

Wayne Internet Improvement Survey part 2: implementation. May 4, 2021

Wayne, Maine Internet Implementation Survey: May 4, 2021

Based on the 151 responses we have received up to April 21.

We surveyed Wayne year-round and seasonal residents about the Selectboard goal of improving internet access in town. This survey is still open on line and we encourage you to spread the word about it. We have promoted this survey through several Wayne email lists and it is described in the May Wayne messenger. People can get the survey in paper form at the Town Office or can fill it out on line at

<https://www.surveymonkey.com/r/Waynesecondinternetsurvey>

This is an expanded version of the first survey report, including details of text comments and some additional information requested by citizens.

We began the survey with this summary of the town's planning to date:

OUR WORK ON THIS ISSUE TO DATE

At present, about two-thirds of Wayne homes can get high speed, relatively reliable cable internet service. People living in other parts of town have slower, less reliable DSL service, or no internet service at all. In cooperation with five other surrounding towns, we have been studying ways to extend and improve internet service throughout our town. We have conducted two prior surveys in Wayne; in both, a large majority (more than 90% in the most recent survey) said that they want internet access extended throughout our town.

Comments from that earlier survey included:

- *"This is something that is needed in our area and I hope this continues to move forward."*
- *"Not available to everyone. Our road just recently got DSL, but it's slow, and not available to everyone. It's 2020 and with COVID going on everyone needs to have access to it."*
- *"I am a fan of municipal services if that is possible. The internet providers are unreliable when it comes to delivering what they promise."*
- *"Hopefully better access will not raise our already significant tax bills."*
- *"We are increasingly dependent on internet services for our daily living. As our population ages, health and safety concerns necessitate fast reliable connectivity."*
- *"Just like electricity and phones, internet access is a necessary utility. Everything I do needs an internet connection...working from home during the pandemic, TV, news, movies, weather, Telehealth appointments, communicating with family, etc."*

Wayne Internet Improvement Survey part 2: implementation. May 4, 2021

Based on other communities' experiences, we believe that improving internet coverage in Wayne will raise property values and our tax base, help people start businesses, encourage our young people to stay, and encourage seasonal residents to move here year-round. Thus, we believe that extending internet service would benefit the entire town.

After much discussion and study, we believe that the best option for improving internet service in Wayne is a town-owned and town-wide fiber-optic network. If we build a network, we can choose an internet provider to deliver service through the network. We would have the power to change that provider if the service or costs are unsatisfactory. The other option would involve paying an existing provider to extend service to unserved areas, but in that case we would be tied to that provider. The provider would own the network. That provider could raise rates or provide poor service and we would have no way to correct those problems. Paying an existing provider would be less expensive than building our own network, but would provide less value to the town. In addition, a town-owned fiber-optic network would provide higher internet speeds than current cable internet, and would support internet uses which will emerge in the future.

The board plans to apply for all available grants and government subsidies. Even with those grants, it is very likely that building this network would involve either town investment through a long-term bond to be repaid through taxes, or a long-term revenue bond to be repaid through user fees. As with any town expenditure, no money would be borrowed unless a Town Meeting voted to go ahead with this project.

In an effort to better understand the costs of owning and operating a municipal fiber-to-the-home network, the Town commissioned a study to outline a five-year financial plan. This financial plan outlines two cost centers: construction costs and operating costs. The study led to an early estimate of construction costs at \$3.4 million dollars. If the construction was fully funded through a twenty-year bond, it would add \$20 per month to the taxes on an average (median) home valued at \$182,000. We expect to be able to get significant grant and government subsidy support, so the actual tax impact should be much lower. No vote would be held until we know that actual tax impact.

Operating the network - that is, providing internet service through the network - would cost about \$60 per subscriber per month. We could also pass on the cost of construction to subscribers in an additional fee, but this would raise the cost of the service to the point where some could not afford it. In addition, that fee would go up if fewer people subscribed to the service.

Wayne Internet Improvement Survey part 2: implementation. May 4, 2021

NOTE: In the time since we began collecting peoples' thoughts through our survey, it has become clear that there will be very significant state and federal help to towns in extending the internet to all. We believe that it is more likely that we can equalize internet opportunity in Wayne without a large cost to the town. That is not certain, but this seems like a good time to be planning a project in the hope of receiving funding. No property tax money will be spent unless the town votes to do so.

