

**BEXAR METRO 9-1-1 NETWORK DISTRICT
FISCAL YEAR 2017 BUDGET APPROVAL**

APPROVED _____

DISAPPROVED _____

NO ACTION TAKEN _____

DATE _____

DRAFT

Honorable Sherman Krause
County of Comal
100 Main Plaza, Room 109
New Braunfels, TX 78130



USA FOREVER

Bexar Metro 9-1-1 Network District
911 Saddletree Court
San Antonio, Texas 78231

Bexar Metro 9-1-1 Network

Fiscal Year 2017 Budget

PURPOSE: The purpose of this document is to obtain consensus approval of Bexar Metro 9-1-1 Network's (Bexar Metro or District) Fiscal Year 2017 operational and financial plans by the District's board of directors and the governing bodies of its thirty-nine participating jurisdictions; and provide the continuing operational and fiscal authority necessary for the staff to aggressively establish and maintain a highly survivable and resilient 9-1-1 system.

AUTHORITY: The authority for Bexar Metro is the Texas Health and Safety Code, Chapter 772, Subchapter D, Section 772.301—formerly Vernon's Annotated Civil Statutes Article 1432e, as approved by the Texas 69th Regular Legislative Session in Senate Bill 750 on May 21, 1985; and subsequently approved by a local election on January 17, 1987. This legislation's purpose is to enable the provision of affordable, high quality, countywide Enhanced 9-1-1 service through implementation of emergency communication districts.

MANAGEMENT: A governing board of directors, appointed according to criteria in the enabling legislation, establishes policy and provides oversight of the district. The board members and their appointing authority include:

<u>Member</u>	<u>Authority</u>
James C. Hasslocher (Chair)	Bexar County
Stephen R. Schneider	Bexar County
Sherman Krause	Comal County
Dudley Wait	Guadalupe County
Heberto Gutiérrez	City of San Antonio
Bill McManus	City of San Antonio
Cathy C. Talcott	City of New Braunfels
Suzanne de Leon	Member at Large
Principal Service Provider (Non-Voting)	Vacant

To implement board policy and to manage the day-to-day operations, the board of directors appointed W. H. Buchholtz as Executive Director/Chief Executive Officer.

MISSION: The District's mission is to deploy and maintain a state-of-the-art 9-1-1 emergency communication system that enables citizens in distress to quickly communicate their request for police, fire, or emergency medical assistance; and to ensure member jurisdictions have the appropriate 9-1-1 tools necessary to efficiently and accurately receive and process those requests.

RESPONSIBILITY: To successfully accomplish the mission, Bexar Metro must deploy and manage a technology neutral network that routes all 9-1-1 requests to the appropriate answering and responding jurisdiction; create and maintain a time-sensitive, highly accurate database that displays the location, callback number, and owner's name of the specific instrument used to call 9-1-1; procure, install, and maintain the specialized 9-1-1 equipment

utilized by each authorized answering and responding jurisdiction; coordinate with municipal and jurisdictional addressing authorities to ensure the database contains accurate, standardized, and logical location information to ensure each citizen is easily and quickly locatable during time critical emergencies; and construct, deploy, and maintain a spatially accurate geographic digital map to support location determination technologies and enhance computer aided dispatch systems. Bexar Metro also is responsible for providing effective backup solutions for its PSAPs that may be required to evacuate their local facility in the event of a disaster.

FUNDING: The District's source of revenue is the 9-1-1 emergency service fee applied to specified telephone access lines located in Bexar, Comal, and Guadalupe Counties. The Texas Health and Safety Code, Chapter 772, Section 772.314, authorizes the board to impose a 9-1-1 emergency service fee not exceeding six percent of the monthly base rate charged by the principal service supplier. The fee applies to all residential lines and up to the first one hundred business lines at one location. The fee does not apply to state and federal lines. Each year the board calculates the amount of the fee in conjunction with development and approval of the annual budget. By law, the fee has uniform application in each participating jurisdiction and must generate revenue sufficient to match current and projected operational expenses directly related to the District's mission and responsibilities, as well as providing reasonable reserves for contingencies and equipment replacement.

