

## **POSSIBLE MOTION**

**I MOVE TO** approve Ordinance 2018-17 on  
second and final reading.

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## MEMORANDUM

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**To:** Mayor Hunter and Assembly Members  
Keith Brady, Municipal Administrator

**From:** Bryan Bertacchi, Utility Director

**Date:** April 9, 2018

**Subject:** Transfer of Funds for Cell Service Enhancement Project

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### **Background**

The Electric Department respectfully requests Assembly approval to transfer \$295,000 of the Undesignated Bond Funds to a new project (Cell Service Enhancement Project). This project and the associated appropriation of funds will allow the Electric Department to build a total of five new cell service poles within the City and Borough of Sitka. These poles will be owned by the CBS (Electric Department) and will be leased to GCI under a contract between the parties. GCI will install their cell equipment on the poles. For the CBS Electric Department, the financial payback on the contract is approximately three years. The project will provide a long term revenue source for the Electric Department and thus the community while significantly improving cell service both on land and on the water. Many CBS departments have contributed significantly over the last two years to achieve this desired goal including: Finance, Planning, Assessing, and Legal.

### **Analysis**

Many community members have expressed a concern over reliability and capability of the cellular service in Sitka. Additionally, the Electric Department can benefit from a long term source of additional revenue to keep rates as low as possible in our community. GCI and the CBS Electric Department have worked together to develop a plan to provide for both of these goals. A total of five new poles will be established within the CBS. These poles will be constructed by CBS and will be subsequently leased to GCI under a term contract. GCI will install their cellular equipment on the poles.

### **Recommendation**

Approve the transfer of \$295,000 of the Undesignated Bond Proceeds to a new project (Cell Service Enhancement Project).