MEDFORD COMMUNITY CABLEVISION, INC. AND TV3 MEDFORD

HEARING RESULTS, FINDINGS AND RECOMMENDATIONS

RESPECTFULLY SUBMITTED TO THE HONORABLE MICHAEL J. MCGLYNN MAYOR CITY OF MEDFORD

 \mathbf{BY}

Hon. Marie O. Jackson Thompson Retired Justice

Trial Court Commonwealth of Massachusetts

MEDFORD COMMUNITY CABLEVISION, INC. AND TV3 MEDFORD HEARING RESULTS, FINDINGS AND RECOMMENDATIONS

CAUTION: PUBLIC HEARINGS DO NOT ATTRACT ALL PERSONS WHO HAVE AN INTEREST. THOSE MOST LIKELY TO APPEAR ARE PERSONS WITH CURRENT PROGRAMS AND PERSONS WITH GRIEVANCES. THEREFORE, THE HEARING REPORTER MUST REMAIN FOCUSED ON ISSUES AND NOT BE BLINDSIDED BY PERSONALITIES.

Federal law mandated the creation of community access channels dedicated to local broadcasting in 1984. These public, educational, and governmental channels, called "PEG channels", are also called community television and/or public access TV. These channels were established with equipment and airtime through contracts with local government who were to contract with a private nonprofit corporation so the public could publicize their shows and televise to a mass audience. I

Each public PEG channel shares a common purpose, which is to allow the public and private interest to have an equal opportunity to be heard. Public access stations are intended to provide a level playing field so that any individual or cause can have a voice and that voice can be heard and <u>not</u> shouted down. That voice can be heard and <u>not</u> gagged by the whim and fancy of individuals who dislike the person or the cause, or by virtue of the advantage of wealth. A level playing is one open to all. Public PEG stations are a level playing field. Local public PEG stations never have to negotiate or diminish freedom of speech through bartering with advertisers and funding sources. Public PEG channels are not under the dominion of any political party or ideology and do not have to have their program reviewed by any party chief. A public PEG station is a fully expressed public mind open to ideas, creativity, and the universe of ideas.

Comcast and the City of Medford in a written agreement provide that Comcast would make available lines for public channel usage and the city would, among other duties, hire the operating and management corporation. The public channel would be dedicated to the Medford resident and exist for service to them, for them and by them.

The major source of station funding is through fees accessed by Comcast on the Medford cable subscriber which fees are received and disbursed by the Office of the Mayor. In Section 6.11 of that contract, Comcast sets out the duties and responsibilities the City must insert into its agreement with its access corporation. 2 Medford inserted these terms verbatim in the MCC/City of Medford contract. 3

¹ See Appendix A for Contract between the City of Medford and Comcast.

² The access corporation is Medford Community Cablevision, Inc..

³ The contract at Appendix A, however, explicitly states that any provisions discussed in the Comcast contract are not intended to create any rights on behalf of the Medford Community Cablevision, Inc.

Comcast received in writing the pledge of the City not to engage in censorship or other control of content but provided an exception unless "as otherwise required or permitted by law." The City of Medford agreed and continues to honor the commitment to leave editorial discretion with Medford Community Cablevision, Inc.

The City of Medford and the Medford Community Cablevision, Inc. (MCC) are parties to a service contract and the Mayor is representative signatory for the City. The Medford Community Cablevision, Inc. is to perform the service of operating and managing TV3 according to the purposes and terms of the contract. There is an implied assumption that a corporation will conduct itself in a lawful manner consistent with good business practices. Contract law provides that there is inherent authority for the contractor, Medford, to monitor the contractee, MCC, for compliance with the contract.

Medford Community Cablevision, Inc. (MCC) incorporated on October 13, 1984. It is a Massachusetts charitable nonprofit corporation, and has a contract with the City of Medford to provide cable access service in Medford. It operates and manages TV3 the public access channel in Medford.

