



Members

Derek Dobosz, Chair
William Courchesne, Vice Chair
Joel McAuliffe
Robert Zygarowski

APPROVED 9-9-2021

**MINUTES
May 5, 2021**

The following are the minutes of a public hearing held Wednesday, May 5, 2021 at 6:30 PM in the City Council Chambers, Fourth Floor, City Hall Annex, 274 Front Street, Chicopee, MA 01013

Members Present

Dobosz, McAuliffe (Conference call), Zygarowski, Courchesne

Members Absent

Also Present

Dan Garvey (Associate City Solicitor), Councilor Laflamme, Councilor Tillotson (via zoom), Andrew Vernon (IT Chief Information Officer), Jeff Cady (General Manager CEL), James Lisowski (CEL), Councilor Krampits, Andrew Vernon (IT Chief Information Officer)

The meeting was called to order at 6:30 PM

In compliance with the Open Meeting Law the Chairman asked if anyone in the audience was recording the meeting. Seeing none the meeting continued.

ITEM #1

BE IT ORDERED THAT the Utilities Subcommittee meet to discuss fiber optic internet by Chicopee Electric Light.

Jeff Cady stated they started the project in 2020 and starting building out fiber serving areas. He stated that they had four months where they stopped doing installs due to Covid19. Right now we are close to our one thousandth customers. He stated that we have over forty five hundred customer passing's right now, so forty five hundred people can sign up for service and our goal is to double that by the end of this year. Our model is based on interest and its interest in those areas that are assessable. He stated that we have to wait for some areas to run fiber back there because of construction. He

stated that the big issue right now is material delays which create problems with the construction and expediting the project faster.

James Lisowski stated that the market is not flush with qualified fiber optic technicians so there are some challenges filling spots that we had. We have a good team learning the curb as we go. We are looking at about a dozen and a half fiber serving areas. He stated that we just built a new central office on Front Street.

Jeff Cady stated until we have the right equipment you don't want to put the customer through long outage times.

Councilor Dobosz stated what are your thoughts on the municipal side.

Jeff Cady stated that it is not an issue. He assumed it was all served under the same internet service.

James Lisowski stated you would have to provide a five hundred meg active service here. He stated several of the building here are on that through the IT network and that network goes through every building. He stated you may have to up the service a little to accommodate the additional requirements.

Councilor Dobosz stated is there anything we can do to speed up the process.

Andrew Vernon stated that it would be a productive service saving the city money each month over the Holyoke Gas and Electric service we had previously. He stated it makes more services available such as public IP addresses so it's a win three times over. He stated that the same thing should progress for other city buildings but not school buildings. Chicopee Electric Light is not a vendor considered under the eRate Program.

Councilor Zygarowski stated that the residents have to sign up for fiber optic internet. You have to have enough people in the area to be able to get the internet.

Councilor Laflamme stated what is happening with the City Council meetings, last time it was not televised.

Andrew Vernon stated the issue was not relevant to Chicopee Electric Light it was specific to a modem problem Charter Spectrum.

Councilor McAuliffe asked why we are currently using eRate grant for internet service.

Andrew Vernon stated that eRate applies only to eligible schools and libraries. To qualify a building up until this year in a qualifying school must be serving one hundred percent free lunch out of that building. He stated that in Chicopee this past year the school district paid approximately eighty three hundred dollars for layer one internet service. He stated that the district receives about eighty five percent of funding for layer one this past year which represents the fifteen percent. He stated that in the next five years Chicopee is eligible under eRate approximately two millions dollars. This year we

are going after seventy five thousand dollars that the school district will pay out of pocket for layer two products, being the physical infrastructure and buildings the balance will be paid by Universal Service Administrative Company (USAC).

Councilor McAuliffe stated what would you estimated the cost to provide the service to all of our school buildings.

Jeff Cady stated that he's not sure the level of service that they have and he would have to see what service they're looking to give any type of estimate.

Andrew Vernon stated a concrete number to City Hall for layer one service through CEL we pay approximately eight hundred dollars per month. Over the course of twelve years it comes out to the same number for the whole school district in all of their buildings to have layer one service.

Councilor McAuliffe stated that it's the utmost importance that we begin to move forward in finding a way to make sure crossroads is the internet service provider for each and every municipal building including our schools.

Councilor Dobosz stated that we want to support the City fiber optics instead of supporting Charter Spectrum.

Councilor Tillotson asked if the modem used at the City Council meeting was new and why it would not work. He stated that it should have lasted longer than that.

Andrew Vernon stated yes it is new and he will be discussing that with the Charter Spectrum representative.

