

Denver 9-1-1

Proposal to Increase the Surcharge from \$0.70 Per Month to
\$1.20 Per Month

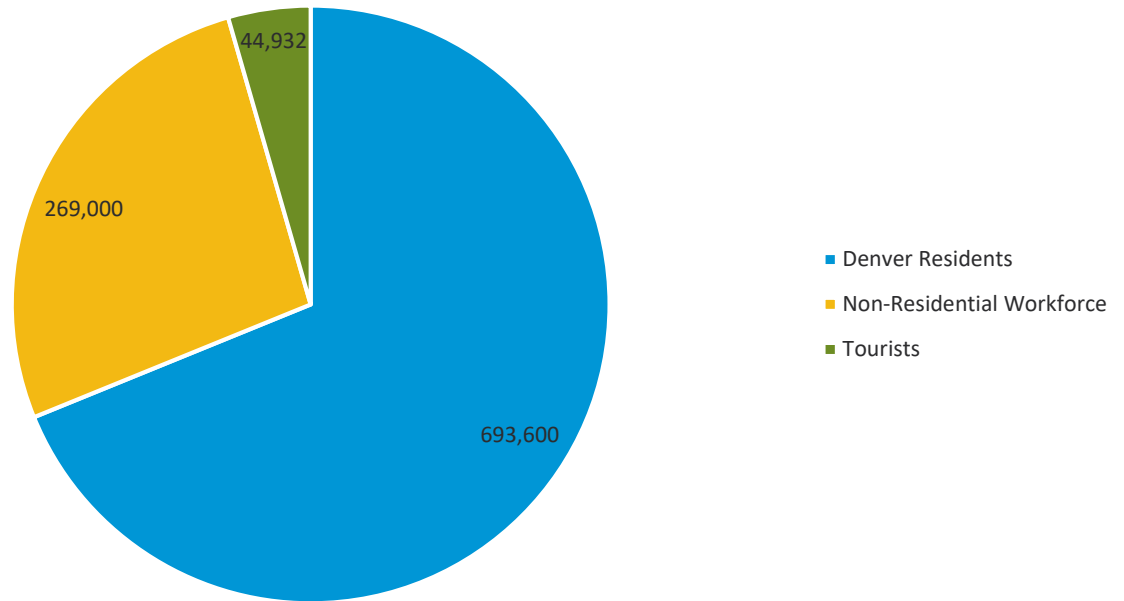
Overview

- The Denver 9-1-1 Emergency Communications Center is the public safety answering point for 9-1-1 telephone calls and texts for the City and County of Denver
- To meet national standards, Denver 9-1-1 will require additional resources to manage projected call volume increases through 2022



Denver Population

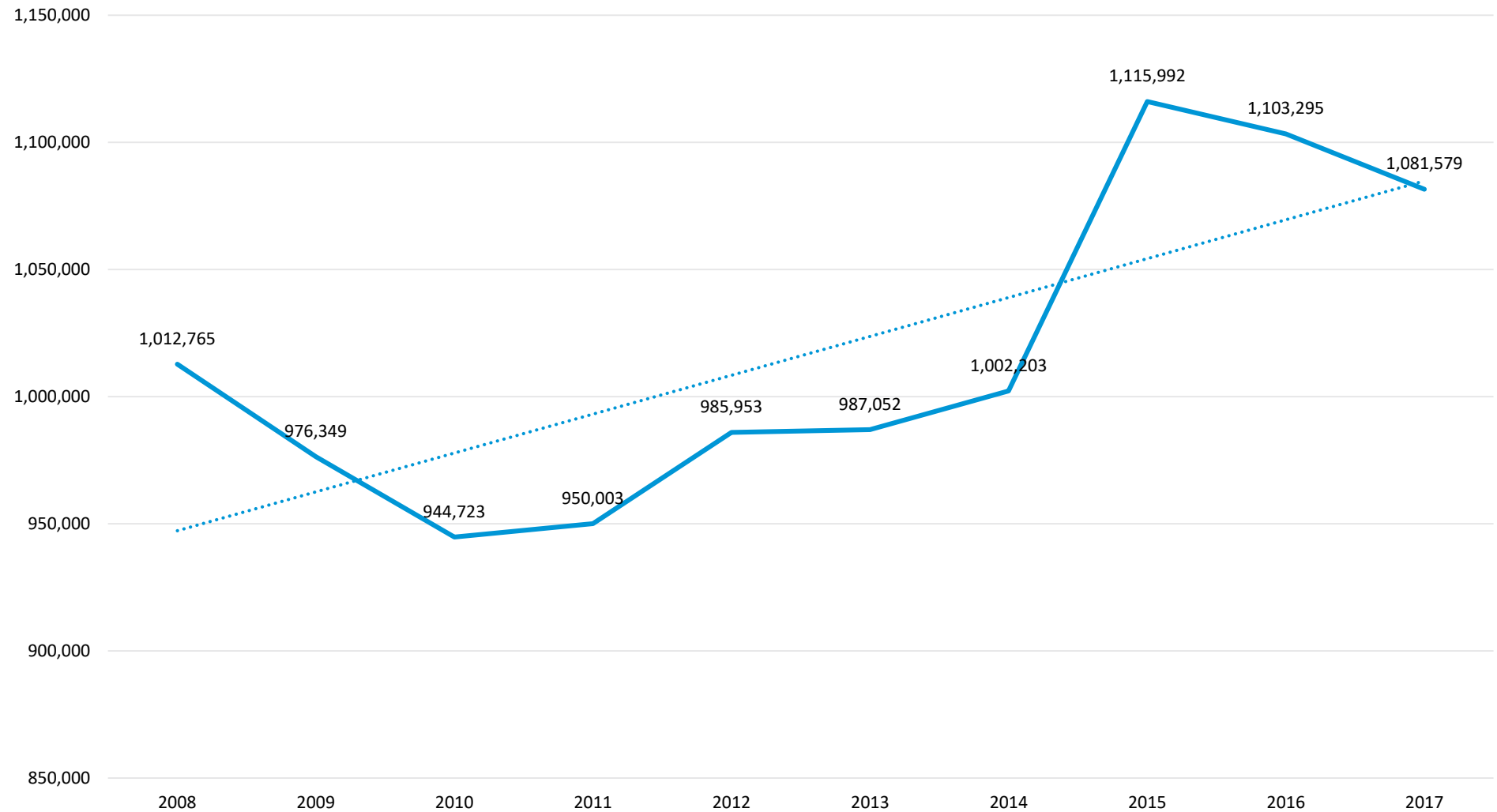
Population + Non-Residential
Workforce + Tourists



