

2017 ANNUAL REPORT

**SOUTHWEST SUBURBAN
CABLE COMMISSION ("SWSCC")**

Prepared by:

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TABLE OF CONTENTS

2017 SWSCC Members	1
2017 SWSCC Meetings	1
2017 SWSCC Expenses/Income.....	2
2017 SWSCC Meeting Minutes	Exhibit A

2017 SWSCC Members

Chair: *Patty Latham, IT Manager - City of Minnetonka
Vice Chair: *Rick Getschow, City Manager - City of Eden Prairie – October 2016 to present

Secretary/Treasurer: *Scott Neal, City Manager - City of Edina - October 2016 to present

Directors: *Rick Getschow, City Manager - City of Eden Prairie
Kathy Nelson, Council Member - City of Eden Prairie
*Scott Neal, City Manager - City of Edina
Mary Brindle, Council Member - City of Edina
*Ari Lenz, Assistant City Manager – City of Hopkins
Kristi Halverson, Council Member - City of Hopkins
*Patty Latham, IT Manager - City of Minnetonka
Dick Allendorf, Council Member - City of Minnetonka
*Steve Devich, City Manager - City of Richfield
Pat Elliot, Council Member - City of Richfield

Commission Staff: Brian T. Grogan, Attorney/Administrator
*Designates member of Managers' Committee

2017 SWSCC Meetings

As indicated below the Southwest Suburban Cable Full Commission met two times during 2017. The meeting minutes are attached hereto as Exhibit A.

1. Full Commission Meeting - Wednesday, April 19, 2017; and
2. Full Commission Meeting - Wednesday, October 25, 2017.

2017 SWSCC Expenses/Income

1. **2017 Annual Operating Budget.** The 2017 budget was approved by the Commission at the October 26, 2016 meeting.

	<u>2017 Budget</u>
Legal and Administrative Costs	\$45,000.00
Seminar Expenses	
MACTA Conference	\$1,050.00
NATOA Conference	\$2,600.00
Insurance	
League of MN Cities	\$2,100.00
Memberships	
MACTA	\$3,500.00
NATOA	\$550.00
Alliance for Community Media	0
Access Playback Personnel	\$35,000.00
Web Support	\$440.00
SWTV Marketing	\$1,000.00
Contingency	<u>\$6,500.00</u>
Total Operating Expenses	\$97,740.00
Playback Equipment Contingency	\$5,000.00
City of Bloomington Access Studio	<u>\$15,000.00</u>
Total Capital Expenses	\$20,000.00
TOTAL EXPENSES	\$117,740.00

2. **2017 CenturyLink and Comcast Franchise Fee Payments**

2017 FRANCHISE FEE PAYMENTS - SOUTHWEST SUBURBAN CABLE COMMISSION

Member City	2017 1st Quarter		2017 2nd Quarter		2017 3rd Quarter		2017 4th Quarter		2017 Total	% of Total
	CenturyLink	Comcast	CenturyLink	Comcast	CenturyLink	Comcast	CenturyLink	Comcast		
Eden Prairie	\$6,332.12	\$213,507.01	\$6,622.01	\$216,524.24	\$4,561.37	\$223,532.13	\$4,237.56	\$216,981.32	\$892,297.76	27%
Edina	\$1,495.27	\$215,012.79	\$1,689.10	\$219,408.39	\$1,544.98	\$227,792.69	\$1,153.96	\$221,761.96	\$889,859.14	27%
Hopkins	\$1,776.04	\$57,205.81	\$2,138.36	\$58,356.32	\$1,350.78	\$60,059.54	\$1,561.80	\$58,447.80	\$240,896.45	7%
Minnetonka	\$3,482.11	\$208,707.11	\$3,561.57	\$213,591.86	\$2,627.64	\$220,563.04	\$2,520.60	\$214,763.93	\$869,817.86	27%
Richfield	\$4,013.52	\$89,802.23	\$3,979.78	\$91,002.83	\$2,509.11	\$93,670.23	\$3,008.90	\$91,778.26	\$379,764.86	12%
TOTAL	\$17,099.06	\$784,234.95	\$17,990.82	\$798,883.64	\$12,593.88	\$825,617.63	\$12,482.82	\$803,733.27	\$3,272,636.07	100%

