SOUTHWEST SUBURBAN CABLE COMMISSION

FULL COMMISSION MEETING
Prairie Room - Eden Prairie City Hall
8080 Mitchell Road, Eden Prairie, MN 55344

October 24, 2018 - 4:00 PM

COMMISSION MEMBERS

Rick Getschow, City Manager, Vice Chair
City of Eden Prairie

Kathy Nelson, Council Member
City of Eden Prairie

Scott Neal, City Manager, Secretary/Treasurer
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, Chair
City of Minnetonka

Deb Calvert, Council Member
City of Minnetonka

Steve Devich, City Manager
City of Richfield

Pat Elliott, Council Member
City of Richfield

STAFF

Brian T. Grogan, Attorney/Administrator
Moss & Barnett

Terri Hammer, Administrator
Moss & Barnett

Call to Order

Roll Call

			Item Type	***Page***
1.	***Consent Agenda -*** Adoption of the Consent Agenda is made by the Commission. Consent agenda items are considered to be routine and will be enacted by one motion. There will be no separate discussion of such items unless a Commission Member or citizen so requests, in which case the item will be removed from the Consent Agenda and considered in its normal sequence of the Agenda.		Action	1
	(A)	Agenda approval		
	(B)	Minutes of the April 25, 2018 meeting		2
2.	***Attorney/Administrator Report***			
	(A)	SWTV Update		4
	(B)	Bloomington Studio	Information	
		i. Usage	Information	12
		ii. City of Bloomington Agreement	Action	14
	(C)	Franchise Fee Review Update – Comcast/CenturyLink	Information	15

	(D)	FCC Rulemaking	Action	16
		i. 2018 correspondence	Information	
3.	***Secretary/Treasurer's Report***			
	(A)	Treasurer's Report and Approval of Claims	Action	20
	(B)	SWTV Equipment Replacement	Action	23
	(C)	2019 Budget	Action	24
4.	***Manager's Committee Report***		Information	26
5.	***Company Reports***			
	(A)	CenturyLink	Information	27
	(B)	Comcast	Information	36
6.	***Next Meeting***			
		Wednesday, April 24, 2019 at 4:00 p.m. – Edina ?	Information	37

Southwest Suburban Cable Commission		Agenda Item No. 1(A-B)
Agenda Approval and Minutes of the April 25, 2018 meeting	**Staff**	**October 24, 2018**

ACTION REQUESTED:
The Consent Agenda consists of two (2) items. A single vote is all that is necessary. Unless a specific request is made, there generally is not discussion on Consent Agenda items.

BUDGET IMPLICATIONS:
None

SUPPORTING DOCUMENTATION:
Attached please find the minutes from the April 25, 2018 Full Commission meeting.

STAFF COMMENTS AND/OR RECOMMENDATIONS:
Approve

MINUTES
Southwest Suburban Cable Commission
Wednesday, April 25, 2018

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 and Ms. Deb Calvert of Minnetonka and Mr. Steve Devich of Richfield. Guests present: Mr. Dietrich Nissen, SWTV Access Coordinator - City of Edina; Ms. Kate Hensing and Mr. Ron Orlando of Comcast; and Mr. Jeff Strate, Access Producer. 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 Ms. Halverson 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. 2018 List of Directors. Mr. Grogan referenced the 2018 list of contacts for the Commission's information only.

B. 2017 Annual Report. Mr. Grogan briefly described the Annual Report. Ms. Nelson moved to accept the 2017 Annual Report. Motion was seconded by Ms. Brindle and the motion passed. Ms. Hammer will finalize and distribute the 2017 Annual Report to a representative of each member city.

C. 2018 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. All current officers agreed to continue in their current role for another two-year term. Ms. Lenz moved to re-elect the current slate of officers. Ms. Halverson seconded the motion. Motion passed.

3. **SECRETARY/TREASURER'S REPORT**

A. Insurance Waiver. Ms. Lenz moved to "not waive" the monetary limits on municipal tort liability insurance and Ms. Halverson seconded the motion. Motion passed.

B. Treasurer's Report and Approval of Claims. The Claims Report and Treasurer's Report were not available for the meeting. It was reported that all member cities are current with payments to the Commission. The Claims Report and Treasurer's Report will be available at a later date. The Commission directed the Managers Committee to review and, if acceptable, approve the reports at that time.

4. **ATTORNEY/ADMINISTRATOR REPORT**

A. Revenue Trends – Mr. Grogan referred to the various charts in the agenda packet detailing the quarterly franchise fee payments received from Comcast and CenturyLink.

B. Franchise Fee Review/Audit – Yuri Berndt of Moss & Barnett will conduct the franchise fee review of payments received from Comcast for the years ended 2016 and 2017. The Commission received a letter from CenturyLink attempting to explain the decrease in the Q3 2017 franchise fee payment. Mr. Grogan is pursuing other Twin Cities jurisdictions served by CenturyLink to participate in a joint franchise fee review of CenturyLink payments. More information will be provided as available. Mr. Devich moved to participate in the franchise fee review of CenturyLink in an amount not to exceed $2,500. Ms. Brindle seconded the motion. Motion passed.

C. Legislative Update

i. State & Federal – Mr. Grogan distributed a handout regarding the issues going on at the state and federal levels.

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

D. 2018 Conference Dates - Mr. Grogan discussed the MACTA and NATOA annual conference dates for 2018.

E. Bloomington Studio - Mr. Grogan referenced the 2017 Bloomington studio usage charts included in the agenda packet.

F. SWTV Update – Mr. Nissen presented the 2018 SWTV update as provided in the agenda packet. Ms. Lenz requested a copy of the flyer promoting the Teen Video Boot camp for insertion in city publications. Mr. Grogan will work with the Manager's Committee regarding the possibility HD public and educational channels.

5. **MANAGER'S COMMITTEE REPORT**

The Managers' Committee had nothing new to report.

6. **COMPANY REPORTS**

Mr. Orlando, Comcast VP External Affairs – Twin Cities Region, introduced himself and distributed to all member cities a folder full of company information.

