



State 9-1-1 Coordination Board

Department of Public Safety - Office of Emergency Management

118 West Capitol Avenue
Pierre, South Dakota 57501-2000

Chairperson:

Ted Ruffedt, Jr.
Dakota Chapter
NENA

Vice Chairperson:

Marlene Haines
South Dakota
Chapter APCO

Board Members:

Doug Barthel
South Dakota Police
Chiefs Association

Kelly Serr
South Dakota
Sheriffs Association

Jeff Carmon
South Dakota
Service Provider

Dennis Falken
SD Association of
County Commissioners

Jody Sawwell
South Dakota
Service Provider

Lou Sebert
South Dakota
Municipal League

Gary Jaeger
SD Association of
County Commissioners

Tracy Turbak
South Dakota
Municipal League

Kristi Turman
SD Department of
Public Safety

Ron Goldschmidt
Ex-Officio for
Wireless Industry

State Coordinator:

Michael Houdyshell
605.773.2691 OFFICE
605.773.3018 FAX

August 1, 2011

Governor Dennis Daugaard
Office of the Governor
500 East Capitol Avenue
Pierre SD 57501

**Re: South Dakota 9-1-1 Coordination Board
2011 Annual Report**

Dear Governor Daugaard,

I am submitting a copy of the 2011 Annual Report of the South Dakota 9-1-1 Coordination Board for your review. As you will see, the board achieved a number of accomplishments during the past year, including but not limited to:

- Completing a comprehensive analysis of 9-1-1 emergency surcharge in South Dakota (see Exhibit A);
- Clarifying existing statutes to ensure 9-1-1 emergency surcharge is used exclusively for the provision of 9-1-1 services; and
- Working with prepaid wireless service providers to ensure proper remittance of the 9-1-1 surcharge on prepaid wireless phones.

A great deal of work remains to be done. However, I am confident the Board is taking the proper steps to ensure the highest level of service at public safety answering points (PSAPs) across the state.

Please contact me with any questions you may have regarding the Board's activities over the past year.

Respectfully yours,

Michael S. Houdyshell
9-1-1 Coordinator

cc: Legislative Research Council

**South Dakota
9-1-1 Coordination Board**



Annual Report

June 30, 2011

Executive Summary

The South Dakota 9-1-1 Coordination Board was established by Senate Bill 143 in the 2008 Legislative Session. The purpose and function of the Board (SDCL 34-45-18) is to “set minimum standards for operation of public safety answering points, determine criteria for reimbursement for nonrecurring costs and the amount of reimbursement, and oversee the coordination of 9-1-1 services within the state.”

This document reports on the activities of the Board through June 30, 2011.

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BOARD MEMBERSHIP
South Dakota 9-1-1 Coordination Board

Chairperson

Ted Ruffedt, Jr.
Dakota Chapter
National Emergency Number Association
Expires 6/30/13

Vice Chairperson

Marlene Haines
South Dakota Chapter
Association of Public Safety Communication Officials
Expires 06/30/14

Members

Doug Barthel
South Dakota Police Chiefs Association
Expires: 6/30/13

Lou Sebert
South Dakota Municipal League
Expires: 06/30/14

Kelly Serr
South Dakota Sheriffs Association
Expires: 06/30/13

Tracy Turbak
South Dakota Municipal League
Expires: 06/30/12

Jeff Carmon
South Dakota Service Provider
Expires: 06/30/13

Jody Sawwell
South Dakota Service Provider
Expires: 06/30/12

Dennis Falken
SD Association of County Commissioners
Expires: 06/30/14

Kristi Turman
SD Department of Public Safety

Clayton Tucholke
SD Association of County Commissioners
Expires: 06/30/12 (resigned April, 2011)

Ron Goldschmidt – Ex Officio
Wireless Industry

New appointee: Gary Jaeger, SD Association of County Commissioners
(Expires: 06/30/12)

State Coordinator

Michael S. Houdyshell
SD Department of Public Safety

COMMITTEE MEMBERSHIP
South Dakota 9-1-1 Coordination Board

Administrative Sub-Committee

Day-to-Day Operations and Issues

Membership: Turman
Rufledt
Haines

Technical Sub-Committee

Draft Technical Standards for 9-1-1
Call Centers

Membership: Carmon(*)
Sawwell
Serr(*)
Goldschmidt
Rufledt

Operations Sub-Committee

Draft Operational Standards for
9-1-1 Call Centers

Membership: Falken(*)
Barthel
Haines(*)
Turbak

Funding Sub-Committee

Explore Existing and Alternate 9-1-1
Funding & Grant Opportunities

Membership: Turbak(*)
Turman
Haines
Carmon
Sebert

Special Legislative Sub-Committee

Legislative and Rule-Making Issues

Membership: Rufledt
Turman
Haines
Sebert
Carmon (*)

Special Nomination Sub-Committee

Identify and coordinate nominations
for Board leadership position

Membership: Falken
Barthel

(*) Denotes Chair or Co-Chair

Michael Houdyshell, State 9-1-1
Coordinator, has open invitation to
all committee and sub-committee
meetings.

ACTIONS REQUIRED BY STATUTE AND TAKEN BY BOARD

The State 9-1-1 Coordination Board met eight (8) times in 2010-11 (January 14, 2010, May 13, 2010, July 22, 2010, August 31, 2010, November 30, 2010, December 16, 2010, April 11-12, 2011, and July 14, 2011) to continue work on its legislative mandate.

The Board has previously adopted bylaws, since amended, setting forth board organizational and subcommittee structure along with other typical board-related issues. The annual meeting of the Board is currently designated for October of each calendar year.

SDCL 34-45-18.2 Promulgation of Rules

Three rule-making areas have been identified by the South Dakota Legislature:

- 1) Minimum technical, operational, and procedural standards for the operation and utilization of a public safety answering point (hereinafter "PSAP");
- 2) Requirements and amounts for reimbursement of recurring and non-recurring costs, and;
- 3) Standards for coordination of effective 911 service on a statewide basis.

After an extensive public hearing process, where numerous public comments were received and considered by the Board, the first set of administrative rules specifically addressing the minimum technical, operational, and procedural standards for the operation of a PSAP were adopted by the

Interim Rules Review Committee on November 18, 2009 by a vote of 5-1. The rules, which can be found at ARSD 50:02:04, were formally filed by the Secretary of State on December 14, 2009.

In November of 2010, the Board amended ARSD 50:02:04:02(2) per the direction of the Legislature during the 2010 Legislative Session. The amendment concerns the so-called "two-person rule" and the alternative arrangements that can be made to comply with the rule. The amended rule reads as follows:

ARSD 50:02:04:02(2) No later than July 1, 2013, a PSAP must be continuously staffed with at least two 911 telecommunicators on duty at all times or comply with this rule by any other such arrangement submitted to and approved by the board. Each alternative compliance arrangement must be supported by a detailed plan that outlines the call handling procedures and dispatch protocols to be utilized in the implementation of the alternative arrangement. An alternative compliance arrangement may include the following:

(a) Primary-secondary PSAP arrangement, wherein a PSAP that is continuously staffed with at least two 911 telecommunicators at all times (primary PSAP) enters into a written agreement with a PSAP that is not continuously staffed with at least two 911 telecommunicators at all times (secondary PSAP) to answer all 911 calls in the secondary PSAP's service area;

(b) Automatic/Manual redirect arrangement, wherein a PSAP that is not staffed with at least two 911 telecommunicators utilizes technology to automatically or manually redirect 911 calls to a PSAP that is staffed with at least two 911 telecommunicators; or

(c) Virtual PSAP arrangement, wherein two PSAPs enter into a written agreement to install connectivity between each PSAP's customer premise equipment (911 phone system) to allow each PSAP to monitor and answer the other PSAP's 911 calls. Both PSAPs must have the ability to dispatch the other PSAP's responders;

Currently, the Board is working on proposed administrative rules concerning the use of the 9-1-1 emergency surcharge for radio equipment and addressing/street signage expenses. Rulemaking is expected to begin in late summer or early fall of 2011.

SDCL 34-45-20(2)
Develop Uniform Statewide 9-1-1 Plan

The next major item on the Board's agenda is developing a comprehensive statewide plan. The statewide plan will serve as the roadmap for the future of 9-1-1 service and will necessarily involve input from all of the 9-1-1 stakeholders in South Dakota. The transition to Next Generation 9-1-1 (NG9-1-1) will be a central component of the plan.

Initial development of a plan outline has started, and the board anticipates several of its subcommittees to meet over the next several months to develop draft plans specific to the subcommittee's area of focus. For example, the technical subcommittee will be spearheading the NG9-1-1 efforts. While no timeframe for completion has been identified, the Board will be working diligently on the statewide plan so South Dakota can have a comprehensive and cohesive 9-1-1 vision for the years to come.

