



2019-2020 Adopted Biennial Budget

A Nationally Accredited
Emergency Communications Center



August 3, 2018

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The Adopted 2019-2020 Budget document may be viewed online through the following link:

<http://www.valleycom.org>

This on-line document can be downloaded as PDF. The Table of Contents includes bookmarks and links for ease of navigation.

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Vision Statement

An industry-leading regional public safety hub, Valley Communications Center is a team of dedicated public safety professionals working together to provide our community with responsive and coordinated emergency and essential services.

Mission Statement

Valley Communications Center saves lives by assessing, translating, and routing information efficiently, accurately, and rapidly.

Guiding Principles

- **Reliability.** We are always there when you need us.
- **Transparency.** We are direct and clear in all our decision-making and communication.
- **Compassion.** We look out and care for each other with genuine concern.
- **Accountability.** We are responsible and respectful stewards of the contracts and expectations of our partners and the public.
- **Teamwork.** We foster understanding, support, collaboration, and professionalism across our organization.
- **Continuous Improvement.** We will constantly improve and innovate our services by regularly reviewing performance and investing in our staff.

Critical Functions:

Emergency Communication <ul style="list-style-type: none"> • 911 & 10-digit call-taking • Police, Fire, & Medical Dispatching • Radio 	
Communications Infrastructure <ul style="list-style-type: none"> • Technology Support 	Coordinating with Partner Agencies <ul style="list-style-type: none"> • Paging (Context for Emergency Responders) • Computer-Aided Dispatch (Internal, In-station support, Mobile Data Computer, Record Management System) • Internal/External Business Calls

Historical Information

In 1976, the Cities of Auburn, Kent, Renton, and Tukwila identified a concept which would provide their citizens with quality emergency call receiving and dispatching services without the duplicity of expenses. This vision resulted in an Interlocal agreement forming Valley Communications Center on August 20, 1976 and establishing the Administration Board as the governing body. This action established Valley Communications Center as a governmental administration agency under RCW 39.38.030 (3) (b). On January 1, 2000, the original cities entered into a new Interlocal agreement which included the addition of the City of Federal Way as an additional owner agency.

Since 1976, Valley Communications Center has been growing at a steady pace. Valley Communications Center (VCC or Valley Com) originally served the needs of the four owner cities and a small number of contract agencies. Today Valley Communications Center serves 10 police departments, 13 fire departments, and King County Medic One paramedics, with a service population of approximately 769,804 residents.

In November 1992, the King County voters approved funding for the acquisition and installation of the Regional 800 MHz Radio System through a \$57 million levy. In May 1993, Valley Communications Center entered into an agreement with King County for the purpose of providing joint project management of the system's implementation. In August 1993, Valley Communications Center entered into an Interlocal agreement with the sub-regions of King County, Seattle, and Eastside Public Safety Communications Agency to jointly administer the Regional 800 MHz Radio System.

On August 23, 2000, the Valley Communications Center Public Development Authority (VCCDA) was created for the purpose of financing the construction of a state-of-the-art 24,000 square foot facility. After nearly two years

of construction, equipment installation, testing and training, live operations were transferred to the new facility at 0400 on Sunday, June 23, 2002.

On November 17, 2001, Valley Communications Center became the first communications center on the West Coast to receive national accreditation and only the seventh in the nation through the Commission for the Accreditation of Law Enforcement Agencies (CALEA). Preparation for accreditation took 18 months and included proving best-practices for communications centers in over 200 stringent standards. Valley Communications Center was re-accredited in 2004, 2007, 2010, 2013, 2016 and is pursuing re-accreditation in 2020.

In July 2013, VCC entered into a Puget Sound Emergency Radio Network (PSERN) Contract Procurement Agreement with the sub-regions of King County, Seattle, and Eastside Public Safety Communications Agency to procure a contract for the provision of the electronics and development of certain new tower sites for an emergency radio system within King County. This agreement designates King County as the lead for the procurement. PSERN is the new emergency radio system that will replace the existing King County Emergency Trunked Radio System (KCETRS).

In June 2015, VCC entered into an Implementation Agreement with King County for PSERN System, financed through a \$273 million voter approved funding measure for the purpose of establishing the terms under which to undertake certain activities necessary to implement the PSERN System. King County is the lead agency for planning, procurement, financing, and implementation of PSERN System and for creation of a new non-profit corporation, to be responsible for the ownership, operations, maintenance and on-going upgrading/replacement of the PSERN System during its useful life.

Governing Boards

The Interlocal Agreement of January 1, 2000, states the Valley Communications Center shall be governed by an Administration Board comprised of the Mayors of the cities of Auburn, Federal Way, Kent, Renton, and Tukwila.

Principle functions of the Administration Board:

- Reviews and approves the Valley Communications Center budget (note: Center’s budget is distributed to each owner and contract agency for incorporation into each entity’s budget)
- Appoints and supervises the Executive Director
- Approves administrative and personnel policies
- Reviews and approves contracts and agreements
- Reviews and approves disbursement of funds by Valley Communications Center
- Approves or disapproves recommendations from the Executive Director and the Operations Board
- Sets the long term strategic vision for the organization

The Operations Board provides operational guidance and support to Valley Communications Center. The Operations Board is comprised of the Police and Fire Chiefs of the five owner cities (or fire authorities in respective cities), one appointed representative from Police contract agencies, and one appointed representative from Fire contract agencies.

Principle responsibilities of the Operations Board:

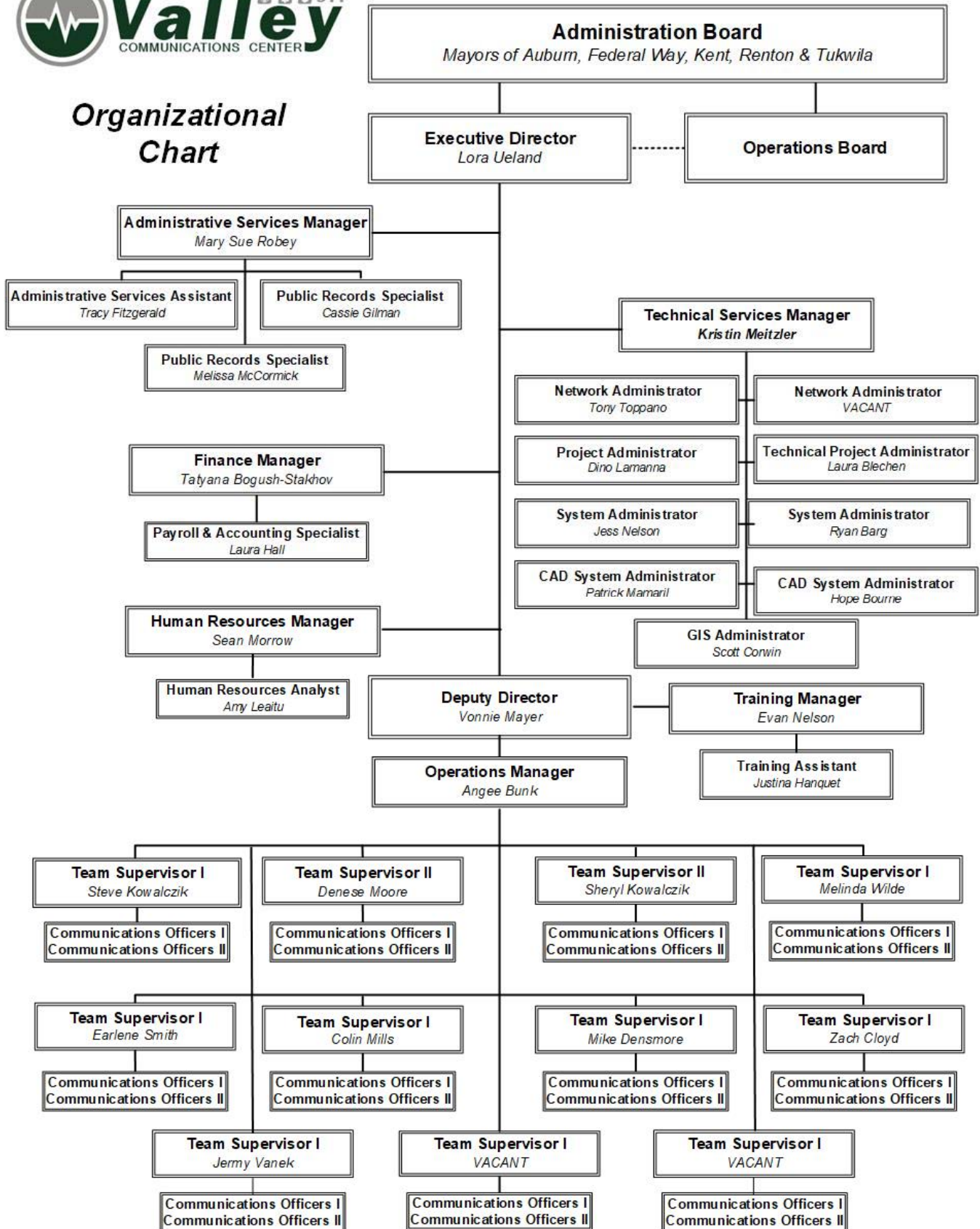
- Responsible for operational policies and procedures
- Assists staff and the Administration Board with strategic planning
- Makes recommendations on the selection of the Executive Director
- Members serve on supporting groups including the Finance Committee and The Advisory Committee on Technology (ACT)



Organizational Chart



Organizational Chart

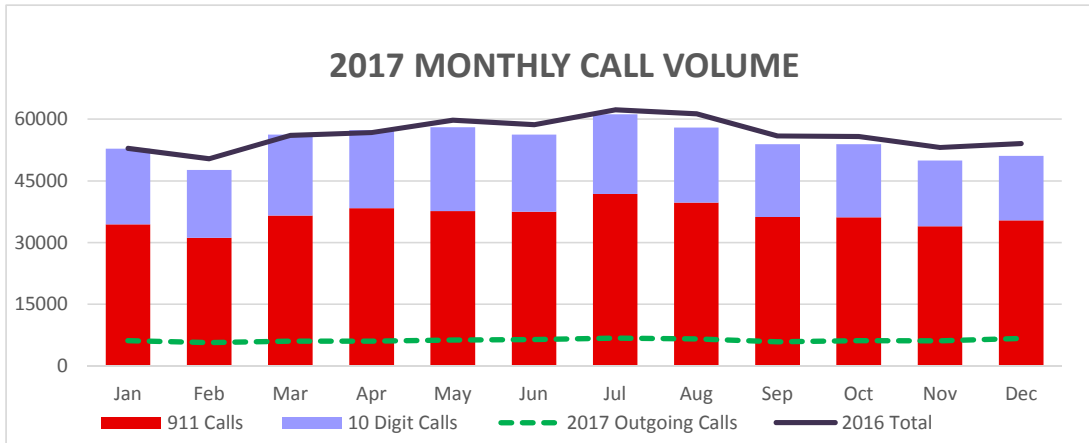


Recent Accomplishments

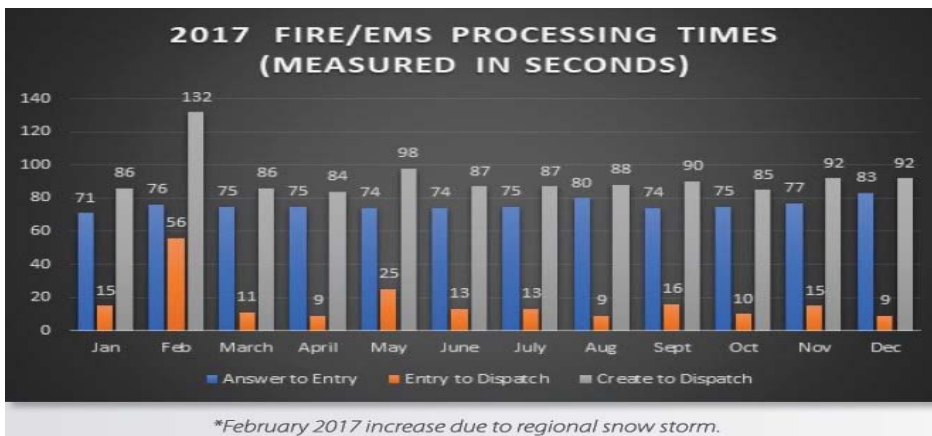
- Celebrated our 40th year of service as an agency with a year-long recognition campaign and awarding of a commemorative challenge coin recognizing this milestone to employees during the 2017 Telecommunicator Week.
- Earned our 4th APCO Project 33 recertification of our training program in 2018.
- Earned our 19th consecutive annual audit free of findings from the State Auditor's Office.
- Adopted the Project Approval Process designed to effectively manage existing and new priorities.
- Implemented an agenda setting process designed to increase communication with the Operations Board and encourage greater engagement.
- On-boarded two new contract agencies: Enumclaw Fire Department in 2017 and King County International Airport Fire Department in 2018.
- In conjunction with the King County E-911 Program Office, deploy the interim solution to receive text-to-911 calls in 4Q18 and established employee workgroup to formulate procedural recommendations.
- Developed and approved a five-year Strategic Plan in cooperation with the Administration Board, Operations Board, employees, and other external partners.
- Conducted in-house COI (Call Receiver), police dispatch and fire dispatch training academies and have to date successfully trained 14 COI, 3 police dispatchers and 3 fire dispatchers for the 2017/2018 years with a COI academy of 5 starting in September 2018.
- Continued to meet the call-answering standards in 2017.
- Contributed and collaborated with King County and other Emergency Communications Centers (ECC) in developing a Strategic Plan for the King County E-911 Program Office which addresses governance, technology, and funding for the Next Generation 911 services.
- Completed installation of Community Connectivity Consortium (C3) equipment establishing VCC as a node host in a regional high-speed fiber ring.
- Implemented GovQA software services to process and track public records requests.
- Successfully performed our role in the public safety team by answering 652,455 emergency (911 & 10 digit) calls and managing 556,564 Computer Aided Dispatch incidents, while keeping public survey rating at 4.9 out of 5 in 2017.
- Completed CAD DOL photo enhancement implementation.
- Completed CAD automated driver's license scanning enhancement.
- Began the planning process for Valley Com's next generation notification system to replace existing VHF paging.
- Completed mutual aid mapping enhancement allowing Medic One apparatus to display on map.
- Further developed the established relationship with Meadow Ridge Elementary School by conducting tours of the Center for the 1st and 2nd grade classes and supplied 20 turkeys to families for the Thanksgiving holiday.
- Conducted promotional processes for Communications Training Officer, Supervisor I, Supervisor II, Operations Manager, and Training Manager.
- Realized efficiencies in the hiring process for COI from 6 to 3 months and improved first year COI retention to over 56%.
- Created a recruitment video.
- Installed electronic monitors to enhance com room efficiency.
- Implemented new learning management system E-Logic.
- Recertified as a partner agency with National Center for Missing and Exploited Children.
- Held an annual Citizens Academy to introduce the community to their 9-1-1 center.
- Met all standards in the first of four years CALEA recertification cycle.
- Fulfilled 5,445 public records requests in 2017, a 17% increase from prior year, and hired a half time public records specialist to meet the increase.

Key Performance Indicators

Valley Communications Center tracks key performance indicators on a monthly and quarterly basis for various functional areas. The Center revamped its performance and dashboard indicators in 2017. Below graphs present main operating indicators for the communications room, which is the heart of Valley Com.

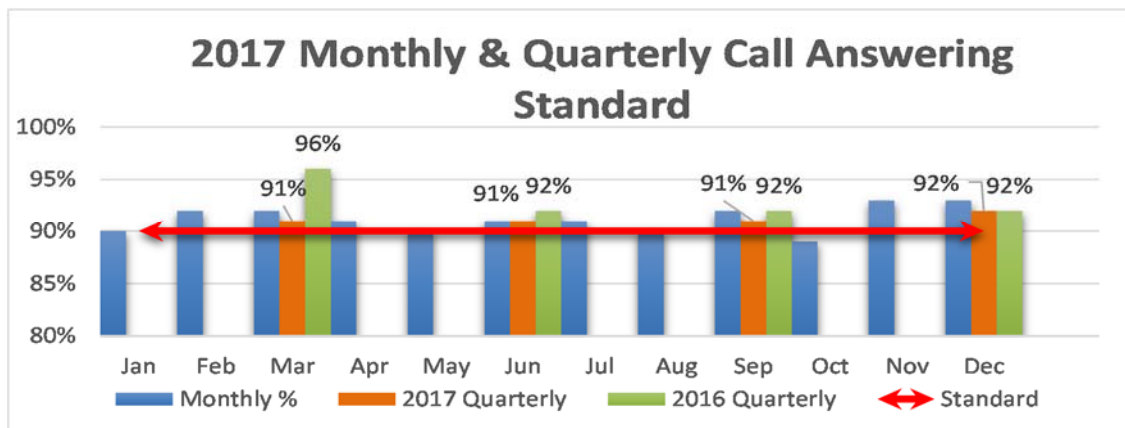


Call volume shown in the graph above has remained relatively steady in the last couple of years.

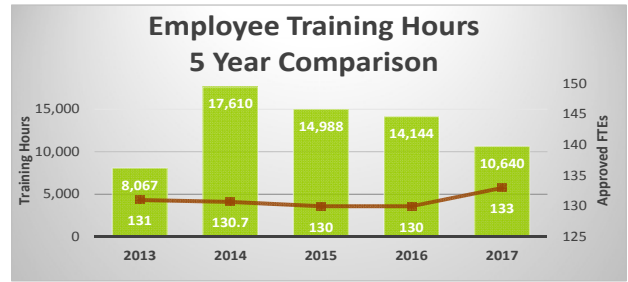


The processing times for fire and EMS calls shown in the graph to the left has also remained relatively steady during 2017.

Below graph shows the Center’s ability to meet the King County E-911 Program Office call-answering standard that is established for all PSAPs in King County. Using an hourly standard of 90% of all 911 calls must be answered in 10 seconds or less, King County E-911 has determined that all PSAPs must meet the hourly standard in 80% of all hours in a quarter. During the last 2 years, the Center has met the 90% standard; however, the percentage has been on the decrease as call complexity increases, use of language interpreter lines increases, and more elaborate line of questioning is used to triage medical calls.



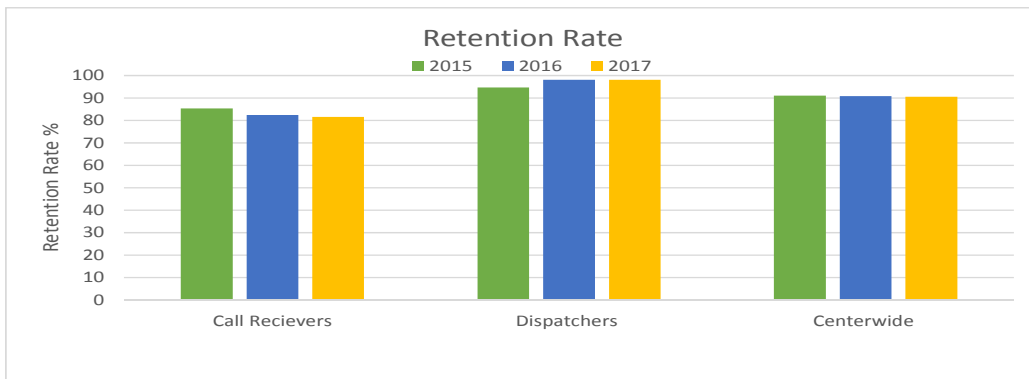
In 2017, all staff members surpassed the APCO Project 33 required annual training of 24 hours per employee, ending the year with a total of 10,640 hours, well above the estimated total hours of 3,192 per above standard (24 hours per employee at 133 employees).



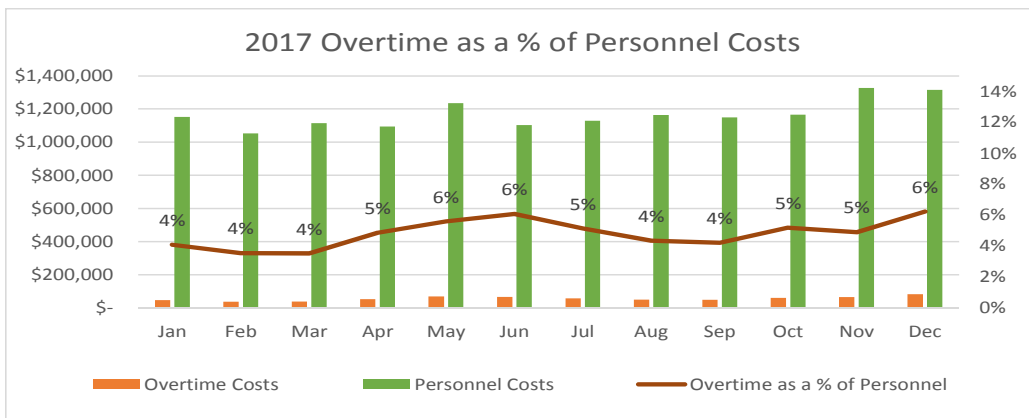
The Center has a quality assurance (QA) assessments process. Supervisors conduct assessments for their team member and the Center participates in the KC EMS and the NCMEC programs. These reports provide timely feedback to employees, allow to identify and address trends though training, and are used for measuring improvement and recognizing extraordinary performance. KC EMS uses data to better respond to EMS related challenges by identifying medical symptoms over the phone and sending the appropriate level of medical assistance. NCMEC QA evaluates calls that may involve children at risk and our goal is to ensure we provide the safety of every child the highest attention and priority. Below table shows number of QAs completed under each program in 2017 and the average QA scores.

