

# NORTH METRO TELECOMMUNICATIONS COMMISSION MEETING

September 18, 2019

6:00 p.m.

SPRING LAKE PARK CITY OFFICES

1301 81<sup>ST</sup> Avenue NE

## AGENDA

1. Call to Order/Roll Call
2. Public Comments
3. Approval of the Agenda
4. Consent Agenda [pp. 1-31](#)
  - A. Minutes of regular meeting of June 19, 2019
  - B. June, July & August financial reports and bill lists
  - C. Minutes of Executive Committee meeting of September 4, 2019
  - D. Minutes of Operations Committee meeting of September 3, 2019
5. Executive Director Report [pp. 32-39](#)
  - A. Monthly Update
6. Legal Counsel Report
  - A. Monthly Update
7. Old Business [p.40](#)
  - A. CenturyLink Franchise Fee Settlement Agreement [pp.41-43](#)
  - B. Cable Franchising Order and Coalition Appeal [pp. 44-51](#)
8. New Business
  - A. Comcast Franchise Fee and PEG Fee Review Report [pp.52-63](#)
9. Recommended Reading [pp.64-85](#)
10. Community Calendar
  - A. Next Meeting Dates:
    - a. Operations Committee – October 1<sup>st</sup>, 2019
    - b. Executive Committee – October 2<sup>nd</sup>, 2019
    - c. Cable Commission – October 16<sup>th</sup>, 2019
11. Adjournment

# **NORTH METRO TELECOMMUNICATIONS COMMISSION**

## **UNAPPROVED MINUTES**

**Commission Meeting – June 19, 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, Mike Schweigert; Circle Pines

**Directors Absent:** Brian Kirkham; Ham Lake

**Others Present:** Heidi Arnson; Executive Director, Rose Valez; Admin. Asst., Mike Bradley; Legal Counsel

**Comcast Rep:**

**CenturyLink Rep:**

### **CONSENT AGENDA**

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

The May 15, 2019 minutes, and the May bill list and financial reports were approved as presented. **Motion for approval made by M. Montain. Second, M. Murphy. 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 month of June. Topics included:

- Instructor, Eric Houston, has created another class for his traveling lecture series. This one is called Over the Rainbow: Behind the Scenes of the Wizard of Oz. The class was first presented at the studio with a turn-out of 23 students. It will be offered at the senior centers, libraries, and history center as well.

- The busy summer production schedule kicked off with high school graduations and the Tower Days parade. The graduations were streamed live and NMTV received quite a few emails from viewers who were happy to be able to watch from anywhere.
- Commercial productions have increased. T.J. Tronson worked with Blaine High School to record nine presentations for Tedx Talks. Bethel College has contacted NMTV for the same kind of work, and the City of Columbia Heights has hired NMTV to record their Jamboree Days parade.
- The home movie transfer service has been busy. The service has been averaging \$1,000 a month in payments, with the month of June nearing \$2,000.
- Acquisition of the city HD channel 799 is underway. Comcast is processing the request and the channel should be available by mid-September. City SD channel 16 will remain on the guide as some subscribers do not have HD service. With the addition of the city HD channel, an SD channel must be returned to Comcast. The Spring Lake Park school district has decided to no longer program the channel designated for their use, so that one will be returned to Comcast.
- We are on track for launching the over the top channels by the end of June. An announcement will be sent out when the channels are ready to access.

#### **REPORT OF EXECUTIVE COMMITTEE/OPERATIONS COMMITTEE**

D. Swanson reported on the following items:

- 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, D. Stoez. Motion approved.**

- The city HD channel has been requested from Comcast.
- Six cities have signed the CenturyLink Settlement Agreement.
- Changes to the Commission meeting agenda were reviewed and approved.

**MOTION:** To approve changes to the Commission meeting agenda format. **Motion made by D. Swanson. Second, M. Montain. Motion approved.**

- It was recommended that the July and August Executive Committee and full Commission meetings be canceled. A meeting can be rescheduled if necessary.

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

#### **REPORT OF LEGAL COUNSEL**

M. Bradley reported on the following items:

- Reply Comments have been filed with the FCC in opposition to its proposed rules changing how over-the-air reception devices are regulated. The new rules would preempt local governments from regulating wireless facilities on private property. The Comments include consumer protection concerns.
- The FCC may consider the Further Notice of Proposed Rulemaking in the 621 proceeding at their August 2<sup>nd</sup> meeting. This is the proceeding that could significantly reduce franchise fees if approved. It was recommended that a letter be sent to Representative Emmer asking him to encourage the FCC not to act on the matter. If the ruling is approved it will be appealed.

**MOTION:** To send a letter to Representative Emmer asking him to encourage the FCC to not act on the 621 Proceeding. **Motion made by D. Swanson. Second, M. Murphy. Motion approved.**

- Changes to the open meeting law, at the state level, will allow members of the military to participate in meetings remotely.
- A \$40,000,000 broadband grant for outstate Minnesota was approved.

**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 6:23 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, September 18, 2019 at 6:00 p.m.** at the city offices of Spring Lake Park.

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Cindy Hansen; Secretary, NMTC

**NORTH METRO TELECOMMUNICATION  
BILL LIST**

AUGUST 2019

<b>Date</b>	<b>Check #</b>	<b>Payee</b>	<b>Amount</b>
AUGUST	COMBINED	PAYROLL	54,110.59
AUGUST	COMBINED	IRS/US PAYABLE	18,228.02
AUGUST	COMBINED	MN REVENUE PAYABLE	3,345.37
AUGUST	COMBINED	PERA PAYABLE	10,735.63
AUGUST	COMBINED	PEACHTREE	66.30
AUGUST	COMBINED	DISCOVERY BENEFITS	962.50
13547	8/1/19	Richard D. Larson	341.00
13548	8/1/19	Jerome Bour Serra	325.00
13549	8/1/19	Charlie Beattie	400.00
13550	8/7/19	Coastal Wintergreen LLC	1,440.00
13551	8/19/19	Z Systems	1,380.00
13552	8/19/19	Jeremy Millington	13.71
13553	8/19/19	Phalen Kimball LLC	471.70
13554	8/26/19	DURAMAX ASPHALT	3,697.40
13555	8/26/19	Siemens Industry, Inc	713.00
13556	8/27/19	Matthew Waldron	74.42
13557	8/28/19	Corporate Mechanical	974.62
EFILE	8/1/19	Authorize.Net	41.17
EFILE	8/1/19	Virtual Merchant Credit Card	10.00
EFILE	8/16/19	Chase Visa Card Services	1,403.16
EFILE	8/23/19	Chase Visa Card Services	667.81
EPAY-01	8/1/19	Principal Financial Group	487.85
EPAY-02	8/2/19	POPP TELECOM	213.90
EPAY-03	8/3/19	Comcast	288.06
EPAY-04	8/3/19	T-Mobile	102.16
EPAY-05	8/4/19	Speedway	44.84
EPAY-06	8/7/19	Holiday Station Stores	103.09
EPAY-07	8/12/19	AT&T Wireless	430.72
EPAY-08	8/14/19	Republic Services	163.54
EPAY-09	8/15/19	CenterPoint Energy	26.32
EPAY-10	8/15/19	Comcast Business 100M/100M	762.13
EPAY-11	8/19/19	U.S. Bank Card Service	332.76
EPAY-12	8/22/19	HealthPartners	11,876.04
EPAY-13	8/26/19	City of Blaine-utilities	215.12
EPAY-14	8/26/19	Connexus Energy	1,969.29
JULY SALES TAX	8/15/19	MN Dept. of Revenue	236.00
			<b><u>116,653.22</u></b>

# North Metro Telecommunications Commission

## Balance Sheet

August 31, 2019

### ASSETS

#### Current Assets

Cash - Checking Account	\$	2,431,993.63
Petty Cash		150.00
A/R - NMTC		198,975.72
Prepaid Insurance - NMTC		11,811.46

Total Current Assets 2,642,930.81

#### Property and Equipment

Office Equipment - NMTC	1,309,645.37
Accum Deprec - NMTC	(2,280,598.14)
Bond Equipment 2016	1,985,000.00
Building-Polk/125	1,572,799.17
Land-Polk/125	225,700.00

Total Property and Equipment 2,812,546.40

#### Other Assets

Deferred Out Related/Pension	94,521.00
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Total Other Assets 94,521.00

Total Assets \$ 5,549,998.21

### 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		83,515.58
Accrued Wages		22,192.40
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 2,422,731.31

#### Long-Term Liabilities

Net Pension Liability	543,664.00
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Total Long-Term Liabilities 543,664.00

Total Liabilities 2,966,395.31

#### Capital

Net Equity	431,408.74
Net Equity - Media Ctr	(206,243.34)
Net Equity - NMTC	2,517,656.37
Net Income	(159,218.87)

Total Capital 2,583,602.90

Total Liabilities & Capital \$ 5,549,998.21

# North Metro Telecommunications Comm

## Cash Receipts Journal

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

Date	Transaction Ref	Line Description	Debit Amnt	Credit Amnt
8/5/19	JULY PAYPAL	JULY PAYPAL PAYPAL	967.25	967.25
8/26/19	AUG CC SALES-AUTH	AUGUST CREDIT CARD SALES-AUTHORIZE.NET AUGUST CREDIT CARD SALES-AUTHORIZE.NET-FEES Credit Card Sales	2.81 94.19	97.00
8/27/19	AUG CC SALES-SQUARE	AUGUST CREDIT CARD SALES-SQUARE AUGUST CREDIT CARD SALES-SQUARE FEES Credit Card Sales	0.83 24.17	25.00
8/31/19	INTEREST	INTEREST-COMMISSION CHECKING INTEREST - COMMISSION	4,060.94	4,060.94
			<b>5,150.19</b>	<b>5,150.19</b>



# North Metro Telecommunications Comm

## Check Register

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

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

Check #	Date	Payee	Amount
EFILE	8/1/19	Discovery Benefits	22.50
EFILE	8/1/19	Authorize.Net	41.17
EFILE	8/1/19	Virtual Merchant Credit Card	10.00
13547	8/1/19	Richard D. Larson	341.00
EPAY-01	8/1/19	Principal Financial Group	487.85
13548	8/1/19	Jerome Bour Serra	325.00
13549	8/1/19	Charlie Beattie	400.00
PEACH	8/2/19	Peachtree/Sage Software	22.10
EFILE	8/2/19	MN Dept. of Revenue	1,103.68
EFILE	8/2/19	Public Employees Retirement	3,530.93
EFILE	8/2/19	IRS/US BANK	5,975.09
EPAY-02	8/2/19	POPP TELECOM	213.90
EPAY-03	8/3/19	Comcast	288.06
EPAY-04	8/3/19	T-Mobile	102.16
EPAY-05	8/4/19	Speedway	44.84
13550	8/7/19	Coastal Wintergreen LLC	1,440.00
EPAY-06	8/7/19	Holiday Station Stores	103.09
EPAY-07	8/12/19	AT&T Wireless	430.72
EPAY-08	8/14/19	Republic Services	163.54
EFILE	8/14/19	Discovery Benefits	470.00
EPAY-09	8/15/19	CenterPoint Energy	26.32
JULY SALES TAX	8/15/19	MN Dept. of Revenue	236.00
EPAY-10	8/15/19	Comcast Business 100M/100M	762.13
PEACH	8/16/19	Peachtree/Sage Software	22.10
EFILE	8/16/19	MN Dept. of Revenue	1,103.68
EFILE	8/16/19	Public Employees Retirement	3,530.93
EFILE	8/16/19	IRS/US BANK	5,975.09
EFILE	8/16/19	Chase Visa Card Services	1,403.16
13551	8/19/19	Z Systems	1,380.00

# North Metro Telecommunications Comm

## Check Register

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

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

Check #	Date	Payee	Amount
13552	8/19/19	Jeremy Millington	13.71
13553	8/19/19	Phalen Kimball LLC	471.70
EPAY-11	8/19/19	U.S. Bank Card Service	332.76
EPAY-12	8/22/19	HealthPartners	11,876.04
EFILE	8/23/19	Chase Visa Card Services	667.81
EPAY-13	8/26/19	City of Blaine-utilities	215.12
EPAY-14	8/26/19	Connexus Energy	1,969.29
13554	8/26/19	DURAMAX ASPHALT	3,697.40
13555	8/26/19	Siemens Industry, Inc	713.00
13556	8/27/19	Matthew Waldron	74.42
EFILE	8/28/19	Discovery Benefits	470.00
13557	8/28/19	Corporate Mechanical	974.62
PEACH	8/30/19	Peachtree/Sage Software	22.10
EFILE	8/30/19	MN Dept. of Revenue	1,111.93
EFILE	8/30/19	Public Employees Retirement	3,554.02
EFILE	8/30/19	IRS/US BANK	6,015.78
EFILE	8/31/19	Public Employees Retirement	119.75
EFILE	8/31/19	MN Dept. of Revenue	26.08
EFILE	8/31/19	IRS/US BANK	262.06
<b>Total</b>			<b>62,542.63</b>

# North Metro Telecommunications Comm

## General Journal

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

Date	Reference	Trans Description	Debit Amt	Credit Amt
8/1/19	ACCRUED VAC/COMP/SIC	ACCRUED VAC/COMP/SICK ACCRUED VAC/COMP/SICK	87,476.83	87,476.83
8/1/19	ACCRUED WAGES	ACCRUED WAGES ACCRUED WAGES	7,625.04	7,625.04
8/28/19	ACCRUED DEPRECIATION	ACCRUED DEPRECIATION ACCRUED DEPRECIATION	12,900.00	12,900.00
8/29/19	ACCRUED WAGES	ACCRUED WAGES ACCRUED WAGES	12,549.60	12,549.60
8/30/19	ACCRUED VAC/COM/SICK	ACCRUED VAC/COMP/SICK ACCRUED VAC/COMP/SICK	83,515.58	83,515.58
<b>Total</b>			<b>204,067.05</b>	<b>204,067.05</b>

**NORTH METRO TELECOMMUNICATION  
BILL LIST**

JULY 2019

Date	Check #	Payee	Amount
JULY	COMBINED	PAYROLL	40,609.71
JULY	COMBINED	IRS/US PAYABLE	13,154.55
JULY	COMBINED	MN REVENUE PAYABLE	2,326.29
JULY	COMBINED	PERA PAYABLE	7,128.27
JULY	COMBINED	PEACHTREE	68.00
JULY	COMBINED	DISCOVERY BENEFITS	1,432.50
13523	7/1/19	William Austin	180.00
13524	7/1/19	Ary Mendoza	140.00
13525	7/1/19	Taylor Olson	10.00
13526	7/1/19	Robert H. Clark	10.00
13527	7/1/19	William Austin	10.00
13528	7/1/19	David Mangum	10.00
13529	7/1/19	Blake Johnson	14.00
13530	7/5/19	Richard D. Larson	334.75
13531	7/7/19	Coastal Wintergreen LLC	605.00
13532	7/9/19	Metro Sales, Inc.	712.03
13533	7/9/19	Poster Compliance Center	69.95
13534	7/10/19	Bradley Law, LLC	2,450.00
13535	7/15/19	Jeremy Millington	102.81
13536	7/19/19	Samy Vernet	350.00
13537	7/21/19	FirstCom Music	1,922.00
13538	7/22/19	Jeremy Millington	13.73
13539	7/22/19	Alpha Video & Audio, Inc	715.00
13540	7/29/19	Rusty S. Ray	56.19
13541	7/29/19	Alpha Video & Audio, Inc	3,558.00
13542	7/29/19	Corporate Mechanical	842.04
13543	7/29/19	INTERSTATE COMPANIES, INC	572.00
13544	7/29/19	Coastal Wintergreen LLC	12,145.00
13545	7/31/19	DURAMAX ASPHALT	1,584.60
EFILE	7/1/19	Authorize.Net	33.44
EFILE	7/16/19	Chase Visa Card Services	1,950.31
EFILE	7/28/19	Chase Visa Card Services	4,929.09
EFILE	7/1/19	Virtual Merchant Credit Card	10.00
EPAY-01	7/1/19	Principal Financial Group	431.99
EPAY-02	7/2/19	POPP TELECOM	209.78
EPAY-03	7/2/19	Speedway	174.05
EPAY-04	7/3/19	Comcast	288.06
EPAY-05	7/3/19	T-Mobile	102.16
EPAY-06	7/3/19	Holiday Station Stores	277.95
EPAY-07	7/12/19	AT&T Wireless	427.62
EPAY-08	7/14/19	Republic Services	164.45
EPAY-09	7/15/19	CenterPoint Energy	32.36
EPAY-10	7/15/19	U.S. Bank Card Service	1,503.55
EPAY-11	7/15/19	Comcast Business 100M/100M	762.13
EPAY-12	7/22/19	HealthPartners	11,876.04
EPAY-13	7/26/19	City of Blaine-utilities	166.90
EPAY-14	7/26/19	Connexus Energy	2,018.58
EPAY-E02	7/17/19	Kenton Kipp	117.99
JUNE SALES TAX	7/15/19	MN Dept. of Revenue	170.00

**116,772.87**

# North Metro Telecommunications Commission

## Balance Sheet

July 31, 2019

### ASSETS

#### Current Assets

Cash - Checking Account	\$	2,543,595.81
Petty Cash		150.00
A/R - NMTC		198,975.72
Prepaid Insurance - NMTC		11,811.46

Total Current Assets 2,754,532.99

#### Property and Equipment

Office Equipment - NMTC	1,309,645.37
Accum Deprec - NMTC	(2,267,698.14)
Bond Equipment 2016	1,985,000.00
Building-Polk/125	1,572,799.17
Land-Polk/125	225,700.00

Total Property and Equipment 2,825,446.40

#### Other Assets

Deferred Out Related/Pension	94,521.00
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Total Other Assets 94,521.00

Total Assets \$ 5,674,500.39

### 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		87,476.83
Accrued Wages		17,267.84
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 2,421,768.00

#### Long-Term Liabilities

Net Pension Liability	543,664.00
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Total Long-Term Liabilities 543,664.00

Total Liabilities 2,965,432.00

#### Capital

Net Equity	431,408.74
Net Equity - Media Ctr	(206,243.34)
Net Equity - NMTC	2,517,656.37
Net Income	(33,753.38)

Total Capital 2,709,068.39

Total Liabilities & Capital \$ 5,674,500.39

# North Metro Telecommunications Comm

## Cash Receipts Journal

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

Date	Transaction Ref	Line Description	Debit Amnt	Credit Amnt
7/11/19	JUNE PAYPAL	JUNE PAYPAL PAYPAL	373.62	373.62
7/19/19	REFUND	PERA REFUND Public Employee Retirement	330.50	330.50
7/20/19	2ND QTR FRAN FEES	2ND QTR FRAN FEES CenturyLink-Franchise	5,084.08	5,084.08
7/21/19	2ND QTR PEG FEES	2ND QTR PEG FEES CenturyLink-Peg	2,514.60	2,514.60
7/22/19	TAPE DUBS-CHECKS	TAPE DUBS-CHECKS Miscellaneous receipts	558.00	558.00
7/22/19	PRODUCTION-TRUCK	ARABESQUE DANCE FINAL Miscellaneous receipts	659.00	659.00
7/22/19	PRODUCTION-COMM TJ	COMMERCIAL PRODUCTION-EAA-TJ Miscellaneous receipts	100.00	100.00
7/24/19	JULY CC SALES-AUTH	JULY CC SALES-AUTH Credit Card Sales	1,402.23	1,402.23
7/25/19	JULY CC SALES-AMEX	JULY CC SALES-AMEX JULY CC SALES-AUTH FEES Credit Card Sales	1.56 38.44	40.00
7/26/19	JULY CC SALES-SQUARE	JULY CC SALES-SQUARE JULY CC SALES-SQUARE FEES Credit Card Sales	15.00 443.64	458.64
7/28/19	2ND QTR FRAN FEES	2ND QTR FRAN FEES Comcast-Franchise	302,105.91	302,105.91
7/29/19	2ND QTR PEG FEES	2ND QTR PEG FEES Comcast-PEG Fees	193,305.90	193,305.90
7/30/19	JULY CC SALES-SQUARE	JULY CREDIT CARD SALES-SQUARE JULY CREDIT CARD SALES-SQUARE FEES Credit Card Sales	1.65 134.35	136.00
7/31/19	INTEREST	INTEREST-COMMISSION CHECKING INTEREST - COMMISSION	4,001.32	4,001.32
			<b>511,069.80</b>	<b>511,069.80</b>

