



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of July 26, 2016

TO: Members of the City Council

SUBMITTED BY: Michael Roberts, Public Works Director/City Engineer

SUBJECT: Conduit Installation for Future Fiber Optic Network

RECOMMENDED ACTION:

Adopt a resolution authorizing the City Manager to expend an amount not to exceed \$50,000 for the installation of fiber optic broadband infrastructure within the City rights-of-way as joint trench opportunities become available.

FISCAL IMPACT OF RECOMMENDATION:

As part of the FY 15-16 Budget process, Council established a Capital Projects Fund with an initial designation of \$100,000 to accumulate resources for future capital projects, infrastructure, and facilities in the community. In FY 16-17, Council added an additional designation of \$250,000, for a total of \$350,000 dedicated to the Capital Projects Fund. Given a separate Capital Projects Fund has not yet been assigned, the dedicated funding is in the General Fund. This agenda item proposes to appropriate \$50,000 from the unassigned Capital Projects Fund and transfer said funding from the General Fund to the Informational Technology Internal Services Fund. This will leave a balance of \$300,000 in the Capital Projects Fund for other future projects.

DISCUSSION:

At their last meeting on July 12, 2016, Council directed staff to bring back an agenda item that would allow Council to appropriate \$50,000 for the installation of conduit for a future fiber optic network and authorize the City Manager to install the conduit on a case-by-case basis as cost effective opportunities arise.

The conduit would be installed on likely routes for a future fiber backbone when opportunities present themselves, such as in open trenches or when other utilities are being bored in streets. Authorizing the City Manager to exercise discretion for the conduit locations will allow the City to take advantage of opportunities as they arise. As part of this process, Council will be updated as conduit is installed. In addition, other elements of what the Council discussed will be returning for action at a future date as appropriate.

ATTACHMENTS:

Attachment 1 – Resolution

Attachment 2 – July 12, 2016 Staff Report

Financial Impact

Description:

Appropriation of \$50,000 from the unassigned Capital Projects Fund for conduit installation for a future fiber optic network and transfer of said funding from the General Fund to the Information Technology Internal Service Fund (460).

Funding Source: unassigned Capital Project Fund from the General Fund.

Budget Recap:

Total Estimated cost:	\$ 50,000	New Revenue:	\$50,000
Amount Budgeted:	\$0	Lost Revenue:	\$
New funding required:	\$50,000	New Personnel:	\$
Council Policy Change:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		

RESOLUTION NO. 16-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERCULES AUTHORIZING THE CITY MANAGER TO EXPEND UP TO \$50,000 TO INSTALL CONDUIT ON A CASE-BY-CASE BASIS FOR A FUTURE CORE FIBER OPTIC NETWORK WITHOUT RETURNING TO COUNCIL FOR APPROVAL PRIOR TO INSTALLATION, APPROPRIATING \$50,000 OF THE UNASSIGNED CAPITAL PROJECTS FUND FROM THE GENERAL FUND TO FULLY FUND THE INSTALLATION, AND TRANSFERRING SAID FUNDING TO THE INFORMATION TECHNOLOGY INTERNAL SERVICES FUND

WHEREAS, cost effective opportunities periodically arise to install conduit for a future fiber optic network such as in open trenches or when other utilities are being installed; and

WHEREAS, a future fiber optic network could generate revenue for the City and interconnect public facilities; and

WHEREAS, appropriating \$50,000 and authorizing the City Manager to install conduit on a case by case basis will allow the City to take advantage of opportunities as they arise ; and

WHEREAS, \$350,000 was previously dedicated to the unassigned Capital Projects Fund for infrastructure projects.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hercules that the City Council hereby authorizes the City Manager to expend up to \$50,000 to install conduit on a case-by-case basis for a future core fiber optic network without returning to Council for approval prior to installation, appropriates \$50,000 of the unassigned Capital Projects Fund from the General Fund to fully fund the installation, and transfers said funding to the Information Technology Internal Services Fund.

The foregoing Resolution was duly and regularly adopted at a regular meeting of the City Council of the City of Hercules held on the twenty-sixth day of July, 2016 by the following vote of the Council:

AYES:

NOES:

ABSENT:

Dan Romero, Mayor

ATTEST:

Margaret S. Roberts
Administrative Services Director/City Clerk

