



Legislation Text

File #: 23-1160, **Version:** 1

FINANCIAL BUSINESS REQUEST (FBR)

Motion/Request:

MOTION to appropriate \$51,838 to Account #21050101-58790-G0015 (Library Capital - New Equipment - Misc. State Grants) upon the receipt of a State Library Grant for the same amount.

In addition, authorize the funds to be expended for the Gales Ferry Library E-fiber installation.

Background:

Town Council Meeting 1/12/2022

The Town Council authorized the Mayor to submit an application for E-Rate funds and a matching State Library grant to cover the installation cost of a fiber network at Gales Ferry Library along with a request for E-Rate funds to supplement up to 50% of the annual maintenance and internet cost. Gales Ferry Library e-fiber installation.

The Gales Ferry Library was not on a fiberoptic network and when a number of people were using technology devices at the Gales Ferry Library they get kicked off the internet because they were exceeding the upload and download of the Library's current cable internet carrier.

The Connecticut State Library was strongly encouraging the Gales Ferry Library to get on a fiberoptic network. The installation cost of the fiber network from the Hub in Ledyard Center the Gales Ferry Library to connect to the Connecticut Educational Network (CEN) would be \$91,900 and the equipment would cost was \$10,758.

The Connecticut State Library had money available to help libraries install a fiber network through the Connecticut Education Network (CEN) Program; and would provide a match thru the E-Rate grant funding so that the entire installation cost (\$91,900) and equipment (\$10,758) would be funded.

The Schools and the Bill Library were currently receiving excellent internet service from the Connecticut Educational Network (CEN), which was a high-speed fiber optic network, that was independent from ComCast and Frontier.

The E-Rate grant was a Federal Program that was funded by the telephone services. A certain percentage of everyone's phone bill was paid to Universal Service Fund (USF), therefore, these funds were not actually coming from the State of Connecticut. Therefore, he stated that this was a good opportunity to improve internet service at the Gales Ferry Library.

This grant funding would also pay the \$7,200 annual fee for fiber maintenance for the first year. Beginning the second year and each year thereafter, the Library would be eligible to apply for the E-Rate discount, which has been 50% for the last few years. After the E-Rate discount the Connecticut Educational Network annual fiber

maintenance fee would be \$3,600 per year, minus the current \$828, (cable internet) for a net annual cost of \$2,772 for each year of the 20-year contract. Transitioning from the cable internet service to the Connecticut Educational Network would be a net difference of \$55,000 during the 20-year contract. Because the funding would be coming from the Universal Service Fund this was a good opportunity to move technology forward for the town, noting that the purpose of the Universal Service Fund was to provide access to everyone who needed it regardless of where they were.

Department Comment/Recommendation:

Both parties have signed off on the Connecticut State Library Grant totaling \$51,838. This includes half of the expense for the 20-year Dark Fiber IRU Lease, and the full cost of all network equipment, fiber operations and maintenance, along with any additional equipment needed. The Universal Service Administrative Co. (USAC) has committed \$36,950 to this project for the remaining half of the fiber lease. These funds will be paid directly to CEN and will not flow through the town.

Finance Director Comment/Recommendation:

(type text here)

Mayor Comment/Recommendation:

(type text here)

Meeting Action Detail:

Town Council Meeting 03/08/2023

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In addition, authorize the funds to be expended for the Gales Ferry Library E-fiber installation.

Moved: Saums **Seconded:** Ingalls

Action: Approved

Minute Note:

Moved by Councilor Saums, seconded by Councilor Ingalls

Discussion: Councilor Saums provided some background noting the at their January 12, 2022 meeting the Town Council authorized the Mayor to submit an application for E-Rate funds and a matching State Library grant to cover the installation cost of a fiber network at Gales Ferry Library along with a request for E-Rate funds to supplement up to 50% of the annual maintenance and internet cost, noting that the cost to install the

fiber was about \$90,000. However, he stated since that time Frontier Communications has been installing fiber all over town. Therefore, he stated they questioned whether they should discuss the option to connect the Gales Ferry Library to the Frontier Communications fiber. He stated Mayor Allyn, III, contacted the Frontier Communications Enterprise Manager to discuss the costs for the Gales Ferry Library to connect to Frontier. He explained although there would be no cost to install the equipment or to run the line that the monthly fee would be \$1,000 because they consider a Municipality a commercial business and that it would fall under the Enterprise pricing.

Councilor Saums went on to explain that the Grant funding would pay 100% of the \$90,000 cost for the fiber installation for the Gales Ferry Library to connect to the Connecticut Education Network (CEN) and after the E-Rate discount, which would pay for 50% of fiber maintenance fee, that the cost for the Gales Ferry Library would be \$3,600 per year, minus the current \$828, (cable internet) for a net annual cost of \$2,772 for each year of the 20-year contract, noting that there would not be a monthly fee. Therefore, he stated moving forward with this grant opportunity was the best option for the Gales Ferry Library. He stated the CEN fiber would provide much better internet access for the resident that use the Gales Ferry Library. He noted Library Director Jennifer Smith was present this evening via Zoom if anyone had any questions.

Councilor Ryan questioned whether the two grants would cover all the costs or whether there would be a cost to town for the Connecticut Education Network (CEN).

