

**AD HOC COMMITTEE ON AFN GOVERNANCE STRUCTURE**

June 18, 2015  
3:00 – 5:00 p.m.  
Siskiyou Room  
51 Winburn Way

**I. CALL TO ORDER**

**II. PUBLIC INPUT**

**III. APPROVAL OF MINUTES**  
1. Minutes of May 14, 2015

**IV. NEW BUSINESS**

1. AFN SWAT analysis
2. ISPS: function and benefit
3. Municipal broadband: what can we learn? – Vicki
4. Initial Reports:
  - AFN restructured with a separate utility board: Pam and Vicki
  - AFN restructured with some or all services contracted to an outside entity/board: Jim, Dennis and Brian

**V. NEXT STEPS/ MEETINGS SCHEDULE**

**VI. ADJOURNMENT**

Background material submitted since last meeting

<http://www.slideshare.net/kleinerperkins/internet-trends-v1>

*In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Administrator's office at (541) 488-6002 (TTY phone number 1-800-735-2900). Notification 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to the meeting (28 CFR 35.102-35.104 ADA Title I).*

**MINUTES FOR THE ad hoc AFN GOVERNANCE STRUCTURE COMMITTEE**  
**Thursday, May 14, 2015**  
**Siskiyou Room, 51 Winburn Way**

**1. Call to Order**

Mayor Stromberg called the meeting to order at 3:04 p.m. in the Siskiyou Room.

Committee members Jim Teece, Pam Marsh, Dennis Slattery, Rich Rosenthal, Mathew Beers, Susan Alderson were present. Staff members Dave Kanner and Mark Holden were present. Committee member Vicki Griesinger listened in via phone, but did not participate. Committee member Bryan Almquist was absent.

Mayor Stromberg introduced the goal of the group, stated he hopes the group will work to have the future of AFN be a healthy enterprise. He encouraged the group to feel empowered to go beyond the original focus in order to achieve a healthy AFN. He stated that Councilor Marsh would be the chair of the commission and asked her to take over running the meeting.

Marsh welcomed the group members, had them introduce themselves, and give some information regarding why they were interested in participating in this committee.

**2. Public Input**

*Paul Collins:* Stated he is a strong supporter of AFN and a local business owner. He is very interested in the outcome of this process.

**3. Review of Committee Charge**

Marsh reviewed the scope of work, stated that the aim is for a short-term timeline in order to move forward, thus the November 3<sup>rd</sup> deadline listed in the scope of work. Kanner gave an overview of the current governance structure. AFN is a division of the IT Department, and is budgeted through the normal city budget process. A good percentage of the employees are in unions, which can cause constraints on budget issues. He described some of the challenges related to city budget requirements, in that departments can't spend more than is budgeted. This naturally leads to the question, 'is this the best structure?' In other words, does this (being a city division, with city budget constraints) allow the necessary flexibility or ability to achieve the greatest profit?

**4. Discussion of Work Plan**

Holden gave some history regarding the current AFN work plan. With the current work plan, Council approved an expansion of the broadband system. That expansion process started in January and will continue through the next fiscal year. AFN is also bringing in a new backend provider through a bid-process. This should help get better pricing which, in turn, will reduce overall base costs.

Marsh informed the group there was an effort in 2005-2008 to boost AFN, through the AFN Network Programming Committee (aka AFN Options Committee). She handed out information regarding those efforts and described the options the committee came up with including the sale of AFN, spinning it off into a non-profit, or becoming an open/common carrier. Group discussed

the definition of and FCC rules regarding being a common carrier and how AFN currently fits into that role.

Marsh stated that in 2006 there was a discussion of turning AFN into a utility but there were too many legal questions so it was never approved. It was at this point the decision was made to transfer the cable TV side of the business and to continue AFN as the open carrier provider it is today.

Marsh proposed using the list of evaluation criteria from 2006 as a starting point for discussion. They include:

1. Competitive environment
2. Financial impact to community
3. Financial impact to city organization
4. Citizen access to system
5. Public ownership of infrastructure
6. Responsiveness to community needs/concerns
7. Future financial risk/gain
8. Ability to meet current and future needs of the community
9. Ability to meet current and future needs of the city organization
10. Ability to maintain an open system for access to the internet (Multiple ISPs)

The group agreed this was a good starting point. Marsh also wanted to add the importance of a system with a depth of leadership. In other words, limiting decisions to Council approvals might limit the ability to provide the best guidance and/or leadership. Group agreed this was an important discussion and criteria to have in order to stabilize the ebb and flow of knowledge or support from the Council. Slattery noted there is sometimes an awkward knowledge gap from both the Council and Budget Committee, which leaves AFN oversight lacking. Group also discussed how other states are focusing on the importance of municipal broadband, and how they could be examples for this process. Marsh mentioned that some are run by the municipality day-to-day but have a separate governing board approved and or selected by the council.

Group discussed the current debt service of AFN, in terms of where it is currently budgeted, and Marsh agreed to send budget information electronically to the committee.

Rosenthal asked if there were any updates since the Strategic Plan was presented in November. Holden stated there are no changes, that the market share continues to trend downward. There may have been an opportunity to improve market share with the Charter/Comcast merger and there might still be opportunity with the possible Charter/Time Warner merger but no overall change has occurred in the direction of AFN or focus in the Strategic Plan.

Group discussed the importance of being competitive, particularly as TV viewing is moving so rapidly to the internet. AFN quality, capacity, and performance have not been competitive with Charter in the past but current and recent past improvements will help AFN to be more competitive. Group discussed marketing challenges, particularly with our limited budget.

