

2022

DIRECTOR'S BUDGET

Thurston 911 Communications



TCOMM 911

POLICE | FIRE | MEDICAL
Your Emergency – Our Priority

2022 Budget Committee Members

On behalf of everyone here at TCOMM, we would like to thank you for serving on the 2022 Budget Committee. Your support and expertise are appreciated and valued.

Administration Board Members

Lenny Greenstein, City of Lacey

Leatta Dahlhoff, City of Tumwater

Meredith Hutchins, Fire Commissioner's Association

Operations Board Members

Robert Almada, Lacey Police Department

Jon Weiks, City of Tumwater Police Department

Brian Hurley, City of Tumwater Fire Department

2022 Director's Summation

Highlights of the Director's Budget include:

1. Projected Revenue:

Due to the yet unknown financial impacts from the Delta Variant of COVID-19, TCOMM911 has elected to take a conservative approach by projecting a 2.5% increase in the emergency communications sales and use tax. As this is the largest revenue source for the agency, a conservative approach to growth reduces risk and better positions the agency to meet budget goals.

Landline revenue continues to decrease, however wireless shows slight growth. Voice over internet (VoIP) and pre-paid revenues remaining steady.

2. Authorized Positions:

For the upcoming fiscal year, the agency is requesting the addition four additional Public Safety Telecommunicators to be hired in March 2022 and to increase the Radio Systems Assistant to 1.0 FTE.

3. General Wage Increase:

There are two collective bargaining units within TCOMM911, which comprise over 80% of the agency's workforce. These collective bargaining agreements are the main drivers for the agency's budgeted annual general wage increase. For 2022, the general wage increase is budgeted at 3.0% for both represented and non-represented staff.

4. Benefits:

Projected rate increases for the 2022 healthcare plans are 4.0 – 7.0% for Regence and 6.0 - 9.0% for Kaiser. As in previous years, the 2022 budget includes a 10% increase in costs for benefits because increases in other components of the benefits package, such as potential changes by employees from one plan to the other or adding more family members to their coverage, could contribute to higher costs.

5. Service Levels:

There are no proposed changes in services for 2022.

6. Operational Reserve:

The operating reserve amount is set by the Administration Board of Directors at 16.67% of the total annual amount necessary to continue operations. TCOMM's overall fund balance is able to account for this operating reserve.

7. Capital Asset Purchases:

Total capital equipment purchases are budgeted at \$2,601,514 for 2022.

8. Grants:

TCOMM does not expect to receive any grants for 2022.

9. The 2022 Director's Budget proposes:

Total Revenue	\$ 19,295,656
Total Operating Expense	\$ 11,856,541
Equipment Lease Payments	\$ 2,749,305
Capital Asset Purchases	\$ 2,601,514
Proposed Ending Fund Balance	\$ 14,822,565

Staff Recommendation:

The Executive Director's proposed 2022 budget is balanced with \$2 M remaining after all expenditures. The proposed operating budget comes in at 8.7 % over the 2021 operating budget with a proposed ending fund balance of \$ 14.8 M.

The Director's budget is fiscally responsible and addresses all of the Administration Board's requests and plans for the future of the agency. Staff recommends that the 2022 Budget Committee forward this budget to the Joint Administration/Operations Boards with a recommendation to adopt as the TCOMM911 2022 Preliminary Budget at the September 29, 2021 meeting.