# North Metro Telecommunications Comm

## Check Register

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

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

Check #	Date	Payee	Amount
EFILE	7/1/19	Discovery Benefits	22.50
EFILE	7/1/19	Authorize.Net	33.44
EFILE	7/1/19	Virtual Merchant Credit Card	10.00
EPAY-01	7/1/19	Principal Financial Group	431.99
13523	7/1/19	William Austin	180.00
13524	7/1/19	Ary Mendoza	140.00
13525	7/1/19	Taylor Olson	10.00
13526	7/1/19	Robert H. Clark	10.00
13527	7/1/19	William Austin	10.00
13528	7/1/19	David Mangum	10.00
13529	7/1/19	Blake Johnson	14.00
EPAY-02	7/2/19	POPP TELECOM	209.78
EPAY-03	7/2/19	Speedway	174.05
EPAY-04	7/3/19	Comcast	288.06
EPAY-05	7/3/19	T-Mobile	102.16
EFILE	7/3/19	Discovery Benefits	470.00
EPAY-06	7/3/19	Holiday Station Stores	277.95
PEACH	7/5/19	Peachtree/Sage Software	22.10
EFILE	7/5/19	MN Dept. of Revenue	1,093.78
EFILE	7/5/19	Public Employees Retirement	3,426.62
EFILE	7/5/19	IRS/US BANK	5,852.99
13530	7/5/19	Richard D. Larson	334.75
13531	7/7/19	Coastal Wintergreen LLC	605.00
13532	7/9/19	Metro Sales, Inc.	712.03
13533	7/9/19	Poster Compliance Center	69.95
13534	7/10/19	Bradley Law, LLC	2,450.00
EFILE ADD'L	7/10/19	IRS/US BANK	34.42
EFILE ADD'L	7/10/19	MN Dept. of Revenue	0.55
EFILE ADD'L	7/10/19	Public Employees Retirement	31.51

# North Metro Telecommunications Comm

## Check Register

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

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

Check #	Date	Payee	Amount
EPAY-07	7/12/19	AT&T Wireless	427.62
EPAY-08	7/14/19	Republic Services	164.45
EPAY-09	7/15/19	CenterPoint Energy	32.36
JUNE SALES TAX	7/15/19	MN Dept. of Revenue	170.00
EPAY-11	7/15/19	Comcast Business 100M/100M	762.13
EPAY-10	7/15/19	U.S. Bank Card Service	1,503.55
PEACH	7/15/19	Peachtree/Sage Software	1.70
13535	7/15/19	Jeremy Millington	102.81
EFILE	7/16/19	Chase Visa Card Services	1,950.31
PEACH	7/16/19	Peachtree/Sage Software	22.10
EFILE	7/17/19	Discovery Benefits	470.00
EPAY-E02	7/17/19	Kenton Kipp	117.99
PEACH	7/19/19	Peachtree/Sage Software	22.10
EFILE	7/19/19	MN Dept. of Revenue	1,111.35
EFILE	7/19/19	Public Employees Retirement	3,526.02
EFILE	7/19/19	IRS/US BANK	5,989.09
13536	7/19/19	Samy Vernet	350.00
13537	7/21/19	FirstCom Music	1,922.00
EPAY-12	7/22/19	HealthPartners	11,876.04
13538	7/22/19	Jeremy Millington	13.73
13539	7/22/19	Alpha Video & Audio, Inc	715.00
EPAY-13	7/26/19	City of Blaine-utilities	166.90
EPAY-14	7/26/19	Connexus Energy	2,018.58
EFILE	7/28/19	Chase Visa Card Services	4,929.09
13540	7/29/19	Rusty S. Ray	56.19
13541	7/29/19	Alpha Video & Audio, Inc	3,558.00
13542	7/29/19	Corporate Mechanical	842.04
13543	7/29/19	INTERSTATE COMPANIES, INC	572.00
13544	7/29/19	Coastal Wintergreen LLC	12,145.00



# North Metro Telecommunications Comm

## Check Register

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

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

Check #	Date	Payee	Amount
EFILE	7/31/19	Discovery Benefits	470.00
EFILE	7/31/19	Public Employees Retirement	144.12
EFILE	7/31/19	MN Dept. of Revenue	120.61
EFILE	7/31/19	IRS/US BANK	1,278.05
13545	7/31/19	DURAMAX ASPHALT	1,584.60
<b>Total</b>			<b><u>76,163.16</u></b>

# North Metro Telecommunications Comm

## Cash Disbursements Journal

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

Date	Check #	Account Description	Debit Amo	Credit Amou
7/1/19	13523	Intern Stipend Cash - Checking Account	180.00	180.00
7/1/19	13524	Intern Stipend Cash - Checking Account	140.00	140.00
7/1/19	13525	Administrative Mileage Cash - Checking Account	10.00	10.00
7/1/19	13526	Administrative Mileage Cash - Checking Account	10.00	10.00
7/1/19	13527	Administrative Mileage Cash - Checking Account	10.00	10.00
7/1/19	13528	Administrative Mileage Cash - Checking Account	10.00	10.00
7/1/19	13529	Administrative Mileage Cash - Checking Account	14.00	14.00
7/1/19	EFILE	Electronic Filing Charges Cash - Checking Account	10.00	10.00
7/1/19	EFILE	Electronic Filing Charges Cash - Checking Account	22.50	22.50
7/1/19	EFILE	Electronic Filing Charges Cash - Checking Account	33.44	33.44
7/1/19	EPAY-01	Health/Dental/Other Cash - Checking Account	431.99	431.99
7/2/19	EPAY-02	Telephone/Internet/Web Service Cash - Checking Account	209.78	209.78
7/2/19	EPAY-03	Gas & Oil Cash - Checking Account	174.05	174.05
7/3/19	EFILE	Health/Dental/Other Cash - Checking Account	470.00	470.00
7/3/19	EPAY-04	Telephone/Internet/Web Service Cash - Checking Account	288.06	288.06
7/3/19	EPAY-05	Telephone/Internet/Web Service Cash - Checking Account	102.16	102.16
7/3/19	EPAY-06	Gas & Oil Cash - Checking Account	277.95	277.95
7/5/19	13530	Trash/Janitor/Water Cash - Checking Account	334.75	334.75
7/5/19	EFILE	Fed/Fica/Medicare Cash - Checking Account	5,852.99	5,852.99
7/5/19	EFILE	PERA PAYABLE Cash - Checking Account	3,426.62	3,426.62

# North Metro Telecommunications Comm

## Cash Disbursements Journal

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

Date	Check #	Account Description	Debit Amo	Credit Amou
7/5/19	EFILE	State Withholding Cash - Checking Account	1,093.78	1,093.78
7/5/19	PEACH	Electronic Filing Charges Cash - Checking Account	22.10	22.10
7/7/19	13531	Building Maintenance Cash - Checking Account	605.00	605.00
7/9/19	13532	Office Expenses Cash - Checking Account	712.03	712.03
7/9/19	13533	Office Expenses Cash - Checking Account	69.95	69.95
7/10/19	13534	Legal - General Matters Cash - Checking Account	2,450.00	2,450.00
7/10/19	EFILE ADD'L	Fed/Fica/Medicare Cash - Checking Account	34.42	34.42
7/10/19	EFILE ADD'L	PERA PAYABLE Cash - Checking Account	31.51	31.51
7/10/19	EFILE ADD'L	State Withholding Cash - Checking Account	0.55	0.55
7/12/19	EPAY-07	Telephone/Internet/Web Service Cash - Checking Account	427.62	427.62
7/14/19	EPAY-08	Trash/Janitor/Water Cash - Checking Account	164.45	164.45
7/15/19	13535	Bulb/Battery/Other Prod Costs Cash - Checking Account	102.81	102.81
7/15/19	EPAY-09	Building Utilities Cash - Checking Account	32.36	32.36
7/15/19	EPAY-10	Postage/Subscriptions/Notices Special Meetings Studio Equip Purchases Advertising/Marketing Maintenance/Truck Awards Ceremony/Entry Fees Cash - Checking Account	224.99 162.48 403.96 25.00 362.12 325.00	1,503.55
7/15/19	EPAY-11	Telephone/Internet/Web Service Cash - Checking Account	762.13	762.13
7/15/19	JUNE SALES	Video Media/Labels/Shipping Cash - Checking Account	170.00	170.00
7/15/19	PEACH	Electronic Filing Charges Cash - Checking Account	1.70	1.70
7/16/19	EFILE	Computer Software/Upgrades Video Media/Labels/Shipping	1,450.68 233.71	

# North Metro Telecommunications Comm

## Cash Disbursements Journal

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

Date	Check #	Account Description	Debit Amo	Credit Amou
		Bulb/Battery/Other Prod Costs	239.94	
		Office Expenses	25.98	
		Cash - Checking Account		1,950.31
7/16/19	PEACH	Electronic Filing Charges	22.10	
		Cash - Checking Account		22.10
7/17/19	EFILE	Health/Dental/Other	470.00	
		Cash - Checking Account		470.00
7/17/19	EPAY-E02	Advertising/Marketing	117.99	
		Cash - Checking Account		117.99
7/19/19	13536	Intern Stipend	350.00	
		Cash - Checking Account		350.00
7/19/19	EFILE	Fed/Fica/Medicare	5,989.09	
		Cash - Checking Account		5,989.09
7/19/19	EFILE	PERA PAYABLE	3,526.02	
		Cash - Checking Account		3,526.02
7/19/19	EFILE	State Withholding	1,111.35	
		Cash - Checking Account		1,111.35
7/19/19	PEACH	Electronic Filing Charges	22.10	
		Cash - Checking Account		22.10
7/21/19	13537	Computer Software/Upgrades	1,922.00	
		Cash - Checking Account		1,922.00
7/22/19	13538	Bulb/Battery/Other Prod Costs	13.73	
		Cash - Checking Account		13.73
7/22/19	13539	Studio Equip Purchases	715.00	
		Cash - Checking Account		715.00
7/22/19	EPAY-12	Health/Dental/Other	11,876.04	
		Cash - Checking Account		11,876.04
7/26/19	EPAY-13	Building Utilities	166.90	
		Cash - Checking Account		166.90
7/26/19	EPAY-14	Building Utilities	2,018.58	
		Cash - Checking Account		2,018.58
7/28/19	EFILE	Office Equipment	4,474.61	
		Building Maintenance	454.48	
		Cash - Checking Account		4,929.09
7/29/19	13540	Administrative Mileage	56.19	
		Cash - Checking Account		56.19
7/29/19	13541	Studio Equip Purchases	3,558.00	
		Cash - Checking Account		3,558.00
7/29/19	13542	Building Maintenance	842.04	
		Cash - Checking Account		842.04

# North Metro Telecommunications Comm

## Cash Disbursements Journal

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

Date	Check #	Account Description	Debit Amo	Credit Amou
7/29/19	13543	Maintenance/Fleet Vehicle Cash - Checking Account	572.00	572.00
7/29/19	13544	Building Maintenance Cash - Checking Account	12,145.00	12,145.00
7/31/19	13545	Building Maintenance Cash - Checking Account	1,584.60	1,584.60
7/31/19	EFILE	Fed/Fica/Medicare Cash - Checking Account	1,278.05	1,278.05
7/31/19	EFILE	PERA PAYABLE Cash - Checking Account	144.12	144.12
7/31/19	EFILE	State Withholding Cash - Checking Account	120.61	120.61
7/31/19	EFILE	Health/Dental/Other Cash - Checking Account	470.00	470.00
	<b>Total</b>		<b><u>76,163.16</u></b>	<b><u>76,163.16</u></b>

# North Metro Telecommunications Comm

## General Journal

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

Date	Reference	Trans Description	Debit Amt	Credit Amt
7/1/19	ACCRUED VAC/COMP/SIC	ACCRUED VAC/COMP/SICK ACCRUED VAC/COMP/SICK	89,893.71	89,893.71
7/28/19	ACCRUED DEPRECIATION	ACCRUED DEPRECIATION ACCRUED DEPRECIATION	12,900.00	12,900.00
7/29/19	ACCRUED WAGES	ACCRUED WAGES ACCRUED WAGES	7,625.04	7,625.04
7/30/19	ACCRUED VAC/COMP/SIC	ACCRUED VAC/COMP/SICK ACCRUED VAC/COMP/SICK	87,476.83	87,476.83
	<b>Total</b>		<b>197,895.58</b>	<b>197,895.58</b>

**NORTH METRO TELECOMMUNICATION  
BILL LIST**

JUNE 2019

<b>Date</b>	<b>Check #</b>	<b>Payee</b>	<b>Amount</b>
JUNE	COMBINED	PAYROLL	37,137.90
JUNE	COMBINED	IRS/US PAYABLE	12,366.96
JUNE	COMBINED	MN REVENUE PAYABLE	2,213.54
JUNE	COMBINED	PERA PAYABLE	7,054.33
JUNE	COMBINED	PEACHTREE	40.80
JUNE	COMBINED	DISCOVERY BENEFITS	962.50
13513	6/5/19	Richard D. Larson	395.00
13514	6/5/19	Rick Larson	20.60
13515	6/7/19	Coastal Wintergreen LLC	1,585.00
13516	6/10/19	Jeremy Millington	10.00
13517	6/24/19	Matt Montain	135.00
13518	6/24/19	Mike Schweigert	135.00
13519	6/24/19	Brian Kirkham	135.00
13520	6/24/19	Dale K. Stoesz	135.00
13521	6/24/19	Cynthia A. Hansen	135.00
13522	6/24/19	Michael A. Murphy	135.00
EPAY-01	6/2/19	POPP TELECOM	209.78
EPAY-02	6/1/19	Principal Financial Group	431.99
EPAY-03	6/3/19	Comcast	285.92
EPAY-04	6/3/19	T-Mobile	102.16
EPAY-05	6/7/19	Holiday Station Stores	203.99
EPAY-06	6/12/19	AT&T Wireless	427.62
EPAY-07	6/14/19	Republic Services	168.22
EPAY-08	6/15/19	CenterPoint Energy	81.03
EPAY-09	6/17/19	Speedway	18.98
EPAY-10	6/19/19	U.S. Bank Card Service	504.98
EPAY-11	6/15/19	Comcast Business 100M/100M	762.13
EPAY-12	6/26/19	City of Blaine-utilities	64.57
EPAY-13	6/26/19	Connexus Energy	1,670.70
EPAY-14	6/22/19	HealthPartners	11,876.04
EPAY-P01	6/24/19	Richard R. Swanson	135.00
EFILE	6/1/19	Authorize.Net	50.60
EFILE	6/1/19	Virtual Merchant Credit Card	10.00
EFILE	6/18/19	Chase Visa Card Services	6,958.21
EFILE	6/19/19	Chase Visa Card Services	95.00
MAY SALES TAX	6/12/19	MN Dept. of Revenue	102.00
			<b>86,755.55</b>

# North Metro Telecommunications Commission

## Balance Sheet

June 30, 2019

### ASSETS

#### Current Assets

Cash - Checking Account	\$	2,149,317.09
Petty Cash		150.00
A/R - NMTC		198,975.72
Prepaid Insurance - NMTC		11,811.46

Total Current Assets 2,360,254.27

#### Property and Equipment

Office Equipment - NMTC	1,309,645.37
Accum Deprec - NMTC	(2,254,798.14)
Bond Equipment 2016	1,985,000.00
Building-Polk/125	1,572,799.17
Land-Polk/125	225,700.00

Total Property and Equipment 2,838,346.40

#### Other Assets

Deferred Out Related/Pension	94,521.00
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Total Other Assets 94,521.00

Total Assets \$ 5,293,121.67

### 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		89,893.71
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 2,416,559.84

#### Long-Term Liabilities

Net Pension Liability	543,664.00
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Total Long-Term Liabilities 543,664.00

Total Liabilities 2,960,223.84

#### Capital

Net Equity	431,408.74
Net Equity - Media Ctr	(206,243.34)
Net Equity - NMTC	2,517,656.37
Net Income	(409,923.94)

Total Capital 2,332,897.83

Total Liabilities & Capital \$ 5,293,121.67



# North Metro Telecommunications Comm

## Cash Receipts Journal

For the Period From Jun 1, 2019 to Jun 30, 2019

Date	Transaction Ref	Line Description	Debit Amnt	Credit Amnt
6/10/19	MAY PAYPAL	MAY PAYPAL PAYPAL	16.21	16.21
6/20/19	TAPE DUBS-CASH	TAPE DUBS-CASH Miscellaneous receipts	35.00	35.00
6/20/19	PRODUCTION-TRUCK	2019 COLUMBIA HEIGHTS PARADE Miscellaneous receipts	1,800.00	1,800.00
6/20/19	REFUND/CENTERVILLE	CHECK SENT IN ERROR CENTERVILLE INSTEAD OF CIRCLE PINES Miscellaneous receipts	11,039.70	11,039.70
6/20/19	PROD ASSISTANCE-ERIC	PRODUCTION ASSISTANCE BY ERIC TO OUTSIDE Miscellaneous receipts	50.00	50.00
6/24/19	PRODUCTION-TJ	COMMERCIAL PRODUCTION-TEDX TALKS COMMERCIAL PRODUCTION-2019 SPRING BANK CONCERT Miscellaneous receipts	3,000.00	2,000.00 1,000.00
6/25/19	INTEREST	INTEREST-COMMISSION CHECKING INTEREST - COMMISSION	3,769.39	3,769.39
6/26/19	JUNE CC SALES-AMEX	JUNE CREDIT CARD SALES-AMEX JUNE CREDIT CARD SALES-FEES-AMEX Credit Card Sales	0.66 16.34	17.00
6/27/19	JUNE CC SALES-SQUARE	JUNE CREDIT CARD SALES-SQUARE  JUNE CREDIT CARD SALES-FEES-SQUARE Credit Card Sales	38.71 1,481.29	1,520.00
6/28/19	JUNE CC SALES-AUTH	JUNE CREDIT CARD SALES-AUTH JUNE CREDIT CARD SALES-FEES-AUTH Credit Card Sales	14.37 482.63	497.00
6/30/19	JUNE CC SALES-AUTH	JUNE CREDIT CARD SALES-AUTH JUNE CREDIT CARD SALES-FEES-AUTH Credit Card Sales	2.44 81.56	84.00
			<b>21,828.30</b>	<b>21,828.30</b>

# 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

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

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
<b>Total</b>			<b><u>302,780.65</u></b>

# North Metro Telecommunications Comm

## General Journal

For the Period From Jun 1, 2019 to Jun 30, 2019

Date	Reference	Trans Description	Debit Amt	Credit Amt
6/1/19	ACCRUED VAC/COMP/SIC	ACCRUED VAC/COMP/SICK ACCRUED VAC/COMP/SICK	91,808.98	91,808.98
6/28/19	ACCRUED VAC/COMP/SIC	ACCRUED VAC/COMP/SICK ACCRUED VAC/COMP/SICK	89,893.71	89,893.71
6/30/19	ACCRUED DEPRECIATION	ACCRUED DEPRECIATION ACCRUED DEPRECIATION	12,900.00	12,900.00
	<b>Total</b>		<b>194,602.69</b>	<b>194,602.69</b>

## **EXECUTIVE COMMITTEE MINUTES**

Meeting of September 4, 2019

Executive Cmte. Present: Dick Swanson; Blaine, Mike Murphy; Lexington, Dale Stoesz;  
Lino Lakes

Absent:

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

### **CALL TO ORDER**

The Chair called the meeting to order at 5:57 p.m.

### **APPROVAL OF MINUTES**

**A motion to approve the June 5, 2019 Executive Committee meeting minutes was made by D. Swanson. Second, M. Murphy. Motion approved.**

### **EXECUTIVE DIRECTOR / OPERATIONS COMMITTEE REPORT**

- The FCC's FNPRM will become effective on September 26<sup>th</sup>, 2019. The ruling could prove to be harmful to cities and Commissions. The Committee considered next steps. It was agreed that participating in the appeal of the ruling was important. Legal Counsel, Mike Bradley provided a plan for the appeal, which will cost the Commission \$15,000.

**MOTION:** To participate in the appeal of the FCC's franchise fee ruling at a cost of \$15,000. **Motion made by M. Murphy. Second, D. Swanson. Motion approved.**

- The Committee considered additional sources of income such as equipment rental or the possibility of adding members to the Commission.
- All North Metro TV channels are now available on Roku and Apple TV via the Screenweave app. A direct NMTV app is being developed, which will be a more intuitive way for viewers to find North Metro channels.
- The City HD channel should be available by the end of September.
- A franchise fee settlement agreement has been reached with CenturyLink. In the agreement, CenturyLink agreed to pay the North Metro Telecommunications Commission \$18,613.82 in underpaid franchise fees. They will also pay \$500 for associated legal fees. The Committee recommends approval of the agreement.

**MOTION:** To approve the CenturyLink Franchise Fee Settlement Agreement as presented. **Motion made by M. Murphy. Second, D. Swanson. Motion approved.**

**OLD BUSINESS**

There was no old business.

**NEW BUSINESS**

- M. Murphy announced that the Mayor of Lexington is leaving his office and M. Murphy has been named as his interim replacement. As such, he is unsure whether he will remain on the Cable Commission in 2020.

**ADJOURN**

**Motion to adjourn made by D. Swanson. Second, M. Murphy. Motion approved.  
The meeting was adjourned at 6:41 p.m.**

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

Tuesday, September 3, 2019

**CALL TO ORDER**

The meeting began at 10:32 a.m.

