



CITY of BEVERLY
CABLE TV ADVISORY COMMITTEE
 191 Cabot Street, Beverly, Massachusetts 01915
 Phone (978) 605-2334

Mayor
Michael P. Cahill

Chairperson
Brendan Sweeney
Committee Administrator
Stephanie Bilotti

MINUTES
Tuesday, February 1, 2021
5:00pm.

- **Commencement**

Roll Call

1 Wayne Miller	present
2 Brendan Sweeney	present
3 Sean Leach	absent
4 Bryan Whitehead	absent at beginning
5 Kyle Sweeney	present
6 Matthew Bilotti	Present

Brendan – reads public meeting ground rules

Brendan – pushes approval of the minutes from last meeting to the next meeting

Brendan – discusses move from a Tuesday 7pm meeting to Monday 5pm meeting from now on.

Brendan – while waiting for Walt, Brendan takes questions from the 2 members of the public.

Councilor Kathleen Feldman – brought up the subject of trying to get additional vendors to Beverly.

Stephanie Bilotti – explained that our priority for the next few meetings is to get the license with Comcast negotiated and we will discuss competition after May when we have secured this license renewal.

Councilor Feldman – said she understood and was glad we were considering the objective of this group in the future to look into more competition.

Walt Kosmowski – chimes in that City has tried many times in the past to get Verizon to come in to Beverly prior, mentioned Mayor Scanlon wrote many letters to Verizon, but has



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been unsuccessful in getting them to come into Beverly. Federal law prevents us from having exclusive contracts with cable vendors.

Walt starts to discuss the Business Plan he put together for BevCam. Gives a general overview of the business plan.

Brendan – does anyone have any specific questions?

Matt Bilotti – doesn't have many questions. See that things changed in 2017. Why did numbers change?

Walt – Comcast doesn't really explain why numbers change. I sent all the receipts to Stephanie. If losing customers, they wouldn't admit to that. But all MA customers also experienced the same thing during that time period. 2017 seemed to peak and then revenues decrease.

Matt – I see you asking for more funds based on revenue decrease. But given additional housing opportunities, I was surprised to not see an increase b/c of the new apartments added to Rantoul Street, and homes added. Would think we would see some stabilization of those numbers.

Walt – what I have seen is number of subscribers going from mid to low 14K. Beverly Population has really stayed constant over last 10 years. I can assume that maybe the folks moving into the new condos/apartments, they are younger and using different services than Comcast. We know the number of subscribers, we know the revenues, so we can only use that data. Prices, insurance, equipment has all gone up. In the previous contract with Comcast, the capital budget of \$50k never covered our entire capital budget.

Brendan – if we get to year 7,8, and 9 if we see a declining trend in subscribers, then is there a concern that the moneys wouldn't cover operating and capital costs.



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Paul Earl = Since 2010, until Comcast revenues declined in 2017, we were having to build up our reserves. Meet as a board every 2 months, always discussing how to operate if subscribers decline and BevCam gets less money from subscriber base, we would just have to function without those reserves.

Walt – something down the road we may need to react to if we want local access TV to remain a reality. Other thing to remember is the notion that these over the top internet people provide the same content, but are not saddled as the Cable companies with the required 5% to give to cable access. We may put that same fee on other content providers, in order to continue to provide local programming. 17 or 18 years ago, I heard about the imminent demise of cable, it hasn't happened.

Brendan – other question, regarding capital items. How will those additional capital items translate into additional expenses, with annual operation costs? 5G cellular transmission, for example. If those result in more costs over time, what would that translate to?

Walt – we took those annual costs, 4 or 5 capital items, plus annual maintenance cost into account. Assume we would not be putting all capital expenditures in year one. We were thinking these costs would occur over the life of the contract. We didn't put the number in as an operation cost. We tried to be aware of the what could come up over time.

Paul – a lot of maintenance costs won't occur over the life of the contract, some are only for 2 or 3 years. Don't have as many maintenance agreements, we turn some of them down. We want to increase people and keep it simple. In the past, we submitted a lot of detail but we were trying to keep this business plan simple. Needed that detail in the past agreement, but tried to keep it simple for this license renewal agreement. It's probably more ammunition to support our case, to show all of the programming, shows we produce and people doing that work.



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Walt – I’m getting letters from the community to add to the business plan to give Comcast. Comcast said it was very effective during that last agreement process. He hopes to have that finished for the public hearing.

Brandon – I have other questions, but wondering if anyone else has questions about the business plan? Hearing no, I’m going to move on.

