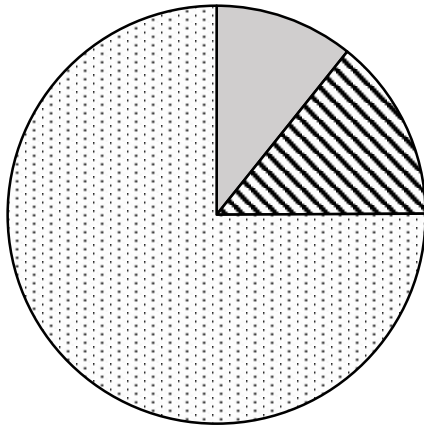


COMMUNICATIONS

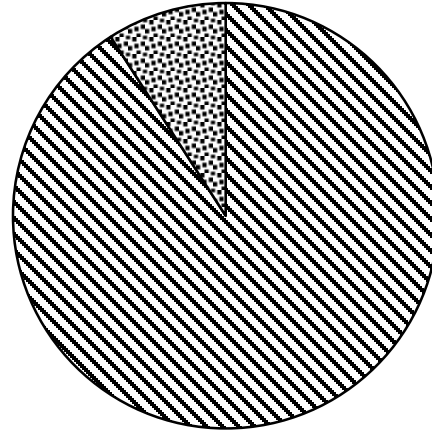
2022-2026 Capital Improvement Program

**2021-2022 Adopted
Source of Funds**



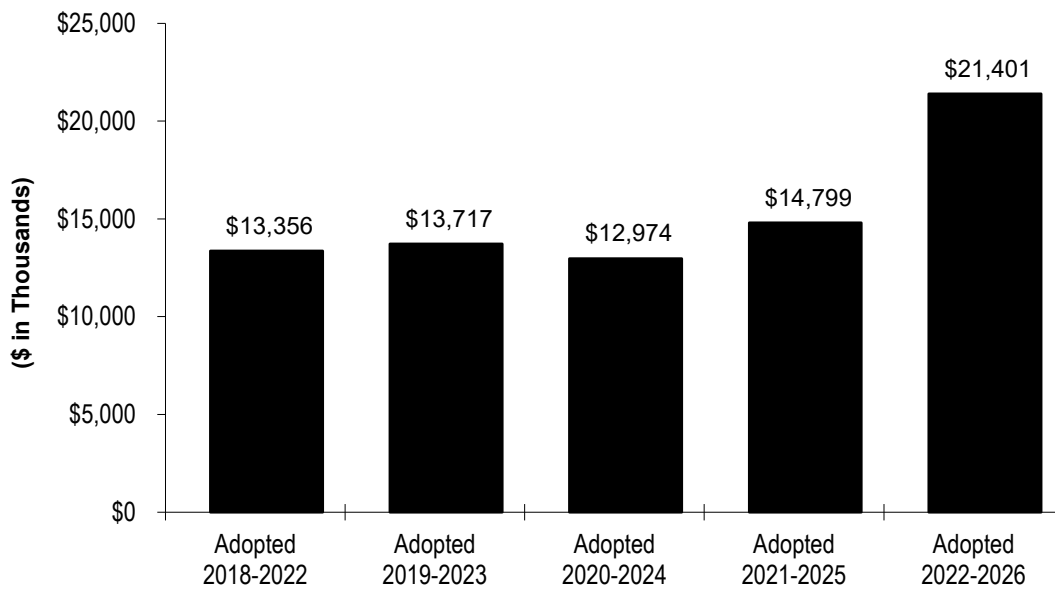
- Beginning Fund Balance
- Taxes, Fees and Charges
- Loans and Transfers

**2021-2022 Adopted
Use of Funds**



- Non-Construction
- Ending Fund Balance

CIP History



Communications

2022-2026 Adopted 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 (CIP) 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	30
Base Stations	112
Additional Fixed Receivers	167
Total Legacy Subscribers	2,043
Total SVRCS Subscribers	3,310

The 2022-2026 Adopted CIP provides funding of \$21.4 million of which \$9.3 million is allocated in 2021-2022. 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 need 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).

