



4/20/2022

## **Budget Message**

The Budget message will further explain the budget documents. It will provide the definition of the Districts Funds and The Districts Object Classifications. As those are presented the explanation of financial policies and changes since last year will be added.

**Fiscal Year  
2022-2023**

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## Budget Officer Note

The FY22/23 Budget has been prepared based on the strategic plans of our District. Every year the proposed Budget is a projection. However, this year, more so than usual. The document is prepared based on the most current information and best projections available.

Those considerations include elements in the personnel services. The Collective Bargaining Agreement is nearing resolution but as of the time this message has been prepared it has not. Our biennial pay equity study has been completed per the requirements of OEPA, there are no corrective actions necessary. There has not been any increase in pay for FY 21/22 based on cost of living. Typically, the resolution of the CBA will include retroactive pay to address that. When that is the case, it has been our practice to apply the same cost of living increases to non-bargained positions. Succession and strategic planning support a review of non-bargained positions to align with District succession and strategic plans.

### FY 21/22 Budget Adjustments

Budget adjustments are necessary to manage reserve accounts, facilitate transfers between accounts and appropriate any extra payment to long term debt.

Current fiscal year (we are in the last quarter of it) has already seen impacts in personal services. We have experienced staffing changes that have been a challenge operationally. The impacts of turnover in our existing staff and trainees along with the challenges of recruitment during the COVID era resulted in actual costs being less than the budget projections. We have successfully capitalized on these carryovers in the past by utilizing funds to build reserves and refinancing our long-term debt. Budget adjustments will allow for us to capitalize on some of these funds to reduce long term debt.

Lastly, we are moving forward in our process on major projects involving system replacements. We are developing a request for proposal for a new CAD system. We are working with our partner agencies through KIRG on communications system updates. Integrated with that we will need to replace our dispatch consoles (radio). Our current CAD has been in place since 2006, our current dispatch consoles since 2008. The E911 phones deployed in 2017 and funded through the state 911-subaccount are on a replacement cycle determined by the state that is typically 5-7 years. That puts us on the threshold of our 911 phone "refresh". These projects also include considerations of the needs of our Public Safety partners. Collaboration on these projects foster opportunities for grants and partnerships along with requiring District funds. The equipment reserve fund established in 2012 has reached the 10-year limit. A new fund will need to be established. This proposed budget assumes that the Board approves the resolutions necessary to make these budget adjustments.

Keith Endacott

## District Funds

Klamath 911 Emergency Communications District utilizes the local branch of Umpqua Bank. Umpqua Bank qualifies for the Oregon Public Funds Collateralization Program under ORS Chapter 295.002. The district has four accounts, a money market and checking associated with the general fund and two reserve funds in separate accounts.

**The District has three total funds: General Fund, Building Reserve Fund and Equipment Reserve Fund.**

**General Fund:** This fund is budgeted on forms LB-20 for resources and LB-31 for expenditures. It represents Cash held in Umpqua Bank in checking and money market accounts, along with petty cash and accounts receivable and payable.

**Facility Maintenance Reserve Fund:** This fund established in June of 2020 is budgeted on form LB-11B. The district has a specific bank account for this fund.

**Equipment Reserve Fund:** The Equipment Reserve fund is authorized by the Board through resolution and has been determined upon annual review to be continued. This fund is budgeted on

In the budget document the amounts are separated into main categories. These are the Object Classifications. Within those main categories are the specific line items. The following sections will explain the main categories and provide information on the recommendations of the Budget Officer for the line items within those classifications.