**MEMBERS PRESENT**

J. Huss, B. Petracek, D. Buchholtz, J. Karlson, P. Antonen, D. Webster, M. Statz, S. Cotton

**MEMBERS ABSENT**

**OTHERS PRESENT**

H. Arnson

**APPROVAL OF MEETING NOTES**

The meeting notes of June 4, 2019 were approved by consensus.

**EXECUTIVE DIRECTOR REPORT**

- The group discussed the FCC's FNPRM and considered next steps. The ruling becomes effective September 26<sup>th</sup>, 2019. The Operations Committee recommended that the Cable Commission approve participating in the appeal of the decision.
- The Committee considered additional sources of income for the organization, such as equipment rental or the possibility of adding members to the Commission.
- All North Metro channels are now available on Roku and Apple TV via the Screenweave app. A direct NMTV app is being developed, which will be a more intuitive way for viewers to find North Metro channels. It should be available soon.
- The City HD channel should be available by the end of September.
- A franchise fee settlement agreement has been reached with CenturyLink. In the agreement, CenturyLink agreed to pay the North Metro Telecommunications Commission \$18,613.82 in underpaid franchise fees. They will also pay \$500 for associated legal fees.
- Municipalities across the country are receiving form letters from constituents regarding radiation liability from 5G rollouts. The letter urges cities to stop the rollout because of radiation danger. Federal law expressly preempts state and local governments from addressing health concerns over radio frequency emissions. A city cannot deny a permit to construct a wireless facility on that basis. The city can only require that the facility comply with the emissions standards set by the FCC.

**OLD BUSINESS**

There was no old business.

**NEW BUSINESS**

- Sarah Cotton was introduced to the group. She will be the new Lino Lakes City Administrator when Jeff Karlson retires.

**ADJOURNMENT**

The meeting was adjourned at 11:26 a.m.



# North Metro TV

August 2019 Update

## Program Production

In August, a total of 102 **new programs** were produced utilizing the North Metro facilities, funds, and services. This constitutes **78:45:00 hours of new programming**.

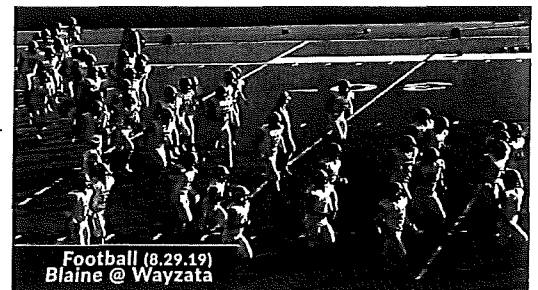
- 42 programs were produced by the public
- 38 programs were produced by NMTV staff
- 22 programs were produced by City staff



## Van Shoots

The HD truck was used for **7:15:00** hours of production. Events produced live and recorded for additional playbacks include:

- Lino Lakes Blue Heron Days Parade



## Workshops

Workshop	Instructor	Organization	Students
Studio B	Eric Houston	General Public	2
Lecture Series – Wolfman, the Creature and Godzilla: Monster Movies of the '40s and '50s	Eric Houston	Northtown Branch of the Anoka County Library	9
Editing	Eric Houston	General Public	1
Lecture Series – We Love Lucy: The Life and Career of Lucille Ball	Eric Houston	At NMTV, General Public	15
<b>4 Workshops</b>			<b>27 Students</b>

## 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
June	503.5	140	92	58	1,047	\$1,925.00
July	281.75	60	29	45	1,686	\$1,563.00
August	302.75	27	121	10	1,437	\$955.00
<b>TOTAL:</b>	<b>2,429.5</b>	<b>690</b>	<b>447</b>	<b>186</b>	<b>9,681</b>	<b>\$9,542.00</b>

## 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.

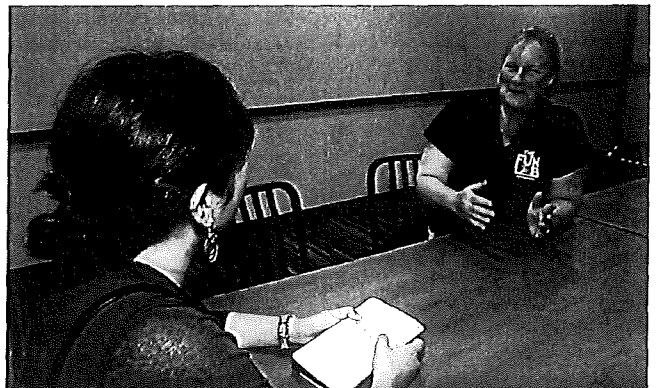
Month	Unique Individuals	Total Usage Hours
January	144	677.5
February	94	606.5
March	76	572.75
April	108	591.75
May	163	773.5
June	84	737.25
July	97	543.00
August	79	475.25
<b>TOTAL PUBLIC USAGE:</b>		<b>4,977.50</b>

## 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 August highlights include:

- The Fun Lab Brings Life to Old Big-Box Retail
- Your County Staff: Anoka County Park Ranger
- Proposed Northtown Mall Bus Station Move Has Differing Reactions from Blaine and Spring Lake Park
- Adult Learners in Blaine Go Back to School When it's the Right Time for Them
- Cars for Neighbors Keeps People on the Road
- Lino Like Leaders Name Likely Administrator Successor
- Centennial Lakes Police Offers Bear Awareness Tips After Circle Pines Sighting



- Lino Lakes Police Now Using TIP 411 to Communicate With Residents
- SBM Fire Celebrating 75 Years
- Blaine Leaders Give Go Ahead to National Sports Center Dome Project
- Lino Lakes Ready for Blue Heron Days
- Blaine Receives Bond Rating Upgrade
- Connexus Energy Struggles With Woodpecker Damage
- Celebrating Night to Unite

In addition to daily playbacks of North Metro TV News on the cable systems, there are 584 local stories archived for viewers on the NMTV YouTube page. The page can be accessed through the northmetrotv.com website.

#### Coach & Captains, Sports Den Return

You know the end of summer has arrived when the sports crew starts gearing up for high school coverage. NMTV's wildly popular weekly sports-wrap program, Sports Den, premiered on August 19th. The show highlights coaches, athletes, and plays and scores from the previous weeks' games. A new episode is produced every Monday night throughout

the fall and winter sports seasons. Also popular are the Coach & Captain segments that go in-depth to highlight specific teams, featuring interviews with their captains and coaches. We try to get all of our teams covered, but it all depends on team interest, cooperation, and scheduling. Eleven episodes were produced in August, including football, soccer, tennis, swim & dive and volleyball. Additional episodes will be produced throughout the fall.



#### New Classes for Lecture Series

Instructor, Eric Houston, has created two new classes for his lecture series. The first, We Love Lucy: The Life and Career of Lucille Ball, reviews how Lucy became Hollywood's Queen of the B Movies, how she met Desi Arnaz, and how the two of them created I Love Lucy and a host of television innovations still in use today. The class includes rare video clips and behind the scenes photos. The second class, Australian Cinema, explores the ins and outs of Australian Cinema. It includes clips and rare photographs from Aussie classics like Crocodile Dundee, Mad Max and Moulin Rouge, and also highlights amazing little known Australian films. It divulges which big blockbusters and family favorites are secretly Australian, and includes how Australia went from being the most prolific and innovative film producer in the world to practically not even existing for more than fifty years.

#### Blaine PD Training Series

Trevor Scholl completed production on the fifth episode of the Blaine PD training series, which covers use of force and use of force training scenarios. The Blaine Police Department has a facility that it uses for scenario based training. They are able to control situations, making them seem as real as possible while remaining safe for the officer. The goal is to create a framework the officer can use for decision making when faced with a similar situation in the field. Trevor is already hard at work on episode number six!



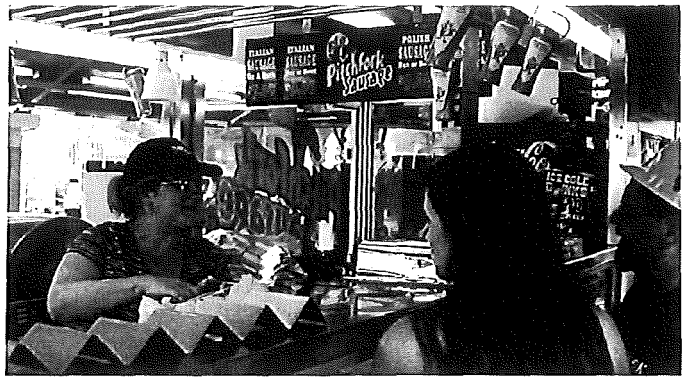
#### End of Summer Productions

While August means the start of our fall sports season, it is also the end to our summer events coverage. Annual events that were recorded include Night to Unite celebrations, the Lino Lakes Blue Heron Days parade and weekend events, and coverage of local businesses and artisans at the Minnesota State Fair.



## City Productions

Municipal Producer, Trevor Scholl, produced some summery shows in August including stories about two local companies at the MN State Fair, Night to Unite, Safety Camp, and Blue Heron Days events in Lino Lakes. Less summery, but interesting none-the-less, the fifth episode of the Blaine Police Department Training Series, titled Use of Force and Scenarios, was completed.



- MN Craft Brewer's Guild at the Fair: Invictus Brewing
- Pitchfork Sausage at the State Fair
- Officer Shawn Silvera Rotary Run
- Night to Unite: Centennial Lakes Police Department
- Blaine Safety Camp
- Bark in the Park
- Blaine Police Department Training Series #5: Use of Force and Scenarios
- Shot Blue Heron Days b-roll for fall events show

New and ongoing projects include:

- Blaine Police Department training series
- More features for Anoka County parks
- Mayor's Minutes – fall editions
- Storm water pond piece
- Feature on new Spring Lake Park Mayor
- Lino Lakes events show
- World Fest
- Wetland restoration

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**

- 8.2.19: Installed new Brightsign file at Blaine city hall. Swapped out the files and checked on transmission. Working fine.

### **Centerville**

- No assistance required.

### **Circle Pines**

- 8.27.19: Stopped by Circle Pines city hall to fix a camera issue with the LCS system. None of the cameras were responsive. Powered down the equipment and repowered and the majority of the equipment came back on-line. The cameras were still not communicating. Called Ross and they remoted into the computer and fixed the issue in about an hour. It seems the wrong Sony Camera file was loaded. Deleted the wrong file and put the right file on the desktop next to the launch application.

### **Ham Lake**

- No assistance required.

### **Lexington**

- 8.16.19: The recording of a City Council meeting stopped abruptly. Went to city hall and saw that the USB drive was full. Told staff that when the USB is full it won't record any longer. The city ordered 2 USB sticks with enough space for 2-3 years.
- 8.16.19: Noticed that if the USB recorder shuts down the signal to NMTV also stops. The original design was to bypass signal eliminators in the event of equipment malfunction. Ordered a 5x1 HDMI splitter to bypass the USB recorder and monitors. The signal has been rerouted and is now in working order.

### **Lino Lakes**

- No assistance required.

### **Spring Lake Park**

- No assistance required.

### **All Cities**

- 8.5.19: Designed and uploaded all the graphics that our NMTV app pages will need for AppleTV and Roku.

## City Channel 16 Playback Stats

City	Number of Times Programs Played	Hours Programmed on Channel
Blaine	206	227:45:16
Centerville	51	67:06:41
Circle Pines	153	128:34:25
Ham Lake	76	97:44:22
Lexington	110	55:12:23
Lino Lakes	102	82:21:54
Spring Lake Park	122	139:41:38
<b>Totals:</b>	<b>820 Program Playbacks</b>	<b>798:26:39 Hours of Video Programming on Channels</b>

## Programs Produced by the Public

Title	Producer	Runtime
Black & White or Gray (9 episodes)	Brad Sanford	03:37:00
Toastmasters Live	Jason Sornek/Kent Hawks	00:58:06
Every Movie Ever (4 episodes)	Joe Scholz, Rick Bostrom, Ben Daniels/Ryan Frieundschuh, Gavin Van Trease/Brett Wong/Seraiah Brooks/Eric Houston	01:30:18
Puzzled (5 episodes)	Gavin Van Trease/Eric Houston	25:42:05
Chit Chat	Sharon Carlson	00:19:58
A Fresh New Day	Anita Wardlaw	00:29:48
Cornerstone Church (3 episodes)	Rick Bostrom	01:28:54
Christ Lutheran Church (4 episodes)	Jacob Nessman	04:07:10
The Power of Love (4 episodes)	Rick Larson	02:00:00
LovePower (4 episodes)	Rick Larson	04:00:00
Rice Creek Watershed District Meeting	Theresa Stasica	00:40:45
Oak Park Moments (5 episodes)	Dave Turnidge	03:21:45
<b>42 New Programs</b>		<b>48:15:49 New Hours</b>

## Programs Produced by NMTV Staff

Title	Producer	Runtime
Anoka County Board Meeting (8/13/19)	T.J. Tronson	00:29:02
Anoka County Board Meeting (8/27/19)	T.J. Tronson	00:52:50
Blaine Safety Camp 2019	T. J. Tronson	00:13:03
NMTV News (5 episodes)	Danika Peterson/Rusty Ray	01:24:36
Hot Dog Run	Danika Peterson/Rusty Ray	00:01:59
Blaine Receives Bond Rating Upgrade	Danika Peterson/Rusty Ray	00:02:14
Lino Lakes, Centerville Communities Celebrate Night to Unite	Danika Peterson/Rusty Ray	00:01:47
Cars for Neighbors Keeps People on the Road	Danika Peterson/Rusty Ray	00:02:24
Your County Staff	Danika Peterson/Rusty Ray	00:03:09
Possible Bus Station Move at Northtown Mall	Danika Peterson/Rusty Ray	00:02:35
The Fun Lab Brings New Life to Old Big- Box Retail	Danika Peterson/Rusty Ray	00:03:19
Changes Coming to the National Sports Center	Danika Peterson/Rusty Ray	00:01:39

MN Brewers Guild	Trevor Scholl	00:04:15
Pitchfork Sausage	Trevor Scholl	00:03:27
BPD Training	Trevor Scholl	00:08:42
Blaine Safety Camp	Trevor Scholl	00:02:47
Officer Shawn Silvera Rotary Run	Trevor Scholl	00:03:45
Bark in the Park	Trevor Scholl	00:02:59
Night to Unite CLPD	Trevor Scholl	00:04:00
Lino Lakes Blue Heron Days Parade	Kenton Kipp/J. Millington	00:51:14
Football: Blaine/Wayzata	Kenton Kipp/J. Millington	01:50:38
Coach & Captains (11 episodes)	Kenton Kipp/J. Millington	00:41:33
Sports Den (2 episodes)	Kenton Kipp/J. Millington	00:43:49
<b>38 New Programs</b>		<b>07:55:51 New Hours</b>

## Programs Produced by City Staff

Title	Producer	Runtime
Blaine City Council Meeting (8/5/19)	Blaine Staff	01:45:51
Blaine Traffic Commission Meeting (8/7/19)	Blaine Staff	00:26:30
Blaine Planning Commission Meeting (8/13/19)	Blaine Staff	00:52:43
Blaine City Council Meeting (8/19/19)	Blaine Staff	01:12:32
Centerville City Council Meeting (8/14/19)	Blaine Staff	01:17:37
Centerville City Council Meeting (8/28/19)	Centerville Staff	01:43:20
Circle Pines City Council Meeting (8/13/19)	Circle Pines Staff	01:16:23
Circle Pines Utility Commission Meeting (8/21/19)	Circle Pines Staff	00:24:10
Circle Pines City Council Meeting (8/27/19)	Circle Pines Staff	00:33:34
Ham Lake City Council Meeting (8/5/19)	Ham Lake Staff	01:38:35
Ham Lake Planning Commission Meeting (8/12/19)	Ham Lake Staff	00:11:42
Ham Lake City Council Meeting (8/27/19)	Ham Lake Staff	02:15:28
Lexington City Council Meeting (8/1/19)	Lexington Staff	00:15:56
Lexington City Council Meeting (8/15/19)	Lexington Staff	00:33:37
Lino Lakes Park Board Meeting (8/5/19)	Lino Lakes Staff	00:44:11
Lino Lakes City Council Meeting (8/12/19)	Lino Lakes Staff	00:27:17
Lino Lakes Planning & Zoning Meeting (8/14/19)	Lino Lakes Staff	00:52:13
Lino Lakes City Council Meeting (8/26/19)	Lino Lakes Staff	00:33:26
Lino Lakes Environmental Board Meeting (8/28/19)	Lino Lakes Staff	01:28:00
Spring Lake Park City Council Meeting (8/5/19)	Spring Lake Park Staff	01:41:35
Spring Lake Park City Council Meeting (8/19/19)	Spring Lake Park Staff	00:56:30
Spring Lake Park Planning Commission Meeting (8/26/19)	Spring Lake Park Staff	00:45:18
<b>22 New Programs</b>		<b>22:29:01 New Hours</b>

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

	J	F	M	A	M	J	JU	A	S	O	N	D	19 Total	19 Average
<b>Programming Statistics</b>														
Cablecast Programs	2675.00	2340.00	2636.00	2374.00	2520.00	2495.00	2493.00	2603.00					20136.00	1678.00
Cablecast Hours	2070.00	1797.00	2015.25	1900.50	2156.25	2188.00	2024.75	2060.75					16212.50	1351.04
Programs Produced - Public	34.00	27.00	24.00	23.00	18.00	25.00	24.00	36.00					211.00	17.58
Program Hours Produced - Public	20.50	18.50	16.50	16.50	13.00	18.25	19.00	44.25					166.50	13.88
Prog. Produced - Affiliated Public	8.00	6.00	9.00	9.00	10.00	6.00	7.00	6.00					61.00	5.08
Prog. Hours Produced - Affil. Public	6.75	5.00	5.50	6.75	7.25	6.25	4.50	4.00					46.00	3.83
Programs Produced - City Staff	21.00	23.00	23.00	25.00	23.00	19.00	21.00	22.00					177.00	14.75
Prog. Hours Produced - City Staff	20.00	19.00	23.00	21.50	20.50	19.25	15.50	22.50					161.25	13.44
Programs Produced - NMTV Staff	50.00	63.00	44.00	24.00	68.00	27.00	35.00	38.00					349.00	29.08
Prog. Hours Produced - NMTV Staff	21.00	35.75	18.25	12.75	34.00	21.50	35.75	8.00					187.00	15.58
Total Public Programs Produced	42.00	33.00	33.00	32.00	28.00	31.00	31.00	42.00					272.00	22.67
Total Staff Programs Produced	71.00	86.00	67.00	49.00	91.00	46.00	56.00	60.00					526.00	43.83
Total Internal Programs Produced	113.00	119.00	100.00	81.00	119.00	77.00	87.00	102.00					798.00	66.50
% Staff Produced Programs	62.83%	72.27%	67.00%	60.49%	76.47%	59.74%	64.37%	58.82%					65.91%	65.91%
% Public Produced Programs	37.17%	27.73%	33.00%	39.51%	23.53%	40.26%	35.63%	41.18%					34.09%	34.09%
External Programs Submitted	19.00	13.00	21.00	18.00	21.00	14.00	14.00	26.00					146.00	12.17
External Program Hours	14.25	10.50	13.25	11.25	14.75	11.00	11.00	15.00					101.00	8.42
Total New Programs	132.00	132.00	121.00	99.00	140.00	91.00	101.00	128.00					944.00	78.67
<b>Equipment Usage Statistics</b>														
Facility Hours Available	176.00	149.00	196.00	202.00	188.00	148.00	162.00	170.00					1391.00	115.92
Public Field Equipment Uses	7.00	5.00	8.00	8.00	12.00	8.00	12.00	9.00					69.00	5.75
Studio A	38.00	38.00	46.50	36.50	21.25	40.25	49.25	49.50					319.25	26.60
% of Available Time	21.59%	25.50%	23.72%	18.07%	11.30%	27.20%	30.40%	29.12%					22.95%	22.95%
Studio B	29.75	27.50	4.00	19.00	3.00	4.00	11.00	12.00					110.25	9.19
% of Available Time	16.90%	18.46%	2.04%	9.41%	1.60%	2.70%	6.79%	7.06%					7.93%	7.93%
Public MAC A Edit Suite	71.50	213.00	180.00	135.75	146.50	211.75	172.75	197.50					1328.75	110.73
% of Available Time	40.63%	142.95%	91.84%	67.20%	77.93%	143.07%	106.64%	116.18%					95.52%	49.77%
Public MAC B Edit Suite	77.25	52.75	76.25	83.25	116.50	115.50	59.25	60.50					641.25	53.44
% of Available Time	43.89%	35.40%	38.90%	41.21%	61.97%	78.04%	36.57%	35.59%					46.10%	46.10%
Public MAC C Edit Suite	83.75	80.00	138.00	108.75	100.75	104.50	92.00	36.75					744.50	62.04
% of Available Time	47.59%	53.69%	70.41%	53.84%	53.59%	70.61%	56.79%	21.62%					53.52%	53.52%
<b>Production Van Statistics</b>														
Production Hours	41.75	66.50	25.50	24.75	67.75	49.25	64.25	4.25					344.00	28.67
Number of Van Shoots	7.00	10.00	4.00	4.00	11.00	8.00	7.00	1.00					52.00	4.33
Average Hours Per Shoot	5.96	6.65	6.38	6.19	6.16	6.16	9.18	4.25					6.62	2.39
Number of New Volunteers	1.00	8.00	0.00	0.00	5.00	2.00	2.00	3.00					21.00	1.75
Volunteer Hours	21.00	39.00	30.00	5.00	56.00	54.00	44.00	10.00					259.00	21.58
<b>Public Access Statistics</b>														
Number of Workshops	8.00	6.00	8.00	9.00	8.00	5.00	6.00	4.00					54.00	4.50
Number of Students	85.00	63.00	52.00	68.00	59.00	45.00	59.00	27.00					458.00	38.17
PAP Volunteer Hours	199.75	104.00	92.50	158.50	115.00	88.50	81.25	78.25					917.75	76.48
Total Public Facility Usage Hours	677.50	606.50	572.75	591.75	773.50	737.25	543.00	475.25					4977.50	414.79