1,007,532

*Sources: US Census, Denver Economic Development, VisitDenver.com

Total 9-1-1 Call Volume



9-1-1 Service Projections



2008 (Actual)

- \$0.70 Monthly Rate
- \$9.2 Million Total Budget
- 136 FTE

- 838,608 Calls for Service

- 91.5% Calls Answered with 15 Seconds



2017 (Actual)

- \$0.70 Monthly Rate
- \$17.2 Million Total Budget
- 156 FTE

- 939,886 Calls for Service

- 91.2% Calls Answered with 15 Seconds



2022 (Projection)

- \$1.20 Monthly Rate
- \$19.9 Million Total Budget
- 195 FTE

- 1,090,517 Calls for Service

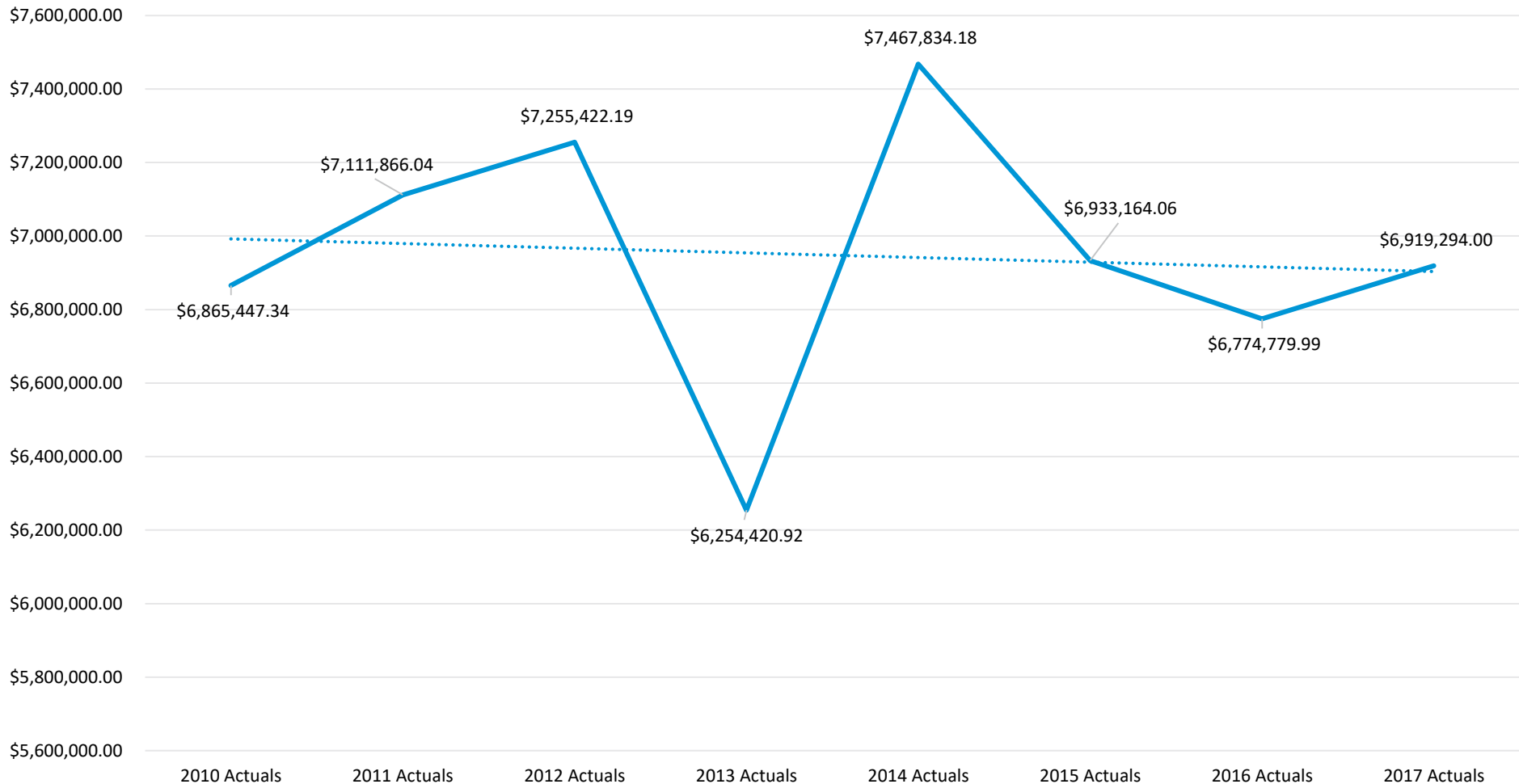
- 99% Calls Answered with 15 Seconds

Funding

- Denver 9-1-1 is funded through two sources:
 - General Fund
 - 9-1-1 Trust Fund
- The 9-1-1 Trust Fund generates revenue through a \$0.70 monthly surcharge from personal and commercial phone lines that are registered within the City and County of Denver

