

From: [Craig Taylor](#)
To: [Council, City](#)
Subject: Magellen Advisors Contract
Date: Sunday, April 30, 2023 12:04:15 PM

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Dear Memembers;

I strongly encourage you to vote against spending \$5.7 million on this contract to advance moving the city into the capital intensive fiber optic cable business. While the City may currently have a surfeit of funds there is no need for additional internet connectivity and the funds might be better saved for the future or used to speed up the work on preventing future flooding.

Regards,

Craig C. Taylor

From: [herb](#)
To: [Council, City](#); [Clerk, City](#)
Subject: May 1, 2023 Council Meeting, Item #8: Magellan Contract Amendment
Date: Saturday, April 29, 2023 5:46:58 PM

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**MAY 1, 2023 CITY COUNCIL MEETING, AGENDA ITEM #8
MAGELLAN CONTRACT AMENDMENT**

I am skeptical that a phased approach for implementing the Fiber-to-the-Premises (FTTP) project will lead to a citywide FTTP system based on the City's past history with undergrounding utilities, installing equipment underground for rebuilt undergrounded districts, and reconstructing sidewalks.

After parts of the City's electrical system were placed underground in some neighborhoods, other neighborhoods' electrical undergrounding was delayed ten years and many neighborhoods have never been undergrounded, while those neighborhoods that were undergrounded have had their systems rebuilt.

After some neighborhoods had electrical undergrounding rebuilt with transformers placed underground, subsequent rebuilt neighborhoods required transformers to be placed above ground.

After some neighborhoods had sidewalks reconstructed to a high standard, the remainder of the City's neighborhoods sidewalks were reconstructed to a lower standard and were promised they would later be reconstructed to the higher standard, but a subsequent Council ignored that promise.

The phased FTTP approach seems to be heading in the same direction, because there is no evidence that the slow rollout of the first phase will lead to an expansion of the system.

The City has no experience operating a competitive utility, but the proposal before you would create a new position for an Assistant Director of Utilities in a department where there are many vacancies at all professional levels.

Having the City be an Internet Service Provider and be involved in fiber drop installations and customer activation management would subject the FTTP system to being adjudicated as a property related service that would require the City to abide by Constitutional provisions restricting the ability of the City to set pricing for the service provided.

Prior reports indicated that funding for the combined Fiber Backbone and FTTP projects would come from both the Electrical Fund and the Fiber Fund, but staff has never substantiated the allocation of funding to the two funds, and the current agenda item has all the funding coming from the Fiber Fund while the project also benefits the Electrical Fund.

The only way to accurately allocate the cost of the overall project to the two funds is to have before you the network design for both the Fiber Backbone and Phase 1 of the FTTP

system that will not be available until the summer.

Prior staff reports indicate that the fiber strands in the Fiber Backbone would be for both the Electrical Fund and the Fiber Fund, which means the funding provided by those two funds should be proportional to the number of fiber-miles used by each fund.

The same reports indicate that the fiber strands in the FTTP system would only partly serve the FTTP system, while the others would be for Dark Fiber expansion, which means the funding allocated to the FTTP system that would be used to set prices to customers should be proportional to the number of fiber-miles used by that system out of the total number.

You have been told that there will be savings if the Fiber Backbone and the FTTP system are built together, but the financial information you were previously provided with shows that over 90% of the savings would be to the benefit of the electrical fund.

The amount of labor needed to pull one fiber separately through a loose tube or as many as 864 fibers bundled together through a loose tube is the same, so any labor savings from the two projects being combined should be divided equally between the electrical fund and the fiber fund.

The City should seek competitive bids for an Internet Service Provider (ISP) that has a proven record of customer service and a dedication to customer privacy that includes prohibiting data mining for the purposes of targeting advertising and tracking customer behavior.

The city should seek competitive bids for a Network Operator that could also be the ISP, and would be required to unbundle the charges for network operations and ISP to enable other ISPs to access the network.

Herb Borock