



HEARTLAND COMMUNICATIONS

Fiscal Year 2016-2017 Annual Budget - Narrative

FY 15/16 brought many successes to Heartland; foremost was to continue to maintain the strong stability of staffing and operations of the Authority. HCFA is currently working with several partnerships throughout the county (Regional Public Safety Geodatabase Project [a regional mapping project for San Diego County], RCS NextGEN Radio Network, UDC GIS Advisory Committee and RCIP Advisory Committee) that assist with the quality of the work we do here at our center. These relationships are critical to the success of the Communication Centers and fire operations throughout the county. HCFA also continues to work with NCDJPA on a shared CAD System and recently signed a three year CAD Extension Agreement beginning July 1, 2016 through June 30, 2019.

HCFA has taken great strides over the last year to focus on the path of the Authority, and identify different options to ensure a strong, stable, long-term and sustainable future. In 2014-2015 and 2015-2016 the HCFA MAC Group (Management Advisory Committee compiled of City Managers and Fire District Chiefs) has played an integral part to the Authority's forging ahead. Having HCFA Staff, the Board of Chiefs, MAC Group and Commission working together allowed for strong communications throughout the member agencies and the entire JPA.

Citygate Associates developed a Services Provision Master Plan Analysis for HCFA that was completed in January 2015. This led to HCFA working with NCDJPA, the County of San Diego and CalFire in conducting a detailed best practices study to determine if a long term suburban/rural/local government fire dispatch center is more operationally and economically efficient. Based from the findings of the study and several meetings with all of the communication centers a recommendation was brought forth to the Commission for HCFA to enter into an agreement with Citygate for a Second Phase Merger Feasibility Study for HCFA and NCDJPA. This study will provide the advantages/disadvantages that could arise such as: future technology needs, where a future site could be, total costs of running a new organization and political/governing structure. During the research of options the Board of Chiefs and HCFA Staff believe a pivotal piece is having the JPA Members looking at long term commitment. The three year term of the revised JPA Agreement from July 1, 2013 ends this June 30, 2016. HCFA is excited about setting a defined path for the Communications Center and its staff. A solid direction will only strengthen what is already an excellent Agency. The terms of a long-term commitment of 7-10 years is being embraced by HCFA JPA and Contract agencies.

Other options like stand-alone and co-location are being researched with the review of the same advantages/disadvantages. The stand-alone option included the concept of relocating HCFA to the City of El Cajon Police Department Public Safety Building. This state-of-the art building offers such structures such as seismic, electrical, back-up power, security and room for expansion that meets and/or exceeds the California Essential Facility Act codes as well as meeting NFPA and other best practice facility recommendations. The concept of moving HCFA to this new location would provide a long-term solution to where HCFA could continue operations for long-term viability.

The adopted budgets presented on the following pages comprise the financial plan of Heartland Communications for FY 16/17. This financial plan includes 2 different Budgets for FY 16/17: 1- General Operating Budget, 2- (CIP) Capital Improvement Projects to include major equipment purchases.

Heartland Communications is a strong, stable, well-established Communications Center that is comprised of eight JPA members and five Contract members, with room for growth as well. We are proud to work with our allied agencies and neighbors that have the same ideals and goals for our communities.

ADOPTED HCFA GENERAL OPERATING BUDGET

FY 15/16 AMENDED ADOPTED GENERAL OPERATING BUDGET	FY 16/17 ADOPTED GENERAL OPERATING BUDGET	CHANGE	%
\$2,233,427	\$2,291,230	\$57,801.78	2.59%

This adopted budget identifies a change into FY 16/17 General Operating Budget from current year with an increase \$57,802 (2.59%). This figure represents changes in the following categories:

