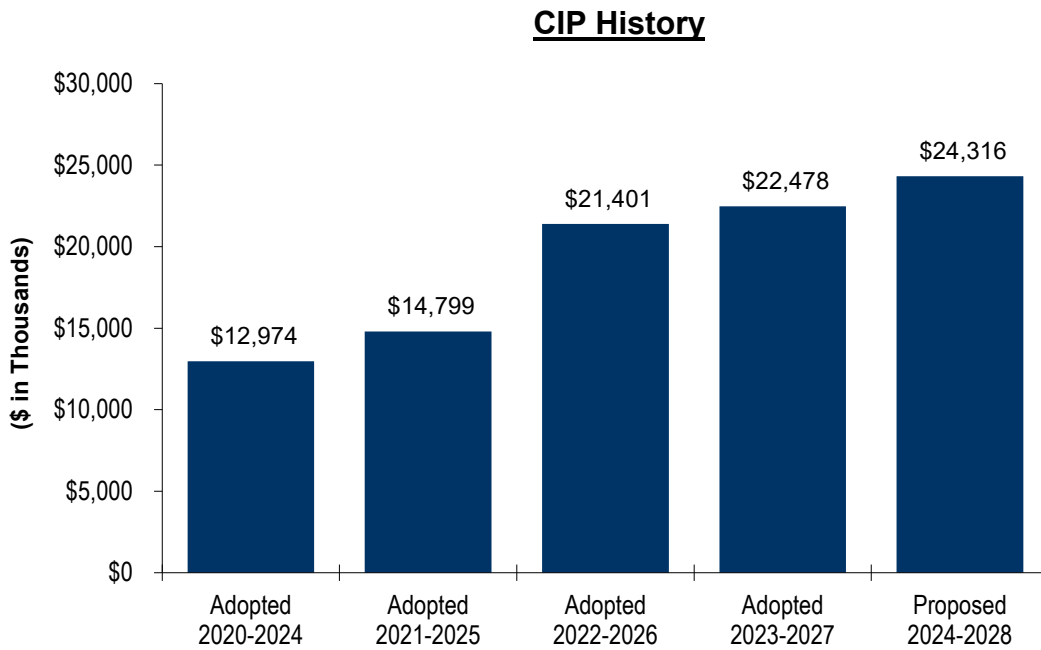
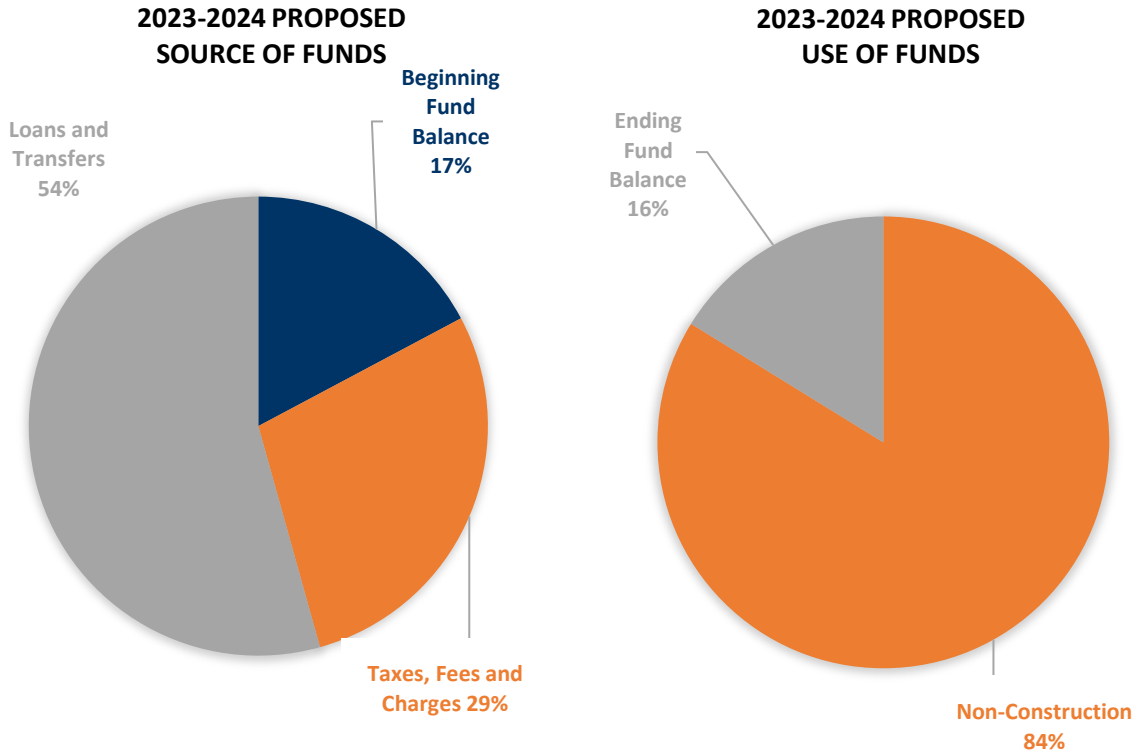


