

**SULTAN CITY COUNCIL
AGENDA ITEM COVER SHEET**

ITEM NO: Consent C 3
DATE: February 12, 2009
SUBJECT: Council Meeting Minutes

CONTACT PERSON: Laura Koenig, Clerk/Deputy Finance Director

SUMMARY:

Attached are the minutes of the January 22, 2009 Public Hearing on the Iron Goat Franchise Agreement as on file in the office of the City Clerk.

RECOMMENDED ACTION:

Approve as submitted

MOTION: Move to accept the consent agenda as presented.

CITY OF SULTAN COUNCIL MEETING – January 22, 2009

PUBLIC HEARING:

The Public Hearing on the Iron Goat Franchise was called to order by Mayor Eslick.
Councilmembers present: Champeaux, Wiediger, Slawson, Flower, Blair and Doornek.

Staff: The issue before the City Council is to continue the public hearing noticed for December 11, 2008 to consider granting a non-exclusive franchise to Iron Goat Networks LLC (Iron Goat) to use City streets and public rights-of-way for operating and maintaining a dark fiber network.

In conducting the public hearing, the City Council may consider:

- A. That the public will be benefited by granting a franchise agreement to Iron Goat Networks.
- B. That Iron Goat Networks has the requisite financial and technical resources and capabilities to build, operate and maintain a dark fiber network in the area;
- C. That Iron Goat Networks has no conflicting interest, either financial or commercial which will be contrary to the interests of the City;
- D. That Iron Goat Networks is capable of complying with all relevant federal, state, and local regulations pertaining to the construction, operation and maintenance of the facilities and systems incorporated in its application for a franchise.

The proposal is to string dark fiber on existing PUD poles. There is an agreement with PUD for use of the poles for the wires.

Key points: 5 year agreement with two year extension; insurance and performance bond (insures all the conditions of the franchise are met); franchise fee of 5%; late fees; mediation clause.

Ryan and Caroline Spott: Advised that they started business in 2000 and have worked with the School District to put dark fiber on the PUD poles. They are required to have a franchise with the City for financial reasons.

Councilmembers asked what type of service will be provided; ability to connect to a business located in another City; and service availability to the east side of the City.

The dark fiber does not provide content, it is way to connect the schools together to have communication available between the buildings. Business or citizens could connect to the system but would have to use other systems to connect to areas out of the City. The franchise fees are a benefit to the City. The Spott's expressed concern over the cost to provide a bond and asked the Council to reconsider the performance bond amount.

Public Input

None

On a motion by Councilmember Flower, seconded by Councilmember Slawson, the public meeting was closed. All ayes.

Carolyn Eslick, Mayor

Laura J. Koenig, City Clerk