

**BOARD OF SELECTMEN'S MEETING**

**SEPTEMBER 22, 2003**

**7:30 PM – MUNICIPAL OFFICE BUILDING – HANOVER, NH**

The meeting of the Board of Selectmen was called to order at 7:30 pm by the Chairman, Brian Walsh. Present were: Brian Walsh, Chairman; Katherine Connolly, Vice-Chairman; William "Bill" Baschnagel; Peter Christie; Judson "Jay" Pierson; Julia Griffin, Town Manager; and members of the public.

**1. PUBLIC COMMENT**

There was no public comment.

**2. WORK SESSION REGARDING OPTIONS FOR IMPLEMENTATION OF BROADBAND IN HANOVER**

Town Manager Griffin advised that Terry McGarty and Archie Typadis, from The Merton Group, were present. She explained that The Merton Group was the entity that the Town was working with to explore the feasibility of installation of municipal broadband or installation of broadband throughout the entire community. Representatives from Adelphia including Sam Phillips, local General Manager, Frank Quimby, Chief Engineer, and Rick Landoff, Construction Project Manager were also in attendance. They would speak to the improved cable services Adelphia was currently working to provide in Hanover.

Mr. McGarty said his work began with the Town of Hanover about a year prior, looking at the possibility of municipalities providing municipal broadband with municipal bonds. He reported that roughly 200 to 400 municipalities in the U.S. had done this and that The Merton Group had assisted 25 or 26 towns in Massachusetts and New Hampshire to do so. Their approach was not to act as a consultant but to work with the municipality to put a business plan together. Mr. McGarty said in developing the business plans, towns fell into four categories.

- A. Does not make any business sense – due to sparse population, significant penetration of existing services, etc.
- B. Politically does not make sense – town leaders are not up to pursuing for various reasons.
- C. Advocate in the town and the town believes it can do it itself – 10% to 15% of the towns The Merton Group has worked with fit this characteristic.
- D. (Hanover's Category) Makes economic sense, may work politically, and involves no town outlay of funding.

Mr. McGarty explained that Hanover may be eligible for alternative financing mechanisms provided by the U.S. Department of Agriculture and Rural Utility Service (RUS). If eligible, RUS can provide up to 80% of funding at 15 to 20 years financing at about 4.25%. The Merton Group would put up the remainder of the financing from their own investment portfolio. Mr. McGarty said that RUS had \$1.5 billion to invest in broadband. In the current fiscal year, seventy-two applicants applied for RUS funding in amounts totaling \$900 million. Hanover's project would require only \$5 million from RUS and \$1 million from The Merton Group.

Mr. McGarty asked to address four issues:

1. What are we talking about?

Building a fiber optic network that would provide broadband Internet, video, analog and digital to each subscriber and possibly some wireless service. These services will be offered to all of the homes in Hanover. Access would also be provided to towns like Etna. The network would link the Town, schools, public safety and library. Communication within the network would be free. This network would have a head-in (single location), field service units, a fiber going out to those units which carry a gigabyte per second per strand of fiber, and fibers going to each home, business, school, library, etc. User interface devices would connect the telephones or video systems. It is possible that Valley Net might provide the broadband services, support, and network management/customer service functions.

The Merton Group is also looking to provide these services to the areas of Keene and Peterborough. Ultimately they would like to create open networks with fiber for everyone to communicate within. Mr. McGarty said that The Merton Group had received preliminary commitments from Keene and Peterborough. They were now seeking the same from Hanover.

2. Why are we doing it?

Market research conducted in Hanover showed that there was clearly a demand for these types of advanced services. The results of an engineering study indicated that it could be done. Economically, subject to RUS financing, this could be done in Hanover.

RFP's were issued in July to thirty-two companies. Eighteen responded, nine of which will present their responses (solutions and prices) at a Municipal Broadband Conference scheduled for Tuesday, September 30, 2003 in Bedford. Mr. McGarty said he was presently surprised with the pricing responses with respect to electronics per household; they went down by a factor of two.

