

NORTH METRO TELECOMMUNICATIONS COMMISSION MEETING

June 19, 2019
6:00 p.m.

**SPRING LAKE PARK CITY OFFICES
1301 81st Avenue NE
Spring Lake Park, Minnesota**

AGENDA

1. CALL TO ORDER/ROLL CALL
2. CONSENT AGENDA **pp. 1-11**
 - 2.1. Approval of the minutes of the regular meeting, May 15, 2019
 - 2.2. Approval of May financial reports and bill list
3. CITIZENS TO BE HEARD
4. NORTH METRO TV REPORT **pp. 12--19**
 - 4.1. Monthly update
5. REPORT OF EXECUTIVE COMMITTEE **pp. 20-37**
 - 5.1. Proposed NMTC 2020 Budget
 - 5.2. City HD Channel
 - 5.3. CenturyLink Settlement Agreement Update
6. REPORT OF OPERATIONS COMMITTEE **pp. 38-39**
7. REPORT OF LEGAL COUNSEL
 - 7.1. Monthly Report
8. REPORT OF COMCAST
9. REPORT OF CENTURYLINK
10. NEW BUSINESS
11. OLD BUSINESS
12. REPORT OF DIRECTORS
13. COMMUNICATIONS **pp. 40-49**
14. ADJOURN

NORTH METRO TELECOMMUNICATIONS COMMISSION

UNAPPROVED MINUTES

Commission Meeting – May 15, 2019

CALL TO ORDER

Chair D. Stoesz called the regular meeting of the North Metro Telecommunications Commission to order at 6:00 p.m. at the Spring Lake Park city offices.

ROLL CALL

Directors Present:

Dick Swanson; Blaine, Matt Montain; Centerville, Dale Stoesz; Lino Lakes, Mike Murphy; Lexington, Cindy Hansen; Spring Lake Park

Directors Absent:

Brian Kirkham; Ham Lake, Mike Schweigert; Circle Pines

Others Present:

Heidi Arnson; Executive Director, Mike Bradley; Legal Counsel

Comcast Rep:

CenturyLink Rep:

Torry Somers and Kirstin Sersland

CONSENT AGENDA

- **Minutes, Bill List, Financial Reports**

The April 17, 2019 minutes, and the April bill list and financial reports were approved as presented. **Motion for approval made by M. Montain. Second, D. Swanson. Motion passed unanimously.**

CITIZENS TO BE HEARD

None present.

REPORT OF NORTH METRO TV

H. Arnson reviewed the North Metro TV report as presented in the packet. A summary was also given of activities for the months of April and May. Topics included:

- The 2019 version of Arrive Alive has been completed. The program includes an introduction by Police Officer Joe Ramirez, the video produced by T.J. Tronson, and the student and school presentations. It is currently playing on the city and public channels and is available on video-on-demand.

- Two new police programs are being produced. The first, called Crime Crushers, features members of the Lino Lakes Police Department in a series of crime prevention skits. The second show, featuring the Blaine Police Department, gives residents a detailed look at the field training program, and why the steps police take are important to providing a safe community. Both programs will have continuing episodes.
- Staff is gearing up for summer event coverage including graduations, parades, city events and USA Cup soccer.
- The 18th Annual VIP Awards ceremony took place on May 14th. The event is held every year to recognize the contributions of volunteers, interns and part-time employees for all of their hard-work. The videos and photos of the event are posted on YouTube and Facebook.

REPORT OF EXECUTIVE COMMITTEE/OPERATIONS COMMITTEE

D. Swanson reported on the following items:

- The Committee discussed the ongoing negotiations on the settlement agreement with CenturyLink.
- With most cities being upgrade equipment to HD, a request will be made of Comcast for an HD city channel.
- First quarter franchise and PEG fees were reviewed.
- Staff and Legal Counsel met with Comcast representatives for a franchise renewal kick-off meeting. Needs and priorities were discussed by both parties. The next step is to create a draft franchise document.
- A suggestion was made to change the Commission agenda to improve the flow of the meeting and have it more closely mirror city meeting agendas. Commissioner D. Swanson requested that the members review the recommended changes and make comments for consideration. It will be considered at the next Executive Committee meeting.

REPORT OF LEGAL COUNSEL

M. Bradley reported on the following items:

- The CenturyLink settlement agreement was reviewed. It will provide an orderly departure for CenturyLink from the video marketplace and states that

CenturyLink waives rights to franchise renewal. It also includes language to protect subscribers during the transition to a new video provider.

MOTION: To approve the Settlement Agreement and recommend approval of the Agreement by the Member Cities. **Motion for approval made by: D. Swanson. Second: M. Murphy. Motion approved.**

- CenturyLink and Legal Counsel have reached a tentative resolution regarding the results of the CenturyLink franchise fee review. Information will be provided at the next Executive Committee meeting.

REPORT OF COMCAST

No report was presented.

REPORT OF CENTURYLINK

No report was presented.

NEW BUSINESS

No new business was presented.

OLD BUSINESS

No old business was presented.

REPORT OF DIRECTORS

There was no report of Directors.

ADJOURN

The meeting was adjourned at 6:10 p.m. **The motion to adjourn was made by M. Montain. Second, M. Murphy. Motion approved.**

The next meeting of the NMTC will be held on **Wednesday, June 19, 2019 at 6:00 p.m.** at the city offices of Spring Lake Park.

Cindy Hansen; Secretary, NMTC

**NORTH METRO TELECOMMUNICATION
BILL LIST**

APRIL 2019

Date	Check #	Payee	Amount	
APRIL	COMBINED	PAYROLL	38,016.35	WAGES
APRIL	COMBINED	IRS/US PAYABLE	12,574.90	WAGES
APRIL	COMBINED	MN REVENUE PAYABLE	2,366.51	WAGES
APRIL	COMBINED	PERA PAYABLE	7,143.36	WAGES
APRIL	COMBINED	PEACHTREE	40.80	MONTHLY SERVICE
APRIL	COMBINED	DISCOVERY BENEFITS	962.50	HEALTH SAVINGS EMPLOYEE
13476	4/2/19	Blythe Whealy	300.00	INTERNSHIP
13477	4/3/19	Richard D. Larson	395.00	JANITORIAL/MAINTENANCE
13478	4/3/19	Harrington Langer & Associates	15,425.00	2018 AUDIT-PARTIAL
13479	4/3/19	Coastal Wintergreen LLC	400.00	BUILDING MAINTENANCE
13480	4/3/19	Heidi Arnson	106.67	EXPENSES
13481	4/7/19	Z Systems	8,727.32	STUDIO UPGRADES
13482	4/8/19	Rusty S. Ray	40.71	EXPENSES
13483	4/14/19	Viking Trophies	1,164.50	2018 VIP AWARDS
13484	4/14/19	Grass Hopper Lawn & Snow	550.00	BUILDING MAINTENANCE
13485	4/14/19	Metro Sales, Inc.	692.75	QUARTERLY CONTRACT
13486	4/14/19	League of MN Cities	1,632.00	ANNUAL MEMBERSHIP
13487	4/14/19	Terry Tronson	507.48	EXPENSES
13488	4/14/19	Eric Houston	34.44	EXPENSES
13489	4/17/19	Bradley Law, LLC	2,512.50	LEGAL-GENERAL
13490	4/22/19	League of MN Cities	9,125.00	ANNUAL MEMBERSHIP
13491	4/29/19	Service Fire Protection	655.00	ANNUAL CONTRACT
EFILE	4/1/19	Virtual Merchant Credit Card	22.28	MONTHLY SERVICE
EFILE	4/1/19	Authorize.Net	25.90	MONTHLY SERVICE
EFILE	4/3/19	Chase Visa Card Services	8,151.11	OS/SFTWR/TECH/STUDIO/MEDIA/VIDEO
EPAY-01	4/1/19	POPP TELECOM	210.45	MONTHLY SERVICE
EPAY-02	4/1/19	Principal Financial Group	431.99	STD/LTD/LIFE/ADD
EPAY-03	4/3/19	Comcast	285.92	MONTHLY SERVICE
EPAY-04	4/3/19	T-Mobile	102.16	MONTHLY SERVICE
EPAY-05	4/3/19	Holiday Station Stores	157.59	GAS/OIL
EPAY-06	4/8/19	U.S. Bank Card Service	1,156.85	SPMTG/TECH/POSTAGE
EPAY-07	4/12/19	AT&T Wireless	427.62	MONTHLY SERVICE
EPAY-08	4/14/19	Republic Services	189.52	MONTHLY SERVICE
EPAY-09	4/15/19	CenterPoint Energy	445.89	MONTHLY SERVICE
EPAY-10	4/15/19	Comcast Business 100M/100M	762.13	MONTHLY SERVICE
EPAY-11	4/26/19	City of Blaine-utilities	63.78	MONTHLY SERVICE
EPAY-12	4/26/19	Connexus Energy	1,825.43	MONTHLY SERVICE
EPAY-13	4/22/19	HealthPartners	10,876.91	HEALTH/DENTAL
			128,508.32	

