

# 2016-2017 Annual Budget

Approved by the Board of Managers  
July 18, 2016



Prepared by:  
Greg Petrey, Executive Director

**Tarrant County 9-1-1 District**  
2600 Airport Freeway • Fort Worth, Texas 76111  
817-334-0911 • [www.tc911.org](http://www.tc911.org)

**THIS PAGE INTENTIONALLY LEFT BLANK**

# **TARRANT COUNTY 9-1-1 DISTRICT 2016-2017 BUDGET**

## **Executive Summary**

The 2016-2017 Budget has been crafted to support the District's forward movement in a number of critical areas.

- 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.
- 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 Next Generation 9-1-1 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.
- 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>
Larry Boyd (Chair)	Irving
Rick Brunson (Vice-Chair)	Tarrant County
Richard Fregoe (Secretary)	Grand Prairie
Jim Griffin (Treasurer)	Mayors' Council
Don Crowson	Arlington
Rudy Jackson	Fort Worth
Vickie Gray	Fort Worth
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 2016-2017 fiscal year:

- Overall the District's expenditures have increased just over four (4) percent this fiscal year.
- Next Generation projects to include an IP enabled network and the first 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
- A 3.0% merit pool
- Filling the vacant public education specialist position
- Adding a software specialists position
- Adding an assistant executive director position (regulatory and legislative)
- A total of three (3) million dollars has been earmarked for the PSAP and P25 radio assistance programs.

## 2016-2021 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, 2015	\$27,138,291
Projected surplus (deficit), 2015-2016	\$586,709
Projected Fund Balance, September 30, 2016	\$27,725,000
One Month Operating Reserve	(\$1,000,000)
Available Equipment Replacement Fund	\$26,725,000
Anticipated Replacement Fund Needs	
2016-2017 (Next generation upgrade)	(\$9,430,011)
2017-2018 (Next generation upgrade)	(\$7,840,151)
2018-2019 (Next generation upgrade)	(\$7,008,418)
2019-2020	(\$2,175,511)
2020-2021	(\$1,328,937)
Projected Replacement Fund Balance (YE2021)	(\$1,058,027)

**2016-2017 BUDGET SUMMARY**

	2015-2016 BUDGET	2015-2016 PROJECTED	2016-2017 BUDGET
Revenue	\$ 14,403,800	\$ 15,009,300	\$ 14,442,902
Transfer from Equipment Replacement Fund	\$ 8,464,320	\$ -	\$ 9,430,011
Total Revenue	\$ 22,868,120	\$ 15,009,300	\$ 23,872,913
Expenditures			
Personal Services	\$ 2,027,083	\$ 1,846,910	\$ 2,420,125
Supplies/Materials	\$ 139,680	\$ 85,156	\$ 188,985
Furniture/Equipment	\$ 160,120	\$ 69,960	\$ 221,170
Services/Rentals	\$ 20,541,237	\$ 12,212,102	\$ 21,042,633
Total Expenditures	\$ 22,868,120	\$ 14,214,128	\$ 23,872,913
Transfer to Equipment Replacement Fund	\$ -	\$ 586,709	\$ -

