

**Syracuse MetroNet
Board of Directors Meeting
Friday, February 15, 2019
8 AM, Syracuse Technology Garden
235 Harrison Street**

MetroNet Board Members, Visitors and Staff Attendance:

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| Brian Barboline - Vice-President - E | Kevin Sexton - Secretary - ✓ |
| Dave Prowak - Treasurer - ✓ | Matt Mahoney - E |
| Dane Dell - A | Mike O'Neill - ✓ |
| Bill Murray – President - ✓ | Ron Walter - ✓ |
| Shaun Black - A | Larry Page - E |
| Joe Ziemba - E | |
| Andrew Cramer - A | |
| Nader Maroun - ✓ | |

() - Individuals listed in parenthesis after Board members indicates a representative who attended in place of that board member

✓ - Indicates Board members, visitors or MetroNet staff personal that were present

A - Indicates Board member that was absent

E - Indicates Board member that was excused

Meeting Notes:

1.) Welcome and Introductions

Bill Murray called the meeting to order at 8:11 AM.

2.) Motions

Bill Murray asked for a motion to approve the minutes from the October 19th Board meeting as presented.

Motion: Nader Maroun made a motion to approve the Board meeting minutes as presented for the October 19th Board meeting, and Dave Prowak seconded the motion.

The motion was carried.

Dave Prowak reviewed the MetroNet Revenue Less Expenses and the MetroNet Balance Sheet as of December 31, 2018 and reported total revenue for 2018 of \$63,995.56 versus a budget of \$93,587.00. Total expenses for 2018 were \$82,068.30 for a net loss for the year of \$18,072.83. The primary reason for this shortfall was outstanding accounts receivable at the end of the year of \$28,260.72.

Mr. Prowak then reviewed the MetroNet Less Expenses and the MetroNet Balance Sheet as of January 31, 2019 and reported revenue for the month of \$13,614.60 and expenses of \$3,925.86 for a net income of \$9,688.64. No budget figures were included since the 2019 budget has not yet been approved.

Mr. Prowak further reported that cash on hand at the end of the month was \$103,444.03.

Bill Murray asked for a motion to approve the MetroNet financials for 2018 and for January 2019 as presented.

Motion: Nader Maroun made a motion to approve MetroNet financials for 2018 and for January 2019 as presented, and Kevin Sexton seconded the motion.

The motion was carried.

3.) MetroNet 2019 Board Officer Elections

Ron Walter reported that this is MetroNet's Annual Meeting at which time we elect new Board Officers for 2019. Bill Murray has agreed to continue as President, Brian Barboline as Vice President, Kevin Sexton as Secretary and Dave Prowak as Treasurer. Bill Murray asked if there were any nominations from the floor. There were no nominations from the floor.

Bill Murray asked for a motion to approve the election of Bill Murray as President, Brian Barboline as Vice President, Kevin Sexton as Secretary and Dave Prowak as Treasurer.

Motion: Nader Maroun made a motion to approve the list of candidates as recommended, and Mike O'Neill seconded the motion.

The motion was carried.

4.) MetroNet 2019 Budget

Dave Prowak reviewed the proposed 2019 Syracuse MetroNet Budget and explained that projected revenue was developed using the same assumptions that we have used in the past. The Member Baseline Fee will remain unchanged at \$2,500 per member. Each member organization who uses the MetroNet transport to receive Internet service will be charged a flat fee of \$2,600 per year plus a fee of \$5 per Mb per month up to a maximum of 50 Mb. The total revenue is projected to be \$59,020.00, a decrease of \$33,567.00 versus the 2018 budgeted revenue and a decrease of \$4,975.56 versus actual revenue.