**NORTH METRO TELECOMMUNICATION
BILL LIST**

MAY 2019

Date	Check #	Payee	Amount
MAY	COMBINED	PAYROLL	39,815.55 WAGES
MAY	COMBINED	IRS/US PAYABLE	12,836.89 WAGES
MAY	COMBINED	MN REVENUE PAYABLE	2,234.43 WAGES
MAY	COMBINED	PERA PAYABLE	7,153.20 WAGES
MAY	COMBINED	PEACHTREE	40.80 MONTHLY SERVICE
MAY	COMBINED	DISCOVERY BENEFITS	962.50 HEALTH SAVINGS EMPLOYEE
13492	5/1/19	Commercial Steam Team	1,146.60 SEMI-ANNUAL CARPET CLEANING
13493	5/1/19	Richard D. Larson	372.50 JANITORIAL/MAINTENANCE
13494	5/1/19	Rick Larson	145.63 EXPENSES
13495	5/2/19	Richard D. Larson	300.00 JANITORIAL/MAINTENANCE
13496	5/5/19	City of Blaine	124,133.84 2016A GO BONDS
13497-ERROR	5/5/19	City of Centerville	11,039.76 2016A GO BONDS
13498	5/5/19	City of Centerville	7,697.87 2016A GO BONDS
13499	5/5/19	City of Ham Lake	32,174.31 2016A GO BONDS
13500	5/5/19	City of Lexington	4,125.51 2016A GO BONDS
13501	5/5/19	City of Lino Lakes	38,028.38 2016A GO BONDS
13502	5/5/19	City of Spring Lake Park	13,275.36 2016A GO BONDS
13503	5/7/19	Rusty S. Ray	55.48 EXPENSES
13504	5/13/19	Floyd Security / SRSI	134.55 QUARTERLY CONTRACT
13505	5/13/19	Harrington Langer & Associates	1,000.00 2018 FINANCIAL AUDIT FINAL
13506	5/13/19	Grass Hopper Lawn & Snow	350.00 MONTHLY SERVICE-WINTER FINAL
13507	5/13/19	Coastal Wintergreen LLC	1,695.00 MONTHLY SERVICE-SPRING CLEANIN
13508	5/14/19	BIOCLEAN Mobile Wash, Inc.	100.00 VEHICLE MAINTENANCE
13509	5/14/19	Z Systems	320.14 STUDIO UPGRADE
13510	5/20/19	City of Circle Pines	11,039.76 2016A GO BONDS
13511	5/21/19	Bradley Law, LLC	7,593.75 LEGAL-GENERAL
13512	5/28/19	Rusty S. Ray	51.34 EXPENSES
EFILE	5/1/19	Authorize.Net	25.00 MONTHLY SERVICE
EFILE	5/16/19	Chase Visa Card Services	8,593.07 OS/SFTWR/TECH/STUDIO/MEDIA/VIDEO
EFILE	5/1/19	Virtual Merchant Credit Card	10.00 MONTHLY SERVICE
EPAY-01	5/2/19	POPP TELECOM	209.78 MONTHLY SERVICE
EPAY-02	5/1/19	Principal Financial Group	431.99 STD/LTD/LIFE/ADD
EPAY-03	5/3/19	Comcast	285.92 MONTHLY SERVICE
EPAY-04	5/3/19	T-Mobile	102.16 MONTHLY SERVICE
EPAY-05	5/7/19	Holiday Station Stores	63.60 GAS/OIL
EPAY-06	5/13/19	U.S. Bank Card Service	642.20 SPMTG/TECH/POSTAGE
EPAY-07	5/12/19	AT&T Wireless	427.62 MONTHLY SERVICE
EPAY-08	5/14/19	Republic Services	189.92 MONTHLY SERVICE
EPAY-09	5/15/19	CenterPoint Energy	184.89 MONTHLY SERVICE
EPAY-10	5/15/19	Comcast Business 100M/100M	762.13 MONTHLY SERVICE
EPAY-11	5/26/19	City of Blaine-utilities	64.19 MONTHLY SERVICE
EPAY-12	5/26/19	Connexus Energy	1,781.79 MONTHLY SERVICE
EPAY-13	5/22/19	HealthPartners	10,876.91 HEALTH/DENTAL
EPAY-14	5/15/19	SA Fleet-Wex Bank	51.88 GAS/OIL
APRIL SALES TAX	5/15/19	MN Dept. of Revenue	70.00 SALES TAX

342,596.20

**NORTH METRO TELECOMMUNICATION
BILL LIST**

MAY 2019

Date	Check #	Payee	Amount
MAY	COMBINED	PAYROLL	39,815.55
MAY	COMBINED	IRS/US PAYABLE	12,836.89
MAY	COMBINED	MN REVENUE PAYABLE	2,234.43
MAY	COMBINED	PERA PAYABLE	7,153.20
MAY	COMBINED	PEACHTREE	40.80
MAY	COMBINED	DISCOVERY BENEFITS	962.50
13492	5/1/19	Commercial Steam Team	1,146.60
13493	5/1/19	Richard D. Larson	372.50
13494	5/1/19	Rick Larson	145.63
13495	5/2/19	Richard D. Larson	300.00
13496	5/5/19	City of Blaine	124,133.84
13497-ERROR	5/5/19	City of Centerville	11,039.76
13498	5/5/19	City of Centerville	7,697.87
13499	5/5/19	City of Ham Lake	32,174.31
13500	5/5/19	City of Lexington	4,125.51
13501	5/5/19	City of Lino Lakes	38,028.38
13502	5/5/19	City of Spring Lake Park	13,275.36
13503	5/7/19	Rusty S. Ray	55.48
13504	5/13/19	Floyd Security / SRSI	134.55
13505	5/13/19	Harrington Langer & Associates	1,000.00
13506	5/13/19	Grass Hopper Lawn & Snow	350.00
13507	5/13/19	Coastal Wintergreen LLC	1,695.00
13508	5/14/19	BIOCLEAN Mobile Wash, Inc.	100.00
13509	5/14/19	Z Systems	320.14
13510	5/20/19	City of Circle Pines	11,039.76
13511	5/21/19	Bradley Law, LLC	7,593.75
13512	5/28/19	Rusty S. Ray	51.34
EFILE	5/1/19	Authorize.Net	25.00
EFILE	5/16/19	Chase Visa Card Services	8,593.07
EFILE	5/1/19	Virtual Merchant Credit Card	10.00
EPAY-01	5/2/19	POPP TELECOM	209.78
EPAY-02	5/1/19	Principal Financial Group	431.99
EPAY-03	5/3/19	Comcast	285.92
EPAY-04	5/3/19	T-Mobile	102.16
EPAY-05	5/7/19	Holiday Station Stores	63.60
EPAY-06	5/13/19	U.S. Bank Card Service	642.20
EPAY-07	5/12/19	AT&T Wireless	427.62
EPAY-08	5/14/19	Republic Services	189.92
EPAY-09	5/15/19	CenterPoint Energy	184.89
EPAY-10	5/15/19	Comcast Business 100M/100M	762.13
EPAY-11	5/26/19	City of Blaine-utilities	64.19
EPAY-12	5/26/19	Connexus Energy	1,781.79
EPAY-13	5/22/19	HealthPartners	10,876.91
EPAY-14	5/15/19	SA Fleet-Wex Bank	51.88
APRIL SALES TAX	5/15/19	MN Dept. of Revenue	70.00

342,596.20

North Metro Telecommunications Commission

Balance Sheet

May 31, 2019

ASSETS

Current Assets		
Cash - Checking Account	\$	2,214,300.52
Petty Cash		150.00
A/R - NMTC		198,975.72
Prepaid Insurance - NMTC		11,811.46
Total Current Assets		2,425,237.70
Property and Equipment		
Office Equipment - NMTC		1,309,645.37
Accum Deprec - NMTC		(2,241,898.14)
Bond Equipment 2016		1,985,000.00
Building-Polk/125		1,572,799.17
Land-Polk/125		225,700.00
Total Property and Equipment		2,851,246.40
Other Assets		
Deferred Out Related/Pension		94,521.00
Total Other Assets		94,521.00
Total Assets	\$	5,371,005.10

LIABILITIES AND CAPITAL

Current Liabilities		
A/P - NMTC	\$	10,516.25
Accrued Payroll Taxes & W/H's		449.54
PERA - CORRECTIONS		310.09
Garnished Wages		86.40
Garnished Wages		(86.40)
PERA PAYABLE - PRIOR		(3,371.42)
Accrued Vacation		91,808.98
Accrued Wages		9,642.80
Franchise Fee App		935,484.87
Due to City of Blaine		659,785.00
Due to City of Centerville		40,915.00
Due to City of Circle Pines		58,677.00
Due to City of Ham Lake		171,010.00
Due to City of Lexington		21,927.00
Due to City of Lino Lakes		202,125.00
Due to City of Spring Lake Par		70,560.00
Deferred In Related/Pension		148,635.00
Total Current Liabilities		2,418,475.11
Long-Term Liabilities		
Net Pension Liability		543,664.00
Total Long-Term Liabilities		543,664.00
Total Liabilities		2,962,139.11
Capital		
Net Equity		431,408.74
Net Equity - Media Ctr		(206,243.34)
Net Equity - NMTC		2,517,656.37
Net Income		(333,955.78)
Total Capital		2,408,865.99
Total Liabilities & Capital	\$	5,371,005.10

Internally Prepared - For Management Use Only

North Metro Telecommunications Comm

Cash Receipts Journal

For the Period From May 1, 2019 to May 31, 2019

Date	Transaction Ref	Line Description	Debit Amnt	Credit Amnt
5/21/19	TAPE DUBS-CASH	TAPE DUBS-CASH Miscellaneous receipts	465.00	465.00
5/21/19	TAPE DUBS-CHECK	TAPE DUBS-CHECKS Miscellaneous receipts	190.00	190.00
5/21/19	TRUCK PRODUCTION	TRUCK PRODUCTION-ARABESQUE - PARTIAL Miscellaneous receipts	625.00	625.00
5/21/19	DRONE PRODUCTION	NEARLY NAKED RUCK MARCH-DULUTH-TRONSON Miscellaneous receipts	400.00	400.00
5/27/19	MAY CC SALES-AMEX	MAY CREDIT CARD SALES-AMEX MAY CREDIT CARD SALES-AMEX FEES Credit Card Sales	0.78 19.22	20.00
5/28/19	MAY CC SALES-AUTH	MAY CREDIT CARD SALES-AUTH MAY CREDIT CARD SALES-AUTH FEES Credit Card Sales	0.49 16.51	17.00
5/29/19	MAY CC SALES-SQUARE	MAY CREDIT CARD SALES-SQUARE MAY CREDIT CARD SALES-SQUARE FEES Credit Card Sales	6.55 223.45	230.00
5/30/19	MAY CC SALES-SQUARE	MAY CREDIT CARD SALES-SQUARE MAY CREDIT CARD SALES-SQUARE FEES Credit Card Sales	14.85 575.15	590.00
5/31/19	INTEREST	INTEREST-COMMISSION CHECKING INTEREST - COMMISSION	4,214.19	4,214.19
			<u>6,751.19</u>	<u>6,751.19</u>

North Metro Telecommunications Comm

Check Register

For the Period From May 1, 2019 to May 31, 2019

Filter Criteria includes: 1) Accounts Payable only. Report order is by Date.

Check #	Date	Payee	Amount
EFILE	5/1/19	Discovery Benefits	22.50
EFILE	5/1/19	Authorize.Net	25.00
EPAY-02	5/1/19	Principal Financial Group	431.99
13492	5/1/19	Commercial Steam Team	1,146.60
13493	5/1/19	Richard D. Larson	372.50
13494	5/1/19	Rick Larson	145.63
EFILE	5/1/19	Virtual Merchant Credit Card	10.00
EPAY-01	5/2/19	POPP TELECOM	209.78
13495	5/2/19	Richard D. Larson	300.00
EPAY-03	5/3/19	Comcast	285.92
EPAY-04	5/3/19	T-Mobile	102.16
13496	5/5/19	City of Blaine	124,133.84
13497-ERROR	5/5/19	City of Centerville	11,039.76
13498	5/5/19	City of Centerville	7,697.87
13499	5/5/19	City of Ham Lake	32,174.31
13500	5/5/19	City of Lexington	4,125.51
13501	5/5/19	City of Lino Lakes	38,028.38
13502	5/5/19	City of Spring Lake Park	13,275.36
EPAY-05	5/7/19	Holiday Station Stores	63.60
13503	5/7/19	Rusty S. Ray	55.48
EFILE	5/8/19	Discovery Benefits	470.00
PEACH	5/10/19	Peachtree/Sage Software	20.40
EFILE	5/10/19	MN Dept. of Revenue	1,130.22
EFILE	5/10/19	Public Employees Retirement	3,546.07
EFILE	5/10/19	IRS/US BANK	6,054.24
EPAY-07	5/12/19	AT&T Wireless	427.62
13504	5/13/19	Floyd Security / SRSI	134.55
13505	5/13/19	Harrington Langer & Associates	1,000.00
13506	5/13/19	Grass Hopper Lawn & Snow	350.00