Group discussed the role of other ISPs. They all face the same challenge of being competitive. Group agreed it is important to continue to be an open provider.

Kanner asked the group how this ties into the governance structure. Group felt they need a better grasp of the overall system and where they want to go before they can fully understand or work on the question of governance. They discussed whether understanding the weaknesses of the system (from staff's perspective) might help. Group also wondered if requiring approval of any strategic plan by the Council was the best (most competitive) approach. Is that the best way to stay nimble in a changing market? Holden stated that the requirements of our procurement process certainly slow down any process, but they are not lethal. The more difficult part is having to expose any plan to the competition. Group wondered if Charter might become more aggressive in their marketing if they didn't easily know our strategies. Most agreed that their marketing is not unique or specific to Ashland.

### **5. Future Meetings Schedule/Next Steps**

The group would like to talk about the following at future meetings:

1. Governance – what other format options are available? Group agreed to bring back information on the following options:
  - a. Utility – Kanner and Holden
  - b. Spin-off (assets owned by City, run by outside entity) and/or hybrid between spin-off and current city model – Slattery, Teece, (and possibly) Almquist
  - c. Sell outright – no assignment
  - d. Separate oversight board – Marsh
2. Information on how the system is currently working. Group agreed they do not need a presentation from Holden, as they are all familiar with the November presentation.
3. Cost on investment over time.
4. Is a 20-year vision/strategy even possible? Group agreed that there would need to be lots of flexibility within the rules/roles of that vision. This is why a steering committee may be helpful rather than either a singular IT Director or fluctuating Council. Holden agreed that good strategic plans should be “living” documents which are revisited often.

The next meetings will be on June 18 and July 2, from 3:00 – 5:00 p.m. in the Siskiyou Room.

### **8. Adjournment**

Meeting adjourned at 4:48 p.m.

Respectfully submitted,  
Diana Shiplet  
Executive Secretary

# Introducing Next Century Cities

A new coalition of cities is raising the bar for fast Internet service across the U.S.

By Deb Socia / *Next Century Cities*

**O**n January 14, in Cedar Falls, Iowa – where the local utility has developed a top-notch gigabit network – President Obama laid out his agenda to help communities gain access to fast, affordable, reliable broadband Internet. The speech also acknowledged our organization, Next Century Cities, and its growing coalition of communities dedicated to the importance of gigabit Internet.

Next Century Cities brings together 70 communities across the country, from major metropolises to small, rural towns, to assist communities on the path to fast, affordable, reliable broadband Internet. Members represent a diverse array of approaches, with some communities nurturing successful projects while others are still in initial planning. Yet all members share a recognition of the Internet's importance to thriving communities and a commitment to collaboration. Together, we hope to realize the full potential of next-generation Internet for communities across the country.

In his remarks, the president praised Cedar Falls as Iowa's first gigabit city, with Internet connection speeds among the best in the world. Yet for too many Americans, these speeds remain out of reach – some 45 million Americans cannot purchase next-generation broadband service. Helping communities realize the promise of gigabit Internet is the driving mission of Next Century Cities. This is an opportunity that communities cannot afford to miss. As the president observed, "This is about helping local businesses grow and prosper and compete in a global economy."

To better equip communities to seize this opportunity, the president unveiled a host of policy proposals with the potential to empower communities and support better broadband infrastructure. These proposals could engage federal and local policymakers alike, helping communities address their needs. For instance, a new initiative called Broadband USA will offer support through technical assistance, regional workshops and resources to equip policymakers to develop successful networks. Similarly, new grant and loan opportunities through the Department of Agriculture's Community Connect program will be designed to encourage the development and deployment of broadband networks in underserved, rural areas.

Several additional proposals offer the possibility of forums for community leaders to contribute to national broadband policy. Most prominently, President Obama announced a Community Broadband Summit, to be held in June 2015,

that will convene mayors and county leaders committed to broadband solutions and economic revitalization. Meanwhile, the new Broadband Opportunity Council will bring together representatives from more than a dozen federal agencies to identify and remove unnecessary regulatory barriers.

## EMPOWERING BROADBAND DEVELOPMENT

The president's remarks come at a time when, in 19 states, legislation inhibits the development of next-generation broadband networks. While discussing these laws, President Obama firmly stated that "all of us – including the FCC, which is responsible for regulating this area – should do everything we can to push back on those old laws."

