

Addressing Islesboro's Internet Access Issues

Islesboro Municipal Broadband Network

May 26th Voter Information Meeting

Get Ready to Vote on June 18th

What Will I Learn Tonight?

Get Ready To Vote on June 18th

**What is the Broadband
Proposal?**

Is This a Good Deal For Me?

Vote It
Warrant Article

Build It
When & How Much?

Use It
Subscriber Deal?

Manage It
Who's Who?

Voter Information

These Slides at Info Meeting - May 26th
Business Plan Document & Financials Spreadsheet (ask)

June 13-17 – Page & Roger Q/A on ICC Patio
Vern at Town Hall

Contact Us With Any Questions
We Will Talk To Anyone or Any Group – Just Ask!
“Becoming a Subscriber” Pamphlet (Summer)

Why Are We Here Tonight?

Get Ready To Vote on June 18th

Broadband Internet Is a *Public Utility* at 25+Mbps Minimum (FCC)
As Essential as Electricity & Clean Water. Especially for Rural Populations.

Islesboro Internet Access:

- Quality Varies Greatly Location to Location
 - 72+% Use 1-5+Mbps DSL – \$
 - 9+% Use Cellular – 25+Mbps - \$\$\$
- Nearby Mainland Has Cable – 25+Mbps – \$\$
- Too Small a Market for Corporate Investment
- Unlikely to Improve Absent a Town Investment

Great Internet = Opportunities

- News, Information, e-Commerce
- Entertainment
- Connect the Off-Island World
 - Family, Friends, Businesses
- Educational Courses
- Island Businesses
- In-Home TeleHealth

We Must Decide How Important Better Internet Access Is

Critical to a Vibrant Full-time Island Community – Live, Work, Educate, Visit?

A Growing Necessity for Summer Residents & Visitors?

Ultimately It's About Money - Investment, Taxes, Property Values

Is This a Good Deal for Subscribers? Manageable for Taxpayers?

Broadband Proposal

Get Ready To Vote on June 18th



Broadband Internet For All

100% of Our Residents & Businesses Can Get Affordable Access
As Good As Any in Maine & US - Now & For Several Generations
On Island Technicians and Support

Town Builds & Owns It

Town Manages It

Enterprise Fund
Like the Health Center

GWI Maintains It

**Proven Reliable Robust
Fiber-to-the-Premise**

**Yearly Broadband
Subscriber Fee**

Optional Phone Plan

Is This a Good Deal For Me?

Get Ready To Vote on June 18th

Broadband
*Many Users Using
No Waiting/Buffering*

Web Browsing & E-Mail
Netflix & Streamed TV
Island Businesses
Education Courses
Skype Friends & Relatives
In Home TeleHealth
e-Commerce
News & Information

1-Gigabit for All = 200 X DSL

What Needs What Internet Speed?

Web Browsing & E-Mail = 0.5Mbps
YouTube Videos = 0.7Mbps
Standard-Def Movie = 1.5Mbps
High-Def Movie = 4.0Mbps
Online University Lecture = 4.0Mbps
4K Movie = 15.0Mbps
Skype, GoToMeeting, Facetime = 1+Mbps
2-Way HD Gaming = 4.0Mbps

Countless Future Opportunities

Is This a Good Deal For Me?

Get Ready To Vote on June 18th



I Want to Signup!
Tell Us This Summer

Become a Subscriber

- Benefits
- Fee Schedule & Policies
- Get Ready for Your Installation
 - Town-owned ONT (think set top box)
 - Wi-Fi, Ethernet
 - Optional Local-Long Distance Phone(s)
 - Keep 734 & Your Phones
 - 110v Outlet & Battery Backup
 - Aerial or Thru Your Unobstructed Conduit
- Pamphlet Available Before Signup

Is This A Good Deal For Me?

Get Ready To Vote on June 18th

Town Manages It

Enterprise Fund Like the Health Center
Collect Fees & Pay Bills
Approved Tax Subsidy

Your Apples-Apples ...

What Do I Pay Now for Phone & Internet?
What is My Property Valuation?

Do Your Sums...

