

# CITY OF FULLERTON TECHNOLOGY WORKING GROUP MEETING MINUTES

May 7, 2009 9:00 A.M.

CALL TO ORDER

Chair Burtner called the meeting to order at 9:05 a.m.

**ROLL CALL** 

Members Present

Roger Burtner, Chair Harry Lamberth
Fred Canfield Madusha Palliyage
Larry Iboshi Carl Samantello

Members Absent Thad Sandford

Ed Smith

Paul Stover, Vice Chair

Members Mike Carter and Helen Hall arrived after roll call.

Staff

Rob Ferrier, Assistant to the City Manager

<u>Guests</u>

James Frasier and Thomas Jones of Paragon Partners, Ltd.

## APPROVAL OF MINUTES

No minutes were available for approval.

### **DISCUSSION ITEMS**

## 1. <u>Creation of an educational/municipal (institutional) fiber/wireless network,</u> <u>FullertonNet</u>

Presentation by Thomas Jones, Paragon Partners, Ltd.

Chair Burtner introduced guests James Frasier and Thomas Jones of Paragon Partners, Ltd., and explained that Mr. Jones had met recently with Mayor Bankhead to discuss Paragon's services, and Mayor Bankhead had requested that Chair Burtner meet with Mr. Jones to learn more about Paragon.

Chair Burtner invited Mr. Jones to speak to the TWG regarding Paragon's experience with fiberoptic systems and what they have learned as a result of working with different municipalities and different modules.

Mr. Jones began by acknowledging that he was aware that the TWG operated under public disclosure laws, and informed the TWG that he had contacted all of his past clients and received permission from them to provide information to the TWG and to speak openly with the TWG regarding the programs Mr. Jones had helped them develop and been involved with in the past several years. Mr. Jones also indicated that he would gladly provide any contact information for his clients if the TWG were interested.

Mr. Jones distributed handouts to the TWG members which included information about Paragon and Mr. Jones, as well as some of Mr. Jones' client project information, and provided a brief presentation of Paragon's services.

Mr. Jones explained that his presentation would include an overview of some of the broadband projects he has been involved with – both successful and unsuccessful. He noted that broadband is never an easy undertaking – for many reasons.

Mr. Jones proceeded to provide a lengthy presentation on the broadband projects of:

- Silicon Valley Power (SVPFIBER.com)
- La Plata Electric Association (Durango, CO), Delta-Montrose Electric Association, and the City of Cortez, Colorado – the three of which developed REANET (Rural Electric Authority) -- better known as Fast Track Communications
- City of Palo Alto, CA (public/private partnership)
- City of Ontario, CA (OntarioNet)
- Franklin Public Utility District (eastern Washington tri-cities of Pasco, Kennewick, and Richland) – NOANet (Northwest Open Access Network)

Mr. Jones stated that Ontario was one of his pet projects, and the first thing they did as a broadband development consulting group for the City of Ontario was modify the city's standard plans, building plans, electrical plans, etc., to accept broadband projects on any future development or street opening that took place. In other words, no matter who you are – developer, builder, renovator, utility, etc., -- you will be required to put in a conduit that will be given to the city. These ordinance changes have allowed and will continue to allow Ontario to grow its broadband.

Mr. Jones noted that he has done a lot of broadband consulting and has never seen a public/private partnership work. The reason being that the goals of a municipal corporation and the goals of a private corporation are entirely different, and when you try to marry the two, it always ends up in a very raucous divorce.

Chair Burtner explained to Mr. Jones that TWG's original concept was to build a ring in the City that would connect all fire stations with fiber, and each of the fire stations would serve as a hub to run connectivity to potentially the schools and other government facilities. Because of a timing difference between the schools and the City, the project was scaled back, and the current objective being considered is to complete the ring connecting only the fire stations and government facilities as a start, but placing enough fiber into the ring that other entities such as the medical center, schools, etc., could under some open access type of agreement either build, buy or lease services from any qualified provider over the network. Currently, TWG is looking at the possibility of economic stimulus funds, redevelopment funds, and E-rate type of funding (if the schools were involved). In addition, if the City chose not to run the network, then the TWG would hire someone to come in to manage and operate it. Chair Burtner asked for Mr. Jones feedback to the TWG's plan.