3. How does what we are proposing to offer differ from what exists currently?

Dial-up is achieved through telephone lines. It is distance sensitive in that the closer one lives to the central office the better service you will receive. Downloading attachments can be time consuming. Prices for dial-up service range from \$9.95 to \$23.95 per month depending on location and vendor.

DSL is also achieved through the telephone lines but with more sophisticated modems to squeeze out 128 to 512 kilobytes per second. It is a lot faster than dial-up but is still distance sensitive. If located too far away from the central office, Verizon will not provide this service. Prices for DSL range from \$25 to \$60 per month in New York.

Cable modems are achieved via a separate video channel but are shared among customers who have the same coaxial cable. The fewer people on the cable, the better the service. Prices for cable modems are similar to that of DSL, \$25 to \$60 per month. The rates can instantaneously be very high, if downloading a large file or similar activity is occurring.

Fiber provides a greater amount of capacity, which is sent to each end user separately. Within the network itself transport will be free at 100-megabyte capability.

4. What are we asking of the Town?

The Merton Group proposes to create a "Hanover Broadband Network" and offer the Town an equity interest, at no cost either at entry or any time after. It will provide the Town with access and part of the network capability. Mr. McGarty said he hoped to receive a decision from RUS by mid to late October. He asked that the Town respond to this offer by October 15, 2003.

Selectman Christie asked if The Merton Group was going forward based on the analysis that was done. Mr. McGarty said yes, assuming the 80% funding is achieved from RUS. Mr. Christie asked if The Merton Group should be viewed as a direct competitor to anyone. Mr. McGarty said yes, there would be some competition between Merton and Adelpia in some areas. Mr. Christie asked if the current proposal would provide fiber to areas in Hanover not currently serviced by cable. Mr. McGarty said if it were physically possibly it would be done. The intent would be to try to include all of Hanover at this stage. Mr. Christie asked what would happen if another competitor showed up in a year or two. Mr. McGarty acknowledged the fact there would always be the threat of a killer wireless technology being developed but said that he could not see anything happening in the next seven to eight years given the regulatory overhead. He said he also did not think Verizon would likely step up their services in the near future.

Selectman Connolly asked of the actual physical requirements. Mr. McGarty said the facilities would not require a great deal of real estate; they would be very unobtrusive. The system equipment would require a 10' x 20' room. Equipment for the individual

users could be placed within or outside of the homes. Hook up would not require any wiring. The biggest risk would be the make ready costs and process delays associated with installing stuff on poles.

Selectman Christie asked if fiber could break. Mr. McGarty said yes. The biggest problem is ice load. The maintenance agreements would target two-hour recovery but without guarantees.

Selectman Pierson asked about the timeline of getting a system up and operating. Mr. McGarty said that efforts would begin within thirty days of completion of the RUS financing which would occur within forty-five days. Selecting a vendor would take place next. He noted that RUS approved vendors had responded to the RFP. A contract could be issued within sixty days of initiation. First Office Application could occur within six months of that time.

Selectman Baschnagel asked for an estimate of when 85% of the customer base would be lighted. Mr. McGarty suggested eighteen months but further explained that the timeline would be dependent upon the amount of time it takes to conduct the make ready work. Selectman Walsh asked how the individual homeowner would relate to what was just described on a structural basis. Mr. McGarty said the plan would be to approach existing Valley Net customers and offer these new services to them on a month-by-month basis. He said there would always be the risk of churn, losing paying customers to other service providers. The value that will reduce the churn issue is the fact that the fiber network will allow the users to talk to other people within the network for free.

Selectman Walsh said he assumed, at the start of the Town's discussions with The Merton Group, that a deal would be put together where the Town's bonding would support this, which would then put the Town in the position where it was not captive. He said that the federal funding available was nice but that the Town too could borrow money at 4.25%. He cautioned against giving up a longer-term control position that could ultimately work against the Town. Mr. McGarty countered that municipal bonding would take longer. He said that The Merton Group was proposing equity interest and a seat at the table for the Town. They wanted to create a model in Hanover that could later be used in Keene and Peterborough. Currently all he was asking was if there was an interest on the part of the Town to try to put something together that is mutually beneficial. He reiterated that this work could be done without the Town's participation/approval but that The Merton Group felt that a close relationship with the Town would be beneficial due to the growth potential with this project. A representative of Valley Net spoke favorably of their participation in this endeavor.