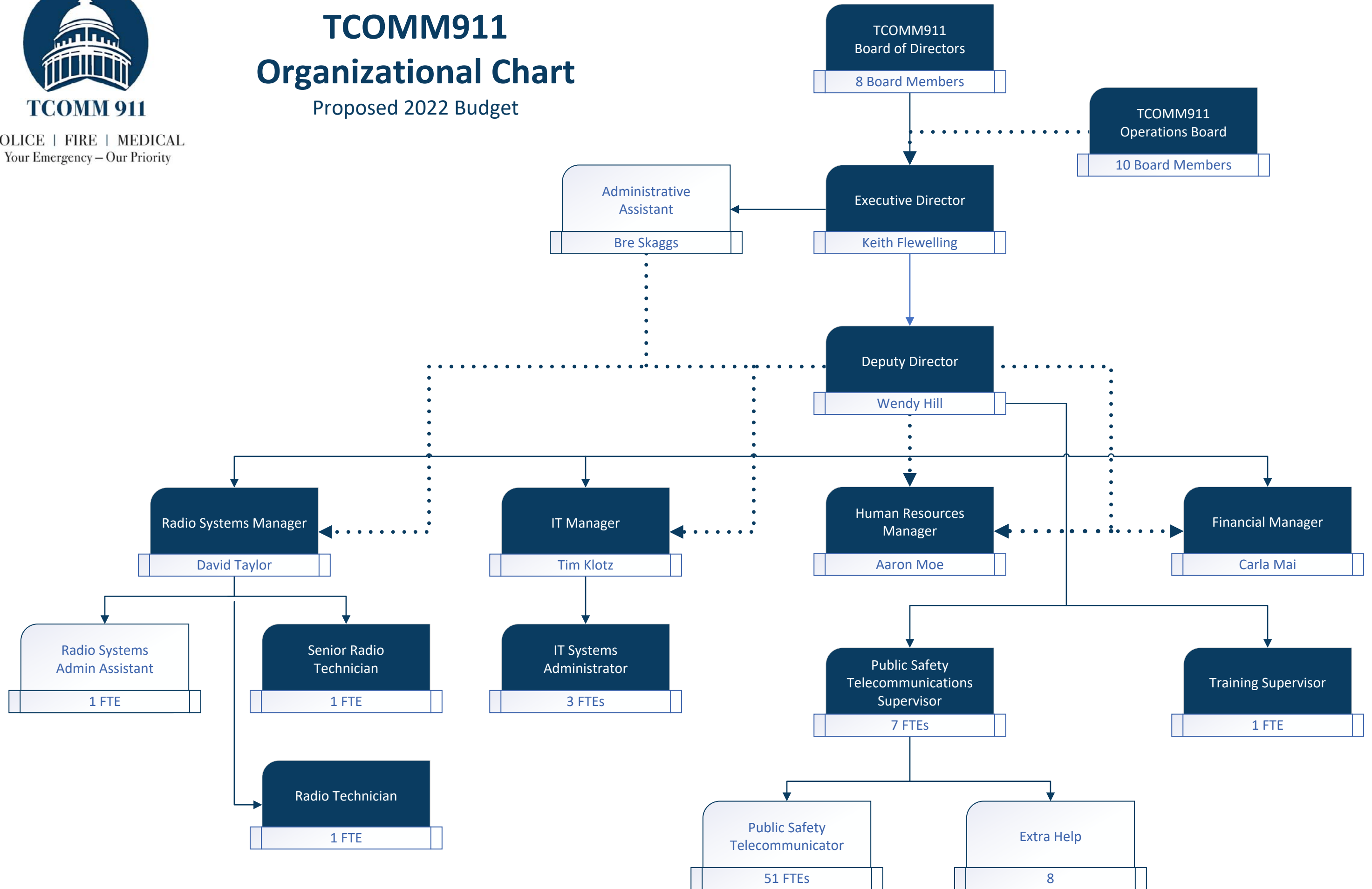


TCOMM 911

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TCOMM911 Organizational Chart

Proposed 2022 Budget



2022 Operating Budget

Operating Revenue

Sales/Use Tax	\$ 15,491,500
E911 Excise Tax	3,105,609
Communication Services	323,001
WA State E911 Funding	43,250
Rent/Leases	72,111
LERMS	159,025
Misc.	101,160
Total	\$ 19,295,656

