

2018 ANNUAL REPORT

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

Prepared by:

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2018 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

*Managers' Committee designation.

2018 SWSCC Meetings

As indicated below the Southwest Suburban Cable Full Commission met two times during 2018. Meeting minutes attached hereto as Exhibit A.

1. Full Commission Meeting - Wednesday, April 25, 2018; and
2. Full Commission Meeting - Wednesday, October 24, 2018.

2018 SWSCC Expenses/Income

1. **2018 Annual Operating Budget.** The 2018 budget was approved by the Commission at the October 25, 2017 meeting.

SOUTHWEST SUBURBAN CABLE COMMISSION

Operating Expenses	2018 Budget
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	\$3,675.00
NATOA	\$540.00
Alliance for Community Media	-0-
Franchise Fee/PEG Fee Review	\$15,000.00
Access Playback Personnel	\$35,000.00
HD Equipment Upgrade	\$55,000.00
Web Support	\$565.00
SWTV Marketing	\$1,000.00
Contingency	\$6,500.00
Total Operating Expenses	\$168,030.00
Capital Expenses	
Playback Equipment Contingency	\$5,000.00
City of Bloomington Access Facilities	\$15,000.00
Total Capital Expenses	\$20,000.00
TOTAL EXPENSES	\$188,030.00

2. 2018 CenturyLink and Comcast Franchise Fee Payments

2018 FRANCHISE FEE PAYMENTS - SOUTHWEST SUBURBAN CABLE COMMISSION

Member City	2018 1st Quarter		2018 2nd Quarter		2018 3rd Quarter		2018 4th Quarter		2018 Total	% of Total
	CenturyLink	Comcast	CenturyLink	Comcast	CenturyLink	Comcast	CenturyLink	Comcast		
Eden Prairie	(\$34.62)	\$203,910.94	\$3,220.94	\$201,057.35	\$2,607.38	\$203,626.55	\$2,633.61	\$203,051.14	\$820,073.29	27%
Edina	\$656.60	\$209,021.99	\$1,734.09	\$207,313.71	\$1,447.94	\$211,188.21	\$1,551.52	\$212,096.15	\$845,010.21	28%
Hopkins	\$1,260.66	\$55,593.71	\$1,303.98	\$53,943.89	\$1,190.59	\$54,255.25	\$1,593.40	\$53,881.31	\$223,022.79	7%
Minnetonka	\$392.89	\$201,303.75	\$2,145.09	\$199,999.41	\$1,809.52	\$202,260.99	\$1,946.03	\$201,094.51	\$810,952.19	27%
Richfield	\$1,757.89	\$86,267.57	\$2,570.73	\$83,880.56	\$2,413.90	\$84,772.56	\$3,534.92	\$83,601.10	\$348,799.23	11%
TOTAL	\$4,033.42	\$756,097.96	\$10,974.83	\$746,194.92	\$9,469.33	\$756,103.56	\$11,259.48	\$753,724.21	\$3,047,857.71	100%

EXHIBIT A
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.

MINUTES
Southwest Suburban Cable Commission
Wednesday, October 24, 2018

At approximately 4:03 p.m., Ms. Patty Latham called the meeting to order. Those present: Mr. Rick Getschow and Ms. Kathy Nelson of Eden Prairie; Mr. Scott Neal 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 included Mr. Steve Olson, Accountant – City of Edina; Mr. Dietrich Nissen, SWTV Access Coordinator - City of Edina, Ms. Kirstin Sersland of CenturyLink and Ms. Kate Hensing of Comcast. Staff present: Mr. Brian Grogan and Ms. Terri Hammer of Moss & Barnett.

The meeting began with the cable company reports and then the company representatives departed.

1. COMPANY REPORTS

A. CenturyLink – Ms. Sersland distributed an updated Metric through June 2018. Ms. Sersland announced that CenturyLink is closing all retail stores in the metro area.

B. Comcast – Ms. Hensing reported that a new store would be opening soon in Minnetonka.

2. CONSENT AGENDA

Mr. Neal moved to accept the Consent Agenda items and Mr. Devich seconded the motion. Motion passed.

3. ATTORNEY/ADMINISTRATOR REPORT

A. SWTV Update. Mr. Nissen provided an update on SWTV since the April 2018 Commission meeting.

B. Bloomington Studio Usage and 2019 Contract. Mr. Grogan recommended the Commission renew the contract with the City of Bloomington for 2019 under the same terms and conditions. Ms. Nelson moved to renew the City of Bloomington contract for 2019 under the same terms and conditions as 2018. Ms. Halverson seconded the motion. Motion passed.

C. Franchise Fee Review Update.

Mr. Grogan distributed a handout regarding the over-collection of franchise fees from each member city by Comcast. Mr. Grogan also reported that Comcast is currently reviewing Moss & Barnett's draft report and each city manager will receive a final report.

Mr. Grogan reported that the process to complete a Non-Disclosure Agreement with CenturyLink took four months and that the first set of information was provided to the auditor today, October 24, 2018.

D. FCC Rulemaking. Mr. Grogan discussed the details of the FCC's Second Notice of Proposed Rulemaking, and the process and deadline to file comments. Mr. Devich moved that the Commission participate in the FCC comments and Ms. Halvorson seconded the motion. Motion passed.

4. SECRETARY/TREASURER'S REPORT

A. Treasurer's Report and Approval of Claims. Commission accepted both reports.

B. 2019 Proposed Budget. Ms. Halverson moved to amend the 2019 proposed budget to include \$10,000 for HD equipment replacement and Mr. Getschow seconded the motion. Motion passed.

5. MANAGER'S COMMITTEE REPORT

The Manager's Committee congratulated Steve Devich on his upcoming retirement.

6. NEXT MEETING DATE

The next regular Full Commission meeting is Wednesday, April 24, 2019 at 4:00 p.m. at the Edina City Hall.