

Warrant Article Fact Sheet

What the Warrant Article Really Means

The warrant article is asking if the town will vote to pay Comcast up to \$462,123 to bring a cable franchise to Charlemont. The payments would be deducted from the town's state aid ("cherry sheets") over 15 years.

A YES vote means that the town is choosing the privately owned cable provider, Comcast, to provide broadband service to the town and is authorizing \$462,123 plus interest of town money to fund this project.

A NO vote means that Charlemont declines the Comcast offer and will build a municipal fiber network as approved by voters at ATM in 2015, to be paid for by previously authorized borrowing up to \$1.75 million.

Comparison of Broadband Options (see background sheet for details and assumptions)

Financing

	Comcast	Municipal Network
Total cost	\$ 462,123 + interest	\$ 1,466,972 + interest
Financing mechanism	Cherry sheet deductions	Authorized borrowing
Additional grant funding	0	\$100,440
Finance term	15 years	20 years
Impact on tax rate (per \$1000 valuation / year)	\$0.29	40% take rate = \$0.66 59% take rate = \$0.29 72% take rate = no tax impact
Tax impact for median home (\$201,000 valuation)	\$4.86 / month \$58 / year	\$11.06 / month \$133 / year (at 40% take rate) or less depending on take rate
Total taxes over time for median home (\$201,000 valuation)	\$874 (over 15 years)	\$2653 (over 20 years at 40% take rate) or less depending on take rate
How much of town will be covered?	Bassett Road is excluded. Includes 96% or more of remainder of town.	100% of homes

Cost to subscribers

	Comcast	Municipal Network
Cost of "drop" to homeowner	Standard aerial drops under 250' are free, Comcast will pay up to first \$1400 for non-standard drops.	Standard aerial drops under 250' are free, town will pay up to first \$1400 for non-standard drops.

Service installation cost to homeowner	Service and interior installation is \$80 for standard connection (\$40/hour + materials for non-standard). Internet modem and TV boxes not included.	Service and interior installation is free for standard first-floor location. Wifi router is included free of charge.
Monthly charges (examples)		
Internet only	\$61 / month to \$311 / month depending on speed, including equipment rental. Typical customer speeds (100Mb+/sec) costs \$101/month	\$79 / month 1 Gb/sec up/down, no data caps (up to \$99 / month if take rate is below 40%)
Low income internet-only	\$10	Not currently available
Internet phone add-on	\$26 (local calling) to \$48/mo. (local and LD), includes taxes and fees	\$23/mo. (local and LD), includes taxes and fees
Triple Play (internet, TV and phone) Base packages, with no extra channel add-ons	\$156-\$170 Cheapest Comcast triple play package (\$130), equipment rental (\$14), plus taxes and fees (ranges from \$12 to \$26). Add \$13 for an additional TV.	\$142 Internet (\$79), phone (\$15), typical over-the-top TV (\$40) + applicable phone taxes (\$8) (Hulu, PlaystationVue, Sling TV, DirectTV Now, YouTubeTV, etc.)

Pros/Cons

	Comcast	Municipal Network
Pros	<ul style="list-style-type: none"> Nationally recognized brand No risk to the town from potential future competition Cost to town is independent of take rate Promotional pricing available Less town borrowing Inexpensive low-end internet-only option ("internet essentials") for income-qualified subscribers 	<ul style="list-style-type: none"> 100% fiber to the home technology (faster than HFC technology) Town owned and controlled At take rates above 40% generates revenue that will reduce the tax burden Not-for-profit to keep prices as low as possible Transparent billing and marketing No extra taxes/fees except government mandated phone taxes Same speed for all subscribers and content
Cons	<ul style="list-style-type: none"> Monopoly service provider Uses older, slower HFC technology Limited control over network buildout No control over future pricing Customer service record Speed caps and potential to slow down competitive content (over-the-top TV) 	<ul style="list-style-type: none"> Potential competitive risk from less expensive solutions Requires higher up-front town borrowing Town is responsible for the town-owned network Volunteers needed to run the MLP board