

CABLE TELEVISION ADVISORY BOARD

MARCH 8, 2019 MINUTES

A meeting of the Cable Television Advisory Board was held Friday, March 8, 2019 at 8:30 a.m. in the Aldermanic Chamber.

Members of Committee present: Andrew Cernota
Brian Geraghty
Sally Hyland
Ed Lecius
Alderman Ernest Jette
Brian Rhodes, Fire Chief

Members of the Committee absent: Dorothy Clarke, Esquire
Bruce Codagnone, IT Director
Rick Farrenkopf
Jennifer McCormack
Alderman Ken Gidge

Also present: Jeff Poehnert
Pete Johnson

Andrew Cernota

Mr. Poehnert I understand we don't have the minutes from last month but those will be on their way?

Jeff Poehnert

I will send those out as soon as I get them.

MINUTES FROM PREVIOUS MEETINGS - None

WRITTEN COMMUNICATIONS - None

PEG MANAGER'S REPORT

FINANCIAL STATEMENTS

Jeff Poehnert

Our current balance of the Operating Account 2505 is \$721,669. Our expenses for February 2019 including salaries and facility operations totaled \$17,766.

We had 1,196 cablecasts total in February and of this 19 were live events. This broke down to on Education 99 - 7, and Government 16 - 11. We had 1,177 playbacks. This split out to Public 96 had 626; Education 99 had 304 and Government 16 had 247.

On February 21st, we attended the FCC Rule Change meeting in Derry hosted by Alliance for Community Media by President Wassinar and ACM New England President Erika Jones. We went over several scenarios that might arise and discussed how each organization needs to prepare for inevitably changing cable landscape over the coming years. What is clear is that any changes aren't going to happen overnight so we do have time to plan ahead and continue to move forward with fiscally responsible caution.

COMMITTEE REPORTS

- Education

Pete Johnson

For February for the Education Channel on the first we provided live coverage of the Battle of the Bridge Boys and Girls basketball games from Nashua South. On the 6th we provided live coverage of Bishop Guertin at Bedford hockey and that courtesy of BCTV in Bedford. On the 9th, we recorded the Braintree at Bishop Guertin girls' basketball game. The 15th we provided live coverage of BG at Nashua South boys basketball. On the 16th we did live coverage of the District II wrestling State finals and that was courtesy of Goffstown TV. On the 18th we recorded the South/Pelham versus North/Souhegan at Conway arena. The 19th we were over doing Park Recreation boys Jr. Biddy championships and the following night we did the girls game. Those were at Amherst Street School. Also on the 20th we recorded Nashua Sings which is an annual all school choral music festival that was held at Nashua South. On the 27th we recorded South/Pelham at Bishop Guertin hockey and that was at Skate 3 arena. Also on the 27th we did live coverage of the North at Bedford girls' basketball and that also was courtesy of BCTV. We've been doing a lot more sharing of programming especially live programming recently between stations. I think that's a good thing. If Bedford is doing a game live, we're able to take that technology that's out there today easily and rebroadcast that. Similarly tonight, we're doing the Nashua North boys game at Salem. Salem TV is doing that and we're just going to take their feed and utilize it. We've done that for other stations in the past on our side. It's sort of a win/win situation for everybody.

Sally Hyland

Can you do the live feed immediately? Can you use their live feed and that way to rebroadcast to do it right away?

Pete Johnson

Typically what we're doing, we stream our channels 24/7 so we can either take a feed like that into our new telview system or they have something new which is only a few months old but you can take a live stream off of YouTube. Since they're using YouTube this evening, we can put in the address for that live feed and it will take it off of YouTube and put it onto our channel.

Sally Hyland

Thank you.

Andrew Cernota

For the record that Alderman Jette and Chief Rhodes have joined the meeting.

- Access Nashua

Jeff Poehnert

Mr. Chairman I also passed out Access Nashua's report. Dick's not here today.

Andrew Cernota

Does anyone have any questions about Access Nashua's report? Is there a motion?

**MOTION BY ED LECIUS TO ACCEPT AND PLACE ON FILE THE PEG MANAGER'S REPORT
AND THE ACCESS NASHUA REPORT
MOTION CARRIED**

- Education Committee

Ed Lecius

Nothing to report. We have a meeting coming up on March 12th.

