Rowe Finance Committee  
June 28, 2017  
6:00 P.M.  
Rowe Town Hall

Finance Committee: Loretta Dionne, Paul McLatchy III, Charles Sokol  
Absent: Wayne Zavotka, Chair  
Board of Selectmen: Chair Jennifer Morse, Selectman Dennis May, Executive Secretary Janice Boudreau  
Audience of Citizens: David Dvore, Russ Jolly, Joanne Semanie, Police Chief Julie Shippee

Call to Order: In the absence of a chair, Ms. Dionne called the meeting to order at 6:02 P.M., a quorum of the committee present.

Vacancy: The Finance Committee had requested a joint meeting to appoint a fifth member. Abi Phelps had indicated interest in filling the seat, however she has had to decline appointment at this exact time. She may be available in a few months if the vacancy still exists. Selectman Morse suggested that when the town does a call-around looking for volunteers for other positions, the Finance Committee be listed as well.

Financial Policies: It was agreed that rather than go over the policy handbook tonight, both committees take an opportunity to review the document in detail, and then meet jointly to address it.

Broadband: Municipal Lighting Plant (MLP) Manager David Dvore was present to discuss broadband financing. As of this meeting, the Finance Committee has not yet discussed a recommendation for funding. Mr. Dvore informed the group that $220,000 from the state’s portion of the project has come in, but can’t be used just yet. Mr. Dvore explained that as the MLP Manager, he is similar to a department head. However, the MLP itself operates more like a business. All MLP accounts roll over for each fiscal year. For more information, he referenced Chapter 164, Section 56 of the Massachusetts General Laws. The Board of Selectmen still have to sign off on bills, so there is a shared level of authority and a system of checks and balances.

Mr. Dvore wants to hire Westfield Gas and Electric (WGE) to manage the project, which would be in line with the regional WiredWest plan. The Board of Selectmen reviewed the contract and went over some details.

A memorandum of understanding will be needed in the near future to commit the town to hiring WGE to operate the network once it is up and running. While this is not a contract, it does limit the town to pursuing the WiredWest option so that they have a reasonable idea of how many towns will be part of this co-op.

For borrowing purposes involving State House Notes, Mr. Dvore reiterated that the amount financed has to be less than $500,000 to avoid costly bond counsel. Assuming $499,000 can be borrowed for the project, this leaves $361,000 that will cover the difference. The town has already appropriated $559,000 for the project, so some monies could even be returned to the general fund or stabilization. This decision will need to occur in the next few months.

The Finance Committee will discuss financing further in August.

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Budget Schedule: The Assessors are looking at possibly sending out quarterly tax bills for FY19. We are currently committed to semi-annual tax bills for FY18. In reviewing the proposed budget calendar, it was agreed that preliminary budgets should be completed and in by the beginning of October or November, rather than the end of November.

Mr. McLatchy suggested having an elected officials forum prior to budget season, which was met with some enthusiasm from the Selectboard. At this point, nothing will be changed in regards to the health insurance percentages for FY18, but may be reviewed for FY19.

There was a question of having Board of Selectmen and/or Finance Committee involvement with the teachers' union contract negotiations, but nothing was decided at this time. There was also a question of what roles and responsibilities the Board of Selectmen and Finance Committee would play. It seemed clear that the Finance Committee would play a larger role than it has in recent years, but the Selectboard would still be involved in crafting the budget.

Minutes: The minutes of June 19th were postponed.

Dam Business: Chief Shippee reported that a citizen living near the Mill Pond Dam has been changing the water levels at the dam seemingly whenever he feels like it, even to the point of having a “key” made up for the water level device. The Board of Selectmen signed a letter informing him that he needs to cease and desist any and all action regarding the dam.

Next Meeting: The following events are scheduled:

Monday, July 24th at 6:00 P.M. This will be the July monthly meeting of the Finance Committee.