Call Receiver	Dispatcher	EMS	NCMEC
Out of 705 QA's	Out of 1326 QA's	Out of 150 QA's	Out of 119 QA's
97%	98%	97%	98%

The Center maintained an average overall 92% retention rate during the last 3 years, which is above the industry retention rate of 81% (based on the 2009 APCO Project RETAINS announcement that research had proven turnover rates for communications centers in the U.S. to be 19%).



Since the Center is subject to the minimum staffing levels requirements for its communications room operation, below graph shows 2017 overtime costs compared to personnel costs, which assists management in personnel resource management.



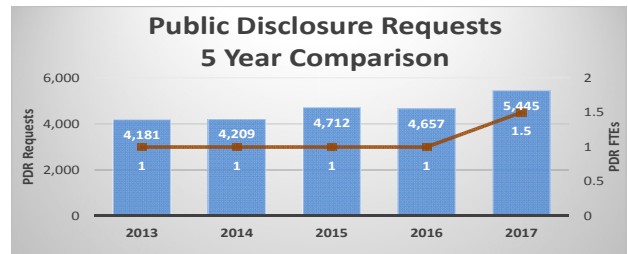
2019-2020 Goals & Objectives

Overall

- Begin implementation of the VCC Strategic Plan scheduled for approval in December of 2018. Areas of focus include identifying appropriate staffing levels and schedules, improve internal/external communication, establish a meaningful employee recognition program, and evaluating/enhancing the training program.
- Transition to the state owned ESI-Net II which is the IP backbone for delivering 911 calls, texts and eventually multimedia messages to the Emergency Communications Center.
- In partnership with King County and other radio system owners, transition to the Puget Sound Emergency Radio Network (PSERN) system. Valley Com will transition in 2019 to new radio consoles.
- Take steps to implement ASAP to PSAP (Automated Secure Alarm Protocol) to reduce 10-digit call volumes by potentially 25,000 per year.
- Implement a successful upgrade of the TriTech Total Command Computer Aided Dispatch system enhancing functionality and security.
- Streamline policy updates and access through electronic medium.

Administrative Services Department

The Administrative Team provides critical support to various functions throughout the organization and CALEA compliance. Their duties include public disclosure, retention and destruction, testifying in court, coordination of meetings, management of the vast amount of information generated by the organization, and distribution of written directives. Goals and objectives for the next biennium include:



- Continue to provide high level administrative support to the Administration Board, Operations Board, management, and staff.
- Continue efforts in CALEA to ensure compliance and a successful re-accreditation.
- Continue to support National Emergency Telecommunicator Week.
- Continue to keep staff informed through the quarterly newsletter.
- Maintain relationship with Meadow Ridge Elementary developing student awareness of public safety and 911.
- Continue with review and updates of administrative policies.
- Begin electronic archiving of aging documents to meet state retention requirements.

Finance Department

The Finance department is responsible for monitoring the financial health of the organization. The duties include development of the biennial budget, coordination of day-to-day budgetary and accounting functions, preparation of financial reports, coordination of annual audits, and management of cash, investments, assets and property, payroll, purchasing, accounts payable, and accounts receivable. Goals and objectives for the next biennium include:

Measure	Target	2014	2015	2016	2017	2018
Annual Financial Report to SAO (RCW 43.09.230)	Due 150 days after fiscal year-end	133	131	125	143	141
Biennial Budget presented to Administration Board for Adoption (Interlocal Agreement, Section 8)	Due 9/1 every other year since 2014	3-Aug	N/A	3-Aug	N/A	27-Jul

- Continue to produce accurate annual financial reports and work cooperatively with the State Auditor's Office on audits.
- Continue to closely monitor financial activity and ensure continued fiscal responsibility.
- Review and update financial policies as necessary to ensure current needs are adequately addressed.
- Continue to process financial transactions according to established policies and principles.

- Continue to streamline payroll related processes and explore enhancement of payroll processing software.
- Review banking relationships and pricing.
- Design total employee compensation statements.

Human Resources Department

Human Resources works closely with every department ensuring they have the support needed.

That support comes in the way of proper staffing, coordination of the promotional processes, and guidance when dealing with the complexities associated with various state and federal rules and regulations. The department is responsible for recruitment, administration of benefit plans, development of a competitive salary structure, negotiation of bargaining agreements with union partners, and employee investigations. Goals and objectives for the next biennium include:

Measure	Target	2015	2016	2017
Employee Retention Rate	81%	92%	91%	92%

- Leverage existing HRIS technology for greater efficiencies.
- Better use of social media to promote Center careers and openings.
- Continue to grow the scope and relevance of the Center’s Wellness Committee.
- Seek training opportunities for Center’s management and supervisory staff to better navigate the complex state and federal laws as it pertains to employment.

Operations Department

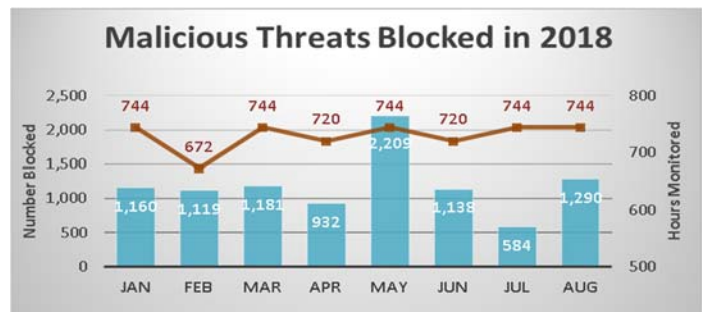
Valley Com’s main function to answer, triage, and dispatch incoming 911 emergency and 10-digit non-emergency calls for police, fire, and emergency medical services (EMS) is handled by Operations. Goals and objectives for the next biennium include:

911 Call Answering Standard	Target	Q1	Q2	Q3	Q4
2016	90%	96%	92%	92%	92%
2017	90%	91%	91%	91%	92%

- Establish operational employee driven workgroups to develop plans to integrate procedural and technology changes and analyze current policies.
- Continue to refine call processing procedures as new performance and technology trends emerge.
- Continue to meet or exceed call-answering standards.
- Provide information to allow stakeholders to make informed operational decisions regarding dispatch and call receiving operations.
- Implement and train employees on HAM radios.
- Expand the use of electronic monitors to include additional information relevant to operations.
- Implement electronic scheduling system.

Technical Services Department

The Technical Services Department is responsible for providing oversight, design, engineering, and technology services to maintain and support Valley Communications 911 call taking, dispatching, and communications to our Police, Fire, and EMS partners. Department provides an enterprise level Computer Aided Dispatching (CAD) application, supports business applications, telephone, radio communications, and paging notifications. Goals and objectives for the next biennium include:



- Improve CAD mobility with the upgrade of TriTech MobileCom for field units.
- Improve data collaboration and analytics.
- Strengthen Valley Com’s cyber security posture.
- Refresh VHF paging system.
- Implement closest unit dispatching in upgraded CAD.
- VPI recording system replacement.

- VCC UPS system replacement.
- Replace core networking and security equipment.

Training Department

Training Department facilitates contemporary training on a multitude of topics to a large and diverse employee group working staggered hours around the clock. They ensure training is current and documented, and see that all certifications remain up to date including Washington State Criminal Justice Training Commission

Measure	Target	2013	2014	2015	2016	2017
Employee Training Standard (24 hours of annual training per employee)	100% of employees	100%	100%	100%	100%	100%

Telecommunicator I and II, Washington State ACCESS, King County EMS, and FEMA NIMS. Goals and objectives for the next biennium include:

- Plan and execute an Elected Officials Open House for newly Elected Officials.
- Schedule and conduct two CO I Academies annually, and at a minimum 1 Police and 1 Fire dispatch COII Academy.
- Conduct a business review of the training program.
- Continue to provide high quality training to all staff.
- Ensure all employees meet the minimum 24 hours training state requirements and to maintain E-911 excise tax funding.

Issues Impacting the Future

- Managing expectations of customers, the public, and employees in light of rapid growth of technologies and proliferation of apps and digital tools designed to interact with 911 services.
- Increasing public disclosure requests and complexity due to added technology while working within laws that do not consider impacts of the technology.
- Funding challenges within the current 911 taxing structure and identifying viable alternatives for the Emergency Communications Centers in King County.
- Recruiting qualified candidates to achieve and maintain full staffing in a tight labor market.
- The continued growth of specialized technical skillsets outpacing staffing limits within Valley Com.
- Implementation and operational impacts of Next Generation 911 (NG911).
- Delivering and securing data from the public to the public safety field.
- Pace of technology requests from agencies outpace VCC’s ability to meet.
- Expanding GIS repository to meet federal FCC location accuracy rules; i.e. Z-access space coordinate.

Budget Process

Valley Communications Center is an Enterprise Fund, primarily self-supporting through user fees based on calls for service. An annual formula has been established that apportions costs to the five owner cities based on use of the system after revenues from contract agencies and outside sources (such as King County E-911 excise tax funds) are subtracted from the required amount needed to operate the Center.

Before the Administration Board votes on the proposed budget developed by the Center’s staff, several groups review and make recommendations. A strategy discussion is held early in the process with the Finance Committee consisting of five owner cities Finance Directors and appointed members from the Operations Board. The same group scrutinizes the proposal and makes a recommendation to the Operations Board, who in turn votes on a recommendation to forward to the Administration Board. Prior to final action by the Administration Board, the Chief Administrative Officers from owner cities are provided an opportunity to review the proposal.

The Center changed from an annual to a biennial budget for the 2015-2016 calendar years. In August/September of each even numbered year, the final budget proposal is presented to the Administration Board for adoption.

BUDGET DEVELOPMENT CALENDAR FOR 2019-2020 BIENNIAL BUDGET

DATE	PROCESS	STAFF
Thu 2/22/18	Customer planned projects - request from Operations Board	Director
Mon 3/26/18	Budget strategy with Finance Committee - email (includes Owner City Finance Directors)	Director/Finance
Tue 4/3/18	Budget strategy meeting - priorities and large projects for 2019-2020	Management Team
Wed 4/18/18	Operating budget workshop (budget parameters, organizational issues, etc.)	Management Team
Fri 6/01/18	Department budget requests due to Finance	Management Team
Tue 6/12/18 & Tue 7/3/18	Operating budget briefing (available revenues, department requests, and project priority)	Management Team
Fri 7/06/18 & 7/18/18	Staff goals & objectives, accomplishments, and issues impacting the future due & review	Management Team
Mon 7/9/18	Revenue estimates and budget requests review complete – analysis prepared for Director’s review	Finance
Tue 7/17/18	Preliminary draft budget options presented to Finance Committee for recommendation to Ops Board	Director/Finance
Thu 7/26/18	Presentation of draft budget to Operations Board for recommendation to Admin Board	Director/Finance
Mon 7/30/18	Presentation of draft budget to Owner cities Chief Administrative Officer	Director/Finance
Fri 8/03/18 Deadline 9/1	Presentation of proposed budget to Administration Board - Board adopted 2019-2020 biennial budget	Director/Finance
Mon 10/15/18	Distribute final adopted budget	Finance/Admin Manager

Mid-Biennial Review / Budget Amendment Process

Budget amendment substantially follows the same process as budget adoption and is presented to the Finance Committee, the Operations Board, and is adopted by the Administration Board. Mid-biennial review (resulting in a budget adjustment), during the odd numbered year, and a budget adjustment, during the even numbered year, bring forward prior year actual ending equity balances into the current year and are used to approve any supplemental requests. Approved adjustments are incorporated into the existing biennial budget resulting in the revised appropriation for the biennium, which is administered by Center staff.

Basis of Budgeting

Biennial appropriated budgets are adopted as one Proprietary Fund using a method that approximates accrual basis of accounting. Capital outlays are shown as expenditures, deferred inflows/outflows adjustments are disregarded, and fund equity is reported net of capital (i.e noncapital portion of net assets). The Center has five managerial funds to assist with management of budgeted resources and uses: Operating, Equipment Replacement, Contingency, 800MHz, and E-911 Escrow. Budgets for the Center’s functional units/departments

are accounted for in the Operating Fund, while the rest of the management funds are used to account for reserves accumulated from various sources or for specific purposes, as distinguished by the name of each fund. As a management control tool, the subsidiary ledgers monitor expenditures by year for individual functions and activities by object class.

The Executive Director has all the responsibilities a chief executive officer would have over an organization and is authorized to transfer budgeted amounts within the fund; however, any revisions that alter the total expenses of the fund, or that affect the number of authorized employee positions must be approved by the Administration Board.

Financial Policies

Calls for Services Funding Formula

The annual funding formula was updated in September 2017 and is established by the Administration Board Resolution #128. Formula below illustrates how owner and contract agency rates and contributions are calculated:

1. Total expenses to be funded through billable calls for services are calculated
2. Baseline rate per call is calculated (total expenses/total billable call volume)
3. The contract agency rate is calculated (baseline rate + administrative overhead fee)
4. Total contract agency revenue is calculated (contract agency rate * # of contract agency billable calls)
5. Owner agency contributions are calculated (total expenses – contract agency revenue - savings)
6. Each owner agency's contribution is calculated based on their percentage of overall billable call volume.

Equipment Replacement Fund

The Administration Board Resolution #127 governs the Equipment Replacement Fund budgetary reserve set aside specifically for purchasing new equipment and facilities or replacing existing equipment and facilities, as they physically wear out or becomes functionally obsolete.

Contingency Fund

The Administration Board Resolution #114 establishes the Contingency Fund Policy to provide a financial resource in the event of an unanticipated expense essential to effective operation. Funding for the Contingency Fund is accomplished by an annual contribution to the Fund at the rate of not less than 1% of the estimated annual operating expenses to a maximum fund balance of 12% of annual operating expenses. Operating expenses are defined as those accounts required to conduct operations and do not include such expenses as capital requests or contributions to other funds or entities.

Budget Message

To: Administration Board Members

I am pleased to present the Valley Communications Center's 2019-2020 biennial budget. This budget was the result of careful analysis of present and future needs of staff, agencies and the community, as well as state and federal mandates to which Valley Com is obligated.

As always, Valley Com budgets to continue efforts that support the core mission of our agency; answer 911 calls and dispatch those calls to the public safety agencies in South King County. Criteria used to help guide budgeting decisions were:

- Projects and expenses that, if not done, could negatively impact our ability to provide service to our customers and community;
- Mandated requirements we must respond to;
- Timelines of what we could practically achieve in this budget cycle.

In late 2017, Valley Com embarked on development of a 5-year strategic plan to guide our efforts to ensure we meet the needs of the public, agencies and employees in the years to come. An updated Vision, Mission and Guiding Principles statement was created and adopted by the Administration Board, which are included in this document. The plan is currently in the implementation planning phase, however, the two new Supervisor FTE positions are a direct result of the strategic planning discussions and recognition of the critical role supervisory staff have in providing our core mission.

Providing a safe, secure and resilient technology infrastructure remains a significant focus of Valley Com's resources and this budget reflects the investment necessary to maintain our equipment and connections. Most of the expense will be borne by reserve funds, as the Administration Board continues to realize the benefits of regular contributions to future repair/replacement requirements. This budget is no different and reflects a \$4.5 million contribution.

Budget Overview and Recommendations

Valley Com's 2019-2020 biennial budget proposal was prepared consistent with the Board's policy direction, Center's needs, and identified budget priorities and initiatives. It is structurally balanced and financially sustainable for multiple years into the future, as the sum of estimated revenues and appropriated fund equity is equal to appropriations. In addition, the Center does not rely on non-recurring resources to balance its budget.

The Finance Committee reviewed the preliminary budget on July 17, 2018. At its regular meeting on July 26, 2018, the Operations Board voted to recommend adoption of the proposed budget by the Administration Board. The Chief Administrative Officers from the owner/member cities were provided the proposed budget on July 30, 2018.

The 2019-2020 biennial budget includes the following highlights:

Sets Rates:

- Establishes the 2019 contract agency rate at \$42.45 per billable call for service.
- Establishes the 2019 member/owner agency rate equivalent at \$37.18 per billable call.
- Establishes the 2019 non-public safety radio rate at \$15.00 per radio.
- Establishes the 2019 public safety radio rate at \$3.01 per radio plus airtime charges.
- Establishes the 2019-2020 Netmotion services monthly rate at \$16.50 per user.

Adds New Positions:

- 2 Supervisor I FTE positions.

- 2 Overhire/supernumerary COI (Call Receiver) positions.

Funds High \$ Initiatives/Projects:

- Funds VHF Paging Refresh at \$849K (\$135K Operating Fund + \$681K Equipment Replacement Fund + \$34K 800MHz Fund for 2019 - 2020).
- Funds UPS Units Replacement at \$872K (2019 Equipment Replacement Fund).
- Funds Professional Services at \$364K (\$182K per year Operating Fund).
- Funds VPI Recorder Upgrade at \$253K (2019 Equipment Replacement Fund).
- Funds Cisco Catalyst Switches at \$201K (2019 Equipment Replacement Fund).
- Funds HAWC Cisco Switches at \$199K (2019 Equipment Replacement Fund).
- Funds Cyber Security Posture Improvement at \$179K (\$89.5K per year Operating Fund).
- Funds ASAP to PSAP Interface at \$85K (\$15K for 2019 and \$70K for 2020 Operating Fund).

Makes Contributions:

- Contributes \$4.5 million in the next biennium to the Equipment Replacement Fund from operations to meet equipment and facility obligations (including \$500K per year for replacement for debt service and \$740K per year to replace discontinued equipment support transfers from the E-911 Escrow Fund).
- Contributes \$113,361 in the next biennium to the Contingency Fund from operations; the Contingency Fund is at full funding status at the end of 2020.
- Utilizes \$5 million from E-911 excise tax revenue to support the Operating Fund personnel costs, including COI (Call Receivers) and technical staff positions.

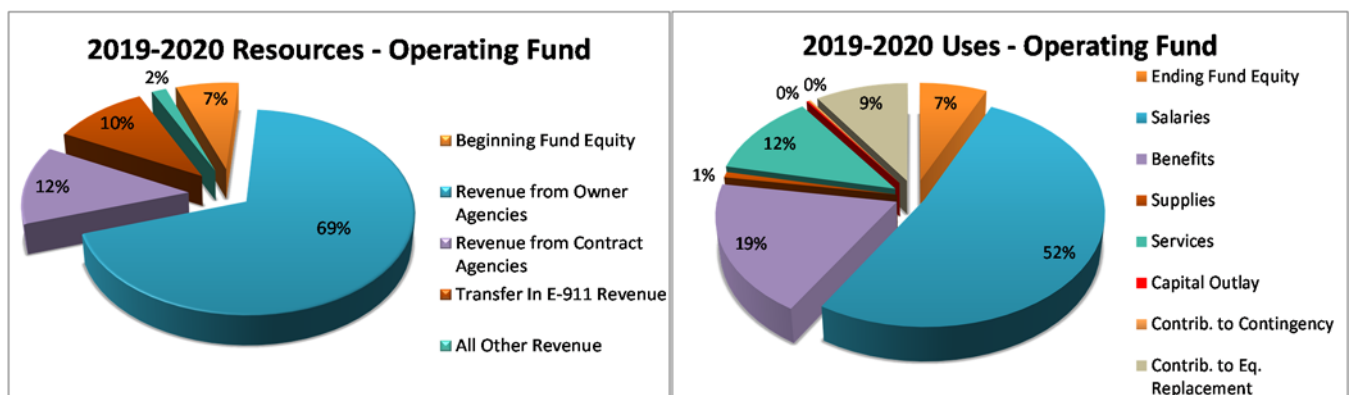
Makes Cuts:

- Discontinues \$1.4 million transfers per biennium in equipment support from the E-911 Escrow Fund to the Equipment Replacement Fund.

Operating Fund

The 2019-2020 biennial budget reflects an overall increase of 9% in Operating Fund uses from the 2017-2018 adjusted budget. This increase is directly attributed to a 10% increase in personnel cost driven mostly by the 2 new positions, step and COLA increases, and benefit rate increases. Page 25 summarizes operating revenues, operating expenditures, and overall impact on the Operating Fund’s 2020 ending fund equity. Pages 26 - 30 illustrate budgeted resources and uses in detail.