SDCL 34-45-20(3)
Monitor Current PSAPs and Their Use of 9-1-1 Surcharge Monies

The Board continued its efforts from last reporting year to collect accurate information concerning the collection of the 9-1-1 emergency surcharge. A wealth of information on 9-1-1 funding and emergency surcharge collection was gathered from nearly every county in the state. The much anticipated analysis of the current state of 9-1-1 funding can be found in the Board's report entitled "9-1-1 Funding in South Dakota: Current Status and Future Challenges", a copy of which is attached hereto as Exhibit A and incorporated herein by reference.

SDCL 34-45-20(4)
Develop Criteria and Minimum Standard for PSAPs

As described above, the Board has promulgated administrative rules concerning minimum standards for PSAPs and has amended the so-called "two-person rule" in accordance with the Legislature's directive. Other rules are currently in the developmental phase. The Board and its subcommittees will be continually working to improve standards statewide, which may lead to further rulemaking in the future.

SDCL 34-45-20(5)
Develop Criteria for Reimbursement of Recurring
and Non-Recurring PSAP Costs

This priority was accomplished through the Board's first set of administrative rules. Specifically, ARSD 50:02:04:08 (PSAP allowable recurring and nonrecurring costs), 50:02:04:09 (Recurring Costs), and 50:02:04:10 (Nonrecurring costs) address reimbursement of allowable recurring and non-recurring PSAP costs.

SDCL 34-45-20(6)
Legislative Audit of 9-1-1 Fee Utilization

The Department of Legislative Audit (DLA) performed a review of county 9-1-1 Funds during its normal audit of the various county governments for the period of January 2010 through September 2010. DLA completed audits of 27 counties during this timeframe and, although some issues regarding 9-1-1 surcharge usage were revealed, the audits were generally positive and most

counties appear to be utilizing the 9-1-1 surcharge in accordance with state law. A copy of DLA's review is attached hereto as Exhibit B and incorporated herein by reference.

SUMMARY OF REPORT

The past year was highly productive for the South Dakota 9-1-1 Coordination Board. Through legislation and administrative rulemaking, the Board has been able to clarify some longstanding issues regarding 9-1-1, such as how the emergency surcharge can be used by local jurisdictions and what minimum level of service must be provided by all thirty-four (34) public safety answering points in South Dakota. Moreover, the Board was able to perform a comprehensive analysis of 9-1-1 emergency surcharge collection in the state, the details of which are now available to state policymakers to guide future decisions concerning 9-1-1 funding in South Dakota.

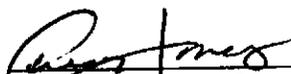
Moving into next year, the Board firmly believes the time has come to start working towards the future of 9-1-1 in South Dakota. Specifically, the Board's efforts this year on a statewide 9-1-1 plan will serve as the catalyst for future 9-1-1 services in South Dakota, and the Board is eager to help make this new vision a reality for all South Dakotans.

Respectfully submitted:



Ted Ruffedt, Jr. – Chairperson
9-1-1 Coordination Board

June 30, 2011



Trevor Jones – Secretary
Department of Public Safety

June 30, 2011

**9-1-1 Funding in South Dakota:
Current Status and Future Challenges**

Prepared by

The South Dakota 9-1-1 Coordination Board

South Dakota Department of Public Safety
118 West Capitol Avenue
Pierre, SD 57501

July 15, 2011

I. Introduction

In 2008, the South Dakota Legislature created the South Dakota 9-1-1 Coordination Board (hereinafter “Board”) to “set minimum standards for operation of public safety answering points . . . and oversee the coordination of 911 services within the state.”¹ While other efforts have been made in the past to bring a level of coordination and oversight to the state’s 9-1-1 system², the establishment of the Board was seen by many in the state as a welcome opportunity to evaluate the current state of 9-1-1 services in South Dakota.

One of the Board’s first tasks was to develop comprehensive administrative rules governing the operation of a public safety answering point (hereinafter “PSAP”). After a lengthy rulemaking process in which input was sought and received from various public safety stakeholders, the Board promulgated the first set of minimum operational, technical, and financial standards for the operation of a PSAP in state history.³ While significant, this was merely the beginning of the Board’s duties as tasked by the Legislature.⁴

¹ SDCL 34-45-18, which reads in full: “There is hereby established the South Dakota 911 Coordination Board. The board shall set minimum standards for operation of public safety answering points, determine criteria for reimbursement for nonrecurring costs and the amount of reimbursement, and oversee the coordination of 911 services within the state.”

² For example, the South Dakota 911 Coordinated Statewide System Task Force and the 911 Stakeholders Group were predecessors of the South Dakota 911 Coordination Board.

³ See ARSD ch. 50:02:04, available at: <http://legis.state.sd.us/rules/DisplayRule.aspx?Rule=50:02:04>

⁴ SDCL 34-45-20 establishes the duties of the Board and reads as follows:

The board shall:

- (1) Evaluate all of the current public safety answering points and systems throughout the State of South Dakota for their capability to adequately and efficiently administer systems;
- (2) Develop plans for the implementation for a uniform statewide 911 system covering the entire state or so much as is practicable;
- (3) Monitor the number and location of public safety answering points or systems and the use of 911 emergency surcharge funds in their administrative and operational budgets;
- (4) Develop criteria and minimum standards for operating and financing public safety answering points;
- (5) Develop criteria for the eligibility and amount of reimbursement of recurring and nonrecurring costs of public safety answering points or systems;

In April of 2010, the Board turned its attention to 9-1-1 funding. The Board, in conjunction with the Department of Legislative Audit, developed a series of financial reporting forms that were distributed to local governments for completion on or before April 30, 2010. The required financial reports were crafted to allow the Board to answer basic questions about how the 9-1-1 service in South Dakota is funded. A statewide survey of the collection and use of 9-1-1 emergency surcharge had never been performed, and such an undertaking was going to be complicated due to the wide variety of local entities across the state that have assumed responsibility for the provision of 9-1-1 services in their respective jurisdictions. While this initial effort at statewide data collection was fraught with difficulty and unforeseen problems, substantial compliance was achieved and an independent analysis of the data was performed. The details of this independent analysis can be found in Section III below.

The purpose of this report is threefold. Section II will provide an overview of the history of 9-1-1 funding in South Dakota, along with a brief summary of 9-1-1 funding nationwide. Section III will detail the independent analysis of calendar year 2009 9-1-1 emergency surcharge collection that was commissioned by the Board. Also, Section III will provide preliminary data for calendar year 2010 which is currently being collected and analyzed by the Board. Finally, Section IV will discuss the key points that were revealed during the Board's initial review of 9-1-1 funding in South Dakota and offer some key facts for the Legislature to consider during future legislative sessions.

-
- (6) Develop criteria for the implementation of performance audits of the use of the 911 fees utilized in the operation of the 911 system. The audit shall be conducted by the Department of Legislative Audit and shall be presented to the board and the Legislature; and
 - (7) Report annually to the Governor and the Legislature about the operations and findings of the board and any recommendations for changes to 911 service in the state.

II. History of the 9-1-1 Emergency Surcharge in South Dakota

Dedicated funding for the 9-1-1 service in South Dakota was first enacted in 1989.⁵ At that time, the Legislature established a maximum “monthly uniform charge in an amount not to exceed seventy-five cents per service user line.”⁶ Pursuant to state law, this “monthly uniform charge” (hereinafter “9-1-1 emergency surcharge”) is collected by the service providers from their customers and remitted directly to the governing body⁷ or, in the case of prepaid wireless service, to the state 9-1-1 Coordination Fund.⁸ These monies are to be used by governing bodies to fund “any nonrecurring or recurring costs for the installation, maintenance, or operation of a 911 system....”⁹

Currently, all governing bodies in South Dakota that assess the 9-1-1 emergency surcharge have set the rate at the maximum allowable amount of seventy-five cents per line.¹⁰ State law requires governing bodies to review the current charge at least once every calendar year to determine whether adjustments to the rate need to be made to cover anticipated expenditures.¹¹

While the maximum allowable 9-1-1 emergency surcharge has never been increased since its inception,¹² increased revenues as a result of the rapid growth in the popularity of cellular phones and other telecommunications options such as Voice over Internet Protocol (VoIP) has resulted in the only noticeable increase in 9-1-1 emergency surcharge revenue and

⁵ SDCL 34-45-4.

⁶ *Id.*

⁷ SDCL 34-45-1(5) defines “governing body” as “the board of county commissioners of a county or the city council or other governing body of a county or municipality or the board of directors of a special district.”

⁸ SDCL 34-45-8.

⁹ SDCL 34-45-3.

¹⁰ Information provided by the SD 9-1-1 Coordinator.

¹¹ SDCL 34-45-10.

