

Sharon Township SPECIAL Board Meeting Minutes
BROADBAND FEASIBILITY STUDY DRAFT REPORT

APPROVED

February 2, 2017

CALL MEETING TO ORDER: The Sharon Township Board held a SPECIAL meeting on February 2, 2017 at the Sharon Town Hall. Supervisor Psarouthakis called the meeting to order at 9:00 pm. There were 11 public attendees.

Roll Call: Guysky, Mikel, Psarouthakis, Simons, Cooper: PRESENT

INTRODUCTION OF ATTENDEES: (voluntary)

Dave Brooks- MI Broadband Co-op
Ben Fineman- President of the MI Broadband Co-op
Bill Lewis- Planning Commission
Gary- Co-op
Barb Fuller- Co-op/ Park Commission
Mike- Dexter Twp Trustee
Gene- Manchester Twp Supervisor
Todd- Co-op Board

PRESENTATION:

Doug Dawson, CCG Consulting President

This was the smallest population study they've ever done!

Purpose: To figure out a financial way to make broadband access available. First, was the engineering study which investigated that cost of building, connecting, and bonding (estimated 4.6 million dollar bond)

CCG studied thoroughly ways to decrease the estimated bond dollar amount and discovered that the ideal situation is buried lines (being the best option with back dirt roads)

RECOMMENDING:

One size fiber everywhere (will keep us in great shape for the next 100 years) and a PASSIVE network with splitter cabinets out in the field where the fiber splits to different homes.

BUSINESS PLAN:

Fiber to EVERYONE- every house will be provided a basic plan (slow speed) with an option for each homeowner to pay to have a faster, unlimited plan as outlined below:

IDEA 1: Borrow the money, increase Property Taxes through a millage, and have an OPEN ACCESS NETWORK

ISP (internet service providers) charge \$5 for a "rainy day" fund/maintenance

Cost of internet packages would be estimated (\$30-35/mth) Cost of millage approximately \$40/mth which would result in a monthly cost of APPROXIMATELY \$70-75/mth for high speed internet including the millage.

With an OPEN ACCESS ISP there is no negotiating with the providers, no guarantee of providers, and you'll only get small local companies, you will not get big companies like AT&T, etc.

IDEA 2: Borrow the money, increase Property Taxes through a millage, and BUILD OUR OWN ISP

ISP would be Sharon Township. We would outsource the ISP functions (3-4 big companies to choose from)

Cost of internet packages would be estimated (\$30-35/mth) Cost of millage approximately \$40/mth which would result in a monthly cost of APPROXIMATELY \$70-75/mth for high speed internet including the millage

This could result in the possibility of decreasing the bond payment by \$6-7/ month.

IDEA 3: Borrow the money, increase Property Taxes through a millage, and create a BIGGER ISP (through a CO-OP with surrounding townships)

This could potentially decrease bond payments and increase profit sharing revenue. However, this option may not be available immediately if surrounding areas are not ready to implement, therefore this structure may need to be built in to adapt to in the future.

Issues with a co-op could potentially be “who do the profits go to” and do current Michigan Co-op laws dictate profit dividends? This route would need to be investigated further by a Michigan Attorney.

SHARON TOWNSHIP ISP vs. CO-OP ISP: the multiple township co-op ISP allows for more profit and the potential for better quality and efficiency.

Borrowing Money (tax millage): CURRENTLY MICHIGAN LAW DOES NOT ALLOW FOR SPECIAL ASSESSMENTS FOR TELECOMMUNICATION PURPOSES, therefore a millage is needed.

NEXT STEP TOWARDS A Co-op, to meet with surrounding townships about brining everyone together for further studies, a future co-op ISP, etc.

NEXT STEP FOR SHARON TOWNSHIP: Informational Meetings, listen to comments of residents, Board discuss how to move further and whether this will be a future ballot

Chelsea Mikel

Sharon Township Clerk