

## BUDGET MESSAGE

### Umatilla Morrow Radio & Data District

May 10, 2023

The Umatilla Morrow Radio and Data District (“UMRDD” or “the District”) includes 5,280 square miles that lie inside Morrow and Umatilla Counties, excluding the Confederated Tribes of the Umatilla Indian Reservation and the City of Milton-Freewater. The most recent official Assessed Value for the District is \$10,718,245,772; \$3,759,690,028 of that assessed value comes from Morrow County, and \$6,958,555,744 from Umatilla County.

The total estimated population of both counties, excluding Milton-Freewater is 86,013.

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, serviceability, or obsolescence.

UMRDD operates and maintains the current bi-county trunked communications system and several smaller conventional systems currently in service throughout the District.

The 2023-2024 Budget is the District’s thirteenth budget. It continues to become more refined with experience and additional historical data.

Four months of funding has been included in unallocated lines to cover expenses at the conclusion of this next 2023-2024 budget year, until substantial tax revenues are once again received that following November, 2024. These unallocated amounts are based on past actual expenditures during the July – October period, and incorporate known amounts for items such as site lease payments, support contracts, and debt servicing, along with estimates that allow for possible expense increases in Personnel Services and Materials and Services. Those unallocated lines in Personnel Services - \$188,698 and Materials and Services – \$241,680, increase the budget by \$430,378. Because the District’s debt payment is made in this July—October window, there must be sufficient funds for not only making the current year’s payment, but enough in reserves at the end of FY 2023-2024 to cover the following year’s payment as well, thus “Debt Service” appears twice on the Not Allocated Requirements Summary.

The District expects to have approximately \$2,116,596 cash on hand at the beginning of the 2023-2024 fiscal year.

The District expects to receive \$18,800 in lease payments from US Cellular and T-Mobile/Sprint, \$7,000 in shared cost reimbursements for certain State of Oregon co-located sites, and \$18,000 in interest and investment income through the Local Government Investment Pool (LGIP).

User fees are expected to contribute \$19,600 from the Confederated Tribes of the Umatilla Indian Reservation, \$9,320 from the US Navy, \$12,000 from three area school districts, \$81,500 from the State of Oregon, and \$13,670 from Umatilla Electric Cooperative.

During the 2022-2023 budget year, UMRDD has collected \$1,668,007 from 2022-2023 taxes with an estimated \$25,000 remaining to be collected, making the estimated 2022-2023 budget revenues \$1,723,007.

UMRDD has collected the following prior year taxes during the current budget year:

- \$10,676 from 2021-2022,
- \$4,663 from 2020-2021,
- \$3,546 from 2019-2020,
- \$4,293 from 2018-2019,
- \$218 from 2017-2018,
- \$65 from 2016-2017,
- \$24 from 2015-2016,
- \$13 from 2014-2015, and
- \$4 from 2013-2014,

for a total of \$23,504 collected from all previous years' taxes. The total taxes collected from all years during the 2022-2023 fiscal year is estimated to be \$1,746,511.

The Morrow County Assessor estimates a 2023-24 tax year increase in assessed value of \$248,480,472 (6.6%) for that portion of the District, with the largest contributory factor due to expiration of tax exemptions of some high value industrial properties. Umatilla County does not provide a similar assessment estimate, so I've elected to increase the District's portion of the assessed value in Umatilla County by 2% (\$139,171,115) as in past recent budgets; I believe this will be a conservative figure.

\$1,793,603 in property tax revenue is estimated to be received for this budget year. \$20,000 is expected to be collected from previously levied taxes. The total taxes expected to be collected from all years for the 2023-2024 fiscal year are estimated to be \$1,813,603.

I have added \$200,000 in the Grant Funds line as there is a possibility that the District may receive grant funding in the 2023-2024 budget year.

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

- I. Personnel Services – Per District personnel policy, March Consumer Price Index (CPI) data is used for cost-of-living adjustments in salary. This year was 5.0% over March 2022, so the existing salary of the Administrative/Technical Assistant reflects this increase.
  - A. District Administrator Salary: Estimated salary of \$138,375 based on a 2.5% partial cost-of-living adjustment and subject to contract renewal negotiations. Additional funding has been added to cover a possible 40-hour vacation buyout, per personnel policy.
  - B. Administrative/Technical Assistant Salary: Estimated salary of \$56,700 based on CPI-tied COLA increase of 5.0%, and additional funding to cover possible 40-hour vacation buyout, per personnel policy.
  - C. Communication Technician: The upper salary limit of this currently vacant position has been adjusted to reflect industry standards for a highly experienced professional.
  - D. Payroll Taxes: Estimate from bookkeeper, based on updated salaries.

