

BUDGET MESSAGE

Umatilla Morrow Radio & Data District

May 20th, 2020

The Umatilla Morrow Radio and Data District (UMRDD or District) 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 (LMR) 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 2020-2021 Budget is the district's tenth budget. It continues to become more specific and detailed as the forms have changed and more experience has been gained over time.

The District will be spending a large portion of this year's budget, approximately \$1,264,520 or 42%, on costs associated with the conclusion of the previous year's installation of new microwave and LMR systems. These projects are: Completion of the new LMR system project. Purchase of 26 portable subscriber units for school districts that use the District's LMR system. The removal and disposal of the legacy microwave system and one associated facility. Installation of new subscriber units. Conversion and replacement of two conventional 450MHz sites in southern Umatilla County and southern Morrow County to 800MHz .

In addition, the District has identified three existing sites that have potential to be used as trunking system sites. Funding is provided for required modifications in order for them to meet District standards regarding security, wildfire protection, grounding, and power/back-up power as well as transportation of a building to one site.

This year's budget format has changed slightly as more detail is given to unallocated funds.

I have continued to include four months of funding in unallocated lines in General Fund categories as I did in previous years, however I have entered details regarding Personnel Expenses and Materials & Services. This increases the budget by \$112,450.

The district expects to have approximately \$1,265,228 cash on hand at the beginning of the 2020-2021 fiscal year.

The district expects to receive \$20,289 in lease payments from US Cellular and Sprint and \$8,000 in interest.

User fees are expected to contribute \$16,500 from the Confederated Tribes of the Umatilla Indian Reservation, \$1,800 from Union Pacific Railroad, \$9,320 from the US Navy, \$7,241 from local school districts, and \$76,908 from the State of Oregon.

During the 2019-2020 budget year, UMRDD has collected \$1,345,787 from 2019-2020 taxes with an estimated \$10,000 yet to be collected making the estimated 2019-2020 budget revenues \$1,355,787.

UMRDD has collected \$16,416 from 2018-2019 taxes, \$5,114 from 2017-2018 taxes, \$3,760 from 2016-2017 taxes, \$3,650 from 2015-2016 taxes, \$195 from 2014-2015 taxes, \$110 from 2013-2014 taxes, \$12 from 2012-2013 taxes, and \$8 from 2011-2012 taxes during this budget year for a total of \$29,265 collected from previous year's taxes. The total taxes collected from all years for the 2019-2020 fiscal year is estimated to be \$1,375,052.

Assessment forecasts for the 2020-2021 budget year advise a 2% increase in Morrow County assessments and a 2% increase in Umatilla County assessments. However, these assessments were provided before the current Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2) pandemic crisis. The pandemic's effect upon property tax assessments is unknown. Impacts of the crisis upon user fees is also unknown. 2020-2021 tax amounts presented in this document represent an unusually conservative approach.

\$1,373,969 in property tax revenue is estimated to be received for this budget year. \$35,000 is expected to be collected from previously levied taxes in 2020-2021. The total taxes collected from all years for the 2020-2021 fiscal year are estimated to be \$1,408,969.

I have added \$200,000 in the Grant Funds line as there is a possibility that the District may receive grant funding in the 2020-2021 budget year.

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

I. Personnel Services

- A. Administrator Salary: A COLA increase of 2.3% in November to \$93,489 was added this year.
- B. Administrative/Technical Assistant Salary: A COLA increase of 2.3% in July to \$44,208 plus \$1,000 added to the line for possible overtime.
- C. Communication Technician: A COLA increase of 2.3% in July to \$81,834 and \$1,000 added to the line for possible overtime.
- D. Payroll Taxes: Estimate from book keeper, about 8% 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.
- J. FireMed: New this year. Current membership rate for three employees.

II. Materials and Services

- A. Professional Services: For projects outside of the District Administrator's field of expertise: Consultant assistance with the final installation of and cut-over to the new communications system as well as engineering studies of post-project tower loading assessments.
- B. Voice System Maintenance: Based on service support agreements with the 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: Expected to be low as units are new and under warranty.
- 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. This line item will likely be underspent this year due to travel constraints related to the pandemic.
- I. Office Space Rent: Based on rental agreement with Umatilla County.
- J. Dues/Fees: Based on historical costs.
- K. Subscriber Unit Software Maintenance: Based on historical costs.
- L. Insurance: Based on historical costs.
- M. Annual Audit: Based on current agreement.

- N. Elections: Based on historical costs.
- O. Cell Phone and Data Card: Increased use of 'minutes' and an additional FirstNet device.
- 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 and upfitting of one vehicle this year.
- 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, and tower inspections. In addition, this line will fund movement of the existing system Prime Site battery plant to the East Pendleton site.
- C. Microwave System Removal: The legacy microwave system will be removed and disposed of.
- D. Site Modification: Demolition/Restoration of the Exit 198 site and movement of the building to Pendleton for storage. Upgrades to potential new trunked sites.
- E. Subscriber Unit Installation: The District will conduct installations of new mobile and desktop radios in this fiscal year.

IV. Equipment

- A. Site Equipment: Estimated costs of purchasing and installing two new 800MHz repeaters at Madison Butte and Carney Butte.
- B. Infrastructure and Equipment Replacement: This line will fund the final costs of the system upgrade project and possibly fund some of the equipment for newly developed sites.
- C. Field Equipment: Estimated costs of field radio equipment plus \$200,000 of potential grant funding for subscriber units.

D. Interoperability Equipment: Miscellaneous interoperability equipment.

E. System Licenses: 25 additional cellular PTT licenses.

F. Test Equipment: The District won't be making a 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 contingency funds.