¹² Several of the tribal governments in South Dakota have established a maximum allowable rate in excess of seventy-five cents. For example, the Cheyenne River Sioux Tribe assesses a monthly rate of \$3.00 on all access lines within the Cheyenne River Sioux Reservation boundaries.

9-1-1 Funding in South Dakota: Current Status and Future Challenges

has somewhat mitigated the need to reevaluate the current maximum rate.¹³ However, 9-1-1 funding has come to the forefront for local officials who are faced with increasing demand for 9-1-1 service, rising personnel costs, and rapidly-evolving technological requirements to operate a PSAP. Increasing costs to provide the 9-1-1 service, along with the impact on local general fund coffers brought about by the ongoing national recession, has led many in South Dakota to question whether the current maximum rate is sufficient to meet current and future funding needs without substantial support from other sources of governmental revenue. Recent legislative sessions have witnessed various attempts to increase the maximum allowable 9-1-1 emergency surcharge¹⁴, but these efforts have not been successful, arguably due to an overall lack of information concerning 9-1-1 funding in South Dakota. Moreover, concerns about improper use of 9-1-1 emergency surcharge revenues have hindered past efforts to increase the maximum rate.¹⁵

Ultimately, this knowledge void and the numerous uncertainties surrounding 9-1-1 funding in South Dakota prompted the Legislature to create the 9-1-1 Coordination Board. Through legislation and administrative rulemaking, the Board has been able to provide clarity to how the 9-1-1 emergency surcharge can be utilized.¹⁶ Filling the knowledge void regarding

¹³ According to a 2008 Harris Interactive Survey of 9,132 U.S. adults, eighty-nine percent of adults have a wireless or cell phone. Seventy-nine percent of adults have a wireline phone, and approximately fifteen percent use VoIP. Seventy-five percent of U.S. adults use multiple approaches to making calls. Available at: <http://www.cellular-news.com/story/30323.php>

¹⁴ For example, see SB159, introduced during the 86th Legislative Session, available at: <http://legis.state.sd.us/sessions/2011/Bills/SB159P.pdf>. SB159 would have increased the maximum allowable 9-1-1 emergency surcharge to \$1.50.

¹⁵ Information provided by SD 9-1-1 Coordinator.

¹⁶ See, e.g., ARSD §§ 50:02:04:08, 50:02:04:09, and 50:02:04:10; See also HB1014, passed during the 86th Legislative Session (amends SDCL 34-45-4 to clarify that the 9-1-1 emergency surcharge shall only be used on allowable expenditures as determined by the Board.).

9-1-1 Funding in South Dakota: Current Status and Future Challenges

9-1-1 funding is an altogether different undertaking, but one that the Board has begun to address and will continue to analyze so future legislatures can make informed policy decisions in the area of 9-1-1 services and funding.

Before moving into a discussion of the independent analysis of calendar year 2009 9-1-1 emergency surcharge collection, it will be useful to the reader to have a comparison of South Dakota's maximum allowable 9-1-1 emergency surcharge to other states in the surrounding area. As of August, 2010, the maximum monthly rate in South Dakota's bordering states was as follows:

State	Wireline	Wireless	VoIP
Iowa	\$0.45 - \$1.50	\$0.65	N/A
Minnesota	\$0.75	\$0.75	\$0.75
Montana	\$1.00	\$1.00	\$1.00
Nebraska	\$0.50 - \$1.00	\$0.50 - \$0.70	N/A
North Dakota	\$1.00 - \$1.50	\$1.00 - \$1.50	\$1.00 - \$1.50
Wyoming	\$0.75	\$0.75	N/A

Nationally, the maximum monthly rate varies from a low of \$0.20 (Arizona) to a high of \$5.34 (West Virginia – varies by county). Many states assess local and state surcharges (e.g. Maryland, Michigan and Washington), while others assess a percentage of total monthly billing (e.g. California).¹⁷

¹⁷ Monthly rate information provided by the National Emergency Number Association (NENA), August, 2010.

III. Independent Analysis of 2009 Annual 9-1-1 Emergency Surcharge Collection

As described in Section I, the Board began its first data collection effort in April of 2010. Multiple reporting forms were developed and distributed to local officials for completion.¹⁸ After several months of data collection, the Board made the determination that an analysis of the data by an independent third-party would be preferable to an internal review.¹⁹ The Board issued a Request for Proposals in August of 2010²⁰ and eventually contracted with Winbourne & Costas, Inc., a Washington, D.C.-based 9-1-1 management and technology consulting firm (hereinafter “consultant”).

The Board provided the consultant with a total of 182 individual reports, which represented approximately 85 percent of the expected reports. Based on these reports, the Board tasked the consultant with answering a number of questions concerning 9-1-1 funding in South Dakota. What follows is a summary of the findings.

A. How much does the 9-1-1 system in South Dakota cost annually?

To answer this question, the sum of total expenditures listed on the 2009 Annual Reports was calculated to derive the annual cost of providing 9-1-1 services in South Dakota. Based on this calculation, the total amount of 9-1-1 expenditures for calendar year 2009 was **\$16,756,090.**²¹

¹⁸ Four reports were distributed for completion: (1) 2009 Annual Report; (2) 2009 Employee Roster; (3) 2010 PSAP Budget Report; and (4) 2010 Employee Budgeted Report. Depending on the entity, completion of each report may or may not have been required. In total, 214 reports were expected to be completed.

¹⁹ Nevertheless, the Board chose to conduct an internal review through its Funding Subcommittee for comparison purposes. Any substantial deviations between the independent analysis and the Board’s internal analysis will be noted throughout Section III.

²⁰ State of South Dakota Request for Proposals #25331.

²¹ The Board’s internal analysis calculated total expenditures at **\$16,756,090**, whereas the consultant calculated total expenditures at **\$21,535,858.35**. The reason for the significant deviation is believed to be the consultant’s failure to properly eliminate duplicate expenditures reported by host counties and the counties that contract for 9-1-1 services with the host.

B. How much revenue does the 9-1-1 emergency surcharge generate annually?

To answer this question, the sum of 9-1-1 emergency surcharge revenues listed on the 2009 Annual Reports were calculated to derive the total amount of revenue generated by the 9-1-1 emergency surcharge. Based on this calculation, the total amount of 9-1-1 emergency surcharge revenue for calendar year 2009 was **\$8,138,571.83**.²²

C. What would the monthly rate need to be for the 9-1-1 emergency surcharge to provide one hundred percent funding of the 9-1-1 system from surcharge alone?

To answer this question, the following calculation was performed:

- (1) Determine the annual fee collected per line:
(\$0.75 x 12 months = \$9.00/line)
- (2) Divide total annual surcharge revenue by annual fee to determine total number of lines: (\$8,138,571.83/\$9.00 = 904,286 lines)
- (3) Divide the total annual expenditures by the total number of lines to determine an annual cost per line: (\$16,756,090/904,286 = \$18.53)
- (4) Divide the annual cost per line by twelve months to determine a monthly rate: (\$18.53/12months = \$1.54 per line)

Based on this calculation, the monthly rate needed for the 9-1-1 emergency surcharge to provide one hundred percent funding of the 9-1-1 system from surcharge alone in calendar year 2009 was **\$1.54 per line**.²³

²² This figure agrees with the Board's internal analysis.

²³ Given the discrepancy in total expenditures noted between the independent analysis and the Board's internal analysis, the monthly per line rate is believed to be overstated by the consultant. Performing the same calculation with the consultant's total expenditure figure, the monthly rate needed in calendar year 2009 for the 9-1-1 emergency surcharge to provide one hundred percent funding of the 9-1-1 system from surcharge alone was **\$1.98 per line**.

D. What is the sum of total year-end balances in 9-1-1 Funds as reported on the 2009 Annual Reports?

The consultant was not tasked with answering this question; however, the Board conducted an internal analysis of the 2009 financial data to determine what the sum of total year-end balances in county and municipal 9-1-1 Funds was for calendar year 2009. To answer this question, the Board calculated the sum of total year-end balances in 9-1-1 Funds as reported on the 2009 Annual Reports. Based on this calculation, the total year-end fund balance of county/municipal 9-1-1 Funds at year-end 2009 was **\$8,442,628.74**.²⁴

E. What is the percentage of total 9-1-1 expenditures being funded with the 9-1-1 emergency surcharge?

This question was answered by the Board's internal analysis. Based on the Board's calculations, approximately **49 percent** of total 9-1-1 expenditures were funded with 9-1-1 emergency surcharge revenue in calendar year 2009. The remaining 51 percent of expenditures were funded with a combination of subsidies from host entities and other entities (47 percent) and other funding sources (4 percent).