- E. PERS: Employer contribution rates are fixed on a two-year schedule and should remain static through this budget cycle and the next.
- F. Workers Comp: Estimated based on historical costs.
- G. Employee Benefits: Combines individual insurance benefit lines into a single line. This incorporates Medical Insurance (District policy sets the maximum limit annually), Life Insurance, HRA (Health Reimbursement Account), Long Term Disability, FireMed, and Paid Leave Oregon (new State-mandated program).

Shortly into the worldwide pandemic response, like all entities, UMRDD faced difficulties in the ability to procure equipment and supplies, and secure personnel for services. Those difficulties continue to this day, although the situation is gradually improving. This has delayed progress of certain projects every step of the way; in some cases, even getting quotes has been nearly impossible because our vendors are either too shorthanded to take the time to provide them or they are unable to get quotes from *their* suppliers. Consequently, this has led to a few projects being carried forward in lines from last year and beyond; they are still planned but have made little progress in the past 12 months.

## II. Materials and Services

- A. Professional Services: This line has been decreased from last year with the expectation that there will be greatly diminished need for these services in the coming year.
- B. Voice System Maintenance: Based on service support agreements with the trunked radio system and dispatch console vendors (including support for the new sites), as well as historical maintenance expenses.
- C. IT Services: This line has been zeroed for several years, and has now been removed.
- D. Internet Services (new line): Our Internet connections support a diverse collection of our operations lines, so it made sense to separate it out rather than carrying it in office, site, voice or microwave system maintenance as in the past. In addition to being necessary for conducting regular business and fulfilling legal public announcement requirements, these connections also provide connectivity for remote technical support on all of our systems, transmission of system alarms to personnel, both primary and failover voice, data, and alarm backhaul for selected sites, as well as cellular push-to-talk.
- E. Microwave System Maintenance: Based on service/support agreement with microwave vendor, and additional estimated maintenance expenses to support the microwave system.
- F. Subscriber Unit Maintenance: Based on an estimated repair of 2 radios per month, at average repair costs.

- G. Office Supplies and Maintenance: Based on historical costs.
- H. Notifications and Publication: Estimation of costs associated with required publications.
- I. Training/Travel: Provides training for district staff and funds to travel to meetings, training sessions, and conferences. Additional has been included for possible expenses in creating user training materials, as well as a possible new employee.
- J. Office Space Rent: Based on rental agreement with Umatilla County.
- K. Dues/Fees: Based on historical costs.
- L. Subscriber Unit Software Maintenance: Based on historical costs.
- M. Business Insurance: Based on historical costs, with significant increases in recent years.
- N. Annual Audit: Based on current agreement, which is tied to June CPI figures.
- O. Elections: There will be no elections this year.
- P. Cell Phone and Data Card: Based on historical costs. Additional charges this year for LTE network backhaul to support the mobile/transportable trunked radio site.
- Q. Protective Clothing and Equipment: Based on historical costs.
- R. Test Equipment Maintenance: Based on historical costs.
- S. Vehicle Expenses: Based on historical costs and upfitting of one vehicle this year.
- T. Legal Expenses: Based on historical costs.
- U. Board Expenses: Based on historical costs and including equipment and services to fulfill public meeting requirements.
- V. Bookkeeping Contract: Based on historical costs.
- W. Site Security: This is a continuing line that will fund purchases and installation of equipment and services needed to enhance the security at the District's sites.

### III. Facilities

- A. Site Leases: Based on historical costs, with the additions of new sites this year.

- B. Site Maintenance: Estimated costs of power, propane, weed abatement, HVAC, tower, building, road, UPS/battery plant maintenance. There are several minor tower repair tasks that are expected to be performed this year.
- C. Site Modification: This is expected to complete site upgrades to the Pikes Peak site, including grounding and fencing, and improvements to Carney Butte.

#### IV. Equipment

- A. Site Equipment: Estimated costs of purchasing solar power equipment and installing it along with a previously purchased 800MHz repeater at Madison Butte. This is also intended to fund the purchase and installation of a DC power system at Umatilla Ridge.
- B. Infrastructure and Equipment Replacement: This line will fund the final costs of the system upgrade project, and provide funding for the purchase and installation of the trunked site at Ukiah, and the mobile “transportable” trunked site. We will also explore the addition of a possible site in the Meacham area to enhance coverage along the I-84 corridor.
- 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 for District vehicles.
- E. System Licenses: 50 additional cellular PTT licenses.
- F. Test Equipment: The District plans to make a 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. Because the annual payment is due prior to receiving tax revenues for the fiscal year, there must also be sufficient unappropriated funds held in reserve at the end of this budget year to cover the following year’s payment.

#### VI. Contingency

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