

Date: March 2, 2022

Location: Town hall and Zoom

Attendees: Dan Wells, Kathryn Woodsum, Brian Tarbuck, Patrick McCormick, Eric Dyer

18:40 meeting called to order

Note that Keegan is no longer on the Broadband Committee

Tarbuck will get draft minutes to town clerk soon

Vienna, Fayette and Mount Vernon are leaning toward Axiom. Wayne will do RedZone.

Current cost estimates:

	Axiom B&O (100/100)	Matrix B&O (1g/1g)	Matrix PPP (100/100)	RedZone (100/100)	Spectrum (400/20)
Gross Capital Expense	\$ 4,956,289	\$ 5,459,473	\$ 2,650,063	\$ 917,466	\$ 167,354
Annualized Debt Service (20yr, 2.5%)	\$ 316,424	\$ 348,548	\$ 169,188	\$ 58,574	\$ 10,685
Taxable Property Valuation (Fiscal Year 2023 Estimate)	\$ 325,558,556	\$ 325,558,556	\$ 325,558,556	\$ 325,558,556	\$ 325,558,556
Mil Rate to Cover Debt Service	0.000971942	0.001070615	0.000519685	0.000179918	3.28205E-05
Monthly Operating (Subscription Fee) ^	\$ 34.99	\$ 55.00	\$ 95.00	\$ 75.00	\$ 94.99
Monthly Capital (Tax Impact for Select Property Values)					
\$ 50,000	\$ 4.05	\$ 4.46	\$ 2.17	\$ 0.75	\$ 0.14
\$ 150,000	\$ 12.15	\$ 13.38	\$ 6.50	\$ 2.25	\$ 0.41
\$ 250,000	\$ 20.25	\$ 22.30	\$ 10.83	\$ 3.75	\$ 0.68
\$ 350,000	\$ 28.35	\$ 31.23	\$ 15.16	\$ 5.25	\$ 0.96
\$ 450,000	\$ 36.45	\$ 40.15	\$ 19.49	\$ 6.75	\$ 1.23
Monthly Cost (Sum of Tax Impact and Service Fees)					
\$ 50,000	\$ 39.04	\$ 59.46	\$ 97.17	\$ 75.75	\$ 95.13
\$ 150,000	\$ 47.14	\$ 68.38	\$ 101.50	\$ 77.25	\$ 95.40
\$ 250,000	\$ 55.24	\$ 77.30	\$ 105.83	\$ 78.75	\$ 95.67
\$ 350,000	\$ 63.34	\$ 86.23	\$ 110.16	\$ 80.25	\$ 95.95
\$ 450,000	\$ 71.44	\$ 95.15	\$ 114.49	\$ 81.75	\$ 96.22

^ Lowest service level exceeding 100/100

		<b>Axiom B&amp;O (100/100)</b>
<b>Gross Capital Expense</b>		\$ 4,956,289
<b>Annualized Debt Service (20yr, 2.5%)</b>		\$ 316,424
<b>Taxable Property Valuation (Fiscal Year 2023 Estimate)</b>		\$325,558,556
<b>Mil Rate to Cover Debt Service</b>		0.000971942
<b>Monthly Operating (Subscription Fee) *</b>		\$ 39.99
<b>Monthly Capital (Tax Impact for Select Property Values)</b>		
\$	50,000	\$ 4.05
\$	150,000	\$ 12.15
\$	250,000	\$ 20.25
\$	350,000	\$ 28.35
\$	450,000	\$ 36.45
<b>Monthly Cost (Sum of Tax Impact and Service Fees)</b>		
\$	50,000	\$ 44.04
\$	150,000	\$ 52.14
\$	250,000	\$ 60.24
\$	350,000	\$ 68.34
\$	450,000	\$ 76.44

\* Includes \$5 cost for insurance and reserve

Average tax valuation in Readfield: about \$250k

Readfield now eligible for grants to some degree. Grant money can be received only for money you haven't already spent.

The timing of the project was reviewed. The "make ready" portion of the project can take many months to complete. Axiom claims a buildout to all residents in 12 months. Committee will ask Axiom how they've completed other projects of similar size.

Tables presented regarding estimated costs are just that - estimates. More information is needed to ensure a normalized cost comparison.

Questions remain regarding the cost of insurance. Insurance costs would be paid by subscribers, not all taxpayers.

75% of customers take the lowest rate offered.

PON = "passive optical network" - gets signal from point A to point B without electricity

Capacity is increased in a fiber network by changing the multiplexers.

32:1 multiplexing would handily support 32 customers at 1GB for a number of years. 8:1 is overkill.

Zoom uses about 1 MB in and 750k out.

Upload speed is much less an issue to customers than download.

Need to confirm take rates and insurance costs for each proposal.

Need to confirm depreciation rates for each technology proposed by each vendor. Equipment depreciates much faster than the fiber on the poles. Customer premise, head end, CO and routers all have about a 5 year life span.

Suggest meeting again next week to determine whether the town pursues Axiom or Matrix proposals.

Does the town need to identify a vendor at this point?

Dyer suggests we need to have the fiber option presented to voters. If fiber to the premise option doesn't pass at the ballot box we're left with working with improving the existing agreement with Spectrum.

Motion: Committee recommends a build and operate fiber to the premise network and further discovery and negotiations with vendors. Moved by: McCormick Seconded by Tarbuck The motion was approved unanimously.

1957 motion to adjourn by Woodsum, 2nd by Wells. Motion was approved unanimously.