

Dakota Communications Center

2016 CFQRVGF BUDGET





May 1, 2015

TO: Executive Committee Members

The development of the 2016 budget is a reflection of the DCC Board's desire to provide a high level of service while remaining fiscally responsible. Working with our partners in law enforcement and fire/EMS, the staff is committed to continual evaluation and improvement. DCC policies and practices take into consideration the input of our member agencies as well as industry standards for best practices.

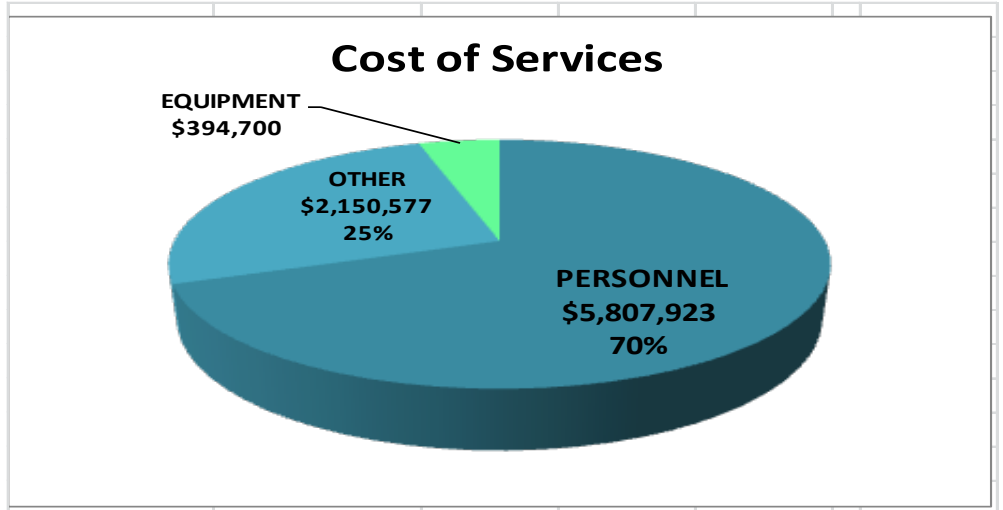
Major Initiatives. Dakota Communications Center along with its member agencies has endeavored to provide quality services by staying ahead of curve on issues. As we look towards the future, we will have three focal points:

- ✓ CAD implementation is scheduled for 2016. LOGIS and the DCC are working to ensure that the configuration and training is complete for a March go-live. In addition, we will be exploring the option for CAD to CAD interface with our partnering 9-1-1 centers to enhance our ability to transfer information from one center to another in a clear, efficient manner.
- ✓ Communications technology is quickly evolving. Future technology needs include changing methodology for fire/EMS alerting, audio logging which will combine voice and data, telematics which will give detailed information from vehicles involved in accidents and text to 9-1-1.
- ✓ Work force recruitment is becoming more challenging as the profession becomes more complex. With the changing technology as well as the changing psychological and emotional stress, the DCC will need to develop new ways of training to prepare our staff for the potential onslaught of videos and pictures from crime scenes. The DCC will also need to remain competitive with wages and benefits to attract the best candidates.

Member Fees. The 2016 budget is premised on a \$8.353 million member fee assessment which is a 1.9% increase over the 2015 membership fee. The fee is assessed to member agencies based on a 3 year average of actual CAD calls. The assessment increase or decrease may therefore vary between agencies depending on the number of actual calls.

1.9% increase

Cost of Service. The primary expenses financed with member fees are personnel (70%), operating costs such as technology support and facilities maintenance (25%) and long term equipment acquisitions and replacements (5%).



The DCC staffing levels are adequate and sufficient to address public safety service needs. The most significant factor affecting near-term cost adjustments are those related to personnel health benefits.

Prudent long term financial has been an enduring priority which enables the DCC to have reasonable member fees. This is exemplified by the 10 year plan which is projecting no increase for equipment acquisition and replacement for the foreseeable future.

Acknowledgements

I would like to express my appreciation to the Executive Committee and Board for their support during the budget process. I would especially like to acknowledge the thoughtful review and recommendations of the Budget Committee including: David McKnight (Farmington), Dwight Johnson (Rosemount) Matt Fulton (West. St. Paul).

Recommendation

The DCC staff recommends Executive Committee approval of the budget as provided herein. If approved, the budget will be presented to the Board of Directors prior to September 1st as required in the Joint Powers Agreement.