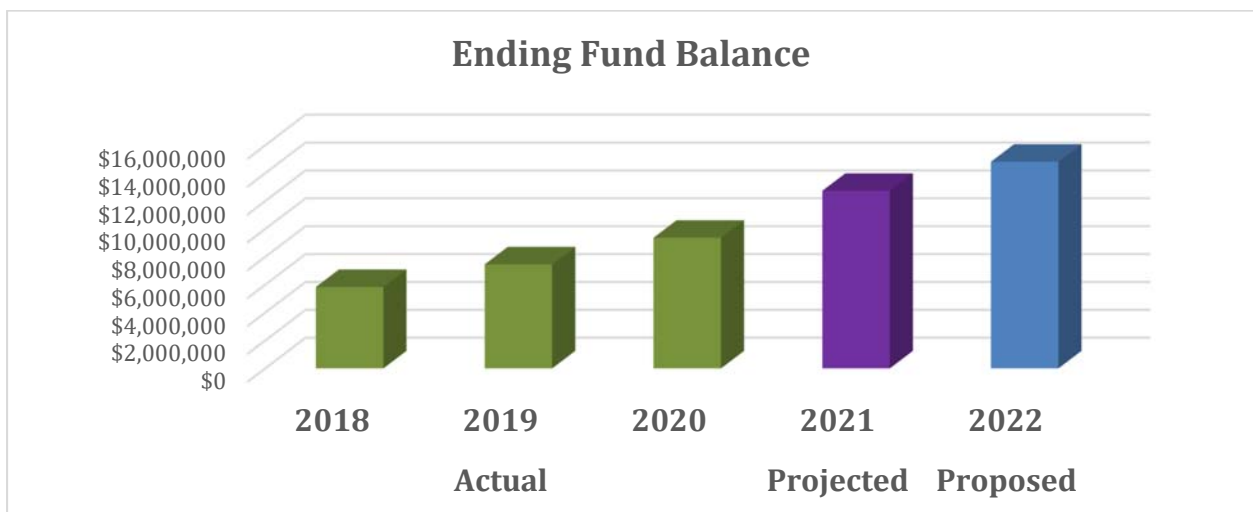
Operating Expenditures

Administration	\$ 1,297,658
Information Technology	835,588
Radio Services	1,224,237
Operations	7,770,733
LERMS	153,525
TCERN	574,800
Total	\$ 11,856,541

Difference **\$ 7,439,115**

2022 Ending Fund Balance

Operating Revenue - Expenditures	\$ 7,439,115
Equipment Lease Payments	2,749,305
Capital Asset Purchases	2,601,514
Difference	\$ 2,088,296
Estimated Beginning Fund Balance	\$ 12,734,269
Change in Fund Balance	2,088,296
Proposed Ending Fund Balance*	\$ 14,822,565



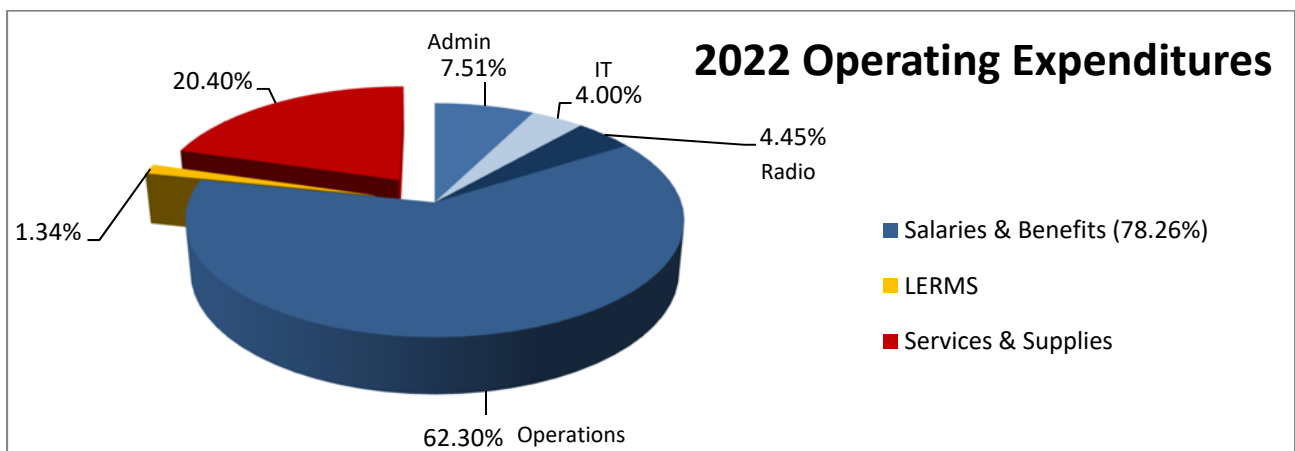
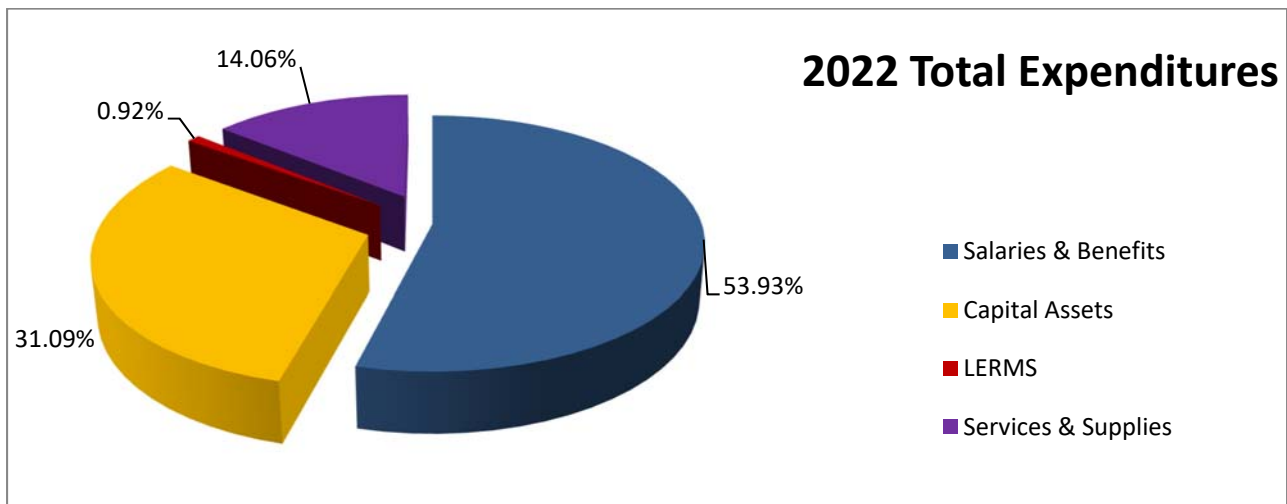
***Proposed Fund Balance Includes:**

