

**TOWN OF WALPOLE
MEETING OF THE SELECTBOARD
WITH THE BROADBAND COMMITTEE
BROADBAND PUBLIC BENEFITS MEETING
FEBRUARY 12, 2020**

Selectboard Present: Steven Dalessio (Chair); Peggy Pschirrer; (Absent: Cheryl Mayberry)

Broadband Committee Present: Paul Looney (Chair); Rod Bouchard, Richard Hill; Dennis Marcom

CALL TO ORDER: Mr. Dalessio called this Public Hearing on Broadband Public Benefits to order at 6:35 PM in the Walpole Town Hall. He thanked everyone for attending this Public Hearing on the high speed internet access that affects all the residents of the Town of Walpole. Mr. Dalessio acknowledged all the work the Broadband Committee did in a short period of time. There will be another Public Meeting on the Broadband Proposed Issuance of a Bond tomorrow, Thursday, February 13, 2020, at 4:00 PM. Voters will be asked to vote on a Bond to provide Broadband service to the Town of Walpole on Saturday, March 14, 2020. Tonight there will be discussion on the Broadband Public Benefits to the Town. Mr. Dalessio turned the meeting over to Mrs. Peggy Pschirrer.

BROADBAND PUBLIC BENEFITS: Mrs. Pschirrer has been working with the Broadband Committee since last May. They started this private partnership with Consolidated Communications Inc. (CCI), a few months ago. There was a series of steps to be taken as required by State law. The Town has been very careful to follow all the rules and regulations to apply for this Bond and there were numerous ones. Senator Jay Kahn was instrumental in getting the State to approve the issuance of Bonds to the towns without considering it debt. It will not require any taxpayer money. This Bond will come along in late June or early July. Article 2 for approval of the Bond will be the first item on the Town Meeting agenda on Saturday, March 14th, 2020. It will require a 2/3 ballot vote. They really want people to turn out for this vote. This is the third Public Hearing they have had. The cost will only be to the subscribers who use the service. This represents the under-served members of this community who have terrible internet service. If they do have it, they are probably paying exorbitant prices for just their service. First we will hear from Mr. Paul Looney, Chair of the Broadband Committee. The other members present are Mr. Rod Bouchard, Mr. Dick Hill and Mr. Dennis Marcom. Mr. Marcom has generously agreed to be our local Project Director. We are very grateful for this. We will also hear from Mr. Rob Koester, Vice-President of Consumer Products of CCI. He is located in the Manchester, NH area. They are a rural Broadband company with service areas in 23 states. Mr. Mike Cannon, Director of Operations at CCI, is also present. He will demonstrate some of their equipment that will be used in putting this project together.

Mr. Looney displayed the "Introduction" page of their "Making Walpole a Connected Community" presentation. The Plan provides for High Speed (25 Mbps Down 3 Mbps Up). The Bonding goal is to make sure that everybody reaches this. The project they are bringing forward is to have speeds up to 1000Mbps. There would be an increase in price. Fiber has higher reliability than the copper used today. Bringing fiber into homes will help the owners with maintenance.

Mr. Looney reported the Bonding they will be asking for is \$1,856,100. The contract we will have with Consolidated will allow them to bill the users who are getting the service. The cost will be \$9.00/month on top of their regular service. Consolidated will then give this to the Town who will pay for the Bond. There will be no taxpayer money and no tax increases. Consolidated charges will be consistent with what they charge throughout the State. Over time the \$9.00 will be reduced. It will go down in small amounts depending on how many people sign up. Mr. Koester pointed out that over the first 3-to-5 years there is not going to be enough to cover the Bond payments but they will cover that. They are responsible for

the Bond payments through the 20-year term. This motivates them to keep as many users as possible. Right now there are six towns going through this process and then close to another dozen next year. In the agreement they will periodically reset the \$9.00 rate depending on how many subscribers they have but it will not exceed the \$9.00.