Respectfully submitted,

Diane L. Lind

Diane L. Lind
Executive Director

BUDGET OVERVIEW

The budget is organized into separate funds in order to properly account for organizational business activities and long term capital replacement in addition to serving as a financial report to demonstrate that membership fees are being effectively managed. The DCC has attempted to allocate resources among the funds in order to achieve the Boards goals in the most cost effective manner possible. The funds are as follows:

- **General Fund.** The General Fund accounts for the overall operations of the DCC.
- **Capital Projects Fund.** The Capital Projects Fund accounts for expenditures related to equipment acquisitions and replacements.

A consolidated statement of revenues, expenditures and changes in fund balance for the coming year is as follows:

2016 Budget
Statement of Revenues, Expenditures and Changes in Fund Balance

	General Fund	Capital Projects Fund	Total
Revenues			
Member fees	7,958,500	394,700	8,353,200
Other	638,196	76,008	714,204
Total revenues	\$ 8,596,696	\$ 470,708	\$ 9,067,404
Expenditures			
Personnel	5,807,923		5,807,923
Commodities	18,155		18,155
Contractual	2,502,853		2,502,853
LOGIS debt payment	267,765		267,765
Capital outlay	-	60,711	60,711
Total expenditures	\$ 8,596,696	\$ 60,711	\$ 8,657,407
Net changes	\$ -	\$ 409,997	\$ 409,997
Beginning fund balance	1,097,062	258,016	1,355,078
Fund balance - unassigned	\$ 1,097,062	\$ 668,013	\$ 1,765,075

General Fund

2016 Member fees will increase, primarily in response to increase personnel costs especially those related to health care benefits. The 2016 budgeted is \$8,596,696 which is a \$161,544 increase when compared to the 2015 Adopted Budget.

General Fund
2016 Budget
Statement of Revenues, Expenditures and
Changes in Fund Balance

	<u>Ad</u>	<u>@crease</u>
	<u>2016</u>	<u>(decrease)</u>
Revenues		
Member fees	7,958,500	156,044
Other	638,196	5,500
Total revenues	<u>\$ 8,596,696</u>	<u>\$ 161,544</u>
Expenditures		
Personnel	5,807,923	135,443
Commodities	18,155	(350)
Contractual	2,502,853	26,451
Debt repayment	267,765	-
Total expenditures	<u>\$ 8,596,696</u>	<u>\$ 161,544</u>
Net changes	<u>\$ -</u>	<u>\$ -</u>

Revenues.

Membership fees provide the majority (93%) of the resources for financing operations. Other General Fund revenues are comprised on State aids (911 fees), MTNS partnership revenues, LMCIT rebates and interest revenues. 911 fee revenue provided by State of Minnesota are projected to remain unchanged due to the State's distribution formula. The prevailing bond market conditions will result in a modest decrease in interest rates. MTNS partnership revenues and LMCIT rebates are anticipated to remain stable.

Personnel. The DCC Board has authorized 66 personnel positions of which 54 are dispatchers. The budget takes into consideration step increases based on current union contracts and non-union personnel policies which are related to resignations and retirements. The collective bargaining contracts expire December 31, 2015.

The largest personnel increase for the coming year are those associated with health care benefits. Health insurance premiums are anticipated to increase more than 10% as a result of claims experience, the Affordable Health Care Act and health industry trends.

Non personnel costs. Non-personnel expenses (\$2.79 million) are comprised of facility lease payments, equipment and building maintenance, utilities, technology support and other related costs. Expenses are projected to increase \$26,101 (less than 1%) when compared to the 2015 budget.

Fund Balance.

The Dakota Communication Center Fund Balance policy states *“The Dakota Communications Center will endeavor to maintain an unassigned fund balance equivalent to 8.3% - 14.0% of total annual operating expenses to provide adequate working capital for operations and reserves for unanticipated events in order to avoid short term borrowing.”*