Operating Reserve (16.67%)	\$ 1,588,967
ER&R	\$ 13,233,598

2022 Expenditures

Salaries and employee benefits comprise the largest on-going expenditure for TCOMM. Both collective bargaining agreements were negotiated in late 2019, and are not set to expire until December, 2022. Employee health benefits are provided by the Association of Washington Cities (AWC). Early estimates provided by AWC for the 2022 medical premium increases are 4.0 – 7.0% for Regence and 6.0 - 9.0% for Kaiser.

LERMS (Law Enforcement Records Management System) includes the police departments of Lacey, Olympia, Tumwater, Tenino and Yelm. TCOMM has entered into a Service Level Agreement with those jurisdictions to provide technical support to those agencies and host the server, network connections to the server, applications and databases that comprise LERMS.



2022 Non-Member Fees

Type 1

A type 1 Non-Member organization will pay a flat fee based on the number of calls for service in 2020 (the last full year of statistics at the time of budget preparation). For Type 1 members with less than 5,000 calls, the fee is set at \$112,200 for the 2022 budget year. The flat fee is adjusted each year by 2.0%. Type 1 Non-Members pertain to any organization delivering service in conjunction with the missions of law enforcement, fire protection, and/or emergency medical services, and that receives the equivalent service from TCOMM that a full Member Agency receives.

Type 1 Organization	Calls for Service	2021 Fee	Calls for Service	2022 Fee
Chehalis Tribal PD	5,047	\$ 115,000	3,878	\$ 112,200
Nisqually Tribal PD	4,808	\$ 110,000	2,897	\$ 112,200

Type 2

Type 2 entities directly improve TCOMM's ability to serve the public's emergency needs. The 2022 fees for both AMR and Olympic Ambulance Companies are based on service level agreements which state that the annual fee shall be adjusted by the annual percentage change in the Consumer Price Index (CPI-W), not to exceed 3.0%.

