

# BUDGET MESSAGE

## Umatilla Morrow Radio & Data District

June 4, 2024

### District Summary

The Umatilla Morrow Radio and Data District (“UMRDD” or “the District”) encompasses 5,280 square miles that lie within the county boundaries of Morrow and Umatilla, excluding the Confederated Tribes of the Umatilla Indian Reservation and the City of Milton-Freewater. The most recent (2023) official Assessed Value for the District is \$11,161,923,828; \$3,951,991,119 of that assessed value comes from Morrow County, and \$7,209,932,709 is from Umatilla County.

The total estimated population of both counties, excluding Milton-Freewater is 85,500.

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. It is governed by a five-position elected Board of Directors, managed by a District Administrator, and currently staffed with two additional full-time equivalent positions.

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

### Budget Officer’s Summary

This 2024-2025 Budget is the District’s fourteenth since its formation. Although we’re now a few years out from the worldwide pandemic response, we continue to experience its lingering effects, from vendors being short-staffed and unable to provide timely routine (non-emergency) support and services, to equipment and supply procurements taking longer than anticipated (or, in some cases, are no longer available), to inflation impacting nearly all our lines. To compound the effects, the District itself had been short-staffed until recently. I am pleased to say that we now have our positions filled with a solid, conscientious staff who are concerned with providing the best service to our users that they can, and we are slowly making headway on routine maintenance and small projects that have been behind for so long.

Some larger projects that have been planned for years continue to be on the list; Committee members will no doubt recognize these. It is my intention to lean more on professional services to help assist with technical processes and documentation, and to help ensure that projects move beyond the “planning stages” and make substantial progress. I will outline some of those when we review the budget allocations below.

## Resource Summary

The District expects to have approximately \$2,674,095 cash on hand at the beginning of the 2024-2025 fiscal year.

The District expects to receive \$16,300 in lease payments from US Cellular, \$7,000 in shared cost reimbursements for certain State of Oregon co-located sites, and \$90,000 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, \$15,800 from the US Navy, \$15,000 from three area school districts, \$83,900 from the State of Oregon, and \$13,900 from Umatilla Electric Cooperative.

During the 2023-2024 budget year, UMRDD has collected \$1,750,250 from 2023-2024 taxes with an estimated \$26,400 remaining to be collected, making the estimated 2023-2024 budget revenues \$1,776,650.

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

- \$13,324 from 2022-2023,
- \$6,065 from 2021-2022,
- \$3,950 from 2020-2021,
- \$2,495 from 2019-2020,
- \$178 from 2018-2019,
- \$354 from 2017-2018,
- \$46 from 2016-2017,
- \$38 from 2015-2016,
- \$34 from 2014-2015,
- \$4 from 2013-2014, and
- \$18 from 2012-2013

for a total of \$26,508 collected from all previous years' taxes. The total taxes collected from all years during the 2023-2024 fiscal year is estimated to be \$1,803,157.

The Morrow County Assessor estimates a 2024-25 tax year increase in assessed value of \$81,756,431 (just over two percent) for that portion of the District. Umatilla County does not provide a similar assessment estimate, so I've elected to increase the District's estimated portion of the assessed value in Umatilla County by two percent (\$144,198,654) as in past recent budgets; I believe this will continue to be a conservative figure.

\$1,839,142 in property tax revenue is estimated to be received for this budget year. \$25,000 is expected to be collected from previously levied taxes. The total taxes expected to be collected from all years for the 2024-2025 fiscal year are estimated to be \$1,864,142.

## Budget Allocations

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 3.5% over March 2023, so existing salaries of the District Administrator and Administrative/Technical Assistant reflect this increase.
  - A. District Administrator Salary: Estimated salary of \$143,218 based on a 3.5% 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 \$58,685 based on CPI-tied COLA increase of 3.5%, and additional funding to cover possible 40-hour vacation buyout, per personnel policy.
  - C. Communication Technician: This position was filled at the beginning of this calendar year. As UMRDD has an established salary range for the position based on skills and experience, the upper limit has been increased by 3.5% to \$108,675 per the CPI-based COLA. As currently filled, this will permit flexibility in being able to pay for occasionally incurred overtime, rather than continually struggling to find ways to flex excess time.
  - 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 the end of this new budget year.
  - F. Workers Comp: Estimated based on historical costs.
  - G. Employee Benefits: 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 (recently adopted State-mandated program).
- II. Materials and Services
  - A. Professional Services: I have increased this line considerably from last year, with the anticipation that we will be needing professional services to help collect radio system performance baseline data, perform radio frequency coordination and licensing procedures, help compose and negotiate agreements, draft RFQs and RFPs, assist with establishing processes for responding to requests for

in-building distributed antenna systems, assist with the creation of training videos, and generally help ensure that our projects get traction and move forward.

