



Report for the

9-1-1 Presentation Task Force

submitted to

Hamilton County, Ohio
Cincinnati, Ohio



ARCHITECTURE • ENGINEERING • COMMUNICATIONS TECHNOLOGY
AVIATION | CIVIL | CONSTRUCTION SERVICES | DATA SYSTEMS | ENVIRONMENTAL
FACILITIES ENGINEERING | GEOSPATIAL | NETWORKS | PUBLIC SAFETY | TRANSPORTATION

TABLE OF CONTENTS

- EXECUTIVE SUMMARY 1**
 - Financial Need* 1
 - Funding Mechanisms* 1
 - Recommendation* 2
 - Next Steps* 2
- 1. INTRODUCTION 4**
 - 1.1 METHODOLOGY 5
 - 1.2 MEETING SUMMARIES 6
 - 1.2.1 *Meeting One* 6
 - 1.2.2 *Meeting Two* 6
 - 1.2.3 *Meeting Three* 7
 - 1.2.4 *Meeting Four* 7
 - 1.2.5 *Meeting Five* 8
- 2. HAMILTON COUNTY FINANCIAL NEED 9**
 - 2.1 HISTORIC EXPENDITURES 9
 - 2.2 PROJECTED EXPENDITURES 10
 - 2.3 FINANCIAL NEED SUMMARY 11
- 3. AVAILABLE FUNDING OPTIONS 12**
 - 3.1 DETAIL RATE 13
 - 3.1.1 *Pros* 13
 - 3.1.2 *Cons* 13
 - 3.2 GENERAL FUND 13
 - 3.2.1 *Pros* 14
 - 3.2.2 *Cons* 14
 - 3.3 PARCEL ASSESSMENT 14
 - 3.3.1 *Pros* 14
 - 3.3.2 *Cons* 15
 - 3.4 PROPERTY TAX LEVY 15
 - 3.4.1 *Pros* 15
 - 3.4.2 *Cons* 15
 - 3.5 UTILITY SERVICE FEE 15
 - 3.5.1 *Pros* 15
 - 3.5.2 *Cons* 16
 - 3.6 SALES TAX LEVY 16
 - 3.6.1 *Pros* 16
 - 3.6.2 *Cons* 16
 - 3.7 PHONE/DEVICE CHARGE 17
 - 3.7.1 *Pros* 17
 - 3.7.2 *Cons* 17
- 4. PROPOSED FUNDING EXAMPLES 18**
- 5. RECOMMENDATION 19**
 - 5.1 RANKING 19
 - 5.2 NEXT STEPS 22

APPENDIX A – TASK FORCE MEMBERS	23
APPENDIX B – TASK FORCE PROPOSED FUNDING EXAMPLES	24
PROPOSED FUNDING EXAMPLES	24
5.3 PROPOSED EXAMPLE 1	24
5.4 PROPOSED EXAMPLE 2	24
5.5 PROPOSED EXAMPLE 3	25
5.6 PROPOSED EXAMPLE 4	26
5.7 PROPOSED EXAMPLE 5	27
5.8 PROPOSED EXAMPLE 6	27
5.9 PROPOSED EXAMPLE 7	28
5.10 PROPOSED EXAMPLE 8	28
APPENDIX C—DETAILED ANNUAL EXPENDITURES WITH PERCENTAGE CHANGES	29
APPENDIX D—DETAILED PROJECTED EXPENDITURES WITH PERCENTAGE CHANGES	30
APPENDIX E—TASK FORCE VOTING BREAKDOWN	31
APPENDIX F—PUBLIC INFORMATION GATHERING SESSIONS	312

TABLE OF TABLES

Table 1—Hamilton County Communications Center Historic Expenditures	9
Table 2—Hamilton County Communications Center Projected Expenditures	10
Table 3—Available Communications Center Funding Mechanisms	12
Table 4—Possible Funding Mechanism Ranking	19
Table 5—Proposed Funding Example – Hybrid Mechanism (Detail Rate, General Fund, Parcel Fee)	20
Table 6—Communications Center Hybrid Examples - Parcel Fee	21
Table 7—Communications Center Hybrid Examples - Parcel Fee	21
Table 8—Proposed Funding Example 1	24
Table 9—Proposed Funding Example 2	25
Table 10—Proposed Funding Example 3	25
Table 11—Proposed Funding Example 4	26
Table 12—Proposed Funding Example 5	27
Table 13—Proposed Funding Example 6	27
Table 14—Proposed Funding Example 7	28
Table 15—Proposed Funding Example 8	28

EXECUTIVE SUMMARY

The Hamilton County Communications Center is facing a major challenge that is impacting the delivery of public safety services in Hamilton County. The communications center is a fully equipped Enhanced 9-1-1 Dispatch Center staffed with certified Emergency Medical Dispatchers. However, due to the increasing cost of 9-1-1 service delivery some political jurisdictions in Hamilton County have needed to encourage their citizens to call other public safety numbers to save money.

As an industry leader the center is Next Generation 9-1-1 ready with call taking and computer aided dispatch technologies and one of the first in the nation to receive Text-to-9-1-1 messages. Hamilton County has been identified as having a model structure for countywide 9-1-1 dispatch. Unlike most counties in the State of Ohio, and across the nation, Hamilton County has a small number of 9-1-1 dispatch centers, minimizing the number of transferred calls and delays in locating available responders. This ideal 9-1-1 structure, however, is under threat as the Communications Center's current funding model has begun to force police and fire customers to seek alternatives for their dispatching needs.

The 9-1-1 Preservation Task Force (Task Force) was assembled to evaluate and recommend a more sustainable funding option for the Hamilton County Communications Center to insure that the world class 9-1-1 call taking and emergency dispatch service citizens and police and fire agencies currently experience remains intact. A list of the Task Force members can be found in Appendix A.

The Task Force had five face-to-face meetings between September 2014 and February 2015. During the first two meetings, time was focused on familiarizing task force members with the Communications Center both operationally and financially. The third meeting focused on the potential funding mechanisms available to Hamilton County and provided information on what other areas of similar size are doing. The fourth and fifth meetings were working sessions to capture the Task Force's funding model suggestions and the pros and cons of all options.

Financial Need

Within the State of Ohio, 9-1-1 funding is antiquated and is no longer meeting the current and projected needs of its citizens. The current Hamilton County funding structure serves as a disincentive to inter-governmental coordination and could mean the future consumption of funding from other public safety functions. The Hamilton County Communications Center is currently funded through a County General Fund Appropriation ("GFA"), a state imposed surcharge of \$0.25 on wireless devices, and a detail rate applied to each community for each call received resulting in service to that community.

Funding Mechanisms

Seven funding mechanisms were considered for funding 9-1-1 operations. Most of these options are currently allowable under State law. Of these, several of the funding mechanisms do not require voter approval such as the detail rate, general fund, parcel assessment and utility service fee. Other mechanisms require Hamilton County voter approval such as the sales tax and property tax levy. Finally, the phone/device charge would require state legislative authority to either allow Hamilton County to collect this fee locally or to have the fee collected at the state level.

Utilizing a tool created by County Budget staff, the task force members were able to study the impact of various examples of funding mechanism implementation.