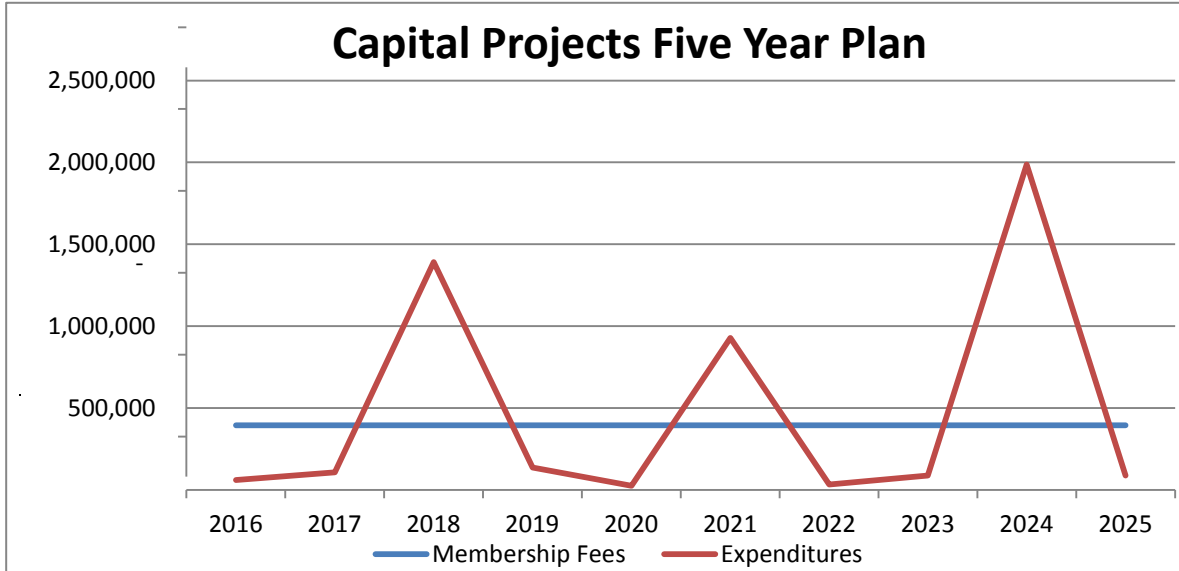
The budget has an ending fund balance which is within the guidelines of the Fund Balance policy.

	2016
	A
Revenues	\$ 8,596,696
Expenditures	(8,596,696)
Net increase/(decrease)	-
Fund balance January 1	1,571,083
Non-spendable and assigned	\$ (474,021)
Fund balance December 31	<u>\$ 1,097,062</u>
Fund balance as a % of expenditures	12.8%

Capital Projects Fund

The primary purpose of the Capital Projects Fund is to provide for acquisition and replacement of equipment which are finance with member fees.

The ten year capital improvement plan has significant fluctuations in capital requirements ranging from a high of \$2.0 million and \$1.4 million in 2024 and 2018 respectively to a low of \$24,959 in 2020.



The Dakota Communications Center has established a firm foundation for long term financing of equipment acquisitions and replacements. Hence, member fees are projected to remain at \$394,000 per year for the next decade.

2016 capital outlay acquisitions are as follows:

	<u>2016</u>
CAD PC's and Monitors	<u>17,911</u>
Video Display Panels (4) Disp	800
Fiber expansion	38,000
Supervisory Office Desktop PCs (4)	4,000
Total Capital Projects Expenditures	<u>\$ 60,711</u>

Membership Fees

The 2016 membership fees are \$8,353,201 which is a 1.9% increase over 2015. The member fees are allocated based on the 3 year average of CAD incidents.

2016 Member Fees			
	Allocation %	TOTAL	Increase/ (decrease)
Apple Valley	10.78%	900,110	(15,250)
Burnsville	14.66%	1,224,760	4,956
Dakota County	8.23%	687,315	(3,439)
Eagan	14.10%	1,177,643	(9,828)
Farmington	4.10%	342,158	5,872
Hastings	7.32%	611,787	54,802
Inver Grove Heights	7.20%	601,687	12,246
Lakeville	11.19%	934,819	24,604
Mendota Heights	2.62%	219,241	1,725
Miesville	0.02%	1,955	(4)
Randolph Hampton	0.05%	4,070	226
Rosemount	4.65%	388,158	19,705
South Saint Paul	7.09%	592,273	14,754
West Saint Paul	7.99%	667,225	45,678
Total	100.00%	\$ 8,353,201	\$ 156,046

The member fee represents an average cost of \$28 per CAD incident.

