

City of Creswell  
Special Council Meeting Minutes  
February 23, 2010

The Special Creswell City Council meeting was called to order at 6:30 PM by Mayor Bob Hooker and the pledge of allegiance given.

Council Present:

Jack Gradle  
Jean McKittrick  
Jane Vincent

Bill McCoy  
Bob Millam

Staff Present:

Mark Shrives  
Roberta Tharp

City Administrator  
City Recorder

Council Absent: 1 David Case - Excused

Press: 1

Audience: 0

**1. Discussion of Potential Broadband Grant Opportunity**

City Administrator Mark Shrives introduced Phil Garrett, General Manager of Minet and Steve Price, Senior Account Director of Alcatel Lucent who gave a short presentation on a grant opportunity for the City of Creswell.

This grant opportunity is for the possibility of receiving stimulus grant funding to put a broadband network within the City of Creswell. The broadband would include triple play: telephone, television, and high speed internet access. Direction to staff from the Council is needed in a timely manner in order to pursue the grant opportunity as the application deadline is March 15, 2010.

Mr. Shrives said he has been in contact with Greg Ellis, City Manager in Independence, who explained that a fiber consortium was set up between the Cities of Independence and Monmouth a couple of years ago. The cities worked together to develop a plan, put the money in place and brought in Mr. Garrett to make the project happen.

Mr. Garrett addressed the Council stating he has twenty years experience in engineering, design and construction of telecommunications. Five years ago he began work for Minet, a fiber company established by the Cities of Independence and Monmouth to develop and build a fiber loop that would provide telecommunication services for the two cities. They obtained funding through a special projects work fund otherwise known as OECDD (Oregon Economic Community Development Department), currently known as OBDD (Oregon Business Development Department). They borrowed the money from the state, constructed the infrastructure and are paying back the loan through revenues received. Mr. Garrett said it took about a year and a half to get the network up and operational which currently serves all homes and businesses throughout Monmouth and Independence. Minet is currently billing at the rate of approximately \$3,600,000.00 per year which allows them to meet their financial obligations.

Mr. Garrett said Creswell is a similar environment as Monmouth and Independence and is underserved in a variety of services. This project would be a huge benefit to the community, and a tool for economic development. Minet has unified all city services in Monmouth and Independence to the same network and server which allows them to be cost effective and more efficient for staff.

Mr. Garrett explained this project could be completed and successful even if the City does not receive a grant as there are approximately 1500 potential subscribers in Creswell which revenue would come from to pay back the loans. Minet did a thirty year bond and borrowed the money to do their build out. He

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suggested the City of Creswell build out the network, allow Minet to connect to it, offer services across it, manage it, operate it and collect revenues from it and then share those revenues back with the City of Creswell to cover the loan payments.

Mr. Garrett explained the RUS (Rural Utility Service) grant offer through the American Reinvestment Recovery Act (ARRA). ARRA has delegated approximately \$7,400,000,000.00 to Rural Utility Services and National Telecommunications and Information Administration for the last mile or to the prim business and residential projects. This grant will allow you to ask for up to 75% of the overall project costs although the less money you ask for the higher the grade the application.

Mr. Garrett introduced Steve Price, Senior Account Director - Sales of Alcatel Lucent who addressed the Council and gave a brief overview of the services he could provide by his company in this project. Alcatel Lucent has retained a grant writer that will assist with the application process of grants at no cost to Creswell.

A discussion ensued about continuing with the project regardless of whether or not the city receives a grant, amount of grant the city should apply for, other utility providers jumping in and trying to take some of the market, and the route of the fiber.

Mr. Price said they are looking to form a partnership with the City of Creswell for this project in order for it to be successful. One of the added bonuses is towns that have participated in a project of this sort have brought new businesses to town or retained the businesses that currently exist.

Further discussion ensued about underground wiring, public utility easements, bundling services, this being a six to eight month project and focusing on something you know you can make work as simply as possible.

Bob Millam moved that the City Council move forward with the AARA grant proposal as presented.

Discussion ensued with Bob Millam amending his original motion and moving, Bill McCoy seconded that the City Council move forward with the AARA grant proposal in conjunction with Minet and Alcatel Lucent as partners and direct Mark Shrives to work with them using his best judgment for the grant. Voted on and carried unanimously.

**2. Adjournment**

There being no further business to come before the Council, Mayor Bob Hooker adjourned the meeting at 7:20 PM

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Robert A. Hooker, Mayor

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Roberta J. Tharp, City Recorder