As seen in the *Resources* chart below, the majority of the Center’s Operating Fund resources come from owner agencies (69%). The second largest resource is contract agencies (12%) with E-911 escrow transfer in the third place (10%). The breakdown of the combined 2019-2020 distribution slightly changes from prior biennium, with an overall 7% decrease in owner agencies, a 6% increase in beginning fund equity, a 3% increase in E-911 escrow transfer, and a 1 % decrease in contract agencies revenues. Disregarding fund equity, 74% of Center Operating Fund resources are provided by owner agencies.



The *Uses* chart above shows the breakdown of the Center's Operating Fund uses. For 2019-2020 biennial budget, 71% of all expenditures are directly related to personnel costs, which is a 5% decrease from the prior biennium. The fund equity increased 6%, while services and contributions to equipment replacement categories decreased 1%. Disregarding fund equity, personnel costs make up 76% of the Center Operating Fund uses.

Equipment Replacement Fund

This Fund serves as a budgetary reserve specifically to purchase new or replace existing equipment and facilities as they physically wear out or become functionally obsolete. It has been supported in the past by either adopting a contribution as part of the operating budget or by allocating excess ending fund equity balance from the Operating Fund. \$4.5 million is transferred to support the Equipment Replacement Fund in the next biennium, which is a 7% decrease from the 2017-2018 adjusted budget and is due to onetime large transfers in the last biennium and Valley Com's need to balance contributions to long term replacement fund with available owner agency resources.

The Equipment Replacement Fund's estimated 2019 beginning fund equity balance is \$12.8 million. Of the total fund equity, \$3.7 million is set aside for facilities and remaining \$9.1 million is for general operating equipment. \$1 million is budgeted in the next biennium in facility costs and \$1.8 million in equipment costs. See page 34 for a breakdown of the 2019-2020 biennial budgeted Equipment Replacement Fund capital outlays.

Contingency Fund

In 2013, the Administration Board repealed previously established policy and adopted Resolution #114 establishing the Contingency Fund Policy to provide a financial resource in the event of an unanticipated expense essential to effective operation.

Funding for the Contingency Fund is accomplished by an annual contribution to the Fund at the rate of not less than 1% of the estimated annual operating expenses to a maximum fund balance of 12% of annual operating expenses.

- Contingency Fund will receive \$113,361 contribution in the next biennium.
- The 2020 estimated ending fund equity balance is expected to be at 12% and fully funded.

800 MHz Fund

Valley Communications Center's sub-regional responsibility for managing and operating the radio system is fulfilled through a separate budgetary fund. This Fund allows accurate accounting of system operational costs, the accumulation of infrastructure replacement reserves, and billing to the customer agencies for access and use of the system. This Fund has no financial impact on the Valley Communications Center's operating budget and is funded directly from subscriber/user assessment fees.

Assessment fees are calculated using the established formula approved by the Board to reflect overall agency costs based on airtime usage. This accomplishes the objective of charging a greater amount to those agencies that utilize more system airtime than agencies that use less. For a detailed breakdown of airtime vs. fixed cost by agency, see page 41.

For 2019-2020 biennial budget, no contributions are made to the radio equipment reserve and operational costs are on the decrease resulting in the overall user assessments decrease of 32% from 2017-2018 adjusted budget. Public safety revenue decreases 40%, while non-public safety revenue remains stable in the next biennium.

E-911 Escrow Fund

The 2019 estimated beginning fund equity is \$1.6 million. These excise taxes fund enhanced 911 emergency communications systems and King County limits their use to authorized operational support. Valley Com's budget is built showing a stable revenue distribution commensurate with actual; however, if the change as a result of King County strategic plan implementation of a new single platform call taking system is significant, the Center is well positioned to react and will be able to adjust budget during the mid-biennial review.

2019-2020 Biennial Budget E-911 Escrow Fund highlights:

- \$3.9 million received in Emergency Communications Center (ECC) distribution revenue from the King County E-911 Office.
- \$0.9 million received for 3 FTE positions: GIS/CAD support, IT System Specialist, and PBX Viper Support.
- \$5 million transferred to the Operating Fund to support 20 COI and 3 administrative IT positions.

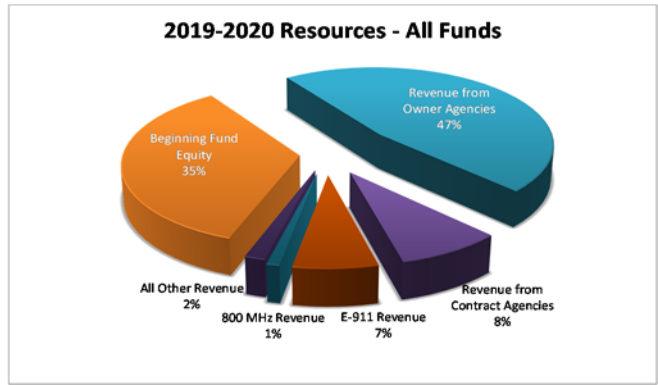
Consolidated Financial Schedule

Consolidated 2019-2020 biennial budget below provides overview of resources budgeted, disregarding internal transfers, and summarizes major resources and uses of the Center.

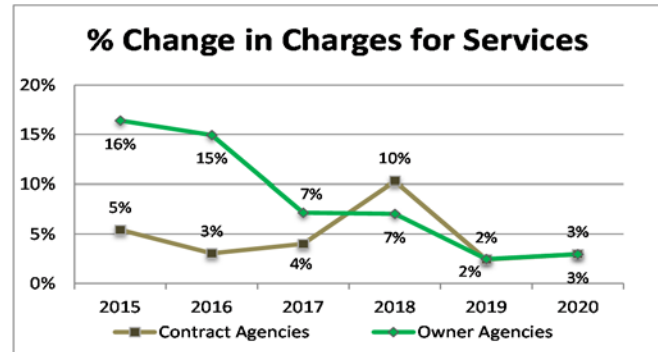
CONSOLIDATED 2019-2020 BIENNIAL BUDGET

<i>Resources</i>	<i>Total</i>
Beginning Fund Equity	\$ 24,702,556
<i>Revenues</i>	
Charges for services - owner agencies	33,058,716
Charges for services - contract agencies	6,034,459
Other charges for services	930,213
Intergovernmental revenue	5,243,365
Miscellaneous revenue	186,477
Interest Earnings	380,000
Total Resources	\$ 70,535,786
<i>Uses</i>	
<i>Expenditures</i>	
Personnel services	\$ (34,154,637)
Other operation and maintenance	(6,851,327)
Capital Outlays	(2,939,424)
Total Uses	\$ (43,945,388)
<i>Fund Equity</i>	
Unrestricted	\$ 4,782,464
Designated	2,428,426
Restricted for Operations	1,581,767
Restricted for Equipment Replacement & Facilities	17,797,739
Ending Fund Equity	\$ 26,590,397
Change in Fund Equity	\$ 1,887,841

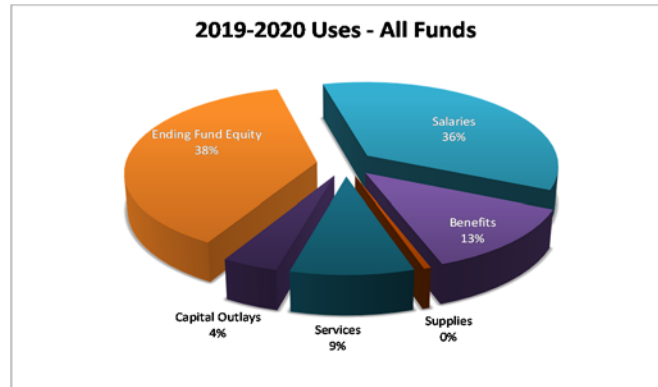
As seen in the chart to the right and table above, for the next biennium the majority of Valley Communications Center’s resources come from owner agencies at 47%. The accumulated fund equity makes up 35%, the contract agencies contribute 8%, and E-911 revenue accounts for 7% of resources. The distribution has shifted slightly from prior biennium, where owner agencies were providing 52%, fund equity accounted for 28%, contract agencies for 9%, and E-911 resources for 8%.



Disregarding beginning fund equity, 85% of Center’s resources are provided by the owner (72%) and by contract (13%) agencies based on a calls for service funding formula that is designed to cover annual anticipated expenditures. Consequently, as costs to operate the Center increase over the years, so does revenue collected through charges for services. See page 44 for additional formula detail and chart to the right for historical increases in owner and contract agencies charges for services.



The chart to the right shows the breakdown of Valley Communications Center’s uses. For the next biennium, 49% of all expenditures are directly related to personnel costs, compared to 52% in the last biennium. There is also a shift in breakdown between capital outlays and fund equity, as equity is accumulated for future capital purchases. Capital outlays decrease 4% and are shown at 4% for the next biennium, while ending fund equity increased by 9% over the same time period. Disregarding ending fund equity, personnel costs account for 78% of Center’s uses.



Summary

Valley Com is well positioned to continue to provide quality service to our employees, public safety agencies and to our communities. I appreciate the assistance and collaboration of the Valley Com Finance Committee led by Finance Manager Tatyana Bogush-Stakhov for the development of this budget.

Respectfully Submitted,

Lora Ueland, RPL
Executive Director

On August 3, 2018 the Administration Board met and unanimously approved to pass the 2019-2020 Biennial Budget as presented.

Position History

Valley Communications Center has 136.5 FTE positions budgeted in the 2019-2020 biennium, which includes 2 new Supervisor I FTE positions added in the beginning of 2019. In addition to the 136.5 FTE regular ongoing positions, the Center has 6 FTE Communications Officers I over-hires/supernumerary ongoing unbudgeted positions (4 approved by the Administration Board in September 2015 and 2 approved in August 2018).

Budgeted Full Time Equivalent Positions									
	2012	2013	2014	2015	2016	2017	2018	2019	2020
Administration:									
Executive Director	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Deputy Director	-	-	-	-	-	1.0	1.0	1.0	1.0
Operations Manager	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
CAD Project Manager	1.0	1.0	-	-	-	-	-	-	-
Administrative Services Department									
Administrative Services Manager	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Administrative Services Assistant	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Public Records Specialist	1.0	1.0	1.0	1.0	1.0	1.5	1.5	1.5	1.5
Finance Department									
Finance Manager	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Payroll & Accounting Specialist	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Human Resources Department									
Human Resources Manager	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Human Resources Analyst**	-	-	0.7	1.0	1.0	1.0	1.0	1.0	1.0
Technical Services Department									
Technical Services Manager	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
CAD System Administrator***	1.0	1.0	1.0	1.0	1.0	1.5	2.0	2.0	2.0
GIS Administrator	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Network Administrator (1 Lead)	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0
Project Administrator*	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
System Administrator	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Technical Project Administrator****	-	-	-	-	-	1.0	1.0	1.0	1.0
Training Department									
Training Manager	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Training Assistant	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Subtotal Administration:	18.0	18.0	17.7	18.0	18.0	21.0	22.5	22.5	22.5
Communications Room:									
Supervisor I-II	10.0	10.0	10.0	9.0	9.0	9.0	9.0	11.0	11.0
Communications Officer I (Call Receiver)	44.0	44.0	44.0	44.0	44.0	44.0	44.0	44.0	44.0
Communications Officer II (Dispatcher)	59.0	59.0	59.0	59.0	59.0	59.0	59.0	59.0	59.0
Subtotal Communications Room:	113.0	113.0	113.0	112.0	112.0	112.0	112.0	114.0	114.0
Total FTE Positions	131.0	131.0	130.7	130.0	130.0	133.0	134.5	136.5	136.5
% Change	0%	0%	-1%	-2%	0%	2%	1%	1%	0%

* Portion of 1 position is assigned to 800 MHZ Radio Fund 504. Renamed from Communications Systems Administrator in 2015.

** 1 FTE position approved during 2014 Budget Adj. (position start May 2014). Renamed from Human Resources Specialist in 2016.

*** 1 FTE position approved 2017-2018 Original Budget (position start July 2017). Renamed from System Administrator in 2018.

**** Renamed from Project Administrator in 2017.

2019 New Positions: 2 FTE Supervisor I.

**VALLEY COMMUNICATIONS CENTER
CONSOLIDATED FINANCIAL SCHEDULE**

	2016	2017	2018		2019	2020	2019-2020	2021-2022
	Actual	Actual	Adopted Budget	Adjusted Budget	Budget	Budget	Budget	Forecast
Resources								
Beginning Fund Equity	\$ 20,318,810	\$ 20,929,906	\$ 16,682,648	\$ 19,940,627	\$ 24,702,556	\$ 24,573,305	\$ 24,702,556	\$ 26,590,397
<i>Revenues</i>								
Charges for services - owner agencies	13,861,593	14,852,443	16,042,412	15,897,422	16,289,122	16,769,594	33,058,716	35,042,239
Charges for services - contract agencies	2,694,506	2,973,428	2,758,223	2,903,214	2,973,378	3,061,082	6,034,459	6,396,527
Other charges for services	904,725	598,566	589,551	589,551	459,007	471,206	930,213	883,703
Intergovernmental revenue	2,455,130	2,620,052	2,455,043	2,455,043	2,602,187	2,641,178	5,243,365	4,194,692
Miscellaneous revenue	203,676	131,759	144,954	144,954	104,259	82,218	186,477	186,477
Interest earnings	91,141	184,087	28,000	28,000	190,000	190,000	380,000	380,000
Total Resources	\$ 40,529,581	\$ 42,290,241	\$ 38,700,831	\$ 41,958,811	\$ 47,320,509	\$ 47,788,582	\$ 70,535,786	\$ 73,674,034
Uses								
<i>Expenditures</i>								
Personnel services	\$ (13,035,812)	\$ (14,046,847)	\$ (16,014,297)	\$ (16,014,297)	\$ (16,733,350)	\$ (17,421,288)	\$ (34,154,637)	\$ (37,228,555)
Other operation and maintenance	(2,433,077)	(2,905,524)	(3,100,259)	(3,442,759)	(3,570,142)	(3,281,185)	(6,851,327)	(7,193,893)
Capital outlays	(4,130,786)	(388,784)	(2,325,389)	(3,225,389)	(2,443,712)	(495,712)	(2,939,424)	(3,326,417)
Total Uses	\$ (19,599,675)	\$ (17,341,155)	\$ (21,439,945)	\$ (22,682,445)	\$ (22,747,204)	\$ (21,198,185)	\$ (43,945,388)	\$ (47,748,865)
<i>Fund Equity</i>								
Unrestricted	\$ 5,054,192	\$ 4,871,449	\$ 1,834,989	\$ 2,377,096	\$ 4,880,230	\$ 4,782,464	\$ 4,782,464	\$ 3,105,928
Designated	2,612,721	2,163,677	2,220,683	2,229,090	2,379,252	2,428,426	2,428,426	2,549,847
Restricted for operations	1,445,100	1,581,767	1,096,593	1,445,100	1,581,767	1,581,767	1,581,767	1,581,767
Restricted for equipment replacement & facilities	11,817,892	16,332,192	12,108,620	13,225,077	15,732,056	17,797,739	17,797,739	18,687,626
Ending Fund Equity	\$ 20,929,905	\$ 24,949,085	\$ 17,260,885	\$ 19,276,363	\$ 24,573,305	\$ 26,590,397	\$ 26,590,397	\$ 25,925,169
Change in Fund Equity	611,095	4,019,179	578,237	(664,264)	(129,251)	2,017,092	1,887,841	(665,228)

Forecast Assumptions:

Charges for services from owner and contract agencies increase 6% per biennium based on trend and to recoup increased operational costs.

Other charges for services decreases 5% as PSERN continues to develop new radio system and operation of current system winds down.

Intergovernmental revenue decreases 20% based on expected reductions in excise tax revenues from the KC E-911 Program Office and reduction in IT reimbursable positions.

Personnel services increase based on trend at 9% per biennium.

Other operation and maintenance increase based on trend at 5% per biennium.

Capital outlays reflect equipment and facilities scheduled for replacement based on equipment replacement schedule.

Fund equity is estimated to remain relatively stable, with some decrease in unrestricted portion as surplus funds are transferred to restricted portion for equipment and facilities replacement.

**FINANCIAL SUMMARY - ALL FUNDS
2019-2020 BIENNIAL BUDGET**

	Fund 501 Operating	Fund 502 Eq. Replc	Fund 503 Contingency	Fund 504 800 MHz	Fund 505 E-911 Escrow	Total All Funds
Resources						
Beginning Fund Equity	\$ 3,292,769	\$ 12,823,817	\$ 2,275,065	\$ 4,706,461	\$ 1,604,444	\$ 24,702,556
<i>Revenues</i>						
Revenue from Owner Agencies	33,058,716					33,058,716
Revenue from Contract Agencies	6,034,459					6,034,459
Netmotion Revenue	82,753					82,753
Access Reimbursement	106,890					106,890
800 MHz Radio Revenue				740,571		740,571
E-911 Revenue	-				4,823,166	4,823,166
KC EMS Revenue	420,199					420,199
Miscellaneous Revenues	65,877			120,600		186,477
Interest Earnings	80,000	160,000	40,000	80,000	20,000	380,000
<i>Transfers In</i>						
From Operations		4,543,653	113,361			4,657,014
From E-911 Escrow	4,957,114					4,957,114
Total Resources	\$ 48,098,777	\$ 17,527,470	\$ 2,428,426	\$ 5,647,631	\$ 6,447,610	\$ 80,149,914
Uses						
<i>Expenditures</i>						
Salaries	\$ (24,956,584)			\$ (115,504)		\$ (25,072,088)
Benefits	(9,043,958)			(38,592)		(9,082,550)
Supplies	(378,177)			-		(378,177)
Services	(5,685,275)			(787,075)	\$ (800)	(6,473,150)
Capital Outlays	(85,000)	\$ (2,820,620)		(33,804)		(2,939,424)
<i>Transfers Out</i>						
For Operations					(4,957,114)	(4,957,114)
For Equipment Replacement	(4,543,653)				-	(4,543,653)
For Contingency	(113,361)					(113,361)
Total Uses	\$ (44,806,007)	\$ (2,820,620)	-	\$ (974,975)	\$ (4,957,914)	\$ (53,559,517)
<i>Fund Equity</i>						
Unrestricted	\$ 3,292,769				\$ 1,489,695	\$ 4,782,464
Designated			\$ 2,428,426			2,428,426
Restricted for Operations				\$ 1,581,767		1,581,767
Restricted for Equipment Replacement & Facilities		\$ 14,706,850		3,090,889		17,797,739
Ending Fund Equity	\$ 3,292,769	\$ 14,706,850	\$ 2,428,426	\$ 4,672,656	\$ 1,489,695	\$ 26,590,397
Change in Fund Equity	0	\$ 1,883,033	\$ 153,361	\$ (33,804)	\$ (114,748)	\$ 1,887,841

FINANCIAL SUMMARY - ALL FUNDS 2019 BUDGET

	Fund 501 Operating	Fund 502 Eq. Replc	Fund 503 Contingency	Fund 504 800 MHz	Fund 505 E-911 Escrow	Total All Funds
Resources						
Beginning Fund Equity	\$ 3,292,769	\$ 12,823,817	\$ 2,275,065	\$ 4,706,461	\$ 1,604,444	\$ 24,702,556
<i>Revenues</i>						
Revenue from Owner Agencies	16,289,122					16,289,122
Revenue from Contract Agencies	2,973,378					2,973,378
Netmotion Revenue	41,376					41,376
Access Reimbursement	53,445					53,445
800 MHz Radio Revenue				364,186		364,186
E-911 Revenue					2,402,092	2,402,092
KC EMS Revenue	200,095					200,095
Miscellaneous Revenue	32,459			71,800		104,259
Interest Earnings	40,000	80,000	20,000	40,000	10,000	190,000
<i>Transfers In</i>						
From Operations		2,132,257	84,187			2,216,444
From E-911 Escrow	2,428,675					2,428,675
Total Resources	\$ 25,351,319	\$ 15,036,074	\$ 2,379,252	\$ 5,182,446	\$ 4,016,536	\$ 51,965,628
Uses						
<i>Expenditures</i>						
Salaries	\$ (12,269,757)			\$ (56,786)		\$ (12,326,544)
Benefits	(4,388,044)			(18,762)		(4,406,806)
Supplies	(175,004)			-		(175,004)
Services	(2,994,300)			(400,438)	\$ (400)	(3,395,138)
Capital Outlays	(15,000)	\$ (2,394,908)		(33,804)		(2,443,712)
<i>Transfers Out</i>						
For Operations					(2,428,675)	(2,428,675)
For Equipment Replacement	(2,132,257)				-	(2,132,257)
For Contingency	(84,187)					(84,187)
Total Uses	\$ (22,058,550)	\$ (2,394,908)	-	\$ (509,790)	\$ (2,429,075)	\$ (27,392,323)
<i>Fund Equity</i>						
Unrestricted	\$ 3,292,769				\$ 1,587,461	\$ 4,880,230
Designated			\$ 2,379,252			2,379,252
Restricted for Operations				\$ 1,581,767		1,581,767
Restricted for Equipment Replacement & Facilities		\$ 12,641,167		3,090,889		15,732,056
Ending Fund Equity	\$ 3,292,769	\$ 12,641,167	\$ 2,379,252	\$ 4,672,656	\$ 1,587,461	\$ 24,573,305
Change in Fund Equity		- \$ (182,651)	\$ 104,187	(33,804)	\$ (16,983)	\$ (129,251)

