



Council Study Session Agenda

**ASHLAND CITY COUNCIL
STUDY SESSION AGENDA
Monday, April 3, 2023
Council Chambers, 1175 E Main Street**

**View on Channel 9 or Channels 180 and 181 (Charter Communications)
or live stream via rvtv.sou.edu select RVTV Prime.**

HELD HYBRID (In-Person or Zoom Meeting Access)

For written public testimony, email public-testimony@ashland.or.us
using the subject line: Ashland City Council Public Testimony

For public oral testimony, fill out a Speaker Request Form at ashland.or.us/speakerrequest
and return to the City Recorder at melissa.huhtala@ashland.or.us

5:30 p.m. Study Session

- 1. Public Input (Up to 15 minutes)**
- 2. Ashland Fiber Network (AFN) Business Plan Presentation**
- 3. Ashland Fire and Rescue Business Plan Presentation**
- 4. Adjournment of Study Session**

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Manager's office at 541.488.6002 (TTY phone number 1.800.735.2900). Notification 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to the meeting (28 CFR 35.102-35.104 ADA Title I).



Council Business Meeting

Date April 3, 2023

Agenda Item	Ashland Fiber Network (AFN) - Business and Technology Planning Presentation	
From	Jason Wegner Chad Sobotka	Director of Innovation and Technology AFN Operations Manager
Contact	jason.wegner@ashland.or.us, chad.sobotka@ashland.or.us,	

SUMMARY

The Ashland Fiber Network (AFN) provides tremendous value to the City of Ashland. Taxpayers, local businesses, and municipalities throughout the Rogue Valley benefit from our presence. We are a viable alternative to Spectrum and CenturyLink, excel at customer service, and provide significant cost savings to the taxpayers, the City of Ashland, and local businesses.

AFN is a hybrid fiber-coax (HFC) network. Fiber is connected to each of our 38 cable modem nodes. At the node, the fiber is converted to coax which is run to every customer. We currently have 65 miles of fiber and over 125 miles of coax.

Three options for the future of AFN

1. Self-funded full deployment (current model)
2. Non-traditional Public-Private Partnership (network still owned and maintained by the City)
3. Traditional Public-Private Partnership (network owned and maintained by our private partner)

Option 1: Obtain funding to deploy fiber city-wide

This option presents the most risk to the City and also the most reward. For a timely deployment, we will need to hire a third-party company to build the network. We believe it will take 3 to 4 years to connect every building in Ashland to the new all-fiber network at a cost of \$8 to \$10 million.

To help mitigate the risk, we recommend a pilot project first. We will need to bring on temporary staff provided by the union hall to assist with construction. We will connect a maximum of 1024 homes and businesses through four remote OLTs. We anticipate this project will cost between \$885,000 and \$1 million and will take 2 years to complete. The four remote OLTs will be deployed in a wide variety of neighborhoods. This pilot project will allow us to better estimate take rates and build public support for a widespread deployment.

	Vendor 1	Vendor 2
OLT/ONT	\$259,040	\$188,698
Residential Router	\$259,040	\$188,698
Fiber	\$208,000	\$208,000
Labor	\$300,000	\$300,000
Total	\$1,026,080	\$885,396

This table shows pricing from two vendors for the active electronics. The four OLTs will be deployed in the field and the ONTs will be installed at each customer location.

Option 2: Non-traditional Public-Private Partnership

A typical Public-Private Partnership (P3) involves the private company financing, building, and operating a fiber network. Since the City has the staff and experience operating a broadband network, we will likely partner with a private company to assist with financing and building the fiber network. In this approach, the private company will be responsible for designing the fiber layout, purchasing all outside plant materials (fiber, splice cases, optical splitters, etc.), and providing the labor. The City will be responsible for purchasing the active electronics (OLT/ONT). We will continue to operate and maintain the network once it is built. In this option, the city will continue to own the customer revenue base.

It will be difficult to find a private partner who is willing to enter this type of business relationship. Most fiber construction companies are busy building out their own networks, especially with the federal government grants for rural broadband.

In the following table we have provided two examples of how the financial arrangement might be structured. In both scenarios, the City will pay a yearly fee and a per customer fee for 10 years to the private partner.

	Vendor 1		Vendor 2	
OLT/ONT	\$2,660,000		\$1,850,000	
Residential Router	\$804,000		\$636,000	
City Total	\$3,464,000		\$2,486,000	
Supplies	\$2,000,000	\$4,000,000	\$2,000,000	\$4,000,000
Labor	\$2,000,000	\$3,000,000	\$2,000,000	\$3,000,000
Private Partner Total	\$4,000,000	\$7,000,000	\$4,000,000	\$7,000,000
Grand Total	\$7,464,000	\$10,464,000	\$6,486,000	\$9,486,000

This table shows the cost estimate for a non-traditional P3. The top section in green shows the cost to the city. The bottom section in orange shows the potential cost to our private partner.

The following two tables provide cost estimates and payout schedules.

	Annual Payment	Customer Count	Payment per Customer	Yearly Payment Total
Year 1	\$250,000	2000	\$5	\$120,000
Year 2	\$250,000	2000	\$5	\$240,000
Year 3	\$250,000	2000	\$5	\$360,000
Year 4	\$250,000	600	\$5	\$396,000
Year 5	\$250,000	400	\$5	\$420,000
Year 6	\$250,000	200	\$5	\$432,000
Year 7	\$250,000	200	\$5	\$444,000
Year 8	\$250,000	200	\$5	\$456,000
Year 9	\$250,000	200	\$5	\$468,000
Year 10	\$250,000	200	\$5	\$480,000
Totals	\$2,500,000	8000		\$3,816,000
Grand Total				\$6,316,000

	Annual Payment	Customer Count	Payment per Customer	Yearly Payment Total
Year 1	\$250,000	2000	\$10	\$240,000
Year 2	\$250,000	2000	\$10	\$480,000
Year 3	\$250,000	2000	\$10	\$720,000
Year 4	\$250,000	600	\$10	\$792,000
Year 5	\$250,000	400	\$10	\$840,000
Year 6	\$250,000	200	\$5	\$744,000
Year 7	\$250,000	200	\$5	\$648,000
Year 8	\$250,000	200	\$5	\$552,000
Year 9	\$250,000	200	\$5	\$540,000
Year 10	\$250,000	200	\$5	\$540,000
Totals	\$2,500,000	8000		\$6,096,000
Grand Total				\$8,596,000

These tables show two potential profit-sharing models.

Option 3: Traditional Public-Private Partnership

This option presents the least risk to our private partner and the most risk to the city. This option represents a typical Public-Private Partnership (P3). Cities who enter a P3 typically receive money through franchise agreements. Most franchise agreements are for 7% of gross revenue minus the cost of any services provided to the municipality. Conservatively, the net value AFN provides the city is \$767,770 (refer to the table on page 6 for details). Assuming the private partner has a typical franchise agreement, they will need to gross nearly \$11 million dollars (7% of \$11 million is \$770,000). A private partner may also value fiber services at a higher rate (which is standard in the Rogue Valley). AFN currently grosses \$2.7 million.

This is the text from Central Point's franchise agreement with Hunter. AFN has a similar arrangement with the City of Medford.

*Grantee shall make its telecommunications services available to the City at its most favorable rate offered at the time of the request charged to a similar user within Oregon for a similar volume of service, subject to any of Grantee's tariffs or price lists on file with the Oregon Public Utilities Commission. **Grantee may deduct the applicable charges from franchise fee payments.** Other terms and conditions of such services may be specified in a separate agreement between the City and Grantee.*

POLICIES, PLANS & GOALS SUPPORTED

AFN is unique because it is one of the few municipally owned and operated service providers in the nation. It is extremely rare to find an internet service provider that has a fiduciary responsibility to their customers. We also have an incredible team that provides superior technical support.

Digital equity and inclusion are a top priority. During the pandemic, we offered free internet service for students and teachers until classes returned to in-person learning. We believe that all citizens are entitled to high quality internet service. This summer we started a pilot program using technology to provide fiber services to apartment complexes. We connected Snowberry Phases I and II (Jackson County Housing Authority) to this service. We offer reduced internet service to those in need (\$25/month). That price will not increase when we deploy fiber. We also offer free wireless internet connections throughout the downtown corridor.

PREVIOUS COUNCIL ACTION

From its inception, the Ashland Fiber Network was a bold idea, developed by a community of visionary leaders. Ashland became one of Oregon's pioneers in municipal broadband, developed partnerships with local businesses for construction, and spawned several local internet service providers to assist with sales and customer support. Indirectly, AFN was an economic driver for the community that brought many businesses into the area. Symbolically, AFN served as a beacon to forward thinking people who were attracted to Ashland as a location to create clean businesses and perform digital jobs; residents saw a city with vision, committed to its people, and willing to invest in their future.

Today, AFN continues to receive awards and recognition from state and regional organizations for leadership in delivering broadband internet to their local community. AFN was recognized by other state telecom members with an Excellence in Telecommunications Award for 2021. Despite the introduction of legislation in many states to prevent competition by municipally owned networks, at least 177 other cities either own, or are in the process of constructing their own fiber networks. Over its history, Ashland has been hailed as a pioneer on the path to the smart city of the future.

In 2020, the onset of the pandemic highlighted how even residential access to the internet had become critical for both schools and businesses. Because AFN's mission is based on putting community first, they offered an unprecedented, free cable-modem installation and service plan – for over a year – so that no local students or faculty were excluded from at-home learning, during the 2020 peak of the pandemic. When the Alameda Fire temporarily left AFN as the only operational broadband provider in Ashland for a week, AFN demonstrated the value of having a local team dedicated to their community who – even in the event of a statewide or national emergency – has no higher priority than Ashland families, businesses, and government.

This highlights an aspect of AFN that is seldom recognized: From the beginning, the sole objective of municipal broadband has been to serve the community. All of AFN's operational decisions are made in Ashland, for the benefit of the Ashland community. No competitor can make that claim.

This serve-the-community focus is reflected in every operational decision of AFN. While some providers look for opportunities to monetize customer information or online behaviors, AFN strives to provide customers with the fastest, most consistent, and most economical access to the Internet possible, while covering operational costs and paying down infrastructure build-out debt. These are core values the Ashland community should keep in mind, while investigating new to carry AFN into the future.

BACKGROUND AND ADDITIONAL INFORMATION

Terminology

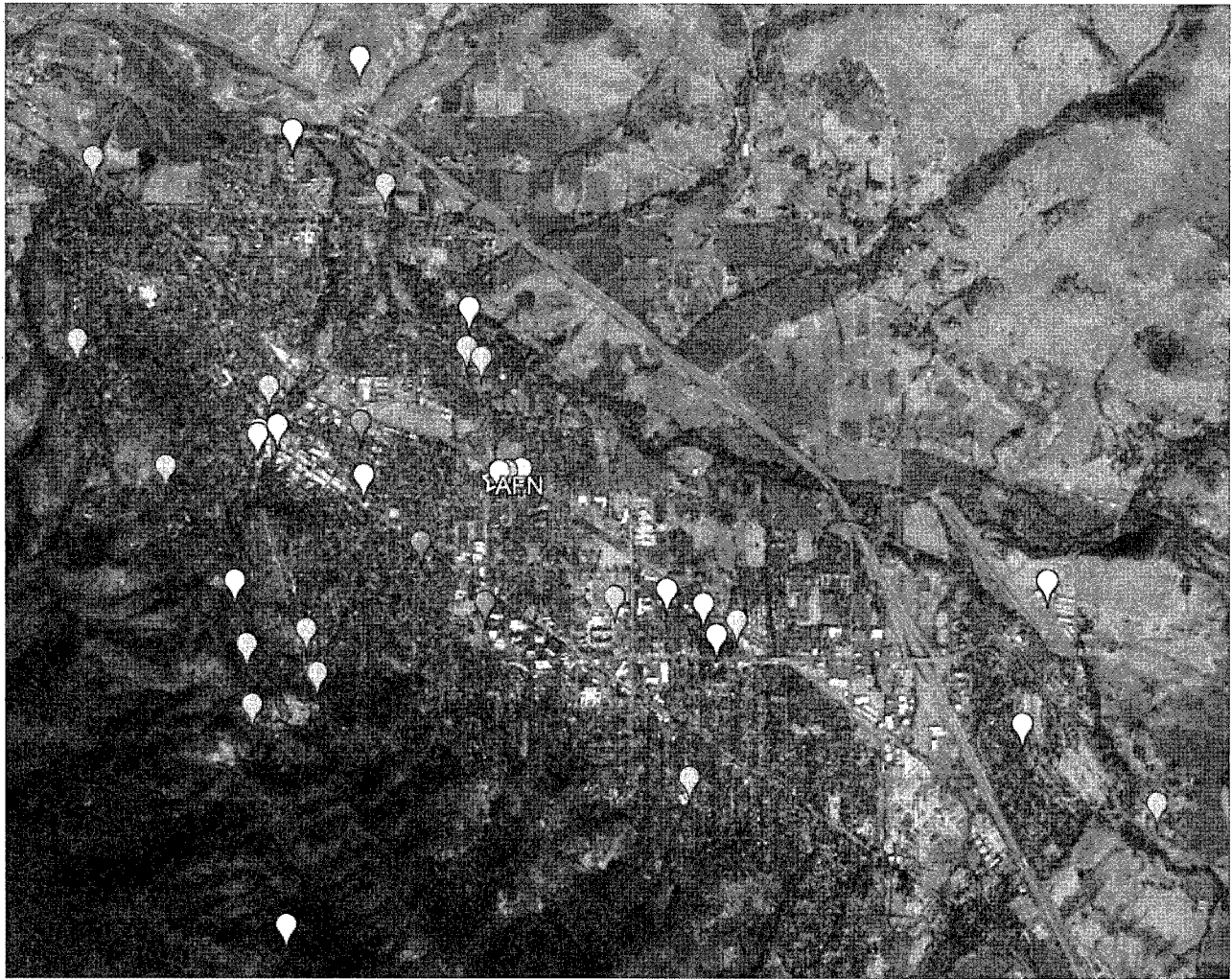
- **Dark fiber:** Dark fiber is when a service provider leases a dedicated strand or strands of fiber to a customer for their sole use. Dark fiber means the service provider will not “light” the fiber with their equipment. Dark fiber typically costs more than lit service because the service provider must dedicate a single strand to a single customer.
- **Lit service:** Lit service means the service provider supplies the equipment to connect the fiber to the customer, usually through a network switch. Lit service has two options: internet service (also called DIA) and point-to-point (connecting two locations with no internet access). Lit service is often connected to a fiber ring where a single strand serves multiple customers.
- **GPON:** Gigabit Passive Optical Network. Internet technology that uses prisms (Passive) to split the laser light (Optical) to deliver Gigabit internet service to multiple customers. Since the cost is shared among up to 64 customers, profit margins are greater than lit service.
- **XGS-PON:** The latest GPON standard. XGS-PON delivers up to 10 gigabit symmetrical service.
- **ONT:** Optical Network Terminal. Sometimes referred to as an ONU (Optical Network Unit). This is the GPON equivalent of a cable modem. It is installed at the customer premises and converts fiber into Ethernet. The customer plugs their wireless router into the ONT.
- **OLT:** Optical Line Terminal. Up to 64 customers connect to a single OLT port. There are multiple OLT ports on a network device. Also referred to as a PON port.
- **Remote OLT:** This device contains anywhere from 4 to 8 OLT ports in a hardened (weather sealed) enclosure. The remote OLT can be pole or strand mounted and is powered by our existing cable node power supplies. Anywhere from 256 to 512 customers will connect to each remote OLT.

