



ADOPTED BUDGET FISCAL YEAR 2013-14

Adopted by the
Board of Commissioners
June 20, 2013

Washington County
Consolidated
Communications
Agency

Beaverton, Oregon

Kelly Dutra, Director



Adopted Budget

Fiscal Year 2013-14

***Draft Budget Approved by Chief Executive Officers Board
February 21, 2013***

***Proposed Budget Submitted to the Budget Committee
March 21, 2013***

***Approved Budget Adopted by the Board of Commissioners
June 20, 2013***

Kelly Dutra, Director/Budget Officer
Jason Kirkpatrick, CPA, CFE, Chief Financial Officer
Larry Hatch, Assistant Director
Gina Hensley, Operations Manager
Mark Chandler Performance Manager

Document produced by:
Jason Kirkpatrick, CPA, CFE, Chief Financial Officer

17911 NW Evergreen Parkway
Beaverton, OR 97006
Phone: 503-690-4911

www.wccca.com

This page intentionally left blank.

TABLE OF CONTENTS

Budget Committee	1
Members of Boards	2
Distinguished Budget Presentation Award	3
Budget Message	5
Agency Overview	
Organizational Chart.....	14
Agency Overview	15
Mission and Strategic Goals	25
Policies and Budget Process	
Budget & Financial Policies.....	30
Budget Process & Calendar.....	33
Financial Summary	
Consolidated Budget Summary (and basis of budgeting)	36
Budgeted Resources – All Funds	37
Beginning Working Capital – All Funds	38
Revenue – All Funds	39
Budget Requirements & Unappropriated Ending Fund	
Balance – All Funds	43
Significant Expenditure Appropriation Changes	44
Other (Grants, Debt and Budget Adoption for Fiscal Year 2013) ..	46
Individual Funds	
General Fund (narrative; chart)	49 & 50
Capital Projects Fund (narrative; chart).....	49 & 51
Significant Non-Recurring Capital Expenditures	52
Member User Fees	54
Financial Plan (see Budget Message for Financial Planning)	56
Glossary	59

BUDGET COMMITTEE

BOARD OF COMMISSIONERS

<u>Participating Agency</u>	<u>Board Representative</u>
<i>City of Beaverton</i>	Mayor Dennis Doyle, <i>Chair</i>
<i>City of Cornelius</i>	Fire Chief Michael Kinkade
<i>Washington County</i>	Don Bohn, Assistant County Administrator
<i>Tualatin Valley Fire & Rescue</i>	Bob Wyffels, Board of Directors
<i>City of Hillsboro</i>	Steve Greagor, Assistant City Manager
<i>City of Tualatin</i>	Councilor Joelle Davis
<i>City of Tigard</i>	Police Chief Alan Orr
<i>City of Sherwood</i>	Police Captain Mark Daniel
<i>City of Banks</i>	Councilor Mark Gregg
<i>City of Forest Grove</i>	Councilor Tom Johnston
<i>City of Gaston</i>	Mayor Rick Lorenz
<i>City of King City</i>	Police Chief Chuck Fessler
<i>City of North Plains</i>	Councilor Robert Kindel, Jr.
<i>City of Durham</i>	Councilor Chuck Van Meter
<i>Gaston Rural Fire District</i>	Phil Anderson, Board of Directors
<i>Banks Fire Protection District #13</i>	Fire Chief Brian Coussens
<i>Washington County Fire District #2</i>	Fire Chief Mark Prince
<i>Cornelius Rural Fire District</i>	Vacant

CITIZEN REPRESENTATIVES

<u>Representative</u>	<u>Appointed by:</u>	<u>Terms</u>
Karla Hernandez	<i>City of Beaverton</i>	1/2012 - 12/2014
Mark Haldeman	<i>City of Tigard</i>	1/2012 - 12/2014
Michael Mudrow	<i>Tualatin Valley Fire & Rescue</i>	1/2013 - 12/2015
<i>Chair of the Budget</i> <i>Committee, Cleo Howell</i>	<i>City of Forest Grove</i>	1/2013 - 12/2015
Monte Akers	<i>City of Hillsboro</i>	1/2013 - 12/2015
Robert Kellogg	<i>City of Tualatin</i>	2/2013 - 12/2015
Donald Allen	<i>Gaston Rural Fire</i>	1/2013 - 12/2015

MEMBERS OF BOARDS

BOARD OF COMMISSIONERS

<i>City of Beaverton</i>	Mayor Dennis Doyle, <i>Chair</i>
<i>City of Cornelius</i>	Fire Chief Michael Kinkade
<i>City of Hillsboro</i>	Steve Greagor, Assistant City Manager
<i>Tualatin Valley Fire & Rescue</i>	Bob Wyffels, Board of Directors
<i>Washington County</i>	Don Bohn, Assistant County Administrator
<i>City of Tualatin</i>	Councilor Joelle Davis
<i>City of Tigard</i>	Police Chief Alan Orr
<i>City of Forest Grove</i>	Councilor Tom Johnston
<i>City of Sherwood</i>	Police Captain Mark Daniel
<i>City of Gaston</i>	Mayor Rick Lorenz
<i>City of Banks</i>	Councilor Mark Gregg
<i>City of King City</i>	Police Chief Chuck Fessler
<i>City of North Plains</i>	Councilor Robert Kindel, Jr.
<i>City of Durham</i>	Councilor Chuck Van Meter
<i>Gaston Rural Fire District</i>	Phil Anderson, Board of Directors
<i>Banks Fire District # 13</i>	Fire Chief Brian Coussens
<i>Washington Co. Fire District #2</i>	Fire Chief Mark Prince
<i>Cornelius Rural Fire District</i>	Vacant

CHIEF EXECUTIVE OFFICERS BOARD

<i>City of Beaverton</i>	Mayor Dennis Doyle, <i>Board Chair</i>
<i>City of North Plains</i>	Police Chief Bill Snyder
<i>Washington County</i>	Don Bohn, Assistant County Administrator
<i>Tualatin Valley Fire & Rescue</i>	Fire Chief Mike Duyck
<i>City of Hillsboro</i>	Steve Greagor, Assistant City Manager



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Washington Co. Consolidated Communications Agency
Oregon**

For the Fiscal Year Beginning

July 1, 2012

Christopher P. Morrell *Jeffrey R. Egan*

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Washington County Consolidated Communications Agency, Oregon for its annual budget for the fiscal year beginning July 1, 2012. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. The Agency believes this current budget continues to conform to the program requirements, and will be submitting it to the GFOA to determine its eligibility for another award.

*Adopted Budget
Fiscal Year 2013-2014*

BUDGET MESSAGE

BUDGET MESSAGE

March 21, 2013

TO: Budget Committee Members
 Board of Commissioners
 Chief Executive Officers Board Members
 Sheriff, Chiefs and City Managers of
 WCCCA Participating Agencies
 Citizens of Washington County



FROM: Kelly Dutra, Director / Budget Officer

I am pleased to present the Fiscal Year 2013-14 Proposed Annual Budget to the Budget Committee of the Washington County Consolidated Communications Agency (the Agency). Members of the Budget Committee, which includes the Board of Commissioners, know the financial challenges facing this Agency and the governments each of them represents. The lingering economic effects of the economic downturn have impacted the financial stability of many citizens' households and local governments alike. The Agency's budget has sought to limit its proposed spending to address the financially constrained future, short of reducing services in 911 call-taking, emergency services dispatching and maintaining the radio system to public safety system standards.

The following is a consolidated picture of all Agency funds for a three year comparative view. In consolidating, inter-fund transfers (an equal amount of revenue and expense) are eliminated. The percentage changes compare the Proposed Budget for Fiscal Year 2013-14 (FY 2013-14) to the current year's budget.

All Funds Consolidated	FY 2011-12 Actual at June 30	FY 2012-13 Adopted Budget	FY 2013-14 Proposed Budget	% Change FY 14 over FY 13
Beginning Working Capital	3,477,632	3,641,368	3,764,886	3.4%
Revenues				
Member Contract Fees	7,625,138	7,861,532	8,089,508	2.9%
911 Telephone Taxes	2,605,085	2,576,000	2,568,000	-0.3%
All other revenues	1,963,951	1,576,800	1,189,620	-24.6%
TOTAL RESOURCES	15,671,806	15,655,700	15,612,014	-0.3%
Expenditures/Appropriations				
Personnel Services	9,501,504	10,309,947	10,901,555	5.7%
Materials & Services	1,593,772	2,234,533	2,264,636	1.3%
Capital Outlay	849,922	430,488	33,000	-92.3%
Contingency & Reserves	3,726,608	2,680,732	2,412,823	-10.0%
TOTAL REQUIREMENTS	15,671,806	15,655,700	15,612,014	-0.1%

BUDGET MESSAGE

Financial Planning

Each year the Agency develops a long range financial forecast which is considered for adoption by the Board of Commissioners at the September Board retreat. The forecast only includes the General Fund which encompasses all of the operations of the Agency. The first year of the adopted forecast provides a plan for the Agency to use in developing the next year's budget. This annual financial forecasting provides the Boards and management with a long term view of the financial health of the Agency, and offers strategic approaches to planning for service levels and predictability of the cost to the member governments that own the Agency.

The major issues considered in the Board's September, 2012 retreat were:

- The Five Year Forecast ("3X3 Plan"), Member fees and Agency costs;
- Declining 911 telephone tax revenue, the only major source of funding other than member fees, and the possibility of legislature to tax prepaid cell phones for 911 service;
- Replacement of Computer Aided Dispatch system ("CAD")
- Capital planning for the Agency
- Partnering opportunities with other entities;

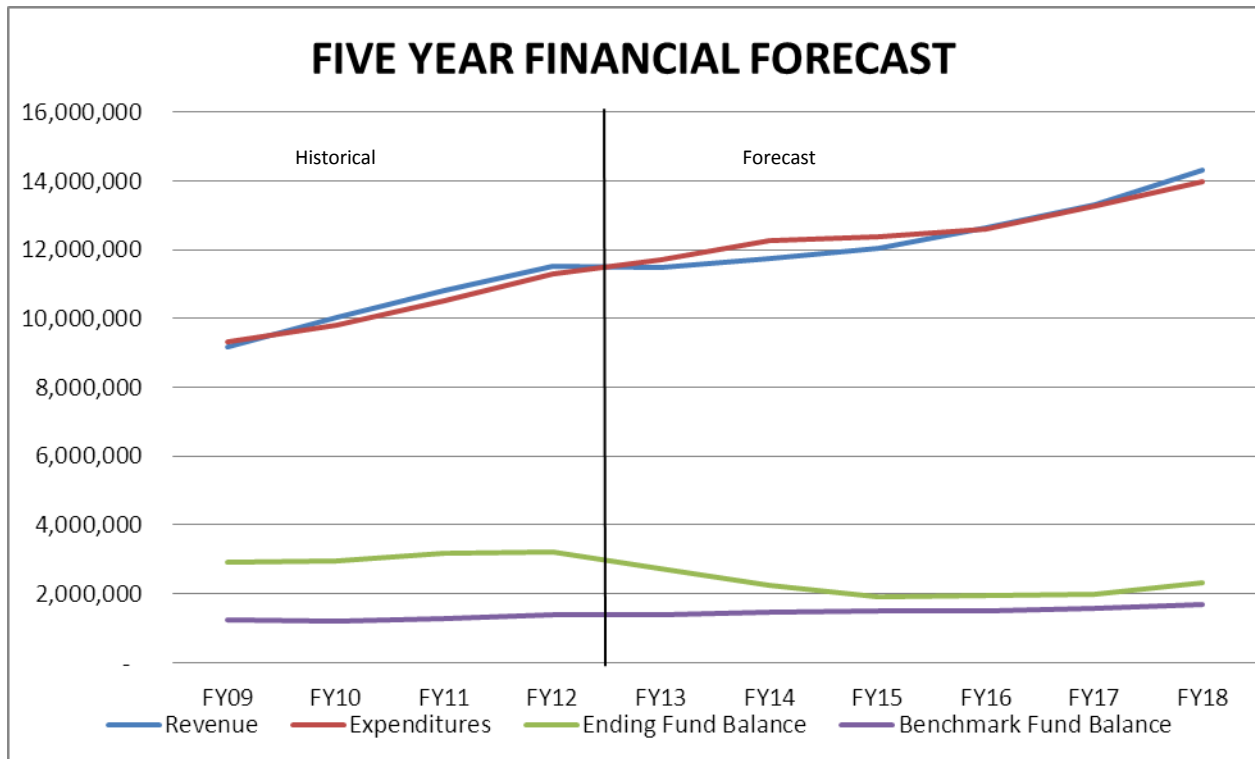
Annual membership rates predicted in the Board's adopted financial forecast are 3.0% for the next 2 years. Because the Agency has a relatively small membership base, the growing gap between 911 tax funding and operational expenses exponentially affects the membership fees, particularly impacting certain individual government members beyond the average rate of fee increases used in the forecast. (Calculations for each member government's fees use data sets that can cause wide variations from the established rate of increase.)

911 taxes received by the Agency have been on the decline over the past several years, and the Agency forecasts them to be flat or decline slightly in the future. While this major source of revenue declines, Agency partners have continued their commitment to this Agency's services and one another, and increased their funding levels. This is shifting the funding pattern of the Agency:

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>
Member Contract Fees	68%	69%	70%
911 Telephone Taxes	23%	22%	22%
All other revenues	9%	9%	8%

(This chart excludes one time revenues such as transfers from closing funds and all miscellaneous revenue, which includes highly variable one time revenues. Its purpose is to show the changing trends in the stable revenues that are relied upon to fund Agency operations.)

BUDGET MESSAGE



As discussed before the Budget Committee at its February 21, 2013 meeting, a framework has been developed to define the degree of service level reductions to meet the 3X3 Plan. The graph above shows the impact of the 3X3 Plan on revenues, expenditures and ending fund balance for the Agency. The 3X3 Plan eliminates just over \$2 million from future Agency spending, even though the red expenditure line above for FY 2015-16 is nearly \$1 million higher than the current year (FY 2012-13). To achieve these results it is expected that staffing and service levels will need to decrease. The 3X3 Plan will continue to be discussed by the Boards of the Agency as part of a multi-year Strategic Plan.

The Proposed Budget for the General Fund was developed considering the Financial Forecast adopted by the Board (updated and modified, as discussed previously). The Proposed Budget meets the parameters and the target of that plan. The following is a comparison of the FY 2012-13 Proposed Budget to the updated Financial Forecast:

BUDGET MESSAGE

	Fiscal Year 2013-14			
	Financial Forecast	Proposed Budget	Difference	% Change
Resources				
Beginning Working Capital	2,749,263	3,299,730	550,467	20.0%
Member Contract Fees	8,089,508	8,089,508	-	0.0%
911 Telephone Taxes	2,630,208	2,568,000	(62,208)	-2.4%
All other revenues	1,033,197	964,390	(68,807)	-6.7%
TOTAL RESOURCES	14,502,176	14,921,628	419,452	2.9%
Expenditures/Appropriations				
Personal Services	10,419,422	10,901,555	482,133	4.6%
Materials & Services	1,795,208	1,839,082	43,874	2.4%
Capital Outlay	35,000	33,000	(2,000)	-5.7%
TOTAL REQUIREMENTS	12,249,630	12,773,637	524,007	4.3%
ENDING FUND BALANCE	2,252,546	2,147,991	(104,555)	-4.6%

As presented, if all of the appropriations in the Proposed Budget were completely spent, the financial plan would not be met. However, because a budget is a legal limitation on spending, the Agency ensures management of expenses to amount to less than budget. Given a realistic 3% budget savings, this one year financial plan (the budget) meets the targets for the Agency's multi-year Financial Forecast.