North Metro Telecommunications Comm

Check Register

For the Period From May 1, 2019 to May 31, 2019

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Check #	Date	Payee	Amount
13507	5/13/19	Coastal Wintergreen LLC	1,695.00
EPAY-06	5/13/19	U.S. Bank Card Service	642.20
EPAY-08	5/14/19	Republic Services	189.92
13508	5/14/19	BIOCLEAN Mobile Wash, Inc.	100.00
13509	5/14/19	Z Systems	320.14
EPAY-09	5/15/19	CenterPoint Energy	184.89
APRIL SALES TAX	5/15/19	MN Dept. of Revenue	70.00
EPAY-10	5/15/19	Comcast Business 100M/100M	762.13
EPAY-14	5/15/19	SA Fleet-Wex Bank	51.88
EFILE	5/16/19	Chase Visa Card Services	8,593.07
13510	5/20/19	City of Circle Pines	11,039.76
13511	5/21/19	Bradley Law, LLC	7,593.75
EFILE	5/22/19	Discovery Benefits	470.00
EPAY-13	5/22/19	HealthPartners	10,876.91
PEACH	5/24/19	Peachtree/Sage Software	20.40
EFILE	5/24/19	MN Dept. of Revenue	1,028.02
EFILE	5/24/19	Public Employees Retirement	3,297.53
EFILE	5/24/19	IRS/US BANK	5,554.77
EPAY-11	5/26/19	City of Blaine-utilities	64.19
EPAY-12	5/26/19	Connexus Energy	1,781.79
13512	5/28/19	Rusty S. Ray	51.34
EFILE	5/31/19	Public Employees Retirement	309.60
EFILE	5/31/19	MN Dept. of Revenue	76.19
EFILE	5/31/19	IRS/US BANK	1,227.88
Total			302,780.65

North Metro Telecommunications Comm

General Journal

For the Period From May 1, 2019 to May 31, 2019

Date	Reference	Trans Description	Debit Amt	Credit Amt
5/1/19	ACCRUED VAC/COMP/SIC	ACCRUED VAC/COMP/SICK ACCRUED VAC/COMP/SICK	90,556.38	90,556.38
5/1/19	ACCRUED WAGES	ACCRUED WAGES ACCRUED WAGES	17,512.32	17,512.32
5/27/19	ACCRUED VAC/COMP/SIC	ACCRUED VAC/COMP/SICK ACCRUED VAC/COMP/SICK	91,808.98	91,808.98
5/28/19	ACCRUED DEPRECIATION	ACCRUED DEPRECIATION ACCRUED DEPRECIATION	12,900.00	12,900.00
Total			212,777.68	212,777.68

North Metro TV

May 2019 Update

Program Production

In May, a total of 119 **new programs** were produced utilizing the North Metro facilities, funds, and services. This constitutes **75:00:00 hours of new programming**.

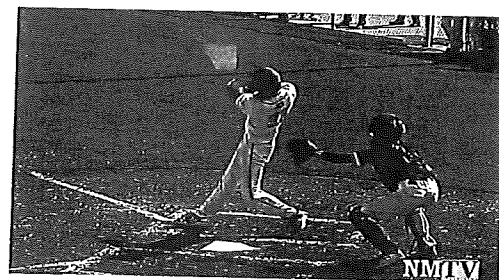
- 28 programs were produced by the public
- 68 programs were produced by NMTV staff
- 23 programs were produced by City staff



Van Shoots

The HD truck was used for **67:45:00** hours of production. Events produced live and recorded for additional playbacks include:

- Boys Tennis: Blaine vs. Centennial
- Softball: Maple Grove vs. Blaine
- Baseball: Centennial vs. Blaine
- Girls Lacrosse: Blaine vs. Centennial
- Baseball: Blaine vs. Spring Lake Park
- Girls Lacrosse: Centennial vs. Spring Lake Park
- Boys Lacrosse: Blaine vs. Spring Lake Park
- Softball: 7AAAA 1st Round: Andover vs. Blaine
- Baseball: 5AAAA 1st Round: Irondale vs. Centennial
- Boys Lacrosse: Section 7A: Champlin Park vs. Centennial
- Girls Lacrosse: Section 7A: Coon Rapids vs. Centennial



Workshops

Workshop	Instructor	Organization	Students
Lecture Series – Mary Pickford: The World's First Movie Star	Eric Houston	Crest View Senior Living	12
Editing	Eric Houston	General Public	1
Introduction to NMTV	Eric Houston	General Public	3
Lecture Series – Batman: The 1966 Television Sensation	Eric Houston	At NMTV, General Public	4
Bad Movie Bros Taping	Eric Houston	Video Club	4
Lecture Series – Mary Pickford: The World's First Movie Star	Eric Houston	Anoka County History Center	10
Editing	Eric Houston	General Public	2
Lecture Class – Over The Rainbow: Behind the Scenes of the Wizard of Oz	Eric Houston	At NMTV, General Public	23
8 Workshops			59 Students

Home Movie Transfers

Home movie transfers have become one of our most popular services. Residents can transfer their family videos themselves for free, or pay NMTV to do it. NMTV can also transfer film, slides, and photos for a fee.

Month	Hours Transferred	Tapes	Film Reels	DVDs	Photos/ Slides	Fees Paid
January	226	64	47	2	702	\$1,305.00
February	302.75	71	91	2	1,277	\$914.00
March	248.75	128	26	38	700	\$906.00
April	208.75	88	17	17	1,830	\$1,014.00
May	355.25	112	24	14	1,002	\$960.00
TOTAL:	1,341.5	463	205	73	5,511	\$5,099.00

Public Usage Stats

For statistical purposes, the public access department documents total numbers of unique individuals and total hours of usage of the facility by the general public, every month. These numbers include regular users, class participants, individuals transferring videos, people who attend events, and any other public usage of the facility. The numbers do not take into account the many members of the public who work with any other NMTV department, such as news, sports, municipal, or educational.

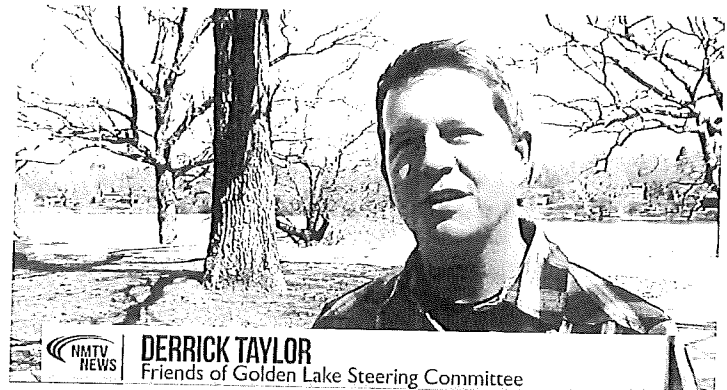
Month	Unique Individuals	Total Usage Hours
January	144	677.5
February	94	606.5
March	76	572.75
April	108	591.75
May	163	773.5
TOTAL PUBLIC USAGE:		3,222.00

Production Highlights

NMTV News Highlights

Each week Danika Peterson and Rusty Ray create a news program that highlights events, people, issues, and information important to citizens of our Member Cities. Some May highlights include:

- Blaine City Leaders Finalize Parks Master Plan
- Teen Charged in Blaine Police Officer's Deadly Crash Sentenced
- Mother Baby Center Wellness Milk Depot
- Centennial High School Mentors Receive Encouragement
- Summer Road Construction Begins in Blaine
- Friends of Golden Lake Work to Improve Water Quality
- Blaine Prepares for 3M Open
- Circle Pines Councilman Becomes Census Superhero
- Metro North Chamber of Commerce Hosts Marijuana Legalization Discussion



In addition to daily playbacks of North Metro TV News on the cable systems, there are 565 local stories archived for viewers on the NMTV YouTube page. The page can be accessed through the northmetroTV.com website.

17th Annual VIP Awards

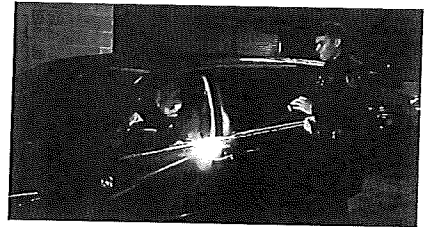
The 17th Annual VIP Awards Ceremony took place on Tuesday, May 14th. For the fifth year the event was held at the Historic Heights Theatre. The organist played until the ceremony started and popcorn and beverages were provided. A photography area was set up so people could have their pictures taken before the ceremony and after with their awards. We had a great turn-out and have heard nothing but compliments regarding the venue. In total, 20 trophies and many certificates of appreciation were given to some very deserving folks. The event was taped and



each individual award recipient's segment is presented as a separate program. By doing this we could easily post each award winner's segment to YouTube and our website.

Police Programs

Municipal Producer, Trevor Scholl, completed the first episode of the Blaine Police Department's new educational training series. It focused on explaining the intent of the series and introducing viewers to several new officers in training. The second episode of the series has already been shot and will be completed soon.



Trevor also completed the second episode of Lino Lakes' police series called Crime Crushers. The show consists of skits intended to educate viewers regarding good crime prevention practices. The second episode is called "Karate Cop." The third and fourth episodes have been shot, and are ready for editing.



New Traveling Lecture

Instructor, Eric Houston, has created another class for his traveling series. This one is called Over the Rainbow: Behind the Scenes of the Wizard of Oz. The lecture includes information such as which child star was almost cast as Dorothy, a rare deleted song from the film and footage from early silent film versions of the story. Eric first presented the class at NMTV and was pleased with the turn-out. Participants included video club members, folks who attended the classes at other venues and friends they brought along.

Arrive Alive

T.J. has wrapped up work on this year's version of Arrive Alive, with Centennial High School. T.J. and several volunteers shot the final accident scenes and then T.J. edited all night long to have the completed performance for the big presentation to the student body ready for the next day. The presentation of the video, and student, teacher, and parent comments were all included in the final product. It always ends up being a very emotional production. The program is currently scheduled on the North Metro TV channel and several City channels.



Commercial Production

NMTV was hired by Blaine High School to record nine presentations for Tedx Talks. The event was hosted by the school on Saturday May 18th. The production had to follow the Tedx guidelines exactly and cannot be displayed on any channel. The fee was \$2,000.

City Productions

Municipal Producer, Trevor Scholl, completed the second episode of Crime Crushers and the first episode of the Blaine Police training series. He also produced pieces on the 3M Open and the continuing saga of the Chominix golf course.

- 3M Open Info
- Blaine Police Training Episode #1
- Crime Crushers #2: Karate Cops
- Chominix Stays Open

New and ongoing projects include:

- Blaine Police Department training series
- Summer features for Anoka County parks
- Tower Days events
- Blaine Festival events
- Mayor's Minutes – summer editions
- AHS dog walking piece
- Second episode of "Get Connected"



Trevor touches base with contacts on a regular basis and also encourages Cities to contact him whenever they have an idea for a new show.

Production equipment consulting for cities and schools

Blaine

- 5.8.19: Went to City Hall. Switched Makito to new address.
- 5.8.19: Met with Ben Hayle determine if all is working to expectations. Yes.

Centerville

- No assistance required.

Circle Pines

- 5.8.19: Went to City Hall. Switched Makito to new address.
- 5.8.19: Put new DTA box on back-up battery and power surge protector.

