

Alford Select Board Information Session

1. Survey: What did you tell us?
2. Our best option
3. Look at the numbers
4. Cost to Residents

Survey

What did you tell us.

234 responses from 341 surveys sent out, 67% response rate.

1 93% said they would subscribe for high-speed internet and phone service.

- 90% said Internet was important.

2 Average amounts currently paid for service .

Internet: \$79/month

Phone: \$80/month

Total: \$159 / month

Total: \$1,908 / year

Our Best Option

Work with Massachusetts Broadband Institute

- Alford owns and controls network
- No reliance on other towns as with Wired West
- MBI manages process, engineering, and construction
- Alford maximizes access to the State \$40 million funding
- Alford contracts with service providers through MBI.

Timetable

- Without delays by early 2017

Cost

- Maximum estimated total cost of subscription + Tax increase:
\$1,537/year
- Current average payment: \$1,908 /year
- Savings: \$371/year

Look at the Numbers

Construction:

Cost to engineer and build:	\$1,600,000
MBI Grant:	(\$260,000)
Value of MBI Program Management	(\$210,000)
Total to Finance:	\$1,130,000
Cost to Finance	\$50,000
Estimated total net cost:	\$1,180,000

Financed over 20 years with bonds @ 4%

Annual debt service, principal and interest: \$86,000/year

Service:

Total cost to provide 50 Mbs Internet + phone (includes maintenance, upgrades, insurance, operation, billing)

Estimated: \$100/month, including tax
or
\$1,200/year

Cost to Residents (\$1.18 million)

How does the town pay the cost of \$86,000/year?

Through Taxpayers?

Through Subscribers ?

Example: Subscribers pay 60% of the cost and taxpayers share 40% of remainder

Taxpayers: increase is 3.0%

Average current Tax: \$3,385/year

Average tax increase: \$102/year

(To see increase for your tax bracket, look at chart)

Subscribers: - increase is \$235/year

(Assumes 220 subscribers: more subscribers = smaller increase)

Subscription Cost: \$1,200/year

Financing increase: \$ 235/year

Total Cost \$1,435/year

Total cost, Subscription + Tax: \$1,537/year

Current average cost: \$1,908/year

Estimated savings: \$371/year

(To see comparison to your current phone + Internet cost, look at chart)

Conclusion

Overwhelming support for bringing high-speed Internet to Alford.

Necessary, modern convenience that will continue to make Alford an attractive place to live.

- Government
- Banking/credit cards
- Home businesses
- Education: our kids—and us!
- Entertainment: cable, satellite —> Internet
- Medicine
- Real estate: recent studies
- Yet to be imagined

Reasonable financial investment: \$86,000/year.

Expect most subscriber/taxpayers to see a net decrease to total costs:
lower cost for phone and Internet service.

Non-subscribing taxpayers:

Indirect benefit through improved town services
Cost will be modest