Library Director Jennifer Smith stated both parties have signed off on the Connecticut State Library Grant totaling \$51,838. She stated this funding included half of the expense for the 20-year Dark Fiber IRU Lease, and the full cost of all network equipment, fiber operations and maintenance, along with any additional equipment needed. She stated the Universal Service Administrative Company (USAC) has committed \$36,950 to this project for the remaining half of the fiber lease. These funds would be paid directly to the Connecticut Educational Network (CEN) and would not flow through the town. She went on to explain with the E-Rate discount, which would pay for 50% of fiber maintenance fee that the Gales Ferry Library cost for the annual maintenance would be \$3,600 per year. She stated they were currently paying about \$75.00 per month for the Digital Subscriber Line (DSL) internet service for a total annual cost of \$828 for the DSL. She stated subtracting the Library's current internet cost of \$828 that the that the net annual net cost for the Gales Ferry Library would be \$2,772 for each year of the 20-year contract.

Councilor Ryan stated an annual net cost of \$2,772 for each year of the 20-year contract with no escalation was a good deal.

7 - 0 Approved and so declared

Action: Approved

Finance Committee Meeting 03/01/2023:

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In addition, authorize the funds to be expended for the Gales Ferry Library E-fiber installation.

Moved: Ingalls Seconded: Saums

Action: Recommend to Approve

Minute Note:

Moved by Councilor Ingalls, seconded by Councilor Saums

Discussion: Councilor Saums provided some background noting at their January 12, 2022 meeting the Town Council authorized the Mayor to submit an application for E-Rate funds and a matching State Library grant to cover the installation cost of a fiber network to the Gales Ferry Library along with a request for E-Rate funds to supplement up to 50% of the annual maintenance and internet cost, noting that the cost to install the fiber was about \$90,000. However, he stated since that time Frontier Communications has been installing fiber all over town. Therefore, he questioned whether they should discuss the option to connect the Gales Ferry Library to the Frontier Communications fiber.

Mayor Allyn, III, stated Frontier Communications would be covering 100% of Ledyard with their fiber network. He stated although Frontier's work was supposed to be completed by December, 2022, that they were still working on the project. He went on to state because he had the same question as Councilor Saums, that he contacted the Frontier Communications Enterprise Manager to discuss the costs for the Gales Ferry Library to connect to Frontier. He explained although there would be no cost to install the equipment or to run the line to the Gales Ferry Library, that the monthly fee would be \$1,000. He stated for residential use the cost of Frontier communications would be \$79.00 per month for 1-Gigabyte of internet service. He stated it was great for residential users but very costly for commercial users. He stated in speaking to the Frontier Communications Enterprise Manager he told him that the Gales Ferry Library was part of a municipality and that he was told that municipalities fall under the Enterprise Division, noting that there was no special deals for small towns.

Mayor Allyn went on to explain that because the Grant funding would pay for the fiber installation for the Gales Ferry Library to connect to the Connecticut Education Network (CEN) and after the E-Rate discount, which would pay for 50% of fiber maintenance fee that the Gales Ferry Library's annual maintenance cost would be \$3,600 per year for now, minus the current annual \$828, (cable internet) that the Library's net annual cost would be \$2,772 for each year of the 20-year CEN Contract, noting that there would not be a monthly fee. Therefore, he stated moving forward with this grant opportunity was the best option for the Gales Ferry Library.

Councilor Saums stated the Grant Funding would pay for 100% of the installation of the fiber. Library Director Jennifer Smith stated that was correct, noting that both parties have signed off on the Connecticut State Library Grant totaling \$51,838. She stated as Mayor Allyn mentioned, this funding included half of the expense for the 20-year Dark Fiber IRU Lease, and the full cost of all network equipment, fiber operations and maintenance, along with any additional equipment needed. She stated the Universal Service Administrative Company (USAC) has committed \$36,950 to this project for the remaining half of the fiber lease. These funds would be paid directly to the Connecticut Educational Network (CEN) and would not flow through the town. She went on to explain with the E-Rate discount, which would pay for 50% of fiber maintenance fee that the annual cost for the Gales Ferry Library for the annual maintenance would be \$3,600 per year. She stated they were

currently paying about \$75.00 per month (\$828 annually) for the Digital Subscriber Line (DSL) internet service. It was noted that minus the current annual \$828 for the DSL internet service that the net annual cost for the CEN service was about \$2,772 or \$231 per month.

Ms. Smith stated the Bill Library has been using the Connecticut Educational Network (CEN) for 5 - 6 years and that they have not had any issues with the fiber network. She stated it worked well and the patrons were able to connect and were not getting kicked off the internet. However, she stated at the Gales Ferry Library they have internet connection issues, noting that it was better in some areas of the building than in other areas of the building and patrons as well as staff have had issues with the current Digital Subscriber Line (DSL) line. She stated that the internet service the Gales Ferry Library was currently providing to its patrons was problematic, noting at times staff has not been able to attend on-line meetings because they could not connect to the internet. Councilor Saums stated with the new equipment and new router that he believed the Gales Ferry Library would be happy with the CEN fiber line.

Councilor Ingalls stated that all of these requests were good improvements. However, she stated that she was nervous about the budget overall. Councilor Saums stated that he believed that there would be better news on the upcoming budget preparation than what was reported last week. Mayor Allyn stated that he previously reported that the Department Heads Fiscal Year 2023/2024 Budget requests came in higher than what he would have liked to have seen. However, he stated that the numbers were starting to polish up well. Councilor Saums stated although the Town Council would have some difficult decisions to make on the upcoming proposed Fiscal Year 2023/2024 Budget that he was comfortable with moving forward with these Grant opportunities to connect the Gales Ferry Library to the CEN Fiber line.

VOTE: 2 - 0 Approved and so declared

Action: Recommend to Approve