



## City Council Agenda Item Staff Report

CITY OF SAN BRUNO

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**DATE:** April 11, 2023

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Jovan D. Grogan, City Manager

**PREPARED BY:** Sandeep Krishnamurthy, Director, San Bruno CityNet Services

**SUBJECT:** Consider Adoption of a Resolution Authorizing the Allocation of \$3 Million From the General Fund Capital Reserve Fund for the Planned San Bruno CityNet Services Upgrade to Fiber Technology in Recommended Areas of San Bruno

### **BACKGROUND:**

The City of San Bruno owns and operates San Bruno CityNet Services (CityNet). San Bruno CityNet Services relies on a hybrid fiber co-axial (HFC) network and a cable TV headend with associated electronics to deliver internet, TV and VoIP Telephony services to its subscribers in San Bruno. The HFC network and cable TV headend with its electronics have been in place since 1998. At this time, while service delivery continues, the network has been rendered obsolete by technological advances in every aspect. Further, recent adverse weather events have contributed to an increasing number of power outages which negatively impact the performance of power based electronic components necessary in the functioning of the HFC network and ongoing service delivery.

The technological replacement of the HFC network and headend electronics has been identified by Staff and Consultants to be a Fiber to the home (FTTH) network with associated electronics. San Bruno CityNet has completed conversion of 18% of its footprint to FTTH technology. Through fiscal 2021-22, the completed FTTH footprint primarily comprised three large condominium complexes in San Bruno. During fiscal 2022-23 pilot projects to convert select single family neighborhoods including Marisol, Mira Luna, Skyline, Sea Cliff and Spy Glass in San Bruno to FTTH technology were successfully completed, allowing for fiber based service delivery to 243 single family homes in San Bruno. These neighborhoods have had increases in their service adoption rates since fiber service delivery began in parts of these neighborhoods in July 2022.

### **DISCUSSION:**

Based on the early success of the pilot projects, a next stage plan has been developed and is being presented to the City Council to fund a continuation of the fiber upgrade in San Bruno.

To identify the areas of San Bruno most urgently in need of conversion to fiber technology, Staff used the following criteria:

- Areas most impacted by power outages and subsequent CityNet Service outages
- Terrain is hilly and more tree covered compared to other areas – TV/cell reception as well as power issues to likely continue
- Tap replacement presents greater challenge to CityNet – currently does not have active electrically powered taps replaced by passive non-powered taps
- Areas contiguous to CityNet Data Center at 140 Arbor Court, San Bruno or 398 ECR – upgrades will optimally travel outwards from Data Centers

Based the listed criteria, Staff has identified areas to the West and Northeast of Skyline Boulevard in San Bruno as the next areas to recommend to an upgrade to FTTH technology.

Additional detail is provided on Attachment 2, which contains a copy of the presentation for the April 4, 2011 meeting.

#### **RECOMMENDATION:**

Staff recommends Adoption of a Resolution to Authorize the City Manager to Allocate \$3 million from the City of San Bruno's Development Impact Fees to Fund the Planned San Bruno CityNet Services Upgrade to Fiber Technology in Recommended Areas of San Bruno

#### **FISCAL IMPACT:**

The estimated cost to implement this proposed modernization of the CityNet equipment and service delivery is anticipated to be \$3 million. There are available funds in the General Fund Capital Reserve Fund for Fiscal Year 2022-23. The estimated current balance in the General Fund Capital Reserve Fund is \$27,902,597, with an anticipated reduction of \$2 million for the Parking Fund allocation, if approved by the City Council on April 11, adjusting the estimated available balance to \$25,902,597. Authorizing the CityNet Services upgrade to fiber technology, would leave a remaining estimated available balance of \$22,902,597 in the General Fund Capital Reserve Fund.

#### **ALTERNATIVES:**

1. Direct staff to not pursue further upgrades of San Bruno CityNet's technology from HFC to FTTH
2. Direct staff to consider other means of delivering San Bruno CityNet's service offerings to subscribers in San Bruno

#### **ATTACHMENTS:**

1. Resolution
2. April 4, 2011 Presentation