Ron Walter reported that total Baseline Fee budgeted revenue will be down \$2,500 due to Syracuse University's decision not to remain part of Syracuse MetroNet. Mr. Prowak added that the proposed budget includes \$3,708.00 from reserves, a decrease of \$21,292.00 versus the previous budget. Additionally, the proposed budget includes only \$360.00 in depreciation reflecting the fact that nearly all of MetroNet's equipment is fully depreciated. Mr. Walter added that the reduced revenue from the Marriott Syracuse Downtown reflects the fact that the contract with the Hotel expires at the end of April and the Hotel will not be renewing it.

Bill Murray asked for a motion to approve the Syracuse MetroNet budget for 2019 as presented.

Motion: Mike O'Neil made a motion to approve the Syracuse MetroNet budget for 2019 as presented, and Nader Maroun seconded the motion.

The motion was carried.

5.) MetroNet Project Development

Dave Prowak reported that the City is involved in a number of projects including the Surge Project that the Mayor announced during his State of the City address. This is a huge economic development project that will come all the way down South Salina Street across Adams Street to include the renovation of the Central Tech School. The City is also proceeding with the Smart Cities project and is getting ready to put that out to bid. He is trying to verify that the City owns the conduit at each intersection that he identified a couple of years ago so that they can run fiber for the wireless project as well as gateways which will be the backbones of the Smart Cities project. In addition, the City has had very productive talks with Verizon about rolling out 5G in the City of Syracuse. The FCC recently came out with a ruling that limits what the City can do in terms of what they can charge and how they can work with Verizon relative to the roll out of 5G. There is a digital divide in the City of Syracuse and the Mayor wants to find a way to bridge that and it looks like that will be done through a combination of the Surge Project, the Smart Cities Project and the roll out of 5G in the City.

Mr. Prowak also reported that the City is considering a proposal from a not-for-profit to utilize some of the fiber that he ran last year. It would not be a lease but rather a 10-year IRU. The City is awaiting a specific written proposal from the organization. The organization had asked if MetroNet would be able to help out with some organizational capability if they signed this IRU with the City and Mr. Prowak had answered affirmatively. Additionally negotiations are going well with National Grid regarding the transfer of ownership of the light poles. Once agreement has been finalized, the City will have 10 teams doing the work of installing the new lights on the poles. This work will include the decorative lights.

Nader Maroun asked when Syracuse MetroNet might be asked to become involved. Mr. Prowak stated that would be as soon as a final agreement is reached with the not-for-profit on the IRU. Where the project goes from there will depend on the needs of other organizations. As the City builds out the fiber network, there may be opportunities to partner with other community groups. Mr. Maroun stated that there is no guarantee that the City will want to involve Syracuse MetroNet in any of these projects. Mr. Prowak stated that this type of work is outside of the normal purview of a metropolitan government and an organization like MetroNet might be more suited to manage something like this than a metropolitan government.

Mr. Maroun asked how introduction of 5G in Syracuse going to solve the long-standing digital divide issue? Kevin Sexton stated that it is not. Everyone has a cell phone now and they are all going over 4G. Moving to 5G will not solve the problem. The problem is that many houses in the underserved neighborhoods do not have high speed Internet. It could possibly help with the problem, but the issue now is that Verizon throttles bandwidth significantly once an unlimited plan user reaches 20GB. As long as Verizon is in control, we are not going to solve the digital divide issue. Mr. Sexton stated that he thinks we immediately need to make people aware that there is currently available a \$14.99 Internet plan available from Spectrum for low income families. Further, we need to promote competition in the area so that Spectrum is not the only game in town. They are the biggest bottleneck. How do we get competition? Mr. Prowak stated that he heard in a meeting that Verizon could connect an ONT in the home and run fiber from the 5G equipment on the pole to provide Internet in the home. Mr. Sexton stated that while that is technically possible, there is no incentive for Verizon to price that reasonably nor to refrain from throttling service.