General Fund Budget

	<u>2014</u> <u>Actual</u>	<u>2015</u> <u>Adopted</u>	<u>2015</u> <u>Estimate</u>	<u>2016</u> <u>Cf qrvf</u>	<u>2017</u> <u>Estimate</u>
Revenues					
JPA Membership Fees	\$ 7,558,700	\$ 7,802,456	\$ 7,802,456	\$ 7,958,500	8,117,675
Annual 911 Fees (Estimated)	581,696	581,696	581,696	581,696	581,696
Interest on Investments	13,066	15,000	13,000	13,000	13,000
Grants and other income	26,664	12,000	11,500	19,500	11,500
LMCIT rebate	3,772	5,000	5,000	5,000	5,000
MTNS Partnership Income	18,000	19,000	19,000	19,000	19,000
Total Revenues	<u>8,201,898</u>	<u>8,435,152</u>	<u>8,432,652</u>	<u>8,596,696</u>	<u>8,747,871</u>
Expenditures					
Personnel Services					
Salaries - Regular	3,824,221	4,084,845	4,071,030	4,128,342	4,182,599
Overtime	341,537	218,791	251,241	274,376	368,439
Pera	299,676	322,749	324,060	335,838	347,360
Fica	306,803	329,228	330,654	342,555	354,307
Hospitalization Insurance	556,896	637,296	586,753	648,484	723,060
Life and Disability	4,115	4,493	4,458	4,599	4,766
Long Term Disability	10,862	10,692	10,944	11,554	11,779
Dental	35,622	37,970	36,180	39,152	39,353
Workers Compensation Insurance	19,375	26,416	22,246	23,023	23,790
Total Personnel Services	<u>5,399,107</u>	<u>5,672,480</u>	<u>5,637,565</u>	<u>5,807,923</u>	<u>6,055,453</u>
Commodities					
Operating Supplies	7,021	9,505	9,155	9,155	9,155
Clothing	2,470	3,500	3,250	3,250	3,250
Computer Supplies	5,134	5,500	5,500	5,750	6,000
Total Commodities	<u>14,625</u>	<u>18,505</u>	<u>17,905</u>	<u>18,155</u>	<u>18,405</u>
Other Contractual					
Professional Services	38,025	49,613	45,768	47,768	48,701
Legal Services	7,266	15,400	13,900	11,000	12,000
Fiscal Agent	64,452	66,244	66,288	67,614	68,966
Bank Charges	442	392	392	392	392
Audit	8,500	8,700	8,700	8,961	9,230
Use of Personal Auto	5,709	5,300	5,200	5,200	5,450
Print Public Information	2,342	2,850	2,400	2,400	2,400
General Liability Insurance	48,616	56,742	43,602	44,910	46,258
Telephone	43,288	44,775	44,500	44,500	44,500
Postage	206	300	300	300	300
Other Contractual	58,827	59,368	68,168	60,368	60,368
Contract Equipment Maintenance	214,104	161,925	192,280	160,371	177,543
Contract Building Maintenance	411,962	385,446	385,446	393,155	401,018
Contract Data Processing	2,225,305	806,499	728,002	848,905	883,854
Radio Fees	42,028	52,860	48,240	47,105	47,105
Equipment Rental	6,459	7,000	6,750	7,000	7,000
Building Lease	715,500	715,500	715,500	715,500	715,500
Miscellaneous	-	4,200	1,650	4,200	4,200
Schools and Conferences	20,616	31,062	23,850	31,062	31,062
Business Meetings & Expenses	105	500	500	500	500
Dues and Subscriptions	958	1,727	1,642	1,642	1,642
Total Other Charges and Services	<u>3,914,710</u>	<u>2,476,402</u>	<u>2,403,078</u>	<u>2,502,853</u>	<u>2,567,989</u>
Total Expenditures	<u>9,328,442</u>	<u>8,167,387</u>	<u>8,058,548</u>	<u>8,328,931</u>	<u>8,641,847</u>
Other Financing Sources/(Uses)					
LOGIS Public Safety Application Suite	1,028,748	-	-	-	-
Debt Payments	-	(267,765)	(267,765)	(267,765)	(267,765)
Total Other Financing Sources (Uses)	<u>1,028,748</u>	<u>(267,765)</u>	<u>(267,765)</u>	<u>(267,765)</u>	<u>(267,765)</u>
Net change in fund balance	(97,796)	(0)	106,339	(0)	(161,741)
Fund balance January 1	1,562,540	1,441,037	1,464,744	1,571,083	1,571,083
Non-spendable and Assigned	(474,021)	(472,990)	(474,021)	(474,021)	(474,021)
Unreserved fund balance - December 31	<u>\$ 990,723</u>	<u>\$ 968,047</u>	<u>\$ 1,097,062</u>	<u>\$ 1,097,062</u>	<u>\$ 935,321</u>

