

TOWN OF PRINCETON MA
Princeton Advisory Board
Meeting Minutes
August 12, 2016

AB members in attendance: Jimmy O'Coin, Don Schoeny, Bill Lawton, Wayne Adams, George Handy, Dave Cruise
BOS members in attendance: Edith Morgan and Town Administrator Nina Nazarian
Others in Attendance: PBMLP Manager Marty Dell'Erba , Phil Gransewicz

AB Agenda

- Discussion for the planned Special Town Meeting Warrant September 13th and correlated Town Election Ballot, related to broadband internet services and town borrowing \$4.8M

Meeting started at 5:03 PM

Discussion

- **Town built FTTH Financial Model**
 - George and Wayne have in hand the FTTH cost/subscriber sensitivity model that PBMLP
 - Model is being updated to reflect current policies for the build-out, including laterals
 - Model is being updated to reflect electronic equipment costs as proposals are received
 - **Action item:** AC to request another version of the model with the updates, along with any changes for borrowing rates, details behind the construction costs. AC needs to know if \$4.8M is the maximum needed for the project per the model, or if the model is changed, will the warrant need to be changed to reflect a different amount
 - **Action item:** aside from the public financial info on Connecting Princeton website (see section of URLs further in the minutes), what version of the live model can be shared with the rest of the AC. When will this version be ready?
- **Town built FTTH Business Model**
 - Question raised, is there a business plan. Short answer is no. There is only the financial model, the risk analysis, and a marketing plan that is underway. All are key elements of a plan
 - PBMLP have inquired if the AC can provide sample business plan.
 - **Action item:** AC members to look over resources and bring anything that is a close fit forward.
- **Draft Warrant Article Discussion**
 - **Questions raised for resolution**
 - Is \$4.8M the maximum cost of the project or can it be exceeded, where funds from other sources excluding borrowing would be applied. If \$4.8M is the maximum, the warrant wording could change to reflect not to exceed. The total amount is contingent on an accurate financial model.

- Related to the above question is how the MBI \$900K will be applied to the town FTTH project : against the \$1.2M readiness work or the \$4.8M buildout . BOS have yet to sign the final application for the \$900K since it has to be declared for its use – be it with town built readiness, town build-out, or Comcast, or yet other options under consideration.
- **Comcast Discussion, possible alternate option for Broadband Internet**
 - Meeting to be scheduled the week of August 15th, deferred from August 11th. Comcast may have a full proposal to bring forth.
 - Comcast plan may depend on the MBI \$900K being transferred to their buildout.
 - Comcast has been in town doing network and lateral planning, measurements, etc... PBMLP has provided all available geo surveys on hand.
 - MBI has setup a funding pool of \$5M for community extensions of service. In the case of Princeton and Comcast, Princeton may be an extension of service from Sterling or Westminster.
 - **Questions to be asked during the concall**, time permitting
 - Will 100% of the town be served. If not 100%, can town and Comcast work out an arrangement whereby 100% can be served.
 - What is the timetable for Comcast to install and light-up
 - What network technology and physical media will be installed for the network. If the design is FTTN (fiber to the node/curb) with coax for the lateral to the home, can homeowners spend more and have fiber installed instead of coax? What is the timetable for DOCSIS
 - What will be the length of contract with rates being fixed
 - Can/will Comcast come to a scheduled public town meeting whereby the proposal will be presented and town residents can ask questions about timetable, rates, service, etc...
 - What additional services are available/will be available besides triple play (phone, tv, data), e.g. security, remote healthcare, etc...
- **Upcoming meetings** (see detailed list of BOS, AC, PBMLP, STM, and STE below)
 - The 8/30 and 9/8 PBMLP information sessions will be structured to provide only info about the town-built FTTH.
 - **Action items:**
 - AC should schedule a meeting to have John K and Phil L provide details of the network engineering plan, construction costs, and other assumptions in the model
 - If Comcast and or Matrix have viable proposals, these should be scheduled for the AC to learn more and ask questions; also AC would recommend these proposals be scheduled as dedicated informational sessions for town residents, in a similar fashion as the PBMLP sessions for the town built FTTH. Nina to raise discussion with BOS.
 - When the 8/30 presentations are near final, AC requests to have them in hand for review and understanding. Jimmy to raise

request within the PBMLP marketing team.

- **Town Borrowing**
 - o Aside from the \$4.8M borrowing for FTTH, there are town building infrastructure plans being discussed that would also require borrowing, e.g. Bagg Hall, Princeton Center, new public safety building, etc... State of MA rule of thumb is to keep total debt ratio between 5-8% of budget. Any additional debt in addition to the \$4.8M borrowing will have the debt over 10%. Bill Holden is doing some preliminary work on long term borrowing. Bill to join AC on 8/18
 - o George stated the last inquiry about the town's Moody rating, it was Aa3
 - o Town treasurer stated that borrowing rates are trending upwards and we are most likely looking at 3.75% instead of 3.5%
 - o George has stated that if we borrow \$4.8M for 20 years, the total cost of principal (\$4.8M) and interest (\$1.9M) is \$6.7M

Meeting adjourned 7:20 PM

Useful URLs to Publicly Posted Material for Broadband

- **Connecting Princeton:** <http://www.connectingprinceton.com/>
- **PBMLP Minutes:** <http://www.connectingprinceton.com/project-status-and-news/meeting-minutes/>
- **Comcast Proposal** – Not received yet
 - o <http://www.connectingprinceton.com/about-us/why-do-i-need-high-speed-internet-anyway/comcast-updates/>
 - o **Telecon Minutes July**
 - http://www.connectingprinceton.com/wp-content/uploads/2016/06/2016-08-02_MemotoBoS_MeetingwComcastSummary.pdf
- **Matrix Proposal** – http://www.connectingprinceton.com/wp-content/uploads/2016/06/Princeton_Matrix-Design-Agreement.pdf
 - o <http://www.connectingprinceton.com/project-status-and-news/matrix-updates/>
- **PBMLP Cost/subscriber financial model :**
 - o <http://www.connectingprinceton.com/project-status-and-news/ftth-financials/>
- **PBMLP 2016 Residents Survey** - Not available and posted yet
- **PBMLP Information Session Presentations** – not available yet, for 8/30 and 9/8
- **PBMLP Risk Analysis**
 - o <http://www.connectingprinceton.com/wp-content/uploads/2016/06/RISK-REPORT-Final.pdf>

Meetings and Important Dates

- **August 15th**, week of – Comcast conference call, time, day tbd
- **August 16th**, both BOS and PBMLP meeting 5:00PM , finalize town ballot, residents survey

- **August 18th, AC meeting, 7PM location tbd**
- **August 22nd, BOS draft 2 of warrant**
- **August 23rd, PBMLP meeting**
- **August 29th, BOS finalize warrant**
- **August 30th, – PBMLP Public Information Session for FTTH**
- **September 6th, BOS meeting ; PBMLP meeting**
- **September 6th, AC prep for Sept 7th town hearing , 7PM, location tbd**
- **September 7th, 2016 – Advisory Committee Public Hearing, 7PM, location tbd**
- **September 8th, 2016 – PBMLP Public Information Session for FTTH , repeat info August 30**
- **September 13th, 2016 – Special Town Meeting for Warrant, 7PM Heritage Bible Chapel**
- **September 22nd, 2016 – Special Town Election for Ballot, 12N-8PM, location tbd**

Handouts

- Draft Town Warrant for September 13, 2016 and Draft Election Ballot for September 22, 2016
Respectfully submitted,

Wayne M. Adams, AB Member