A resident asked what percentage of people generally sign-up for this service. Mr. Koester said usually 40-to-45%. They usually experience a higher percentage which he expects Walpole will have.

Mr. Looney explained that the backbone of the fiber to the home will be Consolidated. Mr. Looney replied to a resident's question of "During the 20 years of the Bond, Consolidated will maintain the contract?" They assume that over the 20 years the equipment will change with no cost to the Town. Mr. Koester said that after 20 years and 1 day, the Town owns the network. His expectation is that after 20 years the Town will put out another Request for Proposals (RFP). Other providers will have the option to rebid. Mr. Looney noted that if you have Comcast today, they will have to convince you that it is better and cheaper to go with CCI. For some it will be a choice. Mr. Hill said they could also do a combination of service which is to hire CCI for the internet service. They think this will bring about competition in Town.

A resident asked how long this project will take assuming there is a positive vote. Mr. Looney said the total project will take about two years.

A resident asked her landlord to come to a meeting. He said he will not because he does not have nor does he want internet service. She has phone service to her home and would like to have Broadband. If she eventually leaves, who does the service fall back on? Mr. Koester felt she should talk with her landlord. If she leaves, the service would be disconnected at her request. Mr. Looney mentioned that Broadband will make properties more saleable but it also makes small businesses have other opportunities. More people will be able to work from home. He believes that someday they will be able to communicate with their doctors and not have to travel. It presents better educational opportunities. He had talked with Dr. Shaw who said this will be better for his business.

Mr. Looney noted they are talking about bonding. He went to the Selectboard about three years ago to discuss internet service. At that time the providers would not extend his service unless he would pay the company to run the line down the street and into his driveway. New Hampshire realized that to get Broadband to some of their communities, they would have to do something different. Senator Jay Kahn was the architect of the regulations for towns to go in with private/public partnerships to get higher speed internet out to each home in Town.

A resident asked what DSL is. Mr. Koester explained it is copper and is a good technology. There are pluses and minuses. The minus is you have to be close to the equipment to get reliable service. Fiber is a different option; examples were on display in the room. Fiber is a 60% improvement in reliability. He explained what happens if there is a cut in the connection from the pole to the house; there is no loss of service. Today rain, wind and cold can cause a loss due to the copper technology.

Mr. Looney explained that in the beginning they went out to obtain information from CCI and Comcast. They only received an answer from CCI. Comcast did not respond. They were at a loss for some of the data. With the information they did receive, he explained that the red dots on the display page were underserved and the green dots are served. We will all get served. They then went out with a Request for Proposals to seven providers. Three RFPs came back and they were reviewed. The committee

members felt the most likely one for them to be successful with was CCI. Chesterfield has a contract with CCI and that went very well. They made a recommendation to the Selectboard to go with CCI.

Mr. Hill advised that one of the conditions for a Municipal Bond is to demonstrate that the actual financial need is greater than the cost of the project. Total cost of the project is \$3,218,562. Some research was just published in the July 2019 Journal of Applied Economics by Molnar, G., Savage, S., and D. Sicker on “High-Speed Internet Access and Housing Values”. Over two years they looked over thousands of sales. They were able to show that access to internet high speed access affected the prices of properties. For example: Broadband Speed Available – 0 to 20 Mbps – Number of Locations 1148 - Percentage Effect on Prices is 3.7% - Total Property Value Change \$10,254,301. Broadband Speed Available – 25 to 50 Mbps – Number of locations 581 - % Effect on Prices is 1.2% - Total Property Value Change \$1,683,138. Broadband Speed Available – 50 to 100 Mbps – Number of Locations 271 - % Effect on Prices is 0.6% - Total Property Value Change \$392,539. Greater than 100 Mbps – Number of Locations 54 - % Effect on Prices is not applicable. Estimates are based on median home value of \$241,414 in Walpole and North Walpole based on data from City-Data.com. They estimated that Comcast provided service to about 80% of the homes in Walpole. Mr. Looney pointed out that just because it states your home would be more valuable, it will not affect your property taxes. Even if Comcast had responded to their RFP, they still think Walpole would have been eligible for Broadband coverage.

