

Cable TV Advisory Committee

Meeting Minutes

Tuesday, March 8, 2022

1. A meeting of the Cable TV Advisory Committee ("Committee") of the Town of Hingham ("Town") was duly called to order by Chairman David Jones on Tuesday March 8, 2022 at approximately 7:01 PM. The meeting was held via a Zoom audio-visual conference call.

Mr. Jones commenced the meeting by discussing the Open Meeting Law and communicated the following: "This meeting is being held remotely as an alternate means of public access pursuant to Chapter 20 of the Acts of 2021 temporarily amending certain provisions of the Open Meeting Law. You are hereby advised that this meeting and all communications during this meeting may be recorded by the Town of Hingham in accordance with the Open Meeting Law. If any participant wishes to record this meeting, please notify the chair at the start of the meeting in accordance with M.G.L. c. 30A, § 20(f) so that the chair may inform all other participants of said recording."

Mr. Jones informed the Committee that the meeting was being recorded and will be submitted to Harbor Media for potential use in future programming.

2. Members in attendance were Chairman David Jones, Vice Chairman John Rice and Recording Secretary Michael Leary. Committee member Christopher Baron joined the meeting at 7:07 PM. Nathaniel Stillman did not attend. In addition, President Laura Burns of Harbor Media and Attorney William Solomon also attended the meeting.

Cable TV Advisory Committee members present constituted a quorum. This quorum remained present throughout the meeting. There were no other individuals present.

3. The first order of business was a review of minutes from the January 25, 2022 meeting. Chairman David Jones requested comments from Committee members. There were no comments noted.

A motion was made by Michael Leary to approve the January 25, 2022 minutes. Vice Chairman John Rice seconded the motion. A roll call of Committee members was initiated and all voting members present approved the motion.

4. Chairman Jones introduced the initial item for discussion regarding the Verizon license renewal. Mr. Jones introduced Attorney William Solomon who is assisting the Committee with the upcoming negotiations with Verizon. Attorney Solomon thanked Mr. Jones for the introduction. He commenced the discussion by giving an update on his progress noting that the first draft of the proposed contract renewal with Verizon is still in process. During his presentation, he shared and reviewed with the Committee a document referred to as Exhibit #1 attached to these minutes. This exhibit includes an overview of the cable providers' (Comcast and Verizon) customer accounts, and cable access license fee rates broken down into operating and capital categories.

Attorney Solomon reminded the Committee of Verizon's potential exit from the cable provider industry. This potential exit from the industry resulted in the last license term being reduced from ten to five years. Due to this potential exit, Attorney Solomon stated that Verizon will most likely again request a five-year contract, but will also request a three-year unilateral opt out clause. This conclusion was based upon his recent experience working other Verizon contract renewals. In response to the opt out clause, he recommended that capital payments from Verizon be based upon a fixed annual dollar amount with a requirement that all five years of payments should be received over a three-year period. He then presented various alternatives surrounding potential capital revenue rates to negotiate with Verizon outlined in the exhibit.

Recording Secretary Leary noted that the capital revenue rate proposed by Attorney Solomon had dropped significantly even with the shortened contract term and opt out clause requested by Verizon. A discussion ensued including various strategies for negotiating the capital portion of revenues. Attorney Solomon stated that he will work with Verizon on contract language first and then license fees will be addressed after the contract wording is finalized. He also discussed, in detail, some of the advantageous language that will be included in the Town of Hingham's contract surrounding the calculation of overall revenue (bundling of fees) and compared the language to other Towns that do not have this type of language.

Attorney Solomon next discussed the INET services provided to both providers by the Town of Hingham. This service was previously provided by Comcast. He requested that the Committee inquire to Comcast to make sure that Verizon is still not paying Comcast for this service. If Verizon is remitting payments, this could be an additional negotiating point of reference. Chairman Jones and Vice Chairman Rice agreed to research the INET payment status. In addition, Attorney Solomon requested Recording Secretary Leary to send him the most recent quarterly PEG grant payment reports.

Attorney Solomon updated the Committee that the Cable Licensing Act could be eliminated depending upon the results of future political elections. A short discussion ensued. Attorney Solomon agreed to share a draft agreement at the next scheduled Committee meeting and communicated his availability on April 12th or 26th. Attorney Solomon concluded his presentation and inquired whether there were any questions. None were noted. Chairman Jones thanked Attorney Solomon for his attendance and then exited the meeting.

Action Items: (1) Chairman Jones and/or Vice Chairman Rice to research the INET service payment process. (2) Attorney William Solomon to draft a proposed agreement with Verizon and share with the Committee at the next scheduled meeting. (3) Recording Secretary Leary to send most recent PEG quarterly grant reports for additional analysis.

5. Chairman Jones introduced the next agenda item to discuss the review and approval (potential) of a grant agreement regarding the Committee's funding of the Hingham Public Schools (HPS) media teacher position. Mr. Jones requested Recording Secretary Leary to lead the discussion. Mr. Leary stated that Vice Chairman Rice and himself worked with Town Counsel John Coughlin to draft a short agreement with HPS to codify the partial funding of a media teacher position. Mr. Leary reviewed the agreement referred to as Exhibit #2 attached to these minutes. Mr. Leary highlighted certain provisions including the following: (1) Cap on spending of \$25,000, (2) Representation from HPS for Committee meetings and (3) Requirement that 2 "airable" shows be produced on a monthly basis to be submitted to Harbor Media.