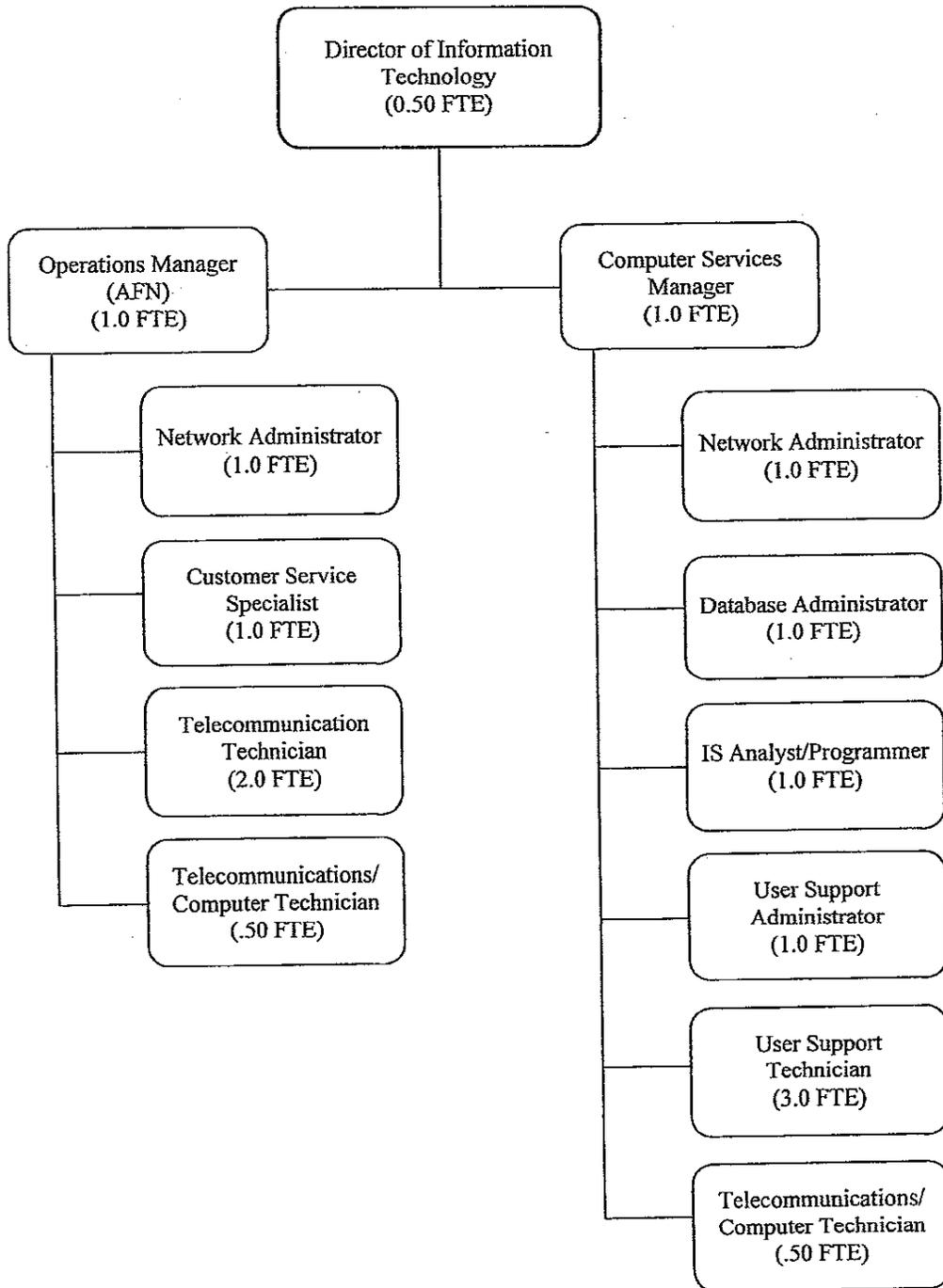
In the short time since the president's speech, promising developments have suggested that a more vibrant, competitive market for broadband Internet will emerge. First, the Federal Communications Commission announced that it was considering a ruling in response to petitions from two Next Century Cities partner communities, Wilson, N.C., and Chattanooga, Tenn., to preempt laws in their respective states that restrict the buildout of successful gigabit networks to neighboring communities. Across the nation, communities are recognizing the critical importance of local choice to successful broadband projects. A letter to the FCC in support of the two petitioners garnered more than 40 signatures from elected representatives of 38 Next Century Cities members.

The stakes of broadband access are high for many communities, and next-generation networks represent a key link to an increasingly globalized economy. One study found that for every \$5 billion invested in broadband infrastructure, some 250,000 jobs are created, and they can contribute up to 1.4 percent of growth in employment. Meanwhile, approximately one-third of small businesses express a need for speeds higher than what is currently available in much of the country.

It is clear that the president's proposals, and the FCC's actions, sit at the junction of economic need and community potential. We hope to ensure a prosperous 21st century for all American communities, helped by policies that protect local choice and empower broadband development. ❖

*Deb Socia is the executive director of Next Century Cities, which invites additional cities to join in its efforts. Find out more at [www.nextcenturycities.org](http://www.nextcenturycities.org), and contact Deb at [deb@nextcenturycities.org](mailto:deb@nextcenturycities.org).*

# Information Technology Department 14.50 FTE



## Information Technology Department

Position Profile	FY 2011-12	FY 2012-13	BN 2013-15	BN 2015-17
	Actual	Actual	Amended	Proposed
Director of Information Technology	-	-	-	0.50
Assistant City Administrator	0.50	-	-	-
Director of Electric Telecommunications	-	0.50	0.50	-
Information Technology Manager	1.00	-	-	-
<b>Information Systems Division</b>				1.00
Computer Services Manager	-	-	-	1.00
Network Administrator	1.00	1.00	1.00	1.00
Database Administrator	-	-	-	1.00
IS Analyst/Programmer	-	-	-	1.00
User Support Administrator	-	-	-	3.00
User Support Technician	-	-	-	0.50
Telecommunications/Computer Technician	0.50	0.50	0.50	-
Technology Services Division Manager	-	1.00	1.00	-
Senior Information System Analyst	2.00	2.00	2.00	-
Information System Analyst	1.00	1.00	1.00	-
Information System Customer Representative	1.00	1.00	1.00	-
Information Systems Technician	3.00	3.00	3.00	-
<b>Telecommunications Division</b>		1.00	1.00	1.00
Operations Manager	-	-	-	1.00
Network Administrator	-	-	-	1.00
Customer Service Specialist	-	-	-	2.00
Telecommunication Technician	0.50	0.50	0.50	0.50
Telecommunication Computer Technician	-	-	-	-
Senior Network Engineer	3.00	1.00	1.00	-
AFN Customer Service Representative	1.00	1.00	1.00	-
AFN Network Technician	1.00	1.00	1.00	-
	<u>15.50</u>	<u>14.50</u>	<u>14.50</u>	<u>14.50</u>

