

TOWNSHIP OF ABINGTON

(4) PUBLIC AFFAIRS COMMITTEE

**June 1, 2016
7:00 P.M.**

CALL TO ORDER

**ROLL CALL: SPIEGELMAN – BOWMAN – SCHREIBER – ROTHMAN –
KALINOSKI**

**Township Manager LEFEVRE
Assistant Township Manager WEHMEYER
Township Solicitor CLARKE
Director of Parks and Recreation WENDELL**

MINUTES:

**Motion to approve the minutes of the May 4, 2016 Public Affairs
Committee Meeting.**

Parks and Recreation Report – Call on Doug Wendell

PA1. 2016 Capital Appropriation – Library’s Outdoor LED Sign

**Motion to reclassify \$40,000 of the 2016 Capital Appropriation
in order to repair Library’s outdoor LED sign.**

PA2. Penn State Permit Fee Agreement

**Motion to approve the Penn State Abington Permit Fee
Agreement memorializing the College’s financial obligations
related to the student housing project.**

PA3. Penn State Impact Fee Agreement

**Motion to approve the Penn State Abington Impact Fee
Agreement memorializing the College’s annual contribution of
\$100,000 to the Township reflective of its impact on the
community.**

PA4. Professional Service Agreement – Verizon Franchise Renewal

Motion to approve participation in the Montgomery County Consortium Inter-Governmental cooperative effort in retaining the services of the Cohen’s Law Group to assist with Franchise Renewal negotiations with Verizon Pennsylvania, Inc. with our initial payment from 2016 Contingency Funds.

BOARD ACTION REQUEST

PUBLIC AFFAIRS COMMITTEE

June 1, 2016

DATE

PA1
AGENDA ITEM NUMBER

DEPARTMENT

AGENDA ITEM

TOWNSHIP MANAGER

Library

MHM

2016 Capital Appropriation

nz

PREVIOUS ACTIONS

2016 Capital Appropriation in the amount of \$60,000 allocated to Library for basement ground water mitigation.

RECOMMENDED BOARD ACTION

Motion to reclassify \$40,000 of the above Capital Appropriation in order to repair Library's outdoor LED sign.

COMMENTS

BOARD ACTION REQUEST

PUBLIC AFFAIRS COMMITTEE

June 1, 2016
DATE

PA 2
AGENDA ITEM NUMBER

DEPARTMENT

AGENDA ITEM

TOWNSHIP MANAGER

Administration

Penn State
Permit Fee Agreement

net

PREVIOUS ACTIONS

On June 24, 2015 the Board of Commissioners approved the Land Development application of Penn State Abington to construct student housing at 1001 Old York Road. As part of the land development process Penn State indicated the township would receive \$722,522 in permits and fees from the project.

RECOMMENDED BOARD ACTION

Motion to approve the Penn State Abington Permit Fee Agreement memorializing the College's financial obligations related to the student housing project.

COMMENTS

The \$722,522 - Financial Commitment to the Township shall be provided as follows:

\$258,195 - Permit, Application, Sewer Fees

\$100,000 - Annual Impact Fee Obligation

\$364,327 - One-Time Improvement Funding payable over a two-year period in two equal installments.

BOARD ACTION REQUEST

PUBLIC AFFAIRS COMMITTEE

June 1, 2016
DATE

PA3
AGENDA ITEM NUMBER

DEPARTMENT

AGENDA ITEM

TOWNSHIP MANAGER

Administration

Penn State
Impact Fee Agreement



PREVIOUS ACTIONS

Penn State Abington has historically contributed funds to the Township on an annual basis to offset some of the costs associated with its operation.

RECOMMENDED BOARD ACTION

Motion to approve the Penn State Abington Impact Fee Agreement memorializing the College's annual contribution of \$100,000 to the Township reflective of its impact on the community.