\$360/yr. Subscriber Fee
+ \$ My Added Taxes?
+ \$300/yr. Optional Phone
= **My Broadband \$Total /yr.**

\$360 Yearly Subscriber Fee
Must Be Affordable For All

\$25/mo. Optional Phone

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

Construction Phase Install
No Charge!

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

Is This A Good Deal For Me?

Get Ready To Vote on June 18th

\$100,000 Valuation Example...

Typical Monthly Bill Now

Phone = ~\$55/mo.

DSL = \$30+/mo.

\$85-105

Broadband Monthly Cost

Internet = \$30/mo.

Phone = \$25/mo.

Added Property Tax = \$8/mo.

\$63/mo.

Satellite TV = \$100+/mo.

Dishnetworks Sling TV = \$20+/mo.

Notes: Assume 1st Year of Operation & 550 Subscribers

Is This A Good Deal For Me?

Get Ready To Vote on June 18th

\$300,000 Valuation Example...

Typical Monthly Bill Now

Phone = ~\$55/mo.

DSL= \$30+/mo.

\$85-105

Broadband Monthly Cost

Internet = \$30/mo.

Phone = \$25/mo.

Added Property Tax = \$25/mo.

\$80/mo.

Satellite TV = \$100+/mo.

Dishnetworks Sling TV = \$20+/mo.

Notes: Assume 1st Year of Operation & 550 Subscribers

Is This A Good Deal For Me?

Get Ready To Vote on June 18th

\$600,000 Valuation Example...

Typical Monthly Bill Now

Phone = ~\$55/mo.

DSL = \$30+/mo.

\$85-105

Broadband Monthly Cost

Internet = \$30/mo.

Phone = \$25/mo.

Added Property Tax = \$50/mo.

\$105/mo.

Satellite TV = \$100+/mo.

Dishnetworks Sling TV = \$20+/mo.

Notes: Assume 1st Year of Operation & 550 Subscribers

Is This A Good Deal For Me?

Get Ready To Vote on June 18th

\$700,000 Valuation Example...

Typical Monthly Bill Now

Phone = ~\$55/mo.

DSL = \$30+/mo.

\$85-105

Broadband Monthly Cost

Internet = \$30/mo.

Phone = \$25/mo.

Added Property Tax = \$58/mo.

\$113/mo.

Satellite TV = \$100+/mo.

Dishnetworks Sling TV = \$20+/mo.

Notes: Assume 1st Year of Operation & 550 Subscribers

Is This A Good Deal For Me?

