

Governor's Task Force on Ultra-Fast Broadband – Monticello Case Study

CITY OF MONTICELLO

“FiberNet Monticello”

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City Administrator 02/20/09

Monticello - Background

- Introductory notes
 - Purpose – Provide you with information to assist you with your mission.
- Location: I-94/State Hwy. 25/Mississippi
- Population: 12 K, Mirrors Minnesota
- Regional Center for Shopping and Health Care
- Living Wage Job Creation Lagging
- Large Commuting Work Force

Citizens of Monticello:

Organized to address common needs

Municipal services essential to community well-being as determined by citizens.

- Sewer and Water
- Refuse and Sanitation
- Police and Fire
- Roads and Bridges
- Parks and Trails
- Economic Development
- Telephone (Ultra-fast Broadband)

The Core Problems

- Monticello's communication costs among the highest in the nation – for years.
- No end in sight/no competition.

Businesses and Citizens Stressed

- Price and service issues evident
 - Customer Service office closed
 - Business Community – Dissatisfied
 - Commuting Citizens – Dissatisfied
- Realization... current and future economic health is at risk due to inadequate and or costly communication services.

Citizens Seek a Solution

- TDS was approached by Mayor and business leaders
- No shared vision of fiber to every premise – “not needed”
- Extending fiber only to new developments
- Incumbent expressed no interest or shared concern

Citizens Seek Help from City Council

- Feasibility study prepared
 - In-depth – Financial Model – Survey Data
 - Bristol, Cedar Rapids, Winona
- Project will be financially self-sustaining
- Due Diligence completed
- Concept of FTTP was presented to citizens – via referendum

Overwhelming Voter Support

- **74% vote in favor**
- **Outcome provides a gauge for public interest**
- **Citizen Mandate for Action**

Referendum Generates Action

- Vote jumpstarts seven months of serious planning
 - Operations and Governance
 - Engineering and System Design
- Bond sale preparation
 - Detailed financial modeling, No tax dollars stipulation, legal advice

Successful Revenue Bond Sale

- Occurs in May, 2008
- \$26 M in Revenue Bonds sold
- Market response a vote of confidence

Lawsuit served by TDS – May 2008

- Claim - State Laws do not grant City right to use revenue bonds for this purpose
- District Court ruled in City's favor
- Decision appealed by TDS
- Oral arguments on appeal set for March 4, 2009

Citizen and Council Support Continues

- City is exploring all options for funding
- In response to the call from citizens, the effort continues to provide this essential and lawful service in support of the advancement of organizations and individuals within the community.

State Policy Advice

- Rapid Statewide deployment of ultra-fast broadband will facilitate innovation. Such service is **essential**.
- Respect citizen mandates to protect the economic health of their communities.
- Endorse legitimate role of cities in providing ultra-fast broadband.

Noteworthy Successful Initiatives

- Bristol, VA
- Bristol, TN
- Burlington, VT
- Dalton, GA
- Jackson, TN
- Monmouth & Independence, OR
- Reedsburg, WI
- Lafayette, LA