Municipal Services Provided

AFN provides 47 strands of fiber to the city:

Fiber for City Services	
Fiber for City Buildings	27
Fiber for SCADA	17
Fiber for RVTV	2
Fiber for APD to Medford	1
Total number of strands	47

AFN also provides the City with redundant internet connections and as many public IP addresses as they need. AFN does not charge an installation fee for City fiber projects. We bill the department for raw materials (fiber, splice cases, etc.) but do not mark-up our costs.



This map of Ashland shows every fiber connection provided to the city. White markers are City buildings. Aqua markers are SCADA. Dark blue are current fiber projects. Green markers are for RVTV.

FISCAL IMPACTS

Value of Municipal Service

To calculate the value of services AFN provides the City, we have researched previous fiber contracts between the City and other service providers, current contracts with other municipalities, franchise agreements, and fiber pricing within Oregon and across the country. Using this information, each strand of dark fiber that AFN provides the City is valued between \$400 to \$900 per month. The value of the multiple redundant 1 gigabit internet connections (DIA) is valued between \$1,500 to \$2,000 per month.

In addition to fiber services, AFN also contributes \$584,170 to the city each year in the form of central services fees, facility fees, and maintenance fees. Please refer to the following table for the breakdown of services and fees.

Customer/Provider	Service	Monthly Cost
Ashland Police Department	Point-to-point lit fiber (100 megabit)	\$648
Ashland Police Department	Dark fiber	\$864
City of Medford	Point-to-point lit fiber (100 megabit)	\$355
City of Medford	Point-to-point lit fiber (100 megabit)	\$408
City of Medford	1 Dark fiber & 1 point-to-point lit fiber (1 gigabit)	\$1,286
City of Medford	BGP internet service (100 megabit)	\$1,800
Medford Water Commission	DIA (1 gigabit)	\$1,699
Medford Water Commission	DIA (1 gigabit)	\$1,789
Medford Water Commission	DIA (1 gigabit)	\$915
Medford Water Commission	DIA (100 megabit)	\$495
Medford Water Commission	DIA (1 gigabit)	\$600
Private school	DIA (1 gigabit)	\$1,100
City of Tualatin	Point-to-point lit fiber	\$600
Clackamas Broadband eXchange (CBX)	Dark fiber	\$255
Eugene Water and Electric Board (EWEB)	Dark fiber	\$31.70 per mile
Tennessee Valley Public Utility	Dark fiber	\$1,000 - \$2,000 per mile
Palo Alto Utilities	Dark fiber	\$213 - \$425 per mile

This table shows the pricing for fiber services in select markets. The top section in orange shows pricing for fiber customers in the Rogue Valley. The bottom section in green shows service provider prices from around Oregon and other locations. CBX and EWEB are both public utilities that were formed to provide the lowest cost services to public entities. CBX estimates that it saves taxpayers over \$2 million each year.

Gross and Net Value of Services and Fees	
Number of strands used	47
Monthly value of each strand	\$400 - \$900
Total monthly value of all strands	\$18,800 - \$42,300
Monthly value of DIA circuit	\$1,500 - \$2,000
Total monthly value of all services	\$20,300 - \$44,300
Yearly value of all services	\$243,600 - \$531,600
Yearly central services fee	\$467,068
Yearly facility use fee	\$83,519
Yearly fleet maintenance fee	\$33,582
Total of all fees	\$584,170
Gross value of all services & fees	\$827,770 - \$1,115,770
Yearly fee paid by the City to AFN	\$60,000
Net value of AFN services & fees	\$ 767,770 - \$1,055,770

*This table shows the breakdown of all services and fees provided by AFN. This does **not** include the \$518,816 that AFN contributes to the debt.*

Ashland School District

AFN provides multiple services to the Ashland School District:

- 2x10 Gbps internet connection
- Network rack in our head-end
- 17 strands of fiber

The value of these services is listed in the table below:

School District Services	
Number of strands used	17
Monthly value of each strand	\$450 - \$900
Total monthly value of all strands	\$7,650 - \$15,300
Monthly value of DIA circuits	\$2,500 - \$3,500
Monthly value of rack	\$1000
Total monthly value of all services	\$11,150 - \$19,800
Yearly gross value of all services	\$133,800 - \$237,600
Yearly fee paid by ASD	\$12,000
Net value of AFN services	\$121,800 - \$225,600

Local Businesses

Local businesses also benefit from AFN's presence in town. Spectrum's least expensive business plan costs \$65 per month for the first year. The full retail price for their business internet is \$80 (non-bundled).

Value Provided to Local Businesses	
Estimated number of AFN cable modem customers	418
Average monthly cost savings for cable modem customers	\$15 - \$25
Total yearly savings for business customers	\$75,904 - \$127,009

This table shows the estimated savings provided by AFN to local businesses.

Total Value of AFN

Conservatively, AFN saves the local taxpayers and businesses almost \$1.2 million each year.

Total Yearly Value of AFN	
Net value of municipal services and fees	\$767,770 - \$1,055,770
Net value of services for ASD	\$119,400
Yearly savings for businesses	\$255,600
Total value of AFN	\$1,161,257

Revenue Forecasts

For the fiscal year of 2021, AFN's revenue from cable modem service was \$2,371,495. The monthly average number of cable modem customers was 4,098. The Average Revenue Per User (ARPU) for 2021 was \$48 per month. AFN has captured about 35% of the market share in Ashland.

We anticipate a slightly higher ARPU for GPON. The ARPU increases as customers upgrade to higher tier service plans.

Year	2021	2022	2023	2024	2025	2026	2027
Customer Count	4098	4142	4183	4246	4289	4417	4550
Cable Modem Ct	4098	4142	4142	4034	3860	3755	3185
GPON Ct	0	0	42	212	429	663	1365
Cable Modem ARPU	\$48	\$51	\$51	\$51	\$52	\$52	\$52
GPON ARPU	\$0.00	\$0.00	\$50	\$50	\$51	\$51	\$52
Market Share	34.15%	34.52%	34.86%	35.38%	35.74%	36.81%	37.92%
Yearly Revenue	\$2,371,495	\$2,514,755	\$2,559,751	\$2,596,109	\$2,670,961	\$2,748,439	\$2,839,082

Year	2028	2029	2030	2031	2032	2033	2034
Customer Count	4823	5112	5163	5215	5267	5320	5373
Cable Modem Ct	2411	1534	774	0	0	0	0
GPON Ct	2411	3579	4389	5215	5267	5320	5373
Cable Modem ARPU	\$52	\$52	\$52	\$0	\$0	\$0	\$0
GPON ARPU	\$52	\$52	\$52	\$52	\$52	\$52	\$52
Market Share	40.19%	42.60%	43.03%	43.46%	43.89%	44.33%	44.77%
Yearly Revenue	\$3,009,427	\$3,189,992	\$3,221,892	\$3,254,111	\$3,286,652	\$3,319,519	\$3,352,714

STAFF RECOMMENDATION

To remain competitive, we recommend upgrading AFN from hybrid fiber-coax network to one that is 100% fiber (GPON). This is what is known as "fiber to the home." Fiber is a future proof medium. The same strand of fiber that delivered 1 gigabit service yesterday delivers 10 gigabit service today, 25 gigabit service in five years, and 100 gigabit service in ten years. To achieve this, staff recommends pursuing option #1, deploying fiber through a pilot project, which is the lowest cost and presents the least amount of risk. We anticipate this project will cost between \$885,000 and \$1 million and will take 1 to 2 years to complete. Funding sources will need to be identified before proceeding.

REFERENCES & ATTACHMENTS

NA



Problems with 5G

Part 1: Health Effects

Part 2: Environmental Effects

[Including specific links to sources]

Part 1: Health Effects

How much do you think public exposure to **Microwave Radiation (RF)** has increased since the **1940's**? **100** times? **1,000** times? Actually, according to NASA's data, it's increased more than **1,000,000,000,000,000,000** (10^{18}) times – a **million million million** fold.

During that time scientific studies have provided clear evidence that levels of **RF** - **much, much less** than what **smart phones** emit – cause harmful effects in animals, ranging from free radical damage to cancer, including neurological damage and leaking of the blood brain barrier.

Recent research has also shown that **as data rates increase** and as **RF wavelengths shorten** - as both do with **5G** - **harmful biological effects also increase**. Because of the **absence** of any **precautionary human safety testing** for **5G**, the general population has become unwitting guinea pigs.

Does any epidemiological evidence indicate for example, **that humans already suffer from the same harmful neurological damage** from **RF** that animals do?

Yes. In children, unprecedented worldwide increases in Autism, and **in adults**, of Early-Onset Dementia. According to a **2020 Blue Cross Blue Shield** report, in the **4 years** between 2013 and 2017, **Early-Onset Dementia and Alzheimer's Disease** combined diagnosis rates **TRIPLED** for adults aged 30 to 64. <https://www.bcbs.com/the-health-of-america/reports/early-onset-dementia-alzheimers-disease-affecting-younger-american-adults>

For more information with links to sources, check out:
https://www.academia.edu/44019191/Argument_Against_5G_For_FCC_Docket_No_20_52

Part 2: Environmental Effects

In **2019** *New Scientist* reported on a subject ignored by mainstream media - the increasing impact that digital technologies have on the carbon footprint, at that time **4%** of human greenhouse gas emissions.

5G not only greatly increases harmful human exposure to **RF**, it adversely affects **CLIMATE CHANGE**. In 2019, the Shift Project projected that the environmental impact of digital technologies would double by 2025 - up to **8%**, **2,400 million tons of CO₂**.

Given the radical increase in use of digital technologies because of pandemic restrictions, this doubling may have already occurred. And **the higher the data rate** - as with **5G** - the greater the environmental cost. In fact, *New Scientist* quoted Professor Chris Preist, who in essence recommended the opposite of **5G**:

*"For individuals, upgrading our devices less often, owning less devices **and not demanding mobile high-quality internet connection everywhere** are probably the most important actions we can take."*

5G's environmental impact doesn't seem limited to climate change. Not only will humans become exposed for the first time to **higher frequency microwaves**, so will every land-based species on Earth. And **5G** also **doubles down** on **RF** frequencies already in use. Insects, such as bees, flies, and ants, already harmed by environmental RF, because of their small size have far greater vulnerability to 5G frequencies. And even without **5G**, insect populations worldwide have drastically declined.

For more information with links to sources, check out:
https://www.academia.edu/44019191/Argument_Against_5G_For_FCC_Docket_No_20_52

Electromagnetic Hypersensitivity (EHS) and

World Health Organization:

A. International Classification of Diseases (ICD-10)

B. International Classification of Functioning, Disability and Health (ICF)

A. International Classification of Diseases (ICD-10):

ICD-10 codes for Electromagnetic Hypersensitivity require two or more codes.

(The term "Electromagnetic Hypersensitivity (EHS)" is not usually used at present.)

Instead EHS should be classified under: (1) cause (W90) and (2) effects (various):

(1) ICD-10 W90: Exposure to other nonionizing radiation

- W90: for illness/injury resulting from exposure to radio-frequency radiation.

<http://apps.who.int/classifications/icd10/browse/2010/en#/W90>

(2) Other ICD-10 codes for the illnesses/injuries caused by the exposure to EMF radiation

e.g.:

- ICD-10 G43 for migraine:
<http://apps.who.int/classifications/icd10/browse/2010/en#/G43>
- ICD-10 R42 for dizziness and giddiness:
<http://apps.who.int/classifications/icd10/browse/2010/en#/R42>
- ICD-10 H93.1 for tinnitus:
<http://apps.who.int/classifications/icd10/browse/2010/en#/H93.1>

B. International Classification of Functioning, Disability and Health (ICF):

ICF CHECKLIST - Version 2.1a, Clinician Form

<http://www.who.int/classifications/icf/icfchecklist.pdf?ua=1>

for disability benefits, ill-health pensions etc.

You must state your disability **in the presence of EMF radiation**, e.g.:

- "my vision is so badly affected that it would be unsafe for me to take charge of a group of 8yr olds whilst on a school trip in a busy city",
- "my thoughts become so jammed in the presence of EMF Wifi in the hospital that it would be unsafe for me to administer drugs to my patients in hospital"

Further details:

PART 2: ACTIVITY LIMITATIONS & PARTICIPATION RESTRICTION

- Activity is the execution of a task or action by an individual. Participation is involvement in a life situation.
- Activity limitations are difficulties an individual may have in executing activities. Participation restrictions are problems an individual may have in involvement in life situations.

The **Performance qualifier** indicates the **extent of Participation restriction** by describing the person's **actual performance** of a task or action **in his or her current environment**. Because the current environment brings in the societal context, performance can also be understood as "involvement in a life situation" or "the lived experience" of people in the actual context in which they live. This context includes the environmental factors – all aspects of the physical, social and attitudinal world that can be coded using the Environmental. The Performance qualifier measures the difficulty the respondent experiences in **doing things, assuming that they want to do them**.

The **Capacity qualifier** indicates the **extent of Activity limitation** by describing the **person's ability** to execute a task or an action. The Capacity qualifier focuses on limitations that are inherent or intrinsic features of the person themselves. These limitations should be direct manifestations of the respondent's health state, **without the assistance**. By assistance we mean the help of another person, or assistance provided by an adapted or specially designed tool or vehicle, or any form of environmental modification to a room, home, workplace etc.. The level of capacity should be judged relative to that normally expected of the person, or the person's capacity before they acquired their health condition.

PART 3: ENVIRONMENTAL FACTORS

- Environmental factors make up the physical, social and attitudinal environment in which people live and conduct their lives.

