

**LOVELAND BROADBAND TASK FORCE**  
**May 4, 2017 Minutes**  
**McWhinney – 2725 Rocky Mountain Ave, Suite 200**  
**10:00 a.m.**

**Task Force Members Present:** Mindy McCloughan, Paul Langfield, Doug Rutledge, Richard Toftness, Dave Kavanagh, Jason Frisbie, Joe Wilson

**City Council Liaison Present:** John Fogle

**Task Force Members Absent:** Fernando Pedroza, Josh Smith, Julie Klein

**City Staff Members Present:** Steve Adams, Briana Reed-Harmel, Derek Turner, Tom Hacker, Bill Westbrook, Kim O'Field (by phone), Kelly Jones, Courtney Whittet

**Consultant Present:** John Honker from Magellan Advisors

**Guests Present:** Kent Chaiken, Colin Garfield, Glen Akins, Tim Tillson

Call to order at 10:03 by Mindy McCloughan

Mindy McCloughan called for a motion to approve the April 6, 2017 meeting minutes. The minutes were approved unanimously after a motion from Richard Toftness and a second from Joe Wilson.

**Fort Collins Broadband Citizen Committee**

Colin Garfield with Broadband & Beers, an independent public outreach group for educating residents of Fort Collins about broadband, advised that Axia has pulled out of not only Fort Collins but all workings in the United States. Axia's parent company, an equity investment firm Partners Group, felt that there was too much risk in the US market due to the strength of the established cable and telecommunications companies.

Fort Collins is looking at retail business model, they will approach old offers or issue a new RFI or RFP. The public seems to be leaning towards the municipality owning the fiber, whether it is PPP or retail model now that Axia has pulled out. Tim Tillson advised that Fort Collins has done a very accurate and detailed retail model, showing a 30% participation rate at \$50/month. In order to move forward in Fort Collins, they must have 2 issues on the November ballot: 1. To enable Power & Light to do telecom 2. To authorize issuance of the bond.

In response to the question about objections to retail, Tillson indicated that Power & Light in Fort Collins does not appear to be enthusiastic about retail model, probably from an operational standpoint. The other avenue that Tillson would really like explored is the public-public partnership. Thanks to PRPA, the four cities are already connected. One obvious idea would be

to have the cities do their own build out with bond issues and then staff up Longmont to run all four cities. This would reduce operational risk and cost.

Someone brought up organizational support for broadband. Tillson stated CSU, specifically VP of IT Pat Burns, is all for it, but they might not want to show high profile support publicly. The Coloradoan is very supportive, however Fort Collins Chamber of Commerce is opposed.

Steve Adams had some questions regarding Fort Collins' RFI. Colin Garfield stated that they received 9 responses, Axia was the first choice and the distant second was Allo. Colin felt that the RFI, if written differently, may have produced different types of responses. Brieana stated Fort Collins' RFI was very open ended, we modeled our RFI after Boulder and Fort Collins, they were comprehensive even though they were short.

John Fogle also had questions about the upgrade from DOCSIS 3.0 TO 3.1. Glen Akins works for Cisco and is familiar with the technology, so he was able to give a detailed report on the difference between 3.0 and 3.1. After discussing the technology impacts, Fogle had additional questions about the pricing from Comcast. Glen replied that Comcast pricing is very selective. The contract and non-contract price varies from location to location, in addition some locations have modem rental fees and others do not. Colin commented that at the end of the day, the average customer is more price sensitive than speed sensitive when choosing their service.

Longmont has lost some customers, some left or some never subscribed due to no television service being offered. Longmont has now partnered out with a company called Layer3 to include television channels.

There was a brief discussion regarding the future of wireless technology and why this is not a viable option for residential service, the limited bandwidth, visual aesthetics, running fiber anyways to support the wireless, weather interference, etc.

### **Loveland Broadband Citizens Group**

Richard Toftness reported that he would like to put a number of forums together for the public to talk with consultants. Richard will work with Brieana Reed-Harmel to coordinate the consultants.

### **Broadband Assessment and Feasibility Analysis**

Brieana Reed-Harmel had shared some of the comments and concerns with Magellan, including the discrepancies in some of the survey data. John Honker gave a presentation that included clarifying information on data handling for the survey data, detailed financial analysis on all 3 business models, Community Outreach Report, SWOT analysis for all 3 business models and demographic statistics for the residential survey. John also has a case study analysis on successes, failures and similarities to Loveland. Brieana advised this is a Magellan deliverable for the next meeting that staff will analyze first before sending a draft for review by the task force. Steve requested a complete list of municipal broadband across the country, John stated he would get a list put together.

John Fogle would like to see all of this information sent to City Council very early. Briana would like comments back by Monday for the Community Engagement Report and the Survey Results, Demographics and Comments for both Business and Residential.

Steve Adams also confirmed that we are still talking with Longmont about a Northern Colorado broadband service. They had been waiting on SB152 over-ride which did not happen, so they are now continuing forward. Richard Toftness said this is a very attractive option, so what are the concerns and the hold backs. Jason Frisbie said PRPA was not created nor designed to be in the broadband service, they laid the groundwork with the fiber at only a 5% increase but now want to hand it over to the cities. The cities may need to create a separate entity, such as an LLC that has joint ownership. Joe Wilson said PRPA is limited by SB152, even if they were able to get around that, they would have to go back and change their charter. State statute 29-1-203 allows municipalities that have similar functional needs to come together. This could be a vehicle, however PRPA would not be involved as a service provider but could possibly provide some O&M.

### **Update on RFI for Public/Private Partnership**

Briana stated that the RFI has been out for about a month and closes today. We will let the task force know what responses we get once it closes today at 2pm.

### **Take Rate Study**

Briana advised we have brought in an additional consultant to take a second look at the take rate study. Jill Mosteller has worked with Estes Park previously and has a background in telecom before she received her PhD in marketing. We are hoping to have preliminary results and also her presence at the June 27<sup>th</sup> city council meeting.

Steve commented that take rate seems to be something city council is focused on, this way we can have two consultants there to answer questions. Colman Keane, from Chattanooga EPB, will also be at the next City Council meeting to answer questions and explain what they have done in Chattanooga.

### **Other Discussion**

It was discussed to move the June 1, 2017 Task Force meeting closer to the city council meeting on June 27, 2017. The deadline for agenda items and documents is June 16<sup>th</sup>. Additional meeting set for Thursday, June 8, 2017

John Fogle would like to see an interactive application on public website that calculates years to pay off, with several different variables or “sliders” so that the public can see what realistic options there are for the city. John Fogle would also like any information from RFI to include customer satisfaction ratings on these providers.

### **Future Agenda Items**

1. Mindy McCloughan & Kelly Jones, Economic Development – Looking for study work that shows the benefit of broadband to economic development. Kelly advised it is not really talked about or studied because it is almost expected, but she will see what she can find. Much of the information is anecdotal.
2. EPB, Colman Keane on June 1<sup>st</sup>
3. Next Steps - Need to know timeline and cost to present to city council in case they want to give the go ahead.

**Adjourn Meeting at 11:50**

Respectfully Submitted,  
Courtney Whittet  
Recording Secretary