



2015-2016 CAPITAL BUDGET

2016-2020 CAPITAL IMPROVEMENT PROGRAM

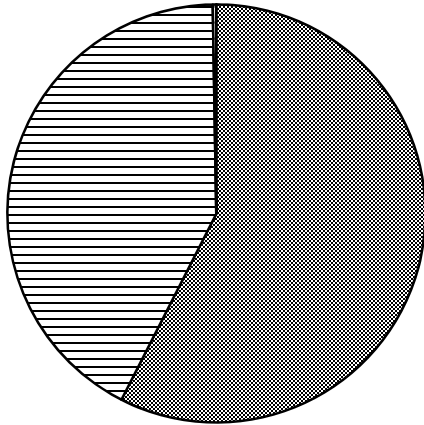


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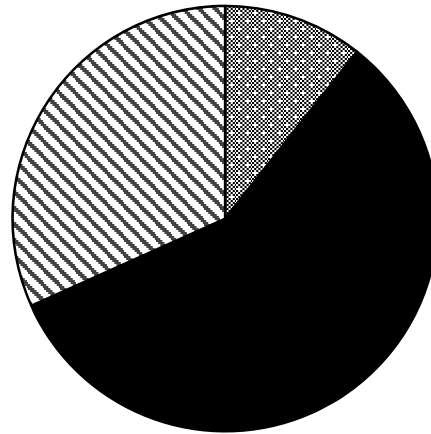
2016-2020 Capital Improvement Program

**2015-2016 Adopted
Source of Funds**



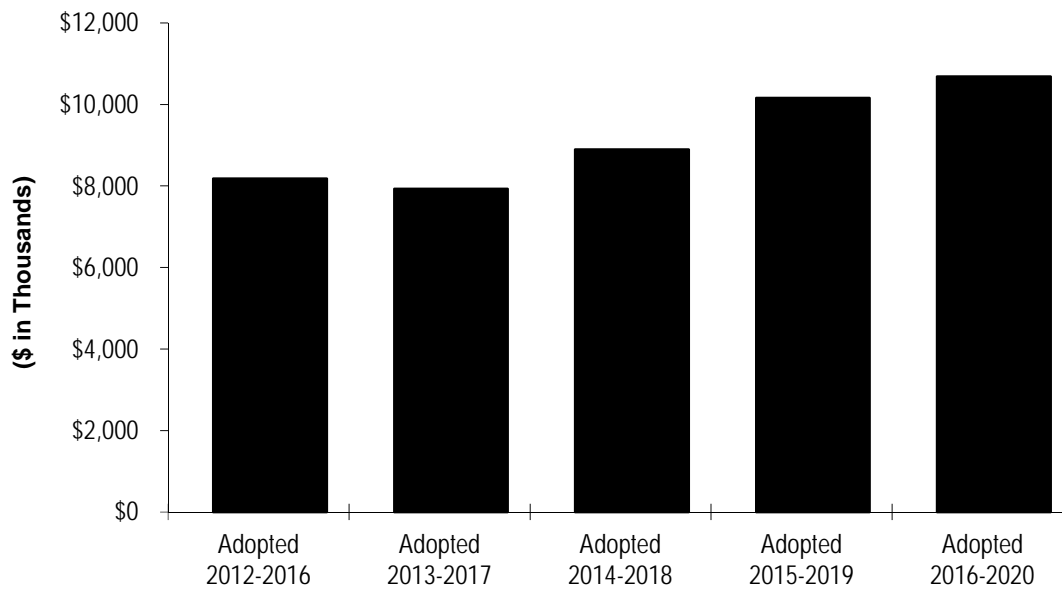
- Beginning Fund Balance
- Taxes, Fees and Charges
- Loans and Transfers

**2015-2016 Adopted
Use of Funds**



- Construction
- Non-Construction
- Ending Fund Balance

CIP History



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2016-2020 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. The 2016-2020 Adopted CIP provides funding of \$10.7 million of which \$2.8 million is allocated in 2015-2016.

COMMUNICATIONS INFRASTRUCTURE	
FIXED EQUIPMENT SITES	25
BASE STATIONS	100
MOBILE & PORTABLES	6,700

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*.

