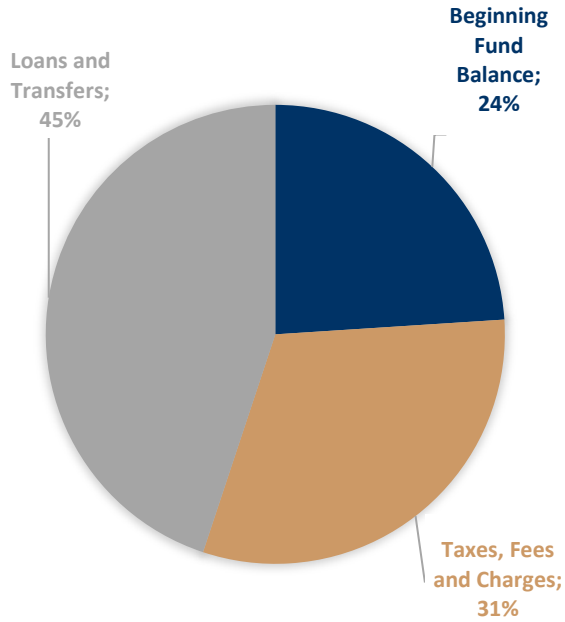


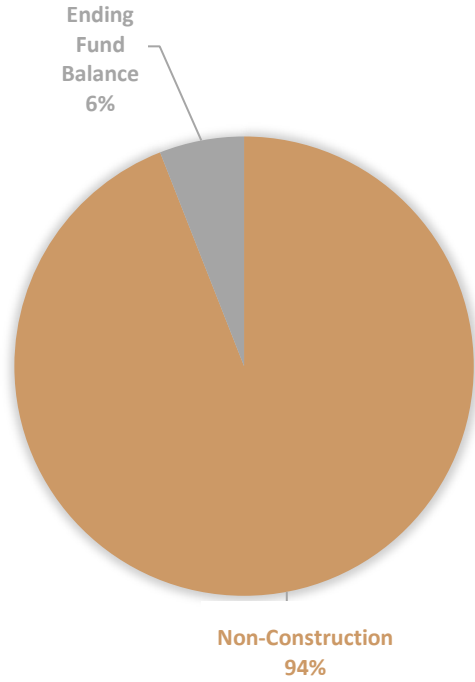
COMMUNICATIONS

2025-2029 Capital Improvement Program

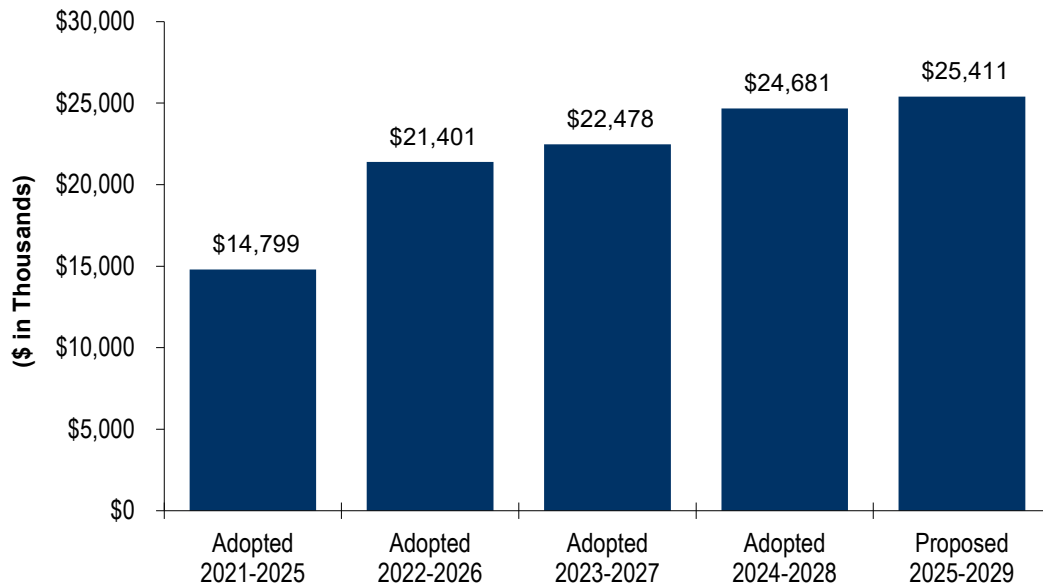
**2024-2025 PROPOSED
SOURCE OF FUNDS**



**2024-2025 PROPOSED
USE OF FUNDS**



CIP History



Communications

2025-2029 Proposed Capital Improvement Program

OVERVIEW

INTRODUCTION

In October 1990, the City assumed the responsibility of providing its own emergency communications service for Police and Fire from the County of Santa Clara. The Communications Capital Improvement Program was set up to address the replacement and upgrade of both the public safety and non-public safety radio equipment. In addition, this program funds capital improvements related to communications facilities including land and interests in land, buildings, structures, radio and other equipment, and streets and sidewalks adjacent to City communication facilities.

Communications Infrastructure	
Fixed Equipment Sites	27
Base Stations	90
Additional Fixed Receivers	154
Total Legacy Subscribers	1,617
Total SVRCS Subscribers	3,619

The 2025-2029 Proposed Capital Improvement Program (CIP) provides funding of \$25.4 million of which \$5.0 million is allocated in 2024-2025. This program is part of the Strategic Support City Service Area (CSA) and supports the following outcomes from that CSA: *Safe and Functional Public Infrastructure, Facilities, and Equipment*; and *Effective Use of State-of-the-Art Technology*.

PROGRAM PRIORITIES AND OBJECTIVES