The board of directors initially established the emergency service fee on March 6, 1987, and it remains unchanged. The Fiscal Year 2016 emergency service fee is:

Residential Lines	\$ 0.22
Business Lines	\$ 0.51
Business Trunks	\$ 0.77
Nomadic VoIP	\$ 0.50

In addition to fees assessed on wireline telephones, Bexar Metro also receives an emergency service fee from each wireless access line within its jurisdiction. This monthly fee, set by Texas law at \$0.50 per line, recognizes that the wireless telephone is a link to 9-1-1 services and a wireless telephone user should therefore share a portion of the financial burden for provisioning the network. It also is in recognition of the cost recovery mechanism required to defray a fair and reasonable portion of the network infrastructure expense the wireless providers incur in meeting the federal mandate for wireless Enhanced 9-1-1. The current fee structure is adequate to support programmed spending in Fiscal Year 2017.

OVERVIEW: The District's provision of 9-1-1 service to member entities began in January 1987 with the provision of Basic 9-1-1. Since that time Bexar Metro has made a number of significant upgrades that enabled keeping pace with the explosion in communication and computer technology that is the foundation of the next generation 9-1-1 network. The District has developed and deployed a sophisticated Geographic Information System that is the backbone of the 9-1-1 call delivery system; and has also installed and managed various iterations of Customer Premise Equipment culminating in the current state-of-the-art Internet Protocol (IP) equipment. Collectively these enhancements position us for Next Generation

9-1-1 (NG9-1-1) implementation. The District's call delivery network has grown in features and functionality concurrent with the technology changes and complexity of emergency communications. Now, as we stand on the threshold of full implementation of next generation 9-1-1 capability, nearly all the pieces are in place: a fully redundant high-speed fail-safe optical IP network ties the San Antonio Police and Fire Public Safety Answering Points (PSAP) and the Bexar County Sheriff's Office PSAP, and the Saddletree Court Regional Emergency Operation Center (REOC) together with two fully redundant and geographically separated control facilities, and a dedicated Multiprotocol Label Switching (MPLS) optical IP network with dual route copper backup and two fully redundant and geographically separated control facilities connects each of the remaining PSAPs serving all other jurisdictions.

In FY 2017, the District will move to the next step by deploying the first phase of its NG9-1-1 call handling equipment at its new Quarry Run Regional Operations Center (Quarry Run). Quarry Run, scheduled to be operational in the fourth quarter of 2016, is the new 81,000 square foot, fully redundant, and survivable facility that will house the PSAP operations for the Bexar County Sheriff's Office and serve as a backup facility for the City of San Antonio Police and Fire Communications operations and other PSAPs served by Bexar Metro. The facility will also provide the infrastructure for data center operations serving not only the District, but also the region and the state.

Bexar Metro has paid cash for all of this development and expansion using the service fee structure established in 1987 and pay-as-you-go financial planning.

The Fiscal Year 2017 budget is comprised of operations and maintenance (O&M) expense, capital projects, and capital reserve. In addition to funding current and future operations, the O&M budget continues to focus on the District's most critical resource—its professional staff. The Fiscal Year 2017 financial plan includes an increase in funding for personnel to enable modest salary adjustments and to defray a significant increase in health care premiums. In addition, Bexar Metro will be adding four staff members to support the Quarry Run facility and PSAP operations, and as we have for the past several years, we will set-aside \$250 thousand for a year-end lump sum TCDRS contribution to mitigate a decline in investment return. Last year this action enabled the District to retain a fully funded (121.6%) pension plan for 2017. The O&M expenses will increase substantially in 2017 because of the facility management and maintenance requirements at the newly operational Quarry Run center.

The capital budget funds the remaining outstanding items in our strategic survivability plan to include the completion of the Quarry Run facility, including the construction, the network and IT infrastructure required to operate at the facility, the deployment of 9-1-1 call taking equipment, and the purchase of furniture, fixtures and equipment required to operate at Quarry Run. Consequently, the previously authorized \$10 million for the completion of the NG9-1-1 project, and a remaining \$1 million grant money for PSAP special projects will roll forward to Fiscal Year 2017.

EXPENDITURES: The Fiscal Year 2017 budget total is \$16,199,000. The budget includes \$9,837,000 for operations and maintenance and \$6,362,000 for capital improvements. In order to maintain the District's pay-as-you-go policy and fund the purchase and implementation of the new 9-1-1 system, Bexar Metro will be required to utilize \$2,245,000 of its reserve funds.