## **DEPARTMENT OVERVIEW**

The Information Technology (IT) Department consists of two divisions: Information Systems (IS) and Telecommunications. Information Systems is responsible for a wide spectrum of information technology devices, computers/servers, telephony, systems analysis/design, IT project management and help desk support. In addition, IS provides back-up help desk support for Ashland Fiber Network (AFN). The Telecommunications Division is also known as the Ashland Fiber Network. The Telecommunications Division is responsible for all activities and services related to AFN. The Telecommunications Division also provides network infrastructure to the City and provides supplemental technical support to Information Systems.

The Information Technology Department supports a broad range of services, including:

- Data & Voice Communications, including maintenance of the City's e-mail and telephone systems.
- Customer Support for a wide range of applications and technologies.
- Data Center Services: The City's production business systems and data storage are housed in the IT Data Center. Installation and maintenance of those servers and systems –as well as Business Continuity and Disaster Recovery Planning – are the responsibility of the IS Division.
- Network Infrastructure: All networking for City employees – wired, wireless, and mobile – across sixteen sites, is supported by the IS Division.
- Systems Analysis/Development: Business system analysis, project management, procurement and installation of systems, database design and support, are all provided by the IS Division.
- Administrative Roles: The IS Department is responsible for technology and security policy development, establishing organizational technology standards, central coordination of IT procurement, technology inventory, project planning and deployment of new services.
- Fiber to the Premise (fttp), cable modem, wireless internet, cable television, and colocation services.

### **Council Goals Supported**

The Information Technology Department supports the following Council Goals and Objectives.

#### **Economy**

Seek opportunities to diversify the economy in coordination with the Economic Development Strategy.

17. Market and further develop the Ashland Fiber Network.

The department also supports the following Administrative Goals and Objectives.

#### **Quality of Life Municipal Services**

Provide, promote, and enhance the security/safety, environmental health, and livability of the community.

#### **Municipal Infrastructure Objectives**

30. Deliver timely life-cycle capital improvements.
31. Maintain existing infrastructure and plan for future improvements to meet regulatory requirements and minimum life-cycle costs.

## Information Technology Department

Description	INFORMATION TECHNOLOGY DEPARTMENT						
	FY 2011-12 Actual	FY 2012-13 Actual	BN 2013-15 Amended	BN 2013-15 Estimated	BN 2015-17 Proposed	BN 2015-17 Approved	BN 2015-17 Adopted
<b>Department Total Resources</b>							
Charges for Services	\$ 2,949,363	\$ 2,791,432	\$ 6,797,971	\$ 6,738,505	\$ 6,945,429		
Interest on Pooled Investments	3,304	1,733	2,000	2,557	1,943		
Resources (over) under requirements	1	13,092	1,000	4,742	400,000		
	<u>\$ 2,952,668</u>	<u>\$ 2,806,257</u>	<u>\$ 6,800,971</u>	<u>\$ 6,745,804</u>	<u>\$ 7,347,372</u>		
<b>Department Total By Function</b>							
500 Personnel Services	\$ 1,450,358	\$ 1,284,252	\$ 3,133,180	\$ 3,157,976	\$ 3,265,740		
600 Materials and Services	1,414,764	1,414,329	3,199,791	3,249,032	3,482,132		
700 Capital Outlay	87,546	107,676	468,000	338,796	599,500		
	<u>\$ 2,952,668</u>	<u>\$ 2,806,257</u>	<u>\$ 6,800,971</u>	<u>\$ 6,745,804</u>	<u>\$ 7,347,372</u>		
<b>Department Total by Fund</b>							
691 Telecommunications Fund	\$ 1,865,404	\$ 1,910,249	\$ 4,263,843	\$ 4,249,978	\$ 4,439,734		
710 Central Services	1,087,264	896,008	2,537,128	2,495,826	2,907,638		
	<u>\$ 2,952,668</u>	<u>\$ 2,806,257</u>	<u>\$ 6,800,971</u>	<u>\$ 6,745,804</u>	<u>\$ 7,347,372</u>		

### Economic Development Objectives

39. Maintain and improve infrastructure to enhance economic vitality of the community.

### Administration and Governance

Provide high quality, effective and efficient city services and governance in an accessible, collaborative, and fiscally responsible manner.

### Objectives

40. Ensure on-going fiscal ability to provide desired and required services at an acceptable level.
41. Use results of Citizen Survey to identify needed improvements.
42. Provide modern and innovative equipment and facilities for city functions.
43. Ensure the security and integrity of City data.
44. Utilize proven technology to enhance efficiencies and customer satisfaction.
45. Promote and reinforce City-wide customer service standards.
46. Ensure compliance with all regulatory requirements.
48. Support and develop staff knowledge, skills and abilities to provide exceptional public service.
49. Foster teamwork across City departments and programs.
50. Develop a fee/rate structure that is consistent with adopted master plans and studies.

### Successes over the Past Biennium

- New operating system: The Information Systems Division successfully upgraded all City workstations from the end-of-life Microsoft Windows XP operating system to Windows 7.
- Fully virtualized server environment: The IS Division has continued to eliminate hardware, freeing space in the data center and reducing electrical and environmental costs. Hardware procurement has been reduced (saving time and money) and new servers are now deployed in minutes instead of days.
- Added data storage: Installed a new disk array to accommodate the City's rapidly growing data storage

requirements. By providing a flexible, shared storage resource, this capacity is available to any virtual server, as well as being available for high speed backup and recovery.

