



# Granite Town Media

## Advisory Committee

Work session minutes

Sept 6<sup>th</sup> 2018

**Present:** Ron Carvell, Kevin Federico, Tim Finan, Joe Kasper, Mike McInerney, Tom Schmidt

**Absent:** Dave Alcox, Lisa Griffiths, Jon Teger

### Call to Order:

Meeting called to order 7:08 PM

### Franchise Agreement

Committee reviewed draft Comcast franchise agreement and will forward it to the Board of Selectmen with our recommendation to approve pending review by town attorney. BoS presentation planned for the September 24, time still TBD.

Milford has had cable TV since Sept 2003. Originally Adelphia, transferred to Comcast October 2005 when Adelphia filed bankruptcy. Current agreement expires Sept 7<sup>th</sup> 2018. Agreement is nonexclusive so theoretically another company is able to deliver services.

### Change, issue summary

- Renewal agreement based on standard Comcast franchise agreement that has been adopted by the towns of: Bedford, Concord and Rochester. It is similar to but has detail differences from our existing agreement. Limited review to technical and financial matters.
- Agreement length – most franchise agreements run for 10 years, current and draft agreements are 7 years. Given the uncertain future we recommend leaving agreement at 7 years. Draft agreement runs from Sept 8 2018 to Sept 7 2025.
- Added 48 hour power failure backup time – this was missing in the draft agreement, but part of our old agreement.
- HD PEG – Comcast does not currently support HD PEG channels in Boston market. Bedford is the first area town trialing HD. We intend to work with Comcast to transition to HD as soon as possible.
- PEG EPG – Comcast does not support electronic program guide (EPG) for PEG channels. EPG encompasses multiple towns and each town may have a different number of PEG channel and assign them differently. As a workaround Mike includes program guide information in the slideshow between programs. The EDU and GOV stream page on the web site include a program guide.
- Coverage map – except for sparsely populated parts of town all areas are covered.
- GTM fiber link – Comcast provides a dedicated fiber optic link from town hall to the high school for GTM video programs. They are not willing to add a second fiber to the agreement for us to use as a LAN extension to control GTM

- equipment at HS. We are currently using a second fiber to provide remote access to GTM equipment at the high school however we may lose access at any time.
- Comcast is not willing to provide dedicated dark fiber links between municipal buildings. Suggested if we want to pursue that capability they offer metro Ethernet, however that is outside the scope of the franchise agreement.
  - Franchise fee is calculated on gross cable revenue. This is a somewhat confusing definition dating from the days when Cable companies only delivered TV. Per FCC rules Gross revenue is produced from delivering traditional linear TV services. Milford fee is currently 3% with a maximum capped by the FCC at 5%. The franchise fee is deposited into a revolving fund dedicated to GTM operations. We added procedure to enable the BoS to modify the fee during the agreement lifetime.
  - Capital funding – deleted \$75k (paid over 3 years). Current revenue from franchise fee (~\$170k) per year is enough to cover expected operating expenses and planned capital improvements. Fund balance was \$307k (year end 2017), operating expenses are \$97-102K per year exclusive of capital purchases. Vote to remove capital funding: Joe moved/Tim 2<sup>nd</sup> AIF.

#### **Non-franchise fee Comcast revenue**

- Correction per Marti Noel the apportioned value of Comcast rights-of-way is \$140k, yielding \$4k in property taxes. This is general revenue.

#### **Risks**

- Franchise fee is based on gross revenue of traditional linear TV. Customer cord cutting, eliminating traditional TV, and opting for video on demand services will reduce this income stream. So far revenue has been pretty constant due to town growth offsetting cord cutting.

#### **Next Steps**

- Citizen outreach meeting – At the last renewal BoS held a public meeting where citizens are able to speak directly to Comcast representatives.
- Have town attorney review new agreement.
- Modify or approve the new franchise agreement.

#### **GTM Capital Improvement plan**

BoS lighting

Upgrade GTM wiring in high school to fiber distribution

Migration to HD production capability

Migration to IP transport to enable us to do live coverage anywhere we have an adequate Internet connection.

Possible cost sharing with Bruce to install fiber between town buildings.

#### **Adjourn:**

Meeting adjourned 7:48 PM

Respectfully submitted: Tom Schmidt