

**CITY OF CHARLOTTESVILLE, VIRGINIA  
CITY COUNCIL AGENDA**



<b>Agenda Date:</b>	August 3, 2021
<b>Action Required:</b>	Approved Authorization Resolution
<b>Presenter:</b>	Sonny Saxton, Executive Director, Emergency Communications Center
<b>Staff Contacts:</b>	Letitia Shelton, Deputy City Manager
<b>Title:</b>	Charlottesville-U.V.A.-Albemarle County Emergency Communications Center Fund Balance Retention - \$463,074

**Background:**

A 1984 agreement between the County of Albemarle, City of Charlottesville, and University of Virginia, developed the joint Emergency Communications Center. An addendum in 2013, focused on operational, capital, and 800 MHz funding support, stipulated the E.C.C. may retain an additional year-end fund balance that exceeds 25% of the Center's total annual operating budget for alternative purposes, subject to the approval of the Participants.

The F.Y. 2019 year-end settlement process for the Charlottesville-U.V.A.-Albemarle County Emergency Communications Center (E.C.C.) resulted in a fund balance of \$3,061,114, which is \$1,623,074 above 25% of the E.C.C.'s total annual operating budget. Of that amount the City's share would be \$463,074, or 28.5307% of the total amount, which could potentially be returned to the City.

**Discussion:**

The E.C.C. is formally requesting that fund balance exceeding 25% of the E.C.C.'s total operating budget, or \$1,623,074, be retained by the E.C.C. The recommended usage of retained funds would be subject to additional review and approval by the E.C.C. Management Board, of which the City has representation.

The proposed recommended uses of these additional funds include:

F.Y. 21 Unfunded Capital Outlay Requests	\$578,868
Operating Contingency	\$184,255
COVID-19 Community Response and/or Critical Infrastructure	\$859,951

Similar requests have been sent to the other partners, Albemarle County and the University of Virginia, with the Albemarle County Board of Supervisors approving the request at their July 1, 2020 Board of Supervisors meeting.

### **Alignment with City Council's Vision and Strategic Plan:**

Approval of this agenda item aligns directly with Council's vision for Charlottesville to be **America's Healthiest City**. This request also aligns with **Strategic Plan Goal 2: A Healthy and Safe City**, and more specifically Objective 2.3 – Improve community health and safety outcomes by connecting residents with effective resources.

### **Community Engagement:**

N/A

### **Budgetary Impact:**

There is no impact to the City's F.Y. 21 appropriated budget as no additional funds are being requested. The funds being requested represent the City's share of unspent funds paid to the E.C.C. as part of the City's annual contributions over several previous fiscal years. These funds would remain in the E.C.C. budget to be expended upon approval by the E.C.C. Management Board.

### **Recommendation:**

Staff recommends approval of the Emergency Communication Center's request to use F.Y. 2019 surplus funds of \$463,074. Albemarle County received and approved a similar request.

### **Alternatives:**

If this request is rejected, then the Emergency Communications Center would return the City's share of the fund balance (\$463,074) to the City as a one-time payment. However, the E.C.C. would then return to Council with a future request for the City's share of the unfunded F.Y. 21 capital outlay costs and potential COVID-19 Community Response costs.

### **Attachments:**

- Resolution
- E.C.C. Request to Retain Funds Letter
- 2013 Addendum to the 1984 Agreement between the County of Albemarle, City of Charlottesville, and University of Virginia, Developing the joint Emergency Communications Center

**RESOLUTION**  
**Authorization of Retention of Fund Balance in Excess of 25% for Charlottesville-UVA-  
Albemarle County Emergency Communications Center**  
\$463,074

**WHEREAS**, the City of Charlottesville, Virginia, entered into an agreement on January 20, 1984, between the County of Albemarle, City of Charlottesville, and University of Virginia, to developed the joint Emergency Communications Center;

**WHEREAS**, an addendum to that agreement in January 2013, focused on operational, capital, and 800 MHz funding support, stipulated the ECC may retain an additional year-end fund balance that exceeds 25% of the Center's total annual operating budget for alternative purposes, subject to the approval of the Participants;

**NOW, THEREFORE BE IT RESOLVED** by the Council of the City of Charlottesville, Virginia, that the sum of \$463,074 be retained by the Charlottesville-UVA-Albemarle County Emergency Communications Center to be used for the purposes approved by the ECC Management Board.



# Charlottesville-UVA-Albemarle County Emergency Communications Center



June 22, 2020

Dear Charlottesville City Council Members,

The Emergency Communications Center (ECC) has been engaged in the pandemic response on multiple fronts. Following local, state, and federal disaster declarations in March, the ECC activated the Emergency Operations Center (EOC) on behalf of the communities served, as outlined in the Regional Emergency Operations Plan. Additionally, the ECC operates and maintains the 9-1-1 system for communities within the City of Charlottesville, County of Albemarle, and University of Virginia.

