



2017 - 2018 Annual Budget
Approved by the Board of Managers
July 17, 2017

Prepared by:
Greg Petrey, Executive Director

Tarrant County 9-1-1 District
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TARRANT COUNTY 9-1-1 DISTRICT 2017-2018 BUDGET

Executive Summary

The 2017-2018 Budget has been crafted to support the District's forward movement in a number of critical areas.

- Continued efforts to assist in reducing the personnel costs of member PSAPs through assistance in recruitment, pre-hiring testing, training and retention programs for 9-1-1 call-takers.
- Planned progress on the Next Generation of 9-1-1 services through continued interaction with our user base, proof of concept projects, development of an IP enabled network, and upgrades to Customer Premises Equipment that support migration to NG911, when appropriate.
- Continued emphasis on increasing Wireless 9-1-1 activity through continued wireless accuracy testing, testing of new wireless devices and services, and expansion of Wireless one-on-one training in PSAPs.
- A focus on Contingency and Continuation of Operations through proof of concept on our Regional Relocation Site strategy and an expanded program for onsite power support to enhance the ability of PSAPs to remain in their primary facility and sustain normal operations during limited commercial power failure incidents.

9-1-1 District Background

The establishment of the Tarrant County 9-1-1 District was authorized by the State Legislature and ratified by voters in 1985 for the purpose of implementing and maintaining an Enhanced 9-1-1 emergency call network for residents of the District. Service was established in August 1987. District boundaries include all of Tarrant County, all areas outside Tarrant County included in the corporate limits of a member city, plus DFW Airport and the City of Irving.

District Management

As defined in the legislation, the District is governed by a Board of Managers, who appoints an Executive Director. Current board members and their appointing authority include:

<u>Member</u>	<u>Appointed By</u>
Don Crowson (Chair)	Arlington
Rick Brunson (Vice-Chair)	Tarrant County
Richard Fregoe (Secretary)	Grand Prairie
Jim Griffin (Treasurer)	Mayors' Council
Rudy Jackson	Fort Worth
Vickie Gray	Fort Worth
Bruce Jolley	Irving
Adam Thorne (non-voting)	AT&T

Funding

Legislation under which the District was created authorizes the District to receive a monthly per-line fee from each telephone customer of up to six percent of the dominate telephone service provider's base rate. The following monthly 9-1-1 service fees on each telephone line remain at the amount they were initially assessed in 1985:

Residential lines:	.20 per line
Business lines:	.46 per line
Business trunks:	.74 per trunk
Nomadic VoIP:	.50 per line

In addition to the fee established by the Board of Managers, the District also receives a portion of the statewide surcharge on wireless telephone service. The surcharge is assessed at 50 cents per activated handset, and is distributed to 9-1-1 jurisdictions based upon population.

Expenditures

The following are highlights of expenditures for the 2017-2018 fiscal year:

- Overall the District's expenditures have decreased slightly this fiscal year.
- Next Generation projects to include an IP enabled network and the second year of a planned three year replacement of all 9-1-1 equipment
- A continued focus on uninterruptible power support for PSAPs to increase sustainability during commercial power failures
- An expanded training program and assistance with pre-hiring testing to support call-taker retention at participating PSAPs
- An expanded public education emphasis.
- A 4.0% merit pool (Actual merit increases will probably be in the 3.1 to 3.2 percent range)
- A total of three (3) million dollars has been earmarked for the PSAP and radio interoperability assistance programs.

2017-2022 FUND BALANCE PROJECTION

There are three major types of reserve funds: Legally Restricted Reserves, Board Designated Reserves and Unrestricted Reserves. Legally Restricted Reserves have restrictions imposed by an outside source, such as bond covenants, contractual obligations, etc. Board Designated Reserves are set aside for a specific purpose as determined by the Board of Managers. The Board of Managers has the authority to redirect the use of these reserves as the needs of the District change. Unrestricted Reserves are planned for use within a budget year for contingencies.