Recommendation

In deliberating this issue, the Task Force concluded that the ideal funding alternative would be one which required no increase in fees, assessments, or taxes of any sort. Recognizing, however, that its charge was to recommend a more sustainable funding mechanism, and presuming the County or the communities comprising the consortium could not absorb the entirety of system costs, the Task Force recommends the Hamilton County Board of Commissioners implement a hybrid funding solution involving a parcel assessment combined with general fund appropriation and detail rate, at levels determined by the Board, to address the funding needs of the Communications Center.

The Task Force chose this hybrid model to recommend as:

- It was clearly understood that the Communications Center offers public safety benefits to the County which will ultimately be diminished absent a revised funding formula.
- It was felt that all stakeholders should have a role in funding the operations of the 9-1-1 Communications Center. However, it was also recognized that the current funding model is straining the public safety budgets of the consortium members.
- While the detail rate is becoming a burden on local public safety agencies, it constitutes a component of a cost sharing philosophy that the task force found appealing.
- The addition of a parcel fee would help stabilize the funding model allowing for more predictability in the detail rate and the general fund appropriation level.
- It was felt that the County general fund should continue funding 9-1-1 operations and capital, at a level roughly equal to the contributions from the customer communities, to incentivize a shared services consortium approach.
- Implementation of a parcel fee, for the purpose of funding 9-1-1 operations and capital, is currently allowable under the Ohio Revised Code and would avoid timing issues associated with the process for legislative change.

Table 5 in Section 5.1 depicts the hybrid funding example the Task Force recommended; however, the actual impact to the County's general fund and to the consortium members through the detail rate will vary depending upon the proportions assigned to each hybrid element. Examples of some of the possible impacts are detailed in Tables 6 and 7.

Finally, it is also recommended that the Commissioners investigate one of the other more broadly based funding mechanisms, for example the sales tax, for future use.

Next Steps

In terms of next steps, the Task Force recommends the Commissioners implement a robust public information and feedback process to obtain input from the broader community before enacting any new revenue mechanism. This would include, at a minimum, public information sessions on the issue and the task force's recommendation in addition to formal public hearings in advance of the Board's decision to enact a new revenue mechanism.

Additionally, the task force recommends that the County continue to explore shared services, particularly with the City of Cincinnati with an eye on reducing overall system costs and to stay connected to the discussion at the State level regarding 9-1-1 system funding alternatives. At some point in the future, work done at the state level to implement a phone/device charge may provide funding relief for Hamilton County. The Hamilton County Board of Commissioners should monitor that activity and provide support to the broader state effort if needed.

The balance of this page is intentionally left blank.

1. INTRODUCTION

The Hamilton County Communications Center (HCCC) is a fully equipped Enhanced 9-1-1 Dispatch Center staffed with certified Emergency Medical Dispatchers. As an industry leader the center is Next Generation 9-1-1 ready with call taking and computer aided dispatch technologies and was one of the first in the nation to receive Text-to-9-1-1 messages. According to the State of Ohio Department of Administrative Services Report for PSAP Consolidation; Hamilton County has been identified as “an ideal example of intra-county cooperation between a large city, Cincinnati, and the County PSAP.” The City of Cincinnati and HCCC have a shared GIS department and are implementing a shared CAD service. Unlike most counties in the state of Ohio, and across the nation, Hamilton County (County) has a small number of 9-1-1 dispatch centers, minimizing the number of transferred calls and delays in locating available responders. The HCCC is exceeding the National Emergency Number Association call answering standard 56-005, by answering all calls almost eight seconds faster than the recommended ninety percent of calls within 10 seconds. This ideal 9-1-1 structure; however, is under threat as the Communications Center’s current funding model has begun to force police and fire customers to seek alternatives for their dispatching needs. The practice of billing individual communities for each call for service (or detail) emanating from within their jurisdiction at one time was viewed as an equitable way to fund the joint communications center. As operational costs have risen; however, and increased strains have been placed on public safety budgets, the future of this consolidated, shared-service approach to public safety communications has become jeopardized.

Within the 9-1-1 industry, a shared-service approach is considered the best practice for public safety. It provides interoperability, as well as reduced response times as calls do not have to be transferred. If the funding issues are not resolved, and participating agencies seek to leave the HCCC, it will have a direct impact on the quality of 9-1-1 service. Without the shared-service approach, there is a diminished ability to respond to incidents involving multiple jurisdictions, increased time to respond to incidents as call transfers must be made, and there is a decrease in interoperability. The increasing technology demands placed on the organization will only exacerbate the concerns of local jurisdictions, most of which recognize the benefit and need for joint, interoperable communications while at the same time struggling with budget issues of their own.

The 9-1-1 Preservation Task Force (Task Force) was assembled to evaluate and recommend a more sustainable funding option for the HCCC to assure that the world class 9-1-1 call taking and emergency dispatch service citizens, police and fire agencies currently experience remains intact. A list of the Task Force members can be found in Appendix A.

1.2 Meeting Summaries

1.2.1 Meeting One

The first meeting of the Task Force was held on Tuesday September 23, 2014 at the Red Cross offices. Chairwoman Patricia Smitson welcomed the task force members and explained that the group was charged with recommending the most feasible method for preserving the current structure of 9-1-1 in Hamilton County. The task force members were introduced and asked to provide insight into their goals for the group.

Communications Center Director, Jayson Dunn, provided the members with an overview of the history of 9-1-1 at the national, state and local levels. Director Dunn then gave the members an introduction to the communications center, the agencies served, the organizational structure and the technology utilized. Director Dunn utilized the examples of the mass vehicle crash in January 2013 and the LaSalle High School Shooting in April 2013 to highlight the need for interoperability among first responders. This interoperability is provided best by a consolidated 9-1-1 communications center.

County Commissioner Chris Monzel joined the meeting and provided the group with a framework for their process by stressing that the Task Force wouldn't need to provide a single recommendation. Commissioner Monzel explained the Task Force may choose to recommend a suite of prioritized options to the Hamilton County Board – recognizing that a more robust public education and deliberation process will ultimately be required before the Board of County Commissioners acts on any funding alternative.

1.2.2 Meeting Two

The second meeting of the Task Force was held at the Communications Center. Three dispatchers from the center provided task force members with information on the work performed by the center and their experiences and concerns with agencies attempting to limit the detail charges. The task force members were given tours of the center and allowed to listen to calls and ask questions of the staff.

County staff provided the task force members with an overview of the 2014 Hamilton County budget and explained what revenues and expenditures comprised the general fund. It was noted that most of the County's public safety functions (Sheriff, Prosecutor, Coroner, Courts), including the Communication Center's GFA, was paid out of the general fund.

Director Dunn and County budget staff gave a high level overview of the historical expenditures and revenue for the communications center along with the projected budget for the next three years. There were numerous questions, and significant deliberation, regarding the expenditures and projections for the communications center. Director Dunn then introduced the task force members to the various funding mechanisms available and explained they would be discussed in more detail during the next meeting.

1.2.3 Meeting Three

The third meeting of the Task Force began with an overview of the projected funding requirements for the Communications Center to operate over the next four years. There was a significant amount of time spent discussing the projections, the cost of additional needs such as data for the fire departments and the use of reserve funds.

Sherri Griffith Powell, from L.R. Kimball gave the task force members information on how other areas of similar size fund their 9-1-1 operations. The Task Force had a lengthy discussion on how some of those funding models differed from what was being done in Hamilton County.

