

Broadband Study Committee (BSC) Meeting Notes

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Date: March 30<sup>th</sup>, 2022

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The meeting was held virtually, on Zoom.

Committee Members Present: Sean Powers, Sean Daily, Alyssa Botelho, Tom McAffey

Committee Members Absent: Cathy Melanson

Town Staff Present: Derek Frates.

Consultants Present

Entry Point -Jeff Christensen, Bruce Patterson, Devin Cox

Lewis, Young, Robertson & Burningham - David Robinson

FAIRHAVEN.  
MASS.

The meeting was called to order at 6:38 P.M.

There was a discussion about meeting notes from prior meetings. They need to be issue and approved in a timely manner, per Open Meeting Law.

Sean Powers asked if text transcribed from an audio recording from Zoom would qualify. The answer was no, because it is not clear in the audio who is speaking.

Sean Powers asked if video recordings on Government Access suffice.

Bob Espindola said he would find out the answer but stated that he did not feel this was in the best interest of the Town not to have written meeting minutes, citing Civic Engagement software the Town could sign onto in the future that would allow documents like meeting minutes to be searched using key words.

Entry Point will work on the prior meetings, Bob Espindola will record this meeting.

David Robertson, from Lewis, Young, Robertson & Burningham discussed the Updated Fiber Financing Summary document that is attached to these meeting notes.

He described that with borrowing, the subscriber rates would be set to maintain revenues at a ratio of 1.25 times expenses. This is done to provide assurance to the bonding agency that obligations will be met.

There was a discussion about Town Meeting article(s). During the last BSC meeting the committee was recommending that the two articles be incorporated as Part A and Part B within Article 34, so that the same yard signs that were used last Town Meeting could be reused.

After further discussion, the Committee believes it would be best to address the two issues independently, to ensure there are no legal issues associated with passing the Municipal Light Plant, if the two articles are linked.

Therefore, the committee asks that Article 34 remain a replicate of Article 34 from last year's Town Meeting vote and that a separate article be drafted that would relate to what action the Select Board

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will be authorized to take with regard to the Municipal Light Plant designation (if Article 34 passes) or any other action that the Select Board may be, conditionally, authorized to take.

The Committee is hopeful that the second article could follow Article 34 immediately as Article 35, as this would help very much to keep a continuation of the topic. Bob Espindola will ask at the next Select Board meeting if the second Broadband Article can be designated as Article 35 (which will require bumping all the other Articles that follow by one number.

Discussion turned back to Financing Plan options. David Roberson explained the outcome of meetings held with Bond Counsel, Richard Manley, during which it was determined that, Although a Municipal Light Plant can take out a bond for the purpose of capital outlay related to Electric infrastructure, it can not do the same with regard to Broadband Infrastructure.

This means the original options, leans on properties, and general obligation bonds taken by the Town, or using a Cooperative, are the only real viable options remaining.

Bob Espindola reiterated concerns he has raised about the Town being exposed to any significant risk for building out a Fiber to the Home Broadband project and suggested two (2) means of proving that assurance would be;

- 1) To ensure that there is a substantial safety factor built into the assumptions about take rate such that (in his example) if the break-even point for take rate is 30%, the Select Board would only be authorized if the actual take rate exceeds 40%, thereby building in a health margin for error. He went on to suggest that, even if the numbers were to turn out to be less than the 30% breakeven point, that subscribers would need to bear the burden of the shortfall and not those who have not subscribed at all.
- 2) To limit the build out to a small portion of the entire Town to start out with, and to prove the financing and operations model works before building out the rest of the Town. The downside of this is that Economies of Scale would be working against project financing and this option would cost more and take longer to build.

David Robertson said that he would provide a full analysis for the next meeting that would provide solid information about take rates that will be required and breakeven point, pros and cons of the various financing options still on the table, etc. David suggested that the BSC regroup in about two weeks (on April 14<sup>th</sup>) to review his updates and strategize about what remains for Town Meeting.

Sean Daily asked if the committee should consider offering two options to the Town Meeting voters

- 1) The Town issues a general obligation bond to fund the project.
- 2) A Coop model if the General Obligation bond fails to gain Town Meeting member support.

Bob Espindola said that he would not recommend providing multiple options to Town Meeting members as it might be too confusing for them and he also expressed concern that, while the BSC could explain clearly what would be involved with the Town issuing a General Obligation Bond and executing the project through a MLP, the COOP model would be harder to explain because the BSC has not yet studied it and because the COOP would be the entity actually making the decisions, not the Town.

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Jeff Christensen suggested that the strategy should be to put our best foot forward at Town meeting with what would be the least cost option (General Obligation Bond and Town Oversight) and then, if this does not pass at Town Meeting, we would regroup after Town Meeting to study other Options (COOP and Assessment) more deeply.

The Committee agreed to wait until the next meeting when David Robertson's analysis is available, before making final recommendation for Town Meeting Articles.

The committee agreed to set the next meeting date and time for Thursday, April 14<sup>th</sup>, at 5:00 P.M.

Bruce Patterson explained that Josh Eichen is a new hire at Mass Broadband Institute (MBI). He came to MBI from a regional planning agency north of Boston. MBI has over \$50M to spend on "capacity building". These funds cannot be used for Infrastructure but MBI expects that there will be funding down the road that can be used for funding infrastructure.

Devin Cox indicated that Josh was invited to this meeting but had a conflict but will plan to attend our next meeting.

Bob Espindola indicated that Josh had reached out to him to set up a call (which will be on Monday, April 4<sup>th</sup>) to provide a status update of where our BSC stands and some of the history. Bob said he feels this sort of meeting will be helpful to bring Josh up to speed without consuming time doing so during one of the regular BSC meetings. Bob invited anyone else on the committee who was interested to let him know and he would send a meeting invite to them.

Bob Espindola made a motion to adjourn at 7:42 P.M. Sean Powers seconded. There was no further discussion, the vote passed unanimously.

Meeting notes submitted by Bob Espindola