ASHLAND CITY COUNCIL
STUDY SESSION MINUTES
Monday, August 18, 2025

Mayor Graham called the meeting to order at 5:30 p.m.

Council Present: Mayor Graham, Councilors Bloom, Dahle, DuQuenne, Hansen, Kaplan, and Sherrell
Council Absent: none
Staff Present:

Sabrina Cotta	City Manager
Alissa Kolodzinski	City Recorder
Chad Sabotka	AFN Operations Manager
Marianne Berry	Finance Director
Rocky Houston	Parks and Recreation Director

I. Call to Order

II. Reports and Presentations

a. Ashland Fiber Network Business Plan Update

Cotta introduced the item as a follow up to a previous meeting. Berry and Sobotka presented an update on the business plan for Ashland Fiber Network (AFN) (presentation attached). The technical differences between the network technologies were explained: DOCSIS 3.1, G.hN, and PON (Passive Optical Network). The current legacy DOCSIS 3 network is 25 years old and supports only up to 250 Mbps download and 30 Mbps upload. A hybrid implementation approach was proposed, leveraging DOCSIS 3.1 to deliver gigabit speeds using existing coaxial infrastructure while strategically deploying PON in new developments and other targeted areas. The DOCSIS 3.1 upgrade would enable AFN to offer fiber-like speeds of 1 gigabit per second symmetrically (both download and upload) by replacing the 25-year-old active devices with new state-of-the-art equipment. It was expressed that reviewing the business plan earlier in the year revealed that implementing PON citywide would be too capital-intensive at approximately $15 million over two years. Instead, a hybrid approach of DOCSIS 3.1 and targeted PON deployment would allow AFN to provide gigabit internet to 90% of Ashland within existing cash flow capabilities. The capital plan for the current biennium includes a budget of $2.4 million, with $1.75 million allocated to DOCSIS 3.1 upgrades and plans for continued expansion of PON and bucket truck acquisition. For future biennia, the capital plan projected approximately $4.8 to $5.8 million in additional investments.

The Council discussed whether the plan offered a competitive advantage for attracting enterprise customers. It was confirmed that AFN is focusing on downtown corridors for business, yet 90% of Ashland's electric meters are residential, making residential customers key. Inquiries about new housing developments confirmed that 100% PON implementation could happen in areas such as Caldera Oaks, Midtown Lofts, and Beach Creek subdivision. Questions arose concerning funding sources, marketing plans, and staffing, and it was clarified that funding would derive from the AFN enterprise fund's existing balance and operating revenues, not the general fund. Staffing will gradually increase, with 0.5 FTE already added and more planned for future years. Overall, the plan leverages

the strengths of the existing technology and explores strategic upgrades to maintain competitiveness in both residential and business markets.

AFN's achievement of capturing a 50% market share in Midtown Lofts was highlighted as impressive, even without marketing efforts, given that competitors had already installed their equipment in advance. The plan's dependence on internal funds, including the contingency fund, and not external financing, was confirmed alongside being debt-free. It was noted that capital spending elements were adjusted for potential tariffs and that additional funds would first come from material and services transfers, resorting to a contingency draw if necessary.

The Council reached a general consensus supporting the hybrid approach and acknowledged potential future budget supplemental needs to allocate funding within the AFN fund. It was confirmed that AFN can proceed with the $1,600,000 appropriation to roll out the hybrid expansion program of DOCSIS 3.1 and PON, with a mid-biennium review planned to assess the necessity of a budget supplemental.

b. East Main Park Update

Houston presented an update on the East Main Park project, explaining that the approved design from 2022 included a parking lot off East Main Street, dog parks, a pump track, skills park, restroom, playground, nature play area, sports court, trail system, and community garden. Since then, the projected cost had risen to over $5.5 million, substantially higher than the $2.5 million budgeted, and requiring project phasing. Phase One would focus on the pump track (which has a $1 million grant associated with it), parking lot, dog park, restroom, and a connecting trail.

The Phase One cost estimate had subsequently increased from $2.5 million to $3 million, and presented several options to address the shortfall:

- Reduce scope by eliminating or modifying restrooms or parking lot.
- Increase funding by using reserves, removing other planned projects, or seeking additional grants.
- Request a code change and revise the project to change access point from East Main to Abbott.
- Apply for a variance from street improvement requirements.