COMMENTS

The Impact Fee Agreement provides for a term of five years with the annual contribution of \$100,000 broken down as follows:

Police overtime	\$20,000
Emergency Management Salary/Benefits	\$40,000
Athletic Field Maintenance	\$10,000
Scholarships	\$30,000

BOARD ACTION REQUEST

PUBLIC AFFAIRS COMMITTEE

June 1, 2016

DATE

PA4

AGENDA ITEM NUMBER

DEPARTMENT

AGENDA ITEM

TOWNSHIP MANAGER

Administration

Professional Service Agreement
Verizon Franchise Renewal



PREVIOUS ACTIONS

In 2007 the Township entered into a thirteen year Cable Franchise Agreement with Verizon. The terms of our Franchise Agreement were negotiated by the Cohen Law Group of Pittsburgh, as part of an Inter-Government Cooperative Agreement through the Montgomery County Consortium.

RECOMMENDED BOARD ACTION

Motion to approve participation in the Montgomery County Consortium Inter-Governmental cooperative effort in retaining the services of the Cohen Law Group to assist with Franchise Renewal negotiations with Verizon Pennsylvania, Inc. with our initial payment from 2016 Contingency Funds.

COMMENTS

Abington's cost for the services of the Cohen Law Group is dependent on the number of participating communities and will range from \$7,875 to \$9,450.



**PROPOSAL TO PERFORM
VERIZON CABLE FRANCHISE RENEWAL SERVICES**

submitted to the

MONTGOMERY COUNTY CONSORTIUM

by the

COHEN LAW GROUP

**413 South Main Street
Pittsburgh, PA 15215**

www.cohenlawgroup.org

(412) 447-0130

March 31, 2016

TABLE OF CONTENTS

	<u>PAGE</u>
I. INTRODUCTION	1
II. FRANCHISE RENEWAL BENEFITS	4
III. SCOPE OF SERVICES	8
IV. PROFESSIONAL BACKGROUND.....	12
V. COST OF SERVICES.....	14

I. INTRODUCTION

The Cohen Law Group (“CLG”) welcomes this opportunity to submit a proposal for legal services to assist the applicable municipalities of the Montgomery County Consortium (“Consortium”) in a cable compliance review and franchise renewal negotiations with Verizon of Pennsylvania, Inc. (“Verizon”). The franchise agreements between the Consortium municipalities and Verizon will be expiring soon. As such, now is the time to begin the franchise renewal process. Franchise renewal is the best opportunity for the municipalities to obtain significant benefits and to assert their legal rights with their cable company.

We anticipate that the renewal negotiations with Verizon will be more challenging than the last Verizon negotiations. When we negotiated the current agreements on behalf of the Consortium in 2005-2006, Verizon was just entering the cable television market and needed to obtain franchises from the municipalities to begin offering cable service. Now that Verizon is entrenched in the cable market with a solid subscriber base, we expect the company to take a more confrontational approach to renewal negotiations. Performing a cable compliance review and identifying non-compliance issues will help provide the Consortium with more leverage in these renewal negotiations.

There have also been dramatic changes in video technology since the inception of the current franchise agreements, including enhanced digital technology, increased high definition, expansion of video-on-demand, and internet-based video programming (sometimes referred to as video streaming or “over-the-top” technology). There have also been major changes in both Verizon’s cable operations and the level of priority the company now gives to municipalities. Finally, there have been changes in federal law and regulations applicable to cable franchising.

Given that the Consortium municipalities are now eligible for renewal, we recommend that

they do the following: 1) perform a cable compliance review to determine whether the cable operator has complied with its obligations under the current agreement; and 2) negotiate a new agreement that addresses the changes since the last franchise and secures maximum benefits for Consortium municipalities. Our law firm had the privilege of assisting the Consortium in its last franchise negotiations with Verizon and would appreciate the opportunity to do so again.

Municipal officials have three critical roles when it comes to renewing (or, in the rare circumstance, not renewing) a cable franchise. First, municipal officials are effectively the landlords of their cable company. The cable company utilizes the municipality's public rights-of-way to operate its cable system. Municipal officials manage those rights-of-way as a public trust and are entitled to a fair return for the cable company's use of those public properties. This includes both financial and non-financial benefits for the municipality.