7. **NEXT MEETING DATE**

The next regular Full Commission meeting is Wednesday, October 24, 2018 at 4:00 p.m.-Eden Prairie City Hall.

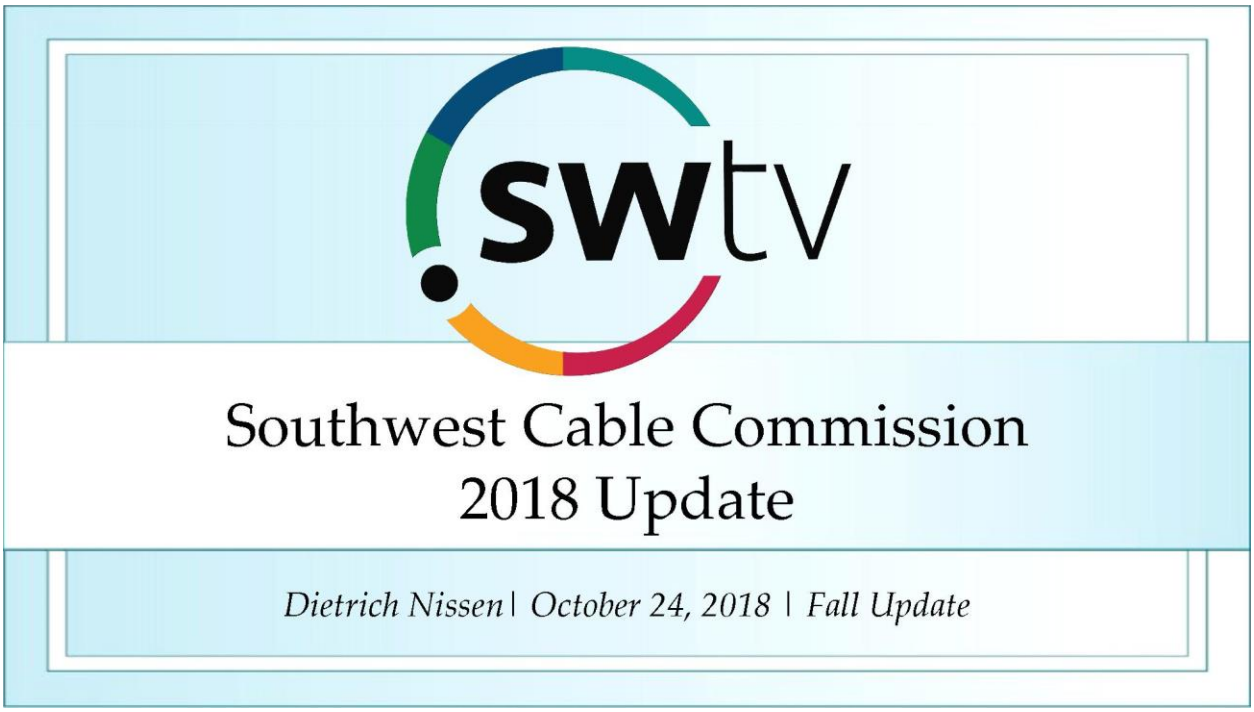
Southwest Suburban Cable Commission		Agenda Item No. 2A
SWTV Update	**Staff**	**October 24, 2018**

ACTION REQUESTED:
None

BUDGET IMPLICATIONS:
None for 2018

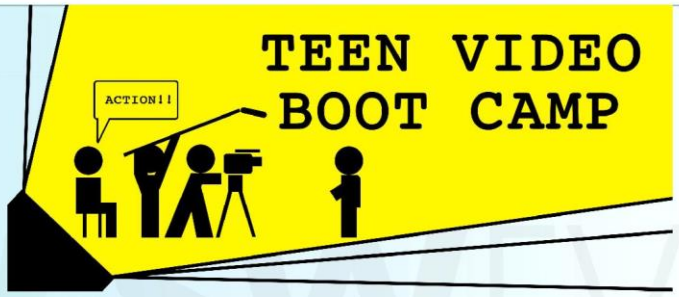
SUPPORTING DOCUMENTATION:
See handout below

STAFF COMMENTS AND/OR RECOMMENDATIONS:
Presentation by Dietrich Nissen, SWTV Coordinator



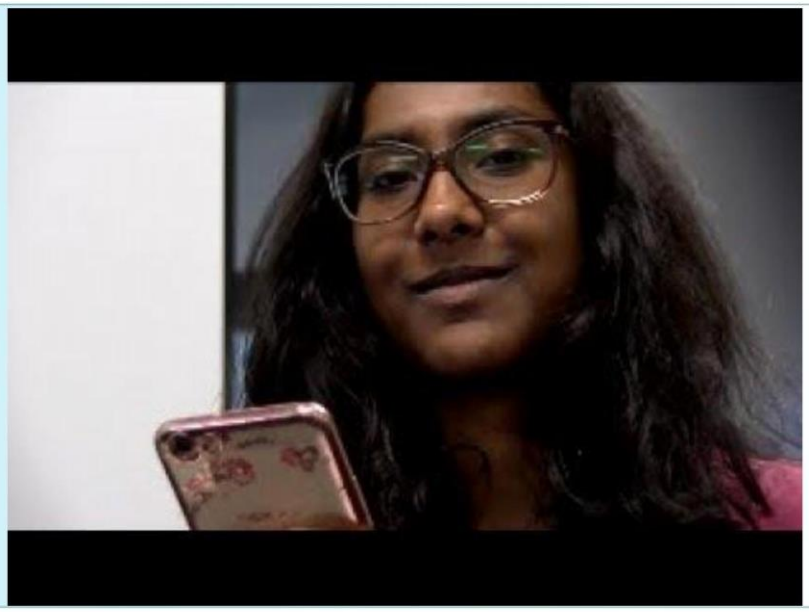
Agenda

1. Teen Video Boot Camp
2. Producer's Club
3. SWTV Updates
4. NATOA Conference 2018
5. High School Sports Broadcasts



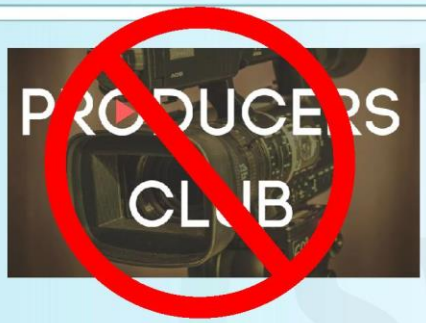
Teaching teens how the video production process works by making movies.