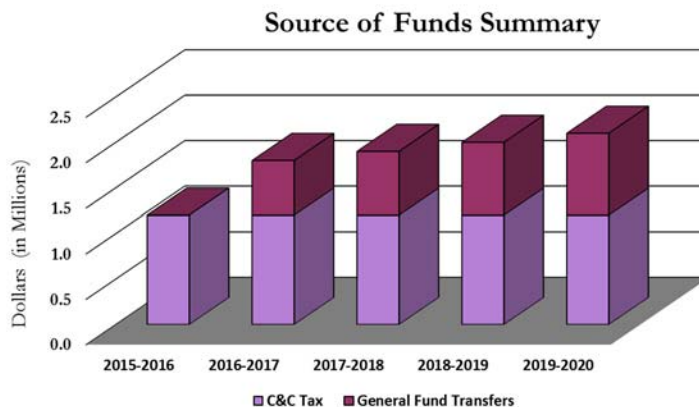
PROGRAM PRIORITIES AND OBJECTIVES

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; and
- Strategically plan for future major upgrades and technology changes.

SOURCES OF FUNDING

The 2015-2016 Adopted Capital Budget estimate for Construction and Conveyance (C&C) taxes is \$35.0 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



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SOURCES OF FUNDING

remaining 1% generated from a construction tax levied on most types of construction. The 2016-2020 CIP assumes 2014-2015 C&C revenues of \$35.0 million will fall slightly short of the 2013-2014 receipts by approximately 1.4% and will remain flat at \$35.0 million for each year of the CIP. Therefore, collections allocated to the Communications Capital Program will total \$1.2 million in 2015-2016 and each year of the CIP. 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 located in the Summary Information (Section III) of this CIP.

At estimated C&C Tax collection levels, funding of \$3.1 million from the General Fund is programmed over the CIP for the Communications Capital Program in order to primarily fund contributions to the Silicon Valley Regional Interoperability Authority (SVRIA). To the extent that C&C Tax revenues are received above or below projected levels, the General Fund transfer to this program will be reduced or increased accordingly.

PROGRAM HIGHLIGHTS

Silicon Valley Regional Communications System

The Silicon Valley Regional Interoperability Authority (SVRIA) is a joint powers authority consisting of 15 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, will replace the existing public safety radio systems currently in use in Santa Clara County with a system that uses the 700/800MHz spectrum, which allows for enhanced data transmissions, additional capacity for mutual aid scenarios, and the ability to record transmissions for training purposes. The additional transmission towers, repeater sites, and other infrastructure required to build out the SVRCS is estimated to cost \$28.9 million. The City's estimated share, based on its proportionate number of communication devices, is \$7.6 million. The City will also need to purchase new radios and dispatch consoles that can fully operate on the new system at an estimated cost of \$16.9 million, bringing the City's total need for the SVRCS to \$24.5 million.



**Cadwallader Reservoir
Radio Tower**

The City entered into 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 in the amount of \$7.6 million over a three-year period. The City agreed

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PROGRAM HIGHLIGHTS

Silicon Valley Regional Communications System (Cont'd.)

to prepay the 2015-2016 payment and a portion of the 2016-2017 payment to SVRIA for a total of \$3.13 million.

As part of the 2015-2016 Adopted Operating Budget, an additional \$3.0 million was set aside in the Silicon Valley Regional Communications System Reserve in the General Fund, leaving a remaining need of \$1.5 million.

To address the \$16.9 million needed for radio and dispatch console replacements, the City will continue to use grant and local funding from several sources. To date, a total of \$6.4 million has been used to begin radio replacements. In addition, over the five-year CIP, approximately \$2.5 million is included in the Silicon Valley Regional Communications System – Radios project. After taking these year-to-date and future investments into account, the remaining unfunded amount for radio and dispatch console replacement is \$8.0 million.

The City's total unfunded need for implementation of the SVRCS is approximately \$9.5 million. The City will continue to explore additional sources of grant funding to further defray these costs, and is working with the SVRIA to appropriately phase the contribution schedule for the SVRCS build out county-wide.