CATEGORY	CURRENT FY 15/16	CHANGE	ADOPTED FY 16/17	%
PERSONNEL/BENEFITS	\$ 1,620,966.00	\$ 50,577.42	\$ 1,671,543.42	3.12%
MATERIALS AND SUPPLIES	\$ 463,687.00	\$ (6,639.14)	\$ 457,047.86	-1.43%
CIP CONTRIBUTION FROM GF	\$ 148,775.00	\$ 13,863.50	\$ 162,638.50	9.32%
TOTALS	\$ 2,233,428.00	\$ 57,801.78	\$ 2,291,229.78	2.59%

PERSONNEL/BENEFITS – Salaries increased by 2.22% with the Director’s Contract through FY 16/17 and the proposal to re-class the Part Time IT Tech Support to a Full Time position. Cafeteria increased by 3.03% with the re-class PT IT Tech Support to Full Time. CalPERS contribution had an increase of 15.88% to the Unfunded Accrued Liability (UAL) which is the fixed amount per our Actuary. Our CALPERS Employer Contribution increased by 7.90%. Incidental roll up increased by 4.22% which including Medicare and OPEB contribution.

CATEGORY WITH CHANGES	CHANGE	%
SALARIES	\$24,256	2.22%
CAFETERIA	\$4,500	3.03%
CALPERS UAL	\$11,561	15.88%
CALPERS EMPC	\$9,721	7.90%
INCIDENTALS	\$540	4.22%
TOTAL SALARY/BENEFIT CHANGES	\$50,577	3.12%

The HCFA Commission approved the reclassification of the Part Time IT Tech Support to Full Time

Job Classifications	2015/2016	2016/2017	Change in Count	Notes
Director	1.0	1.0	0.0	
Administrative Coordinator	1.0	1.0	0.0	
IT Manager	1.0	1.0	0.0	
IT Support Staff (IT Tech)	0.5	1.0	0.5	* PT IT to FT
Dispatch Supervisors	4.0	4.0	0.0	
Full Time Dispatchers	9.0	9.0	0.0	
Part Time Dispatchers	3.0	3.0	0.0	
TOTAL	19.5	20.0	0.5	

The work load for the IT Department on day-to-day activity, projects and keeping up-to-date with technology will, by reclassifying the Part Time Support to Full Time, bring much needed help to the IT Manager and Heartland Agencies. Tasks such as cell phone and pager support, alerting support, OMEGA, server maintenance, MDC's, and Heartland Website upkeep along with other troubleshooting and regular maintenance can inundate the current 1.5 positions. Some of the current projects that need to be completed are: Main network switch replacement, HCFA Equipment Inventory, update CAD PC's Operating System, ProQA Update/Upgrade. It is believed that this additional .5 body would allow HCFA to stay on top of all activities and projects going into 16/17. The additional cost with salary and benefits is \$27,525. However this cost is offset by a reduction of -\$17,739 in operating cost. This came from the Systems, Computer, Analyst line item, as this is work that can now be handled in house. This makes the total budget impact of changing the position to Full Time at \$9,786.

MATERIALS AND SUPPLIES – Staff worked to contain materials and supply expenses in FY 16/17. We had two major line item reductions; 1) Systems/Computer/Analyst -\$17,739 and 2) Other Professional Services -\$16,750 (less Citygate Study cost -\$20,000 in 15/16 + the need for a new OPEB Valuation of \$3,250). The increase to Services Maintenance Contracts is for payment to NCDJPA for CAD Extension Admin Fees starting on July 1, 2016. The Software increase is for Tri Tech Maintenance increase and Training is for the IT Department to obtain CAD System, VM Ware and SQL training.

CATEGORY WITH CHANGES	CHANGE	%
SYSTEMS/COMPUTER/ANALYST	-\$17,739	-40.57%
OTHER PROFESSIONAL SERVICES	-\$16,750	-72.83%
GENERAL LIABILITY INSURANCE	-\$1,450	-9.09%
SERVICE MAINTENANCE CONTRACTS	\$12,300	26.84%
SOFTWARE AGREEMENTS	\$1,300	1.54%
TRAINING	\$15,700	92.82%
TOTAL MATERIAL/SUPPLY CHANGES	-\$6,639	-1.43%

CIP CONTRIBUTIONS FROM OPERATING BUDGET – FY 16/17 estimated Contract Services Fees by \$13,864 for an estimated increase of 248 calls, based from actual calls in 2015 plus a historical increase by most agencies annually.