Qualifier in environment, Barriers or facilitator: 0 No barriers

1 Mild barriers

2 Moderate barriers

3 Severe barriers

4 Complete barriers

0 No facilitator

+1 Mild facilitator

+2 Moderate facilitator

+3 Substantial facilitator

+4 Complete facilitator



Ashland Fiber Network – Value and Options Summary

AFN's Goals

- Bring value to the community
- Provide internet service that is:
 - ✓ high quality
 - ✓ reliable
- Offer competitive pricing and speed
- Increase digital equity and inclusion
- Implement “green” technologies to reduce carbon footprint
- Deploy fiber to every home and business in Ashland
 - Gigabit Passive Optical Network (GPON)



AFN's Value

- Our name brand: AFN is recognized and trusted.
- Our staff: We excel at customer service.
- Our customers: We have a loyal customer base 4000+ strong.
- Our mission:

"To provide quality, dependable internet service to the citizens of Ashland at reasonable rates. Our board of directors are the City Council; our shareholders are the community."



AFN's Status

- The network is almost 25 years old
 - No large capital investment in AFN since its inception
 - Deteriorating coaxial network equipment
 - Difficult to find replacement parts
 - Not cost effective to repair
 - Dated technology
- AFN debt retiring soon
 - Last payment July 2024
- Market share at 35%

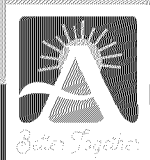
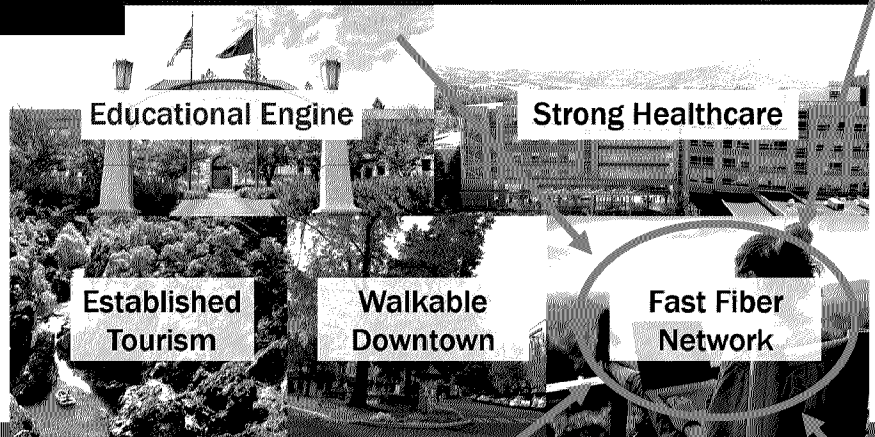


Ashland Economic Diversification

Ashland City Council Meeting
October 3 - 2022

ECONorthwest
ECONOMICS • FINANCE • PLANNING

What are Ashland's greatest strengths?



Benefits to the community

- AFN provides services at a lower rate than the private sector:
 - Least expensive consumer base service:
 - Spectrum is \$79.99
 - AFN is \$50
 - Avg. dark fiber in the Rogue Valley (dedicated customer line):
 - Spectrum & Hunter avg. \$800 to \$1000 per month
 - City of Ashland pays \$100 per month under AFN
 - Gigabit fiber internet connection:
 - Spectrum & Hunter avg. \$1000 to \$1800 per month
 - City of Ashland pays \$100 per month from AFN for this service.

Spectrum pricing source 1: <https://www.spectrum.com/policies/spectrum-broadband-disclosure>
Spectrum pricing source 2: <https://www.spectrum.com/policies/rate-card>



Savings to Ashland Community

- The estimated yearly costs savings* are:
 - City of Ashland \$770,000 – \$1 million
 - Ashland School District \$120,000 – \$235,000
 - Local Businesses \$75,000 – \$130,000

Total Annual Savings: \$900,000 to \$1.3 million
- More expensive for the City of Ashland to purchase network services from a private provider

*Does not include residential customer savings



Savings to Ashland Community

- 20 Year Net Present Value of the Community Benefit* (NPV):
 - Discount rate 3.8%
 - Yearly avg. community benefit \$1.2 million
 - Net present value \$20.1 million
 - Net community benefit of next investment \$10 million
 - Net Present Value \$10.1 million

*Does not include residential customer savings



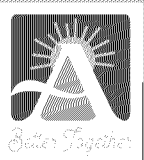
The Future of AFN

- Business Model
 - Cost-Benefit Analysis
- Business Decision
- Next Steps



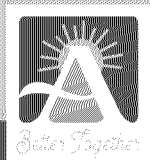
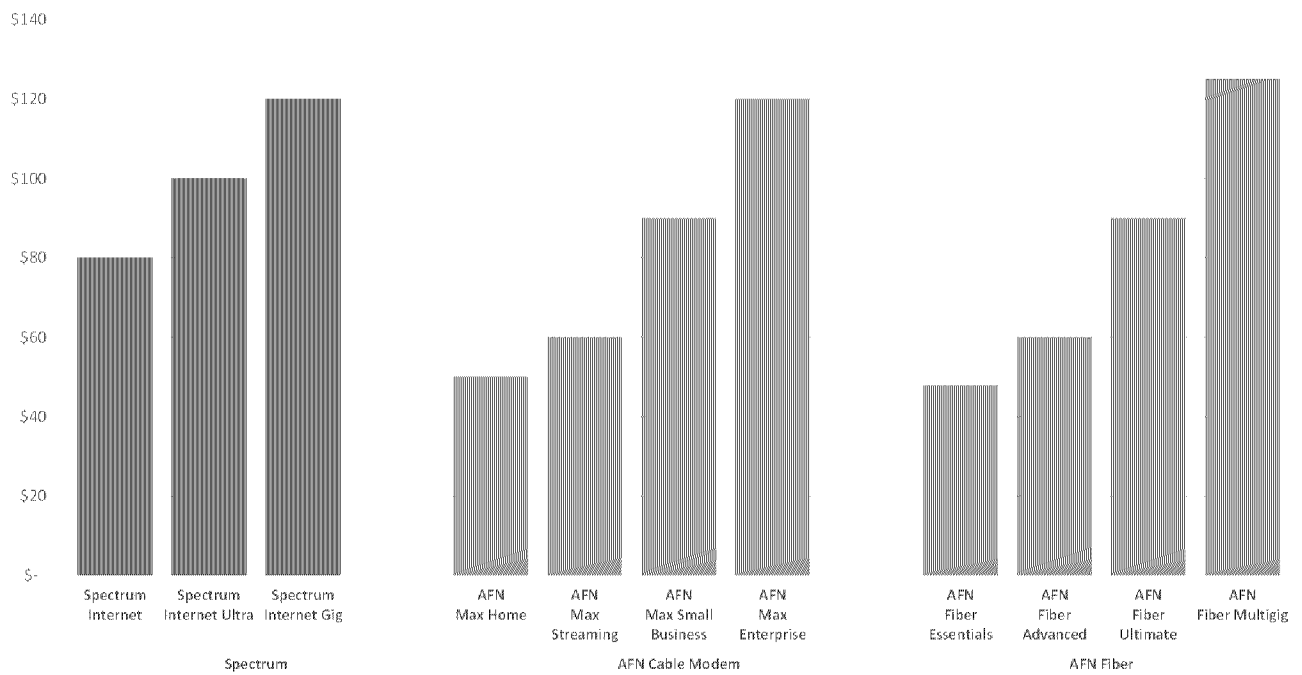
Business Model – Assumptions

- Market share in 2045 ranges from 55% to 60%
- Expenditure inflation from 0.5% to 1% year-over-year through 2045
- Loan interest rate is 4%
- Maintain current pricing approach
- Staff increases from 5 to 9
- Assertive financial model includes Franchise Fee to City
- Loan split between departments (using historic split):
 - 50% AFN
 - 34% Electric
 - 8% Water
 - 8% Wastewater



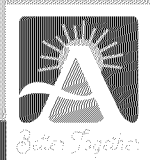
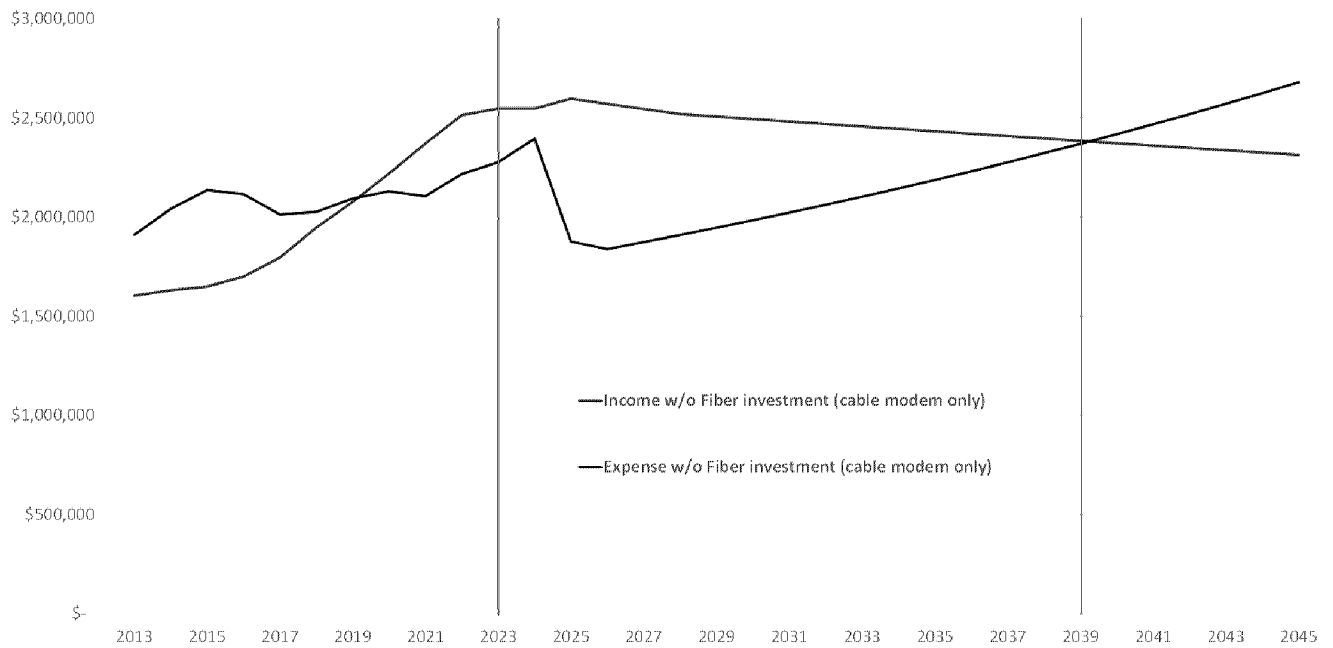
Business Model – Assumptions

Consumer Internet Price Comparison



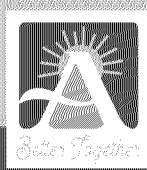
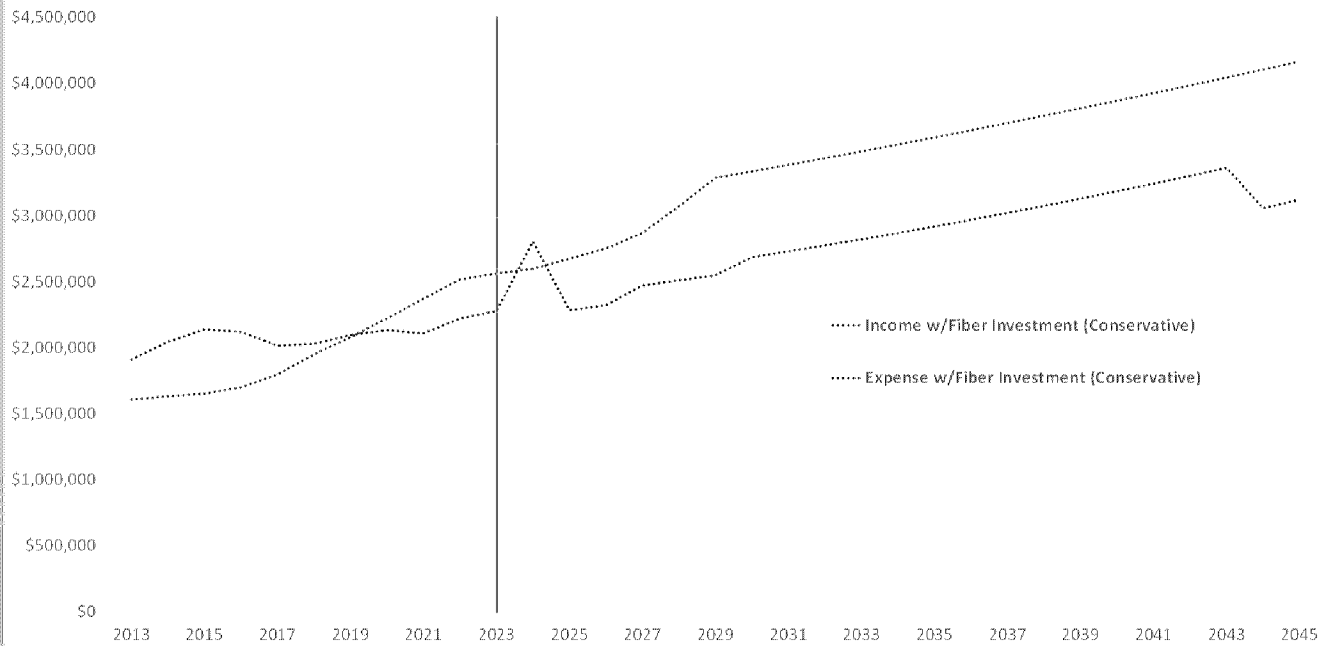
Business Model – Outcomes