Selectman Baschnagel asked what role the Town would play in providing access where poles were not available. Mr. McGarty said none.

Selectman Baschnagel spoke of Dartmouth's failed attempts at similar projects and asked how this would differ. Mr. McGarty said that it was very difficult to predict the future

but that The Merton Group had achieved success building networks in stressful situations. They were business people with the experience and expertise on the business and technical sides to do this. He said it was a skill-based issue, not a technology-based issue. He noted that The Merton Group would have a lot at risk to make this happen. Mr. Baschnagel asked of the margin in The Merton Group's business plan. Mr. McGarty said if The Merton Group achieved 25% of its business plan they would be cash flow positive due to the government funding opportunity.

Selectman Walsh said he considered this to be a real opportunity that should be looked at very closely, to find the right balance between the private entity, capital, skill, and long-term public interest. Selectman Baschnagel questioned how to structure this mutual circle of interest and turn it into a working relationship. Mr. McGarty suggested meeting over the next few weeks to discuss the interest of both sides. Mr. Walsh said the Town would be amenable to that.

Selectman Christie asked of the equity that is being offered to the Town. Mr. McGarty explained that the proposal was to offer the Town some percent of ownership of an LLC. There would be no cost to that ownership and no commitment subsequent to that to put any money into the deal if additional capital was required. The ownership interests would give whatever is agreed to mutually that is beneficial to both parties. He added that Valley Net had been offered a similar position in the relationship. The Town would own equity and a piece of the profits. Town Manager Griffin added this was not the average deal nor was it a franchise agreement. She said the Town's Attorney was researching whether Town Meeting approval was needed to even enter into such an agreement.

Selectman Baschnagel asked if the Hanover Broadband Network would be an operating entity. Mr. McGarty said there would be some staffing involved with the group but that they were discussing out staffing certain network support services with Valley Net. Rolling trucks and installing stuff would be contracted out. Nine potential contractors would be present at the upcoming Municipal Broadband Conference. It was noted that the broadband concept being proposed was unregulated.

Selectman Walsh sensed that the Board was in agreement to have the next conversation. He thanked The Merton Group for their presentation. He asked the representatives from Adelpia of the status of their work being conducted throughout town. Sam Phillips explained that Adelpia was actively pursuing completion work on a project started a year prior. They have completely changed over 95% of Plainfield and Cornish and were offering modem service in Plainfield as well as expanded digital. Last Wednesday the Hanover upgrade began on Route 10. They expect to complete Hanover by mid to late October. They will then continue to connect White River Junction, Quechee, Hartford, Wilder, North Hartford, Canaan, Enfield, and Lebanon. They will have the entire infrastructure in place and services deployed by June 2004. All of the current cable customers will have access to high-speed service if they wish to. Town Manager Griffin asked of the number of Adelpia cable customers in Hanover. An Adelpia

representative said 1,740. Ms. Griffin asked of the size of the Hanover service area. An Adelphia representative said approximately fifty-six miles. It was estimated that 65% to 70% of Hanover residents used Adelphia services.

Selectman Walsh asked if each individual house had to be wired individually. Mr. Phillips said yes, a wire would be hung from each house to a street or pole connection. Mr. Walsh asked how the customers were being advised of the upgrades. Mr. Phillips said notes were being delivered to the homes where the upgrades were occurring.

Selectman Christie asked if the current work was aimed at the existing service area or if services were being provided to new areas. Mr. Phillips said no new extensions were being made at this time. Selectman Walsh asked if a map of the cable network boundaries existed. Town Manager Griffin said one would be provided to the Board in the near future.

Selectman Walsh thanked the Adelphia representatives for attending and for upgrading the service.