- **42** kids participated in three camps!
- **11** were from SWTV's Cities.



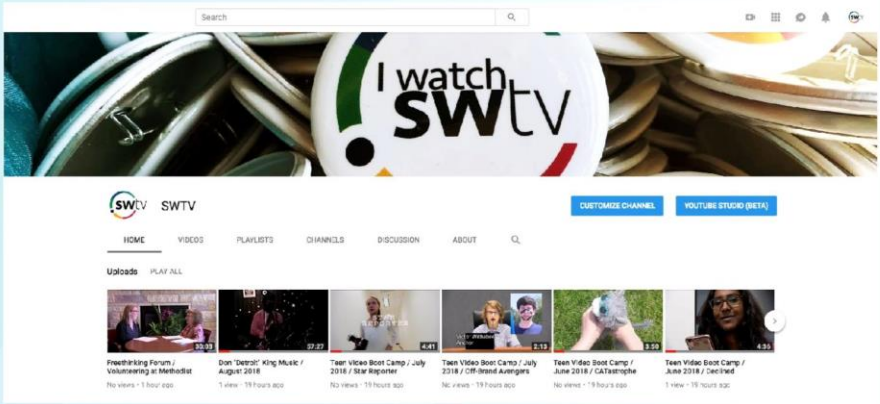
What's next?

- Ben and I hope to make these three camps an annual offering for local teenagers.
- Begin advertising earlier and more frequently in Richfield, Minnetonka, Hopkins and Eden Prairie.
- Potentially expand each camp to two weeks.
    - Give teens more time to write a script, practice with equipment and learn the editing interface.
- Any additional suggestions or guidance?



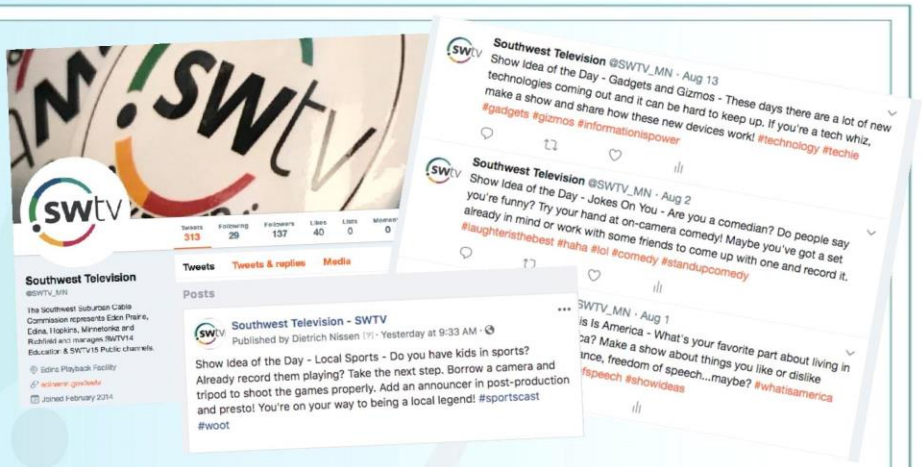
- Continuing to receive positive feedback from producers.
- Added three producers from these meetings.
- Currently hosting our second round of bi-monthly meetings this year and am planning topics for a third round with Ben.

Updates



- **Built a YouTube channel for SWTV** and am posting submitted content under individual playlists.

Updates



- Began creating and sharing **Show Ideas of the Day** with followers.

Updates

- Participated in **Edina's Open Streets at 50th** again. Looking into doing the same at other local events, such as **Hopkins Raspberry Festival**.

NATOA Conf. 2018: Philadelphia 4 Takeaways

1. Most PEG stations are re-identifying their role in the community.
2. Engaging, exclusively local content makes PEG valuable.
    a. What can we show that others can't?
    b. What journey can we share?
3. 5G offers useful new options but implementation is costly.
4. We should find more community partners.

High School Sports Broadcasts

- Our High School Athletic Departments are not consistently broadcasting their sports.
- Other PEG groups are doing this for their schools.
- Have we ever considered a partnership to do this?
- Using SlingStudio and iPhones, we could ask our high schoolers to shoot the content and share it on SWTV!

Final Note:

I received an Emmy in the Crime category!

Thank you for listening!

Questions or Comments?

Please contact me with any undiscussed ideas/suggestions:

dnissen@edinamn.gov

(952) 826-0344

Southwest Suburban Cable Commission		Agenda Item No. 2B
Bloomington Studio Usage	**Staff**	**October 24, 2018**

ACTION REQUESTED:
None

BUDGET IMPLICATIONS:
Nothing additional for 2018

SUPPORTING DOCUMENTATION:

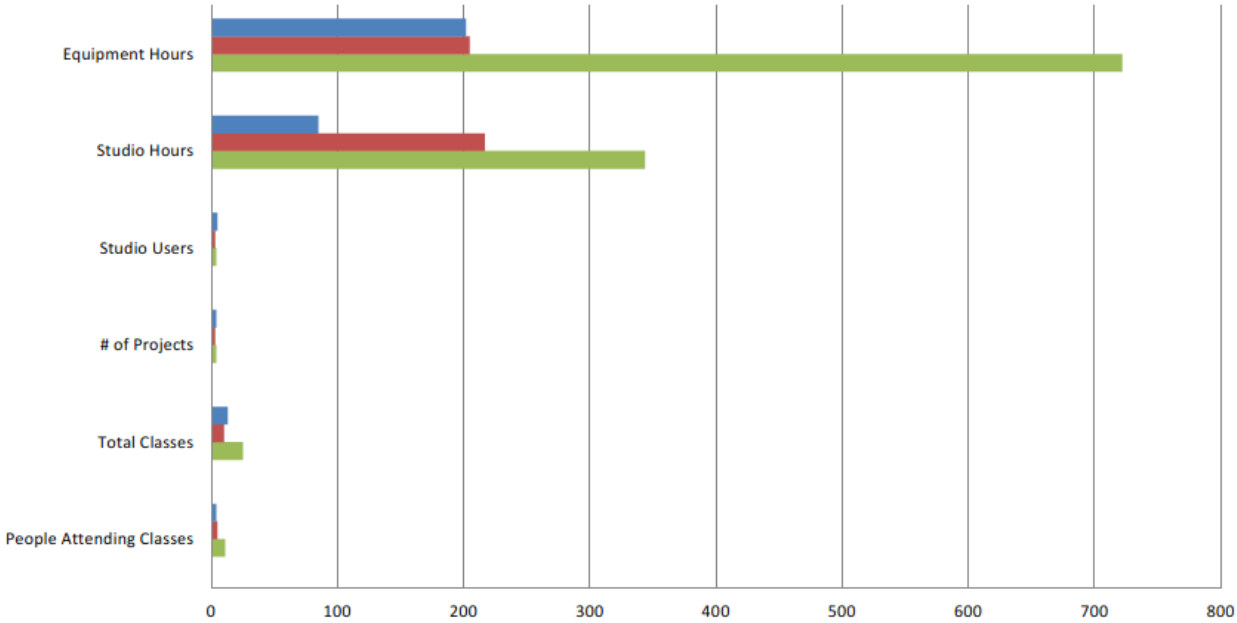
See attached charts with 2018 Q1 - 3 usage.

STAFF COMMENTS AND/OR RECOMMENDATIONS:
11 new people attended classes during 2018 Q3. Of those 11, six resulted from Teen Boot Camp and five are related to a new project called "Latin Evolution TV."

Two projects checked out equipment during 2018 Q3 totaling 722.25 hours: 1) Democratic Visions (403.25 hours); and 2) Latin Evolution TV (319 hours).

2018 BLOOMINGTON STUDIO USAGE
Southwest Suburban Cable Commission

Time Period	People Attending Classes	Total Classes	# of Projects	Studio Users	Studio Hours	Equipment Hours	Total Hours
Jan. - Mar. 2018	4	13	4	5	84.75	201.75	286.50
Apr - June 2018	5	10	3	3	217.00	205.00	422.00
Jul - Sept 2018	11	25	4	4	343.75	722.25	1066.00
Oct - Dec 2018							0.00
TOTALS	20	48			645.50	1,129.00	1774.50



	People Attending Classes	Total Classes	# of Projects	Studio Users	Studio Hours	Equipment Hours
Jan. - Mar. 2018	4	13	4	5	84.75	201.75
Apr - June 2018	5	10	3	3	217.00	205.00
Jul - Sept 2018	11	25	4	4	343.75	722.25
Oct - Dec 2018						

Southwest Suburban Cable Commission		Agenda Item No. 2B(ii)
Bloomington Studio 2019 contract	**Staff**	**October 24, 2018**

ACTION REQUESTED:
Discuss contract renewal with City of Bloomington for 2019 under the same terms and conditions.

BUDGET IMPLICATIONS:
Nothing more for 2018
2019 budget same as 2018 – no increase in costs

SUPPORTING DOCUMENTATION:

STAFF COMMENTS AND/OR RECOMMENDATIONS:
Janine Hill, Communications Administrator for the City of Bloomington, has indicated that the City is interested in renewing the agreement with the Southwest Suburban Cable Commission for an additional one year term - January 1, 2019 through December 31, 2019, under the existing terms and conditions.

Staff recommends that the Bloomington contract should be renewed at the current rate for 2019.

Southwest Suburban Cable Commission		Agenda Item No. 2C
Franchise Fee Review Update	**Staff**	**October 24, 2018**

ACTION REQUESTED:
None.

BUDGET IMPLICATIONS:
None.

SUPPORTING DOCUMENTATION:
None.

STAFF COMMENTS AND/OR RECOMMENDATIONS:
Updates on the Comcast and CenturyLink franchise fee/PEG fee reviews will be provided at the meeting.

Southwest Suburban Cable Commission		Agenda Item No. 2D
FCC Rulemaking	**Staff**	**October 24, 2018**

ACTION REQUESTED:
Discussion regarding whether the Commission will participate in joint comments.

BUDGET IMPLICATIONS:
$5,000 - to be discussed at the meeting

SUPPORTING DOCUMENTATION:
2018 correspondence attached

STAFF COMMENTS AND/OR RECOMMENDATIONS:
File comments with the FCC

- Initial comments due November 14, 2018
  - 30 days after 10/15/2018 publication in federal register
  - Reply comments due 30 days thereafter
- Send copies to congressional delegates
  - Explain the long-term impact on cities

Moss & Barnett

October 3, 2018

Ms. Patty Latham
IT Manager
14600 Minnetonka Boulevard
Minnetonka, MN 55345

Mr. Rick Getschow
City Manager
8080 Mitchell Road
Eden Prairie, MN 55344

Mr. Scott Neal
City Manager
4801 West 50th Street
Edina, MN 55424

Ms. Ari Lenz
Assistant City Manager
1010 1st Street South
Hopkins, MN 55343

Mr. Steve Devich
City Manager
6700 Portland Avenue
Richfield, MN 55423

Re: Second Further Notice of Proposed Rulemaking ("FNPRM")

Dear Patty, Rick, Scott, Ari and Steve:

The franchise fee revenue received by each of your respective cities from both Comcast and CenturyLink could be significantly reduced as a direct result of proposed rule changes just released by the FCC. Very preliminary estimates could put the lost revenue at as much as twenty percent (20%) of the total franchise fees received by each city.

On September 25, 2018, the FCC released a Second Further Notice of Proposed Rulemaking ("FNPRM")[1] proposing new rules regarding how local franchising authorities (LFAs) may regulate cable operators and cable television services. In the FNPRM the FCC tentatively concludes:

1. that cable-related, "in-kind" contributions required by a franchise agreement shall be treated as "franchise fees" subject to the statutory five percent (5%) cap on franchise fees set forth in Section 622 of the Communications Act of 1934, as amended (the Act), with limited exceptions; and
2. that LFAs are prohibited from using their video franchising authority to regulate the provision of most non-cable services, such as broadband Internet access service, offered over a cable system by a cable operator.