COMMUNICATIONS

2024-2028 Capital Improvement Program



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Communications

2024-2028 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	94
Additional Fixed Receivers	167
Total Legacy Subscribers	1,529
Total SVRCS Subscribers	3,318

The 2024-2028 Proposed Capital Improvement Program (CIP) provides funding of \$24.3 million of which \$5.5 million is allocated in 2023-2024. 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 2023-2024 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 \$40.0 million in 2022-2023, which is significantly below the 2021-2022 collection level of \$64.5 million.

Communications

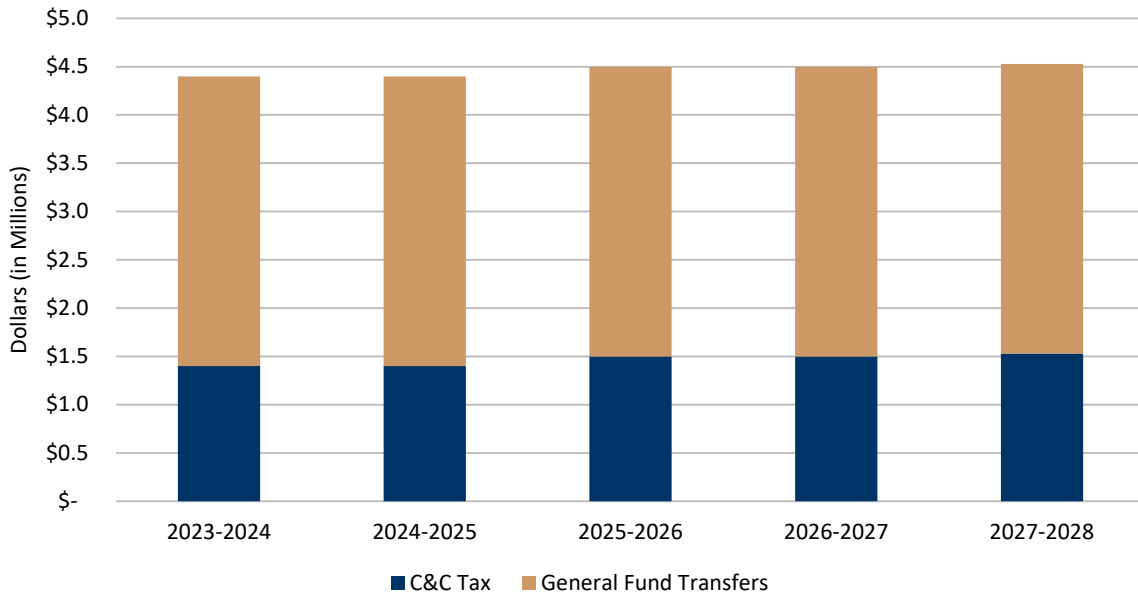
2024-2028 Proposed Capital Improvement Program

OVERVIEW

SOURCES OF FUNDING

Collections are anticipated to remain at \$40.0 million in 2023-2024 and 2024-2025, before increasing slightly to \$45.0 million in 2025-2026 and then remaining flat for the remainder of the CIP. As a result, the Communications CIP contains C&C revenue estimates ranging from \$1.4 million (\$40.0 million total C&C) to \$1.5 million (\$45.0 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 \$7.3 million.

