



# Internet Service Provider Recommendation Public Hearing

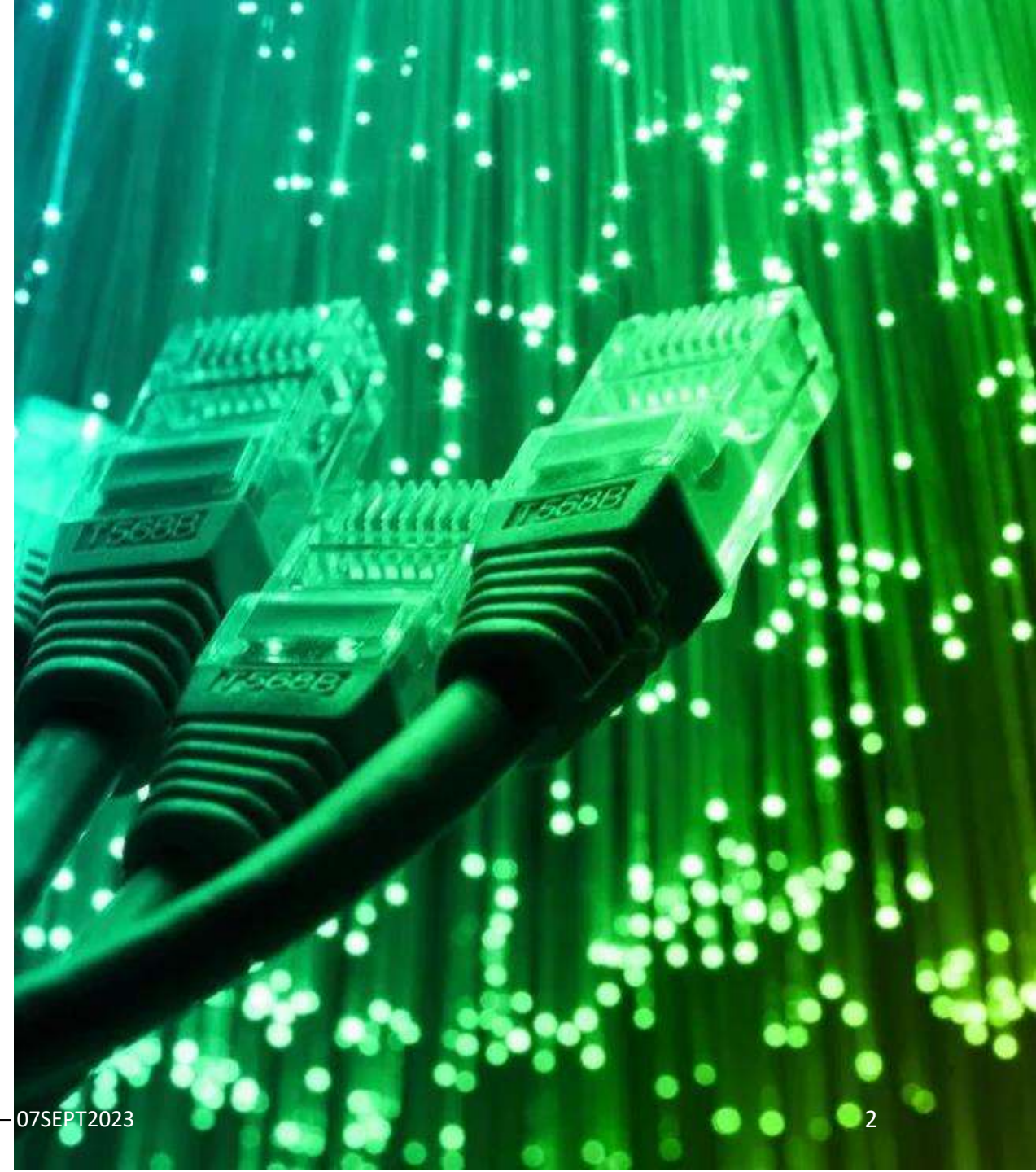
Town of Sevastopol Communications &  
Technology Committee

September 7, 2023



# Agenda

- Broadband Expansion Journey
- Committee Process
- Internet Service Provider (ISP) Selection Criteria
- ISP Recommendation
- Parcel Owner Return on Investment
- Next Steps
- Q&A