# FY2017 Tarrant County 9-1-1 District Budget

Acct. No.	Account Description	FY2017	FY2016	\$ Increase	% Increase
4010	Wireline Service Fee	\$2,653,158	2,846,734	193,576.00	-6.80%
4011	Wireless Service Fee	\$11,700,144	11,504,566	195,578.00	1.70%
4020	Interest Income	\$89,600	52,500	37,100.00	70.67%
	Total Income	\$14,442,902	\$14,403,800	39,102.00	0.27%
5110	Salaries	\$1,774,411	1,489,957	284,454.00	19.09%
5120	Health Insurance	\$461,632	376,000	85,632.00	22.77%
5130	Retirement Benefits	\$154,765	135,176	19,589.00	14.49%
5132	Medicare	\$22,441	19,600	2,841.00	14.49%
5150	Worker's Comp	\$6,876	6,350	526.00	8.28%
	Personal Services	\$2,420,125	\$2,027,083	393,042.00	19.39%
5210	Supplies (Office/Other Supplies)	\$62,235	54,330	7,905.00	14.55%
5220	Printing	\$9,000	9,000	0.00	0.00%
5230	Postage	\$5,200	5,900	-700.00	-11.86%
5240	Maps and Materials - Data	\$25,500	26,800	-1,300.00	-4.85%
5250	Software	\$87,050	43,650	43,400.00	99.43%
	Supplies and Materials	\$188,985	\$139,680	49,305.00	35.30%
5310	Office Furniture	\$7,150	2,850	4,300.00	150.88%
5311	PSAP Furniture	\$15,000	12,000	3,000.00	25.00%
5320	Office Equipment	\$184,020	132,270	51,750.00	39.12%
5321	PSAP Equipment	\$15,000	13,000	2,000.00	0.00%
	Furniture and Equipment	\$221,170	\$160,120	61,050.00	38.13%
5411	Legal	45,000	45,000	0.00	0.00%
5412	Professional Audit	19,500	12,500	7,000.00	56.00%
5414	Equipment Maintenance	32,350	73,635	-41,285.00	-56.07%
5415	Contract & Other Services	6,420,085	6,049,078	371,006.97	6.13%
5416	Professional Development/Training	99,770	119,845	-20,075.00	-16.75%
5418	Building Improvements - Repairs	110,000	115,000	-5,000.00	-4.35%
5419	Building Utilities	92,550	90,450	2,100.00	2.32%
	Services, Rentals and Contractual Services	\$6,819,255	\$6,505,508	313,746.97	4.82%

Acct. No.	Account Description	FY2016	FY2015	\$ Increase	% Increase
5422	Equipment Lease	\$4,200	4,200	0.00	0.00%
5423	Back-Up Site Lease	\$88,200	88,200	0.00	0.00%
5424	Back-Up Site Fuel	\$6,500	6,500	0.00	0.00%
5425	Back-Up Site Maintenance	\$37,500	42,500	-5,000.00	-11.76%
	Lease Expense	\$136,400	\$141,400	-5,000.00	-3.54%
5431	Auto Allowance	\$34,800	34,800	0.00	0.00%
5432	Travel/Restaurant	\$132,775	137,275	-4,500.00	-3.28%
	Travel and Auto	\$167,575	\$172,075	-4,500.00	-2.62%
5441	Professional Memberships	\$12,956	12,881	75.00	0.58%
5442	Subscriptions	\$11,673	12,988	-1,315.00	-10.12%
	Memberships and Subscriptions	\$24,629	\$25,869	-1,240.00	-4.79%
5451	Office Telephone	\$8,600	8,600	0.00	0.00%
5452	9-1-1 Telephone Service	\$6,394,119	6,161,884	232,235.00	3.77%
5453	9-1-1 Enhancements	\$6,737,596	6,489,596	248,000.00	3.82%
5454	PS 9-1-1 Service	\$45,000	45,000	0.00	0.00%
5456	Wireless 9-1-1 Service	\$292,415	578,015	-285,600.00	-49.41%
	Total Utilities	\$13,477,730	\$13,283,095	194,635.00	1.47%
5460	Insurance	\$37,144	\$33,390	3,754.00	11.24%
	Insurance	\$37,144	\$33,390	3,754.00	11.24%
5472	Pub. Ed. Products/Services	\$195,950	195,950	0.00	0.00%
5474	Pub. Ed. Activities	\$183,950	183,950	0.00	0.00%
	Advertising	\$379,900	\$379,900	0.00	0.00%
6999	Uncategorized Expense	\$0	\$0	0.00	
	Total Expenses	\$23,872,913	\$22,868,120	1,004,792.97	4.39%
	Reserve Gain (Loss)	(\$9,430,011)	(\$9,238,031)		