Agency management is very much aware and continually mindful of the financial constraints all government partners are facing. Staff has scrutinized expenses through budget development and financial forecast monitoring and continues to encourage the talents of staff in exploring efficiencies and cost savings. Revenues would be bolstered with collections of the 911 tax on prepaid wireless communication devices.

Discretionary expenses are few and small, if any. At this point, reducing operating expenses sufficient to reduce membership fees can only be achieved through a reduction in service levels, unless significant efficiencies or bolstered revenues are realized.

General Fund (Operating Fund)

The General Fund comprises 95.6% of the Agency's finances shown in the chart on page 5, and as the sole operating fund for the Agency accounts for all personnel and material and services expenses in support of Agency operations.

A summary of the General Fund may be found on page 2 of the Line Item Budget document. Overall, the operational expenses (the combined Personal Services, Materials & Services and Capital Outlay categories) for the General Fund increased 4.5% from the prior fiscal year's budget.

The revenues of the General Fund include 911 taxes, the only other major source of funding other than member fees. Declining 911 taxes is a trend that appears to be continuing and that may continue into the foreseeable future. The decline is

BUDGET MESSAGE

considered to be due to the trend towards the use of prepaid cell phones in lieu of cell phones under contract from service providers. Prepaid wireless phones are not subject to the 911 tax. Currently, in the 2013 State of Oregon Legislature, several bills have been submitted to extend this tax to these wireless service providers. The Agency will continue to monitor this legislation and its impact on the Agency and its Members.

The following are the significant budget changes in this Fiscal Year 2013-14 Proposed Budget for the General Fund, as compared to the current year budget:

Personnel Services (5.7% increase over prior year's budget):

- Salaries and wages will increase by \$172,655, a 2.8% increase (see the Line Item Budget, page 2, line 18). This is due to a budgeted 2.0% cost of living increase and employees earning merit increases within their salary range or promoting upward during the year.
- Health insurance premiums are budgeted for an average 10% increase for the Agency's two medical plans, a \$76,170 increase (page 2, line 20). The amount budgeted appears to be a 5.0% increase over the prior year's budgeted amount, because of more specific (tighter) budgeting of this expense (budgeted specifically by employee and their coverage, rather than using an overall average rate for all).
- The Public Employees Retirement System (PERS) is budgeted to increase \$282,718, which is a 21.3% increase over the prior year budget (page 2, line 21). PERS rates, which include the 6% employer portion, went from a blended rate of 19.9% to 23.3%, an increase of approximately 17.0% over the prior year rate.
- Overtime expense increased in next year's budget by \$22,000, a 4.5% increase over the prior year (page 2, line 19).

Materials and Services:

The budget category of Materials and Services increases in next year's Proposed Budget by \$62,103, a 3.5% increase (see page 2, line 26). This is primarily due to the first year of maintenance for the new Zone Controller at \$90,000. The Agency continues to focus on potential savings in Material and Services expense which is why the increase is not the full amount of the Zone Controller maintenance for the year.

Capital Outlay:

Capital Outlay is reduced \$100,700, a 75.3% decrease, to just \$33,000 (see page 2, line 28). This is largely due to delaying capital expenditures until the Long Term Capital Plan is developed, which will delineate and prioritize long term capital needs and the costs. Additionally, this level of capital spending is in accordance with the Board's long term financial plan.

BUDGET MESSAGE

Capital Projects Fund

The Capital Projects Fund is continuing to receive \$125,000 per year from Washington County's Public Safety Local Option Tax Levy. The levy was renewed by the voters in November, 2010, so this fund will continue to receive \$125,000 for four more years (through Fiscal Year 2015-16).

This fund has amounts budgeted for:

- The first of seven annual \$275,554 payments to Washington County for the the lease of the new zone controller. The C800 Radio Group of Clackamas County is participating in this payment at a rate of 34.0% which correlates to its use of the radio system's zone controller. \$93,688 is shown as revenue in this fund.
- \$150,000 to fund the efforts to implement the Capital Plan.

Fiscal Year 2012-13 Accomplishments

During the prior fiscal year, it became clear that the zone controller of the radio system needed to be replaced. The zone controller is the central radio system communications controller that provides seamless voice transmissions across the two-county region. With the financing assistance of Washington County and grants secured by Clackamas County, the Agency was able to secure the \$2.2 million of equipment. The larger project amounts to \$2.6 million, including a microwave link to Portland to provide for wider region interoperability

Facility projects were completed to replace the heating, air conditioning and ventilation system of the CAD/Server/Radio equipment room for the Agency. Additionally, two staff members redesigned the power system at our Round Top radio site, operating with battery power and only running the generators to charge the batteries. They designed an electronics board to monitor the amount of power left in the battery stack and automatically start one of the two generators to recharge the batteries. Their work is saving thousands of dollars in fuel expense annually.

The Agency as a whole is a high risk operation, and as such, continues its commitment to functioning as a high reliability organization in the context of a just culture. This includes ongoing attention to its Quality Improvement processes (offering analysis of root causes to practical issues, 24 accomplished in 2012), involving dispatch personnel as well as representatives from police and fire services in the study of root causes, and advancing training tools from the results learned from each analysis.

Dispatcher FTEs

	Fully Trained	Call Taker	Trainee	Total
March 2013	57	0	0	57
June 2012	57	0	7	64
June 2011	55	1	5	61
June 2010	57	1	6	64

BUDGET MESSAGE

Additional accomplishments:

- Maintained accreditation standards.
- Agency staff continued the process to update administrative directives and standard operating guidelines.
- Increased involvement of Administrative staff in the development of the departmental budgets, providing assistance to department managers for analysis and research.
- Seven known CPR saves in Calendar year 2012
- State “Lead Dispatcher of the Year” Award from the State Chapter of the Association of Public Safety Communications Officials.
- State “Technology” Award from the State Chapter of the Association of Public Safety Communications Officials.
- Handled 486,610 various phone calls; involved in 533,244 CAD incidents and worked 360 hours at community events, including public education opportunities
- Agency personnel received a total of 2,539 hours of training, largely in-house
- Procured and installed a high-capacity microwave link between the City of Portland and WCCCA/C800 radio systems
- Discovered, located and resolved 5 sources of radio interference and working toward the resolution of several others that continue to impact the WCCCA radio system

Initiatives For the Year and For the Future

The Agency planning process, from both the strategic and capital perspectives, has been underway over the past year and will continue into the coming year. This planning process will lay the foundation for the path to the future for WCCCA, particularly in the areas of Agency operational issues and capital needs.

The long range capital planning efforts focus on the Agency’s primary needs: the radio system infrastructure and associated communications equipment, a replacement Computer Aided Dispatch (CAD) system and the facility that houses operations. This process began with internal needs assessments and will continue through work with the members to incorporate their needs.

In regard to operational issues, the Agency is committed to exploring various possibilities for strengthening or opening new doors to partnerships that may lead to operational and/or cost efficiencies. To that end, the Agency is participating in an independent study of the feasibility in partnerships across the UASI region, with consideration to technical and operational benefits to those involved.

BUDGET MESSAGE

The Budget Document

The Agency matches the processes of its partners by following State of Oregon Local Budget Law to a large extent. It fully complies with the Council of Governments budget law which is required of it as an organization formed under Oregon Revised Statutes (ORS), Chapter 190. The Agency follows generally accepted accounting principles (GAAP) as proscribed by the Oregon Revised Statutes (ORS). This Proposed Budget is structured on a fund basis, which the Governmental Accounting Standards Board (the promulgating authority for GAAP for governments) requires.

The General Fund accounts for all operations of the Agency; a Capital Projects Fund is maintained as a matter of Board policy and is considered a major fund for qualitative reasons. The Agency accounts for these funds using the modified accrual basis of accounting.

Acknowledgements

In spite of the economy, the partnership that owns WCCCA has demonstrated remarkable commitment to this Agency and each other. Their high professional standards set a goal that this Agency must continually strive to achieve. It is with sincere appreciation that we acknowledge their commitment to provide the ongoing leadership and resources necessary for this Agency to conduct its emergency 911 call taking and dispatching services.

This Agency is comprised of teams that excel in their specialized areas and work across lines to ensure quality and efficient services this Agency provides. The Logistics team provides the support systems in information technology and radio/microwave tower infrastructure with remarkable reliability. The Administrative and Performance Management teams routinely achieve high quality internal training, and the high professional standards of its partners and professional associations. Staff performs this work with efficiency and excellence; their continual efforts are greatly appreciated.

Appreciation and acknowledgement is especially warranted for the team of highly skilled, dedicated dispatchers who serve the citizens and public safety community of Washington County with ongoing commitment to public service.

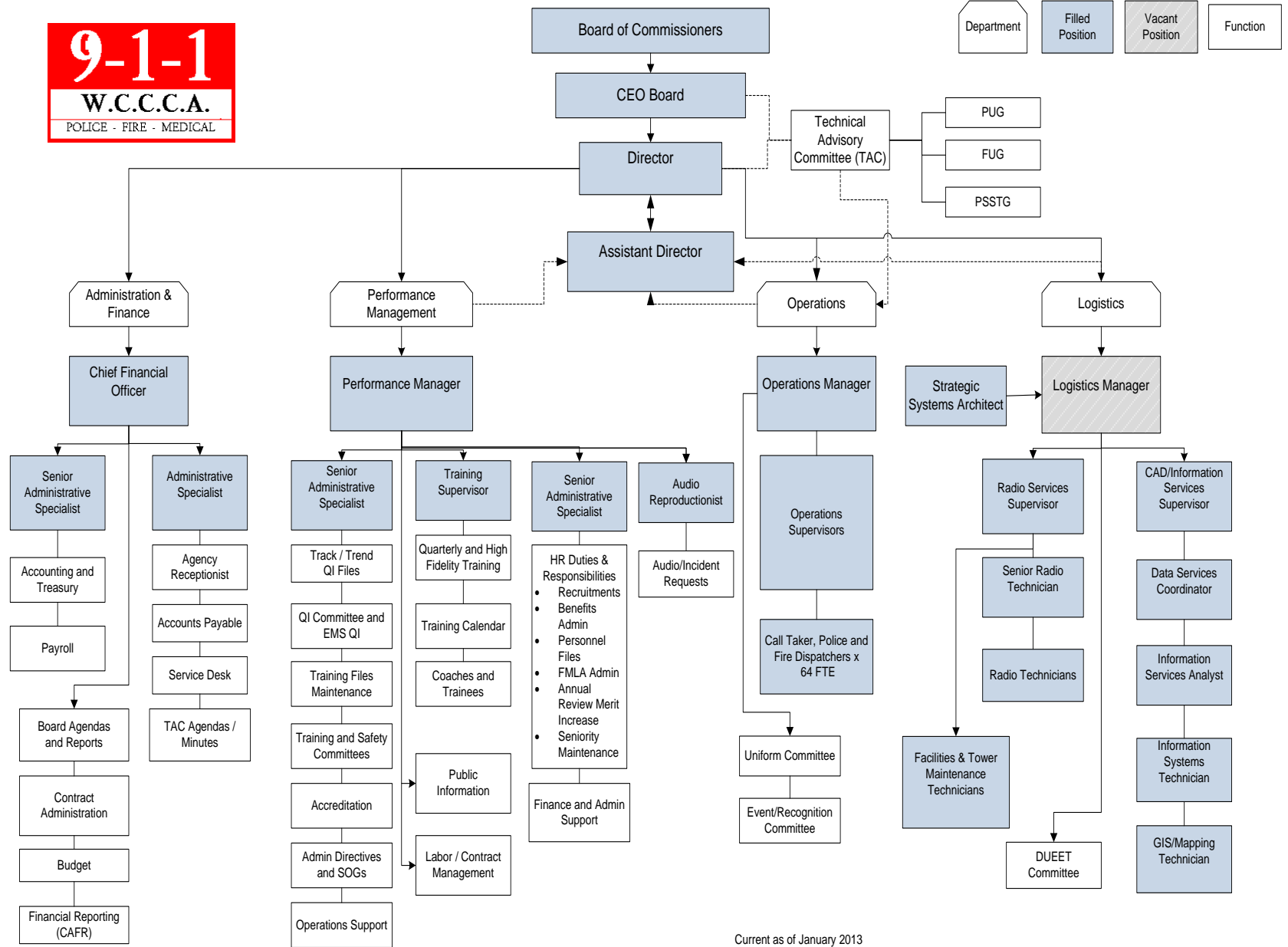
Respectfully submitted,

Kelly Dutra, Director
Budget Officer

*Adopted Budget
Fiscal Year 2013-2014*

AGENCY OVERVIEW

ORGANIZATIONAL CHART



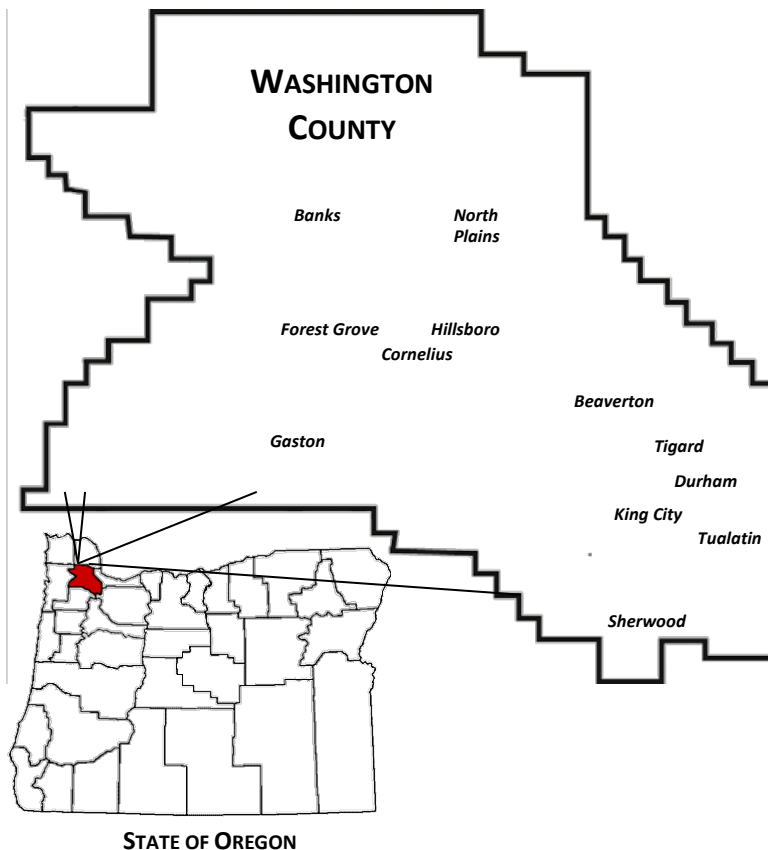
Current as of January 2013

AGENCY OVERVIEW

Washington County Consolidated Communications Agency (WCCCA) was formed in 1985, under the authority of Oregon Revised Statutes (ORS) Chapter 190 by the execution of an Intergovernmental Agreement between Washington County and the cities of Beaverton, Hillsboro, Cornelius, North Plains, and Washington County Rural Fire Protection Districts No. 1 (now Tualatin Valley Fire & Rescue) and No. 2. The Agency has subsequently entered into intergovernmental agreements with the cities of Durham, King City, Sherwood, Tigard, Gaston, Tualatin, Forest Grove and Banks. Subsequent Fire Districts joining the Agency are Forest Grove, Banks, Gaston and Cornelius. User agencies currently total 18. The Agency was established to provide 911 call answering service and public safety dispatch communications for police, fire, and emergency medical service for the participating jurisdictions and for other governments under contract. The Agency also provides the radio and microwave communications system, a series of towers across a two county region that offers high quality radio communications for public safety responders.