The District has zero debt (it operates in a cash-and-carry, net 30 mode) and is not authorized to incur debt. Therefore, capital recovery is typically an expense item into reserves to ensure the timely availability of sufficient funds necessary for facilities, technology advancement, modernization, and general equipment replacement. Projected service fee revenue normally fully funds the O&M and new capital improvements, while continuing to invest in reserves. The FY 2017 proposed budget does not include an investment in reserves because of costs associated with the start-up of the Quarry Run Regional Operations Center.

This budget matches projected revenue and expense as required by Texas law. To ensure responsiveness and operational flexibility, the Executive Director/Chief Executive Officer may authorize the transfer of funds among budget line items as long as the overall annual budget amount remains unchanged. This budget does not necessitate an adjustment to the current emergency service fee; and based on known and projected requirements, a near-term adjustment to the emergency service fee, provided capital recovery remains fully funded, is not projected.

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Proposed Fiscal Year 2017 Budget

Revenue

Wireline Service Fees	\$ 2,690,000
Wireless Service Fees	\$ 11,239,000
Interest Earned	\$ 13,000
Transfer from Reserves	\$ 2,245,000
Miscellaneous Revenue	<u>\$ 12,000</u>
Total Available Funds	\$ 16,199,000

Proposed Fiscal Year 2017 Operations & Maintenance

Expense

Personnel	\$ 2,521,000
Operations	\$ 4,540,000
Facilities	\$ 2,135,000
Education & Training	\$ 141,000
Contingencies	<u>\$ 500,000</u>
Total O&M Expense	\$ 9,837,000

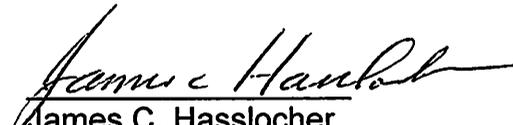
Proposed Fiscal Year 2017 Capital Budget

PSAP Upgrades	\$ 25,000
Administration Facilities	\$ 35,000
Vehicles	\$ 30,000
Saddletree REOC	\$ 795,306
Quarry Run Building	\$ 714,694
Quarry Run FF&E	<u>\$ 4,762,000</u>
Total Capital Expense	\$ 6,362,000

Total FY 2017 Budget \$ 16,199,000

BEXAR METRO 9-1-1 NETWORK

Approved by the Bexar Metro Board this Seventeenth Day of May, 2016.

By: 
Name: James C. Hasslocher
Title: Chairman

Bexar Metro 9-1-1 Network
Fiscal Year 2017 Budget
October 1, 2016 through September 30, 2017

Current as of April 30, 2016

Category	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget
Revenue			
Wireline Fees	\$ 2,696,960	\$ 2,716,000	\$ 2,690,000
Wireless Fees	\$ 10,672,000	\$ 10,911,000	\$ 11,239,000
Interest	\$ 11,040	\$ 18,000	\$ 13,000
Miscellaneous	\$ 12,000	\$ 12,000	\$ 12,000
Total Revenue	\$ 13,392,000	\$ 13,657,000	\$ 13,954,000
Reserve Transfer	\$ 28,632,000	\$ 28,632,000	\$ 2,245,000
Carryover for PSAP	\$ 0	\$ 2,663,000	\$ 0
Total Available Funds	\$ 42,024,000	\$ 44,952,000	\$ 16,199,000
Expense			
Personnel	\$ 2,049,000	\$ 1,900,000	\$ 2,521,000
Operations	\$ 3,173,000	\$ 2,712,000	\$ 4,540,000
Facilities	\$ 480,000	\$ 517,000	\$ 2,135,000
Education & Training	\$ 151,000	\$ 110,000	\$ 141,000
Contingencies	\$ 500,000	\$ 250,000	\$ 500,000
Total O&M	\$ 6,353,000	\$ 5,489,000	\$ 9,837,000
Capital			
Expense	\$ 35,671,000	\$ 39,463,000	\$ 6,362,000
Reserve	\$ 0	\$ 0	\$ 0
Total Capital	\$ 35,671,000	\$ 39,463,000	\$ 6,362,000
Total Expense	\$ 42,024,000	\$ 44,952,000	\$ 16,199,000

Note: FY 2017 Personnel Budget includes four additional FTEs to support Quarry Run operations.