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INCORPORATED VILLAGE OF LAUREL HOLLOW
BOARD OF TRUSTEES
PUBLIC HEARING
October 11, 2017
7:00 p.m.

VILLAGE HALL
1492 Laurel Hollow Road
Syosset, New York 11791-9603

PRESENT: DANIEL DeVITA, Mayor
KEVIN JUSKO, Trustee
JEFFREY MIRITELLO, Trustee
JEFFREY NEMSHIN, Trustee
MARTIN NOVICK, Trustee
RICHARD NICKLAS, Trustee
NICHOLAS TSAFOS, Trustee

ALSO PRESENT:

HOWARD AVRUTINE, Village Attorney
KAREN A. NAVIN, Clerk/Treasurer

APPLICATION OF VERIZON NEW YORK, INC. FOR A RENEWAL CABLE
TELEVISION FRANCHISE

RONALD KOENIG
OFFICIAL COURT REPORTER

1 MR. AVRUTINE: This is the public hearing on
2 the renewal of the village's cable franchise agreement
3 with Verizon. It's Verizon New York, Inc., technically.

4 I will provide the exhibits in connection with
5 the hearing.

6 The first exhibit is by reference to the
7 proposed cable franchise renewal agreement filed on
8 October 11, 2017.

9 The next exhibit is an excerpt from the
10 minutes of the September 19, 2017 meeting of the Board
11 of Trustees setting this evening's public hearing.

12 The next exhibit is the legal notice of public
13 hearing prepared by the village Clerk as published in
14 the Oyster Bay Guardian.

15 The next exhibit is an affidavit from the
16 Oyster Bay Guardian that the legal notice was published
17 in the Oyster Bay Guardian on September 29, 2017.

18 The next exhibit is the corrected legal notice
19 of public hearing prepared by the village Clerk.

20 The next exhibit is an affidavit from Carlos
21 Hernandez that the corrected legal notice was posted at
22 six public places within the village on September 29,
23 2017.

24 The final exhibit is evidence that the
25 corrected legal notice was posted to the village website

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1 and sent to village website NEWS subscribers on
2 September 29, 2017.

3 The Board may recall that back in 2006,
4 Verizon first introduced its FIOS cable to the village
5 to compete with Cablevision. And after an extensive
6 negotiation, public hearings were held and the Board of
7 Trustees agreed upon an initial franchise agreement with
8 Verizon to allow cable services to be provided and allow
9 the rights-of-way to have the necessary equipment.

10 And essentially, that agreement allowed for
11 the provision of a service to the village residents
12 first and foremost. And secondly, it authorizes payment
13 of franchise fees to the village as the approving
14 authority. So, the maximum rate by law is 5 percent,
15 and it's 5 percent of gross revenues. And that was
16 essentially the agreement. There were a lot of other
17 provisions that we won't get into. And that agreement
18 had a duration of ten years.

19 So, the agreement expired in 2016, and we've
20 been having discussions and negotiations since the
21 agreement expired. Obviously, even with the expiration
22 of the initial agreement, the services have nonetheless
23 been provided uninterrupted. So, there was no detriment
24 to having a gap between the expiration of the original
25 ten-year agreement and the one that the Board is

1 considering this evening.

2 So essentially, the agreement is substantially
3 similar to first agreement. This one, however, is a
4 five-year agreement rather than a ten-year agreement.
5 And we discussed this during the negotiations, and it
6 was Verizon's request that it be a five-year agreement.

7 From a legal perspective, I was in agreement
8 primarily because, the way technology advances are these
9 days and other changes in the law that could take place,
10 it's probably in the village's best interest to
11 renegotiate or to negotiate at the end of a five-year
12 term rather than the end of a ten-year term because
13 there might be additional revenues available to us and
14 additional services that could be provided that would
15 not be covered by this agreement that might be available
16 to the village after a five-year term. So, I do
17 recommend a five-year agreement in lieu of the ten-year
18 agreement.