A corporation is deemed a "person" under the law and its officers the individuals who in good faith cause that "corporate person" to confirm its behavior and actions to Massachusetts and Federal laws and regulations. These laws and regulations require that MCC create, maintain and file numerous documents that are submitted to Federal and State agencies. The members of the Board of Directors are also entitled to view and possess these documents. Many documents are required to be kept and maintained at the principal place of business here the station. For several years the existence of certain record and backup documentation, the accuracy of information in the documents and the timelines of filings has been an issue. These include minutes of meetings, corporate filings, membership records, and budgets as set forth in the City Solicitors Rumley Report to the Mayor of Medford

The City of Medford must monitor the contract to determine how well the contractor is performing its duty. This is an inherent duty in any service contract. The City of Medford must assure itself that its citizens are receiving the full benefit from MCC's operation and management of TV3. The City has authority to choose the method of review and is legally and professionally correct in expecting the cooperation of MCC and TV3 in this process.

This review is not intended to censor or control the content of programs, or to abridge any first amendment freedom of speech rights. After close review of these findings, I am satisfied that I have met that objective.

In preparing for this hearing, I reviewed general materials

- 1. "The Report on the Present State of Public Access Television in the City of Medford" submitted by City Solicitor, Mark Rumley, and dated February 10, 2008, hereinafter the Rumley report.
- A transcript of TV3 response
- 3. The June/July, 2008 report of the general manager to the board addressing the Rumley report and containing material from the Alliance for Community Media (Northeast) Regional Spring Conference of May 2008.
- 4. A DVD copy of TV3 members' testimonials supporting the station and the General Manager.

I also secured a copy of Robert's Rules of Order.

I attended two formal Board meetings, had discussions with Board members and President Pilleri, attended a special meeting with the President, had a tour by TV3 staff with a two hour meeting with the General Manager at TV3, met several times at the station with the manager, had many telephone conversations with the general manager and exchanged emails with Board members and the General Manger. During the period from April through October, I made repeated oral and written requests for documents including all minutes. Among the materials furnished in the report or the Executive Director to the President and the Board, see review item #3 above, was a job description for the position of Executive Director, a suggested reorganization of the Board composition and selection, a questionnaire for the Board self-evaluation and employee evaluation standards with forms. Current Policies and Procedures Guidelines and current Bylaws for 2007 were made available. The 2008 documents were downloaded from the URL site for TV3.

The financial audit was not completed by the hearing date due to MCC's delay in producing requested financial records and so this report does not take account of the financial audit.

There were two hearing dates made available for the presentation of oral testimony. The first hearing date was October 29, 2008, beginning at 7:00 pm and the second was on Saturday November 15, 2008 in the morning. Each hearing was in the City Council Chambers at Medford City Hall. Written comments were due no later than 10 days after the close of the hearings.

The MCC Officers did not appear at the first hearing and a second hearing date was provided primarily to allow the Board of Directors and Officers to respond. Attorney Skerry, representing the Board, was present at each hearing to inform the body that the Board members had voted not to appear. However, the Mayor's appointee to the Board, Phyllis Buccio-Notaro, and appointed Board member Vincent Mase appeared and testified.

The hearings were transcribed and were simulcast on TV3.

There was of individuals who testified. Testimony was given by: residential users of Comcast, present and past members of TV3, former advisory members of MCC, prior MCC and TV3 volunteers, Representative Paul Donato, local school committee and city council members, present and past TV3 producers, actors who appeared in TV3 films, the former Executive Director of TV3, the Executive Director of Malden Community Television and two present MCC Board members.

Any written responses can be viewed, by sending a written request to the office of City Solicitor Mark Rumley at Medford City Hall. The City Solicitor will set a date and time for inspection of materials.

CAUTION: A PUBLIC HEARING WHICH IS A TOOL OF FREE SPEECH PROVIDES FOR ACCUSATION AND VINDICATION IN AN OPEN FORUM WHERE EACH SIDE STANDS ON EQUAL GROUND.

This hearing would have benefited from the participation of the Officers and other Board members and the Board itself may have benefited from participation. Given the availability of information provided in the written comments and the testimony of other Board members, the absence of the officers and some additional Board members did not have an adverse impact on the findings and recommendations.

The City of Medford and I accommodated the Board providing delays for the production of documents, TV3 contracts, minutes, and location and data on films.4 Later, because of MCC board scheduling conflicts, the hearing was postponed. This same courtesy was extended to the General Manager when she had a conflict.