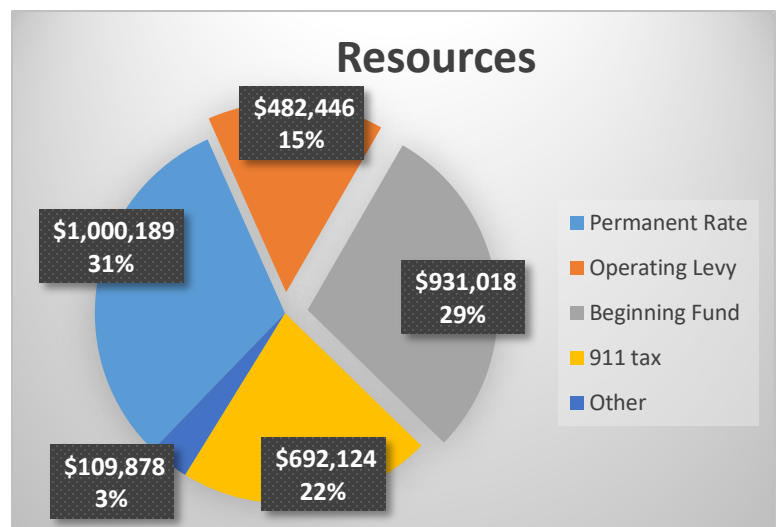
form LB-11E is also a separate account. This holds funds in reserve for future projects such as system lifecycle replacements.

### LB-20 –Resources:

**Beginning Fund Balance:** This represents what is estimated to be left over in our General Fund at the end of the current fiscal year. (June 30, 2022) Our projection is \$931,018.

### Other Resources:

**9-1-1 Excise Tax:** This section includes our pass-through share of the 911 tax that is collected by the State. Distributions to the 911 call centers are made quarterly. A formula roughly based on population served is defined in ORS that determines

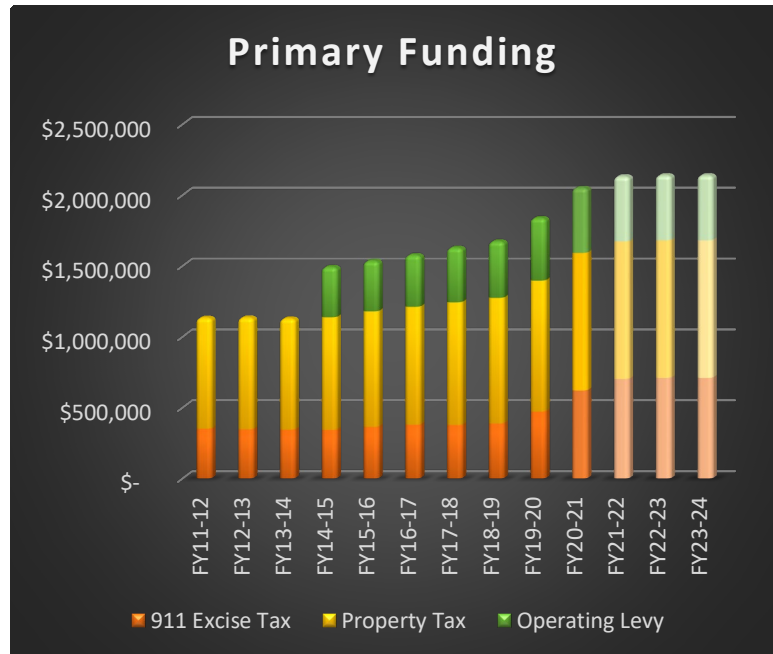


the amount of the distribution. Legislation passed in 2020 increasing this tax over the past 2 years incrementally from \$.075 to a final rate of \$1.25 as of January 1, 2021.