Town Manager Griffin introduced members of the Technology Advisory Committee who were in attendance including Bob Brentrup, Rich Brown, Steve Cochran, Steve Ligget, Marty Himmelstein, and Bob Bruce. Ms. Griffin said the Committee had been extremely helpful to staff in exploring the potential of a municipal broadband. Selectman Walsh asked the Committee for comments on the presentation and the Board's decision to move forward to the next level of discussions. A Committee member said the issue of providing backhaul service and office network needs more consideration. It was suggested that segNET or other local providers would be looked at to provide those services. A member of the Committee expressed concern for the connection from the fiber network to the rest of the world. He asked about the relationship between Hanover's network and that of Keene's or Peterborough's from The Merton Group's perspective. He further questioned the availability of RUS funding, as it was supposed to be used for areas that have no other broadband options. Ms. Griffin said there were different categories of RUS funding available and that Hanover was eligible for one category. The same Committee member further questioned who would provide/own the equipment/facility room. He suggested that it would be beneficial for the Town to provide that space if the deal went forward.

Selectman Christie spoke favorably of the proposal and said he could not understand why the Town would not participate. Betsy McClain, Director of Administrative Services, agreed and said as such, she would personally prefer to have less municipal involvement in the process. Selectman Baschnagel suggested that less municipal involvement would decrease the Town's opportunity to influence the process. He asked the Committee members of the Town's obligation in interacting in this deal. A Committee member suggested that the Town should look more broadly at the technologies and other service providers who might have better solutions for rural areas. He further stated that Mr. McGarty's suggestion that wireless technologies won't have an impact on the spread of

broadband services might not be the case. Another Committee member cautioned the Board to carefully look over the proposed business plan when/if the time comes.

Selectman Walsh thanked the Technology Advisory Committee for their hard work, thoughts and involvement in this process. He asked that the Committee return to the Board after the Municipal Broadband Conference. Selectman Christie said he was surprised to hear that the Town could take an equity position in a for-profit corporation. Town Manager Griffin said the Town Attorney was researching that issue.

Selectman Walsh closed the discussion on the broadband issue.

**3. APPOINTMENTS: CONSERVATION COMMISSION, AFFORDABLE HOUSING COMMISSION, PARKS AND RECREATION BOARD, PLANNING BOARD, RECYCLING COMMITTEE, SENIOR CITIZEN STEERING COMMITTEE, ZONING BOARD**

It was **MOVED** by Selectman Walsh and **SECONDED** by Selectman Pierson to:

- Reappoint Robin Carpenter and Doug McIlroy to the Conservation Commission; Reappoint Bruce Altobelli, Charlotte Faulkner, Dick Jennings and Kim Perez to the Affordable Housing Commission;
- Reappoint Sue Young to the Parks & Recreation Board;
- Reappoint Nancy Collier to the Planning Board;
- Accept Judith Esmay's request to be appointed to a full seat on the Planning Board promoting her from an alternate;
- Reappoint Carol Edwards until December 2003 only to the Recycling Committee; Reappoint Alice Jackson to the Recycling Committee for a full term;
- Reappoint Chrysanthi Bien, Constance Carr, Mary Kirk, Helene Rothermund to the Senior Citizen Steering Committee;
- Appoint Anah Pytte to the Senior Citizen Steering Committee;
- Reappoint William Baldwin and Ruth Lappin to the Zoning Board of Adjustment; and
- Appoint Mug Clement as a new alternate to the Zoning Board of Adjustment.

**THE SELECTMEN VOTED UNANIMOUSLY TO REAPPOINT ROBIN CARPENTER AND DOUG MCILROY TO THE CONSERVATION COMMISSION; REAPPOINT BRUCE ALTOBELLI, CHARLOTTE FAULKNER, DICK JENNINGS AND KIM PEREZ TO THE AFFORDABLE HOUSING COMMISSION; REAPPOINT SUE YOUNG TO THE PARKS & RECREATION BOARD; REAPPOINT NANCY COLLIER TO THE PLANNING BOARD; ACCEPT JUDITH ESMAY'S REQUEST TO BE APPOINTED TO A FULL SEAT ON THE PLANNING BOARD PROMOTING HER FROM AN ALTERNATE; REAPPOINT CAROL EDWARDS UNTIL DECEMBER 2003 ONLY TO THE RECYCLING COMMITTEE; REAPPOINT ALICE JACKSON TO THE RECYCLING COMMITTEE FOR A FULL TERM; REAPPOINT**

