. IT Services: Based on historical costs.
- D. Microwave System Maintenance: Based on service support agreement with microwave vendor.

- E. Subscriber Unit Maintenance: Based on historical costs.
- F. Office Supplies and Maintenance: Based on historical costs, District will be replacing office computers this year.
- 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: Based on historical costs.
- K. Subscriber Unit Software Maintenance: This will be dramatically reduced based on next LMR system subscriber unit software costs.
- L. Insurance: Based on historical costs.
- M. Annual Audit: Based on historical costs with annual increase.
- N. Elections: There will not be an election 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.
- V. New Mobile Installations: The District may begin installations of new mobile radios in this fiscal year. \$128,000 is budgeted to pay for approximately one month of user vehicle installation work.

III. Facilities

- A. Site Leases: Based on historical costs, increasing this year with the addition of one LMR site lease and an increase at another.
- 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.
- B. Infrastructure and Equipment Replacement: This line will fund the microwave system and LMR system upgrade project that began in the previous fiscal year.
- 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, reduced from last year.
- E. Test Equipment: The District won't be making a large test equipment purchase this year.

V. Debt Service

- A. Debt Service: The District will be making annual payments for system upgrade financing in the amount of \$393,322 until the 2030-2031 budget year. An additional \$1,000 is provided for miscellaneous debt.

VI. Contingency

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