

EAST BETHEL ECONOMIC DEVELOPMENT AUTHORITY (EDA) MEETING
May 16, 2022

MEMBERS PRESENT: President Julie Lux, Mayor Steve Voss, Council Member Brian Mundle, Catherine Lancrain, and Brian Bezanson.

MEMBERS ABSENT: Dan Butler and Tom Schulzetenberg.

ALSO PRESENT: Jack Davis, City Administrator, Council Members Tim Harrington, Wanda McLaurin, and Suzanne Erkel.

1.0 – Call to Order

President Lux called the regular meeting of the EDA to order at 6:00 pm.

2.0 – Adopt Agenda

Mundle moved and Mundle seconded to approve the agenda switching Items 3 and 4. Lux asked any discussion? To the motion, all in favor say aye. **All in favor.** Lux asked any opposed? That motion passes. **Motion passes unanimously.**

3.0 – City Council Special Meeting Call to Order and Agenda Adoption

Voss called the Special Council meeting to order.

4.0 – Approval of Meeting Minutes

Mundle moved and Lancrain seconded to approve the April 18, 2022, meeting minutes as written. Lux asked any discussion? To the motion, all in favor say aye. **Mundle, Lancrain, and Lux.** Lux asked any opposed? **Voss and Bezanson abstained.** That motion passes. **Motion passes 3-0-2.**

5.0 – Finley Engineering Broadband Analysis Gap Report

Chris Konechne from Finley Engineering and Doug Dawson from CCG Consulting, presented the City Broadband Gap Analysis Report including the purpose of the study, existing ISPs, the monopoly issue, market outreach, network design key considerations, technology, network design methodology, network design results, cost of a new network, financial results, other key financial variables, strategic questions, and next steps including reaching out to Midco; speed tests; community outreach; and reviewed the local fiber policies.

Bezanson stated everything in the City seemed to be buried. He asked if there was a large price difference in aerial as opposed to plowing it in. Konechne responded if everything went correctly, aerial could be 30 to 40 percent cheaper on a per foot basis, but if new poles had to be put in that would add to the cost. He indicated it was an option, but they opted for the worst-case situation.

Dawson stated there was not enough savings to make this work and it would be better, but maybe not enough better.

McLaurin asked what the best way would be to entice CenturyLink or Midco to make them more willing to look at this area. Dawson responded every carrier had a different set of things they considered important. He guessed with Midco it would take money to entice them. He stated with CenturyLink it might be a matter of making a good business case about how ready people are in the City interested in moving to fiber. He indicated one way to do this would be to do the survey and to show them that people really want to have a better broadband option which would give them a good feeling that people

would change over if fiber was built. He noted in both cases the first thing to do was to find someone higher up in the organizations to have a meeting with them to find out these answers.

Konechne stated along with a study, they could do a speed test. He noted if it were shown there was poor service in an area it would show them that there would be a greater take rate which would lead to more revenue.

Dawson stated right now the City was on the fringe of the Metro area, but over the next 10 to 20 years the City would grow a lot. He stated it would be a matter of building a story for the companies to get them interested.

Lux asked if it made sense to coordinate a widespread speed test to determine the grant funds that might be available to couple that with the conversation with Midco. Konechne responded that was one of the more powerful things that could be done to help convince Midco that through the study they were looking at the issue and that there is a problem.

Dawson stated Midco was a good provider, but the City needed to show them where the problems were. He stated the challenge will be to get people in the City to take the speed test.

Mundle stated there were a lot of complaints coming from this network versus others. He asked if there was any information the City could give Midco as comparisons. Konechne responded he believed this would come about from the speed test and the empirical data they had from studies in the past.

Dawson stated they needed to do the online survey at the same time also. He stated the survey and the speed test would give Midco good information.

Voss asked what they had heard regarding complaints. Konechne responded a formal residential survey had not been done so they were getting the information from the business customers and it appeared that it was sluggish especially during the peak times. He noted cable networks were unreliable also. He stated it appeared upload speeds were an issue also.

Dawson stated they knew the network had problems with the upload speeds. Konechne stated most networks were optimized for download and now that they are pushing more and more content to uploads, the hardware wasn't built for it.

Bezanson asked if this was due to the residential entertainment seemed to be moving away from cable tv. He asked if there was a difference in the amount of bandwidth that tv eats up compared to streaming. Konechne responded that was two different parts of the same network with different frequencies being used.

Dawson stated what was bogging down the broadband networks was the increase in usage. He indicated people are using a huge amount of broadband and Midco's network was stressed.

Bezanson asked if their assumption was that fiber was not going directly to the home, but more to the neighborhood nodes. Dawson stated they want it to go directly to the home, but the network was nearing the end of its life and they had to either completely rebuild it with copper which they don't want to do, but instead build it with fiber. He indicated they were talking about everyone and business with fiber.

Voss stated it appeared to be the best thing for the City was to let the pre-market work and when Midco came in with the fiber to work with them to ensure the City received as much coverage as they could. He indicated the frustration the City had with Midco was that the City has had some newer developments within the last 20 years that were not even served by cable tv. He believed the City needed to be in a better position for the future to get as much coverage as they could both from availability and bandwidth. He stated it would not be realistic to try and finance this as a community. He indicated they needed to find better ways to get this done.

Konechne noted there were better ways to chip away at that. He noted Midco had really shifted their attitude in the past few years to now upgrading their systems.