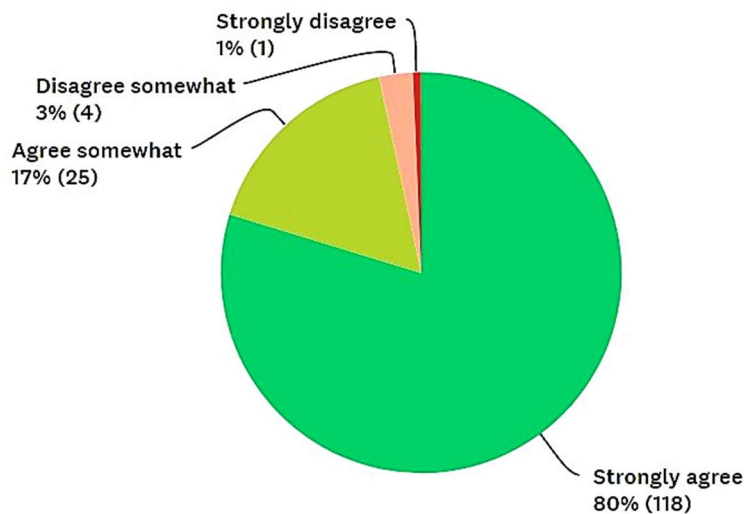
As of April 21, 2021: 80 year-round and 67 seasonal residents have taken the survey to date (4 respondents did not indicate which they were.) **The following graphs show the responses of all who answered the survey; later in this report we will show the responses of year-round residents only.**

51% of survey respondents get internet service in Wayne through our cable company; 25% use the internet through our phone company on a DSL connection. The rest use wireless, satellite, or library WiFi for internet service. Three people said they do not use the internet in Wayne.

We asked how important extending internet service throughout Wayne is. Here are the results:

Please indicate how much you agree or disagree with the following statement: It is important to extend reliable, high speed internet service throughout Wayne.

Answered: 148 Skipped: 3



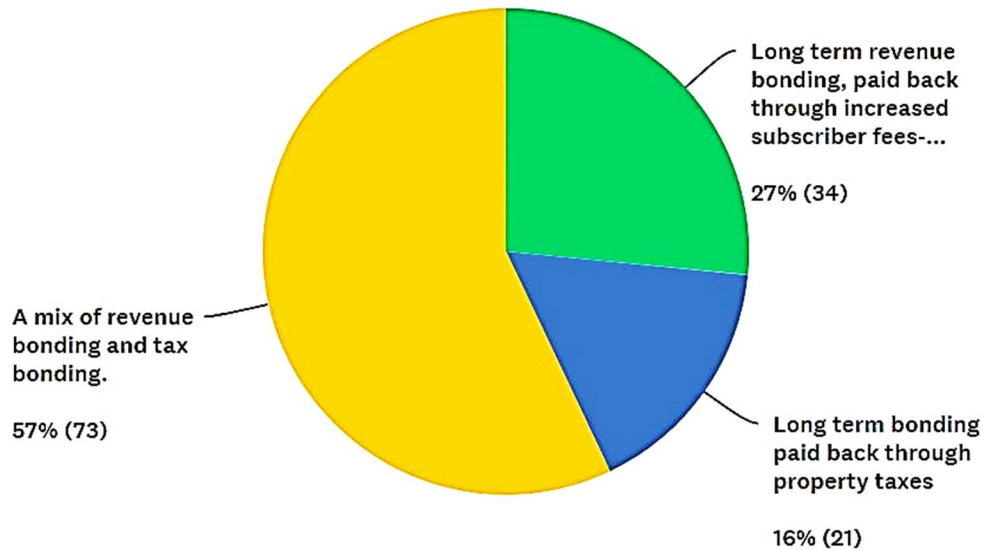
A significant majority of those responding see this project as important.

Wayne Internet Improvement Survey part 2: implementation. May 4, 2021

We asked how people would want the town to pay for a municipal network if Wayne built such a network. Here are the results:

If we build a network, how should the town pay for its share of construction costs not covered by other funding sources?

Answered: 128 Skipped: 23



The majority of respondents stated that the town's share of construction costs should be paid for by a mix of taxes and user fees. A smaller number said all costs should be borne by subscriber fees, and an even smaller number said all construction costs should be paid through property taxes. As we indicated earlier, we are increasingly optimistic that federal and state grants would pay a significant share of costs.

