

Town of Becket
Board of Selectmen's Working Meeting
May 11, 2017
5:30 p.m.
Town Hall
557 Main Street, Becket

Attendees:

Board of Selectmen: William ("Bill") Elovirta, *Chair*; Jeanne Pryor, *Vice-Chair*
Nicole Ledoux, *Clerk*

Staff: Ed Gibson, *Town Administrator*; Beverly Gilbert, *Recording Secretary*

Broadband ad hoc

Committee members: Dan Parnell (Dan is also a member of the Finance Committee),
Jeremy Dunn, Bob Gross, & John Les

Others: Peter Larkin from MBI, Jeff Piemont, Michael Lavery, Al Blake,
Sandy Sayward, Frank Avalor, Melissa Spagnuolo-Avalor, and
Jan Elovirta

1. Call to order

Bill called the meeting to order at 5:30 p.m. He noted that the BOS was recording tonight's meeting.

2. Board of Selectmen to meet with the Broadband Ad Hoc Group for Charter Communication's Broadband presentation and discussion.

The Broadband Ad Hoc Committee, and Peter Larkin who is the Board Chairman of the Massachusetts Broadband Institute, fielded questions and commented on the option for Becket to consider Charter Communication's proposal vs. Becket building and owning its own high speed fiber internet. It is the responsibility of the BOS to make this decision on behalf of the town. Peter Larkin indicated that because earlier parameters (grant programs to help towns cover many of the costs affiliated with the design, engineering and construction services directly to municipally-owned broadband networks) of the state's commitment to bring broadband to rural communities proved unworkable for many towns, the state reached out to private companies as a way to expand the options to accomplish the goals of the MBI program. Because it is not profitable for private companies to build internet networks in some rural areas, the state has obtained several proposals and will subsidize some of the construction and overhead costs for qualified private companies to build internet networks in these rural areas. The bidders must commit to providing internet service to 96 percent of a municipality's residents, offering a particular minimum broadband speed, and the projects must be financially sustainable in the long term. Under Charter's proposal, Charter would build, own and provide a hybrid fiber/coaxial blend (coax to the house) internet system and service to its subscribers. Charter would pick up the entire startup cost that is not covered by the state grant, and would require less state money than what MBI had originally allocated for many of the towns. The towns would not have to pay any of the cost. Charter would earn back the money by selling internet service to residents. Mr. Larkin recommended that the town consider signing a contract with Charter Communication.

MBI also has a grant program that allows municipalities design, build and own their own networks. The towns would have to borrow money to pay for the up-front costs, but they would then own the network. The Broadband Ad Hoc Committee and WiredWest has been in contact with Westfield Gas and Electric who has the ability to build a high speed fiber internet system, operate as a project manager and arrange to service customers. Mr. Larkin discussed the following handouts: 1) MBI Broadband Speed and Capacity, and 2) From MBI Popular Over the Top Streaming Services and Pricing

The Broadband Ad Hoc Committee recommended that the BOS vote to build and operate its own high speed fiber internet. The Broadband Ad Hoc Committee would like to see the town work with Westfield Gas & Electric MLP (WG&E) to provide design and engineering services and construction project management.

Salient discussion points include:

- According to the Broadband Ad Hoc Committee's summary, "Based upon Mass DOR calculations, Becket's Debt Capacity is significantly higher than we would ever want to burden the tax payer with. The debt on this project will be born by the subscriber and the burden to the tax payer is estimated to be about \$.17 on the tax rate, approximately the same for both Charter and Becket."
- At the May 2015 ATM, Article 11 was approved by a 2/3 majority: To see if the Town will vote to appropriate \$3,810,000 for the Town's share of the costs of construction and installation of a high-speed broadband network, including the payment of all costs incidental or related thereto, such project to be carried out by the Town's Municipal Light Plant; that to meet this appropriation the Treasurer with the approval of the Board of Selectmen is authorized to borrow up to \$3,810,000." Bill commented that because the Charter option had not been available at the time of the 2015 ATM, he thinks it is something to be analyzed.
- The Broadband Committee expressed concern about how cable companies (and other utility companies) historically offer poor customer service and raise their fees. Bob Gross and Jeremy Dunn indicated that they have recently seen low customer satisfaction ratings for Charter on public forums. The Broadband Committee stated that Charter's product is not comparable to a high speed fiber internet system. Although both deliver adequate service today, they worry that Charter's product will not keep up with technologically advances nor support the services that come with large data needs. They suggested that the town should look into designing a system that will accommodate the town's needs 15 to 20 years from now.
- According to Peter Larkin's presentation, 60 megabyte (from Charter) would handle an average family.
- The Broadband Ad Hoc Committee anticipates that many residents have procrastinated and sign-up rates will increase as the project approaches.
- One person described his recent travels in which he experienced contrasting service in rural and urban areas serviced by the same cable company. The rural area had poor internet downloads and the urban area had very good speed.
- Jeanne would like to see the town build a system that will allow our children to perform their school work, and allow our less mobile residents to partake in video-conferences with their physicians.
- Jeremy Dunn stated that you get what you pay for. If we choose Charter, we will have good bandwidth for today for less money with worse service that covers fewer people, and we will have selected a product that will not meet our needs down the road.

- The Broadband Ad Hoc Committee expressed concern that Charter is very likely to not offer any service to four percent of Becket's population (which would include Becket Woods) even if those who wanted it offered to pay for their own hookups. It is anticipated that it is extremely likely that a large number of the 4 percent left behind had expressed a strong interest in receiving broadband and will place pressure on the town to bring broadband to their homes. If the town selected Charter, the town could pay as much as 20% of the total build-out cost to cover the remaining 4% of premises in order to achieve 100% coverage.
- Mr. Larkin compared building a high speed fiber network to building a highway when only two cars are driving on the road. He thinks the high speed fiber network is an overbuild and no one has a crystal ball to predict what will happen. He suggests that the town allow the cable company to assume the costs and take the downside risk off the table. He stated that the cable companies are constantly making advances on its technology.
- Westfield Gas & Electric is a non-profit entity.
- Michael Lavery expressed concern that cable companies will raise rates to recoup moneys lost to the "cord cutting" trend.
- Jeff Piemont stated that he would like the town to exercise control over its destiny. He brought up the history with Verizon which has failed to maintain its copper lines in the town resulting in many residences with atrocious landline service. He indicated that he does not fault these companies, which must focus on their return on investment. The only way companies may have an incentive to offer service to Becket is to increase its fees or by not providing service. Jeff forecasts that as technology develops, the demand for internet speed will increase significantly. He does not think cable will be able to keep up with the needs of the community. He remarked that a contract with a cable company is like having a marriage with no divorce option. He worries that Becket's population will decline and people will go elsewhere if the town does not have high speed internet service.
- Bob Gross indicated that if the town's own broadband system were to fail, we would have a very valuable asset to sell.
- Jeremy indicated that if the town owns its system, the town may change the contracted providers if dissatisfied.

The BOS thanked Mr. Peter Larkin, the members of the Broadband Ad Hoc Committee for all they have done. The BOS will take this matter under advisement.

3. Discussion and possible vote re: Draft Street Acceptance Policy

Agenda item 3 was not discussed.

4. Town Hall HVAC Study

Ed provided an update on the Town Hall HVAC Study. edm had conveyed to Ed that the "t"s within the circles in the study are thermostats. If we do not install two air conditioning units in the downstairs hallways, the town will save \$2,200. Ed suggested that the town bid those units as an add-alternate. Ed had asked the engineer to provide an estimate for creating a design specification for the bid process and for construction administration which is required by procurement code.

5. Motion to adjourn the meeting

Jeanne moved to adjourn. Nicole seconded. Motion carried unanimously. At 7:40 p.m., Bill adjourned the meeting.

Respectfully submitted,
Beverly Gilbert, Secretary



William Elovirta, Chairperson

Meeting documents:

- Broadband Ad Hoc Committee email with WW vs Charter narrative, WW Vs Charter cost analysis, and Broadband Summary
- MBI Broadband Speed and Capacity
- From MBI Popular Over the Top Streaming Services and Pricing
- Charter email re: Seasonal Rates
- MBI letter dated 5/8/2017 announcing Charter qualifies to receive a grant to provide broadband services in Becket