



## **Broadband Chesterfield Year - End Report – FY 2023**

Fiscal Year 2023 was our second full year of operation. The system continues to operate well, with almost no downtime and delivering up to 1.8 gigabits during evening peak usage. This year also saw several major expenses that were not present last year, yet the budget handled them. This gave us a more realistic expense pattern. With each passing year we will gain additional insight into operations and garner more data to establish a more accurate multi-year baseline for costs. We continue to operate the Chesterfield MLP in as efficient and cost-effective a manner as is possible. We give great attention to the safety and stability of network services and to providing as positive and helpful subscriber experience as possible. We want this to truly be a Chesterfield network.

### **Broadband Chesterfield**

The physical infrastructure (fiber optic lines, drops to the home, the fiber optic network hub, electronic equipment, etc.) is owned by the Town of Chesterfield (we the citizens) and is administered by the Broadband Chesterfield Municipal Light Plant (MLP), an Enterprise Fund Accounting Entity, overseen by a MLP Board of five appointed members (a member of the Select Board, a member of the Finance Committee, and three at-large members) and a MLP Manager and Associate Manager. The MLP Budget each year is created by the managers, approved by the board, and approved by the Annual Town Meeting. The MLP is an operational entity governed by MGL Chapter 164. The Enterprise Fund is an accounting entity that handles the financial side of the MLP and is governed by MGL Chapter 44.

### **Network Construction and Repair**

Five new installations were effected this fiscal year and 38 new customers were added to the system. In addition, there was \$24,655 worth of repairs to the network as a result of winter storms and the bi-annual rideout by WGE.

### **Operations**

We continue to partner with Whip City Fiber, a subsidiary of Westfield Gas + Electric, to operate our network and provide internet services. We offer residential gigabit internet service for \$85/month with optional VOIP phone for an additional \$14.95/month (plus applicable taxes and fees). In January 2023 we signed a 3-year contract with WGE for continued Network Manager/ ISP services.

Of the 644 potential premises in Chesterfield, 522 are either currently connected to the network or will be, as follows:

- Residential Subscribers: 508
- Municipal Departments: 6
- Business Subscribers: 8
- Total current subscription rate = 81%

We continue the federal Lifeline and ACP programs which provide a credit to income-eligible households, with 5 households currently participating in Lifeline and 28 in ACP.

### **Geocluster – Central Tier**

This fiscal year saw substantial progress on the Chesterfield part of the Central Tier of six Hilltowns (Goshen, Windsor, Plainfield, Cummington, and Ashfield) in the Geocluster. This will provide a more robust and redundant system with three connections to the outside web as well as multi-directional traffic for increased bandwidth at a substantially reduced cost. Completion of the Chesterfield portion is slated for October 2023.

### **FY 2023/24 Operating Budgets** *(Please see attached):*

All FY23 direct network operating expenses were covered by subscriber revenues. Direct expenses include stipends for the manager and associate manager; costs to serve each customer, backhaul, pole bonds, insurance, maintenance/repairs, and an allowance for unforeseen costs. The total estimated costs for FY 2024 of \$547,205 are included in the Enterprise Fund Budget passed by the MLP Board and Town Meeting. There is \$568,303 in projected income.

### **Retained Earnings:**

Retained earnings were certified at \$239,749.00 at the end of FY22. In February, the board voted the following allocations from retained earnings.

- \$24,000 to the Municipal Light Plant Equipment Special Purpose Stabilization Fund
- \$29,874 to offset principle on the debt to construct the Broadband Network
- \$24,000 to Municipal Light Plant budget account (Extra/Unforeseen Contingency).

This leaves a balance of \$161,875.00 in retained earnings at the end of FY23.

### **Broadband Enterprise Fund Stabilization:**

The board voted and Town Meeting approved the creation of a Special Purpose Stabilization Fund for the maintenance and replacement of equipment pursuant to our stated goal for preparing for future equipment replacement. This SPSF was funded with \$24,000 from retained earnings. We plan to continue funding it at a similar level in future years.

**Objectives Completed in FY 2022:**

- Work on the Geocluster scheduled for October 2023
  - Work on the Cummington Connection
- Four workshops for subscribers on using broadband
- Two short video presentations on workshop topics
- Broadband included in the Chesterfield Emergency Management Plan
- Alarm monitoring protocols established
- Stabilization fund created and funded at Chesterfield ATM
- Ride-out results reviewed
- Finalized MLP accounting program in Excel
- Replaced transfer switch in the fiber hut
- Installed back-up heating and cooling to protect our switching equipment in case the main HVAC unit fails
- New cellular extender in the hut so we can have a cell signal to talk to technicians during a storm
- Expanded security and temperature, humidity, and generator operating monitors.
- The board voted to provide \$29,874 from Retained Earnings to the Town of Chesterfield to service the broadband loan, thus relieving taxpayers of any increased taxes due to broadband
- Completed work with the Town on a dedicated Municipal Network server located in the Fiber Hut

**Objectives for FY 2023:**

- Completion of the Geocluster
- Completion of the Cummington Connection
- Finalize work on CAFII funding from the federal government to be used to reduce the town Broadband debt. Payments should start in First Quarter 2024
- Continue work on a long-range fiscal profile

Respectfully submitted,

*Justin West*  
MLP Manager

*Jack Henry*  
Associate MLP Manager