

LOVELAND BROADBAND TASK FORCE
April 6, 2017 Minutes
Thompson School District Conference Room – 2890 North Monroe Ave
10:00 a.m.

Task Force Members Present: Mindy McCloughan (arrived late), Jason Frisbie, Doug Rutledge, Richard Toftness, Josh Smith, Paul Langfield, Dave Kavanagh

City Council Liaison Present: John Fogle

Task Force Members Absent: Fernando Pedroza, Joe Wilson, Julie Klein

City Staff Members Present: Steve Adams, Brieana Reed-Harmel, Derek Turner, Kim O’Field, Kelly Jones, Courtney Whittet

Audience Present: Ralph Trenary

Call to order at 10:10 by Brieana Reed-Harmel

Brieana Reed-Harmel, acting for Mindy McCloughan, called for a motion to approve the March 2, 2017 meeting minutes. The minutes were approved unanimously after a motion from Jason Frisbie and a second from Doug Rutledge.

Broadband Assessment and Feasibility Analysis

Brieana Reed-Harmel started with a review of the Residential and Business Survey results. She stated that the data was available, it was just a matter of putting it together in an easy to read format. In addition to the Residential and Business Survey, Brieana and Kim O’Field also created a map that shows locations of survey responses. The data points on the map were widely spread across Loveland. Demographic data was pulled both from self-reported information on Open City Hall profiles, and from the census block information.

Brieana asked if this was the best way to present the information. John Fogle said City Council wanted to see all the information and these results were comprehensive.

Dave Kavanagh had several questions and concerns regarding the data. There was a difference in data between the Magellan December presentation and the survey results. In regards to the question, “What type of internet service connection does your household subscribe to?” Cable as the current service was 57% back in December and in the current survey results is 51%. Brieana stated both sets of data came from Magellan, but there are several possibilities as to the discrepancy. Steve Adams said staff will find the discrepancies and fix them before we send the survey results to City Council.

On the question regarding current internet provider’s insufficiency, Dave also felt there should have been an option for No Problems/Not Insufficient. Brieana advised that this was not a

required answer and a non-answer would indicate that there were no problems with their current internet provider. Kelly Jones commented that it was not intuitive to leave the question blank as an answer.

Lastly, Dave questioned the difference in the number of business responses from December to the current survey results. Briana explained that the number of respondents had been misreported due to complications with the way the information was entered from the phone survey into Open City Hall. However, the final numbers were still provided a statistically valid sampling of the business community.

Kelly Jones would like to see the margin of error stated in future presentations, this leads to less questioning of the data.

Axia Presentation from Fort Collins

Last Thursday, Briana and Richard Toftness attended a short presentation in Fort Collins by Axia followed by a public discussion. Axia was the most promising response to both Fort Collins and Boulder's RFI's. Richard explained that this is not a technical company, they are a financial company. Axia has the money to install and run the system. If they do not deliver on system reliability, speed, etc. the city can always buy back the system at current market value. Axia builds a financial instrument to return 10x to their investors. In the future, they could possibly sell out to Comcast or others. Richard stated that he believes the city can accomplish the same end result cheaper and better.

Kelly Jones questioned why Smart Cities like Boulder and Fort Collins would be looking at this if it is not a good idea. Richard explained it provides limited up front risk for the city. However, Axia does not provide content. John Fogle advised this was Utopia's downfall, the content provider kept failing/backing out/changing and the system was in a constant state of flux. The infrastructure was not the problem.

John Fogle asked if Axia discussed how much they would charge. Richard laid out the pricing structure given by Axia at the presentation, for residential it was \$100 Installation Service Charge/Connection Fee, \$59/month for 100Mb and \$79/month for 1G, both with a 2 year contract. For commercial, 3 price points at \$99/month, \$199/month and \$299/month.

Briana stated Axia requires a 40% commitment from citizens before they will put shovel to the ground and that Axia comes in to town to market to citizens directly. Fort Collins is still researching the retail model while exploring a contract with Axia. It appears they are moving forward one way or another and plan to put this issue on the ballot in November.

Richard commented that many citizens seem to think this will be built and operated with tax money, not revenues. Dave Kavanagh said it would need to go on the ballot with a disclaimer, "Without raising taxes, shall the City of Loveland pursue a broadband utility?"

Mindy directed the discussion to answering some of City Council's questions. Steve Adams addressed the questions:

- 1. What is the status of the Private-Public Partnership?** RFI released today. We will come back to Task Force with the responses before going before City Council. Several companies contacted City Council members; Axia was not one of them. John Fogle would like a condition of the RFI to request any contact from private companies directly to council members be via email or done at Council meetings, so that all information is consistent between councilors and remains public.
- 2. What examples are there of unsuccessful broadband models?** Working with Magellan and Alan Krcmarik to provide a packet of information that provides examples of both broadband successes and failures. This will also help explain how we got from 9 different models down to 3.
- 3. Issue of SWOT analysis.** Magellan has already done a take rate study, and we are working on a 2nd study with the professor that did the Take Rate Study for Estes Park. The report will include a threat assessment. Will include 3 data points for the penetration rate, low, mid and high.

Mindy thanked guest Don Overcash and asked if the proposed packets of information would be enough for City Council. Don agreed with Jason Frisbie that first we need to establish that this is a “utility” that falls under the responsibility of the city. Once that has been established, it is a matter of how do we limit risk to the city. He would like to see most discussion in a public forum and as little as possible in Executive Session. John Fogle advised he thinks we need to give the public the information that they asked for: reliability, speed and price. Task Force members have received several inquiries as to the status of Broadband in Loveland, Steve Adams emphasized we are going to provide additional public outreach.

Update on Fiber Projects in the Big Thompson Canyon

Briana gave a short presentation stating we are looking at the route down the mountain from Estes Park. This would be a second communications route for PRPA and Estes Park fiber, the only other existing line runs down by Carter Lake and during the 2013 Flood was out of service, leaving Estes Park isolated for communication. This is very tentative as of now, about 5% design at this point. This will be mostly overhead lines, the only exception a small section underground by Loveland Ready Mix through an existing underground line. There will be more information later this year as design is finalized. First segment up to the Water Treatment Plant should start in May and be done by the end of the year. Fiber may not be up until next year.

Other Discussion

Mindy McCloughan would like to work with Kelly Jones and do some focus groups with local businesses to really establish the impact of fast data access on economic development. Steve Adams mentioned the new Director of Economic Development for the state has a background that could possibly provide some much needed data. Kelly stated she would start that discussion with her. Steve also mentioned Colman Keane from Chattanooga, TN has some studies regarding economic development in relation to data access.

Mindy pointed out that Fort Collins is much farther along in the process than we are, which why there is more information available for the public. Briana pointed out that while they have been

doing this longer, they are not necessarily farther along due to their municipal structure. Steve advised that in order to create a utility Fort Collins will need the citizen vote. Loveland on the other hand can go through City Council.

Future Agenda Items:

- Economic Development Impact - Mindy McCloughan & Kelly Jones
- Update on information to be presented to City Council – City Staff
- Mountain Connect in Keystone next month – Briana Reed-Harmel

Adjourn Meeting at 11:57

Respectfully Submitted,
Courtney Whittet
Recording Secretary