

MINUTES OF REGULAR SESSION
TELECOMMUNICATIONS ADVISORY BOARD
MONDAY FEBRUARY 14, 2011

The meeting was called to order by Chairman Marron at 7:08 PM. Those in attendance included: Chairman Marron, Vice-Chairman Boulanger, Board Member Nicolaides, City Manager Latham, Director Cook, Director Rusteberg, Fiber Manager Ferguson, and George Stram.

MINUTES

Board Member Nicolaides made a motion to approve the minutes of the January 20th meeting. Seconded by Vice-Chairman Boulanger. All voted aye; motion approved.

REPORTS

Director Cook began with his first report, a general update of fiber business. The awning and breezeway have been installed at the Woodcrest office location and 95% of the fiber material stored at the Utility building has been transferred to the fiber building. The fire retardant system will be charged as soon as wiring and shrink wrapping have been completed. In addition, Frey Properties has completely vacated the building. Next Monday, Jim Fiola's crew will return to complete installation of the video equipment, including the off-air antennae. There are some telephones in service, but they are operating more as a VOIP phone presently.

Director Cook presented a question to the Board. Neil Nicolaides has offered to allow prospective customers to come into his business and see the fiber system in operation. This would require a laptop and phone to be placed at his building. Vice-chairman Boulanger suggested doing the same thing at the Chamber of Commerce office. Director Cook replied that no ONT has been installed at the Chamber yet.

That question led to the next discussion, namely billing issues at the Chamber of Commerce. The Chamber would like to subscribe to City fiber and then re-distribute a single service to the other tenants in the building. Manager Ferguson stated that questions of billing have arisen concerning that arrangement. He feels that we should more properly install a multi-dwelling ONT to serve every tenant. Chairman Marron agreed with Manager Ferguson that the City needs to do things correctly. Manager Ferguson also feels that we can't give preferential pricing to the Chamber at the risk of angering other subscribers. Chairman Marron finished the discussion by asking Director Cook and Manager Ferguson to give some thought to the matter and report back to the Board.

Manager Ferguson next responded to a question about system telephone numbers from City Manager Latham. Phone numbers should start becoming available by the end of this week. Porting existing numbers will take another week or two; actual distribution of telephone numbers will occur by the first of March. Director Cook stated that the application process to port an existing number can take anywhere from a few days to a month depending upon the originating provider.

City Manager Latham had a question about service to Terra Properties. Director Cook replied that there will be separate ONT's for each user. He also informed the Board that Gayle Frey would like to sign a contract with the City to provide full fiber service to each of his tenants. In return, he would like to have some kind of volume pricing. The Board thought that it was a good idea, as the City could save a lot of money on billing and administration.

Director Cook's next item on the general update was in regards to system redundancy. Director Cook met with Rich Connor of Ameren and discussed the City attaching fiber to the Ameren pole line running down to Triad High School, that being the site of the future connection with AT&T. The City had hoped to attach to Ameren poles in exchange for dropping our electric service boundary lawsuit. Rich Connor told Director Cook that we would have to make a pole attachment application with an expected fee of twenty dollars per pole per year for an estimated one-hundred poles.

Ameren will also have to do a pole loading study to determine any necessary prep work at each attached pole. Director Cook asked about the possibility if the City doing any needed pole preparation and Mr. Connors replied that it is a possibility. Director Cook will submit the attachment application to Ameren tomorrow. Director Cook further stated that the City attorney has begun approaching CSX Railroad about attaching fiber to the City owned transmission poles along the railroad tracks.

Fiber Manager Ferguson next gave an update on connection status. He distributed a list of potential Phase I business customers, broken out by Accepted Service, Installed Service, Declined Service and Decision Pending. Up to this point, fiber staff has met with about 74 companies, with 10 having been connected and four declining service due to existing contracts. He informed the Board that the system experienced its first outage last week when a fiber was cut in E. St. Louis, interrupting our Cogent connection. Service was quickly restored however. The internet connection speeds promised to customers have been very accurate to this point.

The next report given by Director Cook was in regards to the status of Phase II. The engineering company still plans on having construction documentation finished by the end of March. KGP has already furnished a quotation on components that they have furnished in the past. We are awaiting a similar quotation from Graybar. Member Nicolaides again asked about the planned boundary of Phase II. Director Cook stated that it currently encompasses 1500 to 1800 residential customers. Scott Bowles suggested that the City canvass the Phase II area and determine a take rate. If subscriptions lag, then move Phase II construction to a different area of town.