Ham Lake

- 5.07.19: Switched Makito to new address. Talked with Nicole. System is working fine.

Lexington

- 5.6.19: Changed Makito X router address, tested change.
- 5.7.19: Coordinate tests for signal routing. Signal routed to fiber network.

Lino Lakes

- No assistance requested.

Spring Lake Park

- 5.8.19: Went to City Hall. Switched Makito to new address.
- 5.8.19: Experiencing problems with Comcast DTA boxes. Will need HD DTAs. Coordinating replacement with Michele.

All Cities

- 5.03.19: Coordinate router changes for transmission switch. Obtain network information to send all the Makito X encoders.
- 5.06.19: Implement router changes.
- 5.7.19: Determined that IP addresses from all signal sources are required to set proper router rules.
- 5.8.19: Coordinated City DTA tracking project with Michele.
- 5.9.19: All City Makitos switched to fiber network.

City Channel 16 Playback Stats

City	Number of Times Programs Played	Hours Programmed on Channel
Blaine	199	230:31:33
Centerville	58	83:58:17
Circle Pines	180	186:13:05
Ham Lake	89	97:00:29
Lexington	117	92:54:51
Lino Lakes	78	74:11:49
Spring Lake Park	122	137:22:17
Totals:	843 Program Playbacks	902:12:21 Hours of Video Programming on Channels

Programs Produced by the Public

Title	Producer	Runtime
Orange Films 101: dog Digs to Canada	Ben Daniels	00:10:05
A Fresh New Day	Anita Wardlaw	00:50:04
Every Movie Ever (3 episodes)	Joe Scholz, Rick Bostrom, Ben Daniels/Ryan Friundschuh, Gavin Van Trease/Brett Wong/Seraiah Brooks/Eric Houston	01:04:34
Cornerstone Church	Rick Bostrom	00:35:26
Christ Lutheran Church (4 episodes)	Jacob Nessman/Chance Amundson	04:17:11
The Power of Love (4 episodes)	Rick Larson	02:00:00
LovePower (4 episodes)	Rick Larson	04:00:00
Rice Creek Watershed District Meeting (3 episodes)	Theresa Stasica	02:43:50
Oak Park Moments (7 episodes)	Dave Turnidge	04:30:31
28 New Programs		20:11:41 New Hours

Programs Produced by NMTV Staff

Title	Producer	Runtime
Anoka County Board Meeting (5/14/19)	T.J. Tronson	01:28:14
Anoka County Board Meeting (5/28/19)	T.J. Tronson	01:10:56
North Metro Cable Commission Meeting	T.J. Tronson	00:10:51
2019 Centennial Arrive Alive	T.J. Tronson	01:12:32
2019 Blaine Freshman Band Concert	T.J. Tronson	00:32:00
2019 Blaine Repertoire Band Spring Concert	T.J. Tronson	00:35:12
2019 Blaine Senior Band Concert	T.J. Tronson	00:27:33
Centennial Middle School Theatre Society: Singing In the Rain Jr.	T.J. Tronson	01:16:40
Bengal Drive Productions: Heroes: The Power Within	T.J. Tronson	00:30:38
Commercial Production: Tedx Talks (9 episodes)	T.J. Tronson	02:13:55
NMTV News (4 episodes)	Danika Peterson/Rusty Ray	00:58:52
Blaine City Leaders Finalize Master Park Plan	Danika Peterson/Rusty Ray	00:02:05

Title cont.	Producer cont.	Runtime cont.
Centennial High School Mentors Receive Encouragement	Danika Peterson/Rusty Ray	00:02:18
Summer Road Construction Begins in Blaine	Danika Peterson/Rusty Ray	00:02:42
Friends of Golden Lake Work to Improve Water Quality	Danika Peterson/Rusty Ray	00:02:59
Circle Pines Councilman Becomes Census Superhero	Danika Peterson/Rusty Ray	00:02:40
3M Open Info	Trevor Scholl	00:04:26
Blaine Police Training Series #1	Trevor Scholl	00:05:08
Crime Crushers #2	Trevor Scholl	00:04:32
Chominix Stays Open	Trevor Scholl	00:06:35
2019 VIP Awards Recipients (20 episodes)	Eric Houston	00:31:41
Boys Tennis: Blaine/Centennial	Kenton Kipp/J. Millington	00:52:47
Adapted Softball: N. Suburban/Anoka Hennepin	Kenton Kipp/J. Millington	01:18:39
Boys Volleyball: Osseo/Blaine	Kenton Kipp/J. Millington	01:41:55
Softball: Maple Grove/Blaine	Kenton Kipp/J. Millington	01:46:09
Baseball: Centennial/Blaine	Kenton Kipp/J. Millington	02:19:44
Girls Lacrosse: Blaine/Centennial	Kenton Kipp/J. Millington	01:28:59
Baseball: Blaine/Spring Lake Park	Kenton Kipp/J. Millington	01:51:15
Girls Lacrosse: Centennial/Spring Lk Prk	Kenton Kipp/J. Millington	01:35:54
Boys Lacrosse: Blaine/Spring Lake Park	Kenton Kipp/J. Millington	01:51:17
Softball: Section 7AAAA 1 st Round: Andover/Blaine	Kenton Kipp/J. Millington	01:53:52
Baseball: Section 5AAAA 1 st Round: Irondale/Centennial	Kenton Kipp/J. Millington	02:30:23
Boys Lacrosse: Section 7A: Champlin Park/Centennial	Kenton Kipp/J. Millington	01:36:11
Girls Lacrosse: Section 7A: Coon Rapids/Centennial	Kenton Kipp/J. Millington	01:31:05
Game Summaries (4 episodes)	Kenton Kipp/J. Millington	00:03:37
68 New Programs		34:04:16 New Hours

Programs Produced by City Staff

Title	Producer	Runtime
Blaine City Council Meeting (5/6/19)	Blaine Staff	01:16:52
Blaine Traffic Commission Meeting (5/7/19)	Blaine Staff	00:36:49
Blaine Planning Commission Meeting (5/14/19)	Blaine Staff	01:02:55
Blaine City Council Meeting (5/20/19)	Blaine Staff	01:05:30
Blaine Park Board Meeting (5/28/19)	Blaine Staff	01:36:45
Centerville City Council Meeting (5/8/19)	Centerville Staff	01:05:19
Centerville City Council Meeting (5/22/19)	Centerville Staff	02:05:26
Circle Pines Planning Commission Meeting (5/13/19)	Circle Pines Staff	00:24:40
Circle Pines City Council Meeting (5/14/19)	Circle Pines Staff	00:54:26
Circle Pines Utility Commission Meeting (5/15/19)	Circle Pines Staff	00:15:26
Circle Pines City Council Meeting (5/20/19)	Circle Pines Staff	00:29:16
Ham Lake City Council Meeting (5/6/19)	Ham Lake Staff	01:21:45
Ham Lake Planning Commission Meeting (5/13/19)	Ham Lake Staff	00:17:04

Title cont.	Producer cont.	Runtime cont.
Ham Lake Park & Tree Commission Meeting (5/15/19)	Ham Lake Staff	01:16:36
Ham Lake City Council Meeting (5/20/19)	Ham Lake Staff	00:57:52
Lexington City Council Meeting (5/2/19)	Lexington Staff	00:51:22
Lexington City Council Meeting (5/16/19)	Lexington Staff	00:25:50
Lino Lakes Planning & Zoning Meeting (5/8/19)	Lino Lakes Staff	00:16:47
Lino Lakes City Council Meeting (5/13/19)	Lino Lakes Staff	00:53:18
Title cont.	Producer cont.	Runtime cont.
Lino Lakes City Council Meeting (5/28/19)	Lino Lakes Staff	00:30:35
Spring Lake Park City Council Meeting (5/6/19)	Spring Lake Park Staff	01:33:07
Spring Lake Park City Council Meeting (5/20/19)	Spring Lake Park Staff	00:50:30
Spring Lake Park Planning Commission Meeting (5/28/19)	Spring Lake Park Staff	00:19:49
23 New Programs		20:27:59 New Hours

If you have any questions or comments regarding this monthly report please contact Heidi Arnson at 763.231.2801 or harnson@northmetrotv.com.

NORTH METRO TV

Production Statistics 2019

Programming Statistics												
	J	F	M	A	M	J	JU	A	S	O	N	D
Cablecast Programs	2675.00	2340.00	2636.00	2374.00	2520.00							
Cablecast Hours	2070.00	1797.00	2015.25	1900.50	2156.25							
Programs Produced - Public	34.00	27.00	24.00	23.00	18.00							
Program Hours Produced - Public	20.50	18.50	16.50	16.50	13.00							
Prog. Produced - Affiliated Public	8.00	6.00	9.00	9.00	10.00							
Prog. Hours Produced - Affil. Public	6.75	5.00	5.50	6.75	7.25							
Programs Produced - City Staff	21.00	23.00	23.00	25.00	23.00							
Program Hours Produced - City Staff	20.00	19.00	23.00	21.50	20.50							
Programs Produced - NMTV Staff	50.00	63.00	44.00	24.00	68.00							
Prog. Hours Produced - NMTV Staff	21.00	35.75	18.25	12.75	34.00							
Total Public Programs Produced	42.00	33.00	33.00	32.00	28.00							
Total Staff Programs Produced	71.00	86.00	67.00	49.00	91.00							
Total Internal Programs Produced	113.00	119.00	100.00	81.00	119.00							
% Staff Produced Programs	62.83%	72.27%	67.00%	60.49%	76.47%							
% Public Produced Programs	37.17%	27.73%	33.00%	39.51%	23.53%							
External Programs Submitted	19.00	13.00	21.00	18.00	21.00							
External Program Hours	14.25	10.50	13.25	11.25	14.75							
Total New Programs	132.00	132.00	121.00	99.00	140.00							
Equipment Usage Statistics												
Facility Hours Available	176.00	149.00	196.00	202.00	188.00							
Public Field Equipment Uses	7.00	5.00	8.00	8.00	12.00							
Studio A	38.00	38.00	46.50	36.50	21.25							
% of Available Time	21.59%	25.50%	23.72%	18.07%	11.30%							
Studio B	29.75	27.50	4.00	19.00	3.00							
% of Available Time	16.90%	18.46%	2.04%	9.41%	1.60%							
Public MAC A Edit Suite	71.50	213.00	180.00	135.75	146.50							
% of Available Time	40.63%	142.95%	91.84%	67.20%	77.93%							
Public MAC B Edit Suite	77.25	52.75	76.25	83.25	116.50							
% of Available Time	43.89%	35.40%	38.90%	41.21%	61.97%							
Public MAC C Edit Suite	83.75	80.00	138.00	108.75	100.75							
% of Available Time	47.59%	53.69%	70.41%	53.84%	53.59%							
Production Van Statistics												
Production Hours	41.75	66.50	25.50	24.75	67.75							
Number of Van Shoots	7.00	10.00	4.00	4.00	11.00							
Average Hours Per Shoot	5.96	6.65	6.38	6.19	6.16							
Number of New Volunteers	1.00	8.00	0.00	0.00	5.00							
Volunteer Hours	21.00	39.00	30.00	5.00	56.00							
Public Access Statistics												
Number of Workshops	8.00	6.00	8.00	9.00	8.00							
Number of Students	85.00	63.00	52.00	68.00	59.00							
PAP Volunteer Hours	199.75	104.00	92.50	158.50	115.00							
Total Public Facility Usage Hours	677.50	606.50	572.75	591.75	773.50							

EXECUTIVE COMMITTEE MINUTES

Meeting of June 5, 2019

Executive Cmte. Present: Dick Swanson; Blaine, Mike Murphy; Lexington, Dale Stoesz; Lino Lakes, Cindy Hansen; Spring Lake Park

Absent:

Others Present: Heidi Arnson; Executive Director, Rose Valez; Administrative Asst.