WCCCA is governed by a Board of Commissioners consisting of one appointed official from each participating jurisdiction. The Board is responsible for appointing the Agency Director, establishing Agency service levels, adopting the annual budget, reviewing financial information, and approving personnel rules. A Chief Executive Officers Board consisting of the Chair of the Board of Commissioners, the representatives of the two largest participating agencies and two at-large members appointed by the Board meet monthly to address more timely issues, including contracting, policy changes, audit and financial reports and labor negotiations.

The Agency serves an area of 727 square miles and a population of approximately 536,000.



Through its broad geographic base, the Agency serves a rapidly developing and growing part of Oregon's economic base. The Agency's service population has experienced considerable growth over the past 10 years, but through the recession that growth has slowed. Slower growth is expected to continue over the next 20 years.

AGENCY OVERVIEW

The Agency is funded by user fees from the participating jurisdictions, State 911 excise taxes, contract revenues from Clackamas County's C800 Radio Group (a governmental partnership formed under Oregon Revised Statutes Chapter 190) and other small contracts. The Agency provides radio, paging and data infrastructure maintenance and development services to C800 and shares a CAD system (both hardware and software) with Clackamas County. This CAD is essentially one interoperable system providing redundancy for disaster recovery. These unique arrangements comprise the partnership with Clackamas County by contract.

The Agency is operated by a dedicated staff of 92.42 full time equivalent positions; its budget is organized on a department basis, consisting of Administration & Finance; Performance Management; Operations, and Logistics.



From left to right: Director Kelly Dutra, Operations Supervisor Samantha Smith, Operations Manager Gina Hensley, Operations Supervisors Lara Marzilli and Kim Foster, Performance Manager Mark Chandler, and Senior Administrative Specialist Laurie Taylor.

The Agency's organizational units are departments that provide different functions in support of the Agency's mission and goals. The following is a description of each of those departments.

AGENCY OVERVIEW

ADMINISTRATION & FINANCE DEPARTMENT

Department Goals:

- Administration is the Agency leadership in the execution of Board policies, shaping the organization into a highly reliable operation focused on high quality internal and external customer service and support of its Boards.
- Finance protects the financial health of the Agency through long term financial planning, budget development and monitoring; ensures accountability and transparency through financial reporting, and provides quality customer service with commitment, dedication and professionalism.

Departmental Budget:

General Fund	FY11/12	FY12/13	FY13/14
Administration & Finance Department	Actual	Estimated to June 30	Adopted Budget
Personnel Services	476,915	452,859	533,386
Materials & Services	237,695	246,506	362,389
Total Expenditures / Appropriations	714,610	699,365	895,775
Non-Departmental			
Contingency			1,489,339
Unappropriated Ending Fund Balance			1,624,870
Fiscal Year Ending Fund Balance	3,200,219	3,865,721	
Total	3,200,219	3,865,721	3,114,209

The Administration and Finance Department has the management responsibility over the “Non-Departmental” appropriations and reserves of the Agency, as shown above.

The Administration and Finance Department is responsible for ensuring that the Agency’s goals and objectives, as defined by the Boards, are fulfilled. To ensure the long term overall health and financial sustainability of the Agency, current objectives include completing the strategic plan and a long term capital plan with funding alternatives; seeking efficiencies through cooperative initiatives, and a studied approach to reducing membership fees. Ongoing efforts are towards providing the leadership within the Agency by guiding, supporting and assisting departments in fulfilling Agency-wide goals; maximizing the utilization of existing resources; ensuring financial stability through financial planning and budget management, and ensuring emergency preparedness through business continuity planning. Other administrative business and internal services of the Agency include a service desk for internal and external customers, Agency reception, accounting, financial reporting, treasury and payroll.

This department is staffed with an Administrative Specialist, a Senior Administrative Specialist, part-time Background Investigator, Chief Financial Officer and the Director of the Agency (4.07 FTE), all of whom work with the other employees, other Departments, member agencies, and the community to ensure that WCCCA’s services meet the high professional standards of its many partners and users.

AGENCY OVERVIEW

PERFORMANCE MANAGEMENT

Department Goals:

- *Provides ongoing, consistent, high fidelity hands-on training to Dispatchers, driven by quality improvement processes and based in the goals of a learning organization;*
- *Develops clear career paths through training and development opportunities for all personnel of the Agency, and*
- *Supports a comprehensive quality improvement program including incident analysis, trend analysis, and critical communication training, and which provide a consistent feedback loop to the agency's internal and external customers with the goal of maintaining high reliability and transparency.*
- *Provides public information and public education opportunities by establishing relationships with various media outlets, and connecting with the public at various events throughout the county via our public education team.*

Departmental Budget:

General Fund	FY11/12	FY12/13	FY13/14
<i>Performance Management Department</i>	Actual	Estimated to June 30	Adopted Budget
Personnel Services	425,518	456,308	487,597
Materials & Services	39,371	30,346	40,173
Total Expenditures / Appropriations	464,889	486,654	527,770

The Performance Management Department is responsible for:

- Developing, implementing and maintaining quality training programs that enhance the knowledge base and skills of the Agency's dispatch and supervisory personnel;
- Managing the human resources function of the Agency;
- Managing the ongoing administrative policy updates;
- Maintaining all Agency records in accordance with State law, including training and certification records, and
- Implementing the Quality Improvement processes, conducting systemic cause analyses and providing recommendations for training, equipment changes and system improvements, thereby ensuring that the Agency continues to grow as a high reliability organization providing high quality services.
- Public information and education, including information dissemination.
- Maintaining Agency accreditation.

Performance Management is staffed by an on-call, part time Audio Reproduction Specialist, two Senior Administrative Specialists, a Training Supervisor and the Performance Manager (4.5 FTE).

AGENCY OVERVIEW

OPERATIONS DEPARTMENT

Department Goal:

- *Operations provides timely, efficient and empathetic service to our citizens, as well as professional, prompt and accurately detailed services to our police, fire and emergency medical services field users.*

Departmental Budget:

General Fund	FY11/12	FY12/13	FY13/14
<i>Operations Department</i>	Actual	Estimated to June 30	Adopted Budget
Personnel Services	7,109,194	6,925,626	7,837,627
Materials & Services	136,747	144,190	164,445
Capital Outlay	76,379	-	-
Total Expenditures / Appropriations	7,322,320	7,069,816	8,002,072



The primary function of the Operations Department is to provide 24 hours per day, 7 days per week, 911 and emergency call answering and radio dispatching services for 18 of the Agency's Member governments, which include both Police and Fire services. Operations is authorized for 64 Dispatchers (of which the Agency plans to keep 2 positions unfilled), 6 Operations Supervisors and an Operations Manager (71 FTE). Dispatchers handle over 467,000 calls and over 533,000 radio dispatch requests each year, and are the Agency's front-line service providers for citizens, police officers, firefighters and emergency medical responders alike. They continually strive to accomplish the mission to provide timely, efficient and compassionate communications services to all.

AGENCY OVERVIEW

LOGISTICS DEPARTMENT

The Logistics Department is subdivided into the following divisions:

- Radio Services Division
- Data Services Division
- Facilities Division
- Direct Bill Services Division

Radio Services Division

Goals:

- Ensure that the public safety radio system is maintained according to industry standards;
- Ensure customer repair work is completed in a timely manner, and
- Properly manage the Agency's contracts for services to non-member customers.

Departmental Budget:

General Fund		FY12/13	FY13/14
Logistics Department	FY11/12	Estimated	Adopted
Radio Services Division	Actual	to June 30	Budget
Personnel Services	954,650	998,926	1,032,896
Materials & Services	149,766	183,450	336,098
Capital Outlay	98,091	61,740	52,500
Total Expenditures / Appropriations	1,202,507	1,244,116	1,421,494

The Radio Services Division is responsible for maintaining the Agency's radio tower infrastructure and microwave/radio system, and radio equipment for user agencies and Agency facilities. The Radio Services Division is also responsible for maintaining Clackamas County's radio tower infrastructure and microwave/radio system, as well as its user radio equipment through an intergovernmental contractual arrangement. This Division is staffed for FY13-14 by four Technicians, one and a half Facilities Maintenance Technicians (II and I, respectively), one Radio Services Supervisor, a 0.35 FTE Systems and Architecture Analyst and the Assistant Director (7.85 FTE).

AGENCY OVERVIEW

Data Services Division

Goals:

- Manage the Agency's portion of the CAD system to ensure it meets operational needs;
- Resolve data issues up to the Agency's defined limits of responsibility;
- Maintain necessary GIS and MSAG databases for efficient operation of the dispatch center, and
- Maintain the Agency's public and private web presence.

Departmental Budget:

General Fund		FY12/13	FY13/14
Logistics Department	FY11/12	Estimated	Adopted
Data Services Division	Actual	to June 30	Budget
Personnel Services	535,227	563,690	609,074
Materials & Services	291,538	355,024	401,687
Capital Outlay	-	15,236	-
Total Expenditures / Appropriations	826,765	933,950	1,010,761

The Data Services Division maintains the software and programs that enable computer aided dispatching (CAD) services and information services to the Agency departments. Additionally, Data Services provides information to users and the public upon request. This division is staffed by a GIS/Mapping Technician, an Information Systems Technician, an Information Systems Analyst II, a Data Services Coordinator, and one CAD/ IT Services Supervisor (5 FTE).

Facilities Division

The Facilities Division of the Logistics Department is a separately budgeted division within the General Fund for appropriations made for major facilities repair and maintenance projects. This division has no personnel.

Departmental Budget:

General Fund		FY12/13	FY13/14
Logistics Department	FY11/12	Adopted	Proposed
Facilities Division	Actual	Budget	Budget
Materials & Services	650,941	400,250	462,600
Capital Outlay	23,727	10,780	-
Total Expenditures / Appropriations	674,668	411,030	462,600

AGENCY OVERVIEW

Direct Bill Services Division

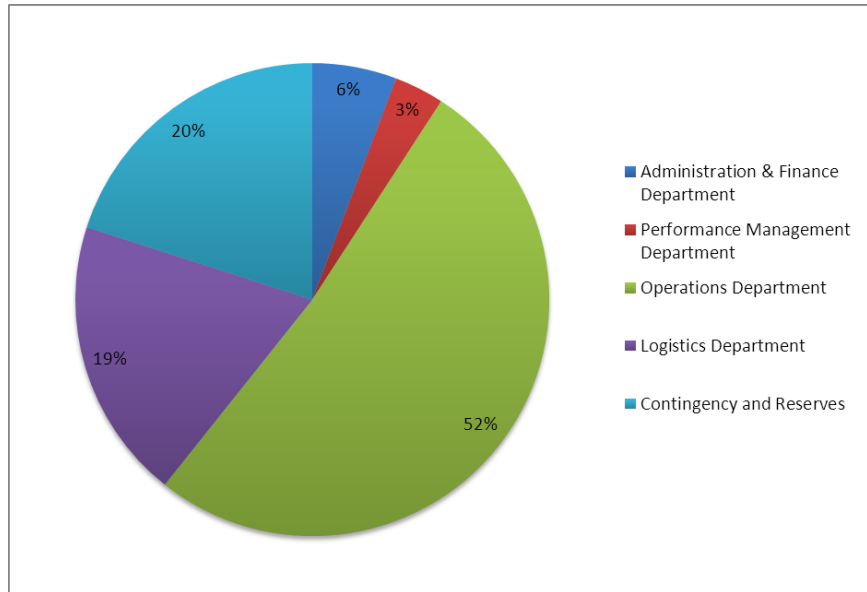
This “division” provides an accounting mechanism and ease of managerial oversight for all technical radio services delivered to Members and Non-Members on a direct bill basis. The Radio Services Division provides radio and mobile data computer repair services, radio tower communications equipment repair and upgrade services, and other related services.

Departmental Budget:

General Fund	FY11/12	FY12/13	FY13/14
Logistics Department	Actual	Adopted	Proposed
<i>Direct Bill Services Division</i>	Actual	Budget	Budget
Materials & Services	87,714	93,500	90,690

AGENCY OVERVIEW

The functions of the Agency as organized by the departments and divisions previously described are depicted in this pie chart, along with non-departmental appropriations for Contingency and reserves. This chart represents General Fund proposed appropriations for Fiscal Year 2013-14.



On an ongoing basis, but especially during the budget process, the Agency evaluates staffing, the structure of the organization and the feasibility of changes. At adoption of each year's budget, staffing levels are formally authorized by the Board.