A discussion ensued resulting in Mr. Leary answering several questions regarding the document. Mr. Leary noted that if the Committee approved the proposed contract that he would forward to the Town Administrator Tom Mayo and Town Counsel John Coughlin for submission to HPS. Mr. Leary concluded his presentation and Chairman Jones thanked him for his efforts.

A motion was made by Vice Chairman Rice to approve the proposed contract. Recording Secretary Leary seconded the motion. A roll call of Committee members was initiated and all voting members present approved the draft contract for submission to HPS.

6. Chairman David Jones introduced the Finance agenda item for discussion and requested Recording Secretary Michael Leary to review the topic with the Committee. Mr. Leary informed the Committee that the annual reporting package (including the audited financial statements) was recently received from Harbor Media. He noted that he created a draft comparative analysis of trends for balance sheet and income statement accounts from 2017 to 2021. Mr. Leary stated that he received comments from Harbor Media and will be working to incorporate them into the document. Once these comments have been agreed upon, he will present the analysis to the Committee. Chairman Jones also suggested that the Committee review the annual reporting package at the next meeting.

Mr. Leary next informed the Committee that he received the quarterly backup for PEG grant revenues from Comcast and Verizon as of December 31, 2021. Chairman Jones inquired as to whether these payments were booked correctly by the Town of Hingham. Mr. Leary responded that there are usually timing delays on processing and promised that he will review the cable related trial balance accounts for accuracy when they are booked. Mr. Leary asked if there were any questions on his presentation. There were none. Chairman Jones thanked Mr. Leary.

Action Items: (1) The Committee will review the annual report package at the next meeting (2) Mr. Leary will discuss the financial analysis with Harbor Media and present this analysis at the next regularly scheduled meeting.

7. Chairman David Jones next requested Vice Chairman John Rice to review the topic of the HCAM (dba - Harbor Media) agreement renewal. Mr. Rice stated that the subcommittee comprised of Recording Secretary Michael Leary and himself have recently reviewed the final draft of the contract with the Town Administrator Tom Mayo and Town Counsel John Coughlin. He then referred the Committee to the HCAM contract referred to as Exhibit #3 attached with these minutes.

Mr. Rice then commenced an overview of the terms on the new agreement noting that Harbor Media has been a good partner in the negotiating process. Recording Secretary reiterated this observation and also stated that Town Administrator Tom Mayo and Town Counsel John Coughlin assisted greatly in this initiative. Specifically, Mr. Rice noted that programming of the new HD channel was addressed. The new contract also emphasizes the facilitation of member generated programming. This initiative includes the creation of a grant process to be managed through by creating an independent committee. The grant funding program will be subsidized by financial reserves held by HCAM.

Additional terms of note included the following:

- Limiting of payroll and rent to 65% and 15% of expenses, respectively
- Monitoring of programming initiatives by implementing production budgets
- Commercial programming parameters to adhere to industry best practices
- Periodic and year end planning and reporting of financial metrics to the Cable TV Advisory Committee and the Town of Hingham Select Board

Mr. Rice asked President Burns for any additional comments. Ms. Burns agreed with Mr. Rice's summary and agreed that the contract was close to being completed. She noted that Harbor Media's Board of Directors would also need to approve the proposed contract.

Mr. Rice concluded his presentation by informing the Committee that the current contract with HCAM is set to expire this Thursday. In the interim, the Town of Hingham and Harbor Media will be extending the current contract for another month. Mr. Jones stated that he will tentatively schedule a special meeting of the Committee on March 29th to vote on the approval of the finalized contract. He also noted that the Town of Hingham Select Board is scheduled to meet on April 15th to vote on the approval of the proposed contract.

Mr. Rice requested the Committee to review the contract and provide comments within the next week. Since the contract is almost complete, he asked the Committee to be cognizant of the previous work performed to ensure that the finalization of the terms with the Town of Hingham and HCAM does not get delayed. Mr. Rice concluded his comments and Mr. Jones thanked him for his presentation.

Action Items: (1) The Committee to review and provide feedback to the draft HCAM contract in preparation for Committee approval at the next meeting. (2) Chairman Jones to schedule a special meeting to review and approve the contract for submission to the Town of Hingham Select Board. This meeting has been initially proposed for March 29, 2022.

8. Chairman Jones introduced the next order of business referred to as the Harbor Media Programming update. Mr. Jones asked whether President of Harbor Media Laura Burns would like to provide an update. Ms. Burns stated that Executive Director of Harbor Media Michelle Balconi could not attend tonight, but would be available for an extensive update at the next regularly scheduled Committee meeting.

9. Chairman Jones noted that the next topic regarding Harbor Media Annual Report Discussion has already been addressed during the Finance update. This topic will be readdressed at the next regularly scheduled Committee meeting.
10. Chairman Jones opened dialogue for any other matters. There were no additional topics brought up for review. Mr. Jones noted that a special meeting for the HCAM contract renewal will tentatively be scheduled for Tuesday March 29, 2022 at 7 PM. He informed the Committee that this meeting might need to be rescheduled based upon the developments in the contract renewal process. All members were in agreement with the proposed date. Mr. Jones stated that he will send the room and/or virtual room request via Zoom to the Town of Hingham and will distribute the agenda in advance.
11. There being no further business to discuss, a motion to adjourn the meeting was proposed.

A motion was made to adjourn by Vice Chairman John Rice and Seconded by Christopher Baron. A roll call of Committee members was initiated and all voting members present approved the motion.

The meeting adjourned at approximately 8:09 PM.

Submitted for review to the Cable TV Advisory Committee on March 9, 2022 by Recording Secretary Michael Leary.

Approved by the Cable TV Advisory Committee on March 29, 2022