Legally Restricted Reserves

9-1-1 Emergency Equipment Fund

This fund was established by the Board to fund equipment acquisition and replacement projects as planned in the Capital Improvement Program (CIP) and the Five-Year Financial Plan. The balance shall not exceed total expenditures planned in the Capital Improvement Program and Five-Year Financial Plan.

Board Designated Reserves

Employee Benefits Payable Fund

Even though Government Accounting Standards Board (GASB) Statement 45 does NOT require the reporting of non post-employment benefits, they are a financial obligation of the District.

Sick Leave Payable: It is the policy of the District to reward an employee upon retirement for their unused sick leave in accordance with the provision of the Personnel Policy.

Vacation Payable: Upon termination of employment, each employee is eligible for their accrued vacation.

TCDRS Underfunding: If at any time the District's Texas County and District Retirement System (TCDRS) account is underfunded, the District will establish sufficient reserves to fully fund that account.

Unemployment Compensation: The District is self insured against unemployment liabilities. The District shall maintain sufficient reserves for this self insurance.

PSAP Assistance Fund

The minimum balance in this fund shall be three (3) million dollars. Any excess revenue, after all obligations for operating, 9-1-1 emergency equipment and employee benefits payable reserve funds have been met, shall be transferred to this account and be made available two budget years later. Example; excess revenue in FY10 shall be budgeted in the PSAP Assistance Account in FY12. All disbursements shall be made in accordance with the PSAP Assistance Program policy manual.

Unrestricted Undesignated Reserves

Any remaining balance shall be considered unrestricted reserves. Any excess reserves in this category may result in an adjustment to the District's service fee.

TC9-1-1 Reserve Fund - Specific Purposes

Fund Balance, September 30, 2016	\$29,088,804
Projected surplus (deficit), 2016-2017	(\$2,070,780)
Projected Fund Balance, September 30, 2017	\$27,018,024
One Month Operating Reserve	(\$1,000,000)
Available Equipment Replacement Fund	\$26,018,024
Anticipated Replacement Fund Needs	
2017-2018 (System upgrade)	(\$8,354,622)
2018-2019 (System upgrade)	(\$7,009,513)
2019-2020 (System upgrade)	(\$6,168,739)
2020-2021	(\$1,323,090)
2021-2022	\$539,901
Projected Replacement Fund Balance (YE2022)	\$3,701,961

2017-2018 BUDGET SUMMARY

	<u>2016-2017 BUDGET</u>	<u>2016-2017 PROJECTED</u>	<u>2017-2018 BUDGET</u>
Revenue	\$ 14,442,902	\$ 14,788,584	\$ 15,296,601
Transfer from Equipment Replacement Fund	<u>\$ 9,430,011</u>	<u>\$ 2,070,780</u>	<u>\$ 8,354,622</u>
Total Revenue	\$ 23,872,913	\$ 16,859,364	\$ 23,651,223
Expenditures			
Personal Services	\$ 2,420,125	\$ 1,804,187	\$ 2,452,966
Supplies/Materials	\$ 188,985	\$ 52,278	\$ 182,300
Furniture/Equipment	\$ 221,170	\$ 66,270	\$ 197,650
Services/Rentals	<u>\$ 21,042,633</u>	<u>\$ 14,736,629</u>	<u>\$ 20,818,307</u>
Total Expenditures	\$ 23,872,913	\$ 16,859,364	\$ 23,651,223
Transfer to Equipment Replacement Fund	\$ -	\$ -	\$ -