- B. Voice System Maintenance: Based on service support agreements with the trunked radio system and dispatch console vendors (including support for new sites), as well as historical maintenance expenses.
- C. Internet Services: Our Internet connections not only support our daily business operations, but they are also utilized to fulfill legal public announcement requirements, provide connectivity for remote technical support on all 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. We are researching ways to add redundancy to our networks to reduce single points of failure wherever possible.
- D. Microwave System Maintenance: Based on service/support agreement with microwave vendor, and additional estimated maintenance expenses to support the microwave system.
- E. Subscriber Unit Maintenance: Based on an estimated repair of 4 radios per month, at average repair 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, training sessions, and conferences. Additional has been included for possible expenses in creating user training materials.
- 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. Business Insurance: Based on historical costs, with significant increases in recent years.
- M. Annual Audit: Based on current agreement, which is tied to June CPI figures.
- N. Elections: There will be an election in May 2025 which occurs during this fiscal year, with terms expiring for three Directors' positions. I've attempted to estimate based on historical costs.

- O. Cell Phone and Data Card: Based on historical costs.
- P. Protective Clothing and Equipment: Based on historical costs.
- Q. Test Equipment Maintenance: Based on historical costs.
- R. Vehicle Expenses: Based on historical costs and upfitting of a vehicle this year.
- S. Legal Expenses: Based on historical costs.
- T. Board Expenses: Based on historical costs and including equipment and services to fulfill public meeting requirements.
- U. Bookkeeping Contract: Based on historical costs.
- V. Site Security: This is a continuing line for funding 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, and 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 anticipated in the coming year.
- C. Site Modification: This is expected to complete site upgrades to the Pikes Peak site, including grounding, leveling 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. We intend to replace selected aging DC power systems with higher efficiency units, particularly at sites with high energy costs. We also plan to upgrade site monitoring and alarm systems that are inadequate today.
- B. Infrastructure and Equipment Replacement: This line will fund the final closeout costs of the trunked radio system upgrade project, and the remainder of the Ukiah trunked site upon completion. Needed dispatch console upgrades, microwave system resiliency and redundancy improvements, backup fiber connections to a site in Morrow County, and server, network security

appliance, and router replacements will all be funded from this line. We intend to have minor work done to restore our communications trailer and have a transportable trunking site installed for use at larger incidents and as a temporary emergency site replacement in case of a site failure. We are continuing to work on plans to add a new trunked site in the Meacham area to reduce gaps in coverage along the I-84 corridor and have been in talks with our system partners to hopefully share expenses for this mutually beneficial project. We are also working on plans for the addition of a conventional repeater site to serve the upper Umatilla River region and possibly the Tollgate area, and as always, looking to improve service in underserved areas.

- C. Field Equipment: Estimated costs of field radio equipment plus \$200,000 of potential grant funding for subscriber units.
- D. Interoperability Equipment: The District is looking to enhance interoperability with neighboring jurisdictions and mutual aid partners. This line will fund interoperability equipment for connecting to neighboring jurisdictions from system sites and adding patching equipment to District vehicles.
- E. System Licenses: Cellular Push-To-Talk device licenses, and licenses for additional concurrent talk paths.
- F. Test Equipment: The District plans to purchase new and replacement test equipment this year to better support digital systems.

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.

## Not-Allocated Summary

Four months of funding has been included in unallocated lines to cover expenses at the conclusion of this next 2024-2025 budget year, until substantial tax revenues are once again received that following November 2025. This represents a minimum balance that we must have on hand June 30, 2025 in order to continue to operate until new revenues are received. 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 inflationary estimates that allow for possible expense increases in Personnel Services and Materials and Services. These unallocated lines in Personnel Services - \$194,600 and Materials and Services – \$407,760, increase the budget by \$602,360.