On the first hearing date, TV3 Station Manager Dawn Natalie, through MCC attorney David Skerry, presented a letter of resignation. This resignation was to be effective immediately without her appearance to speak at the hearing. She filed no further written statements.

Based on testimony and written submissions this report will examine:

- Alleged compliance or noncompliance of the Board with its by-laws
- Alleged compliance or noncompliance of Medford Community Cablevision with obligations to the City
- Alleged potential breaches of fiduciary duty by Medford Community Cablevision
- Alleged issues of Medford Community Cablevision not following usual and best business practices
- Alleged failure by MCC officers to perform lawful duties as set forth in its contract with the City.

This project which included preparation for the hearing, attendance at TV3 Board meetings, group meetings with MCC Board members, emails, meetings and informal

⁴ The information requested for the film projects and the financial importance of the information is addressed in several sections of this report.

drop-ins at TV3, 11 hours of scheduled hearings, numerous hours of reading and analysis of submissions, and the drafting of the report far exceeds the charge. This was not an investigation and there are times therefore when issues can be highlighted but not resolved. There were no subpoena powers to order the retrieve of records and documents and which powers could have mandated Board participation.

This report will not attempt to settle past controversies or adjudicate present issues .The Board, which has been privy to these problems for years must take its collective heads from behind the movie camera and manage to set the operational and business practice of TV3. In resolving issues and making policies, facts not personalities must determine outcomes. TV3 must SERVE the Medford resident individually and as a community.

The MCC Board of Directors consists at the time of the hearing of four elected members, a member appointed by the Mayor, and nine appointed members of whom two may be non-members who do not reside in Medford. Every Officer and Board member has a fiduciary duty to operate in good faith following usual, customary and standard good business practices and consistent with the performance of services for which TV3 was organized.

The By-Laws and the Manual of Policies and Procedures bind the MCC Board. MCC By-laws are required to be on file on file with the Massachusetts Secretary of State and if amended those amendments must be filed. However, the copy in the Rumley report as Appendix B is not current. In addition, the 2008 amended By-Laws are as of this date under challenge should be reviewed for apparent wording and content error. There are also at least three versions of MCC Manual of Policies and Procedures dated December 2006, July 2007 and October 2008. The availability of the manuals does not resolve the issue of station management and operational. As the Manual of Policies and Procedures are edited frequently, can be amended by Station Manager fiat or at the sole discretion of President of the Board, or by Board vote or consensus and any changes can be timed to take place immediately and without notice, even with the three dated manuals policies are sometimes inaccurate. The Policies and Procedures Manual and MCC Bylaws which were listed as current and were secured from the TV3 website in October 2008 could not be determined to have been adopted as worded.5 The MCC Board, without minutes, drafts, and prior documents to compare is unable to know at any one date what rules, policies and practices are in effect and has been unable to knowingly respond to management issues.6

Frank Pilleri is presently President of MCC. He has held this position continuously for several years. He is one of the incorporators of Medford Community Cablevision, Inc. He is a signatory to the MCC and City Contract. Mr. Pilleri is credited with being a co-

⁵ Mr. Skerry, the Board's legal counsel and Board member Notaro were unable to verify that new Bylaws were adopted. Errors in that document would seem to verify this opinion.

⁶ For example, the job description for the position of Station Manager which was addressed at the time of her hire with a draft presentation by Board volunteers, has been a matter that has had multiple Board inputs over several years including a draft presented by Dawn Natalia herself, and motions to address this issue made by both the Mayor's Board representatives and was an agenda item at recent local and national conferences attended by MCC members and staff.

designer of the present studio. He participated in all aspects of the hiring of Dawn N. Natalia as Station Manager and actively supported TV3 in its film endeavors.7 Under his "leadership", several Board members have served as treasurer and clerk (secretary).

