

2015 Budget
Ottawa County
Central Dispatch
Authority

TO: OCCDA Policy Board
FROM: Timothy Smith, Director
DATE: August 4, 2014
RE: OCCDA 2015 Budget



The attached budget reflects the recommended 2015 OCCDA budget.

Included are:

1. Projected and actual revenue from 2013 through 2027.
2. Projected and actual operating expenditures from 2013 through 2027.
3. Projected and actual fund balance and cash reserves analysis graphs from 2013 through 2027.
4. A budget worksheet showing the line item distribution for the prior years beginning with 2013 year end actual data, 2014 adopted budget, 2014 proposed amended budget, and 2014 actual data through July 25, 2014, and the recommended budget for 2015 for board consideration.
5. The 2014 millage worksheet for the 2015 Budget created by Ottawa County.
6. Future millage scenarios projected at with a 3.34% increase in millage revenue for 2015 over 2014 and 1.5% increases annually in 2016 and beyond.

Capital Item Changes:

Completing 2014 – Infrastructure - Miscellaneous equipment replacement in the amount of \$75,000.00, reduced from historical levels, which recognizes new equipment and new facility.

Radio infrastructure – Tower inspections \$35,800, mobile data modem replacements \$280,000 and recording system replacement due to end of life \$40,000

Fiber optic connections to primary and key secondary radio sites – \$100,000

CAD / RECORDS / MOBILE CLIENT replacement - \$1,000,000 - \$2,000,000 (budget is set at \$2,000,000)

New 2015 – Infrastructure - Miscellaneous equipment replacement in the amount of \$75,000.00, reduced from historical levels, which recognizes new equipment and new facility. \$75,000 additional in backhaul infrastructure / fiber.

Additional staff requested in 2014 - None, current headcount of 41 meets current and project staffing needs for the foreseeable future. Employees that leave OCCDA will be replaced to maintain the current headcount.

Approved September 25, 2014

Actual and Projected Revenue:

This spreadsheet is written to show the current year anticipated revenue, the proposed budget 2015 revenue and projections of future revenue to 2027. We have taken a conservative viewpoint (a projected 3.34% increase in millage revenue from 2014 to 2015, based on information provided by Ottawa County, maintaining the same lower millage total through 2016 and projected 1.5% increases annually for future years). The millage projections have been adjusted to reflect no outstanding refunding bond obligations. Revenue renewals / increases are assumed in future years.

2015 Allegan revenue is projected at \$180,000 based on the approved increase in Local Allegan Surcharge approved by the Allegan County Commissioners and a decrease in the number of telephone landlines.

Actual and Projected Operating:

This spreadsheet shows expenditures anticipated, beginning in 2013 for historical perspective and projections through 2027. Note: future bonds have been deleted from the projections, to be considered later if the need arises.

Budget Line Item Analysis:

This is the heart of the budget as fund balances, revenues, expenditures and anticipated capital purchases all are shown. This chart provides forward revenue projections to 2026, using the .4400 mills as approved in the August 5, 2008 millage renewal by the Citizens of Ottawa County. No Headlee effect is shown in 2016 and beyond.

Revenues for State Wireless Surcharge are shown with a \$10,000 increase over 2014's original budget based on a new distribution formula reflecting population growth in Ottawa County increasing the per-capita distribution. Note: point-of-sale collection of the State 911 surcharge for pre-paid phones began in January of 2013.

As these numbers become clearer throughout the coming fiscal years, recommendations will be brought to the Policy Board for budget amendments if necessary.

Capital projects such as Mobile Data Network, Micro Wave, Telephony upgrades / replacement, Radio upgrades / replacement are expected beginning in 2016. The projects will require the funding at that time. These have been discussed conceptually with the Board, and we will be discussing them in more detail now that needs for OCCDA are becoming clearer.

Budget Worksheet:

The Budget Worksheet provides line item detail on all revenue and expenditure accounts. Below is a brief comment on larger line items.

