



City of Homer

www.cityofhomer-ak.gov

Homer Public Library

500 Hazel Avenue
Homer, AK 99603

library@cityofhomer-ak.gov

(p) (907)-235-3180

(f) (907)-235-3136

Memorandum 21-053

TO: Mayor Castner and Homer City Council

THROUGH: Robert Dumouchel, City Manager

FROM: David Berry, Library Director

DATE: Mar. 16, 2021

SUBJECT: Library Internet Service for FY22-23

Every year, Homer Public Library receives a federal subsidy that funds 70% of its internet costs. This subsidy, known as e-rate, requires the City to solicit bids from internet service providers every January or February. The winning bid(s) take effect on July 1 and last through the following June 30.

This year, two providers have offered bids with a wide range of service tiers and contract terms, but neither offered to continue with the existing service under the current arrangement. After evaluating all the choices on both price and service level, we recommend upgrading to a 400 Mbit/sec connection on a five year contract. This is the cheapest option that both meets the service needs and avoids a separate charge for installation of the infrastructure.

From an accounting perspective, there would be an increase in the line item for the library's communications budget (from the current \$13,000 to roughly \$29,000 per year) but the actual increased cost to the City would be only 30% of that (\$4,800).

Unfortunately, the deadlines set by the federal government dictate that time is very short. The contract must be signed before submitting the federal form 471, and the deadline for that form is Thursday, March 25.

If the contract is signed immediately, the provider has offered to include language acknowledging that the execution of the contract shall depend upon City Council providing funding for it in the FY 2022 budget. If Council declines to provide such funding, the contract shall be void.

RECOMMENDATION

Approve a resolution allowing the City Manager to sign a provisional contract for library internet service in FY 2022, with the understanding that said contract will not take effect until Council has allocated funding for it in the FY 2022 budget.