Communications

2022-2026 Adopted Capital Improvement Program

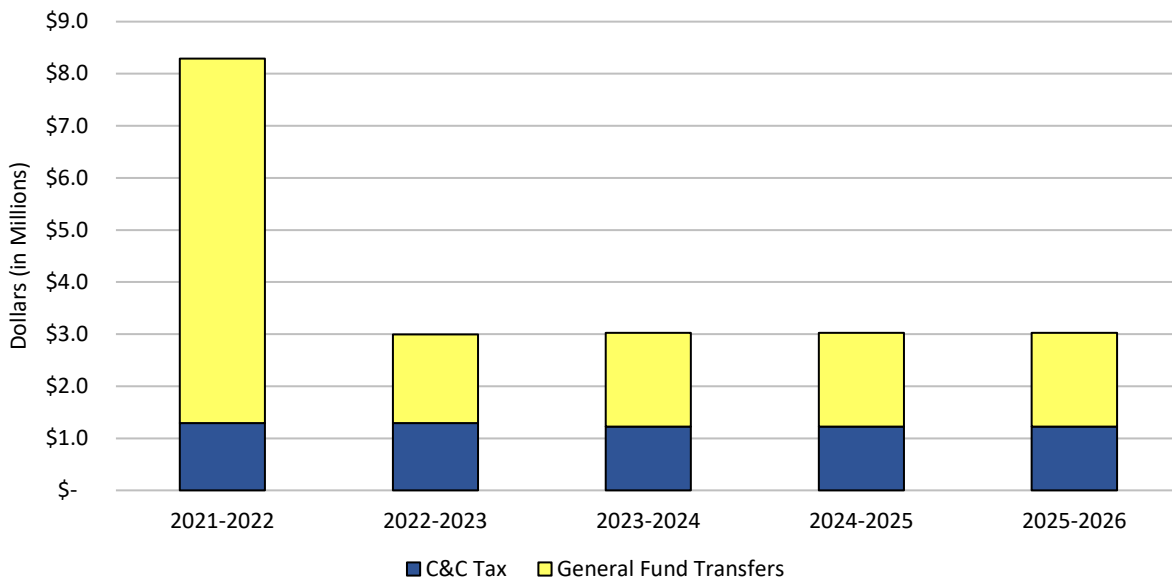
Overview

SOURCES OF FUNDING

The 2021-2022 Adopted Capital Budget estimate for Construction and Conveyance (C&C) taxes is \$38.0 million, of which 3.4% is allocated to the Communications Capital Program. Approximately 99% of this 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. The 2022-2026 CIP assumes 2021-2022 and 2022-2023 C&C tax revenues of \$38.0 million in both years, and then remain flat at \$36.0 million for each remaining year of the CIP.

Over the five years of the CIP, collections allocated to the Communications Capital Program will total \$6.3 million. For additional information regarding C&C Tax revenue, please refer to the Construction and Conveyance Tax section of the Summary of Capital Improvement Program Revenues, which is in the Summary Information (Section III) of this CIP.

Summary of Revenues



Since the C&C Tax collections are insufficient to address the program needs, funding of \$14.1 million from General Fund Transfers is programmed over the 5-year CIP for Communications projects. The General Fund transfers primarily fund contributions to the SVRIA annual maintenance contract, a position in the Police Department that is funded out of this same appropriation, and the purchase of radios and other equipment that operate on the Silicon Valley Regional Communications System (SVRCS). This includes a one-time contribution of \$5.25 million from the General Fund in 2021-2022 for a SVRCS radio replacement project. To the extent that C&C Tax revenues are received above or below projected levels, the transfer from the General Fund to this program will be reduced or increased accordingly.