FY2018 Tarrant County 9-1-1 District Budget

Acct. No.	Account Description	FY2018	FY2017	\$ Increase	% Increase
4010	Wireline Service Fee	\$2,858,450	2,653,158	205,292.00	7.74%
4011	Wireless Service Fee	\$12,285,151	11,700,144	585,007.00	5.00%
4020	Interest Income	\$153,000	89,600	63,400.00	70.76%
	Total Income	\$15,296,601	\$14,442,902	853,699.00	5.91%
5110	Salaries	\$1,690,578	1,774,411	-83,833.00	-4.72%
5120	Health Insurance	\$573,350	461,632	111,718.00	24.20%
5130	Retirement Benefits	\$157,998	154,765	3,233.00	2.09%
5132	Medicare	\$22,910	22,441	469.00	2.09%
5150	Worker's Comp	\$8,130	6,876	1,254.00	18.24%
	Personal Services	\$2,452,966	\$2,420,125	32,841.00	1.36%
5210	Supplies (Office/Other Supplies)	\$57,950	62,235	-4,285.00	-6.89%
5220	Printing	\$8,550	9,000	-450.00	-5.00%
5230	Postage	\$4,950	5,200	-250.00	-4.81%
5240	Maps and Materials - Data	\$30,700	25,500	5,200.00	20.39%
5250	Software	\$80,150	87,050	-6,900.00	-7.93%
	Supplies and Materials	\$182,300	\$188,985	-6,685.00	-3.54%
5310	Office Furniture	\$8,850	7,150	1,700.00	23.78%
5311	PSAP Furniture	\$12,000	15,000	-3,000.00	-20.00%
5320	Office Equipment	\$154,300	184,020	-29,720.00	-16.15%
5321	PSAP Equipment	\$22,500	15,000	7,500.00	0.00%
	Furniture and Equipment	\$197,650	\$221,170	-23,520.00	-10.63%
5411	Legal	40,000	45,000	-5,000.00	-11.11%
5412	Professional Audit	20,000	19,500	500.00	2.56%
5414	Equipment Maintenance	37,300	32,350	4,950.00	15.30%
5415	Contract & Other Services	7,148,088	6,420,085	728,003.03	11.34%
5416	Professional Development/Training	90,760	99,770	-9,010.00	-9.03%
5418	Building Improvements - Repairs	110,000	110,000	0.00	0.00%
5419	Building Utilities	94,250	92,550	1,700.00	1.84%
	Services, Rentals and Contractual Services	\$7,540,398	\$6,819,255	721,143.03	10.58%

Acct. No.	Account Description	FY2018	FY2017	\$ Increase	% Increase
5422	Equipment Lease	\$4,450	4,200	250.00	0.00%
5423	Back-Up Site Lease	\$88,200	88,200	0.00	0.00%
5424	Back-Up Site Fuel	\$2,000	6,500	-4,500.00	-69.23%
5425	Back-Up Site Maintenance	\$30,000	37,500	-7,500.00	-20.00%
	Lease Expense	\$124,650	\$136,400	-11,750.00	-8.61%
5431	Auto Allowance	\$29,400	34,800	-5,400.00	-15.52%
5432	Travel/Restaurant	\$122,675	132,775	-10,100.00	-7.61%
	Travel and Auto	\$152,075	\$167,575	-15,500.00	-9.25%
5441	Professional Memberships	\$12,727	12,956	-229.00	-1.77%
5442	Subscriptions	\$7,195	11,673	-4,478.00	-38.36%
	Memberships and Subscriptions	\$19,922	\$24,629	-4,707.00	-19.11%
5451	Office Telephone	\$8,600	8,600	0.00	0.00%
5452	9-1-1 Telephone Service	\$5,821,296	6,394,119	-572,823.00	-8.96%
5453	9-1-1 Enhancements	\$6,444,596	6,737,596	-293,000.00	-4.35%
5454	PS 9-1-1 Service	\$45,000	45,000	0.00	0.00%
5456	Wireless 9-1-1 Service	\$203,010	292,415	-89,405.00	-30.57%
	Total Utilities	\$12,522,502	\$13,477,730	-955,228.00	-7.09%
5460	Insurance	\$38,160	\$37,144	1,016.00	2.74%
	Insurance	\$38,160	\$37,144	1,016.00	2.74%
5472	Pub. Ed. Products/Services	\$230,750	195,950	34,800.00	17.76%
5474	Pub. Ed. Activities	\$189,850	183,950	5,900.00	3.21%
	Advertising	\$420,600	\$379,900	40,700.00	10.71%
6999	Uncategorized Expense	\$0	\$0	0.00	
	Total Expenses	\$23,651,223	\$23,872,913	-221,689.97	-0.93%
	Reserve Gain (Loss)	(\$8,354,622)	(\$9,430,011)		