Summary of Revenues



Since the C&C tax collections are insufficient to address the program needs, transfers of \$15.0 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.

PROGRAM HIGHLIGHTS

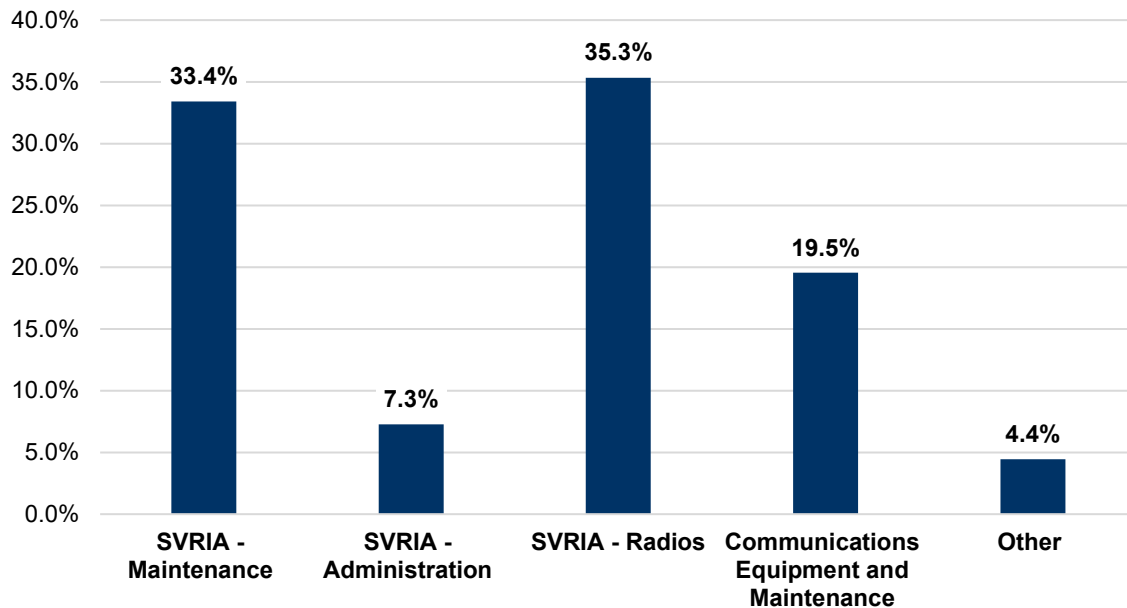
The Communications Capital Program’s expenditures are organized to show the use of funds in several categories. The following highlights the major project in the program. For further information on the program’s individual projects, please refer to the Detail Pages.

Communications

2024-2028 Proposed Capital Improvement Program

OVERVIEW

2024-2028 Communications Capital Program Expenditures \$24.1 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 3,318 radios on the SVRCS radio system, 3,102 of which belong to Police and Fire.

Communications

2024-2028 Proposed Capital Improvement Program

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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. In 2020-2021, 65 replacement radios were purchased using available funding allocated within the Communications Capital Program. In 2021-2022, a one-time allocation of \$5.3 million allowed the City to enter a 10-year contract with Motorola totaling \$11.5 million that replaced 809 radios in the first year (2021-2022). The agreement allows for the shipment of approximately 89 radios per year at a discounted rate beginning in August 2022 until the contract end date.

The 2023-2027 Adopted CIP included a one-time transfer from the General Fund in the amount of \$2.0 million that allowed the City to replace an additional estimated 200 radios. With additional funding programmed for radio replacement supported through the ongoing General Fund Transfer and the C&C tax revenue, the total 2022-2023 budget for radio replacement was \$4.1 million, which allowed the City to replace an estimated 439 radios. The ongoing transfer from the General Fund has increased in the Proposed CIP, which primarily provides an increase of \$800,000 annually, from \$900,000 to \$1.7 million, in the SVRCS – Radios allocation to help replace SVRCS radios that will reach their end-of-service dates.

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 \$1.5 million for the non-public safety portion. 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.