# Broadband Expansion Journey - 2023

2023

## Comm/Tech Committee Recommends BugTussel (BT) and presents at Public Hearing Jan.23, 2023

- ✓ Futureproof technology
- ✓ Competitive subscription rates
- ✓ Rural consumer focus
- ✓ Innovative bond funding model
- ✓ WI PSC Grant Win Rate
- ✓ Resolution passed by the Town to work with (BT) to participate in WI-PSC grant round

## Post-Resolution: February - June

- ✓ *BT asks for 60-90 day wait period to determine if other interested municipalities would choose BugTussel, making bond funding more attractive and lower costs/risk*
- ✓ *Town experienced challenges getting follow-through with BT on project matters*
- ✓ *Town asks for meeting w/ senior BT management*

## Town determines to end the agreement with Bug Tussel on June 18, 2023

- ✓ *Meetings with BT Senior leadership resulted in no practical bond funding approach for the town*
- ✓ *BT had to return Broadband Grant \$'s awarded by WI-PSC due to errors in multiple submitted grants*
- ✓ *BT Project cost provided to the Town by their assigned executive was not approved by BT senior executives*

*Disappointed with the outcome, but resolve to find a solution remains strong*





# Comm/Tech Committee Process – Round 2

June 2023

## Restart RFP Process

- Updated RFP
- Invited broad participation
- RFP sent to:
  - ATT
  - Bertram
  - Charter / Spectrum
  - Frontier
  - Nsight

August 2023

## Identify ISP Options

- Evaluated RFP responses submitted by:
  - ATT
  - Bertram
  - Charter / Spectrum
  - Frontier
  - Nsight

September 2023

## ISP Recommendation

- Public Hearing
- Sept. 14, 2023: committee review of public hearing feedback
- September 18, 2023 Town Board Meeting: formal recommendation to Town Board for action on the recommendation

*More ISP Interest for RFP Round #2. Increased Competitive Responses*



# ISP Selection Criteria

1. Is the entire town covered?



- Coverage for the entire town
- Address access for low-income residents
- Include seasonal residences
- Support Town Infrastructure (Hall, Parks, Dock, Dam)

2. What's the project cost, i.e., maximize ROI to residents?



- Overall Project Cost
- Impact on Residents (i.e., tax levy)
- Out-of-pocket costs for installation
- Competitive subscription rates

3. Is the solution “Future-proof”?



- Technology consistent w/ Finley Eng. Study
- Reliability of Design, e.g., bury vs. aerial mix
- Ability to enable future technology solutions for the town or county

4. Is ISP a viable partner?



- Operational capability; business viability
- Customer support & education services
- Grant writing / win-rate
- Fit with operating in the community



# Top Three ISP Candidates



1. Is the entire town covered?



2. What’s the project cost, i.e., maximize ROI to residents?

- Tax Levy
- Subscription Rate
- Consumer Pricing Power



2. Is the solution “Future-proof”?



3. Is ISP a viable partner?





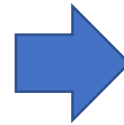
# Assessment of ATT

1. Is the entire town covered?



- ✓ Coverage of the entire town
- ✓ Support for all town facilities
- ✓ Offers programs for low-income households
- ✓ Proposes to start work upon contract signing

2. What's the project cost, i.e., maximize ROI to residents?



- ✓ Favorable overall project cost: \$7.424MM (includes design)
- ✓ Strong Partner Investment: \$5.197MM (70%)
- ✓ Competitive Rates: 300/300 mbps rates @ \$55/mon

3. Is the solution "Future-proof"?



- ✓ Fiber-to-the-Premises design
- ✓ XGS-PON technology; consistent w/ Finley Recomm.
- ✓ ILEC (Incumbent Local Exchange Carrier): allows ATT to optimize deployment on existing pole infrastructure

4. Is ISP a viable partner?



- ✓ Expertise in fiber design & deployment nationwide
- ✓ Programs for technology migration, affordable access
- ✓ Service presence in Door County (Wireline, Cellular, FirstNet First Responder Cellular Service)
- ✓ Has fiber offerings deployed in portions of the Town



# What's the ATT Offering for Residents?

## Subscription Rates

Speed (Down / Up) mbps No Data Caps	Monthly Rate
100 / 100 (Access from ATT)	\$30.00
300 / 300	\$55.00 *
500 / 500	\$65.00 *
1000 / 1000	\$80.00 *