Proposed Fiscal Year 2013-14 Full Time Equivalent Positions

NON-REPRESENTED POSITIONS	Adopted FY09/10	Adopted FY10/11	Adopted FY11/12	Adopted FY12/13	Proposed FY13/14	Change from prior FY
Director	1.00	1.00	1.00	1.00	1.00	-
Assistant Director/Logistics Manager	1.00	1.00	1.00	1.00	1.00	-
Performance Manager	1.00	1.00	1.00	1.00	1.00	-
Chief Financial Officer	1.00	1.00	1.00	1.00	1.00	-
Senior Administrative Specialist	2.00	2.00	3.00	3.00	3.00	-
Administrative Specialist	2.00	2.00	1.00	1.00	1.00	-
Operations Manager	1.00	1.00	1.00	1.00	1.00	-
Operations Supervisors	6.00	6.00	6.00	6.00	6.00	-
Training Supervisor	-	1.00	1.00	1.00	1.00	-
Strategic Systems Architect	-	0.35	0.35	0.35	0.35	-
Technical Systems Manager	1.00	-	-	-	-	-
Radio Systems Supervisor	1.00	1.00	1.00	1.00	1.00	-
Radio Technicians (I, II and Senior)	4.00	4.00	4.00	4.00	4.00	-
Facilities Maintenance Tech's I & II	1.00	1.50	1.50	1.50	1.50	-
CAD Supervisor	-	1.00	1.00	1.00	1.00	-
Data Services Coordinator	1.00	1.00	1.00	1.00	1.00	-
Info Systems Analyst	1.00	1.00	1.00	1.00	1.00	-
Info Systems Technician	1.00	1.00	1.00	1.00	1.00	-
GIS/Mapping Technician	1.00	1.00	1.00	1.00	1.00	-
Audio Recording Specialist	0.40	0.40	0.40	0.50	0.50	-
Background Investigator	-	-	-	0.07	0.07	-
REPRESENTED POSITIONS						
Dispatchers (incl. MDDs & Call Takers)	66.50	66.50	66.50	64.00	64.00	-
TOTAL FTE	92.90	94.75	94.75	92.42	92.42	-

Adopted Budget
Fiscal Year 2013-2014

MISSION STATEMENT & GOALS

MISSION, STRATEGIC GOALS

MISSION

WCCCA is committed to providing timely, efficient and compassionate communication services to all citizens through innovation, employee excellence and partnerships with public safety providers.

STRATEGIC GOALS

LEAD DEPARTMENT OR DIVISION

1) Maintain and Improve Performance Levels for Call Answering and Radio Dispatch Services

- a) Support Law Enforcement Council planning process.
- b) Continue planning process with Fire Defense Board and key users focusing on accomplishment of key expectations.
- c) Develop and implement a non-punitive quality improvement program for all disciplines that measures performance using objective criteria and subjective peer review.
- d) Evaluate staffing to ensure adequate service levels are maintained as prescribed by user agencies or groups.
- e) Develop a strategy that prepares the agency to meet technological changes in our industry.

- 1) Performance Management
 - a) Operations
 - b) Administration
- c) Performance Management
- d) Operations
- e) Logistics

Performance Measures:

- Attend Law Enforcement Council and Fire Defense Board meetings
- Monitor Key Performance Indicators (KPI)

2) Maximize Utilization of Existing Resources

- a) Develop a maintenance plan for Agency equipment including replacement schedules for useful life for reliability sensitive machines.
- b) In cooperation with all stakeholders, develop an Agency organizational chart and communication protocol. General functions of each stakeholder group should be defined.
- c) In cooperation with users, develop performance indicators/goals for critical and support functions of the Agency.
- d) Enhance Agency capabilities in collecting and disseminating information on the achievement of performance goals.

- 2) Admin & Finance
 - a) Logistics
 - b) Administration
 - c) Performance Management
 - d) Performance Management

Performance Measures:

- Monitor Key Performance Indicators (KPI)
- Perform preventive maintenance on radio equipment as required

MISSION, STRATEGIC GOALS

STRATEGIC GOALS

LEAD DEPARTMENT OR DIVISION

3) **Ensure Financial Stability**

- | | |
|---|---|
| <ul style="list-style-type: none"> a) Prepare mid to long term financial forecasting and funding models for Agency operating and capital programs. Analyze economic and population trends, citizen and user service level requests/requirements, and other variables that may impact financial performance of the Agency, such as the labor contract. b) Prepare annual budgets after identifying objectives with users and employees. c) Increase employee awareness of Agency finances including regular review of budget to actual expenditures. Encourage a broad understanding of financial performance and how decisions directly relate to service levels. d) Participate and provide leadership in legislative, APCO and NENA processes with the objective of maintaining or enhancing current 911 systems or capabilities, as well as searching out alternative revenue sources. e) Encourage a realistic understanding among all customers of the costs of meeting service levels expectations through education and open discussion. f) Seek and implement program and process revisions that promote financial stability through fiscal responsibility and organizational efficiency. | <ul style="list-style-type: none"> 3) Admin & Finance <ul style="list-style-type: none"> a) Finance b) Finance c) Finance d) Administration e) Administration & Finance f) Administration & Finance |
|---|---|

Performance Measures:

- Receive the GFOA Budget and CAFR awards
- Present monthly financial reports

4) **Ensure Preparedness for Catastrophic Events**

- | | |
|--|--|
| <ul style="list-style-type: none"> a) Develop incident management procedures to direct, coordinate and support Agency response to system failures, major emergencies and catastrophic events. b) Develop a plan for the installation of redundant system facilities (CAD and dispatch capabilities) at a remote PSAP or other location. c) Develop and maintain a plan to exercise incident management procedures including a failure of current WCCCA systems. d) Provide training to employees to encourage preparedness for a significant event, major emergency or catastrophic event. e) Develop a plan to rebuild WCCCA systems in the event of a catastrophic event. | <ul style="list-style-type: none"> 4) Administration <ul style="list-style-type: none"> a) Administration b) Logistics c) Operations d) Performance Management/ Administration e) Logistics |
|--|--|

Performance Measures:

- Annual update/review of Business Continuity Plan

MISSION, STRATEGIC GOALS

<u>STRATEGIC GOALS</u>	<u>LEAD DEPARTMENT OR DIVISION</u>
<p>5) Seek Efficiencies through Cooperative Initiatives</p> <ul style="list-style-type: none"> a) Evaluate cooperative service opportunities with contiguous jurisdictions when financial or operational efficiencies could be achieved. b) Develop a strategy and provide leadership for advancing the concept of a regional radio, CAD, and RMS network. c) Explore service opportunities with user agencies where redundant systems could be eliminated or enhanced. d) Promote coordination of recruitment and retention efforts with regional PSAP managers. e) Build and maintain partnerships with business and public agencies to fund awareness and other public education opportunities. f) Continue to seek regional training opportunities. <p>Performance Measures:</p> <ul style="list-style-type: none"> • Attend regional radio meetings • Present at six public events during the year 	<p>5) Administration</p> <ul style="list-style-type: none"> a) Administration b) Administration c) Administration d) Performance Management e) Administration f) Performance Management
<p>6) Promote Quality and Pride throughout the Organization</p> <ul style="list-style-type: none"> a) Encourage employees to make a difference through problem solving and decision making at all levels. b) Set clear expectations of allowing and encouraging a culture that supports all elements of risk taking in the spirit of improving service to user agencies, the public, and co-workers. c) Foster a work environment where employees value the contribution of their co-workers. Review, refine and re-dedicate WCCCA employee expectations. d) Support change for improvement – educate employees on personal and professional impact of change. <p>Performance Measures:</p> <ul style="list-style-type: none"> • Provide training to employees incorporating the concept of quality and pride three times per year 	<p>6) Administration</p> <ul style="list-style-type: none"> a) Performance Management b) Administration c) Performance Management d) Performance Management

MISSION, STRATEGIC GOALS

STRATEGIC GOALS

LEAD DEPARTMENT OR DIVISION

7) Develop and Foster a Workforce which Honors and Respects the Diversity and Contributions of One Another Including the Community We Serve

7) Administration

- a) Review and update, on a monthly basis, the WCCCA action plan for employment practices until measurable objectives are met.
- b) Revise Agency personnel manual and deliver training to all personnel.
- c) Conduct diversity training for Agency personnel including awareness of different personality types and communication styles.
- d) Develop a plan to improve the Agency's ability to communicate with members of various cultures in our community.

a) Performance Management

b) Performance Management

c) Performance Management

d) Administration

Performance Measures:

- Measure results against WCCCA action plan
- Perform annual diversity training

*Adopted Budget
Fiscal Year 2013-2014*

BUDGET POLICIES & PROCESS

BUDGET & FINANCIAL POLICIES

- I. **Balanced Budget:** The budget shall be presented in balance as to total projected resources and requirements, and shall operate as such throughout the fiscal year. The levels of expenditure control for each fund shall be established as Personal Services, Materials and Services, Capital Outlay and Fund Transfers. No expenditures are allowed directly from Contingency. In anticipation of deviations from the adopted budget at these levels, or in total resources, staff shall make recommendations to the Board of Commissioners to bring the budget back into balance.

- II. **Implementation of Service Levels:** The budget process will aim ultimately for the implementation of the coordinated directives of its contracting entities in fulfilling service priorities and service levels. Ideally, these service priorities and service levels should be identified and agreed upon well in advance of the release of the Proposed Budget Document. Gaps between the current service levels/corresponding funding levels and new demands/corresponding funding from the users should be clearly identified along with the full cost impacts and options associated with filling those gaps.

- III. **Budget Emphasis:** In accordance with the service level discussion above, the budget will identify the resources needed to meet current service priorities and levels identified by its users. The budget will attempt to balance the need to minimize user fee increases with the need to fulfill current service priorities, maintain quality of services and meet demands identified by its users. If there is a need to move beyond current service levels because of a user-identified demand or a public demand (e.g. population increase), options for responding to those demands will be presented. Examples of potential options include: a) creative approaches to service delivery to increase efficiency and maintain quality; b) the erosion of the existing service level, or c) user-approved funding of the new service demand.

- IV. **Staffing Levels:** Staff will continue to assess staffing levels to ensure the necessary number of employees to meet the service standards established by user agencies. New staff will be considered at the request of users, and in accordance with goals established by the Board, and in the context of the processes outlined in #2 and #3 above.

- V. **Materials and Services:** The Agency's obligation to minimize user fee increases must be balanced with the need to maintain a viable 911 communications center and reliable radio tower equipment and infrastructure. Accordingly, staff will develop a budget that will allow for adequate maintenance and growth, while striving for efficiencies and cost-reduction measures. Actual expenditures shall be compared to budget periodically, and any significant variations justified. If necessary, staff shall recommend a course of action to bring the budget back into balance along with the implications to the long term financial plan.

BUDGET & FINANCIAL POLICIES

- VI. **Unpredictable Revenues:** The budget shall avoid the use of one-time revenues to fund ongoing expenditures. Any new programs/projects that will have ongoing expenditures shall be established in accordance with #2 and #3 above. Regarding unpredictable revenues, staff shall conservatively estimate revenues, using historical collection trends and advance knowledge of future changes. If during the adopted budget cycle, it becomes apparent that estimated revenues will be significantly less than budgeted, staff shall recommend a course of action to the Board of Commissioners.
- VII. **Financial Planning:** Staff will present annually for Board consideration an updated five year financial forecast using current economic indicators and projections of growth (or decline) to maintain a long term perspective of the financial health of the Agency and predicted impacts upon user fee rates.
- VIII. **Pursuit of New Revenues:** Staff shall continue to pursue new revenues from contract users and other revenue sources wherever and whenever possible as long as new users are assigned a fair portion for infrastructure and overhead development costs of the 911 system where applicable. New users should not be allowed onto the system if long-term capacity for current members under contract is impacted, or if system depreciation or inefficiency is accelerated.
- IX. **Strategic Investments:** Staff will continue to identify for Board consideration, opportunities to make strategic investments in training, technology, and other infrastructure aimed at modernizing or enhancing the efficiency of the Agency.
- X. **Reserves and Contingencies:** The Agency will continue to maintain a contingency fund for unforeseen expenditures. The goal for the General Fund contingency is for it to be maintained at not less than 12% of operating expenditures. Additionally, WCCCA shall maintain a prudent level of financial reserves to protect against the need to reduce service levels and/or raise fees due to temporary revenue shortfalls or unpredicted one-time expenditures.
- XI. **Purchasing:** The Agency shall maintain a Purchasing Manual that complies with State Law, including ethics and fair and full competition in the expenditure of public funds, and which delineates the dollar amount thresholds of authorities for purchasing and contracting, and defines procedures for complying with state statutes, federal regulations and Agency policy.
- XII. **Capital Projects Fund:** The Agency shall maintain a separate fund to account for the restricted revenue of shared Local Option Levy tax funds from Washington County, together with other revenue associated with large capital funding, interest and Board authorized expenditures. This fund is considered a major fund for financial reporting purposes for qualitative reasons.

BUDGET PROCESS AND CALENDAR

The accounting reflected in this Proposed Budget for Fiscal Year 2013-14 conforms to generally accepted accounting principles (GAAP) as established by the Governmental Accounting Standards Board. The Agency's finances are organized on a fund basis, each of which is considered a separate budgetary and accounting entity. The Agency uses the modified accrual basis of accounting for budgeting as well as for accounting as all funds are governmental fund types, which require the modified accrual basis of accounting under GAAP.

The Board of Commissioners' resolution authorizing appropriations for each fund at the end of the budget process sets the legal level limitations on authorized expenditures. Total Personal Services, Materials and Services, Capital Outlay and Inter-fund Transfers are the budgetary category levels for expenditure appropriations and budgetary control for each fund. Amounts are also scheduled for Contingency and Unappropriated Ending Fund Balance. Appropriations lapse at fiscal year end.

Original budgets may be modified by the use of appropriation transfers between the budgetary categories only upon adoption of a resolution by the Board of Commissioners. If it becomes necessary to amend the budget during the fiscal year to increase a fund by more than 10%, a supplemental budget is prepared and published pursuant to state law. Staff presents the supplemental budget to the CEO Board, who makes a recommendation to the Board of Commissioners regarding adoption. A public hearing is held, and the supplemental budget is considered for adoption.

A draft Fiscal Year 2013-14 budget was reviewed by the CEO Board on February 21, 2013 and recommended to the Budget Committee as the Proposed Budget. The Budget Committee met to review and deliberate upon the Proposed Budget and approved it, on March 21, 2013. On June 20, 2013, the Board of Commissioners held a public hearing regarding the Approved Budget and adopted the budget. The Adopted Budget included changes as allowable under state Budget Law.

BUDGET PROCESS AND CALENDAR

November 15: Chief Executive Officer (CEO) Board reviews FY 2013/14 budget policies, budget calendar and preliminary calculation of member fees by Agency.

November, 2012						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

December 20: Board of Commissioners approves FY 2013/14 fees, budget policies and calendar. Any further appointments to the Budget Committee to be considered.

December, 2012						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

February 13: CEO Board packets issued with draft budget document. Budget Committee packets issued with Board of Commissioners' September, 2012 Financial Forecast and CEO Board's draft budget.

February, 2013						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28		

February 21: CEO Board (2:30 pm) to consider FY 2013/14 draft line item Budget; recommends Proposed Budget to the Budget Committee; consider any FY 2012/13 Budget adjustments for recommendation to Board of Commissioners.

(4:00 pm) Budget Committee Work Session: Orientation and overview; financial forecast; member fees; major issues (911 taxes; fees).

March, 2013						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

March 21: CEO Board, Board of Commissioners and Budget Committee meetings. Budget Committee deliberates towards an Approved Budget.

June 20: Board of Commissioners adopts FY 2013/14 Budget.

June, 2013						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

Calendar Color Key Code
CEO Board meeting
CEO & Board of Comm. Meeting
Both Boards & Budget Committee

This page intentionally left blank.

Adopted Budget
Fiscal Year 2013-2014

FINANCIAL SUMMARY

CONSOLIDATED BUDGET SUMMARY

INTRODUCTION

The Agency is a partnership formed by an intergovernmental agreement under State of Oregon law, and as such, it is a unique government: it levies no property taxes; charges no fees to the public (except small amounts for reproducing 9-1-1 calls and related information) and issues no debt.