Director Dunn walked the Task Force through each of the funding mechanisms available to the Task Force and provided examples of what Communications Center funding would look like if each option were utilized to fund 100 percent of operations. The Task Force members began to discuss some of the pros and cons of each of the options and agreed to finalize that discussion at meeting four in December.

1.2.4 Meeting Four

Chairwoman Smitson began the fourth meeting of the Task Force by asking Director Dunn to explain how the process would work for the final report. Director Dunn explained his goal to conclude the discussions begun in Meeting Three and to gather the remainder of the information needed to produce the report. He and Sherri Griffith Powell would then draft the report and provide it to the task force members for feedback.

Director Dunn requested that the task force members provide suggestions to develop consensus on long term revenue needs for the HCCC and to consider any funding alternative as a long term solution for Communications Center operations. The Task Force members had a lengthy discussion on the historic expenditures of the HCCC along with the projected financials. It was noted that any recommendation had to include a reduction in the detail rates and that it should no longer be considered as the main funding source. The Task Force noted that the user agencies want predictability in the rates and the recommendation should include a provision that the rates remain the same for a set period of time.

The Task Force members discussed the need for staffing increases, the impact of next generation 9-1-1 (NG9-1-1) on cost projections, the possibility of shared services and the recommendation for the County to have a contract with the participating agencies prior to making funding recommendations.

The last portion of the meeting was spent brainstorming ideas on how to utilize the available funding mechanisms to preserve the current structure of 9-1-1 in Hamilton County. The Task Force members created six different hybrid models for consideration.

It was decided that a fifth meeting would be needed in order to gather the pros and cons of the funding mechanisms and to stack rank the funding models.

1.2.5 Meeting Five

Prior to the fifth meeting of the Task Force, a packet of information was emailed to the members containing the notes from the fourth meeting, the six funding scenarios, an evaluation form and a form for stack ranking the funding mechanisms. The task force members were asked to review the information and come to the meeting prepared with pros and cons for each funding mechanism.

Assistant County Administrator Aluotto thanked everyone on behalf of the Board of County Commissioners and assured the Task Force that the work being done is critical and the commissioners are very appreciative. Director Dunn took over the meeting and explained that although the scenarios have been built out with percentages for each funding mechanism, the Task Force should focus on the funding mechanisms more than the actual percentages. Director Dunn explained the Commissioners may need to change the percentages to accommodate the funding needs.

Director Dunn gave a quick review of the funding mechanisms available and provided an update on the use of funds from the property parcel assessment based on an opinion from the prosecutor's office. The task force had a very productive discussion of the pros and cons for each of the scenarios. As the discussions progressed the group came to consensus on the desire to reduce the detail rate to \$10 and to have the general fund provide a matching amount. The task force members felt this was an amount the participating agencies could agree to and that might encourage other agencies to join the HCCC.

As the discussions progressed, the task force members asked if they were limited by the scenarios created during meeting four or if they could introduce new scenarios. Sherri Griffith Powell and Director Dunn explained that the members could add additional scenarios for review. Scenario 7 and 8 were added to the discussions and were available for the final ranking.

One option proposed was to depict no tax increases. Scenario 7 was provided as an example of the funds needed if the detail rate were set at the agreed upon \$10 rate. In order not to increase taxes the general fund contribution would increase significantly.

Another option proposed was to combine the detail rate, general fund and a utility service fee. This would allow a much lower rate per user and would spread the cost out across a much wider customer base. As the Task Force members discussed this model, they noted that while the parcel fee was the most narrowly based funding mechanism; it was the easiest to implement in the short term.

The Task Force members also discussed the pros and cons for the funding mechanisms that had not been included in any of the hybrid models – the telephone/device fee and the sales tax. The Task Force members were given time at the end of the meeting to individually stack rank the funding mechanisms and to evaluate the Task Force process.

The balance of this page is intentionally left blank.

2. HAMILTON COUNTY FINANCIAL NEED

Within the State of Ohio, 9-1-1 funding is problematic and is no longer meeting the current and projected needs of its citizens. In response to the local situation, Hamilton County approached the State legislature in 2013 to obtain permissive authority to implement a monthly charge in Hamilton County to telephone, wireless and Internet phone services to fund public safety communication operations. While the effort raised awareness of the issue amongst the general public and the County’s legislative delegation, and draft legislation was developed, it failed to advance in the final days of the 2013 Ohio General Assembly. However, more recently there has been heightened recognition at the state level on the need to restructure the way 9-1-1 is funded in Ohio. The movement is slow; however, and there is no estimate on when legislation will be introduced or what the outcome will be.

The current Hamilton County funding structure serves as a disincentive to inter-governmental coordination and could mean the future consumption of funding from other local government public safety functions such as police, fire and EMS. The HCCC is currently funded through a County General Fund Appropriation (GFA), a state imposed surcharge of \$0.25 on wireless devices, and a detail rate applied to each community for each call received resulting in service to that community.

The Board of County Commissioners makes an annual determination on GFA and customer rates after considering internal departmental revenue needs, statutorily mandated funding requirements, the capacity of the General Fund and the financial capacity of the customer base to meet those needs.

The Task Force spent a significant amount of time working with County budget staff and Communications Center leadership to understand the dynamics of the Communications Center budget and expenditure projections. The Task Force members felt that if they were ultimately going to provide input on a possible new revenue mechanism, that they needed to first understand the financial realities being faced and thus the justification for an alternative revenue mechanism. The following tables reflect a summary of information reviewed by the Task Force.

2.1 Historic Expenditures

Table 1—Hamilton County Communications Center Historic Expenditures

Historic Expenditures						
	2010	2011	2012	2013	2014	Avg. % Change
Personnel Costs	\$4,535,743	\$4,520,457	\$4,675,404	\$4,549,302	\$5,054,570	2.88%
Operating Costs	\$1,747,415	\$2,299,227	\$2,102,828	\$1,959,683	\$2,091,306	5.74%
Capital Expenditures	\$202,037	\$719,427	\$354,741	\$2,116,318	\$3,263,326	189.04%
Subtotal Operating Costs	\$6,485,194	\$7,539,111	\$7,132,972	\$8,625,303	\$10,409,201	13.12%
Fixed Revenue	\$1,193,624	\$1,250,182	\$1,274,630	\$1,187,756	\$1,126,323	-1.32%
Net Annual Expenditures	\$5,291,570	\$6,288,929	\$5,858,342	\$7,437,547	\$9,282,878	15.94%

A detailed explanation of the percentage changes each year can be found in Appendix C.

