

Town of New Ashford

Select Board Minutes of the meeting: February 17, 2015

Members Present: Jason Jayko, chair, Ken McInerney, Mark Phelps

Meeting opened at: 6:30p.m.

A presentation by Wired West will be first on the agenda, and regular board business will follow.

1. **Wired West:** Representatives, Joe Markerian and Jim Drawe, with Joel Bard (Town Legal Counsel on speakerphone). Residents of New Ashford were asked to come and provide input. About 20 residents were present.
 - Reason for Wired West: they will operate and manage the fiber optic cable in town in case Verizon terminates land line use and or DSL service to the region.
 - Wired West will be a “Municipal Lighting Co-Op” of all the towns involved. Town involvement will be by vote.
 - The Town will have to finance their portion of the “Co-Op” that the \$40M End Mile State grant will not cover

I. Joe Markerian (financing information): If W.W. is accepted by the Town, an article to fund the money will have to be approved by Townspeople.

- a) Borrowing in the form of a bond such as a 20 year term Bond: State law allows notes/bonds; notes are interest only, yearly, and allowed for two years, and can be voted on for another three years but will require a cash payment.
- b) A bond is still possible to obtain after a note/notes are secured. The difference would be the cost at the end of either, or a combination of the both forms of financing. A 30 year bond is also an option.

Joe illustrated the cost of various scenarios of borrowing/payment cycles with a spreadsheet on an overhead screen for the audience to see. He also stated that Proposition 2 ½ allows the Town to raise taxes a certain amount which can be used to help fund part of the cost. *****There are 10 pages of spreadsheet attached to the end of these minutes.*****

- Example: Gross cost estimate is approximately \$700,000.00 for fiber and hookups to the Town (# of premises and fiber miles); \$280,000.00 is the Towns share of the State amount which nets \$420,000.00 financed by the Town of New Ashford . (less than .50% note interest or long term 4%+ which averages \$5.00-\$222.00/ year/house depending on how it is financed.)
- Bond authorization includes debt exclusion; a vote by townspeople would allow taxes to be raised by the amount needed to pay the debt service on the bond.

II. Jim Drawe (technical information): The State has offered \$280,000.00, MBI has set aside \$18 million for professional services spread among 44 towns. MBI wants towns to join a network. They have \$18 million for the network and will add funds to the \$280,000.00 so towns should pay less.

- The formula for allocation for the remaining \$22 million is # of premises+ fiber miles divided by the number of towns. MBI did a cost estimate on an individual basis, which should go down by estimating rather as a network of towns.
- Actual cost will not be known until the project is complete.
- So far, it looks like \$450.00/pole for the “make ready” portion of the project. Excess revenue will go into a capital fund to offset the total cost.
- WW’s intent is to repay the Town yearly as if for 20 years @ 4%
- Side discussion: A commitment pledge of \$49.00 for faster internet per household will be requested to go into escrow until the project is finalized. The Town must have a minimum 40% participation to secure the bond and participate with Wired West. At \$25.00/month for phone/house + tax increase = \$80.00/ month. Faster internet will also be available later on.

Question: If approved, how long will it take to be up and running?

Answer: There will be a 2-4 year construction period; engineering and pole survey takes one year which WW pays for in advance. The first town near the end of the second year could take four years to complete.

Question: There are 44 town eligible for the 44 million dollars, 32 towns are currently have committed to Wired West , what is the number of towns which would fail the project?

Answer: Unknown

Question: Lanesboro and Williamstown have cable and won’t be part of the network which leaves New Ashford in the middle with no redundant connection, will it affect the cost?

Answer: Hancock may be a possibility, but Lanesboro has cable for TV only not internet and phone, so they may still want to be part of the network.

Question: Is WW issuing the contracts for construction?

Answer: WW is ultimately responsible, but MBI (the State) will be in charge of production, and WW will have oversight.

Question: Is the monthly worst case \$16.00/month increase in taxes?

Answer: Yes so far but there are variables.

Question: Who will repair and maintain the network?

Answer: WW will own and operate the network; they could purchase equipment but with no experience they would have to hire and/or train staff, which could then be subbed out for service to

generate income, or they could hire an outside company to manage the service. WW will have to decide which is best. The decision might be in the business plan which will be out in March. (Jim Drawe is writing the business plan)

Question: If WW is successful and profitable, there may be an opportunity to sell it off; will it be in the by-laws how or if it can be sold and how will the money be dispersed?

Answer: Legally, WW is a governmental entity, a corporation, and a municipality all rolled into one, and has to comply with very complicated requirements to satisfy all those different types of agency.

Question: If the required number of homes join in the startup, what happens to those that want to join later on?

Answer: Someone joining later on will have to pay more than the initial members, but certainly will be able to join.

Question: How will maps and letters be delivered?

Answer: Ken has email addresses in the data base and asked for everyone present to offer their address if changed.

Ken thanked everyone for the work and long hours for the work they are doing on this project. He also thanked everyone in attendance.

Normal agenda proceedings continue:

Mail

Warrant was read and signed.

Public Comment: There was a furnace failure at Town Hall; Jason was notified in the afternoon and called West Oil. They came at 8:00 pm and Ken was them working on the problem until 11:00pm. The blower fan had to be replaced.

Approve the minutes of February 05, 2015: Mark made a motion to approve, Ken seconded, motion passed.

Next meeting will be March 02, 2015 @ 6:30pm.

Meeting adjourned @ 8:44pm.

Minutes prepared by Town Secretary, Jacqueline LaCasse