

**MINUTES
BURKE COUNTY BOARD OF COMMISSIONERS
RECESSED MEETING**

The Burke County Board of Commissioners met in recessed session on Wednesday, March 16, 2022, at 3:00 p.m. The meeting was held at the Commissioners' Meeting Room, Burke County Services Building, 110 N. Green Street, Entrance E, in Morganton, N.C., and streamed live on the County's YouTube Channel, BurkeCountyNC. Both Burke County and the state of North Carolina had previously declared a state of emergency which was ongoing as of this date due to the global COVID-19 pandemic. Those present were:

COMMISSIONERS PRESENT: Scott Mulwee, Chairman
Johnnie W. Carswell, Vice Chairman
Wayne F. Abele, Sr.
Jeffrey C. Brittain
Maynard M. Taylor

STAFF PRESENT: Bryan Steen, County Manager
Margaret Pierce, Deputy County Manager/Finance Director
J.R. Simpson, II, County Attorney
Lance Riddle, Exec. Assistant to the Co. Mgr. / Dep. Clerk

STAFF ABSENT: Kay Honeycutt Draughn, Clerk to the Board
(Continuing Education)

CALL TO ORDER

Chairman Mulwee called the meeting to order at 3:01 p.m.

APPROVAL OF THE AGENDA

Motion: To approve the agenda.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Wayne F. Abele, Sr., Commissioner
AYES:	Scott Mulwee, Johnnie W. Carswell, Wayne F. Abele, Sr., Jeffrey C. Brittain and Maynard M. Taylor