2.2 Projected Expenditures

Table 2—Hamilton County Communications Center Projected Expenditures

Projected Expenditures						
	2016	2017	2018	2019	2020	Avg. % Change
Personnel Costs	\$5,734,549	\$5,794,709	\$5,996,786	\$6,113,786	\$6,230,786	4.37%
Operating Costs	\$2,423,819	\$2,278,522	\$2,253,458	\$2,266,458	\$2,279,458	1.99%
Capital Expenditures	\$2,921,675	\$3,498,200	\$3,912,813	\$3,600,000	\$3,600,000	2.62%
Subtotal Operating Costs	\$11,080,042	\$11,571,430	\$12,163,057	\$11,980,244	\$12,110,224	3.11%
Fixed Revenue	\$1,095,000	\$1,095,000	\$1,095,000	\$1,095,000	\$1,095,000	0.00%
Net Projected Annual Expenditures	\$9,985,042	\$10,476,430	\$11,068,057	\$10,885,244	\$11,015,224	3.53%

As detailed in Table 2, the five year average annual expenditure, between 2016 and 2020 will total approximately \$10.7 million. The projected expenditures for 2016 through 2020 include the following assumptions:

- Annual inflationary growth is projected at \$176,000 and is based on known increases in maintenance contracts and wages per the most recent bargaining unit agreement (\$161,000 of that increase is personnel only).
- Fixed revenue includes revenue from sources outside of the County general fund including State wireless revenue, tower leases, radio fees, etc.
- An increase in debt service for the new 800 MHz system to start in 2016 and identified capital needs for tower site inspections and capital maintenance. In total the capital budget is expected to increase by \$1.4 million over three years. This increase includes funding for high speed data connectivity and generators linked to the fire departments, HVAC maintenance, computer replacements, and facility improvements at HCCC. The plan was structured to set money aside for future capital needs to avoid paying interest on smaller items starting in 2019 (after all known capital projects are completed).
- An increase in personnel including two new communication officers, one new communications supervisor and one radio communication manager is set to start in 2016 (total additional cost of \$246,000 per year). The two communications officers were originally cut from the budget in 2010 and are needed in order to maintain consistent service levels, absorb employee turnover, and reduce the occurrences of mandatory staff overtime. The communications supervisor is needed to focus on quality of service assurance, staff development and training, and public education. The radio system manager is needed to manage the County's \$30 million dollar emergency communications system. There are currently 5,100 portable and mobile radios utilizing the 15 tower, 20 channel digital Motorola radio system. The County currently has not dedicated personnel to managing this infrastructure and is investigating the potential for a shared service effort with the City of Cincinnati in this regard. There is an assumed level of retirement payouts of \$97,000 that could happen at any time during the projection period (hence assumed once and then not assumed again).

- Finally, there is a contract renewal with Intrado for maintenance on the IP based phone system that will incur an additional \$130,000 annually.

A detailed explanation of the percentage changes each year can be found in Appendix D.

2.3 Financial Need Summary

The current funding model is stressing the operating budgets of both the County and its partnering jurisdictions as it relates to their ability to fund and perform other mandated and needed services. A County decision to completely cover the required expenditures of the HCCC through a general fund subsidy would, indeed, reduce the incentive for fragmentation in the system but would place additional pressures on already strained mandated services such as Jail operations, courts, etc. Similarly, a detail rate which entirely covered HCCC costs would relieve pressure on other County mandated services but would further compromise the public safety budgets of those partner communities. It is becoming clear that a change in the current funding model is needed to reach a middle ground that adequately meets the needs of the County and its consortium partners.

The balance of this page is intentionally left blank.

3. AVAILABLE FUNDING OPTIONS

Seven funding mechanisms were considered for funding 9-1-1 operations. Most of these options are currently allowable under State law. Of these, several of the funding mechanisms do not require voter approval such as the detail rate, general fund, parcel assessment and utility service fee. Other mechanisms require Hamilton County voter approval such as the sales tax and property tax levy. Finally, the phone/device charge would require legislative authority to either allow Hamilton County to collect this fee locally or to have the fee collected at the state level.

A high level explanation of each of the funding mechanisms is provided in the chart below.

Table 3—Available Communications Center Funding Mechanisms

POSSIBLE COMMUNICATIONS CENTER FUNDING MECHANISMS		
Funding Mechanism	Possible or Under ORC?	Description/Analysis
Detail Rate	Yes	Hamilton County Currently employs this mechanism as a contract for service with individual jurisdictions. Each jurisdiction is charged \$18.30 each time a 9-1-1 call results in the dispatch of emergency equipment in that community.
General Fund	Yes	The County general fund, which is budgeted to expend approximately \$200 million in 2014, funds a broad range of basic services. The County will provide \$2.5 million in 2015 to the HCCC in order to pay for a portion of operating costs and for debt service associated with past capital expenditures.
Parcel Assessment	Yes	According to section 5507.22 of the Ohio Revised Code, counties are permitted to assess a charge to each parcel of land in the county to fund the establishment and operations of a Public Safety Answering Point (PSAP).
Property Tax Levy	Yes	Upon the consent of voters, a levy could be established, or an existing levy modified, to fund the operations of the HCCC.
Utility Service Fee	Yes	ORC Section 324.02 allows Counties to assess a utilities service tax for the purpose of generation revenues for the county.
Sales Tax Levy	Yes	Ohio Counties, through ORC Sections 5739.021 and 5741.021, are permitted to levy sales and use taxes for the general operations of County government. Counties are permitted to enact a sales tax of .25% to 1.5 %. Hamilton County currently has utilized 1.25% of this overall capacity. In Hamilton County, each .25% produces revenue of approximately \$30 million.
Phone/Device Charge	No	Per the FCC's Sixth Annual Report to Congress ¹ , 19 states collect a 9-1-1 fee at the state level, nine states allow fees to be collected at the local/regional level, and 23 employ a hybrid approach. No permissive authority of this kind currently exists in Ohio. Ohio does currently institute a charge of \$0.25 per month on cell phones. This revenue is split among local PSAPs. In Hamilton County, this revenue covers between 7-8% of the total costs of the HCCC. Hamilton County's recent approaches to the General Assembly focused on obtaining permissive authority to enact this type of fee.

1 http://transition.fcc.gov/pshs/911/Net%20911/NET911_Act_6thReport_to_Congress_123014.pdf Sixth Annual Report to Congress on State Collection and Distribution of 911 and Enhanced 911 Fees and Charges.

Hybrid	Yes	It is possible that two or more of the above mechanisms may be utilized to fully fund the operations of the HCC.
--------	-----	--

3.1 Detail Rate

The general consensus among the Task Force members after discussions during all five of the meetings was support for reducing the detail rate. The members felt that if the detail rate were returned to the \$10 range, it would significantly reduce the incentive for municipalities and townships to leave the communications center and might encourage further consolidation. In 1999 Northeast Communications departed from HCCC and cited the rising cost of the services as the reason.

The Detail Rate charges are based on actual usage, so a community that does not frequently use the service is charged less. In addition, most customers do not know what their total cost will be until after their public safety budgets are already set. Therefore, it causes the customers to have to reallocate funds in their budgets after the Communications Center releases the detail rate and charge.

3.1.1 Pros

- A detail rate closer to the \$10 range allows those communities using the Center to retain a sense of ownership in the operation.

3.1.2 Cons

- The current detail rate incentivizes fragmentation of the shared service communication system.
- Additionally, many communities have begun to publicly advertise alternative numbers for their residents to call in the event of an emergency as a means of avoiding 9-1-1 detail charges.
- A note was made during the fourth meeting, that the current load of the communications center budget is being carried by the customers because the detail rate is so high.

3.2 General Fund

During discussions in the fourth and fifth meeting, the Task Force members came to consensus on a desire for the general fund contribution to be equal to the contribution of the detail rate. Several times during discussions the suggestion was made to reduce the general fund contribution closer to the 40 percent it had been a few years ago. After lengthy discussion, the Task Force members did note that if one of the other funding mechanisms were utilized in place of an increase in general funds, and the amount of the detail rate was lowered, it would be an acceptable solution.

Without a commitment to maintain the general fund contribution or keep it at the same level as the detail rate, the Board of Commissioners could change and the new board could then decide to lessen the current general fund burden and place it on the detail rate or other service option.