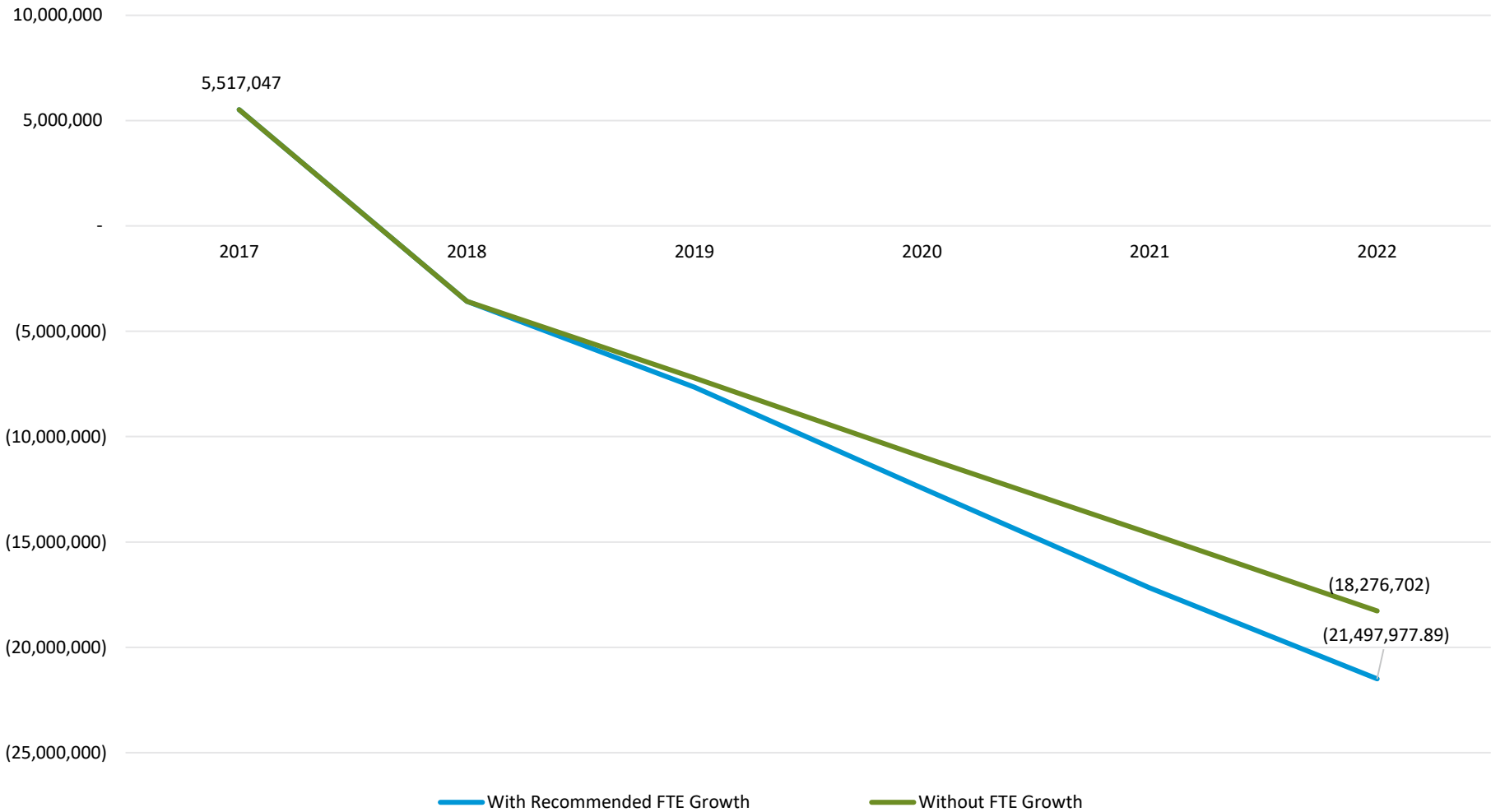


911 Surcharge Revenue

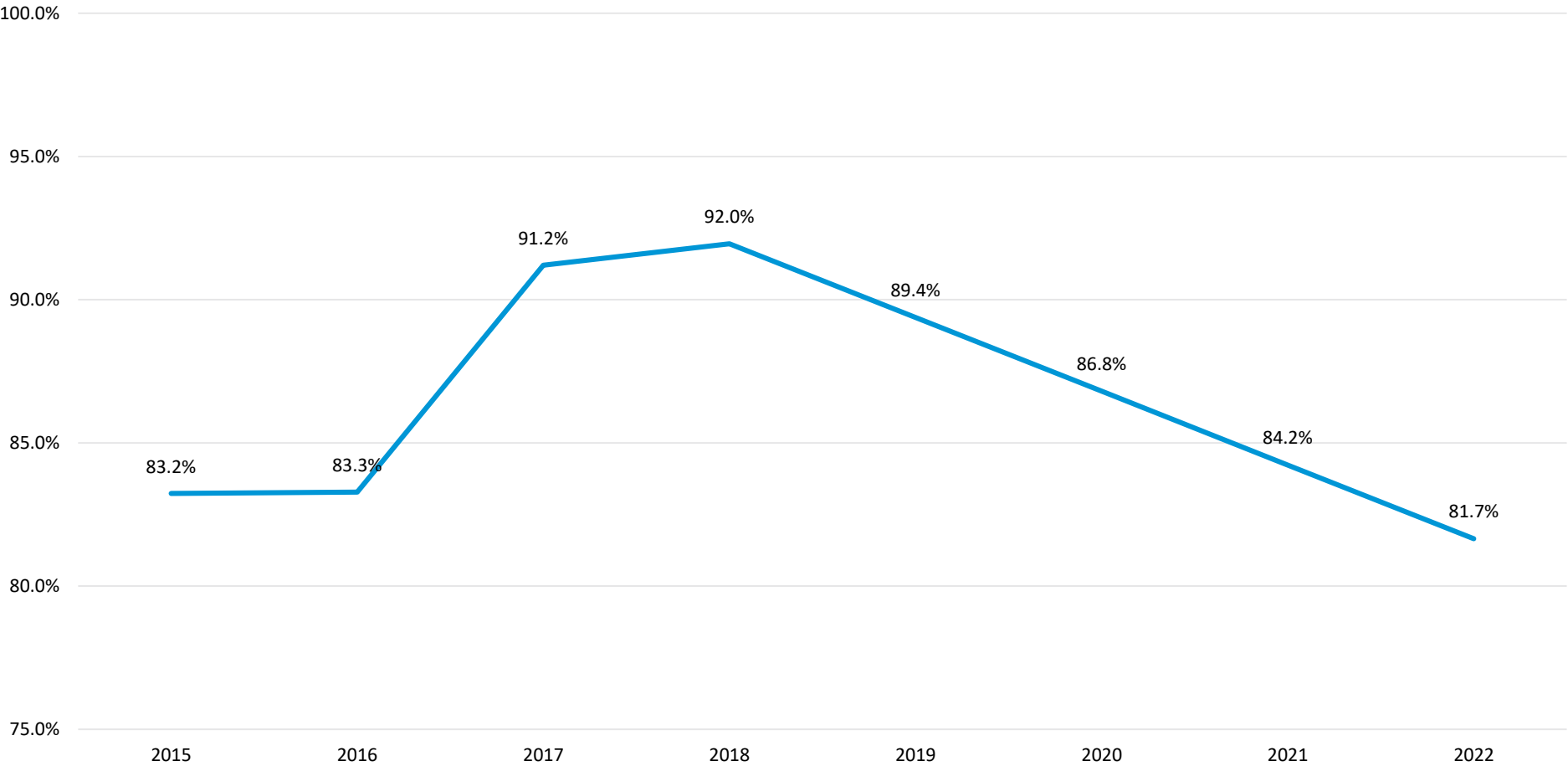


*2015 revenues were adjusted downward by \$1,002,699.82 to reflect additional income received as a result of an audit

Projected Trust Fund Balance at \$0.70 Rate

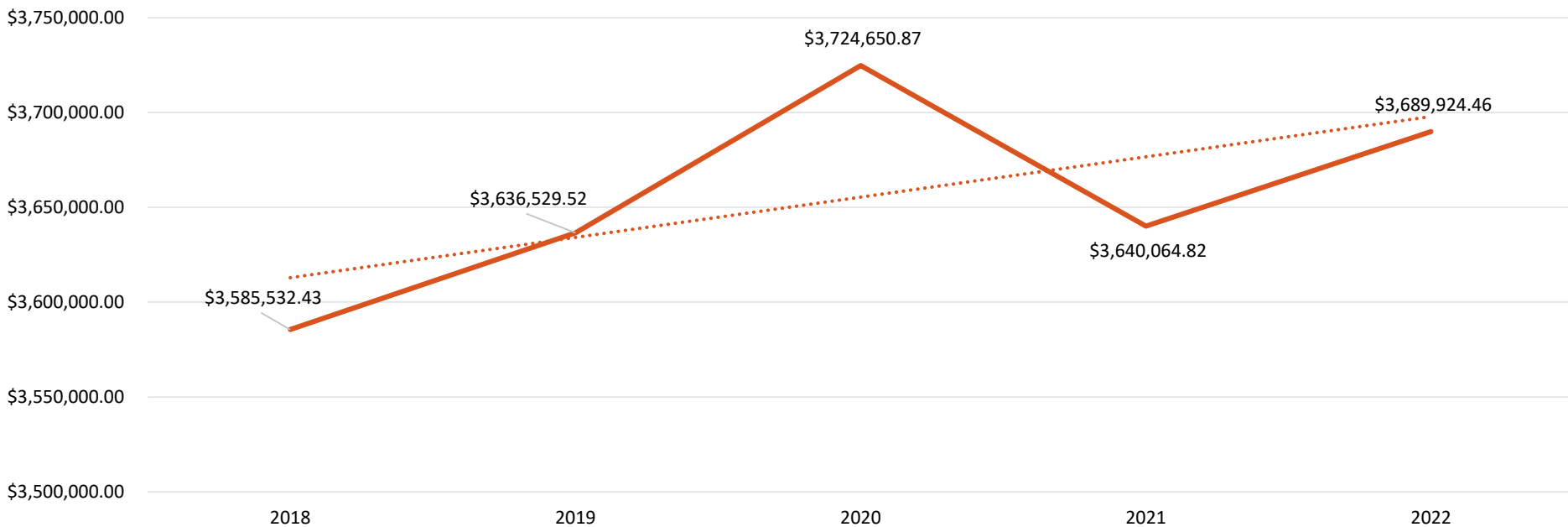


15 Second Speed of Answer Compliance at Current Funding Levels



Projected General Fund Appropriation

The 9-1-1 Trust Fund will require General Fund appropriation to remain solvent in 2018. Without increasing the surcharge, the amount of appropriation will continue to increase annually (\$18.3M through 2022)