Emergency Communications Microwave Antennae at Eagle Rock

Silicon Valley Regional Interoperability Authority Support

The Communications CIP also funds the City of San José's proportionate share of the SVRIA costs for administration (\$776,000), as well as maintenance of existing shared regional communications systems and reserves for equipment replacement and upgrade (\$4.1 million). As these obligations exceed the resources available from Communication's share of C&C Tax revenue, the 2016-2020 CIP includes transfers from the General Fund totaling \$3.1 million to offset SVRIA costs.

MAJOR CHANGES FROM THE 2015-2019 ADOPTED CIP

Major changes from the 2015-2019 Adopted CIP include the following:

- Funding of \$2.5 million reallocated from the Communications Equipment Replacement and Upgrade project to establish a new Silicon Valley Regional Communications System – Radios project in order to accelerate the replacement of radios.

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2016-2020 Adopted Capital Improvement Program

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MAJOR CHANGES FROM THE 2015-2019 ADOPTED CIP

- Funding of \$776,000 for the Silicon Valley Regional Interoperability Authority – Administration allocation transferred from the City-Wide Operating Budget to align all costs associated with SVRIA.

OPERATING BUDGET IMPACT

It is anticipated that there will be no additional operating and maintenance costs associated with projects included in the 2016-2020 Adopted CIP.

COUNCIL-APPROVED REVISIONS TO THE PROPOSED CAPITAL IMPROVEMENT PROGRAM

The City Council approved the rebudgeting of \$200,000 in unexpended funds for the Communications Equipment Replacement and Upgrade project.



2015-2016 CAPITAL BUDGET

2016-2020 CAPITAL IMPROVEMENT PROGRAM



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SOURCE OF FUNDS

USE OF FUNDS

The Source of Funds displays the capital revenues by funding source for each year of the Five-Year Capital Improvement Program. The Use of Funds displays the capital expenditures by line-item for each year of the five-year period.

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2016-2020 Adopted Capital Improvement Program Source of Funds (Combined)

SOURCE OF FUNDS	Estimated 2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	5-Year Total
<u>Communications Construction & Conveyance Tax Fund (397)</u>							
Beginning Fund Balance	1,972,418	1,621,419	894,419	877,419	891,419	429,419	1,621,419 *
Taxes, Fees and Charges:							
Construction and Conveyance Tax	1,190,000	1,190,000	1,190,000	1,190,000	1,190,000	1,190,000	5,950,000
Contributions, Loans and Transfers from:							
General Fund							
- Civic Center Video Equipment Repayment	37,500						
- Communications Projects	200,000		600,000	725,000	800,000	925,000	3,050,000
Interest Income	8,000	8,000	12,000	13,000	13,000	14,000	60,000
Reserve for Encumbrances	22,501						
Total Communications Construction & Conveyance Tax Fund	3,430,419	2,819,419	2,696,419	2,805,419	2,894,419	2,558,419	10,681,419 *
TOTAL SOURCE OF FUNDS	3,430,419	2,819,419	2,696,419	2,805,419	2,894,419	2,558,419	10,681,419 *

* The 2016-2017 through 2019-2020 Beginning Balances are excluded from the FIVE-YEAR TOTAL SOURCE OF FUNDS to avoid multiple counting of the same funds.

Communications
2016-2020 Adopted Capital Improvement Program
 Use of Funds (Combined)

