

Utah Communications Authority

APPROPRIATIONS AND BONDING NEEDS



Utah Communications Authority

- ▶ Utah Code Ann. 63H-7a-102 provides that UCA shall
 - ▶ “[P]rovide administrative and financial support for statewide 911 emergency services; and”
 - ▶ “[E]stablish and maintain a statewide public safety communications network.”



UCA's 911 Division

- ▶ Utah Code Ann. 63H-7a-302 provides that 911 Division shall:
 - ▶ Develop minimum standards and best practices for PSAPs;
 - ▶ Investigate emerging technology;
 - ▶ Monitor, coordinate, and assist PSAPs in the implementation and coordination of the unified statewide 911 emergency services network;
 - ▶ Coordinate the development of an interoperable CAD platform
- ▶ Utah Code Ann. 63H-7a-304 provides that UCA “may disburse funds in the Unified Statewide 911 Emergency Service Account for the purpose of enhancing the statewide public safety communications network in order to rapidly and efficiently deliver 911 services in the state,” and in accordance with UCA's strategic plan and approval of UCA's Governing Board.



FY2018 – Unified Statewide 911 Emergency Service Account

Funded through \$.09 service fee on all lines.

▶ FY2018 Appropriation	\$3,326,300
▶ To Utah AGRC	(\$329,800)
▶ Funds in PTIF from FY2017	\$1,347,650
▶ ESINET (911 Network Charges)	(\$257,500)
▶ ECATS (Call Counting Services)	(\$397,000)
▶ Administrative Expenses	(\$706,100)
▶ Previously Approved Grants	(\$3,020,274)
▶ TOTAL	(\$36,724)



Supplemental Appropriation for FY2018 – Unified Statewide 911 Emergency Service Account

- ▶ So far, in FY2018, 10 agencies have applied for funding for projects totaling \$994,993.36 for maintenance of equipment and for other technological upgrades.
- ▶ Other agencies intend on submitting applications for FY2018.
- ▶ UCA's Governing Board has postponed considering all applications pending: (1) the adoption of Phase II of UCA's Strategic Plan (anticipated in April of 2018); and (2) a further appropriation from the Utah Legislature.
- ▶ UCA is seeking a supplemental appropriation for FY2018 for \$1.5 million to address these applications.
- ▶ Unified Statewide 911 Emergency Service Account current balance is approximately \$5.5 million and collects just under \$300,000 per month.



FY2019 – Unified Statewide 911 Emergency Service Account

- ▶ PSAPs have notified UCA of their intention to seek expenditure of funds for maintenance and equipment costing approximately \$8.3 million.
- ▶ UCA reimburses a portion of these costs and anticipates needing approximately \$6.9 million to satisfy these requests.
- ▶ It is anticipated that the 911 Division's administrative budget (ESINET, ECATS, public education, consultants, salaries and benefits, rents/leases/equipment, depreciation, etc.) will remain at approximately \$1.5 million.
- ▶ Assuming approximately \$330,000 still goes to AGRC, UCA is requesting an appropriation for FY2019 of \$8.73 million.



Balance of Unified Statewide 911 Emergency Service Account

- ▶ At the end of FY2017, the balance in this account was \$7,022,481.
- ▶ After the FY2018 appropriation of \$3,326,300, the balance at the beginning of FY2018 was \$3,696,181.
- ▶ It is estimated that the \$.09 service fee will generate approximately \$3.5 million in FY2018, making the account balance at the end of FY2018, \$5.7 million, after a \$1.5 million supplemental appropriation for FY2018.
- ▶ It is estimated that the \$.09 service fee will generate approximately \$3.6 million in FY2019 (adjusting for growth in lines), meaning that \$9.3 million is available for FY2019 to service the requested \$8.73 appropriation, leaving almost \$600,000 in the account at the end of FY2019.



UCA's Radio Network Division

- ▶ Utah Code Ann. 63H-7a-402 states that UCA's Radio Network Division shall:
 - ▶ "[P]rovide and maintain the public safety communications network for state and local government agencies."
- ▶ Utah Code Ann. 63H-7a-403, "[s]ubject to appropriations by the Legislature... [UCA] may expend funds in the Utah Statewide Radio System Restricted Account for the purpose of acquiring, constructing, operating, maintaining, and repairing a statewide radio system public safety communications network...."
- ▶ \$.18 per telephone line service fee used to maintain current radio system, including O&M. \$.34 per telephone line service fee (initiated Jan. 1, 2018) meant to "acquire, construct, equip, and install property for, and to make improvements to, the 800 MHz radio system, including debt service costs."



