

WASHTENAW COUNTY BOARD OF COMMISSIONERS BROADBAND EQUITY SUBCOMMITTEE
UNAPPROVED MEETING MINUTES July 16, 2018

RECORD OF PROCEEDINGS:

A session of the Broadband Equity Subcommittee was held at the Washtenaw County Western Service Center, Conference Room 2010, Ann Arbor, Michigan on Monday, July 16, 2018

The meeting was called to order by Barb Fuller at 2:02 p.m.

MEMBERS PRESENT:

Kyle Mazurek, Comcast and serving as Industry broadband liaison

Scott Wooster, Chelsea Schools representing secondary education/IT expert

Ben Fineman, Sub-Committee Vice-Chair, President of the Michigan Broadband Cooperative and Broadband Expert

Theresa Herron, Manchester Schools representing secondary education

Barb Fuller, Sub-Committee Chair, Sharon Township and citizen representative

Andy Brush, Washtenaw County IT

MEMBERS ABSENT:

Alicia Ping, Washtenaw County Commissioner

Karen Domino, WISD and Education/Technology Expert

Kent Martinez-Kratz, Washtenaw County Commissioner

Michelle Deatrick, Washtenaw County Commissioner

Conan Smith, Washtenaw County Commissioner

Teresa Gillotti, Washtenaw County Office of Community and Economic Development

GUEST PANELISTS:

Lisa Moutinho, Trustee - Manchester Township & Broadband Subcommittee Member

Mike Moran, Supervisor – Ann Arbor Township

Harley Rider, Supervisor – Dexter Township

Peter Psarouthakis, Supervisor – Sharon Township

Ben Fineman, Chair – Lyndon Township Broadband Implementation Committee

OTHERS IN ATTENDANCE:

Ron Mann, Manchester Township

Jeff Wallace, Village Manager, Village of Manchester

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CITIZEN PARTICIPATION:

Jeff Wallace, Manchester Village Manager: The Village has concerns about the impact of a millage on the affordability of living there. While Jeff personally supports the concept of making broadband accessible to everyone, as Village Manager he believes he has a responsibility to raise the concern about achieving coverage with a tax. The Village of Manchester has 2,100 residents all of whom have broadband access. The township has 2,300 residents (not counting the Village residents.) Jeff asked Kyle what the Comcast subscription rate was in the Village. Kyle did not have that information to share.

Local Broadband Initiatives

The Broadband Subcommittee was joined by Lisa Moutinho, Harley Rider, Peter Psarouthakis and Mike Moran.

Lisa Moutinho, Manchester Township Trustee: Lisa remarked that the Township is about a year into their broadband research. A survey about interest in conducting a Feasibility Study was sent out last summer with the tax property tax bills. Early in 2018, the Township Board voted to proceed with a feasibility study. CCG has been selected to conduct the feasibility study and it is due to get underway next week. Lisa has been meeting with broadband supporters in other communities to see how they went forward with their broadband initiatives. Broadband access has become a social issue and an equity issue in the Manchester community.

Harley Rider, Dexter Township Supervisor: In September 2016, Dexter Township chose Pulse Broadband for their feasibility study. The Pulse study estimated that a township-wide broadband build out would cost between \$3-6 million. In May of 2017, the Township Board established a 3-member Broadband Research Committee; comprised of a board member and citizen with broadband access and a citizen without broadband access. The Committee's first charge was to find who does and who doesn't have access. As a result of a survey sent with the property tax bills, it was determined that 77% of the township residents had high speed broadband. 82% of the 77% use Charter Spectrum. 74% of said they would like a choice of providers. Most who don't have it said they don't because it is not available. Supervisor Rider has had meetings with Charter Spectrum and their business model generally does not work with rural communities. Charter is looking for a certain number of subscribers per mile. Harley was told that Charter needs 22 people per mile to extend coverage. Developers have a harder time selling homes if they do not have broadband. Harley worked with a developer to have him work with Charter to make sure new housing developments have broadband access. The business model of the private providers is a large obstacle. There is significant resistance from private providers to government being involved. Harley cannot see people voting for a millage for a service that they already have. He remarked that the biggest obstacles to achieving township-wide broadband are; incumbent providers' business model; SAD (Special Assessment District) legislation that is stalled and difficulty passing a millage when 77% of the residents are already served. On another note, Harley remarked that he believes the rural communities in Washtenaw County are donors to services enjoyed by the

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urban communities and that it should be the other way around soon. He believes the recent Public Health and Safety millage language is illegal.