Mr. Jones indicated that the plan sounded very similar to that of the City of San Ramon, California, where they did a fire station based broadband deployment. He noted that the key would be how to pre-qualify your RSP (retail service provider) customers, which can be difficult. You have to look at the RSP's financials, all the way through to their management, because you do not want to deploy public money against a company that is not going to be able to survive and pay the bill at the end of the day. Pre-qualifying your RSP customers would be a critical link.

Mr. Jones noted that the City of Shafter, California (outside of Bakersfield), which he has served as a consultant for many years, has built a school interconnect system through an inter-local agreement using grant money. Mr. Jones warned the TWG to be careful with grant money – to understand what the goals of the grant are prior to application because sometimes there are underlying requirements that can be "tricky."

With meeting time running short, Chair Burtner thanked Mr. Jones for his time and informative overview of broadband projects.

Note: An audio recording of this TWG meeting which includes Mr. Jones entire presentation is available at:

http://www.cityoffullerton.com/audio/admin\_services/twg/twg\_050709.mp3

### **Draft RFP for I-Net**

Chair Burtner asked Mr. Lamberth to bring the TWG up to date on the status of the draft RFP.

Mr. Lamberth reported that the goal is to have the draft RFP completed within a week, but commented that based on the information presented by Mr. Jones, which he found educational and completely overwhelming in terms of terminology, technology, mesh of infrastructure, social/political economic issues, etc., he believed the TWG's approach may be somewhat naïve. However, moving forward with the RFP, he indicated the path of least resistance would be using existing and/or proposed traffic signaling connections to connect the fire stations. Mr. Lamberth indicated that he had met with Director of

Engineering Don Hoppe and discussed merging the existing traffic signal structure with the I-Net. He learned from Mr. Hoppe that a five-year traffic signal plan is about to emerge, starting summer 2009, and Mr. Hoppe indicated that what the TWG was proposing was a good idea.

However, after hearing Mr. Jones' presentation regarding Ontario's ordinances requiring the installation of conduit for every new development, renovation, street opening, etc., Mr. Lamberth suggested that perhaps the City of Fullerton should adopt new ordinances implementing similar requirements.

Mr. Ferrier noted that he was unfamiliar as to whether or not there was currently a standing city ordinance which requires someone to put in conduit, but suggested that if the TWG wanted to make that recommendation, he thought it was a fantastic idea.

Mr. Lamberth pointed out that the City of Ontario document provided by Mr. Jones was about an inch thick and obviously had thousands of man-hours of work done on it by at least two major companies, and he was not sure if the TWG was able to go to that level, but suggested that perhaps for the TWG's next meeting some of the members could review the material and plan to discuss what should be done based on what they know now.

Ms. Palliyage suggested that the TWG develop a mission statement with a mission plan.

Mr. Samantello stated that he agreed with Mr. Lamberth but his concern was that none of the projects Mr. Jones presented was specifically like the TWG's project, or even generally similar. He expressed disappointment that Mr. Jones did not provide any project examples similar to what the TWG was attempting to do. He noted that the projects presented by Mr. Jones all included bringing fiber to the home, and the TWG has no intention of bringing anything to the home – the objective of the TWG's deployment is simply to update the City's infrastructure, i.e., bring the City into a new era where they have the connectivity they need, and possibly plan for other additional capabilities in the future, such as fiber to the home. Chair Burtner agreed, noting that the City's I-Net would be a phased project, with more capabilities/possibilities with each phase.

Mr. Lamberth stated that the RFP cannot be issued without defining the requirements, and after meeting with Engineering Department staff, he learned there is no budget available ("resource limited") to allow the work it will take to get the information needed to determine the requirements.

Chair Burtner thanked Mr. Lamberth, Mr. Iboshi, and Mr. Sandford for their work on the RFP. He noted that the TWG has gone about as far as it can go and done as much as it can do on this project, and as far as responding to Council's directive to the TWG, it is now out of their hands. Chair Burtner asked Mr. Ferrier how the TWG might get this project done.