The Board of the MCC has not been stable. Resignations are frequently. In addition, two members of the Board were voted off the Board or asked to resign.8

In Section 5 of the TV3 contract, MCC agreed that MCC would provide its services to the individuals and/or organizations of Medford. As a type of visual aid and to illustrate how the benefits of the tasks are to accrue to the Medford access users, I have taken the liberty to add within the parenthesis acknowledgement of those recipients. The duties of MCC are:

- 1. Schedule (for the Medford residents et al), operate (on behalf of the Medford residents et al) and program public access channel
- 2. Manage annual funding and compile annual budget
- 3. *Not applicable as there have been no such grants*
- 4. Operate and maintain a public access studio (for the use of the Medford resident), purchase or lease equipment (for the Medford resident et al), operate and maintain station with the \$425,000 equipment grant
- 5. Conduct periodic training programs to produce quality access programs
- 6. Provide staff and volunteers for technical assistance, pre-production service, post-production services and production services to public access users
- 7. Establish rules, policies, procedures and guidelines to (facilitate the members use) of the public access channel
- 8. Provide publicity, fundraising outreach, referral and other support services to the
- 9. Other tasks relating to the operation, scheduling and or management of the public access channel, facilities and equipment as appropriate and necessary (with primary focus on community issues)
- 10. Produce or assist users in the production of the original non-commercial video programming of interest to MCC members and subscribers whenever possible focusing on City issues.

⁷ Mr. Pilleri has been a producer, and actor in these productions. His last venture was with the horror film Sunshine Away written and directed by Lance Reensteina and Josh Leonard starring his son and included Dawn Natalia on the acting credits. This film was edited at the studio depriving a member of his use of his time.

⁸ Pat Fiorello and Joe Fortunato were voted off the Board. On March 17, 2008, John Costas resigned. Other Board resignations are discussed in the Rumley report.

When appropriate there should be an evaluation of each task required of MCC. Such a thorough evaluation is not within the scope of the report. However, several areas of general concern must be discussed.

A \$14,500 sum received as film prize money has been labeled as income. However budget and financial information regarding the film which includes start up costs, final cost and expenses including overtime for Dawn Natalia and Sean and expenses for special equipment, costumes, food and beverages and for other social activities associated with a film etc. were never provided. 9 The application of money to cover the expenses of a project, including employee overtime, have to be adjusted for these expenses or the result is little or no actual monies raised.

Some members view the operation of TV3 as a successful social institution despite the evidence of perceived social and political divisiveness, others as part of cybernetic guerilla warfare aimed at anyone who is perceived to criticize or question its operation, policies or practices, but this reporter looking at the contract and business aspects finds it a poorly organized and operating business with deficient internal controls due to a dirth of records at all levels10, This business is not serving the needs of the community Whether it has complied with sound financial practices will depend on the conclusions of the audit.

There is one definitive means to evaluate whether the MCC operation of TV3 is meeting its goals and that starts with determining what is the station set up to provide and to whom. In answering this question, membership is a key. Membership includes the number of active members and participating businesses as sponsors or members. The first method of evaluation is to determine how many prior members are still active the retention factor. The retention of members provides for a solid core of individuals who are active in the production of programs and are available to assist others and mentor new members. The second evaluation method is potential members or what is the potential for participation. A new member is someone who has paid the membership fee, and includes both active and inactive persons. It includes someone who simply accesses airtime and come thru to presents a pre-taped show from a local church or organization and those who produce, edit, and tape in-house programs. It does not include guests at programs or persons who are in films but not members or are allowed to use studio but not paid members.

⁹ In an email dated August 25, 2008 from the General Manager Natalia to Carolyn Rosen and Frank Pilleri and several others Board members and producers, overtime pay for work on films for herself and Sean (the prior assistant) are admitted. In this same email a cast party, the costs of costumes etc are broached. With no financials available, the actual fundraising function of films is questionable.

¹⁰ As the major work in 2007 was films, this provides the best example of record keeping. There are no records of films made at TV3. Such listings by title, production company, producer, budget of film if TV 3, costs of TV3 film, where and when films which utilized our studio were aired, if airing was on web cast or telecast, TV3 films submitted for award, application for award. There is no listing of contract with TYV3 for films made by other production companies; a second area would be membership. The names, dues, hours of volunteer service, courses taken etc have never been made available not even at the annual meeting.