3.2.1 Pros

- Having a portion of the budget come from the County general fund demonstrates a shared commitment on behalf of all levels of local government. The Task Force members believe it demonstrates the County views 9-1-1 as important enough to share the costs with the customers.
- A higher general fund contribution lowers the total burden shared by the other municipalities and their residents which could encourage consolidation.
- All residents receive the benefit of a strong 9-1-1 system.

3.2.2 Cons

- The County is already cash strapped and there is no indication that will change in the next five to ten years.
- Reliance on the general fund as a significant source of funding may lead to: inconsistencies in funding levels every year; reduced cost predictability for participating communities; significant amounts of deferred and needed maintenance/capital/technology investment; and/or reduction in other areas of public safety service.
- There is no way to geographically limit the revenue used, since the revenue for the general fund is collected from all Hamilton County residents. This would, in effect, result in double taxation for residents in Cincinnati, Norwood and Northeast Communications, as they pay into the general fund, which would be paying for the Communications Center.

3.3 Parcel Assessment

The Task Force members felt that although under Ohio law, a public vote was not required to implement a parcel assessment for 9-1-1 operations, it would be important for the County to conduct a significant public outreach effort before initiating that option. One Task Force member suggested that an explanation should be provided to the participating jurisdictions to explain the operational and financial benefits to their community of a parcel assessment over the current detail rates.

The Task Force members suggested that the Hamilton County Board implement an agreement with each of the Communications Center participants.

3.3.1 Pros

- It is for a specified purpose and would be dedicated to 9-1-1.
- It enables a more level funding stream for the Communications Center.
- It is subject to referendum making it a more preferable alternative from a democratic perspective.
- The fee isn't based on the value of the property, so larger properties and businesses don't have to pay more.
- Can be limited to just the properties within the operational jurisdiction of the Hamilton County Communications Center.
- County is doing the billing, collecting and administration.
- Begins to address lowering the detail rate.
- Could be amended by Commissioner action should variations in expenses arise that require more, or less, revenue.

3.3.2 Cons

- It only impacts property owners instead of all users of 9-1-1.
- It results in a higher percentage amount for the lower value properties.
- It is a tax increase.
- Stagnant source of funding as the number of parcels won't go up, so the revenue stays the same absent modulation of the fee.

3.4 Property Tax Levy

The Task Force members felt that while a property tax levy would be a bit more difficult to implement as it required a vote of the people of Hamilton County; it was more evenly distributed than the parcel fee. One Task Force member noted that if the property tax levy did not pass it would require the County Commissioners to update the resolution. It was noted that because the City of Cincinnati would be involved in the process for a property tax levy; it might encourage discussion of shared services.

3.4.1 Pros

- For a specific purpose and dedicated to 9-1-1.
- Currently there are no levies on the ballot for 2015.
- Equalizes the larger properties contribution.
- Some optimism it would pass based on the University of Cincinnati Institute for Policy Research Survey done in February 2014.
- Could encourage consolidation and discourage fragmentation as property owners in PSAPs would have an incentive to join the County Communications Center in order to not pay for services they do not receive.

3.4.2 Cons

- There is not an ability to limit geographically; would be implemented countywide.
- People opposed to new taxes would oppose this.
- Requires a ballot initiative.
- Maybe require initiative every five years.

3.5 Utility Service Fee

The Task Force members agreed that while there might be opposition, the utility service fee would be more evenly distributed by collecting money from a broader customer base producing a lower cost per user.

3.5.1 Pros

- Is allowed by law.
- Does not require a vote.

- More evenly distributed as money is collected from a broader customer base.
- Would be a very accurate billing model. Allows residences and companies who are most likely to utilize 9-1-1 service to be charged.
- Would not be limited to local energy utility. Cincinnati Water Works and the Metropolitan Sewer District are utilities the ORC allows the fee to apply to. Collecting through a City or County managed agency would be more feasible.

3.5.2 Cons

- Opposition from industries.
- Hard to estimate the rate per customer and revenue without support from utility companies.
- Utility companies have fought against 9-1-1 fees being placed on their bills in other municipalities and won. The same may occur in Hamilton County.
- The public would not correlate a utility fee for 9-1-1 service.

3.6 Sales Tax Levy

The Task Force members had a lengthy discussion and agreed that a sales tax levy had the potential to solve a much broader range of public safety funding issues. The members agreed that the sales tax was one of the most broadly based funding mechanisms as it would collect from all potential users of the 9-1-1 system. A Task Force member did note that the County Law Enforcement Applied Regionally (CLEAR) levy would need to be looked at again with the possibility of increasing it to include the Communications Center or use the sales tax to offset the levy.

3.6.1 Pros

- Collected from everyone (including visitors to the area) that might utilize the 9-1-1 system.
- Tied to the economy, so revenues will improve as the economy improves.

3.6.2 Cons

- May not be an attractive choice for the county commissioners as there is only .25 percent left to levy on the sales tax.
- Would eliminate the possibility for the County to raise the sales tax for any other purpose.
- Tied to the economy, so any recession could have a negative impact on Communications Center revenue.
- Requires voter approval, and the voters have not been willing to pass sales tax revenues for general county operations in recent history (e.g. new jail).
- Considered a regressive tax that places more of the comparative burden on a lower income individual.

3.7 Phone/Device Charge

The Task Force Members had a brief discussion on the pros and cons of a phone device charge. Some of the members felt that this funding mechanism might be the best approach as a long term solution. However, some members did voice opposition to this choice and noted that it would have industry opposition.

3.7.1 Pros

- A defensible source for a 9-1-1 fee. Used by 50 States to fund 9-1-1.
- Is the closest to the user base for 9-1-1 services.
- Sound model for funding 9-1-1.

3.7.2 Cons

- Length of time to implement as it would require Legislative change.
- Has industry opposition.
- Places a burden on telecommunications providers to collect and remit.
- May be considered a tax increase.

The balance of this page is intentionally left blank.

4. PROPOSED FUNDING EXAMPLES

Utilizing a tool created by County Budget staff, the task force members were able to study the impact of various examples of funding mechanism implementation prior to making a recommendation. The Task Force members created eight funding scenarios as examples to illustrate how the mechanics would work and to assist in understanding the impact of each funding mechanism. The funding examples, a brief description of each and the discussion points by the Task Force members are provided in Appendix B. Each funding example utilizes an average revenue need of \$10.905 million which equates to the \$10.7 million figure (2016-2020 average) detailed in Table 2 plus a capital reserve margin of 2%.

The balance of this page is intentionally left blank.

5. RECOMMENDATION

The Task Force members recognized the importance of finding a funding mechanism that would provide stability to the Communications Center and the participating agencies, while preventing further fragmentation of the 9-1-1 system. It was clearly understood that there are inherent benefits of a coordinated, interoperable communications system to the safety of the County’s residents and the first responder community. It was also noted that the current funding mechanism is not only incentivizing fragmentation, but pressuring local communities to make day to day decisions rooted more in financial necessity than in what is best for public safety.

Benefits of the current communications system aside, the Task Force acknowledged the difficulty of the pending decision facing the County and its consortium partners on the issue of funding. Any new funding mechanism will entail a shift in terms of how the service is paid and thus will require broad based community support – starting with the Board of County Commissioners which, again, is ultimately responsible for any decision to initiate an alternative approach. During discussions, the need for an immediate solution was recognized while acknowledging the need to work towards a more broadly based long term solution including the prospect for additional State support for the day to day operational needs of Communication Centers throughout Ohio.