Revenue:

575.01 State 911 surcharge is anticipated at \$490,000 in 2015, based on past 12 month history. 2013 actual wireless charges received were \$489,278. The 2015 budget also takes into account the increased per-capita distribution increase reflecting the population growth in Ottawa County as based on the 2010 US Census.

582.01 Allegan County Surcharge is reduced to \$184,000 in 2014 and at \$180,000 in 2015, based on approval of an increase from \$2.05 to \$2.80 per landline as approved by the Allegan County Commissioners and a decrease in landlines.

665.00 Interest & Dividends are projected at \$20,000 in 2015. Longer term investing (no more than two years) improves the return expected.

699.90 Operating Transfer from Ottawa County budgeted at \$4,275,930 reflecting a 3.34% increase in taxable property valuation.

Total Revenue for 2015 is anticipated at \$5,101,320, up 1.78% from 2014 originally budgeted revenues.

Expenditures – Anticipated for 2015:

702.00 Full time wages show a 2% increase. Certain other employee costs will roll up by the same 2% (workers compensation, 401 (a) retirement, and Social Security).

703.00 Part time wages increase \$10,000 to meet anticipated 2014 performance. No further increase in 2015.

704.00 Overtime is set to increase by \$20,000 in 2015 over 2014.

711.00 Health insurance has been budgeted at \$437,000 in 2015 reflecting an increase over anticipated costs of approximately \$380,000 in 2014. This is based on estimates provided by our benefits coordinator and the fact that we must change our plan coverage based on mandates included in the Affordable Care Act of 2012. An increase of 10% to 15% over 2014 is anticipated based on the Affordable Health Care Act of 2010 components implementation beginning in January of 2015. Additionally OCCDA medical plans costs will continue to be coordinated with Michigan Public Act 152 to determine 2015 employee contribution levels, and ensure compliance.

711.03 Health Care Savings Plan is projected to increase 8% over 2014.

716.00 MERS retirement plan will increase to \$52,000 from \$38,000 due to changes in the funding percentage required to be paid by MERS.

730.90 Admin Charges are budgeted at \$99,900 and remains at 3.5% of actual benefits and wages per the contract with the City of Grand Haven. The charge is finalized as 3.5% of actual wage and benefit costs annually. As staffing changes during the year usually cause reductions in total staffing costs, we have reduced the calculated amount to an estimated (reduced) level.

735.01 - Service Contracts are budgeted at \$738,000 reflecting an 11.8% increase over the 2014 amended budget. Staff continues negotiating all individual service contracts. This includes the additional support for implementing Fire Records with the CAD / Records / Mobile client upgrade. Staff will study whether re-aligning service contracts to reflect our calendar budget year moving forward is feasible.

*Please note that this estimate is based on auditing rules and is complicated in that we look at the major contracts and expense in the current year as a monthly cost. Then we reserve for the future year those "prepaid" costs. We have built in an additional amount to make sure we cover this recalculation accurately to meet auditing requirements.

750.00 Operating Materials and Supplies are budgeted at \$55,000, the same as in 2014.

756.00 Building Repairs and Maintenance are budget at \$10,000 reflecting normal repairs and also include funds for interior and exterior painting.

780.00 Advertising & Public Relations are budgeted at \$10,000, the same as in 2014.

811.00 Telephone expenses are budgeted at \$300,000 up from the 2013 year end actual amount of \$274,693. Changes are attributed to air card charges for MCT's that OCCDA provides, and data line / service costs for backhaul.

812.00, 813.00 and 814.00 Gas: electricity, water and sewer are budgeted at \$90,145 in total, based on actual usage history.

870.00 and 870.01: Professional Development and Employee Training are budgeted at \$45,000 combined in 2015 which includes funds for non-reimbursed training, and professional development.

970.04 Infrastructure for miscellaneous computer equipment replacement in the amount of \$400,000 and "last mile" fibers connections to selected tower sites.

Total Operating Expenses for 2015 are anticipated at \$4,454,055 reflecting a 5.94% increase over the proposed amended 2014 budget.