A public meeting was held the previous week with 78 attendees who expressed strong support for maintaining the original design and spoke that the Parks Commission would be reviewing options at their upcoming meetings on September 3rd and 10th.

Concerns were raised about escalating costs due to inflation and possible tariffs. Exploring variance options under AMC 18.5.0.5.05 was discussed as a way to proceed with the park without completing street improvements, aligning the project closer to budget. Although road improvements were estimated initially, they were not detailed early in the planning, resulting in a budgeting oversight. Separating street improvements from the park project, possibly through a Local Improvement District, was considered to ease financial strain while potentially enhancing safety and encouraging development in the area by improving road infrastructure, though such improvements are expensive.

Meeting Extended by 30 minutes by unanimous agreement.

Public comment was received from citizens who expressed concern about safety for older residents and children regarding the pump track, support for the original concept, concern about funding and potential impacts on the neighborhood, and questioned whether the park would serve the immediate neighborhood or rather attract visitors from throughout Jackson County.

It was clarified that while many bike enthusiasts attended the public meeting, there were also many residents from the neighborhood present. Further clarification was provided that this was planned as a community park rather than a neighborhood park, designed to serve both the immediate area and the broader community, like Garfield Park with its splash pad.

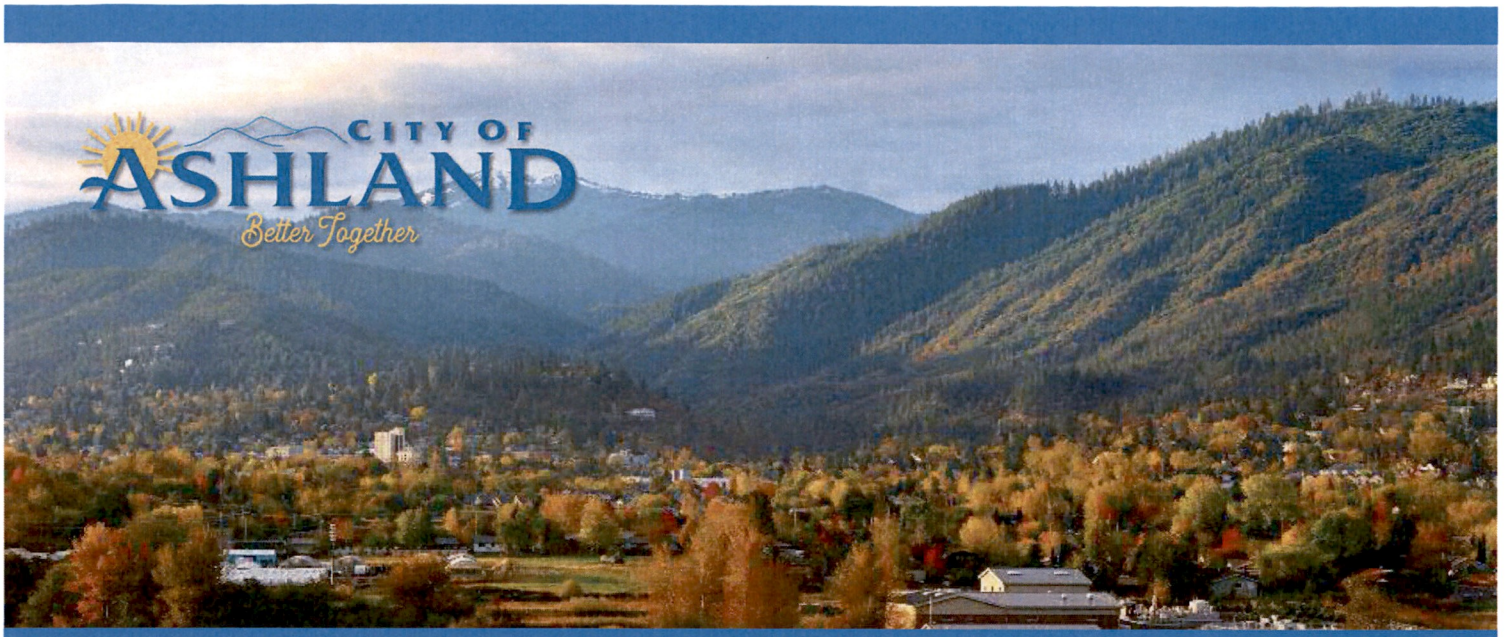
The Council discussed further and acknowledged the complicated nature of the project and the difficulty in predicting costs in the current economic environment and looked forward to the Parks Commission recommendation.