No Fiber Investment (cable modem only), Fiscal Year Income & Expense
2013 - 2045



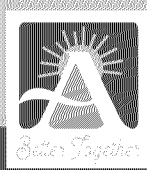
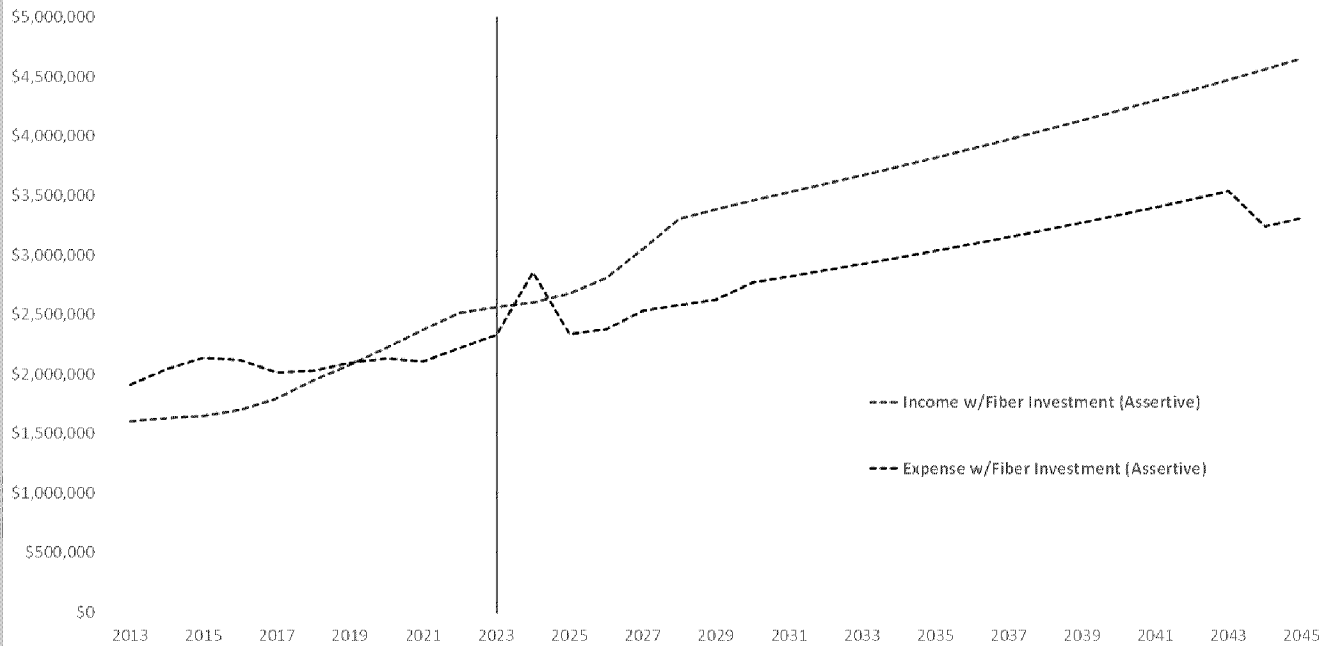
Business Model – Outcomes

Fiber Fiscal Year Income & Expense (Conservative)
2013 - 2045



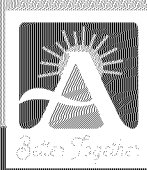
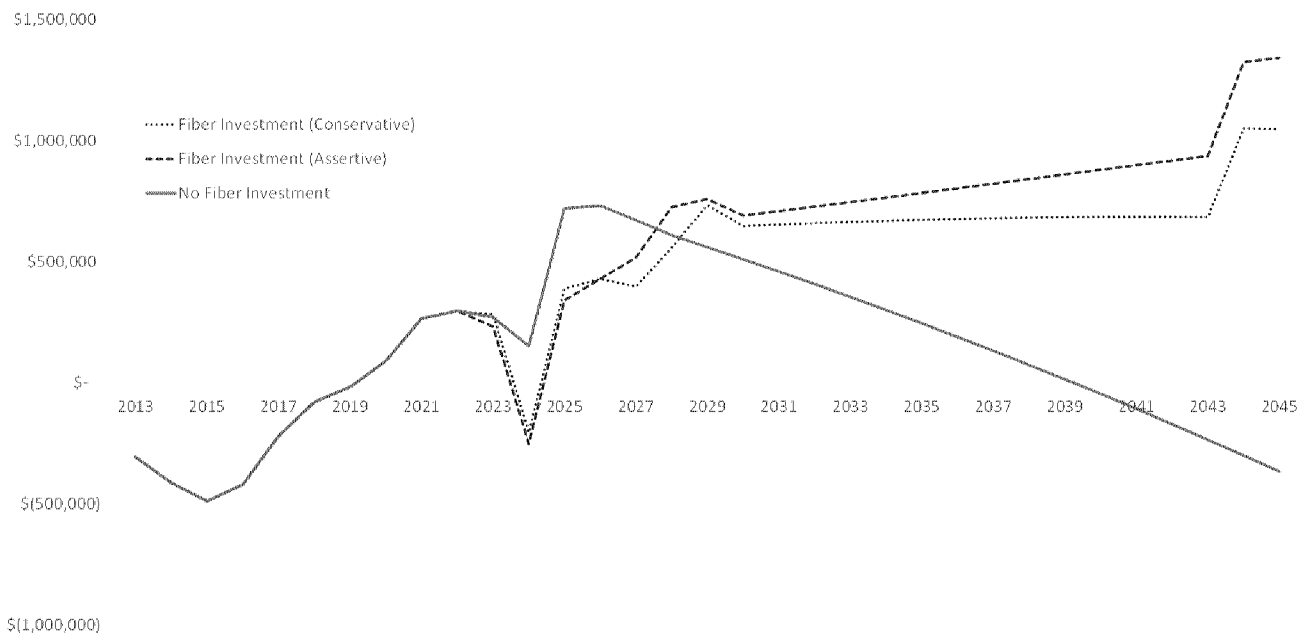
Business Model – Outcomes

Fiber Fiscal Year Income & Expense (Assertive)
2013 - 2045



Business Model – Outcomes

Net Income, All Three Models
2013 - 2045



Business Decision – Cost-Benefit Analysis

- 20 Year Net Present Value (NPV):
 - Discount rate 3.8%
 - Loan \$10 million
 - Estimated yearly cash flow (net) \$755,000
 - Net Present Value \$310,000

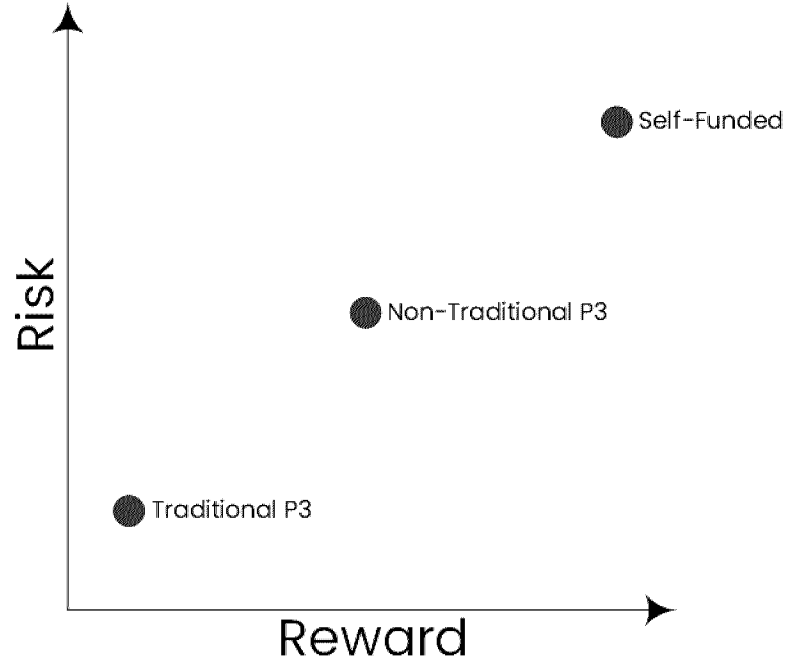


Business Decision – Financing

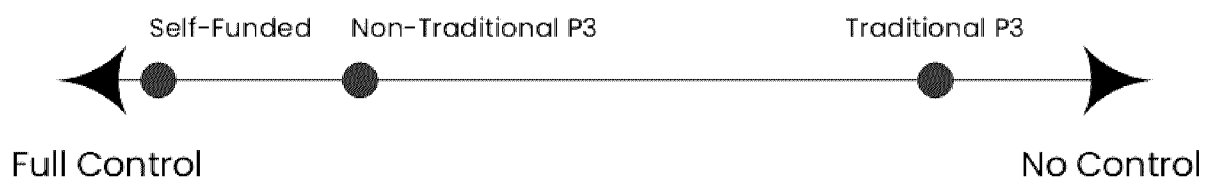
- Options
 - Self-funded full deployment (current model, assumes debt issuance)
 - Non-traditional Public-Private Partnership (P3)
 - Traditional Public-Private Partnership (P3)



Business Decision – Risk vs. Reward



Business Decision – Control of AFN



Business Decision – Assumptions

- Ashland is a small market (pop. 21,607 & 10,052 households)
- Potential private partners may be busy deploying their systems
- Attracting a private partner may require investment by the City
- Full deployment is estimated to cost the City \$8 to \$10 million



Business Decision – Self-funded Deployment

- City pays for everything
 - 2 year pilot to verify business model
 - \$1 million for the pilot project
- Need a funding source (bond, traditional loan, inter-department loan)
- Funding can be staggered (don't need all the money upfront)
- Can decrease deployment time by using a contractor
- Full deployment time 2 to 3+ years
- Highest risk, highest reward for City



Business Decision – Non-Traditional P3

- Private Partner
 - Builds out fiber network at its expense/risk
 - Repayment by City via fixed annual fee plus monthly customer fees
 - Estimated cost to the partner is \$4 to \$7 million
 - Will be very difficult to find a private partner willing to take the risk
- City
 - Purchases all active network equipment
 - Estimated cost to the City is \$2.5 to \$3.5 million
 - Continues to operate AFN
 - Moderate/middle risk option for City



Business Decision – Traditional P3

- Long-term contract with a Private Partner
 - Builds out the network at their expense/risk
 - Provides all services (billing, customer service, network operations)
 - Owns the customer base/relationship
- City
 - May need to help pay for fiber rollout
 - May not see any revenue or it may be discounted by services received
 - May not control/dictate service pricing
 - May lose control/ownership of all outside plant assets
 - Lowest risk option for City



Business Decision – Comparisons

- **Chattanooga, TN** (public utility owned)
 - 180,000 homes and businesses connected
 - Competes against Comcast
 - Went from 30% market share to 75%
 - Did not hire a consultant
 - Relied on grassroots efforts to gain customers
 - Economic benefit of \$2.7 billion and 9,500 additional jobs
- **Sandy, OR** (municipal owned)
 - Population of 12,700
 - Competes against Wave Broadband (cable) & Ziplify Fiber (DSL)
 - Market share is 78%
 - Did not hire a consultant
 - Number 1 source of new customers is through utility sign-up



Next Steps

- Pilot program
- Prove feasibility
- Financing



Questions?



Dana Smith

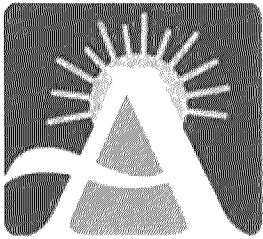
From: Chad Sobotka
Sent: Monday, April 3, 2023 1:27 PM
To: City Council
Subject: Fw: AFN presentation at Monday's study session
Attachments: Council Questions.docx

Councilors,

Bob emailed me a list of questions regarding the AFN presentation that is scheduled tonight. Attached are the questions as well as staff answers. Please let me know if you have any other questions or comments.

Thank you,

Chad Sobotka, AFN Operations Manager



Better Together

City of Ashland

Department of Innovation and Technology

90 N Mountain Ave, Ashland, Oregon 97520

541-552-2402 | TTY 800.735.2900

chad.sobotka@ashland.or.us

- 1) **Competitiveness.** The staff recommendation is to upgrade from hybrid fiber-coax to 100 percent fiber to remain competitive. Would you please clarify what you mean by that?

We have two 144-count rings of fiber that run throughout town. Our current network design is "fiber to the node". At each node, the fiber converts into coaxial cable. Customers connect to AFN via this coax cable. Our goal is to replace all coax with fiber. Every home will have the ability to connect to our new all-fiber network.

- Is Charter also upgrading to 100 percent fiber and that's why we need to upgrade too? Or is AFN's current hybrid fiber-coax infrastructure and service degraded, so the \$8-10 million is more like "deferred maintenance," and we need to upgrade to catch up with Charter's hybrid fiber-coax service?

Our plant is based on DOCSIS 3.0 technology. The fastest *theoretical* download speed we can offer is 500 megabit per second (Mbps). However, the fastest download speed we can sell is 220 Mbps.

Spectrum has upgraded their cable network to DOCSIS 3.1 technology. This allows them to offer speeds up to 1 Gbps. Their slowest service plan is 300 Mbps.

We cannot compete with those speeds. With an upgrade to all-fiber, we gain two incredible advantages:

1. Fiber does not have the same issues with ingress noise. It requires less maintenance and is not prone to problems.
2. We can offer symmetrical speeds. For example, Spectrum's upload speed on their 1 Gbps service plan is only 35 Mbps. We will be able to offer 1 Gbps download *and* upload.

By upgrading AFN to all-fiber, we not only catch up with Spectrum, but we surpass them. The only way Spectrum will be able to compete with us is by converting their entire network to all fiber. The next generation of DOCSIS is 4.0. That version will support symmetrical speeds, but it maxes out at 1 Gbps. We will be able to offer 2.5 Gbps service on day 1. Even if Spectrum invests in DOCSIS 4.0, we will still be faster than them.

This upgrade to all fiber is (much needed) deferred maintenance.

- If Charter isn't upgrading to 100 percent fiber, what would it cost to upgrade AFN's hybrid fiber-coax network instead of replacing it with 100 percent fiber?

Cable modem technology operates on RF frequencies from 0 MHz up to 1200 MHz. AFN is an older plant that operates from 0 MHz up to 860 MHz. Our equipment is compatible with only DOCSIS 3.0 and not DOCSIS 3.1. Our current equipment is not

compatible with the 1200 MHz system so everything will need to be upgraded to support the latest technology.

Our cable plant has 38 nodes. Each node has four legs and each leg has five active devices. If you multiply that out (38 nodes x 4 legs x 5 actives), we will need to purchase 760 mini-bridgers and line extenders (those are the active devices). We will also need to replace every tap. We have about 2,500 taps on our network.

We anticipate it will cost \$4 to \$5 million to upgrade to DOCSIS 3.1. Even though DOCSIS 3.1 is newer, it still is prone to ingress noise.

- How should we think about competition from wireless companies preparing to offer deployment of 5G fixed wireless serving customers' internet needs as is already happening in some cities, avoiding the cost of installing fiber to the home entirely?

5G speed is still very slow. My T-Mobile iPhone has had a 5G signal in Ashland for years. The 5G service that competes with fiber is called millimeter wave. The theoretical maximum speed of millimeter wave is 3 Gbps and the range is incredibly short. Cell companies will need 3 to 4 cell towers per city block. And if there are multiple cell providers, each company will need their own tower. The cost to deploy 5G millimeter wave is astronomical. Cell phone providers know they cannot compete with fiber. They will not invest in millimeter wave in Ashland if we deploy our fiber first.

2) **Market share.** The table with revenue forecasts on page 9 reports almost 4,200 customers representing just 35 percent market share.