FINANCIAL SUMMARY - ALL FUNDS 2020 BUDGET

	Fund 501 Operating	Fund 502 Eq. Replc	Fund 503 Contingency	Fund 504 800 MHz	Fund 505 E-911 Escrow	Total All Funds
Resources						
Beginning Fund Equity	\$ 3,292,769	\$ 12,641,167	\$ 2,379,252	\$ 4,672,656	\$ 1,587,461	\$ 24,573,305
<i>Revenues</i>						
Revenue from Owner Agencies	16,769,594					16,769,594
Revenue from Contract Agencies	3,061,082					3,061,082
Netmotion Revenue	41,376					41,376
Access Reimbursement	53,445					53,445
800 MHz Radio Revenue				376,385		376,385
E-911 Revenue	-				2,421,074	2,421,074
KC EMS Revenue	220,104					220,104
Miscellaneous Revenues	33,418			48,800		82,218
Interest Earnings	40,000	80,000	20,000	40,000	10,000	190,000
<i>Transfers In</i>						
From Operations		2,411,396	29,174			2,440,570
From E-911 Escrow	2,528,439					2,528,439
Total Resources	\$ 26,040,227	\$ 15,132,563	\$ 2,428,426	\$ 5,137,841	\$ 4,018,534	\$ 52,757,591
Uses						
<i>Expenditures</i>						
Salaries	\$ (12,686,827)			\$ (58,717)		\$ (12,745,544)
Benefits	(4,655,913)			(19,830)		(4,675,743)
Supplies	(203,173)			-		(203,173)
Services	(2,690,974)			(386,638)	\$ (400)	(3,078,012)
Capital Outlays	(70,000)	\$ (425,712)		-		(495,712)
<i>Transfers Out</i>						
For Operations					(2,528,439)	(2,528,439)
For Equipment Replacement	(2,411,396)					(2,411,396)
For Contingency	(29,174)					(29,174)
Total Uses	\$ (22,747,458)	\$ (425,712)	\$ -	\$ (465,185)	\$ (2,528,839)	\$ (26,167,194)
<i>Fund Equity</i>						
Unrestricted	\$ 3,292,769				\$ 1,489,695	\$ 4,782,464
Designated			\$ 2,428,426			2,428,426
Restricted for Operations				\$ 1,581,767		1,581,767
Restricted for Equipment Replacement & Facilities		\$ 14,706,850		3,090,889		17,797,739
Ending Fund Equity	\$ 3,292,769	\$ 14,706,850	\$ 2,428,426	\$ 4,672,656	\$ 1,489,695	\$ 26,590,397
Change in Fund Equity		- \$ 2,065,684	\$ 49,174	\$ -	\$ (97,765)	\$ 2,017,092

Operating Fund

The statement below summarizes budgeted resources, uses, and changes in fund equity for the Operating Fund in the 2019-2020 biennial budget. At the end of 2020, a \$3.3 million ending equity balance remains.

The Valley Communications Center Development Authority's (VCCDA) debt was paid off in 2015 and there are no plans to issue debt. However, the Administration Board agreed, upon a recommendation from the Finance Committee in 2014, to agencies continuing to make contributions in replacement of the debt service to Valley Com's facility needs. Since then, annual contributions in replacement of debt service have been \$0.5-\$0.8 million per year transferred out to the Equipment Replacement Fund. In the next biennium, the \$0.5 million per year facility contributions are rolled into the general equipment contributions to the Equipment Replacement Fund. Similarly to prior years, Valley Communications Center does not use fund equity to subsidize user rates.

OPERATING FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY

	2016	2017	2018		2019	2020	2019-2020
	Actual	Actual	Adopted Budget	Adjusted Budget	Budget	Budget	Total Budget
Resources							
Beginning Fund Equity	\$ 2,519,035	\$ 3,985,410	\$ 467,539	\$ 1,218,153	\$ 3,292,769	\$ 3,292,769	\$ 3,292,769
Revenues							
Revenue from Owner Agencies	13,861,593	14,852,443	16,042,412	15,897,422	16,289,122	16,769,594	33,058,716
Revenue from Contract Agencies	2,694,506	2,973,428	2,758,223	2,903,214	2,973,378	3,061,082	6,034,459
Netmotion Revenue	40,032	48,936	42,394	42,394	41,376	41,376	82,753
Access Reimbursement	-	-	-	-	53,445	53,445	106,890
E-911 Revenue	5,434	-	-	-	-	-	-
KC EMS Revenue	146,290	200,095	160,000	160,000	200,095	220,104	420,199
Miscellaneous Revenue	1,160	34,101	87,354	87,354	32,459	33,418	65,877
Interest Earnings	9,129	37,656	1,500	1,500	40,000	40,000	80,000
Total Revenues	16,758,144	18,146,660	19,091,883	19,091,884	19,629,875	20,219,019	39,848,893
Transfers In							
From E-911 Escrow Account	1,401,430	1,523,342	1,311,237	1,311,237	2,428,675	2,528,439	4,957,114
From Healthcare Insurance	-	609,432	-	-	-	-	-
Total Transfers In	1,401,430	2,132,774	1,311,237	1,311,237	2,428,675	2,528,439	4,957,114
Total Resources	\$ 20,678,609	\$ 24,264,843	\$ 20,870,659	\$ 21,621,273	\$ 25,351,319	\$ 26,040,227	\$ 48,098,777
Uses							
Expenditures							
Salaries	\$ (9,963,563)	\$ (10,471,568)	\$ (11,644,130)	\$ (11,644,130)	\$ (12,269,757)	\$ (12,686,827)	\$ (24,956,584)
Benefits	(3,167,699)	(3,452,197)	(4,298,479)	(4,298,479)	(4,388,044)	(4,655,913)	(9,043,958)
Supplies	(75,323)	(136,752)	(184,124)	(184,124)	(175,004)	(203,173)	(378,177)
Professional Services	(1,686,841)	(2,221,801)	(2,378,966)	(2,721,466)	(2,994,300)	(2,690,974)	(5,685,275)
Capital Outlay	(50,339)	(4,969)	-	-	(15,000)	(70,000)	(85,000)
Total Expenditures	(14,943,765)	(16,287,288)	(18,505,699)	(18,848,199)	(19,842,106)	(20,306,888)	(40,148,994)
Transfers Out							
For Equipment Replacement	(1,645,576)	(4,163,000)	(1,819,033)	(1,819,033)	(2,132,257)	(2,411,396)	(4,543,653)
For Contingency	(103,859)	(179,287)	(78,388)	(78,388)	(84,187)	(29,174)	(113,361)
Total Transfers Out	(1,749,435)	(4,342,287)	(1,897,421)	(1,897,421)	(2,216,444)	(2,440,570)	(4,657,014)
Total Uses	\$ (16,693,200)	\$ (20,629,575)	\$ (20,403,120)	\$ (20,745,620)	\$ (22,058,550)	\$ (22,747,458)	\$ (44,806,007)
Fund Equity							
Unrestricted	\$ 3,985,410	\$ 3,635,268	\$ 467,539	\$ 875,652	\$ 3,292,769	\$ 3,292,769	\$ 3,292,769
Total Ending Fund Equity	\$ 3,985,410	\$ 3,635,268	\$ 467,539	\$ 875,652	\$ 3,292,769	\$ 3,292,769	\$ 3,292,769

Revenue Detail, table below, shows 2019-2020 resources. Overall, there is a 20% increase between 2020 and 2018 adjusted budget. Discussed below are the most significant accounts and changes in the next biennium.

Revenues from owner and contract agency user contributions increase 5% in the next biennium from the 2018 adjusted budget. Owner agency contributions increase 5% and contract agency contributions also increase 5% in the biennium, while the contract agencies' billable calls for service (CFS) increase 5% as compared to the 0% increase in owner agencies' CFS. Since contract agencies are billed per call, as their call count increases, so does their contribution to the Valley Com's revenue. For 2019, contract agencies are budgeted to contribute 15% of CFS revenue, while generating 14% of calls. Contract revenue contribution portion has been on the decrease in recent years; a 4% decrease since 2014 from a 19% of the total CFS revenue to 15% in 2019.

**OPERATING FUND
REVENUE/RESOURCE DETAIL**

	2016	2017	2018		2019	2020	2019	2020	2019-2020 Change Over Prior	2019-2020 Total Budget
	Actual	Actual	Adopted Budget	Adjusted Budget	Budget	Budget				
Resources										
Beginning Fund Equity	\$ 2,519,035	\$ 3,985,410	\$ 467,539	\$ 1,218,153	\$ 3,292,769	\$ 3,292,769	170%	0%		\$ 3,292,769
Revenues										
Renton Regional Fire Authority	513,432	536,450	579,430	582,471	601,924	619,679	3%	3%		1,221,602
City of Renton Police	2,216,593	2,475,604	2,673,948	2,610,687	2,756,188	2,837,485	6%	3%		5,593,673
City of Tukwila Fire	190,989	200,019	216,045	210,070	215,586	221,945	3%	3%		437,532
City of Tukwila Police	1,015,006	1,096,931	1,184,817	1,131,133	1,152,470	1,186,464	2%	3%		2,338,934
Puget Sound RFA	807,296	871,111	940,904	950,369	1,058,451	1,089,671	11%	3%		2,148,122
City of Kent Police	2,955,626	3,111,544	3,360,838	3,270,901	3,326,419	3,424,536	2%	3%		6,750,955
Valley Regional Fire Authority	389,884	417,077	450,493	468,979	490,432	504,898	5%	3%		995,329
City of Auburn Police	2,828,527	2,928,354	3,162,972	3,212,324	3,271,769	3,368,275	2%	3%		6,640,044
South King Fire & Rescue	627,151	672,445	726,321	747,072	745,945	767,948	0%	3%		1,513,894
City of Federal Way PD	2,317,089	2,542,908	2,746,644	2,713,416	2,669,938	2,748,692	-2%	3%		5,418,630
City of Algona	158,860	198,301	163,850	190,008	197,423	203,246	4%	3%		400,669
City of Black Diamond Police	130,080	136,524	135,420	122,032	157,348	161,989	29%	3%		319,338
City of Des Moines Police	668,347	698,039	692,297	698,786	730,195	751,733	4%	3%		1,481,928
City of Pacific Police	227,112	279,514	213,315	270,275	274,600	282,700	2%	3%		557,301
Enumclaw Fire Department	-	71,954	-	22,157	104,899	107,993	n/a	3%		212,892
King County Airport Fire Department	-	-	-	-	1,995	2,054	n/a	3%		4,049
King County EMS Medic Units	675,766	700,691	711,408	709,530	728,730	750,225	3%	3%		1,478,956
King County Fire District # 2	425,443	435,800	442,663	430,016	447,529	460,729	4%	3%		908,258
King County Fire District # 20	95,568	96,754	103,676	99,916	95,220	98,028	-5%	3%		193,248
King County Fire District # 43	110,324	121,391	119,537	118,896	-	-	-100%	n/a		-
King County Fire District # 44	79,511	78,439	87,045	79,222	83,333	85,791	5%	3%		169,124
King County Fire District # 47	4,675	4,650	4,703	4,557	5,434	5,594	19%	3%		11,028
SCORE Jail	53,089	89,820	13,937	91,471	81,083	83,475	-11%	3%		164,558
Vashon Island Fire	65,731	61,552	70,371	66,346	65,588	67,523	-1%	3%		133,111
Netmotion Revenue	40,032	48,936	42,394	42,394	41,376	41,376	-2%	0%		82,753
Paging Service Revenue	488	489	450	450	490	490	9%	0%		980
Records Requests	243	54	-	-	-	-	n/a	n/a		-
ACCESS Reimbursement	-	-	-	-	53,445	53,445	n/a	n/a		106,890
E911 Revenue	5,434	-	-	-	-	-	n/a	n/a		-
KC EMS Revenue	146,290	200,095	160,000	160,000	200,095	220,104	25%	10%		420,199
KC EMS Reimbursement	-	-	55,866	55,866	-	-	n/a	n/a		-
Investment Interest	9,129	37,656	1,500	1,500	40,000	40,000	2567%	0%		80,000
FBI Lease	-	30,134	31,038	31,038	31,969	32,928	n/a	3%		64,897
Miscellaneous	429	3,424	-	-	-	-	n/a	n/a		-
Total Revenues	16,758,144	18,146,660	19,091,883	19,091,883	19,629,875	20,219,019	3%	3%		39,848,893
Transfers In										
From E-911 Escrow Account	1,401,430	1,523,342	1,311,237	1,311,237	2,428,675	2,528,439	85%	4%		4,957,114
From Healthcare Insurance	-	609,432	-	-	-	-	n/a	n/a		-
Total Transfers in	1,401,430	2,132,774	1,311,237	1,311,237	2,428,675	2,528,439	85%	4%		4,957,114
Total Resources	\$ 20,678,609	\$ 24,264,843	\$ 20,870,659	\$ 21,621,273	\$ 25,351,319	\$ 26,040,227	17%	3%		\$ 48,098,777

Beginning 2019, Puget Sound Regional Fire Authority includes KCFD 43 Maple Valley.
King County Fire District #2 includes North Highline Fire District (KC Fire District 11).

Transfers in are budgeted to increase 93% over the next biennium. In 2019-2020 biennium, increased transfers are budgeted from the E-911 Escrow Fund to support salaries and benefits of COI (Call Receivers) and eligible IT positions. Transfers from E-911 Escrow Fund are budgeted to support 20 COI and 3 IT positions, which is a considerable increase from a total of 12 positions supported in 2018, as the Center budgeted to use all excise tax

funds expected to be received in the next biennium. Detail on E-911 support to operational salaries is provided in the table below:

E-911 Funds to Support Operational Salaries							
	2016 Budget	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2019	2020
Administrative IT - 3 FTEs	\$ 463,181	\$ 446,474	\$ 466,043	\$ 462,092	\$ 481,074	-1%	4%
Call Receiver - 12/12/9/20/20 FTEs	961,058	1,071,944	839,194	1,966,583	2,047,365	134%	4%
Total E-911 Funds for Operations	\$ 1,424,240	\$ 1,518,418	\$ 1,305,237	\$ 2,428,675	\$ 2,528,439	86%	4%

Expenditure Detail, page 30, details Valley Communications Center’s budgeted expenditures. Overall, including onetime expenditures, there is a 10% increase in total expenditures in the next biennium compared to the 2018 adjusted budget. This increase is mostly attributed to the increase in personnel costs and transfers out. The following is a discussion of the Center’s most significant expenditure categories.

Personnel expenditures are budgeted to increase 9% over the next biennium. This increase is directly related to the 9% increase in salaries and an 8% increase in benefits. These increases are due to the addition of the 2 new positions in the biennium, expected salary, and benefit increases.

Total *salary* expenditures are budgeted to increase 9% over the next biennium, with 7% increase due to current positions and 2% due to the newly budgeted positions added in the next biennium. The increase in current positions is mostly due to the expected renegotiation of bargaining contracts (expiring 12/31/2018) that normally include step increases, extra pay for additional duties, longevity, etc. The 8% (\$65K) increase in budgeted overtime in the next biennium is due to the historically high actual Com Room overtime usage in recent years and expected continued trend in the next biennium, as negotiated contracts are generous in the contractual overtime provisions and VCC works on reducing overtime hours by examining scheduling methods and identifying appropriate staffing levels.

Total *benefits* expenditures are budgeted to increase 8% over the next biennium, with 11% increase in medical, 9% in Medicare taxes, 7% in retirement in part due to expected increases in PERS rate established by the State, and a new WA Paid Family & Medical Leave tax beginning in 2019. The cost of this new tax is budgeted at \$55K for the biennium. The life and additional disability along with short term and long term disability insurance have slight increases. The above increases in benefits are due to rate increases as well as benefit costs for the new positions added during the biennium. Above increases are slightly offset by the 14% decrease in unemployment insurance reflecting lower rate, a 12% decrease in L&I rate, and lower dental/vision rates. The following is a breakdown of Center’s personnel costs:

Personnel Costs

Operating Fund (501):

Salaries	2016 FTE	2017 FTE	2018 FTE	2019 FTE	2020 FTE	2016 Budget	2017 Budget	2018 Budget	2019 Budget	2020 Budget	Change Over	
											2019	2020
Administration	17.5	20.5	22.0	22.0	22.0	\$ 1,732,551	\$ 2,075,741	\$ 2,301,895	\$ 2,380,579	\$ 2,461,519	3%	3%
Supervisor	9.0	9.0	9.0	9.0	9.0	909,948	937,920	969,809	1,002,947	1,037,047	3%	3%
Call Receiver	44.0	44.0	44.0	44.0	44.0	2,793,502	2,845,818	2,942,576	3,043,183	3,146,651	3%	3%
Dispatcher	59.0	59.0	59.0	59.0	59.0	4,435,022	4,504,710	4,657,870	4,850,960	5,015,893	4%	3%
Overtime (~14,186 hours)						284,517	742,244	767,481	804,891	832,257	5%	3%
Total Salaries	129.5	132.5	134.0	134.0	134.0	\$ 10,155,539	\$ 11,106,433	\$ 11,639,630	\$ 12,082,560	\$ 12,493,368	4%	3%
Benefits												
Retirement						\$ 1,218,665	\$ 1,457,164	\$ 1,527,120	\$ 1,555,026	\$ 1,607,896	2%	3%
FICA/Medicare						147,255	161,043	168,775	175,197	181,154	4%	3%
Medical Insurance						2,294,978	1,902,861	2,132,794	2,141,011	2,312,292	0%	8%
WA Paid Family & Medical Leave						-	-	-	26,582	27,485	n/a	3%
L&I Insurance						56,078	58,906	63,648	51,438	55,039	-19%	7%
Life & ADD Insurance						2,644	6,835	7,390	6,969	7,457	-6%	7%
Dental/Vision Insurance						239,683	277,024	308,900	272,058	293,822	-12%	8%
Unemployment Ins.						54,840	52,422	57,034	44,705	48,074	-22%	8%
LT & ST Disability						9,394	30,294	32,818	32,051	34,294	-2%	7%
Mobile Device Allowance						5,700	3,600	4,500	3,000	3,000	-33%	0%
Total Benefits						\$ 4,029,238	\$ 3,950,149	\$ 4,302,979	\$ 4,308,037	\$ 4,570,515	0%	6%
Total Operating Fund Existing Personnel Costs (501)						\$ 14,184,777	\$ 15,056,583	\$ 15,942,609	\$ 16,390,597	\$ 17,063,882	3%	4%

Requested New Personnel Costs:

	2019 FTE	2020 FTE	2019 Budget	2020 Budget	2019	2020				
Salaries:										
Supervisor I		2.0	2.0	\$ 184,197	\$ 190,459	n/a	3%			
Benefits				83,007	88,398	n/a	6%			
Total New Personnel Costs (501)	2.0	2.0		\$ 267,204	\$ 278,858	n/a	4%			
Total Operating Fund Personnel Costs (501)				\$ 14,184,777	\$ 15,056,583	\$ 15,942,609	\$ 16,657,801	\$ 17,342,740	4%	4%

Operating supplies expenditures are budgeted to increase 10% over the next biennium. The increase is due mostly to the higher tools & equipment costs (net \$15K), as the Center plans to purchase additional routers and switches in 2020. Consumable goods increased by \$4K, as refreshments are budgeted for academies, training classes, various committees, boards, and regional meetings.

Service expenditures are budgeted to increase 2% over the next biennium. The largest increases come from

- \$274K onetime increase in Legal Services in 2019 due to the employees' lawsuit, with a decrease in 2020 as trial is expected to be complete.
- \$168K increase in Hardware/Software Maintenance/Subscriptions due to higher cloud software maintenance costs.

The table below lists initiatives/projects budgeted in the next biennium in the Operating Fund mostly in the services category:

OPERATING FUND PROJECTS

Criticality	Operating	2019	2020
2	3rd Tier & Advanced Technical Services	\$64,000	\$64,000
2	ESRI Enterprise Advantage Program (EAP)	59,000	59,000
1	BDS Strat Plan Check Ins	36,180	36,180
1	DBA Services	15,000	15,000
2	C3 Emergency Call Out	8,000	8,000
2	Cyber Security Training and Travel	48,500	48,500
1	Cyber Security Consulting	25,000	25,000
1	Penetration Testing	8,000	8,000
1	Security Auditing and Vulnerability Assessment	8,000	8,000
3	ASAP to PSAP Interface	15,000	70,000
1	CAD Storage and Compute Mx	0	50,000
2	GIS ESRI ArcGIS Upgrades	0	40,000
1	Engineering for VCAP	24,000	0
1	Page Gate Replacement	24,000	2,500
1	Installation Labor	21,600	21,600
1	Tower and Antenna Work	14,400	14,400
1	Tower Analysis VCAP	12,000	0
Total Operating Projects		\$382,680	\$470,180

Key:

1 = Must have

2 = Should have / best practices

3 = Could delay

Paging

Professional Services

Cyber Security

Capital outlays budgeted consist of an ASAP to PSAP Interface at \$85K in the next biennium.