The EOC is supported by funding from the ECC as well as in-kind contributions, donations, and volunteers. This has placed additional financial strain on the ECC to the point that current and future year capital outlay costs have been under review. While already limiting expenditures to mission critical items, there still exists need for an additional funding source.

A 1984 agreement between the County of Albemarle, City of Charlottesville, and University of Virginia, developed the joint Emergency Communications Center. An addendum in 2013, focused on operational, capital, and 800 MHz funding support, stipulated the ECC may retain an additional year-end fund balance that exceeds 25% of the Center’s total annual operating budget for alternative purposes, subject to the approval of the Participants.

On behalf of the ECC Management Board, I am writing to formally request that fund balance exceeding 25% of the ECC’s total operating budget, or \$1,623,074, be retained by the ECC. Table 4 below provides a recommended usage of retained funds which would be subject to additional review and approval by the ECC Management Board. Per the allocation formula the Participants share for the fiscal year is: Albemarle \$848,134 or 52.2548%; Charlottesville \$463,074 or 28.5307%; University of Virginia \$311,866 or 19.2145%.

The following tables included details regarding the ECC’s FY 19 Audited Fund Balance, current and proposed uses of fund balance, and a recommended use of the fund balance exceeding 25% of the ECC’s total operating budget.

*Table 1: Audited Fund Balance as of June 30, 2019:*

<b>Audited Fund Balance June 30, 2018</b>		<b>\$ 2,772,840</b>
FY 19 Revenues	\$ 5,874,707	
FY 19 Expenditures	\$ (5,586,432)	
Net Change in Fund Balance		\$ 288,274
<b>Audited Fund Balance June 30, 2019</b>		<b>\$ 3,061,114</b>

Table 2: Existing Fund Balance Without Retained Funds

<b>Funds Requested to be Retained by ECC (Exceeding 25%)</b>		
FY 19 Adopted Operating Budget	\$	5,752,162
25% of Operating Budget	\$	1,438,041
Funds Requested to be Retained by ECC (Exceeding 25%)	\$	(1,623,074)
<b>Projected Remaining Fund Balance</b>	<b>\$</b>	<b>1,438,041</b>

Planned use of existing fund balance leaves all FY 21 capital outlay requests unfunded and minimal operating contingency remaining (< 5%).

Table 3: Planned Use of Existing Fund Balance

<b>Planned Use of Existing Fund Balance</b>		
<b>Projected Remaining Fund Balance</b>	<b>\$</b>	<b>1,438,041</b>
FY 20 Appropriated Use of Fund Balance	\$	(1,283,864)
Operating Contingency (2.2% of FY 21 Operating Budget)	\$	(154,176)
<b>Projected Remaining Fund Balance</b>	<b>\$</b>	<b>0</b>

Table 4: Recommended Use of Fund Balance exceeding 25% of ECC's total operating budget

<b>Recommended Use of Fund Balance Exceeding 25% of ECC Total Operating Budget</b>		
<b>Participant Approval to Retain Funds per Addendum #2</b>	<b>\$</b>	<b>1,623,074</b>
County of Albemarle FY 20 Share - 52.2548%	\$	848,134
City of Charlottesville FY 20 Share - 28.5307%	\$	463,074
Univeristy of Virginia FY 20 Share - 19.2145%	\$	311,866
FY 21 Capital Outlay Requests	\$	(578,868)
Operating Contingency (2.8% of FY 21 Operating Budget)	\$	(184,255)
COVID-19 Community Response and (or) Critical Infrastructure (e.g. EOC, Building, Public Safety Software, Communications)	\$	(859,951)
<b>Projected Remaining Fund Balance</b>	<b>\$</b>	<b>0</b>

Thank you for considering this request and your continued support of the emergency response system.

Sincerely,



Sonny Saxton, EMT-P, ENP  
Executive Director ECC

Enclosure: ECC Participant Agreement, January 2013.

CC: Rector and Visitors of the University of Virginia  
County of Albemarle Board of Supervisors  
ECC Management Board

**ADDENDUM #2 TO AGREEMENT DATED JANUARY 20, 1984  
BY AND AMONG THE COUNTY OF ALBEMARLE, VIRGINIA,  
THE CITY OF CHARLOTTESVILLE, VIRGINIA, AND  
THE RECTOR AND VISITORS OF THE UNIVERSITY OF VIRGINIA**

This Addendum #2, dated January 1, 2013, to the Agreement dated January 20, 1984, and first amended October 10, 2002, by and among the COUNTY OF ALBEMARLE, VIRGINIA, the CITY OF CHARLOTTESVILLE, VIRGINIA, and the RECTOR and VISITORS of THE UNIVERSITY OF VIRGINIA (collectively referred to as the "Participants").

