

**Council Agenda Item #1:** Roll Call

The Caribou City Council held a City Council Workshop on Tuesday, February 22, 2022, at 6:00 p.m. in Council Chambers with the following members present: Mayor Smith, Deputy Mayor Boma, Councilors Morrell, Morrill, Theriault, and Willey. Councilor Goughan was present via Zoom.

Penny Thompson, City Manager was present at the meeting.

Department Manager Kenneth Murchison (CEO/Zoning Administrator) was present at the meeting.

The meeting was broadcasted via Spectrum and YouTube.

**Council Agenda Item #2:** Invocation/Inspirational Thought

Mayor Smith read an invocation.

**Council Agenda Item #3:** Pledge of Allegiance

Mayor Smith led the Pledge of Allegiance.

**Council Agenda Item #4:** Public Forum

No comments were made.

**Council Agenda Item #5:** New Business

a. Discussion on Caribou Utilities District “Public Option” for Broadband

i. What is it that the CUD is trying to accomplish

Hugh Kirkpatrick, District Manager for the Caribou Utilities District provided the following information and presented it to the Council:

- A long-term solution to the problem of all citizens having access to high-speed internet.
- Giving our citizens a choice of ISPs where they all have to compete on a neutral platform.
- Keeping the majority of the telecom revenues and labor resources within local control.
- Establishing a powerful economic development tool for Caribou.
- Providing an additional revenue source for the CUD (and perhaps the City or others).

According to the FCC, the definition of broadband internet is a minimum of 25 Mbps download and 3 Mbps upload speeds. Broadband provides high speed internet access via multiple types of technologies including fiber optics, wireless, cable, DSL and satellite.

It is the philosophy of the Caribou Utilities District (CUD), Business Investment Group, and Pioneer Broadband that all 5,150 premises, or potential users, throughout Caribou require a minimum of symmetrical 100 (Mega-bits/sec) speed and available a maximum symmetrical 1 (Gigabits/sec) speed with options for 10 (Gigabits/sec) access speeds in the future.

Councilor Morrill asked for clarification on what is considered to be underserved.

From the audience: Underserved is considered to be not having speeds of 100 down 20 up

ii. An update for the Caribou City Council on status of CUD project

Hugh Kirkpatrick, District Manager for the Caribou Utilities District provided the following information and presented it to the Council:

Late winter/spring 2022

Maine 130<sup>th</sup> Legislature approves CUD Charter amendment.

Start applying for grants (this will continue throughout the duration of the project).

After the Charter amendment goes through, they will begin working on obtaining financing (\$1.2m - \$1.5m) to order the fiber optic cable (38-58 weeks lead time).

Summer/Fall/Winter 2022, Winter 2023 Continue applying for grants.

Late winter/spring 2023

Depending on number of grants obtained, final lead time/delivery of fiber, construction environment, inflation, etc. CUD decides of when to move forward with construction of the network.

Councilor Morrill asked what happened to the \$159,000 grant that was received for the study

All of the money has changed hands and BIG will be paying Pioneer at this time, but he has been told that the construction package is almost complete.

### iii. Building a fiber network for today and the next 30 years

Hugh Kirkpatrick, District Manager for the Caribou Utilities District provided the following information and presented it to the Council:

This project is entirely fiber. More specifically, a single strand of fiber is dedicated from the central office (on Sincock Street) to each customer premises. The project design calls for 25% extra strands of fiber be available in the backbone of the network to support future growth.

A future-proof fiber network:

Designed so it will be useful and successful in the future; unlikely to become obsolete.

\*\*\*“Fiber is glass, and it’s basically the speed of light,” said Tim Herzog (Ting Internet). “To this day, no one has pushed enough data through fiber to max its capacity, so it’s only limited by the electronics that provide the light through the glass. It’s unlimited in its potential.”

Fiber-optic lines use pulses of light to transmit information. This process ensures, no matter how high future Internet speeds get, fiber will always be at the forefront of Internet technology. While it’s hard to predict when and how speeds will increase, we haven’t even come close to maxing out fiber’s potential.\*\*

This investment will give everyone in the community the internet speed that they will need in the future.

We are proposing to build out a dark fiber network which has the capacity to handle the long-term needs of connecting every home, business, non-profit organization, or industry in Caribou to the world for the next 30 years and beyond. This will be a state-of-the-art fiber optic network with one strand of fiber from a central office on Sincock Street to each specific customer, not a patch work of fiber and coaxial cable nodes.

Councilor Morrill asked if in the study would they give information regarding the take rate.

Mr. Kirkpatrick stated that the figure that they currently have for a take rate was not from the study it is a number from the CUD.

Councilor Morrill asked if it was going to require any additional staffing at the CUD.

Mr. Kirkpatrick stated that they will not require any additional staffing.

Councilor Morrill asked if there was going to be an installation fee for the customers.

Mr. Kirkpatrick answered that installation fees would depend on the provider that they are connecting with.

Councilor Willey asked who would own the dark fiber.

Mr. Kirkpatrick explained that the dark fiber that is currently in Caribou is owned by a company called First Light.

Councilor Willey asked if the CUD was going to incur any cost to hook to the current dark fiber that is in place.

Mr. Kirkpatrick stated that the question would best be for Tim. The bill that is sent to customers monthly has the cost of the traffic needed built in.

Councilor Willey asked about the fact that the CUD is going to push it out to the current customers, but most of the people that do not receive services on the fringe of town are on their own well and septic.

