

MINUTES

Joint Meeting of Board of Selectmen and New Marlborough Broadband Committee Thursday, April 5, 2018, 4:30 p.m.

1. The following members of the Committee were present:

Richard Long
Steve Klein
Michele Shalaby
Owen Wright

constituting a quorum of the Committee. Others present included Board of Selectmen members Tara White, Michelle Shalaby and Nat Yohalem; Anna Lucey of Charter Communications, Peter Larkin of MBI, Barry Shapiro for the 5 Village News, Sharon Fleck and interested citizens.

Following the call to order of the Board of Selectmen by Chairperson, Tara White, Mr. Long called the Broadband Committee meeting to order at 4:30 p.m.

2. Approval of Committee minutes of March 12, 2018, was deferred.
3. Ms. White introduced Anna Lucey, Director of Government Affairs for this region of Charter Communications. Ms. Lucey made a presentation on Charter Communications and the interest of Charter in providing broadband internet services to New Marlborough under certain conditions. A handout document, attached to these minutes, provided information on Charter and the television and internet and phone packages and pricing it offers. Some of the important points made include:

- Spectrum is the brand name for Charter services locally.
- Standard residential broadband speed is currently 100Mbps downstream and 10 Mbps upstream.
- Pricing here would be the same as it is nationally.
- If Charter were selected by the Town, and the necessary contracts and financing put in place, Charter would be responsible for all aspects of make-ready, design, build and continuing operations; and, critically the take rate risk for signing up subscribers.
- Internet pricing contains no data caps and no contracts (a customer could terminate at any time). Lucey stated there would be no modem fees.
- Sample pricing includes promotional fees for the first two years with increasing charges thereafter. If taking TV/video services there is a monthly \$6.99 encryption device fee. Installation fee is typically \$50. Wi-Fi activation fee of \$40.

- Lucey stated that a franchise agreement typically would have a standard drop of 250 feet from the public street. On questioning, she indicated that if utility poles with a right of way are already on private roads, then Charter would generally treat them as a public road. Ensuing discussion suggested ambiguity of what actual connection charges a subscriber might face, although she said Charter has had a business practice, subject to change, of waiving up to \$3,000 in costs of connection. She could not make any commitment to that practice, however.
- In other Towns, Lucey said Charter generally has paid for two-thirds of the build cost with the MBI grant covering the rest. That said, she indicated Charter should not be held to that in our case.
- Mr Long noted that, in fact, New Marlborough would be required to put up an additional \$1.4 million plus. Lucey said she couldn't comment on that as they need to have a further conversation with the State first. She hinted that at a lower coverage rate (i.e. less than 96%), or if the State kicked in more, the Town obligation could be less. Committee members indicated this was a key issue that must be sorted out soon, noting we are issuing an RFP for internet services imminently.
- New Marlborough apparently would be a unique first in that an additional cost contribution would be required.
- The TV/video package is organized as a franchise agreement with the Town. Provision of the other services such as internet and phone would be encapsulated in a grant agreement between the State and Charter, to which the Town would not be a party.
- Mr Larkin then joined the discussion suggesting that the Town could use its free cash and stabilization funds to help pay the additional cost, but Ms. White noted that the Town has already committed those funds substantially to other uses. As the Town would not have an asset to borrow against, Mr. Larkin also suggested that State Administration and Finance, through DLS, could front the money to the Town and then let it be paid back over time with no or nominal interest. He further suggested that maybe the State could allocate some additional funds, as in the previous Frontier possibility.
- Working with Charter would be outside of the typical RFP process, although the Committee would want to get answers to many of the same issues raised in the RFP. Separately, the Town needs a clearer picture of how a State-financed arrangement would work.

4. There being no further business, on separate motions duly made and passed unanimously, the joint meetings were adjourned at 5:50 p.m.

Respectfully submitted,



Thomas Stalker, Secretary