### Affordable Connectivity Program: Participating Provider

- Eligible residents can subscribe to [Access from ATT](#) with 100/100 speed at \$30/month
- Eligible residents receive \$30/mon with Federal ACP funds towards their internet subscription, resulting in 100/100 performance at \$0/mon

## Installation

- Cost to run fiber from distribution fiber at the road to the home:
  - First 1000ft is free
  - Cost TBD >1000ft based on specific customer needs
- Wi-Fi gateway modem and installation at no charge
- [ATT ActiveArmor<sup>SM</sup>](#) security provided at no-charge to fiber customers

A more cost-effective, reliable and future-proof solution than current offerings in the town

ISP **	ATT Fiber*	Charter***	DC Broadband	HughesNet	Starlink	Viasat
Speed (Down/Up) mbps	300 / 300	300 / 10	25 / 3	25 / 3	220 / 10	25 / 3
Data Caps	No	No	No	50GB	No	60GB
Monthly Rate	\$55.00	\$79.99	\$59.99	\$74.99	\$120.00	\$80.00
Monthly Savings: Switch to ATT	-	\$24.99	\$4.99	\$19.99	\$65.00	\$25.00
Annual Savings: Switch to ATT	-	\$299.88	\$59.88	\$239.88	\$780.00	\$300.00

## Customer Support / Education

- ATT provides educational programs to help manage the digital transition
- Call Center 24/7 – Multilingual Support

\* All rates exclude applicable taxes and other charges. The rate reflects \$5/month autopay discount. Visit [att.com](#) for more information.

\*\* Estimated savings comparing monthly subscription rates

\*\*\* Monthly rate includes a \$5/month autopay discount, instituted for the first time by Charter. Standard rates for 300 / 10 increased to \$84.99 as of August 9, 2023.





# Project Cost & Tax Levy Impact: Parcel Owner ROI

State of Wisconsin Board of Commissioners of Public Lands: 20 years, 5.75%

Town's Portion of Project Cost: **\$2,172,644.00** (includes \$25 per 2188 E911 locations investment by County, \$54,700)

Annual Loan Payment				\$185,594.85	How many months will it take a subscriber to pay back the Annual Broadband Tax Levy if:	
Sevastopol RE Valuation				\$1,152,828,300		
Effective Tax Rate per \$1000				0.160990888		
Parcel Value *	% of Parcels (Pareto)	Annual Tax Levy	Monthly Tax Levy Amount		You switch from Charter to ATT @ \$24.99 savings per month	You switch from Starlink to ATT @ \$65 savings per month
\$100,000	51%	\$16.10	\$1.34		0.6	0.2
\$200,000	26%	\$32.20	\$2.68		1.3	0.5
\$300,000	13%	\$48.30	\$4.02		1.9	0.7
\$400,000	6%	\$64.40	\$5.37		2.6	1.0
\$500,000	3%	\$80.50	\$6.71		3.2	1.2
\$600,000	1%	\$96.59	\$8		3.9	1.5
\$700,000		\$112.69	\$9.39		4.5	1.7
\$1,000,000		\$160.99	\$13.42		6.4	2.5

\* Source: Door County Land Use Parcel Total Improvement Values (TOTALIMP1), as of June 30, 2023.  
There are 3,546 parcels in the Town of Sevastopol

- Almost all parcel owners with existing broadband service that offer >100 mbps download performance will offset the annual tax levy payment in less than six months if they switch to ATT
- On average, the payback will be about two months
- Even if current subscribers do not change plans, having a competitive offering available may give them leverage to get a lower rate from their ISP

*Opportunity to further improve Return on Investment (ROI) with available federal grants*



# Next Steps

- September 14, 2023: Committee meets to review public hearing feedback
- Continue discussions with ATT on potential contract framework & potential cost-saving opportunities
- Begin grant process
- Explore other town funding options
- September 18, 2023: Town Board Meeting: Review recommendation and Action

REMINDER: If you haven't participated in the Broadband Survey, please visit the [fibernetdoorcounty.org](https://fibernetdoorcounty.org) website:

- [Door County Broadband Survey](#)
- Don't have internet, please call 1-608-267-3595



# Questions?



# Appendix



# Town of Sevastopol Broadband Committee

## Broadband Project Goals

- Gather & Quantify Town Needs
- Evaluate the Range of Solutions and Funding
- Identify potential Internet Service Provider Partner



**Jeanne Vogel, Chairperson**

- 4693 Windemere Dr
- Town Board Supervisor
- Real Estate (retired)