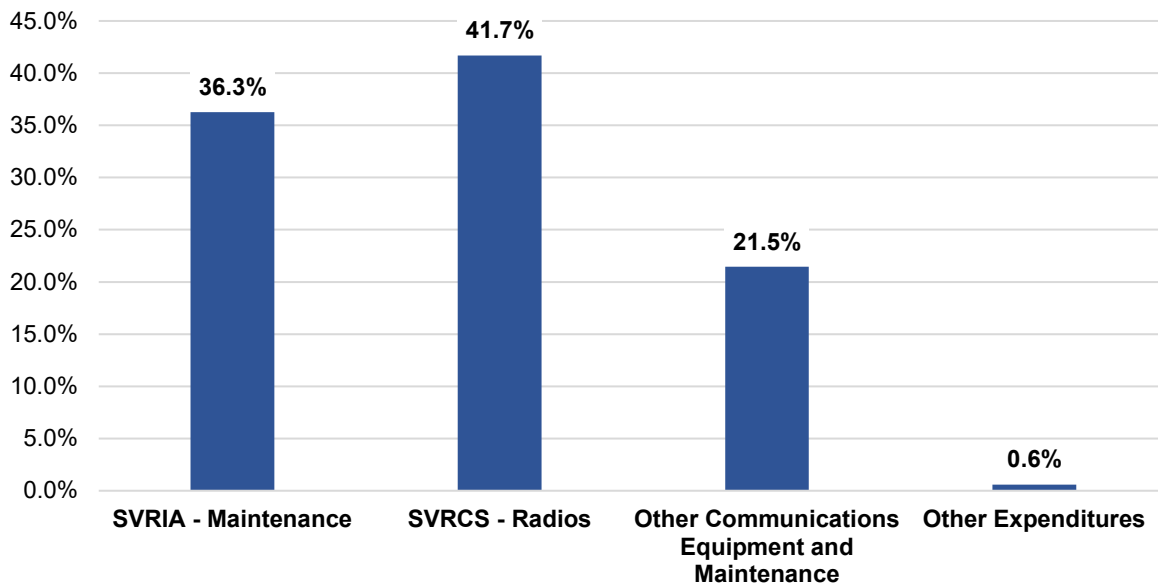
Communications

2022-2026 Adopted 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. For further information on the program’s individual projects, please refer to the Detail Pages.

**2022-2026 Communications
Capital Program Expenditures
\$21.3 million
(excludes Ending Fund Balance)**



Silicon Valley Regional Communications System

The Silicon Valley Regional Interoperability Authority (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 Silicon Valley Regional Communications System (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.

Communications

2022-2026 Adopted Capital Improvement Program Overview

PROGRAM HIGHLIGHTS

Silicon Valley Regional Communications System (Cont'd.)

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 entire SVRCS was initially anticipated to be complete by December of 2018, but unforeseen delays in the construction and contract negotiations of the final transmission site at Coyote Peak postponed that completion to December of 2019.

The Radio Division within the Public Works Department has replaced all the public safety and some other departments' radios that need to communicate with public safety to SVRCS-capable radios. Police went live on the SVRCS system in mid-March 2020 and Fire went live on July 1, 2020. San Jose currently has 3,310 radios on the SVRCS radio system, 3,102 of which belong to Police and Fire.

In 2019-2020, Motorola announced that the SVRCS radios will have a shorter recommended life span. In the past, radios were reported to last up to 20 years. Now, with enhanced and evolving technology, the SVRIA 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 no longer be supported by the vendor. These radio models will not be serviced by the Motorola Repair Depot after their end-of-service dates. The chart below indicates the years the radios were purchased and the number of radios that will not be supported in the current and upcoming years. This has caused several budgetary constraints on the Radio budget to meet this need.

	APX7000 Portable July 2021	APX7500 Mobile Sept. 2022	APX7000XE/7500HP Portable/Mobile July/Dec. 2023	Grand Total
2012	37	0	38	75
2013	33	324	26	383
2014	167	41	46	254
2015	622	23	414	1,059
2016	40	217	13	270
2017	2	39	0	41
2018	0	0	22	22
Total	901 ⁱ	644	559	2,104

ⁱ The Radio Division recently purchased 65 radios to reduce the 901 count to 836.

Communications

2022-2026 Adopted Capital Improvement Program

Overview

PROGRAM HIGHLIGHTS

Silicon Valley Regional Communications System (Cont'd.)

In order to address the service phaseout of radios, the City has reviewed multiple replacement schedule scenarios. The ongoing annual cost to replace all SVRCS radios over a ten-year contract is approximately \$2.1 million at a replacement rate of 319 radios per year. As identified on the previous page, 836 radios will no longer be supported by July 2021 and an additional 1,203 radios will lose support in 2022-2023 and 2023-2024. The 2022-2026 Adopted CIP includes a one-time transfer from the General Fund in the amount of \$5.25 million to address the first wave of unsupported radios. Additional funding of approximately \$8 million is still needed to replace the remaining 1,203 radios that will be unsupported in 2022-2023 and 2023-2024. Though the radios are anticipated to remain functional beyond the end of Motorola's support, over the next two years, the City will need to put in place an ongoing funding strategy to ensure that public safety and emergency communications are properly supported. Ongoing allocations and reserves are budgeted for use in the 2022-2026 Adopted CIP in anticipation of a long-term contract with a radio vendor and parts/maintenance for operating the radio program. The City's Public Safety departments will continue to apply for grant funds to help supplement the replacement cycle of SVRCS radios.

In addition, the existing Legacy Radio System is nearing the end of its useful life. Replacement of this aging infrastructure will be required over the next two to four years. Initial estimates place the cost of a replacement project at approximately \$3.0 million. Currently, the Public Works Department is in the process of hiring a consultant to create a scope and budget plan for the project, for which funding will be revisited in future CIPs.

