

All actual DaneCom costs are shared between the County (who pays 30% of all O&M costs) and the municipalities (who pay 70% of all O&M costs). Each municipality's portion of those costs are based on a formula involving population and valuation of each municipality. Should there be a municipality that decides not to pay for their share of DaneCom, the County – not the rest of the paying communities – absorbs those unpaid costs. None of this has changed.

What has changed is that it is estimated that beginning in 2025, it's quite possible that the 70% portion of the DaneCom costs paid for by the municipalities will exceed \$825,000. The DaneCom IGAs include a note that in part says that the municipalities will pay 70% of actual DaneCom costs up to \$825,000 – and nothing more. This is nothing "new" in that those IGAs were signed long ago, but this is the first time in DaneCom's history that there's a chance that O&M costs may exceed that \$825,000 cap.

The County will absorb any of the 70% of O&M costs in excess of \$825,000. For Example:

2025 Estimated DaneCom O&M Costs:	\$1,244,800
County 30% share:	\$373,440
Communities share at 70%:	\$871,360
Communities pay:	\$825,000
County pays 30%:	\$373,440
70% over \$825,000 paid by County:	\$46,360

The County will also pay an estimated \$33,201 (of the \$825,000), which is the total amount of the share of the seven non-paying communities DaneCom O&M costs.

Costs are increasing due to higher costs for the maintenance and related contracts to keep DaneCom running smoothly. These costs should stabilize as time goes on, but there are still some upcoming costs that we are trying to mitigate (by possibly deferring some maintenance that can wait or just having the County pay them, if possible). These costs are new and we are working toward something acceptable to the County and the maintenance provider as we work through new contracts with the maintenance provider.

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## Total DaneCom Costs

2019:	\$664,676		
2020:	\$932,937	(40.36% increase)	
2021:	\$863,358	(-7.46% decrease)	
2022:	\$825,299	(-4.41% decrease)	
2023:	\$1,021,752	(23.8% increase)	
2024:	\$1,099,400	(7.60% increase)	70% = \$769,580
2025:	\$1,244,800	(13.26% increase)	70% = \$871,360
2026:	\$1,280,200	(2.84% increase)	70% = \$896,140
2027:	\$1,317,000	(2.88% increase)	70% = \$921,900
2028:	\$1,355,400	(2.92% increase)	70% = \$948,780
2029:	\$1,393,500	(2.81% increase)	70% = \$975,450

# DaneCom Maintenance Contract Costs 2019-2029

## 2019

Maintenance Contract	\$157,743
Software FX	\$47,917
System Monitoring	\$23,900
Total	<b>\$229,559</b>

## 2020

Maintenance Contract	\$429,989
Software FX	\$103,819
System Monitoring	\$23,900
Total	<b>\$557,708</b>
% increase	142.95%

## 2021

Maintenance Contract	\$435,188
Software FX	\$87,847
System Monitoring	\$23,900
Total	<b>\$546,935</b>
% decrease	-1.93%

## 2022

Maintenance Contract	\$435,188
Software FX	\$47,917
System Monitoring	\$18,723
Total	<b>\$501,828</b>
% decrease	-8.25%

## 2023 (New Maintenance Contract Provider)

Maintenance Contract	\$514,548
Software FX	\$102,600
System Monitoring	\$25,095
Total	<b>\$642,243</b>
% increase	27.98%

## **2024**

Maintenance Contract	\$540,275
Software FX	\$107,730
System Monitoring	\$26,350
Total	<b>\$674,355</b>
% increase	16.88%

## **2025**

Maintenance Contract	\$577,100
Software FX	\$183,900
System Monitoring	\$27,200
Total	<b>\$788,200</b>
% increase	14.44%

## **2026**

Maintenance Contract	\$594,400
Software FX	\$189,400
System Monitoring	\$28,000
Total	<b>\$811,800</b>
% increase	2.99%

## **2027**

Maintenance Contract	\$612,200
Software FX	\$195,100
System Monitoring	\$28,800
Total	<b>\$836,100</b>
% increase	2.99%

## **2028**

Maintenance Contract	\$630,600
Software FX	\$200,900
System Monitoring	\$29,700
Total	<b>\$861,200</b>
% increase	3.0%

## **2029**

Maintenance Contract	\$649,500
Software FX	\$206,900
System Monitoring	\$30,600
Total	<b>\$887,000</b>
% increase	2.99%

## How are the DaneCom Bills Calculated?

The formula is calculated on the average of two different methods of calculation:

- A calculation of a community's share done based in its population
- A calculation of a community's share based on its valuation

The two above figures are added together and then divided by two, arriving at the total shared costs for a community.

Here's the hard part – how do you arrive at the individual figures in the first place? And even more complicated – How can the formulas be explained?

For figuring out the cost based only on valuation:

1. Take the total valuation for all cities, towns, and villages and subtract the City of Madison's value
2. Take 70% of the DaneCom costs and divide by the figure above
3. Multiply the figure in #2 by 1000
  - a. This gives a number similar to a mill rate
4. Take the figure in #3 and multiply it by the community's total valuation
5. Divide the figure in #4 by 1000

For figuring out the cost based only on population:

1. Take the total population for all cities, towns, and villages and subtract the City of Madison's population
2. Take 70% of the DaneCom costs and divide by the figure above
  - a. This gives a number similar to a mill rate
3. Take the figure in #2 and multiply it by the community's total population

Then, you take each of the numbers from both scenarios and average them to arrive at the community's share.

Population and valuation are updated as often as once per year using the "Town, Village, and City Taxes" publication found on the WI Dept. of Revenue website.