**Paul Kasriel**

- 4553 Glidden Dr.
- Chief Economist – Northern Trust (retired)



**Darrick DeMeuse**

- 4990 Country View Rd.
- Assistant videographer for Town



**Paul Wickmann**

- 3871 Bay Shore Dr.
- Financial Advisor, Nicolet National Bank (retired)

---

## Advisory Support



**Hugh Zettel**

- 3986 Glidden Dr.
- Chairperson, County of Door Broadband Committee
- Technology, Business Dev., Marketing: GE Healthcare (retired)



**Jessica Hatch**

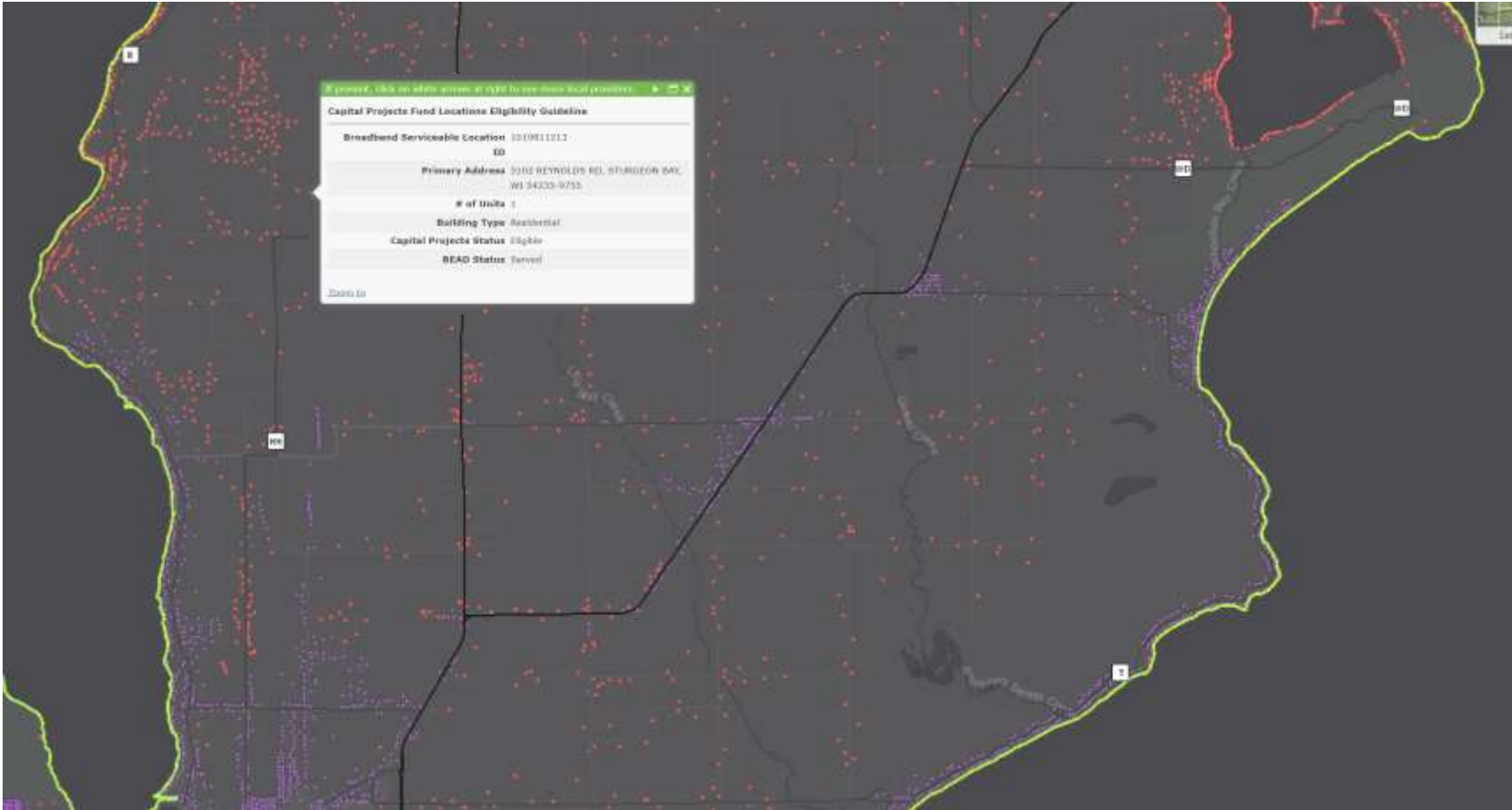
- Door County Broadband Coordinator
- ISP industry experience