ITEMS FOR DECISION

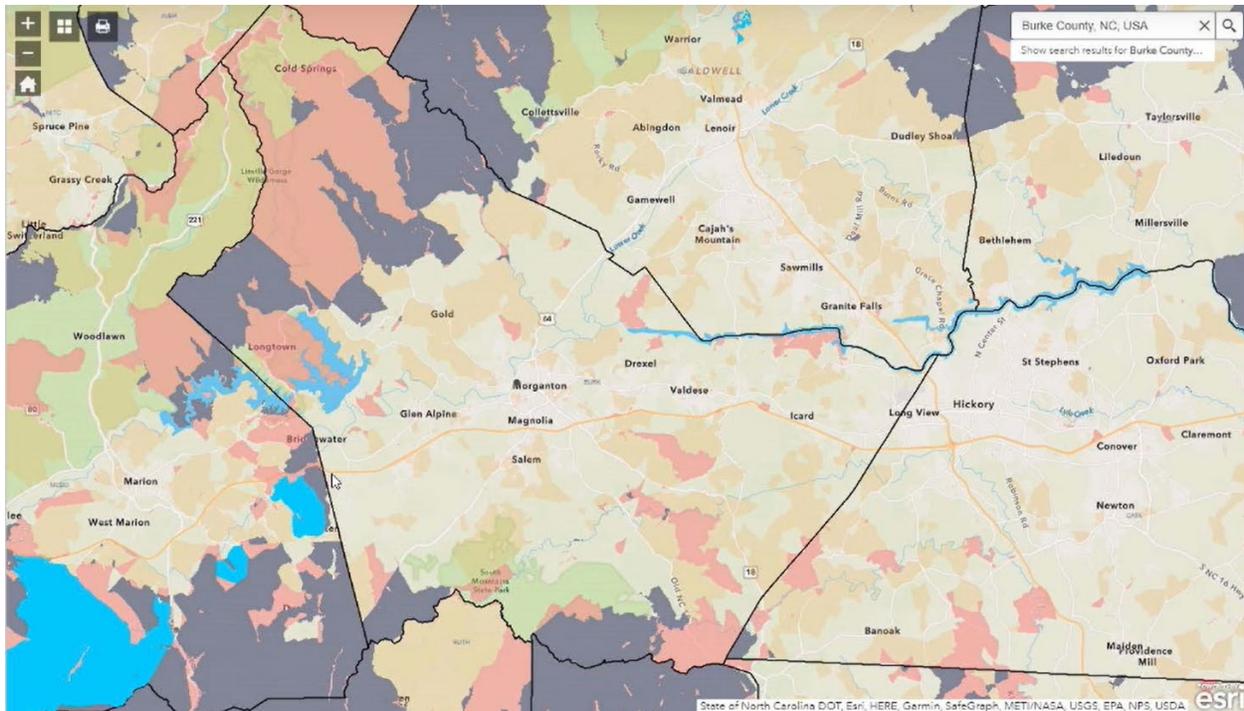
SELECTION OF GREAT GRANT APPLICATION PARTNER

Margaret Pierce, Deputy County Manager/Finance Director, presented information provided by interested broadband service providers regarding requests for grant matching funds for the Growing Rural Economies with Access to Technology (GREAT) grants. These grant funds are to be used to bring internet services to households and businesses with no service. The NC Department of Information Technology is responsible for evaluating the grant applications under a competitive scoring process and awarding funds. Applications are due April 4, 2022. Two (2) internet service providers, Lumen/Century Link and Spectrum, asked for the County's support and ARP (American Rescue Plan) matching funds to augment their GREAT grant applications.

Grant information:

- Each grant applicant can request up to \$4 million in State funds.
- The internet service providers are the grant applicants, not the counties.
- Each county can receive up to \$8 million in GREAT grant awards.
- Applications do not require county ARP (American Rescue Plan) funds; however, it makes their applications more competitive.
- Any number of internet service providers can apply for the grant funding.
- The County is not required to choose an application to support. Commissioners can choose to support one or both grant applications. However, if both applications are supported and they both get awarded, then up to \$2.5 million of the County’s ARP funds would be committed.
- Lumen/Century Link is requesting County ARP support at three levels: 1) \$500,000; 2) \$1,000,000; and 3) \$1,500,000. The different funding levels equates to the number of potential households served.
- Spectrum is requesting County ARP support of \$1,000,000.

If a grant is awarded, then an amendment to the ARP grant ordinance would be required and brought to the Board for approval. Ms. Pierce then reviewed the following map provided by the State.



Ms. Pierce explained that the orange / pink areas are defined by the FCC (Federal Communications Commission) as having less than 25 mb/s service or no service and are where GREAT grants should be utilized. The grey areas are ineligible for GREAT grants due to Spectrum being awarded Rural Development Opportunity Fund (RDOF) monies. Spectrum will be installing approximately \$6 million worth of infrastructure in those areas, and they have six (6) years to complete that project. Ms. Pierce noted that much of the information provided by the broadband service providers is proprietary as well as exactly which areas they are applying for and the costs. The yellow areas on the map are where census blocks identified at least one

household that has less than 25 mb/s service. The lightest areas of the map already have service.

Chairman Mulwee opened the floor for questions and comments from the Board. Ms. Pierce responded to numerous questions from Commissioner Taylor about the map, its legend, the amount of funding being applied for, service coverage, etc. Ms. Pierce advised that both ISPs (Internet Service Providers) plan to commit their own monies for the grant applications. In response to another question, she confirmed that if the service providers receive all \$8 million in grant funding, the whole County may still not receive broadband service. The ISPs, if awarded a GREAT grant, will have two (2) years to install the infrastructure in the areas targeted in the grant application. She also reviewed how various application criteria would be scored by the State in the grant review process and noted that the broadband service would be provided through fiber cables which is why it is so expensive. Discussion continued and Ms. Pierce advised that according to information obtained from one of the service providers, there are just under 1,800 homes in Burke County that meet the criteria of being unserved and there are a significant portion of homes that fall under the "underserved" category. Further, the goal of this grant is for homes that have no service and in response to another question, vendor estimates show the per household cost can be anywhere from \$2,300 to \$6,500 depending on density. Commissioner Brittain asked did the vendors give any indication as to how many consumers this project would allow them to reach. Ms. Pierce said it would vary from a low of 1,200 to a high as 2,600 if the Board chose the \$1.5 million scenario with Lumen. A general discussion ensued on the amount of ARP funds that could be impacted and how much GREAT grant funds could be awarded in Burke County. Commissioner Brittain asked if the service providers say there are 1,800 unserved homes, how did they arrive at the 2,600 number. Ms. Pierce explained that meetings with the vendors were held earlier today, she was not able to verify their information before this meeting but questioned the data as well. Commissioner Brittain asked if either of the companies said how much funding they were willing to commit to this project. Ms. Pierce said yes, but it will vary and noted that there are factors yet to be decided / finalized such as number of unserved homes. Discussion continued. Commissioner Brittain expressed his concern that if Burke County contributes \$2.5 million in ARP funds and the broadband companies only gain a few hundred customers, what other projects could the County have spent those funds on that could have benefitted more citizens. Vice Chairman Carswell read the definition of broadband and said he disagrees with the 1,800 figure and stated that 25 percent of Burke County does not have broadband service which was verified. He then referenced an unserved 41-home neighborhood on Bost Road that has Spectrum service on either side of them. Ms. Pierce responded that that neighborhood was specifically addressed at today's meetings with the ISPs and that the State considers this neighborhood as underserved. She then mentioned the process to get the neighborhood certified as unserved. Discussion continued and Vice Chairman Carswell said the vendors are going to get funding from the GREAT grants. He then asked did the vendors give any indication of why they wanted the County's ARP money as well. Ms. Pierce said no, but they preferred the County use its ARP funds instead of local dollars so they can capture the extra points on the grant application. Vice Chairman Carswell asked if the points would determine which vendor gets the service area(s). Ms. Pierce responded in the affirmative, discussion continued on the grant scoring process. She said the North Carolina Department of Information Technology (NCDIT) will score the grant applications, but the County will be asked to write a letter of support. Commissioner Brittain asked if there has been any assurance that households will receive service, or any special rates given for the new customers. Ms. Pierce said not under the GREAT grant, but a new infrastructure grant is coming in August and under that grant, there will be such requirements.