Dakota Communication Center
Authorized Staffing Plan
 Full time equivalents

<u>Position Titles</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>Dispatch Operations</u>					
Dispatchers	54.0	54.0	54.0	54.0	54.0
Shift Supervisors	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>
Total operations	<u>60.0</u>	<u>60.0</u>	<u>60.0</u>	<u>60.0</u>	<u>60.0</u>
 <u>Admin & Technical Support</u>					
Training Coordinator	1.0	1.0	1.0	1.0	1.0
Operations Director	1.0	1.0	1.0	1.0	1.0
Executive Director	1.0	1.0	1.0	1.0	1.0
Administrative Assistant	1.0	1.0	1.0	1.0	1.0
Technical Support	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>
Total administrative and technical	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>
 Total staffing (f.t.e.)	 <u><u>66.0</u></u>	 <u><u>66.0</u></u>	 <u><u>66.0</u></u>	 <u><u>66.0</u></u>	 <u><u>66.0</u></u>

Capital Improvement Plan

Ten Year Plan

<u>Item</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>Revenues</u>					
Member assessment	394,700	394,700	394,700	394,700	394,700
Debt					
Other	76,008	76,908	76,208	75,508	43,454
Total revenues	<u>470,708</u>	<u>471,608</u>	<u>470,908</u>	<u>470,208</u>	<u>438,154</u>
<u>Expenditures</u>					
CAD PC's and Monitors	17,911	18,448	19,001	19,572	20,159
Video Display Panels (4) Disp	800	800	800	800	800
Fiber expansion	38,000				
Supervisory Office Desktop PCs (4)	4,000				4,000
RAD/ antenna replacements		45,000			
Radios - handheld-desktop control		35,000			
Fire paging - Eagan		5,000			
Excercise Equipment- 5 pieces		2,000	2,000		
Fire Alerting Control System			980,652		
23 Dispatch Work Stations			365,000		
AVL Monitors and Video cards			11,000		
Training room projector-ceiling mount			2,076		
Portable projector			2,076		
Admin Area Laptop PCs (4)			8,000		
Touch Screen Monitors 46				48,000	
CAD Backup Laptops (12)				41,324	
Cisco 3750 series switch (2)				16,000	
Cisco ASA 5520 (2) Firewall				9,552	
Tech support Laptop PCs (2)				2,000	
E911 Telephone Backbone system					
Logging telephone/Radio recorder					
23 Dispatch Radio Consoles					
Other	-	-	-	-	-
Total expenditures	<u>60,711</u>	<u>106,248</u>	<u>1,390,605</u>	<u>137,248</u>	<u>24,959</u>
Net increase or (decrease)	409,997	365,360	(919,697)	332,960	413,195
Fund Balance, January 1	<u>258,016</u>	<u>668,013</u>	<u>1,033,373</u>	<u>113,676</u>	<u>446,636</u>
Fund Balance December 31	<u>668,013</u>	<u>1,033,373</u>	<u>113,676</u>	<u>446,636</u>	<u>859,831</u>

Ten Year Plan

<u>Item</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<u>Revenues</u>					
Member assessment	394,700	394,700	394,700	394,700	394,700
Debt				600,000	
Interest on Investments	<u>6,000</u>	<u>5,000</u>	<u>9,000</u>	<u>2,000</u>	<u>2,000</u>
Total revenues	<u>400,700</u>	<u>399,700</u>	<u>403,700</u>	<u>996,700</u>	<u>396,700</u>
<u>Expenditures</u>					
CAD PC's and Monitors	20,764	21,387	22,029	22,689	23,370
Video Display Panels (4) Disp	800	800	800	800	800
Fiber expansion	64,000				60,000
Supervisory Office Desktop PCs (4)			4,000		
RAD/ antenna replacements					
Radios - handheld-desktop control					
Fire paging - Eagan					
Excercise Equipment- 5 pieces		2,500			3,000
Fire Alerting Control System					
23 Dispatch Work Stations					
AVL Monitors and Video cards			11,000		
Training room projector-ceiling mount					
Portable projector					
Admin Area Laptop PCs (4)		8,000			
Touch Screen Monitors 46			48,000		
CAD Backup Laptops (12)				41,324	
Cisco 3750 series switch (2)				16,000	
Cisco ASA 5520 (2) Firewall				9,552	
Tech support Laptop PCs (2)			2,000		
E911 Telephone Backbone system	500,000				
Logging telephone/Radio recorder	342,000				
23 Dispatch Radio Consoles				1,897,650	
Radios - handheld-desktop control	-	-	-	-	-
Total expenditures	<u>927,564</u>	<u>32,687</u>	<u>87,829</u>	<u>1,988,015</u>	<u>87,170</u>
Net increase or (decrease)	(526,864)	367,013	315,871	(991,315)	309,530
Fund Balance, January 1	<u>859,830</u>	<u>332,966</u>	<u>699,979</u>	<u>1,015,850</u>	<u>24,535</u>
Fund Balance December 31	<u>332,966</u>	<u>699,979</u>	<u>1,015,850</u>	<u>24,535</u>	<u>334,064</u>