Below is the consolidated view of the Agency budget for the Agency's two funds. (A "fund" is an accounting entity which has its own set of revenues, expenditures and balance sheet accounts.) The Agency uses the modified accrual basis of accounting for budgeting purposes for all funds.

	Actual FY 2011-12	Fiscal Year 2012-13		Adopted Budget FY2013-14
		Adopted Budget	Estimated To June 30	
RESOURCES				
Beginning Working Capital	3,477,632	3,641,368	3,726,608	4,290,989
Revenues				
Interest	20,559	17,734	24,249	19,500
9-1-1 Telephone Tax	2,605,085	2,576,000	2,579,772	2,568,000
Member & Associate User Fees	7,625,138	7,861,532	7,832,815	8,089,508
C800 Contract Revenue	437,743	430,090	431,715	467,841
Non-Member Contract Revenue	184,595	218,945	225,088	236,800
Maintenance Services	109,313	154,735	131,545	92,500
Rental Revenue	92,963	95,900	97,621	104,000
Intergovernmental Revenues	155,741	281,096	223,727	223,730
Grant Revenue	500,000	130,000	130,000	-
Miscellaneous Income	84,445	248,300	256,576	83,000
Interfund Transfers	378,592	-	-	-
Total Revenues	12,194,174	12,014,332	11,933,108	11,884,879
TOTAL RESOURCES	15,671,806	15,655,700	15,659,716	16,175,868
REQUIREMENTS				
By Category				
Personnel Services	9,501,504	10,309,947	9,397,408	10,500,579
Materials & Services	1,593,772	2,234,533	1,701,920	2,283,636
Capital Outlay	849,922	430,488	269,399	52,500
Interfund Transfers	-	-	-	-
Contingency	-	1,623,635	-	1,714,283
TOTAL REQUIREMENTS	11,945,198	14,598,603	11,368,727	14,550,998
Unappropriated Ending Fund Balance (UEFB)		1,057,097		1,624,870
Fiscal Year End Fund Balance	3,726,608		4,290,989	
TOTAL BUDGET	15,671,806	15,655,700	15,659,716	16,175,868

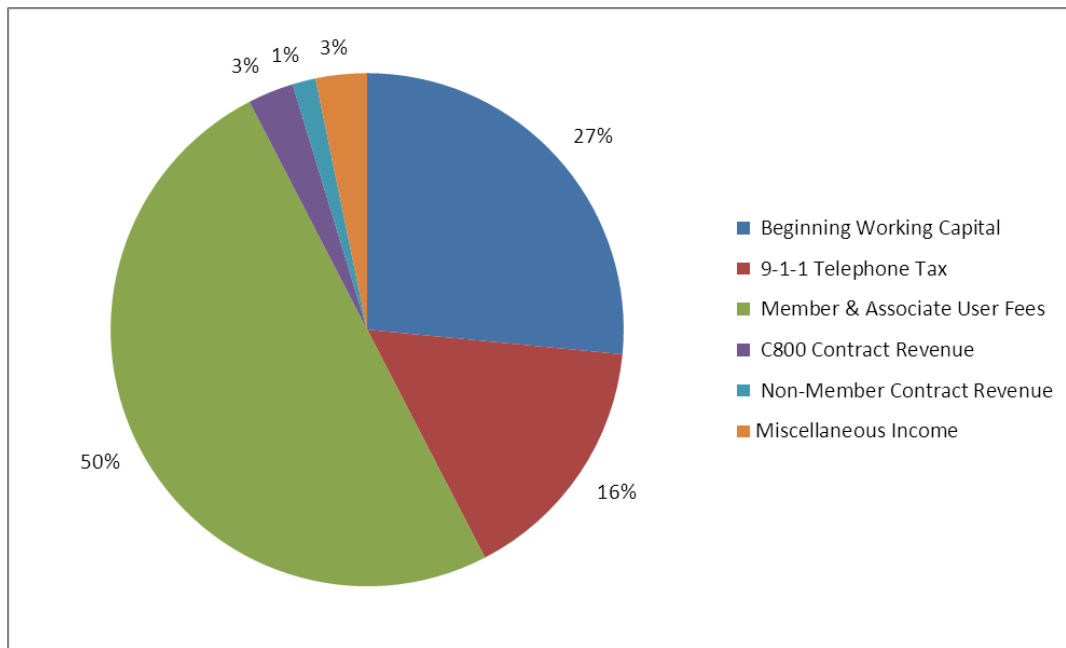
In the presentation above for the Adopted Budget for FY 2013-14, the combined funds include the General Fund and the Capital Projects Fund. In the FY 2011-12 columns, the former Facilities Maintenance Fund is included; this fund was closed in FY 2011-12.

CONSOLIDATED BUDGET SUMMARY

FISCAL YEAR 2013-14 BUDGETED RESOURCES – ALL FUNDS

Governments distinguish between “Resources” and “Revenues”. “Resources” include Beginning Working Capital plus all new incoming revenues for the year; “Revenues” exclude Beginning Working Capital. These terms are used to differentiate between the two basis of presentation.

Total budgeted Resources for all funds for FY 2013-14 are as follows:



The following is a narrative regarding the major Resources budgeted for FY 2013-14, but first, the components of “Miscellaneous Income” are described.

Miscellaneous Income totals \$522,730 and is comprised of the following:

- \$102,500 (19.6% of the total) is miscellaneous revenue; contracting out an employee; fees for reproducing 9-1-1 call recordings, and interest.
- \$98,730 (18.9% of the total) is from the C800 Radio Group for its participation in the lease expense and other project expenses of a new Zone Controller for the radio system.
- \$92,500 (17.7% of the total) is for radio, data and paging maintenance and management services provided to the C800 Radio Group and maintenance services on radio communication devices provided to governmental agencies.
- \$125,000 (23.9% of the total) is the Washington County Public Safety Local Option Levy funds. The Capital Projects Fund receives these property tax revenues under a contract with Washington County.
- \$104,000 (19.9% of the total) is for radio tower space rents from cell phone and internet companies.

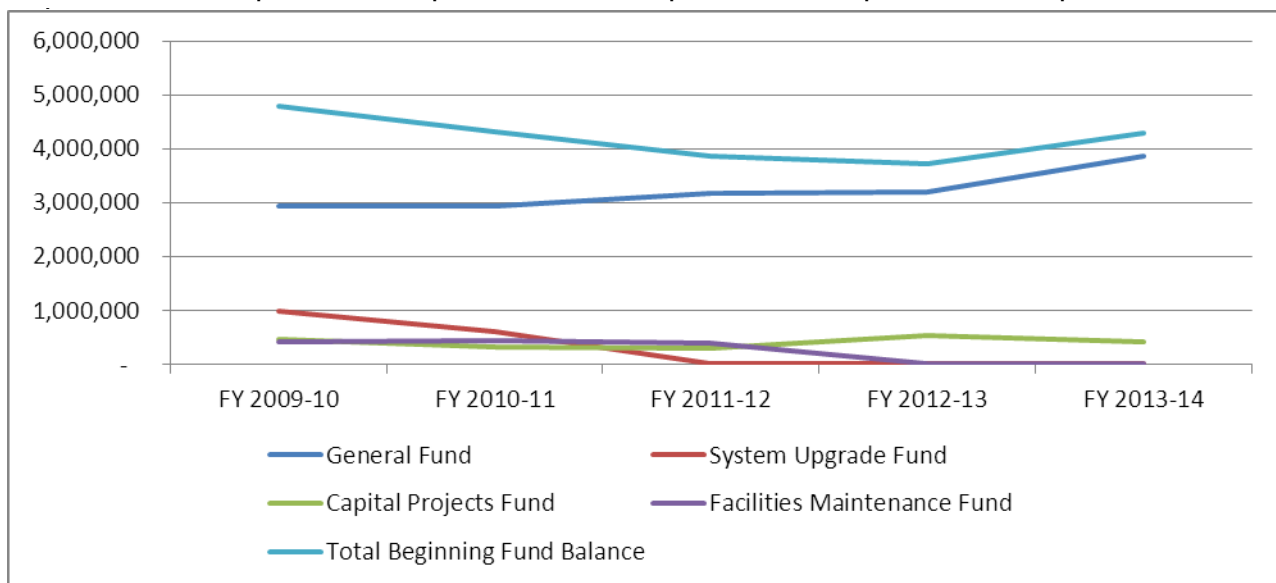
CONSOLIDATED BUDGET SUMMARY

BEGINNING WORKING CAPITAL AS A BUDGET RESOURCE – ALL FUNDS

All funds of the Agency are governmental type funds, which by definition use the modified accrual basis of accounting under a current financial resources measurement focus. This means that what’s recorded as revenues and expenses is only the money that will flow in or out of the Agency in the near term (one year or less). Long term liabilities and fixed assets are excluded from the accounting for governmental funds. The difference between the short term assets and short term liabilities results in an amount that will be realized in cash in the near term and is therefore available to fund operations. Governments schedule this amount as Beginning Working Capital (also known as Beginning Fund Balance) as a resource in their budgets to start each new fiscal year.

Five years of Beginning Working Capital are shown below. The amounts for FY 2012-13 and FY 2013-14 are as estimated and budgeted; all prior year numbers are actual and audited.

All funds combined: \$4.8M \$4.3M \$3.9M \$3.7M \$4.3M



The Beginning Working Capital for all funds combined has declined over the recent years and is projected to decline in years to come, in accordance with the Board of Commissioners’ long term financial planning.

The General Fund accounts for all Agency operations. This fund is experiencing increasing expenses for personnel, primarily for health insurance premiums and required PERS contributions. On the revenue side, while member fees are set annually to slowly draw down working capital in subsequent years, this draw down has not been consistent because of one-time revenues. Additionally, the Board of Commissioners has approved non-member radio contract and other fee increases.

On an annual basis, the Agency’s Board of Commissioners reviews its plans towards a financially sustainable future, which includes drawing down the General Fund’s Beginning Working Capital to the level of reserves deemed prudent for operations.

CONSOLIDATED BUDGET SUMMARY

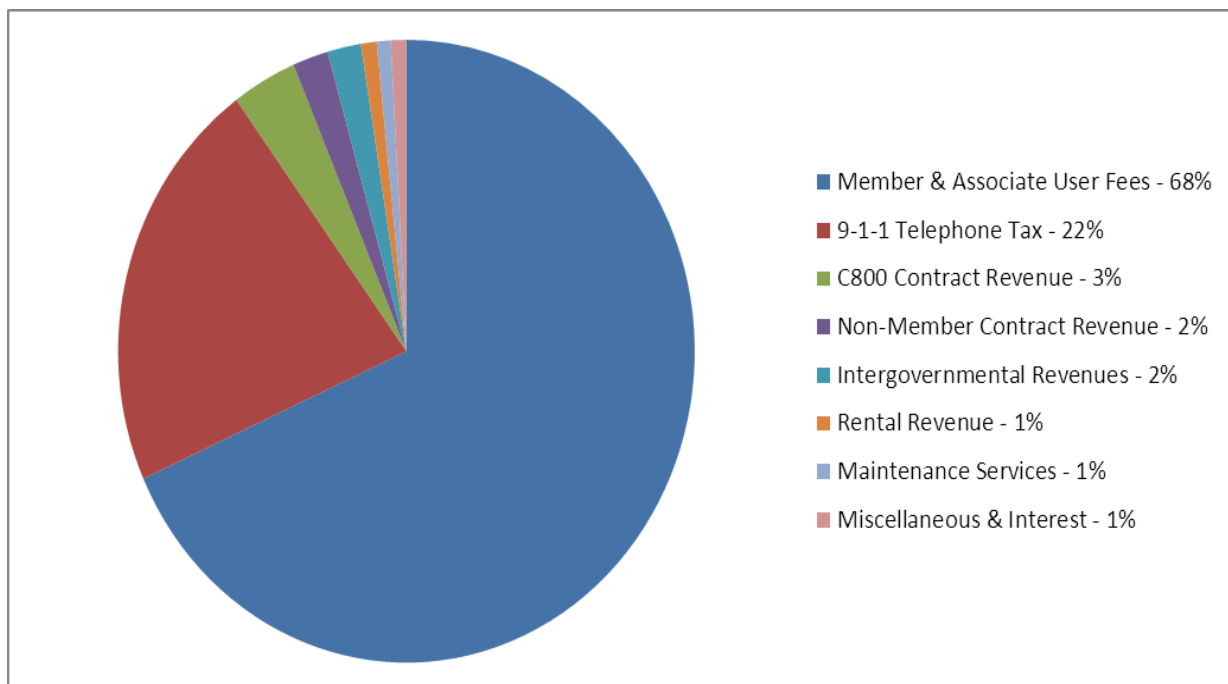
BEGINNING WORKING CAPITAL AS A BUDGET RESOURCE – ALL FUNDS (CONTINUED)

In regards to other funds shown in the graph on the prior page:

- The System Upgrade Fund utilized its funds in constructing and equipping the expanded radio communications tower system, for which those funds were dedicated. The project was completed and the fund was closed in FY 2010-11.
- The Capital Projects Fund purchased a CAD system over the course of two earlier years (FY 2008-09 and FY 2009-10), and its fund balance was drawn down as a result. A General Fund transfer in to this fund in FY 2011-12 increased Beginning Working Capital for FY 2012-13.
- The Facilities Maintenance Fund no longer meets the definition of a special revenue fund under GASB 54 - *Fund Balance Reporting and Governmental Fund Type Definitions* and was closed in FY 2011-12. Its remaining fund balance was transferred to the General Fund.

REVENUE – ALL FUNDS

The following graph depicts Agency-wide revenues (General Fund and Capital Projects Fund combined) excluding Beginning Working Capital. In the consolidation of funds, the activity of transfers between funds is typically eliminated. However, the Agency’s FY 2013-14 Budget has no scheduled transfers.



It should be noted that the General Fund’s revenues account for 98% of the Agency-wide revenues shown in the graph above. The Capital Projects Fund’s revenue comprises the remainder.

A discussion of the Agency’s two primary sources of revenue, Member Contract Fees and 9-1-1 Telephone Tax, follows.

CONSOLIDATED BUDGET SUMMARY

REVENUE – ALL FUNDS (CONTINUED)

The primary source of revenue to the Agency is the member intergovernmental agreement (IGA) user fees. These annual member fees are paid by the governmental partners that formed the Agency. These fees account for 68% of the revenues of the Agency as a whole and 70% of the General Fund revenues. The 9-1-1 telephone tax is the only other significant source of revenue to the Agency, accounting for 22% of the total Agency revenues and 22% of the General Fund revenues. With the decline in 9-1-1 tax revenue and increasing membership fees, the Agency has been undergoing a shift in its funding sources for operations. Please see the Budget Message for further discussion.

Together, these two sources of revenue account for 90% of the Agency's estimated revenues in the FY 2013-14 Adopted Budget and 92% of the General Fund.

