

RESOLUTION NO. R2015-005

1 A RESOLUTION of the Executive Board of the Combined Communications
2 Network (CCN) Enterprise
3 Adopting the 2016 Budget for the Pierce Transit - Pierce County
4 Combined Communications Network
5

6 WHEREAS, by Resolution No. R2014-95s, adopted by the Pierce County
7 Council on October 7, 2014 and by Resolution No. 14-058 adopted by the
8 Pierce Transit Board of Commissioners on November 10, 2014, created a
9 joint venture pursuant to RCW Ch. 39.34, the Interlocal Cooperation
10 Act, between Pierce County and Pierce Transit to own jointly and to
11 provide for maintenance, operation and governance of the Pierce Transit
12 - Pierce County Combined Communications Network Enterprise; and

13 WHEREAS, the interlocal agreement, titled Cooperative Governance
14 Agreement (CGA), and affirmed by Resolution R2015-001 of the CCN
15 Executive Board on August 12, 2015, serves as the principal document
16 detailing the responsibilities of the two parties, which includes but
17 is not limited to shared costs for the operation and maintenance of
18 the CCN and shared infrastructure, access to FCC station authorizations
19 and licensing, staffing system access agreements and governance as it
20 relates to the CCN Executive Board; and

21 WHEREAS, The CGA requires the Executive Board to establish and
22 maintain an annual budget for the CCN; and

23 WHEREAS, The CGA identified Pierce County as the fiscal agent for
24 the CCN, and

25 WHEREAS, The CCN Phase One Business Plan established the financial
26 philosophy, planning process, fiscal policies and funding model; and

1 WHEREAS, The CCN Executive Board has reviewed the proposed budget,
2 and has determined that it adequately meets the needs for 2016 business
3 operations; and

4 NOW THEREFORE, BE IT RESOLVED by the Executive Board of the
5 Combined Communications Network Enterprise as follows:

6 Section 1. The Pierce Transit - Pierce County Combined
7 Communications Network 2016 Budget is hereby adopted as amended; and
8

9
10 ADOPTED by the Executive Board at their regular meeting thereof held
11 on the 9th day of December, 2015.

12
13 CCN Executive Board

14
15 Kevin R. Phelps Chair
16 (signature)

17
18 Kevin R. Phelps
19 (print)

20 ATTEST/AUTHENTICATED

21 Danielle Colo

22 Danielle Colo
23 Interim Clerk of the Board
24

Lowell Porter
Executive Director

2501 S. 35th St., Suite D
Tacoma, Washington 98409
253-798-6595
CCN@co.pierce.wa.us

December 4, 2016

TO: Kevin Phelps, CCN Executive Board Chair
Susan Dreier, CCN Executive Board Vice Chair
Joyce McDonald, CCN Executive Board Member
Rick Talbert, CCN Executive Board Member

RE: 2016 Preliminary Budget Message

Dear CCN Executive Board Members,

The Combined Communications Network annual planning process has examined the economic forecasts, its programs, services, financial operations and financial outlook to prepare for operations in the coming year. This work facilitated the development of the proposed CCN Budget for 2016. This budget is balanced, includes all CCN activities and reflects a positive cash flow throughout 2016.

This budget supports access to the Single County Wide Communications System (SCWCS) for public safety and other users. It also supports the operations, maintenance and sustainment of the SCWCS.

This Budget is built around five strategic priorities contained in the Strategic Business Plan:

- Operational Excellence
- Financial Stability
- Reduced operational costs and risks
- Innovative Communication Solutions
- Balanced Service Allocation (TCO)

The 2016 Budget is approximately \$6.3 million and is balanced by projected revenues. Additionally, the CCN continues work to identify new System Users in order to reduce system and operating costs.

Reserve targets have been established by the Pierce Transit and Pierce County Joint Finance Committee. This will provide the ability to deal with future adverse economic conditions

CCN Executive Board Members

December 4, 2015

Page 2

and emergencies. The CCN has no long-term debt. This budget also includes the purchase of insurance to mitigate exposure to legal risks.

Revenues are estimated based on total number of subscribers on the SCWCS, including but not limited to public safety agencies, dispatch agencies, general government agencies, transportation authorities that operate on the SCWCS.

Attention to the goals and performance measures in the Strategic Business Plan will enhance the Combined Communications Network's ability to accomplish its mission and meet and/or exceed our stakeholders expectations. Continued efforts to control costs, redesign service delivery processes, accelerate technology and innovation and prioritize the delivery of services are underway to better align services based on customer needs. The Executive Board, Executive Director, Operations Committee, and staff will continue to be engaged in examining ways to control the CCN's expenditures and increase revenues. The CCN is committed to providing the highest quality services possible to first responders and other SCWCS customers. Safety, service quality, customer satisfaction, and the success of our staff and joint venture partners remain our top priorities.

Sincerely,



Lowell Porter,
CCN Executive Director



Combined Communications Network

CCN
ET

2016 Preliminary Budget

Mission Statement

As stewards of public resources, the CCN manages and delivers interoperable, safe, standardized, and flexible communications for first responder use with regional partners and serving and protecting communities through the sustainment of next generation communication technologies using lean business practices, standards-based decision making, value-based strategic objectives and the use of integrated business systems

Vision Statement

The CCN is an innovative first responder communication enterprise organization and regional leader.