# 2019 Time of Use Stats

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total	Average
<b>Studio A</b>														
Morning Available Hours	36.00	33.00	43.00	43.00	40.00	37.00	34.00	32.00					298.00	24.83
Morning Hours Used	10.00	4.00	9.50	17.50	15.00	13.25	21.25	17.75					108.25	9.02
Percent of Available	27.78%	12.12%	22.09%	40.70%	37.50%	35.81%	62.50%	55.47%					36.33%	36.33%
Afternoon Available Hours	76.00	64.00	84.00	84.00	84.00	76.00	68.00	72.00					608.00	50.67
Afternoon Hours Used	8.00	12.00	10.00	3.00	1.00	4.00	12.00	10.25					60.25	5.02
Percent of Available	10.53%	18.75%	11.90%	3.57%	1.19%	5.26%	17.65%	14.24%					9.91%	9.91%
Evening Available Hours	64.00	52.00	69.00	75.00	64.00	35.00	60.00	66.00					485.00	40.42
Evening Hours Used	20.00	22.00	27.00	16.00	5.25	23.00	16.00	21.50					150.75	12.56
Percent of Available	31.25%	42.31%	39.13%	21.33%	8.20%	65.71%	26.67%	32.58%					31.08%	31.08%
<b>Studio B</b>														
Morning Available Hours	36.00	33.00	43.00	43.00	40.00	37.00	34.00	32.00					298.00	24.83
Morning Hours Used	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00					0.00	0.00
Percent of Available	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%	0.00%
Afternoon Available Hours	76.00	64.00	84.00	84.00	84.00	76.00	68.00	72.00					608.00	50.67
Afternoon Hours Used	5.50	0.00	4.00	0.00	0.00	0.00	0.00	2.00					11.50	0.96
Percent of Available	7.24%	0.00%	4.76%	0.00%	0.00%	0.00%	0.00%	2.78%					1.89%	1.89%
Evening Available Hours	64.00	52.00	69.00	75.00	64.00	35.00	60.00	66.00					485.00	40.42
Evening Hours Used	24.25	27.50	0.00	19.00	3.00	4.00	11.00	10.00					98.75	8.23
Percent of Available	37.89%	52.88%	0.00%	25.33%	4.69%	11.43%	18.33%	15.15%					20.36%	20.36%
<b>Public MAC A Edit Suite</b>														
Morning Available Hours	36.00	59.50	59.00	43.00	40.00	38.00	34.00	50.50					360.00	30.00
Morning Hours Used	22.50	59.50	59.00	33.00	25.00	38.00	26.50	50.50					314.00	26.17
Percent of Available	62.50%	100.00%	100.00%	76.74%	62.50%	100.00%	77.94%	100.00%					87.22%	87.22%
Afternoon Available Hours	76.00	129.00	95.50	86.00	84.00	113.25	100.25	122.50					806.50	67.21
Afternoon Hours Used	39.00	129.00	95.50	86.00	84.00	113.25	100.25	122.50					769.50	64.13
Percent of Available	51.32%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%					95.41%	95.41%
Evening Available Hours	64.00	52.00	69.00	75.00	64.00	60.50	60.00	66.00					510.50	42.54
Evening Hours Used	10.00	24.50	25.50	16.75	37.50	60.50	46.00	24.50					245.25	20.44
Percent of Available	15.63%	47.12%	36.96%	22.33%	58.59%	100.00%	76.67%	37.12%					48.04%	48.04%
<b>Public MAC B Edit Suite</b>														
Morning Available Hours	36.00	33.00	43.00	43.00	40.00	37.00	34.00	32.00					298.00	24.83
Morning Hours Used	20.50	12.25	14.00	10.50	17.50	18.75	12.75	11.75					118.00	9.83
Percent of Available	56.94%	37.12%	32.56%	24.42%	43.75%	50.68%	37.50%	36.72%					39.60%	39.60%
Afternoon Available Hours	76.00	64.00	84.00	84.00	84.00	76.00	68.00	72.00					608.00	50.67
Afternoon Hours Used	33.50	26.75	35.75	43.00	59.00	63.25	22.50	21.00					304.75	25.40
Percent of Available	44.08%	41.80%	42.56%	51.19%	70.24%	83.22%	33.09%	29.17%					50.12%	50.12%
Evening Available Hours	64.00	52.00	69.00	75.00	64.00	35.00	60.00	66.00					485.00	40.42
Evening Hours Used	23.25	13.75	26.50	29.75	40.00	33.50	24.00	27.75					218.50	18.21
Percent of Available	36.33%	26.44%	38.41%	39.67%	62.50%	95.71%	40.00%	42.05%					45.05%	45.05%
<b>Public MAC C Edit Suite</b>														
Morning Available Hours	36.00	33.00	43.00	43.00	40.00	37.00	34.00	32.00					298.00	24.83
Morning Hours Used	10.00	12.00	13.50	14.25	21.00	15.50	14.25	4.75					105.25	8.77
Percent of Available	27.78%	36.36%	31.40%	33.14%	52.50%	41.89%	41.91%	14.84%					35.32%	35.32%
Afternoon Available Hours	76.00	64.00	84.00	84.00	84.00	76.00	68.00	72.00					608.00	50.67
Afternoon Hours Used	40.25	32.00	47.75	36.75	62.00	62.25	50.25	22.25					353.50	29.46
Percent of Available	52.96%	50.00%	56.85%	43.75%	73.81%	81.91%	73.90%	30.90%					58.14%	58.14%
Evening Available Hours	64.00	52.00	76.75	75.00	64.00	35.00	60.00	66.00					492.75	41.06
Evening Hours Used	33.50	36.00	76.75	57.75	40.00	26.75	27.50	9.75					308.00	25.67
Percent of Available	52.34%	69.23%	100.00%	77.00%	62.50%	76.43%	45.83%	14.77%					62.51%	62.51%



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## NORTH METRO TV

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TO: CABLE COMMISSION  
FROM: HEIDI ARNISON  
SUBJECT: OLD BUSINESS SUMMARIES  
DATE: 9/11/2019

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### **CenturyLink Franchise Fee Settlement**

- The Commission participated in a review of CenturyLink franchise fees payable in the years 2016 and 2017.
- The franchise fee review identified an alleged underpayment of fees for those years.
- A Franchise Fee Settlement Agreement has been reached with CenturyLink.
- CenturyLink has agreed to pay the North Metro Telecommunications Commission \$18,613.82 in underpaid franchise fees.
- CenturyLink will also pay \$500 for legal fees associated with the agreement.
- **MOTION: To approve the Franchise Fee Settlement Agreement with CenturyLink as presented.**

### **Cable Franchising Order and Coalition Appeal**

- The FCC released the Third Report and Order in its cable franchising docket on August 2<sup>nd</sup>.
- It was published in the Federal Register on August 26<sup>th</sup> and will become effective on September 26<sup>th</sup>.
- The ruling could prove to be harmful to cities and Commissions.
- Legal Counsel is working with other municipal attorneys to form a coalition of franchising authorities to appeal the Third Report and Order to a federal court of appeals, and to seek a stay of the Order pending the outcome of the appeal.
- The cost to join in the appeal is \$15,000 for the Commission.
- **MOTION: To participate in the appeal, of the FCC's Third Report and Order in its cable franchising docket, at a cost of \$15,000.**

## **SETTLEMENT AGREEMENT**

This Settlement Agreement (the "Agreement") is entered into by and between the North Metro Telecommunications Commission ("NMTC"), a Joint Powers Commission comprised of the municipalities of Blaine, Centerville, Circle Pines, Ham Lake, Lexington, Lino Lakes and Spring Lake Park, Minnesota (the "Member Cities"), each of the Member Cities and Qwest Broadband Services, Inc., doing business as CenturyLink ("CenturyLink") (collectively, the "Parties").

### **RECITALS**

**WHEREAS**, NMTC and CenturyLink negotiated and entered into a cable franchise agreement (the "Franchise").

**WHEREAS**, NMTC commenced a review of the franchise fees payable in the years 2016 and 2017 (the "Franchise Fee Review") pursuant to the Franchise;

**WHEREAS**, NMTC identified an alleged underpayment of franchise fees as a result of the Franchise Fee Review;

**WHEREAS**, the Parties wish to resolve all disputes between them arising from the Franchise Fee Review, and all claims and defenses that were raised, or could have been raised related to the Franchise Fee Review; and

**WHEREAS**, the Parties have, in the interests of settlement and compromise, to avoid the time, expense, burden, and uncertainty of further franchise compliance related to the Franchise Fee Review, and without any admission of liability, reached an agreement as described in this Agreement.

**NOW, THEREFORE**, in consideration of the foregoing recitals and the mutual promises and covenants set forth in this Agreement, the receipt and sufficiency of which is hereby expressly acknowledged, the Parties agree as follows:

### **TERMS**

1. **Effective Date.** This Agreement will become effective when it has been executed by all Parties ("Effective Date").

2. **Payment.** CenturyLink shall make to NMTC a single payment in the amount of \$18,613.82 within thirty days after the Effective Date. The check shall be made payable to the North Metro Telecommunications Commission and delivered to NMTC's Executive Director.

3. **Release.** Except only for the obligations or representations of the Parties under this Agreement, for themselves and any of their respective members, beneficiaries, officers, directors, partners, elected officials, board members, employees, subsidiaries, agents, representatives, attorneys, insurers, successors, and assignees, hereby releases, acquits, and forever discharges the other and their respective past and present members, beneficiaries, officers, directors, partners,

elected officials, board members, employees, subsidiaries, agents, representatives, attorneys, insurers, successors, and assignees from any and all claims for relief, actions, suits, agreements, debts, liabilities, damages, judgments, executions, demands and other claims of every kind and nature whatsoever, whether in law or equity, contract or tort, known or unknown, suspected or unsuspected, fixed or contingent, that relate in any way to the Franchise Fee Review.

4. No Admission of Liability. This Agreement effects the settlement and release of claims and defenses, which are denied and contested by the Parties, and nothing contained in this Agreement shall be construed as an admission of liability by either Party.

5. Fees and Costs. CenturyLink shall contribute \$500 toward NMTC's costs and expenses related to or arising from the Franchise Fee Review and this Agreement.

6. No Assignment. Each Party represents and warrants that it has not assigned or transferred, or purported to assign or transfer, any of the claims released pursuant to this Agreement to any other person and that it is fully entitled to compromise and settle such claims. Each Party shall indemnify the other against all costs, expenses, and judgments, including all attorney fees incurred, in the event that any third party shall assert any of the claims released pursuant to this Agreement based on a purported assignment or transfer of rights by a Party to this Agreement.

7. Default. In the event of breach of this Agreement, the non-defaulting party may seek judicial relief from a court of competent jurisdiction. The prevailing party shall be entitled to its costs and expenses including reasonable attorneys' fees.

8. Right to Make Agreement. The Parties represent, warrant and covenant that they have the right and authority to enter into and make this Agreement and those executing this Agreement have all necessary authority to execute this Agreement and bind the respective Parties.

9. Franchise Terms Remain Unchanged. Other than as set forth in this Agreement the Franchise between the Parties remains unchanged.

10. Governing Law. This Agreement will be governed by the laws of the State of Minnesota without regard to conflict of law principles.

11. Entire Agreement. This Agreement constitutes the entire agreement between the Parties and a complete merger of prior negotiations and agreements.

12. Headings. All headings herein are provided for convenience of reference only and do not affect the meaning or interpretation of this Agreement.

13. Amendment. This Agreement may not be amended, released, discharged, changed, extended, or modified in whole or in part except to the extent provided by a written instrument signed by the Parties.

14. Voluntary Agreement. The Parties hereby expressly acknowledge that they are entering into this Agreement entirely of their own free will, uninfluenced by any duress, economic coercion or other factors that might have the effect of negating the free will with which they enter into this Agreement. This Agreement is the result of arms-length negotiations among the Parties. All Parties have participated in the negotiations, have had an equal opportunity to participate in the drafting and revision of this Agreement, and have had the opportunity to review this Agreement with their counsel. No ambiguity shall be construed against any Party based upon a claim that the Party in question drafted ambiguous language.


15. Signatures. This Agreement may be signed in multiple counterparts, and facsimile or imaged signature pages shall have the same binding legal effect as original signature pages.

16. Copies. Both facsimile and PDF copies of the executed Agreement may be treated as original documents.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date set forth below.

**QWEST BROADBAND  
SERVICES, INC.**

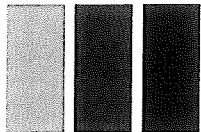
**NORTH METRO  
TELECOMMUNICATIONS  
COMMISSION**

  
By: Tara Samert  
Its: VP Regulatory

\_\_\_\_\_  
By: Dale Stoesz  
Its: Chair

Date: 8/28/19

Date: \_\_\_\_\_



Bradley

MEMORANDUM

To: Municipalities, Local Franchising Authorities and Municipal Attorneys  
From: Bradley Law, LLC  
Re: Appeal of the FCC's Cable Franchising and Mixed Use Order  
Date: August 22, 2019

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**Background of Cable Franchising Order and Coalition Appeal**

On August 2, 2019, the FCC released the Third Report and Order in its cable franchising docket (MB Docket No. 05-311), which negatively impacts franchise fees paid to local franchising authorities (LFAs) by defining nearly all in-kind goods and services provided under a cable franchise as "franchise fees" subject to the Cable Act's 5 percent cap.<sup>1</sup> Additionally, the Order preempts virtually all local authority to regulate cable operators' provision of wireless communications and other non-cable services (e.g., internet services) over the cable system, including ROW regulatory authority. A more detailed summary of the Order is attached to this document as **Attachment A**. We previously filed Comments and Reply Comments with the FCC opposing the FCC's proposal to enact these rules on behalf of a large number of local franchising authorities. In those filings, we argued that the FCC lacked legal authority to enact these new rules and asked the FCC to consider the negative financial and other impacts they will have on franchising authorities.<sup>2</sup>

The Order becomes effective thirty days' after it is published in the Federal Register. We expect that it will be published in the next two weeks. Once effective, franchising authorities can expect to have their franchise fees substantially reduced. The Order's broad preemption of municipal regulatory authority means LFAs cannot regulate cable operators' provision of internet service, wireless broadband internet access, and other non-cable services provided using the cable system, including authority to regulate their use of the ROW, charge fees for that use, or even to recover the costs of regulation. Importantly, the FCC did not decide whether the value of PEG channel capacity could also be offset against franchise fees, but we expect the FCC will initiate a new proceeding on this matter within a year, with significant likelihood of a negative outcome if this Order stands.

We are working with other municipal attorneys to form a Coalition of franchising authorities and organizations representing local governments to appeal the Third Report and Order to a federal court of appeals and to seek other appropriate relief, including a stay of the Order pending the outcome of the appeal. While no legal result can ever be guaranteed, we believe the FCC's new

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<sup>1</sup> In the Matter of Implementation of Section 621(a)(1) of the Cable Communications Policy Act of 1984 as Amended by the Cable Television Consumer Protection and Competition Act of 1992, *Third Report and Order*, MB Docket No. 05-311 (Rel. Aug. 2, 2019).

<sup>2</sup> Initial Comments of the City of Philadelphia, Pennsylvania *et al.*, MB Docket No. 05-311 (Nov. 14, 2018); Reply Comments of the City of Philadelphia *et al.*, MB Docket No. 05-311 (Dec. 14, 2018).

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Bradley Law, LLC

2145 Woodlane Drive | Suite 106 | Woodbury, MN 55125 | (651) 379-0900 | BradleyLawMN.com

rules are contrary to the plain language of the Cable Act, that its broad preemption of local authority over the ROW is outside the FCC's authority, and that we have strong arguments for overturning the Order or, in the alternative, for substantially modifying it. It is clear that if the Order is not challenged, it will have permanent severely negative impacts, financial and regulatory, on all franchising authorities.

### **Elements of the Appeal**

These are the principal elements of the appeal, all covered by the applicable fixed fee shown below:

<b>Activity</b>	<b>Estimated Due Date</b>
Prepare and File Petition for Stay, Pending Appeal, with the FCC	August/September 2019
Prepare, Serve, and File Notice of Appeal(s) (Circuit(s) TBD).	September/October, 2019
Petition to Intervene (if necessary) and Participate in Multi-Jurisdiction Panel Selection	September/October, 2019
Prepare, Serve, and File Motion to Stay, Pending Appeal, with Federal Court of Appeals	September/October, 2019
Prepare, Serve, and File Brief in Chief	TBD 2020
Prepare, Serve, and File Reply Brief	TBD 2020
Oral Argument	TBD 2020

### **Fee Schedule**

We will invoice each participating franchising authority a fixed fee in accordance with the table below. We will invoice the total amount shown over a period of time: One-third in September, 2019; one-third in November, 2019; and one-third in January, 2020. We can be flexible about when payments are due to meet your budgetary requirements. Only in the unlikely event that there are materially more tasks than anticipated would we seek any additional funding.

<b>Franchising Authority Population</b>	<b>Fee</b>
Greater than 500,000	\$20,000
100,000 - 500,000	\$15,000
50,000 - 100,000	\$10,000
Less than 50,000	\$5,000

### **Conflict of Interest Agreement**

Under the Rules of Professional Conduct for most jurisdictions where we practice, without informed written consent from the affected clients, we have a conflict of interest if we represent one client adverse or potentially adverse to another client in the same or a separate matter. Without informed written consent, we cannot represent a client if there is a significant risk our representation of the client will be materially limited by our responsibilities to or relationships with another client.

In order for us to represent you in the Coalition of appellants described in the above Memorandum (the Coalition) while continuing to represent other clients who are also part of the Coalition and in other unrelated matters, we must obtain written informed consent from you and the other members of the Coalition. Our representation of the Coalition is not prohibited but requires your consent. We do not believe our representation of the other members of the Coalition will impair our competency, diligence, or loyalty to you nor will it otherwise materially limit our representation of you or impair our independent professional judgment in any way. We do not believe the circumstances of this representation will lead us to favor the interests of one client over the other, nor will we do so, nor do we think the relationship will create any appearance of impropriety. Furthermore, because the work will be for a coalition, there are some unique elements to our representation to which we ask that you agree and would represent that all the other members of the Coalition already have.

First, the filings we make must be acceptable to all the members of the Coalition, and this may affect what issues are addressed and what positions we take. By requesting participation in the Coalition through the above signature of your authorized representative, you agree to this arrangement and agree that we may represent you and other participants as a part of the Coalition. We will consult with you and other members of the Coalition as the filings are prepared. You waive any objections that you may have to this joint representation; agree that we may represent each member of the Coalition individually and jointly; and agree that you have joint interests with the other Coalition members that will permit us to communicate information about this matter to you and other members of the Coalition without waiving privileges that may apply.

Second, the Coalition is not a fixed group but is instead an evolving group; communities or organizations may join or leave the Coalition during the course of our representation. It may be that your community is adverse to one or more of the other members of the Coalition in another, unrelated matter. By requesting participation in the Coalition, you agree that we may represent these additional members as part of the Coalition. Likewise, except to the extent there is a conflict that is not waivable, you agree that our representation of you as part of the Coalition will not disqualify the Firm or any of its members from representing another client in an unrelated proceeding where the client's interest is adverse to yours. We will keep you apprised of the Coalition members and we ask that you advise us immediately if you believe that there is a conflict that is not waivable.

Third, we will not represent any entity in this matter that takes a position adverse to yours. We may be asked by some clients to make individual filings in this proceeding in addition

to the Coalition's. You and each member of the Coalition may decide at any time to withdraw from participation in the matter or the Coalition. Should you do so, you also agree that we may continue to represent the other members of the Coalition in this matter.

### **Request to Participate**

We urge you to join this effort of local governments and franchising authorities to overturn the FCC's Third Report and Order on appeal. We are happy to enter into a contract or engagement letter with individual jurisdictions, as they may require or prefer, or alternatively, your jurisdiction may participate by having an authorized representative sign the Request to Participate form at the end of this Memorandum. Please contact Mike Bradley, Michael Athay or Vince Rotty if you have questions or wish to discuss the appeal or your participation in our Coalition.