Mr. Kirkpatrick stated that he believed that based on the 2,900 customers that are outside of the existing utility area that they would get no less than 60% of them to connect, although it will take more of a robust marketing strategy to get to them. He explained that it would not be as easy as reaching the current CUD customers who they communicate with each month.

Councilors Theriault and Morrill expressed concerns regarding maintenance of the lines, for example if one of the poles breaks, who will repair and move the line.

Mr. Kirkpatrick explained that it will either be County Electric or RL Todd that goes out to put the Fiber back together. The CUD will not own any poles, they will pay a rental fee to have the lines connected to them.

Deputy Mayor Boma asked about how many service providers that are out there would be willing to connect to somebody else's fiber.

Mr. Kirkpatrick stated that Pioneer is willing to, GWI acts in a similar capacity in the costal part of Maine. He also stated that he has not had a formal conversation with GWI that if they built it would they come on. Consolidated stated that they would not be interested in signing on.

Mayor Smith asked how many providers would be potentially hooked on if everyone agreed to use the fiber.

Mr. Kirkpatrick stated that it is up to the providers if they would connect to the fiber or not.

iv. The importance of working together as a community

Hugh Kirkpatrick, District Manager for the Caribou Utilities District provided the following information and presented it to the Council:

Since the Chamber of Commerce, in its various forms, was finally abolished in the early 2010's, the community has not had a cohesive nor comprehensive plan to spearhead economic development.

What this broadband project could accomplish is to restart and re-establish an economic development plan for Caribou.

By partnering with the CUD, the City, and perhaps other community stakeholders, could use this open network and future revenue established by this project to either assist in the preservation of existing infrastructure or creating an economic development strategy or both.

The private telecom companies cannot and will not offer this partnership, revenue sharing or an economic development strategy to the City or any other institution in the community.

Councilor Morrill stated that he has a very good point, and it is very important. The biggest thing is that any time you establish a partnership is what we're asking to do here, they can go one of two ways. Most partnerships usually fail, and it usually has to do with family members or friends. The more successful ones are the ones where people bring everything to the table, and everyone has an equal share. The important thing in a partnership is that when everyone sits down at the table, they are all at the same level, with the same mutual respect. If a project like this is to go forward, a partnership needs to go forward, and it needs to be equal. The City would have a huge financial risk involved.

Mr. Kirkpatrick explained that the more grant money the project can bring in the less that has to be borrowed. The less that has to be borrowed, the less risk and the lower the take rates need to be to break even. Any participation from the City beyond the \$159,000 and a piece of land is welcome, because it helps to either lower the amount that needs to be borrowed and lowering the break even rate, but it is not absolutely necessary.

Councilor Morrill asked if the City did not participate would the project still go forward.

Mr. Kirkpatrick stated yes, it would.

Councilor Morrell stated that he thinks that it is a good investment. He stated that he believes that payments could be set up or maybe even partner long term so when the investments yields are gotten there's something for the people.

Councilor Theriault stated that there is nobody in the room that does not believe that every person should have broadband as soon as possible. There are other ways that will be less risky and less expensive, and they need to be looked at before this. This is a risky deal for the City and for the Tax Payers. She believes that we need to look at other options as they have been, and until they know that the other choices not going to work and would be more expensive than they would need to consider the options.

Councilor Willey explained that she does not like spending other people's money. She stated that they would like to have the City to provide \$1.5 million for fiber and may need other funds as requested up to \$500,000. The numbers are just scary, and she just doesn't know how it will be done.

Councilor Morrell stated that Consolidated stated that they would not necessarily reach all of the outer limits of the City.

Councilor Morrill asked what guarantee they will have that the CUD won't try to absorb the revenues from this project quicker into their own operation, and not necessarily return the money back to the city. In other words, your operational accounts cost goes up quite regularly, what benefit do we have to know that it won't continue, and they'll be applied accordingly.

Mr. Kirkpatrick explained that operational costs are not never going to go up.

From the audience: The revenue from the broadband would not subsidize the other two utilities.

Mr. Kirkpatrick explained that in the annual audit shows that all of the divisions are run separately, and the budgets do not run together, if they added a division this would not change.

Councilor Morrell stated that as partners – if they entered into an agreement to work together, they would first off need to trust each other and also the audits would be obviously auditing the company on behalf of the City and it would be reported to the City each year as it is now.

Councilor Morrill stated that he was surprised that with the Charter amendment they did not ask for any support from the City.

Councilor Goughan would like to thank the CUD for their presentation and their effort in working on this project. He stated that Broadband is becoming more of a utility and needed by everyone. He stated that he feels confident and encourages the CUD to go forward with or without the City's help. He said he finds that the CUD's goals are noble and that is why he wants to invest in it.

Mayor Smith thanked the members of the Caribou Utilities District (CUD), members of the Business Investment Group (BIG) and Chairman Dan Bagley of the Planning Board for their presence and time to present at the meeting.

**Council Agenda Item #6:** Old Business

There were no items scheduled for discussion.

**Council Agenda Item #7:** Reports and Discussion by Mayor and Council Members

There was no discussion.

**Council Agenda Item #8:** Next Regular Meetings: February 28, March 14 & 28

**Council Agenda Item #9:** Executive Session(s) (May be called to discuss matters identified under MRSA, Title 1 §405.6)

Council did not enter Executive Session.

**Council Agenda Item #10:** Adjournment

Mayor Smith closed the workshop at 7:30 p.m.

Danielle Brissette, Secretary