Allocation of Member Fees

CAD Events							
Member	2012		2013		2014		2016%
	Total	%	Total	%	Total	%	Allocation
Apple Valley	33,464	11.14%	31,496	10.68%	31,297	10.51%	10.78%
Burnsville	44,315	14.75%	43,729	14.83%	42,911	14.41%	14.66%
Dakota County	24,662	8.21%	25,223	8.55%	23,596	7.92%	8.23%
Eagan	42,074	14.00%	43,574	14.78%	40,249	13.51%	14.10%
Farmington	12,309	4.10%	12,118	4.11%	12,158	4.08%	4.10%
Hastings	20,536	6.83%	20,442	6.93%	24,436	8.20%	7.32%
Inver Grove Hts	21,578	7.18%	21,727	7.37%	21,025	7.06%	7.20%
Lakeville	36,381	12.11%	30,521	10.35%	33,103	11.12%	11.19%
Mendota Hts	8,293	2.76%	7,843	2.66%	7,309	2.45%	2.62%
Miesville	72	0.02%	82	0.03%	55	0.02%	0.02%
Randolph Hampton	147	0.05%	161	0.05%	127	0.04%	0.05%
Rosemount	13,484	4.49%	13,065	4.43%	14,957	5.02%	4.65%
South St. Paul	21,275	7.08%	20,968	7.11%	21,085	7.08%	7.09%
West St. Paul	21,905	7.29%	23,902	8.11%	25,514	8.57%	7.99%
Total	300,495	100.0%	294,851	100.0%	297,822	100.0%	100.0%

Formula: (+ Year 1 CAD % + Year 2 CAD % + Year 3 CAD %) ÷ 3 = Member allocation

Member	Allocation			%
	2014	2015	2016	change
Apple Valley	11.37%	11.17%	10.78%	-0.39%
Burnsville	15.06%	14.88%	14.66%	-0.22%
Dakota County	8.23%	8.43%	8.23%	-0.20%
Eagan	14.37%	14.49%	14.10%	-0.39%
Farmington	3.94%	4.10%	4.10%	-0.01%
Hastings	6.59%	6.79%	7.32%	0.53%
Inver Grove Hts	7.16%	7.19%	7.20%	0.01%
Lakeville	11.43%	11.10%	11.19%	0.09%
Mendota Hts	2.62%	2.65%	2.62%	-0.03%
Miesville	0.02%	0.02%	0.02%	0.00%
Randolph Hampton	0.04%	0.05%	0.05%	0.00%
Rosemount	4.46%	4.49%	4.65%	0.15%
South St. Paul	6.98%	7.05%	7.09%	0.05%
West St. Paul	7.72%	7.58%	7.99%	0.41%
Total	100.0%	100.0%	100.0%	0.0%

Dakota Communications Center

2016 Member Fees

	<u>%</u>	<u>5 XcdH X General Fund</u>	<u>Capital Projects Fund</u>	<u>TOTAL</u>	<u>Increase/ (decrease)</u>
Apple Valley	10.78%	857,579	42,531	900,110	(15,250)
Burnsville	14.66%	1,166,888	57,872	1,224,760	4,956
Dakota County	8.23%	654,838	32,477	687,315	(3,439)
Eagan	14.10%	1,121,998	55,645	1,177,643	(9,828)
Farmington	4.10%	325,991	16,167	342,158	5,872
Hastings	7.32%	582,879	28,908	611,787	54,802
Inver Grove Heights	7.20%	573,256	28,431	601,687	12,246
Lakeville	11.19%	890,646	44,173	934,819	24,604
Mendota Heights	2.62%	208,882	10,359	219,241	1,725
Miesville	0.02%	1,863	92	1,955	(4)
Randolph Hampton	0.05%	3,878	192	4,070	226
Rosemount	4.65%	369,817	18,341	388,158	19,705
South Saint Paul	7.09%	564,287	27,986	592,273	14,754
West Saint Paul	7.99%	635,698	31,527	667,225	45,678
TOTAL	100.00%	\$ 7,958,500	\$ 394,700	\$ 8,353,201	\$ 156,046
<i>% increase</i>		2.0%	0.0%		1.9%