Communications

2024-2028 Proposed Capital Improvement Program

OVERVIEW

MAJOR CHANGES FROM THE 2023-2027 ADOPTED CIP OPERATING BUDGET IMPACT

The overall size of the Communications Capital Improvement program increased by \$1.8 million, from \$22.5 million in the 2023-2027 Adopted CIP to \$24.3 million in the 2024-2028 Proposed CIP, primarily due to the increased transfer from the General Fund for capital projects and 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 Communications System - Radios	\$793,000
Silicon Valley Regional Interoperability Authority – Maintenance	\$264,000

OPERATING BUDGET IMPACT

It is anticipated that there will be no additional operating and maintenance costs associated with projects included in the 2024-2028 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

2024-2028 Proposed Capital Improvement Program

Source of Funds (Combined)

	Estimated 2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	5-Year Total*
Communications Construction and Conveyance Tax Fund (397)							
Beginning Balance	2,773,059	950,789	894,789	740,789	694,789	535,789	950,789
Transfers and Reimbursements							
Communications Projects - General Fund	4,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	15,000,000
TOTAL Transfers and Reimbursements	4,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	15,000,000
Revenue from Use of Money and Property							
Interest Income	75,000	211,000	211,000	211,000	211,000	211,000	1,055,000
TOTAL Revenue from Use of Money and Property	75,000	211,000	211,000	211,000	211,000	211,000	1,055,000
Construction & Conveyance Tax							
C&C Tax Proceeds	1,360,000	1,360,000	1,360,000	1,530,000	1,530,000	1,530,000	7,310,000
TOTAL Construction & Conveyance Tax	1,360,000	1,360,000	1,360,000	1,530,000	1,530,000	1,530,000	7,310,000
Total Communications Construction and Conveyance Tax Fund (397)	8,208,059	5,521,789	5,465,789	5,481,789	5,435,789	5,276,789	24,315,789
TOTAL SOURCES	8,208,059	5,521,789	5,465,789	5,481,789	5,435,789	5,276,789	24,315,789

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

Communications

2024-2028 Proposed Capital Improvement Program Use of Funds (Combined)

	Estimated 2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	5-Year Total*
Communications							
Communications Equipment Replacement and Upgrade	283,000	100,000	100,000	100,000	100,000	100,000	500,000
Communications Maintenance	956,000	794,000	816,000	839,000	863,000	887,000	4,199,000
Silicon Valley Regional Communications System - Radios	4,135,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	8,500,000
Silicon Valley Regional Interoperability Authority - Administration	325,000	329,000	339,000	349,000	360,000	371,000	1,748,000
Silicon Valley Regional Interoperability Authority - Maintenance	1,476,000	1,489,000	1,555,000	1,584,000	1,662,000	1,744,000	8,034,000
General Non-Construction - Communications	7,175,000	4,412,000	4,510,000	4,572,000	4,685,000	4,802,000	22,981,000
Communications - Non Construction	7,175,000	4,412,000	4,510,000	4,572,000	4,685,000	4,802,000	22,981,000
Capital Program and Public Works Department Support Service Costs	1,000	1,000	1,000	1,000	1,000	1,000	5,000
Allocations	1,000	1,000	1,000	1,000	1,000	1,000	5,000
City Hall Debt Service Fund	3,114	3,000	3,000	3,000	3,000	3,000	15,000
Transfers to Special Funds	3,114	3,000	3,000	3,000	3,000	3,000	15,000
Transfer to the General Fund	3,156						
General Fund - Interest Income	75,000	211,000	211,000	211,000	211,000	211,000	1,055,000
Transfers to the General Fund	78,156	211,000	211,000	211,000	211,000	211,000	1,055,000
Transfers Expense	81,270	214,000	214,000	214,000	214,000	214,000	1,070,000
Total Expenditures	7,257,270	4,627,000	4,725,000	4,787,000	4,900,000	5,017,000	24,056,000
Ending Fund Balance	950,789	894,789	740,789	694,789	535,789	259,789	259,789
TOTAL	8,208,059	5,521,789	5,465,789	5,481,789	5,435,789	5,276,789	24,315,789

* The 2023-2024 through 2026-2027 Ending Balances are excluded from the FIVE-YEAR TOTAL USE OF FUNDS to avoid multiple counting of the same funds.