F. Summary of preliminary analysis of calendar year 2010 financial reporting.

Based on a preliminary analysis of calendar year 2010 financial reporting, the following are approximates for total 9-1-1 emergency surcharge revenues and expenditures in 2010:

- Total 9-1-1 emergency surcharge revenues = **\$8,403,959**
- Total 9-1-1 expenditures = **\$15,256,877.93**
- Surcharge required in 2010 to finance entire cost of system = **\$1.36 per line**

²⁴ This figure may not be entirely comprised of 9-1-1 emergency surcharge revenue.

IV. Key points and next steps for 9-1-1 funding in South Dakota

Although the analysis of calendar year 2009 9-1-1 emergency surcharge collection data did not answer all of the questions regarding 9-1-1 funding that presently exist in South Dakota, the Board was able to gather much needed data and can offer a few key facts for the legislature to consider. Moreover, the Board learned many valuable lessons from its inaugural financial reporting effort which should lead to greater compliance rates and more complete data in the coming years.²⁵

Perhaps the most critical finding is the significant funding gap for 9-1-1 services in South Dakota. In 2009, less than 50 percent of the cost of the service was paid by the dedicated funding source provided for in state law. As a result, counties and municipalities were required to subsidize the 9-1-1 service from other sources of taxpayer dollars. If the 9-1-1 emergency surcharge is intended to cover the entire cost of the 9-1-1 service, the monthly rate would need to more than double from the current maximum rate of seventy-five cents per month. While the Board did observe considerable year-end balances being maintained in county and municipal 9-1-1 Funds, there is a recognition that these monies are often necessary for future nonrecurring costs, such as equipment and software upgrades and repairs, and to provide sufficient cash flow for month-to-month operations.

However, the Board does recognize that this report represents only a “snapshot” of the issue of 9-1-1 funding in South Dakota. Many factors will come into play over the next several years that could potentially affect 9-1-1 funding. For example, this report does not address 9-1-1 system efficiencies and other potential solutions that could ease the financial burden on local

²⁵ In order to achieve greater compliance in subsequent years, the Board substantially revised the reporting forms for calendar year 2010 to make the process easier for all parties. The Board has also implemented a more efficient review process to ensure missing or inaccurate information is collected from the submitting entity. Initial feedback on the changes has been positive and the Board will continue to make changes to the process as issues are discovered.

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governments struggling to meet the rising costs of 9-1-1.²⁶ Conversely, this report does not discuss the inevitable migration to Next Generation 9-1-1 solutions which will undoubtedly impose significant financial burdens on both local governments and the State itself. In other words, 9-1-1 funding is and will continue to be an issue of utmost concern to the Board, who will continue to monitor and analyze the situation to ensure the legislature has the best available information when faced with policy decisions concerning the 9-1-1 emergency surcharge.

²⁶ Potential efficiencies and cost-saving solutions include, but are not limited to, virtual PSAP arrangements, systems and resource sharing, standardized training/service levels throughout the state, and identifying alternative funding sources.

County 911 Service Fund
Review Summary
As of September 2010

County 911 Service Fund Review Summary
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Summary of County 911 Fund Reviews and Concerns

The Department of Legislative Audit (DLA) performed a review of the operation of the County 911 Service Fund during our normal audit of the various county governments. This summary includes information from any county audit performed from January through September of 2010. This review did not constitute an audit made in accordance with generally accepted government auditing standards and do not extend to, and we do not express an opinion on, any financial statements or reports of the individual county 911 service funds or Public Safety Answering Points (PSAP).

DLA completed audits of 27 county governments from January through September of 2010 and also reviewed the financial information of one PSAP not associated directly with a county, the North Central Regional E-911 Center. We prepared an individual summary sheet for each county and PSAP reviewed during this time period, which follow this summary.

While performing the audit of the various county governments, we reviewed the revenues and expenditures of the 911 Service Fund to determine if the county governments were generally in compliance with the newly adopted South Dakota Codified Laws and Administrative Rules. It is important to note that these rules were not in effect for the period covered by our audits. In most cases we did not find any major problems with the county's operation of their 911 Service Fund, however; we did note some concerns (both our concerns and those of the various counties) which are summarized below.

Concerns / Questions:

1. Administrative Rules of South Dakota (ARSD) 50:02:04:07 (4) states, "Any governing body receiving 911 emergency surcharge funds must deposit all received funds, including all interest earned on fund investment, in the 911 Fund...". We noted that numerous counties were not retaining the interest earnings in the 911 Service Fund. We recommend that this requirement be emphasized to the county governments.
2. ARSD define "recurring costs and nonrecurring costs", which do not include the cost of paying for signage or street address signs. We noted numerous counties which were incurring expenditures in the 911 Service Fund for the payment of street signs and cost of installing and maintaining street signs. We recommend that this prohibition against using 911 surcharge funds for installing and maintaining street signs be emphasized to the county governments.
3. Certain counties were including both "dispatch services" and "911 services" in the 911 Service Fund. The concerns and questions related to this practice are as follows:
 - Should the revenues and expenditures related to traffic dispatch be kept separate from the 911 Service Fund expenditures?
 - In what manner should the county allocate the expenditures related to traffic dispatch services versus 911 services?
 - Should equipment purchased with 911 surcharge fees, which is shared between the 911 services and the Sheriff's Department, be allocated to the separate functions? If so, what method of allocation should be used?
 - Should non-emergency dispatch services for a school district and various cities be accounted for in the General Fund, rather than the 911 Service Fund?

- Can a county which contracts for “dispatch services” and “911 services”, and is billed separately, pay for the dispatch services portion of the contract from the 911 Service Fund?
 - If the “dispatch services” and the “911 services” are to be accounted for and funded separately, we would recommend that dispatch services be accounted for in the General Fund and 911 Services accounted for in the 911 Service Fund, to prevent the commingling of revenues and expenditures.
4. Many counties were confused and concerned over what “personnel costs” would be appropriate to be paid from the 911 Service Fund and how to allocate the costs. Examples are as follows:
- A portion of the Director of Equalization’s salary, for updating addresses, phone numbers and disconnections.
 - A portion of the salary of a Sheriff’s office staff member, who is the designated 911 coordinator, for answering dispatch calls and updating addresses and phone numbers, during normal hours (8 to 5).
5. In certain counties we noted that the cost of providing the 911 services or contracting for the 911 service exceeded the amount of 911 surcharge fees they were collecting. The counties in these cases had to “subsidize” the 911 services costs with county General Fund revenues. In some cases, the cost of contracting for the 911 services will exceed the 911 surcharge collected (e.g. charged \$1.12 per line and only collect \$.75).
6. We noted two instances in which the counties made unallowable purchases of equipment and software from the 911 Service Funds. In one instance the county purchased numerous handheld radios for the Highway Department and in another instance a county purchased a software program for the use of the County Jail Department.
7. We noted that two PSAP’s, the Pine Ridge Tribal Police Department and the Cheyenne River Tribal Police Department, were charging \$3.00 per line.

For PSAP operations that are charging participating members amounts set in a contract that does not involve a settlement of actual costs, we did not evaluate whether the amounts being charged to the participating county were appropriate. Based on what the board decides related to the concerns that we have expressed, contractual relationships may need to be reviewed to insure that allowable costs are being charged to the 911 Service Funds.

In conclusion, many of the counties we reviewed are concerned and sometimes confused as to what is allowable and how to allocate and account for the expenditures of the 911 surcharge revenues. They also expressed their concern as to whether there is sufficient 911 surcharge revenues to fund the operation or contracts for services.

COUNTY:

Aurora County

TYPE OF 911 OPERATION:

The County contracts with the Mitchell Police Department. The contract states that Aurora County will pay \$4.50 per capita, per year based on the most current census data. This computes as follows: $\$4.50 \times 3,058 = \$13,761.00/\text{year}$.

REVENUE TYPES:

For CY 2009 the County had revenues as follows:

Property Taxes	\$11,207.94
911 Surcharge	\$26,127.98
Investment Earnings	<u>\$ 1,352.47</u>
Total Revenues – CY 2009	\$38,688.39

EXPENDITURE TYPES:

For CY 2009 the County had expenditures as follows:

Salaries (10% of Sheriff Secretary/ 911 Coordinator Salary)	\$ 3,565.66
Mitchell Police Department Contract	\$13,761.00
911 Services (various phone companies)	\$ 9,791.40
Travel	<u>\$ 18.13</u>
Total Expenditures – CY 2009	\$27,136.19

911 SERVICE FUND CASH BALANCE:

The Cash Balance of the 911 Fund as of December 31, 2009 was \$86,170.55.

CONCERNS:

1. The concern for Aurora County is determining if charging a percentage of salaries to the 911 Fund is proper. However, the County is placing part of the General Fund levy within the fund so they would argue that the salaries are paid out of those funds.
2. General issue of support for contracted amount and whether it represents cost of running the PSAP operation.