The Communications CIP's guiding objective is the provision of reliable, necessary public and non-public safety-related communications equipment for all City employees who use this equipment to perform their job duties. Based on the CSA outcomes supported by this program, the following list of priorities has been developed:

- Proactively replace public safety-related communications equipment and systems to ensure reliability and optimal performance and compliance with rules of the Federal Communications Commission;
- Maintain existing radio equipment in a proactive manner to ensure optimal functionality and to extend the length of service;
- Strategically plan for future, major upgrades and technology changes; and
- Continue to support the Silicon Valley Regional Interoperability Authority (SVRIA).

SOURCES OF FUNDING

The 2024-2025 Proposed Capital Budget estimate for Construction and Conveyance (C&C) taxes is \$40.0 million, of which 3.4% is allocated to the Communications Capital Program. Approximately 99% of the C&C tax is derived from a transfer tax imposed upon each transfer of real property, with the remaining 1% generated from a construction tax levied on most types of construction. Due to a slowdown in the local real estate market, C&C collections are anticipated to be \$35.0 million in 2023-2024, which is below the 2022-2023 collection level of \$37.9 million.

Communications

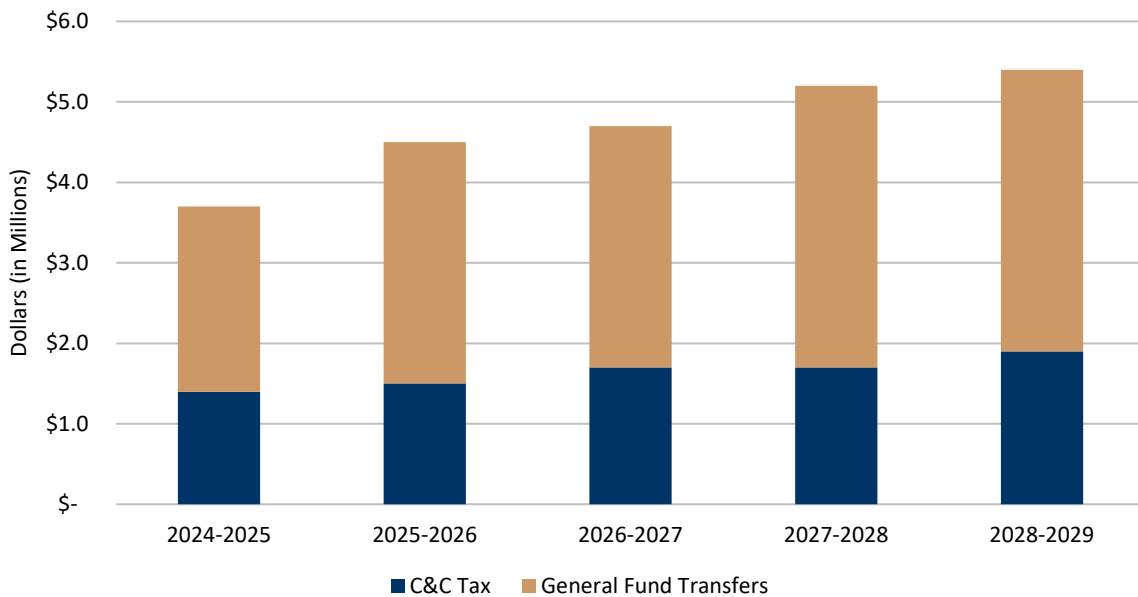
2025-2029 Proposed Capital Improvement Program

