

# Wireless Minneapolis: Status and Needs

August 18, 2008



Business Information Services

# Agenda

- Clearing up Confusion
- Fiber Build-out
- Internal Services Fund Cash Flow
- Additional Appropriation Needed



# Clearing up Confusion

- Misconceptions:

- USIW to build out fiber at their expense

*Source: 2006 Memo*

- Cost of fiber build out \$400k

*Source: 2006 Memo*

- CLIC Request for fiber is not needed because USIW is providing the fiber through the Wireless contract

*Source: 2008 Discussions*

- Actual:

- USIW to finance and build out fiber. City to pay back over 5 yrs at 7.5% interest

*Source: Final Contract*

- Cost of fiber build out \$500k

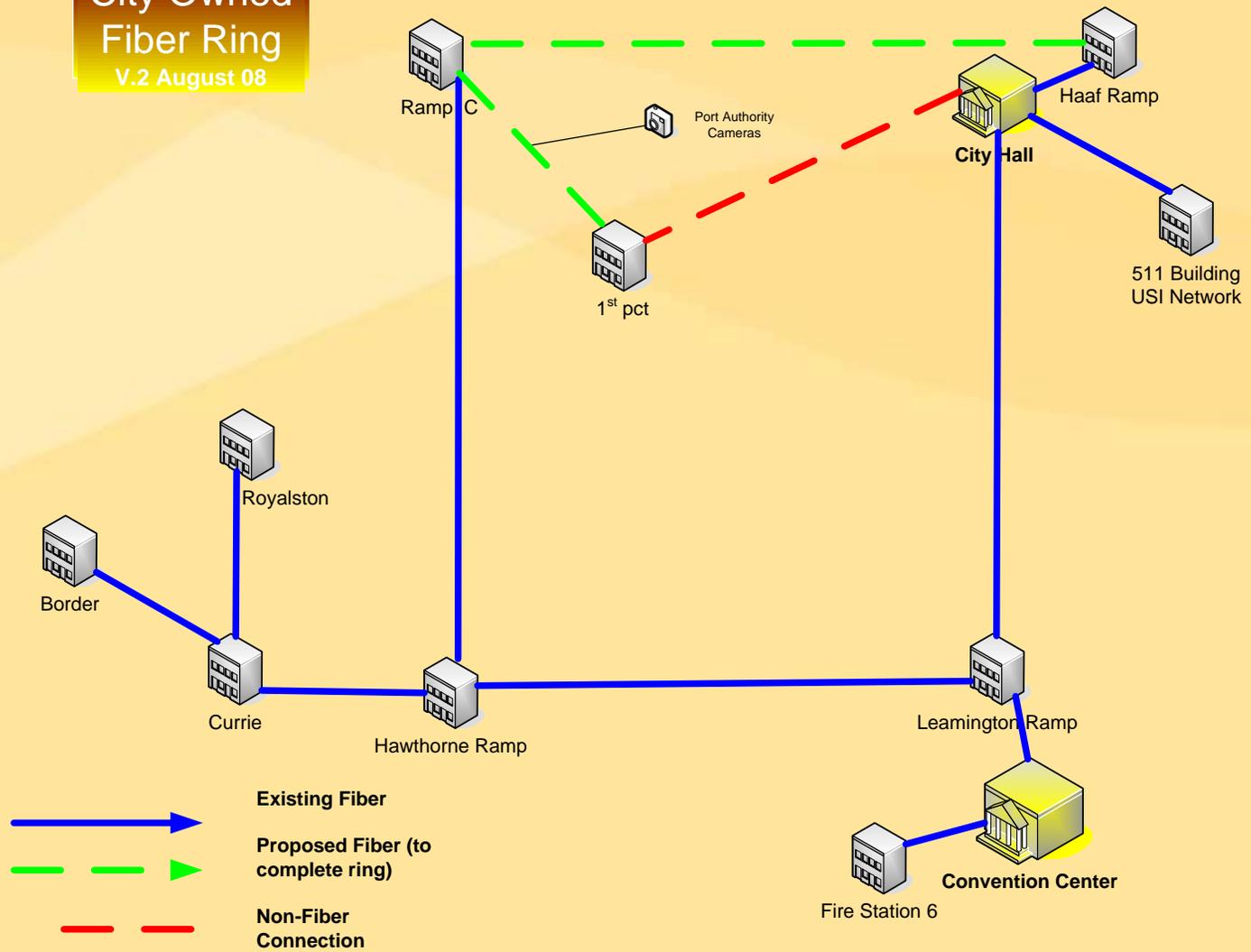
*Source: Actual bid*

- USIW would complete the iNET. CLIC infrastructure funds, if used for fiber, would be for other fiber needs.