If these tentative conclusions are adopted by the FCC they will likely have an immediate and potentially dramatic impact on cable franchise fee payments remitted by cable operators. These proposed rules would allow a cable operator to unilaterally offset from cable franchise fee payments the value of certain franchise requirements such as free service to schools and public buildings, PEG channel capacity, connections to PEG origination points and even existing institutional network obligations.

[1] Second Further Notice of Proposed Rulemaking MB Docket No. 05-311; *In the Matter of Implementation of Section 621(a)(1) of the Cable Communications Policy Act of 1984 as Amended by the Cable Television Consumer Protection and Competition Act of 1992;* adopted September 24, 2018.

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The FNPRM proposes that the "value" to be deducted from franchise fee payments would be the fair market value of these obligations; however, the FCC seeks comment on whether the value should instead be calculated based on the cable operators' costs.

Assume a city with a population of 40,000 and 10,000 cable subscribers that has historically received about $500,000 in annual franchise fee payments. Under these proposed FCC rules, the cable operator could offset from its quarterly franchise fee payments to the city the "value" of:

1. Complimentary services to schools and public buildings – estimated value is $50 x 30 locations = $1,500. $1,500 x 12 months = $18,000/year.
2. Each PEG channel – impossible to gage what each operator may attribute to the "value" of a PEG channel but if leased channel fees are any indication, the amount could be considerable. Depending upon the number of PEG channels the deduction could be $10,000/channel/year or more.
3. Fiber capacity to each PEG point of origination in the City such as City Hall, High School, County building, higher education building, library, football stadium. These are the fiber lines that allow a city to transmit PEG programming from various locations back to a central playback center and then on to the cable operator's headend location for distribution out to the subscribers. If the value is set as a recurring lease cost for use of the fiber, this could easily exceed another $10,000 per year depending upon the number of locations and amount of capacity used.
4. Institutional network (I-Net) facilities that serve to connect governmental or educational institutions. This is hard to predict as some cities have very sophisticated I-Nets while other do not have any existing I-Net facilities.

Cities could be facing a significant reduction in annual franchise fee revenue of twenty percent (20%) or more – for this sample city of 40,000 (population) and 10,000 cable subscribers, that could mean the loss of as much as $100,000 or more.

Finally, the FNPRM proposes these additional provisions:

1. allow cable operators to construct and install facilities and equipment for non-cable services in the rights-of-way without any local regulation or compensation;
2. cities served by state-level franchising are also impacted by the FNPRM. The final FNPRM seeks comment on whether the new rules should apply to both state and local franchising actions.

Comments on these new FCC proposed rules will be due thirty (30) days after the FNPRM is published in the Federal Register. Reply comments will be due sixty (60) days after such publication. We expect the 30 day clock to start as soon as next week.

Moss & Barnett is assessing interest among its clients to draft comments to the FCC in this FNPRM proceeding. Once we determine the number of cities interested in participating we can work to establish a budget and a projected per community cost for participation. Please let me know at your earliest convenience whether the Southwest Suburban Cable Commission desires to participate in FCC comments.

Very truly yours,

Brian T. Grogan
Attorney at Law
P: (612) 877-5340 F: (612) 877-5031
Brian.Grogan@lawmoss.com

BTG/tlh

4273973v1

Southwest Suburban Cable Commission		Agenda Item No. 3A
Secretary/Treasurer's Report	**Staff**	**October 24, 2018**

ACTION REQUESTED:
Acceptance of Treasurer's Report and Claims Report

BUDGET IMPLICATIONS:
None for 2018

SUPPORTING DOCUMENTATION:
See attached Treasurer's Report and Claims Report.

STAFF COMMENTS AND/OR RECOMMENDATIONS:

Expenditure Detail

Check Number	Date	Description of Transaction	Payment	Deposit	Balance
	1/9/2018	Edina - Q5 Dues for 2017		7,803.50	9,986.97
	1/9/2018	Minnetonka - Q5 Dues for 2017		7,448.25	17,435.22
	1/16/2018	Analysis Serv Charge/Monthly Bank Fee	(5.00)		17,430.22
	1/17/2018	Edina - Q1 2018 Dues		12,880.00	30,310.22
	1/17/2018	Hopkins - Q5 2017 and Q1 2018		5,979.25	36,289.47
	1/17/2018	Minnetonka - Q1 2018 Dues		12,504.00	48,793.47
	1/17/2018	Richfield - Q5 Dues for 2017		3,645.00	52,438.47
	1/23/2018	Eden Prairie - Q5 Dues for 2017		7,991.50	60,429.97
3016	1/24/2018	Moss & Barnett (681222)	(3,419.50)		57,010.47
	1/25/2018	Richfield - Q1 2018 Dues		5,406.00	62,416.47
	1/29/2018	Eden Prairie - Q1 2018 Dues		12,786.00	75,202.47
	1/29/2018	Check Printing Charge	(14.95)		75,187.52
3017	2/2/2018	City of Edina (COM-1431)	(17,284.09)		57,903.43
	2/14/2018	Analysis Serv Charge/Monthly Bank Fee	(5.00)		57,898.43
	2/22/2018	Check Printing Charge		14.95	57,913.38
	2/27/2018	Check Printing Charge	(94.37)		57,819.01
3018	3/5/2018	Moss & Barnett (682896)	(12,527.50)		45,291.51
	3/14/2018	Analysis Serv Charge/Monthly Bank Fee	(5.00)		45,286.51
3019	4/2/2018	Moss & Barnett (684902)	(8,422.00)		36,864.51
	4/12/2018	Edina Q2 2018 Dues		12,880.00	49,744.51
	4/13/2018	Analysis Serv Charge/Monthly Bank Fee	(5.00)		49,739.51
	4/19/2018	Minnetonka Q2 2018 Dues		12,504.00	62,243.51
	4/19/2018	Richfield Q2 2018 Dues		5,406.00	67,649.51
3020	4/27/2018	Moss & Barnett (686407)	(8,487.50)		59,162.01
	5/3/2018	Eden Prairie Q2 2018 Dues		12,786.00	71,948.01
	5/14/2018	Analysis Serv Charge/Monthly Bank Fee	(5.00)		71,943.01
3021	5/29/2018	Moss & Barnett (688734)	(19,433.66)		52,509.35
	6/14/2018	Analysis Serv Charge/Monthly Bank Fee	(5.00)		52,504.35
	6/26/2018	Hopkins Q2 2018 Dues		3,432.00	55,936.35
	7/10/2018	Edina Q3 2018 Dues		12,880.00	68,816.35
	7/10/2018	Minnetonka Q3 2018 Dues		12,504.00	81,320.35
	7/10/2018	Hopkins Q3 2018 Dues		3,432.00	84,752.35
3022	7/12/2018	City of Edina (COM-1573)	(50,195.00)		34,557.35
3023	7/13/2018	Moss & Barnett (690670)	(11,592.50)		22,964.85
	7/16/2018	Analysis Serv Charge/Monthly Bank Fee	(5.00)		22,959.85
	7/17/2018	Richfield Q3 2018 Dues		5,406.00	28,365.85
3025	7/30/2018	Moss & Barnett (692037)	(9,722.50)		18,643.35
	7/31/2018	Eden Prairie Q3 2018 Dues		12,786.00	31,429.35
	8/14/2018	Analysis Serv Charge/Monthly Bank Fee	(5.00)		31,424.35
3026	8/23/2018	Moss & Barnett (693818)	(11,642.50)		19,781.85
	9/17/2018	Analysis Serv Charge/Monthly Bank Fee	(5.00)		19,776.85
3027	10/4/2018	Moss & Barnett (695516)	(16,326.27)		3,450.58
	10/13/2018	Edina Q4 2018 Dues		12,880.00	16,330.58