**CHRYSANTHI BIEN, CONSTANCE CARR, MARY KIRK, HELENE ROTHERMUND TO THE SENIOR CITIZEN STEERING COMMITTEE; APPOINT ANAH PYTTE TO THE SENIOR CITIZEN STEERING COMMITTEE; REAPPOINT WILLIAM BALDWIN AND RUTH LAPPIN TO THE ZONING BOARD OF ADJUSTMENT; AND APPOINT MUG CLEMENT AS A NEW ALTERNATE TO THE ZONING BOARD OF ADJUSTMENT.**

The Selectboard further recognized the Town Moderator's appointment of Phil Harrison to the Hanover Finance Committee

**4. RECOMMENDATION TO ADOPT JOB TITLES: LIEUTENANT, PARKING DIVISION LABOR GRADE 18 AND COMMUNICATION SERVICES COORDINATOR LABOR GRADE 18**

Selectman Walsh advised that the Selectmen had reviewed and discussed these job descriptions two weeks prior.

**It was MOVED by Selectman Pierson and SECONDED by Selectman Baschnagel to adopt the job titles and labor grades as proposed. THE SELECTMEN VOTED UNANIMOUSLY TO ADOPT THE JOB TITLES AND LABOR GRADES AS PROPOSED.**

**5. APPROVAL OF MINUTES: SEPTEMBER 8, 2003**

**It was MOVED by Selectman Connolly and SECONDED by Selectman Baschnagel to approve the minutes of September 8, 2003 as submitted. THE SELECTMEN VOTED UNANIMOUSLY TO APPROVE THE MINUTES OF SEPTEMBER 8, 2003 AS SUBMITTED.**

**6. ADMINISTRATIVE REPORTS**

Ms. Griffin reported that staff would continue to work on the municipal broadband issue in the coming days. She will report back to the Board at their next meeting with a fairly comprehensive update. She advised of her participation in a positive vote as a member of the Grafton County Economic Development Council to authorize the Executive Director of Grafton County to work with the people from Coos and Carroll counties on a broadband initiative.

**7. SELECTMEN'S REPORTS**

**Peter Christie**

Mr. Christie reported on the Dresden Finance Committee's recommendation to the School Board relative to the net debt servicing issue. A middle ground was reached to



net 100% of the Hanover contribution and 50% of Dartmouth's contribution against debt service as it relates to the sixth grade tuition.

Mr. Christie reported on the Affordable Housing Commission's review of the conveyance documents that are progressing well. They also voted to become advocates to encourage college dormitory housing on campus. They are also beginning to discuss the potential impacts of the proposed Rental Housing Ordinance on affordable housing.

### **Kate Connolly**

Ms. Connolly reported on the Planning Board's continued review and site visit to a proposed River Road subdivision. They were also given an informal presentation of the new addition to the engineering school.

### **Bill Baschnagel**

Mr. Baschnagel reported on the Conservation Commission's review of the draft Memorandum of Understanding. They are also involved in the review of the proposed River Road subdivision. They are still working to resolve the waterbar situation.

Mr. Walsh asked of the Planning Board's and Conservation Commission's positions on the Discretionary Preservation Easement Program. Ms. Griffin advised that staff was drafting a memorandum to both groups that should be distributed soon. Mr. Baschnagel said the Commission was of the opinion that they had enough to keep them busy. They were not interested in conducting a series of site visits for this purpose.

### **Jay Pierson**

Mr. Pierson reported on the Water Company's progress relative to the filtration system project. The membrane filtration pilot program was working better than expected. They were holding preliminary discussions with banks relative to financing and had received \$700,000 from the State Revolving Fund for engineering purposes. The financial statements were very current and looked good. The Water Company Board also reviewed a public interest brochure.

Mr. Pierson reported that the Chamber of Commerce would meet the following evening.