Mr. Ferrier clarified that as far as economic recovery money was concerned, the funds have not been released, nor has he seen any guidelines yet of how much money is

involved, nor what is going to be involved and what you have to do to apply for the funds. What he has learned is there are three different rounds of funding, with the first round available sometime towards the end of 2009 or first part of 2010, and then probably a release of funding in one-year increments thereafter.

Mr. Lamberth pointed out to Mr. Ferrier that the information the TWG is requesting is available from City staff, and the City needs to reallocate funds so that Engineering Department staff can do the job – it's a matter of reallocating the priorities of the work they are presently doing. He explained that the Engineering Department has been briefed, they know what it is that needs to be done. Senior Civil Engineer Yelena Voronel is the point person, and Director of Engineering Don Hoppe is knowledgeable of the issues and "on board" with the project, but has advised the TWG that he is already committed to other projects. Mr. Lamberth suggested that someone (City Manager?) needs to reallocate City resources to get this job done.

Mr. Ferrier suggested to Chair Burtner that the TWG make a motion that the City reallocate resources to meet the needs of this particular study. He further suggested that the motion be presented in written form with as much specificity as possible as to the work required, and it should be routed to him (Mr. Ferrier) and he would present it to the City Manager and Director of Engineering, and then respond back to the TWG.

Mr. Lamberth so moved. Mr. Samantello seconded. The motion was passed unanimously.

Chair Burtner asked for Mr. Lamberth's help in putting together the written motion.

## **ISMS** Proposal

Chair Burtner requested that Mr. Ferrier provide a report on his meeting with Mr. James Hettrick of ISMS.

Mr. Ferrier reported that he had met with Mr. Hettrick the previous week, along with Director of Engineering Don Hoppe, regarding ISMS' unsolicited proposal for fiber to the home, to get a better understanding of their proposal. Essentially, ISMS is proposing to not only build the I-Net backbone, but to also expand that to every residential unit in the City – basically competing with the AT&Ts of the world. Mr. Ferrier stated that he was doubtful ISMS could do what they claimed, noting their numbers reflect an aggressive market capture rate of subscribers. ISMS claims to have access to venture capital in the ballpark of \$300 million for several cities. ISMS' proposal suggests the City would not have to put in any money for capital costs, and basically ISMS would repay themselves and their investors out of a portion of the proceeds, and then they would share the revenue on an unequal basis between the City and ISMS. ISMS would be responsible for maintenance of the system.

Mr. Ferrier pointed out that one of the requirements by the City would be that City facilities be included in the first phase of development, and services provided at no cost to the City. Any revenue for ISMS' investors would have to come from other subscribers, and Mr. Ferrier expressed concern about investor reactions to that.

Mr. Ferrier pointed out that ISMS' proposal included a trenching depth of two feet, which would probably not be acceptable to the City. Mr. Lamberth indicated the deepest microtrenching the TWG has seen so far is six to seven inches, and he challenged everyone to provide any information available about microtrenching depths. Chair Burtner noted he had followed up with Bob Toddrank of ISMS and was told that the depth can be specified by the City.

Mr. Canfield noted that the ISMS proposal indicated no cost to the City except for providing access to infrastructure (ISMS wants free access to City streets), and suggested there would most likely be engineering costs borne by the City to provide that access.

Chair Burtner noted that ISMS is knowledgeable of the fact that the TWG is putting together the RFP for the I-Net, and would like to bid on anything the City decides to do.

Mr. Ferrier noted that during the meeting with ISMS, City staff did not give any indication to ISMS of support or nonsupport of their proposal, only that the City would receive and file ISMS' proposal.

Mr. Lamberth expressed concern about ISMS' proprietary claims noted in their proposal, and suggested that the City needed to obtain a disclaimer to the proprietary claims so the City could have possession of it. Mr. Ferrier stated for the record that ISMS' proposal was unsolicited.

# **ITEMS FOR NEXT MEETING**

To be determined.

## **PUBLIC COMMENTS**

None

### **ANNOUNCEMENTS**

None

## **ADJOURNMENT**

With no further business, Chair Burtner asked for a motion to adjourn. Larry Iboshi so moved. Carl Samantello seconded. The meeting was adjourned at 10:46.

Next meeting scheduled for May 28, 2009.