- Data Center reorganization: IS reorganized the City Data Center to group all of the City's data systems together in a single secure location.
- Backup & Recovery: IS installed a new backup management system, specifically designed for virtual environments. This system provides for rapid backup and restoration and allows for enhanced management and automated testing of saved backup sets.
- Documentation Library: A new documentation system was developed and deployed to ensure quality and consistency for all internal IT documentation.
- Security Audit: The IS Division joined with the Ashland Police Department to complete the triennial on-site Criminal Justice Information Systems audit of the Ashland Police Department.
- Mobile networking was installed in the Fire Department's two new engines, while mobile laptops and video systems were installed in new Police vehicles.
- Completed Supervisory Control and Data Acquisition (SCADA) projects for Electric, Water Treatment, and Waste Water Treatment.
- Completed the AFN Strategic Business Plan: Received initial funding for the Internet Project described in the Plan. Initial investment included the deployment of a new Arris C4 Cable Modem Termination System (CMTS) and Juniper MX 80 edge router. These carrier class devices enabled a tenfold expansion of the network capacity to 10gb .
- Upgraded all network nodes to support eight-channel bonding, increasing the available bandwidth to the individual customer's modem and significantly reducing traffic bottlenecks.
- Deployed new BSR 64K edge router to enhance network performance and reliability with critical equipment redundancy.
- Colocation facility: The installation of new facilities and equipment in the headend enabled the launching of new colocation services, including the hosting of servers in a secure environment.
- Customer service specialist: Successfully and seamlessly transitioned from long term staff to a new hire. This SOU Computer Science graduate has both the technical expertise and exceptional customer service skills to quickly troubleshoot connection issues, and interact with customers of varying technical capacities.
- New fiber connections: Acquired and completed installations for four new fiber commercial accounts.

### **Significant Issues in the Biennium Ahead**

- AFN must successfully navigate an uncertain competitive strategy/reaction as Comcast acquires and operates Charter's southern Oregon territory.
- Channel partners and AFN must overcome competitive pressures to increase customer acquisition and retention rates.
- A significant reduction in the cost of bandwidth is necessary to remain competitive and to meet the rising internet consumption of customers adopting over the top streaming devices.
- Personnel constraints limit AFN's ability to respond to unscheduled issues and events. AFN's small but responsive field staff is responsible for cable TV and internet service installations, diagnosing plant issues, performing routine maintenance, responding to customer service calls, correcting plant compliance issues, as well as performing construction work. Keeping up with technology and services is a challenge as available time is constrained by these activities.

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## ***Information Technology Department***

### **Fiscal Issues and Conditions**

The Information Systems Division is funded by central service charges. Significant reductions, made in previous budget cycles have been carried forward, restricting operational costs in recognition of external economic conditions for the entire City.

AFN's operation is fully supported through rates and charges. AFN provides a recurring, non-seasonal revenue stream to fund AFN's operations, provide for AFN's capital investments, as well as contribute to the retirement of the City's Technology debt and help pay for City related central services.

- Network performance upgrades are necessary for delivery of any new systems, whether internally or externally (on-premises or cloud based). Current financial conditions may continue to reduce the scope of available business solutions and/or delay the timeframe in which the benefits can be recognized.
- Competitive short-term pricing and promotions are a challenge to revenue. AFN will continue to experience customer churn by price sensitive customers shopping the lowest temporary promotion.

### **New and different in this budget**

There are no significant changes to the funding, resources, or operational requirements of the Information Technology Department. However, this budget proposes to fund three major initiatives in the IT Department:

1. Network and system upgrades. The City's existing and antiquated IT network would be replaced with a new system to improve speed, reliability and security throughout the City. This would provide for equipment standardization throughout the network and allow for future system expansion. This is proposed to be funded by a \$232,000 transfer from the Insurance Fund (PERS reserve).
2. Voicemail system replacement. The City's current voicemail system is no longer vendor-supported and has become an ongoing maintenance problem. Note that a new voicemail system will require the network and system upgrades described above. This is proposed to be funded by a \$75,000 transfer from the Insurance Fund (PERS reserve).
3. Phase 2 of the AFN Internet Project. This is a project to upgrade the speed, bandwidth and reliability of Ashland Fiber Network internet service, as called for in the AFN Business Plan. An initial investment of \$100,000 was made in FY 2015 and an additional \$300,000 is required in BN 2015-17. This is proposed to be funded by a \$400,000 transfer from the Reserve Fund.

**Information Technology Department - Telecommunications Division**

**TELECOMMUNICATIONS DIVISION**

The Telecommunication Division provides high-speed, robust broadband telecommunication services to residential, commercial, health care and educational customers in the Ashland area. Services are offered directly through the Telecommunications Division (AFN) or through retail partners. Approximately 4,200 homes and businesses rely on AFN for all the right connections.

AFN presently has nine cable modem service levels enabling customers to select the service level that best fits their needs. AFN does not differentiate between residential and business accounts. All customers pay the same rate. AFN's direct fiber service provides connections up to 1Gigabit per second, with 99.9% connection availability, and 24/7 local technical support. AFN also offers up to 7Mbps wireless service via a tower serving residential customers living outside the urban growth boundary.