Intergovernmental Contract Fees

The member governments that formed the Agency signed an intergovernmental contract to share in funding the Agency's operations: 9-1-1 call answering, emergency services dispatching and communications, and management and maintenance of the microwave/radio communications system. The intergovernmental agreement included a prescribed mathematical mechanism to use in distributing the needed funding amongst all participating entities.

When any revenue source other than membership fees do not rise as fast as the increase in annual operating expenses of the Agency, the burden of making up the difference falls to the member governments. This has been the partnership's experience as the 9-1-1 state telephone excise taxes have flattened and slightly declined. Additionally, the rate of increase to make up for these flattened revenues is exacerbated by the limited number of partners funding the Agency's operations.

FY 2012-13 Budget was the first year of the 3X3 Plan, where membership fees were fixed to only increase by an overall rate of 3.0%. However, one of the Agency's members was shown to experience a 12.3% increase. This wide divergence in percentages is due to the membership's fee distribution mechanism and its prescribed data sets (i.e., calls for service for fire agencies, population for police agencies and number of radios in service). The CEO Board is currently studying alternatives to this distribution mechanism.

According to the Board of Commissioners' financial plan, the Fund Balance of the General Fund will be used to offset member fee increases and will be consumed down to the established policy level of reserves over the next few years. At its September, 2012 Retreat, the Board of Commissioners adopted a continuation of the 3X3 Plan which requires a ~3.0% membership fee increase for FY 2013-14, with a like percentage for one additional year. Throughout these processes, it was understood that member user rates would continue to significantly increase unless the manner of doing business changed.

CONSOLIDATED BUDGET SUMMARY

Intergovernmental Contract Fees (continued)

The following chart is a listing of the member governments of the Agency and their intergovernmental contract fees. The fees represent the amounts to be paid for dispatch services, emergency communications, radio system usage and management and maintenance of the radio communications system, but it excludes maintenance service fees for radio and mobile data computer repair (which the Agency provides on a direct bill basis).

Member Governments:	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Budget
Washington County (Sheriff's Office)	1,712,405	1,904,485	1,911,820	1,973,253
Tualatin Valley Fire & Rescue	1,383,200	1,515,372	1,555,067	1,585,837
City of Hillsboro (Police & Fire)	1,337,291	1,469,702	1,499,095	1,561,786
City of Beaverton (Police)	977,629	1,077,303	1,102,843	1,139,641
City of Tigard (Police)	496,724	546,984	557,754	575,849
City of Forest Grove (Police & Fire)	288,683	325,589	336,037	356,608
City of Tualatin (Police)	273,888	300,832	301,142	311,423
City of Sherwood (Police)	172,594	194,424	206,116	212,885
City of Cornelius (Police & Fire)	126,189	134,950	148,115	152,988
Washington Co. Fire Dist. No. 2	55,480	57,144	58,860	60,626
Banks Fire District No. 13	25,423	26,184	26,972	27,781
City of King City (Police)	18,323	18,872	19,440	20,023
Gaston Rural Fire District	17,355	17,876	18,412	18,411
City of Durham (Police)	11,700	12,052	12,412	12,784
City of North Plains (Police)	11,036	11,368	11,708	12,059
City of Banks (Police)	6,367	6,556	6,756	6,959
City of Gaston (Police)	5,288	5,448	5,612	5,780
Public Safety Member Contract Fees	6,919,575	7,625,141	7,778,161	8,034,693
Member Government Radio (only) Fees	33,257	41,837	54,789	54,815
Total Member Contract Fees	6,952,832	7,666,978	7,832,950	8,089,508

Intergovernmental contract fees are billed quarterly to member governments, and are due and payable in advance of each quarter year in accordance with the underlying intergovernmental agreement. There is a 100% collection rate for the Agency from member governments.

In regards to a separate source of revenue (not listed above): Non-member Contract Fees for radio system access are set 117% higher than the radio access fees for members. This is because these "external" radio contract fees include recovery of some of the cost of the radio system assets (depreciation) in their rates, the assets of which member governments have funded. Fees for members' use of the radio system are based upon annual operational expense, excluding depreciation expense.

CONSOLIDATED BUDGET SUMMARY

9-1-1 Telephone Excise Taxes

The State of Oregon levies and collects 9-1-1 telephone excise taxes for land lines, cell phones and voice over internet protocol at a rate of \$0.75 per communication device per month in accordance with authorizing Oregon Revised Statutes (401.706 - 401.790). \$0.50 of these collections is distributed quarterly to cities and counties on a per capita basis. Upon receipt of 9-1-1 tax funds by cities within Washington County and the County itself, the amounts become payable to the Agency in accordance with the partnership's intergovernmental agreement. Effective January, 2013, the State began forwarding 9-1-1 taxes to Public Safety Answering Points (PSAPs) directly due to legislative changes in 2012.

The 9-1-1 taxes received by the Agency are subject to variation and have declined over recent years. Annual tax revenues for the FY 2011-12 and adopted for FY 2012-13 are anticipated to be less than what these revenues were over the prior five years (with one exception). 9-1-1 tax collections are subject to recessionary effects, challenges in collection and the trend towards pre-paid wireless services which have not been subject to the tax. During the 2009 State Legislature, a portion of the 9-1-1 funds retained by the State were legislatively absorbed into the State's General Fund due to a serious budget shortfall. Additionally, interest earnings on funds held before distribution to the cities and counties were no longer credited to the fund for distribution with the tax turnovers. Currently, in the 2013 State of Oregon Legislature, several bills have been submitted to extend this tax to these wireless service providers. The Agency will continue to monitor this legislation and its impact on the Agency and its Members.

The 9-1-1 telephone excise tax revenue comprises 22% of the revenues budgeted in the Agency's General Fund for FY 2013-14 (23% in the prior two years). In the chart below, the tax amounts reported by the Agency for financial reporting purposes vary somewhat from amounts reported by the State of Oregon due to the need to estimate the final quarter of each fiscal year.

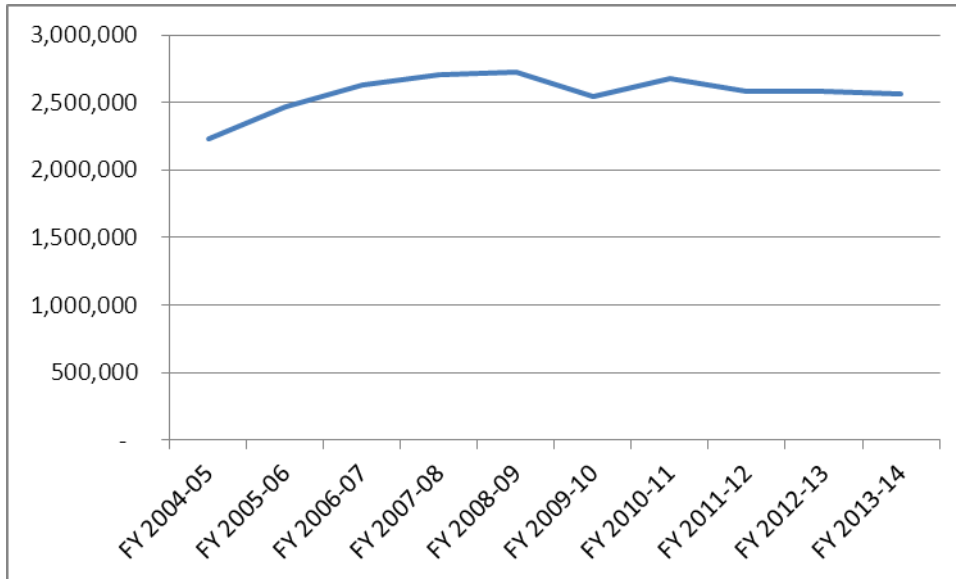
The budgeted amount for FY 2013-14 is estimated from historical experience and considers the ongoing effects of the recession, the trend towards prepaid wireless services and challenges with collection. A decreased amount of 9-1-1 tax revenue is anticipated in next year's Adopted Budget.

9-1-1 Tax Revenues			Chart Notes:
Fiscal Year	Annual \$	% Change	
FY 2013-14	2,568,000	(A) -0.5%	(A) Budgeted amount
FY 2012-13	2,579,772	(B) -0.3%	(B) Projected amount
FY 2011-12	2,587,085	-3.3%	All other amounts shown are actual, per the Statement of Activities in the Comprehensive Annual Financial Report, which accounts for tax revenue on a full accrual basis of accounting (most nearly matching state reports).
FY 2010-11	2,674,076	5.1%	
FY 2009-10	2,543,855	-6.6%	
FY 2008-09	2,724,400	0.5%	
FY 2007-08	2,710,321	2.9%	
FY 2006-07	2,634,950	6.7%	
FY 2005-06	2,469,119	10.6%	
FY 2004-05	2,231,607	1.1%	

CONSOLIDATED BUDGET SUMMARY

9-1-1 Telephone Excise Taxes (continued)

The following graph shows the trend over a ten year period for the 9-1-1 telephone taxes.



Effective January, 2013, the State began forwarding 9-1-1 taxes to Public Safety Answering Points (PSAPs) directly due to legislative changes in 2012.

BUDGET REQUIREMENTS AND UNAPPROPRIATED ENDING FUND BALANCE – ALL FUNDS

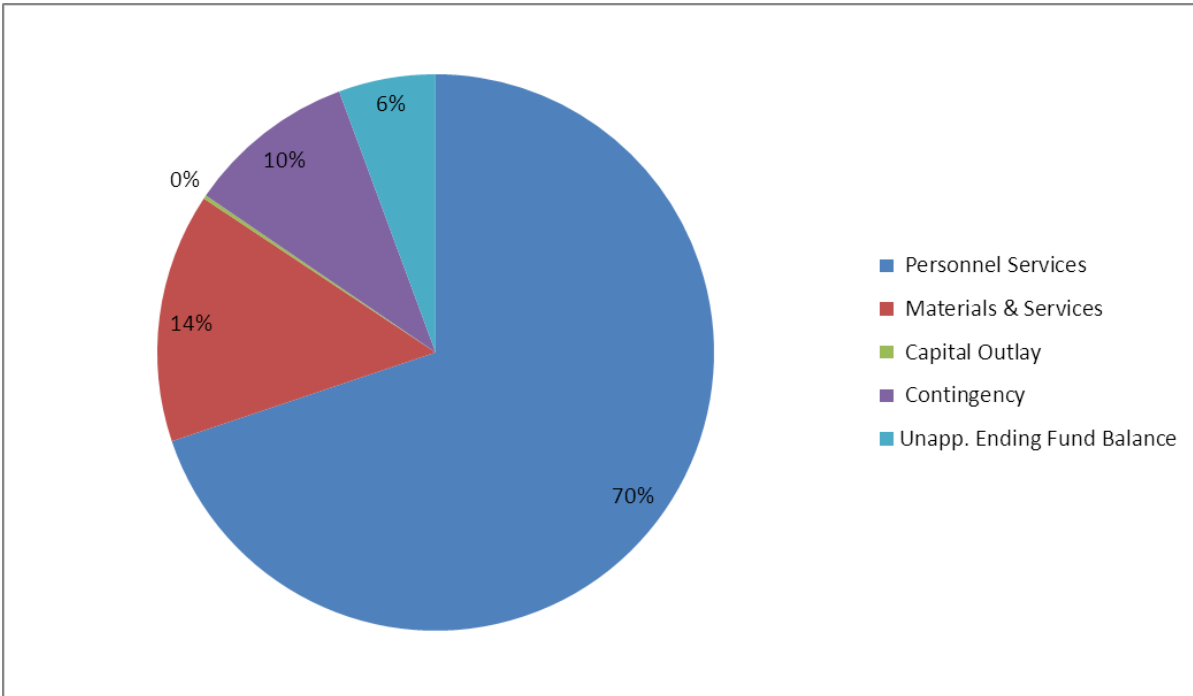
Under State of Oregon Local Budget Law, governments are required to present budgets showing all expenditures authorized to be spent (appropriated) along with any amounts estimated to be reserved for emergency or unforeseen appropriations needs during the year (Contingency). Expenditure appropriations plus Contingency are the “Budget Requirements” for the new fiscal year. Finally, governments may also estimate an amount to be formally reserved for use in future years, which is scheduled as “Unappropriated Ending Fund Balance”. Unappropriated Ending Fund Balance may not be spent except by official resolution of the Board of Commissioners.

Oregon State Law defines the expenditure categories to be presented in a government’s budget: Personnel Services (accounting for salaries, wages, overtime and all payroll expenses); Materials and Services (accounting for supplies, operational materials, small equipment and fixtures, contracted services, utilities and repairs), and Capital Outlay (accounting for those purchases or projects that will become an asset to be used in future years of operations of the government). Other Requirements includes Contingency, and Unappropriated Ending Fund Balance is a separate category.

CONSOLIDATED BUDGET SUMMARY

BUDGET REQUIREMENTS AND UNAPPROPRIATED ENDING FUND BALANCE – ALL FUNDS (CONTINUED)

Total Budget Requirements by budget category and Unappropriated Ending Fund Balance for both funds of the Agency for FY 2013-14 are shown as follows:



Contingency is presented in the graph above at 10% of the total. This is calculated as a percent of the total amounts scheduled in the FY 2013-14 Budget (including Contingency itself and Unappropriated Ending Fund Balance). The level of Contingency is set at the Board policy of 12%, but is calculated on total operating appropriations (excluding Contingency and Unappropriated Ending Fund Balance).

SIGNIFICANT EXPENDITURE APPROPRIATION CHANGES

Personnel Services

As a labor intensive organization, the Personnel Services budget category continues to be the largest expenditure category. All of the Agency’s personnel are accounted for in the General Fund.

Compared to the prior year budget, total Personnel Services increases by \$190,632 (1.8%). Cost of living increases of 2.0% are budgeted for most employees, as are 5% merit increases for approximately 40% of the employees who are expected to continue to advance through their salary ranges. Health insurance premiums are budgeted to increase by \$61,479, a 4.0% increase. The percent rate increase of health insurance premiums is higher, but the Agency calculated health insurance premiums specifically by employee for next year’s budget rather than using historical averages (as had been done in the past) in an effort to create a more accurate budget.

CONSOLIDATED BUDGET SUMMARY

SIGNIFICANT EXPENDITURE APPROPRIATION CHANGES (CONTINUED)

Personnel Services (continued)

Of the \$10,500,579 total Personnel Services in the FY 2013-14 Proposed Budget, \$6,868,453 (65.4%) is for salaries, wages and overtime. \$3,632,126 (34.6%) is budgeted for benefits and payroll expenses. The largest portion of these benefits is comprised of Public Employees Retirement System (PERS) required contributions of \$1,320,912 (12.6%) and health insurances at \$1,589,239 (15.1% of total Personnel Services). Employees pay a share of their health insurance premiums and the Agency pays for the employees' 6.0% PERS contribution.