### **REQUEST TO PARTICIPATE**

Our franchising authority or municipality wishes to participate in the appeal of the FCC's Third Report and Order as described in the above Memorandum. By signing below, through our authorized representative, we agree to the applicable flat fee listed above and to the Conflict of Interest Agreement set forth above.

City/Franchising Authority: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_ (signature)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

E-Mail: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Please return this executed request to Mike Bradley at [mike@bradleylawmn.com](mailto:mike@bradleylawmn.com), or by fax to (651) 379-0999.



Bradley

## MEMORANDUM

**To:** Bradley Law, LLC Clients and Other Interested Parties  
**From:** Mike Bradley, Michael Athay, and Vince Rotty  
**Re:** FCC Cable Franchising *Third Report and Order* Summary  
**Date:** August 5, 2019

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On Friday, August 2, 2019, the FCC released the attached *Third Report and Order* (the “Order”) on the cable franchising docket. As we mentioned previously, the Order was passed by the FCC on a 3-2 vote on August 1, 2019. The Order will become effective 30 days following publication in the Federal Register. We expect publication to occur in the next 10 to 30 days, which means the Order could be effective as early as mid-September. The Order largely follows the draft Order that the FCC released in July. References to *City of Philadelphia et al.* in the Order are references to our municipal coalition. The following is a high-level summary of the Order.

**Most “In-Kind” Non-Monetary Provisions are now Considered Franchise Fees**

You will recall that the FCC had tentatively concluded that all “in-kind exactions” are franchise fees subject to the franchise fee cap. We argued that non-monetary franchise provisions are not exactions and could not be considered a “tax, fee or assessment” (as required by the Cable Act) and therefore not a franchise fee. Even though the FCC has still provided no basis for calling these non-monetary franchise provisions an exaction, the FCC in the Order still classifies non-monetary franchise provisions as franchise fees. The FCC did not reach a conclusion with respect to the treatment of PEG channel capacity. The order states that while “we find that the costs associated with the provision of PEG channel capacity are cable-related, in-kind costs that fall within the definition of ‘franchise fee,’ we find the record insufficiently developed to determine whether such costs should be excluded from the franchise fee as a capital cost...” As a result, the FCC deferred on this issue related to PEG channel capacity for a subsequent rulemaking. The attached chart illustrates the impact of the Order on existing cable franchise fees.

**Exclusions from Franchise Fees - Capital Costs Defined**

We opposed the FCC’s tentative conclusion that PEG capital expenses excluded from franchise fees was limited to construction of PEG facilities. The Order ruled that “capital costs” “generally encompasses costs incurred in acquiring or improving capital assets for PEG access facilities,” which is much closer to common practice and much better than initially proposed in the FNPRM. The definition of capital costs is important because PEG capital costs can be excluded from the franchise fee. The attached chart shows certain PEG capital costs that continue to be excluded from franchise fees.

### **Fair Market Valuation of Non-Monetary Provisions**

We had argued that if non-monetary franchise provisions were included in the franchise fee, the value of these provisions should be at the operator's cost, rather than fair market value as proposed by the FCC. The FCC disagreed and left it at fair market value. The cable industry argued that the cable operator should be allowed to determine fair market value. The FCC ruled it “believe[s] that fair market value, where there is a product in the market, is the most reasonable valuation for in-kind contributions because it is easy to ascertain – cable operators have rate cards to set the rates that they charge customers for the services that they offer” (footnote omitted).

### **Modification of Cable Franchises to Comply with Order**

The draft order had required a cable operator and local franchising authority to use the modification process pursuant to Section 625 of the Cable Act to accomplish any necessary cable franchise modifications caused by the Order. The modification would be done at the local level and if dissatisfied, the cable operator could seek judicial review. The Order deviated from that approach and instead ruled that to “the extent a franchise agreement that is currently in place conflicts with this Order, we encourage the parties to negotiate franchise modifications within a reasonable time (footnote omitted). If a franchising authority refuses to modify any provision of a franchise agreement that is inconsistent with this Order, that provision is subject to preemption under section 636(c).”

### **Order Is Prospective Only - Not Retroactive**

We had argued that there should be no retroactive application of the FCC's new rule about franchise fee calculation. The FCC ruled that the “franchise fee rulings we adopt in this Order are prospective (footnote omitted). Thus, cable operators may count only ongoing and future in-kind contributions toward the five percent franchise fee cap after the Order is effective.”

### **Settlement Agreements**

We also asked the FCC to clarify that provisions in Settlement Agreements are not part of franchise fees. The FCC did not address Settlement Agreements in the Order.

### **Statutory Franchise Fee Cap may be Different from Franchise Fee in Cable Franchise**

Franchising authorities should consider that there should be no franchise fee off set unless and until the value of the non-monetary franchise provisions exceed the Cable Act's cap of 5% of the cable operator's gross revenues. Even if a franchising authority is receiving a franchise fee per a cable franchise, if there are exclusions in the definition of gross revenues in the cable franchise it may actually be less than the Cable Act's statutory franchise fee cap.

### **Mixed Use Networks**

The Order preempts state and local governments from requiring any franchise or license for the provision of other services over a cable system, such as internet services. This will not have an immediate fiscal impact on most state and local governments short term, but state and local governments may have authority now or in the future to require franchises or licenses of internet providers separate from cable franchises and receive a gross revenue fee. This could be a significant loss of revenue and authority long term for state and local government as most expect internet revenues to continue to rise in the foreseeable future.

### **Recommendations**

- Review your cable franchise to determine the potential impact from the Order. You may need to seek modifications to your existing cable franchise. We are ready to assist in these negotiations.
- Keep a close watch of franchise fee payments received after the *Third Report and Order's* effective date to identify whether a cable operator has unilaterally identified in-kind contributions it claims are subject to offset, unilaterally determined the fair market value of those contributions, and begun offsetting its calculation of fair market value against its franchise fee obligations. Nothing in the Order excuses operators from stating and justifying the basis for reduced cash payments, and LFAs should be prepared to challenge cable operators on this issue. We are ready to assist in challenging unilateral fee reductions allegedly based on the Order.
- If you haven't done so already, share this information with key municipal stakeholders. These rule changes are likely to affect municipal budgets in a way that reaches beyond PEG operations and access channels. We're happy to help with this process any way we can.
- Consider participating in the appeal of the Order. We will be recommending a direct appeal to the United States Court of Appeals and seeking an immediate stay of the Order pending the final decision in the appeal. We will be providing more information on the appeal project in the coming days.
- Be prepared for another Further Notice of Proposed Rulemaking related to whether PEG channel capacity should also be excluded from the cable franchise fee.

**Impact of FCC's Cable Franchising *Third Report and Order*  
on Non-Monetary "In-Kind" Cable Franchise Provisions**

Non-Monetary Franchise Fees	Excluded From Franchise Fees
<p><b>PEG-Related Contributions</b> Fall under Franchise Fee unless specifically exempt</p> <p><u>PEG Transport</u></p> <ul style="list-style-type: none"> <li>• Use of transport lines for "Episodic" or "Short-Term" PEG programming is an operating cost that is subject to the franchise fee cap.</li> <li>• The ongoing costs associated with the maintenance or operation of PEG Transport would not qualify as a capital expenditure.</li> </ul> <p><u>PEG Channel Capacity</u></p> <ul style="list-style-type: none"> <li>• Deferred action for further rulemaking to determine whether PEG channel capacity should be excluded as a capital cost.</li> </ul>	<p><b>Capital Cost Exception for PEG Access Facilities</b></p> <ul style="list-style-type: none"> <li>• Capital Costs "generally encompasses costs incurred in acquiring or improving capital assets for PEG access facilities."</li> <li>• Capital Costs "should be interpreted in a manner consistent with its ordinary meaning."</li> <li>• "Could encompass the acquisition of a non-construction-related capital asset – such as a van or camera."</li> <li>• The installation of transport facilities dedicated for long-term use by a PEG provider for the transmittal of recurring programming to a cable headend or other point in the cable system.</li> </ul>
<p><b>Institutional Networks (I-Nets)</b></p> <ul style="list-style-type: none"> <li>• Costs associated with the construction, maintenance, and service of an institutional network (i.e., all costs associated with an institutional network)</li> </ul>	
<p><b>Free and Discounted Cable Service to Public Buildings</b></p>	
	<p><b>Build-Out Requirements</b></p>
	<p><b>Customer Service Requirements</b></p>



**Staff Memo**  
**Franchise Fee Review**

In 2018, the Commission, in conjunction with several other local franchising authorities in the area, engaged the financial consulting firm of Ashpaugh&Sculco ("A&S") to conduct a franchise fee and PEG fee review of Comcast for the period covering January 1, 2015 to March 31, 2018. The A&S Report is attached. The A&S Report concludes that Comcast has underpaid the Commission a total of \$185,165 in franchise fee and PEG fee payments including interest through the end of this year. A&S recommends pursuing the underpayment from Comcast.

Based upon the A&S Report, we recommend the following action:

- Receive and file the A&S Report;
- Authorize A&S to share its workpapers with Comcast;
- Share the A&S Report with Comcast and request any response a week before the Operations Committee meets.
- Review and consideration by the Operations Committee
- Review and consideration by the Executive Committee
- Review and consideration by the Commission.



ASHPAUGH & SCULCO, CPAs, PLC  
Certified Public Accountants and Consultants

September 11, 2019

Michael R. Bradley, Esquire  
Bradley Law, LLC  
2145 Woodlane Drive, Suite 106  
Woodbury, MN 55125

**Subject: Review of the Franchise and PEG Fees Paid by Comcast to North Metro Telecommunications Commission, Minnesota (NMTC)**

Dear Mr. Bradley:

Ashpaugh & Sculco, CPAs, PLC was engaged by your firm to review franchise and PEG fees paid by Comcast to the North Metro Telecommunications Commission, Minnesota (NMTC) for the period of January 1, 2015 to March 31, 2018. Our findings and conclusions regarding this review are discussed in the attached report. To review the franchise and PEG fees paid by Comcast, A&S performed the Scope of Work included on page two of this letter report.

This letter report is intended solely for on behalf of and for the use of the NMTC, is not intended to be, and should not be used by anyone other than these specified parties. We appreciate the opportunity to be of service to you. If you have any questions, please do not hesitate to call us at (407) 645-2020.

Sincerely,

**ASHPAUGH & SCULCO, CPAS, PLC**

*Ashpaugh & Sculco, CPAs, PLC*

Cc: Carolyn Sculco, Ashpaugh & Sculco, CPAs, PLC

REVIEW OF FRANCHISE AND PEG FEES PAID BY COMCAST  
TO NORTH METRO TELECOMMUNICATIONS COMMISSION (NMTC)

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## SUMMARY

Ashpaugh & Sculco, CPAs, PLC (A&S) was engaged to review the franchise and PEG fees paid by Comcast to the North Metro Telecommunications Commission, Minnesota (NMTC) for the period of January 1, 2015 through March 31, 2018 (the "Review Period"). The purpose of our review was to determine whether Comcast was in conformance with the franchise agreement between Comcast and NMTC.

In accordance with the franchise agreement, franchise fees are 5.0% of Comcast's gross video revenues in the NMTC member cities. As explained in the following and shown in Table 1, and in more detail in Exhibit 1 to this report, our analyses have identified additional franchise fees owed by Comcast to NMTC, including interest, of \$93,522 for the Review Period.

**TABLE 1**

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>01/01/18 03/31/18</b>	<b>Total</b>
Additional Franchise Fees Owed	22,306	15,966	22,402	8,620	69,294
Interest on Underpayment to December 31, 2019	11,700	5,905	5,134	1,488	24,228
Total Owed with Penalty & Interest	34,006	21,871	27,536	10,109	93,522

Concerning PEG fees and as explained in the following and shown in Table 2, our analyses have identified additional PEG fees owed by Comcast to NMTC, including interest, of \$91,643 for the Review Period. PEG fees are not based on gross revenues. Instead, Comcast was to pay varying rates per subscriber per month in PEG fees that are identified in this report in the discussion under PEG Fees.

**TABLE 2**

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>01/01/18 03/31/18</b>	<b>Total</b>
Additional PEG Fees Owed	11,553	12,746	38,642	8,482	71,423
Interest on Underpayment to December 31, 2019	5,877	4,704	8,174	1,465	20,220
Total Owed with Penalty & Interest	17,430	17,450	46,816	9,946	91,643

## SCOPE OF WORK

A&S was not engaged to and did not perform an audit of Comcast, the objective of which would be the expression of an opinion that the financial statements provide a representation of the operations for the period reviewed. Accordingly, we do not express such an opinion. Had A&S performed such additional procedures, other matters might have come to our attention that would have been reported to NMTC. This report relates only to a review of Comcast's gross revenues used to calculate franchise fees and the per subscriber determination of PEG fees and does not extend to any financial statements of Comcast or NMTC. A&S has relied solely on information provided to us by NMTC and Comcast.

A&S reviewed the franchise and PEG fees paid by Comcast to NMTC to determine whether Comcast complied with the franchise agreement. Our conclusions are based on data responses,

REVIEW OF FRANCHISE AND PEG FEES PAID BY COMCAST  
TO NORTH METRO TELECOMMUNICATIONS COMMISSION (NMTC)

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accounting records, and interviews provided by NMTC and Comcast. A&S performed the following Scope of Work:

**SCOPE OF WORK**

**Project Kick-Off**

1. Contact the NMTC's staff and legal counsel to obtain documentation required to kick-off the project.
2. Review the franchise agreement to gain an understanding of the definition of gross revenues and determination of franchise and PEG fees.
3. Submit initial data request to Comcast requesting information related to the review period. During the project, if needed, submit additional data requests to Comcast.
4. Execute non-disclosure agreement with Comcast. A&S has executed numerous NDAs with Comcast.
5. Correspond with the NMTC, legal counsel and Comcast, as required via phone and email, to obtain documentation, resolve issues, provide periodic updates on the status of projects, and obtain any appropriate assistance.

**General Steps**

6. Recalculate the franchise and PEG fees paid to the NMTC for the review period.
7. Identify each revenue type or source that Comcast did not include in the determination of franchise and PEG fees remitted to the NMTC for the review period.
8. Ensure that gross revenues recorded on the general ledger are included in the gross revenues reported to the NMTC in accordance with the franchise agreement.

**Subscriber Revenues**

9. Reconcile subscriber revenues reported to the NMTC to revenues on third-party billing data.
10. Review non-sufficient funds fees, late fees, and "multi-service fees" to ensure that they were correctly included in the gross revenues reported to the NMTC.
11. Review bad debt expense and bad debt recoveries reported to the NMTC.
12. Request and review detail from Comcast regarding:
  - a. Identification of bundled packages offered;
  - b. Parsing of bundled price among the bundled products; and,
  - c. Determination of franchise and PEG fees on applicable portions of the bundle.
13. Review monthly subscriber counts. If there are significant changes in subscriber counts, obtain an explanation from Comcast. Investigate unusual discrepancies.



REVIEW OF FRANCHISE AND PEG FEES PAID BY COMCAST  
TO NORTH METRO TELECOMMUNICATIONS COMMISSION (NMTC)

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**Non-Subscriber Revenues**

14. Reconcile and recalculate allocation of non-subscriber revenues to ensure that they were correctly included in gross revenues reported to the NMTC.
15. Reconcile and recalculate advertising revenues reported in franchise fee payments to data provided by Comcast. Ensure that Comcast reported advertising revenues to the NMTC in accordance with the definition of gross revenues.
16. Review any "contra-expenses" recorded by Comcast to ensure that amounts were reported to the NMTC in accordance with the definitions of gross revenues.

**Summarize Results and Issue Final Reports**

17. Develop spreadsheet models that include the following calculations:
  - a. Compare franchise and PEG fees reported to the NMTC to calculations by A&S, by category of revenues.
  - b. Calculate under/overpayment of amounts due to the NMTC, interest charges and any other applicable fees.
18. Submit final report to the NMTC. The final report that will include a recalculation of the franchise and PEG fees, any deficiencies and interest charges due to the NMTC.

**REVIEW OF FRANCHISE FEES**

In conformance with Comcast's franchise agreement, A&S reviewed the gross revenues utilized to determine the franchise fees paid by Comcast to NMTC.

The franchise agreement states:

1.2.17 "Gross Revenues" means any and all revenues arising from or attributable to, or in any way derived directly or indirectly by the Grantee or its Affiliates, subsidiaries, or parent, or by any other entity that is a cable operator of the System, from the operation of the Grantee's System to provide Cable Services (including cash, credits, property or other consideration of any kind or nature). Gross Revenues include, by way of illustration and not limitation, monthly fees charged to Subscribers for any basic, optional, premium, per-channel, or per-program service, or other Cable Service including, without limitation, Installation, disconnection, reconnection, and change-in-service fees; Lockout Device fees; Leased Access Channel fees; late fees and administrative fees; fees, payments or other consideration received from programmers for carriage of programming on the System and accounted for as revenue under GAAP; revenues from rentals or sales of Converters or other equipment; fees related to commercial and institutional usage of the System or the I-Net; advertising revenues; interest; barter; revenues from program guides; franchise fees; and revenues to the System from home shopping, bank-at-home channels and other revenue sharing arrangements. Gross Revenues shall include revenues received by an entity other than the Grantee, an Affiliate or another entity that operates the System where necessary to prevent evasion or avoidance of the Grantee's obligation under this Franchise to pay the franchise fee. Gross Revenues shall not include: (i) to the extent consistent with generally accepted accounting principles, actual bad debt

write-offs, provided, however, that all or part of any such actual bad debt that is written off but subsequently collected shall be included in Gross Revenues in the period collected; (ii) any taxes on services furnished by the Grantee imposed by any municipality, state or other governmental unit, provided that franchise fees shall not be regarded as such a tax; (iii) FCC regulatory fees; (iv) Subscriber credits, adjustments or refunds; (v) PEG Fees; or (vi) refundable Subscriber deposits. As previously stated in the definition of "Cable Services" as to cable modem service, the parties agree to comply with future applicable federal or State law or regulation as to the inclusion of fees for such service being included or excluded from the definition of "Gross Revenues."

1.2.35 "Subscriber" means any Person that lawfully receives service via the System with the Grantee's express permission. In the case of multiple office buildings or multiple dwelling units, the term "Subscriber" means the lessee, tenant or occupant.

### 8.3. Franchise Fee.

8.3.1 During the term of the Franchise, the Grantee shall pay quarterly to the City or its delegatee a Franchise fee in an amount equal to five percent (5%) of its Gross Revenues.

8.3.2 Any payments due under this provision shall be payable quarterly. The payment shall be made within thirty (30) days of the end of each of Grantee's fiscal quarters together with a report showing the basis for the computation. The City or the Commission shall have the right to require further supporting information for each franchise fee payment.

## I. SUBSCRIBER REVENUES

Comcast earns the substantial portion of its revenues from monthly cable television subscriber charges and reports the revenues from these charges to NMTC on the accrual basis. Monthly cable subscriber revenues include amounts received for programming (basic, digital, high-definition), premium channels, DVR revenues, franchise fee revenues, pay-per-view, installation charges, channel guides, equipment lease rentals, late fees, returned check fees and other miscellaneous charges.

A&S recalculated the monthly subscriber revenues utilizing the same data as Comcast for reporting cable revenues to NMTC and reconciled the amounts to the franchise fee payments. A&S identified the following discrepancies in reported subscriber revenues.

### a. Reverse Deduction for Billing and Collection Expenses

Comcast reduced gross revenues for franchise fees by an allocated portion of Billing and Collection expenses. A&S made an adjustment to reverse the deduction. As set out above in the definition, "gross revenue" "... shall not include ... actual bad debt write-offs ..." Comcast is allowed to deduct from billed revenue amounts that are bad debts, i.e. amounts that are billed to subscribers and are ultimately determined to be uncollectible but is not allowed to deduct normal business expenses.

**b. Other Adjustments to Subscriber Billed Revenues**

A&S identified that Comcast reduced gross revenues for franchise fees by credits on subscriber bills associated with subscription to Verizon Wireless service through Comcast, i.e. as a part of the subscriber's package of services. This credit is not affiliated with video service and was reversed in our analyses.

Comcast also reduced gross revenues for franchise fees by several items that we have identified as "guarantee credits". These credits are for things such as missed appointments and failure to fix a problem from a service call by its technician. The credits given to subscribers for Comcast's failures in these instances are business expenses. In addition, by decreasing gross revenue for franchise fees by these items Comcast is requiring NMTC to subsidize its operational failures. A&S reversed the deduction for these credits.

**II. MULTISERVICE REVENUES**

Comcast identifies a group of revenues that are not specific to any line of service as "Multiservice" and allocates these revenues to video gross revenues based on total billed revenues, i.e. total billed video revenues as compared to total billed revenues for all lines of business (video, voice, data and security). Our analyses reviewed each of these revenue streams individually.

