Broadband Implementation Committee

August 11, 2023, Zoom

Attendees

Tom Sevigny, Bruce Harris, Stan Conover, Stu Palmer, Theresa Govert, Irene Haines, Craig Mansfield, Linda Zemienieski, Laurel White

Entry Point Representatives:

Jeff Christiansen, Alex Banyai, Nicole Banyai, Alex Bugella

Community Outreach

Entry Point informed us we need to renew our Domain name and Website to keep the name. This is a nominal cost with no additional charge to us to manage them for us, $15.95+ tax for the Domain and $282.87+tax for the Website Motion to accept these charges and management by Entry Point by Stan, 2nd Laurel

Tables for engagement with the public will be set up at upcoming town meetings, budget meetings and the referendum.

Flyers will be made by Entry Point to begin this education campaign, these will include a benefits outline

$20,000 cost for outreach action is expected. Irene says the town has $9,800

A door to door campaign was discussed

Theresa will help us set up a door to door campaign.

Nicole (EP) brought up points regarding the door to door campaign

Over 12 weeks at 128 homes per week=4100 homes

She suggested this would be a last ditch effort after the digital campaign

Laurel mentioned that digital campaign is a challenge as many of our homes have unreliable internet

A local press release is suggested as Tom mentioned that many homes read the weekly newspaper in town

Nicole suggested we use the information we have collected to reduce redundancy in door knocking

Bruce suggested that we use targeted approach to facilitate awareness, ie school families, businesses, emergency services, etc

What is our initial message, Tom will put an outline together to get this idea nailed down

We still need to get costs nailed down. This requires knowing what construction partner we will use

We all agreed to the idea of customizing outreach

Last meeting the 501c3 OAT was discussed as a funding source. This partnership can help us with vendor and pricing attainment.

Municipal Bonding versus OAT 501c3

Jeff(EP) discussed the fact that you need to touch the consumer 4-5 times before they buy

Craig suggested branding

Partnering with OAT or creating our own 501c3 eases some of the hurdles, we don't have to ask for money from the BOF and we can buy it from them later. It may be a slightly more expensive route to take but will ease the burden of set up as well.

OAT responsibilities:

1. Assist in achieving target Take Rates
2. Arrange financing
3. Oversee design/engineering
4. Organize and oversee construction
5. Stand up operation and Operate Network
6. Provide Customer Service

East Haddam responsibilities in this partnership

1. Enter JPA (joint partnership agreement) with OAT
2. Help with community engagement
3. Work with OAT on Right of Way (as needed)
4. JPA will give East Haddam an option to acquire 100% of the network from OAT after 10 years.

It is suggested we may consider creating a 501c3 like OAT, calling it East Haddam Fiber or something like that

We would need an attorney to create a joint partnership with OAT, and this was suggested as being better than partnering with a national carrier like Comcast or Frontier

A significant discussion surrounding the financial impacts of a 501c3 loan versus a municipal bond which affects the municipal debt, similar to construction debt. We would contract with OAT for 10 years and they will manage all of this for us if we go that route. The Federal Prime rate now is 5.5% but without a hard number on the amount of buy-in from the community, construction costs and

other costs associated with the infrastructure we can't know for certain. Entry Point is meeting next week to get a better idea about this.

Topics to increase consumer buy-in

An example of the disaster in Maui, Hawaii where all infrastructure is devastated was given. If for example NYC or Hartford collapsed we would need reliable internet access for emergency services. Our town now has a disjunct emergency service connectivity. The Covid shut down left many homes and businesses in the dark As students and workers moved home, reliability was an issue.

There is an application for loans and grants. How prepared are we?

Most of the information we have is on our Entry Point feasibility study for preliminary approval

Financial modeling, collateral, revenew, take rate (buy-in)

USDA backs 60% of the note

Our survey showed 90% of those that answered are interested

Most applications are getting funding and grants with a 40-60% and some at 20% but the higher the buy-in the better

We can still apply for grants with a 501c3

A general discussion regarding the downside of not going the municipal route began. Frontier is already running cable. They are already engaging and educating the community about the benefits of fiber. So this will ease some of our work. But the challenge will be helping the community understand the methods that a carrier like Frontier uses. For example they offer very enticing low sign up rates for a 2-3 year commitment then spike rates after that. We will initially struggle to compete with those rates. Ultimately, Frontier or the like will jack rates, fall back into their pattern of horrible customer service and leave the consumer high and dry.

We need to sell our plan as a long term value, emergency service reliability, smart city and economic value.

Applications are not available yet, but when they are we can start with our Entry Point feasibility study, which is ready to use.

Meeting adjourned at 2:05pm

Next meeting 8/25/2023 via Zoom