- How many homes and businesses are connected to AFN's hybrid fiber-coax infrastructure but are not AFN customers? What have been AFN's annual customer counts over the last five years compared with Charter's customer counts?

According to City staff, there are "12,091 buildings mapped which includes every home, store, restaurant, chicken coop and dog house that we are aware of and can see on highly detailed air photos". There are 10,932 residential addresses and 1,113 commercial addresses.

We estimate that 500 to 800 buildings cannot connect to AFN (your house being one of them). That means about 7,000 buildings have the ability to connect to AFN but choose not to.

I don't have any customer data on Spectrum. I assume they follow our customer graph. I have included detailed customer count graphs at the end of this document.

- How many homes and businesses are not currently reachable by AFN hybrid fiber-coax and would need to be connected to the network in order to subscribe? That's the case with my house, even though my neighbors are AFN customers.

We estimate 500 – 800 buildings are not connected to AFN.

Non-serviceable addresses fall into two categories:

1. Those that require trenching. An example is Piedmont Drive. When AFN was constructed, running underground conduit required cutting a foot wide trench in the street. Today we can micro-trench. This is basically cutting a slit in the pavement, running the fiber through it, and covering it back up. The cost to micro-trench is less expensive than trenching.
2. Those that don't have conduit to their home, but we have conduit along the street. An example would be the townhomes on Ravenwood. We can service the townhomes along Vista St but not those on the interior. Spectrum has conduit to the internal townhomes but AFN doesn't. If we receive permission from the landowner, we can use Spectrum's conduit. As a side note, this is what Hunter did when my sister signed up for their fiber service. She lives on a flag lot in Phoenix and Hunter used Spectrum's conduit to connect her house.

If you send me your address, I can let you know which category you fall into.

- The same table projects an increase to almost 5,400 customers for almost 45 percent market share by 2034. What are the assumptions behind the annual growth projections that start off slowly at 1 percent annually, increase to 3 percent and then 6 percent for a few years, and then drop back down to about 1 percent annually for the last five years? What would drive this take rate? What constrains it from being higher?

We anticipate a surge in customers as we deploy fiber. Customer growth is directly related to how fast we can deploy the all-fiber network. The conservative model shows a peak customer acquisition in 2028 & 2029. The assertive model shows peak acquisition in 2027 & 2028. Those years indicate when we will be most active with our construction. When construction is completed, customer acquisition slows down.

The acquisition rate will depend on how excited the community is for GPON. One idea we had is to create a form to indicate that your household would like GPON. Once enough neighbors sign up, we would prioritize that neighborhood. This will hopefully drive word-of-mouth as neighbors discuss signing up.

I believe my projections are very conservative, even with the assertive model. I believe it is a reasonable expectation to achieve 70% market share in 10 years.

3) **Value proposition.** The "fiscal impacts" in the staff report seem more like a quantification of the value proposition for Ashland taxpayers, since they mostly don't affect the City's finances, except the one for City operations, as discussed below:

- **City operations:** 47 strands of fiber and the DIA circuit with an estimated annual value of \$243,600 - \$531,600 but provided to the City for just \$60,000.

Does the City need all the services described, and is the value range you cite what the City would have to pay to a different provider if AFN weren't available?

The City uses a lot of fiber. I discussed fiber with the water treatment manager at the City of Medford. He was discussing the problem he is facing because he needs a network connections to devices around Medford. I told him that in Ashland, departments ask for fiber and we provide it and we don't charge them a monthly fee.

If the City did not use fiber, they would need an alternative connection. Some of the connections require fiber because of network traffic for computers and phones, such as the City buildings. Others require fiber because it is very reliable, such as the wastewater pumpstations. For the electric department, a few of their SCADA devices still use cable modems, but we are upgrading them to fiber because of the need for guaranteed reliability.

It is easy to compare AFN's cable modem services with Spectrum because we both advertise price and speed. It is very difficult to find fiber pricing. Hunter and Spectrum both do not advertise prices. Pricing depends on how much construction is needed, the time length of the contract, and what type of service is needed (dark, lit, or internet).

I asked various government agencies around the valley what they are paying for service. Based on the information I received, I feel that my estimate of \$243,600 to \$531,600 is accurate. That represents the value of the fiber services we provide the City and is what another provider would charge.

I assume the City of Medford does not pay for all fiber services they use under Spectrum and Hunter. It is standard language to deduct services provided from franchise fees.

To what extent are City operations served now by 100 percent fiber vs hybrid fiber-coax? The table at the bottom of page 5 suggests that City operations may already have 100 percent fiber. To what extent do City operations currently served with hybrid fiber-coax need to be upgraded to 100 percent fiber?

There are a handful of City sites that use a cable modem. There are three SCADA electric sites (that will be converted to fiber), the Police contact station in the plaza, and the golf course maintenance shop.

The table at the bottom of page 7 also mentions that AFN pays the City another \$584,170 for central services, use of facilities, and fleet maintenance, but isn't that chargeback based on actual cost of services AFN receives from the City? Or are you saying the City makes a "profit" in its chargeback methodology?

AFN does not use \$584,170 worth of City services each year. The actual number is hard to quantify. The bottom line is, if AFN were spun off, there would be a deficit in the budget.

- **Ashland School District:** service valued at \$133,800 - \$225,600 annually, for which ASD pays only \$12,000. That's a pretty steep discount! What's the basis for this pricing, and has it changed over the years?

It has not changed in a number of years. Later this year I will be increasing their monthly charge to \$1,500 because they are now using two racks in our head-end and we recently connected a few more sites to the fiber network. It is an incredibly good deal for them!

- **418 local businesses:** total savings vs Spectrum valued at \$75,904 - \$127,009. Why is this something Ashland taxpayers should pay for? Presumably, this also applies to residential customers. What are the benefits to 100 percent fiber vs hybrid fiber-coax for residential and business customers? If 100 percent fiber is worth more for these private customers, should they pay more for the service than they're currently paying for hybrid fiber-coax?

By providing fast service for a lower price, we make it easier to do business in Ashland, and the more businesses we have in Ashland, the more vibrant our town will become.

We just signed up a film studio in downtown Ashland that needed to upload 4k films. Spectrum's faster upload was still too slow for them. We utilized a new technology called G.hn which allows us to connect a building to fiber, but it uses coax to connect the customer (which reduces the deployment cost). The speed tops out at 800 Mbps to 1 Gbps. They are incredibly grateful for our service and speed!

Many customers are motivated by price. If they have \$50/month cable modem service and I offer them fiber for \$65/month, most of them will not switch. It doesn't matter if

the speed is faster and more reliable. Users have switched to Spectrum because their introductory rate is \$10 cheaper.

I also am a firm believer in quality internet and reasonable prices. We are not profit motivated.

4) **Pilot project.** Only option 1 calls for a two-year pilot project to test the approach, but I'm not sure of the purpose of the pilot project or what we might decide to do differently as a result.

- Is the proposal to start with a pilot project driven by operational or financial considerations? Why are you suggesting a pilot for option 1 but not for options 2 and 3?

Only Option 1 has a pilot project because Options 2 & 3 require bringing in a private partner. No private partner will agree on a 2 year pilot project because they need a return on their investment. Options 2 & 3 will require long term contracts. The minimum contract will be 10 years. Option 3 may require a longer term contract (20+ years).

The purpose of the pilot project is to verify our business model. The pilot project is low risk ("only" \$1 million) and it will prove or disprove our forecasts. It is driven by both operational and financial considerations.

- I'm puzzled by the strategy of deploying the pilot project in a wide variety of neighborhoods and how this would allow you to "estimate take rates." How will you define which neighborhoods can participate?

We have selected an assortment of neighborhoods:

- Granite St: more affluent
- Quiet Village: working families
- Lower Iowa/Avery/Bridge/Garfied/Wightman: college students
- Middle Clay St/Takelma/Jaquelyn/Grizzly: middle class

Each neighborhood represents a different demographic. We will have metrics on initial take rates and we will hopefully learn how to properly advertise to each demographic.

Is the plan to replace coax with fiber in every building in the pilot neighborhoods, so the "take rate" would be the percentage of connections that take AFN service? Or is the plan to replace coax with fiber only for current AFN customers plus new customers, so the "take rate" would be the new customers acquired? Would residences like mine that don't yet have an AFN cable connection be eligible to participate in the pilot?

Every building in the pilot project will have the ability to connect to our fiber network. If they don't want to switch, we will not run fiber. They will have the ability to switch at a later date. The "take rate" is the percentage of customers who sign up for fiber service (this includes existing customers).

Each neighborhood will have a maximum of 256 customers. 35% of the customers are already AFN customers (87 of the 256). That leaves roughly 169 Spectrum and Century Link customers. If we can convert 30% of those customers to switch to AFN (an additional 50), I will consider the pilot a terrific success. That would give us a take rate of about 50%. Here are the numbers:

- Total number of possible fiber customers in one neighborhood: 256
- Number of AFN cable modem customers: 87 (34%)
- Number of non-AFN customers (Spectrum & Century Link): 169 (66%)
- Target number of fiber customers: 137 (53%)

For this pilot project, we will not undertake construction to connect locations that cannot sign up for service. The master plan is to ensure that every building in Ashland has the ability to connect to AFN.

What minimum "take rate" would you consider a "success" in order to expand expansion to the rest of the city? What happens if fiber is available but customers prefer to stay on coax? What's the plan for cable TV customers? How many cable TV customers are there?

If we can achieve 40% take rate within two years, I would consider that a success. In my example above (256 customers), we would need to sign up about 30 new customers in each neighborhood of the pilot program.

- If the pilot project would serve a maximum of 1024 homes and businesses over two years at a cost of about \$1 million, is it realistic to serve "every building in Ashland" in just 1-2 additional years spending an additional \$7-9 million (the \$8-10m you've estimated less the \$1m that would be spent in the first two years)?

Estimating projects is incredibly difficult, especially these past few years. I believe I have adequately padded our estimate and feel confident that if the pilot project is successful, we can expand the network for an additional \$7 to \$9 million.

One of the goals of the pilot project is to gauge our financial estimates. Once the pilot project is completed, we will evaluate the results and make the appropriate recommendations. We will also update our business model.

5) Connecting every building. Option 1 suggests connecting "every building in Ashland" to an all-fiber network. Perhaps I'm being too literal, but I'm puzzled by what this means in numbers and also how it relates to market share.

- The table with revenue forecasts on page 9 reports nearly 4,300 AFN's representing about 35% market share, which would mean a total market of about 12,000 customers. Is that what's meant by "connecting every building?" Is the plan to connect every building regardless of whether or not the resident or business decides to pay for the service so AFN can "compete" immediately with other service providers by encouraging them switch providers?

Yes, there are roughly 12,000 buildings in Ashland. Our goal is to ensure that every building has the ability to connect to our fiber network. For example, we are deploying GPON fiber to the new sub-division being built on N Mountain Ave (Beach Creek). Each house will have a fiber connection once construction is completed. They may choose not to use us, but they will still have a fiber connection in their house. This is unique because it is new construction.

For our pilot project, if someone doesn't want our fiber, we aren't going to force a connection on them. We will leave a spot open for them but we won't run fiber to their house. We will absolutely make sure that they have the ability to connect to us if they decide to switch at a later date.

- The two tables supporting option 2 suggest a customer count of 8,000. Is this what's meant by "connecting every building?" Or does it reflect expected market share?

Under Option 2 (and Option 3), our private partner would be responsible for deploying fiber throughout Ashland. The table under Option 2 refers to the market share.

- The revenue forecasts table projects about 5,400 customers for 45 percent market share by 2034. Why is this so far short of the 8,000 customers projected for option 2?

I am trying to be as conservative as possible for Option 1. I believe our market share will be much higher than our estimates. For Option 2, I assumed our private partner would require a higher market share for a timely payback on their investment. There are many details that will need to be negotiated under Options 2 and 3.

6) **Financing and cost sharing.** The staff report says "funding sources will need to be identified before proceeding." Can you give me a preview of your thinking?

- The City's open.gov up-to-date financials suggest that in the last fiscal year, AFN took in about \$2.7 million in revenues for about \$2.2 million in expenses (including about \$500,000 in debt service) for net income of about \$500,000. Revenues have been growing faster than expenses over the last few years, which has resulted in an increase in ending fund balance, budgeted at \$2.1 million at the end of FY 2023, but likely to grow to about \$2.6 million by June 30. Is this available for capital investment or to leverage cost-sharing from other sources?

This question would be best answered by Joe and Sabrina.

- The 2022 audited financial statements show outstanding AFN debt (at the end of June 2022) from a 2013 General Obligation Bond of about \$3.6 million, to be retired entirely in payments of about \$1.2 million annually in 2023, 2024, and 2025. Have I got that right? It looks like the City covers the difference between the \$1.2 million debt service for the bond and AFN's \$500,000 contribution for debt service, which I suppose is what allows AFN to generate about \$500,000 surplus for the last few years. Is that right?

Yes, that sounds correct. The last debt payment should be in fiscal year 2025 (July 1, 2024). The debt is split between various departments. Streets pays for 2%, Water pays for 6%, Wastewater pays for 8%, AFN pays for 41%, and Electric pays for 43%.

Tonight we will discuss an option to approximately continue that split. In the new model, the split will be 8% Water, 8% Wastewater, 35% Electric, and 50% AFN. The dollar amount each department pays will decrease. The rationale is for each department to help pay for their share of the fiber network that they use.

- Why has AFN retained surplus earnings to accumulate a large and growing fund balance (\$2 million at the end of June 2022) rather than use those funds to increase service connections and upgrade the network?

I have been advocating for a fiber pilot project for the past 6 years. Unfortunately, this question would be best answered by previous administrators.

- The staff report doesn't mention charging customers anything for the upgrade. Is the intention to charge customers for the residential router mentioned in options 1 and 2? How about the \$5 or \$10 monthly payment per customer in option 2? Or is the idea to continue to be the lowest cost provider regardless?

We will not charge customers for upgrading them to fiber. We need to keep customer costs as low as possible. We also will be providing customers with residential home routers, which we can remotely troubleshoot. These routers will be optional.