Second, municipal officials have an obligation to protect and advance the interests of their residents. This means not only getting the best services from the cable operator today, but also doing everything possible to prepare for the future. The field of telecommunications is changing so rapidly that it is difficult to predict with certainty the technologies that will be offered in the future. A cable franchise agreement must provide for the benefits available from existing technologies as well as those that may become available from future technologies.

Third and finally, municipal officials are consumers of telecommunications services in all three forms – television, internet, and telephone. From internet access at the Municipal Building to television service at the Fire Station, municipalities use a wide range of telecommunications services. They are entitled, therefore, to the most efficient, state-of-the-art services at the best possible prices.

CLG is uniquely qualified to represent the Consortium in cable franchise renewal negotiations. For over 18 years, our firm has specialized in cable franchise matters on behalf of

municipalities, and our attorneys have negotiated many more franchise agreements than any other law firm in Pennsylvania and surrounding states. We have represented over four hundred (400) municipalities in six states negotiations with their cable companies. Our firm has also negotiated numerous agreements with Verizon. We know Verizon's corporate policies and we know their negotiating tactics.

The principal of the firm is Dan Cohen. Aside from his credentials as a telecommunications attorney, Mr. Cohen is especially qualified to represent municipalities because he was a municipal official himself. As a member of the Pittsburgh City Council from 1990 to 2002, Mr. Cohen has first hand knowledge of the challenges and opportunities confronting municipal governments. With twelve years' experience in municipal government, he understands the practical needs and the financial constraints facing municipal officials. In addition, the Cohen Law Group includes attorney Phil Fraga, attorney Stacy Browdie, attorney Natausha Horton, law clerk Mike Roberts, and administrative assistant Akila Iyer.

CLG has developed a three-step approach to cable franchise renewal projects. The first step is identifying the client's specific needs. Since these needs often become better defined as the negotiation progresses, our attorneys maintain flexibility throughout the process to achieve a cable franchise agreement that accomplishes the client's specific goals. Second, our attorneys negotiate firmly and deliberately in order to reach agreement in a timely fashion. Our franchise agreements achieve maximum benefits for our clients. Finally, our attorneys work efficiently in a manner that is cost effective for our clients. We are keenly aware of the fiscal constraints facing municipalities, and focus, therefore, on keeping attorneys' fees and costs as low as possible.

II. POTENTIAL FRANCHISE BENEFITS

There are significant benefits available to municipalities in a cable franchise renewal agreement. The key to receiving these benefits is to know the law and regulations relating to each benefit and to negotiate firmly to obtain them from the cable operator. The following is a list of some of the more important potential benefits:

1. **Franchise Fee Revenue.** Under federal law, municipalities may assess a franchise fee of up to five percent (5%) of the cable company's "gross revenues" for cable services derived from their municipality. The central subject of negotiation with the cable operator is the specific revenue sources to be included in the definition of "gross revenues". CLG has developed a comprehensive list of cable operator revenue sources to which municipalities may apply the franchise fee. Currently numbering 26 revenue sources, the list is expanded regularly depending on the increasing number of fees being charged by the cable operator. While the definition of "gross revenues" in the Consortium's current agreements was comprehensive in 2006, Verizon now charges additional fees that should be added to the definition of "gross revenues" in the new agreement.
2. **Franchise Fee Accountability.** In addition to franchise fee revenue, it is also essential for municipalities to require franchise fee protection and accountability. In a franchise agreement, these include detailed franchise fee verification reports, the right to conduct comprehensive franchise fee audits with penalties for underpayments, as well as new

protections against franchise fee reduction due to bundled service packages (also referred to as the “triple play” of television, internet, and phone services).

- 3. Cash Franchise Grant.** In addition to franchise fee revenue, we will negotiate for cash franchise grants from Verizon. The availability, amount, and distribution schedule of such grants depend upon the give-and-take of the cable franchise negotiations. Our firm was able to secure a cash grant from Verizon for each of the participating municipalities in the last negotiation and it will be our goal to obtain a greater grant in this renewal.
- 4. Free Services.** It is common in a franchise agreement for cable companies to agree to provide complimentary cable television and/or internet services to community facilities. The types and amount of free services are different for different cable operators. The major subject of negotiation is the number of community facilities (including municipally owned and operated buildings, public and private schools, and public libraries) that obtain the service, and the type and level of service obtained.
- 5. Cable System Upgrade.** Depending on technical features of the current cable systems serving the Consortium, it may wish to negotiate a time frame for an upgrade or rebuild of the cable system. It is essential to know the specifications of the cable system and whether or not it is technologically current. Even if the system is technologically

current, it is important to include the technical specifications of the system in the franchise renewal agreement.