Councilor Dobosz stated that forty five hundred households have the ability to go on the fiber optic and almost one thousand are customers now.

Jeff Cady stated that we are growing at a rate that doesn't exceed what we have for resources and allows us to make sure we can provide the right level of support. He stated that we want those numbers to go up. We are starting some campaigns this year and sending some materials out. He stated that there is no debt we have been using reserves. He stated that revenues from the telecom pay for additional capital expansion.

James Lisowski stated an average drop to an individual home cost about fifteen hundred dollars to bring it to a home. At seventy dollars a month it takes a long time to make back the actual cost for a drop.

Councilor Dobosz asked if people are paying their bills on time.

James Lisowski stated we are owed over two million dollars for protected accounts. He stated on the internet side there is not shut off protection under the Department of Public Utilities for internet service.

Councilor Dobosz asked are there grants for state and federal funding that we can use.

Jeff Cady stated that we are always looking for grants. The federal grants are mostly for the rural so we don't qualify. He stated that there are stimulus funds and grants that we can utilize.

Councilor McAuliffe asked what the take rate is to be making money on the surface so that it continues to be profitable.

Jeff Cady stated that our goal was thirty five percent. We currently have marketing with an outside firm, social media and signage. He estimated eighty thousand dollars for marketing.

Councilor McAuliffe stated that the marketing budget needs to be bigger. He stated that as the product grows and resources become available I imagine you'd be willing to invest more money into the marketing.

Jeff Cady stated that the more we build this out the more we'll be able to do more city wide marketing.

James Lisowski stated it will be about twenty five million to complete the buildout.

Councilor McAuliffe stated that the American Rescue plan is allocating anywhere from thirty plus million dollars in terms of funding from the Federal Government. It can be spent on broadband. He stated that the federal government is to push municipal entities. If you had twenty million dollars tomorrow do you think you would have the resources to complete the build out.

Jeff Cady stated the faster we build it means we have to bring on more resources but when it ends you're going to have all these resources that you don't need. We can do it faster if we have more money but there is a threshold where I don't think you're going to build it significantly faster.

James Lisowski stated that we originally went into this with a seven year build up but the resources and the ability to manage has to all be considered. He stated that money could accelerate that and open up other opportunities as far as rates and other types of services.

Jeff Cady stated that the man power in house to manage all the customers, you would need to hire new employees to meet the demand but you wouldn't need them when you got done. The employees you need for a big ramp up is different than the employees you're going to need after that's done.

Councilor McAuliffe asked about the contractor perspective.

Jeff Cady stated you can ramp up the contractor part, it's managing the new customers.

James Lisowski stated that we ordered fiber optic cable in February or March and it's not expected until November.

Jeff Cady stated that funding can help speed this up but how many customers you can bring on at a time is where the issue is.

James Lisowski stated that the infrastructure build-out and the accelerated rate by the end of 2024.

Councilor McAuliffe stated that South Hadley had quite a bit of success in terms of their build out. He stated that there's now interest in Holyoke and Westfield.

Councilor McAuliffe asked if there was any discussion about regional collaborations.

Jeff Cady stated that we have talked about it and will look into it going forward. He stated over time it might make sense to have some type of regional collaborations.

Councilor McAuliffe stated are there ways to create an education program for our seniors to make them more likely to switch to crossroads and cut the cord.

Jeff Cady stated that they were planning on doing educational seminars with the seniors and walk them through and explain the process.

Councilor Zygarowski stated he urges the residents to sign up for fiber optic interest with the Chicopee Electric Light.

Jeff Cady stated they can call or go to our website to sign up right there.

James Lisowski stated that you get into a Que. We use contractors to do survey work and they so they do survey work four days a week. We have three installation crews that are doing installations four days a week. He stated that we are working with our contractors to give us an additional resource on the install side. Each crew is doing three installs a day.

Councilor Tillotson stated that he sees signs in his neighborhood and more people are coming aboard going to Chicopee Electric Light for their internet.

Councilor Krampits stated that residents are used to watching their channels on the TV and just hitting the channel button. It could be a challenge for seniors.

Councilor Dobosz stated he is getting fiber optic on May 19th and the whole process has been very pleasant.

Councilor Zygarowski motion to place on file - Councilor Dobosz 2nd - motion passed

Committee vote 3 - 0 favorable

ITEM #2

Minutes of February 18, 2021 - Council Zygarowski motion to approve the minutes -
Councilor Dobosz 2nd the motion - motion passed

Meeting adjourned 7:30 PM