Wednesday, July 26th at 2:00 p.m. This will be a joint gathering with the Selectboard to engage in a conference call with Gill Engineering to discuss highway projects. This is open for members to attend, but will not be an actual meeting with business conducted.

Adjourn: A motion was made by Mr. McLatchy and seconded by Mr. Sokol to adjourn. The vote was unanimous in favor, and the meeting was closed at 7:58 P.M.

Respectfully Submitted,
Paul McLatchy III, Secretary

Approved on: 7/24/17

Attachments:
- Proposed Budget Calendar
- WiredWest Memorandum of Understanding
<table>
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<tr>
<th>WHEN</th>
<th>EVENT</th>
<th>WHO</th>
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<tr>
<td>Aug - Oct</td>
<td>Certify Free Cash (used in coming FY revenue projections)</td>
<td>Town Accountant</td>
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<tr>
<td>Oct 31st</td>
<td>Begin Budget Process for FY 18</td>
<td>BOS, Dept. Heads, Fin Com School</td>
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<td>Oct 31st</td>
<td>Set Tax Rate</td>
<td>Assessors, BOS</td>
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<td>Oct - Nov 15</td>
<td>Help &amp; Review Departmental Budgets</td>
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<td>Nov 1st</td>
<td>Begin Capital Planning process</td>
<td>BOS, Fin Com, Acctnt, all Depts.</td>
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<tr>
<td>Nov 30th</td>
<td>Submit FY 18 Budget requests</td>
<td>all Departments</td>
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<td>Dec 15th</td>
<td>Prepare initial revenue/expenditures projections including capital expenditures</td>
<td>BOS, Fin Com, Accountant</td>
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<td>Jan 1st</td>
<td>Release &quot;House 1&quot; first indication of state aid for FY18</td>
<td>Governor</td>
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<tr>
<td>Feb</td>
<td>Begin preparation of budget recommendations</td>
<td>Fin Com, Dept. Heads</td>
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<td>Meet with Dept. Heads</td>
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<tr>
<td>March</td>
<td>If Legislature passes Local Aid Resolution, Cherry Sheets Issued</td>
<td>State Legislature, DOR</td>
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<td>March</td>
<td>Prepare final revenue/expenditure projection for FY18 in preparation for Annual Town Meeting</td>
<td>BOS, Fin Com</td>
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<td>March</td>
<td>Prepare Town Meeting Warrant Recommendations</td>
<td>Fin Com</td>
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<td>May</td>
<td>Annual Town Meeting</td>
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<tr>
<td>June</td>
<td>Make any reserve fund transfers necessary, to complete fiscal year</td>
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Rev. 06-23-17
MEMORANDUM OF UNDERSTANDING

This memorandum of understanding ("MOU") is entered into this __ day of __, 2017, by and between the ___ Municipal Light Plant ("MLP"), a Massachusetts municipal light department of the Town of ___ ("Town") established pursuant to the provisions of M.G.L. c. 164 with offices at ______ and WiredWest Communications Cooperative Corporation ("WiredWest"), a municipal light plant cooperative established pursuant to the provisions of M.G.L. c. 164, § 47C, with a principal place of business at 99 Main Street, Northampton MA 01060 (collectively, the "Parties").

WHEREAS, WiredWest was established for the benefit of its members in 2011;

WHEREAS, MLP is a member of WiredWest;

WHEREAS, MLP plans to construct a fiber network in the Town ("Network") for the purpose of providing certain Internet-related services to the residences, institutions, and businesses located therein ("Customers");

WHEREAS, WiredWest wishes to provide certain services to MLP and other MLPs seeking to obtain Internet-related services, and their Customers, in the role of "shared services and operations manager," and MLP wishes to participate in such services from WiredWest in connection with the operation of the Network and the provision of Internet-related service to Customers (hereinafter, "Services");

WHEREAS, the Parties intend to negotiate and execute a shared services and operations management agreement ("Agreement") concurrently with MLP’s planned design and construction of the Network;

WHEREAS, MLP is in the process of procuring or has procured design and engineering services necessary for construction of the Network;

WHEREAS, MLP expects the Network to become operational within twenty-four months from the date of this MOU;

WHEREAS, WiredWest is in the process of negotiating for certain support services with a subcontractor in connection with its role as shared services manager for MLP’s Network; and

WHEREAS, the Parties wish to memorialize their understandings regarding the general terms and conditions of the Services to be provided by WiredWest.

WHEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, it is understood and agreed as follows:

1
1. **Purpose; Exclusivity:** The Parties wish to continue negotiating the Agreement while MLP undertakes steps necessary for the build-out of the Network. In executing this MOU, the Parties agree in principle that the Agreement will contain commercial provisions substantially similar to those attached to this MOU as Exhibit 1 – Term Sheet. The MLP agrees to negotiate exclusively and in good faith with WiredWest to finalize and execute the Agreement during the Term as defined below. The MLP acknowledges that WiredWest will undertake memoranda of understanding with other MLPs with the goal of negotiating agreements with them on substantially similar terms as those attached in Exhibit 1. WiredWest agrees that in the event more favorable terms are negotiated with other member MLPs, those terms will apply to all MLPs entering agreements for the Services.

2. **Term; Termination:** This MOU shall expire upon the execution of the Agreement by both Parties or on October 1, 2018, whichever is earlier. The Term of this Agreement may be extended only by mutual agreement of the Parties. If, after the execution of this MOU, the construction of the Network by MLP is cancelled, or the Town withdraws or is removed from membership in WiredWest, then this MOU shall terminate, and all duties, liabilities and obligations of the Parties hereunder shall be deemed terminated.

3. **Notice:** Any notice required under this MOU shall be delivered to a party at the addresses set forth in the first paragraph above.

4. **Representations:** The Parties represent they have the power and authority to enter into this MOU and perform their respective obligations hereunder.

5. **Entire Agreement; Governing Law:** This MOU takes precedence over all prior agreements, written or oral, between the parties, and shall be governed by the laws of the Commonwealth of Massachusetts.

IN WITNESS WHEREOF, the Parties hereto have set their hands and affixed their respective seals.

for MLP

By: __________________________

Title: _______________________

for WiredWest

By: __________________________

Title: _______________________

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<tr>
<th>1. Service Provider</th>
<th>WiredWest</th>
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<td>2. Participant</td>
<td>[MLP]</td>
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| 3. Description of Services to be Provided | Wired West will provide MLP with the following “Services”:

- **“Operations & Maintenance Service” (“O&M Service”):** WiredWest will operate and maintain the fiber network in MLP’s territory and perform necessary repairs to network components. O&M Service includes covering all costs related to maintenance and repair of MLP’s outside plant / inside plant, and WiredWest’s backhaul circuits and associated equipment.

- **“Plant Management”**: WiredWest will manage and pay for pole licensing, pole bonding and insurance on behalf of MLP. In addition, WiredWest will pay for and manage all backhaul, electricity, and HVAC maintenance and other Network-related costs.

- **“Retail Service”**: WiredWest will provide the following to Customers: broadband-based Internet access service; Voice over Internet Protocol (“VoIP”) telephone service; associated equipment (“Retail Services”). Additional broadcast television services and other Internet-based services may be provided as it becomes available.

- **“Customer Billing Services”**: WiredWest will provide all billing and collection functions associated with the provision of services to MLP’s customers.

- **“Customer Communication”**: WiredWest will manage all Customer communications.

- **“Customer Tech Support”**: Technical support will be provided by WiredWest regarding issues MLP’s customers may have with Retail Service.

- **“Compliance Service”**: WiredWest is responsible for maintaining compliance, on MLP’s behalf, with all applicable state and federal laws and regulations and filings, including
remittance of taxes/fees.