5.1 Ranking

The Task Force members were asked to individually complete the Possible Funding Mechanisms handout and rank each of the mechanisms in order of preference. The table below illustrates the final ranking of each funding mechanism by the Task Force with the preferred option listed first. For a full breakdown of the number of Task Force members that voted for each of the funding mechanisms, please consult Appendix E.

Table 4—Possible Funding Mechanism Ranking

Rank	Revenue Source
1 st	Hybrid
2 nd	Parcel Assessment
3 rd	General Fund
4 th	Detail Rate
5 th	Property Tax Levy
6 th	Sales Tax
7 th	Utility Service Fee
8 th	Phone/Device Charge

The Task Force members almost unanimously selected the Hybrid funding mechanism as their top choice. The Task Force members were asked to provide their top choice of funding examples if the Hybrid mechanism was selected. A hybrid funding model composed of the detail rate, general fund and parcel assessment funding mechanisms was the top choice for the majority of the Task Force members.

While the Task Force members recognized that the ultimate decision on a funding methodology rests with the Board of County Commissioners, they felt it was important to view examples of the impact of each mechanism if implemented in various ways. For example, the table below shows an equal contribution from the detail rate and general fund with the remainder of the Communications Center’s budget funded by the per parcel fee. Under this scenario, the detail rate is cut by almost 50 percent while the general fund contribution remains roughly equivalent to the current amount. The remainder of the revenue need is absorbed by a Parcel Fee of approximately \$3.52/month or \$42.29 per year.

Table 5—Proposed Funding Example – Hybrid Mechanism (Detail Rate, General Fund, Parcel Fee)

Revenue Required - \$10,905,000							
	Detail Rate	General Fund	Property Taxes	Sales Tax	Per Parcel Fee	Utility Service Fee	Phone Charge
Percentage of budget	25.5%	25.5%			49%		
Dollar Amount	\$2,780,775	\$2,780,775			\$5,343,450		
Rate	\$10.11				\$42.29		
*Note: The 25.5% general fund was suggested to return to the amount General Fund used to provide when loan payments were separate from the budget.							

The Task Force members gravitated toward the Hybrid Mechanism with the parcel fee for several reasons. In contrast to the phone fee, it is a mechanism which is already established under the Ohio Revised Code thus avoiding the uncertainty associated with a state legislative effort to provide new taxing authority. Additionally, as opposed to a broad based property tax increase, the parcel fee can be applied directly to the service area of the Communications Center without a ballot vote – avoiding the argument that a tax is being applied to those who do not benefit from the service. Finally, the County has experience with this type of funding mechanism (e.g. stormwater, etc.) and, as such, it could be implemented fairly quickly, yet is still subject to referendum, thus preserving a democratic element which various members of the Task Force felt was important. The major disadvantage noted for the per parcel fee, aside from the need to levy an additional fee, was that it imposes a higher percentage amount on the lower value properties.

The following table depicts the impact to the detail rate, GFA and parcel fee associated with various hybrid arrangements which may be considered by the Board of County Commissioners. The detail rate and GFA are evenly split to make up the difference not covered by the parcel fee in each of the options below 100%. As is the case elsewhere in this report, the table utilizes a projected revenue need of \$10.905 million which equates to the \$10.7 million shown in Table 2 plus an additional 2% capital reserve.

Table 6—Communications Center Hybrid Examples - Parcel Fee

Revenue Required - \$10,905,000					
% of Revenue Generated from Parcel Fee	100%	80%	60%	40%	20%
Parcel Fee Rate	\$86.30	\$69.04	\$51.78	\$34.52	\$17.26
Detail Rate	\$0	\$3.97	\$7.93	\$11.90	\$15.86
General Fund Appropriation	\$0	\$1,090,500	\$2,181,000	\$3,271,500	\$4,362,000

The table below depicts the amount of the detail rate, GFA and per parcel fee based on reducing the current revenue for each item by an equal percentage as listed. Again, the table depicts an annual revenue need of \$10.905 million. The difference not covered by the general fund or detail rate is covered by the per parcel fee.

Table 7—Communications Center Hybrid Examples - Parcel Fee

Revenue Required - \$10,905,000			
% of Reduction from Current Budget	Detail Rate	General Fund Subsidy	Per Parcel Fee
0%	\$19.22	\$2,500,000	\$24.69
10%	\$17.30	\$2,250,000	\$30.85
20%	\$15.38	\$2,000,000	\$37.01
30%	\$13.45	\$1,750,000	\$43.17
40%	\$11.53	\$1,500,000	\$49.33
50%	\$9.61	\$1,250,000	\$55.49
60%	\$7.69	\$1,000,000	\$61.65
70%	\$5.77	\$750,000	\$67.81
80%	\$3.84	\$500,000	\$73.97
90%	\$1.92	\$250,000	\$80.14
100%	-	-	\$86.30

The second highest ranked hybrid funding example selected by the Task Force retains the equal contributions from the detail rate and general fund; but splits the remaining budget between the property tax and per parcel fee funding mechanisms. The Task Force members felt that while a property tax levy would be a bit more difficult to implement as it required a ballot vote; it was more evenly distributed than the parcel fee and because the City of Cincinnati would be involved in the process for a property tax levy; it might encourage discussion of shared services.

The Task Force members discussed the prospects for shared services in the local public safety communications arena - particularly between Hamilton County and the City of Cincinnati. While these prospects were not discussed in detail, the consensus of the task force was for these opportunities to be evaluated routinely to ensure the most cost effective and efficient delivery of services to taxpayers. Since the conclusion of the task force effort, it should be noted that the County and City are mutually exploring various shared service concepts related to 9-1-1 communications including:

- Shared radio infrastructure with the state of Ohio, MARCS system, to avoid capital costs, reduce maintenance costs by \$220,000 per year and improve interoperability.
- Shared County/City staffing to manage critical infrastructure such as CAD and radio systems.
- Shared technology platforms for computer aided dispatch to ensure both organizations can formally dispatch for one another in the event of system failures in either organization. This initiative will save the county \$65,000 in annual maintenance costs.

The Task Force members understand that implementing a sales tax might not be a viable funding option at this time. However, it was noted that the Sales Tax would generate more than enough revenue; would be collected from all potential users of the 9-1-1 system; provide relief to the general fund and detail rate; and might facilitate a more comprehensive solution to the County's broader public safety issues.

Finally, it was noted that the Utility Service Fee deserves consideration as it is the most evenly distributed, in terms of apportionment to each household unit, and would potentially result in the lowest per user fee.

5.2 Next Steps

The Task Force recommends the Hamilton County Board of Commissioners strongly consider implementation of a hybrid funding mechanism, including a parcel assessment, detail rate, and County GFA to address the immediate funding needs of the Communications Center. It is also recommended that the Commissioners continue to investigate one of the other more broadly based funding mechanisms, for example the sales tax, for future use. Should this recommendation be advanced by the Board, the Task Force also recommends having the Tax Levy Review Committee or other independent entities periodically review the efficiency of HCCC operations to ensure the appropriate sizing of revenue sources.