CALL TO ORDER

The Chair called the meeting to order at 6:00 p.m.

APPROVAL OF MINUTES

A motion to approve the May 1, 2019 Executive Committee meeting minutes was made by M. Murphy. Second, D. Swanson. Motion approved.

EXECUTIVE DIRECTOR / OPERATIONS COMMITTEE REPORT

- The recommended 2020 budget was reviewed. Goals for 2020 include introducing closed captioning for city meetings and continuing with the franchise renewal. Operating expenses were budgeted at \$1,220 less than the 2019 budget. While there were increases in personnel related expenses, there were reductions in anticipated administrative and production costs that offset those increases. The personnel budget includes an up to 3.00% COLA increase and step increases for four employees. The COLA increase will be revisited later in the fall to verify the final adjustment. Benefits were budgeted at \$1,195 per employee, based on benefits packages provided by Cities to their employees. Capital expenses are budgeted at \$424,630. This is \$25,985 less than the 2019 budget. A little over half of the capital budget is dedicated to the bond payment of \$231,630, for the HD upgrade. Other capital expenditures recommended for 2020 include closed captioning hardware and software for city meetings, a Makito X transport system for cities, maintenance and support contracts for equipment, a tripod system for the truck, and some field equipment. Annual computer upgrades, software licenses, and music licenses are also included in the capital budget. Franchise fees returned to Cities have been budgeted at \$400,000. This is the same amount as last year. Income was estimated as conservatively as possible. In the event income does not meet expectations, the budget will need to be revisited. The Committee did not recommend increasing the PEG fee in 2020. The Operations Committee recommended that the Cable Commission approve the 2020 NMTC budget as prepared.

MOTION: To approve the 2020 NMTC budget as presented. **Motion made by D. Swanson. Second, M. Murphy. Motion approved.**

- With the HD upgrades for City equipment nearly complete, an HD channel for city programming has been requested from Comcast. An SD channel will have to be

returned to Comcast in exchange for the HD channel. School District 16 has decided to longer program the channel designated for their use, so that channel will be returned to Comcast. It is important to keep the SD city channel as some subscribers do not have HD service and would no longer be able to watch city channels if that channel were to go away. The upgrade will take about 90 days.

- Cities are in the process of approving the CenturyLink Settlement agreement. Two have approved it, one has it on its agenda, and the last four will get it on the agenda as soon as possible.
- Staff is reviewing a draft franchise document for Comcast.
- Changes to the Commission meeting agenda were discussed and agreed upon. A recommendation will be made to the full commission to make the changes.

OLD BUSINESS

There was no old business.

NEW BUSINESS

- A recommendation was made to have some of the NMTV facility trees trimmed so the electronic sign is more visible.
- Canceling the July and August meetings was considered. If necessary, the meetings can be rescheduled.

MOTION: To cancel the July and August Executive Committee and full Commission meetings. **Motion made by M. Murphy. Second, C. Hansen. Motion approved.**

ADJOURN

Motion to adjourn made by C. Hansen. Second, M. Murphy. Motion approved. The meeting was adjourned at 6:31 p.m.

2020 North Metro Telecommunications Commission

Budget

Talking Points

Overall Organizational Goals

- Maintain accessibility of City channels through live streaming, OTT channels, and video on demand services 24-hours-a-day, via the City and North Metro TV websites.
- Complete the transition of all member Cities to HD.
- Begin introducing closed captioning services.
- Continue with franchise renewal negotiations. Conduct any necessary needs assessments.
- Monitor effects of FCC rulings, economic pressures and cord cutting on franchise fees and cable subscriber levels.
- Produce high quality channel and web friendly programming that can be viewed using any device.
- Provide program playback, video transport, channel management services, video equipment maintenance and consulting services, internet streaming services for City channels, VOD libraries for meetings, meeting management software licenses and bookmarking services, program production and event coverage services, and public access to television production for our cities, schools and general public.

Estimated Fund Balance/Revenues/Expenses

- The beginning fund balances for 2020 are estimates based on previous allocations, planned spending for 2019, and estimated income.
- Estimated revenues include: Franchise fees based on the actual first quarter franchise fee payment. PEG fees are based on the actual first quarter PEG fee payment. Other income includes dub fees, home movie transfers, drone and production services. Interest income is estimated based on the first quarter interest earnings of this year.
- Estimated expenditures include the operating expenses, capital expenses, the bond payment and the franchise fee payment to the cities. Franchise fees back to cities are budgeted at \$400,000. This is the same amount as last year.
- The year end fund balances include:
 - The **Operating reserve** at 25% of the operating budget.
 - **Accrued vacation, sick and comp** time. The total value of owed vacation, sick, and comp time to employees.
 - The **Capital equipment fund** is intended for emergency replacement of unplanned equipment failures.
 - The **truck replacement fund** is to cover the cost of a new fleet vehicle.

- The **building repair fund** is to cover major costs related to the building such as windows, roof, furnace, parking lot, AC replacement and painting, carpet replacement etc.
- The **franchise renewal fund** is a reserve fund for the NMTC's franchise renewal process. Franchise renewal can be very expensive, with the informal negotiation process costing around \$200,000 across a three year period. Moving to a formal negotiation process is more expensive. These costs include needs assessments, consulting, and legal fees.

Budget

- The recommended operating budget for the organization totals \$1,310,784. This number represents a \$1,220 decrease over last year's operating budget. Reductions in some production and audit line items erased the increases in personnel costs.
- Budgeted capital purchases for 2020 are set at \$424, 630. A little over half of this amount is dedicated to the HD bond payment of \$231,630. Budgeted capital items for 2020 include closed captioning hardware and software for city meetings, one Makito X video transport system, and support and maintenance contracts for Tightrope, Haivision, Carousel and Grass Valley video systems. The total amount budgeted for video equipment replacement/support is \$165,000. The capital budget also includes routine computer/software upgrades, and software licenses. The 2020 capital budget is \$25,985 less than last year.
- The total 2020 NMTC budget is \$27,205 less than the total 2019 budget.
- Franchise fees paid to the cities are budgeted at \$400,000. This is the same as last year.

Closing Points

- We have created a thriving and dynamic service for our cities, schools, producers, and viewers. Through program playback and channel management, internet streaming of city meetings including an agenda bookmarking tool, channel live streaming, OTT channels, video equipment consulting, drone services, and video production services, our cities are seeing real benefits from their investment of franchise fees and PEG fees. Our cable subscribers are benefiting from this investment with educational opportunities, tape and film transfer services, and varied, informative and interesting programming regarding their communities.
- We are taking important steps to remain relevant in a media viewing world that expects high quality programming provided in a format that can be utilized on any device, and can also be accessed via the internet.
- 2020 will be a pivotal year for the Commission, as Cities expand accessibility to their channels through closed captioning services, and franchise renewal moves forward.

North Metro Telecommunications Commission
2020 FINANCIAL SUMMARY
Estimated Fund Balances/Revenues/Expenditures.

BEGINNING FUND BALANCES

Operating Reserve	\$323,013
Accrued Vac, Sick, Comp	\$120,000
Capital Equip. Fund	\$253,323
Vehicle Replacement Fund	\$45,000
Bldg Repair Reserve	\$200,000
Franchise Renewal Fund	\$246,793
Bond Reserve	\$0

TOTAL: \$1,188,129

ESTIMATED REVENUES

Franchise Fees	\$1,200,000
PEG Fees	\$765,000
Other Income	\$25,000
Interest Income	\$30,000
Income From Reserve Funds (franchise renewal/equipment)	\$115,414

TOTAL: \$2,135,414

ESTIMATED EXPENDITURES

Operating Expenses	\$1,310,784
Capital Expenses: Equipment	\$193,000
Capital Expenses: Bond Payment	\$231,630
Franchise Fees Back to Cities	\$400,000

TOTAL: \$2,135,414

YEAR END FUND BALANCES

		Increase(Decrease)
Operating Reserve	\$323,013	\$0
Accrued Vac, Sick, Comp	\$120,000	\$0
Capital Equip. Fund	\$182,909	-\$70,414
Truck Replacement Fund	\$45,000	\$0
Bldg Repair Reserve	\$200,000	\$0
Franchise Renewal Fund	\$201,793	-\$45,000
Bond Reserve	\$0	\$0

TOTAL: \$1,072,715 -\$115,414

North Metro Telecommunications Commission Budget Line Item Supporting Information

Personnel

- The personnel total increased by \$15,463. The increase is the result of an up-to 3.00% cost of living adjustment and step increases for four employees. The 3.00% COLA is based on the percentage the largest number of Member Cities will be using in 2020.
- The part-time assistants are divided into two groups. Employees in the largest group are contracted when needed for a shoot, and generally do not work enough to qualify for PERA. The second part-time designation is for two 20 hours per week positions that do qualify for PERA. Neither category is eligible for health benefits. Payroll taxes apply.

Benefits

- The NMTC employee benefits package budget is based on the values of the benefits packages offered by the Member Cities to their employees. It is budgeted at \$1,195.00. This is a \$50 per employee, per month increase over the previous year. This amount is less than the average of Member City package values. (average = \$1,223) The average was determined by utilizing the most recent information provided by Member Cities. The benefits line-item increased by \$6,600 over the 2019 budget.
- The NMTC's contribution to PERA will remain at 7.5% in 2020.

Administrative Expenses

- Budgeted administrative expenses are \$16,500 less than 2019. The decrease is due to a reduction in franchise renewal related expenses, and reductions in the conference and tuition/training line-items. It is anticipated that there will be no need to conduct a technical audit or additional franchise or PEG fee audits of Comcast in 2020. Consultant fees were budgeted at the same amount as 2019, as the timing of a viewer survey remains fluid. Money from the franchise renewal reserve fund is included in the income estimate for 2020, to cover franchise renewal related costs.
- The tuition/training line item has been reduced to reflect actual expenditures from this line-item over the past. Enough money has been budgeted to cover annual IT related recertification costs.

Production Expenses

- Budgeted production expenses are \$5,500 less than 2019. The advertising and awards ceremony/entry-fees line items were reduced as cost saving measures. Money remaining in the budget will be used for ads for our home movie transfer service, postcards, and billboards around election time. The vehicle maintenance line-item was increased in anticipation of more problems with the fleet vehicle.

- All other production expenses remain near the 2019 level.