Materials and Services

Total Materials and Services (M&S) for both funds of the Agency increase by \$49,103 (2.2% in comparison to the prior year's budget). This is in spite of the fact that M&S for the General Fund includes the first year of the Zone Controller maintenance agreement for \$90,000.

Capital Outlay

Capital Outlay for all funds combined in the FY 2013-14 Proposed Budget will decrease by \$377,988 (down 87.8%) from the prior year's budget, amounting to \$52,500. The reasons for this reduction are primarily the Agency's current decreased need for capital projects and its inability to fund large capital expenditures at this time.

In past years, the Agency completed a multi-million radio system expansion, replaced its CAD system and completed a number of improvements to the building that houses its operations. The near term future provides a different perspective: the radio system infrastructure (mostly comprised of electronic equipment) is approaching end of life and the new technology will require a greater number of radio transmission towers; the CAD system, also nearing end of life, will need to be replaced within several years, and the building which houses the Agency's operations is aged and may soon be undersized for its operations, particularly if new partners or customers are added. Please see the Budget Message for discussion of capital planning.

The Agency's capitalization policy requires items or projects of less than \$5,000 in value and having a serviceable life of less than one year to be expensed in the year acquired (charged to Materials and Services). Capital Outlay items costing more than \$5,000 include durable fixed equipment, such as vehicles, communications equipment and computers, and are accounted for as fixed assets at the close of the fiscal year, becoming long term assets in the Agency's Comprehensive Annual Financial Report. Because the building that houses this Agency's operations is leased from Washington County (and given the terms of that lease) improvement projects to the building that would normally be considered Capital Outlay are expensed in the year acquired.

CONSOLIDATED BUDGET SUMMARY

Interfund Transfers

Although there are no Interfund Transfers appropriated for the FY 2013-14 Proposed Budget, the following chart shows the transfers between funds over recent years:

	Actual FY 09-10	Actual FY 10-11	Actual FY 11-12	Budget FY 12-13	Budget FY 13-14
From:					
General Fund	53,700	53,700	220,500	-	-
Facilities Maintenance Fund	-	-	378,593	-	-
System Upgrade Fund	41,328	41,328	-	-	-
Total	95,028	95,028	599,093	-	-
To:					
General Fund	41,328	41,328	378,593	-	-
Capital Replacement Fund	-	-	220,500	-	-
Facilities Maintenance Fund	-	-	-	-	-
System Upgrade Fund	53,700	53,700	-	-	-
Total	95,028	95,028	599,093	-	-

Contingency and Unappropriated Ending Fund Balance

Reserves of the Agency are comprised of the total amount of Fund Balance (which can also be called Working Capital) the Agency holds. While Beginning Working Capital, the amount of Fund Balance at July 1, 2013, is scheduled as a resource in the budget, the Ending Fund Balance (the amount anticipated at June 30, 2014) is scheduled as Contingency and Unappropriated Ending Fund Balance.

Total Reserves budgeted for the Agency (both funds combined) for FY 2013-14 is \$3,339,153 (\$1,714,283 in Contingency and \$1,624,870 in Unappropriated Ending Fund Balance). This is a decline from prior years. Please see the Budget Message – Financial Planning, for further discussion.

OTHER

Grant Revenues

For the FY 2013-14 Proposed Budget, no grant revenues are anticipated.

Debt

The Agency is a Chapter 190 organization under Oregon Revised Statutes. Under the current state statutes, bonded indebtedness and other debt is allowable, if the formation agreement authorized debt. However, the Chapter 190 law in effect when this Agency's partnership was formed did not include the authority to issue debt. Therefore, the Agency's formation papers could not authorize it to indebt itself.

The Agency has issued no debt and has no debt service requirements.

CONSOLIDATED BUDGET SUMMARY

Budget Adoption

In compliance with the State of Oregon Local Budget Law, the FY 2013-14 Proposed Budget for the Agency was presented to the Budget Committee at its March 21, 2013 meeting, where the Budget Committee deliberated and approved the budget. On June 20, 2013, the Approved Budget was presented to the Board of Commissioners for its consideration. A public hearing on the Approved Budget was held and changes were considered by the Board. The Board then adopted the FY 2013-14 budget by resolution.

This annual budget is intended to serve as a financial plan and operational plan to achieve the Agency's goals and objectives.

*Adopted Budget
Fiscal Year 2013-2014*

INDIVIDUAL FUNDS

BUDGET SUMMARIES – INDIVIDUAL FUNDS

THE GENERAL FUND

The General Fund is the Agency's sole operating fund, accounting for all revenues not restricted for other purposes, and all expenditures related to operations such as:

- personnel expenses,
- materials and services in support of operations,
- maintenance and utilities for the office building, radio towers and communications equipment, and
- operational capital needs.

The General Fund is organized by departments correlating to the various functions provided by the Agency, as described earlier.

The Board-approved policy for the amount of Contingency in the General Fund is for it to be no less than 12% of operating expenditures. This Contingency is for unforeseen events of significant cost and operational emergencies. Contingency is an operational reserve and is not intended as a reserve for large capital needs. In accordance with Board policy, \$1,489,339 is appropriated as Contingency in FY 2013-14. The remainder of the estimated ending fund balance (\$1,624,870) is scheduled as Unappropriated Ending Fund Balance, reserving it for a future year.

The General Fund of governmental entities is always disclosed as a major fund for the Comprehensive Annual Financial Report (CAFR).

CAPITAL PROJECTS FUND

The Capital Projects Fund is designated for large capital replacement needs, and in past years has provided radio system equipment, major office computer equipment and the Computer Aided Dispatch (CAD) replacement project. This fund continues to receive \$125,000 per year from the Washington County Public Safety Local Option Tax Levy, approval for which was renewed by the voters to extend through FY 2015-16. This fund's Contingency of \$224,944 is reserved for future large capital needs.

The Agency, with the assistance of its largest partner, Washington County, arranged for the purchase of a \$2.3 million Zone Controller for the radio system, for which \$630,000 in grant funds was secured in FY 2011-12 (\$130,000 of these grant funds will be received in FY 2012-13). \$1.8 million of the purchase has been financed through Washington County, with the Agency funding the \$500,000 down payment and the annual \$275,554 debt service payment. The Local Option Levy tax funds from Washington County will be used to pay a portion of this annual expense, as will the C800 Radio Group's 34% share of the annual payment. The financial arrangement with Washington County resulted in no asset and no indebtedness on the Agency's books.

The Capital Projects Fund is reported as a major fund by the Agency as a matter of policy, for qualitative reasons.

BUDGET SUMMARIES – INDIVIDUAL FUNDS

General Fund	Actual FY 2011-12	Fiscal Year 2012-13		Adopted
		Adopted Budget	Estimated To June 30	Budget FY2013-14
RESOURCES				
Beginning Working Capital	3,177,190	3,142,696	3,200,219	3,865,721
Revenues				
Interest	19,125	16,000	21,900	18,000
9-1-1 Telephone Tax	2,605,085	2,576,000	2,579,772	2,568,000
Member & Associate User Fees	7,625,138	7,861,532	7,832,815	8,089,508
C800 Contract Revenue	437,743	430,090	431,715	467,841
Non-Member Contract Revenue	184,595	218,945	225,088	236,800
Maintenance Services	109,316	154,735	131,545	92,500
Rental Revenue	92,963	95,900	97,621	104,000
Miscellaneous Income	84,445	248,300	256,576	83,000
Interfund Transfers	378,592	-	-	-
Total Revenues	11,537,002	11,601,502	11,577,032	11,659,649
TOTAL RESOURCES	14,714,192	14,744,198	14,777,251	15,525,370
REQUIREMENTS				
By Category				
Personnel Services	9,501,504	10,309,947	9,397,408	10,500,579
Materials & Services	1,593,772	1,776,979	1,426,366	1,858,082
Capital Outlay	198,197	133,700	87,756	52,500
Interfund Transfers	220,500	-	-	-
Contingency	-	1,466,475	-	1,489,339
TOTAL REQUIREMENTS	11,513,973	13,687,101	10,911,530	13,900,500
Unappropriated Ending Fund Balance (UEFB)		1,057,097		1,624,870
Fiscal Year End Fund Balance	3,200,219		3,865,721	
TOTAL BUDGET	14,714,192	14,744,198	14,777,251	15,525,370

TOTAL FY2013-14 BUDGET BY DEPARTMENT:

By Category:	Personnel Services	Materials & Services	Capital Outlay	Total Requirements
By Department:				
Administration & Finance	533,386	362,389	-	895,775
Performance Management	487,597	40,173	-	527,770
Operations	7,837,627	164,445	-	8,002,072
Logistics:				
Data Services Division	609,074	401,687	-	1,010,761
Radio Services Division	1,032,896	336,098	52,500	1,421,494
Facilities Maintenance Division	-	462,600	-	462,600
Direct Bill Services Division	-	90,690	-	90,690
Total Operational Expenditures	10,500,579	1,858,082	52,500	12,411,161
Nondepartmental:				
Contingency				1,489,339
Unapprop. Ending Fund Balance				1,624,870
TOTAL BUDGET				15,525,370

BUDGET SUMMARIES – INDIVIDUAL FUNDS

Capital Projects Fund

	Actual FY 2011-12	Fiscal Year 2012-13		Proposed Budget FY2013-14
		Adopted Budget	Estimated To June 30	
RESOURCES				
Beginning Working Capital	300,442	498,672	526,393	425,268
Revenues				
Interest	1,434	1,734	2,345	1,500
Grant Revenue	500,000	130,000	130,000	-
Intergovernmental Revenue	155,741	281,096	223,727	223,730
Interfund Transfers	220,500	-	-	-
Total Revenues	877,675	412,830	356,072	225,230
TOTAL RESOURCES	1,178,117	911,502	882,465	650,498
REQUIREMENTS				
By Category				
Materials & Services	-	457,554	275,554	425,554
Capital Outlay	651,725	296,788	181,643	-
Contingency	-	157,160	-	224,944
TOTAL REQUIREMENTS	651,725	911,502	457,197	650,498
Unappropriated Ending Fund Balance (UEFB)	-	-	-	-
Fiscal Year End Fund Balance	526,392	-	425,268	-
TOTAL BUDGET	1,178,117	911,502	882,465	650,498

BUDGET SUMMARIES – INDIVIDUAL FUNDS

SIGNIFICANT NON-RECURRING CAPITAL EXPENDITURES

In May of 2009, the major second phase of the radio tower expansion project became operational. In June of 2009, the new CAD system became operational. Since the completion of these two multi-year, multi-million dollar projects, the Agency is in a period of time where capital expenditures have been reduced. Capital expenditures currently budgeted for Fiscal Year 2013-14 are primarily annual operational needs.

General Fund

The Radio Services Division of the Logistics Department in the General Fund is budgeted for \$52,500 of Capital Outlay for FY 2013-14. This capital expenditure is to upgrade the radio system and monitoring capability.

Capital Projects Fund

There are no significant non-recurring capital expenditures budgeted in the Capital Projects Fund for FY 2013-14.

*Adopted Budget
Fiscal Year 2013-2014*

MEMBER FEES

MEMBER FEES

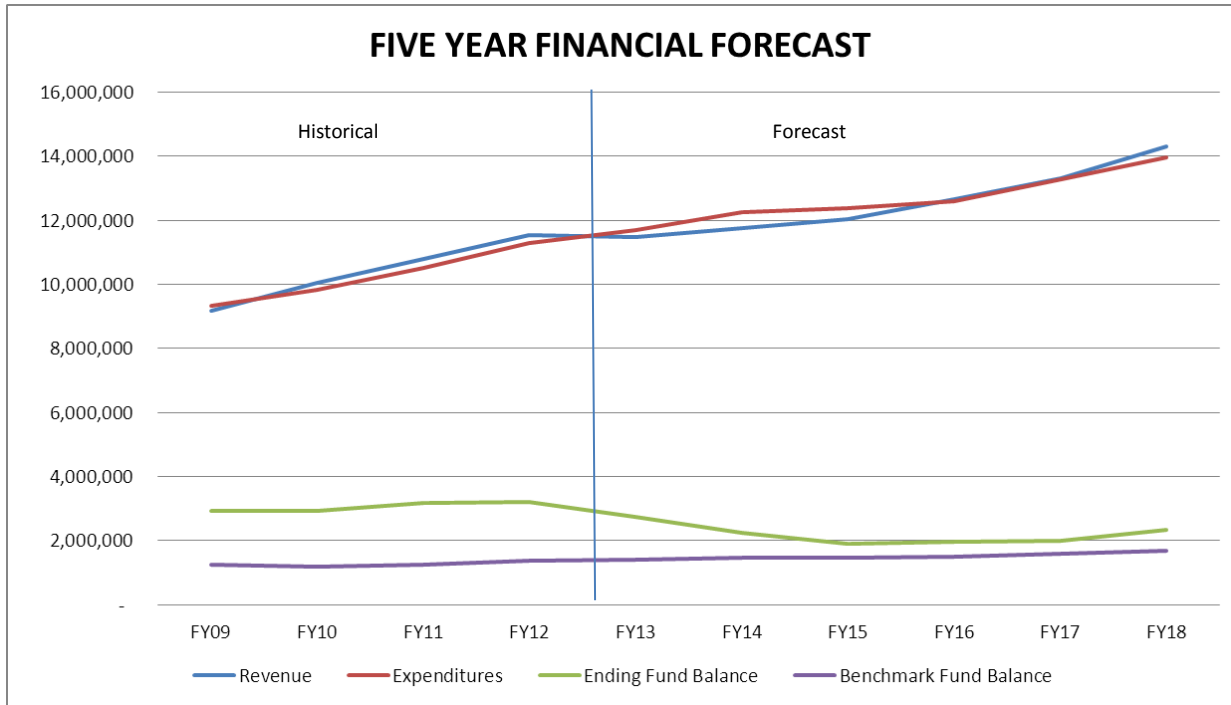
<i>FY 12/13 Fees by Agency</i>	<i>Agency</i>	<i>Member Fees</i>	<i>800 System Radio Fees</i>	<i>Subtotal Costs</i>	<i>Amount over Prior Year Fee</i>	<i>% Increase % above capped fee*</i>	<i>3% Cap Adjustment</i>	<i>FY 13/14 TOTAL</i>	<i>% Inc. after 3% Adj.</i>
\$1,911,597	Sheriff's Office	\$1,807,589	\$146,116	\$1,953,705	\$42,108	2.2%	\$19,548	\$1,973,253	3.2%
1,101,886	Hillsboro Police	1,060,056	66,678	1,126,734	24,848	2.3%	11,274	1,138,008	3.3%
1,102,976	Beaverton Police	1,060,056	68,295	1,128,352	25,375	2.3%	11,290	1,139,641	3.3%
558,200	Tigard Police	527,549	42,595	570,144	11,944	2.1%	5,705	575,849	3.2%
301,142	Tualatin Police	284,614	23,724	308,338	7,196	2.4%	3,085	311,423	3.4%
206,027	Sherwood Police	198,914	11,862	210,776	4,749	2.3%	2,109	212,885	3.3%
185,513	Forest Grove Police	176,857	13,120	189,977	4,463	2.4%	1,901	191,878	3.4%
104,815	Cornelius Police	99,048	8,267	107,315	2,501	2.4%	1,074	108,389	3.4%
19,440	King City Police	34,160	3,954	38,114	18,674	96.1%*	(18,091)	20,023	3.0%
11,708	North Plains Police	16,543	5,392	21,934	10,226	87.3%*	(9,875)	12,059	3.0%
12,412	City of Durham	14,819		14,819	2,407	19.4%*	(2,035)	12,784	3.0%
6,756	Banks Police	14,755		14,755	7,999	118.4%*	(7,797)	6,959	3.0%
5,612	Gaston Police	5,320	1,618	6,938	1,326	23.6%*	(1,157)	5,780	3.0%
\$5,528,083	Total Police Costs	\$5,300,281	\$391,620	\$5,691,901	\$163,818		\$17,029	\$5,708,931	3.3%
	<i>Cost per Console</i>	\$1,060,056							
\$1,554,888	TVFR	\$1,460,315	\$109,812	\$1,570,127	\$15,238	1.0%	\$15,710	\$1,585,837	2.0%
397,209	Hillsboro Fire	387,589	31,991	419,580	22,371	5.6%	4,198	423,778	6.7%
149,990	Forest Grove Fire	141,172	21,926	163,098	13,109	8.7%	1,632	164,730	9.8%
58,860	WCFD #2	51,808	17,972	69,781	10,921	18.6%*	(9,155)	60,626	3.0%
43,300	Cornelius Fire	47,781	13,659	61,440	18,140	41.9%*	(16,841)	44,599	3.0%
26,972	Banks Fire #13	19,683	14,558	34,240	7,268	26.9%*	(6,459)	27,781	3.0%
17,875	Gaston Fire	11,764	12,760	24,525	6,650	37.2%*	(6,114)	18,411	3.0%
\$2,249,093	Total Fire Costs	\$2,120,112	\$222,679	\$2,342,791	\$93,698		\$(17,029)	\$2,325,762	3.4%
	<i>Cost per Console</i>	\$1,060,056							