**Other Funding:** Tow Contract fees, miscellaneous sales and State payments in lieu of taxes are self-explanatory.

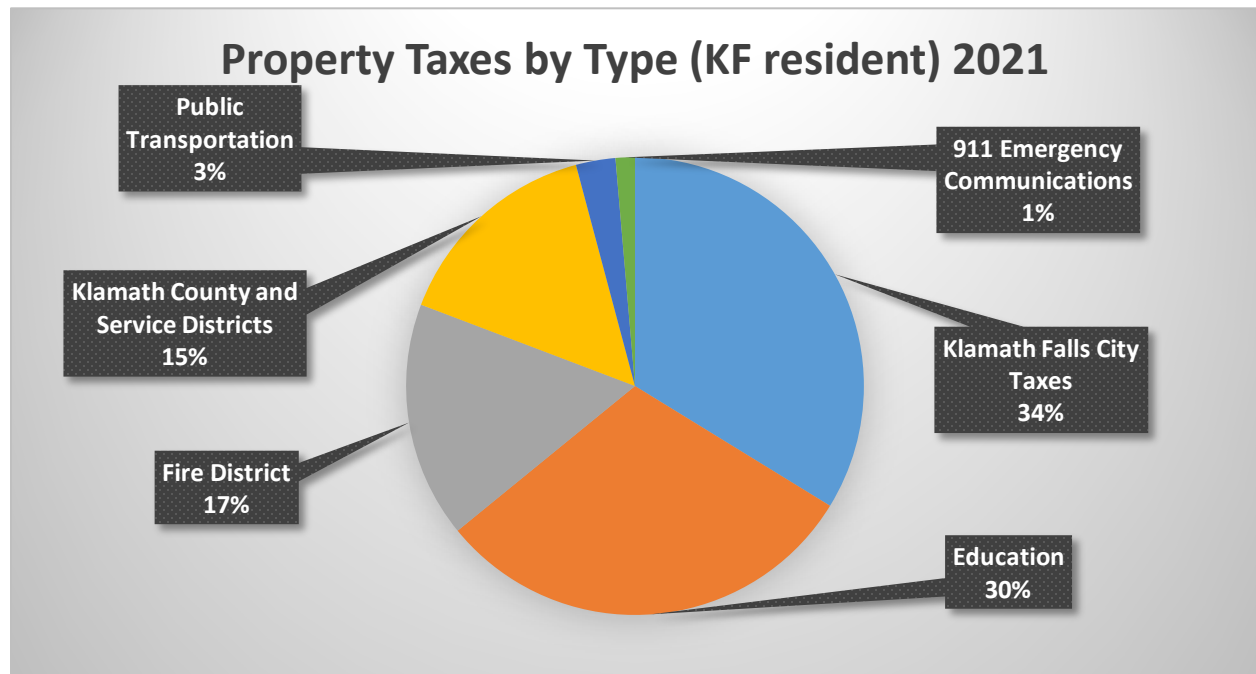
**OEM Subaccount Funds:** This category represents money spent from the 911 subaccount managed at the State 911 program. These funds are either reimbursed, disbursed, or paid directly for services on our behalf. This is where we account for those dollars. The expenses are authorized in the appropriate category.

**Contract Service Fees:** This is income from a small number of contracts for services we provide.



**Grant Revenue:** There are no planned and anticipated grant funds for this budget year, but that does not prohibit us from seeking and receiving grant funds if an opportunity becomes available.

**Taxes necessary to balance:** This figure is the additional amount required to have the total resources balance with the total expenditures listed on the LB-31. This amount cannot exceed the estimated amount of taxes expected during the fiscal year based upon our permanent tax and operating levy.