Office Expenses

- Office expenses are budgeted \$1,600 less than the 2019 level.
- The building maintenance line-item remains at \$30,000. Building maintenance includes the furnace/AC maintenance contract, lawn care, snow removal, carpet and window cleaning, fire inspection, and landscaping and building mechanical services.
- The building utilities line item remains at \$30,000. Building utilities include sewer, water, gas, and electric.
- Insurance includes all property, liability, crime, volunteer, vehicle, and monument sign coverage.
- Office supply line item includes all office supplies, and maintenance contracts on printers and copiers.
- The Telephone/Internet/Web Hosting line-item remains the same as the 2019 budget. This line-item was increased substantially in 2018/2019 to cover data transport for City video and data. NMTV continues to pay a fee to house video-on-demand and streaming content on a remote server. This allows for unlimited simultaneous viewing, without a reduction in speed. The line-item also covers the wireless live transmission of sporting events and other field productions. The website maintenance contract, web hosting, telephone costs, and the annual phone software upgrade are also included.
- Postage covers the cost of mailing dubs and equipment for contract maintenance, and other postage for the NMTC.
- Property tax is for the recycling assessment.
- Building cleaning, trash, recycling, and hazardous material disposal/recycling.

Capital Expenditures

- The 2020 capital budget is set at \$424,630. This is \$25,985 less than last year. Over half of this amount is dedicated to the HD bond payment of \$231,630. Capital items for 2020 include one Makito X transport system, a tripod system for the production truck, field equipment, and the annual maintenance/support/insurance contracts for City and NMTV Tightrope, Ross, Haivision and Carousel equipment. Some hardware and software related to closed captioning is also included in the budget.
- Office equipment includes routine computer and software upgrades, and software licenses for office and editing computers

Summary

- Operating expenses have been budgeted at \$1,220 less than in 2019. While there were increases in personnel related expenses, there were reductions in the anticipated administrative and production expenses that offset those increases.
- Capital costs are \$25,985 less than last year. The majority of the capital budget is for the bond payment, closed captioning hardware/software, and maintenance/support contracts for equipment. Other expenditures include one tripod system for the truck and some field equipment. The office computer and software line-item remains at \$28,000. The bond payment is set at \$231,630.

- Franchise fees back to Cities are budgeted at \$400,000. This is the same as last year.
- The overall 2020 budget is \$27,205 less than the 2019 budget. The decrease is primarily in capital expenditures. This is a 2.07% decrease.

**2020
North Metro Telecommunications Commission Budget**

[illegible]

2020 North Metro Telecommunications Commission Budget

[illegible]

2020
North Metro Telecommunications Commission Budget

	2018 ACTUAL	2019		2020	NOTES
		Budget	April Act.		
CAPITAL EXPENDITURES					
Video Equipment	138,153	187,640	139,259	165,000	Closed captioning equipment, equipment contracts office systems, software licenses
Computer/Office Equipment/Sftwre	26,201	28,000	8,523	28,000	
Vehicles	0	0	0	0	
Building Expenditures	0	4,500	0	0	
Bond Payment	229,215	230,475	230,475	231,630	HD Upgrade
CAPITAL EXP. TOTAL:	393,569	450,615	378,257	424,630	
GRAND TOTAL:	1,470,665	1,762,619	832,738	1,735,414	

NORTH METRO FRANCHISE FEE HISTORY

[illegible]

City Benefits

City	2012	2013	2014	2015	2016	2017	2018	2019	2020
Blaine	\$930.00	\$960.00	\$990.00	\$1,020.00	\$1,050.00	\$1,080.00	\$1,130.00	\$1,180.00	\$1,230.00
Centerville	\$925.00	\$950.00	\$975.00	\$1,000.00	\$1,025.00	\$1,050.00		\$1,090.00	\$1,100.00
Circle Pines	\$920.00	\$945.00	\$975.00	\$1,025.00	\$1,055.00	\$1,095.00			\$1,125.00
Ham Lake	\$850.00	\$850.00	NA	\$900.00	\$900.00	\$900.00	\$900.00	\$950.00	\$955.00
Lexington	\$1,100.00	\$1,125.00	\$1,150.00	\$1,200.00	\$1,250.00	\$1,300.00	\$1,300.00	\$1,335.00	\$1,360.00
Lino Lakes	\$1,148.00	NA	\$1,135.00	\$1,250.00		\$1,293.00			\$1,488.00
Spring Lake Park	\$1,157.40	NA	NA	\$1,062.00			\$1,078.00	\$1,256.93	\$1,306.53

Average \$1,004.29

\$1,066.00 \$1,056.00 \$1,120.00 \$1,120.00

\$8,564.53
\$1,223.50

COLA

City	2018	2019	2020
Blaine	2.75	3.00	3.00
Centerville		2.50	2.75
Circle Pines	2.75		2.75 - 3.00
Ham Lake	2-3%	2.5 - 3.0	3.00
Lexington	2.5 + .5	2.75	2.50
Lino Lakes	2.75		2.5 - 3.00
Spring Lake Park			3.00

3.00 = 74.34%
Up to 3.00 = 20.63%
2.75 = 3.4%
2.5 = 1.62%

North Metro TV 2020 Equipment Budget

Master Control Service & Subscriptions

ID No.	Model No.	Make	Description	Qty	Cost	Total
2020-1	CBL-CG330-SDI-HA	Tightrope	(25% Discount) Tightrope Hardware Assurance for Flex 4 16TB (SN: 0055767, 768, 769, 7	1	10000	10000
2020-2	CBL-SAS-CH-1YR	Tightrope	Cablecast Software Assurance per Channel (17 Channels billed as 12) 1-Year	1	9000	9000
2020-3	CBL-VOD-PRO-BOX	Tightrope	VOD / PRO Tightrope Hardware & Service Contract	1	500	500
2020-4	Ross Equipment Support	Ross	Ross Service Contract Quote 30330 - NMTV Xpression, Carboante, Blackstorm minus Prod	1	25000	25000
2020-5	Imagine Equipment Support	Imagine Communica	Imagine Contract for MC Router, Encoder & Router Panels	1	10000	10000
2020-6	K2-ESA-1YR	Grass Valley	Dyno Service Contract	1	10000	10000
						64500.00

Master Control Equipment

ID No.	Model No.	Make	Description	Qty	Unit Price	Total
2020-10	CBL-REFLECT-BND	Tightrope	Cablecast Live Stream Server Subscription - Add another 3-Channel Reflect Service	1	10000	10000
2020-11	B-292D-HD2	Haivision	Makito X Decoder	1	5000	5000
2020-12	H.264 Encoder	Haivision	Makito X Encoder	1	6000	6000
						21000.00

Control Room/Studio A

ID No.	Model No.	Make	Description	Qty	Unit Price	Total
2020-20				1	0	0

Control Room/Studio B

ID No.	Model No.	Make	Description	Qty	Unit Price	Total
2020-30						0

Production Truck

ID No.	Model No.	Make	Description	Qty	Unit Price	Total
2020-40	CP2M	Vinten	Vinten 250 Tripod System with Heads	1	13000	13000
2020-41	EW 112P G4-A	Sennheiser	Camera-Mount Wireless Omni Lavalier Microphone System (A: 516 to 558 MHz)	3	700	2100
						15100

Sports Department

ID No.	Model No.	Make	Description	Qty	Unit Price	Total
2020-47				0	0	0

Public Access

ID No.	Model No.	Make	Description	Qty	Unit Price	Total
2020-50						0

News Department

ID No.	Model No.	Make	Description	Qty	Unit Price	Total
2020-60	DJI Osmo	DJI	4K Handheld Gimbal Bundle with Batteries & 32gb card	1	900	900

Special Events

ID No.	Model No.	Make	Description	Qty	Unit Price	Total
2020-70	HPX250		HPX 250 Camera	1	6000	6000
2020-71			10 Batteries	10	190	1900
2020-72	BV-10	Benro	Tripod with 2 Handles	1	1300	1300
2020-73	PZFI	VariZoom	Zoom/Focus/Iris Control	1	350	350
2020-74			HPX Charging Stations & Viewfinders	1	500	500
2020-75	PCC160	AKG	Cardiod PCC Microphone	3	400	1200
						11250

Municipal Services					
ID No.	Model No.	Make	Description	Qty	Unit Price
2020-80	C-12D9K1	Benro	Dual Carbon Rail Slider Kit with Head & Tripods	1	699
2020-81	Moza Air 2	Moza	Gimbal with Wireless Focus	1	698
2020-82	FUC82	Bower	82mm Digital HD UV Filter	1	7.99
					1404.99
Tech Shop Equipment					
ID No.	Model No.	Make	Description	Qty	Unit Price
2020-90			Cable Reels, Cable Ends, Small Tools, etc.....		
2020-91	30-295	Ideal		1	65
					4000
Various Small Items					
ID No.	Model No.	Make	Description		Total
2020-100	-	-	Microphones, Headsets, Monitors, Speakers, Windscreens, etc.....		10000
2019-101					0
					11000
Grand Total					129154.99

NORTH METRO TV

TO: OPERATIONS COMMITTEE/CABLE COMMISSION
FROM: HEIDI ARNSON
SUBJECT: HD CITY CHANNEL UPDATE
DATE: 5/29/2019

As part of the 2014 Settlement Agreement with Comcast, NMTV was given access to two HD channels. There were a few stipulations to that access: First, an HD signal had to be provided by NMTV; Second, an SD channel had to be returned to Comcast; and third, the second HD channel could be accessed one year after the first.

Now that six cities have upgraded to HD, and Centerville plans to this year, a request has been made to Comcast for our second HD channel. An SD channel will have to be returned to Comcast at this time. After discussions with School District 16, it was determined that they no longer intend to program the channel that was designated for their use. As such, they have chosen to return the channel to the Commission.

We will be returning the School District 16 channel to Comcast in return for the second HD channel. It is important to keep the SD channel 16, in addition to having an HD city channel. A little over 14% of our subscribers do not have HD service. If the SD channel 16 were to go away, they would not have access to city meetings via their cable service.

Comcast has filed the paperwork for the channel upgrade. It will take 90 days for the upgrade to be finalized.

NORTH METRO TELECOMMUNICATIONS COMMISSION MEETING

June 19, 2019

6:00 p.m.

SPRING LAKE PARK CITY OFFICES

1301 81ST Avenue NE

AGENDA

1. Call to Order/Roll Call
2. Citizen Comments
3. Approval of the Agenda
4. Consent Agenda
 - A. May financial reports and bill list
 - B. Minutes of regular meeting of May 15, 2019
 - C. Minutes of Executive Committee meeting of June 5, 2019
 - D. Minutes of Operations Committee meeting of June 4, 2019
5. Executive Director Report
 - A. Motion 1
 - B. Motion 2
6. Legal Counsel Report
 - A. Motion 1
 - B. Motion 2
7. Old Business
8. New Business
9. Communications
10. Community Calendar
 - A. Upcoming Events
 - B. Next Meeting Dates
11. Adjournment

Sample Commission Agenda

NORTH METRO TELECOMMUNICATIONS COMMISSION MEETING

May 15, 2019

6:00 p.m.