If we ask to increase Comcast’s franchise fee, the first question I would have as a customer, is how will this affect my bill? Will my bill go up?

Walt – that average increase would be very small. Local access TV is an important part of how the community gets their information. Newspapers are gone, so less options for receiving community news. This will continue to be a method for Beverly to get information about the community. So it’s a service that is valuable to the community and the fee is not significant.

Brendan – we will want to be able to articulate the franchise fee answer for the public hearing.

Matt – another point is that you are only getting back to where you were from a Comcast perspective. Not really asking for above what you had, just asking to get back to where you were.

Walt – just trying to make sure we can compete with the new technology out there. We have to change the technology more often these days and there is a cost that goes along with those changes.

Brendan – Matt you were talking about gross revenues?



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Matt – Comcast has already committed to giving a certain dollar amount. If you look at the amount it went down to in 2017, I wonder if the net amount is the same.

Brendan – with that, does anyone else have questions? Otherwise we can move on. Seeing none, thank you Walt and Paul for the time you took to put it together.

Paul – thank you for reading it.

Walt – thank you Brendan,

Brendan - moving on, turn over to Stephanie. Need to outline a timetable for negotiations.

Stephanie – I will take the “To Do” to talk to the City Solicitor to determine what our next steps are with regard to handing this over to outside council Bill Hewig to negotiate on our behalf. I know we need to get him the BevCam Business plan as well as some of the additional asks we determined on the previous call, however I want to just check in with her on process.

Paul – we are good with the numbers and the plan we are recommended. Board has approved it. I would like to hear Bill Hewig’s thinking of the package to ensure he is comfortable taking the package to Comcast. Don’t have high expectations about the program guide, and 2 HD channels, but that would be great.

Walt – they send us a proposal, we send a counter proposal. Bill will tell us how to do that, he will run interference and move it forward. They may come back asking for more detail, and we can provide that. Bill sent us sample proposals and they did not have all the additional detail we gave prior, so we kept our business plan thin. Bill will tell us how to move forward now that we have our ask defined.



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Brendan – want to make sure we give ourselves enough time.

Walt – just a quick note that the City didn't sign the last agreement, 10 years ago, until the October after the license expired. Although preferred to meet our deadline, if we are a bit late, the City will just function on the previous contract until a new contract is signed.

Brendan – other piece of the process is the public hearing. As we get close to a May 3rd date, we need to have a public hearing.

Walt – I was hoping mid to end of March in order to have time to get my reference letters ready for the public hearing. If we did end of March that would be better for us (BevCam).

Steph – what would need to be discussed at the public hearing?

Walt – can discuss thoughts on Comcast the vendor, what the committee can't really do anything about that. I will plan to personally invite the folks who write the letters. The content of the public hearing would be to comment on their thoughts of Comcast and what do they think of BevCam.

Brendan – can we outline our ask in the public hearing?

Matt – I imagine we want to discuss more the services, not getting into too many of the contract details.

Walt – we may want to look at 2010 public hearing and see what the comments were from that meeting. We did this before. I'm also curious if a mid-March public hearing is enough time for Bill to get done what he needs for the May 3 deadline. I'd rather get it done and make it a strong goal to get this done for May 3rd. Is 6 weeks enough for Bill if had public hearing in end of March?



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Walt – it probably will take less time for Comcast to decide. It's either yes or no. Not a lot of points to negotiate.

Paul – remember Bill said it's easy to get capital money out of Comcast. If they counter with 4.5%, then maybe we get more capital.

Brendan – Bill made it seem like the 5% demands, and HD channels would be in agreement.

Stephanie – in preparing for the public hearing, I think we might want to use different ways to get the information out to the public and explain what we are tasked with as part of this committee. Otherwise we are going to have a lot of people coming to the hearing and asking us to comment on things we didn't have control over. Here's what this public hearing can answer, here's what it cannot.

Matt – agree we should start the public hearing with a summary of what can and cannot be accomplished.

Brendan – we can say down the road we as a committee can address other issues like getting other cable vendors into Beverly, but that was not what this license agreement renewal process was about. Bryan, glad you were able to join. Did you have any questions about the business plan?

Bryan – I did go thru the plan and I thought Walt did a great job. No questions.

Walt – maybe we can devote a show to that topic on the Mayor's monthly show. There's an article in the Salem News about it, we should include Paul Leighton with information about the hearing when we have it.



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Brendan – the more info we can get out in advance of the hearing, the better.

Adjournment Roll Call

Matt – yes

Sean – absent.

Wayne – yes

Kyle – yes

Bryan – yes

Brendan – yes