MAJOR CHANGES FROM THE 2021-2025 ADOPTED CIP OPERATING BUDGET IMPACT

The overall size of the Communications Capital Improvement program increased by \$6.6 million from \$14.8 million in the 2021-2025 Adopted CIP to \$21.4 million in the 2022-2026 Adopted CIP primarily due to increased transfer from the General Fund for capital projects and maintenance and administrative increased costs. 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 Communications System – Radios	\$6,375,000

OPERATING BUDGET IMPACT

It is anticipated that there will be no additional operating and maintenance costs associated with projects included in the 2022-2026 Adopted CIP.

Communications
2022-2026 Adopted Capital Improvement Program
Overview

COUNCIL-APPROVED REVISIONS TO THE PROPOSED CAPITAL IMPROVEMENT PROGRAM

Changes to the Proposed Capital Improvement Program were brought forward in the Mayor's June Budget Message for Fiscal Year 2021-2022 and approved by the City Council on June 22, 2021. This included the rebudgeting of unexpended funding for the Communications Equipment Replacement and Upgrade (\$83,000) that will help support the major radio replacement cycle for public safety departments. For additional information regarding this approved action, please refer to the Manager's Budget Addendum #35 that was incorporated into the Mayor's June Budget Message for Fiscal Year 2021-2022.

Communications
2022-2026 Adopted Capital Improvement Program
Source of Funds (Combined)

	Estimated						
	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	5-Year Total
Communications Construction and Conveyance Tax Fund (397)							
Beginning Balance	1,085,279	994,986	841,986	719,986	575,986	372,986	994,986*
Reserve for Encumbrance	67,006						
Transfers and Reimbursements							
Communications Projects - General Fund	1,250,000	6,950,000	1,700,000	1,800,000	1,800,000	1,800,000	14,050,000
TOTAL Transfers and Reimbursements	1,250,000	6,950,000	1,700,000	1,800,000	1,800,000	1,800,000	14,050,000
Revenue from Use of Money and Property							
Interest Income	58,000	20,000	20,000	20,000	20,000	20,000	100,000
TOTAL Revenue from Use of Money and Property	58,000	20,000	20,000	20,000	20,000	20,000	100,000
Construction & Conveyance Tax							
C&C Tax Proceeds	1,360,000	1,292,000	1,292,000	1,224,000	1,224,000	1,224,000	6,256,000
TOTAL Construction & Conveyance Tax	1,360,000	1,292,000	1,292,000	1,224,000	1,224,000	1,224,000	6,256,000
Total Communications Construction and Conveyance Tax Fund (397)	3,820,285	9,256,986	3,853,986	3,763,986	3,619,986	3,416,986	21,400,986*
TOTAL SOURCES	3,820,285	9,256,986	3,853,986	3,763,986	3,619,986	3,416,986	21,400,986*

* The 2022-2023 through 2025-2026 Beginning Balances are excluded from the Five-Year Total Source of Funds to avoid multiple counting of the same funds.

Communications
2022-2026 Adopted Capital Improvement Program
Use of Funds (Combined)

	Estimated 2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	5-Year Total
<u>Communications</u>							
Communications Equipment Replacement and Upgrade	17,398	183,000	100,000	100,000	100,000	100,000	583,000
Communications Maintenance	780,426	760,000	777,000	794,000	816,000	839,000	3,986,000
Silicon Valley Regional Communications System - Radios	529,182	5,975,000	725,000	725,000	725,000	725,000	8,875,000
Silicon Valley Regional Interoperability Authority - Maintenance	1,437,000	1,472,000	1,507,000	1,544,000	1,581,000	1,620,000	7,724,000
General Non-Construction - Communications	2,764,006	8,390,000	3,109,000	3,163,000	3,222,000	3,284,000	21,168,000
Communications - Non Construction	2,764,006	8,390,000	3,109,000	3,163,000	3,222,000	3,284,000	21,168,000
Capital Program and Public Works Department Support Service Costs		1,000	1,000	1,000	1,000	1,000	5,000
Allocations		1,000	1,000	1,000	1,000	1,000	5,000
City Hall Debt Service Fund	3,000	4,000	4,000	4,000	4,000	4,000	20,000
Transfers to Special Funds	3,000	4,000	4,000	4,000	4,000	4,000	20,000
General Fund - Interest Income	58,293	20,000	20,000	20,000	20,000	20,000	100,000
Transfers to the General Fund	58,293	20,000	20,000	20,000	20,000	20,000	100,000
Transfers Expense	61,293	24,000	24,000	24,000	24,000	24,000	120,000
Total Expenditures	2,825,299	8,415,000	3,134,000	3,188,000	3,247,000	3,309,000	21,293,000
Ending Fund Balance	994,986	841,986	719,986	575,986	372,986	107,986	107,986*
TOTAL	3,820,285	9,256,986	3,853,986	3,763,986	3,619,986	3,416,986	21,400,986*

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* The 2021-2022 through 2024-2025 Ending Balances are excluded from the FIVE-YEAR TOTAL USE OF FUNDS to avoid multiple counting of the same funds.