EXHIBIT A
MINUTES
Southwest Suburban Cable Commission
Wednesday, April 19, 2017

At approximately 4:05 p.m. Ms. Patty Latham called the meeting to order. Those present: Mr. Rick Getschow and Kathy Nelson of Eden Prairie, Mr. Scott Neal and Ms. Mary Brindle of Edina, Ms. Ari Lenz and Ms. Kristi Halverson of Hopkins, Ms. Patty Latham of Minnetonka and Mr. Steve Devich of Richfield. Guests present: Mr. Dietrich Nissen, SWTV Access Coordinator - City of Edina; Ms. Karly Werner-Baraga of Comcast; Ms. Mary LaFave and Ms. Kirstin Sersland of CenturyLink. Staff present: Mr. Brian Grogan and Ms. Terri Hammer of Moss & Barnett.

1. CONSENT AGENDA

Mr. Devich moved to accept the Consent Agenda items and Mr. Neal seconded the motion. Ms. Latham called for a vote on the motion and all those present voted in favor of adopting the consent agenda items.

2. NEW BUSINESS

A. 2017 List of Directors. Mr. Grogan referenced the 2017 list of contacts for the Commission's information only.

B. 2016 Annual Report. Mr. Grogan briefly described the Annual Report. Mr. Neal moved to approve the 2016 Annual Report. Motion was seconded by Mr. Getschow and the motion passed. Ms. Hammer will distribute the 2016 Annual Report to a representative of each member city.

C. 2017 Election of Officers. The current officers were elected in 2016 and are as follows: Patty Latham – Chair; Rick Getschow - Vice Chair; and Scott Neal - Secretary/Treasurer and shall hold office for a term of two years, unless an existing officer desires to resign. No existing officer indicated a desire to resign.

3. SECRETARY/TREASURER'S REPORT

A. Insurance Waiver. Mr. Neal moved to "not waive" the monetary limits on municipal tort liability insurance and Mr. Devich seconded the motion. Motion passed.

B. Treasurer's Report and Approval of Claims. Mr. Getschow moved to accept the Claims Report and Treasurer's Report as provided in the agenda packet and Ms. Brindle seconded the motion. Motion passed.

4. ATTORNEY/ADMINISTRATOR REPORT

A. Franchise Compliance Update

i. Confidence Feed at Edina City Hall – Mr. Grogan explained that to date the Commission has waited approximately 18 months for CenturyLink to comply with the franchise obligation to provide a confidence feed to the Edina City Hall so that it can monitor the PEG channels. The Commissioners agreed to shift this matter to the Manager’s Committee for monitoring, necessary follow-up, and to report progress to the Commission at the October 2017 meeting. CenturyLink staff assured the group that this project has been escalated as a priority.

ii. HD Programming in Hopkins – As soon as Hopkins purchases HD equipment and is able to provide an HD signal to CenturyLink, then CenturyLink will connect the HD signal from Hopkins to CenturyLink’s head end. Richfield reported that it began submitting an HD signal to CenturyLink in March of 2017.

iii. PEG Fee Increase - Mr. Neal moved to notify CenturyLink and Comcast of the PEG fee increase from \$.60 to \$.65 as provided in each member cities’ franchise agreement with both cable operators. Ms. Nelson seconded the motion. Motion passed.

iv. Customer Service Update – Several subscriber complaints were received regarding fees to disconnect service (regarding both operators). Mr. Grogan reminded the group that this may be due to a contract the subscribers agreed to when initially requesting service.

v. Franchise Fee Review/Audit – Mr. Grogan explained that the member cities are nearly half-way through the 10 year franchise term with Comcast. Staff will consider budget implications for 2018. Further discussion will be held at the October 2017 meeting. Mr. Brindle moved to conduct a review of Comcast and CenturyLink franchise fee payments in 2018 for the years ended 2016 and 2017. Mr. Devich seconded the motion. Motion passed.

B. Legislative Update

i. State – Mr. Grogan updated the Commission on the many issues going on at the state legislature and as distributed in the agenda packet.

ii. Federal - Mr. Grogan summarized the information included in the agenda packet for the Commission.

