

Town of Milton Broadband Expansion
Fact Sheet

Issue to be decided: Should the Town of Milton use some of the funds that it has received as a result of the CapX project to partially fund an expansion of CCT (Cochrane Co-op Telephone) Broadband services to residents of the township?

Who will decide: The three voting members of the Town Board (Chairperson and Supervisors) will decide, as this question is not one that can be delegated to the residents. In making their decision, the Chairperson and Supervisors will consider input from Town of Milton residents (see below).

CapX Funding:

- **Amounts Received:** In 2013, as a result of the placement of the CapX Transmission lines, the Town of Milton began receiving “impact” payments from Xcel Energy (the owner of the transmission lines). The fees included a one-time Environment Impact Fee of \$614,113 (received in December of 2013) as well as Annual Impact Fee payments of \$73,694¹ which are payable throughout the life of the lines.² The township has also received other payments from Xcel due to road damage and easements. Since 2013, the Town of Milton has received \$973,127 in CapX-related fees from Xcel.
- **Acceptable Uses:** Per state statutes, the one-time Environmental Impact Fee of \$614,113 must be used for an environmental program unless a different use is approved by the Public Service Commission. Other CapX fees may be used for general expenditures. The Town of Milton has requested and received approval from the Public Service Commission to use the one-time Environmental Impact Fee of \$614,113 on any of the following projects: construction of a new town hall, payment of a portion of the construction costs for a new fire station in Fountain City (to be used as a town hall)³ and payment of a portion of the costs to expand the Cochrane Co-op Telephone (CCT) broadband services to all residents.
- **Expenditures:** After the township began receiving CapX funds, a committee was formed to make recommendations to the Town Board as to how to spend the money. Thus far, two projects have received funding from the one-time Environmental Impact

¹ The 2013 Annual Impact Fee was pro-rated based upon the start date of construction and totaled \$42,988. Annual Impact fees are received in April/May of each year.

² While there is no guarantee as to how long the annual payments will be received, based upon the cost of constructing the lines, it is safe to assume that the annual payments will continue for the foreseeable future.

³ The Fountain City Fire Association has not formally approved the use of any new fire station to be used as a town hall for the Town of Milton.

Fee: \$5,000 for a bike trail in Buffalo County and \$118,229 on the purchase of land and design plans for a new town hall.⁴

- **Available Funds:** Disregarding interest, \$490,884 of the original one-time Environmental Impact Fee remains.⁵ As of December 31, 2017, \$636,136 in CapX funds (including interest) are being held by the township, primarily in certificates of deposit. This amount includes the original one-time Environmental Impact Fee plus other CapX funds (plus interest) that have been received and invested, but not otherwise dedicated to other projects such as Bridge Replacement reserves, Fire Department reserves, Re-Valuation reserves or general annual expenses.

Broadband Project:

- **History:** In June of 2017, after receiving a forwarded e-mail from Clerk Engel about State grant opportunities for broadband expansion, Supervisor Adank spoke to a representative at the State about Public Service Commission Broadband grants, and learned that they must be submitted by a utility company. He also reached out to the Chief Executive Officer of Cochrane Co-Op Telephone (CCT), Gina Tomlinson, who stated that CCT would be interested in expanding broadband to the Town of Milton. After receiving approval from the Town Board to continue discussion with CCT, Supervisor Adank continued to have discussions with Ms. Tomlinson about the viability and cost of providing broadband services to Town of Milton residents.
- **Proposal:** After completing preliminary site maps and engaging in high level project planning to calculate the costs of expansion, CCT provided the following proposal:

CCT would do the installation in phases, with an approximate cost of 1 to 1.2 million per phase if done in two phases. The proposed financing for the first phase would 1/3 each from the CCT, Township and PSC grant, meaning the Town of Milton would pay approximately \$400,000 from existing CapX Funds. The proposed financing for the second phase would be payments over time, by both CCT and the township, meaning the Town of Milton would pay approximately \$40,000 each year for 10 years from the Annual Impact Fee. The installation cost incorporates approximately \$1,000 in

⁴ The construction of a new town hall stalled when the anticipated cost of constructing the town hall that was designed far exceeded the funding that was allocated for the project. Additionally, since that time, a new option for a town hall has arisen--utilizing the yet-to-be-built new Fountain City Fire Association Building as a town hall. The Town of Milton would be responsible for funding a portion of that building, with an approximate cost to the town of \$200,000.