In considering this alternative, it is recognized that the report of the Task Force should constitute only the beginning of a more robust process of public input and deliberation on this issue. This would include, at a minimum, public information sessions on the issue and the task force's recommendation in addition to formal public hearings in advance of the Board's decision to enact a new revenue mechanism. However, it is hoped that the work of the Task Force, in confirming the need and justification for a revised funding mechanism, and intensively vetting the potential options, places the County in a much stronger position to make a public case for change.

Additionally, the task force recommends that the County continue to explore shared services, particularly with the City of Cincinnati with an eye on reducing overall system costs and to stay connected to the discussion at the State level regarding 9-1-1 system funding alternatives. At some point in the future, work done at the state level to implement a phone/device charge may provide funding relief for Hamilton County. The Hamilton County Board of Commissioners should monitor that activity and provide support to the broader state effort if needed.

APPENDIX A – TASK FORCE MEMBERS

Name	Title	Company
Dr. Michael Argus	Medical Director, ED	Mercy Health
Dr. Karen Bankston	Associate Dean for Clinical Practice, Partnership and Community Engagement	University of Cincinnati College of Nursing
Lawrence Bennett; Esq.	Program Chair, Fire Science and Emergency Management	University of Cincinnati
Chief Richard Braun	Fire Chief	Cincinnati Fire Department
Ms. Suzanne Burke	CEO	Council on Aging of Southwestern Ohio
Mr. Brian Carley	President/CEO	Cincinnati USA Regional Chamber
Hon. Lee Czerwonka	Mayor	City of Blue Ash
Mr. Ted Heckmann	Managing Director	Cincinnati Bell, Regulatory & Government Affairs
Mr. Jason Kershner	VP, Government Affairs	Cincinnati USA Regional Chamber
Chief Robert Leininger	Fire Chief	Springfield Township Fire Department
Ms. Pamela McDonald	VP, Government Relations	Time Warner Cable
Mr. Andrew Pappas	Township Trustee	Anderson Township
Ms. Amy Roberts	Director	United Way 211
Chief Tim Sabransky	Police Chief	Loveland Police Department
Ms. Patricia Smitson	CEO	Greater Cincinnati Chapter of the American Red Cross
Mr. David Vehslage	State Director, Government & External Affairs	Verizon

APPENDIX B – TASK FORCE PROPOSED FUNDING EXAMPLES

PROPOSED FUNDING EXAMPLES

Utilizing a tool created by County Budget staff, the task force members were able to study the impact of various examples of funding mechanism implementation. These scenarios were created as examples to illustrate how the mechanics would work and to assist the Task Force members to understand the impact of each funding mechanism. A brief description of each example is provided along with the discussion points by the Task Force members. The Funding examples utilize an average annual expenditure of \$10.905 million which equates to the \$10.7 million figure identified in Table 2 plus an additional 2% margin for a capital reserve.

5.3 Proposed Example 1

The first scenario is a hybrid of the current general fund and detail rate funding mechanisms and supplementing revenues with the Per Parcel Fee. The Task Force members chose this scenario as a short term option because the Per Parcel Fee does not require a vote.

Table 8—Proposed Funding Example 1

Revenue Required - \$10,905,000							
	Detail Rate	General Fund	Property Taxes	Sales Tax	Per Parcel Fee	Utility Service Fee	Phone Charge
Percentage of budget	32%	22%			45%		
Dollar Amount	\$3,489,600	\$2,399,100			\$5,016,300		
Rate	\$12.69				\$39.70		

The Task Force members discussed the need to educate the participating entities that they had been paying for services through the detail rate and that would now be subsidized with the parcel fee.

5.4 Proposed Example 2

The difference between this example and the first example is that the task force wanted the general fund to be equal to the contribution of the detail rate. It was suggested to take the general fund contribution back to what it had been a few years ago. A note was made that the current load is being carried by the customers – because the detail rate is so high right now.

Table 9—Proposed Funding Example 2

Revenue Required - \$10,905,000							
	Detail Rate	General Fund	Property Taxes	Sales Tax	Per Parcel Fee	Utility Service Fee	Phone Charge
Percentage of budget	25.5%	25.5%			49%		
Dollar Amount	\$2,780,775	\$2,780,775			\$5,343,450		
Rate	\$10.11				\$42.29		
*Note: the 25.5% general fund was suggested to go back to the amount General Fund used to provide when loan payments were separate from the budget.							

One task force member believed that it was important to keep the general fund and detail rate as opposed to just a parcel fee as it shows a shared commitment. It was noted this would demonstrate that the County believes 9-1-1 is important enough to share the costs with the customers.

Another member suggested the policy statement utilized by the commissioners to create the parcel fee should be crafted into an agreement with the customers, in which the County commits to the townships a set detail rate going forward and a commitment to the partnership. It was noted that the agreement from the County would serve to have the customers commit that if the detail rate is kept low they won't attempt to leave. It was noted that the County would need to reach out to each customer.

Finally, the Task Force members discussed the possibility that if the detail rate were lowered; some of the agencies that had left might come back to the Communications Center.

5.5 Proposed Example 3

This scenario was proposed to lower the amount collected on each property parcel. The Task Force members discussed the need to stress that this option would create a lower fee per property than the parcel fee alone would.

Table 10—Proposed Funding Example 3

Revenue Required - \$10,905,000							
	Detail Rate	General Fund	Property Taxes	Sales Tax	Per Parcel Fee	Utility Service Fee	Phone Charge
Percentage of budget	25%	23%	28%		25%		
Dollar Amount	\$2,726,250	\$2,508,150	\$2,944,350		\$2,726,250		
Rate	\$9.91		0.17		\$21.57		

The Task Force members agreed there was a potential for this option to be seen as a double tax increase; which the County Commissioners would need to contradict with the information that the bottom line amount charged per customer would be lower than billing on the parcel fee alone.

It was suggested that the property tax option might be used as a carrot to entice the other Hamilton County entities to consider a shared services or consolidation model as the tax would be collected from all home owners in the County.

A Task Force member noted that implementing a property tax would require a partnership with Cincinnati.

5.6 Proposed Example 4

This scenario was proposed to provide relief to both the County General Fund and the participating jurisdictions.

Table 11—Proposed Funding Example 4

Revenue Required - \$10,905,000							
	Detail Rate	General Fund	Property Taxes	Sales Tax	Per Parcel Fee	Utility Service Fee	Phone Charge
Percentage of budget			100%				
Dollar Amount			\$10,905,000				
Rate			0.62				

There was general consensus that the anti-tax groups would strongly oppose this option. Some Task Force members felt the elimination of both the detail rate and County general fund contribution might cause a negative reaction from the community.

The Task Force members stressed the need for an alternative funding plan in the event the property tax did not obtain voter approval.

5.7 Proposed Example 5

This scenario provides an example of the decrease in the amount of the property tax fee if the detail rate and County general fund contributions are included.

Table 12—Proposed Funding Example 5

Revenue Required - \$10,905,000							
	Detail Rate	General Fund	Property Taxes	Sales Tax	Per Parcel Fee	Utility Service Fee	Phone Charge
Percentage of budget	25.5%	25.5%	49%				
Dollar Amount	\$2,780,775	\$2,780,775	\$5,343,450				
Rate	\$10.11		0.30				

The Task Force members agreed this hybrid model provided better equity than the parcel fee as the larger property owners paid a proportionately larger amount than the smaller properties. One task force member noted if the County Board of Commissioners intends to place the parcel fee on the ballot; their preference would be to utilize the property tax option instead.