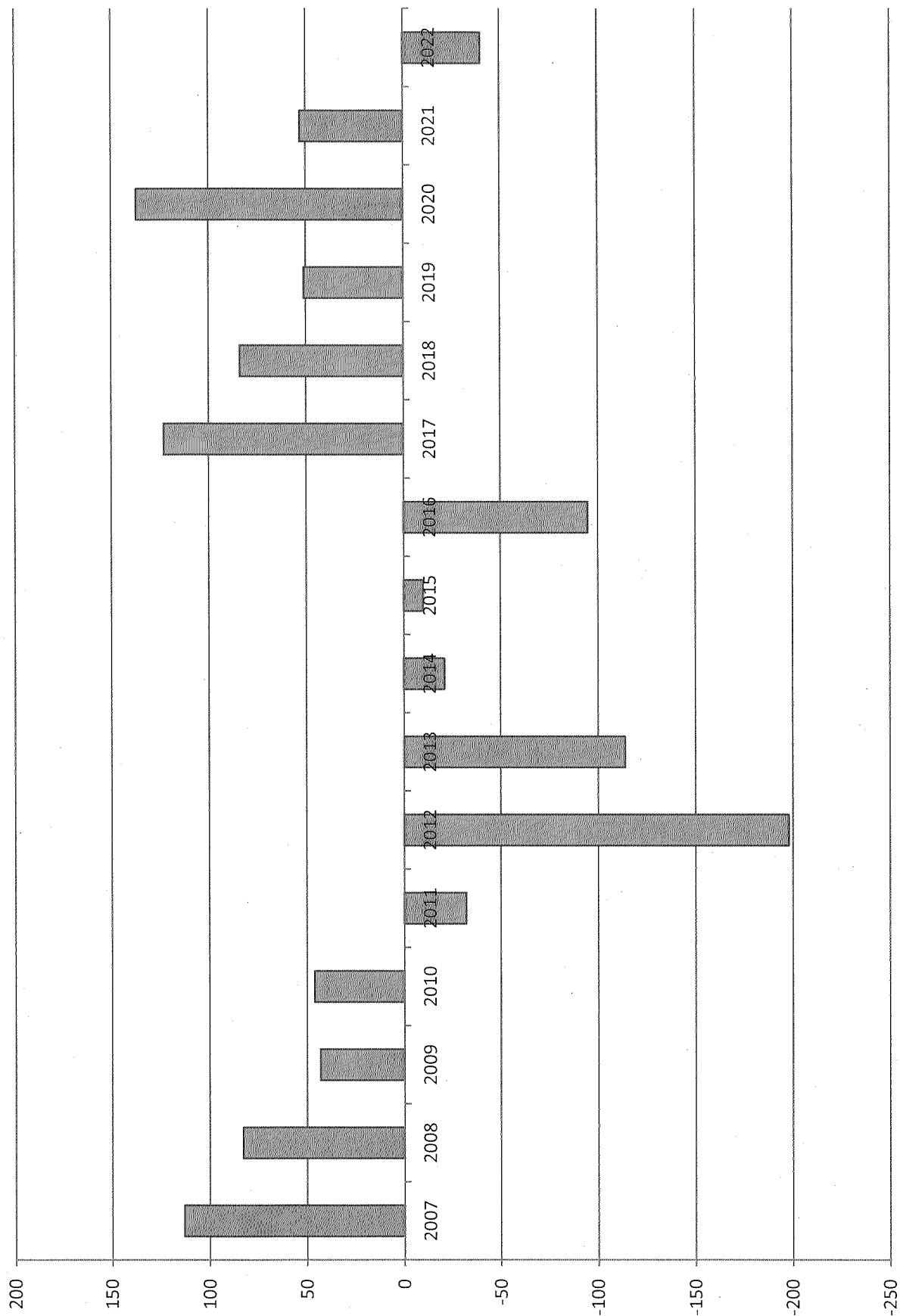
We may offer additional services at a monthly cost, such as whole house security and parental controls. One router we looked at offered an intrusion detection feature. By measuring wireless signal strength, it could detect when a person was in the house.

- What other sources of financing or cost sharing are you contemplating?

This is best answered by Joe and Sabrina.

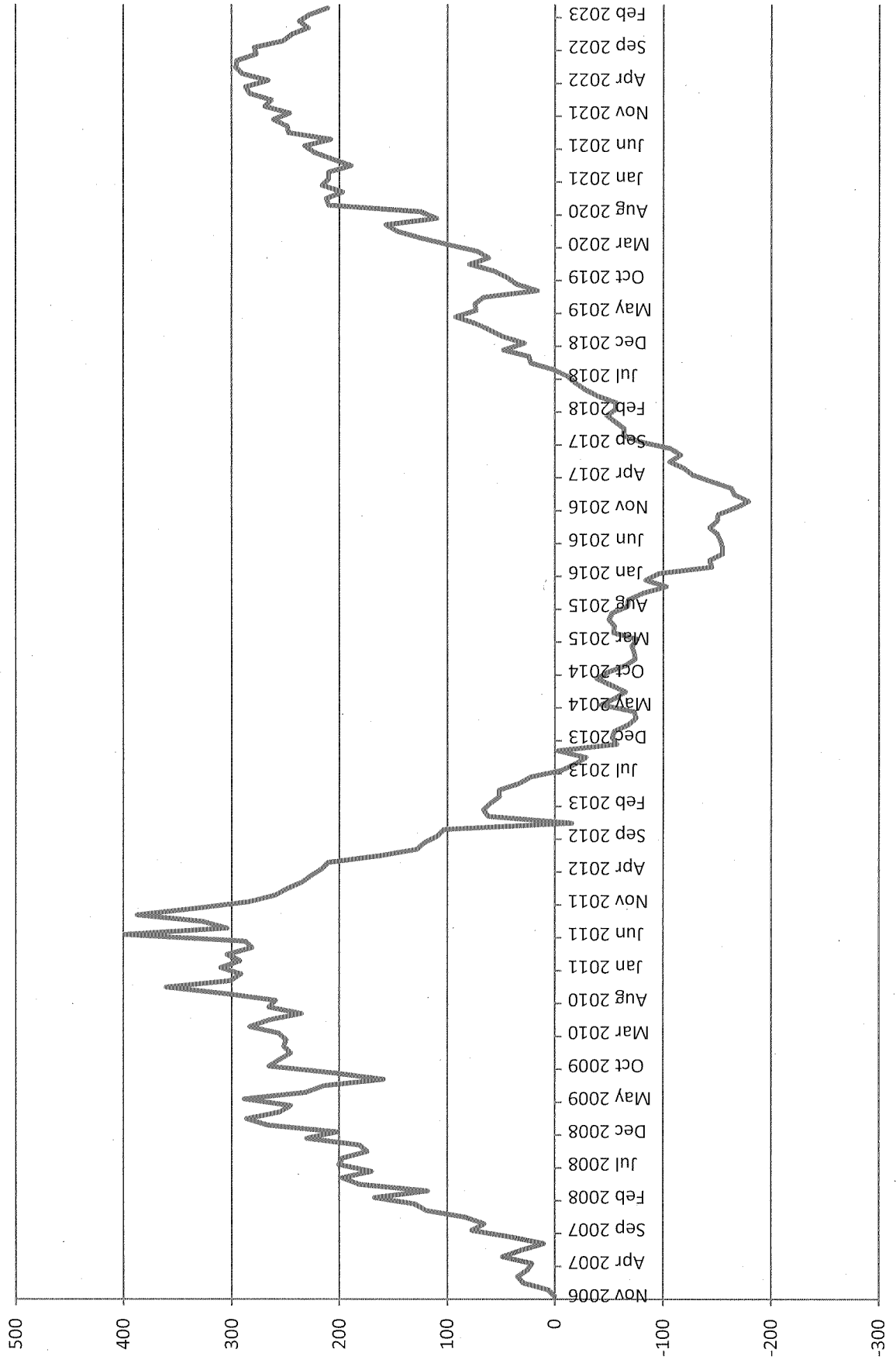
This graph shows the net gain or loss by year from 2007 to 2022.

Year Over Year, Net Gain/Loss Cable Modem Customers

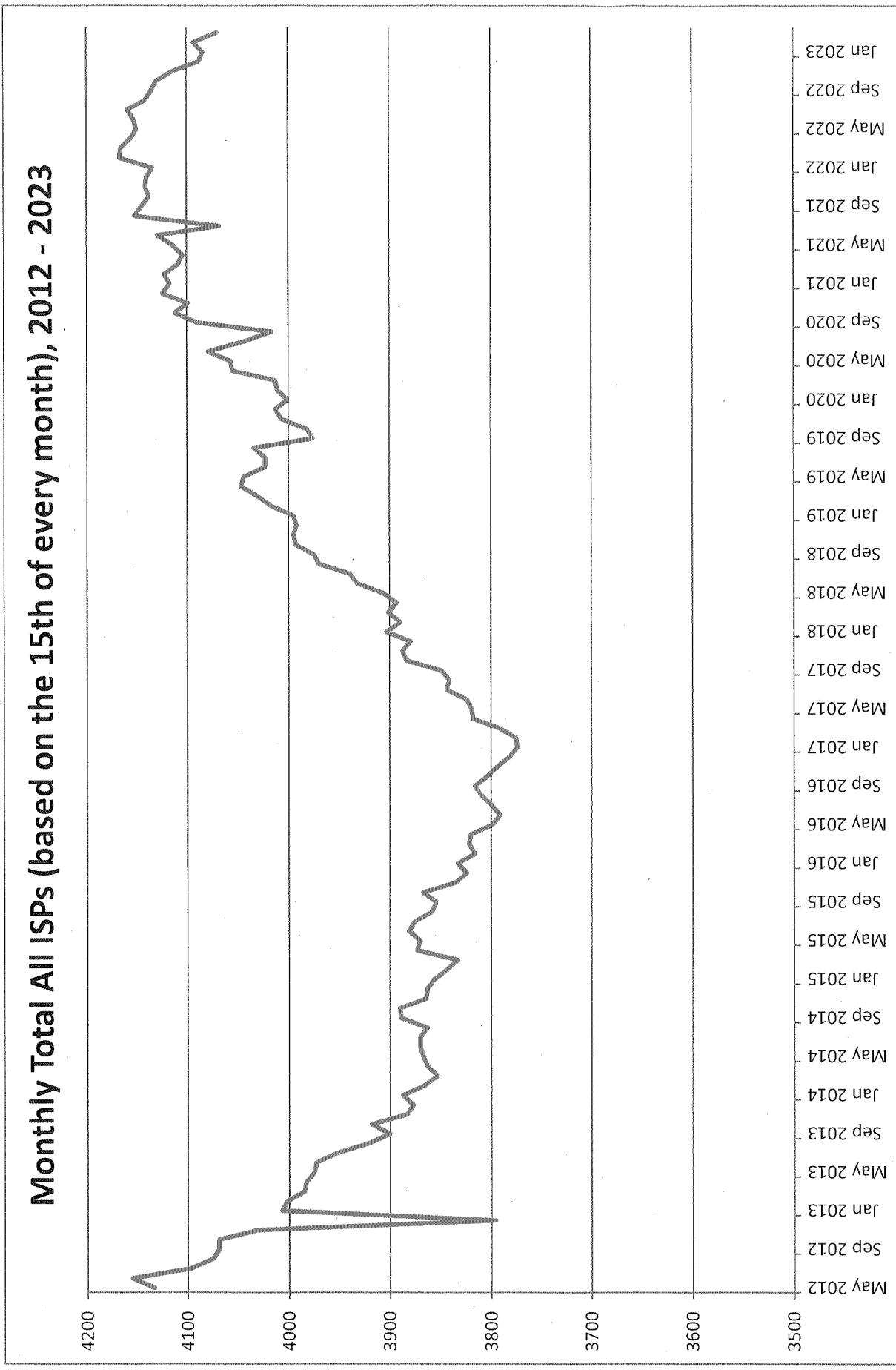


This graph shows the monthly change in customers through last month:

Monthly Delta in Cable Modem Customers, Nov 2006 - Mar 2023



This graph shows the actual cable modem customer count based on the 15th of each month.





Ashland Fire & Rescue Review & Business Plan

City Manager Joseph Lessard
Fire Chief Ralph Sartain
April 3, 2023

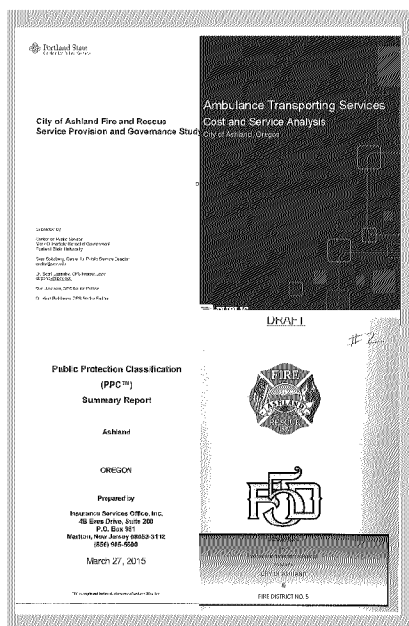
What We Will Be Covering

- Reports
- Staffing
- Service Areas
- Problem Statements
- Call Volume
- Dynamic Staffing
- Business Model



Reports Reviewed

- 1995 Public Protection Classification /ISO Report
- 2021 Transporting Services Cost and Service Analysis
- 2021 D-5 Proposal for Fire Protection Services
- 2022 PSU Governance Study



**Public Protection Classification
(PPC™)
Summary Report**

Ashland

OREGON

Prepared by

Insurance Services Office, Inc.
4B Eves Drive, Suite 200
P.O. Box 961
Marlton, New Jersey 08053-3112
(856) 985-5600

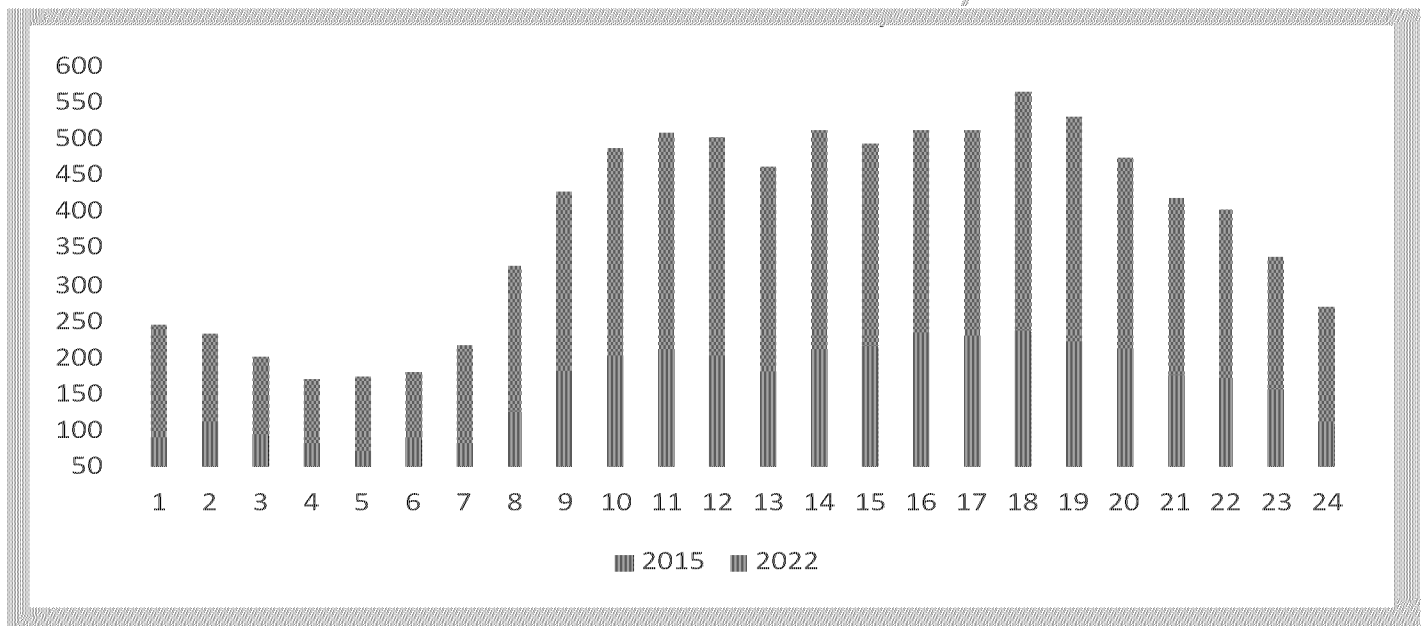
March 27, 2015

IPC is a registered trademark of Insurance Services Office, Inc.