COUNTY:

Brookings County

TYPE OF 911 OPERATION:

The County has a joint operations agreement with the City of Brookings which operates the PSAP. The two entities have created a board which sets the budget of the communication center. The County contributes a set amount to the City of Brookings. The County also pays for certain items directly.

REVENUE TYPES:

For CY 2009 the County had revenues as follows:

911 Surcharge	\$265,850.70
Interest Earnings	<u>\$ 1,761.57</u>
Total Revenues – CY 2009	<u>\$267,612.27</u>

EXPENDITURE TYPES:

For CY 2009 the County had expenditures as follows:

Dispatch Service Subsidy (to City of Brookings)	\$170,000.00
Database Service Fee	\$ 52,574.62
Professional Services	\$ 3,914.00
Repairs and Maintenance	\$ 4,037.07
Travel and Conferences	\$ 416.50
Office Maintenance and Utilities	\$ 6,205.00
Furniture and Minor Equipment	<u>\$ 734.24</u>
Total Expenditures – CY 2009	<u>\$237,881.43</u>

911 SERVICE FUND CASH BALANCE:

Ending Cash Fund Balance (Cash Basis) for CY 2009 is \$154,344.40.

CONCERNS:

Nothing specific noted.

COUNTY:

Brown County

TYPE OF 911 OPERATION:

The County operates a PSAP - Brown County Regional Communications Center with the City of Aberdeen. This PSAP splits all operational costs in excess of the surcharge revenue on a 50/50 basis between the city and the County.

REVENUE TYPES:

For CY 2009 the County had revenues as follows:

911 Surcharge	\$289,026.73
Contract Service	\$270,906.41
Alarm Surcharge	\$ 1,264.50
Careflight Surcharge	\$ 12,000.00
Refund	\$ 700.26
Transfer In from General Fund	<u>\$270,000.00</u>
Total Revenue and Transfers – CY 2009	\$843,897.26

EXPENDITURE TYPES:

For CY 2009 the County had expenditures as follows:

Salaries and Benefits	\$643,950.26
Professional Services and Fees	\$ 16,347.60
Publishing	\$ 498.78
Repairs and Maintenance	\$ 1,605.43
Service Contracts	\$108,601.64
Supplies and Materials	\$ 43,547.48
Postage	\$ 105.66
Gas/Oil	\$ 721.96
Travel and Conferences	\$ 10,173.56
Phones	\$ 52,903.65
Other	<u>\$ 1,273.50</u>
Total Expenditures – CY 2009	\$879,729.52
Transfer Out (Interest Earnings)	\$ 4,848.31

911 SERVICE FUND CASH BALANCE:

Ending Cash Fund Balance (GAAP Basis) for CY 2009 is \$346,872.92.

CONCERNS:

The County is transferring interest earnings to the General Fund.

COUNTY:

Brule County

TYPE OF 911 OPERATION:

The County contracts with the Mitchell Police Department. The contract states that Brule County will pay \$4.50 per capita, per year based on the most current census data. This computes as follows: $\$4.50 \times 5,892 = \$26,514.00/\text{year}$. During 2009 the County also signed an agreement with the Mitchell Police Department for Traffic Dispatch Services. For these services, the County will pay \$0.75 per capita, per year based on the most current census data. This computes as follows: $\$0.75 \times 5,892 = \$4,419.00$.

REVENUE TYPES:

For CY 2009 the County had revenues as follows:

911 Surcharge	\$ 52,385.72
Federal Grants	\$ 99,470.40
City Contract Revenue	\$ 12,154.66
Investment Earnings	\$ 2,293.74
Transfers In	<u>\$ 10,469.00</u>
Total Revenue and Transfers – CY 2009	\$176,773.52

EXPENDITURE TYPES:

For CY 2009 the County had expenditures as follows:

Salaries	\$ 7,845.53
City of Mitchell 911 Contract	\$ 26,743.50
City of Mitchell Dispatch Contract	\$ 4,419.00
911 Services (various phone companies)	\$ 13,503.86
Equipment Updates (repeater and other)	\$161,571.43
Publishing	\$ 126.73
Supplies	\$ 1,659.40
Travel	<u>\$ 53.00</u>
Total Expenditures – CY 2009	\$215,922.45

911 SERVICE FUND CASH BALANCE:

The Cash Balance of the 911 Fund as of December 31, 2009 was \$93,523.89.

CONCERNS:

1. The County has an agreement set up with the area Cities in which those cities will pay a specified amount per year for Dispatch Services performed by Brule County from 8:00 a.m. to 5:00 p.m. This money is receipted into the 911 Fund. Brule County will also transfer money into the 911 Fund from the General Fund in order to cover their share of the dispatch services. Part of the Sheriff Secretary salary (for dispatch services) is paid out of the 911 Fund.
2. The concern is whether the revenues and expenditures related to traffic dispatch should be kept separate from the 911 Fund expenditures. There was also some equipment updates purchased out of this fund.

COUNTY:

Clay County

TYPE OF 911 OPERATION:

The County contracts with the Clay County Emergency Services and Communications PSAP operated by the City of Vermillion. The County makes four quarterly payments for 911 Services.

REVENUE TYPES:

For CY 2009 the County had revenues as follows:

911 Surcharge	\$ 97,319.47
Investment Earnings	\$ 1,585.39
Other	\$ 200.00
Transfer from General Fund	<u>\$100,000.00</u>
Total Revenue and Transfers – CY 2009	\$199,104.86

EXPENDITURE TYPES:

For CY 2009 the County had expenditures as follows:

Communications Center	\$198,627.13
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911 SERVICE FUND CASH BALANCE:

The Cash Balance of the 911 Fund as of December 31, 2009 was \$99,728.76.

CONCERNS:

Nothing specific noted, except general issue of support for contracted amount and whether it represents cost of running the PSAP operation.

COUNTY:

Deuel County

TYPE OF 911 OPERATION:

The County operates a PSAP through the Deuel County Sheriff's Office.

REVENUE TYPES:

For CY 2009 the County had revenues as follows:

911 Surcharge	\$42,526.18
Investment Earnings	\$ 3,276.12
Transfers In from General Fund	<u>\$10,000.00</u>
Total Revenues & Transfers - CY 2009	\$55,802.30

EXPENDITURE TYPES:

For CY 2009 the County had expenditures as follows:

Salaries	\$32,615.73
Professional Services	\$ 5,325.00
Repairs and Maintenance	\$ 914.57
Computer	\$ 1,199.00
Supplies	\$ 38.99
911 Services (various phone companies)	<u>\$17,752.40</u>
Total Expenditures - CY 2009	\$57,845.69
Transfer Out Interest Earnings	\$ 3,276.12

911 SERVICE FUND CASH BALANCE:

The Cash Balance of the 911 Fund as of December 31, 2009 was \$159,187.34

CONCERNS:

The interest revenue credited to the 911 Fund, and then transferred into the General Fund.

COUNTY:

Fall River County

TYPE OF 911 OPERATION:

The County operates a PSAP through the Fall River County Sheriff's Office.

REVENUE TYPES:

For CY 2009 the County had revenues as follows:

911 Surcharge	\$67,325.27
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EXPENDITURE TYPES:

For CY 2009 the County had expenditures as follows:

Communication Center	\$59,197.46
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911 SERVICE FUND CASH BALANCE:

The Cash Balance of the 911 Fund as of December 31, 2009 was \$173,218.30

CONCERNS:

1. No interest revenue is credited to the 911 Fund; it is all receipted into the General Fund.
2. Also, approximately \$3,500 was spent on signage in 2009.

COUNTY:

Haakon County

TYPE OF 911 OPERATION:

The County contracted with Pennington County during 2008 and part of 2009. During 2009 contracted with the Winner Police Department. For 2009, the County was billed an Administrative Fee of \$4,000 per year and was also to remit 100% of the 911 Surcharge monies to the Winner Police Department. Beginning January 1, 2010, the County will be billed an Administrative Fee of \$4,000 per year and \$1.12 per month, per line. According to the contract, if the surcharge is raised to \$1.50, all of the monies are to be remitted to the Winner Police Department. If the surcharge is raised above \$1.50, the County may retain any amount above \$1.50.

REVENUE TYPES:

For CY 2009 the County had revenues as follows:

911 Surcharge	\$20,706.90
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EXPENDITURE TYPES:

For CY 2009 the County had expenditures as follows:

Winner Police Department Contract	\$14,507.72
Pennington County Contract	\$11,713.11
911 Services (various phone companies)	<u>\$ 7,745.30</u>
Total Expenditures – CY 2009	\$33,966.13

911 SERVICE FUND CASH BALANCE:

The Cash Balance of the 911 Fund as of December 31, 2009 was a negative \$13,265.49

CONCERNS:

1. No interest revenue is credited to the 911 Fund, it is all receipted into the General Fund.
2. General issue of support for contracted amount and whether it represents cost of running the PSAP operation.