CATEGORY - TRANSFER TO CIP FROM GF	CHANGE	%
CIP CONTRIBUTION FROM GF	\$0	0.00%
CONTRACT SERVICE FEES	\$13,864	14.04%
TOTAL CHANGE TO CIP TRANSFER	\$13,864	9.32%

FY16/17 HCFA ADOPTED REVENUE

REVENUE SOURCE	CURRENT FY 15/16	CHANGE	ADOPTED FY 16/17	%
INTEREST	\$2,800	\$1,200	\$4,000	42.86%
MEMBER ASSESSMENTS	\$2,171,603	\$6,988	\$2,178,591	0.32%
CONTRACT SERVICE FEES	\$98,775	\$13,864	\$112,639	14.04%
MISCELLANEOUS	\$3,200	\$1,800	\$5,000	56.25%
TOTALS	\$2,276,378	\$23,852	\$2,300,230	1.05%

ADOPTED FY 16/17 GENERAL OPERATING BUDGET SUMMARY

Beginning Balance FY 15/16 (Audited)	<u>\$ 776,395</u>
Adopted Revenues	\$ 2,276,378
Adopted Expenditures	\$ 2,233,427
Adopted Over/Under	<u>\$ 42,951</u>
Adopted Beginning Balance FY 16/17 (unaudited)	<u>\$ 819,346</u>
Adopted Revenue	\$ 2,300,230
Adopted Expenditures	2,291,230
Adopted Over/Under	<u>\$ 9,000</u>
Estimated Ending Balance FY 16/17	<u>\$ 828,346</u>
Estimated FY 16/17 Operating Budget Ending Reserves Identified	
10% Operating Budget	\$ 229,123
Required Emergency Reserve	\$ 100,000
Undesignated	\$ 499,223
Estimated Total Operating Budget Ending Reserve	<u>\$ 828,346</u>

ADOPTED HCFA CIP

FY 15/16 ADOPTED CIP BUDGET	FY 16/17 ADOPTED CIP BUDGET	CHANGE	%
\$46,050	\$33,050	-\$13,000	-28.23%

Staff is forecasting minimal CIP purchases for next couple of years to ensure building reserves for known Capital expenditures in the near future. This current year the Network Ethernet Module and Network Restructure were completed which allowed a reduction in expenditures of \$-13,000 going into FY 16/17.

REVENUE SOURCE	CURRENT FY 15/16	CHANGE	ADOPTED FY 16/17	%
INTEREST	\$400	\$100	\$500	25.00%
CPC MEMBER CIP CONTRIBUTION	\$194,240	\$625	\$194,865	0.32%
CPC CONTRACT AGENCIES CIP CONTRIBUTION	\$8,835	\$485	\$9,320	5.49%
CONTRACT AGENCIES DISPATCH FEES	\$98,775	\$13,864	\$112,639	14.04%
CONTRIBUTION FROM GENERAL FUND	\$50,000	\$0	\$50,000	0.00%
TOTALS	\$352,250	\$15,074	\$367,324	4.28%

Slight addition of Cost per Call (CPC) for both Member Agencies and Contract Agencies will help build reserves with an increase of + \$15,074.

ADOPTED FY 16/17 CIP BUDGET SUMMARY

Beginning Balance FY 15/16 (Audited)	<u>\$ 761,140</u>
Adopted Revenues	\$ 352,250
Adopted Expenditures	\$ 46,050
Adopted Over/Under	<u>\$ 306,200</u>
Adopted Beginning Balance FY 16/17 (unaudited)	<u>\$ 1,067,340</u>
Adopted Revenue	\$ 367,324
Adopted Expenditures	33,050
Adopted Over/Under	<u>\$ 334,274</u>
Estimated Ending CIP Balance FY 16/17	<u>\$ 1,401,614</u>