
POLICE

DEPARTMENT

MEMO

City and Borough of Sitka

To: City Administrator Jim Dinley
From: Chief Sheldon Schmitt / Interim Finance Director Jay Sweeney
Subject: Next Generation (NG) 911- Financing Options
Date: June 7, 2011

As you recommended, I met with Mr. Sweeney to discuss the options available to us to finance the purchase of the new NG-911 system that will replace our outdated system.

We explored several financing options including leasing the equipment, vendor financing, outright purchase and self-financing (borrowing money from CBS to be paid off over time). With any of these options, the loan would be repaid with a funding stream created by the 911 surcharge which is currently \$1.48/phone line.

It was determined that self-financing in order to purchase the system outright would be the best option, costing us the least amount in the long run. In an attempt to minimize the financial impact to the general fund, it was previously recommended by past Finance Director Dave Wolff to borrow from the Southeast Alaska Economic Development Fund and pay back the loan over 10 years. Approximately \$1,327,000 of undesignated funds are available for such purposes in the Public Infrastructure Revolving Loan portion of the Fund.

The project bid proposed to us by Motorola (through Procomm) is \$499,245.00, which includes maintenance fees for the first year.

At the present time, approximately \$98,000 more in dedicated surcharges has been generated over the life of the surcharge program than has been expended. These funds are currently part of the General Fund reserve. In addition, the surcharge is expected to generate receipts \$80,000 or more per year in excess of anticipated outlays for the next 10 years.

Using the balance of excess dedicated surcharges in the general fund would result in a loan of \$401,245. At 3% annual interest, a \$401,125 loan would result in annual debt service of \$46,600, significantly less than the \$80,000 in estimate annual receipts. Lending the entire amount of \$499,245 at 3% annual interest would result in annual debt service of \$57,849, again significantly less than the \$80,000 in estimate annual receipts.

It is our joint recommendation that the project bid of \$499,245 be accepted and that the project be financed with a 10-year loan in the amount of \$401,125 at 3% annual simple interest and the expenditure of \$98,000 in dedicated fund balance in the General Fund.

BID SCHEDULE:
SITKA NG-911 PSAP SYSTEM
SITKA, ALASKA

The undersigned proposes to furnish all tools, equipment, supplies, manufactured articles, labor and materials, services and incidentals, and to perform all work necessary for the Substantial Completion of the Project as shown and specified in strict accordance with the Contract Documents ~~by August 8, 2011~~ with an additional 30 days for Final Completion.
as modified by Motorola's response

BASE BID

Item No.	Approx. Quantity	Pay Item	Unit Price	Total Base Bid In Numbers
1.	Lump Sum (LS)	NG-911 PSAP System --As described in document and notes	N/A	\$ 499,245.00
Written Lump Sum: Four hundred ninety-nine thousand two hundred forty-five and no/100				

Except for a payment that is due upon contract execution, Customer will make payments to Motorola within thirty (30) days after the date of each invoice. Customer will make payments when due in the form of a check, cashier's check, or wire transfer drawn on a U.S. financial institution and in accordance with the following milestones.

30% due upon contract execution;
60% of the Contract Price upon shipment of equipment;
5% of the Contract Price upon completion of installation;
5% of the Contract Price upon final acceptance;

Motorola reserves the right to make partial shipments of equipment and to request payment upon shipment of such equipment. In addition, Motorola reserves the right to invoice for installations or civil work completed on a site-by-site basis, when applicable.

Annual Maintenance Cost as requested to be billed annually

Year	Annual Cost
Year 2	\$ 64,640.00
Year 3	\$ 68,217.00
Year 4	\$ 81,932.00
Year 5	\$ 86,031.00

P O L I C E

DEPARTMENT

MEMOCity and Borough of Sitka

To:	Chief Sheldon Schmitt
From:	Tim White
Subject:	E911 system
Date:	August 19, 2010

I received the attached letter explaining that our current 911 system has reached the products end-of-life (EOL). We currently have the Plant CML rescueSTAR system which was purchased from ACS approximately 10 years ago. This means that we need to either upgrade our current system or purchase a new system. This letter was the first indication that I have received regarding the EOL of our equipment.

Currently, we are having problems with our system. We are running the system without redundancy. This means that if anything fails, the whole system will fail. I am currently working with ACS and Plant CML to rectify the problem. One of the issues the manufacturer is having problems with is that some of the components are obsolete and they are having a problem finding replacements for them. We always have the ability to drop back to Phase 0 911. This means that we will not receive any information about the call. From some types of phones (primarily ACS land lines) we will receive a caller ID.



July 2, 2010

Re: Sentinel® ECS-1000™ Single PSAP ANI/ALI Controller and the Sentinel® RescueSTAR® Planned Product Discontinuance

This notice is intended to inform you of the planned discontinuance of PlantCML's Sentinel® ECS-1000™ Single PSAP ANI/ALI Controller and the Sentinel® RescueSTAR® call processing solution, and to communicate the targeted timeline for official announcement of these products end-of-life (EOL).

The Sentinel ECS-1000 Single PSAP ANI/ALI Controller and the Sentinel RescueSTAR products were introduced to the market in the early 1990s. They have provided reliable public safety computer telephony integration (CTI) and supporting features to many of our customers for many years. Over time, technology has evolved such that much of the hardware and software that make up these products has become obsolete. With component obsolescence and EOL issues escalating, the cost to support these platforms continues to increase. For our partners and end users, this phase of the product lifecycle provides them with the opportunity to work with PlantCML to develop migration and transition strategies.

The NENA Next Generation plan, moving toward the inevitable deployment of the Emergency Services IP Network (ESInet), is driving the need for PSAPs to implement advanced digital systems. The introduction by PlantCML of complete end-to-end digital and IP systems such as the VESTA® CS, VESTA® Pallas™, Sentinel® Patriot® and Sentinel® CM call processing solutions has led to the decline in the demand for legacy systems.

PlantCML has prepared and approved the planned discontinuance of the Sentinel ECS-1000 Single PSAP ANI/ALI Controller and the Sentinel RescueSTAR product lines. It is PlantCML's current intent to release official notification of the Sentinel ECS-1000 Controller and Sentinel RescueSTAR EOL strategy to our customers within the next 30 days. The EOL strategy will detail the forecast date for final new system sales, as well as detail the extended period of in-service system support availability.

If you have any questions or concerns, please do not hesitate to contact your local PlantCML sales representative or your service provider.

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