*Source: Final Contract*



**City Owned  
Fiber Ring  
V.2 August 08**



**Misconception:** Internal Services Fund paid back in 2 years.

**Actual:** Internal Services Fund paid back in 6 years.

Source: Unknown

Source: Business Plans

dollars in millions

Liability	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	TOTAL
USIW Commitment	(\$1.25)	(\$0.63)	(\$1.25)	(\$1.25)	(\$1.25)	(\$1.25)	(\$1.25)	(\$1.25)	(\$1.25)	(\$1.25)	(\$0.63)	(\$12.50)
USIW Grant	\$0.45											
\$2.2m Advanced Payback	\$0.220	\$0.220	\$0.220	\$0.220	\$0.220	\$0.220	\$0.220	\$0.220	\$0.220	\$0.220	\$0.220	
Int. Credit on \$2.2 Advancement	\$0.068	\$0.068	\$0.068	\$0.068	\$0.068	\$0.068	\$0.068	\$0.068	\$0.068	\$0.068	\$0.068	

Known Purchased Services

Air Cards *		\$0.096	\$0.096	\$0.096	\$0.096	\$0.096	\$0.096	\$0.096	\$0.096	\$0.096	\$0.096	\$0.096
DSL - Fire and Police *		\$0.037	\$0.037	\$0.037	\$0.037	\$0.037	\$0.037	\$0.037	\$0.037	\$0.037	\$0.037	\$0.037

Additional Purchased Services Opportunities

Squad Car Connectivity		\$0.07	\$0.07	\$0.07	\$0.07	\$0.07	\$0.07	\$0.07	\$0.07	\$0.07	\$0.07	\$0.07
Parking Meters			\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40
Water Meters			\$0.33	\$0.33	\$0.33	\$0.33	\$0.33	\$0.33	\$0.33	\$0.33	\$0.33	\$0.33
Cellular/Wifi			\$0.17	\$0.17	\$0.17	\$0.17	\$0.17	\$0.17	\$0.17	\$0.17	\$0.17	\$0.17

Total Potential Purchased Services	\$0.000	\$0.203	\$1.105	\$1.105	\$1.105	\$1.105	\$1.105	\$1.105	\$1.105	\$1.105	\$1.105	\$10.148
------------------------------------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	----------

Internal Services Fund Balance - Wireless	(\$0.512)	(\$0.646)	(\$0.503)	(\$0.360)	(\$0.217)	(\$0.074)	\$0.069	\$0.212	\$0.355	\$0.498	\$1.266	
---	-----------	-----------	-----------	-----------	-----------	-----------	---------	---------	---------	---------	---------	--

* Off-Setting Cost Savings		\$0.365	\$0.365	\$0.365	\$0.365	\$0.365	\$0.365	\$0.365	\$0.365	\$0.365	\$0.365	\$3.650
----------------------------	--	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------

Net	(\$0.512)	(\$0.281)	(\$0.138)	\$0.005	\$0.148	\$0.291	\$0.434	\$0.577	\$0.720	\$0.863	\$1.631	
-----	-----------	-----------	-----------	---------	---------	---------	---------	---------	---------	---------	---------	--



# Clearing up Confusion

## *Challenge Areas*

- Misconceptions:
  - 95% outdoor coverage per Service Level Agreement (SLA).  
*Source: 2006 Memo*
- Actual:
  - Challenge areas out of scope; additional spending needed to resolve.  
*Source: Final Contract*



# Budget Request

## APPROPRIATION NEEDED

### ONETIME

PW Poles - <i>Challenge Areas</i>	\$	300,000
PW Power - <i>Challenge Areas</i>		700,000
Fiber - <i>iNET Completion</i>		500,000

Sub-total \$ 1,500,000

### ONGOING (annual)

Base Services	\$	1,250,000
Less advance payment		(220,000)

**TOTAL APPROPRIATION NEEDED FOR 2008 \$ 2,530,000**



# Funding Source

dollars in millions

Description	Fund	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
USIW Obligation (less \$220 Credit)	Internal Services Fund	(\$1.250)	(\$0.625)	(\$1.250)	(\$1.250)	(\$1.250)	(\$1.250)	(\$1.250)	(\$1.250)	(\$1.250)	(\$1.250)	(\$0.625)
Challenge Areas & Fiber	Internal Services Fund	(\$1.500)										
Transfer from General Fund			\$1.500									
USIW Grant and Payback credits		\$0.738	\$0.288	\$0.288	\$0.288	\$0.288	\$0.288	\$0.288	\$0.288	\$0.288	\$0.288	\$0.288
Department Purchased Services		\$0.000	\$0.203	\$1.105	\$1.105	\$1.105	\$1.105	\$1.105	\$1.105	\$1.105	\$1.105	\$1.105
	ISF Balance	(\$2.012)	(\$0.646)	(\$0.503)	(\$0.360)	(\$0.217)	(\$0.074)	\$0.069	\$0.212	\$0.355	\$0.498	\$1.266



# *Questions*

*???*