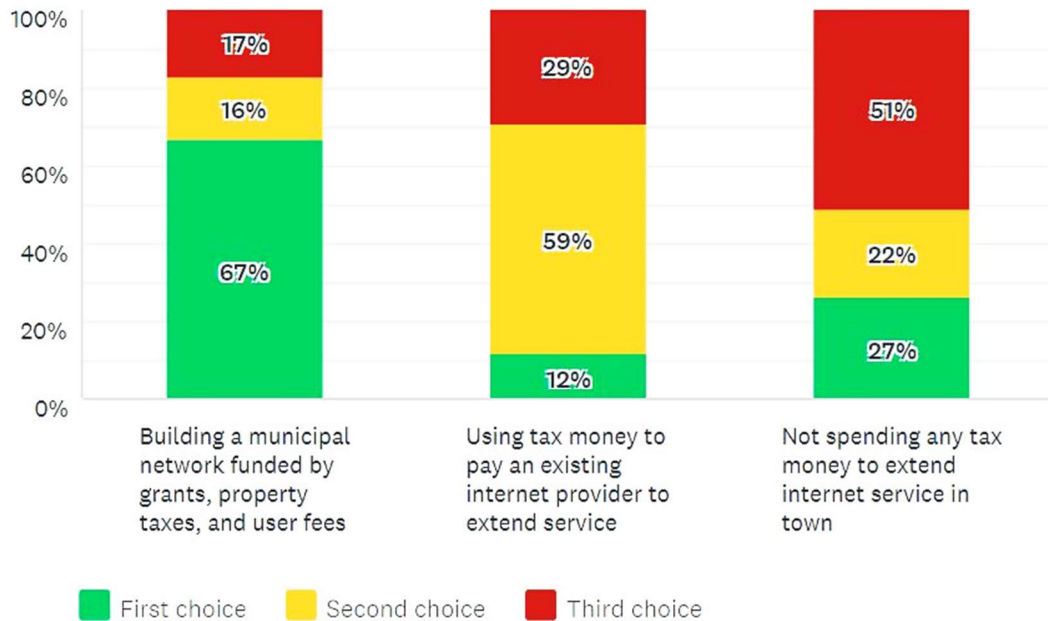
NOTE: "Revenue bonds" are bonds that are paid back through town non-tax revenues, such as user fees. "Tax bonds" are bonds paid back through taxes.

Wayne Internet Improvement Survey part 2: implementation. May 4, 2021

Next, we asked people to express their preference between three options for moving ahead: building a municipal internet network, paying existing providers to extend service, and waiting and hoping for better service to develop. Here are the results.

Please rate these three options for moving forward

Answered: 139 Skipped: 12



A majority of people taking the survey chose building a municipal network as their first choice. When we calculated preferences by giving a first choice vote three points, a second choice vote two points, and a third choice vote one point, the three options get these values:

Build a municipal network: 2.5 (the highest score)

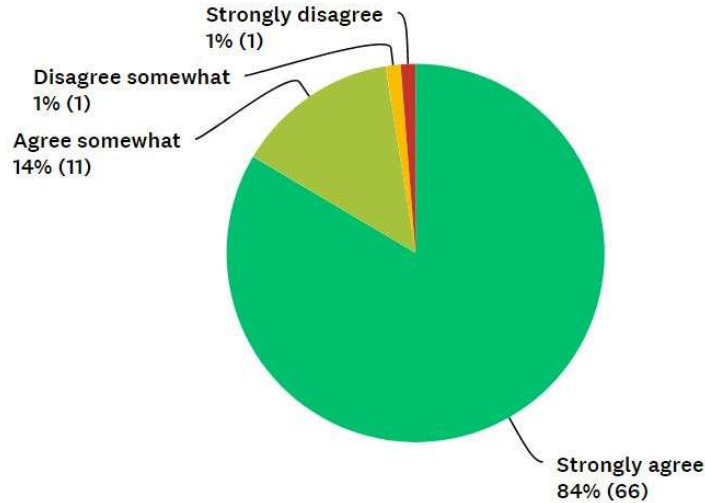
Pay an existing provider to expand their network: 1.8

Do nothing: 1.8

SURVEY RESULTS FROM YEAR-ROUND RESIDENTS ONLY:

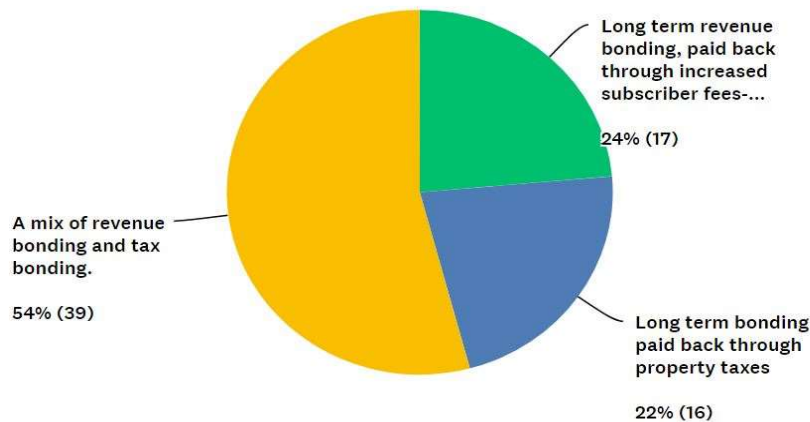
Please indicate how much you agree or disagree with the following statement: It is important to extend reliable, high speed internet service throughout Wayne.

Answered: 79 Skipped: 1



If we build a network, how should the town pay for its share of construction costs not covered by other funding sources?

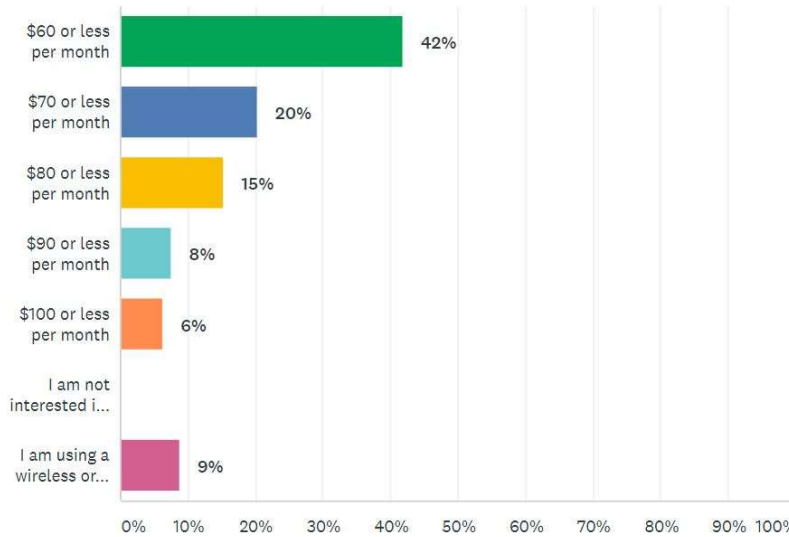
Answered: 72 Skipped: 8



SURVEY RESULTS FROM YEAR-ROUND RESIDENTS ONLY:

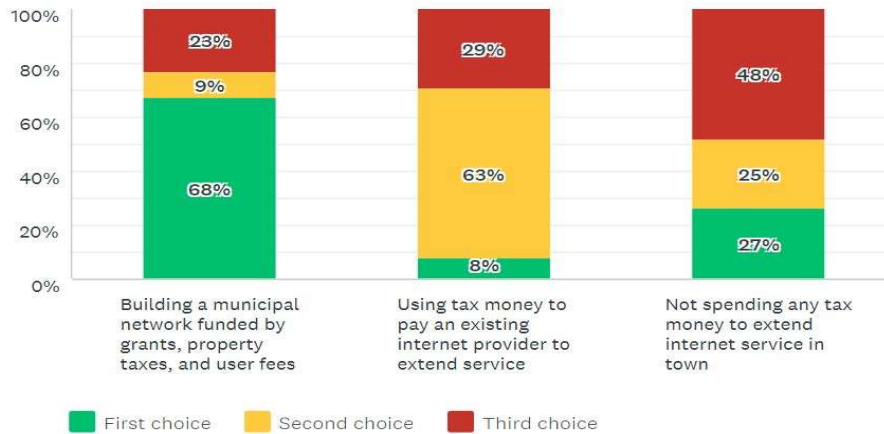
How much would you be willing to pay per month for fast, reliable internet service?