Mr. Prowak stated that the City has done a detailed analysis of the last Census data which clearly demonstrates that there is a digital divide. Mr. Sexton asked then why do we have a digital divide? It's not because they don't have 4G access because they do. Mr. Maroun stated that historically we have not had a very productive relationship in working with Spectrum or with Verizon. Where is the good faith here? Based on our lack of progress in working with these vendors to solve the digital divide in the City in the past, what steps can we take to make some concrete progress in solving this problem in the future? We need to define the digital divide in real terms and try to see what specific steps we can take to solve this issue. What impact is the digital divide having on the potential in our community and who can we work with to craft real immediate solutions? While the Smart Cities projects and 5G can definitely have a positive impact, what can we do now to address the problem that we have known to have existed in our community for years? From a MetroNet perspective, how can we help the City to help develop plans to address issues related to the digital divide?

Ron Walter stated that what he is looking for is a link between all these Smart Cities ideas and overcoming the digital divide that we can work with. Also, we've known for a long time that businesses along South Warren and South Salina Street are concerned about lack of competition and lack of good pricing. We've tried to address that through this whole Tech Alley concept. Where do we stand with that and how do we make that happen? When last we discussed the Tech Alley, we were looking for an answer to the question of whether or not we could access Verizon conduit at a price that would make the whole project more affordable. 5G is great but it's still not going to replace a fiber connection to the downtown businesses.

Kevin Sexton asked just how bad is the digital divide? He doesn't think anybody really knows because we don't have good figures. We've found that the information that is currently available is incorrect. We found that out when we were looking at the New York State Broadband Program and the information on areas that had broadband coverage was wrong. He suggested meeting with some ISPs in the area to discuss what we can do to help them to expand their availability of lower cost broadband. How can we work with them to help them expand the availability of lower cost broadband? You don't really need to tear up all the streets to create a Tech Alley. You need to use a

strategic combination of fiber and wireless. We need to learn more by working with these companies that are doing it. Dave Prowak added that Verizon needs to use fiber to be able to backhaul their signal to their 5G wireless equipment. They will need about 25 gateways throughout the City.

Ron Walter stated that while 5G will be very beneficial to the City and to those who can afford to use it, we had originally talked about making regular Wi-Fi available on the poles throughout the City. Where do we stand with that? Dave Prowak answered that the City has been focusing on how to build it down the business corridor. They have not yet figured out what it would look like if we tried to roll it out through the City. Mr. Walter stated that is really the way you are going to be able to reach into those neighborhoods. Once you figure out how to make no cost Wi-Fi available in the neighborhoods, you can work with the schools to determine how we can work with the kids and families in these neighborhoods and what can we make available to them. There is also the issue that we have not addressed and that is how do we get computers into the homes. While the cost of household computers has gone down, it is still more than what many households can afford. We need to explore this half of the issue at the same time we explore how to make broadband available.

Ron Walter asked Dave Prowak what Syracuse MetroNet can do now to help him and the City with the project areas that he mentioned. Mr. Prowak responded that he has made the City aware a couple of times recently that MetroNet is interested in playing a role, but the City needs to be a bit further down the road because they have nothing they can propose for us to do right now. Mr. Walter stated that he is still very interested in figuring out how we might get fiber into the buildings downtown relatively inexpensively. One option may be to utilize the Verizon conduit. Mr. Prowak stated that he doesn't know what role the City is going to be able to play in that.

Nader Maroun asked for a point of clarification. When we first started to talk about the Tech Alley concept some years ago, we talked with CenterStateCEO and there was some \$200,000 or so available for the project. It appears that that has kind of gotten lost and CenterStateCEO has moved on with the new partnership with the City in many ways. He asked Mr. Prowak from his MetroNet perspective, is there anything we should be doing to resurrect that? Mr. Prowak stated that he does not know where that money is now that we were originally told would be available. Mr. Maroun asked if the cost of doing the Tech Alley project is still the same. Mr. Walter stated that the viability of the project was dependent on our ability to make use of the Verizon conduit at a reasonable cost. Mr. Prowak stated that he felt that being able to use that conduit to offer commercial Internet is probably a stretch, but he has not addressed it internally given the other things going on in the City. Mr. Maroun stated that it appeared that with the partnership between the City, Verizon and CenterStateCEO, the project that Syracuse MetroNet is interested in working on is going farther toward the horizon. Does MetroNet have any other avenues to explore? For instance could we go to the County and would they be interested in working with us on this or another private foundation so that MetroNet does not lose its standing and that we're in a better position to play a role in some of the other projects that the City is exploring?