**a. Allocated Adjustments**

As stated above, Comcast allocated this category based on total billed gross revenues for lines of business. We identified the direct assignments by Comcast to its lines of business (video, voice, high-speed data and security) with a "miscellaneous" or "other" category for unassigned credits. These remaining amounts were then allocated to video based on the overall percentage of video billed revenue to total subscriber billed revenue. The sum of the video direct assignment plus the allocated amount were then compared to the amount determined by Comcast to arrive at the required adjustment.

**b. Convenience Fees**

Convenience fees are administrative fees charged to subscribers when they contact Comcast. Examples include discussing or paying the bill and getting copies of bills. Comcast allocates these revenues based on total billed gross revenues. However, these charges are not related to and have no relationship to total billed gross revenues but are related to the subscriber's receipt of a bill. The charges are the same whether the customer has one line of service or multiple lines of service. Until Comcast provides data on the actual services billed associated with these revenues, it is our opinion that 100% of these revenues should be included in video gross revenues.

**c. Early Termination Fees**

As stated above, Comcast allocated a portion of this category based on total billed gross revenues and made direct assignments of the remaining portion. We do not have a basis for how the direct assignments were made. We identified the direct assignments by Comcast to its lines of business (video, voice, high-speed data and security) with a "miscellaneous" or "other" category for unassigned credits. These remaining amounts were then allocated to video based on the overall percentage of video billed revenue to total subscriber billed revenue. The sum of the video direct

assignment plus the allocated amount were then compared to the amount determined by Comcast to arrive at the required adjustment.

**d. Late Fees**

Late fees are administrative fees charged to subscribers when they are late paying their bill. Comcast allocates these revenues based on total billed gross revenues. However, these charges are not related to total billed gross revenues but are related to the bill. The charges are the same whether the customer has one line of service or multiple lines of service. Until Comcast provides data on the actual services billed on the associated with these revenues, it is our opinion that 100% of these revenues should be included in video gross revenues.

**e. NSF Fees**

NSF fees are administrative fees charged to subscribers when their payment is returned by the bank or the credit card charge was not valid. Comcast allocates these revenues based on total billed gross revenues. However, these charges are not related to total billed gross revenues but are instead related to the bill. The charges are the same whether the customer has one line of service or multiple lines of service. Until Comcast provides data on the actual services billed on the associated with these revenues, it is our opinion that 100% of these revenues should be included in video gross revenues.

**f. Whole House Maintenance**

Comcast offers to subscribers the Service Protection Plan (SPP). It is basically insurance in case there is a wiring problem that interferes with service. Comcast allocates these revenues based on total billed gross revenues. However, these charges are not related to total billed gross revenues. Over the history of this revenue stream, Comcast has identified and differentiated whether the customer was or was not a video subscriber. When that data was available, A&S included 100% of the revenue associated with video subscribers. Comcast no longer differentiates these revenue streams but chooses to allocate the total based on gross revenues. It is our opinion that 100% of these revenues should be included until Comcast provides data on the actual services billed associated with these revenues.

**III. REVERSE COMCAST NOVEMBER 2017 ACCOUNTING CHANGE**

Comcast adopted what it describes as an "adjustment" in November 2017 to reflect a correction in its accrual accounting. The effect of the adjustment, which was implemented nationally by Comcast, was to (1) reduce franchise and PEG fee payments to local franchise authorities to roughly 50% the amount normally paid in that one month and (2) to reduce the taxes and fees components of gross revenues for that one month (franchise fees, PEG fees, FCC fees and video revenue surcharges) by the same 50%. There was not any impact to October 2017 or December 2017. While A&S is in the process of reviewing this adjustment with Comcast, we thought it prudent to make this adjustment until the matter is fully understood and it is resolved if these adjustments were proper. If A&S agrees with Comcast on the veracity of this adjustment, then our report will be supplemented to address these adjustments.

#### **IV. REVERSE COMCAST 2018 GAAP ADJUSTMENT**

Comcast implemented effective January 1, 2018 adjustments made monthly to reflect its adoption of the revenue recognition standard in generally accepted accounting principles ("GAAP"). To accomplish this Comcast made adjustments to month end reported bundled revenues from its third-party billing data. A&S was provided limited access to the adjustment and identified numerous errors in the data. The essence of the adjustments shifts revenue from video, subject to franchise fees

A&S was only provided the ultimate calculation which appears to look at each individual bill and assigns values to the bundle components based on (1) the marketing value in the bundle and (2) the rate card price of that component on a standalone basis. In the majority of instances, neither of the assigned values agreed to other data provided by Comcast. In addition, the identification of the bundle components did not match the product codes or the names of the product codes in other standard responses provided by Comcast. These problems alone would bring us to recommend rejection of the adjustments. However, there is another major flaw in Comcast's methodology.

While Comcast is making adjustments to reported revenue, it is not making any adjustments to billed revenue, i.e. the subscriber is being overcharged since taxes and fees on the bill are wrong. Comcast is shifting revenue according to the accounting rules but still charging the same bundle component prices to the customer. Since franchise fees, telephone fees and taxes and sales taxes are or may be based on how the bundle is divided by the marketing pricing, this means the subscriber is overpaying those taxes and fees, including franchise fees.

#### **V. WRITE-OFFS / RECOVERIES (BAD DEBTS)**

Comcast allocates what it identifies as bad debts based on gross revenues. The third-party software data used by Comcast included bad debt expenses for all lines of business but did not separately identify bad debts associated specifically with any line of service. Our analyses summarized this data and then allocated the amounts based on our adjusted gross revenues. We then compared our allocated amounts to the amounts of Comcast in determining gross revenues to arrive at the adjustments shown in Exhibit 1.

#### **VI. NON-SUBSCRIBER REVENUES**

Comcast included non-subscriber revenues generated from advertising, home shopping and other non-subscriber revenues. A&S obtained and reviewed the amounts from supporting documentation provided by Comcast. Our only adjustment was to advertising revenues discussed below.

##### **a. Advertising Revenues**

A&S compared supporting data for the allocation of advertising revenue for the Review Period and identified under-reporting in each year, with the largest adjustment in the first quarter of 2015. The amounts shown in Exhibit 1 are the adjustments to increase gross revenue for franchise fees by the identified underreported issues.

## **VII. PEG FEES**

NMTC received and continues to receive PEG monthly funding through a per subscriber fee. During the Review Period, the per subscriber rates were \$3.16 from January 2015 through May 2016, \$3.13 June 2016 through December 2017 and \$3.23 January through March 2018. Our review has discovered an underpayment of PEG fees.

A&S compared the number of subscribers used to determine PEG fees to the number of subscribers Comcast used to determine advertising revenue and found differences. The differences were then used to compute the adjustments in PEG fees that resulted in underpayments to NMTC.

In November 2017, Comcast made the accounting adjustment discussed above and reflected this adjustment in its payment of PEG fees related to November 2017. Since payments are made quarterly, the adjustment decreased the January 2018 payment. As shown in the PEG Fee section of Exhibit 1, we have made an adjustment to reverse Comcast's accounting change.

## **VIII. INTEREST**

The rate used to determine interest on franchise and PEG fee underpayments is the same. NMTC franchise agreement states:

8.3.4 In the event any franchise fee payment or recomputation amount is not made on or before the required date, the Grantee shall pay, during the period such unpaid amount is owed, the additional compensation and interest charges computed from such due date, at an annual rate of ten percent (10%).

## **IX. CONCLUSION**

A&S recommends pursuing total payment of \$185,165 from Comcast for underpayment of the franchise fees in the amount of \$93,522 and PEG fees in the amount of \$91,643 for the Review Period. It is reasonable to assume that some of the findings noted in this report could apply to franchise and PEG fee payments after March 2018. It should also be noted that Comcast's GAAP adjustment methodology was used for all of 2018 and to date in 2019. A&S proposes that NMTC request that Comcast maintain all financial records related to the determination of franchise and PEG fees in case NMTC decides to review additional periods later. The financial records should include all accounting records, general ledgers, analyses, number of subscribers, and supporting detail for advertising revenues. It is imperative to maintain these records because clerical errors, changes in accounting methods or unique situations that would not surface during the year may be discovered under direct question and analyses.

# North Metro Telecommunications Commission

## Review of Comcast Franchise Fees

January 1, 2015 - March 31, 2018

Franchise Fees	2015	2016	2017	01/01/18 to 03/31/18	Total Period
Total Gross Revenues per Comcast	23,003,070	24,439,921	25,624,411	6,069,178	79,136,581
Add Back -					
Billing & Collection	9,421	16,926	27,926	7,400	61,674
Verizon Credits	3,965	2,680	525	-	7,170
Comcast Guarantee Credits	13,459	14,742	18,486	4,139	50,826
Adjust to 100% -					
Whole House Maintenance	101,117	104,398	98,751	23,729	327,995
NSF Fees	6,999	6,198	7,318	1,564	22,080
Late Fees	82,220	80,759	85,272	22,854	271,105
Convenience Fees	14,518	10,961	8,522	1,904	35,904
Early Termination Fee	60,166	69,182	68,695	15,655	213,699
Reverse Comcast November 2017 Adjustment					
Franchise Fees	-	-	51,209	-	51,209
Video Surcharges	-	-	97,961	-	97,961
Reverse Comcast 2018 GAAP Adjustment	-	-	-	95,781	95,781
Adjust Bad Debts	(749)	13,415	(16,630)	(618)	(4,581)
Adjust Advertising	155,002	60	0	-	155,062
Total Adjustments	446,119	319,321	448,035	172,408	1,385,883
Total Adjusted Gross Revenues	23,449,189	24,759,242	26,072,447	6,241,586	80,522,464
Additional Franchise Fees Due	22,306	15,966	22,402	8,620	69,294
Interest Due (10% annual rate to Dec. 31, 2019)	11,700	5,905	5,134	1,488	24,228
Total Additional Amount Due	34,006	21,871	27,536	10,109	93,522

PEG Fees	2015	2016	2017	01/01/18 to 03/31/18	Total Period
Total Payments by Comcast	748,088	750,537	726,339	190,486	2,415,450
Adjustment for subscribers	11,553	12,746	10,089	8,482	42,869
Reverse 11-2017 Adjustment to payment	-	-	28,554	-	28,554
Total Adjustments	11,553	12,746	38,642	8,482	71,423
Interest Due (Quarterly Payments, 10% annual to Dec. 31, 2019)	5,877	4,704	8,174	1,465	20,220
Total Additional Amount Due	17,430	17,450	46,816	9,946	91,643

Total Due (Franchise Fees, PEG Fees and Interest)

185,165

**NMTC By Issue**

Franchise Fees	2015	2016	2017	01/01/18 to 03/31/18	Total Period
Add Back -					
Billing & Collection	471	846	1,396	370	3,084
Verizon Credits	198	134	26	0	359
Comcast Guarantee Credits	673	737	924	207	2,541
Adjust to 100% -					
Whole House Maintenance	5,056	5,220	4,938	1,186	16,400
NSF Fees	350	310	366	78	1,104
Late Fees	4,111	4,038	4,264	1,143	13,555
Convenience Fees	726	548	426	95	1,795
Early Termination Fee	3,008	3,459	3,435	783	10,685
Reverse Comcast November 2017 Adjustment					
Franchise Fees	0	0	2,560	0	2,560
Video Surcharges	0	0	4,898	0	4,898
Reverse Comcast 2018 GAAP Adjustment	0	0	0	4,789	4,789
Adjust Bad Debts	(37)	671	(831)	(31)	(229)
Adjust Advertising	7,750	3	0	0	7,753
<b>Additional Franchise Fees Due</b>	<b>22,306</b>	<b>15,966</b>	<b>22,402</b>	<b>8,620</b>	<b>69,294</b>

Interest	2015	2016	2017	01/01/18 to 03/31/18	Total Period
Add Back -					
Billing & Collection	247	313	320	64	944
Verizon Credits	104	50	6	-	160
Comcast Guarantee Credits	353	273	212	36	873
Adjust to 100% -					
Whole House Maintenance	2,652	1,931	1,132	205	5,919
NSF Fees	184	115	84	14	396
Late Fees	2,156	1,493	977	197	4,824
Convenience Fees	381	203	98	16	698
Early Termination Fee	1,578	1,279	787	135	3,780
Reverse Comcast November 2017 Adjustment					
Franchise Fees	-	-	587	-	587
Video Surcharges	-	-	1,122	-	1,122
Reverse Comcast 2018 GAAP Adjustment	-	-	-	827	827
Adjust Bad Debts	(20)	248	(191)	(5)	33
Adjust Advertising	4,065	1	0	-	4,066
<b>Interest on Additional Franchise Fees Due</b>	<b>11,700</b>	<b>5,905</b>	<b>5,134</b>	<b>1,488</b>	<b>24,228</b>

Total	2015	2016	2017	01/01/18 to 03/31/18	Total Period
Add Back -					
Billing & Collection	718	1,159	1,716	434	4,028
Verizon Credits	302	184	32	-	518
Comcast Guarantee Credits	1,026	1,010	1,136	243	3,414
Adjust to 100% -					
Whole House Maintenance	7,708	7,150	6,069	1,391	22,319
NSF Fees	534	425	450	92	1,500
Late Fees	6,267	5,531	5,241	1,340	18,379
Convenience Fees	1,107	751	524	112	2,493
Early Termination Fee	4,586	4,738	4,222	918	14,465
Reverse Comcast November 2017 Adjustment					
Franchise Fees	-	-	3,147	-	3,147
Video Surcharges	-	-	6,021	-	6,021
Reverse Comcast 2018 GAAP Adjustment	-	-	-	5,616	5,616
Adjust Bad Debts	(57)	919	(1,022)	(36)	(197)
Adjust Advertising	11,815	4	0	-	11,819
<b>Total Franchise Fees &amp; Interest Due</b>	<b>34,006</b>	<b>21,871</b>	<b>27,536</b>	<b>10,109</b>	<b>93,522</b>



## BUSINESS

# Comcast shifts call centers in Minnesota, in moves that could cut about 235 jobs

Changes in two operations could shrink local workforce.

By Evan Ramstad (<http://www.startribune.com/evan-ramstad/232499901/>) Star Tribune

SEPTEMBER 11, 2019 — 11:28PM

Comcast Corp. is reshaping its call-center operations in the Twin Cities in actions that will eliminate up to 235 jobs, about 10% of its employees in the state.

The cable-TV and internet service provider on Wednesday notified officials at the state jobs agency of the restructuring, which will be complete in mid-December, and its potential job impact.

Comcast is moving a call center in Minnetonka, where employees mainly deal with customer-loyalty incentives and other matters, to a building near downtown St. Paul that has been the company's main office in Minnesota for the last few years.

Meanwhile, the operations of a call center that is already in the St. Paul office, which focuses on marketing and getting new customers set up with cable and internet service, are being shifted to other Comcast offices in Texas and Colorado.

Employees in the Minnetonka center automatically have the chance to move to St. Paul. Those in the St. Paul call center will have the opportunity to take jobs in the operation that is moving there from Minnetonka.

The company told the Minnesota Department of Employment and Economic Development that the net effect of the actions could lead to the loss of work for up to 235 people.

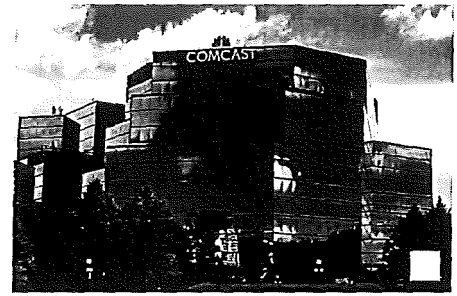
Most of the losses would be in customer service-related jobs, but Comcast also told DEED that some human resources and workforce managers may also be affected.

Comcast will offer jobs, and pay for relocation, in Houston and Colorado Springs, Colo., to the call-center workers now in St. Paul. To those who opt not to move or don't make the cut for ongoing jobs in St. Paul, Comcast will pay severance and help with outplacement services.

Workers in Minnetonka who don't want to work in St. Paul will have the chance to apply for other Comcast jobs in Minnesota or around the country, the company said.

Evan Ramstad is a team leader in business news, working with reporters who cover the food industry from field to fork. He also writes about technology, banking and the economy.

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COMCAST

Comcast's Minnesota regional office in St. Paul.

**Subject:** Fw: 5G wireless deployments threaten to harm me, my family and our communities  
**From:** Dale Stoesz <DStoesz@linolakes.us>  
**Date:** 9/11/2019, 8:32 AM  
**To:** Jeff Karlson <JKarlson@linolakes.us>  
**CC:** Heidi Arnson <harnson@northmetrotv.com>

Please forward to the rest of the council.

I was given notification through North Metro TV that these types of emails are being sent to other council members throughout the nation.

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**From:** Marta Khan <myvoice@oneclickpolitics.com>  
**Sent:** Tuesday, September 10, 2019 11:14 PM  
**To:** Dale Stoesz  
**Subject:** 5G wireless deployments threaten to harm me, my family and our communities

<b>Caution:</b> This email originated outside our organization; please use caution.
---

Re: 5G wireless deployments threaten to harm me, my family and our communities

Dear Mr. Stoesz,

You are my elected representative. This legal notice of liability is designed to be used as evidence in court if needed and intends to enlighten you and to protect you from attracting civil and criminal liability in relation to your actions and/or omissions surrounding the deployment of 5G technology within your constituency. 4G/LTE small cells form an integral part of the 5G deployment. This 5G technology will cause me to be exposed to wireless non-ionizing electromagnetic radiation against my consent and in my home.

Contamination of my home with 5G may cause damage to my home if it becomes a health risk to me and thus render my home uninhabitable. Irradiating me with wireless non-ionizing electromagnetic radiation against my consent would be an application of force against my person and which causes fear of bodily injury and could be classed as a civil trespass and/or a criminal assault. Any level of exposure of man-made non-ionizing electromagnetic radiation can be diagnosed by my medical practitioner as an adverse health effect pursuant to the WHO's International Classification of Diseases ICD-10, code W90 thus rendering any safety limit as set by the government safety standards obsolete as to protecting my health. As needed, I may see my doctor for advice on the 5G issue.

If 5G technology is deployed within your constituency, I expect that you as my elected representative will exercise due diligence to certify that all parties deploying 5G technologies have sufficient insurance cover to compensate for damage or harm caused by the emission of wireless non-ionizing electromagnetic radiation. Please note that this could be a problem, since underwriters such as Lloyds of London do not insure for such harm and damage.

I urge you, as my elected official, to act in the public interest by addressing the potential cumulative harms of densification (the crowding of small cells into a limited area to enable 5G) and insisting that public safety regulatory authorities need to prove that such densification of 5G technology is safe and that any deployment of 5G, Artificial Intelligence (AI), and/or the Internet of Things (IoT), is regulated appropriately to ensure that the national security and the safety and privacy of the public and myself is not compromised.

You need to protect the public from other harmful wireless technologies such as Wi-Fi in schools, "smart" meters on dwellings, and the like, and to replace those technologies with safe and efficient wired technologies, such as Ethernet and/or fiber optics, as the end-nodes of internet delivery systems to dwellings, schools and commercial buildings. Forward-thinking cities are already doing this.

I implore you, as my elected official, to act in the public interest by protecting the public and myself from being persecuted by the passing of laws that restrict the Courts, law enforcement agencies, municipal councils and local governments from taking action to protect the public from harm to health and damage, caused by 5G and other wireless technologies.

I am genuinely concerned for your welfare, the general public and mine, and this is a situation of the utmost urgency. I have studied the relevant facts and am thus aware of the danger. As a result I am in fear and I take the risk of harm and damage to me very seriously.

To help bring you up to speed on this extremely important topic, please go to the5Gsummit.com, and listen for free to what 40 highly regarded experts inclusive of scientists, medical practitioners and lawyers from around the world have to say on the 5G subject. Experts who are not censored by the telecommunications industry, nor their captured governments, nor the captured media. Further, to assist with your education, please look at the Bio-initiative Report 2012 (updated 2017) - A Rationale for

Fw: 5G wireless deployments threaten to harm me, my family and...

Biologically-based Public Exposure Standards for Electromagnetic Fields (ELF and RF) [bioinitiative.org](http://bioinitiative.org) and Physicians for Safe Technology – 5G Mobile Communications [mdsafetech.org](http://mdsafetech.org).

I implore you as my civic leader, and as my elected representative to get educated on this important topic, and show me by your decisions, actions and omissions that you are taking precautionary steps to address the risk of harm to me and all the people within your constituency.

As an elected official I believe you are at risk of being liable if you do not take appropriate action to attempt to abate, or prevent such harm to me or the public.

Your people are rising up and I implore you to take leadership and be a champion for the health and safety of all of us. If you do, many voters, legislators and I will wholeheartedly support and campaign for you.