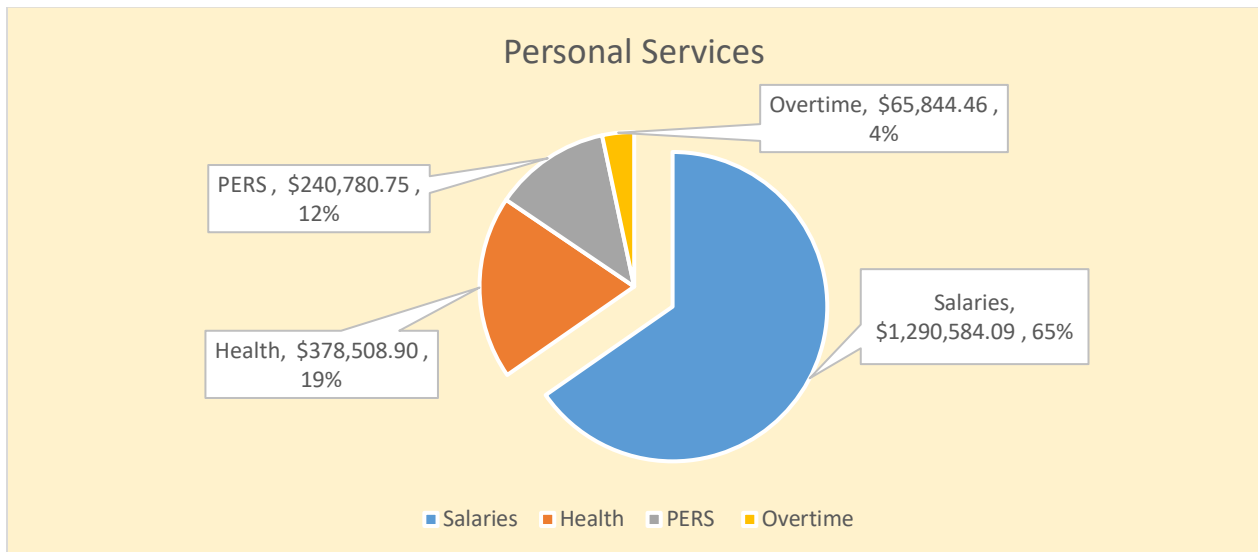


## LB-31 - Expenditures:

**Personal Services:** This section covers the cost of employees. It lists the positions in the organizational structure with annual cost (salary plus incentives as outlined in the CBA and Policy) as the budget line item. These amounts are based on the number of employees in that position, and specifically what each employee earns based on the wage/salary scale. The Collective Bargaining Agreement (CBA) outlines the rate of pay for members of the Union. Administrative staff wage and salary scales are defined in policy and treated in a similar way, with step increases commensurate with their professional growth over time. These amounts are estimations which will need to be adjusted.

As directed by our previous plan, filling positions has been our priority. We will continue our efforts in this regard.

The rest of the categories within Personal Services are related to taxes, retirement, health care and other benefits. All of these have a proportional relationship with the salary expense.



**Materials and Services:** This section includes the general operating costs. There are multiple line items that have shown to be consistent from year to year. These are indicated by little change in amounts across the page. Listed below are categories or specific line items that merit further detail.

**Training Costs:** 7001-Training fees, 7018-Private car mileage and 7020-meals & lodging have all been determined based upon the travel and training requirements for staff along with the required meetings and travel for administration. With the lifting of the State of Emergency COVID pandemic we expect in person training to fully resume this coming year. These projections are also higher due to training requirements with promotions. The proposed amount reflects that.

These expenses cover the costs of:

- The extensive training associated with new hires and newly promoted employees.
- Annual maintenance training for each certified employee.
- Expenses for administrative employees training.
- Costs associated with engagement and participation in organizations such as SDAO, APCO/NENA etc.

**Recognition Events & Awards:** 911 Dispatchers. These professionals are highly skilled and capable. They have chosen a career which requires, immediate and decisive CORRECT action in the pressure cooker of other people's emergencies. This line item covers the expense of recognizing their efforts and commitments. This includes recognition during National Telecommunicator Week in April and other events throughout the year.

**Board training:** We have calculated the cost for 5 board members to attend the SDAO conference in February in Sunriver.

**Election Expense:** Operating Levy Renewal and Board position election costs.

**Contract services:** These contracted services are mostly technical support for the primary systems required to complete our mission and support functions of the district. There are about a dozen different items considered in this total.

**Legal Services (7031 and 7043):** This covers the cost of the Boards Attorney as well as our Labor Attorney. There are two categories depending how these services are paid and the type of 1099 tax form they are issued.

**Radio System Maintenance Fee - KIRG:** The amount represents dollars paid to KIRG for maintaining the radio system. I call this out for two reasons. First, KIRG is an ORS 190 organization that we are a member. Our participation is not only contribution of fees but also the administration of that organization is tasked to our staff. The arrangement has been highly beneficial to all participating agencies, but it should be noted that there is added workload and responsibility to our leadership positions. Second, part of the maintenance fee is offset by funds collected from partners in Contract service fees.

**Capital Outlay**

**Office and Communication Equipment:** These categories are where we expense equipment that has a lifespan longer than 1 year and an initial cost greater than \$1,000.

**Zions Bank Loan; Principal and Interest:** Self-explanatory

**Special Payments:** OEM Subaccount Expenditures. These expenses which in various fashion get paid by OEM include CPE maintenance agreements, MSAG/GIS work, Text to 911 and other qualifying expenses.

**Interfund Transfers.** These are funds that are transferred between recommended in this Budget.

**Unappropriated Ending Fund Balance:** This is the amount required to operate in the following fiscal year from its beginning to the point at which our property tax-based funding is distributed. That is July 1 through mid-November.

**General Contingency:** A general contingency is used when an amount can be identified as a requirement without being identified as to what it is for. This amount is zero.