Cable TV is provided to the community through a lease agreement between AFN and a local retail partner. The cable TV signals transit AFN's network. AFN is responsible for the maintenance and compliance of the network along with performing cable TV installations and responding to the majority of cable TV service calls. The City data network transits through AFN connections as the City government operation relies on the Telecommunications Division for critical connectivity. AFN's facilities include a combination of 119 miles of coaxial network and 25 miles of fiber on 1,750 utility poles or buried in underground conduits. AFN's outside plant include 40 optical nodes and more than 1,000 amplifiers, power supplies and other active devices. AFN's head end or Network Operations Center is configured with industry standard equipment. With the recent upgrading of the Headend, the current internet bandwidth capacity is now 20 Gigabits. AFN continues to provide competitive services to our customers and to create valuable products and services for our community.

**Performance Management**

	<b>BN 2013-15 Actual</b>	<b>BN 2015-17 Target</b>	<b>BN 2017-19 Target</b>	<b>BN 2019-21 Target</b>
Service Interruptions Caused by Node Issues	480 minutes	240 minutes		
Customer outages corrected same day	95%	99%		
New customer connects within 2 business days	90%	98%		
Network latency	20ms	20ms		
Network Uptime	99.99%	99.99%		
Facilities Inspected % Plan Completed	100%	100%		
Facility Remediation % Plan Completed	100%	100%		

## Information Technology Department - Telecommunications Division

Description	TELECOMMUNICATIONS FUND INFORMATION TECHNOLOGY DEPARTMENT TELECOMMUNICATIONS DIVISION						
	FY 2011-12 Actual	FY 2012-13 Actual	BN 2013-15 Amended	BN 2013-15 Estimated	BN 2015-17 Proposed	BN 2015-17 Approved	BN 2015-17 Adopted
Fund# 691							
<b>Personnel Services</b>							
510 Salaries and Wages	\$ 396,001	\$ 390,722	\$ 834,680	\$ 857,941	\$ 860,110		
520 Fringe Benefits	197,179	185,053	453,880	455,414	483,120		
<b>Total Personnel Services</b>	<b>593,180</b>	<b>575,775</b>	<b>1,288,560</b>	<b>1,313,355</b>	<b>1,343,230</b>		
<b>Materials and Services</b>							
601 Supplies	212,287	249,736	512,300	527,604	566,000		
602 Rental, Repair, Maintenance	81,092	90,496	183,027	175,303	180,328		
603 Communications	9,497	6,708	17,244	12,002	11,764		
604 Contractual Services	634	3,487	17,900	15,941	22,200		
605 Misc. Charges and Fees	888,852	886,401	1,863,900	1,853,610	1,948,700		
606 Other Purchased Services	26,320	24,115	72,912	55,867	117,512		
<b>Total Materials and Services</b>	<b>1,218,682</b>	<b>1,260,943</b>	<b>2,667,283</b>	<b>2,640,327</b>	<b>2,846,504</b>		
<b>Capital Outlay</b>							
703 Equipment	53,478	46,692	308,000	145,681	150,000		
704 Improvements Other Than Bldgs.	64	26,839	-	150,615	100,000		
<b>Total Capital Outlay</b>	<b>53,542</b>	<b>73,531</b>	<b>308,000</b>	<b>296,296</b>	<b>250,000</b>		
	<b>\$ 1,865,404</b>	<b>\$ 1,910,249</b>	<b>\$ 4,263,843</b>	<b>\$ 4,249,978</b>	<b>\$ 4,439,734</b>		

## **Information Technology Department - Information Systems Division**

### **INFORMATION SYSTEMS DIVISION**

The Information Systems (IS) Division of the IT Department is comprised of nine FTEs whose roles are to innovate, identify, and deliver solutions which amplify the capabilities, facilitate the efficiency, and support the decision making process of every City employee. The IS Division also works to identify better ways to communicate with, and offer services to, the citizens of Ashland. The IS Division is involved throughout the entire information lifecycle, from systems design, information creation/collection/sharing, communications, storage, and emergency recovery.

The IS Division is responsible for network infrastructure design, support, and security; network communications throughout the City, including fiber optic links between sites, network wiring, wireless networking within offices, Internet access and mobile networks in the vehicles of safety personnel/first-responders. The Division also maintains the City's email, telephone, and voicemail systems. These systems are the front line tools used for both internal City and external citizen communications. The IS Division also operates the City's Help Desk, providing remote and on-site technical support for a wide-range of applications and technologies.

The IS Division is responsible for the City's business systems, database applications, server room operations, and disaster recovery preparedness. They install and maintain systems ranging from off-the-shelf desktop/server/tablet applications to highly specialized vertical market tools for law-enforcement or emergency services. In addition, the IS Division handles backup customer support for Telecommunications Division's AFN direct-connect/business cable and wireless customers.

### **Performance Management**

	<b>BN 2013-15 Actual</b>	<b>BN 2015-17 Target or Estimate</b>	<b>BN 2017-19</b>	<b>BN 2019-21</b>
Number of IT Service Requests Closed	5805	6000		
Number of Requests Closed in <24 Hrs	2112	2800		
Number of Networked City Devices Supported	563	600		
Network Availability Excluding planned out-ages	99.94%	99.99%		
Server Availability Excluding planned out-ages	99.92%	99.99%		
Analyst Requests	62	100		
Analyst Requests Completed	40	88		