The Participants agree to the following modifications to the Agreement:

1. Section IV ("Allocation of Costs") is deleted and replaced with the following paragraphs:

a. Operating Costs. Beginning with the fiscal year commencing July 1, 2013, the Management Board shall submit the annual budget request for the Center to each Participant by January 15<sup>th</sup> of each year in a format generally in accordance with the Uniform Financial Reporting System of the Auditor of Public Accounts for the Commonwealth of Virginia. Operating costs will be allocated among the Participants in direct proportion to their respective shares of the percentage of the numbers of calls for service received by the Center. In preparing for the budget for each year, the Management Board shall obtain the actual number of calls received by the Center for the immediately preceding 12 month period of October 1 through September 30. The Management Board shall use such actual call numbers to recompute the allocation formula for each next ensuing fiscal year. The recomputation shall be made as soon after January 1 as possible to make accurate figures available to the Participants for their annual budget. A hypothetical example of the Funding Formula calculated under this section if it had applied to fiscal year 2012-2013 is attached hereto as Exhibit A. The budget shares for the Participants under the formula calculated under this section are set forth on Exhibit B attached hereto.

b. Capital Improvements Costs. Non-recurring capital items for the Center shall be submitted to each Participant as part of its Capital Improvement Plan (CIP). Capital items include (i) land acquisition, and construction of new facilities; (ii) renovations or additions to existing facilities; (iii) major studies such as facility or systems assessments, engineering or feasibility studies related to facility or system needs; and (iv) equipment requirements. Funding for capital items shall be subject to approval by the Participants. The cost for capital items for the Center shall be allocated among the Participants according to their percentage of actual calls to the Center as determined in section IV(a) above for the fiscal year such capital items are approved by a Participant; provided, however, that each Participant's percentage of cost for a capital item shall not be recomputed each year, but shall remain constant for such capital item. By way of example, the Computer Aided Dispatch System (CADS) is a capital item. The cost allocation of the CADS project is based on the cost allocation among the Participants in effect at the time that project was approved by the Participants and shall remain constant throughout such project, notwithstanding the recalculation of allocations for operating costs pursuant to section IV(a) above.

c. 800 MHz System. Notwithstanding paragraphs a and b above, the capital and operational cost allocation of the 800 MHz Public Safety Project (the 800 MHz System) was established by an Agreement dated June 27, 2003 among the Participants, with the cost allocation based on the number of radios used in the 800 MHz System by the Participants and certain third party users. The capital cost allocation of the 800 MHz System shall remain fixed pursuant to the terms of the Agreement dated June 27, 2003. The operational cost of the 800 MHz System shall continue to be recomputed each year allocating the cost to the Participants equal to the percentage of the number of radios used by each Participant in the 800 MHz System. Unless otherwise agreed to, the capital and operational cost for any communications system



which replaces the 800 MHz System will also be allocated among the Participants equal to the percentage of the number of radios used by each Participant in such replacement system.

d. Fund Balance. The Center may retain a year-end fund balance not to exceed twenty-five percent (25%) of the Center's total annual operating budget. The Management Board will, after each fiscal year audit, return to each Participant its share of any carryover funds in excess of those amounts necessary to fund the reserve fund. The return of such funds to each Participant will be prorated using the allocation formula calculated pursuant to section IV(a) above for such fiscal year. In lieu of returning such funds, the Management Board may formally request alternative uses for such carryover funds, subject to the approval of the Participants.

2. Except as amended hereby, the Agreement remains in full force and effect and the Participants hereby ratify and confirm the provisions, terms and conditions set forth in the Agreement and any amendments or addenda thereto.

**WITNESS** the following signatures.

**COUNTY OF ALBEMARLE**

Thomas C. Foley  
Thomas C. Foley, County Executive

2/21/13  
Date

Approved as to form:

G. L. P.  
County Attorney

**CITY OF CHARLOTTESVILLE**

Maurice Jones  
Maurice Jones, City Manager

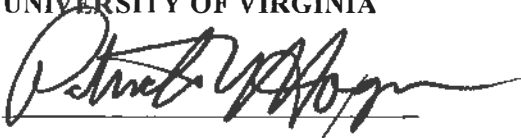
2-20-13  
Date

Approved as to form:

S. Craig Brown  
City Attorney



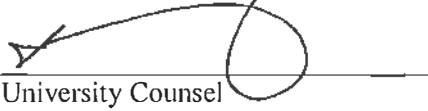
RECTOR AND VISITORS OF THE  
UNIVERSITY OF VIRGINIA



02/27/13

Date

Approved as to form:

  
University Counsel