OLD BUSINESS – None

NEW BUSINESS - None

MEMBERS OF THE PUBLIC - None

REMARKS BY MEMBERS

Ed Lecius

Mr. Chairman did you have a chance to check into the feasibility of adjusting our meeting scheduled?

Andrew Cernota

I think that the Aldermen was going to be looking into proposing something at the Aldermanic Board.

Alderman Jette

I thought we all got the same communication. Someone from the city pointed out the ordinance

that talks about or meetings says that they are ad hoc. The ordinance does not require that we meet at all. I thought that I had communicated that to you. I would like to if it's appropriate make a motion.

MOTION BY ALDERMAN JETTE THAT THE CABLE TELEVISION ADVISORY BOARD MEET WHEN NECESSARY AT THE CALL OF THE CHAIRMAN SO THAT THE MONTH REPORTS, FINANCIALS COULD BE SENT BY E-MAIL

ON THE MOTION

Alderman Jette

The reports, etc. could all be sent to us electronically or by mail and when an issue comes up that needs our attention, you could call a meeting for that purpose.

Andrew Cernota

I would like to hear everyone's take on that. Is there any discussion?

Alderman Jette

I think personally monthly meetings are overkill. Maybe just dialing down the schedule a little bit once a quarter and things like that might be more appropriate. I think there are things that come up and are worth discussing but certainly monthly appears to be overkill. That would be my suggestion.

Pete Johnson

I would tend to think having a quarterly meeting would at least allow people to come out who may be coming from the public. We don't have it very often but occasionally we do and if it was just an ad hoc meeting, I don't think that they would have adequate notice potentially to make a meeting.

Andrew Cernota

I think even with ad hoc meetings we'd still have notice requirements that would need to be made. There would be notice. Any other comments?

Sally Hyland

I think regularly scheduled meetings on the same day whether it's bi-monthly or quarterly would be useful just to have it on a schedule. The other thing is that when things do come up, there may be a shorter time period as there was with all of this FCC rule change thing. I didn't hear about it until the meeting where it was the last day of the opportunity to provide some input into that. Just because we had missed two meetings. I think that sort of thing needs to be brought into consideration. Maybe every other month or something like that I would suggest.

Would you repeat the motion?

Andrew Cernota

Ad hoc meetings at the discretion of the Chair. I think basically discretion of the Chair would probably be quarterly.

Alderman Jette

I'm getting the sense of the group that at least let's start with quarterly to see how that works out. Regularly scheduled but only once a quarter.

Andrew Cernota

Since it was a motion, we do have to have a vote.

Alderman Jette

I guess I'm amending my motion.

**MOTION BY ALDERMAN JETTE TO AMEND THE MOTION TO MEET QUARTERLY INSTEAD OF MONTHLY
MOTION CARRIED**

Jeff Poehnert

This is the end of the first quarter right now so maybe the next one will be June.

Andrew Cernota

Okay sounds good.

Sally Hyland

I would like to hear a little bit more explanation of the meeting of the FCC rule change that occurred and also what the implications are for this organization.

Jeff Poehnert

One thing we know for certain right now is because many people are going over to the internet and they're not having cable and of course are revenue is directly from cable TV, we are losing revenue now. There's a certain percent that has started to happen so that reality. That's what's happening. Without a rewrite or anything new on the Cable Act, that's going to continue because people will continue to migrate over to the internet and get their TV that way which we're not included in. That's not a revenue stream for us. That's happening. The probable or at least what the FCC is trying to do right now is say that we cost the cable companies to broadcast our channels. All that we cost, they're going to be allowed to charge that back. They could say you cost 30 percent of the franchise fees that we pay now. You cost us in order to get your channels

out over our system and so we're going to charge you that back. That's what's going on right now. It's all in the wording how it ends up whether they can take 30 percent, or 50 percent, or whatever. Those details aren't there yet because they haven't voted. They haven't specified. They just said its coming.

The worst case scenario would be if it goes to Supreme Court and they rule that the Cable Act of 1984 is unconstitutional. Then that throws everything up in the air. That's hopefully improbable but that is the scenario that could happen.