SPRING LAKE PARK CITY OFFICES

1301 81st Avenue NE

AGENDA

1. Call to Order/Roll Call
2. Citizen Comments
3. Approval of the Agenda
4. Consent Agenda
 - a) May financial reports and bill list
 - b) Minutes of Regular meeting of May 15, 2019
 - c) Minutes of Executive Committee meeting of June 4, 2019
 - d) Minutes of Operations Committee of June 5, 2019
5. Reports
 - a) Executive Director
 - b) Legal Counsel
6. Executive Committee
 - a. Motion 1
 - b. Motion 2
7. Old Business
8. New Business
9. Communications
10. Community Calendar
 - a) Upcoming Events
 - b) Next Meeting Dates
11. Adjournment

**NORTH METRO TELECOMMUNICATIONS COMMISSION
UNAPPROVED OPERATIONS COMMITTEE MEETING NOTES**

Tuesday, June 4, 2019

CALL TO ORDER

The meeting began at 10:32 a.m.

MEMBERS PRESENT

C. Arneson, B. Petracek, D. Buchholtz, J. Karlson, P. Antonen, D. Krueger, M. Statz, D. Webster

MEMBERS ABSENT

OTHERS PRESENT

H. Arnson

APPROVAL OF MEETING NOTES

The meeting notes of April 30, 2019 were approved by consensus.

EXECUTIVE DIRECTOR REPORT

- The recommended 2020 budget was reviewed. Goals for 2020 include introducing closed captioning for city meetings and continuing with the franchise renewal. Operating expenses were budgeted at \$1,220 less than the 2019 budget. While there were increases in personnel related expenses, there were reductions in anticipated administrative and production costs that offset those increases. The personnel budget includes an up to 3.00% COLA increase and step increases for four employees. The COLA increase will be revisited later in the fall to verify the final adjustment. Benefits were budgeted at \$1,195 per employee, based on benefits packages provided by Cities to their employees. Capital expenses are budgeted at \$424,630. This is \$25,985 less than the 2019 budget. A little over half of the capital budget is dedicated to the bond payment of \$231,630, for the HD upgrade. Other capital expenditures recommended for 2020 include closed captioning hardware and software for city meetings, a Makito X transport system for cities, maintenance and support contracts for equipment, a tripod system for the truck, and some field equipment. Annual computer upgrades, software licenses, and music licenses are also included in the capital budget. Franchise fees returned to Cities have been budgeted at \$400,000. This is the same amount as last year. Income was estimated as conservatively as possible. In the event income does not meet expectations, the budget will need to be revisited. The Committee did not recommend increasing the PEG fee in 2020. The Operations Committee recommends that the Cable Commission approve the 2020 NMTC budget as prepared.
- A second HD channel has been requested from Comcast. The new HD city channel will be on 799. The SD channel 16 will remain. School District 16 has decided to stop programming the channel designated for their use, so that channel will be returned to Comcast in exchange for the new city HD channel. It will take approximately 90 days for the upgrade.
- Two city councils have approved the CenturyLink Settlement agreement. One more has it scheduled. The four remaining asked that the agreement and explanatory staff memo be resent, and said that they would get it on the council schedules.
- Staff is reviewing a draft franchise document.

OLD BUSINESS

There was no old business.

NEW BUSINESS

- The group discussed the summer meeting schedule. It was decided to cancel the July and August meetings, unless something came up that required addressing.
- Denise Webster was introduced as the new Administrator for the City of Ham Lake. She will be replacing Don Krueger, who is retiring.

ADJOURNMENT

The meeting was adjourned at 11:23 a.m.

POTs and PANs

Pretty Advanced New Stuff from CCG Consulting

May 21, 2019

What's the Future for CenturyLink?

2 Comments

(<https://potsandpansbyccg.com/2018/05/08/centurylink-and-residential-broadband/centurylink-truck/#main>)I don't know how many of you watch industry stock prices. I'm certainly not a stock analyst, but I've always tracked the stock prices of the big ISPs as another way to try to understand the industry. The stock prices for big ISPs are hard to compare because every big ISP operates multiple lines of business these days. AT&T and Verizon are judged more as cellular companies than as ISPs. AT&T and Comcast stock prices reflect that both are major media companies.



With that said, the stock price for CenturyLink has performed far worse than other big ISPs over the last year. A year ago a share of CenturyLink stock was at \$19.24. By the end of the year the stock price was down to \$15.44. As I wrote this blog the price was down to \$10.89. That's a 43% drop in share price over the last year and a 30% drop since the first of the year. For comparison, following are the stock prices of the other big ISPs and also trends in broadband customers:

	Stock Price 1 Year Ago	Stock Price Now	% Change	2018 Change in Broadband Customers
CenturyLink	\$19.24	\$10.89	-43.4%	-262,000
Comcast	\$32.14	\$43.15	34.3%	1,353,000
Charter	\$272.84	\$377.89	38.5%	1,271,000
AT&T	\$32.19	\$30.62	-4.9%	-18,000
Verizon	\$48.49	\$56.91	17.4%	2,000

As a point of comparison to the overall market, the Dow Jones Industrial average was up 4% over this same 1-year period. The above chart is not trying to make a correlation between stock prices and

broadband customers since that is just one of dozens of factors that affect the performance of these companies.

Again, I've never fully understood how Wall Street values any given company. In reading analyst reports on CenturyLink it seems that the primary reason for the drop in stock price is that all of the company's business units are trending downward. In the recently released 1Q 2019 results the company showed a year-over-year drop in results for the international, enterprise, small and medium business, wholesale, and consumer business units. It seems that analysts had hoped that the merger with Level 3 would reverse some of the downward trends. Stock prices also dropped when the company surprised the market by cutting its dividend payment in half in February.

CenturyLink faces the same trends as all big ISPs – traditional business lines like landline telephone and cable TV are in decline. Perhaps the most important trend affecting the company is the continued migration of broadband customers from copper-based DSL to cable company broadband. CenturyLink is not replacing the DSL broadband customers it's losing. In 2018 CenturyLink lost a lot of broadband customers with speeds under 20 Mbps, but had a net gain of customers using more than 20 Mbps. CenturyLink undertook a big fiber-to-the-home expansion in 2017 and built fiber to pass 900,000 homes and businesses – but currently almost all expansion of last-mile networks is on hold.

It's interesting to compare CenturyLink as an ISP with the big cable companies. The obvious big difference is the trend in broadband customers and revenues. Where CenturyLink lost 262,000 broadband customers in 2018, the two biggest cable companies each added more than a million new broadband customers for the year. CenturyLink and other telcos are losing the battle of DSL versus cable modems with customers migrating to cable companies as they seek faster speeds.

It's also interesting to compare CenturyLink to the other big telcos. From the perspective of being an ISP, AT&T and Verizon are hanging on to total broadband customers. Both companies are also losing the DSL battle with the cable companies, but each is adding fiber customers to compensate for those losses. Both big telcos are building a lot of new fiber, mostly to provide direct connectivity to their own cell sites, but secondarily to then take advantage of other fiber opportunities around each fiber node.

Verizon has converted over a hundred telephone exchanges in the northeast to fiber-only and is getting out of the copper business in urban areas. Verizon has been quietly filling in its FiOS fiber network to cover the copper it's abandoning. While nobody knows yet if it's real, Verizon also has been declaring big plans to expand into new broadband markets using 5G wireless loops.

AT&T was late to the fiber game but has been quietly yet steadily adding residential and business fiber customers over the last few years. They have adopted a strategy of chasing pockets of customers anywhere they own fiber.

CenturyLink had started down the path to replace DSL customers when they built a lot of fiber-to-the-home in 2017. Continuing with fiber construction would have positioned the company to take back a lot of the broadband market in the many large cities it serves. It's clear that the new CenturyLink CEO doesn't like the slow returns from investing in last-mile infrastructure and it appears that any hopes to grow the telco part of the business are off the table.

Everything I read says that CenturyLink is facing a corporate crisis. Diving stock prices always put strain on a company. CenturyLink faces more pressure since the activist investors group Southeastern Asset Management holds more than a 6% stake in CenturyLink and made an SEC filing that the company's fiber assets are undervalued.

The company has underperformed compared to its peers ever since it was spun off from AT&T as US West. The company then had what turned out to be a disastrous merger with Qwest. There was hope a few years back that the merger with CenturyLink would help to right the company. Most recently has been the merger with Level 3, and at least for now that's not made a big difference. It's been reported that CenturyLink has hired advisors to consider if they should sell or spin off the telco business unit. That analysis has just begun, but it won't be surprising to hear about a major restructuring of the company.

Posted by [CCGConsulting](#) in [The Industry](#)

Tagged: [AT&T](#), [CenturyLink](#), [Charter](#), [Comcast](#), [Verizon](#)

2 thoughts on “What’s the Future for CenturyLink?”

1. [Eldo Telecom \(@EldoTelecom\)](#) says:

May 21, 2019 at 9:53 am

This reflects the dilemma pure play legacy telcos face and the unsustainability of their business model. They cannot sufficiently capitalize infrastructure to retain existing customers, capture new ones and increase ARPU. Hence, their growth is stunted and that's reflected in their share price.

[Reply](#)

2. [L. Nova](#) says:

May 21, 2019 at 3:04 pm

Blame Wall Street and their relentless greed led by people such as Craig Moffett who have hissy fits when companies such as Verizon want to spend the money to upgrade all of their wireline to fiber yet are held back because Moffett tells investors that they will not get quick returns.

I wish there was a way to eject guys like Moffett into the vacuum of space.

[Reply](#)

[Blog at WordPress.com.](#)

House Makes First Pass at STELAR

Hearing ranges far and wide over divide between broadcast and cable

John Eggerton

The House began its review of the STELAR compulsory copyright legislation Tuesday (June 4) with a lengthy, wide-ranging discussion of video issues from short markets to cord-cutting, with frequent references from Democrats about putting consumers first, and all peppered with "dad gummits" and stronger from Patricia Jo Boyers president of BOYCOM Vision and vice chair of ACA Connects.

STELAR is the latest name for the bill, which dates from 1988, that established the compulsory license that allows satellite operators to import distant network TV station affiliates into local markets where viewers lack access to them for a variety of reasons.

The act must be renewed (and historically renamed) every five years or the compulsory distant signal copyright license and a provision requiring broadcasters and satellite operators and cable operators to negotiate carriage in good faith will expire.

That review kick-off--the Senate Commerce Committee's review launches June 5--came in a House Communications Subcommittee hearing featuring Boyers on one side--keep the license and make it permanent if possible--and National Association of Broadcasters president Gordon Smith on the other--let the license expire and the marketplace set the terms for carriage.

There appeared to be general agreement by legislators on both sides that broadcasters provided a vital service, including local news and weather and emergency alerts and diverse programming (oh, and home team college football games, this being Congress, which is full of fans often chiding each other over their teams).

But there was less agreement on how renewing and/or sunseting key STELAR provisions would affect all those.

Boyers, arguably the star of the hearing for her down-home deliver and small operator viewpoint, said sunseting the license and good faith bargaining requirements would give her less leverage in carriage deals and leave her mostly poor subs with higher bills than they already have trouble paying--payments in her "hills and hollows" Missouri system sometimes includes in-kind payments of eggs instead of bucks. It would also leave her with less money to invest in rural broadband.

