

Islesboro Municipal Broadband

Town Info Meeting Oct 20th, 2016

*Progress Report
Subscriber Installation & Readiness
Q/A*

**Connect 100% - Residents & Businesses
Good as Any in US Now & for Generations
On Island Technicians and Support**

Fiber to Your Business or Home

Reliable, Robust for Island Environment and 300X DSL

Multiple, Simultaneous Connections

Mainland Family, Friends, Businesses

News, Entertainment, Education, TeleHealth

One Yearly \$360 Fee for All

Optional Local & Long Distance Phone Plan - \$25/mo.

Town Builds It & Runs It

\$3.8M Construction Bond

Target Completion Spring, Summer 2017

No Charge Construction Phase Installation

Operates Like Health Center

GWJ Supports Us and Maintains It

Progress

601 Signed Up & More to Hear From

\$3.8M Bond Sold - 3.3% 20yr – AA rating

Progress

Sewall Onboard as Project Manager

Waveguide Construction Team On Island

Central Office, Corning Fiber Order, Premise Drops

GWJ Getting Ready

Budgets

Construction – No Red Flags

Yearly Operating Looks Better

IMB's New Home



Hang Ups?

Pole Access & Make Ready is Critical Path

Ride Out - Inventory & Work Order Done

Maine PUC CLEC *Right to Attach* Cert. TBD

Lease Papers in CMP & Fairpoint Hands

Pole Make Ready Work Waits on CLEC

CMP & Fairpoint Have 6 Months to Make Ready

But, Waveguide Can Start Before They're Done

Getting Ready

Construction Phase No Charge Installation

1. Exterior Fiber Drop Cable to Premise
 - Aerial
 - Conduits
 - Fairpoint re Shared Conduits – TBD
 - Contractor Spec for New Conduits
2. Interior Electronics for Wi-Fi, Phone, Ethernet
 - 110v Receptacle within 10ft

Getting Ready

Two-Step Installation is OK

Exterior Drop Done Free at Construction Time
\$300 Interior Install When You Subscribe

Renters & Owners Both Sign

Owners Sign for Property Access, etc.
Renters Sign as Subscribers

More Info?

Town Website for FAQs and Updates

www.townofislesboro.com/imb

Tina at Town Office

Town Office Emails and Facebook

January – TV Over Broadband – Library Seminar

Questions?

Backup Slides

What Does It Cost to Build It?

Getting Ready to Vote on June 18th

Up To
\$3.8M*
Bond/Debt

Grants?
Donations?

46+ Miles of Fiber Backbone onto 1800 Utility Poles

- \$1.67M - Fiber & Electronics Building (Waveguide)
- \$627K - Pole Make Ready (CMP & Fairpoint)**

Electronics - \$233K (*tbd*)

Install at 775 Premises - \$552K (*Waveguide****)

Owner's Project Manager - \$185K (*Sewell*)

GWI Testing, Acceptance, Connections - \$170K

Used Bucket Truck, Splice Trailer & Tools - \$80K

Testing, Permits, Admin, Account, Legal, etc. - \$83K

Contingency, 1st Capital Reserve, Inventory, etc. - \$200K

Town Budget – Now to Full Operation

Getting Ready to Vote on June 18th

Broadband Property Tax Impact



Broadband Budget

	FY2017	FY2018	FY2019
Revenue			
Subscriber Fees	\$49,170	\$198,000	\$198,000
Expenses			
Bond and Debt Service	\$133,000	\$266,000	\$266,000
MFC Fiber Lease	\$3,750	\$15,000	\$15,000
CMP and Fairpoint Pole Leases	\$10,500	\$12,600	\$12,600
IMBN Storm Insurance	\$9,000	\$12,000	\$12,000
Utilities, Fuel, Maintenance	\$833	\$2,000	\$2,000
GWI Fixed Costs	\$83,917	\$155,000	\$155,000
GWI Support per customer	\$34,467	\$103,400	\$103,400
Admin, Accounting, Legal, etc.	\$3,333	\$10,000	\$10,000
Capital Reserve Contribs	\$0	\$0	\$63,000
Total Operating Expenses	\$278,800	\$576,000	\$639,000
Subsidy Needed	\$229,630	\$378,000	\$441,000

This Year the Incremental Broadband Tax Burden Was \$0.54 per \$1000 of Valuation.
 In FY19 (*In Full Operation*) Broadband Will Be \$1.15 per \$1000.
 No Broadband Town Budget v. With Broadband? 7%.

Is This A Good Deal For Me?