Capital expenditures are proposed at \$400,000 for 2015, down from the \$2,430,800 anticipated for 2014. See the capital plan worksheet for greater detail.

Total expenditures, operating and capital combined, are proposed at \$6,635,185 for 2014, \$4,854,055 in 2015. The decrease is primarily for \$2,030,800 in capital costs.

Future Capital Projects:

OCCDA staff have identified that we need to assess our Mobile Data system and back-haul infrastructure moving forward. Additionally we may need to add new radio towers to increase coverage in the Northeast and Southeast areas of Ottawa County. With changes in technology and the changes in data that will be processed with NG 9-1-1, we began replacing the existing CAD / Records / Mobile Client systems in 2014.

Ottawa County 2014 Millage Worksheet

This worksheet shows how Ottawa County anticipated the millage for OCCDA at the maximum allowable millage levy of 0.4400 mills. The total tax revenue estimate is shown as \$4,275,930 including unpaid personal property taxes and delinquent taxes, a 2.6% increase over 2014 levels.

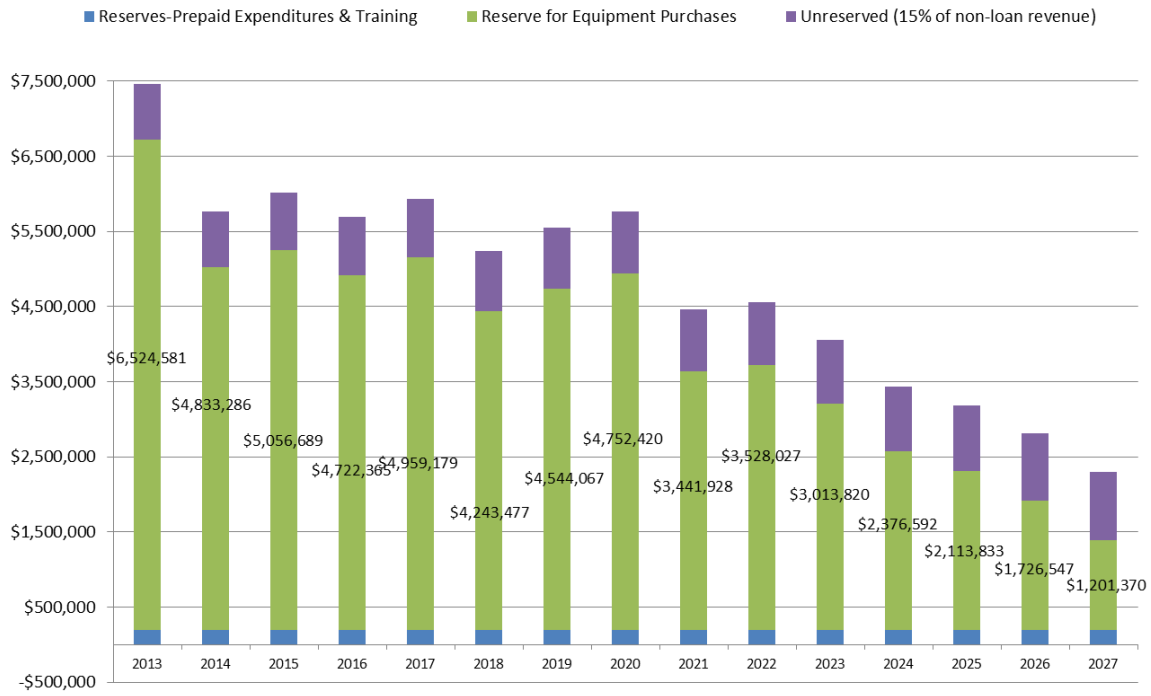
Recommendation

My recommendation is that the OCCDA Policy Board adopts the attached 2015 budget, and the amended 2014 budget as presented.

Thank you,
Tim Smith

Executive Director
Ottawa County Central Dispatch Authority

OCCDA - Reserves Forecast - to 2027



Projected Cash / Reserves for Equip. - to 2027