Expenditure Detail														
Check Number	Date	Description of Transaction	Payment		Detail		Disbursements	Disb Amt	Disbursements	Disb Amt	Disbursements	Disb Amt	Disbursements	Disb Amt
	1/16/2018	Analysis Serv Charge/Monthly Bank Fee	(5.00)											
3016	1/24/2018	Moss & Barnett (681222)	(3,419.50)		SW DECEMBER	3,419.50								
	1/29/2018	Check Printing Charge	(14.95)											
3017	2/2/2018	City of Edina (COM-1431)	(17,284.09)				City of Edina	14,897.30	NATOA Conference	2,386.79				
	2/14/2018	Analysis Serv Charge/Monthly Bank Fee	(5.00)											
	2/27/2018	Check Printing Charge	(94.37)											
3018	3/5/2018	Moss & Barnett (682896)	(12,527.50)		SW JANUARY	4,382.50			MACTA DUES	3,675.00	Bloomington 2017 Q4	3,750.00	WEBALOO	105.00
	3/14/2018	Analysis Serv Charge/Monthly Bank Fee	(5.00)						NATOA DUES	570.00				
3019	4/2/2018	Moss & Barnett (684902)	(8,422.00)		SW FEBRUARY	8,422.00			NATOA seminar	45.00				
	4/13/2018	Analysis Serv Charge/Monthly Bank Fee	(5.00)											
3020	4/27/2018	Moss & Barnett (686407)	(8,487.50)		SW March	8,487.50			Annual Domain	39.00				
	5/14/2018	Analysis Serv Charge/Monthly Bank Fee	(5.00)						Grogan	27.08				
3021	5/29/2018	Moss & Barnett (688734)	(19,433.66)		SW April	15,578.50			Hammer	39.08	Bllomington 2018 Q1	3,750.00		
	6/14/2018	Analysis Serv Charge/Monthly Bank Fee	(5.00)						Grogan	$ 14.00				
3022	7/12/2018	City of Edina (COM-1573)	(50,195.00)		SW May		City of Edina	$ 50,195.00	League of MN Cities	$ 1,325.00				
3023	7/13/2018	Moss & Barnett (690670)	(11,592.50)			9,399.00			Comcast Fee Paymen	$ 854.50				
	7/16/2018	Analysis Serv Charge/Monthly Bank Fee	(5.00)						Grogan	$ 16.00				
3025	7/30/2018	Moss & Barnett (692037)	(9,722.50)		SW June	6,830.00			Ashpaugh & Sculco	$ 1,000.00				
	8/14/2018	Analysis Serv Charge/Monthly Bank Fee	(5.00)						Comcast Fee Paymen	$ 1,876.50				
3026	8/23/2018	Moss & Barnett (693818)	(11,642.50)		SW July	7,775.50			Grogan	$ 12.00	Bloomington 2018 Q2	3,750.00	WEBALOO	105.00
	9/17/2018	Analysis Serv Charge/Monthly Bank Fee	(5.00)											
3027	10/4/2018	Moss & Barnett (695516)	(16,326.27)		SW August	11,988.00			Grogan	$ 23.27				
									Comcast Fee Paymen	$ 4,315.00				

Southwest Suburban Cable Commission		Agenda Item No. 3B
SWTV Equipment Replacement	**Staff**	**October 24, 2018**

ACTION REQUESTED:
Discuss equipment replacement procedure.

BUDGET IMPLICATIONS:
None for 2018

SUPPORTING DOCUMENTATION:
2019 Budget

STAFF COMMENTS AND/OR RECOMMENDATIONS:
A question has been raised regarding whether the Commission should include a line item in the budget for future equipment replacement. Perhaps $10,000 per year which would provide $50,000 every 5 years for replacement needs. The anticipated useful life of the equipment just purchased is 5 years.

To be discussed further at the meeting.

Southwest Suburban Cable Commission		Agenda Item No. 3B
2019 Annual Budget	**Staff**	**October 24, 2018**

ACTION REQUESTED:
Review and discuss any necessary modifications to the 2019 Budget.

BUDGET IMPLICATIONS:
None for 2018

SUPPORTING DOCUMENTATION:
2019 Budget

STAFF COMMENTS AND/OR RECOMMENDATIONS:
To be discussed at the meeting.