Get Ready To Vote on June 18th

**In FY18 Broadband-specific
Property Taxes Are Roughly
\$8/mo. per \$100,000 of
Valuation**

**734s Phones w/ Internet Now
Pay \$85-\$105/mo. or
\$1020-\$1260/yr.**

Up to Valuation	Monthly Total Broadband	Improved Properties	% Improved	% Homesteads	% Total Properties
\$100,000	\$63	138	17%	17%	32%
\$200,000	\$72	174	37%	46%	49%
\$300,000	\$80	152	56%	75%	65%
\$400,000	\$88	69	64%	84%	73%
\$500,000	\$96	52	70%	89%	78%
\$600,000	\$105	48	76%	94%	83%
\$700,000	\$113	39	81%	95%	86%
\$800,000	\$121	26	84%	98%	88%
\$900,000	\$130	15	85%	98%	90%
\$1,000,000	\$138	14	87%	99%	91%
\$1,100,000	\$146	16	89%	99%	92%
\$1,200,000	\$154	17	91%	99%	94%
\$1,300,000	\$163	13	93%	99%	95%
\$1,400,000	\$171	8	94%	99%	95%
\$1,500,000	\$179	9	95%	99%	96%
\$1,600,000	\$188	6	95%	99%	97%
\$1,700,000	\$196	2	96%	99%	97%
\$1,800,000	\$204	2	96%	99%	97%
\$1,900,000	\$212	2	96%	99%	97%
\$2,000,000	\$221	3	97%	100%	97%
\$2,250,000	\$241	12	98%	100%	99%
\$2,500,000	\$262	5	99%	100%	99%
\$2,750,000	\$283	3	99%	100%	99%
\$3,000,000	\$304	4	99%	100%	100%
\$3,250,000	\$324	1	100%	100%	100%
\$3,500,000	\$345	1	100%	100%	100%
\$3,750,000	\$366	1	100%	100%	100%
\$4,000,000	\$387	2	100%	100%	100%
		834		169	1196

Note: Assume 1st Year of Operation & 550 Subscribers

References for Later

Getting Ready to Vote on June 18th

Next Century Cities - Municipalities and Broadband

- www.NextCenturyCities.org

FCC - Broadband Benefits and Definitions – www.FCC.gov

Benton Foundation - Broadband Benefits for Rural US - www.Benton.org

Streaming TV

- www.SlingTV.Com - DishNetworks Streaming Channel Package
- www.Roku.com - Top Streaming TV Set Top Box
- www.tomsguide.com - How To for Streaming TV
- *How to Watch All the TV You Want Without Paying a Cable Bill*
 - www.Time.com Money Magazine 4/16
 - <http://time.com/money/3767927/cable-tv-without-paying-bill/>
- *Google “Cut the Cable TV Cord” and Explore*

Is This A Good Deal For Me?

Get Ready To Vote on June 18th



\$360/yr.	Pay Subscriber Fee in June at Town Office <ul style="list-style-type: none">• Optional – Pay & You are Connected• July 1st thru June 30th• Sign the Subscriber Agreement
\$25/mo.	GWI Phone Plan inc. ME & Federal Taxes
No Charge	Construction Phase Installation
\$600+	Post Construction New Installation
No Charge	Service & Support for Working Broadband
\$25/mo.	Late Payment Fee
\$100-\$300	Reconnection
Actual Cost	Equipment Damage Fees
None	Seasonal Rate

Is This A Good Deal For Me?

Get Ready To Vote on June 18th

Cut the Satellite TV Cord & Save \$\$\$

Pay for the Channels You Actually Watch

- Smart TV, DVD Player and Set Top Boxes Connect to Wi-Fi
- Roku & Apple TV – 100's Free & Pay Channels a la carte
- Sling TV (Dish Networks) – 30+ Channels for \$20+/mo.
 - ESPN, CNN, TNT, AMC, TBS, A&E, etc.
- TV, Films, Sports - Amazon Prime, Hulu, Netflix, ESPN, MLB
- New Content Announcements Daily
- Local TV Channels a Legal Gray-area
- News reports - typical savings is 50% of Satellite TV
- *Becoming a Subscriber Pamphlet* Has Helpful Info

How Much Does It Cost to Run It?

Getting Ready to Vote on June 18th

Town
Enterprise Fund
Like Health Center



Select Board Recommends Fees and Subsidy at Annual Meeting

GWJ Contract is Long-Term. We Can Renegotiate as We Gain Experience

More Subscribers Lower Subsidy

Capital Reserve



- Restorations
- Repairs
- Spares Inventory
- Insurance Deductible
- Future Upgrades

GWJ



- Monitoring
- 24x7 Telephone
- Repairs
- Maintenance
- Reports

Pay Off Debt



Overhead



- Insurances
- Administration
- Accounting & Legal
- Pole & MFC Leases
- Utilities, Fuel, etc.

How Does the Town Run It?