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USE OF FUNDS	Estimated 2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	5-Year Total
Construction Projects							
Civic Center Broadcast Equipment Maintenance and Replacement	1,000						
Public Art	24,000						
1. Communications Equipment Replacement and Upgrade	825,000	300,000	100,000	100,000	100,000	100,000	700,000
Total Construction Projects	850,000	300,000	100,000	100,000	100,000	100,000	700,000
Non-Construction							
General Non-Construction							
2. Communications Maintenance	476,000	469,000	483,000	497,000	512,000	512,000	2,473,000
3. Silicon Valley Regional Communications System - Radios		500,000	500,000	500,000	475,000	475,000	2,450,000
4. Silicon Valley Regional Interoperability Authority - Administration		143,000	150,000	158,000	161,000	164,000	776,000
5. Silicon Valley Regional Interoperability Authority - Maintenance	475,000	497,000	568,000	640,000	1,197,000	1,194,000	4,096,000
Total General Non-Construction	951,000	1,609,000	1,701,000	1,795,000	2,345,000	2,345,000	9,795,000
Contributions, Loans and Transfers to General Fund							
Transfer to the General Fund - Human Resources/Payroll/Budget Systems Upgrade		2,000					2,000
Transfer to the General Fund - Interest Income	8,000	8,000	12,000	13,000	13,000	14,000	60,000
Total Contributions, Loans and Transfers to General Fund	8,000	10,000	12,000	13,000	13,000	14,000	62,000

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2016-2020 Adopted Capital Improvement Program
 Use of Funds (Combined)

USE OF FUNDS (CONT'D.)	Estimated 2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	5-Year Total
<u>Non-Construction</u>							
Contributions, Loans and Transfers to Special Funds							
Transfer to the City Hall Debt Service Fund		6,000	6,000	6,000	7,000	7,000	32,000
Total Contributions, Loans and Transfers to Special Funds		6,000	6,000	6,000	7,000	7,000	32,000
Total Non-Construction	959,000	1,625,000	1,719,000	1,814,000	2,365,000	2,366,000	9,889,000
Ending Fund Balance	1,621,419	894,419	877,419	891,419	429,419	92,419	92,419*
TOTAL USE OF FUNDS	3,430,419	2,819,419	2,696,419	2,805,419	2,894,419	2,558,419	10,681,419*

* The 2015-2016 through 2018-2019 Ending Balances are excluded from the FIVE-YEAR TOTAL USE OF FUNDS to avoid multiple counting of the same funds.

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2015-2016 CAPITAL BUDGET

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DETAIL OF CONSTRUCTION PROJECTS

DETAIL OF NON-CONSTRUCTION PROJECTS

The Detail of Construction Projects section provides information on the individual construction projects with funding in 2015-2016. The Detail of Non-Construction Projects section is abbreviated and provides information on the individual non-construction project, with funding in 2015-2016. On the Use of Funds statement, these projects are numbered.

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2016-2020 Adopted Capital Improvement Program

Detail of Construction Projects

1. Communications Equipment Replacement and Upgrade

CSA:	Strategic Support	Initial Start Date:	Ongoing
CSA Outcome:	Effective Use of State-of-the-Art Technology	Revised Start Date:	
Department:	Public Works	Initial Completion Date:	Ongoing
Council District:	City-wide	Revised Completion Date:	
Location:	City-wide		

Description: This allocation funds the replacement and maintenance of communications equipment based upon useful life expectancy.

Justification: This allocation funds essential communications equipment for Police, Fire, and non-public safety City operations.

EXPENDITURE SCHEDULE (000'S)

Cost Elements	Prior Years	2014-15 Appn.	2014-15 Estimate	2015-16	2016-17	2017-18	2018-19	2019-20	5-Year Total	Beyond 5-Year	Project Total
Equipment		1,025	825	300	100	100	100	100	700		
TOTAL		1,025	825	300	100	100	100	100	700		

FUNDING SOURCE SCHEDULE (000'S)

Communications Construction & Conveyance Tax Fund		1,025	825	300	100	100	100	100	700
TOTAL		1,025	825	300	100	100	100	100	700

ANNUAL OPERATING BUDGET IMPACT (000'S)

None

Major Changes in Project Cost:

N/A

Notes:

Project schedule dates and selected budget information are not provided due to the ongoing nature of this project. In the 2016-2020 CIP, a reallocation of approximately \$500,000 annually to the Silicon Valley Regional Communications System – Radios appropriation will accelerate replacement of radios for Police, Fire, and non-public safety City operations in preparation for the new Silicon Valley Regional Communications System.