FY2018 vs. FY2019 – \$.18

<u>FY2018</u>		<u>FY2019</u>	
▶ FY2018 Appropriation	\$7 million	FY2019 Appropriation	\$7.2 million
▶ Other Revenue	\$1.9 million	Other Revenue	\$1.7 million
▶ Depreciation	(\$2.1 million)	Depreciation	(\$2.1 million)
▶ Personnel	(\$4.3 million)	Personnel	(\$4.5 million)
▶ Other O&M	(\$2.1 million)	Other O&M	(\$2.1 million)
▶ <u>TOTAL</u>	<u>\$400,000</u>	<u>TOTAL</u>	<u>\$200,000</u>



FY2019 - \$.18

- ▶ First 6 months of reports indicate that, on average, there are just over 3 million lines in the state of Utah which, when combined with service fees from prepaid cellular phones, will likely generate between \$6.9 and \$7.0 million per year in service fees.
- ▶ UCA anticipates a steady growth in the number of lines and, accordingly, service fees. We expect FY2019 service fees to generate \$7.2 million from the \$.18 portion of the service fees.
- ▶ Accordingly, UCA is seeking an appropriation from the \$.18 portion of the Radio System Restricted Account of \$7.2million.



Supplemental FY2018 - \$.34

- ▶ In January of 2018, the radio service fee increased from \$.18 per line to \$.52 per line, with the additional \$.34 to be used by UCA to conduct a forklift upgrade of its existing radio system.
- ▶ During FY2018, this additional \$.34 is expected to generate approximately \$6.1 million.
- ▶ UCA is currently working with consultants to draft an RFP for this radio network upgrade and intends to publish an additional RFP for a consultant to assist in the implementation of this project.
- ▶ UCA's Governing Board has approved a Project Manager Position to be hired immediately and UCA seeks a supplemental appropriation from the \$.34 portion of the Radio System Restricted Account of \$75,000 to immediately recruit and retain an employee for this position.



FY2019 - \$.34

- ▶ During FY2019, the \$.34 is expected to generate approximately \$13.6 million.
- ▶ Combined with the amounts collected in FY2018, less the \$75,000 supplemental appropriation, the available balance in FY2019 should approximate \$19.6 million.
- ▶ UCA is anticipating that a vendor selected through the RFP process will begin actual upgrade work on the system in the spring of 2019. The costs of this upgrade should be financed through the State's bonding authority.
- ▶ Outside of any amounts to service this/these bond(s) (approximately \$150 to \$200 million), UCA anticipates costs of approximately \$925,000 relating to the Project Manager and consultants during FY2019.



Future Bonding Needs

- ▶ UCA is in the process of drafting an RFP for a forklift radio upgrade from the current analog 800 MHz radio system to the P25 system, an open source, digital system.
- ▶ Current system is beyond end of life and is no longer supported by its manufacturer.
- ▶ Timeline:
 - ▶ Approx. March of 2018 – Publish RFP
 - ▶ Approx. October of 2018 – Award RFP
 - ▶ Approx. December of 2018 – Execute Contract with Selected Vendor



Future Bonding Needs

- ▶ Timeline (cont.):
 - ▶ Approx. March 2019 – Complete Implementation Plan
 - ▶ Approx. April 2019 – Begin installation of upgrades
 - ▶ Approx September 2021 – Complete installation of upgrades
- ▶ Project is expected to cost between \$150 and \$200 million.
- ▶ Funded by \$.34 of \$.52 radio service fee charged to all lines.
- ▶ It is anticipated that the first significant payment to the selected vendor will be due March or April of 2019.
- ▶ State Treasurer has indicated he needs 90 days to procure bond funds and, as such, UCA is seeking bonding authority in this legislative session.



Summary

- ▶ UCA is seeking the following supplemental appropriations for FY2018:
 - ▶ \$1.5 million from the Unified Statewide 911 Emergency Service Account;
 - ▶ \$750,000 from the Utah Statewide Radio System Restricted Account (from the \$.34 portion of the service fee);
- ▶ UCA is seeking the following appropriations for FY2019:
 - ▶ \$8.73 million from the Unified Statewide 911 Emergency Service Account;
 - ▶ \$8.125 million from the Utah Statewide Radio System Restricted Account (\$7.2 million from the \$.18 portion of the service fee and \$925,000 from the \$.34 portion of the service fee); and
- ▶ UCA is seeking authority to bond in approximately March-April of 2019