SOUTHWEST SUBURBAN CABLE COMMISSION

Operating Expenses	Proposed 2019 Budget	2018 Budget	Notes
Legal and Administrative Costs	$55,000.00	$45,000.00	Increase for possible 2019 FCC proceedings
Seminar Expenses			
MACTA Conference	$1,050.00	$1,050.00	
NATOA Conference	$2,600.00	$2,600.00	No change
Insurance			
League of MN Cities	$2,100.00	$2,100.00	No change
Memberships			
MACTA	$3,675.00	$3,675.00	No change
NATOA	$570.00	$540.00	Slight increase
Alliance for Community Media	-0-	-0-	
Franchise Fee/PEG Fee Review		$15,000.00	Review complete in 2018
Access Playback Personnel	$35,000.00	$35,000.00	No change
HD Equipment Upgrade		$55,000.00	Purchase completed in 2018
Web Support	$565.00	$565.00	No change
SWTV Marketing	$1,000.00	$1,000.00	
Contingency	$6,500.00	$6,500.00	
Total Operating Expenses	$108,060.00	$168,030.00	($59,970.00)
Capital Expenses			
Playback Equipment Contingency	$5,000.00	$5,000.00	
City of Bloomington Access Facilities	$15,000.00	$15,000.00	
Total Capital Expenses	$20,000.00	$20,000.00	
TOTAL EXPENSES	$128,060.00	$188,030.00	($59,970.00)

Southwest Suburban Cable Commission		Agenda Item No. 4
Manager's Committee Report	**Staff**	**October 24, 2018**

ACTION REQUESTED:
None

BUDGET IMPLICATIONS:
None

SUPPORTING DOCUMENTATION:
None

STAFF COMMENTS AND/OR RECOMMENDATIONS:
The Manager's Committee met on August 1, 2018. The managers reviewed and approved the Claims Report and Treasurer's Report dated July 10, 2018.

Southwest Suburban Cable Commission		Agenda Item No. 5(A)
Company Report - CenturyLink	**Staff**	**October 24, 2018**

ACTION REQUESTED:
None

BUDGET IMPLICATIONS:
None

SUPPORTING DOCUMENTATION:
Q1 and Q2 2018 information received from CenturyLink attached.

STAFF COMMENTS AND/OR RECOMMENDATIONS:
Additional comments may be provided by CenturyLink.

CenturyLink™

Southwest Suburban Quarterly Meeting

2Q 2018

Metrics Through 6/2018

CenturyLink

Twin Cities Franchising

- First Quarter 497,516 PRISM enabled HHs in Twin Cities franchise area*

Commission Metrics

- Subscriber Counts: 884
- Total Homes PRISM Enabled: 53,480
- Penetration rate: 1.65%

Twin Cities Service Metrics

- Installation interval (% w/in 7 days): 97%
- Calls answered (% within 30 seconds): 92%
- Appointments met (%): 97%
- Q2 TC complaints*

Miscellaneous

- 2Q Video Market Trends
- Retail Store Closures

*Information pending; will be forwarded as soon as available.

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SWSCC By The Numbers

CenturyLink

	Total Baseline	Total Previous Q	Total Current Q	% Total	Below Median Income %
Living Units	115,026	116,874	117,019	--	17%
LU PRISM	--	53,006	53,484	46%	47%
LU >25Mbps	66,453	79,756	80,771	68%	54%
LU 1G	2,870	14,963	15,021	13%	--

Data as of 8/2018

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Kirstin Sersland
Director, State & Local
Government Affairs
Phone 612-663-7911

To: Southwest Suburbs Cable Commission

From: Kirstin Sersland, CenturyLink

Date: October 10, 2018

Re: CenturyLink Retail Store Closures

After careful consideration, CenturyLink has decided to close our retail stores, nationwide. These closings impact the Cities of Minneapolis and Coon Rapids and the commissions that include Woodbury, Roseville, and Minnetonka. Whether ordering service, paying bills, drop-shipping modems, asking questions, viewing product demonstrations or returning equipment, we have found that our customers are connecting with us online to do the same things they have historically done in retail stores. On Friday, September 21, 2018, CenturyLink internally announced these closures and employees currently working in retail stores will have the opportunity to apply for and transfer to other sales or open positions in the company for which they are qualified. These closures will occur 60 days after the announcement and will be completed by Dec. 7, 2018.

Residents may make payments in person at any WalMart, Walgreens, Cub Foods, or CVS in the metro area. Attached are some locations in your commission where you can direct residents if you receive inquiries. As always, we have representatives available at www.CenturyLink.com as well as 800-423-8994 where residents can reach a payment specialist Monday – Friday 8:00am to 6:00pm. Customers may also use our Pay By Phone feature at 800-244-1111; they will need their account number, payment method, payment method details (e.g. card number, billing zip), and amount they will want to pay.

As always, please reach out if you have any additional questions or concerns.

200 South 5th Street, Floor 23
Minneapolis, MN 55402

www.centurylink.com

Southwest Suburbs

Western Union	Minnetonka	WALGREENS #13853 4950 County Road 101 Minnetonka, MN 55345-2637 952-938-3566	Monday 8:00 AM - 9:00 PM Tuesday 8:00 AM - 9:00 PM Wednesday 8:00 AM - 9:00 PM Thursday 8:00 AM - 9:00 PM Friday 8:00 AM - 9:00 PM Saturday 8:00 AM - 9:00 PM Sunday 8:00 AM - 9:00 PM
Money Gram	Eden Prairie	CVS - #3562 8251 COLUMBINE RD Eden Prairie, MN 55344-7610 (952) 941-1266	Monday: 07:00 AM - 10:00 PM Tuesday: 07:00 AM - 10:00 PM Wednesday: 07:00 AM - 10:00 PM Thursday: 07:00 AM - 10:00 PM Friday: 07:00 AM - 10:00 PM Saturday: 07:00 AM - 10:00 PM Sunday: 07:00 AM - 10:00 PM
Western Union	Richfield	WALGREENS #828 12 W 66th St Richfield, MN 55423-2316 612-861-7276	Monday 8:00 AM - 9:00 PM Tuesday 8:00 AM - 9:00 PM Wednesday 8:00 AM - 9:00 PM Thursday 8:00 AM - 9:00 PM Friday 8:00 AM - 9:00 PM Saturday 8:00 AM - 9:00 PM Sunday 8:00 AM - 9:00 PM
Western Union	Hopkins	WALGREENS #4260 540 Blake Rd N Hopkins, MN 55343-8123 952-938-1168	Monday 8:00 AM - 9:00 PM Tuesday 8:00 AM - 9:00 PM Wednesday 8:00 AM - 9:00 PM Thursday 8:00 AM - 9:00 PM Friday 8:00 AM - 9:00 PM Saturday 8:00 AM - 9:00 PM Sunday 8:00 AM - 9:00 PM

