

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 11.16.2018

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: The Director of the Office of Emergency Management (OEM) requests for OEM, and on behalf of General Mitchell International Airport (GMIA), authorization to execute two ten (10) year agreements in the amounts of \$6,784,212 and \$84,9412 with Motorola Solutions, Inc. (MSI), for the maintenance, licensing, and on-site repair (SERVICES) of the Milwaukee County 800 MHz public safety radio sub-system and the GMIA dispatch center and to contribute annual funds to the Motorola Repair Bank for purposes of infrastructure repair and replacement.

FISCAL EFFECT:

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

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
Operating Budget	Expenditure	(\$520,547)	(\$137,168)
	Revenue	0	0
	Net Cost	0	0
Capital Improvement Budget	Expenditure	0	0
	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. ¹ 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.

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- A. The approval of the requested action item will allow the Director of the Office of Emergency Management (OEM) and the Director of General Mitchell International Airport (GMIA), to execute two ten (10) year agreements in the amount of \$6,784,212 and \$84,912 with Motorola Solutions, Inc. (MSI), for the maintenance, licensing, and on-site repair (SERVICES) of the Milwaukee County 800 MHz public safety radio sub-system and the GMIA dispatch center and to contribute annual funds to the Motorola Repair Bank for purposes of infrastructure repair and replacement..
 - B. Under the terms of this agreement, OEM will incur costs for 1) maintenance, licensing, and on-site repair for all non-airport equipment; 2) maintenance, licensing, and on-site repair for the General Mitchell International Airport dispatch center; 3) a contribution to the radio system repair bank; and 4) a sub-contract with Cambium Microwave. For 2018, the total cost is \$191,690 for non-airport services; \$2,399 for the airport dispatch center offset by \$2,399 in airport revenue; and \$50,000 for a radio system repair bank contribution, for an estimated net cost of \$241,690. Annually, costs for services will increase by 3 percent. Costs for the Cambium Microwave sub-contract will increase annually by 3 percent until 2022, at which time the annual escalator will be renegotiated. The table below shows the estimated costs for the contract components:

¹ 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.

		Motorola	Cambium	Repair Bank	Airport	Airport Revenue	Total Cost
Current Year	2018	\$191,690		\$50,000	\$2,399	(\$2,399)	\$241,690
Year 1	2019	\$550,914	\$24,155	\$50,000	\$7,198	(\$7,198)	\$625,069
Year 2	2020	\$567,441	\$24,880	\$50,000	\$7,414	(\$7,414)	\$642,321
Year 3	2021	\$584,465	\$25,626	\$50,000	\$7,636	(\$7,636)	\$660,091
Year 4	2022	\$601,999	\$26,395	\$50,000	\$7,865	(\$7,865)	\$678,393
Year 5	2023	\$620,059	\$27,187	\$50,000	\$8,101	(\$8,101)	\$697,245
Year 6	2024	\$638,660	\$28,002	\$50,000	\$8,344	(\$8,344)	\$716,663
Year 7	2025	\$657,820	\$28,842	\$50,000	\$8,594	(\$8,594)	\$736,662
Year 8	2026	\$677,555	\$29,708	\$50,000	\$8,852	(\$8,852)	\$757,262
Year 9	2027	\$697,881	\$30,599	\$50,000	\$9,118	(\$9,118)	\$778,480
Year 10	2028	\$718,818	\$31,517	\$50,000	\$9,391	(\$9,391)	\$800,335
Total		\$6,507,302	\$276,910	\$550,000	\$84,912	(\$84,912)	\$7,334,212

- C. The OEM 2018 Adopted Budget includes \$762,237 for this Motorola contract which provides sufficient appropriations for 2018. The OEM 2019 Recommended Budget includes an appropriation of the same amount, which is also sufficient to cover the costs of this request. Future budgets will include sufficient appropriations for the contract.
- D. This fiscal note assumes that the airport has sufficient appropriations in both 2018 and 2019 to fund this contract. This fiscal note further assumes that the 3 percent annual escalator with Cambium Microwave will continue in years 5 – 10. It is possible that this escalator could increase or decrease at that time. Due to the size of the contract, even an annual escalator of 10 percent with Cambium Microwave would only increase the total cost of the contract by 0.6 percent or \$48,000. Therefore, it is assumed to be insignificant to the final cost. It should also be noted that although OEM is contributing \$50,000 annually to the radio system repair bank, additional amounts could be required if insufficient funds are available in the radio system repair bank for a repair required in the future. In that situation, an additional source of funding would need to be identified.

Department/Prepared By Cl Pahl, Financial Services Manager, Office of the Comptroller

Authorized Signature



Did Fiscal Staff Review?

Yes

No

Did CDBP Review?²

Yes

No

Not Required

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