Kevin Sexton stated that he thought the County Executive and Mayor would be behind any good ideas that we brought to them. At the moment, we don't have many good ideas and he suggested talking with NYSERNet and some of the ISPs that have a presence, particularly downtown, and tell them what we want to do and get their feedback. Hopefully, we can come up with some strong ideas that we can develop into proposals to take to the County Executive and the Mayor. Providing low cost, high speed Internet access is something we have been trying to work on for some time.

Nader Maroun stated that he is concerned that although MetroNet has been an important organization in the past, we may get lost in the shuffle. Therefore, he wants to know what we can do while these discussions are going on to better position ourselves for what we were intending to do originally.

Ron Walter added that in addition to our objective of trying to provide high speed, low cost Internet service in the center part of the city, we had also discussed the opportunity to install Wi-Fi on the light poles while we are installing the new lights. This would enable us to directly impact the digital divide. Dave Prowak explained that to scale that city-wide would be an enormous project. The City is focusing on the low hanging fruit and have not attempted to determine the cost of a city-wide Wi-Fi project or how it would be accomplished. Mr. Walter suggested we could explore developing free Wi-Fi in select neighborhoods in the City as a start. Mr. Prowak stated that he doesn't know how the City could go about doing this or if MetroNet could partner with the City in this

initiative or if another partner could be found to manage to project. Mr. Maroun asked if this neighborhood Wi-Fi project could be developed as a test in one area. Mr. Prowak answered yes but stated that the City is trying to determine how much of it can be done as part of the Smart Cities project. The City still has to verify conduit and fiber to determine how much of an area they will be able to cover. Wherever there is fiber, it is relatively easy to add Wi-Fi. Perhaps MetroNet could expand Wi-Fi to areas that the City cannot cover but we are not in a position to determine that as yet.

Bill Murray asked if Verizon is willing to do something, would they be willing to give up access to their conduit if the ISPs are willing to run fiber and are willing to pay for that right of way? Verizon could not be the only game in town but would have to be willing to allow other vendors to use that conduit. Nader Maroun asked what being a “willing partner” means? It’s important from his perspective, whenever you are dealing with Verizon or Spectrum, to get to the nitty-gritty language of what a willing partner means. Dave Prowak stated that that is the purpose of the upcoming meeting with Verizon to determine what they want. Mr. Maroun is concerned that Verizon will be only willing to do what they absolutely have to, given their past track record. Mr. Prowak stated that the City has signed an NDA with Verizon so they will be very limited as to what they can discuss publicly for the near future. Mr. Walter asked Mr. Prowak to keep in mind that the City would benefit from other things from Verizon such as the use of the Verizon conduit. He just does not want these other opportunities to get lost.

Bill Murray suggested as a next step we get a few ISPs together to discuss options for laying fiber in the downtown Syracuse area. Let’s see if they can and are willing to do this with or without Verizon. Kevin Sexton agreed to reach out to some of the ISPs in the area to see if they are willing to meet with us to bounce some ideas off of them. We need to begin to establish some partnerships on our own. Additionally, Dave Prowak agreed to keep the Board updated on the progress of the projects that the City is working on and inform us of any way that we can become involved in these projects.

6.) Next Meeting Dates

The next MetroNet Executive/Planning Committee meeting is scheduled for Friday, March 15, 2019 at 8:00AM.

The next MetroNet Board of Directors meeting is scheduled for Friday, April 19, 2019 at 8:00AM.

7.) Motion to Adjourn

Bill Murray asked for a motion to adjourn the meeting.

Motion: Nader Maroun made a motion to adjourn the meeting.