⁵ An additional \$3,000 has been authorized by the Town Board for the cost of an Environmental Impact Study regarding the broadband project; however, the bill has not yet been received or paid.

household installation equipment per household. The state's deadline for the grant application for the first phase of the project is the January 25, 2018.

- **Steps Taken:** On September 6, 2017, CCT held an informational meeting at its office to discuss the broadband expansion proposal. At its September 13, 2017 meeting, the Town Board approved the expenditure of \$3,000 to conduct a required Environmental Impact Study. At its October 11, 2017, the Town Board authorized CCT to send out a survey to town residents. At its November 8, 2017 meeting, the Town Board approved a Broadband Forward! Ordinance, similar to one passed by Buffalo County, which did not obligate the township to any particular project but provided a message that the township is willing to entertain broadband projects. On December 13, 2017, a Special Meeting of the Town Electors was held to discuss the possible expenditures from CapX funds, including broadband expansion and to receive the results of the CCT survey. At its regular Board Meeting on December 13, 2017, the Town Board decided to schedule another Special Meeting (on January 10, 2018) to specifically address the broadband project. On December 21, 2017, the Town Board held a meeting to clarify the process to be followed.

Buffalo County Actions: On September 25, 2017, the Buffalo County Board of Supervisors adopted a Broadband Forward! Ordinance. On December 18, 2017, the Buffalo County Board of Supervisors signed Resolution 17-12-07 to designate up to \$300,000 of County CapX2020 funds to be used for improving the quality and availability of broadband communications in underserved and unserved areas of Buffalo County. On the same date, the Buffalo County Board of Supervisors adopted Resolution 17-12-16 which set forth a procedure for applicants to receive up to \$100,000 per project in County CapX funds for a broadband network project. Should the Town Board of the Town of Milton approve the use of CapX funds for the expansion of broadband services to the Town of Milton, CCT intends to apply for additional grants from Buffalo County under this Resolution.

Elector Input: At its December 21, 2017 meeting, the Town Board approved the following Notice and method by which electors could provide input to the Town Board regarding its decision to approve or disapprove the expenditure of CapX to partially pay for the cost of expanding broadband services to residents of the Town of Milton:

TOWN OF MILTON
SPECIAL TOWN MEETING OF ELECTORS

Notice is hereby given that a Special Town Meeting of the electors of the Town of Milton, Buffalo County, Wisconsin, will be held on January 10, 2018 at 6:00 p.m. at the Granum Auditorium of Cochrane-Fountain City High School, S2770 State Highway 35, Fountain City, WI. The purpose of the Special Town Meeting of Electors is to seek input from the electors on whether to use some of the town's CapX funds to partially fund an expansion of broadband services to town residents.

Just prior to the start of the meeting, any qualified elector of the Town of Milton may sign up to speak at the meeting. A *qualified elector* is a resident who would be eligible to vote in an election in the township. The time allowed for each speaker will be limited by the Chairperson, based upon the number of persons wishing to speak. Persons who are not qualified electors of the township may attend the meeting, but will not be allowed to speak. An advisory vote of qualified electors will be taken at the conclusion of any comment or question/answer period.

Qualified electors who are unable to attend the January 10, 2018 meeting may express their opinion on the broadband expansion by providing written comments to Town Clerk by January 8, 2018 at 5:00 p.m. Comments may be submitted by e-mail (clerk@townofmiltonwi.com), fax (507) 457-0519, personal delivery or U.S. Mail (Kalene Engel, Milton Town Clerk, W823 Engel Road, Fountain City, WI 54629). All submissions must contain the name and address of the elector, a statement confirming that the elector is a resident of the township and a clear indication as to whether the elector SUPPORTS or OPPOSES using some of the town's CapX funds to partially fund an expansion of broadband services to town residents. Persons from the same household must submit individual letters/comments in order for them to be counted separately. Any written comments which are received in an unacceptable format or after the deadline will not be considered. For more information, see www.townofmiltonwi.com.

More Information: For more information, please visit the CapX/Broadband page of the town website at <http://www.townofmiltonwi.com/capx-broadband/> or contact the Chairperson or Supervisors.

Chairperson Robert (Bob) Platteter: (608) 687-8325
Supervisor Eugene Bagniewski: (608) 687-7256
Supervisor Benjamin (Ben) Adank: (608) 687-9204