Communications

2024-2028 Proposed 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.		

	FY23 Budget	FY23 EST	FY24	FY25	FY26	FY27	FY28	5 Year Total
Expenditure Schedule (000s)								
Equipment, Materials and Supplies	283	283	100	100	100	100	100	500
Total	283	283	100	100	100	100	100	500

Funding Source Schedule (000s)								
Communications Construction and Conveyance Tax Fund (397)	283	283	100	100	100	100	100	500
Total	283	283	100	100	100	100	100	500

Communications

2024-2028 Proposed Capital Improvement Program

Detail of Ongoing Projects

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.		

	FY23 Budget	FY23 EST	FY24	FY25	FY26	FY27	FY28	5 Year Total
Expenditure Schedule (000s)								
Maintenance, Repairs, Other	956	956	794	816	839	863	887	4,199
Total	956	956	794	816	839	863	887	4,199

Funding Source Schedule (000s)								
Communications Construction and Conveyance Tax Fund (397)	956	956	794	816	839	863	887	4,199
Total	956	956	794	816	839	863	887	4,199

Communications

2024-2028 Proposed 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	<p>This allocation funds the replacement of radio equipment for Police, Fire, and non-public safety City operations using the Silicon Valley Regional Communications System. 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 the 2021-2022 Adopted Budget, another one-time funding of \$2.3 million was included in the 2022-2023 Adopted Budget, and an additional \$800,000 annually is included in the 2024-2028 Proposed CIP to replace SVRCS radios that have reached the end of their useful life.</p>		

	FY23 Budget	FY23 EST	FY24	FY25	FY26	FY27	FY28	5 Year Total
Expenditure Schedule (000s)								
Equipment, Materials and Supplies	4,135	4,135	1,700	1,700	1,700	1,700	1,700	8,500
Total	4,135	4,135	1,700	1,700	1,700	1,700	1,700	8,500

	FY23 Budget	FY23 EST	FY24	FY25	FY26	FY27	FY28	5 Year Total
Funding Source Schedule (000s)								
Communications Construction and Conveyance Tax Fund (397)	4,135	4,135	1,700	1,700	1,700	1,700	1,700	8,500
Total	4,135	4,135	1,700	1,700	1,700	1,700	1,700	8,500

Communications

2024-2028 Proposed Capital Improvement Program

Detail of Ongoing Projects

Silicon Valley Regional Interoperability Authority - Administration

CSA Outcome	Effective Use of State-of-the-Art Technology	Council Districts	City-wide
Department Owner	Public Works	Appropriation	A5267
Description	This allocation funds the City's administrative costs for participating in the Silicon Valley Regional Interoperability Authority (SVRIA). Staffing and overhead costs are funded through this appropriation to ensure oversight and participation in SVRIA.		

	FY23 Budget	FY23 EST	FY24	FY25	FY26	FY27	FY28	5 Year Total
Expenditure Schedule (000s)								
General Administration	325	325	329	339	349	360	371	1,748
Total	325	325	329	339	349	360	371	1,748

	FY23 Budget	FY23 EST	FY24	FY25	FY26	FY27	FY28	5 Year Total
Funding Source Schedule (000s)								
Communications Construction and Conveyance Tax Fund (397)	325	325	329	339	349	360	371	1,748
Total	325	325	329	339	349	360	371	1,748

Communications

2024-2028 Proposed Capital Improvement Program

Detail of Ongoing Projects

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).		

	FY23 Budget	FY23 EST	FY24	FY25	FY26	FY27	FY28	5 Year Total
Expenditure Schedule (000s)								
Maintenance, Repairs, Other	1,476	1,476	1,489	1,555	1,584	1,662	1,744	8,034
Total	1,476	1,476	1,489	1,555	1,584	1,662	1,744	8,034

Funding Source Schedule (000s)								
Communications Construction and Conveyance Tax Fund (397)	1,476	1,476	1,489	1,555	1,584	1,662	1,744	8,034
Total	1,476	1,476	1,489	1,555	1,584	1,662	1,744	8,034