Transfers out are budgeted to increase 29%, as contributions to Equipment Replacement Fund increased 33% somewhat offset by the decrease in contributions to Contingency Fund in the next biennium. Additional funds are withdrawn from the E-911 Escrow Fund for operations, previously going directly to the Equipment Replacement Fund, and then transferred out to the Equipment Replacement Fund. The Equipment Replacement Fund has been historically short funded, especially in facility needs, which were identified through a Capital Facilities Plan in 2014.

EXPENDITURE DETAIL

			2018		2019	2020	2019 2020		2019-2020
	2016 Actual	2017 Actual	Adopted Budget	Adjusted Budget	Budget	Budget	Change Over Prior Year		Total Budget
Personnel									
Salaries	\$ 9,423,659	\$ 9,790,936	\$ 10,872,150	\$ 10,872,150	\$ 11,461,866	\$ 11,851,570	5%	3%	\$ 23,313,436
Overtime	536,965	677,394	767,481	767,481	804,891	832,257	5%	3%	1,637,148
Mobile Device Allowance	2,939	3,239	4,500	4,500	3,000	3,000	-33%	0%	6,000
Retirement	1,120,608	1,243,449	1,527,120	1,527,120	1,578,732	1,632,409	3%	3%	3,211,140
FICA/Medicare	151,611	148,736	168,775	168,775	177,868	183,915	5%	3%	361,783
Medical Insurance	1,610,009	1,751,164	2,132,794	2,132,794	2,190,024	2,365,226	3%	8%	4,555,249
WA Paid Family & Medical Leave	-	-	-	-	26,987	27,904	n/a	3%	54,891
L&I Insurance	30,105	35,843	63,648	63,648	52,169	55,821	-18%	7%	107,990
Life & ADD Insurance	5,686	5,963	7,390	7,390	7,148	7,649	-3%	7%	14,797
Dental/Vision Insurance	197,074	218,267	308,900	308,900	277,155	299,327	-10%	8%	576,482
Unemployment Ins.	27,843	22,419	57,034	57,034	45,387	48,807	-20%	8%	94,194
LT & ST Disability	24,763	26,356	32,818	32,818	32,574	34,855	-1%	7%	67,429
Total Personnel	13,131,261	13,923,765	15,942,609	15,942,609	16,657,801	17,342,740	4%	4%	34,000,542
Supplies									
Office & Operating Supplies	25,993	37,474	33,584	33,584	32,397	33,966	-4%	5%	66,363
Publications	1,193	1,430	1,900	1,900	2,007	2,007	6%	0%	4,014
Consumable Goods	2,724	5,629	4,640	4,640	8,300	8,500	79%	2%	16,800
Disaster Supplies	51	432	1,000	1,000	1,000	1,000	0%	0%	2,000
Training Supplies	966	1,752	1,500	1,500	1,500	2,000	0%	33%	3,500
Fuel	4,163	-	5,000	5,000	4,000	4,000	-20%	0%	8,000
Tools & Equipment	40,234	90,036	136,500	136,500	125,800	151,700	-8%	21%	277,500
Total Supplies	75,323	136,752	184,124	184,124	175,004	203,173	-5%	16%	378,177
Services									
Recruitment & Advertising	4,235	6,106	11,500	11,500	5,300	5,300	-54%	0%	10,600
Annual Audit	19,691	14,896	17,618	17,618	15,960	16,758	-9%	5%	32,718
Professional Services	105,187	191,876	210,655	405,655	341,609	315,011	-16%	-8%	656,620
Language Line	2,770	2,749	2,374	2,374	3,169	3,486	33%	10%	6,655
Sustaining Engineer	665	-	15,000	15,000	-	-	-100%	n/a	0
Bank Fees	337	1,234	6,000	6,000	4,000	4,000	-33%	0%	8,000
Legal Services	382,963	437,221	134,100	134,100	407,850	90,350	204%	-78%	498,200
Janitorial Services	35,472	37,270	49,788	49,788	64,553	66,977	30%	4%	131,530
Com Center Calea Accreditation	13,532	-	-	-	-	-	n/a	n/a	0
Postage	2,998	2,527	2,980	2,980	2,779	3,058	-7%	10%	5,837
Communication	116,858	126,758	200,362	200,362	215,965	219,888	8%	2%	435,852
Mileage & Parking Reimb	5,731	7,191	8,153	8,515	9,975	9,975	17%	0%	19,950
Subsistence/Lodging/Travel	35,192	60,156	79,991	104,229	127,231	133,043	22%	5%	260,274
Access	15,558	96	15,000	15,000	-	-	-100%	n/a	0
Rental/Leases	24,262	42,942	38,334	38,334	48,178	50,435	26%	5%	98,613
Insurance	56,809	53,646	57,620	57,620	54,718	56,360	-5%	3%	111,078
Electricity	140,658	126,843	166,478	166,478	130,648	134,568	-22%	3%	265,216
Disposal Services	7,103	7,973	12,059	12,059	8,726	8,939	-28%	2%	17,665
Utility Services	13,833	20,587	16,419	16,419	21,342	21,979	30%	3%	43,321
Repair & Maintenance	145,487	145,233	249,636	249,636	212,373	216,219	-15%	2%	428,592
CAD System Maintenance	269,532	327,626	388,403	388,403	423,708	426,519	9%	1%	850,227
Console/Com Center Maintenance	517	-	19,000	19,000	-	-	-100%	n/a	0
VHF/Paging Maintenance	6,808	38,854	72,900	72,900	95,200	73,700	31%	-23%	168,900
Hardware/Software Maint/Subscr	241,717	503,115	526,426	536,426	670,447	704,046	25%	5%	1,374,493
Miscellaneous	175	178	-	-	-	-	n/a	n/a	0
Training/Conf/Registrations	27,045	50,969	60,515	93,415	106,905	108,110	14%	1%	215,015
Educational Allow/Union	-	-	5,100	5,100	5,100	5,100	0%	0%	10,200
Printing & Binding	3,975	7,567	4,179	4,179	5,439	3,677	30%	-32%	9,116
Memberships	7,729	8,187	8,376	8,376	13,126	13,476	57%	3%	26,602
Total Services	1,686,841	2,221,801	2,378,966	2,641,466	2,994,300	2,690,974	13%	-10%	5,685,275
Capital Outlay									
Machinery & Equipment	50,339	4,969	-	80,000	15,000	70,000	n/a	367%	85,000
Total Capital Outlay	50,339	4,969	-	80,000	15,000	70,000	n/a	367%	85,000
Transfers Out									
For Equipment Replacement	1,645,576	4,163,000	1,819,033	1,819,033	2,132,257	2,411,396	17%	13%	4,543,653
For Contingency	103,859	179,287	78,388	78,388	84,187	29,174	7%	-65%	113,361
Total Transfers	1,749,435	4,342,287	1,897,421	1,897,421	2,216,444	2,440,570	17%	10%	4,657,014
Total Expenditures	\$ 16,693,200	\$ 20,629,575	\$ 20,403,120	\$ 20,745,620	\$ 22,058,550	\$ 22,747,458	6%	3%	\$ 44,806,007

Note: In 2016 & 2017 BARS coding was updated.

Netmotion Service

In 2004, the Administration Board established the Public Safety Wireless Data Network (PSWDN). The PSWDN Fund was set up to track the revenues and costs associated with the Mobile Data Network System. By end of 2011, the Fund became obsolete and was closed in 2012, while Netmotion service continues to be tracked and billed to contract agencies on a monthly basis in the Operating Fund. In 2010, Valley Communications Center deployed a Netmotion service as part the of the HAWC project, to provide secure mobile VPN tunnels from the vehicle’s MDC to the Center to transfer CAD data. In 2013, due to CJIS 2 form authentication requirements, the cost model was changed from per device basis (vehicle) to per user basis.

For 2019-2020 biennial budget, the User Assessment Calculation model was updated with the expected costs in the next biennium and actual April 2018 user counts. Each agency’s total assessment will vary depending on the actual number of users during each year of the next biennium. Budgeted 2019-2020 user assessments are provided below:

**USER ASSESSMENT CALCULATION
NETMOTION SERVICE
2019 - 2020 Budget**

Expense:	
Staff Support Time	\$ 44,360
Software/Infrastructure Mx	38,393
Total Expenses	\$ 82,753
Revenues:	
2017 User Fees	\$ 41,376
2018 User Fees	41,376
Total Revenues	\$ 82,753

Agency	2019			2020			Total 2019-2020
	# of Users	User Based Rate	Total	# of Users	User Based Rate	Total	
City of Des Moines (PD)	36	\$16.50	\$ 7,127	36	\$16.50	\$ 7,127	\$ 14,254
Enumclaw Fire # 28	24	\$16.50	4,751	24	\$16.50	4,751	9,503
KCFD #20	23	\$16.50	4,553	23	\$16.50	4,553	9,107
KCFD #44	22	\$16.50	4,355	22	\$16.50	4,355	8,711
KCFD #47	3	\$16.50	594	3	\$16.50	594	1,188
KC Internal Airport	15	\$16.50	2,970	15	\$16.50	2,970	5,939
KC Medic One	83	\$16.50	16,432	83	\$16.50	16,432	32,863
South King Fire and Rescue	2	\$16.50	396	2	\$16.50	396	792
Valley Regional Fire Authority	1	\$16.50	198	1	\$16.50	198	396
Total Units	209		\$ 41,376	209		\$ 41,376	\$ 82,753

Notes:

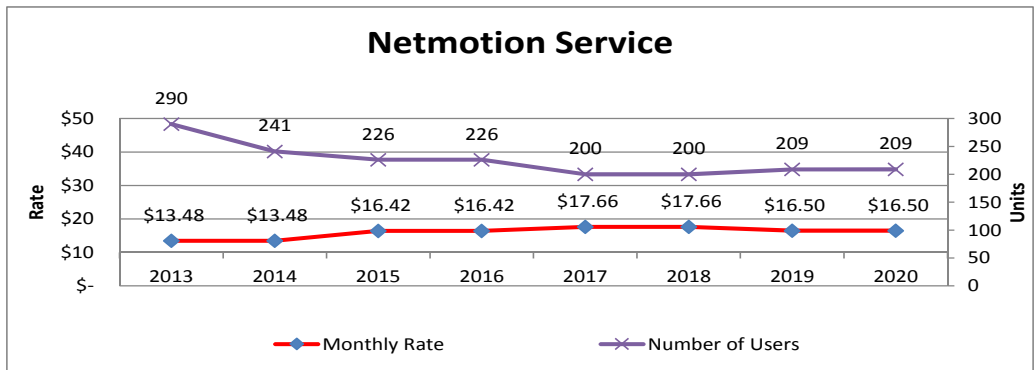
Cost model updated with budgeted 2019-2020 costs to be recovered in the biennium.

User counts are from April 2018 billing.

Assumes KCFD #43/Maple Valley transitions away from service in 2018.

No new customers and no addition users are added to projections.

Below chart shows historical monthly rate and user counts for Netmotion Service. Units of measure changed in 2013 from a mobile unit basis to a user basis. In future years, as agencies find ways to manage their own Netmotion service and no longer rely on Valley Com, the monthly cost per user is likely to increase.



Equipment Replacement Fund

In providing quality services to the owner and contact agencies, Valley Communications Center has invested in state-of-the-art technology and facility. In order to protect our initial investment into the future, Valley Communications Center has a long established practice of contributing to the Equipment Replacement Fund. The Fund was established in 1980 and in 2017, the Administration Board repealed a previously established policy and adopted Resolution #127 to govern this budgetary reserve that is set aside specifically for purchasing new equipment and facilities or replacing existing equipment and facilities, as they physically wear out or becomes functionally obsolete. The ability to keep pace with the latest technological advances has kept the Center at the forefront in 9-1-1 and dispatch services.

The Fund has been supported in the past by either adopting a contribution or by allocating excess ending equity balance from the Operating Fund into this reserve Fund. Historically, most of the expenditures in the Fund are for capital outlays, with the anticipated increases in operating maintenance and support costs from capital investments accounted for in the Operating Fund. Capital expenditures are land, buildings, equipment, and other improvements with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years.

Due to the revolving nature of the Equipment Replacement Fund, the immediate impact of budgeted capital outlays on operating budget is mitigated and spread over the long term, as funding for replacements is accumulated over an extended period of time. The following is a summary of the Equipment Replacement Fund resources, uses, and impact on restricted ending fund equity:

EQUIPMENT REPLACEMENT FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY

	2016	2017	2018		2019	2020	2019-2020
	Actual	Actual	Adopted Budget	Adjusted Budget	Budget	Budget	Total Budget
Resources							
Beginning Fund Equity	\$ 10,577,847	\$ 8,740,236	\$ 8,732,424	\$ 10,820,778	\$ 12,823,817	\$ 12,641,167	\$ 12,823,817
Revenues							
Interest Earnings	39,769	74,503	10,000	10,000	80,000	80,000	160,000
Total Revenues	39,769	74,503	10,000	10,000	80,000	80,000	160,000
Transfers In							
From Operations	1,645,576	4,163,000	1,819,033	1,819,033	2,132,257	2,411,396	4,543,653
From E-911 Escrow	721,568	739,560	723,000	723,000	-	-	-
Total Transfers In	2,367,144	4,902,560	2,542,033	2,542,033	2,132,257	2,411,396	4,543,653
Total Resources	\$ 12,984,760	\$ 13,717,299	\$ 11,284,457	\$ 13,372,811	\$ 15,036,074	\$ 15,132,563	\$ 17,527,470
Uses							
Expenditures							
Noncapital	\$ (242,731)	\$ (118,043)	-	-	-	-	-
Capital Outlay	(4,001,793)	(351,758)	(643,881)	(1,543,881)	(2,394,908)	(425,712)	(2,820,620)
Total Expenditures	(4,244,524)	(469,801)	(643,881)	(1,543,881)	(2,394,908)	(425,712)	(2,820,620)
Total Uses	\$ (4,244,524)	\$ (469,801)	\$ (643,881)	\$ (1,543,881)	\$ (2,394,908)	\$ (425,712)	\$ (2,820,620)
Fund Equity							
Restricted for:							
Equipment Replacement & Facilities	\$ 8,740,236	\$ 13,247,499	\$ 10,640,575	\$ 11,828,929	\$ 12,641,167	\$ 14,706,850	\$ 14,706,850
Ending Fund Equity	\$ 8,740,236	\$ 13,247,499	\$ 10,640,575	\$ 11,828,929	\$ 12,641,167	\$ 14,706,850	\$ 14,706,850

The budget summary above reflects 2019 *beginning fund equity* of \$12.8 million, which is higher than in prior years signifying that over the last few years annual expenditures were less than annual revenues. At the end of 2020, the *fund equity* will increase by \$1.9 million as a result of continuing contributions at over \$2 million per

year, while equipment replacements for 2020 are expected to total less than in the last couple of years, as expenditures in the Fund are cyclical in nature.

The following is a summary of the Equipment Replacement Fund’s estimated beginning and ending equity for 2018, 2019, and 2020. This illustrates the breakdown between funding for equipment and facilities categories within the Fund. The facilities portion of the Fund was mostly developed in 2014 through the Capital Facilities Plan integrated into the Equipment Replacement Fund’s schedules. At the end of 2020, the *fund equity* is expected to consist 68% in equipment category and remaining 32% in facilities category.

EQUIPMENT REPLACEMENT FUND EQUITY

	Equipment	Facilities	Total
Actual 2018 Beginning Balance	\$ 8,573,902	\$ 4,673,597	\$ 13,247,499
Estimated Interest	51,777	28,223	80,000
Contributions from Fund 501	1,177,295	641,738	1,819,033
Budgeted Expenditures	(1,431,740)	(1,629,380)	(3,061,120)
E911 Escrow Equipment Support Reimb.	738,406		738,406
Estimated 2018 Ending Balance	\$ 9,109,639	\$ 3,714,178	\$ 12,823,817
Estimated 2019 Beginning Balance	\$ 9,109,639	\$ 3,714,178	\$ 12,823,817
Estimated Interest	56,830	23,170	80,000
Contributions from Fund 501	1,186,129	946,129	2,132,257
Budgeted Expenditures	(1,483,405)	(911,503)	(2,394,908)
Estimated 2019 Ending Balance	\$ 8,869,193	\$ 3,771,974	\$ 12,641,167
Estimate 2020 Beginning Balance	\$ 8,869,193	\$ 3,771,974	\$ 12,641,167
Estimated Interest	56,129	23,871	80,000
Contributions from Fund 501	1,325,698	1,085,698	2,411,396
Budgeted Expenditures	(296,896)	(128,816)	(425,712)
Estimated 2020 Ending Balance	\$ 9,954,123	\$ 4,752,727	\$ 14,706,850

Transfers in, as budget summary on prior page shows, will decrease 5% in the next biennium, which shows continued commitment to fund critical equipment and historically underfunded facility needs within constrained owner agencies resources. Over the past few years, the Center has concentrated on critical risk mitigation and continuity of operation, which require significant investment in upgrading of existing equipment/facilities and purchase of new equipment. This commitment continues into 2019-2020 biennium.

During 2014, Valley Communications Center developed a Capital Facilities Plan and integrated it into the equipment replacement schedules, which resulted in an addition of \$13 million in replacement costs for the Valley Com’s main facility to the operational schedule. As a result, the Equipment Replacement Fund requires more contributions than it has in the past to ensure all of the equipment and facility needs are adequately funded in the future. At the end of the biennium, the Fund is 67% funded, with a \$2.1 million contribution in 2019 (79% of 2019 requirement) and a \$2.4 million in 2018 (89% of 2020 requirement). Below table shows fund equity balances required for full funding:

Equipment Replacement Schedule

Year	100% Funded Level			Expected Funded % Level
	Equipment	Facilities	Total	
2018	\$ 8,873,159	\$ 10,008,220	\$18,881,379	68%
2019	\$ 10,141,344	\$ 10,619,051	\$20,760,394	64%
2020	\$ 11,255,875	\$ 11,219,424	\$22,475,298	67%

Capital outlay expenditures will increase 49% in the next biennium compared to prior biennium; however, the increase is mostly due to the cyclical nature of the replacement life cycle and delay of some replacements, as life

was extended on some items due to extended vendor support or lack of IT resources to complete scheduled projects. The following list details equipment budgeted for replacement in the next biennium and shows criticality of those projects to the Center:

2019 EQUIPMENT REPLACEMENT

Criticality	Equipment Replacements	
1	UPS Unit Replacement (2)	\$871,502
1	Paging System Refresh	604,307
1	VPI Recording Software & Hardware Replacement	253,436
1	Cisco Catalyst Switches (14)	200,930
1	HAWC Cisco Switches (12)	199,286
1	Trak Systems GPS Units (4)	76,513
2	Foundation Sealing and Painting	40,000
2	Servers (3)	37,196
2	Audio Visual Equipment (Training Room)	25,693
1	ThinClients (45)	22,553
1	Com Room Chairs (20)	20,367
1	RSA SecurID Tokens Replacement (275)	16,647
2	VMware View Software Upgrade (6)	16,255
2	Barracuda Message Archiver Upgrade	7,111
2	Workstations (1)	3,112
	Total Capital Outlays	\$2,394,908

2020 EQUIPMENT REPLACEMENT

Criticality	Equipment Replacements	
3	Gate & Fencing Replacement	\$93,427
3	Laptops (35)	75,590
2	NetApp Array Controllers (2)	68,969
3	Monitors (90)	52,132
2	HP Servers (3)	40,659
3	SharePoint License Upgrade	20,255
1	ThinClients (50)	20,042
3	Building Metal Doors Refinish	18,000
2	Parking Lot & Sidewalk Resurface	17,388
2	Solar Winds Licensing Upgrade	9,616
3	90" TV	8,037
2	Workstations (2)	1,597
	Total Capital Outlays	\$425,712

Key:

1 = Must have

2 = Should have / best practices

3 = Could delay

Paging

Contingency Fund

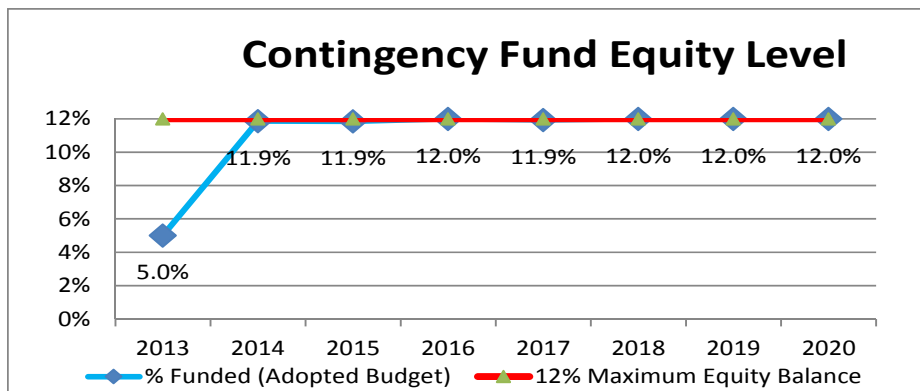
In 1995, the Administration Board established a Contingency Fund in order to provide additional resources in the event of a financial shortfall. In 2013, the Administration Board repealed previously established policy and adopted Resolution #114 establishing the Contingency Fund Policy to provide a financial resource in the event of an unanticipated expense essential to effective operation.