6. Customer Service Standards. In a franchise agreement, municipalities may impose customer service standards on the cable company to which the company must adhere. It is important to include comprehensive and enforceable standards, including but not limited to, telephone answering time limits for customer service representatives, refunds for service interruptions, rules for resolving customer billing disputes, time limits for cable technicians to arrive at your home, a prohibition against the premature application of late fees, and rules respecting subscriber privacy.

7. Public, Educational and Governmental (PEG) Channels. Municipalities have a legal right under federal law to dedicated channel space for public, educational and governmental (“PEG”) programming. The PEG Channels may be used to inform citizens by broadcasting public safety alerts, announcements regarding local government activities, public meetings and/or community, educational and athletic programs. For municipalities that currently operate PEG Channels or wish to activate them in the future, we will include protections in the franchise agreement pertaining to the municipality’s control over the channel(s), distribution of PEG signals to all customers, installation of return lines, technical quality of the channel(s), responsibility for equipment maintenance and other related requirements.

- 8. Reporting Requirements.** It can be helpful for municipalities to obtain periodic information from the cable operator related to financial and customer service issues. A franchise agreement may require the cable operator to provide written reports to the municipality on such matters as franchise fee verification, customer complaints, construction activity in the public rights-of-way, and the cable company's financial condition.
- 9. Legal Protections of the Rights-of-Way.** Because cable companies place wires and equipment in the public rights-of-way, it is critical that a cable franchise agreement include legal protections for any damages or injuries that may occur. These protections include safety standards for construction and installation, requirements for repair and restoration of property damage, emergency removal of equipment, indemnification of the municipality, and full insurance coverage.
- 10. Enforcement.** Once the cable operator agrees in a franchise agreement to provide certain benefits, the Consortium municipalities must be able to enforce these obligations. It is essential to include strict and practical enforcement tools to ensure the company's faithful performance of its obligations under the agreement. These tools may include, but are not limited to, monetary fines on a daily basis, a substantial performance bond, and the right to revoke the franchise in extreme circumstances.
- 11. Length of Term.** Because telecommunications technology changes so rapidly, municipalities typically seek a shorter length of term in the

franchise renewal agreement. On the other hand, cable companies typically seek longer terms to protect their capital investment in the cable system. The difference between these two positions is resolved through negotiation.

III. SCOPE OF SERVICES

The following is the scope of services that the Cohen Law Group will perform if hired to assist the municipalities of the Consortium in cable franchise renewal with Verizon.

A. Preliminary Setting of Priorities

We will arrange an initial client meeting with municipal officials from all participating municipalities. During the meeting, we will describe the cable franchise process, including both the formal and informal processes prescribed by Section 626 of the federal Cable Act, 47 U.S.C. §546. We will also advise the officials regarding their legal rights, including the substantive areas in which the Consortium municipalities have legal authority over the cable operator and those areas in which their legal authority is limited. In addition, we will outline the potential financial and non-financial benefits available to the municipalities as well as solicit the concerns and needs of the officials with respect to the cable operator.

Finally, we will provide the Consortium municipalities with public notice and written talking points for a public hearing on cable franchise renewal. Section 626 includes a “notice and comment” requirement, and we typically recommend that this requirement be satisfied by a public hearing inviting citizen input. We will also advise the municipalities with respect to any other legal and regulatory requirements pertaining to franchise renewal.