Pete Johnson

I think you are correct. I think in the first certain they're anticipating a decline in revenues of 5 to 10 percent per year for people leaving cable television. We've been a little bit insulating from that in Nashua with the number of housing units that have been going in – multiple housing units. We really haven't lost a lot. To that what we've gained in new subscribers I think has offset that. We did lose due to an accounting change that was done by Comcast nationally 10 percent about a year ago. Since then, our quarterly revenues have been right around \$110,000 for the cable TV portion of it.

As far as the probable is concerned talking about the FCC rules change, they're anticipating that that will likely happen towards the end of this year. It remains to be seen if it will go into effect immediately or not because there's likely to be a number of challenges by larger communities that can afford to challenge the law and whether or not the judge determines whether they can charge those fees during the lawsuit or not. That's up in the air.

He was talking about with the Supreme Court, they actually had a case that was heard before them about two weeks ago. The case was regarding somebody who said that they were being sort of blackballed by their community access station and not allowed to be on the air. They're looking that that may open the door for cable companies to come in and say well and we shouldn't have to be providing the service anyhow. They're looking to see if they can determine that it's unconstitutional that the FCC can require a private company to provide communities with PEG access. That's where we're at.

Sally Hyland

So what does that mean for the public television here in Nashua? Do we have to then look forward to asking the city for financing of the operation?

Pete Johnson

That's a potential. As of right now, we get 1.3 percent of the franchise fees. There is additional franchise fees out there that the city is putting into I think it's 2.7 percent because we collect 4 percent total. The FCC allows the city to take up to 5 percent so the city could ask Comcast to change the rate to 5 percent and that would soften the blow a little bit. That's what Bedford just did. They went from 4 percent to 5 percent to soften the blow as far as financially. We've been very diligent in our spending. We have some money still in our special revenue account. Some of that obviously is needed for new equipment from time to time. We're looking at putting new

cameras in this room and also over at the Nashua North Lecture Hall since they're both standard definition channels.

Jeff Poehnert

I was just going to say but how we do that might change. We want to do a certain type of installing here of high def. and that would require new cables and new everything. It would be a very large project as this was when we first put it in. It may be that now we scale it back and go with a different type of high definition cameras. The switcher that you approved a few months ago doesn't go with the upstairs it comes down here and hooks up to the high def. cameras and the infrastructure that's there stays there. It's a much more modest install but we still have high def. but it's not where it would have been otherwise. We've been frugal in keeping the money in there but I think we have to be that much more because we don't know what's going to happen. It might be an upgrade but a scaled down from where we would have gone otherwise.

Andrew Cernota

I think the other thing to consider is while the PEG requirement is perhaps subject to court challenge, I'm not sure that the franchise fees would be. Because there's still use of public right of ways even if that Act were invalidated, I'm thinking that there would be funding.

Pete Johnson

There are alternative ways of getting our signal which we've been good at doing over the last few years. There are still access stations that are not streaming. Folks on the internet that are only on the internet can get our signals still.

Jeff Poehnert

We're definitely ahead of the curve on that.

Pete Johnson

Now with our new system, we can use OTT or over the top broadcasting as well. So we have a Roku and an Apple TV channel. There are other ways that people could get us and if it comes to that they want to charge 50 percent of our franchise fees, maybe we take a look at saying well we don't need the cable channel at all. You guys can take that back and we'll take the franchise fees instead and put that toward just streaming options.

Unidentified Male Speaker

There's a couple of points I wanted to clarify. If the exiting wiring in here is Category 5, you shouldn't have to look at replacing the wiring in any way, shape, or form so it should just be upgrading the cameras themselves and that should substantially change the cost. From what I understand when they had to rewire this that was substantial.

The second thing is I think what we're talking about at this point in regards to franchise

agreement is they may have a legal precedent to defund. That's from a technical standpoint. When you talk about companies that size just because they can doesn't necessarily mean they should. You're dealing with a bit of a public relations nightmare for them to say yeah we don't have to do that anymore so we're not going to do that anymore. That's why I think if I'm understanding it and I have done some reading on this but if I'm understanding it, right now we're looking to find out what they can do but I believe we still have a card in our deck to play which is just because they can doesn't mean they should.