OVERVIEW

SOURCES OF FUNDING

Collections are anticipated to revert to \$40.0 million in 2024-2025, increase to \$45.0 million in 2025-2026, increase to \$50.0 million in 2026-2027 and 2027-2028, and increase to \$55.0 million in 2028-2029. As a result, the Communications CIP contains C&C revenue estimates ranging from \$1.4 million (\$40.0 million total C&C) to \$1.9 million (\$55.0 million total C&C) annually over the course of the CIP. Over the five years of the CIP, collections allocated to the Communications Capital Program will total \$8.2 million.

Summary of Revenues



Since the C&C tax collections are insufficient to address the program needs, transfers of \$15.3 million from the General Fund are programmed over the five-year CIP for Communications projects. The General Fund transfers primarily fund contributions to the SVRIA annual maintenance contract; a position in the Police Department for administration of the maintenance contract; oversight and participation in SVRIA; and the purchase of replacement radios and other equipment that operate on the Silicon Valley Regional Communications System (SVRCS). To the extent that C&C tax revenues are received above or below projected levels, the transfer from the General Fund to this program may be recommended to be reduced or increased accordingly.

Communications

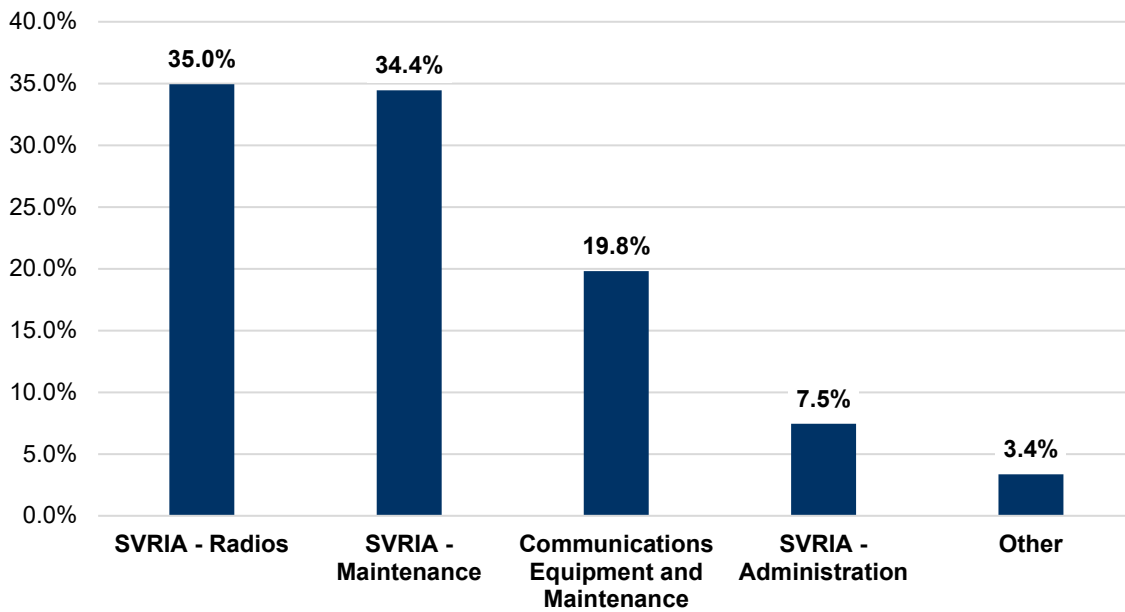
2025-2029 Proposed Capital Improvement Program

OVERVIEW

PROGRAM HIGHLIGHTS

The Communications Capital Program's expenditures are organized to show the use of funds in several categories. The following highlights the major project in the program.

