

**MINUTES OF REGULAR SESSION
TELECOMMUNICATIONS ADVISORY BOARD
MONDAY DECEMBER 14, 2009**

The meeting was called to order by Chairman Marron at 7:00 PM. Those in attendance were Vice-Chairman John Boulanger, Board member Bob Freeman, City Manager Mark Latham, Light & Power Director Dan Cook, Finance Director Sharon Rusteberg, City Attorney Terry Bruckert, and 1 member of the public.

MINUTES

Board Member Boulanger made a motion to approve the minutes of the November 9, 2009 meeting of the Telecomm Advisory Board. The motion was seconded by Chairman Marron. All voted aye. Motion carried.

REPORTS

Mark Latham introduced Dan Cook as the new Director of the Electrical Department. Mark reported on the status of the FTTP project. Mark asked for a recommendation to the council for construction services from Jansen Cable Construction for \$512,981.00. This is approximately 26% below predicted budgetary allowance. Materials quotes have been received and are 5% below the projected budgetary prediction. Graybar was \$476,000 and Embulance was \$156,823 for a total of \$1.144Million which is approximately \$500,000 below budget or 30%. Bob Freeman asked if this was the cost for all materials and Latham replied that it is the construction and materials costs for Phase I. Freeman also asked for an elaboration of the definition of Phase I. Latham replied that it included the redundant connection as well as the description of the pathway for the fiber backbone. This will be targeted to most businesses, industry, schools and municipal buildings

Mark explained that we were scheduled for a bond rating meeting and disclosed the schedule for the bonding process.

Mark explained that we were working on a bid for qualifications for the content supplier and the bid for the electronics at the main distribution site. Freeman asked if all content would be available from the beginning and Latham indicated yes that voice, data and video would all be available in Phase I.

Mark presented the contract for the "Off Air" signal analysis at each proposed site. Mark discussed two proposed sites from the prior telecommunications board meeting. He stated Dwight from Luitjohan flooring indicated that their lease was not up for at least another year. Mark also spoke with the superintendant of schools regarding the property of 160 and Troxler and he was told that it was not a potential site. Freeman indicated that it should be further investigated with the school board.

Mark indicated the "storefront" would likely be located in the existing electric department building for a while.

Mark presented other potential sites including the old Devtron Building, and a building on 40 owned by Dwight. Freeman further questioned use of the old Jakel building that is now the school offices.

Mark indicated that we still have a shot at the broadband grants.

Sharon Rusteberg then reviewed the financials. Sharon distributed the financial plan for the FTTP project prepared by Scott Bowles. She indicated that it was based on a 23% take rate on locations passed and we are anticipating a 40-50% take rate. We will lose money for the first 18 months then we will begin generating a positive revenue stream.

Sharon then reviewed the first 3 years of cash flow. She demonstrated how we will have no issues with debt service. Sharon then explained the bond review meeting details and the proposed parameters ordinance that we wish to present to council at the next meeting. She explained the bonds total approximately \$8.9Million. We are able to hold and pay all this with the electric revenue.

Bob asked about grant status and Mark indicated that we were still eligible and waiting to hear regarding two of the three grants we applied for. Bob asked "what is the probability that we would get these outstanding grants?" The city could not give a solid answer and Bob felt the council may want to know this when voting. Sharon indicated that the city was not counting on any grant money when preparing the financial plan. Mark indicated if we received the grant we would build out the whole system.

A brief discussion took place regarding lease versus buy for our facility.

Mark reported the following regarding hiring status. The linemen will be tested for climbing. The splicer interviews are being set up. We are also setting up for interviews for the IT position which he anticipates will take place in February. Plans for marketing were asked and it was indicated that Dan Cook and George Stram would help. Mark wants to be conservative with hiring at first. He does want to employ an operations person soon.

Extensive discussion of lease versus purchase took place. Bob has strong desire to see a combination of school property be used in exchange for discounted service to the school.

NEW BUSINESS

George Marron recommended that the board approves the presentation of Jansen Cables proposal for fiber construction to be presented to the City Council for approval. Bob motioned, John seconded.

George recommended that the board entertains a motion to present the fiber materials proposal consisting of Graybar and Ambulance be presented to the City Council for approval. John Motioned, George Seconded, Bob abstained.

Motion to adjourn by George Marron at 7:59.

Next meeting January 11, 2010.