Funding for the Contingency Fund is accomplished by an annual contribution to the Fund at the rate of not less than 1% of the estimated annual operating expenses to a maximum fund balance of 12% of annual operating expenses. Operating expenses are defined as those accounts required to conduct operations and do not include such expenses as capital requests or contributions to other funds or entities.

CONTINGENCY FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY

	2016	2017	2018		2019	2020	2019-2020
	Actual	Actual	Adopted Budget	Adjusted Budget	Budget	Budget	Total Budget
Resources							
Beginning Fund Equity	\$ 1,852,943	\$ 1,965,415	\$ 2,139,296	\$ 2,147,702	\$ 2,275,065	\$ 2,379,252	\$ 2,275,065
Revenues							
Interest Earnings	8,613	18,975	3,000	3,000	20,000	20,000	40,000
Total Revenues	8,613	18,975	3,000	3,000	20,000	20,000	40,000
Transfers In							
From Operations	103,859	179,287	78,388	78,388	84,187	29,174	113,361
Total Transfers In	103,859	179,287	78,388	78,388	84,187	29,174	113,361
Total Resources	\$ 1,965,415	\$ 2,163,677	\$ 2,220,684	\$ 2,229,090	\$ 2,379,252	\$ 2,428,426	\$ 2,428,426
Total Uses							
	-	-	-	-	-	-	-
Fund Equity							
Designated for:							
Contingency	\$ 1,965,415	\$ 2,163,677	\$ 2,220,684	\$ 2,229,090	\$ 2,379,252	\$ 2,428,426	\$ 2,428,426
Ending Fund Equity	\$ 1,965,415	\$ 2,163,677	\$ 2,220,684	\$ 2,229,090	\$ 2,379,252	\$ 2,428,426	\$ 2,428,426

At the end of the next biennium, the Fund is fully funded at 12% after a less than 1% contribution from operations of \$84,187 in 2019 and \$29,174 in 2020. The Fund's full funding status is largely due to the onetime \$862,605 transfer of 2013 operational savings to Contingency Fund done through the 2014 budget adjustment.



800 MHz Fund

In November of 1992, the voters of King County approved a levy to fund the acquisition and installation of the 800 MHz emergency radio communications system. While the levy produced the funds necessary for the construction and acquisition of the system, it also mandated that the users of the system pay for the current operating costs and set aside an amount for an equipment replacement reserve. Valley Communication Center is a part owner of this system and as of year-end 2017, there is \$3.1 million available to support repairs or replacements to the system.

Given the Puget Sound Emergency Radio Network (PSERN) regional effort as a replacement for the current King County Emergency Trunked Radio System (KCETRS), it is expected that VCC will be able to maintain the current functionality of the VCC's portion of the KCETRS until replacement in 2022. The following is a summary of the 800 MHz resources, uses, and impact on restricted ending fund equity:

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY

	2016	2017	2018		2019	2020	2019-2020
	Actual	Actual	Adopted Budget	Adjusted Budget	Budget	Budget	Total Budget
Resources							
Beginning Fund Equity	\$ 4,016,146	\$ 4,522,756	\$ 4,246,146	\$ 4,522,756	\$ 4,706,461	\$ 4,672,656	\$ 4,706,461
Revenues							
800 MHz Revenue							
Public Safety Radios	758,343	443,220	439,157	438,797	255,466	267,665	523,131
Non-public Safety Radios	106,350	106,410	108,000	108,360	108,720	108,720	217,440
Reimbursements	137,772	58,665	57,600	57,600	71,800	48,800	120,600
Radio Lease Site Revenue	66,535	37,706	-	-	-	-	-
Interest Earnings	16,423	39,094	3,500	3,500	40,000	40,000	80,000
Total Revenues	1,085,423	685,095	608,257	608,257	475,986	465,185	941,171
Total Resources	\$ 5,101,568	\$ 5,207,851	\$ 4,854,403	\$ 5,131,013	\$ 5,182,446	\$ 5,137,841	\$ 5,647,631
Uses							
Expenditures							
Salaries	\$ (56,119)	\$ (62,873)	\$ (53,258)	\$ (53,258)	\$ (56,786)	\$ (58,717)	\$ (115,504)
Benefits	(15,595)	(17,880)	(18,430)	(18,430)	(18,762)	(19,830)	(38,592)
Supplies	-	(1,800)	-	-	-	-	-
Services	(428,444)	(426,781)	(536,569)	(536,569)	(400,438)	(386,638)	(787,075)
Capital Outlay	(78,655)	(32,056)	(1,681,508)	(1,681,508)	(33,804)	-	(33,804)
Total Expenditures	(578,813)	(541,390)	(2,289,765)	(2,289,765)	(509,790)	(465,185)	(974,975)
Total Uses	\$ (578,813)	\$ (541,390)	\$ (2,289,765)	\$ (2,289,765)	\$ (509,790)	\$ (465,185)	\$ (974,975)
Fund Equity							
Restricted for:							
800 MHz Operations	\$ 1,445,100	\$ 1,581,767	\$ 1,096,593	\$ 1,445,100	\$ 1,581,767	\$ 1,581,767	\$ 1,581,767
800 MHz Equipment Replacement	3,077,656	3,084,693	1,468,045	1,396,148	3,090,889	3,090,889	3,090,889
Ending Fund Equity	\$ 4,522,756	\$ 4,666,461	\$ 2,564,638	\$ 2,841,248	\$ 4,672,656	\$ 4,672,656	\$ 4,672,656

The budget summary above reflects 2019 *beginning fund equity* of \$4.7 million, which is on a continuous increase over the last few years signifying that annual revenues cover annual expenditures. At the end of 2020, the *fund equity* will remain at \$4.7 million, as revenues will continue to cover expenditures and no large capital outlays are planned.

The following is a summary of the 800 MHz Fund's estimated beginning and ending equity for 2018, 2019, and 2020. This illustrates the breakdown between funds available for equipment replacement and for operations.

At the end of 2020, \$3.1 million of the \$4.7 million *ending equity* is reserved for equipment replacement to maintain the current functionality of the VCC's portion of the KCETRS.

800 MHz FUND EQUITY

	Operations	Equipment Replacement	Total
Actual 2018 Beginning Balance	\$ 1,581,767	\$ 3,084,693	\$4,666,461
Revenues/Contributions	608,257	40,000	648,257
Budgeted Expenditures	(608,257)		(608,257)
Estimated 2018 Ending Balance	\$ 1,581,767	\$ 3,124,693	\$4,706,461
Estimated 2019 Beginning Balance	\$ 1,581,767	\$ 3,124,693	\$4,706,461
Revenues/Contributions	475,986	-	475,986
Budgeted Expenditures	(475,986)	(33,804)	(509,790)
Estimated 2019 Ending Balance	\$ 1,581,767	\$ 3,090,889	\$4,672,656
Estimated 2020 Beginning Balance	\$ 1,581,767	\$ 3,090,889	\$4,672,656
Revenues/Contributions	465,185	-	465,185
Budgeted Expenditures	(465,185)	-	(465,185)
Estimated 2020 Ending Balance	\$ 1,581,767	\$ 3,090,889	\$4,672,656

During 2014, Valley Communications Center developed a Capital Facilities Plan and integrated it into the equipment replacement schedules, which resulted in an addition of a \$4 million in replacement costs for the 3 Valley Com owned radio sites. In the past, the equipment replacement reserve has been continuously underfunded. However, given PSERN project, the Center has discontinued contributions to equipment reserve in the last biennium (normally \$0.5 million per biennium) and items, such as \$2 million radio consoles planned to be replaced by the PSERN project in 2019, have been removed from the schedule. As a result, at the end of the biennium, the equipment reserve schedule is 47% funded. Below table shows fund equity balances required for full funding based on current schedule:

Equipment Replacement Schedule

Year	100% Funded Level	Expected Funded % Level
2018	\$ 6,305,292	50%
2019	\$ 6,474,412	48%
2020	\$ 6,628,013	47%

Capital outlay expenditures will decrease significantly in the next biennium, as the radio console replacement project was budgeted in 2018. The PSERN project will be replacing the consoles, so VCC equipment replacement funds will remain to support the KCETRS system through end of its life. The following list details equipment budgeted for replacement in the next biennium and its criticality. These items serve a dual purpose of radio and paging systems and as paging refresh is budgeted in 2019 will be replaced.

**800MHz Fund
2019 EQUIPMENT REPLACEMENT**

Criticality	<u>Equipment Replacements</u>	
1	Transmitter Controllers & Converters (10)	11,770
1	Antenna (McDonald Site)	3,568
1	Alarm Monitoring (McDonald, Skyway, & Cambridge Sites)	18,466
	Total Capital Outlays	\$33,804

Key:
1 = Must have

Paging

Revenue Detail, table below, shows 2019-2020 resources. To accomplish the mandate of the levy, the users of the 800 MHz radio system are charged monthly user access fees based upon the air time usage and the number of radios used. These fees entirely support the current maintenance and operations, as well as were providing funds for the equipment replacement reserve.

There are an estimated 604 radios in 2019 compared to 602 radios in 2018 for non-public safety agencies and 2,699 radios for public safety agencies compared to 2,673 the prior year.

Revenue table shows how user assessments are allocated among agencies using the 800 MHz system. Overall over the next biennium, resources are projected to remain stable. However, the *public safety* revenue is projected to decrease 39% and *non-public safety* revenue is expected to increase less than 1% in the biennium. Since 800 MHz user assessment formula is designed to fund annual expenditures and an equipment reserve component, discontinuing funding of the equipment reserve and increase in expected interest and reimbursement revenues results in the decrease to user assessments and revenue collected through user fees.

**VALLEY COMMUNICATIONS CENTER
800 MHz FUND
REVENUE DETAIL**

	2016	2017	2018		2019	2020	2019 2020		2019-2020
	Actual	Actual	Adopted Budget	Adjusted Budget	Budget	Budget	Change Over	Prior Year	Total Budget
Beginning Fund Equity	\$ 4,016,146	\$ 4,522,756	\$ 4,246,146	\$ 4,522,756	\$ 4,706,461	\$ 4,672,656	4%	-1%	\$ 4,706,461
800 MHz Revenue									
City of Renton Police	116,878	68,105	68,109	77,073	39,598	41,489	-49%	5%	81,087
City of Tukwila Police	77,999	46,531	46,336	48,079	24,883	26,071	-48%	5%	50,954
City of Kent Police	180,626	105,210	104,545	97,749	54,208	56,796	-45%	5%	111,004
City of Auburn Police	125,490	72,997	72,425	78,686	37,608	39,404	-52%	5%	77,013
City of Algona Police	6,557	4,144	4,116	4,597	2,779	2,912	-40%	5%	5,691
City of Pacific Police	9,892	5,593	5,587	6,590	4,035	4,228	-39%	5%	8,263
City of Des Moines Police	47,188	26,356	26,361	29,746	16,398	17,181	-45%	5%	33,579
Renton Regional Fire Authority	41,590	23,965	23,970	20,621	15,361	16,095	-26%	5%	31,456
City of Tukwila Fire	20,347	11,730	11,751	9,574	9,081	9,515	-5%	5%	18,596
Puget Sound Regional Fire Authority	61,977	36,829	36,476	32,151	27,355	28,661	-15%	5%	56,016
Valley Regional Fire Authority	34,887	20,403	20,428	16,969	13,175	13,804	-22%	5%	26,978
King County Fire District # 20	9,312	5,431	5,446	4,025	3,066	3,212	-24%	5%	6,278
King County Fire District # 43	10,955	6,102	6,103	6,743	-	-	-100%	n/a	-
King County Fire District # 44	11,446	6,791	6,722	5,542	7,066	7,403	27%	5%	14,469
King County Fire District # 47	1,398	784	783	652	853	894	31%	5%	1,747
Tukwila Public Works	1,080	1,080	1,080	1,080	1,080	1,080	0%	0%	2,160
City of Kent OEM	11,160	11,280	11,160	11,160	11,520	11,520	3%	0%	23,040
Auburn Emerg Mgmt	3,240	3,240	3,240	3,240	3,240	3,240	0%	0%	6,480
SCORE Jail	1,800	2,250	1,620	2,340	2,340	2,340	0%	0%	4,680
City of Covington	900	900	900	900	900	900	0%	0%	1,800
City of Maple Valley	1,800	1,800	1,800	1,800	1,800	1,800	0%	0%	3,600
Kent School Security	6,495	6,795	6,480	6,840	6,840	6,840	0%	0%	13,680
Kent School Risk	58,635	59,760	58,680	59,940	59,940	59,940	0%	0%	119,880
Auburn School District	1,440	1,440	1,440	1,440	1,440	1,440	0%	0%	2,880
Renton School District	900	900	900	900	900	900	0%	0%	1,800
Tahoma School District	540	540	540	540	540	540	0%	0%	1,080
Cedar River Water District	4,140	4,140	4,140	4,140	4,140	4,140	0%	0%	8,280
Soos Creek Water District	7,380	5,895	7,380	5,400	5,400	5,400	0%	0%	10,800
Covington Water District	6,840	6,840	6,840	6,840	6,840	6,840	0%	0%	13,680
Valley Medical Center	900	900	900	900	900	900	0%	0%	1,800
Multicare Health Systems	900	900	900	900	900	900	0%	0%	1,800
Investment Interest	16,423	39,094	3,500	3,500	40,000	40,000	1043%	0%	80,000
Cambridge Lease	23,148	23,235	-	-	-	-	n/a	n/a	-
Skyway Lease	14,131	14,471	-	-	-	-	n/a	n/a	-
FBI Lease	29,256	-	-	-	-	-	n/a	n/a	-
Reimb - PSERN	117,772	58,665	57,600	57,600	71,800	48,800	25%	-32%	120,600
Miscellaneous	20,000	-	-	-	-	-	n/a	n/a	-
Total 800 MHz Resources	\$ 5,101,568	\$ 5,207,851	\$ 4,854,403	\$ 5,131,013	\$ 5,182,446	\$ 5,137,841	1%	-1%	\$ 5,647,631

Beginning 2019, Puget Sound Regional Fire Authority includes KCFD 43 Maple Valley.

Expenditure Detail, table below, shows *total expenditures* over the next biennium decrease by 80% mostly due to the onetime capital outlay for radio consoles that was budgeted in 2018. Services will decrease 28% over the biennium due to the plan to transfer ownership of radio sites to PSERN in 2018 and lease back space at the sites for VCC equipment at no cost.

800 MHz FUND EXPENDITURE DETAIL									
	2016	2017	2018		2019	2020	2019 2020		2019-2020
	Actual	Actual	Adopted Budget	Adjusted Budget	Budget	Budget	Change Over Prior		Total Budget
Personnel									
Salaries	\$ 56,119	\$ 62,873	\$ 53,258	\$ 53,258	\$ 56,786	\$ 58,717	7%	3%	\$ 115,504
Benefits	15,595	17,880	18,430	18,430	18,762	19,830	2%	6%	38,592
Total Personnel	71,714	80,753	71,688	71,688	75,548	78,547	5%	4%	154,096
Supplies									
Fuel at McDonald Site	-	1,800	-	-	-	-	n/a	n/a	-
Total Supplies	-	1,800	-	-	-	-	n/a	n/a	-
Services									
Professional Services	-	19,783	-	-	10,000	10,000	n/a	0%	20,000
Legal Services	12,221	18,927	55,200	55,200	24,000	-	-57%	-100%	24,000
Postage	-	59	-	-	-	-	n/a	n/a	-
Mileage & Parking Reimb	793	479	2,400	2,400	2,300	2,300	-4%	0%	4,600
Subsistence/Lodging/Travel	-	2,387	-	-	1,500	1,500	n/a	0%	3,000
Cambridge Site Lease	11,263	3,180	24,000	24,000	-	-	-100%	n/a	-
McDonald Site Lease	8,000	6,750	24,000	24,000	-	-	-100%	n/a	-
Skyway Site Lease	9,600	9,600	24,000	24,000	-	-	-100%	n/a	-
Insurance	10,310	21,625	53,560	53,560	15,138	15,138	-72%	0%	30,275
Electricity at Cambridge	15,397	15,991	-	-	-	-	n/a	n/a	-
Electricity at McDonald	7,706	5,571	-	-	-	-	n/a	n/a	-
Electricity at Skyway	13,289	12,898	-	-	-	-	n/a	n/a	-
Sub-Regional Maintenance	285,492	286,711	353,409	353,409	340,000	350,200	-4%	3%	690,200
Facility Maint at Cambridge	11,159	2,492	-	-	2,500	2,500	n/a	0%	5,000
Facility Maint at Skyway	5,408	9,036	-	-	2,500	2,500	n/a	0%	5,000
Facility Maint at McDonald	37,808	11,290	-	-	2,500	2,500	n/a	0%	5,000
Total Services	428,444	426,781	536,569	536,569	400,438	386,638	-25%	-3%	787,075
Machinery & Equipment	78,655	32,056	1,681,508	1,681,508	33,804	-	-98%	-100%	33,804
Total Expenditures	\$ 578,813	\$ 541,390	\$ 2,289,765	\$ 2,289,765	\$ 509,790	\$ 465,185	-78%	-9%	\$ 974,975

Since 2013, Valley Communications Center budgets 0.50 FTE in the 800 MHz radio Fund. The internal radio resource was established to allow the Center to decrease its reliance on King County. King County Radio Shops currently provide maintenance services to upkeep, repair, and manage the Center's three radio sites. However, this position is heavily involved in the PSERN project and facilities, with PSERN project reimbursing related project costs incurred by VCC. As shown below, personnel costs are expected to increase 10% over the next biennium due to salary and benefit increases.

800 MHz Personnel Costs

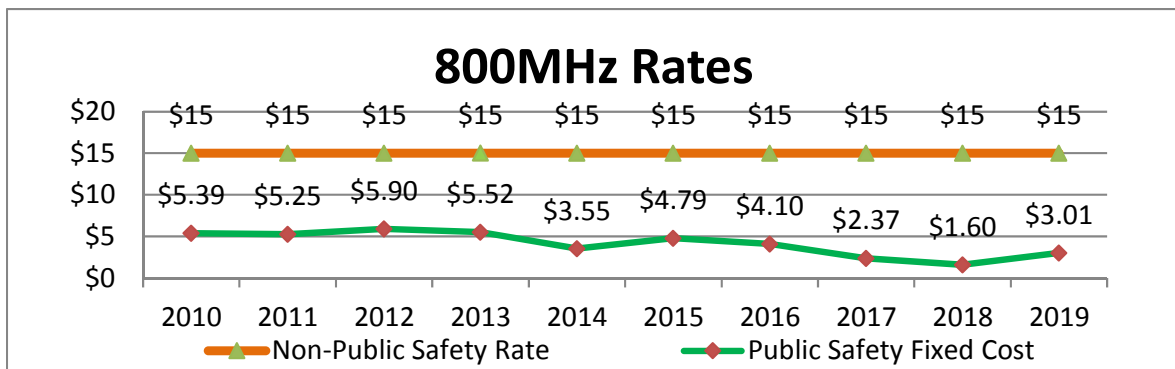
800 MHz	2016 FTE	2017 FTE	2018 FTE	2019 FTE	2020 FTE	2016 Budget	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2019	2020
Salaries	0.5	0.5	0.5	0.5	0.5	\$ 46,502	\$ 51,507	\$ 53,258	\$ 56,786	\$ 58,717	7%	3%
Benefits						23,907	17,448	18,716	18,762	19,830	0%	6%
Total 800 MHz Fund Personnel Costs (504)						\$ 70,409	\$ 68,955	\$ 71,974	\$ 75,548	\$ 78,547	5%	4%

Radio System User Assessment Calculation

Each agency's assessment contribution to Valley Communications Center's budgeted revenue is determined by the following formula illustrated on the next page. *Public safety* agency revenue is calculated by:

1. Determine overall expenses (including equipment replacement contribution)
2. Subtract *non-public safety* revenue (total # of radios x \$15 per radio)
3. Subtract estimated *lease, interest, and reimbursement* revenue
4. Distribute remaining needed revenue across each public safety entity as a percentage of their own airtime usage, relative to the total system airtime, and the number of radios used, relative to the total number of public safety radios used.