III. Adjournment of Study Session

The meeting was adjourned at 7:24 p.m.

City Recorder Alissa Kolodzinski

Mayor Tonya Graham



Study Session

AFN Pilot Program
Business Plan Update
August 18, 2025

City of Ashland

Need Council to provide guidance and approval of next steps for AFN Pilot Program and confirm Fiber Expansion Plan.

Last time topic was presented:

- April 3, 2023: AFN Business and Technology Planning Presentation
- January 16, 2024: Approval of GPON (Gigabit Passive Optical Network) vendor
- April 30, 2025: AFN Budget Summary
- June 2, 2025: Next Gen Fiber Pilot Project Update

Technology Snapshot

	Download/ Upload Speeds	Installation Type	Installation Cost	Installation Time	Customers per Unit	Best For
DOCSIS 3.0	~250 Mbps / ~30 Mbps	Coax	-	-	Unlimited (impact on speeds)	Emails, Facebook
DOCSIS 3.1	1,000 Mbps / ~1,000 Mbps	Coax	$5 million (citywide)	Once city block in 1 week	Unlimited (no impact on speeds)	Remote Work, Streaming
G.hn	1,000 Mbps / 1,000 Mbps	Fiber up to the building, coax to customer	$100,000 (targeted locations only)	One city block in 4 hours	Max 64 customers	High Density Residential or Commercial
PON	2,500 Mbps / 2,500 Mbps	100% Fiber	$15 million (citywide)	One city block in 2 months	Max 128 customers (recommended 64)	Cloud Computing, Online Gaming (+ Future Proof)

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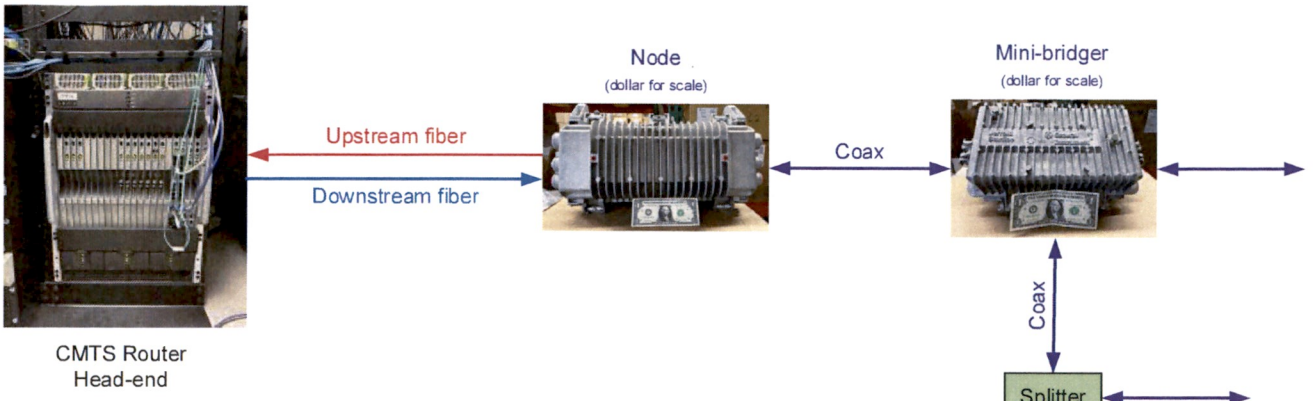
Deployment Strategy

