

PROPOSED MINUTES
LAKETOWN TOWNSHIP
BOARD OF TRUSTEES
4338 BEELINE ROAD
ALLEGAN COUNTY
HOLLAND, MI 49423

June 20, 2016

ARTICLE I. CALL TO ORDER

Township Supervisor Terry Hofmeyer called the special Board of Trustees meeting to order at 4:00 P.M.

MEMBERS PRESENT: Terry Hofmeyer, Wendy Van Huis, Linda Howell,
Ed Stielstra, Gary Dewey

MEMBERS ABSENT: None

STAFF PRESENT: Al Meshkin – Township Manager
Charlene Fields – Recording Secretary

ARTICLE II. OPENING COMMENTS

Supervisor Terry Hofmeyer stated the Board wanted to gather more information following the election of May 3, 2016. The proposal was narrowly defeated and the purpose of the meeting is to inform the Board, the residents, and take comments.

ARTICLE III. FIBER OPTIC PROJECT TEAM

A. Legal Team - Ron Bultje and Crystal Bultje of Scholten & Fant

1. Township Attorney Ron Bultje offered an overview of the firm's history, noting they represent over 30 municipal units, numerous school districts and other public entities.
2. Attorney Crystal Bultje offered an overview of the technical aspects of the project, noting Congress has been encouraging deregulation for the expansion of internet services. She discussed the Metro Act, noting the township currently complies with all requirements to construct and provide internet services within the township. Requirements include holding a public hearing prior to authorizing construction of a service facility, creating a 3-year cost/benefit analysis and share with voters, must charge an amount equal to 100% of the costs and can't favor itself or discriminate against other providers, it does not require a public hearing prior to a vote for funding. Attorney Bultje also discussed the Telecom Act, noting this Act only applies to service providers. However, the township has worked to comply with requirements of the Act and will seek bids for the project.
3. Township Attorney Ron Bultje reviewed the Gag-Order law that was passed in late 2015. The law prohibited local municipalities from using public funds to reference any ballot issue in the 60 days preceding an election. The bill has since been overturned and municipalities can again educate constituents on ballot proposals but cannot use public funds to advocate.

B. Design and Construction – Bart Bretsch, Yates Engineering Services

1. Mr. Bretsch offered an overview of his company, provided various brochures and display samples. Yates Engineering has completed 1,500 miles of fiber optic projects throughout 8 states, 27 fiber-to-the-home projects all larger than the proposed township project. They are a construction management firm from Indiana that assists with the design, builder selection and quality assurance of each project.

Mr. Bertsch also discussed the benefits of fiber optic; reliability, greater bandwidth, security benefits, cost benefit over copper, longevity, increase in property values, future personal, educational and medical technological needs. All electronics would be provided and maintained by the internet service provider selected.

C. ISP Selection – Kim Kersey, Kersey Consulting Services

1. Via teleconference, Mr. Kersey offered an overview of his experience and corporate background. His role is to determine financial feasibility of the proposed project through construction, including all request for proposal documents necessary to obtain an internet service provider.

Mr. Kersey recommends a closed access system, as opposed to an open access system, with one provider selected through the RFP process. The potential customer base for the township would not reasonably support multiple providers and could negatively impact customer service.

Service offerings vary with the traditional triple play package of internet/phone/cable on the decline. The current market tends to see more internet and phone packages with customers utilizing internet services to access video needs. The internet is becoming the foundation service of any package and also offers the greatest margins with cable having the lowest margin, greatest capital investment and majority of service calls.

Mr. Kersey provided a recent report from Cisco Systems to the township manager, Al Meshkin. The report expects internet users to triple to 3 billion by 2020. Internet traffic is increasing rapidly with video being a driving factor. Current cable networks will not be able to support the future needs and fiber capacity will be a necessity.

ARTICLE IV. MANAGER’S RECOMMENDATION – Al Meshkin

Township Manager Al Meshkin stated he recommends no action be taken today. This meeting is meant to gather information only for the board and the residents. Mr. Meshkin stated the township proposed project has gotten a lot of attention and it is uncertain if any changes in law may come from Lansing. He would like as many residents as possible to become informed about the future of fiber optics. His recommendation is for the Board to consider a future resolution to put the project on the November ballot, hold another public meeting in a larger venue prior to the election to better inform the voters and move to a vote in November. Mr. Meshkin noted a number of letters of opposition had been received.

Township Supervisor Terry Hofmeyer stated the Board will continue to gather and review information to find answers to all questions. Any future meetings will be well advertised.

ARTICLE V. CITIZEN’S QUESTIONS, ANSWERS AND COMMENTS

Tim Nowakowski, 4789 Pine Hollow, questioned why the board was considering another vote, residents already voted and the answer was “no.” He asked why no wi-fi representatives were here to offer options and why the township is using an out-of-state engineering firm.

Dick Becker, 2382 Valley Avenue, asked if the vote had been “yes,” would there be another opportunity for the “no” voters to ask for another vote.

Dick Shepard, 6711 Edwards, stated limited internet access to some is a serious issue, he doesn’t believe fiber optic will increase property values and said information mailed out earlier regarding service costs was confusing and only solves a short term critical problem.