Sincerely,

Marta Khan

[marta.lyuks@gmail.com](mailto:marta.lyuks@gmail.com)

6654 Enid Trail

Lino Lakes, MN 55014

Constituent

# SETTING THE RECORD STRAIGHT – Claims About 5G Health Risks

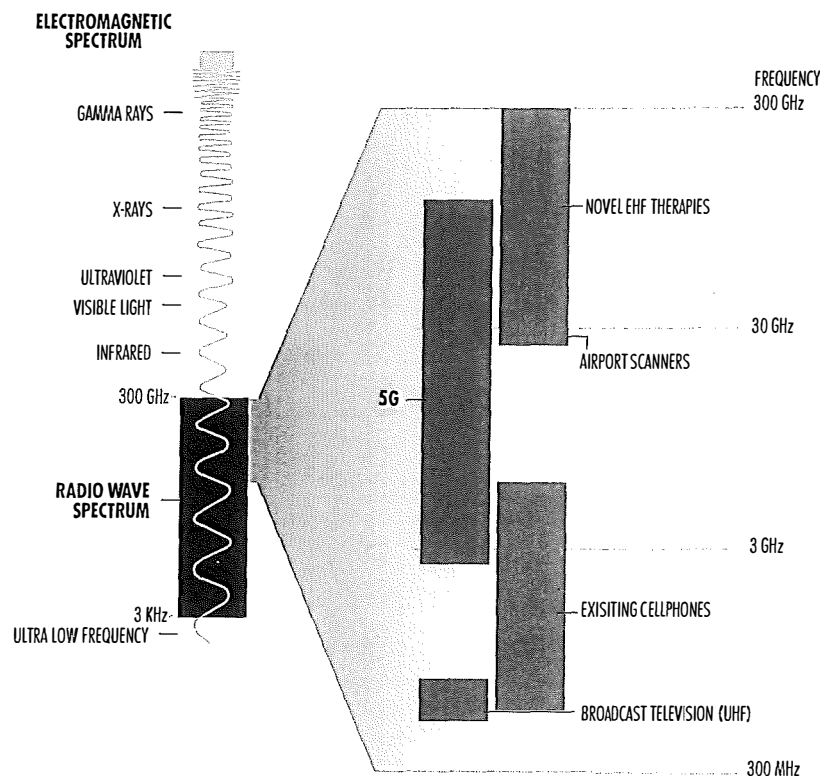
The coming 5G network revolution will drastically improve the world over the coming years. 5G technology will help bring us interconnected cars, better apps, faster network speeds, and much more. Many predict that this new technology will be the key to economic advantage for the coming century.<sup>1</sup> Unfortunately, there have been deliberate attempts, some backed by Russian news outlets, to discourage investment by sowing disinformation regarding unsubstantiated health risks of this new technology.

## UNPROVEN CLAIMS REGARDING THE HEALTH RISKS OF 5G

**According to a New York Times investigative report**, the Russian news network, RT America, has been involved in a campaign to derail 5G deployment in the United States by linking 5G to adverse health effects, such as brain cancer, infertility, autism, heart tumors, and Alzheimer's disease.<sup>2</sup> Domestically, existing anti-wireless activists, regulators and residents where 5G is deployed have questioned 5G safety. *Simply put, science does not support these claims.* As the NY Times report makes clear, "plenty of careful science has scrutinized wireless technology for potential health risks" and "the data contradict the dire alarms."

## THE REALITY OF 5G

While initial 5G networks in the United States will operate on higher (also called "millimeter wave") frequencies than existing networks, that does not make them more harmful. These millimeter wave frequencies lie at the opposite end of the electromagnetic spectrum from the gamma rays, X-rays, and ultraviolet light that can be associated with adverse health effects. As recently explained by Professor of Bioengineering Kenneth R. Foster at University of Pennsylvania: "no health agency has concluded that research to date has demonstrated health hazards of millimeter waves" operating at the low levels of cellular networks.<sup>3</sup>



Cornell University's RF Safety Program concludes that 5G millimeter wave frequencies penetrate the skin less than lower frequencies used today.<sup>4</sup>

The FCC limits RF exposure and wireless providers must adhere to those limits. The FCC concludes that antennas meeting those RF exposure limits have no harmful effect.

As recently as 2018, the Director of the FDA's Center for Devices and Radiological has clarified: "the totality of the available scientific evidence continues to not support adverse health effects in humans caused by exposures at or under the current radiofrequency energy exposure limits. We believe the existing safety limits for cell phones remain acceptable for protecting the public health."<sup>5</sup>

## CONCLUSION

Some may ask legitimate questions and seek to be educated about RF emissions. But, attempts to block 5G due to unsubstantiated health effects need to be seen for what they are – flagrant efforts by conspiracy theorists, unreliable news outlets and other nations to instill fear through the spread of disinformation. As America continues to be a leader in the global 5G race, the wireless industry will remain committed to deploying communications technologies in compliance with FCC limits. And, public safety and health agencies and labs, including the FCC, will continue to conduct and analyze the research on RF exposure. Dr. Foster expects no revelations: "In view of the large amount of research done on the subject for over half a century, I consider it unlikely that major and previously unknown hazards of RF energy will come to light, particularly at the low exposure levels produced by wireless communications systems in the environment."

1 <https://www.nytimes.com/2019/01/26/us/politics/huawei-china-us5g-technology.html?module=inline>

2 <https://www.nytimes.com/2019/05/12/science/5g-phone-safety-health-russia.html?mid=nytcore-ios-share>

3 <https://leg.mt.gov/bills/2019/Minutes/Senate/Exhibits/ens50aod.pdf>

4 [https://sp.ehs.cornell.edu/lab-research-safety/radiation/rf-microwaves/Documents/RF\\_microwave\\_safety\\_program.pdf](https://sp.ehs.cornell.edu/lab-research-safety/radiation/rf-microwaves/Documents/RF_microwave_safety_program.pdf)

5 <https://www.fda.gov/news-events/press-announcements/statement-jeffrey-shuren-md-jd-director-fdas-center-for-devices-and-radiological-health-national>

# Protecting the Health and Safety of U.S. Consumers

The health and safety of consumers is the wireless industry's first priority. Here's what you should know about radiofrequency (RF) energy and wireless devices.

## What is RF Energy?

Many devices we use every day—baby monitors, Wi-Fi routers, and garage door openers—transmit information using radio waves. These radio waves emit energy commonly referred to as RF energy.

## Organizations that say wireless devices pose no known health risk:

- World Health Organization
- American Cancer Society
- Institute of Electrical and Electronics Engineers (IEEE)
- National Institutes of Health – National Cancer Institute
- Federal Communications Commission (FCC)
- Food and Drug Administration

## Experts agree that wireless devices have not been shown to pose a public health risk.

Overwhelming scientific evidence shows no known health risk to humans from RF energy emitted by wireless devices, including smart phones. This evidence includes numerous, independent and peer-reviewed studies conducted over several decades by national and international organizations.

Federal government statistics show the number of brain tumors have decreased since mobile phones were widely introduced in the 1980s while the number of mobile phones (580-fold) and sites (201-fold) has increased significantly.

## Cell phone towers operate within safety limits.

RF energy from antennas result in exposure levels well below FCC safety limits. These limits are based on recommendations from the scientific community and expert non-government organizations. The widely accepted scientific consensus is that towers and base stations pose no known hazard to nearby residents—and as the FCC notes, “the possibility that a member of the general public could be exposed to RF levels in excess of the FCC guidelines is extremely remote.”

## FCC regulations protect health and safety.

All wireless devices sold in the U.S. must go through a rigorous approval process to ensure they meet the science-based guidelines set by the FCC. These guidelines—developed by internationally-recognized scientific organizations—set limits for the maximum amount of RF exposure from wireless devices and include a significant margin of safety. Wireless devices and antennas operate well under FCC thresholds.

## New 5G networks emit less RF energy.

Next-generation 5G devices will operate at the same or lower RF levels than today's 4G networks. 5G infrastructure—such as small cells attached to phone poles or the sides of buildings—emit roughly the same RF energy (roughly 10-3 mW/cm) as some Bluetooth devices or baby monitors. Any hazards “would require exposure to RF energy at levels far above anything that would be possible with ordinary cellular telephone equipment.”

More information is available at [cellphonehealthfacts.com](http://cellphonehealthfacts.com).

## Expert Voices

“Based on our ongoing evaluation of this issue and taking into account all available scientific evidence we have received, we have not found sufficient evidence that there are adverse health effects in humans caused by exposures at or under the current radiofrequency energy exposure limits. Even with frequent daily use by the vast majority of adults, we have not seen an increase in events like brain tumors.”

– Director of the FDA's Center for Devices and Radiological Health (2018)

“[T]he RF waves given off by cell phones don't have enough energy to damage DNA directly or to heat body tissues. Because of this, it's not clear how cell phones might be able to cause cancer. Most studies done in the lab have supported the idea that RF waves do not cause DNA damage.”

– American Cancer Society (2018)

“We have relied on decades of research and hundreds of studies to have the most complete evaluation of radiofrequency energy exposure. This information has informed the FDA's assessment of this important public health issue, and given us the confidence that the current safety limits for cell phone radiofrequency energy exposure remain acceptable for protecting the public health. ... [T]he totality of the available scientific evidence continues to not support adverse health effects in humans caused by exposures at or under the current radiofrequency energy exposure limits.”

– Director of the FDA's Center for Devices and Radiological Health (2018)

## Agencies and organizations that shape U.S. regulations:

- Institute of Electrical and Electronics Engineers (IEEE)
- National Council on Radiation Protection and Measurements
- International Commission on Nonionizing Radiation Protection



The FCC, as well as other agencies that are experts in health and safety issues ... looked at all of the studies and all of the information and they have reached the determination that these are safe. That's a determination that is constantly undergoing review and any new information that comes up is taken into account.”

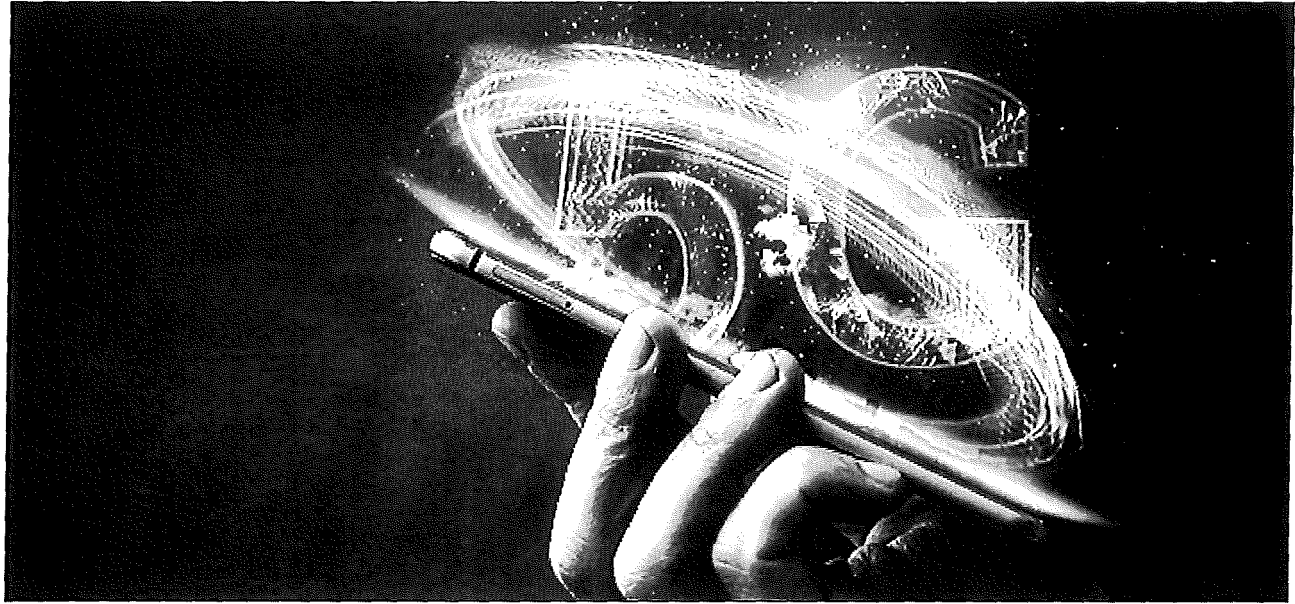
– FCC Commissioner (2018)

# Not All 5G Is Equal: Millimeter Wave, Low-Band, and Mid-Band Explained

Andrew Heinzman

@andrew\_andrew

July 23, 2019, 6:40am EDT



Marko Aliaksandr/Shutterstock

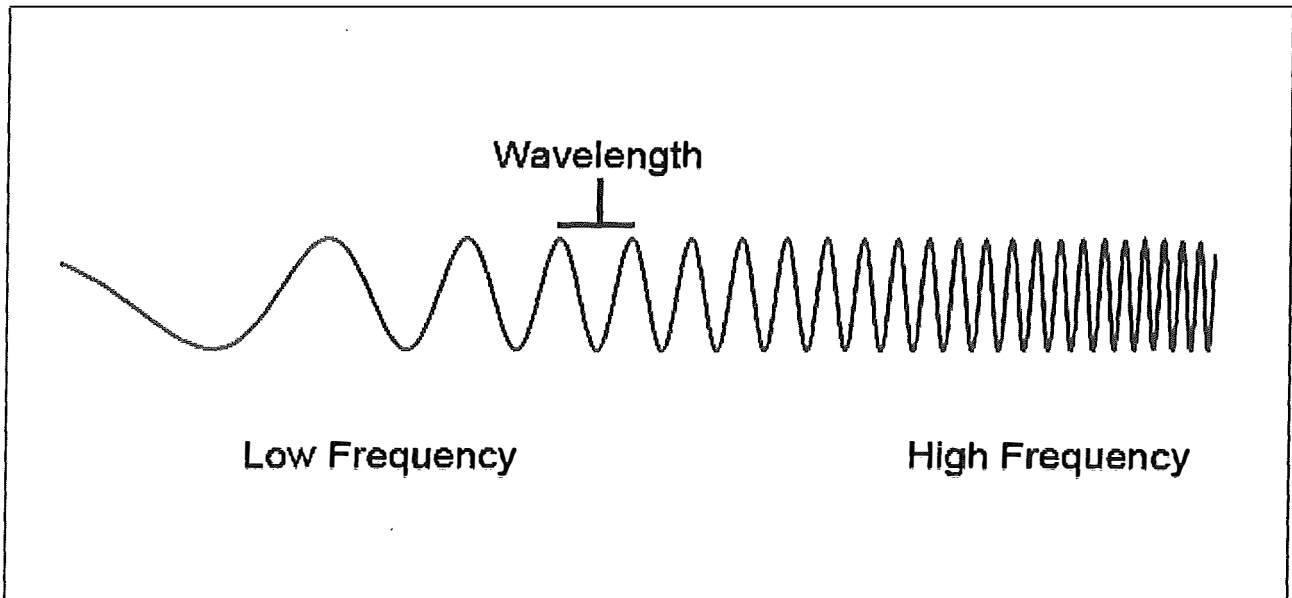
You've probably heard that 5G uses the millimeter wave spectrum to reach its 10 Gbps speeds. But it also uses the low- and mid-band spectrums, just like 4G. Without all three spectrums, 5G wouldn't be reliable.

So, what's the difference between these spectrums? Why do they transfer data at different speeds, and why are they all critical to 5G's success?

## How Do Electromagnetic Frequencies Transfer Data?

Before we get too deep into low-band, mid-band, and millimeter wave, we need to understand how wireless data transmission works. Otherwise, we'll have trouble wrapping our heads around the differences between these three spectrums.

Radio waves and microwaves are invisible to the naked eye, but they look and behave like waves in a pool of water. As a wave's frequency increases, the distance between each wave (the wavelength) gets shorter. Your phone measures wavelength to identify frequencies and to "hear" the data that a frequency is trying to transmit.



Wikipedia

But a stable, unchanging frequency can't "talk" to your phone. It needs to be modulated by subtly increasing and decreasing the frequency rate. Your phone observes these tiny modulations by measuring changes in wavelength and then translates those measurements into data.

If it helps, think of this as binary and Morse code combined. If you're trying to transmit Morse code with a flashlight, you can't just leave the flashlight on. You have to "modulate" it in a way that can be interpreted as language.

**RELATED: *What Is 5G, and How Fast Will It Be?***

## **5G Works Best with All Three Spectrums**

Wireless data transfer has a serious limitation: frequency is tied too closely to bandwidth.

Waves that operate at a low frequency have long wavelengths, so modulations happen at a snail's pace. In other words, they "talk" slow, which leads to a low bandwidth (slow Internet).

As you'd expect, waves that operate at a high frequency "talk" really fast. But they're prone to distortion. If something gets in their way (walls, atmosphere, rain) your phone can lose track of changes in wavelength, which is akin to missing a chunk of Morse code or binary. For this reason, an unreliable connection to a high-frequency band can sometimes be slower than a good connection to a low-frequency band

In the past, carriers avoided the high-frequency millimeter wave spectrum in favor of mid-band spectrums, which "talk" at a medium pace. But we need 5G to be faster *and* more stable than 4G, which is why 5G devices use something called adaptive beam switching to jump between frequency bands quickly.



Adaptive beam switching is what makes 5G a reliable replacement for 4G. Essentially, a 5G phone continuously monitors its signal quality when connected to a high frequency (millimeter wave) band, and keeps an eye out for other reliable signals. If the phone detects its signal quality is about to become unreliable, it seamlessly jumps over to a new frequency band until a faster, more reliable connection is available. This prevents any hiccups while watching videos, downloading apps, or making video calls—and it's what makes 5G more reliable than 4G without sacrificing speed.

## Millimeter Wave: Fast, New, and Short-Range

5G is the first wireless standard to take advantage of the millimeter wave spectrum. The millimeter wave spectrum operates above the 24 GHz band, and, as you'd expect, it's great for superfast data transmission. But, as we mentioned earlier, the millimeter wave spectrum is prone to distortion.

Think of the millimeter wave spectrum like a laser beam: it's precise and dense, but it's only capable of covering a small area. Plus, it can't handle much interference. Even a minor obstacle, like the roof of your car or a raincloud, can obstruct millimeter wave transmissions.



alphaspirit/Shutterstock

Again, this is why adaptive beam switching is so crucial. In a perfect world, your 5G-ready phone will always be connected to a millimeter wave spectrum. But this ideal world would need a ton of millimeter wave towers to compensate for millimeter wave's shoddy coverage. Carriers might never shell out the money to install millimeter wave towers on every street corner, so adaptive beam switching ensures your phone doesn't hiccup every time it jumps from a millimeter wave connection to a mid-band connection.

As of right now, only the 24 and 28 GHz bands are licensed for 5G use. But the FCC expects to auction off the 37, 39, and 47 GHz bands for 5G use by the end of 2019 (these three bands are

higher in the spectrum, so they offer faster connections). Once high-frequency millimeter waves are licensed for 5G, the technology will become a lot more ubiquitous.

## Mid-Band (Sub-6): Decent Speed and Coverage

Mid-band (also called Sub-6) is the most practical spectrum for wireless data transmission. It operates between the 1 and 6 GHz frequencies (2.5, 3.5, and 3.7-4.2 GHz). If the millimeter wave spectrum is like a laser, then the mid-band spectrum is like a flashlight. It's capable of covering a decent amount of space with reasonable Internet speeds. Additionally, it can move through most walls and obstructions.

Most of the mid-band spectrum is already licensed for wireless data transmission and, naturally, 5G will take advantage of those bands. But 5G will also use the 2.5 GHz band, which used to be reserved for educational broadcasts.

The 2.5 GHz band is at the lower end of the mid-band spectrum, which means it has wider coverage (and slower speeds) than the mid-range bands we're already using for 4G. It sounds counter-intuitive, but the industry wants the 2.5 GHz band to ensure remote areas notice the upgrade to 5G and that extremely high-traffic areas don't end up on super-slow, low-band spectrums.

## Low-Band: Slower Spectrum for Remote Areas

We've been using the low-band spectrum to transfer data since 2G launched in 1991. These are low-frequency radio waves that operate below the 1 GHz threshold (namely, the 600, 800, and 900 MHz bands).



Tero Vesalainen/Shutterstock

Because the low-band spectrum is comprised of low-frequency waves, it's practically impervious to distortion—it has great range and can move through walls. But, as we mentioned earlier, slow frequencies lead to slow data transfer rates.

Ideally, your phone will never end up on a low-band connection. But there are some connected devices, like smart bulbs, that don't *need* to transfer data at gigabit rates. If a manufacturer decides to make 5G smart bulbs (useful if your Wi-Fi cuts out), there's a good chance they'll operate on the low-band spectrum.

Sources: FCC, RCR Wireless News, SIGNIANT

# POTs and PANs

## Pretty Advanced New Stuff from CCG Consulting

August 20, 2019

### Providing Local Content to Rural America

#### Leave a comment

(<https://potsandpansbyccg.com/2017/01/17/governments-role-in-broadband/capital/#main>) This fall we can look forward to a big battle in Congress over the rules regulating cable TV. The rules that govern the rights of satellite TV providers to carry local network affiliates (ABC, CBS, NBC, and FOX) will be expiring. If Congress takes no action it's possible that local networks could disappear from satellite cable lineups.



