

Information Technology – Central Telephone

Current Year Department Budgeted Expense Total: \$ 501,543

Change from Prior Year: \$ (296,926)

Overall Budget Justification:

The Central Telephone Budget is \$501,543 which is \$296,926 less than last year's budget. The FY20 budget included a one-time large capital expense of \$400,000 which inflated the annual expenses for last year.

In FY21, the budget has an increase of \$35,107 in Personnel costs which includes the approved 2.9% COLA. A majority of the increased Personnel costs are the result of an adjustment in the existing salary cost sharing between the IT Budget and the Central Telephone Budget for the IT Director, IT Administrative Support, and the IT Security Engineer positions. These adjustments are made periodically to align budgets with changes in work loads and responsibilities. Operating expenses are \$2,033 less and Capital expenses are \$330,000 less than FY21.

Under the direction of the Information Technology Director, the Telecommunications Manager and the IT Administrative Secretary provide telephone, voice mail, call accounting, communications related procurement, cell phone, infrastructure support, and related financial accounting services for 12 remote sites, 538 landline phones, 57 Centrex phone lines, and 353 Smartphones/cell phones/Push-to-Talk radio/phones.

The Central Telephone Service (fund 6060) is an internal support function with revenues of \$439,952 derived predominately from phone services, with additional revenue from Centrex lines and interest income. Revenues for FY21 are \$439,952 which represents a 0.3% increase (\$1,271) over FY20. Revenues are lower than Expenses in FY21 due to the allocation of reserve funds to install a fiber backbone from City Hall to the Billings Logan International Airport.

New or Expanded Programs:

We are requesting a \$70,000 capital budget amount to fund the installation of a fiber backbone from City Hall to the Billings Logan International Airport. The funding for this project will come from reserves and be repaid by the Airport in increased annual charge for services. The fiber will be installed along 27th Street in fiber conduit available through a Memorandum of Agreement signed in November of 2019 with the Montana Department of Transportation.

**CENTRAL TELEPHONE SERVICES FUND
OPERATING BUDGET**

	ACTUAL FY 18	ACTUAL FY 19	BUDGET FY 20	ESTIMATE FY 20	PROPOSED FY 21
EXPENSES:					
PERSONAL SERVICES	\$ 121,181	\$ 134,765	\$ 126,998	\$ 120,000	\$ 162,105
OPERATIONS & MAINTENANCE	212,139	209,410	271,471	250,000	269,438
CAPITAL	-	31,350	400,000	325,000	70,000
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TOTAL EXPENSES	<u>\$ 333,320</u>	<u>\$ 375,525</u>	<u>\$ 798,469</u>	<u>\$ 695,000</u>	<u>\$ 501,543</u>

STAFFING AUTHORIZATION

POSITION	ACTUAL FY 18	ACTUAL FY 19	BUDGET FY 20	PROPOSED FY 21
TELECOMMUNICATIONS SYSTEM MANAGER	1.0	1.0	1.00	1.00
IT DIRECTOR	-	0.1	0.10	0.14
IT SECURITY ENGINEER	-	0.1	0.10	0.15
IT ADMINISTRATIVE SUPPORT II	-	-	-	0.25
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TOTAL	<u>1.0</u>	<u>1.2</u>	<u>1.2</u>	<u>1.5</u>