Below chart provides historical rates per radio since 2010.



Next page provides User Assessment Calculation for 2019. The 2020 rates will be established during the 2019-2020 mid-biennium review done in 2019. The preliminary rate per radio is estimated at \$3.15 per public safety radio and at \$15 per non-public safety radio. These rates will be updated to reflect April 2019 radio count, April 2019 airtime usage, July 2018-June 2019 call volume, and any mid-biennial budget modifications.

**800 MHz TRUNKED RADIO SYSTEM
2019 USER ASSESSMENT CALCULATION
BASED ON AIR TIME USAGE**

Maintenance and Operations	\$ 475,986
Total Expenditures	\$ 475,986

Public Safety	
Airtime Applied Expenditures	\$ 255,466 a
Non-Public Safety Revenue	108,720 b
Reimbursements	71,800 c
Interest Revenue	40,000 d
Total Revenues	\$ 475,986

	Number of Radios	Fixed Cost per Month	Fixed Costs	Airtime Percentages	Airtime Costs	Annual Amount
Public Safety						
City of Algona Police	34	\$3.01	\$ 1,228	0.6%	\$ 1,551	\$ 2,779
City of Auburn Police	291	\$3.01	10,509	10.6%	27,099	37,608
City of Des Moines Police	108	\$3.01	3,900	4.9%	12,497	16,398
City of Kent Police	397	\$3.01	14,337	15.6%	39,871	54,208
City of Pacific Police	52	\$3.01	1,878	0.8%	2,157	4,035
City of Renton Police	289	\$3.01	10,437	11.4%	29,161	39,598
City of Tukwila Police	200	\$3.01	7,223	6.9%	17,660	24,883
Subtotal	1371		\$ 49,513	50.9%	\$ 129,997	\$ 179,509
Renton Regional Fire Authority	247	\$3.01	\$ 8,920	2.5%	\$ 6,441	\$ 15,361
City of Tukwila Fire Dept.	186	\$3.01	6,717	0.9%	2,364	9,081
Puget Sound Regional Fire Authority*	441	\$3.01	15,926	4.5%	11,428	27,355
King County Fire District # 20	57	\$3.01	2,059	0.4%	1,007	3,066
King County Fire District # 44	156	\$3.01	5,634	0.6%	1,432	7,066
King County Fire District # 47	22	\$3.01	795	0.0%	59	853
Valley Regional Fire Authority	219	\$3.01	7,909	2.1%	5,266	13,175
Subtotal	1328		\$ 47,960	11.0%	\$ 27,997	\$ 75,957
Public Safety Total	2699		\$ 97,472	61.8%	\$ 157,994	\$ 255,466 a
System Overhead Airtime				38.2%	\$ 97,472	
Total Airtime Applied Expenditures				100.0%	\$ 255,466	
Non-Public Safety Rate						
Auburn Emerg Mgmt	18	\$15.00				\$ 3,240
Auburn School District	8	\$15.00				1,440
Cedar River Water District	23	\$15.00				4,140
City of Covington	5	\$15.00				900
City of Kent OEM	64	\$15.00				11,520
City of Maple Valley	10	\$15.00				1,800
Covington Water District	38	\$15.00				6,840
Kent School Risk	333	\$15.00				59,940
Kent School Security	38	\$15.00				6,840
Multicare Health - Covington	2	\$15.00				360
Multicare Heath - Auburn	3	\$15.00				540
Renton School District	5	\$15.00				900
SCORE Jail	13	\$15.00				2,340
Soos Creek Water District	30	\$15.00				5,400
Tahoma School District	3	\$15.00				540
Tukwila Public Works	6	\$15.00				1,080
Valley Medical Center	5	\$15.00				900
Non-Public Safety Total	604					\$ 108,720 b
PSERN Reimbursements						\$ 71,800
Total Reimbursements						\$ 71,800 c
Estimated Interest Revenue						\$ 40,000
Total Interest Revenue						\$ 40,000 d

Airtime usage is from April 2018.

*Puget Sound Regional Fire Authority includes KCFD 43 Maple Valley.

E-911 Escrow Fund

King County (KC) collects excise taxes to fund enhanced 911 emergency communications systems per RCW 82.14B. These tax proceeds are distributed among the twelve 9-1-1 Emergency Communications Centers (ECC or PSAP) in King County. The King County E-911 Office establishes a budget each year to determine exactly how tax proceeds will be allocated to each ECC. All proceeds distributed to the Valley Communications Center on quarterly basis are held by the King County Finance in an escrow fund until the Center makes a request to draw out a specific amount for authorized operational support. During Valley Communications Center's budget process, it is determined how much E-911 funding will be used to support operations and subsidize calls for service rates. The amount of funding that remains in the escrow account at the end of each year has historically been carried forward and kept available for operational support in future years, as determined by the Valley Communications Center.

In 2017, the King County E-911 Office completed a 10 year strategic planning process approved by the KC Council in March 2018 where it explored the governing, technology, and funding issues. As part of that process a new single platform for regional call taking was decided upon and the County is in the beginning stages of obtaining a new system. During 2018, the Program Office has changed the reimbursement guidelines for the escrow funds and Valley Communications Center is changing its prior strategy of reducing reliance on E911 funds to instead use the newly deposited excise taxes as they become available.

E-911 ESCROW FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY

	2016	2017	2018		2019	2020	2019-2020 Total Budget
	Actual	Actual	Adopted Budget	Adjusted Budget	Budget	Budget	
Resources							
Beginning Fund Equity	\$ 875,096	\$ 1,068,782	\$ 1,097,244	\$ 1,231,238	\$ 1,604,444	\$ 1,587,461	\$ 1,604,444
Revenues							
E-911 Revenue	1,143,806	1,225,072	1,100,000	1,100,000	1,940,000	1,940,000	3,880,000
FTE Support	438,032	455,325	472,043	472,043	462,092	481,074	943,166
Equipment Support	721,568	739,560	723,000	723,000	-	-	-
Settlements	(1,791)	1,286	-	-	-	-	-
Interest Earnings	15,557	9,404	10,000	10,000	10,000	10,000	20,000
Total Revenues	2,317,171	2,430,648	2,305,043	2,305,043	2,412,092	2,431,074	4,843,166
Total Resources	\$ 3,192,267	\$ 3,499,430	\$ 3,402,287	\$ 3,536,281	\$ 4,016,536	\$ 4,018,534	\$ 6,447,610
Uses							
Expenditures							
Professional Services	\$ (487)	\$ (347)	\$ (600)	\$ (600)	\$ (400)	\$ (400)	\$ (800)
Total Expenditures	(487)	(347)	(600)	(600)	(400)	(400)	(800)
Transfers Out							
For Operations	(1,401,430)	(1,523,342)	(1,311,237)	(1,311,237)	(2,428,675)	(2,528,439)	(4,957,114)
For Eq. Replacement	(721,568)	(739,560)	(723,000)	(723,000)	-	-	-
Total Transfers Out	(2,122,998)	(2,262,902)	(2,034,237)	(2,034,237)	(2,428,675)	(2,528,439)	(4,957,114)
Total Uses	\$ (2,123,485)	\$ (2,263,249)	\$ (2,034,837)	\$ (2,034,837)	\$ (2,429,075)	\$ (2,528,839)	\$ (4,957,914)
Fund Equity							
Unrestricted E-911 Escrow	\$ 1,068,782	\$ 1,236,181	\$ 1,367,450	\$ 1,501,444	\$ 1,587,461	\$ 1,489,695	\$ 1,489,695
Ending Fund Equity	\$ 1,068,782	\$ 1,236,181	\$ 1,367,450	\$ 1,501,444	\$ 1,587,461	\$ 1,489,695	\$ 1,489,695

Total revenues are budgeted to increase 5% in the next biennium reflecting current actual distribution levels. Since the KC E-911 Office strategic plan was approved in 2018 and given realignments in the Program Office and turnover in key position, there are no anticipated changes in the types of ECC funding provided in the next

biennium. However, according to KC, the E-911 excise tax revenues have been on a decline and accumulated ECC fund balances and future excise tax revenues are among the potential sources of funds for procuring the new single platform system.

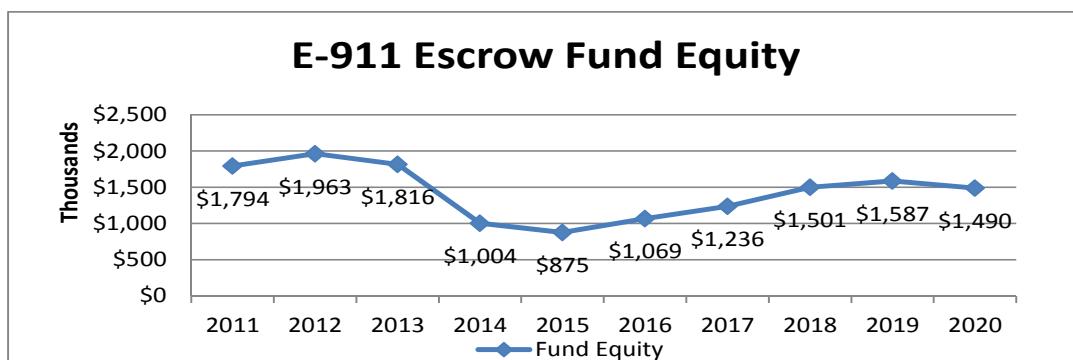
Valley Com’s budget is built showing an increase in revenue distribution to match current levels; however, if the change to ECCs as a result of funding the new single platform is significant, the Center is positioned to absorb some reductions in funding and will be able to adjust budget during the mid-biennial review. Table below shows expected E-911 revenue in detail:

Projected PSAP Revenue KC E-911 Escrow			
	2018	2019	2020
Annual Wireline	\$ 430,000	\$ 436,000	\$ 436,000
Annual Wireless	580,000	620,000	620,000
Annual VOIP	58,000	60,000	60,000
Option C	32,000	86,000	86,000
Equipment Support	723,000	738,000	738,000
GIS/CAD FTE Support	156,189	156,586	163,018
IT System Specialist FTE Support	169,286	160,539	167,134
PBX/Viper FTE Support	146,568	144,966	150,921
Total Support	\$ 2,295,043	\$ 2,402,092	\$ 2,421,074

Transfers out are budgeted to increase 24% in the next biennium. The increase is due to the change in strategy from reducing reliance of the Operating Fund on the E-911 operational support in prior years to the new strategy of using the newly deposited excise tax distributions as they become available. Use of the excise tax distribution is accomplished by increasing support to Operating Fund by increasing the number of call receiver positions funded through E-911. 2019-2020 budget supports 20 FTE COI positions per year, an increase from the 9 positions in 2018. The support for 3 administrative IT positions remains unchanged in the next biennium. However, VCC is discontinuing to fund equipment in the Equipment Replacement Fund with E-911 funds, as KC E-911 Office changed reimbursement criteria and subsequently all excise tax funds VCC receives will be used to support salaries and benefit costs of eligible COI and IT positions. The following are budgeted activities the E-911 transfers support:

Contributions to Operations & Eq. Replacement			
	2018	2019	2020
3 Administrative IT Positions	\$ 472,043	\$ 462,092	\$ 481,074
9/20/20 Call Receivers	839,194	1,966,583	2,047,365
Equipment Support	723,000	-	-
Total Uses	\$ 2,034,237	\$ 2,428,675	\$ 2,528,439

The overall ending fund equity has been on the increase in recent years as shown in the chart below and is projected to level off in the next biennium mostly due to the increased transfers out to operations discussed above. However, if E-911 revenue distributions to VCC decrease during the next biennium, then sufficient fund equity is available to mitigate this reduction.



Operating Contribution Calculations

Formula below illustrates how owner and contract agency rates and contributions are calculated. The annual funding formula was updated in September 2017 and is established by the Administration Board Resolution #128.

1. Total expenses to be funded through billable calls for services are calculated
2. Baseline rate per call is calculated (total expenses/total billable call volume)¹
3. The contract agency rate is calculated (baseline rate + administrative overhead fee)²
4. Total contract agency revenue is calculated (contract agency rate * # of contract agency billable calls)
5. Owner agency contributions are calculated (total expenses – contract agency revenue - savings)
6. Each owner agency’s contribution is calculated based on their percentage of overall billable call volume. See page 46 for the apportionment calculation for each owner agency.

OPERATING CONTRIBUTIONS CALCULATION CONTRACT AND OWNER AGENCIES

Expenses:	2018	2019	2020
Operational Costs	\$ 2,563,090	\$ 3,184,304	\$ 2,964,147
Personnel Costs	15,942,609	16,657,801	17,342,740
Transfer to Equipment Replacement Fund	1,819,033	2,132,257	2,411,396
Transfer to Contingency Fund	78,388	84,187	29,174
Less:			
Miscellaneous Revenues	(291,248)	(367,375)	(388,343)
Transfer from E911 Escrow Fund	(1,311,237)	(2,428,675)	(2,528,439)
1 Total Expenses to be Funded by Agencies	\$ 18,800,635	\$ 19,262,500	\$ 19,830,675
Total Call Volume*	503,678	508,198	508,198
2 Baseline Rate Per Call	\$37.33	\$37.90	\$39.02
Contract Agency Revenue:			
Baseline Rate Per Call	\$37.33	\$ 37.90	\$ 39.02
Add: Admin Overhead Fee (surcharge)	\$4.48	4.55	4.68
3 Contract Agency Rate Per Call	\$41.81	\$ 42.45	\$ 43.70
Total Contract Agency Call Volume	69,445	70,041	70,041
4 Total Contract Agency Revenue	\$ 2,903,214	\$ 2,973,378	\$ 3,061,082
Owner Agency Revenue:			
Total Expenses	\$ 18,800,635	\$ 19,262,500	\$ 19,830,675
Less: Contract Agency Revenue	(2,903,214)	(2,973,378)	(3,061,082)
5 Total Owner Agency Contribution	\$ 15,897,422	\$ 16,289,122	\$ 16,769,594

Operating contributions calculation for 2020 will be updated to reflect July 2018 – June 2019 billable call volume as part of the 2019-2020 mid-biennial review done in 2019.

¹ See page 48 for billable call volume breakdown and analysis.

² Administrative surcharge for 2019 is the same as in 2018 at 12% (unchanged since 2013).

Contract Agency Impact

Based on the contract agency rates calculated on page 44, the following chart details the estimated operating contribution from each contract agency. The estimated contribution is based on the number of actual billable calls received from July 1, 2017 – June 30, 2018. Each contract agency’s total contribution will vary depending on the actual number of calls received during 2019. Contract agencies are billed on a monthly basis based on the actual billable calls received within the given month.

CONTRACT AGENCY IMPACT SUMMARY 2019 BUDGET

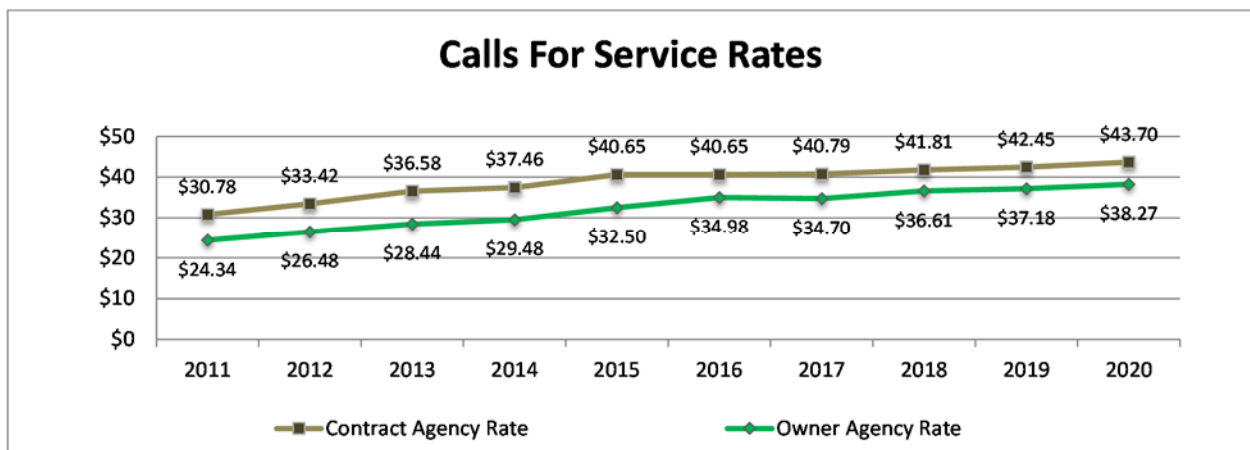
Agency	# of Calls *	2017	Estimated Contribution
Algona Police Department	4,651	\$42.45	\$ 197,423
Black Diamond Police Department	3,707	\$42.45	157,348
Des Moines Police Department	17,201	\$42.45	730,195
Enumclaw Fire	2,471	\$42.45	104,899
King County Airport Fire Department	47	\$42.45	1,995
King County Fire District 2	10,542	\$42.45	447,529
King County Fire District 20	2,243	\$42.45	95,220
King County Fire District 44	1,963	\$42.45	83,333
King County Fire District 47	128	\$42.45	5,434
King County Medic One	17,166	\$42.45	728,730
Pacific Police Department	6,469	\$42.45	274,600
SCORE Jail	1,910	\$42.45	81,083
Vashon Island Fire and Rescue	1,545	\$42.45	65,588
Total	70,041	\$42.45	\$ 2,973,378

*Billable call volume is based on actual calls for service July 2017 - June 2018.

King County Fire District #2 includes North Highline Fire District (KC Fire District 11).

The 2020 contract agency rate will be established during the 2019-2020 mid-biennial review done in 2019. The preliminary rate is estimated at \$43.70 per billable call. This rate will be updated to reflect July 2018-June 2019 billable call volume and any mid-biennial budget modifications.

Below chart provides 10 years of historical rates per billable call. The spread between owner and contract rates has decreased from 26% in 2011 to 14% in 2020 due to several factors including payoff of debt service in 2015 that was included in calculation of contract agency rate, but removed from owner rate.



Owner Agency Impact

The following table shows total budgeted owner agency impact for 2019; including operational contributions and 800 MHz assessments. In addition, this table compares total 2019 contributions and assessments to 2018. The 2020 owner agency impact will be calculated during the 2019-2020 mid-biennial review done in 2019.

Overall, the grand total owner contributions for 2019 are projected to increase 1%, with a 2% increase in operating contribution that is partially offset by a 42% decrease in 800 MHz user assessments, while the billable call volume has remained relatively stable.

OWNER IMPACT SUMMARY 2019 BUDGET

Owner Agency	Billable Call		Call for Service Contribution	800 MHz Fund	Contribution + 800 MHz
	Volume	Percentage			
Auburn Police	88,007	20%	\$ 3,271,769	\$ 37,608	\$ 3,309,377
Valley Regional Fire Authority	13,192	3%	490,432	13,175	503,607
Auburn Total	101,199	23%	\$ 3,762,201	\$ 50,783	\$ 3,812,984
Apportionment	23%				
Federal Way PD	71,818	16%	\$ 2,669,938		\$ 2,669,938
South King Fire & Rescue	20,065	5%	745,945		745,945
Federal Way Total	91,883	21%	\$ 3,415,883		\$ 3,415,883
Apportionment	21%				
Kent Police	89,477	20%	\$ 3,326,419	\$ 54,208	\$ 3,380,627
Puget Sound Regional Fire Authority*	28,471	6%	1,058,451	27,355	1,085,806
Kent Total	117,948	27%	\$ 4,384,870	\$ 81,563	\$ 4,466,433
Apportionment	27%				
Renton Police	74,138	17%	\$ 2,756,188	\$ 39,598	\$ 2,795,786
Renton Regional Fire Authority	16,191	4%	601,924	15,361	617,285
Renton Total	90,329	21%	\$ 3,358,112	\$ 54,959	\$ 3,413,071
Apportionment	21%				
Tukwila Police	31,000	7%	\$ 1,152,470	\$ 24,883	\$ 1,177,353
Tukwila Fire	5,799	1%	215,586	9,081	224,667
Tukwila Total	36,799	8%	\$ 1,368,056	\$ 33,964	\$ 1,402,020
Apportionment	8%				
Total Police	354,440	81%	\$ 13,176,784	\$156,297	\$ 13,333,081
Total Fire	83,718	19%	3,112,338	64,972	3,177,310
2019 Grand Total	438,157	100%	\$ 16,289,122	\$221,269	\$ 16,510,391
2018 Totals	437,077		\$ 15,897,422	\$ 380,902	\$ 16,278,324
Increase (Decrease) from 2018	0%	n/a	2%	-42%	1%

* Puget Sound Regional Fire Authority includes KCFD 43 Maple Valley.