19 Also, the newly negotiated renewal agreement
20 contains the most expansive definition you can have
21 under the law for gross revenues, which is the number
22 that is utilized to calculate the franchise fee paid to
23 the village. The village is paid 5 percent of gross
24 revenues that Verizon generates from its business in the
25 village. And so, that definition was a large part of

1 the negotiation.

2 And also, we were very, very conscious during
3 the negotiation just to ensure that all of the necessary
4 services to the residents are provided and their
5 concerns are adequately addressed, and we believe this
6 agreement does that.

7 I worked with a gentleman from CMS, our
8 consultant to actually the same company that is
9 assisting us with our cellular issues. They also have
10 an expertise in cable franchise work. So, Mr. Rusty
11 Monroe from CMS assisted in the negotiations and
12 provided valuable expertise in particulars of cable law
13 that, because I don't necessarily practice that, I would
14 not have knowledge of necessarily.

15 So overall, the agreement has been furnished
16 to the Board. And, like I said, if the Board has any
17 questions, we can certainly answer them.

18 Mr. Brendon Pinkard is here. He is the
19 attorney representing Verizon, and he can answer any
20 questions that the Board has regarding the agreement, if
21 it has any. Otherwise, that's essentially a thumbnail
22 explanation of the renewal agreement.

23 TRUSTEE NICKLAS: Does that improve in any
24 gross revenues that accrue to our benefit with regard to
25 revenues?

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1 MR. AVRUTINE: We believe it will. I can't
2 tell you until we get the first check, but it should.

3 TRUSTEE NICKLAS: What is the start date?
4 Does it go back retroactive?

5 MR. AVRUTINE: No. From now.

6 MR. PINKARD: The new terms would be effective
7 as of the Public Service Commission's approval of this
8 franchise.

9 MR. AVRUTINE: Can you give your name and
10 affiliation?

11 MR. PINKARD: Brendon Pinkard, outside counsel
12 for Verizon.

13 So, under New York Law, the agreement is
14 effective as of the issuance of the certificate of
15 renewal by PSC.

16 TRUSTEE NICKLAS: Thank you.

17 MAYOR DEVITA: Anyone else from the Board?
18 Anyone in the audience?

19 MR. AVRUTINE: Let the record reflect that
20 this matter is deemed Type II under the New York State
21 Environmental Quality Review Act, as the original
22 agreement was, requiring no further environmental
23 review.

24 We will entertain a motion to close the public
25 hearing.

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1 TRUSTEE NOVICK: One thing. Outside the
2 five-year term, is there anything else in there that's
3 material of any change between the last one and this
4 one?

5 MR. AVRUTINE: Other than what I've described,
6 no, the expansion of the gross revenue's definition and
7 a lot of it was just changes in the law that took place
8 over the past ten years.

9 TRUSTEE NOVICK: So, nothing material?

10 MR. AVRUTINE: Nothing of a practical, just
11 legal issues.

12 THE CLERK: A motion to close the hearing?
13 Trustee Nicklas. Seconded by Trustee Jusko.
14 All in favor?

15 TRUSTEE JUSKO: Aye.

16 TRUSTEE NICKLAS: Aye.

17 TRUSTEE NOVICK: Aye.

18 TRUSTEE TSAFOS: Aye.

19 TRUSTEE MIRITELLO: Aye.

20 TRUSTEE NEMSHIN: Aye.

21 MAYOR DeVITA: Aye.

22 MR. AVRUTINE: And a motion to approve the
23 agreement and authorize the Mayor to sign it.

24 THE CLERK: Trustee Nemshin. Seconded by
25 Trustee Tsafos.

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All in favor?
TRUSTEE JUSKO: Aye.
TRUSTEE NICKLAS: Aye.
TRUSTEE NOVICK: Aye.
TRUSTEE TSAFOS: Aye.
TRUSTEE MIRITELLO: Aye.
TRUSTEE NEMSHIN: Aye.
MAYOR DeVITA: Aye.
THE CLERK: This concludes the public hearing.

CERTIFIED THAT THE FOREGOING IS A TRUE AND
ACCURATE TRANSCRIPT OF THE ORIGINAL STENOGRAPHIC MINUTES
IN THIS CASE.

RONALD H. KOENIG
Senior Court Reporter