Voss stated he was concerned about Midco themselves. He noted it appeared the City was on the furthest eastern edge of where Midco serviced. He indicated the City was on the edge, but yet in the Metro. He thought it would be more enticing for Midco to make more investment in this area as there was faster growth here than in the rural areas.

Erkel asked if any other company would be interested in coming to the City. Konechne responded it was difficult to see who that would be. He stated if they could not find a likely partner in the immediate vicinity, they would try to widen their lens as much as possible to find someone who would come in. He noted in Minnesota that usually met the smaller, independent providers. He indicated in the broadband world in general money was going everywhere.

Davis stated in 2017 Arvig had expressed an interest in this area and asked if Arvig was still interested in providing service to this area. Konechne responded they were heavily partnered with Midco for a lot of regional projects so he was very skeptical of them coming into this market.

Voss stated he wasn't as concerned about the monopoly issue on this because pricewise they were competing with streaming. He believed where the lack of competition was in the quality of service. He noted it was not possible to have duplicate systems and remain competitive.

Davis stated the City has found that dealing with Midco over the past few years has been an improvement over what it was previous to that, especially at the local level. He hoped that would transfer up to the middle management and the top to get some attention. He believed the first steps would be to develop a partnership with Midco. Konechne stated he would give the City the contacts they had spoken with at Midco and CenturyLink also.

Voss stated the County was basically looking at doing the same type of study that the City has done. He asked if the City should wait to see where the County was going. Dawson responded he would not put much hope on that because in the realm of the County they had a different topography and the City was more expensive than most other places. He noted their solutions would look different than East Bethel's.

Konechne stated the County had different priorities than East Bethel did also.

Mundle believed it would be worth talking to the County to see what their parameters are and what studies they were doing. He believed they were doing a mail out to the residents. He recommended the City compare results with the County and see if the City could partner with them for something. Dawson stated the County did receive a large portion of the ARPA funding and the County could share some of those funds with the City.

McLaurin stated she wanted to ensure they were included in the mailing, even though they had their own report.

Davis stated the person who was in charge at the County level was no longer with the County, but he did have the name of the new person who was coordinating this and he has had a discussion with him about this. He indicated a meeting would be set up as soon as possible for further discussions.

Konechne believed once the County had the information from the first round, then the County would set goals and parameters as needed and then focus and refine on those areas.

Lanrain stated she liked the focus of the entire County and believed the County would be focused on the broad analysis and then figure out the areas where they could help. She believed that was the same type of things the City needed to focus on. She stated in her area Midco was doing a bunch of projects and she believed they were the area that Midco would first expand into. She stated obviously this couldn't be brought to the entire City, but it would be like a building process. She indicated some of the information was good information they have received, but there is a large gap because of the access to the information, which could not be helped, but it required the City to look beyond this to see where the building could start and where the process should begin. She stated as far as she knows, CenturyLink was only interested in the businesses. Konechne stated Century Link was hard to predict where they were going. Dawson stated it appeared CenturyLink each year changed their priorities.

Lanrain asked when the survey of the businesses was done, how many were Midco versus CenturyLink. Dawson replied approximately 40 percent were CenturyLink.

Lux stated assuming whoever conducts the survey for Anoka County and they used the same methodology that was used for the City's study, if one resident in a census tract was served then they would count the entire tract as being served. She stated their studies would be underreported as well and it appeared the City needs to take things into their own hands. Konechne responded it depended on how they ran the survey. He noted if they get an address, then they could put a pin on the map versus the census tract block.

Dawson noted it was important to do the surveys by address.

Voss asked if the County was proposing to do a speed test as a part of their survey. Dawson responded he didn't know but he would be surprised if they don't. Davis noted Isanti County did not do speed tests. He believed the same firm that did Isanti County was also doing Anoka County but that didn't mean they were going by the same set of guidelines though.

Voss asked what was involved in setting up a speed test for a community. Dawson responded he would build the online speed test and then it was up to the City to get residents to take it.

McLaurin noted the City hasn't had much luck with surveys in the past without people calling and knocking on doors. Dawson stated the key was to get the residents to take it.

Bezanson asked if they could get a notice out from the schools before the kids go home for the summer. Voss stated the only way this could be done was with direct mail.

Bezanson agreed they needed to do direct mail, but it was the kids who ate up the bandwidth. Voss believed this was marketing and it was to the residents' advantage to participate. McLaurin stated the residents who had the good service wouldn't understand why it was needed.

Voss noted there were many home businesses in the City also who maybe weren't considered businesses and it was a business use, but in the business realm they don't really exist but they are residential. Erkel noted a lot of residents have now purchased boosters, extenders, etc. She asked if the speed test were done for them would those residents be asked to disconnect their other equipment. Konechne responded he would want them to run it how they have things set up in their home today to get the full spectrum of what was out there.

Voss stated since the County was going to do a survey, he wanted the City to get involved in this also and work with the County.

Dawson stated he was going to make a few corrections to the report and then get the final report to the City to share with the residents.

Bezanson stated he has been involved with the City government for a long time and he has seen a lot of reports. He stated this report was one he felt good about the money that was spent. He stated the report was in depth and was very nice work.

6.0 – City Council Report

Mundle updated the EDA on the recent City Council actions.

Voss stated now that the report has been received, he wanted the City to have a discussion with the Chamber of Commerce also to get them and businesses in the community involved.

7.0 – Adjournment

Mundle moved and Bezanson seconded to adjourn at 7:38 pm. To the motion, all in favor say aye.

All in favor. That motion passes. **Motion passes unanimously.**

Submitted by:

Kathy Altman

TimeSaver Off Site Secretarial, Inc.