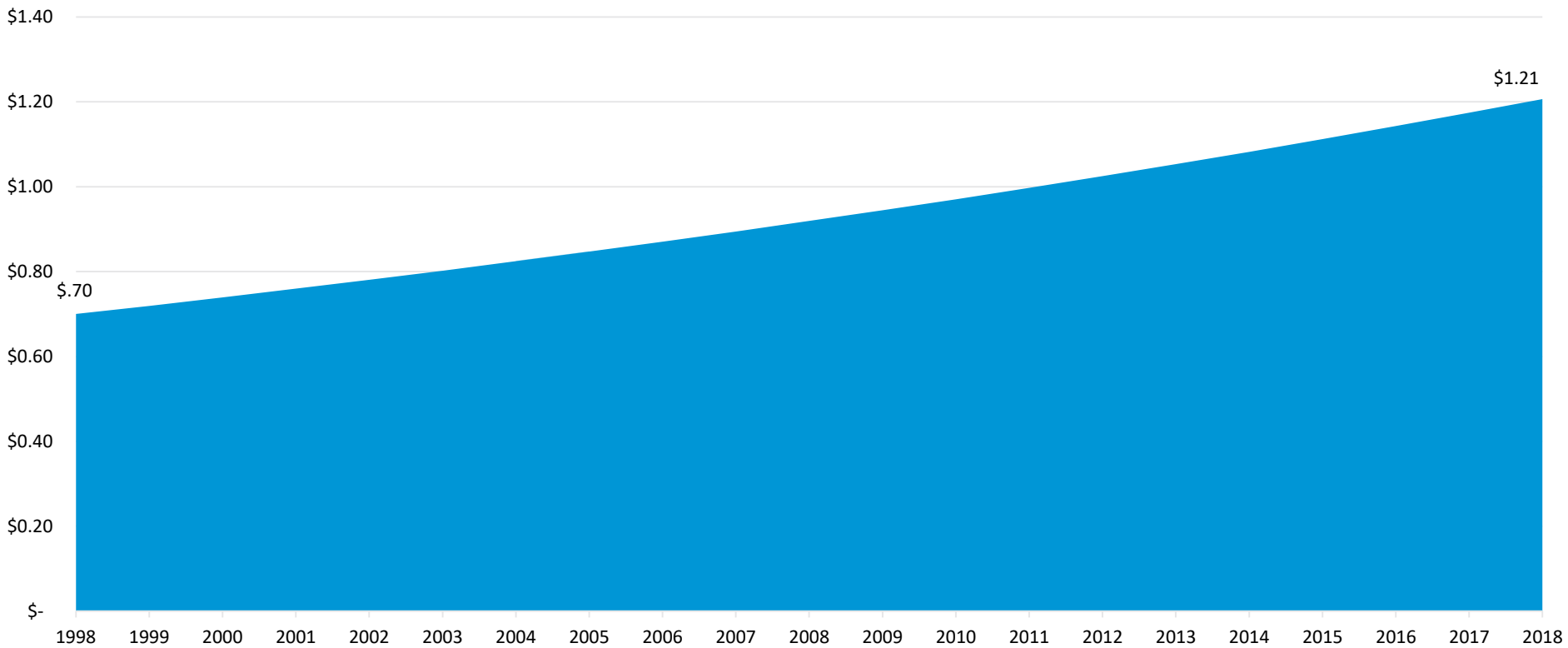
Surcharge Rate Increase Request

- Increase the surcharge to \$1.20 per month
- This represents an increase of \$0.50 per month over current charges (\$6.00 annually)

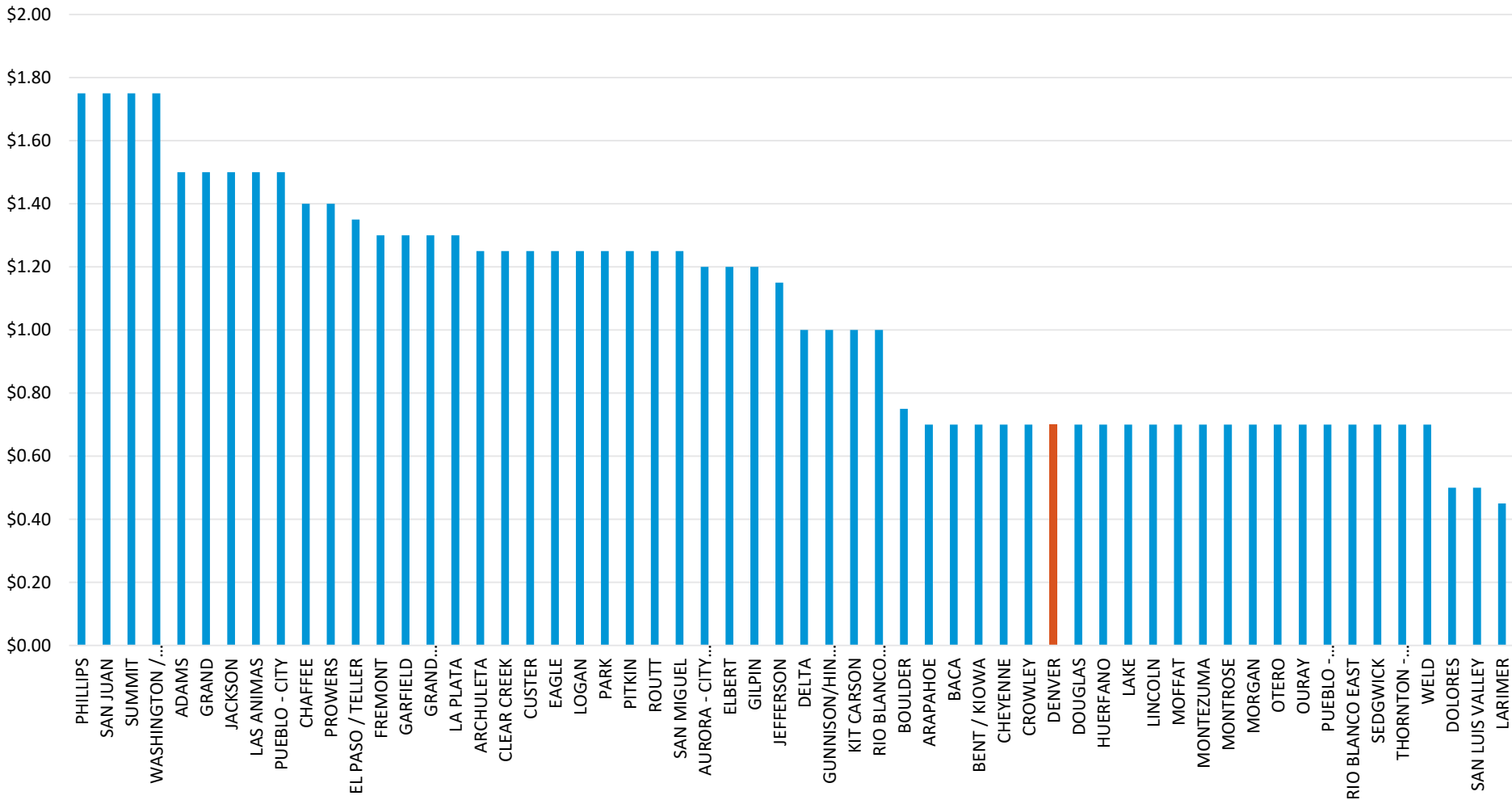
What Does \$0.70 Look Like Today?