COUNTY:

Hanson County

TYPE OF 911 OPERATION:

The County contracts with the Mitchell Police Department. The contract states that Hanson County will pay \$4.50 per capita, per year based on the most current census data. This computes as follows: $\$4.50 \times 3,139 = \$14,125.50/\text{year}$. During 2009 the County also signed an agreement with the Mitchell Police Department for Traffic Dispatch Services. For these services, the County will pay \$0.75 per capita, per year based on the most current census data. This computes as follows: $\$0.75 \times 3,139 = \$2,354.25$.

REVENUE TYPES:

For CY 2009 the County had revenues as follows:

911 Surcharge	\$31,573.18
Investment Earnings	<u>\$ 603.66</u>
Total Revenue – CY 2009	\$32,176.84

EXPENDITURE TYPES:

For CY 2009 the County had expenditures as follows:

Salaries (Director of Equalization Salary) (Salary set by board)	\$ 1,495.04
City of Mitchell 911 Contract	\$17,656.90
City of Mitchell Dispatch Contract	\$ 1,177.12
911 Services (various phone companies)	\$ 5,632.28
Handheld Radios (highway dept. included)	\$23,965.50
GIS Related Expenditures	\$ 757.47
Signage	<u>\$ 604.16</u>
Total Expenditures – CY 2009	\$51,288.47

911 SERVICE FUND CASH BALANCE:

The Cash Balance of the 911 Fund as of December 31, 2009 was \$29,142.58.

CONCERNS:

1. The County paid for salaries and benefits to an employee that spends less than 50% of their time on PSAP duties. Unclear if the activities of the Director of Equalization are allowable to charge to this fund.
2. Numerous handheld radios bought for the highway department would not be allowable.
3. There were also signs purchased out of the fund during 2009.
4. The Dispatch Contract portion of the contract was also paid for out of the 911 Fund.
5. General issue of support for contracted amount and whether it represents cost of running the PSAP operation.

COUNTY:

Hyde County

TYPE OF 911 OPERATION:

The County contracts with the City of Pierre PSAP. Hyde County pays a contracted amount quarterly to the City of Pierre.

REVENUE TYPES:

For CY 2009 the County had revenues as follows:

911 Surcharge	\$16,177.93
Highway Safety Grant (for purchase of signs)	<u>\$ 5,936.62</u>
Total Revenues - CY 2009	\$22,114.55

EXPENDITURE TYPES:

For CY 2009 the County had expenditures as follows:

Salaries	\$ 2,700.00
Contract Payments to Pierre	\$15,200.00
Phone Charges	\$ 4,700.00
Supplies	\$ 4,300.00
Signage (Highway Safety Grant)	<u>\$ 5,936.62</u>
Total Expenditures - CY 2009	\$32,836.62

911 SERVICE FUND CASH BALANCE:

The Cash Balance of the 911 Fund as of December 31, 2009 was \$265.60.

CONCERNS:

1. No interest earnings were reported for the 911 Fund.
2. Signage was purchased from 911 Fund, although the costs were reimbursed by the Highway Safety Grant. These costs and reimbursements could have been made from the General Fund or County Road and Bridge Fund.
3. The County paid for salaries and benefits to an employee that spends less than 50% of their time on PSAP duties.
4. General issue of support for contracted amount and whether it represents cost of running the PSAP operation.

COUNTY:

Jerauld County

TYPE OF 911 OPERATION:

The County contracts with the City of Huron PSAP. Jerauld County pays a contracted amount to the City of Huron.

REVENUE TYPES:

For CY 2009 the County had revenues as follows:

911 Surcharge	\$19,446.89
Interest Earnings	<u>\$ 66.15</u>
Total Revenues – CY 2009	\$19,513.04

EXPENDITURE TYPES:

For CY 2009 the County had expenditures as follows:

Salaries	\$ 3,800.00
Contract Payments to Huron	\$ 9,180.00
Supplies	\$ 4,700.00
Signage	<u>\$ 2,200.00</u>
Total Expenditures - CY 2009	\$19,880.00

911 SERVICE FUND CASH BALANCE:

The Cash Balance of the 911 Fund as of December 31, 2009 was \$11,206.26.

CONCERNS:

1. The County expended \$2,287.80 from 911 Fund for signs purchased from Lyle Signs.
2. The County paid for salaries and benefits to an employee that spends less than 50% of their time on PSAP duties.
3. General issue of support for contracted amount and whether it represents cost of running the PSAP operation.

COUNTY:

Lake County

TYPE OF 911 OPERATION:

The County operates a PSAP - the Lake County 911 Communications PSAP with the City of Madison. The PSAP splits all operational costs in excess of the surcharge revenue on a 50/50 basis between the city and the County.

REVENUE TYPES:

For CY 2009 the County had revenues as follows:

911 Surcharge	\$106,436.60
Investment Earnings	\$ 1,309.36
Other	\$ 280.00
Dispatch Services/Madison	\$ 67,538.01
Transfer from General Fund	<u>\$ 89,065.00</u>
Total Revenue and Transfers – CY 2009	\$264,628.97

EXPENDITURE TYPES:

For CY 2009 the County had expenditures as follows:

Communications Center	\$322,275.24
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Expenditures increased as the PSAP installed the enhanced 911 service in 2009.

911 SERVICE FUND CASH BALANCE:

The Cash Balance of the 911 Fund as of December 31, 2009 was a negative \$60,081.35.

CONCERNS:

None noted.

COUNTY:

Lyman County

TYPE OF 911 OPERATION:

The County contracts with the Winner Police Department. Based on the contract for June 17, 2008 through December 31, 2009, the County was billed an Administrative Fee of \$4,000 per year and was also to remit 100% of the 911 Surcharge monies. Per discussion with the County auditor they were only remitting around \$0.26 of the \$0.75. Based on the contract beginning January 1, 2010, the County will be billed an Administrative Fee of \$4,000 per year and \$1.12 per month, per line. According to the contract, if the surcharge is raised to \$1.50, all of the monies are to be remitted to the City of Winner. If the surcharge is raised above \$1.50, the County may retain any amount above \$1.50.

REVENUE TYPES:

For CY 2009 the County had revenues as follows:

911 Surcharge	\$30,723.16
Investment Earnings	<u>\$ 3,470.87</u>
Total Revenue – CY 2009	\$34,194.03

EXPENDITURE TYPES:

For CY 2009 the County had expenditures as follows:

Winner Police Department Contract	\$34,599.61
911 Updates (Winner Police Department)	<u>\$ 3,025.00</u>
Total Expenditures – CY 2009	\$37,624.61

911 SERVICE FUND CASH BALANCE:

The Cash Balance of the 911 Fund as of December 31, 2009 was \$117,094.69.

CONCERNS:

1. The concern at Lyman County is that the contract is costing more than is brought in with 911 Surcharge dollars. The County does have a cash balance in their 911 Fund, but when that is gone the extra contract cost will be coming out of the General Fund. The County already pays for the database maintenance fees paid to the phone companies from the General Fund.
2. General issue of support for contracted amount and whether it represents cost of running the PSAP operation.

COUNTY:

Miner County

TYPE OF 911 OPERATION:

Miner County operates the 911 PSAP for Miner County and Sanborn County. The County established a 911 / Dispatch Fund to account for 911 and regular dispatch services.

REVENUE TYPES:

911 Surcharge Revenue

Contracted Dispatch Revenue is assessed annually to City of Canova (\$1,200), City of Carthage (\$1,200), City of Howard (\$32,000) and City of Fedora (\$300) for general dispatch services. The County contracts with the Howard School District (\$6,500) for dispatch services related to bus communications related to mechanical trouble, storm safety, and co-curricular transportation. The cities and school pay the assessment from their respective General Fund to the Miner County 911 Fund. It appears that the dispatch fees were being charged prior to the 911 Surcharge being implemented.

Sanborn County is a member of the Miner County PSAP and contracts for PSAP services (which includes the cities in Sanborn County) from 911 Surcharges collected through the Sanborn County 911 Fund.

In addition, the Miner County General Fund contributed \$30,000 in 2009 to the 911 Dispatch Fund.

In total for 2009, the County took in approximately \$25,000 in surcharge, \$75,000 in assessments; the Miner County contributed approximately \$30,000 and interest earnings of approximately \$1,400 to fund approximately \$124,700 of annual expenditures.

EXPENDITURE TYPES:

Miner County PSAP is manned 24 hours a day. The employees who work answering dispatch and 911 calls spend more than 50% of their total time performing dispatch / 911 services; however, less than half of the calls received are 911 calls.