- Dispatch 8.59 out of 10
- Water Department 25.83 out of 30
- Fire Department 33.46 out of 50



Last ISO vs Today



PSU Study



Portland State
Center for Public Service

City of Ashland Fire and Rescue Service Provision and Governance Study

October

Submitted by:

Center for Public Service
Mark O. Hatfield School of Government
Portland State University

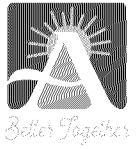
Sara Saltzberg, Center for Public Service Director
ssaltz@psu.edu

Dr. Scott Lazenby, CPS Project Lead
slazen@psu.edu

Don Johnson, CPS Senior Fellow

Dr. Kent Robinson, CPS Senior Fellow

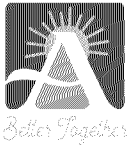
- None of these options appear to offer financial or service benefit to Ashland.
- Added cost to the Ashland taxpayer and organizational incompatibility this is not recommended.
- Recommend that the ambulance be continued, and they support the recommendations of PCG's report.



Staffing Levels

Staffing – 8/10 and 10/12
Where do we need to be?

-



NFPA Overview

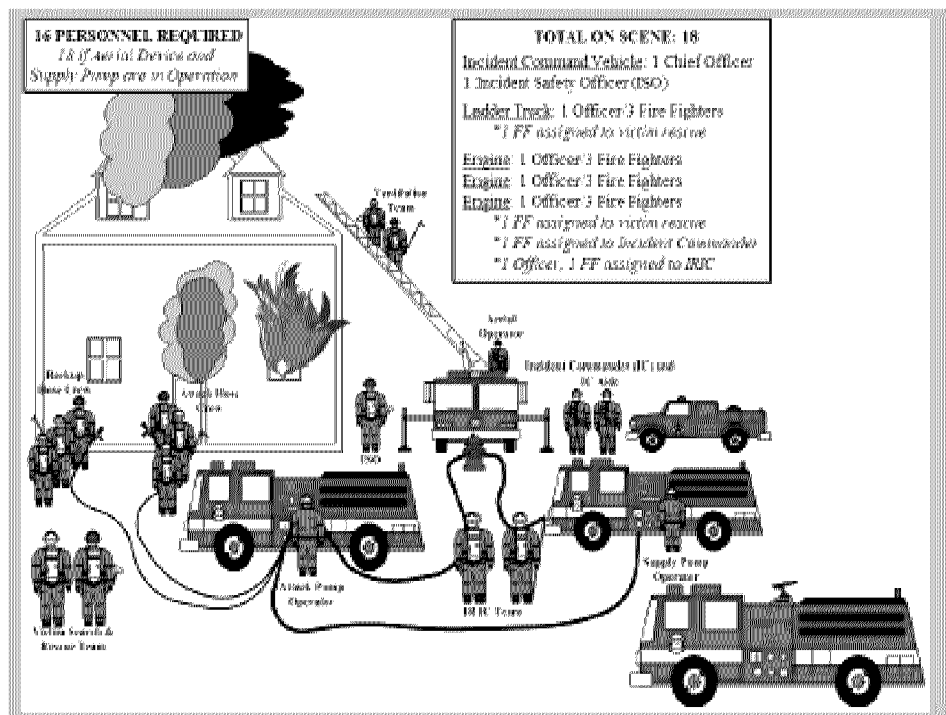
NFPA 1710 Standards:

- First Arrival: 4 min. or less – 90% of the time
- Second Arrival; 6 min. – 90% of the time
- Deployment of a full first-alarm assignment – 8 min., 90% of the time



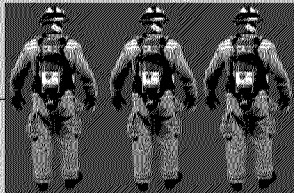
NFPA 1710 Overview

•This is for a 2000 Sq ft home with no exposure and no basement

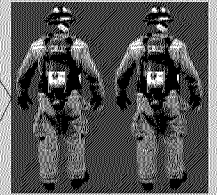


Current Minimum Staffing of 8

Station 1

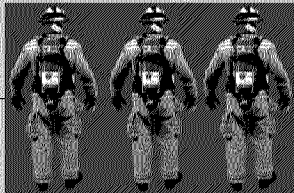
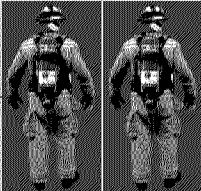


Station 2

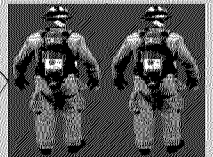
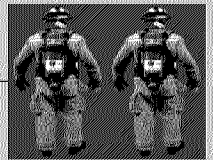


Minimum Staffing of 10

Station 1

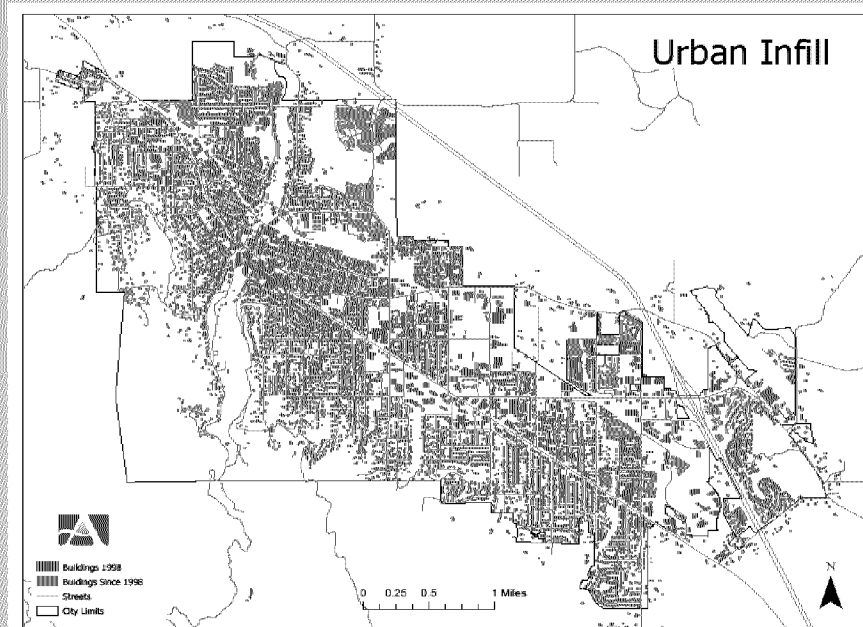


Station 2

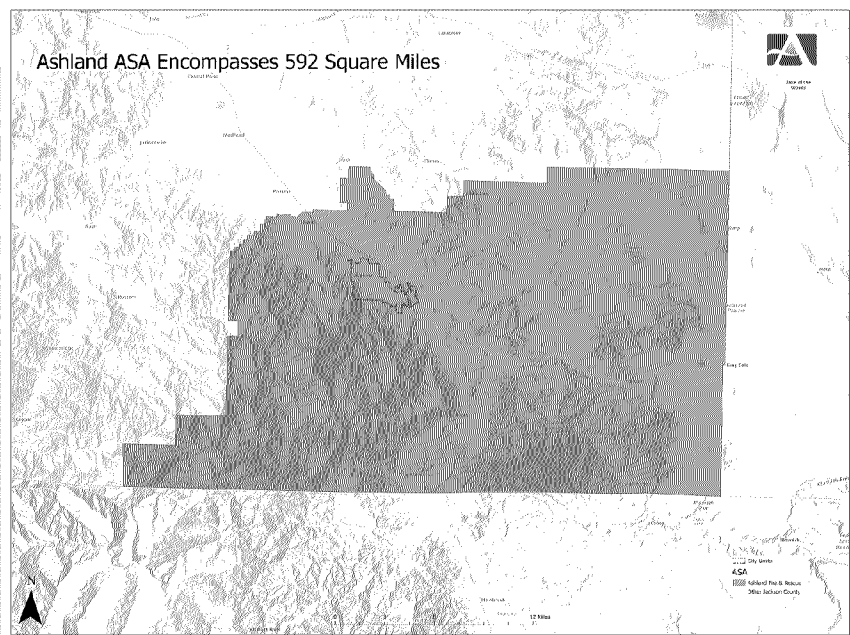


Size: 6.7 Square Miles
Population: 21,138 (2020)

Total Calls Generated 3702
Fire 645
Medical 3,054
Special Rescue 4
(Call History 2022)



- Population: 43,322
- Size: 592 square miles
- Includes Talent
- 3 Fire Districts, 1 Fire Department
- BLM, ODF, USFS Fire Protection
- Unincorporated Jackson County
- Additional Calls for 2022 are 1562
- Fire 301
- Medical 1,259
- Special Rescue 0

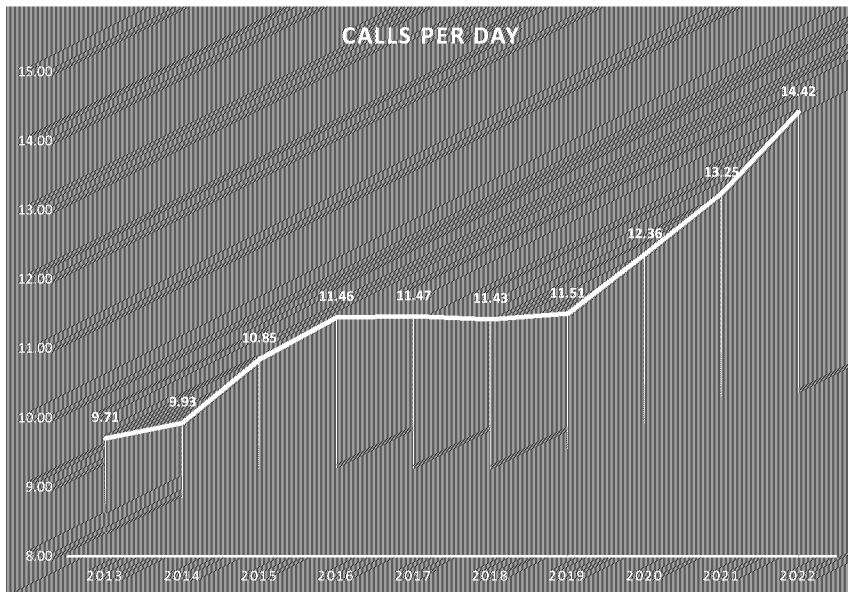


Problem Statements

- Understaffed for 27 years
- Demands exceed resources
- CANNOT respond 100% of time
- Ashland Fire at risk of dropping ISO 3



Call Volume History

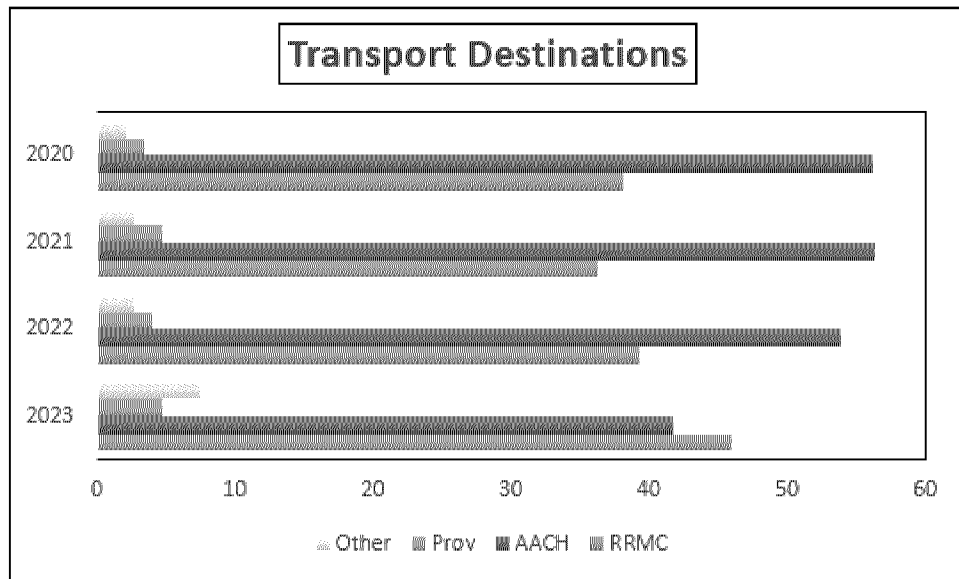


In 2013 - average of 9.71 calls per day.