7/11/2016



# Tarrant County 9-1-1 District

## Modeled Five-Year Funding Projection

Account Description	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Estimated Beginning Fund Balance	\$27,725,000	\$18,294,989	\$10,454,838	\$3,446,420	\$1,270,910
<b>REVENUES</b>					
Wireline Service Fee	\$2,653,158	\$2,626,626	\$2,600,360	\$2,574,357	\$2,548,613
Wireless Service Fee	\$11,700,144	\$12,285,151	\$12,899,409	\$13,544,379	\$14,221,598
Interest Income	\$89,600	\$30,000	\$20,000	\$10,000	\$10,000
Total Income	\$14,442,902	\$14,941,778	\$15,519,769	\$16,128,736	\$16,780,211
<b>EXPENDITURES</b>					
Salaries	\$1,774,411	\$1,863,132	\$1,956,288	\$2,054,103	\$2,156,808
Health Insurance	\$461,632	\$335,364	\$352,132	\$369,738	\$388,225
Retirement Benefits	\$154,765	\$186,313	\$195,629	\$205,410	\$215,681
Medicare	\$22,441	\$23,289	\$24,454	\$25,676	\$26,960
Worker's Comp	\$6,876	\$5,962	\$6,260	\$6,573	\$6,902
Personal Services	\$2,420,125	\$2,414,060	\$2,534,763	\$2,661,501	\$2,794,576
Office Supplies (Other Supplies)	\$62,235	\$64,102	\$66,025	\$68,006	\$70,046
Printing	\$9,000	\$9,270	\$9,548	\$9,835	\$10,130
Postage	\$5,200	\$5,356	\$5,517	\$5,682	\$5,853
Maps and Materials - Data	\$25,500	\$26,265	\$27,053	\$27,865	\$28,700
Software	\$87,050	\$89,662	\$92,351	\$95,122	\$97,976
Supplies and Materials	\$188,985	\$194,655	\$200,494	\$206,509	\$212,704
Office Furniture	\$7,150	\$7,365	\$7,585	\$7,813	\$8,047
PSAP Furniture	\$15,000	\$15,450	\$15,914	\$16,391	\$16,883
Office Equipment	\$184,020	\$239,952	\$247,151	\$254,565	\$262,202
PSAP Equipment	\$15,000	\$15,450	\$15,914	\$16,391	\$16,883
Furniture and Equipment	\$221,170	\$278,217	\$286,563	\$295,160	\$304,015
Legal	\$45,000	\$46,350	\$47,741	\$49,173	\$50,648
Professional Audit	\$19,500	\$20,085	\$20,688	\$21,308	\$21,947
Equipment Maintenance	\$32,350	\$33,321	\$34,320	\$35,350	\$36,410
Contract & Other Services	\$6,420,085	\$6,355,884	\$6,292,325	\$6,229,402	\$6,167,108
Professional Development/Training	\$99,770	\$102,763	\$105,846	\$109,021	\$112,292
Building Improvements - Repairs	\$110,000	\$100,000	\$103,000	\$106,090	\$109,273
Building Utilities	\$92,550	\$95,327	\$98,186	\$101,132	\$104,166
Services, Rentals and Contractual Services	\$6,819,255	\$6,753,729	\$6,702,106	\$6,651,476	\$6,601,844
Equipment Lease	\$4,200	\$4,326	\$4,456	\$4,589	\$4,727
Back-Up Site Lease	\$88,200	\$90,846	\$93,571	\$96,379	\$99,270
Back-Up Site Fuel	\$6,500	\$6,695	\$6,896	\$7,103	\$7,316
Back-Up Site Maintenance	\$37,500	\$38,625	\$39,784	\$40,977	\$42,207
Lease Payments	\$136,400	\$140,492	\$144,707	\$149,048	\$153,519