TV 3 has failed to retain members. The failure to retain members translates into fewer overall programs and fewer current programs and fewer individuals to assist produce or edit material. From the many examples evidenced at the hearing, I offer two. The major sports producer at TV3 is no longer shooting events. The Pundit Show program will be lost if the producers continue to be estranged from the station by the actions of the Board. While we are able to endlessly replay programs, the viewing audience has grown tired of the aging or aged replays. 11

The support network of TV3 has suffered without the input of dedicated and knowledgeable tenured members. Without a base of retained members, TV3 must rely on a few Board members to provide the services required in support tasks. When the base of members present and working on aspects of the programming process is not presently in the studio and will not be there in the future, the new members, if any, cannot benefit from the experience of these retained members. When this happens, the station can be deemed to be controlled by the few elected Board members who possess the technical expertise and qualifications that are needed to get a program on the air. This has happened at TV3 and programs have not been shown or pulled from the program menu 12 If membership access is available but service, support, crews, equipment and studio time is not then the station is deemed to be in the control of MCC. Thus rather than a public access station there is in effect an MCC access station.

The loss of members is a twofold problem. First, there is the loss of the individual. Second, there is the loss of an institution. Businesses who have built reputations over one year or many years do not wish to have their good name, associated with an organization which may cost them customers or good will in the neighborhood. Whether one simply rides thru the Medford community or consults a phone book under business listings, the loss of potential members and sponsors is apparent.

The Board and the General manager did not have recruiting and retaining membership as a priority for TV3. Early records demonstrate a membership decline from 2003-2005 that continued as evidenced by lack of crew, producers, and new programs in 2006-2008.

Nothing focuses on City issues more than the election of City Council and School Committee members. Yet, before Election Day, neither the General Manager and TV3 staff nor the producers among the MCC Board were able to resolve their differences and arrange to film the candidates. In a similar situation but one more troubling because the film had been shown and was later pulled and a notice appeared in the program spot that stated that the program was removed because it was offensive. This program was Medford Democratic Candidates Night Forum, which was co-produced by members with long standing tenure at TV3. The coverage of election issues at the Democratic Caucus

¹¹ A review of cable television websites illustrates the extent of the aged and out dated programs that were at issue at TV3 and, the available pool of possible programs that the station could access to augment its offerings during this crisis.

¹² The MCC manual provides that a member under suspension may not have his program shown, may not participate in another's program even if it is filmed off studio property.

was pulled from TV3 without anyone taking responsibility for resolving whatever problems existed and show. Failure to provide services or facilitate assistance that results in a public issues program not being viewed is a failure to provide outreach and services provided by Tasks 6 and 8 through 10. Alas, even the Medford City Parade, a traditional and much loved local event found it could not march to the beat of TV3.

If the making of films was the principle means of recruiting new members, it failed abysmally. With some purported 19 movies 13 completed at TV3, there is no conclusive evidence that it created a draw for new members. What did result was wear and tear on equipment, foregone opportunities for Medford access users, and TV3 staff time diverted to script writing, rehearsals, editing, shooting and the like. *See Rumley report. The number of policies and guidelines creates a potential chilling effect on many who may desire to join TV3 as members. The writing style and content of these documents can be unwieldy. In the Rumley report, they are termed "a compendium of policies and procedures". To understand the rules requires a high proficiency in English grammar and vocabulary. This is an obstacle for predominantly non-English speakers and those with learning difficulty. These documents are not user friendly to the larger local community.

To compound the problem, the Board can and has made changes to policy without notice to the membership. There is no addendum printed and no separate reprinted page to delineate the nature of the change or when it took effect. Due to the nonexistence of minutes, there is no way for anyone to be certain of the language of the change or its effective date.

At present conflicts between the By-laws and Policies and Procedures Manual exist. The wording of the Policies and Procedures Manual is confusing, ambiguous and internally inconsistent. Nevertheless, when the policy language is clear, the MCC Board has failed to follow its own policy. This has exacerbated conflicts between the Board and the membership. For example, the concept of membership captures these issues. The Bylaws require Board approval of membership which approval is made yearly at the annual meeting. The Policies and Procedures state that anytime during the year on a walk in basis a person may apply for membership. Dues are paid when the application is submitted. The person now has the ability to volunteer at the station and must take a class to become acquainted with the equipment. Membership requires as well that a person satisfy a number of volunteer hours and time working on productions of others. TV3 is responsible for maintaining records of the hours of volunteer and production time, yet its records are inaccurate or nonexistent. After suspension of a member ends, the policies provide for additional terms of membership admission. Finally, there is a question as to whether certain individuals have been given life memberships or honorary memberships. Neither Bylaws nor the Procedures provide for such membership categories.