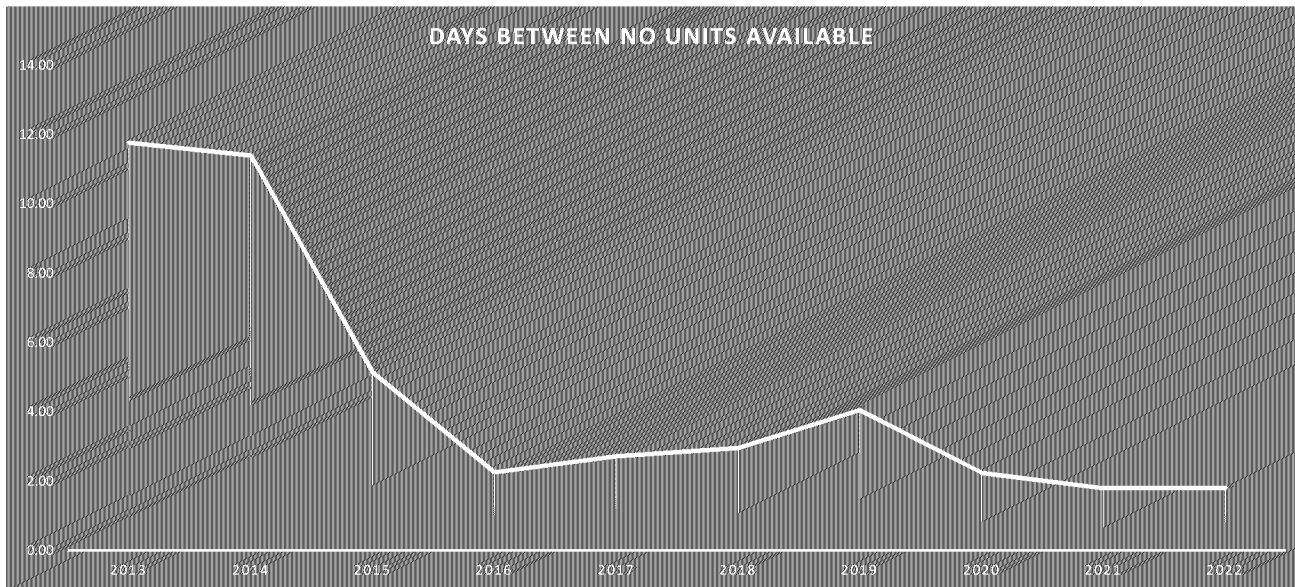
In 2022 average of 14.42 calls per day.



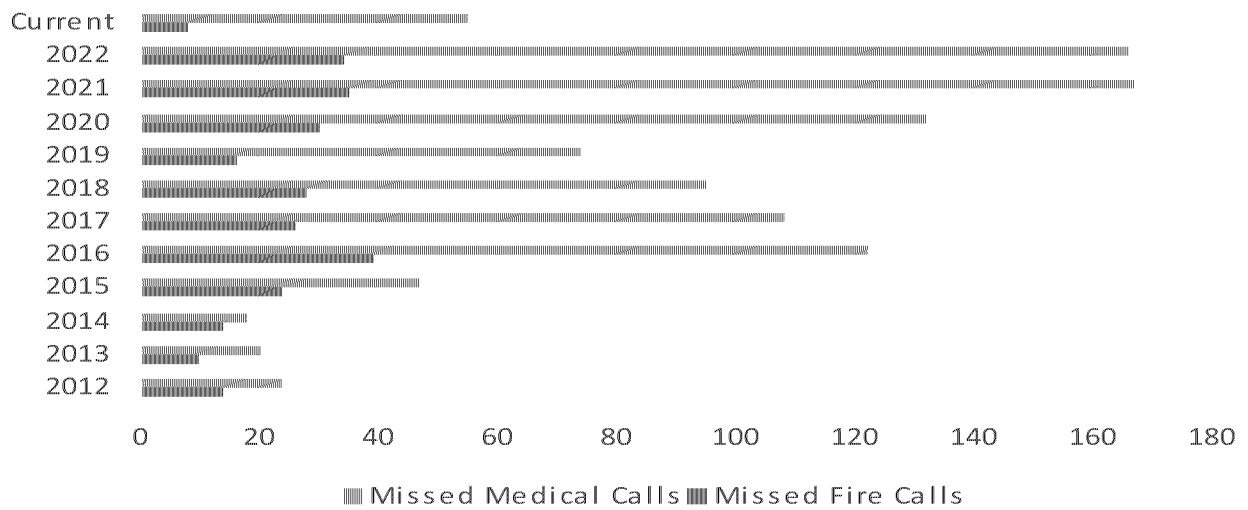
Where are we Going



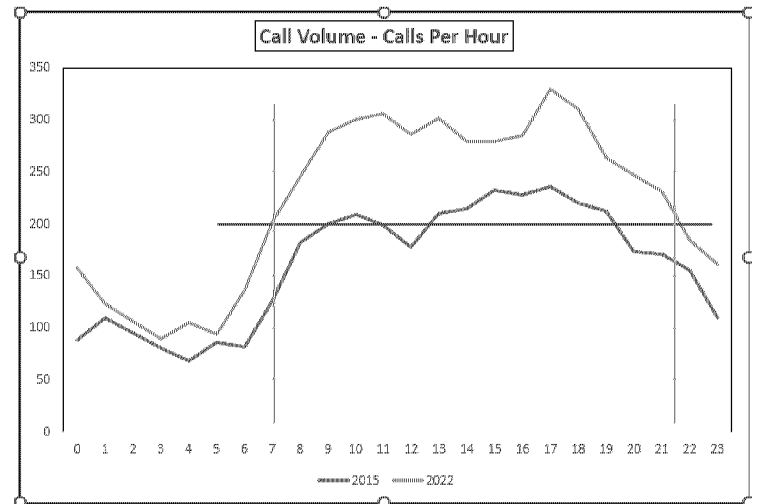
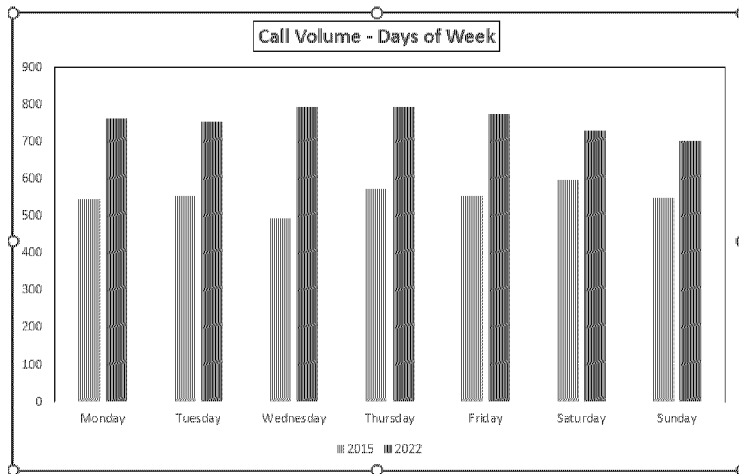
Problem Statements



Missed Calls Breakdown

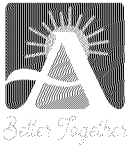


Dynamic Staffing



Call Volume – Single Role EMS

- Single Role Paramedic and EMT's
- 10-hour shifts working 4 on and 4 off
- Add interfacility transfers
- Cheaper Ambulances
- Dual role FFs to remain in the City more
- Covers missed calls for Service
- Relief in the system



Call Volume – Single Role EMS

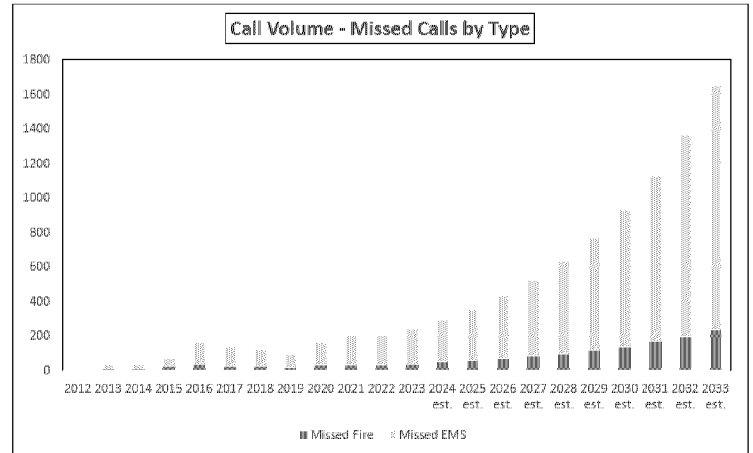
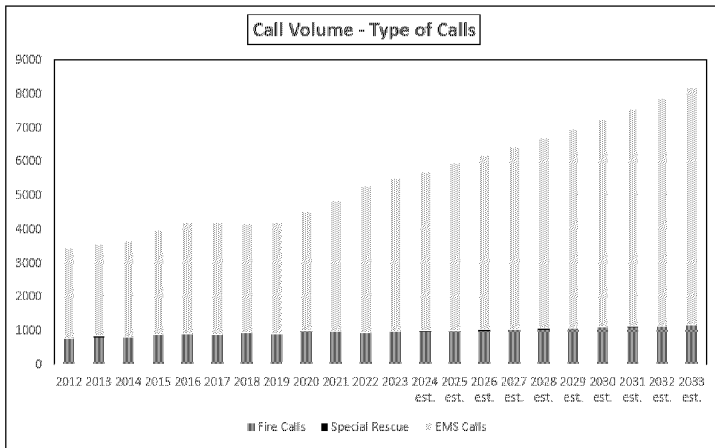


- 19.08% PERS
- \$ 4.91 per month W/C
- \$ 60,622 starting
- \$ 685 uniforms
- \$ 605 PPE
- \$ 3,500 Radio
- \$125,000 Medic Unit

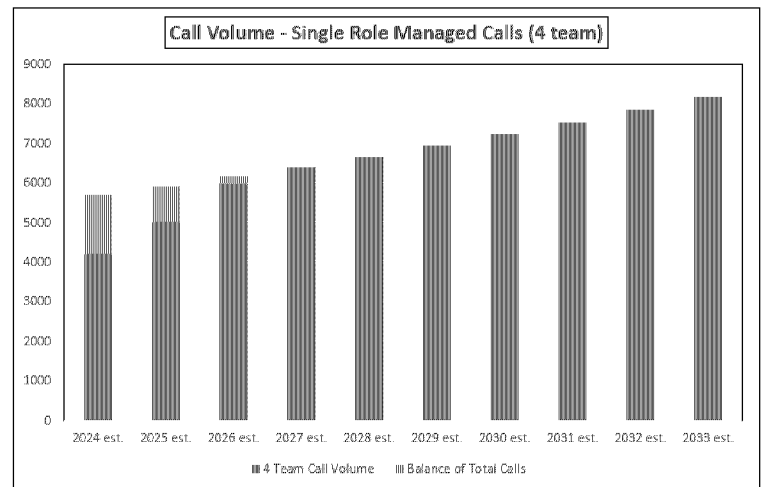
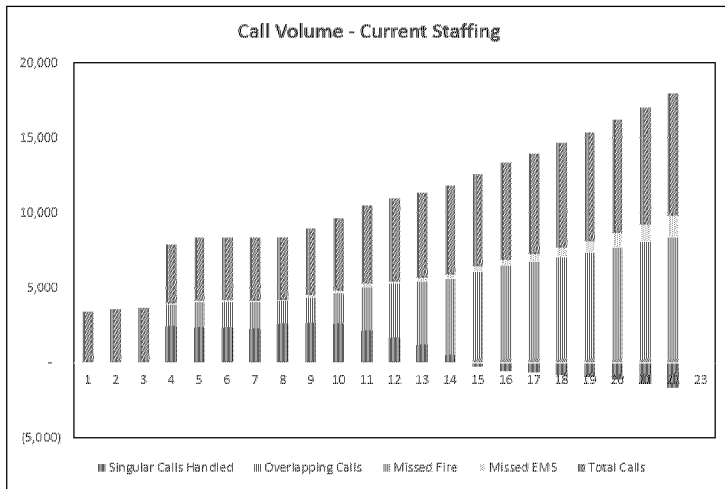


- 23.71% PERS
- \$413.16 per month. W/C
- \$ 75,829 starting
- \$ 855 uniforms
- \$ 7,118 PPE
- \$ 9,000 Radio
- \$340,000 Medic Unit

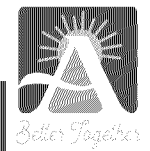
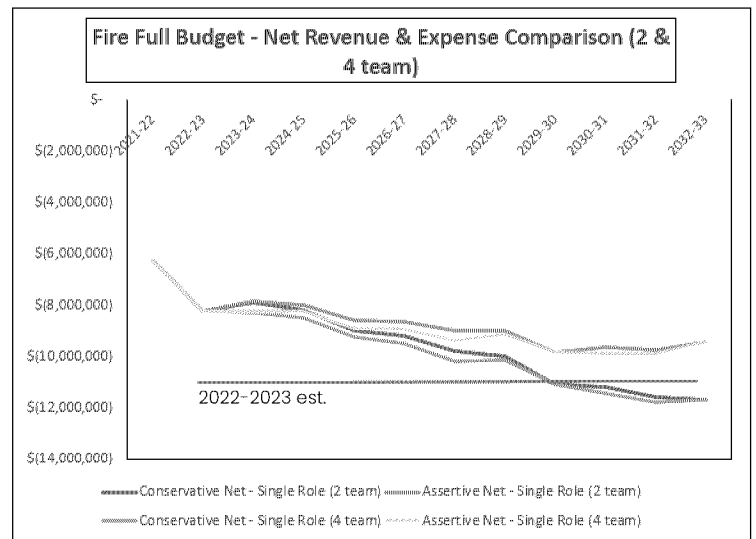
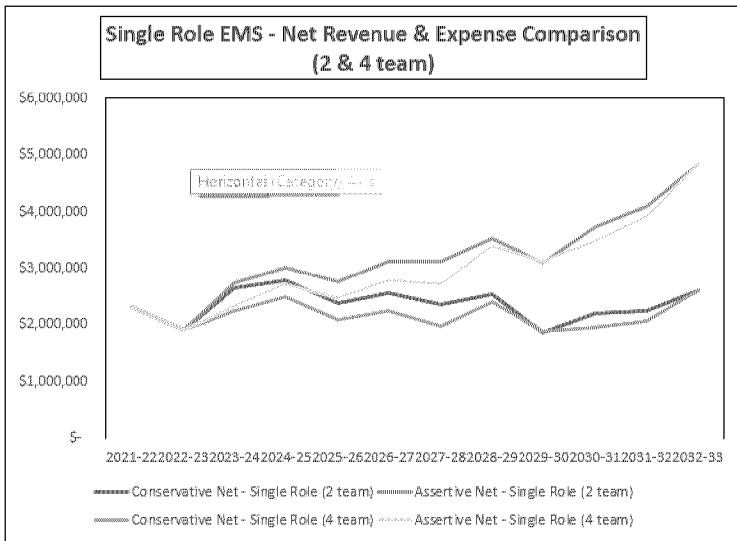
Call Volume – Single Role EMS



Call Volume – Single Role EMS

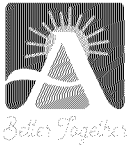


Call Volume – Single Role EMS



Potential Next Steps

1. Secure the ASA
2. Hire a Fire Marshal
3. Create an Emergency Medical Services (EMS) Division
4. Hire an EMS/Training Supervisor
5. Hire staffing to meet demands
(Dynamic Staffing/Business model)
6. Run EMS Division as a Business
7. EMS division to support FF Staffing





QUESTIONS?

