

COUNTY OF MADERA
BUDGET UNIT EXPENDITURE DETAIL
BUDGET FOR THE FISCAL YEAR 2017-18

Department: **MICROWAVE RADIO SERVICES
(11300)**
Function: **General**
Activity: **Other General**
Fund: **Microwave Radio Fund**

<u>ACCOUNT CLASSIFICATION</u>	<u>ACTUAL EXPENDITURES 2015-16</u>	<u>BOARD APPROVED EXPENDITURES 2016-17</u>	<u>DEPARTMENT REQUEST 2017-18</u>	<u>CAO RECOMMENDED 2017-18</u>
FUND BALANCE		195,083	297,191	297,191
 <u>INCOME</u>				
640101 Interest on Cash	2,324	0	0	0
662742 Microwave Radio Service Charges	636,486	615,276	640,551	640,551
TOTAL INCOME	638,811	615,276	640,551	640,551
 <u>EXPENSES</u>				
OPERATING EXPENSES				
720800 Maintenance - Equipment	76,415	101,792	104,006	104,006
721200 Misc Expense - Sales Tax	16,914	17,186	17,760	17,760
721400 Professional Specialized	6,695	7,000	87,000	87,000
721700 Rents & Leases - Building/Land	169,916	186,000	192,785	192,785
721909 Misc Expense - Property Tax	3,299	4,000	4,000	4,000
730302 Retire Capital Lease (Equipment)	210,660	210,660	215,000	215,000
731000 Depreciation	0	68,638	0	0
771400 Interfund Expenses	14,000	20,000	20,000	20,000
TOTAL OPERATING EXPENSES	497,899	615,276	640,551	640,551
FIXED ASSETS				
740300 Equipment	0	0	0	0
TOTAL FIXED ASSETS	0	0	0	0
TOTAL EXPENSES	497,899	615,276	640,551	640,551
Income Over / (Under) Expenses	140,912	0	0	0
Carryover Restricted for Capital Replacement	241,379	195,083	297,191	297,191

MICROWAVE RADIO SERVICES

COMMENTS

In early FY 2009-10, the County assumed full responsibility for operating and maintaining the Microwave Radio System. Approximately \$1 Million in new microwave radio equipment was acquired through a lease/purchase program and installed on existing tower locations that are leased from private owners. Madera County has contracted with Fresno County to maintain the radio system equipment since Fresno County owns and operates a large Microwave Radio System that utilizes some of the towers and equipment in Madera County. Madera County's Information Technology Department provides management of this function and budget.

Radios are used by several County Departments as a primary method of mobile communications throughout the County. The Departments currently using hand-held and/or vehicle-mounted radios include Sheriff, Fire, Probation, Corrections, Roads, and Animal Services. These radios are utilizing the recently installed Microwave Radio System throughout Madera County. In addition, data has now been integrated into the Microwave system for the communities of Chowchilla and Oakhurst.

Fiscal Year 2017-18 is a pivotal year for the Microwave Radio System in Madera County. In December 2017, the Maintenance Agreement on critical equipment ends and it will be necessary to replace the equipment at an estimated cost of \$600,000. In addition, in December of 2018 the Site Lease for existing tower space will end. Prior to replacing the equipment and to renegotiating the Site Lease Agreement, it is prudent for Madera County to evaluate the future of the Microwave Radio System. Due to changes in technology and the needs of the County, it is critical that an evaluation occur to determine the different options and to create a roadmap of the future of Microwave Radio Services. Included in the FY 2017-18 Proposed Budget is \$80,000 to secure consultant services to provide an analysis and create recommendations to allow the County to make an informed choice of the alternatives available. As our Public Safety Departments and our constituents are highly dependent of the stability and functionality of Microwave Radio Services, it is critical that a well informed decision is made. Once the evaluation is completed, should the alternative be to replace the unsupported equipment, funding for the replacement will be predominantly derived from capital reserves.

The Microwave Radio Services User Group and representatives from Information Technology met and determined that an evaluation by an outside consultant would be necessary to determine the appropriate plan for the future. Once the analysis is complete, the Microwave Radio Services User Group will evaluate the recommendations determined by the consultant and create a roadmap for the future of the Microwave Radio Services.

NOTE: This is not a General Fund Budget.

INCOME

662742 **Microwave Radio Service Charges** (\$640,551) is recommended increased \$25,275. This income will be used to pay for the actual cost of operating, maintaining the microwave radio system, and the cost of a consultant to provide recommendations

MICROWAVE RADIO SERVICES

INCOME (continued)

for the future. Included in this budget amount are estimated reserves from FY 2016-17 of \$297,191 which will be used to replace microwave assets when required.

EXPENSES

- 720800** **Maintenance - Equipment** (\$104,006) is recommended increased \$2,214 for contracted maintenance services from Fresno County. In addition, due to end of life equipment, additional maintenance agreements were acquired to maintain equipment until improvements are able to be funded.
- 721200** **Miscellaneous Expenses – Sales Tax** (\$17,760) is recommended increased \$574 to pay for sales tax associated with the capital lease.
- 721400** **Professional & Specialized** (\$87,000) is recommended increased \$80,000 for vendor support and for consultant services to evaluate the Microwave Radio Services.
- 721700** **Rents & Leases - Building/Land** (\$192,785) is recommended increased \$6,785 and includes the costs for leasing existing tower space from private land owners.
- 721909** **Miscellaneous Expenses – Property Tax** (\$4,000) is recommended unchanged to pay for property tax associated with the capital lease.
- 730302** **Retire Capital Lease** (\$215,000) is recommended increased \$4,340 for the annual principal and interest payment for the new microwave radio equipment that is being acquired through a seven-year lease/purchase agreement.
- 731000** **Depreciation** (\$0) is recommended reduced \$68,638 as equipment is purchased through a Capital Lease.
- 710100** **Interfund Expenses** (\$20,000) is recommended unchanged to appropriately assign labor expended from the Office of Information Technology to coordinate all microwave activities and upgrades.
- Carryover Restricted for Capital Replacement** (\$297,191) is recommended to be funded through unexpended/reserve funds from FY 2017-18, and will be used to begin replacing donated equipment when required.