Tarrant County 9-1-1 District

Modeled Five-Year Funding Projection

Account Description	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Estimated Beginning Fund Balance	\$27,018,024	\$18,663,402	\$11,653,889	\$5,485,150	\$4,162,060
REVENUES					
Wireline Service Fee	\$2,858,450	\$2,829,866	\$2,801,567	\$2,773,551	\$2,745,816
Wireless Service Fee	\$12,285,151	\$12,899,409	\$13,544,379	\$14,221,598	\$14,932,678
Interest Income	\$153,000	\$30,000	\$20,000	\$10,000	\$10,000
Total Income	\$15,296,601	\$15,759,274	\$16,365,946	\$17,005,149	\$17,688,493
EXPENDITURES					
Salaries	\$1,690,578	\$1,775,107	\$1,863,862	\$1,957,055	\$2,054,908
Health Insurance	\$573,350	\$319,519	\$335,495	\$352,270	\$369,883
Retirement Benefits	\$157,998	\$177,511	\$186,386	\$195,706	\$205,491
Medicare	\$22,910	\$22,189	\$23,298	\$24,463	\$25,686
Worker's Comp	\$8,130	\$5,680	\$5,964	\$6,263	\$6,576
Personal Services	\$2,452,966	\$2,300,006	\$2,415,006	\$2,535,757	\$2,662,544
Office Supplies (Other Supplies)	\$57,950	\$59,689	\$61,479	\$63,324	\$65,223
Printing	\$8,550	\$8,807	\$9,071	\$9,343	\$9,623
Postage	\$4,950	\$5,099	\$5,251	\$5,409	\$5,571
Maps and Materials - Data	\$30,700	\$31,621	\$32,570	\$33,547	\$34,553
Software	\$80,150	\$82,555	\$85,031	\$87,582	\$90,210
Supplies and Materials	\$182,300	\$187,769	\$193,402	\$199,204	\$205,180
Office Furniture	\$8,850	\$9,116	\$9,389	\$9,671	\$9,961
PSAP Furniture	\$12,000	\$12,360	\$12,731	\$13,113	\$13,506
Office Equipment	\$154,300	\$239,952	\$247,151	\$254,565	\$262,202
PSAP Equipment	\$22,500	\$23,175	\$23,870	\$24,586	\$25,324
Furniture and Equipment	\$197,650	\$284,603	\$293,141	\$301,935	\$310,993
Legal	\$40,000	\$41,200	\$42,436	\$43,709	\$45,020
Professional Audit	\$20,000	\$20,600	\$21,218	\$21,855	\$22,510
Equipment Maintenance	\$37,300	\$38,419	\$39,572	\$40,759	\$41,981
Contract & Other Services	\$7,148,088	\$7,076,607	\$7,005,841	\$6,935,783	\$6,866,425
Professional Development/Training	\$90,760	\$93,483	\$96,287	\$99,176	\$102,151
Building Improvements - Repairs	\$110,000	\$100,000	\$103,000	\$106,090	\$109,273
Building Utilities	\$94,250	\$97,078	\$99,990	\$102,990	\$106,079
Services, Rentals and Contractual Services	\$7,540,398	\$7,467,386	\$7,408,344	\$7,350,360	\$7,293,440
Equipment Lease	\$4,450	\$4,584	\$4,721	\$4,863	\$5,009
Back-Up Site Lease	\$88,200	\$90,846	\$93,571	\$96,379	\$99,270
Back-Up Site Fuel	\$2,000	\$2,060	\$2,122	\$2,185	\$2,251
Back-Up Site Maintenance	\$30,000	\$30,900	\$31,827	\$32,782	\$33,765
Lease Payments	\$124,650	\$128,390	\$132,241	\$136,208	\$140,295

