

CITY OF BURNSVILLE
Governance Meeting
May 23, 2006

The City Council of the City of Burnsville met in a governance session at the Burnsville City Hall, 100 Civic Center Parkway, Burnsville, Minnesota the 23rd day of May 2006.

The meeting was called to order by Mayor Kautz at 7:00 p.m.

The Pledge of Allegiance was preceded by a moment of silence.

Present: Crichton, Daly, Gustafson, Kautz, Workman
Absent: None

1. Additions to the Final Agenda.

There were no additions to the final agenda.

2. RV Ordinance Modifications – Public Comment.

Jenni Faulkner, Community Development Director, reviewed the governance process to date for the RV Ordinance modification issue and informed the Council of citizen notifications and media publications.

The following persons appeared before the Council:

John Landin, 134708 Summit Lane
Ron Abicht, 13005 Girard Avenue S
Barb Williams, 306 Crystal Lake Circle
Rennis Renk, 1116 Rushmore Drive
Tom McCoy, 129 Valley High Road
Martha Heisel, 12701 Apple View Lane
Kelvin Miller, 13504 First Avenue S
Douglas Swanson, 13705 James Avenue
Rod Zank, 94 Meadow Circle S
Lewis Lambert, 349 Maple Island Road
Richard Larson, 15000 Judicial Road
Jason Swenson, 3400 Hennen Road
Joan Lambert, 349 Maple Island Raod
John Arison, 804 West 136th Street
Charles Elsass, 12937 Eagle Ridge Drive
Elroy Anderson, 13622 Oakwood Curve
Matt Hisel, 12701 Apple View Lane
Jeanie Renk, 1116 Rushmore Drive
Todd Norton, 14517 Hollow Park Court

Council thanked the residents for appearing tonight to share their opinions with the Council.

The Council Dialogue Session is scheduled to be held on Tuesday, June 26, 2006.

3. Broadband Services in Burnsville – Professional Testimony.

Tom Venables, IT Coordinator, provided a brief background and reviewed a tentative timeline of the governance process for this issue:

- Expert Testimony March – July 2006
- Public Comment August 2006
- Council Dialogue September 2006

Don Banowetz, Frontier Communications Solutions, presented information on Frontier's broadband service in Burnsville:

- **Long Term Community Partner**
 - Frontier relocated to Burnsville 25 years ago
 - Significant employer
 - History of Econ Dev partnership
 - Millions of dollars in facilities and people
 - Pass 100% of customers in Burnsville service area with high-speed internet
- **Our View of Municipal Networks**
 - More effective development tools
 - Discourage, not encourage private investment
 - Government competition not acceptable
 - Airports and broadband are NOT the same
 - Business Plan is "Field of Dreams"
 - We won't be part of municipal network
 - Shifts risks from investor to taxpayer turned spectator
- **The known vs the unknown**
 - Unknown tax burden on all taxpayers
 - Unknown customer base, support, services
- **True Cost to Taxpayers**
 - Lebanon, OH: Total Capital Investment \$8.5M (projected \$6M)
 - Tacoma, WA: Total Capital Investment: Near \$100M (project \$40M)
 - System software upgrades, maintenance
 - Marketing activities, sales acquisition costs
 - Product costing & pricing challenges
 - Ongoing back office support
- **South Metro Strategic Build**
 - \$8M infrastructure investment
 - Immediate availability of 6Mbps
 - Built to 20 Mbps
 - Rational network plan that is scalable to meet demand over time
- **Working Together for Future**
 - Increase demand on available networks
 - Approval process / permits
 - Infrastructure improvements
 - Promote assets
 - Support level playing field, less regulation
- **Choose the right ending**
 - Citizens and businesses are connected
 - Employment continues to grow
 - Result – A vibrant Burnsville

Discussed future service and service from the node to the premise. Council thanked Mr. Banowetz for his presentation.

3. Broadband Services in Burnsville – Professional Testimony (continued).

Stephen Gowdy, President/CEO Stone Bridge Wireless Broadband, presented information on wireless service in Burnsville and surrounding communities.

➤ StoneBridge Wireless Broadband

- Mission/Founded in 2000
- Market Leader – first to deliver enterprise-grade broadband wireless across metro Minnesota and in key Midwest markets
- Present State:
 - Approx 1,000 subscribers
 - 55+ Service delivery towers
 - 14 Employees
 - Work with Metro and Rural Cities
- Nationally Recognized Industry Expertise – On of the Top 50 Wireless Broadband Service
- US Dept of Agriculture – RUS : Pilot Broadband Loan Program
- Churn Rate is below national average - .574%
- Areas of coverage
- Tower locations
- Organic growth strategy
- New broadband wireless application – carrier fiber extension
- New pricing
- Market pricing

Discussed local business needs to conduct worldwide business transactions. Council thanked Mr. Gowdy for his presentation.

4. Adjournment.

Motion by Gustafson, seconded by Workman to adjourn the meeting at 9:02 p.m. Ayes – Crichton, Daly, Gustafson, Kautz, and Workman. Nays - None. Motion carried.

Macheal Brooks, Deputy City Clerk

Approved by the City Council of the City of Burnsville this 5th day of June 2006.

Elizabeth B. Kautz, Mayor