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| 4. Term | - "Agreement Effective Date": Ninety (90) days before the date upon which MLP intends to turn over Network Operations to WiredWest (see description of "Retail Services" above).
|   | - "Agreement Initial Term": From Agreement Effective Date and continuing for five (5) years thereafter, unless terminated earlier in accordance with the provisions of the Service Agreement. If MLP decides not to renew after the Initial Term, six (6) months’ notice is required prior to expiration of the Agreement Initial Term.
|   | - "Agreement Renewal Term": The Service Agreement will automatically renew thereafter for additional three (3) year terms, unless six (6) months’ notice of termination is provided by MLP prior to the expiration of the then-current Term.
| 5. Rate | Initial monthly residential rates per subscriber ("Monthly Rate") billed to Customers each month in advance based upon a minimum Network-wide Take Rate (as defined below) of 50% are as follows:
|   | Economy (25/25 Mbps) - $59
|   | Standard (1/1 Gig) - $75
|   | VoIP Phone (optional) - $19
| 6. Revenue Sharing | "Revenue Sharing": The WiredWest Board of Directors may decide to allocate a portion of excess revenues for distribution to WiredWest Member MLPs at the WiredWest Annual Meeting. The distributions will be proportional to the gross revenues generated by the Customers in each WiredWest Member MLP. A WiredWest Member MLP’s town must meet a minimum 50% Take Rate to be eligible to participate in Revenue Sharing.
| 7. Default, Termination, Force Majeure, Insurance, Notice, Audit/Records | Standard commercial terms and conditions regarding default for non-payment, termination (however, there shall be no termination for convenience), force majeure, insurance, notice and auditing/records access to be negotiated.
| 8. Dispute Resolution | Disputes between the Parties regarding the provision of Services shall be handled by the executive officers of the respective parties on an informal basis; after expiration of sixty (60) days if
no resolution is reached, the Parties may pursue any legal and equitable remedies available to them in a court of competent jurisdiction.

9. Take Rate

The Take Rate is calculated as the percentage of the Premises in MLP’s town that are taking any service from WiredWest. A Premise taking any service from WiredWest is a subscriber.

10. Premise

A premise is any dwelling unit or place of business that is not coded with a rating code of U for uninhabitable. Where a single organization occupies two or more contiguous parcels, they shall be counted as one premise. Using the Property Type Classification Codes published by the Division of Local Services of the Massachusetts Department of Revenue the following are considered Premises, as the term is used herein:

- 101 Single Family
- 102 Condominium
- 103 Mobile Home
- 104 Two-Family is two premises
- 105 Three-Family is three premises
- 109 Multiple Houses on one parcel - each discrete living unit counts as one premise
- 111 Four to Eight Units - each unit counts as one premise
- 112 More than Eight Units - each unit counts as one premise
- 12 Non-Transient Group Quarters - each count as one premise
- 14 Child Care Facility - counts as one premise
- 30 Transient Group Quarters - each count as one premise
- 31 Storage Warehouses and Distribution Facilities - each count as one premise except 317 Farm Buildings - barns, silo, utility shed, etc. which do not count as a premise.
- 32 Retail Trade (Automotive, Marine Vehicles Sales and Service, etc.) - each unit counts as one premise
- 33 Retail Trade - each unit counts as one premise
- 34 Office Building - each unit(s) within the building occupied by a single company counts as one premise
- 35 Public Service Properties - each count as one premise
- 36 Cultural and Entertainment Properties - each count as one premise
- 37 Indoor Recreational Facilities - each count as one premise
- 38 Outdoor Recreational Properties - each count as one premise
- 40 Manufacturing and Processing - each count as one premise
- 900 United States Government property where business is conducted is counted as one premise
- 91 Commonwealth of Massachusetts – Reimbursable Land
where business is conducted is counted as one premise
92 Commonwealth of Massachusetts – Non Reimbursable where business is conducted is counted as one premise
94 Educational Private except 946 Vacant each count as one premise
95 Charitable except 950 Vacant and 952 Auxiliary Use - each count as one premise
96 Religious Groups - each count as one premise
97 Authorities - each count as one premise