- The 9-1-1 surcharge was established in 1998

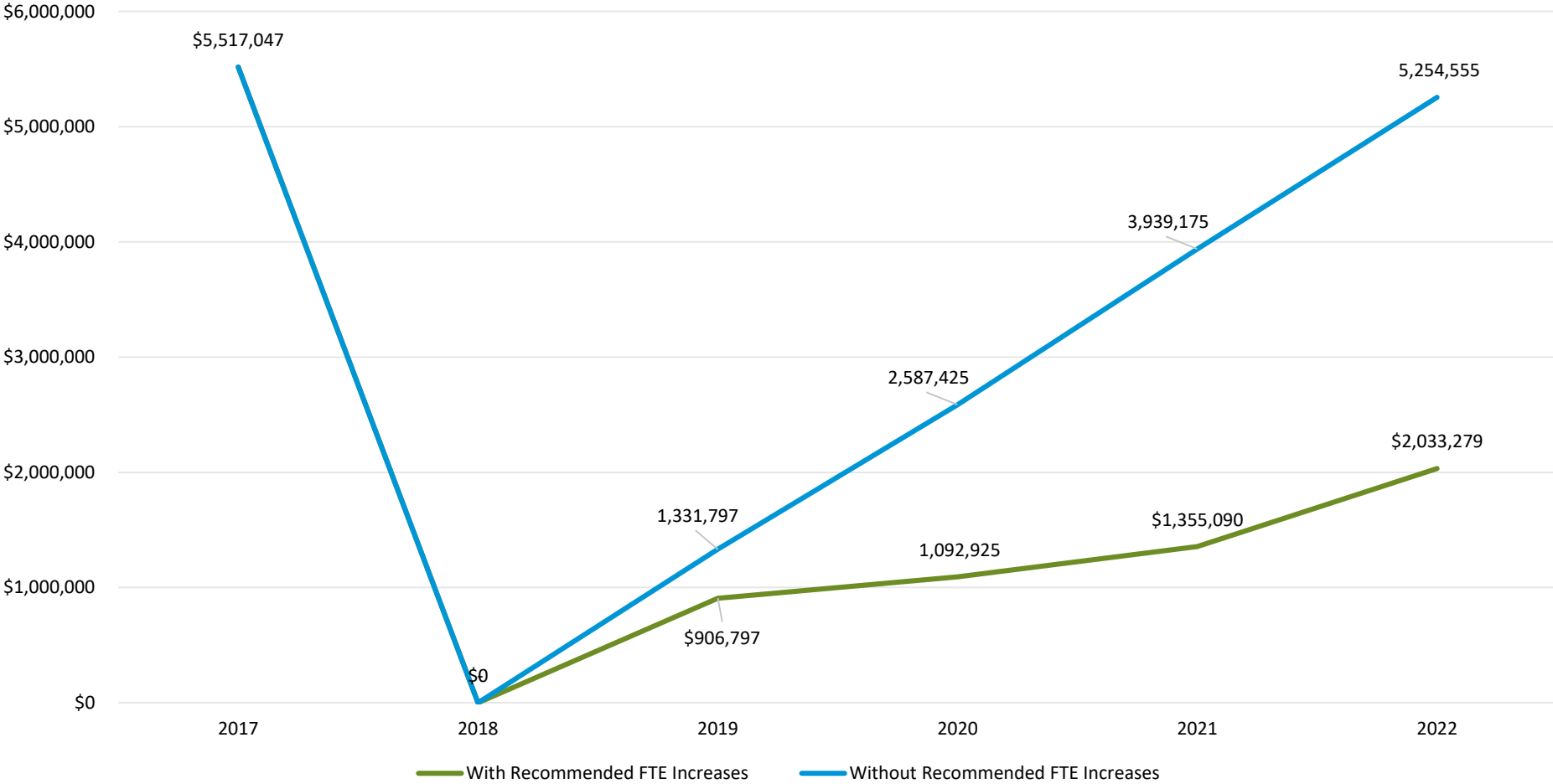
\$0.70 Adjusted for Inflation (2.76%)



9-1-1 Surcharge Rates by County



Trust Fund Balance at \$1.20



Projected Outcomes

- Meeting the NFPA standard of answering at least 95% of all emergency calls within 15 seconds 24 hours a day, seven days a week
- Maintaining and enhancing state-of-the-art technology and equipment to expedite emergency communications
- Increased retention of current employees, a better ability to complete essential training, and improved success in recruiting



Without Action

- Denver 9-1-1 will become more dependent on the General Fund to provide necessary operational resources
- Without growth in staffing levels, the projected increase in call volume is likely to affect turnover, ultimately impacting employee morale and 9-1-1's ability to comply with national standards

Operator:
911, what is your emergency?