Andrew Cernota

I think that's what Mr. Christiansen told you last month when you spoke to him about it. Right now they don't anticipate exercising the provisions of the new...

Jeff Poehnert

Basically that was exactly what he was saying. We're the third arm. We're something that's going to stay there.

Pete Johnson

We attended the ACM said in certain jurisdictions at least Comcast has already said that they will. That may be geographically based on certain areas. I don't know. It all remains to be seen. That's probably where the logistical battle will come in. If they say we don't have to but we will, then it's well your cable revenues are dropping by this percentage so over the next ten years there may not be a percentage of any cable. All your revenue might be in internet or things like that. So what do we do in that provision? How long are you going to continue doing this for because as much as we'd like to respect your word, we need something that says this is what will happen?

Sally Hyland

Since Comcast bundles internet and cable as well as other things together, that's something that I would think would be in the PR interest to maintain.

One question though is that if you say with the fees for use of right of way or something like that that the city might get, it may be useful to approach the city and get part of that 2.7 percent or something like that.

Andrew Cernota

Well right now they can't do that because of the Cable Act but if the Cable Act which there are a number of different ifs there before we – so I think it's probably premature to approach the city for a percentage of funding which doesn't exist.

Sally Hyland

It's something for the future maybe.

If this does go away, does the studio go away? Do the programs go away or do they just switch over to being available on the internet?

Jeff Poehnert

Well we can only hope but as far as I...

Pete Johnson

I think the big thing is where does the funding come from in the future? If the funding decreases to a point where our reserves are no longer there, then incumbent the city makes a decision as to well we believe that this is something that's important which I believe that it is. We have a lot of people that watch the government meetings, and the Board of Education meetings, and other programming that's there. As long as it's available to people whether it's on the cable system or not as a cable TV channel, it's going to be up to the city to determine whether it's in their best interest and fiscally responsible.

As our revenues go down, so does the 2.7 percent that the city is collecting right now. That's going to continue to go down as well. Whether they're going to want to share a portion of that into the future, we'll see.

Alderman Jette

So the amount that Comcast charges people is that whatever the market will bear or are they regulated and if so by whom?

Pete Johnson

They're not regulated. They can charge whatever the market will bear and obviously when they make rate increases, you start to see on the internet how do I get rid of cable? I can't afford this any longer. People come up with suggestions but like they said, they're anticipating about 5 to 10 percent a year will actually make that jump. They may downgrade a cable package but we still are only paid the franchise fee based on cable television revenues. They can't charge it based on internet portion, or the telephone portion. It's just on what people are paying for TV and that's why last year we lost the 10 percent. They changed the way they are accounting for those bundles packages and they're saying that the television portion of that bundle is now less. I don't know what the figures would be but let's say it's a \$99 bundle package. Now they're going to take 70 percent for internet, 10 percent for telephone, and 20 percent for cable TV whatever it happens to be. That's what they're now basing that on and that was the fee change. It happened last year.

Unidentified Male Speaker

To be clear though Alderman even without this FCC ruling from a legal standpoint, they could defund us tomorrow by basically saying sign up for Comcast internet and we'll give you cable for free. If they were to do that, they're not legally required to give us a dime. What we're talking about here is what can be done versus what should be done.

Alderman Jette

What determines that? The fact that we can only charge them based on the cable portion is that something in the federal law?

Andrew Cernota

That's the Cable Act of 1984.

Alderman Jette

So if that were changed so that the local municipalities could charge based on the internet use...

Pete Johnson

It would have to be a federal change.

Andrew Cernota

Its necessitate Congress basically. Not just doing something but actually passing an Act that would add up to a 5 percent tax on people's internet.

Sally Hyland

Which would not go over well.

Unidentified Male Speaker

However the issue that would still be the public ways. The fact that telephone poles, roadways and everything else, those are still within the municipality. Technically if this conversation were to go in a bad direction, we could increase our rental space sort to speak for right of way and that's not something that we get any part of. That wouldn't necessarily mean that this group any of it.

Jeff Poehnert

There would have to be a legislative conduit for that.

ADJOURNMENT

**MOTION BY ED LECIUS TO ADJOURN
MOTION CARRIED**

The meeting was adjourned at 8:39 a.m.

Committee Clerk