

Town of Plainfield

Department or Office: Plainfield Light and Telecommunications Department

Submitted by: Kimberly Longey, Manager

Date: March 31, 2018

DETAILED ESTIMATES FOR FY 2019

Please complete both sides of this form so we can best evaluate and respond to your anticipated needs.

A. Operating Expenses:

Description	FY 2018	FY 2019
1. <u>MLP Administration (personnel and expenses)</u>	<u>\$5,000</u>	<u>\$9,000</u>
2. <u>Insurance</u>	<u>\$13,000</u>	<u>\$0</u>
3. <u>Interest</u>	<u>\$ 3,000</u>	<u>\$0</u>
4. <u>WiredWest Dues</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>
TOTAL	<u>\$22,000</u>	<u>\$10,000</u>

Please explain significant increases or decreases from the FY2018 budget, including new items. See attached report which provides your actual spending for FY2016, FY2017 and FY2018 (first 6 months only) and will act as a benchmark for analysis by the Finance Committee.

FY 2018 was the first year for the last mile broadband project activities related to network planning, design engineering and construction. We initially estimated insurance costs, however those expenses were paid out of the EOHED grant. We also estimated interest, but did not borrow any funds, and interest is incurred on a trailing year basis, so should not have been budgeted for FY 2018. MLP Administration included allowances for stipends to MLP team and others, allowances for legal and other professional services and allowance for software, printing and postage necessary to produce documents and conduct outreach activities. WiredWest dues are to keep Plainfield's status in the regional cooperative of MLPs active and to ensure we have a vote on cooperative matters.

FY 2019 proposed budget assumes that insurance and other "soft costs" related to the construction of our broadband project will be paid for out of the EOHED grant or the borrowing authorized at May 2015 town meeting. Interest on any borrowing will not be due until FY 2020, and

because the borrowing was a “debt exclusion” the debt service is not a departmental budget, but rather town-wide to be calculated by the Treasurer. The proposed budget includes and allowance for modest stipends for the MLP Manager and Assistant manager, and allowance for other stipends/honoraria to be determined based on the needs of the project. The proposed budget also includes allowances for the team to conduct outreach activities to keep towns people informed and to conduct a pre-construction subscription campaign.

DETAILED ESTIMATES FOR FY 2019

B. Personnel Expenses: (wages, salaries, stipends, honoraria, etc.).

Position	FY 2018	FY 2019
1. <u>MLP Manager stipend (allowance)</u>	<u>\$ 2,000*</u>	<u>\$ 3,000</u>
2. <u>Assistant MLP Manager stipend (allowance)</u>	<u>\$ 2,000*</u>	<u>\$ 3,000</u>
3. <u>Other Stipends/Honoraria or services (allowance)</u>	<u>\$ 0 **</u>	<u>\$ 2,000</u>
TOTAL	<u>\$ 4,000*</u>	<u>\$ 6,000</u>

Please explain how personnel services are computed – hourly rate with hours per week or monthly.

The proposed budget for personnel expenses is an “up to amount” for lump sum stipends for MLP team members or others to be paid at the end of the fiscal year. This is based on estimates of approximately 25 hours per month of work for the Manager and Assistant Manager, though such volume may increase in FY 2019. Other stipends are best estimates for work during a concentrated outreach/sign up campaign. The Selectboard will determine the stipend for the MLP Manager. The MLP Manager will determine the stipend for others. This allowance for personnel expenses is to ensure the last mile broadband moves forward on time and that the critical path tasks related to project oversight during design, procurement, construction and transition to operations are carried out in a timely way. The stipend amount is based on time tracking in FY2018. This time put in by MLP team members helps the town save money on legal, engineering, clerk of the works and other professional or specialized services, all which would likely cost far more than the stipends budgeted. Once the network is operational any future MLP team stipends, if any, will be paid for out of an operating budget covered by revenue from network subscribers.

Do not include a COLA (Cost of Living Adjustment) increase. The Finance Committee will recommend a uniform increase for all employees based on, but not necessarily equal to, the official inflation rate for calendar 2017 provided by the Bureau of Labor Statistics. A COLA increase will be voted on at the annual town meeting as a separate line item.

Any request for a salary or hourly increase, other than COLA, should be justified below. Reasons might include an increase in workload and/or responsibilities.

Attach additional pages if necessary.

DETAILED ESTIMATES FOR FY 2019

C. Capital Expenses: (buildings and/or equipment costs greater than \$5,000)

Description	Cost	Life (years)
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
6. _____	_____	_____
7. _____	_____	_____
TOTAL	_____	_____

Please explain (below) why each capital item is needed, its expected lifetime, and *whether it can be deferred until the next budget year, by placing an asterisk (*) beside the item number.*

This proposed MLP budget does not include any allowances for capital expenditures. Our original costs for the last mile broadband project were \$1.78M, with the town contributing \$1.13M through general obligation bonds and the Commonwealth contributing \$650,000 in grant funding. The debt service costs on the town's portion of the project were voted as a debt exclusion. Debt service costs are due in the fiscal year after the borrowing. There is potential for our project to require additional capital funding, and the amount and source to cover costs in excess of the \$1.78M will be determined in the coming months and will be based on continued fine-tuning of the overall project costs through design, engineering, enactment of local "drop policies" (how much, if anything, the town will charge residents to bring fiber from the road to the residence or business) as well as conversations with EOHEd about access to and use of contingency funds the Commonwealth made available in March 2018.

Attach additional pages if necessary.

DETAILED ESTIMATES FOR FY 2019

D. Revenues Generated: (inspection fees, licenses, fines, etc.)

If your department or office generates revenue, please (a) indicate how much revenue was generated as of December 31, 2017, and (b) if reasonably ascertainable, estimate revenue expected to be generated in FY 2019. Attach additional pages if necessary.

Description	As of 12/31/17	FY 2019
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____

Attach additional pages if necessary.

FY 2019 will hopefully be the year that Plainfield is able to provide internet services to it's residents, which will result in revenue to cover the cost of operating the network. However, the schedule for shifting from capital phase of the project to operational phase is still to be determined and may expand past June 2019. It is too soon to reasonably estimate revenues and timing for same. We will continue to oversee the financial management of this project and will carefully coordinate with the Selectboard and Finance committee to further model MLP operations.