Process Milestones



May 2018 | City Council Consent to Apply for the New Rate



June 2018 | Application to the Public Utilities Commission (“PUC”) to Approve the New Rate



July 2018 | PUC Approves Application



July 2018 | City Ordinance Change to Authorize the New Rate



September 2018 | Notify carriers of new surcharge rates



November 1, 2018 | Effective Date of New Rate

Public Outreach

- 9-1-1 Task Force
- AARP
- Community Meetings



Appendix A : Recent Applications

9-1-1 Authority Board	Date	Current Surcharge	Proposed Surcharge	Approved Surcharge	Date Approved	Date Effective
San Juan County	1/28/2014	\$1.00	\$3.50	\$1.75	3/20/2014	5/19/2014
Summit County	2/6/2014	\$1.50	\$1.95	\$1.75	9/17/2014	11/16/2014
Phillips County	11/30/2015	\$1.25	\$1.75	\$1.75	1/21/2016	3/21/2016
Washington-Yuma Counties	8/26/2016	\$1.25	\$1.75	\$1.75	10/7/2016	12/6/2016
Las Animas County	6/22/2010	\$1.25	\$1.50	\$1.50	9/9/2010	11/8/2010
Summit County	9/10/2010	\$1.25	\$1.95	\$1.50	12/29/2010	2/27/2011
Adams County	7/26/2016	\$0.70	\$1.50	\$1.50	9/29/2016	11/28/2016
Jackson County	10/3/2016	\$0.70	\$1.50	\$1.50	11/17/2016	1/16/2017
Chaffee County	2/18/2014	\$1.25	\$1.50	\$1.40	7/10/2014	9/8/2014
El Paso-Teller 9-1-1	8/31/2016	\$0.70	\$1.90	\$1.35	3/22/2017	5/21/2017
Grand Junction	10/13/2009	\$0.70	\$1.50	\$1.30	5/4/2010	7/3/2010
La Plata County	6/24/2013	\$0.70	\$1.30	\$1.30	9/20/2013	11/19/2013
Garfield County	4/1/2016	\$0.70	\$1.30	\$1.30	5/27/2016	7/26/2016
Fremont County	2/2/2017	\$0.70	\$1.50	\$1.30	4/5/2017	6/2/2017
Park County	11/6/2009	\$0.70	\$1.25	\$1.25	12/18/2009	2/16/2010
Aspen/Pitkin County	11/16/2009	\$0.70	\$1.25	\$1.25	12/28/2009	2/27/2010
Chaffee County	4/19/2010	\$1.00	\$1.25	\$1.25	9/3/2010	11/2/2010
Archuleta County	6/23/2010	\$0.70	\$1.25	\$1.25	10/15/2010	12/14/2010
San Miguel	8/30/2011	\$0.70	\$1.25	\$1.25	1/5/2012	3/5/2012
Logan County	3/2/2016	\$0.70	\$1.25	\$1.25	4/7/2016	6/6/2016
Gilpin County	11/8/2011	\$0.70	\$1.20	\$1.20	1/3/2012	3/3/2012
Elbert County	9/16/2013	\$0.70	\$1.20	\$1.20	11/14/2013	1/13/2014
City of Aurora	10/2/2014	\$0.70	\$1.20	\$1.20	5/7/2015	7/6/2015
Kit Carson County	1/31/2013	\$0.70	\$1.00	\$1.00	5/21/2013	7/20/2013
Delta County	11/21/2016	\$0.70	\$1.00	\$1.00	1/18/2017	3/19/2017
Boulder County	1/21/2014	\$0.50	\$0.75	\$0.75	3/20/2014	5/19/2014
Jefferson County	3/22/2017	\$0.70	\$1.20	\$1.15	10/16/2017	12/14/2017
Prowers County	11/17/2017	\$0.70	\$1.40	\$1.40	1/10/2018	3/12/2018
Pueblo County	2/28/2018	\$0.70	\$1.50	\$1.50	4/11/2018	6/11/2018

Appendix B: TF Cash Flow Proj. (\$0.70)