It was noted that this option would have the same anti-tax opposition and need to work with Cincinnati as Examples 3 and 4 above.

5.8 Proposed Example 6

This example provided an alternative to Example 3 that includes relief to both the County General Fund and the detail charges.

Table 13—Proposed Funding Example 6

Revenue Required - \$10,905,000							
	Detail Rate	General Fund	Property Taxes	Sales Tax	Per Parcel Fee	Utility Service Fee	Phone Charge
Percentage of budget			55%		45%		
Dollar Amount			\$5,997,750		\$4,907,250		
Rate			0.34		38.83		

The Task Force members noted that this example would require a ballot initiative and would encounter the same opposition as noted in Examples 3, 4 and 5 above. After discussions, the group agreed this was probably not the best option for the County Board of Commissioners to consider.

5.9 Proposed Example 7

This example was proposed as an illustration of how high the County General Fund contribution would have to be in order to not have a tax increase. Based on the cons discussed in Section 3.1 above; the detail rate is set at the recommended 25.5 percent.

Table 14—Proposed Funding Example 7

Revenue Required - \$10,905,000							
	Detail Rate	General Fund	Property Taxes	Sales Tax	Per Parcel Fee	Utility Service Fee	Phone Charge
Percentage of budget	25.5%	74.5%					
Dollar Amount	\$2,780,775	\$8,124,225					
Rate	\$10.11						

The only pro discussed for this scenario was that it did not require a tax increase. The Task Force members agreed this was not a feasible option as it placed too large of a burden on an already cash strapped county.

5.10 Proposed Example 8

This example was requested to demonstrate the impact of including a larger user base in the funding mechanism.

Table 15—Proposed Funding Example 8

Revenue Required - \$10,905,000							
	Detail Rate	General Fund	Property Taxes	Sales Tax	Per Parcel Fee	Utility Service Fee	Phone Charge
Percentage of budget	25.5%	25.5%				49%	
Dollar Amount	\$2,780,775	\$2,780,775				\$5,343,450	
Rate	\$10.11					\$0.65	
*NOTE: The County still has to work with individual utility providers to determine the exact impact on consumers, as this can vary based on the total average monthly bill for each utility service provider. This estimate is based on the average amount needed from each Duke Energy Bill on a monthly basis.							

After discussions it was noted that in addition to collecting money from a broader customer base producing a lower cost per user; this funding mechanism is allowed by law. The Task Force Members noted that in addition to the industry opposition noted in Section 3.5 above, it is hard to get accurate numbers for estimation purposes because the utility may not provide the average cost of customer bills.

APPENDIX C—DETAILED ANNUAL EXPENDITURES WITH PERCENTAGE CHANGES

	2010	2011	Annual % Change	2012	Annual % Change	2013	Annual % Change	2014	Annual % Change	Avg. % Change	5 yr. %
Personnel Costs	\$4,535,743	\$4,520,457	-0.34%	\$4,675,404	3.43%	\$4,549,302	-2.70%	\$5,054,570	11.11%	2.88%	11.44%
Operating Costs	\$1,747,415	\$2,299,227	31.58%	\$2,102,828	-8.54%	\$1,959,683	-6.81%	\$2,091,306	6.72%	5.74%	19.68%
Capital Expenditures	\$202,037	\$719,427	256.09%	\$354,741	-50.69%	\$2,116,318	496.58%	\$3,263,326	54.20%	189.04%	1515.21%
Subtotal Operating Costs	\$6,485,194	\$7,539,111	16.25%	\$7,132,972	-5.39%	\$8,625,303	20.92%	\$10,409,201	20.68%	13.12%	60.51%
Fixed Revenue	\$1,193,624	\$1,250,182	4.74%	\$1,274,630	1.96%	\$1,187,756	-6.82%	\$1,126,323	-5.17%	-1.32%	-5.64%
Net Annual Expenditures	\$5,291,570	\$6,288,929	18.85%	\$5,858,342	-6.85%	\$7,437,547	26.96%	\$9,282,878	24.81%	15.94%	75.43%

APPENDIX D—DETAILED PROJECTED EXPENDITURES WITH PERCENTAGE CHANGES

	2016	2017	Annual % Change	2018	Annual % Change	2019	Annual % Change	2020	Annual % Change	Avg. % Change	5 yr. %
Personnel Costs	\$5,734,549	\$5,794,709	1.05%	\$5,996,786	3.49%	\$6,113,786	1.95%	\$6,230,786	1.91%	4.37%	8.65%
Operating Costs	\$2,423,819	\$2,278,522	-5.99%	\$2,253,458	-1.10%	\$2,266,458	0.58%	\$2,279,458	0.57%	1.99%	-5.96%
Capital Expenditures	\$2,921,675	\$3,498,200	19.73%	\$3,912,813	11.85%	\$3,600,000	-7.99%	\$3,600,000	0.00%	2.62%	23.22%
Subtotal Operating Costs	\$11,080,042	\$11,571,430	4.43%	\$12,163,057	5.11%	\$11,980,244	-1.50%	\$12,110,224	1.08%	3.11%	9.30%
Fixed Revenue	\$1,095,000	\$1,095,000	0.00%	\$1,095,000	0.00%	\$1,095,000	0.00%	\$1,095,000	0.00%	-0.56%	0.00%
Net Annual Expenditures	\$9,985,042	\$10,476,430	4.92%	\$11,068,057	5.65%	\$10,885,244	-1.65%	\$11,015,224	1.19%	3.53%	10.32%

APPENDIX E—TASK FORCE VOTING BREAKDOWN

Rank	Hybrid Combination of Mechanisms	Parcel Assessment	General Fund	Detail Rate	Property Tax Levy	Sales Tax	Utility Service Fee	Phone/ Device Charge
Number of votes for each funding mechanism (multiplied by the rank for the total score)								
1 st	9	1	1	1	1	1	1	0
2 nd	0	3	1	1	1	2	0	0
3 rd	1	0	3	1	1	1	2	0
4 th	0	2	1	2	0	0	0	2
5 th	0	2	0	0	3	1	0	1
6 th	0	0	2	0	1	3	0	1
7 th	0	0	0	1	1	0	3	2
8 th	0	0	0	1	0	1	2	2
Totals	12	25	28	29	34	39	44	49
<p>The task force members' selections were totaled into one spreadsheet and then multiplied by the amount of the rank to create a bottom line score for each funding mechanism. (For example, 8 members selected the Hybrid Model as their 1st ranked option; so 8 X 1 = 8) The funding mechanism with the lowest score was the highest ranked choice, while the mechanism with the highest score was ranked lowest.</p>								

APPENDIX F—PUBLIC INFORMATION GATHERING SESSIONS

Two Public Information Gathering sessions were held to collect input on the funding issue in the Communications Center. The sessions were held on June 8th at 10:00 am and June 10th at 6:00 pm in the Hamilton County Sherriff's Patrol Academy Training room. Invitations to participate were sent to public safety representatives, elected officials, and community representatives in each of the municipalities we provide service for. A formal presentation detailing how the 9-1-1 system in Hamilton County is structured, how the Communications Center operates, and the challenge of our funding model was delivered by Communications Center Director Jayson Dunn. Each attendee was given an opportunity to ask questions and participate in an open discussion following the presentation. They were also given feedback forms to complete and submit to the Board of County Commissioners. The completed feedback forms are on file with the Hamilton County Clerk and available upon request.