



# Dispatch Surcharge

*GVMC Board*

*October 6, 2016*

# Issues



- Need to upgrade communications system
- Equitable fire dispatch funding



# Dispatch Funding



- Dispatch services funded through a combination of general fund resources (county and local) and surcharge revenue
- Current surcharge rates:
  - \$0.45/month (County)
  - \$0.19/month (State)

# Current Surcharge Revenues



- Surcharge revenue relatively flat
- Despite growing demand, County surcharge rate has not increased since 2008

# Funding Proposal



- **Total funding needed annually: \$3.8 million**  
\$1.8 million – capital costs  
\$2.0 million – fire
- **Proposal: \$.70 increase in surcharge (\$1.15 total)**

<u>Potential New Local Surcharge Revenue of \$0.70 (\$1.15 &amp; \$0.19)</u>			
	<u>Kent County</u>	<u>City of Grand Rapids</u>	<u>Total</u>
Annual Local Surcharge Revenues at New Rate of \$1.15.	\$3,692,255	\$3,692,255	\$7,384,509
Annual State Surcharge Revenue at \$.019 (State Keeps Portion)	<u>\$487,708</u>	<u>\$487,708</u>	<u>\$975,417</u>
Total Annual Surcharge Revenue	<u>\$4,179,963</u>	<u>\$4,179,963</u>	<u>\$8,359,926</u>

<u>Annual Additional Revenues and Possible Expenditures</u>			
	<u>Kent County</u>	<u>City of Grand Rapids</u>	<u>Total</u>
Annual Additional Revenues	\$2,247,459	\$2,247,459	\$4,494,918
Radio Infrastructure Improvements	\$0	\$0	(\$1,839,544)
Fire Dispatch - FY 2017 Budget Estimate	(\$954,720)	(\$1,000,000)	(\$1,954,720)
Contingency and Inflation	<u>\$0</u>	<u>\$0</u>	<u>\$700,654</u>

# Application of Surcharge



- Common misconception: “*per line*” means “*per line*”

- Multi-line owners pay the first 10 plus one line for every ten thereafter

	<u>9 Phone Lines</u>	<u>100 phone Lines</u>
First 10 lines	9 charged	10 charged
Every 10 thereafter	-	9 charged
Total	9 lines	19 lines

- Mobile devices are charged per line

# Cost-Effective



## Cost per Capita Summary - Current Surcharge of \$.45

	<i>Kent County</i>	<i>Genesee County</i>	<i>Ingham County</i>	<i>Oakland County</i>	<i>Ottawa County</i>	<i>Washtenaw County</i>
<b>Total Expenditures</b>	\$5,569,888	\$7,172,150	\$7,373,370	\$28,382,051	\$5,040,265	\$7,084,283
<b>Population Served</b>	442,577	410,849	286,085	1,242,304	279,955	358,880
<b>Cost per Capita</b>	<b>\$12.59</b>	<b>\$17.46</b>	<b>\$25.77</b>	<b>\$22.85</b>	<b>\$18.00</b>	<b>\$19.74</b>

## Cost per Capita Summary Total Surcharge of \$1.15 (\$.70 additional)

	<i>Kent County</i>	<i>Genesee County</i>	<i>Ingham County</i>	<i>Oakland County</i>	<i>Ottawa County</i>	<i>Washtenaw County</i>
<b>Total Expenditures</b>	\$7,817,347	\$7,172,150	\$7,373,370	\$28,382,051	\$5,040,265	\$7,084,283
<b>Population Served</b>	442,577	410,849	286,085	1,242,304	279,955	358,880
<b>Cost per Capita</b>	<b>\$17.66</b>	<b>\$17.46</b>	<b>\$25.77</b>	<b>\$22.85</b>	<b>\$18.00</b>	<b>\$19.74</b>

# Cost-Effective



**Cost per Capita Comparison -**  
**(Current- \$0.45)**

***Kent County - \$12.59***

Genesee County - \$17.46

Ottawa County - \$18.00

Washtenaw County - \$19.74

Oakland County - \$22.85

**Cost per Capita Comparison -**  
**(\$1.15)**

Genesee County - \$17.46

***Kent County - \$17.66***

Ottawa County - \$18.00

Washtenaw County \$19.74

Oakland County - \$22.85

Ingham County - \$25.77

# Next Steps



Board of Commissioners approved language on July 28, 2016 for November 8 General Election

Local Units, as governmental entities, cannot advocate, only educate

Elected officials can advocate, as individuals