

**CITY OF LAURINBURG
SPECIAL CITY COUNCIL MEETING
SEPTEMBER 19, 2017
MUNICIPAL BUILDING
303 WEST CHURCH ST.
5:30 p.m.**

Minutes

The City Council of the City of Laurinburg held a special meeting on Tuesday, September 19, 2017 in the Council Chambers of the Municipal Building at 5:30 p.m. with the Honorable Mary Jo Adams, Mayor Pro Tem, presiding. The following Councilmembers were present: Dolores A. Hammond, Curtis B. Leak, Andrew G. Williamson, Jr. and J.D. Willis. Mayor Matthew Block, MD, was absent.

Also present were Charles D. Nichols III, City Manager and Jennifer A. Tippett, City Clerk.

Mayor Pro Tem Adams called the meeting to order at 5:32 p.m.

Councilmember Hammond gave the Invocation.

The City Manager explained two (2) companies that submitted Requests for Information (RFI) for broadband providers would present information on the companies and their proposals for moving forward with broadband service. He added that Mr. Kurt Frenzel of ECC Technologies was also present, and that Mr. Frenzel had assisted with the RFI and interview process.

SKYRUNNER

Mr. Don Davis, President of Skyrunner, explained that Skyrunner was a provider of broadband, wireless and hardwire internet access to approximately 5,000 locations over western North Carolina and was located in Asheville, North Carolina. He added that customers include individuals working from home, commercial and residential. He further added that the company has 28 employees with an annual revenue of \$5 million, and 30% annual growth rate. He further explained that Skyrunner sees great opportunity in the wireless internet sector for those that cannot get high speed internet service and cannot be served economically by cable or digital subscriber line (dsl).

Mr. Davis explained that Skyrunner was proposing a pilot project to put several antennas on the City's Caledonia Road water tower that would provide line of site service to anyone within 10 miles that could see the water tower. He added that the pilot project would be at no cost to the City, and that depending upon the success of the pilot project, he would be happy to discuss a more extensive agreement to leverage the City's existing fiber optic to provide broadband service across the community. He explained that Skyrunner would contact potential customers for the pilot project and a small dish would be installed at the customer's location to provide high speed internet access.

Upon questions by various Councilmembers and the City Manager, Mr. Davis and Mr. JJ Boyd of Skyrunner explained the following:

- The City's fiber system could be used to build out the wireless network more efficiently and quickly because it has unlimited speeds.
- Wireless has advantages. Weather knocks down power lines, but it does not interrupt wireless service. Most fiber is above ground. Fiber cable is less vulnerable to weather.
- Speed could be up to 2 gigabits, but the speed would probably be throttled down to ensure high quality and equal service to all customers.
- Plans would start at 3 gigabits per second with a 1 megabit discounted plan.
- Skyrunner would need two (2) strands of the City's fiber.
- Plan to minimize the lengths of runs and keep costs in check while providing higher levels of service to citizens and businesses.
- Anticipate 25-30% commercial customers with the balance being residential.
- Revenue is more on the commercial side because of the demand for higher speed.
- Trees would be a problem if located greater than one (1) mile from the water tower, or the broadcast location.
- As you get further out from water towers, additional broadcast locations would be needed to see around or over the trees. Utility poles would be an option.
- The pilot program would allow Skyrunner to add customer on line and the City could contact those customers to determine satisfaction with the service.
- Skyrunner provides 30 day money back guarantee.
- The City would benefit by the lease of fiber from the City, and more opportunities to improve service and bandwidth.
- Skyrunner can leverage the City's network for higher performance, higher bandwidth and better service.
- Employees are compensated with a living wage, even interns. Most of full-time personnel make well above industry norms.

Council thanked Mr. Davis and Mr. Boyd.

OPEN BROADBAND, LLC

Mr. Alan Fitzpatrick, Chief Executive Officer of Open Broadband, LLC, explained that the company was based in Waxhaw, North Carolina. He added that the company specialized in bringing broadband service to underserved areas which are typically rural areas by providing broadband and wireless for the last mile to the home or business. He discussed the following:

- Minimum speed is 25 megabits which is the Federal Communication Commission (FCC) standard.
- No data caps with service. Provide unlimited usage.
- Fast deployment of antennas.
- Use North Carolina data centers.
- Customer Care in Wilson, NC would be used. Open 24 hours a day, seven (7) days a week. Contracted with City of Wilson.

- Business model is to work with cities, counties and economic development groups to market the service.
- Would serve residential, commercial, education and government.
- Subscription service starts at \$29.00 per month which is for 25 megabit connection.
- Would hire local installers.
- Active projects in North Carolina include: Alexander County, Rowan County, Belmont, Wayne County, and Wilmington.
- Working on providing service in Greensboro, Laurinburg, Gastonia, Chatham County, and Columbus County.
- Also looking at another data center in eastern North Carolina.

Mr. Fitzpatrick explained that Open Broadband, LLC was very interested in working with the City on a revenue-sharing model, with details to be negotiated. He introduced Mr. Kent Winrich, co-founder and Chief Technical Officer.

Upon question by Councilmember Williamson, Mr. Fitzpatrick explained that Open Broadband, LLC competes with cable companies and other internet service providers (isp). He added that in Wilmington, the company offers a combination of fiber and wireless services.

Upon question by Councilmember Leak, Mr. Fitzpatrick explained that one of the attractive assets of Laurinburg was the potential to get on MCNC fiber.

Mr. Fitzpatrick explained that his company offers dark and lit fiber.

Upon questions by Councilmember Willis, Mr. Winrich explained that the company has four (4) employees. He added that once a service call would go to the Wilson Service Center, the problem would be either fixed remotely or call a local contractor would go fix the problem. He further added that a local sales representative would be utilized.

Upon question by Councilmember Leak, Mr. Fitzpatrick explained that Open Broadband, LLC offers a pilot program; however it would take 60-90 days to get the fiber and equipment installed. He added that the pilot programs are usually for a year.

Discussion ensued concerning Open Broadband's potential expansion into Columbus County and Cumberland County and the increased usage of telemedicine.

Council thanked Mr. Fitzpatrick and Mr. Winrich.

The City Manager explained that staff wanted to introduce the two (2) companies to Council, and with ECC's assistance, come back with recommendation and next steps for broadband and wireless.

Councilmember Williamson explained that the City's fiber is an asset which has not been fully utilized. He added that revenues from leasing the fiber would be beneficial to the City and that citizens would also benefit.

Mr. Frenzel explained that there are areas of the City and the County where citizens cannot afford wireless and/or do not even have that service available. He added that he would compare revenue streams and come back later with the best solution for the City. He added that he would also check references and customer satisfaction.

The City Manager explained that staff wanted the City's commitment to the project with the City's seal to ensure that citizens are aware that the City was trying to offer better and faster service at a less expensive cost. He discussed the staffing needs and that the City does not have staffing levels to handle broadband and wireless services, and that this was the reason for bringing in the two (2) companies for Council to consider.

Discussion ensued concerning the presentations by the two (2) companies, their services, and their staffing levels.

Upon question by Councilmember Leak, the City Manager explained that an IT/Fiber Director position was included in this year's budget.

ADJOURNMENT

Motion was made by Councilmember Willis, seconded by Councilmember Williamson, and unanimously carried to adjourn the meeting.

The meeting adjourned at 6:42 p.m.

Matthew Block, MD, Mayor

Jennifer A. Tippett, City Clerk