# Information Technology Department - Information Systems Division

CENTRAL SERVICE FUND  
 INFORMATION TECHNOLOGY DEPARTMENT  
 INFORMATION SERVICES DIVISION

Description	FY 2011-12 Actual	FY 2012-13 Actual	BN 2013-15 Amended	BN 2013-15 Estimated	BN 2015-17 Proposed	BN 2015-17 Approved	BN 2015-17 Adopted
Fund# 710							
Personnel Services							
510 Salaries and Wages	\$ 590,295	\$ 479,679	\$ 1,184,110	\$ 1,184,110	\$ 1,231,980		
520 Fringe Benefits	266,883	228,798	660,510	660,511	690,530		
Total Personnel Services	857,178	708,477	1,844,620	1,844,621	1,922,510		
Materials and Services							
601 Supplies	6,340	4,412	35,750	35,200	35,900		
602 Rental, Repair, Maintenance	63,955	66,208	133,000	133,000	133,300		
603 Communications	75,038	35,694	220,302	217,918	264,700		
604 Contractual Services	1,333	1,935	6,000	7,156	6,000		
605 Misc. Charges and Fees	48,463	42,830	99,956	186,099	170,528		
606 Other Purchased Services	953	2,307	37,500	29,332	25,200		
Total Materials and Services	196,082	153,386	532,508	608,705	635,628		
Capital Outlay							
703 Equipment	34,004	34,145	160,000	42,500	349,500		
Total Capital Outlay	34,004	34,145	160,000	42,500	349,500		
	\$ 1,087,264	\$ 896,008	\$ 2,537,128	\$ 2,495,826	\$ 2,907,638		

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## ***Telecommunication Fund***

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### **Telecommunication Fund Narrative**

The enterprise fund represents the telecommunication services provided by the City. In FY 2007, the City Council decided to transition out of the Cable TV industry.

**Charges for Services.** Charges for payments from the Cable TV partner and revenues from internet services continue to change but the overall revenue remains flat. A servicer plan is being drafted and could impact revenue streams.

**2015-17 Biennial Budget**

#	Description	FY 2011-12 Actual	FY 2012-13 Actual	BN 2013-15 Amended	BN 2013-15 Estimate	2015-17 Proposed	2015-17 Approved	2015-17 Adopted
400	Working Capital Carryover	\$ 517,916	\$ 586,943	\$506,092	\$587,625	\$251,528		
	<b>Charges for Services</b>							
	Sales:							
	CATV	82,786	105,560	184,021	201,953	211,200		
	High Speed	190,219	186,586	430,650	425,801	519,000		
	Internet	1,658,121	1,603,960	3,321,048	3,278,565	3,633,365		
	Misc Services	-	-	-	263	-		
440	<b>Total Charges for Services</b>	<b>1,931,126</b>	<b>1,896,106</b>	<b>3,935,719</b>	<b>3,906,582</b>	<b>4,363,565</b>		
	<b>Interest on Investments</b>							
	Interest on Pooled Investments	3,304	1,733	2,000	2,557	1,943		
470	<b>Total Interest on Investments</b>	<b>3,304</b>	<b>1,733</b>	<b>2,000</b>	<b>2,557</b>	<b>1,943</b>		
	<b>Miscellaneous Revenues</b>							
	Miscellaneous Income	1	13,092	1,000	4,742	-		
480	<b>Total Miscellaneous Revenues</b>	<b>1</b>	<b>13,092</b>	<b>1,000</b>	<b>4,742</b>	<b>-</b>		
	<b>Other Financing Sources</b>							
	Transfer in	-	-	-	-	-		
	Interfund Loans	-	-	-	-	400,000		
490	<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>400,000</b>		
	<b>Total Telecommunications Fund</b>	<b>\$ 2,452,347</b>	<b>\$ 2,497,874</b>	<b>\$ 4,444,811</b>	<b>\$ 4,501,506</b>	<b>\$ 5,017,036</b>		