CenturyLink™

Southwest Suburban Quarterly Meeting

1Q 2018

Metrics Through 3/2018

CenturyLink

Twin Cities Franchising

- To date, approximately 497,516 PRISM enabled HHs in Twin Cities franchise area

Commission Metrics

- Subscriber Counts: 1,042
- Total Homes PRISM Enabled: 52,934
- Penetration rate: 2%

Twin Cities Service Metrics

- Installation interval (% w/in 7 days): 95%
- Calls answered (% within 30 seconds): 92%
- Appointments met (%): 96%
- Q1 TC complaints (11 – all PRISM billing related)
  - 5 Adjustment / Order Issued
  - 4 Educated Customer
  - 1 Other

Miscellaneous

- 1Q Video Market Trends
- Franchise Fee & Adjustments Reversals

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SWSCC By The Numbers

CenturyLink

	Total Baseline	Total Previous Q	Total Current Q	% Total	Below Median Income %
Living Units	115,026	116,870	116,874	--	17%
LU PRISM	--	52,867	53,006	45%	47%
LU >25Mbps	66,453	77,866	79,756	68%	54%
LU 1G	2,870	14,806	14,963	13%	--

Data as of 5/2018

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CenturyLink

Q12018 Video Market Trends

Traditional cable companies continue to struggle with content cost and cord cutters as the two primary negative trends in wireline video delivery. Incumbent cable companies continue to consolidate with content providers, allowing for lower content costs. In addition, over the top content providers continue to take market share away from the traditional model.

Industry Consolidation:

- Merger conditions that were part of the NBC/Comcast deal are expiring, leading to higher content costs for competitors.
- AT&T is attempting to purchase Time Warner, giving them access to content for their U-verse and Direct TV streams.

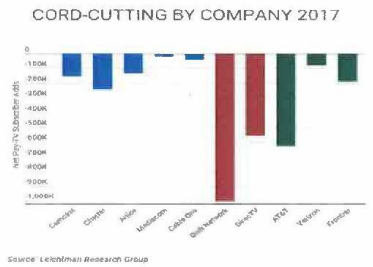
This consolidation is being driven by cost of content and customer demand for a la carte and customized content offerings.

Over the Top delivery driving "cord cutting":

A significant number of options are available for streaming video. Some are content company driven, such as Netflix or HBO Go, some are aggregators of content, such as Hulu or Sling. Cable companies also are entering the OTT business with DIRECTV Now, Xfinity Stream TV or Verizon's go90.

What this means is that competition is high. Traditional cable providers are the net losers with the emerging technology gaining adoption.

As cable and telecommunications companies release first quarter 2018 earnings results, it's clear that consumer cord cutting is rapidly increasing. Ten years after streaming video first launched on Netflix, the service has nearly 87 million subscribers around the world.



Comcast lost cable TV customers for the fourth straight quarter.

Charter lost 122,000 subscribers in 1Q18– after losing 104,000 in 4Q17.

AT&T lost 124,000 TV and 251,000 satellite subscribers in 1Q18. For 2017 in total, AT&T lost nearly 1.2 million subscribers

Verizon lost 22,000 Fios video customers in 1Q18.

Netflix added 7.4 million subscribers in 1Q18.

Sources:

http://fortune.com/2018/03/01/cord-cutting-record-internet-tv/

The rate of consumers dropping their cable and satellite TV packages hit the highest level ever in the fourth quarter, while Internet TV subscribership grew strongly.

http://bgr.com/2018/03/09/cord-cutting-cable-alternatives-2018-no-ads/

A new generation is growing up with Netflix and YouTube, rather than a $100-a-month cable package.

http://bgr.com/2018/03/28/cord-cutting-best-streaming-services-2018-vs-cable/

The last two years have seen record numbers of subscribers leave cable and satellite for much cheaper streaming services

http://variety.com/2018/biz/news/cord-cutting-2017-high-cost-cancellation-pay-tv-1202728922/.

The top response from consumers on why they chose to "cut the cord" was the high price tag.

https://www.consumerreports.org/streaming-media-devices/guide-to-subscription-streaming-video-services/

A consumer guide to streaming.

***Efficient & Economical** - Tech giants like Netflix and Amazon are effectively disrupting the traditional TV market by delivering game-changing convenience at a conceivably bargain rate.*

v.2 5/1/2018

Southwest Suburban Cable Commission		Agenda Item No. 5(B)
Company Report - Comcast	**Staff**	**October 24, 2018**

ACTION REQUESTED:
Information may be provided by the Comcast

BUDGET IMPLICATIONS:
None

SUPPORTING DOCUMENTATION:
None

STAFF COMMENTS AND/OR RECOMMENDATIONS:
The following correspondence was distributed by the Comcast to the Commission:

1. May 1, 2018 – Sling TV Available on X1;
2. July 9, 2018 – Digital Preferred package additions;
3. August 1, 2018 – Upcoming expiration of programming agreements;
4. August 6, 2018 – Set-top box upgrade;
5. August 14, 2018 – Internet Essentials program;
6. September 14, 2018 – Customer service expansion; and
7. September 28, 2018 – Channel additions.

Copies are available upon request.

Additional comments may be provided by Comcast.

Southwest Suburban Cable Commission		Agenda Item No. 6
Next Meeting	**Staff**	**October 24, 2018**

The next Full Commission meeting is scheduled for Wednesday, April 24, 2019 at 4:00 pm – Edina City Hall?

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