Communications Capital Program
2022-2026 Adopted Capital Improvement Program
Detail of Ongoing Projects

Communications Equipment Replacement and Upgrade

CSA Outcome	Effective Use of State-of-the-Art Technology	Council Districts	City-wide
Department Owner	Public Works	Appropriation	A4056
Description	This allocation funds the replacement and upgrade of communications equipment based upon useful life expectancy.		

	FY21 Budget	FY21 EST	FY22	FY23	FY24	FY25	FY26	5 Year Total
Expenditure Schedule (000s)								
Equipment, Materials and Supplies	100	17	183	100	100	100	100	583
Total	100	17	183	100	100	100	100	583

Funding Source Schedule (000s)								
Communications Construction and Conveyance Tax Fund (397)	100	17	183	100	100	100	100	583
Total	100	17	183	100	100	100	100	583

Communications Maintenance

CSA Outcome	Effective Use of State-of-the-Art Technology	Council Districts	City-wide
Department Owner	Public Works	Appropriation	A7116
Description	This allocation funds staffing costs associated with the maintenance of communications equipment.		

	FY21 Budget	FY21 EST	FY22	FY23	FY24	FY25	FY26	5 Year Total
Expenditure Schedule (000s)								
General Administration	37	37						
Maintenance, Repairs, Other	743	743	760	777	794	816	839	3,986
Total	780	780	760	777	794	816	839	3,986

Funding Source Schedule (000s)								
Communications Construction and Conveyance Tax Fund (397)	780	780	760	777	794	816	839	3,986
Total	780	780	760	777	794	816	839	3,986

Communications Capital Program
2022-2026 Adopted Capital Improvement Program
Detail of Ongoing Projects

Silicon Valley Regional Communications System - Radios

CSA Outcome	Effective Use of State-of-the-Art Technology	Council Districts	City-wide
Department Owner	Public Works	Appropriation	A5260
Description	This allocation funds the replacement of radio equipment for Police, Fire, and non-public safety City operations using the Silicon Valley Regional Communications System. Additional one-time funding of \$5.25 million was included in 2021-2022 to replace SVRCS radios that will be unsupported beginning July 2021.		

	FY21 Budget	FY21 EST	FY22	FY23	FY24	FY25	FY26	5 Year Total
Expenditure Schedule (000s)								
Equipment, Materials and Supplies	500	500	5,975	725	725	725	725	8,875
Maintenance, Repairs, Other	29	29						
Total	529	529	5,975	725	725	725	725	8,875

Funding Source Schedule (000s)								
Communications Construction and Conveyance Tax Fund (397)	529	529	5,975	725	725	725	725	8,875
Total	529	529	5,975	725	725	725	725	8,875

Silicon Valley Regional Interoperability Authority - Maintenance

CSA Outcome	Effective Use of State-of-the-Art Technology	Council Districts	City-wide
Department Owner	Police	Appropriation	A7333
Description	This allocation funds contractual services to perform maintenance, monitoring, and service support for regional communications assets such as radio towers and related equipment in order to enhance the inter-agency communication between 15 separate jurisdictions' public safety agencies as part of the Silicon Valley Regional Interoperability Authority (SVRIA). In addition, this allocation provides staffing resources to manage the City's participation in the SVRIA.		

	FY21 Budget	FY21 EST	FY22	FY23	FY24	FY25	FY26	5 Year Total
Expenditure Schedule (000s)								
Maintenance, Repairs, Other	1,437	1,437	1,472	1,507	1,544	1,581	1,620	7,724
Total	1,437	1,437	1,472	1,507	1,544	1,581	1,620	7,724

Funding Source Schedule (000s)								
Communications Construction and Conveyance Tax Fund (397)	1,437	1,437	1,472	1,507	1,544	1,581	1,620	7,724
Total	1,437	1,437	1,472	1,507	1,544	1,581	1,620	7,724