Much of the equipment used by 911 and the Sheriff's office is dual purpose type equipment and is shared.

Approximately \$109,000 of the total 2009 expenditures of approximately \$124,700 were payroll related with the next largest categories being for dispatch telephone service of approximately \$10,700 and with the balance being for travel, insurance, supplies and minor equipment. Approximately \$1,400 was expended for small capital purchases from Hard Drive Central and Radio Shack.

911 SERVICE FUND CASH BALANCE:

The Cash Balance of the 911 Fund as of December 31, 2009 was \$39,708.20.

CONCERNS:

1. The total payroll of the Miner County PSAP, which includes work for County dispatch and also 911 service calls, is being paid from the Dispatch/911 Fund. Correspondence from the 911 Coordination Board Staff to Miner County stated that an employee who works more than 50% of their time dispatching could be paid from the 911 Fund.
2. Much of the equipment is shared between 911 services and the Sheriff's Department. Should the County differentiate whether the maintenance or replacement of the equipment should be paid from the County General Fund or 911 Fund or whether the costs should be shared between the two funds?
3. Can County General Fund and the cities in Miner County pay a dispatch fee in addition to the surcharge which is already being collected through the 911 surcharge on phone lines?
4. Is it proper to account for both the County dispatch functions and 911 functions in the same 911 special revenue fund or should the dispatch functions be accounted for through the County General Fund?
5. Can or should non-emergency calls to dispatch from the Howard School and the respective cities in Miner County be documented and accounted for in the General Fund instead of in the 911 Fund?
6. Is it necessary to document the number of 911 calls vs. the non-emergency calls for the purpose of allocating expenses between the General Fund and 911 Fund?

COUNTY:

Mellette County

TYPE OF 911 OPERATION:

The County contracts with the Winner Police Department. For 2009, the County was billed an Administrative Fee of \$4,000 per year and was also to remit 100% of the 911 Surcharge monies. Based on the contract beginning January 1, 2010, the County will be billed and Administrative Fee of \$4,000 per year and \$1.12 per month, per line. If the surcharge is raised to \$1.50, all of the monies are to be remitted to the City of Winner. If the surcharge is raised above \$1.50, the County may retain any amount above \$1.50.

REVENUE TYPES:

For CY 2009 the County had revenues as follows:

911 Surcharge	\$18,986.34
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EXPENDITURE TYPES:

For CY 2009 the County had expenditures as follows:

Winner Police Department Contract	\$14,464.02
Repairs and Maintenance	\$ 5,600.68
911 Services (various phone companies)	<u>\$ 710.15</u>
Total Expenditures – CY 2009	\$20,774.85

911 SERVICE FUND CASH BALANCE:

The Cash Balance of the 911 Fund as of December 31, 2009 was \$10,286.47

CONCERNS:

1. No interest revenue is credited to the 911 Fund; it is all receipted into the General Fund.
2. General issue of support for contracted amount and whether it represents cost of running the PSAP operation.

COUNTY:

Minnehaha County

TYPE OF 911 OPERATION:

The County contracts with Minnehaha Metro Communications. Minnehaha Metro Communications became its own entity in CY 2008. It receives its own audit and is a component unit of the City of Sioux Falls.

REVENUE TYPES:

For CY 2009 the County had revenues as follows:

911 Surcharge	\$2,104,244.98
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EXPENDITURE TYPES:

For CY 2009 the County had expenditures as follows:

The County prepares a monthly remittance to Minnehaha Metro Communication. Each remittance is for the prior months collections. Total communication center expenditures for CY 2009 was \$2,104,244.98.

911 SERVICE FUND CASH BALANCE:

The December 31, 2009 ending cash balance was \$0.00.

CONCERNS:

None noted. See audit report of Minnehaha Metro Communications.

COUNTY:

Moody County

TYPE OF 911 OPERATION:

Moody County operates a PSAP. The 911 dispatch is located at the Moody County Sheriff's Department. There are 4 dispatchers that cover the 911 dispatch 24 hours a day/7 days a week.

REVENUE TYPES:

Quarterly surcharge collection reports are submitted to the 911 Coordination Board by the 911 Coordinator. Annual 911 Fund financial reports are submitted by the County Auditor.

For CY 2009 the County had revenues as follows:

911 Surcharge & Other Charges	\$56,734.40
Interest Earnings	<u>\$ 2,197.13</u>
Total Revenue – CY 2009	\$58,931.53

EXPENDITURE TYPES:

Expenditures include salaries and benefits for Emergency Manager/911 Coordinator (50% of his total salary) and one full time dispatcher (100% of her total salary), supplies and materials, professional services, and capital assets. All expenditures are paid through vouchers submitted by the 911 Coordinator and approved by the Board of Commissioners. Moody County commissioners adopt an annual budget for the 911 Service Fund.

For CY 2009 the County had expenditures as follows:

Salaries	\$62,612.59
Supplies & Materials	<u>\$15,925.99</u>
Total Expenditures – CY 2009	\$78,538.58

911 SERVICE FUND CASH BALANCE:

The Cash Balance of the 911 Fund as of December 31, 2009 was \$68,395.82.

CONCERNS:

None specific noted, except issue of separation of dispatch and 911 services.

COUNTY:

Pennington County

TYPE OF 911 OPERATION:

Pennington County operates a PSAP. The Pennington County 911 also contracts with Haakon County and Jackson County to run their 911 operations.

REVENUE TYPES:

Pennington receives revenues (besides their 911 surcharge) from three other entities. Rapid City is in joint operations with Pennington and has a negotiated contract for services. Monthly Rapid City sends Pennington County 1/12 of the negotiated contract. At the year end the two entities analyze operations and adjust the year end receivable based on actual revenues/expenditures for the year. Box Elder also remits funds from its General Fund for PSAP services over and above what Pennington County collects in 911 surcharge from residents of Box Elder. The amount of remittance is based on a usage formula. Jackson County remits all of their 911 surcharge to Pennington County.

They also receive some revenue from Badlands National Park, Piedmont VFD and Ambulance, and alarm monitoring.

For CY 2009 the County had revenues as follows:

911 Surcharge & Other Charges	\$947,447.64
Interest Earnings	<u>\$ 5,101.12</u>
Total Revenues – CY 2009	\$952,548.76

EXPENDITURE TYPES:

The PSAP is a separate department of County government and not part of the Sheriffs Department. Salaries and benefits of all employees of the PSAP are charge 100% to the PSAP. No employee is splitting time between PSAP and non-PSAP job tasks such as jail booking clerk, warrants clerk, secretary, etc. Vouchers for the PSAP are prepared, reviewed and approved by PSAP Director and/or Deputy Director before sending to the Auditors Office. The Sheriffs Department is not involved in any of this process. Monthly budget reports are reviewed by each department so PSAP Director would know any vouchers not applicable to their department.

Total Expenditures – CY 2009	\$767,768.96
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911 SERVICE FUND CASH BALANCE:

The Fund Balance of the 911 Fund as of December 31, 2009 was \$542,778.04.

CONCERNS:

None specific noted, except issue of separation of dispatch and 911 services.

COUNTY:

Perkins County

TYPE OF 911 OPERATION:

The County is an original member of the North Central Regional E-911 Center. The County remits \$.47 of the \$.75 surcharge to the North Central Regional E-911 Center.

REVENUE TYPES:

For CY 2009 the County had revenues as follows:

911 Telephone Surcharge	\$34,992.71
Investment Earnings	<u>\$ 573.29</u>
Total Revenue – CY 2009	\$35,566.00

EXPENDITURE TYPES:

For CY 2009 the County had expenditures as follows:

Communications Center	\$28,934.68
Supplies and Materials	<u>\$ 1,077.00</u>
Total Expenditures – CY 2009	\$30,011.68

Transfer Out Interest Earnings	\$ 573.29
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911 SERVICE FUND CASH BALANCE:

The Cash Balance of the 911 Fund as of December 31, 2009 was \$34,066.36

CONCERNS:

1. The County paid for a minor amount of signage.
2. The County transferred interest earnings to the General Fund.
3. Since the amount collected from the 911 surcharge exceeds the amount remitted to the PSAP, it is unclear what allowable expenditures the County may pay for with the remaining amount.

COUNTY:

Sanborn County

TYPE OF 911 OPERATION:

The County contracts with the Miner County PSAP. The Sanborn County sheriff secretary receives occasional calls for 911, works on updating the address list for 911 and does work for signage. It was noted that the enhanced 911 does not always track the GPS location because of poor cell phone connections and therefore it is necessary for the non-PSAP offices to be involved in locating the emergency. It is possible under the current operation that if an emergency call comes to Sanborn County, the sheriff secretary actually contacts the ambulance, fire or sheriff as needed and those calls may never reach an 911 dispatcher.