**2025-2029 Communications
Capital Program Expenditures
\$24.3 million
(excludes Ending Fund Balance)**



Silicon Valley Regional Communications System

The SVRIA is a joint powers authority consisting of 19 member agencies, including the City of San José, whose mission is to identify, coordinate, and implement communication interoperability solutions to its member agencies by integrating voice and data communications between law enforcement, fire and rescue services, emergency medical services, and emergency management for routine operations, critical incidents, and disaster response and recovery. The SVRCS, a multistage project coordinated by SVRIA, has replaced the existing public safety radio systems currently in use in Santa Clara County with a system that uses the 700/800MHz spectrum. This allows for enhanced data transmissions, additional capacity for mutual aid scenarios and the ability to record transmissions for training purposes.

The City entered a Memorandum of Understanding (MOU) with SVRIA, as approved by the City Council on June 16, 2015, for the City's proportionate share of the infrastructure buildout for the SVRCS project. The SVRCS was completed in the summer of 2020. The Radio Division within the Public Works Department replaced all the public safety radios with SVRCS-capable radios, along with radios within other City departments that are required to communicate with public safety agencies. Police went live on the SVRCS system in mid-March 2020 and Fire went live on July 1, 2020. The City currently has 3,619 radios on the SVRCS radio system, 3,291 of which belong to Police and Fire.

Communications

2025-2029 Proposed Capital Improvement Program

OVERVIEW

PROGRAM HIGHLIGHTS

Silicon Valley Regional Communications System (Cont'd.)

In 2019-2020, Motorola announced that the SVRCS radios will have a life span shorter than the previously reported 20 years. Currently, with enhanced and evolving technology, the SVRCS radios will have a recommended life span of seven to eight years, after which replacement parts and technical support will no longer be available from Motorola for obsolete model types, thus resulting in a continuous radio replacement cycle. In addition, in 2020-2021, Motorola announced that the APX 7000 (portable) and APX 7500 (mobile) radio models will not be serviced by the Motorola Repair Depot after their end-of-service dates.

The City has taken multiple steps to begin the full replacement of the radio fleet, including entering into a 10-year contract with Motorola in 2021-2022 to provide approximately 95 radios per year at a discounted rate, and allocating a total of \$7.3 million of one-time General Fund resources in 2021-2022 and 2022-2023 for radio replacement to supplement existing C&C revenues and ongoing General Fund contributions. Since 2021-2022, a total of 1,372 radios have been replaced. The CIP allocates \$1.7 million annually to help replace SVRCS radios that will reach their end-of-service lives.

In addition, the existing Legacy Radio System is now at the end of its useful life and has experienced interruptions to service. The Public Works Department had previously hired a consultant to review the existing system and develop recommendations for system upgrades, that report is now complete. The Legacy Radio System replacement work is estimated at \$7.3 million (\$7.7 million if conducted as a phased installation), and the associated new radio portable handpacks and mobile units that must be upgraded to be compatible with the new system is required at an additional cost of \$2.0 million. Staff will evaluate funding strategies to address the Legacy Radio System needs and bring forward recommendations as part of a future CIP.

Communications

2025-2029 Proposed Capital Improvement Program

OVERVIEW

MAJOR CHANGES FROM THE 2024-2028 ADOPTED CIP OPERATING BUDGET IMPACT

The overall size of the Communications Capital Improvement program increased by \$700,000, from \$24.7 million in the 2024-2028 Adopted CIP to \$25.4 million in the 2025-2029 Proposed CIP, primarily due to maintenance and administrative cost increases. The following table outlines the most significant changes to project budgets, including new/augmented allocations and reduced/eliminated allocations.