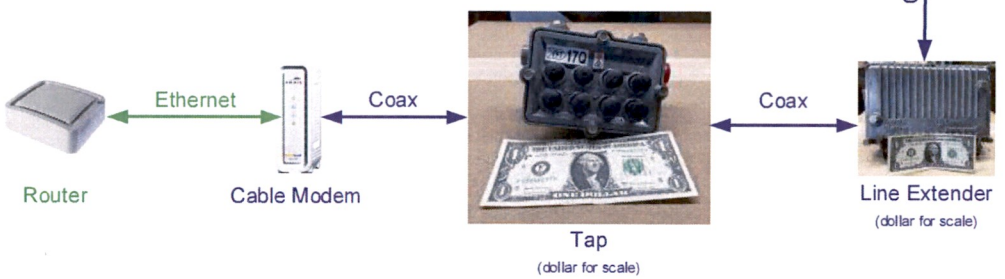
Legacy system

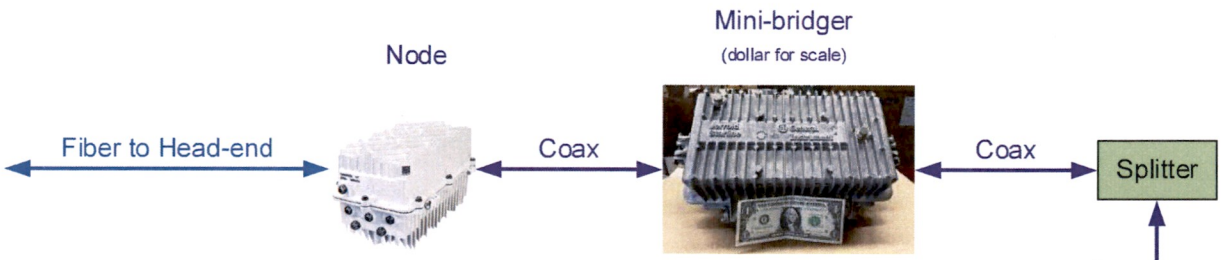
Deploy to replace legacy system

Deploy in areas w/o existing infrastructure or w/ high-bandwidth demand



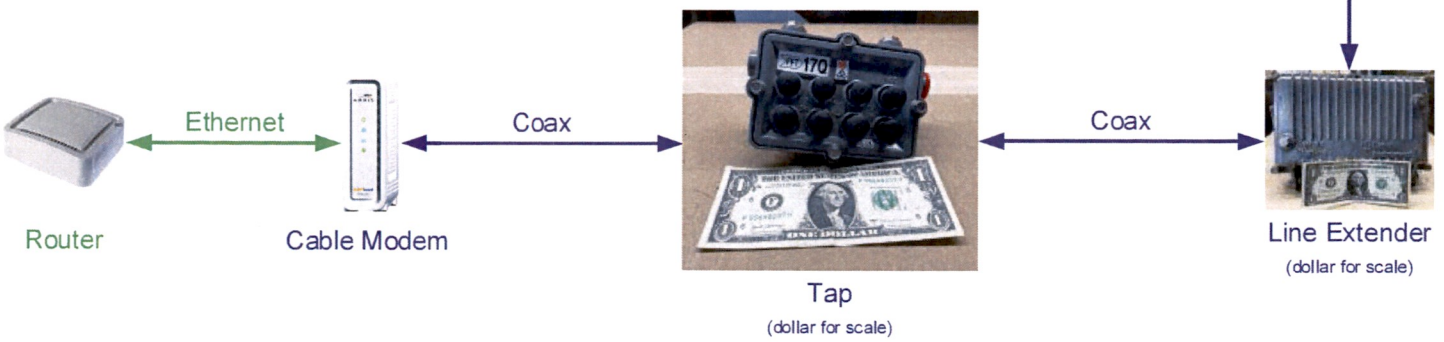
Legacy DOCSIS 3.0





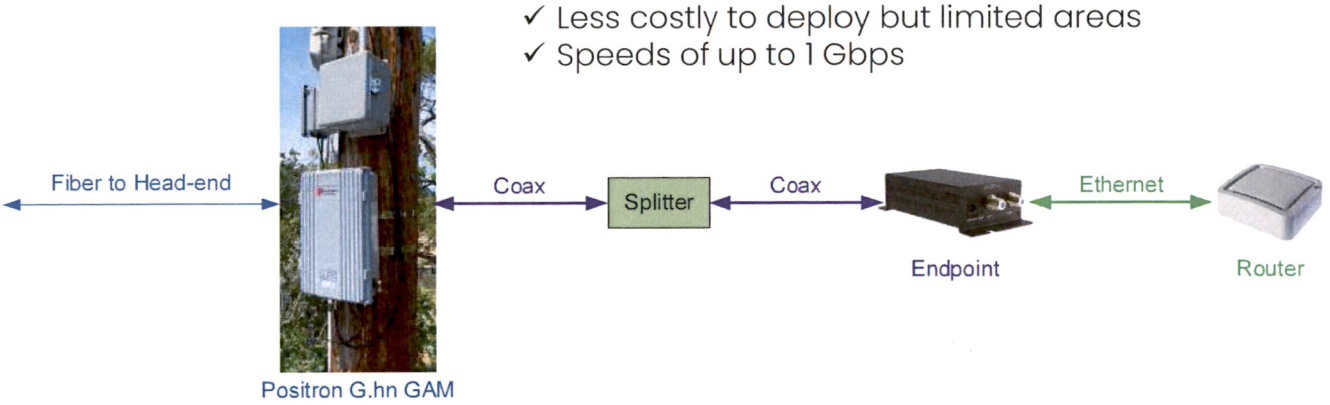
DOCSIS 3.1

- ✓ Less costly & less time to deploy
- ✓ Speeds of up to 1 Gbps

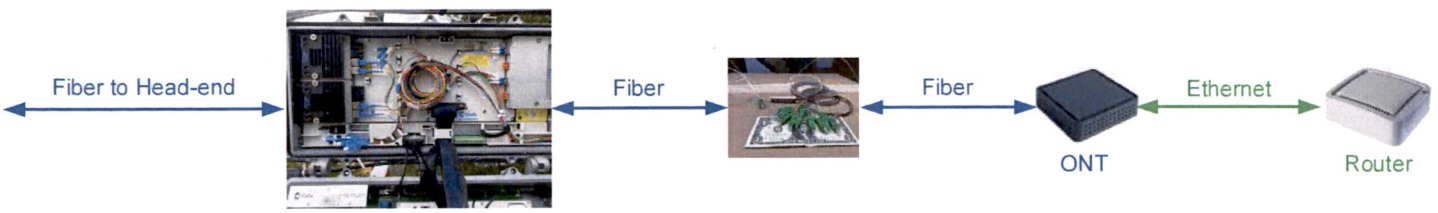


Gigabit Home Networking (G.hn)

- ✓ Less costly to deploy but limited areas
- ✓ Speeds of up to 1 Gbps



Passive Optical Network (PON)



- ✓ Deployment very costly and takes 8x longer than DOCSIS 3.1
- ✓ Speeds of up to 2.5 Gbps
- ✓ Future-proof technology

AFN Capital Plan
BN 25-27

CapEx Summary

Currently in budget	$ 1,649,491
Requesting additional - Contingency draw	163,844
Requesting additional - M&S Transfer	563,156
Total Need	$ 2,376,491

Capital Spending

Docsis 3.1 Ugrade	1,750,000
PON Fiber Expansion	190,000
Cable Modems	225,000
Bucket Truck + Maintenance	140,000
Rebranding & Target Marketing	70,000
Total capital expenditures	$ 2,375,000

Goals:

- Provide Gigabit speed service to 90% of Ashland by 2033, 60% by 2027.
- Capture 55-60% of market share by 2033
- Reach 50/50 split between PON/DOCSIS 3.1 by 2033; fuller PON deployment 2029 and beyond