Type 2 Organization	2021 Fee	CPI-W	2022 Fee
AMR Ambulance Co.	\$ 31,740	3.0%	\$ 32,692
Olympic Ambulance Co.	\$ 31,740	3.0%	\$ 32,692

The fee structure for the Type 2 agencies listed below is based on a flat fee set by the Administration Board in 2018 plus a fee per each call for service (adjusted annually by the CPI-W), with the exception of The Evergreen State College Police Department (TESC PD). TESC PD is charged a fee per each OMINIXX and ACCESS query at the same rate that TCOMM is charged by Washington State Patrol (WSP) in addition to a flat fee adjusted by the CPI-W each year.

Type 2 Organization	2019 Calls	2021 Fee	2020 Calls	2022 Fee
Animal Services	186	\$ 2,529	105	\$ 1,918
Lacey Public Works*	670	\$ 6,507	595	\$ 0.00
Olympia Public Works	183	\$ 2,504	175	\$ 2,529
Tumwater Public Works	74	\$ 1,608	67	\$ 1,586
Yelm Public Works	25	\$ 1,206	28	\$ 1,245
TC Public Works	337	\$ 3,770	328	\$ 3,867
TC Coroner	469	\$ 1,928	541	\$ 2,363
TC Judges	453	\$ 2,790	369	\$ 2,417
TESC PD	91	\$ 2,291	51	\$ 2,214

*The Lacey Public Works fee was waived as part of the agreement for the TCERN project facility rental.

2022 Non-Member Fees (cont.)

Type 2 (cont.)

The fee for tow companies is based on the number of times that the company appears on tow listings plus a flat fee which is adjusted annually by the CPI-W. The number of tow listings included in the table below will be updated in January of each year in preparation of the annual invoice sent to each company.

Type 2 Organization	2021 Listings	Projected Fee
B & H Towing	5	\$ 256
Bill's Towing	5	\$ 256
Black Lake Towing	11	\$ 443
Boyd's Towing	16	\$ 598
Capitol Towing	5	\$ 256
H & H Towing	19	\$ 692
Howard's Towing	12	\$ 474
Jerry's	7	\$ 318
JJ's	3	\$ 193
Nisqually	13	\$ 505
Patriot Recovery	3	\$193
South Sound	7	\$ 318
Summit	17	\$ 630

Type 3

The annual fee for Type 3 entities is increased by 5% annually, which is consistent with what TCOMM typically pays to lease tower facilities.

Type 3 Organization	2021 Fee	2022 Fee
TC Amateur Radio	\$ 8,889	\$ 9,334
TC Public Works	\$ 7,229	\$ 7,591

Capital Asset Purchases

2022

CAD Replay	\$ 3,250
Cisco Switches (x13)	\$76,634
ERP Financial System	120,000
ESC Security Camera System	65,000
Office Furniture (x3)	12,500
Computers (x9), Tablet & TV/Projector	23,100
NeoGov	8,000
LERMS Server	5,500
CAD Computers (x16)	32,000
Training Center	446,180
TCERN Change Order Payments	1,103,650
HVAC	13,000
T-1 Channel Banks	104,000
Antenna Testing System	16,700
Seismic Upgrade – Crawford Mtn	35,000
Power System – Bald Hills	300,000
Battery Tester	12,000
Shelter Renovation – Bucoda	30,000
BMRS Tower	35,000
Radio Site Relocations	90,000
Radio Site Improvements	70,000
2022 TOTAL	\$ 2,601,514

2023

GPS Clock	\$ 7,500
Servers (x2)	21,900
CAD Software	2,000,000
2023 TOTAL	\$ 2,029,400

Capital Asset Purchases (cont.)

2024

Servers (x3)	\$ 20,424
Radio Base Stations (x4)	60,000
2024 TOTAL	\$ 80,424

2025

Firewalls (x4)	\$ 28,800
Tablets (x5)	5,000
Computers (x18)	43,600
Switches (x5)	10,800
Servers (x4)	28,800
Routers (x2)	7,000
VoIP Card	22,000
NG911 Software	49,400
Chassis & Cabinet	12,400
Radio Vehicle	65,000
HVAC - Birch	5,500
DC Rectifier Unit	15,000
Radio Base Stations (X2)	30,000
2025 TOTAL	\$ 323,300