Project	Increase/(Decrease)
Silicon Valley Regional Interoperability Authority – Maintenance	\$342,000
Communications Maintenance	\$118,000
Communication Equipment Replacement and Upgrade	(\$283,000)

OPERATING BUDGET IMPACT

It is anticipated that there will be no additional operating and maintenance costs associated with projects included in the 2025-2029 Proposed CIP. However, as discussed above, the continued replacement of aging radio communication system equipment will need to be addressed in the next two to three years.

Communications

2025-2029 Proposed Capital Improvement Program

Source of Funds (Combined)

	Estimated 2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	5-Year Total
Communications Construction and Conveyance Tax Fund (397)							
Beginning Balance	2,042,535	1,201,535	298,535	253,535	265,535	660,535	1,201,535
Transfers and Reimbursements							
Communications Projects - General Fund	2,750,000	2,250,000	3,000,000	3,000,000	3,500,000	3,500,000	15,250,000
TOTAL Transfers and Reimbursements	2,750,000	2,250,000	3,000,000	3,000,000	3,500,000	3,500,000	15,250,000
Revenue from Use of Money and Property							
Interest Income	200,000	200,000	150,000	150,000	150,000	150,000	800,000
TOTAL Revenue from Use of Money and Property	200,000	200,000	150,000	150,000	150,000	150,000	800,000
Other Revenue							
Other Revenue	79,000						
TOTAL Other Revenue	79,000						
Construction & Conveyance Tax							
C&C Tax Proceeds	1,190,000	1,360,000	1,530,000	1,700,000	1,700,000	1,870,000	8,160,000
TOTAL Construction & Conveyance Tax	1,190,000	1,360,000	1,530,000	1,700,000	1,700,000	1,870,000	8,160,000
Total Communications Construction and Conveyance Tax Fund (397)	6,261,535	5,011,535	4,978,535	5,103,535	5,615,535	6,180,535	25,411,535
TOTAL SOURCES	6,261,535	5,011,535	4,978,535	5,103,535	5,615,535	6,180,535	25,411,535

* The 2025-2026 through 2028-2029 Beginning Balances are excluded from the FIVE-YEAR TOTAL SOURCE OF FUNDS to avoid multiple counting of the same funds.

Communications

2025-2029 Proposed Capital Improvement Program Use of Funds (Combined)

	Estimated 2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	5-Year Total
Communications							
Communications Equipment Replacement and Upgrade	462,000	100,000	100,000	100,000	100,000	100,000	500,000
Communications Maintenance	794,000	816,000	839,000	863,000	887,000	912,000	4,317,000
Silicon Valley Regional Communications System - Radios	1,782,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	8,500,000
Silicon Valley Regional Interoperability Authority - Administration	329,000	339,000	349,000	360,000	371,000	393,000	1,812,000
Silicon Valley Regional Interoperability Authority - Maintenance	1,489,000	1,555,000	1,584,000	1,662,000	1,744,000	1,831,000	8,376,000
General Non-Construction - Communications	4,856,000	4,510,000	4,572,000	4,685,000	4,802,000	4,936,000	23,505,000
Communications - Non-Construction	4,856,000	4,510,000	4,572,000	4,685,000	4,802,000	4,936,000	23,505,000
Capital Program and Public Works Department Support Service Costs	1,000						
Allocations	1,000						
City Hall Debt Service Fund	3,000	3,000	3,000	3,000	3,000	3,000	15,000
Transfers to Special Funds	3,000	3,000	3,000	3,000	3,000	3,000	15,000
General Fund - Interest Income	200,000	200,000	150,000	150,000	150,000	150,000	800,000
Transfers to the General Fund	200,000	200,000	150,000	150,000	150,000	150,000	800,000
Transfers Expense	203,000	203,000	153,000	153,000	153,000	153,000	815,000
Expense Reserves - Non-Construction							
Total Expenditures	5,060,000	4,713,000	4,725,000	4,838,000	4,955,000	5,089,000	24,320,000
Ending Fund Balance	1,201,535	298,535	253,535	265,535	660,535	1,091,535	1,091,535
TOTAL	6,261,535	5,011,535	4,978,535	5,103,535	5,615,535	6,180,535	25,411,535

* The 2024-2025 through 2027-2028 Ending Balances are excluded from the FIVE-YEAR TOTAL USE OF FUNDS to avoid multiple counting of the same funds.