Answered: 79 Skipped: 1



Please rate these three options for moving forward

Answered: 77 Skipped: 3



As with all respondents combined, a majority of year round residents chose a municipal network as their first choice. Rankings averaged out to:
 Build a municipal network: 2.5 (highest rating)
 Pay an existing provider to expand their network: 1.8
 Do nothing: 1.8

Wayne Internet Improvement Survey part 2: implementation. May 4, 2021

Comments from year-round and seasonal residents combined:

Some of the people who took our town survey about extending internet service in Wayne also wrote comments. Those comments fall mainly into three categories:

23 of the 151 people who have taken the survey as of April 21 (15% of the people who took the survey) wrote in the comments section that they do not want the town to spend tax money on extending internet service. They told us that taxes are already too high, and that people who want better internet service than they have should pay the full cost of that service improvement.

Here are some representative comments:

None of the above....way too expensive. Taxes are high enough

People who don't use the internet should not be forced to pay for it through their taxes.

A lot is going to depend on how much can be raised through grants. Without grants it seems too expensive for taxes or user fees or a combination of both I would not want my property tax increased if I am not using the service

Property taxes are already high, and if a resident does not want internet service (some seasonal camps, and others, may not) they shouldn't have to pay higher taxes for it.

24 of the 151 people who have taken the survey as of April 21 (about the same percentage as the group described above- about 15% of survey respondents) wrote in the comments section that they support extending the internet to all parts of town even if some town investment is involved. Here are some representative comments:

You have to build it for people to come... you can't build subscribers without putting in the initial investment.

We depend on high speed internet for spouse to work from home and would like to see all of Wayne enjoy the benefits. Hopefully this can happen.

I have service through Spectrum, but do think Wayne should have reliable service for everyone.

Town owned internet is the way to go.

This project will be an excellent expenditure of our municipal resources because it will attract new residents to the town and make existing residents' lives better and more productive. Thank you for your initiative on the model and funding mechanism.

Wayne Internet Improvement Survey part 2: implementation. May 4, 2021

In addition, many of the comments raised specific questions or concerns. I will summarize those comments below and do my best to answer them:

People were concerned about maintenance costs associated with storms and tree damage, and about the cost and obligations involved in extending service down camp roads. As we have explored service options with a coalition of surrounding towns, we have learned that municipal networks have addressed maintenance costs by including line maintenance in the cost paid to internet providers, paired with a catastrophic event insurance policy to protect the town or towns if widespread damage is done by an ice storm or similar event. The town would address these concerns thoroughly in the design and bidding process. We would also be clear about the limits to the town's responsibility on camp roads. We would not take on any responsibility for maintaining or improving camp roads, and we would not commit to extend the internet to very remote locations or to all future development.

People asked about the kind of service that a municipal network could provide. Municipal networks in Maine that we are aware of provide Fiber to the Home- in other words, very high speed very reliable internet connections. Many of the providers also offer internet-based phone service in the same way that Spectrum now does to its subscribers in Wayne.

As far as we know, none of the Fiber to the Home services offer traditional cable TV, which Spectrum has a monopoly on in Wayne. People using these networks get their TV, movies, and other video through subscriptions to streaming services like YouTube TV, Netflix, or many others. Several of these services offer access to a wide range of local and national TV channels; many of them only offer TV show and movie streaming, without live TV station access.

Several people asked about the wireless alternatives- Redzone, Starlink, 5G, and others. From everything we have been able to learn so far, these are not reliable enough or available enough to work for everyone in town.

Wayne Internet Improvement Survey part 2: implementation. May 4, 2021

Conclusions:

A majority of Wayne year-round and seasonal residents who took this survey told us:

- that it is important to extend internet service throughout the town.
- that their first choice in improving internet service is a municipal fiber network.
- that construction of a possible municipal network should be paid for by grants as much as possible, with the balance paid for by a mix of taxes and user fees.
- and that they would be willing to subscribe to this service at a price of \$60 a month or less.
- In addition, it is clear from both answers and comments that there is significant support for extending internet service AND significant concern about increasing property taxes.

Any decisions about whether and how to move forward will be made by votes of the town after the Selectboard knows more about grants and actual costs. Thank you for helping us chart Wayne's path forward.

The Selectboard is working on more information about costs- both for creating a network and for providing internet service. We are continuing to look at all alternatives, and will be looking at all sources of funding. We will keep you informed. We also welcome volunteers to work on grant writing or other elements of extending the internet to all without driving taxes out of reach. Please write to Stan Davis sdavis@waynemaine.org or contact the Town Office for more information or to get involved. Thank you,

Stan Davis
For the Selectboard
May 4, 2021