During this preliminary phase, we recommend that the municipalities perform a cable

compliance review to determine whether Verizon has complied with its obligations under the current agreements. The current Verizon agreements contain numerous financial, legal, and technical obligations and vest the municipalities with the power to enforce these obligations. Franchise renewal is the single best time to perform such a review, because, if violations are discovered, the Consortium has more leverage to address and resolve them in the context of cable franchise renewal and a better chance of obtaining more benefits in the renewal agreement. The scope of services for a cable compliance review is discussed in more detail below.

B. Cable Compliance Review

The federal Cable Act requires that municipalities, as part of cable franchise renewal, review the cable operator's past performance and identify their future cable-related needs. A cable compliance review is a key component of assessing the cable operator's past performance. It is the best method to hold the operator accountable for requirements set forth in the agreement and to ensure that any violations that are discovered are corrected during the remaining franchise term. CLG has extensive experience in performing cable compliance reviews on behalf of municipalities throughout Pennsylvania. We often find cable operator violations on a variety of issues ranging from build-out requirements to franchise fee underpayments to customer service violations.

The major obligations that would be investigated through a cable compliance review include, but are not limited to, the following provisions in the current franchise agreements. We will determine whether Verizon has complied with all the requirements related to:

- Cable System Build-Out and Service to Unserved Areas
- Limited Franchise Fee Review
- Payment of Cash Franchise Grants, Including Both Initial Grants and Annual Grants

- Compliance with Customer Service Standards
- Free Services to Community Facilities
- Insurance and Indemnification Requirements
- Educational and Governmental Channel Requirements

We will request and review five (5) years' worth of compliance documentation for each participating municipality since that is the amount of time by which Verizon is required to maintain its records. We will then prepare a written report to each of the participating municipalities that summarizes the results of the cable compliance review for their municipality, as well as the procedural history and areas of inquiry.

C. Drafting of Proposed Agreement

After the setting of priorities stage and the cable compliance review is completed, our attorneys will draft a proposed master franchise agreement with Verizon that provides the Consortium municipalities with all of the benefits and legal protections to which they are entitled under current law and current technology. The agreement will include the results of the setting of priorities and cable compliance review stages discussed above, as well as our judgment as to the legal provisions that would advance the Consortium's interests and meet the municipalities' future cable-related needs. We will then submit the draft agreement to each municipality for informal review and comment. Any suggested changes will be incorporated into the agreement and the proposed agreement will be presented to representatives of Verizon.

D. Negotiation with Cable Operator

The most important stage in the process is negotiating a franchise renewal agreement with representatives of Verizon. CLG has negotiated hundreds of agreements with Verizon on behalf of Pennsylvania municipalities. We know Verizon's company's policies and its negotiating tactics.

The working document for these negotiations will be the draft franchise agreement informally approved by the clients. We will preserve the Consortium's legal rights under the formal process, but negotiate with Verizon under the informal process outlined in the federal Cable Act.

We anticipate that the renewal negotiations with Verizon will be more challenging than the last Verizon negotiations. When we negotiated the current agreements in 2005-06, Verizon was entering the cable television market and needed to obtain franchises from the municipalities in order to begin offering cable service. Now that Verizon is entrenched in the cable market, we expect the company to take a more confrontational approach to renewal negotiations. That being said, even with these changes, we are confident that we will be able to negotiate strong renewal agreements with Verizon.

The negotiation typically consists of at least two face-to-face negotiation sessions with representatives of the cable operator, multiple conference call negotiations, status conferences with the clients, multiple revisions of the proposed franchise agreement, redrafting specific franchise agreement provisions, and editing the final draft of the master agreement. We will then proceed to customize the master agreement to each individual municipality, including substantive provisions requested by each of the municipalities.

E. Consideration by the Municipal Governing Bodies

After tentative agreement with Verizon has been reached, CLG will report to each municipality on the substantive provisions of the deal. Specifically, we will present the participating municipalities with their final customized franchise agreement (and any side agreements) negotiated by the parties and recommended by CLG. We will also draft an executive summary of the major provisions of the final agreement. Finally, we will draft a customized short-form ordinance

authorizing approval of the agreement for consideration by each Township Board and Borough Council.