Peter Psarouthakis, Sharon Township Supervisor: The proposed broadband millage failed in May 2018 by a 2:1 margin. Opponents led voters to believe that there would be alternatives available if the millage was defeated. This was a false claim that has residents continuing to ask about the back-up plan that currently doesn't exist. Air Advantage just completed a feasibility study (that they paid for) to check feasibility of wireless service. Their model relies on Air Advantage leasing towers that are built by somebody else. It is important to acknowledge that wireless service cannot reach all township residents because wireless depends on line of sight for signal transmission. As a stop-gap measure, Peter has looked into bringing broadband solely to the Township Hall. ATT will provide broadband service to the Township Hall, at a cost of \$400-\$850 per month. Lack of broadband coverage resulted in the Township Clerk being without an internet connection on election night at the Township Hall. She had to find a way to work around this problem to be able to upload the election results electronically as required by state law. There are no companies willing to provide broadband service in Sharon Township unless the Township pays to build the infrastructure. There are many other townships in the state experiencing the same problem. While incumbent carriers and property owners interested in leasing revenues have asked for zoning and permitting variances to build more/higher towers, other residents have made it clear that they don't want to see a township become a "tower township." Peter concluded his remarks by expressing his frustration that a broadband fiber line runs right in front of his house and directly down M-52 but the incumbent providers refuse to provide access. He wants the BOC to know that this corporate policy keeps the township residents behind the rest of the County.

Ben Fineman: Beginning about 5 years ago Lyndon became a part of local broadband conversations. Lyndon was the first township in Washtenaw County to do a broadband feasibility study. Broadband supporters spent a year conducting Town Hall informational session. Subsequently, the Township Board placed a millage on the August 2017 ballot. It passed 2:1. The engineering has been completed and the construction RFP has been put out with 9 planning to submit responses. Due to unforeseen challenges and unanticipated potential cost savings, the Implementation Committee is considering pushing timeline for completion to end of summer of 2019. Ben pointed out that getting the funding in place is the biggest challenge for community built broadband networks. There are other challenges post-funding such as securing private easements from property owners. This added about a \$15,000 expenditure item to the budget. Working with the Road Commission has been a learning experience as well, this being the first time for both parties doing this type of project. Without SADs (Special Assessment Districts) enabled for communication infrastructure, a township-wide millage is tough to pass because the voters are a mixture of those with and without broadband access. Fineman observed that public/private partnerships offer an interesting approach to funding, building and service provision for communities that cannot come up with all of the money. He commented that a multiple funding source model is needed. He remarked that it would be interesting to see what a county wide initiative would look like such as a County funded "matching grant program" where the township contribution is matched in some way with County dollars.

Mike Moran, Ann Arbor Township Supervisor: Two-three years ago, Ann Arbor Township started their conversation about broadband. Mike has not been able to get much information from AT&T and does

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not have and cannot get broadband coverage numbers for the township. The northern part of the township is very rural. Ann Arbor Township has contracted with CTC out of Maryland for their broadband feasibility study at a cost of \$70,000. CTC will calculate the cost to reach every township residence. CTC has experience with public/private partnerships that may prove helpful. The Township meets every two weeks by telephone with CTC. It is anticipated that the feasibility study will be completed by the end of 2018. The Toyota Tech Park may be interested in getting involved. A township-wide survey is going out this week and is expected back in August. CTC does not build out broadband systems so as the contractor for the feasibility study, there is no conflict of interest. Like Supervisor Rider, Mike believes the recent Public Health and Safety millage language is illegal.

GENERAL DISCUSSION:

- It is a problem that fiber runs through the County – but access is denied to those living here.
- When fiber is laid, additional strands should be required to support access by additional subscribers.
- The existing Cable Franchise Act language is non-negotiable (embedded in statute) and gets approved regardless of whether the local unit of government agrees to it or not. If the local government doesn't sign the agreement – they simple forego any franchise fee revenue.
- The Metro Act covers video service and is based on linear feet of cable. A 0-5% franchise fee is tacked onto every contract and that portion is eligible for distribution to the local unit of government.

RECOMMENDATIONS TO THE BOARD OF COMMISSIONERS:

- Levy 0.5 mills to expand broadband coverage county-wide.
- Levy a county-wide enhancement millage that allows local units of government to determine how the funds will be spent in their communities
- Encourage creative discussions and policies to identify multiple funding sources and arrangements such as Public Private Partnerships (P3s)
- Require incumbent providers to disclose their coverage areas in sufficient details to enable local communities to determine where service is available and by whom

DELIVERABLE UPDATES:

Calendar Review

- **August 20 – Legislation, Policies Impacting Broadband Access**
 - **Donna Lasinski, State Representative 52nd District**
 - **Tom Frazier, MTA Legislative Liaison**
 - **Melissa Seifert, AARP Mich. Assoc. Dir of Governmental Affairs**

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CLOSING THOUGHTS:

- Kyle Mazurek, Comcast, stated that providers are looking for a contribution from residents to be able to build out in rural areas. The variation in equipment and locations may impact the extent of the buy-in that providers require for individual residents.
- The Zeeb Road meeting location is considered desirable due to its more westerly location and ease of parking.

NEXT STEPS

Zach will provide committee with route to find subcommittee page on county website

The September meeting will be a working session for the subcommittee with no guest panelists. Andy Brush will facilitate this meeting to establish the framework for the Sub-Committee's Final Report to the Board of Commissioners.

ADJOURNMENT

The meeting ended at 3:36 p.m.

Next meeting: Monday, August 20th at 2:00 – 3:30 p.m. – 705 N. Zeeb Rd, Western Washtenaw Service Center, Room 2010.