### **Brian Walsh**

**Mr. Walsh MOVED to officially thank the Lion's Club for their donation to the youth ball field. Mr. Baschnagel SECONDED. THE SELECTMEN VOTED UNANIMOUSLY TO OFFICIALLY THANK THE LION'S CLUB FOR THEIR DONATION TO THE YOUTH BALL FIELD.**

Mr. Walsh recognized and thanked the Howe Corporation for the event held last Friday to put forth the plans for the library expansion and get the community together. He thanked the Rotary for hosting the dinner.

**8. OTHER BUSINESS**

There was no other business discussed.

**9. ADJOURNMENT**

**It was MOVED by Selectman Baschnagel and SECONDED by Selectman Connolly to adjourn the meeting. THE SELECTMEN VOTED UNANIMOUSLY TO ADJOURN THE MEETING AT 10:30 PM.**

**SUMMARY**

1. It was **MOVED** by Selectman Walsh and **SECONDED** by Selectman Pierson to:
- **Reappoint Robin Carpenter and Doug McIlroy to the Conservation Commission; Reappoint Bruce Altobelli, Charlotte Faulkner, Dick Jennings and Kim Perez to the Affordable Housing Commission;**
  - **Reappoint Sue Young to the Parks & Recreation Board;**
  - **Reappoint Nancy Collier to the Planning Board;**
  - **Accept Judith Esmay's request to be appointed to a full seat on the Planning Board promoting her from an alternate;**
  - **Reappoint Carol Edwards until December 2003 only to the Recycling Committee; Reappoint Alice Jackson to the Recycling Committee for a full term;**
  - **Reappoint Chrysanthi Bien, Constance Carr, Mary Kirk, Helene Rothermund to the Senior Citizen Steering Committee;**
  - **Appoint Anah Pytte to the Senior Citizen Steering Committee;**
  - **Reappoint William Baldwin and Ruth Lappin to the Zoning Board of Adjustment; and**
  - **Appoint Mug Clement as a new alternate to the Zoning Board of Adjustment.**

**THE SELECTMEN VOTED UNANIMOUSLY TO Reappoint Robin Carpenter and Doug McIlroy to the Conservation Commission; Reappoint Bruce Altobelli, Charlotte Faulkner, Dick Jennings and Kim Perez to the Affordable Housing Commission; Reappoint Sue Young to the Parks & Recreation Board; Reappoint Nancy Collier to the Planning Board; Accept Judith Esmay's request to be appointed to a full seat on the Planning Board promoting her from an alternate; Reappoint Carol Edwards until December 2003 only to the Recycling Committee; Reappoint Alice Jackson to the Recycling Committee for a full term; Reappoint Chrysanthi Bien, Constance Carr, Mary Kirk, Helene Rothermund to the Senior Citizen Steering Committee; Appoint Anah Pytte to the Senior Citizen Steering**

**Committee; Reappoint William Baldwin and Ruth Lappin to the Zoning Board of Adjustment; and Appoint Mug Clement as a new alternate to the Zoning Board of Adjustment.**

2. **It was MOVED by Selectman Pierson and SECONDED by Selectman Baschnagel to adopt the job titles and labor grades as proposed. THE SELECTMEN VOTED UNANIMOUSLY TO ADOPT THE JOB TITLES AND LABOR GRADES AS PROPOSED.**
3. **It was MOVED by Selectman Connolly and SECONDED by Selectman Baschnagel to approve the minutes of September 8, 2003 as submitted. THE SELECTMEN VOTED UNANIMOUSLY TO APPROVE THE MINUTES OF SEPTEMBER 8, 2003 AS SUBMITTED.**
4. **Mr. Walsh MOVED to officially thank the Lion's Club for their donation to the youth ball field. Mr. Baschnagel SECONDED. THE SELECTMEN VOTED UNANIMOUSLY TO OFFICIALLY THANK THE LION'S CLUB FOR THEIR DONATION TO THE YOUTH BALL FIELD.**
5. **It was MOVED by Selectman Baschnagel and SECONDED by Selectman Connolly to adjourn the meeting. THE SELECTMEN VOTED UNANIMOUSLY TO ADJOURN THE MEETING AT 10:30 PM.**

Respectfully submitted,



Peter Christie, Secretary

These minutes were transcribed by Beth Rivard.