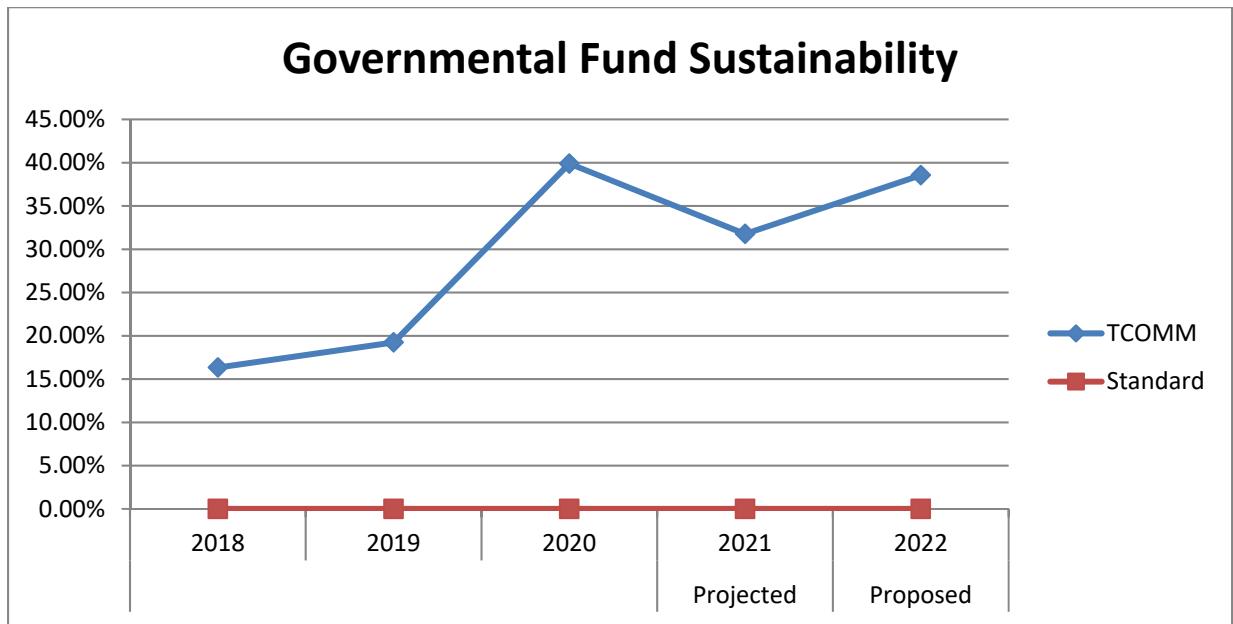
Key Performance Indicators

Governmental Fund Sustainability

The Governmental Fund Sustainability reflects the difference between TCOMM’s revenues and expenditures. A positive percentage shows that revenues are sufficient to cover expenditures. The standard published by the WA State Auditor’s Office is 0.0%. Note: In previous years, the WA State Auditor’s Office used Operating Margin as an Indicator instead of Governmental Fund Sustainability.

$$\text{Governmental Fund Sustainability} = \frac{\text{Revenues} - (\text{Expenditures} + \text{Debt Service})}{\text{Revenues}}$$

