

**OFFICE OF THE CITY MANAGER
DES MOINES, IOWA**

**CITY COUNCIL COMMUNICATION 97-160
MARCH 24, 1997 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
FEASIBILITY STUDY OF A CITY-OWNED TELECOMMUNICATION UTILITY	◆ RESOLUTION ORDINANCE RECEIVE/FILE	ERIC A. ANDERSON CITY MANAGER

SYNOPSIS —

On February 24, 1997, by Roll Call No. 97-642, the City Council deferred action on the Council Telecommunication Subcommittee's letter of recommendation directing the City Manager and Corporation Council, and their staffs, to look into the formation of a Telecommunication Utility. In response to the issues raised by the Telecommunications Subcommittee of the City Council, I recommend that a committee be formed of department heads to conduct a feasibility study of a City-owned fiber optic system. Harold Smith, City Engineer, Bruce Bergman, Corporation Counsel, and Kevin Riper, Finance Director should be appointed to this committee. A feasibility study should be completed, with a report submitted to Council within six months. The committee will not consider the City's ownership of a municipal-owned cable television system.

FISCAL IMPACT —

An anticipated budget and fiscal analysis of this feasibility study will be submitted within two weeks. Funding will come from existing sources.

RECOMMENDATION —

Approval.

BACKGROUND —

The telecommunications subcommittee of the council recommended in the attached letter that the City Manager and Corporation Counsel investigate the feasibility of a municipal-owned Telecommunications Utility. Specific points to consider in this investigation included:

1. The Right-of-Way belonging to City of Des Moines residents that is currently leased or rented to operators of various systems. The subcommittee recommended that citizens retain control of right-of-way property.
2. A multi-faceted Telecommunications Utility, that can be used for, among others, generating revenue for the City, eliminating multiple disruptions while accessible to a variety of servers, and enhancing various City services such as 911.

During discussion of agenda item 82 on the February 24 agenda, Mayor Davis also raised several items of concern which would also be addressed by this committee. Those included: the timeline for full implementation; how much staff time would be available to work on this; involving other bodies and organizations in the development of a system; what resources are available to assist the City; and the deregulation of electrical services.

The committee described above will investigate the development a system maximizing benefits to Des Moines residents while minimizing costs. Further, they will ensure consideration of all financial, legal, and other pertinent issues relating to the establishment of a fiber optic system, including those issues raised by Mayor Arthur Davis and the Council Telecommunication Subcommittee.

FEB 24 1997

Date _____

Agenda Item 82

February 20, 1997

Roll Call # 97-1042

THE DES MOINES TELECOMMUNICATION SYSTEM

QUESTION: *Should the City of Des Moines establish a TELECOMMUNICATION UTILITY?
(THE DES MOINES FIBER OPTICS UTILITY)*

POINTS TO CONSIDER:

Right of way belongs to the citizens of Des Moines, and are currently "leased", "rented" to operators of various systems.

Control of rights-of-way should remain with the citizenry of the City.

Municipal (CITIZENS) ownership of a telecommunications system by establishing a Telecommunications Utility could achieve:

- (1) Control of access to rights-of-way, eliminating multiple street disruptions;*
- (2) Expansion of electronic transmission systems in a state-of-the-art mode;*
- (3) Generation of a constant stream of revenue to the City;*
- (4) Allowance for more secure communications systems;*
- (5) Will survive the next several generations of electronic transmission advances;*
- (6) At the same time, enhancement of City services can be achieved by the inclusion of any number of programs for: 9-1-1- system, hospitals, schools, other governmental bodies in Central Iowa area (generally, the 9-County area surrounding Polk County), all City Departments, cable television, telephone transmissions (whether local or long-distance).*

*There is another up-side of this proposal. In considering this matter, and in looking throughout the United States, **THERE IS NO INDICATION THAT ANY CITY THE SIZE OF DES MOINES, OR LARGER, HAS ESTABLISHED A MUNICIPAL TELECOMMUNICATIONS SYSTEM!***



COUNCILMAN THOMAS D. VLASSIS
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ALL-AMERICA CITY 1949, 1976, 1981

Telecommunications Utility

2/19/97

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QUESTION: Having recommended the formation of a Telecommunication Utility for the City of Des Moines, how do we go about it? What are the costs? From where will come the opposition?

There simply are no answers available in the immediacy---they are, however, obtainable.

Our goal ought to be, first of all, to assure that the benefits of modern telecommunications technologies are made available to all segments of our community, business and residential, as soon as is reasonably possible.

Secondly, we should recognize that no single service provider has the financial resources to provide fiber optics covering all of Des Moines and to provide these new and expanded services to both our business and residential populations in the near future.

As with many recent ventures, however, a public/private partnership in this area may be able to achieve this end.

Municipal ownership and responsibility for the use and maintenance of the rights-of-way is incontrovertible. By applying the principals of right-of-way control, by leasing space for utility lines to various systems, by making those systems available equally to a multiplicity of servers, the citizens of the City, and of the County, and of the surrounding Counties, might achieve greater services, expanded services, at a cost which is considerably less than that which they are paying now.

The TELECOMMUNICATIONS SUB-COMMITTEE of the Des Moines City Council recommends that the City Council of the City of Des Moines, Iowa direct that the City Manager and the Corporation Counsel, and their staffs, look into the formation of a Telecommunications Utility, whether a publicly owned or through a public/private consortium.

Respectfully submitted,

Thomas Vlassis Mike McPherson Preston Daniels

*Tom Vlassis
Council Member
Ward I*

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Council Member
Ward II*

*Preston Daniels
Council Member
At Large*

cc: Susan Low