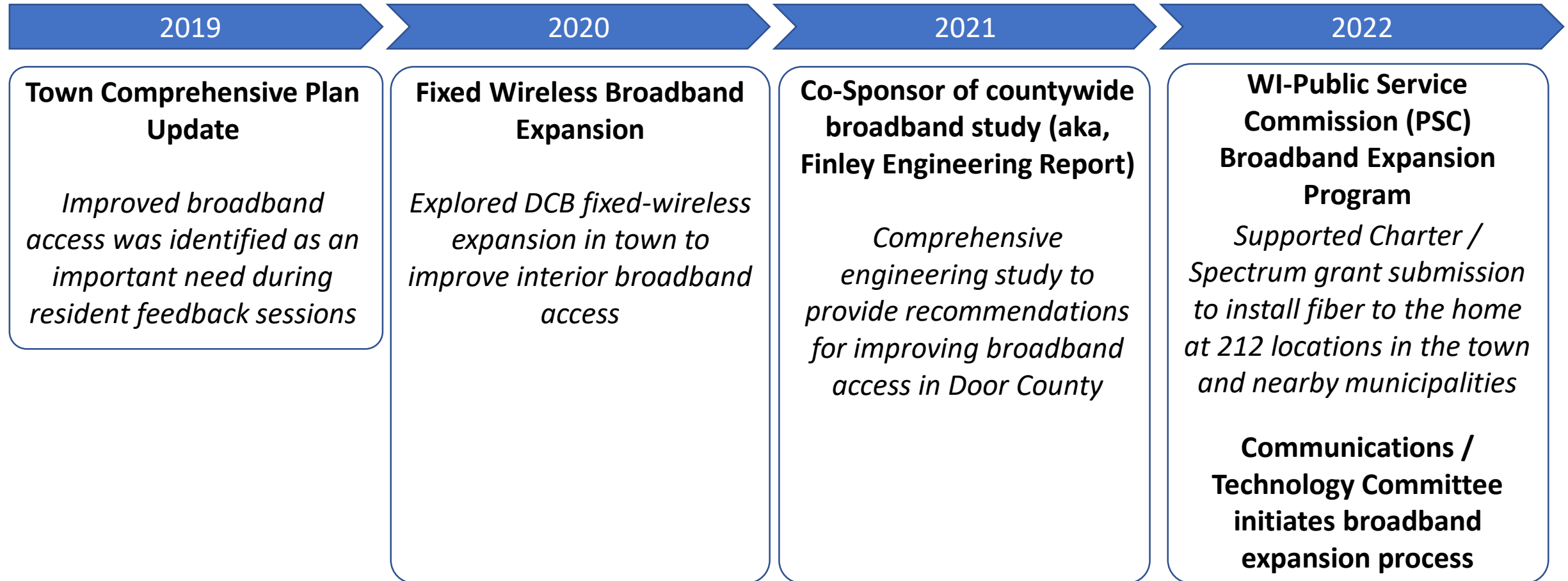
# How many “eligible” locations are in Sevastopol?

FCC broadband eligible # of locations for the Town of Sevastopol: **2027**  
(current estimate: subject to challenges by Town)



- [WI-Public Service Commission Map](#) estimates of eligible (RED) and ineligible (purple) locations for current US Treasury Capital Project Funding (CPF) \$42MM grant round
- Each dot shows an address, building type, and Federal Broadband Equity, Access, and Deployment (BEAD) location status
- CPF grants will be awarded based on the ability of applicants to provide broadband services to the red dots (as well as meet other grant criteria)

# Broadband Expansion Journey



*Broadband is not a “nice-to-have; it’s a critical utility for all residents*



# Is this project a good risk for Sevastopol?

## Societal Impact:

The pandemic provided ample examples of the negative societal impacts of not having broadband internet available to residents, whether it's the ability to work from home, allow children to do their school work remotely, check-in in with family...there's a long list. Every resident has a story.