Account Description	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Auto Allowance	\$34,800	\$51,000	\$51,000	\$51,000	\$51,000
Travel/Restaurant	\$132,775	\$136,758	\$140,861	\$145,087	\$149,439
Travel and Auto	\$167,575	\$187,758	\$191,861	\$196,087	\$200,439
Professional Memberships	\$12,956	\$13,345	\$13,745	\$14,157	\$14,582
Subscriptions	\$11,673	\$12,023	\$12,384	\$12,755	\$13,138
Memberships and Subscriptions	\$24,629	\$25,368	\$26,129	\$26,913	\$27,720
Office Telephone	\$8,600	\$8,858	\$9,124	\$9,397	\$9,679
9-1-1 Telephone Service	\$6,394,119	\$6,010,472	\$5,649,844	\$5,310,853	\$4,992,202
9-1-1 Enhancements	\$6,737,596	\$6,000,000	\$6,000,000	\$2,000,000	\$2,000,000
PS 9-1-1 Service	\$45,000	\$46,350	\$47,741	\$49,173	\$50,648
Wireless 9-1-1 Service	\$292,415	\$292,415	\$292,415	\$292,415	\$292,415
Total Utilities	\$13,477,730	\$12,358,095	\$11,999,123	\$7,661,838	\$7,344,944
Insurance	\$37,144	\$38,258	\$39,406	\$40,588	\$41,806
Insurance	\$37,144	\$38,258	\$39,406	\$40,588	\$41,806
Pub. Ed. Products/Services	\$195,950	\$201,829	\$207,883	\$214,120	\$220,543
Pub. Ed. Activities	\$183,950	\$189,469	\$195,153	\$201,007	\$207,037
Advertising	\$379,900	\$391,297	\$403,036	\$415,127	\$427,581
Total Expenses	\$23,872,913	\$22,781,928	\$22,528,187	\$18,304,246	\$18,109,148
Reserve Gain (Loss)	(\$9,430,011)	(\$7,840,151)	(\$7,008,418)	(\$2,175,511)	(\$1,328,937)
Estimated Ending Fund Balance	\$18,294,989	\$10,454,838	\$3,446,420	\$1,270,910	(\$58,027)

Updated: 07/21/2016

# Tarrant County 9-1-1 District

## Statement of Net Position and Governmental Fund Balance Sheet

September 30, 2015

	General	Adjustments	Statement of Net Position
<b>ASSETS</b>			
Cash and investments	\$25,851,691	\$ -	\$25,851,691
Service fees receivable	770,310	-	770,310
Nondepreciable capital assets	-	188,602	188,602
Depreciable capital assets, net	-	2,155,132	2,155,132
Total assets	<u>26,622,001</u>	<u>2,343,734</u>	<u>28,965,735</u>
<b>DEFERRED OUTFLOWS</b>			
Deferred resources related to pension	-	280,893	280,893
Total deferred outflows	-	280,893	280,893
<b>LIABILITIES</b>			
Accounts payable	542,799	-	542,799
Long-term liabilities:			
Due within one year	-	94,399	94,399
Due in more than one year	-	1,471,139	1,471,139
Total liabilities	<u>542,799</u>	<u>1,565,538</u>	<u>2,108,337</u>
<b>FUND BALANCE/NET POSITION</b>			
Fund balance:			
Unassigned	<u>26,079,202</u>	<u>(26,079,202)</u>	-
Total fund balance	<u>26,079,202</u>	<u>(26,079,202)</u>	-
Total liabilities and fund balance	<u>\$ 26,622,001</u>		
<b>Net position:</b>			
Net Investment in capital assets		2,343,734	2,343,734
Unrestricted		<u>24,794,557</u>	<u>24,794,557</u>
Total net position		<u>\$27,138,291</u>	<u>\$27,138,291</u>

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

**Tarrant County 9-1-1 District**  
2600 Airport Freeway • Fort Worth, Texas 76111  
817-334-0911 • [www.tc911.org](http://www.tc911.org)