2022 Budgeted Governmental Fund Sustainability = 38.55%



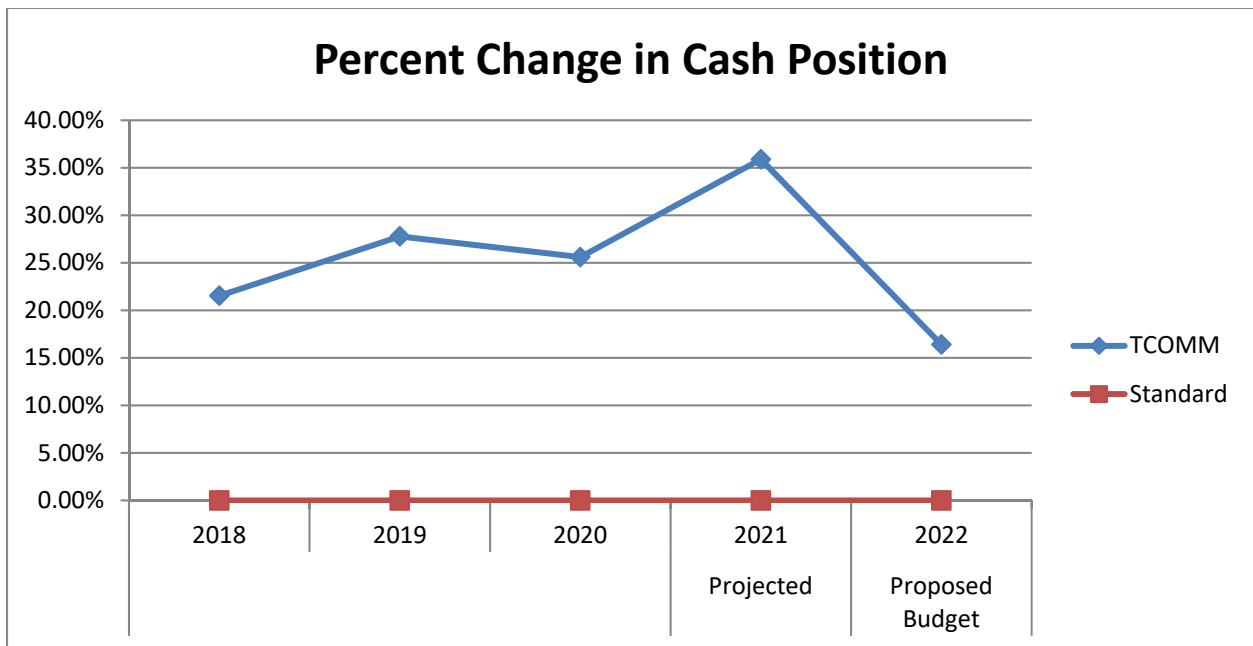
Key Performance Indicators (cont.)

Change in Cash Position

The Change in Cash Position reports the change between the current ending cash balance and the previous year's ending cash balance. The standard published by the WA State Auditor's Office is 0.0%.

$$\text{Change in Cash Position} = \frac{(\text{Ending Cash Balance} - \text{Beginning Cash Balance})}{\text{Beginning Cash Balance}}$$

2022 Budgeted Change in Cash Position = 16.40%



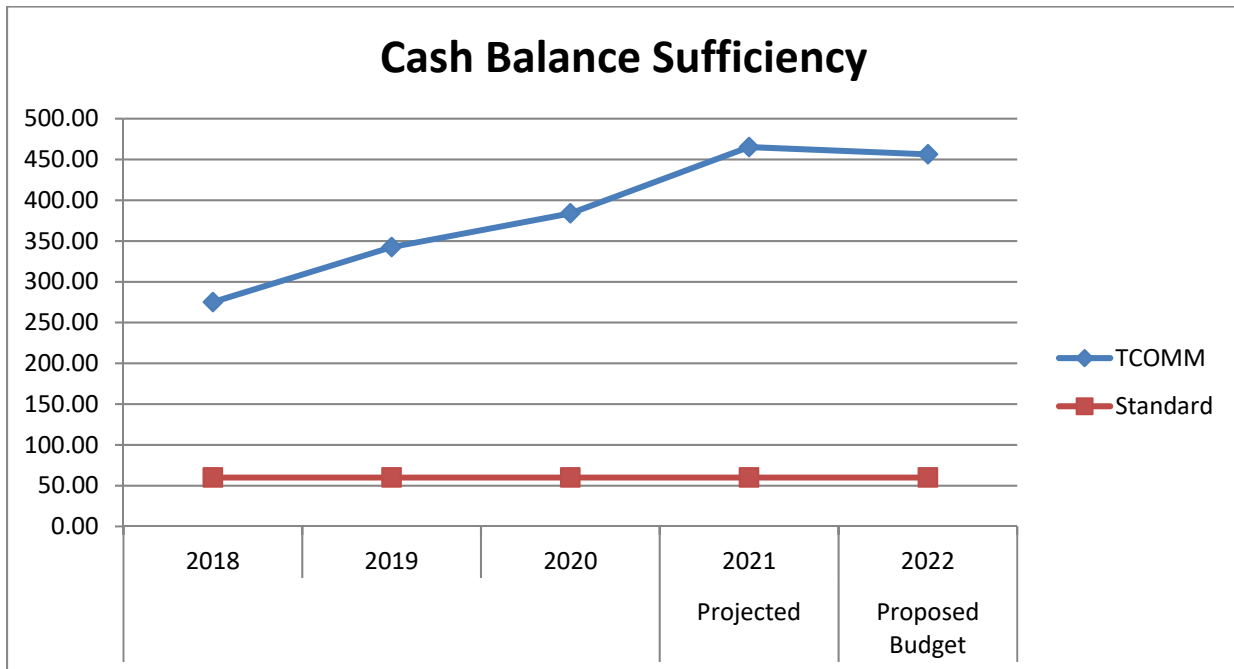
Key Performance Indicators (cont.)