Under this scenario, the County would have to partner with the ISPs, issue an RFP (Request for Proposal) and apply. The State would decide on the applications. In response to a question from Commissioner Brittain, Ms. Pierce said the vendors will control the rates for service. Discussion continued on rates for service and potential broadband coverage for Burke County. Ms. Pierce noted that the County can support the grant applications without ARP funding; however, the applications will not score as well. For clarity, Chairman Mulwee asked that under this process, the County does not have any control over anything (how many people / households will be served, the service area or how much it will cost), but the County is being asked to have faith that the ISPs will do the right thing. Ms. Pierce responded in the affirmative. A general discussion ensued regarding broadband coverage and the costs / benefits of committing ARP funds to this project. Ms. Pierce also mentioned that there is new federal broadband infrastructure legislation that is being finalized so there is little information available about it. She continued, there was a third vendor who pulled out of the GREAT grant process because they believe there will be more flexibility and a higher cap with the new legislation. Vice Chairman Carswell agreed with Commissioner Brittain and said the vendors are the winners in this situation and the County will not know who or how many homes will be served with the GREAT grant. Commissioner Brittain asked if the County could offer the ARP funding to the vendors after the grant awards are made, when the proposed expansion areas are known and are deemed valuable. Brian Niefert, Senior Fiscal Analyst, said there are no specific rules for the option Commissioner Brittain proposed but a lot of it would most likely be tied to infrastructure compliance through 2200 CFR to ensure they are following the bidding process and fair practices for vendors. Discussion continued. Chairman Mulwee asked if the County could support the applications without committing any ARP funds and if the vendors are awarded grants, residents in Burke County could still end up with more broadband service. Ms. Pierce answered in the affirmative. After further discussion, County Manager Steen said due to the vendors' proprietary restrictions there is not a lot of information for the Board to evaluate. If the County does nothing but write a letter of support, then no one has an advantage, they will all be on an equal level because no one got any extra points on their grant application. He said there may be programs in the future that the Board may be able to make a better decision on regarding the use of ARP funding. He noted that the ARP funds are non-recurring and not committing any ARP funds at this time may be the more careful path to take and being good stewards of the funding that is available to Burke County. Vice Chairman Carswell noted that the GREAT grant program has been around for several years, and these providers can reapply next year. Chairman Mulwee asked for the opinion of the Board. After a short discussion, it was the consensus of the Board to support the grant applications without ARP funding and to authorize the County Manager to issue a letter of support.

Motion: To support the applications with no county ARP (American Rescue Plan) funding and authorize the County Manager to issue a letter of support and execute other required grant documents.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Johnnie W. Carswell, Vice Chairman
AYES:	Scott Mulwee, Johnnie W. Carswell, Wayne F. Abele, Sr., Jeffrey C. Brittain and Maynard M. Taylor

ADJOURN

Motion: To adjourn at 4:01 p.m.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Wayne F. Abele, Sr., Commissioner
AYES:	Scott Mulwee, Johnnie W. Carswell, Wayne F. Abele, Sr., Jeffrey C. Brittain and Maynard M. Taylor

Approved this 16th day of August 2022.