2016 PRELIMINARY BUDGET

Fiscal Year January 1, 2016 through December 31, 2016

Lowell Porter
Executive Director

Prepared By
Pierce Transit and the Pierce County Department of Emergency Management

Reviewed By
Pierce Transit and Pierce County Joint Finance Committee

CCN Website

[Combined Communications Network](#)

CCN e-mail

ccn@co.pierce.wa.us

CCN Address

2501 S. 35th St. Suite D
Tacoma WA 98409

The Combined Communications Network is governed by a four-member Executive Board. The Board is made up of elected officials representing the Pierce County Executive and County Council and Pierce Transit Administration and Commissioners.

CCN Executive Board Members



Kevin Phelps
Pierce County
Deputy Executive
Chair



Susan Dreier
Pierce Transit
Chief Executive
Officer
Vice Chair



Joyce McDonald
Pierce County
Councilmember



Rick Talbert
Pierce Transit
Commissioner

In brief:

The 2016 preliminary budget totals **\$6,359,630.**

The budget is distributed across three major categories: Operations, Maintenance and Replacement.

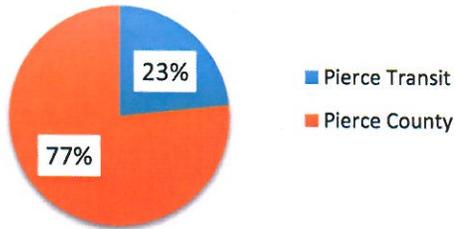
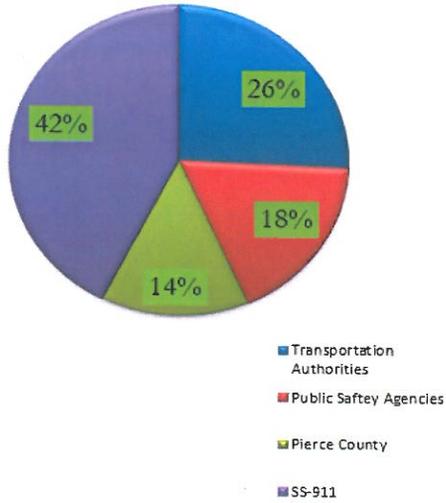
The operating budget finances the day-to-day operations of the CCN. The Replacement budget contains revenues and expenditure associated with asset replacement.

CCN Budget Summary

The operating budget is the primary budget of the Combined Communications Network. It includes revenue from public safety, general government, transportation authorities, and other contributions. The operating budget expenditure categories include maintenance and operating costs of \$4,350,630. This also includes \$2,009,000 in replacement reserves for infrastructure sustainment. The 2016 operating revenues and replacement reserve of \$6,359,630 support the \$6,359,630 operating expenditure and replacement.

The focus for the 2016 Budget is on the strategic priorities: operational excellence, financial stability, reduced operational costs and risk, innovative communications solutions and balanced service allocation.

2016 Revenue



Revenues are estimated based on total number of subscribers on the SCWCS, consisting of public safety agencies, general government agencies, transportation authorities that operate on the SCWCS.

REVENUE

Transportation Authorities	\$1,119,530
Public Safety Agencies	766,080
Pierce County	614,990
South Sound 911	1,850,030
Total Operating Revenues	4,350,630
Replacement Reserve	2,009,000
TOTAL REVENUE	\$6,359,630

Replacement reserve was calculated based on total cost of ownership and lifecycle of the infrastructure components.

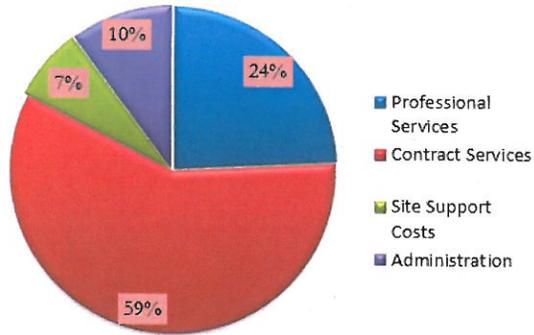
REPLACEMENT RESERVE

Pierce Transit	\$468,040
Pierce County	1,540,960
Replacement Reserve	\$2,009,000

In brief:

The 2016 Budget reflects the best use of the projected funds for the effective, efficient, and convenient provision of communication service supporting the community

2016 Expenditure



Operating Expenditure

The focus for 2016 is on the strategic priorities: operational excellence, financial stability, reduced operational cost and risks, innovative communication solutions, and balanced service allocation. Operating expenses for 2016 are projected to total \$4,350,630.

EXPENDITURE

Professional Services	\$1,053,540
Contract Services	2,537,90
Site Support Costs	314,380
Administration	444,720
Total Operating Expenditure	4,350,630
Replacement Reserve	2,009,000
TOTAL EXPENDITURE	\$6,359,630

BUDGET SUMMARY

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Transportation Authorities	\$1,119,530
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<hr/> Total Operating Revenues	<hr/> 4,350,630
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