* = subject to a cap of 3% increase

*Adopted Budget
Fiscal Year 2013-2014*

**GENERAL FUND
5 YEAR FINANCIAL PLAN**

GENERAL FUND – FIVE YEAR FINANCIAL PLAN



The above graph depicts the Agency’s “Financial Forecast” for FY 2013 through FY 2018. The Agency customarily uses the terminology “Forecast” because of the dynamic nature of this planning, particularly for the second and ensuing years. The first year of each forecast, however, is used to develop the upcoming year’s budget, and the member agencies place some reliance upon the ensuing years unfolding as planned.

The Board of Commissioners adopts a financial forecast in September of each year. The following February, management’s financial performance measured against the financial forecast of the current year is formally presented to the Chief Executive Officers Board, and the draft budget for the ensuing fiscal year must be demonstrated to comply with the financial plan. Financial performance against the forecast for the current year is then also reported to both Boards in June. Effectively, this Agency manages and reports its finances from two perspectives and separate processes – the long term, based upon the forecast, and the near term, based upon the annual budget.

GENERAL FUND – FIVE YEAR FINANCIAL PLAN

	FY10-11 Actual	FY11-12 Actual	FY12-13 Projected	FY13-14 Forecast	FY14-15 Forecast	FY15-16 Forecast	FY16-17 Forecast	FY17-18 Forecast
RESOURCES								
Beginning Working Capital	2,938,036	3,177,191	2,972,513	2,749,263	2,252,547	1,905,564	1,959,913	1,996,951
Revenues								
Interest	17,308	19,127	19,201	16,496	13,515	11,433	11,759	11,982
911 Excise Tax	2,708,898	2,605,085	2,630,208	2,630,208	2,630,208	2,630,208	2,630,208	2,630,208
IGA User Fees / Member & Associate Fees	6,952,832	7,625,138	7,853,892	8,089,509	8,332,194	8,915,448	9,539,529	10,483,942
System User Contracts (C800 only)	428,448	437,743	430,090	430,950	431,812	432,676	433,541	434,408
Non-Member Contracts	161,447	184,595	218,945	238,650	260,129	283,540	309,059	336,874
Tower Site Rent Revenue	126,331	92,963	95,800	101,800	107,800	113,800	119,800	125,800
Grant Revenue		-						
Maintenance Services	194,619	109,313	144,965	153,300	162,115	171,437	181,295	191,719
Miscellaneous Income	222,691	463,038	96,300	92,000	92,000	92,000	92,000	92,000
Total Current Revenues	10,812,574	11,537,002	11,489,401	11,752,913	12,029,773	12,650,542	13,317,191	14,306,933
Total Resources	13,750,610	14,714,193	14,461,914	14,502,176	14,282,320	14,556,106	15,277,104	16,303,884
EXPENDITURES								
Personnel Services								
Salaries & Wages & Overtime	6,269,825	6,331,522	6,522,098	6,713,803	6,713,493	6,713,168	7,048,826	7,401,268
Medical Insurance	1,234,798	1,345,550	1,436,425	1,459,948	1,594,931	1,742,312	1,916,544	2,108,198
PERS	774,371	1,176,523	1,239,199	1,577,744	1,577,671	1,577,594	1,656,474	1,739,298
Social Security	470,556	469,925	489,157	503,535	503,512	503,488	528,662	555,095
Other Payroll Costs & Benefits	154,157	177,985	174,765	164,392	156,036	167,597	169,273	170,965
Total Personnel Services	8,903,707	9,501,505	9,861,644	10,419,422	10,545,644	10,704,159	11,319,779	11,974,824
Materials & Services	1,524,793	1,593,772	1,810,008	1,795,208	1,796,112	1,832,034	1,868,675	1,906,048
Capital Outlay	91,219	198,197	41,000	35,000	35,000	35,000	35,000	35,000
Zone Controller Costs & Debt Service						25,000	56,700	56,700
Subtotal Operating Expenditures	10,519,719	11,293,474	11,712,651	12,249,630	12,376,756	12,596,193	13,280,153	13,972,572
Operating Revenue Over (Under) Oper. Exp.	292,855	243,528	(223,250)	(496,716)	(346,982)	54,349	37,038	334,361
Transfers - Capital Reserves	53,700	220,500						
Total Expenditures	10,573,419	11,513,974	11,712,651	12,249,630	12,376,756	12,596,193	13,280,153	13,972,572
Increase (Decrease) in Fund Balance	239,155	23,028	(223,250)	(496,716)	(346,982)	54,349	37,038	334,361
ENDING FUND BALANCE	3,177,191	3,200,219	2,749,263	2,252,547	1,905,564	1,959,913	1,996,951	2,331,312
	30.0%	27.8%	23.5%	18.4%	15.4%	15.6%	15.0%	16.7%
Benchmark: Ending Fund Balance @ 12%	1,262,366	1,355,217	1,405,518	1,469,956	1,485,211	1,511,543	1,593,618	1,676,709
	11.9%	11.8%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
% User Fee increase	9.9%	9.9%	3.0%	3.0%	3.0%	7.0%	7.0%	9.9%

The above chart is the basis of the preceding graph. Its assumptions are as follows:

1. No new partners or contracted members (no new significant sources of revenue);
2. 9-1-1 taxes will remain flat;
3. Non-member radio fees and contracted radio fees will continue to increase;
4. Inflation and interest earnings will remain moderate;
5. Member fees are to be set at 3% increases for 3 years; increasing in the “out years”;
6. Consumption of Working Capital/Fund Balance down to the policy level of 12%;
7. Inclusive of all operational expenses, including the Zone Controller annual maintenance expense;
8. Capital funding to be included in the Long Term Capital Plan, with funding options;
9. Service level reductions over Fiscal Years 2012-13 through 2015-16;
10. Service level reductions for Fiscal Years 2014-15 through 2015-16 to be delineated at each September Board Retreat;
11. Performance against the forecast to be monitored and reported regularly;
12. Adjustable annually and not to be considered set for the full forecasted period.

*Adopted Budget
Fiscal Year 2013-2014*

GLOSSARY

GLOSSARY

Account

A record collecting related debits or credits of like expenditures or revenues.
Example: "Office Supplies" is a record of expenditure charges or debits called an account.

Appropriation

“An authorization granted by the governing body to make expenditures and to incur obligations for specific purposes. An appropriation is limited to a single fiscal year for municipal corporations preparing annual budgets, or to the budget period for municipal corporations preparing biennial budgets.”¹ Appropriations limit the amount that may be legally expended and lapse at the end of the budget time frame.

Budget

A financial plan for operational and capital purposes embodying an estimate of expenditures for a given period (e.g., fiscal year), and the means of financing them (estimates of resources, revenues and debt).

Budget Message

An overview and discussion of the budget as presented by or at the direction of the executive officer of the agency. State of Oregon Local Budget Law (ORS 294.391 requires that the budget message shall:

- (1) Explain the budget document;
- (2) Contain a brief description of the proposed financial policies of the municipal corporation for the ensuing year or ensuing budget period;
- (3) Describe in connection with the financial policies of the municipal corporation, the important features of the budget document;
- (4) Set forth the reason for salient changes from the previous year or budget period in appropriation and revenue items; and
- (5) Explain the major changes in financial policy.

Budgetary Control

The established system and efforts of management (at an administrative level) and governing bodies (at a legal level) to maintain expenditures within the limitation of authorized appropriations and available resources in accordance with an adopted budget.

CAD

Computer Aided Dispatch - The computer system used by dispatchers to enter calls for service and dispatch to field units. CAD is also used to track officer activity, such as traffic stops.

CAD Incident

Every call for service or officer activity entered into the CAD system is a separate incident and is assigned an incident number.

GLOSSARY

Call for Service

An incident which is reported to, or called in to, the dispatch center and is then sent to the appropriate user agency for action.

Capital Expenditures

Expenditures for items considered to have a life of more than one year, an original cost in excess of \$5,000, which are of a durable nature and used in the operations of the entity (e.g., buildings, land, equipment, furnishings, vehicles, communications equipment, radio infrastructure).

Capital Projects Fund

A fund used to account for resources, such as a property tax levy, to be used for major capital purchase or construction.

Beginning Working Capital /Beginning Fund Balance

The excess of a government's current assets over its current liabilities at the start of a new fiscal year.

CEO Board

For Washington County Consolidated Communications Agency: the Chief Executive Officers Board with specific delegated authority of the Board.

Contract Users

As used in this document: entities using the Washington County Consolidated Communications Agency radio infrastructure system through a negotiated contract.

Debt

An obligation resulting from the borrowing of money or from the purchase of goods and services on credit. WCCCA does not incur debt due to its formation under a former version of ORS Chapter 190.

Ending Fund Balance

The excess of a government's current assets over its current liabilities at the end of a fiscal year.

Expenditures

The incurrence of an outflow of financial resources for goods, services or other (interest; penalties) by a government. "Expenditure" correlates with "expenses" of private enterprise but can be measured differently.

Fiscal Year

A twelve-month period of time in which revenues and expenditures are allocated and reported for budget and financial reporting purposes.

GLOSSARY

FTE

Full Time Equivalent – the number of positions calculated on the basis that one FTE equates to a 40-hour work week for twelve months. For example, two part-time positions working 20 hours per week for twelve months equals one FTE.

Fund

A distinct financial accounting entity with a self-balancing set of accounts for resources set aside for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. A fund's accounts include revenues, expenditures and "equity" accounts, the latter of which is referred to as "fund balance".

Fund Balance

The amount of total assets in excess of total liabilities in a governmental financial entity.

General Fund

The general operating fund which is used to account for all transactions of a government not accounted for in another fund.

Governmental Funds

"The funds through which most governmental functions are typically financed"², including the General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds and Permanent Funds. The Agency has only two funds, both of which are Governmental Funds.

IGA

Intergovernmental Agreement –a written contract among governmental entities.

Interfund Transfers

Transfers of resources between funds.

Levy

(Verb) To impose taxes, special assessments, or service charges for the support of governmental activities.

(Noun) An amount of taxes imposed by a governmental unit.

Line Item: An account used for budget and accounting purposes.

M&R: Maintenance and Repair.

Materials and Services

A category of budgeted expenditures comprised of general expenses in support of operations, such as supplies, utilities, travel and training, contractual services, maintenance, etc.

GLOSSARY

Modified Accrual Basis

“The basis of accounting used in conjunction with the current financial resources measurement focus that modifies the accrual basis of accounting in two important ways: 1) revenues are not recognized until they are measureable and available and 2) expenditures are recognized in the period in which governments in general normally liquidate the related liability rather than when that liability is first incurred (if earlier).”²

OPSRP

Oregon Public Service Retirement Plan. A State of Oregon defined contribution/defined benefit pension plan to which members make contributions; employers may or may not also make contributions. OPSRP members are employees hired by a public employer participating in the OPSRP Pension Plan into a qualifying position on or after August 29, 2003.

ORS: Oregon Revised Statutes adopted by the State of Oregon Legislature.

ORS Chapter 190

An Oregon Revised Statute which states that a unit of local government may enter into a written agreement with any other unit or units of local government for the performance of any or all functions and activities that a party to the agreement, its officers or agencies, have authority to perform. The agreement may provide for the performance of a function or activity. The resulting “Chapter 190” organization is a governmental entity under law.

PERS

The Public Employees Retirement System. A State of Oregon defined benefit pension plan to which both employee and employer have defined contribution rates.

Personnel Services

A category of budgeted expenditures comprised of salaries, wages, payroll expenses and benefits for all budgeted staff positions.

PSAP

Public Safety Answering Point – an industry term for an emergency communications (or 9-1-1) center.

Radio Infrastructure

The facilities and networks employed to transmit and receive information by electronic, microwave and radio means. This includes, but is not limited to, point-to-point microwave radio, data base stations, voice radio repeaters, and metallic cables.

Requirements

The set of appropriation categories that comprise the budget and define the level of funding required to support operations.

GLOSSARY

Resources

Current revenues plus the Beginning Fund Balance of a governmental unit.

Revenue

An amount of inflow resulting from a financial transaction within a fiscal year.

Self-Initiated Activity

Activity initiated by a field unit and reported to dispatch from a field unit and entered into CAD as an incident.

Unappropriated Ending Fund Balance

An estimated amount of a fund's budgeted resources that is established to be available to the ensuing year's budget and specifically reserved as such. This amount can be transferred to expenditure appropriations only by resolution of the governing body.

Users

Refers to any of the 18 police or fire emergency response agencies that are members of the intergovernmental partnership forming the Agency, or by other contract.

WCCCA

An acronym for Washington County Consolidated Communications Agency.

WCDA

Washington County Dispatchers Association – refers to the collective bargaining unit for union representation at WCCCA

Sources cited:

1. Oregon Revised Statutes, Chapter 294.311, Salem: State of Oregon, 2011.
2. Gauthier, Stephen J., *Governmental Accounting Auditing and Financial Reporting*, Chicago: Government Finance Officers Association, 2012.