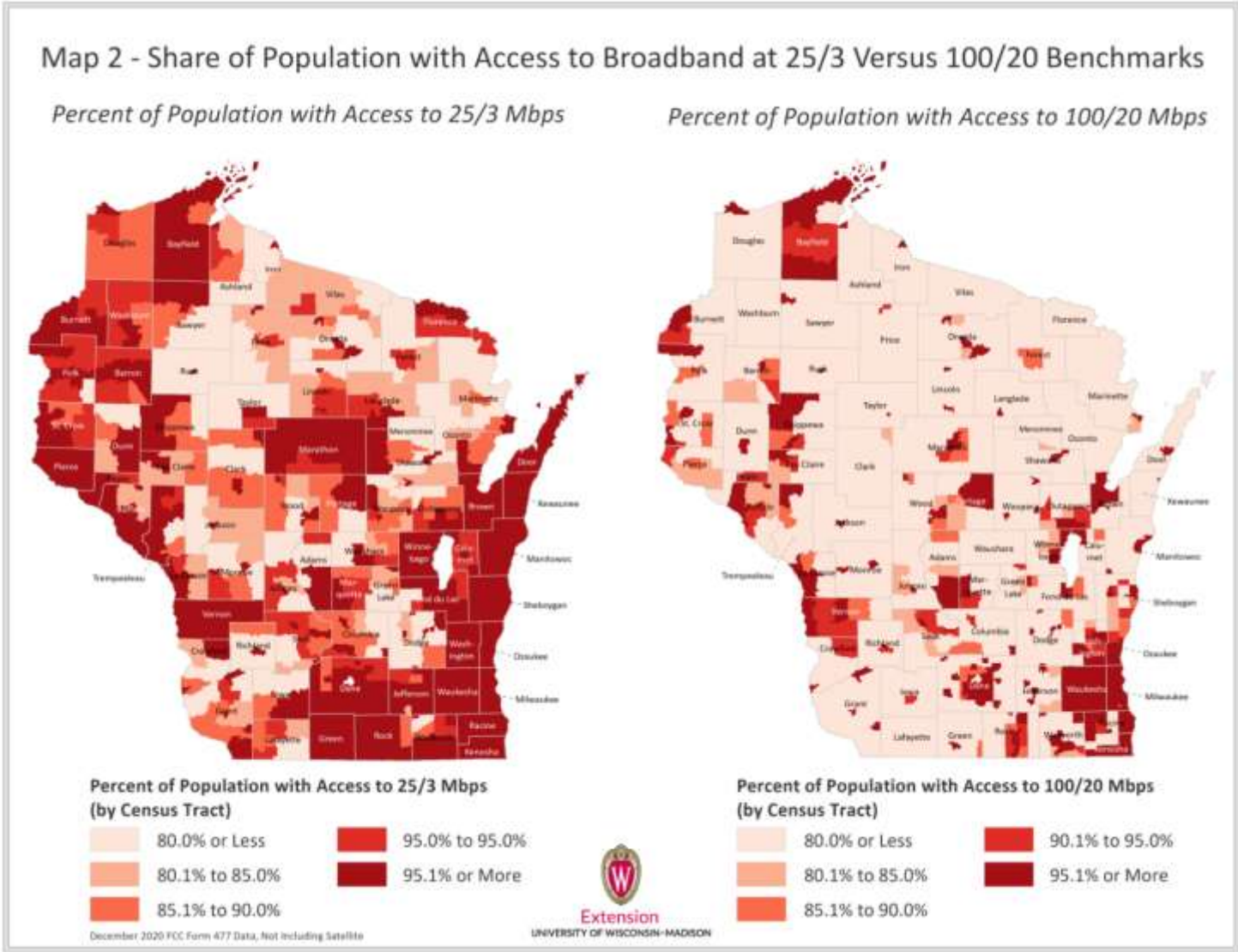
- [According to a UW study](#), Access to High-Speed internet is associated with faster rates of population growth, higher levels of educational attainment (percent of the population age 25 and over with at least some college education), higher 3rd-grade reading test scores, and lower levels of both the percent of population reporting poor or fair health and the number of poor mental health days.
- [In Wisconsin](#), there is a clear relationship between access to broadband and economic performance and overall community well-being.

## Economic impact:

- There have been multiple studies that have identified the economic impact of high-speed broadband internet in terms of home prices or community economic impact.
- A [2014 UW-Whitewater Survey](#) identified \$1,425.74 increased spending annually for seasonal homeowners if they had highspeed internet
- Housing
  - A [2015 Wall Street Journal Article](#) cites a Carnegie Mellon / U of Michigan study that says a high-speed internet would increase the value of a \$175,000 home by \$5,437, or 3.1%. The same article identified a 2014 UW-Whitewater study that showed that high-speed internet could add \$11,815 (or 2.7%) to the value of a \$439,000 vacation house in Door County, Wis.