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

***734s With 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

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

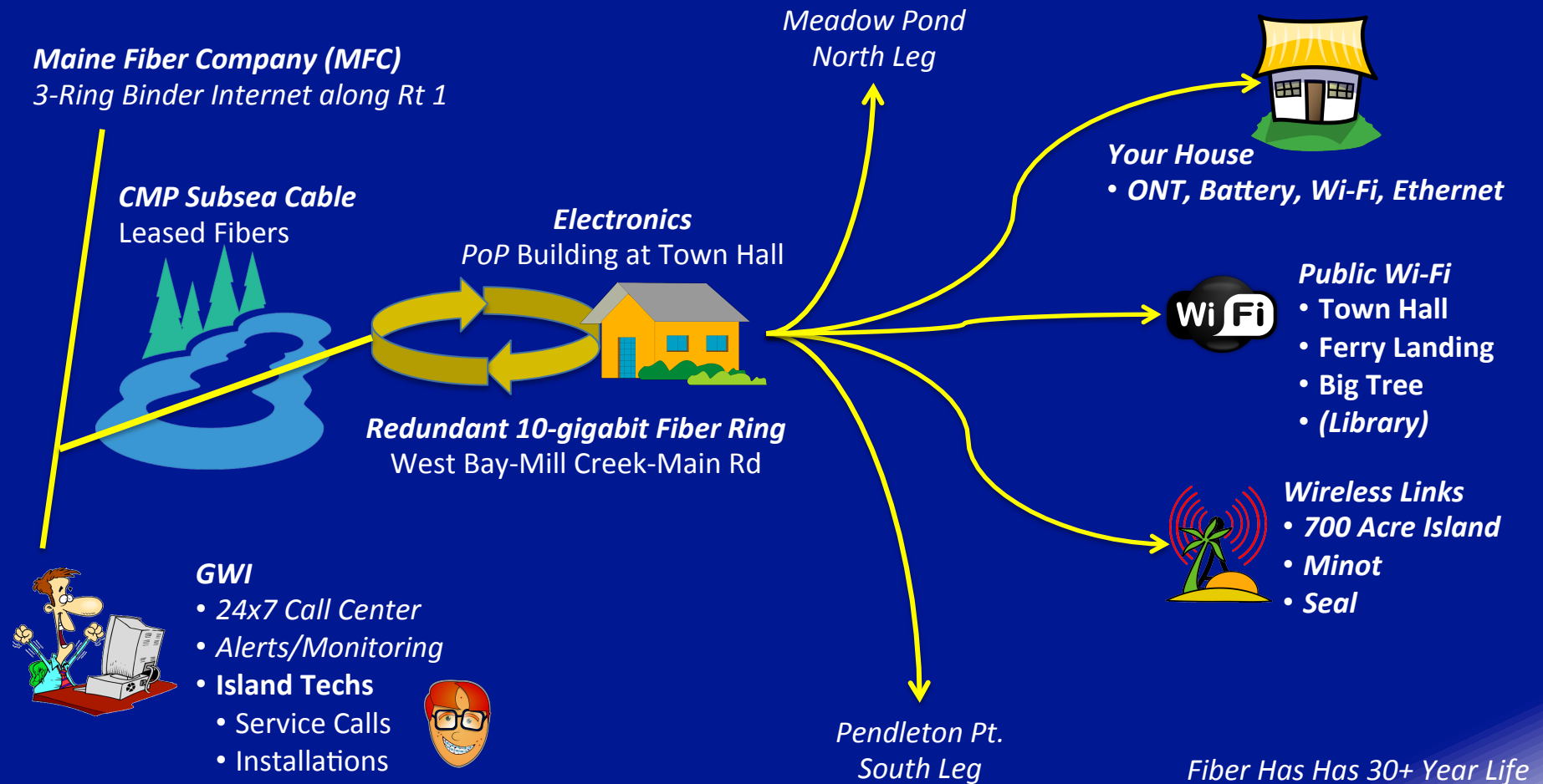
A Streaming TV Tidal Wave Is Coming

Stream Your TV Over Internet & 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.
- Amazon Prime, Hulu, Netflix, ESPN – TV & Films
- New Content Announcements Daily
- Local TV Channels Remain a Legal Gray-area
- News reports - typical savings is 50% of Satellite TV
- *Becoming a Subscriber Pamphlet* Has Helpful Info

What Are We Building?

Get Ready To Vote on June 18th



When Can We Build It?

Get Ready To Vote on June 18th

Construction Can Start July 2016

Step 1 = CMP & Fairpoint Pole Make Ready

A. Aerial, Buried Fiber Backbone & Building

B. Electronics

C. Install Customers at 775+ Residences & Businesses

CMP & Fairpoint Pole Make Ready

Aerial Fiber Backbone & Central Office

B: Electronics

I Want to Sign Up

C: Subscriber Installs & Light Up

Revenues & Operating Expenses

Bonds & Debt

Bond & Debt Payments

Summer 2016

Summer 2017

What Does It Cost to Build It?

Get Ready To Vote on June 18th

**Up To
\$3.8M**
Bond/Debt
(20 Year)

Grants?
Donations?
& More Value
Engineering?

46+ Miles of Fiber Backbone onto 1800 Utility Poles

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

Electronics - \$233K (re Bid After Vote)

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

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

GWJ 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

How Does the Town Manage It?

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Town Meeting
Approval



Select Board
Oversight
Budget
Fee Schedule



IMBN Committee
Service Quality
Oversight
Planning, Advice



Town Manager
Financial Mgmt.
Service Quality
Budget



Point of Contact Person
Service Quality
Work with GWI
Subscriber Issues



GWI

Monitoring, Alerts, Phone
24X7 Telephone Support
Big Repairs



On-Island Techs For
Day-to-Day Issues & Installs
Assist Big Repairs

How Does the Town Pay For It?