	2017	2018	2019	2020	2021	2022
Income						
Surcharge Revenue Projection for Year	\$ 6,919,294	\$ 6,933,133	\$ 6,946,999	\$ 6,960,893	\$ 6,974,815	\$ 6,988,764
Other Revenue	\$ 434,039.16	\$ 284,674.75	\$ 761,842.10	\$ 770,589.08	\$ 779,597.26	\$ 788,874.46
Total Income	\$ 7,353,333.16	\$ 7,217,807.34	\$ 7,708,840.95	\$ 7,731,481.93	\$ 7,754,411.90	\$ 7,777,638.72
O&M Expenses						
Personnel	\$ 5,761,376	\$ 5,912,484	\$ 5,920,843	\$ 6,098,468	\$ 6,281,422	\$ 6,469,865
Services and Supplies	\$ 2,520,448	\$ 2,322,883	\$ 2,447,228	\$ 2,459,094	\$ 2,539,643	\$ 2,499,826
Capital Projects/Equipment	\$ 119,602	\$ 6,620,895	\$ 811,880	\$ 732,973	\$ 405,615	\$ 332,254
Debt Service	\$ 1,219,589	\$ 1,450,219	\$ 2,151,097	\$ 2,150,846	\$ 2,152,602	\$ 2,149,968
Internal Charges	\$ 4,282	\$ 13,905	\$ 14,322	\$ 14,752	\$ 15,195	\$ 15,650
Total O&M Expenditures	\$ 9,625,298	\$ 16,320,387	\$ 11,345,370	\$ 11,456,133	\$ 11,394,477	\$ 11,467,563
Net Revenue Available for Debt Service	\$ (2,271,965)	\$ (9,102,579)	\$ (3,636,530)	\$ (3,724,651)	\$ (3,640,065)	\$ (3,689,924)
Surplus (Deficit)	\$ (2,271,965)	\$ (9,102,579)	\$ (3,636,530)	\$ (3,724,651)	\$ (3,640,065)	\$ (3,689,924)
Beginning Cash Balance	\$ -	\$ 5,517,047	(3,585,532)	(7,222,062)	(10,946,713)	(14,586,778)
Projected Ending Cash Balance	\$ 5,517,047	\$ (3,585,532)	(7,222,062)	(10,946,713)	(14,586,778)	(18,276,702)
ECTs Added	0	0	5	10	10	7
ECT Cost	\$ -	\$ -	\$ 325,000	\$ 994,500	\$ 1,684,085	\$ 2,181,276
Technology Associated	\$ -	\$ -	\$ 100,000	\$ 400,000	\$ 400,000	\$ 140,000
YE Fund Balance with Planned FTE's and Upgrades	5,517,047	(3,585,532)	(7,647,062)	(12,441,213)	(17,170,862.65)	(21,497,977.89)
15sec/95% Compliance	91.18%	92.00%	89.40%	86.80%	84.20%	81.70%
40sec/99% Compliance	96.27%	97.42%	96.79%	96.62%	96.91%	90.73%
Annual Phone Lines	823,725	825,373	827,024	828,678	830,335	831,996

Appendix B: TF Cash Flow Proj. (\$1.20 with no 2018 deficit)

	2017	2018	2019	2020	2021	2022
Income						
Surcharge Revenue Projection for Year	\$ 6,919,294	\$ 7,893,867	\$ 11,909,141	\$ 11,932,959	\$ 11,956,825	\$ 11,980,739
Other Revenue	\$ 434,039.16	\$ 284,674.75	\$ 768,026.00	\$ 778,802.00	\$ 789,401.00	\$ 802,204.00
Total Income	\$ 7,353,333.16	\$ 8,178,541.43	\$ 12,677,166.89	\$ 12,711,761.17	\$ 12,746,226.09	\$ 12,782,942.74
O&M Expenses						
Personnel	\$ 5,761,376	\$ 5,912,484	\$ 5,920,843	\$ 6,098,468	\$ 6,281,422	\$ 6,469,865
Services and Supplies	\$ 2,520,448	\$ 2,322,883	\$ 2,447,228	\$ 2,459,094	\$ 2,539,643	\$ 2,499,826
Capital Projects/Equipment	\$ 119,602	\$ 6,620,895	\$ 811,880	\$ 732,973	\$ 405,615	\$ 332,254
Debt Service	\$ 1,219,589	\$ 1,450,219	\$ 2,151,097	\$ 2,150,846	\$ 2,152,602	\$ 2,149,968
Internal Charges	\$ 4,282	\$ 13,905	\$ 14,322	\$ 14,752	\$ 15,195	\$ 15,650
Total O&M Expenditures	\$ 9,625,298	\$ 16,320,387	\$ 11,345,370	\$ 11,456,133	\$ 11,394,477	\$ 11,467,563
Net Revenue Available for Debt Service	\$ (2,271,965)	\$ (8,141,845)	\$ 1,331,796	\$ 1,255,628	\$ 1,351,749	\$ 1,315,380
Surplus (Deficit)	\$ (2,271,965)	\$ (8,141,845)	\$ 1,331,796	\$ 1,255,628	\$ 1,351,749	\$ 1,315,380
Beginning Cash Balance	\$ -	\$ 5,517,047	-	1,331,796	2,587,425	3,939,174
Projected Ending Cash Balance	\$ 5,517,047	\$ -	1,331,796	2,587,425	3,939,174	5,254,554
ECTs Added	0	0	5	10	10	7
ECT Cost	\$ -	\$ -	\$ 325,000	\$ 994,500	\$ 1,684,085	\$ 2,181,276
Technology Associated	\$ -	\$ -	\$ 100,000	\$ 400,000	\$ 400,000	\$ 140,000
YE Fund Balance with Planned FTE's and Upgrades	5,517,047	-	906,796	1,092,925	1,355,089.16	2,033,277.93
15sec/95% Compliance	91.18%	92.00%	89.40%	86.80%	84.20%	81.70%
40sec/99% Compliance	96.27%	97.42%	96.79%	96.62%	96.91%	90.73%
Annual Phone Lines	823,725	825,373	827,024	828,678	830,335	831,996
Implied Phone Line Months Paid	9,884,706	9,904,475	9,924,284	9,944,133	9,964,021	9,983,949
Implied Phone Lines Growth Rate	2.13%	0.20%	0.20%	0.20%	0.20%	0.20%
Denver Metro Growth Rate	1.80%	1.60%	1.41%	1.23%	1.05%	1.01%
Annual Phone Lines	823,725.48	825,373	827,024	828,678	830,335	831,996

Appendix C: Denver's Population

