

# City gets status report; breakdown of costs for ongoing communications projects

*City projects tax savings after significant initial community investment*

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With decisions made and continuing questions being raised about the city's ongoing communications projects, the Chanute City Commission received a status report and breakdown of costs on the projects at a work session Monday night.

Mikel Kline, Planning and Economics Studies manager for Sega, Inc., went over the various stems of the project, explaining the city's investment and projected timeframe for returns.

The city is currently working to link USD 413, Neosho County Community College and the public library, now known as the ICAN, Integrated Community-Area Network Partnership, to develop a community-wide network. The network will allow the entities to share resources and connect to the state-wide KanEd education network.

Chanute will need to invest as estimated \$112,000 in its wireless and fiber networks to support the school district's requirements. The investment is anticipated to be repaid to the city over seven to 10 years, through \$1,950 monthly payments from the schools. Seventy percent of the monthly payment is reimbursed from federal e-rate dollars. Kline claims the outside funding source will ultimately pay for the city's infrastructure.

The estimated cost for wireless equipment installation at Alcott, Hutton and Lincoln Elementary schools and the school board office is \$23,000. The estimated cost to extend fiber network to Chanute High School, Royster Middle School and Murray Hill Elementary School is \$90,000. Kline anticipates fiber being installed to these facilities over spring break of this year.

The city plans to allow the school district to install computing equipment in vacated space at the retired municipal Power Plant #1 and allow the ICAN Partnership to co-locate equipment. This site currently has fiber network access. Kline and the city anticipate that sharing resources will save Chanute taxpayers as much as \$100,000 per year.

Estimated costs to extending the network to NCCC is expected to require a \$37,125 investment by the community. Kline anticipates this investment will be repaid to the city over 10 years by monthly payments from NCCC of \$900.

The city plans to connect the Chanute Public Library to the community-wide network as well. The connection and network protection equipment for the library is projected to reach \$10,650. With assistance from USD 413 and NCCC, the library has applied for a grant that could provide 50 percent of the funds needed. The remaining balance will be paid equally by library funds and the city. The city is projected to be repaid over seven years through \$75 monthly payments from the library.

The overall cost of Chanute community investment of the ICAN Partnership into the community-wide network is \$152,537, including equipment.

Another stem of the project is the Utility Network Wireless Expansion Project. The commission has received permission to install radio equipment on the stack of Ash Grove Cement Company to connect utility offices. The majority of remote subscriber radios are installed. Winter weather had delayed equipment installation on the Ash Grove stack.

Cost of the project is estimated at \$120,000. Chanute has requested grant funding through Neosho County for \$32,000. The remaining balance of \$88,000 will be paid by the utility departments benefiting from the equipment.

The city is also working toward public safety communications and network improvements, including connecting a wireless link to the Neosho County radio tower in Erie via the Ash Grove stack. Chanute will provide the radio equipment to complete the link, then receipt of grant proceeds or equipment will be used to replace that equipment. Kline said the connection will provide 36 megabits of bandwidth between Chanute and Erie.

Also with this stem of the project, facility improvements for the Emergency Operations Center are underway. The city has requested that the location of the EOC be withheld for security reasons. The city requested more than \$45,000 in grant funding through the county for support equipment installation in the EOC. Improvements will continue to take place over time as grant funding and resources become available.

Chanute has also requested more than \$13,800 in grant funding through the county for utility and public safety radio equipment improvements. This phase of the project is projected to be a \$20,500 minimum investment. Kline explained possibilities with upgrades include security monitoring in times of high emergency alerts, eliminating the need to send a staff person to monitor each facility.

Kline told the commission that after the network is paid for in a projected 10 years, the revenue streaming into the community could be used to expand the network or the city could allow other entities to tap into the network and pay for the service they use.

Mayor Doug Klaassen said the commission has not yet discussed other uses for revenue coming back into the community. Initial funds for the projects have come from Chanute's Utility Fund. The city projects future tax relief for citizens through saved costs from the multi-stem project. The city does not have an estimated overall savings for taxpayers from the entire communications project.

Kline said that the infrastructure can support additional traffic and the city has the opportunity to offer services at attractive prices to additional entities. He explained what makes those prices so attractive is that unlike a business, the city does not have to recover its investment in two or three years.

Kline said emphatically that fact gives the city a competitive advantage over business. "Is it one the city should capitalize on?" he asked. "Only the commission can answer that."

The commission has not dealt with the possibility of letting commercial entities or residential households tap onto the network.

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