# Future-proofing: Broadband Access in Wisconsin:



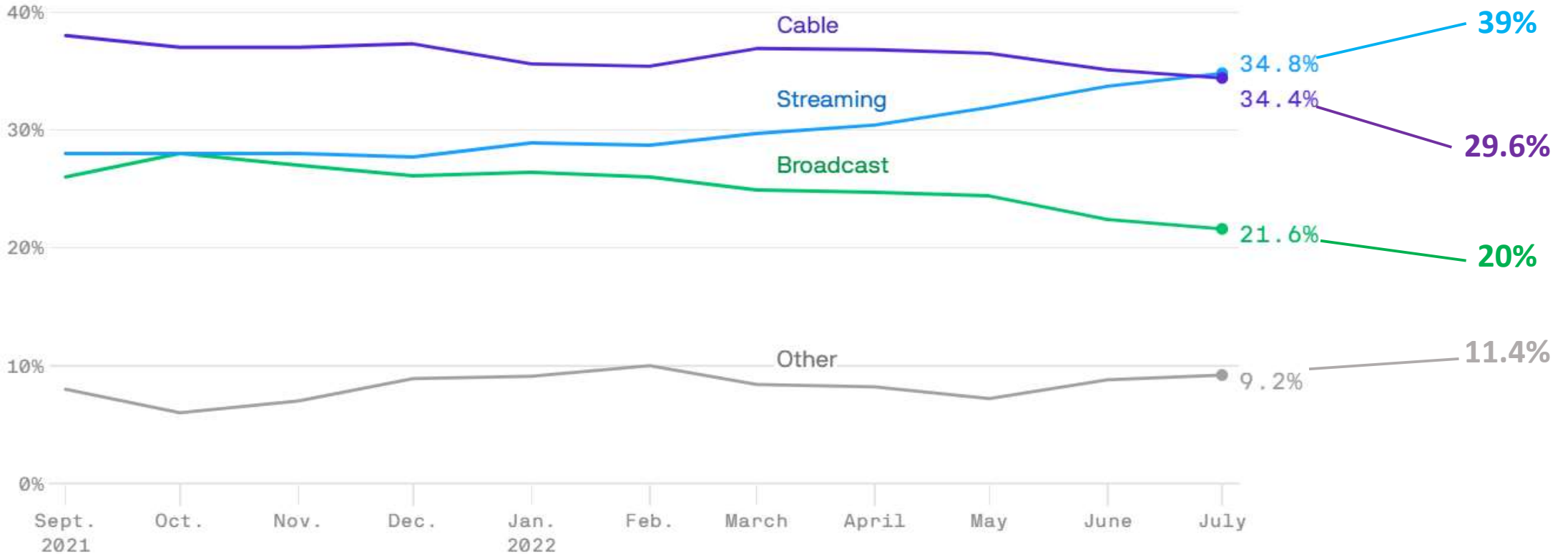
- Recently, [FCC Chair Jessica Rosenworcel](#) proposed that broadband should be defined by minimum download/upload speeds of 100/20 Mbps. While it is unknown whether these speeds will become official FCC thresholds, the 100/20 Mbps benchmarks already are being applied in some settings including the [Broadband Access, Equity and Deployment \(BEAD\) grant program](#), where a lack of access to 100/20 Mbps is used to define an “underserved” location.
- Source: [Broadband Disparities Apparent in Many Regions of Wisconsin](#), UW-Extension, [Community Economic Development](#)



# Future-proofing: Streaming surpasses Cable Usage

## Share of total TV consumption, by type

For people ages 2+; Monthly, September 2021 to July 2022



Data: Nielsen; Chart: Axios Visuals

Sources: [Streaming surpasses cable as top way to consume TV \(axios.com\)](https://www.axios.com/2022/07/15/streaming-surpasses-cable-as-top-way-to-consume-tv/)

July 2023 column update: [Broadcast and cable make up less than half of TV usage for the first time ever, CNBC, August 15, 2023](https://www.cnbc.com/2023/08/15/broadcast-and-cable-make-up-less-than-half-of-tv-usage-for-the-first-time-ever.html)