Getting Ready to Vote on June 18th



Town Meeting
Approve Budget



Select Board
Budget & Oversight
Fee Schedule



Committee
Service Quality
GWJ Oversight
Planning, Advice



Town Manager
Day-to-Day \$ Mgmt.
Service Quality
Budget



On-Island Tech
Day-to-Day Issues & Installs
Dispatch Big Repairs
GWJ Contractor



GWJ
Monitoring, Alerts, Phone
24X7 Telephone Support
Big Repairs

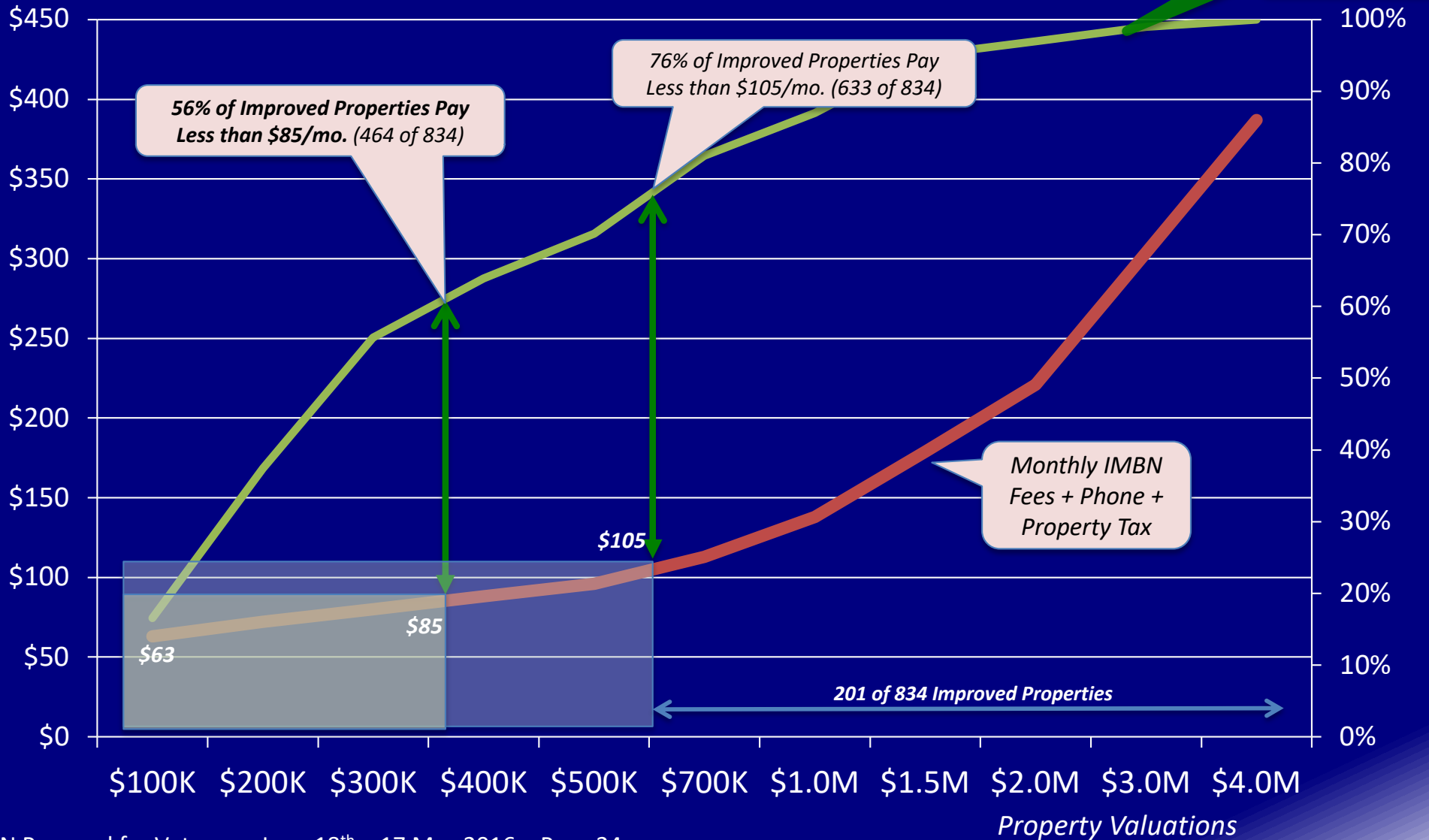


Point of Contact
Service Quality
Coord with GWJ
Subscriber Issues

Is This A Good Deal For Me?

Total Monthly IMBN for Various Valuations

\$360/yr + Property Taxes + Phone Plan (1st Full Year After Construction with 550 Subscribers)



What Are We Building?

Getting Ready to Vote on June 18th

Maine Fiber Company (MFC)

3-Ring Binder Internet along Rt 1

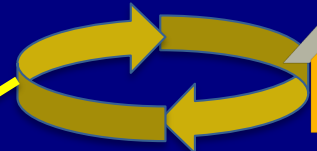
CMP Subsea Cable
Leased Fibers



Electronics
PoP Building at Town Hall



Redundant 10-gigabit Fiber Ring
West Bay-Mill Creek-Main Rd



Turtle Head
North Leg



Your House

- ONT, Battery, Wi-Fi, Ethernet

Wireless Links

- 700 Acre Island
- Minot
- Seal



Public Wi-Fi

- Town Hall
- Ferry Landing
- (Library)



Pendleton Pt.
South Leg



Island Techs

- Service Calls
- Installations



GWI

- 24x7 Call Center
- Alerts/Monitoring