Account Description	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Auto Allowance	\$29,400	\$51,000	\$51,000	\$51,000	\$51,000
Travel/Restaurant	\$122,675	\$126,355	\$130,146	\$134,050	\$138,072
Travel and Auto	\$152,075	\$177,355	\$181,146	\$185,050	\$189,072
Professional Memberships	\$12,727	\$13,109	\$13,502	\$13,907	\$14,324
Subscriptions	\$7,195	\$7,411	\$7,633	\$7,862	\$8,098
Memberships and Subscriptions	\$19,922	\$20,520	\$21,135	\$21,769	\$22,422
Office Telephone	\$8,600	\$8,858	\$9,124	\$9,397	\$9,679
9-1-1 Telephone Service	\$5,821,296	\$5,472,018	\$5,143,697	\$4,835,075	\$4,544,971
9-1-1 Enhancements	\$6,444,596	\$6,000,000	\$6,000,000	\$2,000,000	\$1,000,000
PS 9-1-1 Service	\$45,000	\$46,350	\$47,741	\$49,173	\$50,648
Wireless 9-1-1 Service	\$203,010	\$203,010	\$203,010	\$203,010	\$203,010
Total Utilities	\$12,522,502	\$11,730,236	\$11,403,571	\$7,096,655	\$5,808,308
Insurance	\$38,160	\$39,305	\$40,484	\$41,698	\$42,949
Insurance	\$38,160	\$39,305	\$40,484	\$41,698	\$42,949
Pub. Ed. Products/Services	\$230,750	\$237,673	\$244,803	\$252,147	\$259,711
Pub. Ed. Activities	\$189,850	\$195,546	\$201,412	\$207,454	\$213,678
Advertising	\$420,600	\$433,218	\$446,215	\$459,601	\$473,389
Total Expenses	\$23,651,223	\$22,768,787	\$22,534,685	\$18,328,239	\$17,148,593
Reserve Gain (Loss)	(\$8,354,622)	(\$7,009,513)	(\$6,168,739)	(\$1,323,090)	\$539,901
Estimated Ending Fund Balance	\$18,663,402	\$11,653,889	\$5,485,150	\$4,162,060	\$4,701,961

Tarrant County 9-1-1 District

Statement of Net Position and Governmental Fund Balance Sheet

September 30, 2016

	General	Adjustments	Statement of Net Position
ASSETS			
Cash and investments	\$27,118,661	\$ -	\$27,118,661
Service fees receivable	807,995	-	807,995
Nondepreciable capital assets	-	188,602	188,602
Depreciable capital assets, net	-	1,348,026	1,348,026
Total assets	<u>27,926,656</u>	<u>1,536,628</u>	<u>29,463,284</u>
DEFERRED OUTFLOWS			
Deferred resources related to pension	-	1,142,457	1,142,457
Total deferred outflows	<u>-</u>	<u>1,142,457</u>	<u>1,142,457</u>
LIABILITIES			
Accounts payable	378,187	-	378,187
Accrued Wages	19,762		19,762
Long-term liabilities:			
Due within one year	-	82,093	82,093
Due in more than one year	-	2,476,957	2,476,957
Total liabilities	<u>397,949</u>	<u>2,559,050</u>	<u>2,956,999</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred resources related to pension	-	134,905	134,905
Total deferred inflows of resources	<u>-</u>	<u>134,905</u>	<u>134,905</u>
FUND BALANCE/NET POSITION			
Fund balance:			
Unassigned	27,528,707	(27,528,707)	-
Total fund balance	<u>27,528,707</u>	<u>(27,528,707)</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 27,926,656</u>		
Net position:			
Net Investment in capital assets		1,536,628	1,536,628
Unrestricted		25,977,209	25,977,209
Total net position		<u>\$27,513,837</u>	<u>\$27,513,837</u>

Annual audit performed by Pattillo, Brown and Hill Certified Public Accounts

Tarrant County 9-1-1 District
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