# Telecommunication Fund Long - Term Plan

TELECOMMUNICATION FUND	BN 2013-15		Proposed Biennium				
	FY 2011-12	FY 2012-13	Amended	BN 2013-15	Year 1	Year 2	Total
Fund #691	Actual	Actual	Budget	Estimate	2015-16	2016-17	2015-17
<b>RESOURCES</b>							
Working Capital Carryover	\$517,916	\$586,943	\$506,092	\$587,625	\$251,528	\$172,269	\$251,528
Revenues					Years summed for biennium		
Charges for Services	\$1,931,126	\$1,896,106	\$3,935,719	\$3,906,582	\$2,099,900	\$2,263,665	\$4,363,565
Interest on Investments	3,304	1,733	2,000	2,557	743	1,200	1,943
Miscellaneous Revenues	1	13,092	1,000	4,742	-	-	-
Interfund Loan	-	-	-	-	325,000	75,000	400,000
<b>Total Revenues</b>	<b>1,934,431</b>	<b>1,910,931</b>	<b>3,938,719</b>	<b>3,913,881</b>	<b>2,425,643</b>	<b>2,339,865</b>	<b>4,765,508</b>
<b>TOTAL RESOURCES</b>	<b>\$2,452,347</b>	<b>\$2,497,874</b>	<b>\$4,444,811</b>	<b>\$4,501,506</b>	<b>\$2,677,171</b>	<b>\$2,512,134</b>	<b>\$5,017,036</b>
<b>REQUIREMENTS</b>							
Expenditures					Years summed for biennium		
Internet - Personnel Services	\$593,180	\$575,775	\$1,288,560	\$1,313,355	\$661,110	\$682,120	\$1,343,230
Internet - Materials & Services	809,682	851,943	1,849,283	1,822,327	984,792	1,043,712	2,028,504
Internet - Capital Outlay	53,542	73,531	308,000	296,296	200,000	50,000	250,000
Interfund Loan	-	-	-	-	-	-	-
Debt service / Payment for Technology debt	409,000	409,000	818,000	818,000	409,000	409,000	818,000
Contingency	-	-	150,000	-	250,000	-	250,000
<b>Total Expenditures</b>	<b>1,865,404</b>	<b>1,910,249</b>	<b>4,413,843</b>	<b>4,249,978</b>	<b>2,504,902</b>	<b>2,184,832</b>	<b>4,689,734</b>
Unappropriated Ending Fund Balance	586,943	587,625	30,968	251,528	172,269	327,302	327,302
<b>TOTAL REQUIREMENTS</b>	<b>\$2,452,347</b>	<b>\$2,497,874</b>	<b>\$4,444,811</b>	<b>\$4,501,506</b>	<b>\$2,677,171</b>	<b>\$2,512,134</b>	<b>\$5,017,036</b>
<b>Annual Revenues Over (Under) Expenditures</b>	<b>\$69,027</b>	<b>\$682</b>	<b>(\$475,124)</b>	<b>(\$336,097)</b>	<b>(\$79,259)</b>	<b>\$155,033</b>	<b>\$75,774</b>
<b>Ending Fund Balance Plus Contingencies</b>	<b>\$586,943</b>	<b>\$587,625</b>	<b>\$180,968</b>	<b>\$251,528</b>	<b>\$422,269</b>	<b>\$327,302</b>	<b>\$577,302</b>
<b>Fund Balance Policy (20% of operating revenues)</b>	<b>387,000</b>	<b>382,000</b>	<b>400,000</b>	<b>783,000</b>	<b>485,000</b>	<b>468,000</b>	<b>468,000</b>
<b>Excess (deficiency)</b>	<b>\$199,943</b>	<b>\$205,625</b>	<b>(\$219,032)</b>	<b>(\$531,472)</b>	<b>(\$62,731)</b>	<b>(\$140,698)</b>	<b>\$109,302</b>

## Telecommunication Fund Long - Term Plan

TELECOMMUNICATION FUND Fund #691	Biennium Projected			Biennium Projected			Comments	Annual Trending Percent
	Year 1 2017-18	Year 2 2018-19	Total 2017-19	Year 1 2019-20	Year 2 2020-21	Total 2019-21		
<b>RESOURCES</b>								
Working Capital Carryover	\$327,302	\$102,316	\$327,302	\$131,438	\$34,142	\$131,438	Includes prior biennium unused contingency	
<i>Years summed for biennium</i>								
Revenues	\$2,376,800	\$2,495,600	\$4,872,400	\$2,620,400	\$2,751,400	\$5,371,800	Contingent upon business plan.	105.0%
Charges for Services	-	-	-	1,200	1,200	2,400		
Interest on Investments	1,200	1,200	2,400	-	-	-		
Miscellaneous Revenues	-	-	-	-	-	-		
Interfund Loan	-	-	-	-	-	-		
<b>Total Revenues</b>	<b>2,378,000</b>	<b>2,496,800</b>	<b>4,874,800</b>	<b>2,621,600</b>	<b>2,752,600</b>	<b>5,374,200</b>		
<b>TOTAL RESOURCES</b>	<b>\$2,705,302</b>	<b>\$2,599,116</b>	<b>\$5,202,102</b>	<b>\$2,753,038</b>	<b>\$2,786,742</b>	<b>\$5,505,638</b>		
<b>REQUIREMENTS</b>								
<i>Years summed for biennium</i>								
Expenditures	\$709,400	\$737,800	\$1,447,200	\$767,300	\$798,000	\$1,565,300		104.0%
Internet - Personnel Services	1,064,586	1,085,878	2,150,464	1,107,596	1,129,748	2,237,344		102.0%
Internet - Materials & Services	105,000	155,000	260,000	105,000	155,000	260,000		100.0%
Internet - Capital Outlay	65,000	80,000	145,000	80,000	80,000	160,000		
Interfund Loan	409,000	409,000	818,000	409,000	409,000	818,000		
Debt service / Payment for Technology debt	250,000	250,000	500,000	250,000	250,000	500,000	Contingency set at \$250,000 due to industry fluctuations	
Contingency	2,602,986	2,467,678	5,070,664	2,718,896	2,571,748	5,290,644		
<b>Total Expenditures</b>	<b>2,602,986</b>	<b>2,467,678</b>	<b>5,070,664</b>	<b>2,718,896</b>	<b>2,571,748</b>	<b>5,290,644</b>		
Unappropriated Ending Fund Balance	102,316	131,438	131,438	34,142	214,994	214,994		
<b>TOTAL REQUIREMENTS</b>	<b>\$2,705,302</b>	<b>\$2,599,116</b>	<b>\$5,202,102</b>	<b>\$2,753,038</b>	<b>\$2,786,742</b>	<b>\$5,505,638</b>		
<b>Annual Revenues Over (Under) Expenditures</b>								
	(\$224,986)	\$29,122	(\$195,864)	(\$97,296)	\$180,852	\$83,556		
<b>Balance at end of period</b>								
Ending Fund Balance Plus Contingencies	\$352,316	\$131,438	\$381,438	\$284,142	\$214,994	\$464,994		
Fund Balance Policy (20% of operating revenue)	476,000	499,000	499,000	524,000	551,000	551,000		
<b>Excess (deficiency)</b>	<b>(\$123,684)</b>	<b>(\$367,562)</b>	<b>(\$117,562)</b>	<b>(\$239,858)</b>	<b>(\$336,006)</b>	<b>(\$86,006)</b>		