

## MILWAUKEE COUNTY FISCAL NOTE FORM

**DATE:** August 26, 2014

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** Request for Authorization to Execute an Intergovernmental Agreement with Milwaukee County Municipalities for the use of the Milwaukee County Public Safety Radio System and request for authorization to create a trust fund to be utilized for the receipt and disbursement of funds associated with the Public Safety Radio System Capital Fund

**FISCAL EFFECT:**

- |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> No Direct County Fiscal Impact<br><input type="checkbox"/> Existing Staff Time Required<br><input type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below)<br><input type="checkbox"/> Absorbed Within Agency's Budget<br><input type="checkbox"/> Not Absorbed Within Agency's Budget<br><input type="checkbox"/> Decrease Operating Expenditures<br><input checked="" type="checkbox"/> Increase Operating Revenues<br><input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures<br><input type="checkbox"/> Decrease Capital Expenditures<br><input type="checkbox"/> Increase Capital Revenues<br><input type="checkbox"/> Decrease Capital Revenues<br><input type="checkbox"/> Use of contingent funds |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

*Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.*

	Expenditure or Revenue Category	Current Year	Subsequent Year
<b>Operating Budget</b>	Expenditure		
	Revenue	0	\$46,248
	Net Cost		
<b>Capital Improvement Budget</b>	Expenditure		
	Revenue		
	Net Cost		

## DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.<sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.
  - A. The Information Management Services Division (IMSD) respectfully requests authorization to enter into an Intergovernmental Agreement with municipalities or municipal user agencies for Digital Public Safety Radio services for a period of fifteen (15) years with the option of two (2) five (5) year automatic renews and requests approval to create a trust fund to be utilized for the receipt and disbursement of funds associated with the Public Safety Radio System Capital Fund.
  - B. The revenue would be derived from the proposed cost sharing model for operational cost, maintenance and future capital outlay. This model enables agencies of all sizes to participate but does not burden agencies with unfair share of system costs. User Agencies will be required to pay an operational fee as well as contributions into a capital fund.
    - Operational Fee (Usage Fee): The operational fee is \$2.00 per radio per month for use of the Radio System. Over a five (5) year period of time the fee will gradually increase to \$14 per radio per month with a cost of living escalator for each year thereafter. The proposed usage fee will assist County in offsetting the increase cost from the current analog services to digital.
    - Capital Fee: The IGA includes a provision for the creation of a Capital Fund that will include contributions by Milwaukee County and User Agencies. The fund will be established as a Public Safety Radio System trust that will serve to address future capital improvements including but not limited to Digital System replacement

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<sup>1</sup> If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

<sup>2</sup> Community Business Development Partners' review is required on all professional service and public work construction contracts.

in the out years. Contribution into the Capital Fund will begin in 2018 for Milwaukee County and User Agencies at \$2.00 per radio per month. Over a four (4) year period of time the contribution will gradually increase to a maximum of \$5.00 per radio per month.

- C. The revenue of \$46,248 was calculated as \$2 per radio for 12 months for 1927 radios. This revenue would be used for the benefit of the Public Safety Radio System and to help defray budgeted projected costs of the Radio System moving towards sustainability to ensure that a high quality, reliable system is available that meets the needs of emergency response agencies. Establishing the trust fund will also help ensure that the financial stability of Radio System is maintained in the future.
  
- D. It is assumed that 16 of the 19 municipalities will join the Milwaukee County radio system and pay a usage fee in 2015.

Department/Prepared By: Marlinda Sisk, DAS-IMSD Fiscal and Budget Manager

Authorized Signature \_\_\_\_\_

Did DAS-Fiscal Staff Review?     Yes                     No

Did CDBP Review?<sup>2</sup>                     Yes                     No                     Not Required