The MCC Officers through its President have been dilatory at best in producing documents and records or adopting certain employee job descriptions and evaluation

¹³ There is some documentation for two films. The last was a January 2008 TreG's Co. production of musical comedy "the Mob-a Musical" with Grant Maley Smith. The second is a The Baker Street Production Co. of "Sunshine Away"

tools. Since 2005, there is an outstanding request for employee job descriptions. In 2006, the Board was put on notice that minutes had not been made, voted upon or retained. A serious issue in 2006, the President and Clerk published only two or three sets of minutes The President in 2008failed to provide records, which would complete the audit.

<u>Films</u>

The Craiglist advertisement for the prior General Manager position included, among other tasks, the production of movies. As the MCC Board had never acted on the advice of prior volunteers and others to create a job description or prepare a contract, the Station Manager was fully within her right to make movies for the use and on hands education of TV3 members. In an email Board Member (Carolyn) Rosen from Dawn Natalia Dawn writes, "At this point we are not producing any TV3 shows as all our time is taken up producing works that bring in money..... These works require a tremendous amount of work by the staff and volunteers and take up my weekends as well as my work week." Even though the Station Manager has resigned, many questions remain concerning these films. It is not a moot issue. For the Board was directly involved in these enterprises, therefore, it is still appropriate to address certain questions to them. Regarding film policies, of primary concern at this time is the utilization of TV3 staff and resources for films that provided private gain to others. MCC is still noncompliant with requests to provide a list of movies and summary of movie data.14.

Bylaws

Section 10 of the MCC Bylaws and the Massachusetts General Laws require that Roberts Rules of Order be used to conduct business.15 As stated by Alice Sturgiss in The Standard Code of Parliamentary Procedure, "Parliamentary law is the procedural safeguard that protects the individual and the group in the exercise of the rights of free speech". For a Board that voices its passion for free speech, to refusal to comply with these rules is shameless.

Robert's Rules set forth the duties of the Officer and the method of keeping minutes and managing financial records, The Board's failure to reference the Rules will not excuse any alleged malfeasance or the lack of sufficient records

President Pilleri and former Officers and the Board have failed to produce and maintain mandatory records and those that are maintained do no always meet even minimum requirements set forth in Robert's Rules. There is a need to determine if any such behavior runs to the level of malfeasance.

¹⁴ See supra.

¹⁵ See Appendix .

RECOMMENDATIONS

City Officials

Whether the City can make a substantial case to remove the MCC remains a decision for the City of Medford. However, for the reasons set forth above, a preliminary notice of "no confidence" should be filed with the Board as a formal notice of deficiencies in their contractual responsibilities. Should the Board continue to be noncompliant, the City may wish to take additional actions to ultimately terminate the MCC contract.

At this time or anytime in the near future, the City may wish to request that the Office of the Attorney General and/or the Secretary of State investigate MCC.

Board Members

While I acknowledge that the Board is not obliged to follow any recommendations, the seriousness of these matters requires that these recommendations be publicly expressed:

The Board needs:

- *To examine the issue of governance and to determine if the President, Treasurer or Clerk of the Board and/or any other members ought to be removed from office, sanctioned and disciplined for violations.
- *To examine the need for a stronger policy to curtail acts of discrimination on TV3 premises which is not occurring as part of filming. Should this be a suspendable offense?
- *To appoint MCC Board of Directors and committee heads that reflect the diversity of the greater Medford population.
- *To require all individuals who serve as Board members to participate in training in cultural awareness, Disability Awareness, and contract resolution.
- *To seek as advisor to the Board a PEG channel General Manager from a comparable stations such as Malden, Somerville and Reading.

Joint Effort

Both the Mayor's Office and the MCC should undertake outreach efforts to attract members.

Respectfully submitted

Non. Marie O. Jackson Thompson

Retired Justice

August 5, 2009