Given the amount of work involved in the cable compliance review, the challenges inherent in obtaining information and documents from Verizon, the anticipated time frame for negotiating a master renewal agreement with Verizon, and the fact that the current agreements expire in 2018, we **expect that this entire project will take approximately two years in duration.**

IV. PROFESSIONAL BACKGROUND

The Cohen Law Group specializes in representing municipalities in cable and telecommunications matters. Collectively, our attorneys have worked on cable and telecommunications issues on behalf of municipalities for fifty (50) years. CLG has represented over four hundred (400) municipal clients in six states in negotiations with cable companies and telecommunications providers.

Our firm has negotiated with major national companies as well as smaller regional companies to obtain benefits for our clients. We have also negotiated many agreements with Verizon.

CLG's full array of legal services to municipal clients include the following:

- Drafting cable franchise agreements
- Review of current and proposed franchise agreements/ordinances
- Cable franchise renewal negotiations with cable companies
- Franchise fee audits
- Drafting of right-of-way ordinances and development of right-of-way fees
- Right-of-way management and enforcement
- Drafting pole attachment agreements
- Pole attachment negotiations with cable and telephone companies
- Transfer or sale of franchise ownership or control
- Cable compliance reviews
- Evaluation of public, education and governmental ("PEG") channels
- Identification and marketing of municipality's vertical assets to wireless firms
- Development of wireless facilities ordinances

- Negotiation with cellular tower and antenna companies
- Wireless facility litigation

As an active member of the National Association of Telecommunications Officers and Advisors (NATOA) and other professional organizations, CLG stays current with frequent changes in cable and telecommunications law. Dan Cohen has written articles on cable franchising and telecommunication matters that have been published in *Public Management Magazine*, *Government Procurement Magazine*, *Pennsylvania Township News* and *Pennsylvania Borough News*. He is also a frequent speaker at regional and national municipal conferences.

In addition to providing professional counsel to municipalities on cable and telecommunications matters, Mr. Cohen served as an elected municipal official for twelve (12) years. He served on the Pittsburgh City Council from 1990 to 2002. As a result, he has first hand knowledge of the challenges and opportunities confronting municipal governments. Mr. Cohen served as Chair of City Council's Cable Television Committee for ten years and also served on the Mayor's Telecommunications Committee. Mr. Cohen led Pittsburgh's efforts to regulate cable rates in the early 1990's. Those efforts resulted in a refund ordered by the Federal Communications Commission for all City of Pittsburgh cable customers. Mr. Cohen graduated from Yale University and Stanford Law School.

Attorney Phil Fraga brings significant private sector experience to his role in serving as outside counsel to municipalities. Mr. Fraga served as assistant general counsel to a major cable company and was counsel to two telecommunications companies prior to joining the firm in January of 2006. His industry experience and his understanding of the operations of cable and telecommunications providers have proven invaluable for our clients. Mr. Fraga has negotiated hundreds of cable franchise agreements with cable providers. Mr. Fraga has undergraduate degrees

from Bethany College (finance) and Carlow College (accounting), an MBA from the University of Steubenville, and a law degree from the Duquesne University School of Law.

Attorney Natausha Horton served as a Law Clerk to the Pennsylvania Supreme Court prior to starting with the Cohen Law Group. Ms. Horton also served as the Law Clerk for the Chapter 13 Bankruptcy Trustee for the Western District of Pennsylvania. There she worked with debtors and creditors to establish bankruptcy repayment plans and monitored the accounting and computation of such payments to the Trustee. At CLG, Ms. Horton has concentrated primarily on franchise fee audits, cable franchise negotiations, and wireless facilities negotiations. She graduated *summa cum laude* from the University of Pittsburgh and received her law degree at the University of Pittsburgh School of Law.

Attorney Stacy Browdie has been an integral part of the firm since its inception. She has many years of experience working with municipalities in cable and telecommunications matters. While adept in many areas of the firm's practice, Ms. Browdie concentrates primarily in cable franchise agreements, franchise fee audits, right-of-way management and PEG channels. Ms. Browdie also oversees the business management of the firm. She graduated from the University of Pennsylvania and from the University of Pittsburgh School of Law.