Boyers said she paid \$12 per month per sub for four TV stations, and a little over \$50 for the other "300" channels.

Also on the side of keeping the license, and expanding the good faith negotiations rules to include no blackouts or bundled carriage deals, as a somewhat larger player, AT&T. Robert

Thun, SVP of content and programming for AT&T Mobility and Entertainment, said the retrans system was broken and was leading to unsustainable retrans prices, including because of broadcasters bundling negotiations by skirting the FCC's ownership rules via programming digital subchannels or low-power stations as affiliates, which don't count toward those FCC ownership caps.

On the other side was Gordon Smith, who said the price of the broadcast localism that legislators acknowledged was so important was a business model that relied on advertising, increasingly being cannibalized by the "unregulated behemoths" of Big Tech, and retrans, with the latter an important source of funding for local content.

Smith said that allowing the STELAR provisions to expire would help the viewers who want local stations but get distant signals because satellite operators are not forced to negotiate for local station carriage but instead have the "crutch" of the subsidized compulsory license for out-of-market signals.

Smith said retrans was about the marketplace compensating broadcasters for their most-watched programming, pointing out that operators pay more for some more lightly-viewed cable networks. Asked how broadcasters come up with the fees they are charging, fees that have been increasing much to the dismay of cable operators and some legislators' constituents, Smith said that while he did not know exactly, likely it was combination of comparables for other programming, as well as viewership and ratings.

Smith sounded a note of collegiality if not compromise, saying that broadcast and cable needed each other and they both had to make a buck.

He also pointed out that stations and their networks needed each other. That came after a couple of questions from legislators about just how much retrans money local stations got to keep after the networks took their cut in reverse compensation, a point of contention between affiliates and networks. Given that NAB has both in its ranks, Smith did not talk about how much each got, but only pointed out that TV stations needed the network sports and other programming while the networks obviously needed their local outlets.

Those opposed to sunseting STELAR could take some comfort from Committee Chairman Mike Doyle (D-Pa.), who said that while he agreed that while the license and good faith components were hardly a perfect solution, allowing it so sunset would result in a "crisis," of lost viewership and invite bad behavior and consumer harm.

While the issue appeared binary--sunset or reauthorization--reauthorization could include various tweaks and additions, the number and type of which have traditionally been bones of contention in previous renewals. And a decision not to renew would likely trigger, and add urgency too, various bills do deal separately with what is and isn't good faith negotiating as well as a larger

look at revamping the 1992 Cable Act or starting from scratch and writing new rules for the video marketplace.

Rep. Steve Scalise (R-La.) has been a leading voice for a major revamp and echoed that in the hearing.

That may be tough politically and logistically, but one thing everyone seemed to agree on is that the marketplace looks vastly different from when STELAR was adopted more than 30 years ago, including the over-the-top players who now dominate the regulatory conversations in Washington.

POTs and PANs

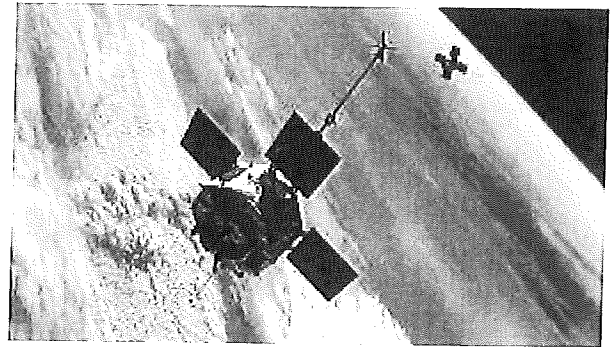
Pretty Advanced New Stuff from CCG Consulting

May 24, 2019

The Impact of Satellite Broadband

2 Comments

(<https://potsandpansbyccg.com/2018/11/01/delays-in-satellite-broadband/satellite-2/#main>) Recently I've had several people ask me about the expected impact of low-orbit satellite broadband. While significant competition from satellites is probably a number of years away, there are several major initiatives like StarLink (Elon Musk), Project Kuiper (Amazon), and OneWeb that have announced plans to launch swarms of satellites to provide broadband.



At this early stage, it's nearly impossible to know what impact these companies might have. We don't know anything about their download and speed capacity, their pricing strategy, or their targeted market so it's impossible to begin to predict their impact. We don't even know how long it's going to take to get these satellites in space since these three companies alone have plans to launch over 10,000 new satellites – a tall task when compared to the 1,100 satellites currently active in space.

Even without knowing any of these key facts, BroadbandNow (<https://broadbandnow.com/>) recently grabbed headlines around the industry by predicting that low-orbit satellites will bring an annual savings of \$30 billion for US broadband customers. Being a numbers guy, I never let this kind of headline pass without doing some quick math.

They explain their method of calculation on their web site (https://broadbandnow.com/research/leo-satellite-internet-consumer-savings-study?mc_cid=24b0ba6ff9&mc_eid=c0235d9575). They are making several major assumptions about the satellite industry. First, they assume the satellite providers will compete on price and will compete in every market in the country. Since the vast majority of American live in metro areas, BroadbandNow is assuming the satellite providers will become a major competitor in every city. They also assume that the satellites will be able to connect to a huge number of customers in the US which will force other ISPs to lower prices.

Those assumptions would have to be true to support the \$30 billion in projected annual consumer savings. That is an extraordinary number and works out to be a savings of almost \$20 per month for every household in the US. If you spread the \$30 billion over only those households that buy broadband today, that would be a savings of over \$23 per month. If you further factor out the folks who live in large apartments and don't get a choice of their ISP, the savings jumps to \$27 per household per month. The only way to realize savings of that magnitude would be from a no-holds-barred broadband price

war where the satellite providers are chewing into market penetrations everywhere.

I foresee a different future for the satellite industry. Let's start with a few facts we know. While 10,000 satellites is an impressive number, that's a worldwide number and there will be fewer than 1,000 satellites over the US. Most of the satellites are tiny – these are not the same as the huge satellites launched by HughesNet. Starlink has described their satellites as varying in size between a football and a small dorm refrigerator. At those small sizes these satellites are probably the electronic equivalent of the OLT cabinets used as neighborhood nodes in a FTTH network – each satellite will likely support some limited and defined number of customers. OneWeb recently told the FCC in a spectrum docket that they are envisioning needing one million radio links, meaning their US satellites would be able to serve one million households. Let's say that all of the satellite providers together will serve 3 – 5 million homes in the US – that's an impressive number, but it's not going to drive other ISPs into a pricing panic.

I also guess that the satellite providers will not offer cheap prices – they don't need to. In fact, I expect them to charge more than urban ISPs. The satellite providers will have one huge market advantage – the ability to bring broadband where there isn't landline competition. The satellite providers can likely use all of their capacity selling only in rural America at a premium price.

We still have no real idea about the speeds that will be available with low-orbit satellite broadband. We can ignore Elon Musk who claims he'll be offering gigabit speeds. The engineering specs show that a satellite can probably make a gigabit connection, but each satellite is an ISP hub and will have a limited bandwidth capacity. Like with any ISP network, the operator can use that capacity to make a few connections at a high bandwidth speed or many more connections at slower speeds. Engineering common sense would predict against using the limited satellite bandwidth to sell gigabit residential products.

That doesn't mean the satellite providers won't be lured by big bandwidth customers. They might make more money selling gigabit links at a premium price to small cell sites and ignoring the residential market completely. It's a much easier business plan, with drastically lower operating costs to sell their capacity to a handful of big cellular companies instead of selling to millions of households. That is going to be a really tempting market alternative.

I could be wrong and maybe the satellite guys will find a way to sell many tens of millions of residential links and compete in every market, in which case they would have an impact on urban broadband prices. But unless the satellites have the capacity to sell to almost everybody, and unless they decide to compete on price, I still can't see a way to ever see a \$30 billion national savings. I instead see them making good margins by selling where there's no competition.

Posted by [CCGConsulting](#) in [Technology](#), [The Industry](#)

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2 thoughts on “The Impact of Satellite Broadband”

1. [CCGConsulting](#) says:

May 24, 2019 at 7:34 am

Broadband Data Usage Report: Internet-only Homes Use Almost Twice as Much Data as Bundled Homes

telecompetitor.com/broadband-data-usage-report-internet-only-homes-use-almost-twice-as-much-data-as-bundled-homes/
Joan Engbretson

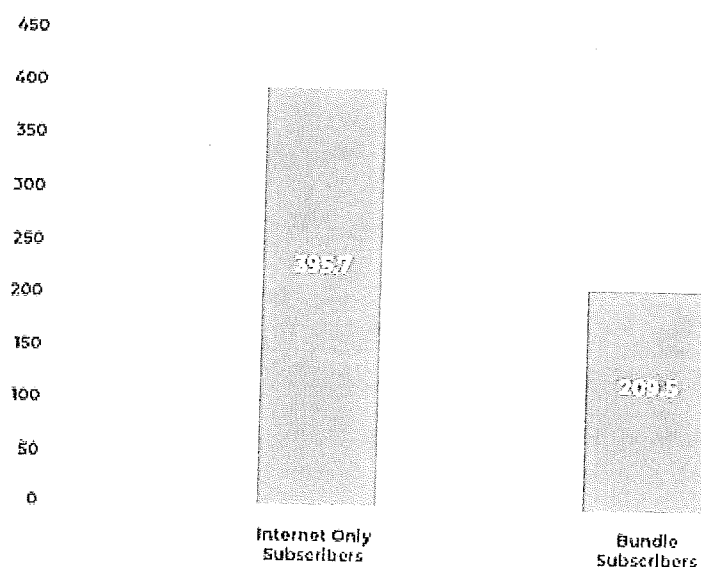
Internet-only homes, defined as those that don't subscribe to traditional pay-TV, use almost twice as much data as homes that have traditional pay-TV, according to a new broadband data usage report from OpenVault, a provider of broadband industry analytics and software-as-a-service (SaaS).



The company's SaaS platform captures data usage from end users, and the research is based on that aggregate data from the first quarter of 2019.

Internet-only homes consume an average of 395.7 gigabytes (GB) per month, in comparison with 209.5 GB per month for bundled homes that purchase pay-TV as well as broadband. The implication is that homes that have cut the pay-TV cord are likely to make heavier use of over-the-top or streaming video options, driving higher data consumption.

Internet Only vs. Bundled Usage (GB)



Source: OVBI Report (OpenVault)

Numerous service providers have reported that internet-only customers tend to purchase

higher-speed services in comparison with bundled customers, but the OpenVault research is notable in that it looked at data consumption as well as data speeds.

Unlike wireless providers, wireline broadband providers typically don't cap the amount of data customers can use, although they may have language in their contracts that allows them certain remedies for the very heaviest data users. But the OpenVault findings raise the question of whether this will continue as more and more customers cut the video cord.

Other interesting findings from the report:

- Overall average monthly data consumption was 273.5 GB – a 27% increase over the same period a year earlier
- The percentage of power users, defined as subscribers who consume 1 TB or more of data per month, doubled to 4.2% of all subscribers in Q1 2019 from 2.1% a year earlier
- 6.5% of internet-only subscribers are power users, compared with 2.2% of bundled subscribers

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