C. 2017 Conference Dates - Mr. Grogan discussed the various 2017 annual conferences. Mr. Nissen and Ms. Latham plan to attend the NATOA conference in September 2017.

D. SWTV Update – Mr. Grogan referenced the Bloomington studio usage charts included in the agenda packet. Mr. Nissen presented the 2017 SWTV update as provided in the agenda packet.

5. MANAGER’S COMMITTEE REPORT

The Managers’ Committee had nothing new to report.

6. COMPANY REPORTS

Comcast - Ms. Baraga reported Comcast's National Volunteer Day is Saturday, April 22, 2017. She also mentioned two new business service builds in Eden Prairie and Edina. Comcast has a new VP of External Affairs, Ron Orlando.

CenturyLink - Ms. Sersland reported information and updates are provided in the quarterly meetings held as an obligation of the member cities' franchises.

7. NEXT MEETING DATE

The next regular Full Commission meeting is Wednesday, October 25, 2017 at 4:00 p.m. in Hopkins or Minnetonka.

Mr. Devich moved to adjourn at 5:15 p.m. and Ms. Nelson seconded the motion.

MINUTES
Southwest Suburban Cable Commission
Wednesday, October 25, 2017

At approximately 4:08 p.m. Ms. Patty Latham called the meeting to order. Those present: Ms. Mary Brindle of Edina, Ms. Kristi Halverson of Hopkins, Ms. Patty Latham and Mr. Perry Vetter of Minnetonka, and Mr. Steve Devich of Richfield. Guests present included Mr. Dietrich Nissen, SWTV Access Coordinator - City of Edina, and Mr. Jeff Strate, Access Producer. Staff present: Mr. Brian Grogan and Ms. Terri Hammer of Moss & Barnett.

1. CONSENT AGENDA

Ms. Halverson moved to accept the Consent Agenda items and Ms. Brindle seconded the motion. Motion passed.

2. ATTORNEY/ADMINISTRATOR REPORT

A. SWTV Update and HD Upgrade. Mr. Nissen provided an update on SWTV since the last Full Commission meeting. A large portion of Mr. Nissen's presentation included proposals for HD equipment from three vendors. Mr. Devich noted that member cities should use PEG Fees to pay for any equipment purchases.

B. Bloomington Studio Usage and 2017 Contract. Mr. Grogan recommended the Commission renew the contract with the City of Bloomington for 2018 under the same terms and conditions.

C. State Legislative Update. There was nothing new to report.

D. Federal Legislative Update. Updates included in the agenda packet were discussed.

E. FCC Wireline Comments. The Commission participated in a joint filing with the FCC regarding the promotion of promoting broadband. A copy is included in the agenda packet.

F. Operator Fees and Related Information. The materials in the agenda packet were discussed.

G. PEG Fee Increase. Effective August 1, 2017. The PEG Fee submitted to the member cities by Comcast and CenturyLink increased on August 1, 2017 from \$.60 to \$.65 pursuant to each cable operator's franchise.

H. 2018 Franchise Fee/PEG Fee Review. Staff will solicit proposals to conduct a review of the franchise fees and PEG fees collected by CenturyLink and Comcast during the calendar years ended December 31, 2016 and 2017. This will occur in the calendar year 2018.

3. SECRETARY/TREASURER'S REPORT

- A. Treasurer's Report and Approval of Claims.
- B. 2018 Budget. Consensus of the group was that approval of the 2018 budget be passed on to the Manager's Committee and based upon the status of cash flow.

4. MANAGER'S COMMITTEE REPORT – Nothing to report.

5. COMPANY REPORTS

- A. CenturyLink - No representative in attendance. On Oct. 26th Kirstin Sersland provided a written update which included completion of the confidence feed installation, acknowledgement of the PEG Fee increase and a new Price for Life internet rate promotion.
- B. Comcast – No representative in attendance.

6. NEXT MEETING DATE

The next regular Full Commission meeting is Wednesday, April 25, 2018 at 4:00 p.m. at the Hopkins City Hall.

Mr. Devich moved to adjourn at 5:12 p.m. and Ms. Brindle seconded the motion.