Don Mc Daniels, 2259 Crescent Walk, reviewed a report from Tom Steinmetz regarding fiber vs.

copper. He suggested the board consider other option and provide residents more evidence of the proposed fiber benefits. He doesn't understand why this is being discussed after it was voted down.

Londa Anderson, 4162 Beeline Road, stated she has perfectly good service. She knew of the limited service when she moved and her three sons use alternative sources such as satellite, hot-spots, etc. She is shocked and appalled that this is being discussed again after the "no" vote and the peoples vote being overridden.

Mark Rubino, 6397 Hidden Ponds, stated he has great internet service for \$100/month. He questioned what other technology initiatives have come before the board and turned down. He stated this is forced taxation by transferring money from one party to another party.

Don McDaniel, 2259 Crescent Walk, stated there is no demonstrated need for this proposal. There is much farmland that has no need for internet service.

Randy Woodall, 2367 Belmont Way, said she doesn't get why the board is discussing this and feels it should not go on the ballot again. She has great service, does not feel it is her civic duty to cover costs for everyone, disputes the suggested increase in property values verses cost to the homeowner. She also questioned why the meeting agenda wasn't posted on the website and stressed difficulty in trying to obtain a copy of previous meeting minutes.

Peter Hart, 4072 Fiddlers Way, stated he has very limited service and believes the proposed project is fantastic. He stated the last vote may have been pre-mature and more reliable information would be beneficial for all parties to make a more informed decision.

Jim Ludema, 6376 138th Avenue, stated the City of Holland uses 30 mg for the entire city and the need for 100 mg in the township is exaggerated. He questioned why the board hasn't considered options with Charter or the City of Holland's existing service to meet the needs of the underserved. He feels this was a sales pitch for fiber optic services.

Steve McNeal, 854 Claremont Court, as a former County Commissioner they considered the option of county wide broadband but found providers weren't interested in working with equipment they didn't own or have control over. He also stated the need for better communication, more transparency, the need to consider all options and have actual numbers to review.

John Eggenschwiler, 6395 Blue Jay Lane, stated he doesn't want to be told he has to pay for a service he has doesn't want and was voted down.

Jim Allen, 4623 66th Street, questioned to need to vote for proposals that were already voted down.

Elizabeth Ter Haar, 4695 64th Street, questioned if her current AT&T service was fiber.

Kyle Hubbell, 2450 Nahnant Path, stated he felt this proposal will be pushed through regardless of the vote. He asked if there was another way to finance the proposal instead of by SEV. He feels the current means to tax is an unfair tax on the rich and given to the poor.

Tim Nowakowski, 4789 Pine Hollow, stated he enjoys the quality of life in this area and suggests a better use of funds would be improvements to the township parks.

Dick Becker, 2382 Valley Avenue, questioned the cost of the first election and how much has been allocated to the project this far.

Township Manager Al Meshkin stated the township has paid about \$20,000 - \$25,000 so far. The May election cost about \$4,000 and there would be no cost to add the proposal to the November ballot.

Mathew Gebben, 3963 64th Street, questioned if the board had looked into alternative financing options such as federal grants or using township assets to fund the project.

Nancy Mc Daniel, 2259 Crescent Walk, asked when the minutes of this meeting would be available and were they'll be posted.

Township Manager Al Meshkin stated the minutes are required to be available within eight business days.

Scott Brundage, Mishawaka Avenue, stated he has poor cell service and would never expect the township to ask taxpayers to pay to improve his service. He feels the board doesn't listen to the people and pushes their agenda.

Joan Haislet, 2425 Waukazoo, referenced a statement made by the board about 15 years regarding the "Robin Hood" theory – she said they did it then and they do it now.

Tom Slanec, 6646 Forest Beach, cautioned the increase in property value could push some buyers out of the market.

Paul Stagg, 4715 Fox Hill, questioned the percentage of tax revenue generated from the lakeshore properties that may be used to fund services for other properties. He also questioned if the costs for services and maintenance would actually be any cheaper than current services.

Randy Woodall, 2367 Belmont Way, stated there must be another way to provide services without forcing the entire community to pay.

Nancy Mc Daniel, 2259 Crescent Walk, asked how many other municipalities have taken on this type of project.

Vern Geurink, 3855 62nd Street, stated he knows of many people who can't afford an increase in taxes and don't have a need for the services. He also stated other utilities have provided services with the option to join or not, this would be a better option.

Jody Callman, 4670 Beech St, questioned if the township owned the fiber could there potentially be problems finding a service provider that would be willing to work with limited control and possibly result in poor customer service.

Rubin Schmidt, 6673 Sunset Concourse, asked who would be responsible for maintaining the fiber.

Mark Rubino, 6397 Hidden Ponds, stated its wrong to take your neighbors money to pay for something you want.

ARTICLE VI. ADJOURN

A motion was made by Van Huis and seconded by Dewey to adjourn the meeting at 6:10 P.M. UNANIMOUS DECISION – MOTON APPROVED