Relative to underground lines, Mr. Koester advised that the only out of pocket cost might be if a property owner has a wire that is not in a conduit. Mr. Looney has internet from one company and a dish in his house. Broadband will allow him to do away with the dish which will save him some money.

Mr. Looney advised they are in the process of working on the contract with CCI. They will need a two-thirds vote on March 14th. If this proposal is voted down, it will not cost the Town any money.

Mr. Koester talked about what to expect in the future. He talked about the network design. There are three elements to a network. The Town of Walpole is served by three buildings. They have some equipment in Alstead/Bellows Falls, Portland, Maine and Burlington, Vermont. They connect to other cities. If the fiber gets cut on one side, it goes to another section. They cover the entire cost of the equipment. On the Google Earth display, all the purple is served by this office and the Alstead/Bellows Falls office. In Chesterfield they built about 92 miles in six weeks; they move quickly. Bad weather can slow them down. There are three phases: 1) Fiber in the ground; 2) Splice the fiber; and 3) Testing; this takes about two weeks. They want to be ready to start as soon as everything is in place. About four-to-six weeks before they start, they will post it on the website specifically dedicated to Walpole. It will give people the opportunity to pre-signup for service. They will communicate with the Town on a regular basis. There is no installation charge.

Mr. Koester displayed “Pricing”, in general, based on 50, 100 or 150 MBPS. It depends on the product mix. As a general rule with phone service, it is about \$130.00/month. The average customer usage is 50-100 MBPS. CCI pays all the pole taxes and fees.

Adrian Basora asked if it is fair to say they might be able to offer an equal quality service for the same pricing as Comcast. Mr. Koester said “yes”.

A resident asked why anyone would not vote in favor of this service. Mr. Koester heard two objections: 1) In Chesterfield someone was in favor of it but voted against it because they did not feel any vote should be unanimous; and 2) some folks have concerns with 5G coming in. Mr. Looney asked for those in attendance to raise their arm if they would vote “yes” and everyone in attendance raised their arm. Therefore, it was unofficially voted a unanimous “yes”.

Replying to a question from a resident, Mr. Koester said they have not yet looked at a construction schedule. They will want to meet with the Selectboard and explain what the ideal situation is to build their network. If the Town has areas they want them to consider first, that will be explored.

A resident will be out-of-town on March 14th and asked if he can vote on an absentee ballot. Mrs. Pschirrer was not sure because at the Town Meeting there will be discussion and there may be amendments. She will check with the Town Clerk tomorrow but has never heard of an absentee ballot for Town Meeting.

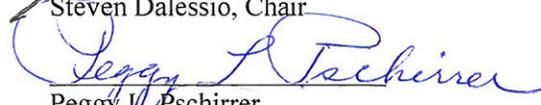
Mrs. Pschirrer advised that Town Meeting is on Saturday, March 14, 2020, at 1:00 PM in the Walpole Town Hall. This will be the first item for discussion. It will require a 2/3 vote. She read Article 2 regarding the Bond vote. The Bond Bank attorney’s fees will be paid for out of the Bond. Mr. Koester confirmed that the Town buildings will have complimentary service but not the schools as their requirements are different. Schools qualify for a federal program at an extremely low price.

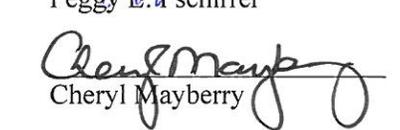
Mrs. Pauline Barnes called for a “Thank You” to the Broadband Committee for all their time and work. They received a round of applause.

ADJOURNMENT: Mr. Dalessio closed this Public Meeting at 7:50 PM.

Respectfully submitted,
Regina Borden, Recording Secretary


Steven Dalessio, Chair


Peggy L. Pschirrer


Cheryl Mayberry

(Note: These are unapproved Minutes. Corrections will be found in the Minutes of the February 20, 2020, Selectboard meeting.)