Get Ready To Vote on June 18th

Town
Enterprise Fund
Like Health Center



Annual Meeting Approves Subsidy

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

More Subscribers = Lower Subsidy

Capital Reserve

- Repairs
- Spares Inventory
- Insurance Deductible
- Future Upgrades



GWJ

- Monitor
- 24x7 Telephone
- Repair
- Maintain
- Reports & Filings



Pay Off Debt



Overhead

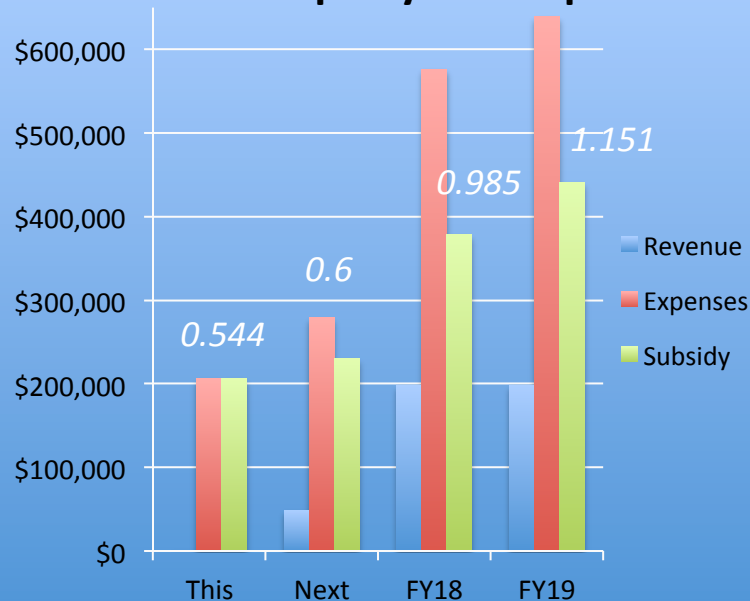
- Insurances
- Administration
- Accounting & Legal
- Pole & MFC Leases
- Utilities, Fuel, etc.



Town Budget – Now to Full Operation

Get 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
GWl Fixed Costs	\$83,917	\$155,000	\$155,000
GWl 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

Broadband Tax Burden This Past Year (FY16) = \$0.54 per \$1000 of Valuation
 In FY18 (*Fully Operational*) Broadband Will Be = \$0.99 per \$1000. (+45¢)
 No Broadband Town Budget v. Budget With Broadband? +7%
 In FY19 It Is Estimated to Be \$1.15 per \$1000 (+61¢ & +8% v. Today)

Town Budget – Now to Full Operation

Get Ready To Vote on June 18th

Broadband Property Tax Impact



Broadband Budget

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Warrant Article Overview

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Vote to Authorize
Up to \$3.8M in Bonds or Debt
FY17 Spending of \$230,000
Several Easements

Broadband Proposal In a Nut Shell

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Broadband Internet For All

- 100% of Our Residents & Businesses Can Connect
- Good as Any in Maine & US Now & For Generations
- On Island Technicians and Support

Town Builds & Owns It

Up to \$3.8M Bond
775 Properties

Town Manages It

Enterprise Fund
Like the Health Center
Oversight Committee
Town Contact Person
Fees + Grants + Taxes

GWI Maintains It

Supports Subscribers
On-Island Techs

Broadband Opportunities

News, Information
e-Commerce
Entertainment
Connect the Off-Island World
Family, Friends, Businesses
Educational Courses
Island Businesses
In-Home TeleHealth

Fiber-to-the-Premise

Proven Reliable Robust
1-gigabit is 300X DSL

One Yearly \$360 Fee

Optional Phone \$300/yr.

- Local & Long Distance
- Keep 734 & Your Phones

Do Your Apples-Apples

\$360/yr. Subscriber Fee
+ \$ My Added Taxes?
+ \$300/yr. Optional Phone
= My Broadband \$Total/yr.

56% of Improved Properties
Pay < \$85/mo. (464 of 834)

76% of Improved Properties
Pay < \$105/mo. (633 of 834)

Cut The Satellite TV Cord

Save \$\$\$