

ITEM #: 6
DATE: 02-28-23
DEPT: POLICE

COUNCIL ACTION FORM

SUBJECT: DISPOSITION OF CONTINGENCY FUNDS FROM THE STORYCOMM RADIO PROJECT

BACKGROUND:

Previously, the City paid a private company to provide portable radios and tower service. As annual rental fees continued to increase, the City of Ames, Story County, and Iowa State University decided to enter into an agreement to form a Board of Directors for the creation of a new interoperable radio system that will be jointly owned by the three governmental entities. The Board was named StoryComm, and the new radio system was funded by the three government agencies, with the City of Ames issuing General Obligation Bonds for its portion. StoryComm charges fees to system users to cover the system's annual operating costs, to accomplish unexpected system repairs, and to create an equipment replacement fund.

Originally, all three agencies placed \$100,000 into a contingency fund for unanticipated costs associated with creating this new initiative. Recently, the StoryComm board accepted completion of the system installation. Of the City's \$100,000, there is \$15,000 left that was not utilized in this contingency fund. A comparable amount is available for each of the other two partners.

ALTERNATIVES:

1. The City Council could decide to leave the \$15,000 in the StoryComm project fund and move it to the Capital budget line item for future replacement needs.
2. The City Council could request the StoryComm Board to return the \$15,000 to the City. The funds would then be deposited in the Debt Service Fund.

CITY MANAGER'S RECOMMENDED ACTION:

The price of the new radio system was \$10,000,000 and it is anticipated to stay functional for 10-15 years, possibly longer. At end of the system's useful life, there will be a need for additional and substantial funding to repair or replace the equipment. Accepting the \$15,000 would have a minimal impact on reducing the City's debt service payments, and would be better spent on replacing equipment.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby deciding to leave the \$15,000 in the StoryComm project fund and move it to the Capital budget line item for future replacement needs.