



Emergency Telephone System Board Of DuPage County Memorandum

TO: Chair Schwarze and ETS Board Members
FROM: Linda Zerwin, Executive Director
DATE: February 11, 2026
SUBJECT: FY26 Finance and Revenue – 54199: Capital Contingencies

54199: Capital Contingencies (54199):

54199 was set up by the former CFO and outside auditors as an equipment replacement fund that was fluid to allow ETSB flexibility with their capital asset replacement. Each year a dollar amount is appropriated to this fund to support the continual replacement of the 9-1-1 infrastructure. Essentially, it is a savings account. As such the ETSB does not have a Reserve Fund because 54199 is obligated to the upgrade and replacement of the 911 Infrastructure.

The allocation represents what ETSB should save to facilitate replacement of capital items. This is what makes the ETSB sustainable. The allocation represents what ETSB should have on hand to facilitate replacement of capital items. DuPage ESTB has a finite funding source. Therefore, it is essential that the ETS Board plan for the sustainability of the 9-1-1 system to ensure life safety for those calling 9-1-1 and those responding to that call.

Any new capital items purchased that meet these criteria has been added to 54199 to begin allocating funds for its replacement. The replacement schedule is based on either the projected usable life or contract replacement year. That number is divided by the cost to determine the annual allocation for that capital item.

$$\text{Cost / Projected Usable Life or Contract Replacement Year} = \text{Annual Allocation}$$

With the contract for radio replacement, the ETS Board at that time decided it would not set aside money for radio replacement in the future. This lessens the burden of the fund but does not decrease the earmark of funds towards replacement.

Prior to the creation of 54199: Capital Contingencies in the ETSB company budget, ETSB had a policy, 911-003: Capital Reserves and Capital Improvement Program Fund. This policy should have been updated when 54199 was put into place.

At the February meeting, the ETS Board will discuss 911:010.1: 54199: Capital Contingencies and Capital Management Plan. This policy would be new and a sub-policy of 911-010: Expenditure Policy. By making a policy regarding 54199 a sub-policy, it keeps financial policies together for ease of review and consistency. Language from 911-003 that is consistent to how 54199 currently functions have been included in 911:010.1.

Specific components of the 911 system are not listed in the new policy as they were in 911-003 in order to give the ETS Board flexibility in making changes to what will be included without having to bring the policy forward with each change. The Capital Management Plan shows what is included.

Recommendation: :

1. Repeal 911-003: Capital Reserves Procedures and Capital Fund Improvement Policy (ETS-R-0006-16)
2. Add 911-010.1: 54199: Capital Contingencies Procedures and Capital Management Plan
3. If the ETS Board desires, a separate sheet can be included in the policy with a list of items in 54199 with a description. Language should then be added to the policy to allow the list to updated as projects are added/completed, without additional Board action.