Cash Balance Sufficiency

Cash Balance Sufficiency calculates the number of days the current cash balance would be able to cover operating expenditures. The standard published by the WA State Auditor’s Office is a cash balance sufficiency greater or equal to 60 days.

$$\text{Days Covered} = \frac{\text{Ending Cash Balance}}{\frac{(\text{Operating expenditures} + \text{Debt Service})}{365 \text{ days}}}$$

2022 Budgeted Cash Balance Sufficiency = 456.31



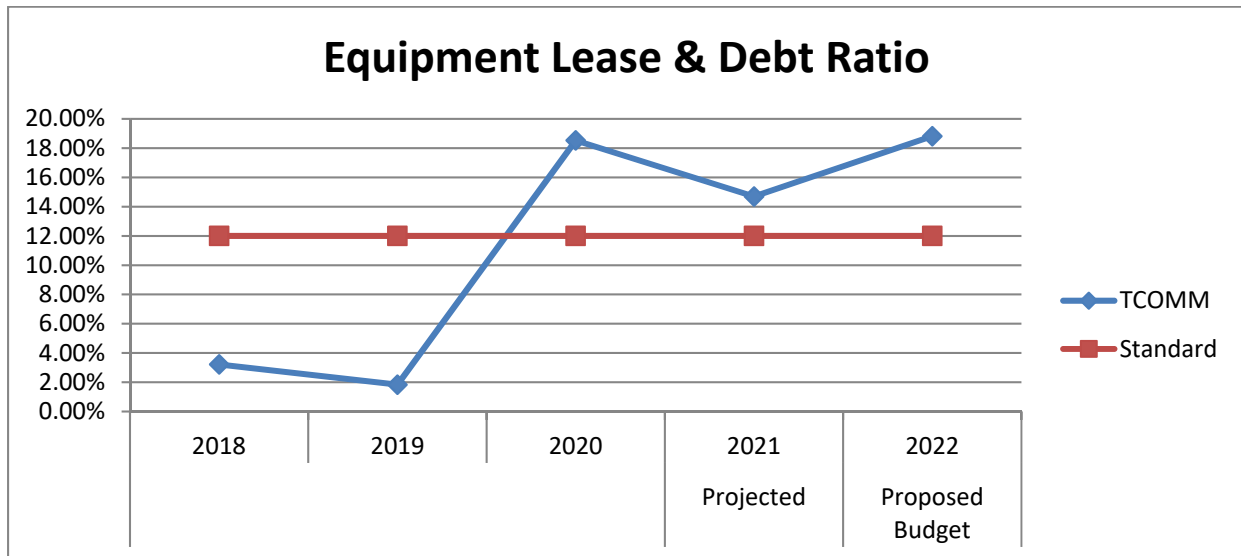
Key Performance Indicators (cont.)

Equipment Lease and Debt Ratio

The Equipment Lease and Debt Ratio compares the payments to revenues. Higher ratios represent less flexibility for future spending needs.

$$\text{Lease \& Debt Ratio} = \frac{(\text{Principal} + \text{Interest})}{\text{Operating Revenue}}$$

2022 Budgeted Equipment Lease & Debt Ratio = 18.82%



Considerations

Economic Factors & COVID-19

Forecasting future tax revenue is challenging in any year, but with the addition of the economic impacts of COVID-19 Delta variant, forecasting in 2022 has increased levels of uncertainty.

The Washington State Economic and Revenue Forecast, published in June 2021, forecasts the retail sales tax growth to be 5.2% in FY22 and 2.5% in FY23.