

The County uses master lease financing to acquire equipment, rolling stock, furniture and technology purchases that have useful lives ranging from three to fifteen years. Master lease financing is very flexible, allowing the County to finance projects with minimal transaction costs and on an “as needed” basis over the term of the master lease. Because of the short-term maturities of master lease financing, interest rates are typically lower than rates on long-term bonds. The County typically procures equipment using temporary funding sources, and then draws funds from the master lease financing institution to reimburse the temporary sources. The projects discussed below will be financed through the master lease; related debt service costs are funded through the General Fund’s Non-Departmental budget.

The current master lease contract expired in February 2009. A new contract will be competitively bid and may result in different interest rates and lessor relationships. As a new master lease / purchase agreement contract is available, the recommendations for master lease funded projects may need to be adjusted.

The FY 2010 list of projects will replace aged and critical technology infrastructure, including continuing funding for two major technology programs that began in FY 2009.

**FY 2010 Master Lease Funded Projects (\$ in 000’s)**

1. Network & Telephone Refresh	\$1,000
2. PC Replacement	2,000
3. Mobile Data Terminals	1,740
<b>Total Program Cost</b>	<b>\$4,740</b>

**Program Funding Sources (\$ in 000’s)**

1. Master Lease	\$3,740
2. Debt Service Savings	1,000
<b>Total Program Funding</b>	<b>\$4,740</b>

Debt Service Savings of \$1.0 million from the FY 2009 operating budget are available to “buy down” the cost of the mobile data terminals. The debt service savings is the difference between the debt service budget available for projects and the projected principal and interest payments for the projects funded in FY2009.

**Network and Telephone Refresh**

**1,000,000**

The goal of this project is to converge the network and telephone operations and service under the technology of Voice Over Internet Protocol (VoIP), in order to provide better service through consolidation of service and operations.

The Network and Telephone refreshment program will refresh two aging systems where equipment has either reached the end of its useful life or is past warranty. The County currently uses a traditional switch-based telephone system, which has been in place for 18 years and has been taxed with service demands that exceed the equipment's capabilities. The County's informational network—which allows users to seamlessly access all County applications, connect to the internet, send emails, and search and access their network drives—will be the infrastructure backbone for all of the County's communication and networking demands. With the convergence of these two systems, it is essential that equipment be refreshed at the same time to meet the users' needs today, and provide capability to grow in the future.

This program began in FY 2009 with \$5 million of master lease funding, and will be substantially completed in FY 2010 with the recommended \$1 million of master lease funding. The migration will be phased in among users to ensure continuity of service. This project will encompass the entirety of Arlington County Government facilities and users, which represents roughly 4,000 phone set locations. The County's decision to converge voice and data services came after extensive review of the technology available to local governments, the ease of use by the customers, and the ability of the County to minimize the risk factors associated with a project of this scale.

- Fiscal Impact - The financing costs or principal and interest payments associated from the master lease financing are included in the base operating Non-Departmental budget for the master lease program.

**PC Replacement**

**2,000,000**

The goal of the PC Replacement program is to maintain an effective, supportable inventory of personal computers to best support the workforce.

The PC Replacement program works by replacing a percentage of computers annually, and keeping the program on a standardized cycle. This approach minimizes large capital outlays for PC's, and keeps a large percentage of the inventory within warranty and responsive to emerging technological trends. Given the technology available, the Department of Technology Services (DTS) will continue to work with customers to identify the most appropriate machines necessary for the users.

The PC Replacement program operates on a four year cycle, leading to replacement of one-quarter of the PC inventory annually. This inventory has traditionally included desktop computers and in FY 2009, also includes laptops for users whose work requires mobility.

- Fiscal Impact - The financing costs or principal and interest payments associated from the master lease financing are included in the base operating Non-Departmental budget for the master lease program. Costs associated with the installation, maintenance, and monitoring of personal computers is budgeted in DTS' base budget.

**Mobile Data Terminals and Infrastructure****1,740,000**

The goal of this project is to replace mobile data terminals, a public safety communications tool, so these devices will remain useful and operable for public safety personnel.

Mobile data terminals allow emergency personnel to communicate more efficiently with the Emergency Communications Center and other public safety officers in the County. These terminals or laptops permit data exchange via wireless technology to the Police, Fire and Sheriff's departments and are located in public safety vehicles. The use of these devices increases the efficiency of information sharing, investigations, records management and all forms of communications. By allowing public safety officers to work more efficiently, the laptops also allow public safety officers to be more responsive and enhance community safety and security.

The current laptops have reached the end of their lifecycle. This project will replace the current laptops with more rugged laptops. The rugged laptops can be taken out of public safety vehicles thereby enabling public safety officers to be more efficient in working in the field. The more durable design of the rugged laptop will likely decrease the number of maintenance and replacement requests. The newer model of laptops will be able to access the full range of bandwidth available to the County which will improve connectivity over that currently experienced by laptop users. The rugged laptops are also more compatible with existing and planned public safety information technology.

There are currently 280 mobile data terminals. The total need identified is 390 terminals: 290 for the Police, 10 for Criminal Investigations, 10 for Sheriff, and 80 for the Fire Department. \$350,000 was previously approved as part of the FY 2009 Pay-As-You-Go budget and was used to purchase 70 laptops. The FY 2010 budget will fund 320 mobile data terminals and associated connectivity software and network support. The total cost is \$1.74 million, of which, \$1.0 million from debt service savings will be used to "buy down" the total cost. Therefore, only \$740,000 is needed from the master lease financing program at a three year term.

- Fiscal Impact - The financing costs or principal and interest payments associated from the master lease financing are included in the base operating Non-Departmental budget for the master lease program. The additional annual operating cost is approximately \$234,000. These operating expenses are included in the Police Department's budget to cover all the mobile data terminals.