In 2014 Congress passed the STELAR Act (Satellite Television Extension and Localism Act Reauthorization). This legislation allowed satellite providers to deliver distant network stations into rural markets rather than having to negotiate with individual stations in every market. This has acted to hold down satellite TV costs since it makes local stations agreeable to negotiate fees with the satellite providers at reasonable fees.

This is a big contrast to the way that landline cable networks have to pay for local programming. In the 1992 Cable Act, Congress enacted the idea of retransmission consent. These rules were intended to protect local network affiliates since many cable companies at the time were electing to not add local stations channels to their line-ups. The 1992 Act made it mandatory for cable companies to carry local networks, and for the most part, they did so for free.

However, over the last decade, as local stations were losing advertising revenues, they have stepped up charges to cable companies to carry their signal. The fees for access to local network affiliates in most markets has skyrocketed and contributes \$10 – \$12 per month towards the cost of cable TV bills in most markets (in a few a lot more).

There is a lot of pressure on Congress to look at the whole retransmission issue while they are considering the STELAR renewal for satellite companies. Congress hasn't made any significant regulatory changes for the cable industry since the 1992 Act and the industry has changed drastically in the last few years.

Just looking back to 2014 when the STELAR act was passed, online content providers like Netflix represented only 2% of the industry. Today there is a slew of online content providers and there are now more households buying online content than subscribing to traditional cable packages. With cord-cutting, the numbers are shifting drastically, with the latest figures trending towards traditional cable losing as much as 5% of total market share this year.

We are also seeing escalating battles over carriage of content. There were 213 blackouts in the industry as of the end of July, contrasted with 165 blackouts for last year. Last month a battle between AT&T and CBS caused those channels to go dark. There has been a running battle between Dish Networks and Univision this year. It's becoming obvious that the cable companies are no longer willing to automatically accept huge rate increases from local network affiliates.

It's a classic battle of huge companies. Cable companies are pushing to break the required nature of retransmission consent rules that require them to carry local stations – that rule gives cable companies almost no negotiating power. Meanwhile, the big networks like ABC and CBS have been benefitting from the retransmission revenues. While these fees are theoretically paid to local stations, the parent networks sweep most of this money into their own coffers. The network owners are pushing hard to keep the retransmission consent rules intact.

Most local stations now charge between \$2 and \$3 monthly to cable companies for every customer that receives their signal. It's an interesting dynamic because a majority of people could instead get this content for free through the use of rabbit ears. Additionally, most of the national content from the big networks is available online – it's not hard to find ways to watch the shows from CBS or NBC. The big monthly retransmission fees only add local programming like news and local sports to cable subscribers.

The cord-cutting phenomenon tells us that many households are willing to walk away from local programming if it saves them money. I was in a meeting last with ten people, and not one of them watches local news and local programming. The big question facing Congress is how relevant local content is to most households. There are many people who still love local news and local sports, but that universe keeps shrinking as households are deluged with content alternatives. Expect to hear lots of rhetoric this fall as both sides ratchet up arguments for Congress.

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

Tagged: [1992 Cable Act](#), [cable black-outs](#), [retransmission consent](#), [STELAR](#)

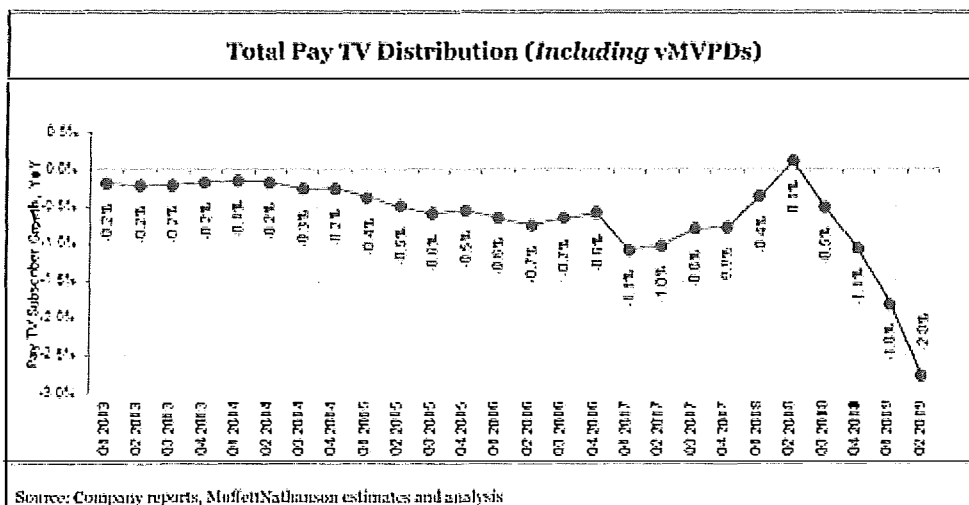
[Blog at WordPress.com.](#)

# Is the Worst Over for US Pay-TV?

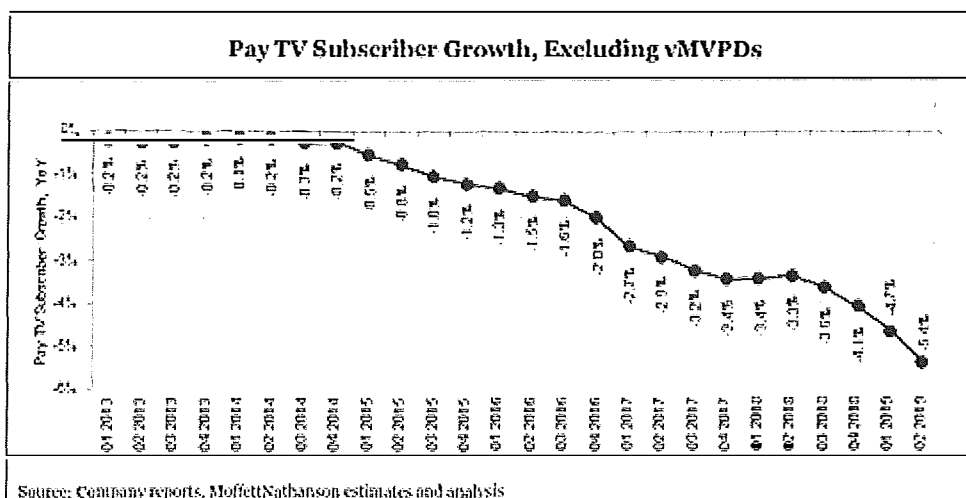
News Analysis

Jeff Baumgartner, Senior Editor, Light Reading

The US pay-TV industry witnessed record bloodshed in the second quarter as the sector -- including both traditional and the OTT-delivered services -- lost a ghastly 1.04 million subs, down 2.8% year-over-year, per the latest estimates from MoffettNathanson.



When virtual MVPDs are removed from the equation, it gets *really* ugly, with the rate of decline dipping to 5.4%. The rate of subscriber losses in Q2 was a record that service providers will obviously want to avoid repeating.



As service providers lick their wounds after getting gashed in Q2, MoffettNathanson analyst Craig Moffett wonders if the worst might be over. He isn't predicting a rebound in which pay-TV

sub gains would (gasp!) return to positive levels, but he does believe that the rate of the bleeding might start to slow down and normalize.

"Maybe it's just the contrarians in us, but allow us to ponder something that is rather seriously out of consensus for a moment," he wrote a new *Cord Cutting Monitor* report delivered via email Thursday. "Might things actually start to get better from here? If not right away (i.e., in Q3), then at least relatively soon? To be clear, we're not even remotely considering that video subscribership might suddenly return to growth. We're simply asking whether there is any case at all to be made that the rate of decline could soon begin to slow a bit."

He said that's not a hard case to make for traditional pay-TV providers, noting that the shocking losses at DirecTV as well as DirecTV Now (recently rebranded as AT&T TV Now) were "self-inflicted" as subs rolled off of steeply discounted promos.

"After these promotional subscribers disconnect, the rate of decline could begin to stabilize," Moffett predicted, while adding that the Q2 video sub losses at the nation's other major satellite TV player, Dish Network, were actually better than expected.

"Perhaps the most cogent argument for at least some improvement is that, eventually, the customers who most wanted to leave will eventually have left," Moffett explained.

He also stressed that the cord-cutting problem isn't "over" or that a major change in direction is coming to US pay-TV. It just may be that Q2 2019 was a high water mark regarding the rate consumers fled to the pay-TV exits.

But it's also clear that virtual MVPDs are not and will not make up the difference, with Moffett pointing out that most of them have had to raise prices, "succumbing to the same channel lineup bloat that plagued their legacy peers," and therefore making them less and less compelling. Pay-TV subs that aren't pivoting to virtual MVPDs are often filling the gap with SVoD services, he added.

Moffett also points out that the early business models for many vMVPDs were based on razor-thin margins (or perhaps at a loss) that simply aren't sustainable. Moffett notes that many of the more popular OTT-TV services were in the range of \$30 to \$35 per month a year and a half ago, and many are now in the neighborhood of \$45 to \$50.

### **Breaking down Q2**

Looking at the big picture, the US pay TV industry lost 1.04 million subs in Q2, with traditional players shedding 1.47 million against 430,000 adds among the virtual MVPDs.

While US cable losses widened to 494,000 in Q2 2019 versus a year-ago loss of 299,000, satellite TV lost 832,000 subs, compared to a loss of 483,000 in Q2 2018.

Virtual MVPD additions of 430,000 in Q2 were well below year-ago additions of 756,000. Virtual MVPD sub numbers are a bit of a black box since only Sling TV and AT&T release those numbers each quarter, but, according to Moffett's estimates, Hulu Live was solid (adding

about 300,000 subs to put it past about 2.4 million), as was YouTube TV, which also added about 300,000 to raise its sub base to 1.5 million.

At the end of Q2, the US pay-TV universe had about 94.64 million subs, comprised of 49.95 million from cable, 27.52 million via satellite, 8.8 million from the telco TV providers, and 8.36 million among the various virtual MVPDs.



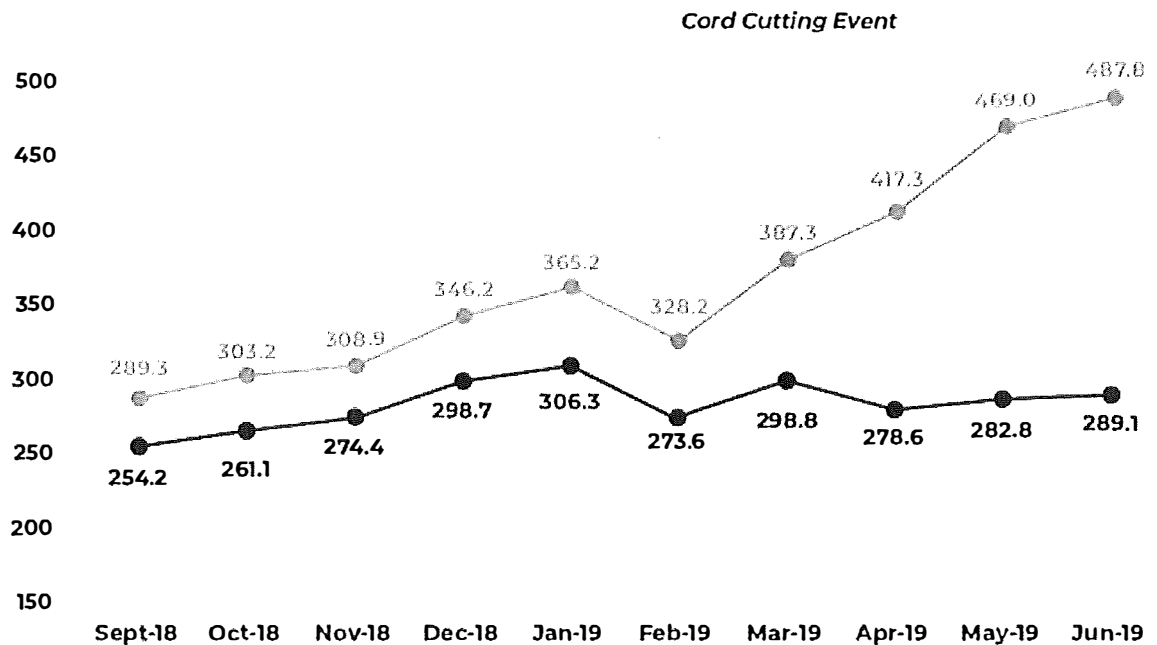
# Cord-cutting set to spike as broadband users drop bundles

Joseph O'Halloran

| 15 August 2019

Research from OpenVault has revealed that broadband usage patterns are providing signs of an imminent further rise in cord-cutting.

## Monthly Data Usage (GB) Before and After Cord Cutting Ever



The analytics and technology solutions provider's Q2 2019 OVBI report tracked how thousands of subscribers who shifted to broadband-only packages during the first half of 2019 exhibited steadily increasing broadband consumption in the months preceding the change.

The analysis showed that the difference in usage between cord cutters and average subscribers rose from 14% six months before the event to 20% in the month immediately prior and 30% in the month that the cord was cut. In the following three months, the difference rose to nearly 70%.

Using aggregate consumption of millions of subscribers, the OVBI report also revealed what OpenVault said was a 'significant' difference between internet-only households and those who have a bundled package of pay-TV and broadband services. Among Internet-only households, average bandwidth consumption in 2Q19 was 390.42 GBytes, while bundled subscribers consumed, on average, 210.89 GB of data in 2Q19 – a difference of 85%.

The data also showed that average broadband usage in European markets increased by more than 28% from Q2 2018 to Q2 2019, slightly ahead of the 25% YOY growth in the United States. Average downstream usage in Europe continued its annual growth trend of 30% in 2019, which upstream usage grew 14%. The share of European subscribers consuming more than 250 GB was

22.13% as of June 2019, up nearly 47% from June 2018.

Usage-based billing (UBB) was being deployed to limit those consuming over a terabyte of data per month, defined as 'power users'. When compared with subscribers on flat rate billing (FRB) plans, UBB subscribers were 23% less likely to exceed 1 TByte of usage and 61% less likely to exceed 2 TBytes. A higher percentage of FRB subscribers were found to be provisioned for lower-speed packages compared to UBB subscribers and among FRB subscribers, 41% were provisioned for speeds of 30 Mbps or less, compared with 13% among UBB subscribers.

“While usage-based billing often is considered as a revenue enhancing tool, the reality is that it spurs subscribers to find harmony between their broadband speeds and their usage patterns,” said Josh Barstow, executive vice president of corporate strategy and business development for OpenVault commenting on the Q2 2019 OVBI report. “As more and more subscribers exhibit cord-cutting behaviour, visibility into usage behaviour and sound based billing plans based billing plans will help operators to manage increasingly busy networks and ensure subscriber satisfaction.”

# **Comcast's latest earnings shows it's like a casino: 'The house always wins.' Cable shrinks while broadband booms.**

by Bob Fernandez, Updated: July 25, 2019

Most Americans recognize Comcast Corp. as the nation's largest cable-TV provider. But the reality is that after almost a decade of big acquisitions — NBCUniversal and Europe's Sky — and blistering subscriber gains at Xfinity Internet, Comcast's U.S. cable-television now comprises just 21% of its global corporate revenue.

That incredibly shrinking cable-TV business was a big takeaway from Comcast's second-quarter earnings performance on Thursday, when the company's revenues rose 23.6% to \$26.9 billion, mostly because of the contribution of Sky. Comcast acquired the European company for \$40 billion in late 2018. Net income fell 3% to \$3.1 billion.

Comcast notched another dismal period for U.S. cable TV. The headline number: down 224,000 Xfinity TV subscribers as the cord-cutting woes deepened.

But Wall Street shrugged as Comcast scored 209,000 new Xfinity Internet subscribers in the quarter — on the path to add another million in 2019 — and 9.4% revenue gains. Cable-TV revenue fell 0.6%.

"Comcast is a little like the casino: the house always wins," said David Goodfriend, president of the telecom lobbying and consulting Goodfriend Group in Washington.

"Comcast is very much a residential broadband business," he added. "They really dominate there. And the reason that is important is that more and more video is migrating to internet-delivered services like Netflix or DirecTV Now."

Said telecom analyst Craig Moffett of the MoffettNathanson firm in New York City: "If the first thing you think of when you think of Comcast is 'cable TV,' then think again. The truth is, cable video is a nothing more sideshow now. Comcast is an [internet service provider] attached to a media and theme parks company."

In 2011, Comcast bought entertainment conglomerate NBCUniversal — which includes the Universal theme parks, cable networks, and NBC broadcast-television business — from General Electric.

With repeated one million-subscriber years at Xfinity Internet, Comcast has become the broadband gateway to American homes, a gateway through which Netflix, Amazon Prime Video, and other streamers will have to pass to reach a show- and movie-watching audience. The

raw numbers are these: 27.8 million Comcast broadband subscribers compared with 21.6 million TV subscribers.

Dig deeper into Comcast's customer metrics and this is what you find: Comcast's penetration in the high-speed internet market in its franchise areas such as Philadelphia is 47.7%. Said another way, almost half of the homes that Comcast's wires pass subscribe to Xfinity Internet. And Comcast's broadband market position has become more concentrated. In early 2017, it was 44.4%.

Comcast's market penetration for cable television, which faces competition from satellite and streaming, is substantially lower: 37.2%. And weakening. Two years ago, it was 39.9%.

And though the media publicizes the cord-cutting threat to cable TV, Comcast's transition to internet-related businesses should boost Comcast's profits over time because it won't have to pay entertainment companies such as CBS Corp. and Fox Corp. for the rights to distribute their cable channels, Moffett and other analysts say.

Whether this will add up to cheaper prices for consumers is unlikely, as they will pay for an internet service — which can be \$80 a month or higher — and monthly subscriptions to sports and entertainment services.

Threats, of course, exist for Comcast. Wireless companies could compete with Comcast, or No. 2 cable operator, Charter Communications, with super-fast 5G services for internet customers.

Amazon has said it would like to offer a satellite-based internet service to Americans. Federal lawmakers could clamp down on Comcast and Charter if they think the companies are too powerful.

But for now, these threats seem far off. So it made sense on Thursday when Comcast CEO Brian Roberts observed on a conference call with analysts: "Video-over-the-internet is more friend than foe. It plays to our strengths."

Company shares closed yesterday at \$44.61, down \$0.26 (0.58%), in Nasdaq trading.

# Lawmakers line up behind streaming service fee bill



## Our Picks

By Colin A. Young / State House News Service  
Posted at 9:22 AM

BOSTON -- As more and more Massachusetts residents cut the cord and turn to streaming video services instead of cable TV, a Dedham representative has filed a bill to charge a fee on streaming services like Netflix and Hulu to support community access stations.

On behalf of Massachusetts Community Media, Inc. (MassAccess), Rep. Paul McMurtry filed a bill (HD 4389) that would impose a fee on digital streaming providers equal to 5 percent of the revenue those companies earn in Massachusetts. Streaming providers that do not make at least \$250,000 in annual revenue in Massachusetts would be exempted under the bill.

The money collected would be split between the state's general fund (20 percent), cities and towns (40 percent), and local access cable TV stations (40 percent).

"This legislation is a much-needed update to the way consumers receive digital entertainment streaming services. Multimillion-dollar media companies are using our public rights of way to deliver their product, yet are not paying their fair share for that use," McMurtry said. "Fees charged to traditional cable providers support our local community media centers which are an important resource to local public, educational and government news and information. As consumers are offered alternative streaming methods we need to modernize our law to assure that community media centers are supported."

The bill, which has not yet been referred to a committee, was quick to attract attention and support from other lawmakers. As of Thursday afternoon, a bipartisan group of 85 legislators had signed onto McMurtry's bill as co-sponsors.

McMurtry and supporters say the bill would "create parity" between cable providers, which currently pay some revenue back to cities and towns for local programming, and streaming services. MassAccess said that most local access TV stations "are seeing declining revenue from cable franchise fees for the first time in their histories" as consumers move away from cable TV in favor of streaming options.

There were 2,193,384 cable TV subscriptions in Massachusetts in 2013, but by 2018 cable subscriptions had dropped off by almost 7 percent, falling to just more than 2 million total subscribers, according to data from the state's Department of Telecommunications and Cable.

MassAccess said streaming providers rely on local infrastructure to sell their product to millions of Massachusetts residents, "yet pay nothing to use that infrastructure." The group said McMurtry's bill seeks to hold streaming services to similar rules and regulations as traditional cable providers.

"For decades, the funding provided by cable companies has helped provide funding to support vital programs at the municipal level -- including community media centers and PEG [public, educational and government] channels," Melinda Garfield, president of MassAccess, said. "Community Media centers and PEG channels serve the community, they are an important and vital resource that we need to protect. These new streaming services should be held to the same standards, accept the same responsibilities, and make the same contributions as cable companies."

Other states have already imposed similar fees on digital streaming services, including Florida, Iowa, Minnesota, Nebraska, North Carolina, Ohio, Pennsylvania, South Dakota and Washington, MassAccess said.