

LRB – RESEARCH AND ANALYSIS SECTION

**FINANCE & PERSONNEL COMMITTEE
FILE #091456**

MARCH 19, 2010

File #091456 authorizes \$952,000 of contingent borrowing for Milwaukee Police Department capital purposes. Capital funding originally appropriated in 2005 for the ongoing “trunked radio communications” project – OpenSky - has expired, necessitating this requested reauthorization. Re-authorized funding will be used to satisfy approximately \$750,000 in contract “holdback” monies due the vendor upon project completion, with remaining funds directed to other unanticipated needs.

BACKGROUND NARRATIVE

The Milwaukee Police Department is currently in the process of converting its radio communications from a conventional two-way analog wireless system to a trunked digital control system. Rather than assigning, and limiting, users to assigned channels, a trunked system effectively pools all channels together and assigns radio transmissions automatically to an open frequency. The unique address code assigned to each radio enables user assignment to various “talk groups” while also providing a vehicle for private, one-on-one discussions between supervisors and officers.

The MPD began its digital radio conversion project in 2003, choosing the “OpenSky” system manufactured by M/A-COM, a developer of digital communications systems for customers in the public safety, utility, transit and public service arenas. At project inception, M/A-COM was a subsidiary of Tyco Electronics Ltd. In 2008, after the sale of other technology-related business units, Tyco Electronics changed the name of its wireless operations from M/A-COM to Tyco Electronics Wireless Systems. On June 1, 2009, Harris Corporation, an international communications and information technology company, purchased Tyco Electronics Wireless Systems.

Implementation of OpenSky has been a multi-year, multi-phase process, dependant on funding and radio spectrum availability. By 2005, project construction was sufficient to enable data only transmission. Between 2005 and 2008, the department focused on other necessary project infrastructure, including adding radio spectrum, securing sites for radio improvements, and constructing these improvements. The MPD began installing OpenSky mobile radios in all new squad cars in 2007 and has essentially completed retro-fitting OpenSky mobile radios in pre-2007 squads. After a failed deployment of OpenSky portable radios in October 2008, roll-out recommenced in April 2009, and was completed in November 2009.

Currently, the MPD is conducting a series of “seven day tests” designed to evaluate the functionality of OpenSky and address and rectify remaining technical issues. It should be noted that several OpenSky customers with significantly larger geographic areas have had concerns or issues with garbled transmissions, dropped calls, dead spots, faulty radio signal handoff and undependable emergency functions. The February 2010 MPD Bulletin attached to this file includes a “Message from the Chief” that provides a status update on OpenSky. The following points are intended as a supplement to that Message:

- The City and Harris remain in negotiations regarding replacement of obsolete consoles.
- The purchase of 150 handheld personal digital radios will be included in the 2011 Equipment Budget Request for MPD.
- The hiring of an independent validation and verification firm - Federal Engineering - provides safeguards to the City. Instead of testing the effectiveness and functionality of OpenSky in-house, an independent expert ensures that OpenSky meets all contract requirements.

- A Phase I contract with Federal Engineering in the total amount of \$148,980 will be paid for with “technology services” monies approved in the 2009 Asset Forfeiture Plan.
- A yet-to-be-completed Phase II contract with Federal Engineering, in the amount of \$135,240, will also be funded with asset forfeiture monies.

OPENSKY FISCAL BACKGROUND

The table below provides a funding history for the digital radio conversion project. This table does not include the aforementioned asset forfeiture funds nor the anticipated 2011 Equipment Budget Request.

OPENSKY FUNDING

<i>Capital Funding</i>	<i>Amount</i>	<i>Grant Funding</i>	<i>Amount</i>
		2001 Juvenile Accountability Incentive Block Grant	\$ 798,768
		2002 Technology Grant Program	\$3,000,000
2003 Budget	\$2,000,000	2003 Technology Grant Program	\$2,708,747
2004 Budget	\$5,000,000	2004 Urban Areas Security Initiative Grant	\$2,099,998
2005 Budget	<u>\$2,000,000</u>	2004 Law Enforcement Terrorism Protection Program	<u>\$ 24,525</u>
TOTALS	<u>\$9,000,000</u>		<u>\$8,632,038</u>

The Police Department provided a general cost synopsis for the OpenSky project, which is displayed below.

OPENSKY COSTS

Category	Amount (in millions)
MA/COM Contract	\$ 15.4
Other Radio Equipment	\$ 1.5
Misc. Costs	<u>\$ 0.6</u>
Total	\$17.5

DISCUSSION

The 2010 Budget of the City of Milwaukee includes \$150,000,000 of Contingent Borrowing for “a public purpose not contemplated at the time the budget was adopted.” The table below displays contingent borrowing that has been authorized to-date in 2010.

2010 CONTINGENT BORROWING AUTHORIZED TO-DATE

File	Purpose	Amount
091046	Financing Receivables	\$16,000,000(*)
091322	Refinance MPS School Construction Bonds	\$14,360,000
091397	Refinance Cathedral Place Parking Facility Bonds	\$16,805,000

(*) Any amount for financing receivables from contingent borrowing that is not issued by September 1, 2010 shall not be issued. Per the Comptroller’s Office, \$5,865,000 in general obligation bonds have been issued for this purpose.

Approval of this resolution would authorize \$952,000 in contingent borrowing for completion of the OpenSky trunked digital radio conversion project. Approximately \$952,000 of the original \$2,000,000 in capital authority appropriated in 2005 has expired, necessitating this request. Capital funding will be used to satisfy approximately \$750,000 in contract “holdback” monies due the vendor upon project completion, with remaining funds directed to other unanticipated needs.

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March 15, 2010