REVENUE TYPES:

For CY 2009 the County had revenues as follows:

911 Surcharge	\$26,583.82
Interest Earnings	<u>\$ 1,076.27</u>
Total Revenue – CY 2009	\$27,660.09

EXPENDITURE TYPES:

For CY 2009 the County had expenditures as follows:

Salaries & Benefits	\$ 1,310.33
911 Assessment (paid to Miner County)	\$32,000.00
911 Database Services	\$ 9,031.50
Signage	<u>\$ 8,704.37</u>
Total Expenditures – CY 2009	\$51,046.20

Sanborn County estimated that approximately 8 hours a month of the sheriff secretary time is paid from the Sanborn County 911 Fund to cover 911 type duties.

911 SERVICE FUND CASH BALANCE:

The Cash Balance of the 911 Fund as of December 31, 2009 was \$39,708.20.

CONCERNS:

1. Are costs for updating the addressing for residents consisting of new phone numbers and disconnects of the County an allowable expenditure of the Sanborn County 911 Fund?
2. Signage was purchased from the 911 Fund.
3. The County paid for salaries and benefits to an employee that spends less than 50% of their time on PSAP duties.
4. General issue of support for contracted amount and whether it represents cost of running the PSAP operation.

COUNTY:

Shannon County

TYPE OF 911 OPERATION:

The County contracts with Pine Ridge Tribal Police Department. The cost is \$3.00 per line.

REVENUE TYPES:

The 911 surcharge of \$3.00 is remitted directly from the phone company to the PSAP. The County does not maintain a 911 Service Fund and do not reflect any revenues or expenditures in their records.

EXPENDITURE TYPES:

None

CONCERNS:

The PSAP charges \$3.00 per line.

COUNTY:

Stanley County

TYPE OF 911 OPERATION:

The County contracts with the City of Pierre PSAP. Stanley County pays a contracted amount to the City of Pierre.

REVENUE TYPES:

The 911 charges are receipted to the 911 Fund. The total collections for 2009 were \$26,665.22. No other revenue sources were reported.

EXPENDITURE TYPES:

The 911 expenditures are recorded and reported to the 911 Fund. Stanley County made one payment to the City of Pierre in August, 2009 in the amount of \$20,790 representing the payment of four quarterly assessments of \$5,197.50. This amount represented Stanley County's per capita share of the expenditures for the 911 operation. No other expenditures were recorded or reported.

911 SERVICE FUND CASH BALANCE:

The Cash Balance of the 911 Fund as of December 31, 2009 was \$20,396.42.

CONCERNS:

1. Noted that no interest revenue was recorded or reported.
2. General issue of support for contracted amount and whether it represents cost of running the PSAP operation.

COUNTY:

Turner County

TYPE OF 911 OPERATION:

The County contracts with Lincoln County Central Communications PSAP.

REVENUE TYPES:

For CY 2009 the County had revenues as follows:

911 Surcharge	\$ 76,152.25
Investment Earnings	\$ 1,044.67
Other	\$ 6,184.30
Transfer from General Fund	<u>\$ 30,000.00</u>
Total Revenue and Transfers – CY 2009	\$113,381.22

EXPENDITURE TYPES:

For CY 2009 the County had expenditures as follows:

Communications Center	\$114,900.28
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911 SERVICE FUND CASH BALANCE:

The Cash Balance of the 911 Fund as of December 31, 2009 was \$29,208.96.

CONCERNS:

1. The County paid for some signage from the 911 Fund.
2. General issue of support for contracted amount and whether it represents cost of running the PSAP operation.

COUNTY:

Walworth County

TYPE OF 911 OPERATION:

The County is an original member of the North Central Regional E-911 Center. The County remits \$.47 of the \$.75 surcharge to the North Central Regional E-911 Center.

REVENUE TYPES:

For CY 2009 the County had revenues as follows:

911 Telephone Surcharge	\$51,835.62
Investment Earnings	<u>\$ 3,997.34</u>
Total Revenues – CY 2009	\$55,832.96

EXPENDITURE TYPES:

For CY 2009 the County had expenditures as follows:

Communications Center (Remittance to 911 Center)	\$50,439.93
Salaries and Benefits	\$ 735.31
Signage	\$ 77.72
Utilities	<u>\$.20</u>
Total Expenditures – CY 2009	\$51,253.16

911 SERVICE FUND CASH BALANCE:

The Cash Balance of the 911 Fund as of December 31, 2009 was \$128,218.21.

CONCERNS:

A small amount of salaries and benefits and signage was noted.

COUNTY:

Yankton County

TYPE OF 911 OPERATION:

The County contracts with the Yankton Police Department. The County pays for a portion of salaries, benefits, supplies and software data maintenance fees. In addition, the County budgets \$60,000, which is paid quarterly, to cover additional costs.

REVENUE TYPES:

For CY 2009 the County had revenues as follows:

911 Surcharge	\$199,860.28
Investment Earnings	\$ 1,203.29
Other	<u>\$ 5.00</u>
Total Revenues – CY 2009	\$201,068.57

EXPENDITURE TYPES:

For CY 2009 the County had expenditures as follows:

Communications Center	\$268,847.02
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911 SERVICE FUND CASH BALANCE:

The Cash Balance of the 911 Fund as of December 31, 2009 was \$241,955.07.

CONCERNS:

1. We noted that in CY 2009 the County purchased a "ledsSuite" software system (law enforcement software) for the sheriff's department for \$141,139.00 which did not appear to be directly related to the providing of 911 services.
2. The County paid for some signage from the 911 Fund.
3. General issue of support for contracted amount and whether it represents cost of running the PSAP operation.

COUNTY:

Ziebach County and Dewey County

TYPE OF 911 OPERATION:

The County contracts with the Cheyenne River Tribal Police Department. The cost is \$3.00 per line.

REVENUE TYPES:

911 surcharge of \$3.00 is remitted directly from the phone company to the PSAP. These counties do not maintain 911 service funds and do not reflect any revenues or expenditures in their records.

EXPENDITURE TYPES:

None

CONCERNS:

The PSAP charges \$3.00 per line.

North Central Regional E-911 Center

TYPE OF 911 OPERATION:

Joint Operation

The members of the joint venture are as follows:

Original Members	Contracting Members
Corson County	Campbell County
Edmunds County	McPherson County
Perkins County	Sioux County, North Dakota
Walworth County	Harding County
	Potter County

The joint powers agreement is formulated in accordance with SDCL 34-45. The governing board consists of two members from each governmental entity entering the joint agreement. The War Hawk Civil Defense Coordinator, as well as a responder from the Standing Rock Emergency Services are permanent nonvoting board members.

The operations and activities of the center are financed by the telephone surcharge, less the state coordinator fee per phone of the participating government entity. Original members remit 47 cents of the 75 cent surcharge. Contracting members remit 75 cents for the first two years and then 65 cents thereafter.

REVENUE TYPES:

For CY 2009 revenues are as follows:

Harding County	\$ 7,263.26
Potter County	\$ 31,267.84
Alltel Corporation	<u>\$ 32,321.00</u>
911 Surcharge	<u>\$ 227,513.58</u>
Interest Earnings	\$ 9,680.58
Miscellaneous	<u>\$ 539.68</u>
Total Revenue	<u><u>\$ 237,733.84</u></u>
Utilities	\$ 55,749.66
Equipment	\$ 14,451.24
Miscellaneous	<u>\$ 54,389.50</u>
Total Expenditures	<u>\$ 124,590.40</u>

EXPENDITURE TYPES:

For CY 2009 the County had expenditures as follows:

Utilities	\$ 55,749.66
Equipment	\$ 14,451.24
Miscellaneous	<u>\$ 54,389.50</u>
Total Expenditures	<u>\$ 124,590.40</u>

2009 Dispatch Contract (paid Jan 2010) with the City of Mobridge	\$84,000.00
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CASH BALANCES:

Ending Cash Balance	<u>\$ 438,188.08</u>
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Cash Breakdown:

Regional E911 Fund Cash	\$ 294,918.33
Equipment Replacement Fund Cash	\$ 103,269.75
Surcharge Overage Fund	\$ 40,000.00
Total	<u>\$ 438,188.08</u>

CONCERNS:

None noted.

DEPARTMENT OF PUBLIC SAFETY
 COORDINATION FUND
 CONDITIONAL STATEMENT (11/11)

	FY09	FY10	FY11
TOTAL RECEIPTS	\$138,755	\$252,314	\$238,371
TOTAL DISBURSEMENTS	\$28,239	\$85,019	\$67,717
NET (Receipts less Disbursements)	\$110,516	\$167,295	\$170,654
BEGINNING CASH BALANCE	\$0	\$110,516	\$277,811
ENDING CASH BALANCE	\$110,516	\$277,811	\$448,465

EXHIBIT: C