Owner agency equivalent call rates:

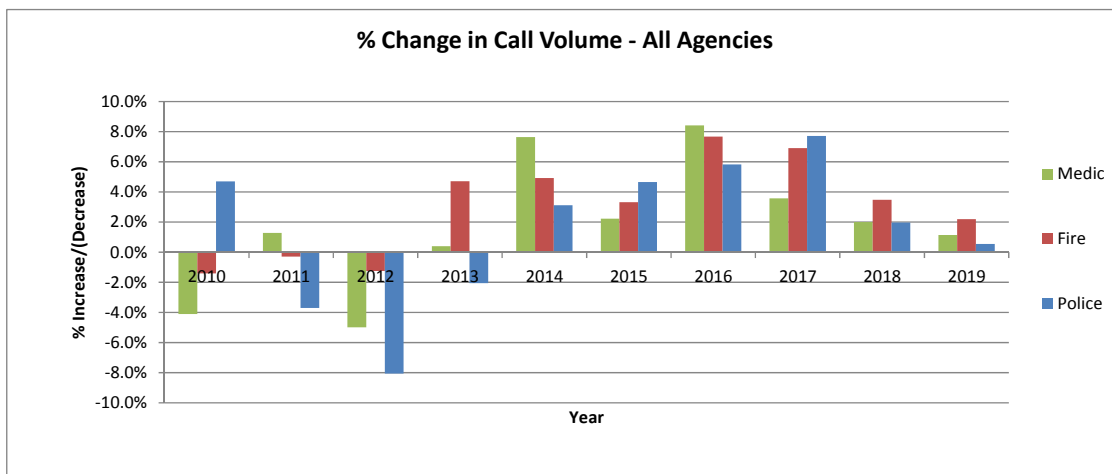
2016: \$34.98
 2017: \$34.70
 2018: \$36.61
 2019: \$37.18

Billable Calls for Service

Call Breakdown by Type

The following table and graph show a breakdown of total billable calls by call type and the percent change from year-to-year. Call volume totals for 2012 and after are calculated from the prior July – June time period (for example, 2012 call totals are based on actual calls for service between July 1, 2010 – June 30, 2011 time period). Prior to 2012, calls volumes were calculated from the prior April – March time period.

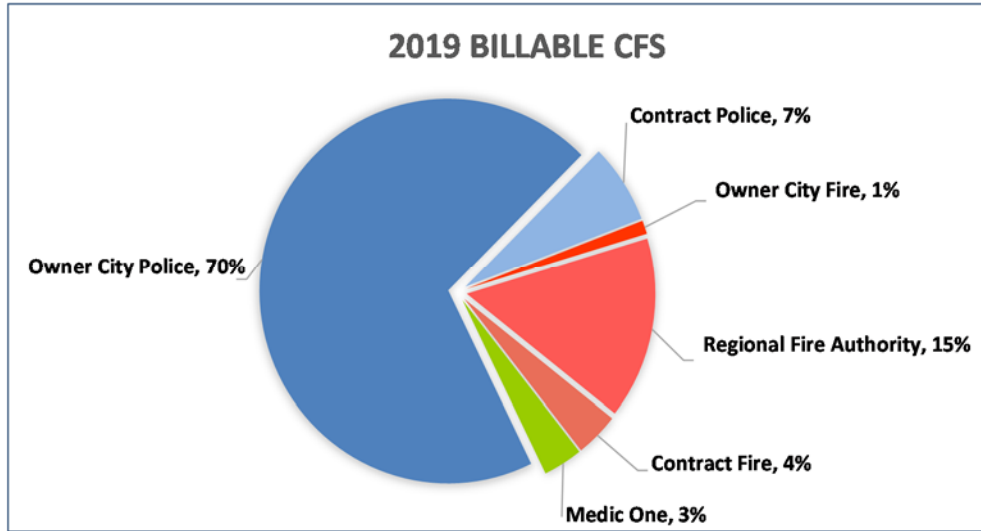
	2014	2015	2016	2017	2018	2019
Medic	14,500	14,821	16,067	16,640	16,972	17,166
Fire	81,642	84,351	90,825	97,090	100,464	102,657
Police	317,518	332,302	351,639	378,792	386,242	388,375
Total	413,660	431,474	458,531	492,522	503,678	508,198
% Increase(Decrease)	3.6%	4.3%	6.3%	7.4%	2.3%	0.9%



Call Breakdown by All Agencies

The following table and chart show the billable call volume breakdown by owner and contract agencies. The apportionment of each category shown for 2019 is substantially unchanged in the last 4 years.

	2016	2017	2018	2019	2019 Apportion
Owner City Fire	5,460	5,764	5,738	5,799	1%
Regional Fire Authority	66,832	71,959	75,085	77,919	15%
Contract Fire	18,533	19,367	19,641	18,939	4%
Medic One	16,067	16,640	16,972	17,166	3%
Owner City Police	323,982	350,282	353,410	354,437	70%
Contract Police	27,657	28,510	32,832	33,938	7%
Total	458,531	492,522	503,678	508,198	100%
% Increase(Decrease)	6.3%	7.4%	2.3%	0.9%	n/a



Call Breakdown by Agency Type

The following three tables detail the breakdown of total billable call volume by agency. The first table, “Call Statistic Analysis – Owner Cities” shows the apportionment of billable call volume to each owner city, as a percentage of all owner cities. The second table, “Call Statistics Analysis – Owner Police and Fire Agencies Breakdown” shows apportionment to each owner agency individually. The third table, “Call Statistic Analysis – Contract Agencies” shows the apportionment of billable call volume to each contract agency as a percentage of all contract agencies.

Call Statistic Analysis - Owner Cities

	2016		2017		2018		2019		2016 2017 2018 2019			
	Call Volume	Apportion	Call Volume	Apportion	Call Volume	Apportion	Call Volume	Apportion	Change Over Prior Year			
Auburn	92,008	23%	96,406	23%	100,554	23%	101,199	23%	12%	5%	4%	1%
Federal Way	84,170	21%	92,658	22%	94,522	22%	91,883	21%	10%	10%	2%	-3%
Kent	107,575	27%	114,769	27%	115,303	27%	117,948	27%	3%	7%	0%	2%
Renton	78,046	20%	86,799	20%	87,220	20%	90,329	21%	4%	11%	0%	4%
Tukwila	34,477	9%	37,375	9%	36,635	8%	36,799	8%	6%	8%	-2%	0%
TOTAL	396,276	100%	428,006	100%	434,233	100%	438,157	100%	7%	8%	1%	1%

Billable call volumes for the Puget Sound Regional Fire Authority, the Renton Regional Fire Authority, the South King Fire & Rescue, and the Valley Regional Fire Authority are reported under their corresponding owner city billable call volumes in above table. Above billable call volume breakdown is used for annual apportionment of VCC equity to owner cities.

Call Statistic Analysis - Owner Police and Fire Agencies Breakdown

	2016		2017		2018		2019		2016 2017 2018 2019			
	Call Volume	Apportion	Call Volume	Apportion	Call Volume	Apportion	Call Volume	Apportion	Change Over Prior Year			
Auburn PD	80,862	20%	84,387	20%	87,744	20%	88,007	20%	13%	4%	4%	0%
Valley RFA	11,146	3%	12,019	3%	12,810	3%	13,192	3%	7%	8%	7%	3%
Federal Way PD	66,241	17%	73,280	17%	74,116	17%	71,818	16%	11%	11%	1%	-3%
County King F&R	17,929	5%	19,378	5%	20,406	5%	20,065	5%	6%	8%	5%	-2%
Kent PD	84,496	21%	89,666	21%	89,344	21%	89,477	20%	1%	6%	0%	0%
Puget Sound RFA	23,079	6%	25,103	6%	25,959	6%	28,471	6%	9%	9%	3%	10%
Renton PD	63,368	16%	71,340	17%	71,310	16%	74,138	17%	3%	13%	0%	4%
Renton RFA	14,678	4%	15,459	4%	15,910	4%	16,191	4%	6%	5%	3%	2%
Tukwila PD	29,017	7%	31,611	7%	30,897	7%	31,000	7%	5%	9%	-2%	0%
Tukwila FD	5,460	1%	5,764	1%	5,738	1%	5,799	1%	15%	6%	0%	1%
TOTAL	396,276	100%	428,006	100%	434,233	100%	438,157	100%	7%	8%	1%	1%

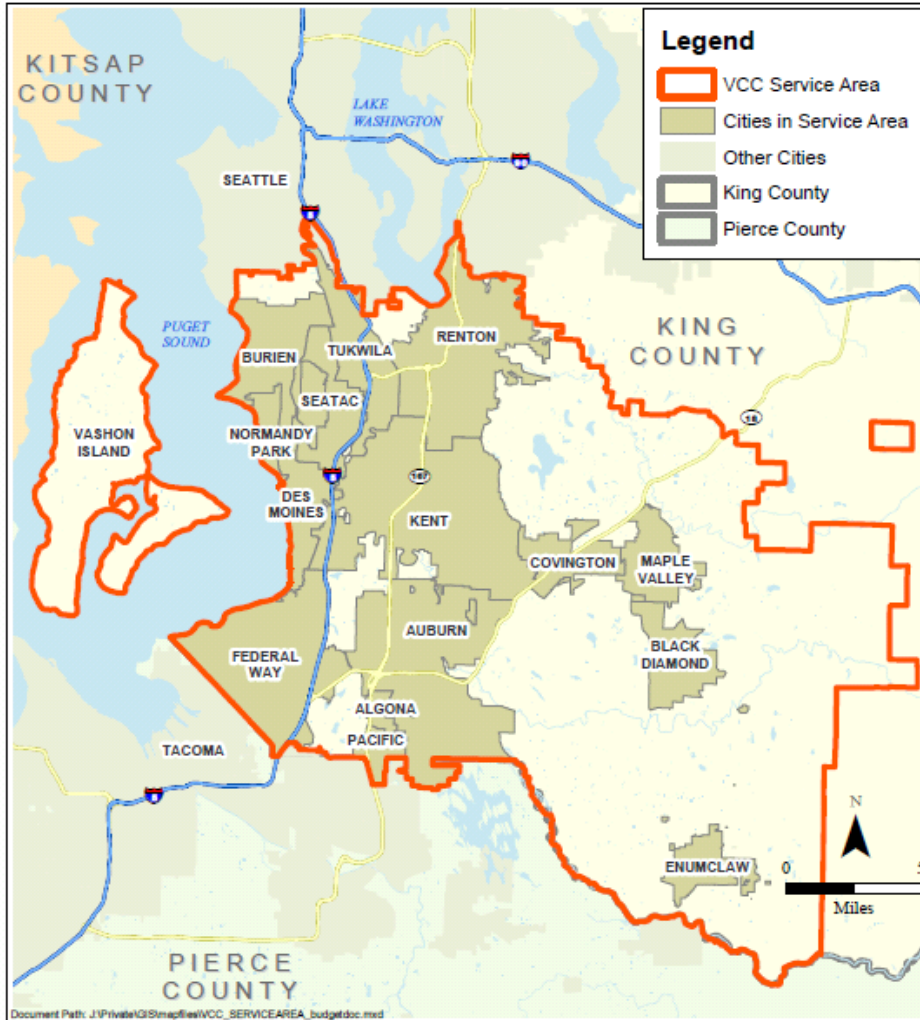
Call volume is based on actual calls for service July - June
 2019 and subsequent call volume for KCFD # 43 Maple Valley is included in Puget Sound RFA.

Call Statistic Analysis - Contract Agencies

	2016		2017		2018		2019		2016 2017 2018 2019			
	Call Volume	Apportion	Call Volume	Apportion	Call Volume	Apportion	Call Volume	Apportion	Change Over Prior Year			
Algona PD	3,261	5%	3,833	6%	4,545	7%	4,651	7%	7%	18%	19%	2%
Black Diamond PD	2,861	5%	3,168	5%	2,919	4%	3,707	5%	21%	11%	-8%	27%
Des Moines PD	16,418	26%	16,193	25%	16,715	24%	17,201	25%	-5%	-1%	3%	3%
Enumclaw Fire*	0	0%	0	0%	530	1%	2,471	4%	n/a	n/a	n/a	366%
KC Airport Fire**	0	0%	0	0%	0	0%	47	0%	n/a	n/a	n/a	n/a
KCFD # 2	9,917	16%	10,354	16%	10,286	15%	10,542	15%	6%	4%	-1%	2%
KCFD # 20	2,246	4%	2,425	4%	2,390	3%	2,243	3%	4%	8%	-1%	-6%
KCFD # 43***	2,845	5%	2,796	4%	2,844	4%	0	0%	4%	-2%	2%	-100%
KCFD # 44	1,835	3%	2,036	3%	1,895	3%	1,963	3%	11%	11%	-7%	4%
KCFD # 47	126	0%	110	0%	109	0%	128	0%	4%	-13%	-1%	17%
Medic One	16,067	26%	16,640	26%	16,972	24%	17,166	25%	8%	4%	2%	1%
Pacific PD	4,912	8%	4,990	8%	6,465	9%	6,469	9%	-5%	2%	30%	0%
SCORE Jail	205	0%	326	1%	2,188	3%	1,910	3%	-31%	59%	571%	-13%
Vashon Island Fire	1,564	3%	1,646	3%	1,587	2%	1,545	2%	12%	5%	-4%	-3%
TOTAL	62,256	100%	64,516	100%	69,445	100%	70,041	100%	3%	4%	8%	1%

Call volume is based on actual calls for service July - June
 *Enumclaw Fire KCFD # 28 became a customer in April 2017
 **KC Airport Fire Department became a customer in February 2018
 ***2019 and subsequent call volume for KCFD # 43 Maple Valley is included in Puget Sound RFA.

Service Area



Valley Communications Center service area is shown to the left and is approximately 443 square miles. The vast majority of law enforcement, fire, and EMS activity in South King County is processed by the COI (Call Receiver) and COII (Dispatcher) positions in our Center.

We serve 10 police departments, 13 fire departments, and King County Medic One paramedics, with a service population of approximately 769,804 residents. Service population for the last census and subsequent available estimates are provided in the table below.

Most of the people served are in the incorporated area with only 20% in the unincorporated King County. Level of service differs by agency within our service area.

City	2010 Population Census	2015 Population Estimate	2016 Population Estimate	2017 Population Estimate
Algona	3,014	3,105	3,175	3,180
Auburn	70,180	75,545	77,060	78,960
Black Diamond	4,153	4,200	4,305	4,335
Burien	33,313	48,810	50,000	50,680
Covington	17,575	18,520	18,750	19,850
Des Moines	29,673	30,100	30,570	30,860
Enumclaw	10,669	11,140	11,410	11,450
Federal Way	89,306	90,760	93,670	96,350
Kent	92,411	122,900	124,500	127,100
Maple Valley	22,684	24,700	24,790	24,900
Normandy Park	6,335	6,420	6,540	6,595
Pacific	6,606	6,840	6,890	6,910
Renton	90,927	98,470	101,300	102,700
SeaTac	26,909	27,650	27,810	28,850
Tukwila	19,107	19,300	19,540	19,660
Incorporated Total	522,862	588,460	600,310	612,380
Unincorporated Total	183,032	149,377	153,453	157,424
Total	705,894	737,837	753,764	769,804

Public Safety Partner Agencies

Below are 24 Valley Communications Center partner agencies and the communities we serve:

Fire:

1. Burien Fire Department – serving:
 - City of Burien
 - City of Normandy Park
 - KC Fire District 2
2. Enumclaw Fire Department – serving:
 - City of Enumclaw
 - KC Fire District 28
3. Kangley-Palmer Fire & Rescue (KC Fire District 47)
4. King County International Airport Fire Department
5. Mountain View Fire & Rescue – serving:
 - KC Fire District 44
 - City of Black Diamond
6. North Highline Fire District (KC Fire District 11)
7. Puget Sound Regional Fire Authority – serving:
 - City of Kent
 - City of Covington
 - City of SeaTac
 - City of Maple Valley (July 1, 2018)
 - KC Fire District 37
 - KC Fire District 43 (July 1, 2018)
8. Renton Regional Fire Authority – serving:
 - City of Renton
 - KC Fire District 25
 - KC Fire District 40
9. Skyway Fire Department (KC Fire District 20)
10. South King Fire & Rescue – serving:
 - City of Federal Way
 - KC Fire District 39
 - City of Des Moines
 - KC Fire District 26
11. Tukwila Fire Department
12. Valley Regional Fire Authority – serving:
 - City of Auburn
 - City of Algona
 - City of Pacific
13. Vashon Island Fire & Rescue (KC Fire District 13)

Police:

1. City of Algona Police Department
2. City of Auburn Police Department
3. City of Des Moines Police Department
4. City of Black Diamond Police Department
5. City of Federal Way Police Department
6. City of Kent Police Department
7. City of Pacific Police Department
8. City of Renton Police Department
9. City of Tukwila Police Department
10. South Correctional Entity Regional Jail (SCORE)

EMS:

1. King County Medic One – serving:
 - South King County

Valley Communications Center Owner Cities:



Glossary and Acronyms

Accrual basis of accounting – is the concept of recording revenues when earned and expenses as incurred.

ACT – Advisory Committee on Technology.

APCO – Association of Public Safety Communications Officials.

APCO Project 33 – is a formal mechanism for public safety agencies to certify their training programs as meeting APCO American National Standards by obtaining Training Program Certification.

APCO Project RETAINS - a national study of staffing and retention issues in a random sample of public safety communications centers done by researchers at The University of Denver Research Institute for APCO International.

Appropriation – is the act of setting aside money for a specific purpose that provides legal authority to spend or obligate funds.

ASAP – Automated Secure Alarm Protocol.

Balanced Budget – resources are equal to uses.

BARS – Budget Accounting Reporting System prescribed by the Washington State Auditor’s Office.

Budget Resolution – The Resolution adopted by the Administration Board that sets appropriations for the ensuing biennium. Expenditures cannot legally exceed appropriations, and appropriations lapse at the end of the biennium.

C3 – Community Connectivity Consortium.

CAD – Computer Aided Dispatch.

CALEA – Commission for the Accreditation of Law Enforcement Agencies.

Calls for Service – request for service or unit initiated activity resulting in a creation of a Computer Aided Dispatch System incident and interaction with Valley Com personnel.

CFS – billable Calls for Service.

COI – Communications Officer I (Call Receiver).

COII – Communications Officer II (Dispatcher)

COLA – Cost-of-living adjustment.

Designated equity – resources with internally imposed restrictions specifying under which circumstances they can be spent.

DOL – Washington State Licensing.

ECC – Emergency Communications Center.

EMS – Emergency Medical Services.

Enterprise Fund – a type of self-supporting proprietary fund established by a governmental entity to account for operations of an activity for which a fee is charged to external users for goods or services.

ESI-Net II - managed IP network that is used for emergency services communications.

FICA – Federal Insurance Contributions Act.

Fiscal Year – same as calendar year.

FTE – Full Time Equivalent.

Fund – an independent budgetary, fiscal, and accounting entity with a self-balancing set of accounts used to track collection and expenditure of financial resources.

Fund Equity - is the excess of assets and estimated revenues for the period over its liabilities and appropriations in a proprietary fund.

GIS – Geographic Information System.

HAWC – High Availability Wireless Connectivity.

HP – Hewlett-Packard.

HRIS – Human Resources Information System.

Interlocal Agreement - is a collaborative contract between public bodies aiming to provide more efficient, less costly public services.

IT – Information Technology.

K – Thousand.

KC – King County.

KCETRS – King County Emergency Trunked Radio System.

KCFD – King County Fire District.

L&I – Labor and Industries.
LT – Long Term.
MDC – Mobile Data Computer.
N/A – Not Available.
NCMEC – National Center for Missing and Exploited Children.
NENA – National Emergency Number Association.
NG 911 – Next Generation 911.
PBX – Private Branch Exchange.
PD – Police Department.
PDR – Public Disclosure Request.
PERS – Public Employees Retirement System.
Project RETAINS - a national study of staffing and retention issues in a random sample of public safety communications centers done by researchers at The University of Denver Research Institute for APCO International.
Proprietary Fund – used in governmental accounting to account for activities that involve business-like interactions.
PSAP – Public Safety Answering Point.
PSERN – Puget Sound Emergency Radio Network.
PSWDN – Public Safety Wireless Data Network.
RCW – Revised Code of Washington.
Resolution – an order of the Administration Board. A resolution is required to formally adopt the budget.
Resources – Estimated beginning fund equity on hand at the beginning of the period, plus all anticipated revenues during the period.
Restricted equity – resources with external restrictions or restrictions imposed by the Valley Com Administration Board on the user of those resources.
RFA – Regional Fire Authority.
RSA SecurID – two-factor authentication technology that is used to protect network resources.
SAO – State Auditor’s Office.
ST – Short Term.
UPS – Uninterruptible Power Supply.
Valley Com – Valley Communications Center.
VCC – Valley Communications Center.
VCCDA – Valley Communication Center Development Authority.
VHF – Very High Frequency.
VPI – Virtual Path Identifier.
WA – State of Washington.
QA – Quality Assurance.