The final reporting item covered HCS e-mail service. Director Cook stated that Google is offering e-mail hosting through Google Apps. Using Google would be much cheaper than hosting e-mail on our own. Google will also provide spam protection. Up to five domain names will be provided by Google, so that a "@HCS" type e-mail address can be used.

NEW BUSINESS

The first order of new business was Manger Ferguson's meeting with Trouw this week. Trouw has fiber running, in an innerduct, between the Terra Properties building and the Trouw offices. Because of internal security issues, Trouw needs to pull the fiber out of the innerduct into a pedestal. The City needs to get fiber into Terra Properties. Consequently, City staff will pull the fiber out of the innerduct on March 10th. IN exchange Trouw will allow us to pull our own fiber through the existing innerduct.

The next order of new business was in regards to the status of a pricing resolution. Director Cook stated that the City Attorney is in the process of writing a resolution to be presented to City Council at its next meeting. The pricing will be for telephone and internet service as presented in Director Cook's handout. Video pricing has not been finalized, so video service will be covered by a later resolution.

While pricing is not final, the video channel lineup has been decided as was illustrated by another of Director Cook's handouts. The Game Show Network will not be

included in the analog lineup because of cost. However, The Weather Channel will be included. The Big 10 network will be available, with the possibility of the Big 12 Network being added. The Oprah Channel will be provided as it is taking over most of the educational programming from The Learning Channel. Also, Turner Classic Movies will not be offered at all, it is too expensive to carry. SoapNet will be offered, as it will eventually be taken over by DisneyTeen. When DisneyTeen does take over SoapNet the price will increase dramatically unless a current SoapNet agreement is in place.

Director Cook had a conference call about video pricing this morning and brought into the channel line-up. A new price will be quoted based upon the channel groupings that have been decided. As a result, Director Cook does not have final pricing, but hopes to have it available by the next Board meeting. The initial contract for video will span three years, with subsequent contracts running annually.

Director Cook next asked the Telecomm Board to make a recommendation to the City Council to adopt the pricing structure. Board Member Nicolaides made a motion recommending City Council adopt the pricing resolution covering telephone and data service as reflected in Director Cook's documentation. Motion was seconded by Vice-Chairman Boulanger; all voted aye, motion passed.

The next order of new business concerned system redundancy. City Council has approved and we have signed an agreement with AT&T. It remains for the City to decide on the route to be taken between the head-end and Triad High School. Director Cook stated that the City may not have an actual recorded deed conveying ownership of the 138 kV transmission line from the IMEA. He feels that such deed needs to be in hand before we can move forward with railroad negotiations.

Director Cook next gave a report on the fiber marketing plan as was provided to the Board. He hopes to have a solidified plan completed by the next meeting. The original marketing budget was \$10,000 dollars. Director Cook has instructed his staff to put together a marketing plan based on how it should be done. Then the feasibility of the plan will be discussed based on the original dollar amount.

The final order of new business was about staffing concerns. After discussion, it's been decided that the two existing fiber linemen/splicers are not adequate for all the install work that is anticipated. So the fiber department will advertise for two more people for similar positions. The plan is to also advertise for a receptionist so that our present CSR can devote more time customer sign-ups and relations. The door at the fiber building is currently open from 08:00 AM to 5:00 PM, Monday through Friday. Eventually, we will have to discuss business hours for the fiber building, whether that includes Saturday or evening hours.

Vice-Chairman Boulanger asked if businesses are still being connected. Manger Ferguson replied that we continue to connect new customers in order to more fully test the system. There is a scheduled downtime on the system for Monday, the 21st, from 3:00 AM to 4:00 AM for system maintenance. It will provide good practice to staff for handling interruptions. We are working on providing service to Doctor Kim at the hospital and Frey Properties so that neither would be forced into a contract with Charter. Director Cook feels that it's best to hook up as many customers as possible.

Vice Chairman Boulanger made a motion to adjourn, seconded by Board Member Nicolaides; all voted aye. Meeting was adjourned at 8:00 PM.