AFN Net Position Forecast Model
updated: 18-Aug-25

		BN 23-25		BN 25-27		BN 27-29		BN 29-31		BN 31-33	
Year #		**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
Fiscal Year Ending June 30,	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**
Subscribers	4,075	4,250	4,313	*4,563*	*4,963*	*5,363*	*5,713*	*6,013*	*6,313*	*6,613*	*6,913*
Increase		175	63	*250*	*400*	*400*	*350*	*300*	*300*	*300*	*300*
Average Rate		$55	$55	$55	$55	*$56*	*$57*	*$58*	*$60*	*$61*	*$62*
Market Share	12,500	34%	35%	37%	40%	43%	46%	48%	51%	53%	**55%**
Gigabit Coverage (3.1, G.hn, PON)			20%		60%						**90%**
Inflationary escalator				0%	0%	2%	2%	2%	2%	2%	2%
Estimated Revenue		$ 2,805,000	$ 2,846,580	$ 3,011,580	$ 3,275,580	$ 3,610,372	$ 3,922,911	$ 4,211,489	$ 4,510,040	$ 4,818,849	$ 5,138,206
Financial Forecast											
Actual/Forecasted Revenue		$ 2,789,598	$ 2,799,594	$ 3,060,390	$ 3,075,391	$ 3,610,372	$ 3,922,911	$ 4,211,489	$ 4,510,040	$ 4,818,849	$ 5,138,206
Interest from Investments		142,511	132,733	110,000	100,000	130,000	130,000	130,000	130,000	130,000	130,000
Actual/Forecasted Expenditures											
Personnel Costs*	33%	847,016	951,365	1,159,709	1,207,093	1,227,165	1,333,398	1,431,485	1,532,963	1,637,927	1,746,476
Added Personnel**					116,250	359,213	369,989	381,089	392,521	404,297	416,426
Materials & Services	45%	1,252,332	1,358,651	1,175,397	1,192,285	1,624,667	1,765,310	1,895,170	2,029,518	2,168,482	2,312,193
Capital Outlay (actual/adopted)		337,802	288,467	980,344	669,147						
Capital Outlay proposed***				*363,500*	*363,500*	*1,000,000*	*800,000*	*800,000*	*800,000*	*800,000*	*800,000*
Debt		517,445	517,445	-	-	-	-	-	-	-	-
Contingency					-						
Total Expenditures		2,954,595	3,115,928	3,678,950	3,548,275	4,211,045	4,268,697	4,507,744	4,755,002	5,010,706	5,275,095
Net Excess / (Deficiency)		(22,486)	(183,601)	(508,560)	(372,884)	(470,673)	(215,785)	(166,255)	(114,962)	(61,857)	(6,889)
Beginning Fund Balance		3,175,716	3,153,230	2,969,629	2,461,069	2,088,185	1,617,512	1,401,726	1,235,472	1,120,510	1,058,653
Ending Fund Balance		**$ 3,153,230**	**$ 2,969,629**	***$ 2,461,069***	***$ 2,088,185***	***$ 1,617,512***	***$ 1,401,726***	***$ 1,235,472***	***$ 1,120,510***	***$ 1,058,653***	***$ 1,051,765***
Minimum EFB (20% avg exp)				$ 649,965	$ 689,544	$ 762,551	$ 801,868	$ 865,832	$ 902,096	$ 951,563	
Excess of minimum EFB				$ 1,438,220	$ 927,968	$ 639,175	$ 433,604	$ 254,678	$ 156,557	$ 100,201	
Total BN 25-27 Budget				$ 7,274,819							
Contingency				$ 163,844							
FTE			7.0	7.5	8.5	10.5	10.5	10.5	10.5	10.5	10.5

ASHLAND FIBER NETWORK

A Municipal Broadband Utility

- Supports City Government
  - Franchise fees, internal service delivery, IT/network expertise
- Provides a Public Service
  - Reliable and affordable internet access for residents/businesses
  - Wireless public networks
  - Low-cost hosting for school district, college and larger businesses
  - Assistance programs for low-income residents
- Economic Development Goals
  - Supports remote-work offices & provides low-cost Gigabit high-speed service for businesses in existing and future commerce districts
- Supports City's Emergency Coordination Efforts

QUESTIONS?

Technology Snapshot

Legacy System	Net Generation Gigabit High Speed Service		
DOCSIS 3.0	**DOCSIS 3.1**	**G.hn**	**PON**
(Data Over Cable Service Interface Specification)		*(Gigabit Home Networking)*	*(Passive Optical Network)*
25 years old	Current generation cable system, significantly more reliable than 3.0	Related to DOCSIS 3.1	100% Fiber (future-proof)
Download speeds up to ~250 Mbs	Download speeds ~1,000 Mbs	Dowload speeds ~ 1000 Mbps	Download speeds ~2,500 Mbps
Upload speeds up to ~30 Mbps	Upload speeds ~1,000 Mbps	Upload speeds ~ 1000 Mbps	Upload speeds ~2,500 Mbps
Limited upgrade options	Brand new active devices (nodes, mini bridgers, line extenders)	Fiber to Bldg, Coax to customer (no drilling)	Does not require electricity
Installation time fast	Significantly more reliable than DOCSIS 3.0	Reliability of fiber, installation speed of coax	Can be easily upgraded
	Installation time is very fast	Max of 64 customers per G.hn GAM	Max 128 customer per port (recommended limit is 64)
	Can support unlimited # of customers at full speed	Fast upgrade time (city block = 4 hrs w/ 30 min downtime)	Customer intallation takes 2X as coax (must drill holes)
	Can support unlimited # of customers at full speed	Primarily multi-dwelling units	Deployment is very expensive and time-consuming