V. COST OF SERVICES

The following represents CLG's cost of services to perform cable compliance review and cable franchise renewal services. We propose to perform these services on a flat fee basis, because our significant experience in performing cable compliance reviews and in negotiating cable franchise agreements lends predictability to our efforts on behalf of the Consortium. In addition, a flat fee provides "price certainty" to the municipalities.

As shown below, we are offering our services to the Consortium at a discounted rate depending on the population of each municipality and the number of municipalities that participate. We offer these discounts because there are economies of scale in representing a multi-municipal group and because the Consortium is a returning client to our firm. The following shows our standard flat fees followed by the discounted fees being offered to the Consortium.

**FLAT FEE PRICE SCHEDULE FOR CABLE COMPLIANCE REVIEW AND
FRANCHISE RENEWAL NEGOTIATIONS WITH VERIZON**

Standard Single Municipality Fees (by population prior to discount)

1-6,000	\$6,500
6,001-15,000	\$7,500
15,001-20,000	\$8,500
20,001-30,000	\$9,500
30,001+	\$10,500

Consortium Discounted Fees (based on population and the number of participating municipalities)

2-10 Municipalities - 10% Discount from the fees shown above based on population

1-6,000	\$5,850
6,001-15,000	\$6,750
15,001-20,000	\$7,650
21,001-30,000	\$8,550
30,001+	\$9,450

11-20 Municipalities – 15% Discount from the fees shown above based on population

1-6,000	\$5,525
6,001-15,000	\$6,375
15,001-20,000	\$7,225
20,001-30,000	\$8,075
30,001+	\$8,925

21-30 Municipalities – 20% Discount from the fees shown above based on population

1-6,000	\$5,200
6,001-15,000	\$6,000
15,001-20,000	\$6,800
21,001-30,000	\$7,600
30,001+	\$8,400

30+ Municipalities - 25% Discount from the fees shown above based on population

1-6,000	\$4,875
6,001-15,000	\$5,625
15,001-20,000	\$6,375
21,001-30,000	\$7,125
30,001+	\$7,875

The flat fees above do not include the unlikely possibility of extraordinary services outside the scope of services contained in this proposal or any significant unforeseeable developments. In the event of such extraordinary or unforeseeable developments, CLG will contact the affected municipalities to discuss such developments prior to rendering services related to them. If such services are authorized, CLG would charge a fee of \$225 per hour, including travel time. Finally, the flat fee above does not include expenses, such as any travel, postage and copying expenses, which are kept to a minimum and divided among all participating municipalities.

Please note that our normal billing policy is to bill one-third of the fee at the commencement of the project, one-third at the middle of the project, and one-third at the conclusion of the project. **We expect this project to take approximately two years in duration.** Thank you for the opportunity to submit this proposal.

_____, 2016

Daniel S. Cohen
Cohen Law Group
413 South Main Street, 3rd Floor
Pittsburgh, PA 15215

RE: Engagement Letter for Cable Franchise Renewal with Verizon

Dear Mr. Cohen:

This is to inform you that _____ has decided to engage the services of the Cohen Law Group (“CLG”) to assist in a cable compliance review and franchise renewal negotiations with Verizon Pennsylvania, Inc. This engagement is made pursuant to the Proposal to the Montgomery County Consortium (“Consortium”) dated March 31, 2016 (“Proposal”). The Proposal includes the scope of services for the project as well as the cost of services on a flat fee basis. We understand that CLG will bill one-third of each project by invoice upon engagement, one-third at the middle of each project, and one-third upon completion of each project. We further understand that any out-of-pocket expenses on our behalf will also be invoiced and divided among all participating municipalities.

While we are engaging the Cohen Law Group individually and, upon conclusion of the project, our municipality will obtain its own individual franchise agreement, we understand that this project will be in conjunction with other participating municipalities of the Consortium. This joint effort will increase our negotiating leverage and reduce our attorneys’ fees. As described in the Proposal, CLG’s fee will be discounted based on the number of municipalities that participate in the project. We look forward to working with your firm and obtaining all of the financial and other cable-related benefits to which we are entitled.

Sincerely yours,

Name: _____

Title: _____

Date: _____