FY Initiated:	Ongoing	Appn. #:	4056
Initial Project Budget:		USGBC LEED:	N/A

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Detail of Non-Construction Projects

2. Communications Maintenance

CSA: Strategic Support
CSA Outcome: Effective Use of State-of-the-Art Technology
Department: Public Works
Description: This allocation funds staffing costs associated with the replacement and maintenance of communications equipment.

EXPENDITURE SCHEDULE (000'S)											
Cost Elements	Prior Years	2014-15 Appn.	2014-15 Estimate	2015-16	2016-17	2017-18	2018-19	2019-20	5-Year Total	Beyond 5-Year	Project Total
Maintenance		476	476	469	483	497	512	512	2,473		
TOTAL		476	476	469	483	497	512	512	2,473		

FUNDING SOURCE SCHEDULE (000'S)											
Communications Construction & Conveyance Tax Fund		476	476	469	483	497	512	512	2,473		
TOTAL		476	476	469	483	497	512	512	2,473		

Notes:
 Selected budget information is not provided due to the ongoing nature of this project.

Appn. #: 7116

3. Silicon Valley Regional Communications System - Radios

CSA: Strategic Support
CSA Outcome: Effective Use of State-of-the-Art Technology
Department: Public Works
Description: This allocation funds the replacement of radio equipment for Police, Fire, and non-public safety City operations in preparation for the Silicon Valley Regional Communications System.

EXPENDITURE SCHEDULE (000'S)											
Cost Elements	Prior Years	2014-15 Appn.	2014-15 Estimate	2015-16	2016-17	2017-18	2018-19	2019-20	5-Year Total	Beyond 5-Year	Project Total
Equipment				500	500	500	475	475	2,450		
TOTAL				500	500	500	475	475	2,450		

FUNDING SOURCE SCHEDULE (000'S)											
Communications Construction & Conveyance Tax Fund				500	500	500	475	475	2,450		
TOTAL				500	500	500	475	475	2,450		

Notes:
 Selected budget information is not provided due to the ongoing nature of this project.

Appn. #: 5260

Communications

2016-2020 Adopted Capital Improvement Program

Detail of Non-Construction Projects

4. Silicon Valley Regional Interoperability Authority - Administration

CSA: Strategic Support
CSA Outcome: Effective Use of State-of-the-Art Technology
Department: City Manager
Description: This allocation funds the City's portion of the administration costs for the Silicon Valley Regional Interoperability Authority.

EXPENDITURE SCHEDULE (000'S)											
Cost Elements	Prior Years	2014-15 Appn.	2014-15 Estimate	2015-16	2016-17	2017-18	2018-19	2019-20	5-Year Total	Beyond 5-Year	Project Total
Program Management				143	150	158	161	164	776		
TOTAL				143	150	158	161	164	776		

FUNDING SOURCE SCHEDULE (000'S)											
Communications Construction & Conveyance Tax Fund				143	150	158	161	164	776		
TOTAL				143	150	158	161	164	776		

Notes:
 Selected budget information is not provided due to the ongoing nature of this project.

Appn. #: 5267

5. Silicon Valley Regional Interoperability Authority - Maintenance

CSA: Strategic Support
CSA Outcome: Safe and Functional Public Infrastructure, Facilities, and Equipment
Department: City Manager
Description: This allocation funds contractual services to perform maintenance, monitoring, and service support in order to enhance the inter-agency communication between 14 separate jurisdictions' public safety agencies as part of the Silicon Valley Regional Interoperability Authority.

EXPENDITURE SCHEDULE (000'S)											
Cost Elements	Prior Years	2014-15 Appn.	2014-15 Estimate	2015-16	2016-17	2017-18	2018-19	2019-20	5-Year Total	Beyond 5-Year	Project Total
Maintenance		743	475	497	568	640	1,197	1,194	4,096		
TOTAL		743	475	497	568	640	1,197	1,194	4,096		

FUNDING SOURCE SCHEDULE (000'S)											
Communications Construction & Conveyance Tax Fund		743	475	497	568	640	1,197	1,194	4,096		
TOTAL		743	475	497	568	640	1,197	1,194	4,096		

Notes:
 Selected budget information is not provided due to the ongoing nature of this project.

Appn. #: 7333

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