**LB-11E Equipment Reserve Fund:** The equipment reserve is our holding account for future equipment or system replacement and repair.

**LB-11B – Facility Maintenance, Repairs & Updates Reserve Fund:** The maintenance reserve is our holding account for future building replacement and repair.

## Other Forms

**LB-1:** This is the notice of budget hearing, published after the budget committee approves the budget, inviting the public to the hearing where the board would adopt the budget.

**Resolutions:** There will be a total of three resolutions.

**Adopting the Budget:** This resolution adopts the budget by amount.

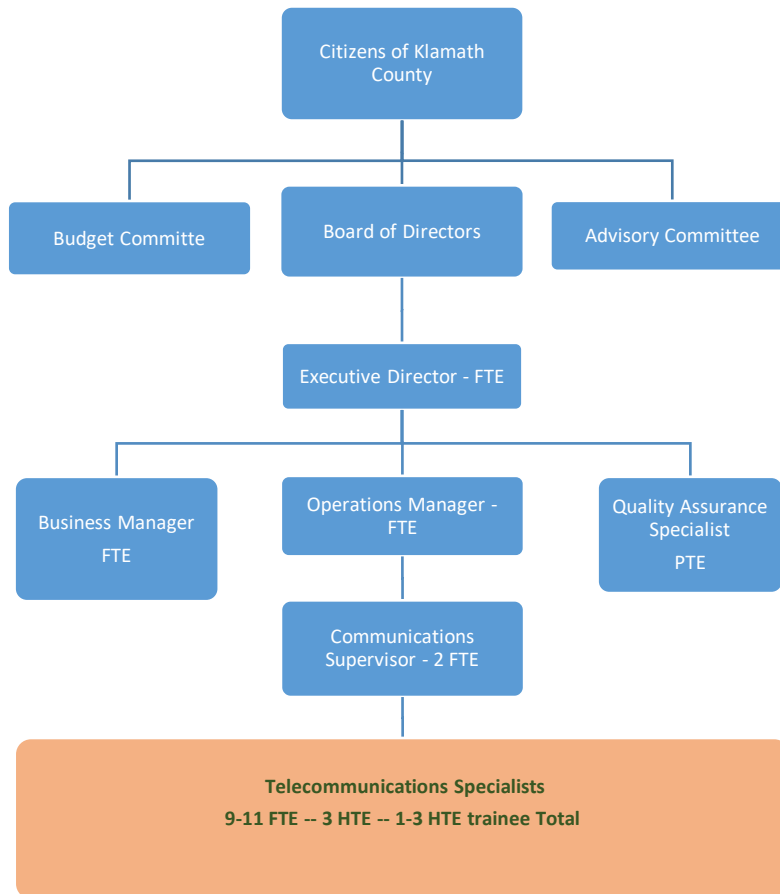
**Object Classification Allocations:** This resolution sets the allocated amount of each fund and states the amount for the object classifications in the fund.

**Taxing Authority:** This resolution imposes the taxes of our permanent rate and operating levy.

**LB-50:** The LB-50 is filed along with the Boards resolutions with the county tax assessor authorizing the collection of our property tax revenue.



## Organizational Chart



The half-time Telecommunications Specialist is primarily our entry level position. In addition, and simply defined this category includes any TCS working between 20 and 37.5 hours per week. Once a trainee achieves solo status these positions are critical due to scheduling flexibility to cover time off and daily operational peaks. The estimates for HTE TCS both in total dollars and in number of positions factor in recruitment targets, training schedule, and unfortunately turnover within the training program. For reference the dollar amount proposed in this budget for the HTE TCS position would adequately fund four fully trained solo status telecommunications specialist working the full year.

## Mission, Purpose & Values

**Mission:** To provide efficient emergency communications service to the public and emergency service providers throughout Klamath County.

**Purpose:** To provide professional and effective emergency call taking and emergency services dispatching by decreasing the reporting and response times during emergency situations.

**Values:** We honor and value our service to the public. We value our partnerships with other agencies. We are a dependable and reliable resource for the public and our partner agencies. We value the safety of our partner agencies and the public. We strive for appropriate and sustainable funding to accomplish our mission and purpose.