



***PLEASE POST***

**SOUTH WASHINGTON COUNTY TELECOMMUNICATIONS COMMISSION  
EXECUTIVE COMMITTEE MEETING**

**THURSDAY, FEBRUARY 22nd, 2018**

**6:30 p.m.**

**SWCTC COMMISSION OFFICE**

6939 Pine Arbor Drive South, Suite 106

Cottage Grove, MN 55016

651-458-9241

**A G E N D A**

1. Call to Order
2. Roll Call
3. Approval of Agenda
4. Public Comment
5. Consent Agenda
  - A. October 26th, 2017 Executive Committee Meeting Minutes
6. Reports
  - A. Administrative
  - B. Legal
  - C. Cable Companies
7. Unfinished Business
  - A. Scope of Services guidelines discussion
8. New Business
  - A. Drone Policy discussion
  - B. Organizational Structure and Compensation discussion
  - C. Advertising Opportunity discussion
9. Commission Comments and Requests
10. Adjournment

***Please notify the SWCTC office if you are unable to attend the meeting***



SOUTH WASHINGTON COUNTY TELECOMMUNICATIONS COMMISSION  
OCTOBER 26th, 2017  
EXECUTIVE COMMITTEE MEETING MINUTES

1. CALL TO ORDER

Chair, Craig Johnson, called the meeting to order at 6:30 p.m. in the council chamber of the Woodbury City Hall.

2. ROLL CALL

Present: Craig Johnson  
Rich Irvine  
Dave Thiede  
Rob James  
Virginia Keenan  
Julie Ohs  
Brian Bluhm  
Kevin Franke

Also, Present: Mark Martinez, SWCTC Administrator  
Michael Bradley, Bradley Hagen & Gullikson, LLC

3. APPROVAL OF AGENDA

MOTION 10.26.1. To approve the agenda. Irvine/MOVED, Thiede/SECONDED. MOTION CARRIED UNANIMOUSLY.

4. PUBLIC COMMENT

None

5. CONSENT AGENDA

MOTION 10.26.17.2. to approve the Consent Agenda consisting of the August 24, 2017 Meeting Minutes. Keenan/MOVED, Irvine/SECONDED. MOTION CARRIED UNANIMOUSLY.

6. REPORTS

## A. Administrator

Administrator Martinez recognized Roger Peterson for his years of service on the commission. The commemorative video was shown to the Executive Committee and Commission Directors in attendance.

CenturyLink met with the Commission for their Q2 meeting.

The staff are gearing up for this year's election night. Various candidates were invited to record candidate profiles and they are currently being shown on the channel.

Justin Atkinson with Brian Schmidt and Ann Simpson received an Upper Midwest Emmy nomination in the military category for "A Soldier's Journey" which was directed and edited by Justin Atkinson and is a story about Cottage Grove public safety officer Pat Nickle's experience in Afghanistan.

Administrator Martinez has been nominated to the MACTA Board of Directors for 2018.

The 2016 Annual Review was presented by Administrator Martinez to the City of Woodbury.

## 7. UNFINISHED BUSINESS

- A. Employee/HR Handbook - Administrator Martinez gave an update on the progress of the handbook. He stated an online tool provided by SHRM has been recommended to him by Mike Bradley and the HR manager at CCX North West TV and that SWCTC will be utilizing the tool to create the handbook.

Commissioner Keenan asked if the online tool would keep the information up to date with regard to legalities. Counsel Bradley confirmed that it does and gives notifications when something has changed.

Commissioner Lavold asked if the notification of changes need to be brought to the Commission. Counsel Bradley stated that changes will be brought to the Administrator's attention and then it will be brought back to the Commission for approval.

Martinez stated that he was comfortable moving forward with the document and that a number of previous policies had been rolled up into the handbook. He said a final revision would be ready for the next Commission meeting in early December.

Chair John asked for any additional comments from the Commission, and especially the Executive Committee, should be directed to the Administrator by November 15th.

- B. Financial Reserve Policy - Chair Johnson led the discussion of the Reserve Policy draft and that it was developed to utilize a formula in determining what the

reserve amount should be on a year-by-year basis. (see handout) He asked to review the draft so that it is suitable to member cities, receive comments by November 15th, hold a vote at the full Commission at the December meeting, approve and put into policy as of January 1st, 2018. The primary reason for a reserve is for cash flow purposes. The operating budget has recurring expenses and capital projects that are defined each year. The reserve is then made up of an amount that will cover recurring expenses through 6 to 9 months of the year and a percentage of the capital budget that will allow the commission to meet project timelines.

Commissioner Keenan stated that she would be in favor of 9 months operating expenses and 100% of capital. Commissioner Irvine stated that he is in favor of more comfortable with 9 months of operating and 100% of capital. Keenan added that changes in the market, technology, and potential changes with fees make it more comfortable to keep a higher reserve so that there is decision flexibility.

Commissioner Thiede added that SWCTC is different than a municipality and has added risk of loss of revenue. He would like to see an reserve of 1 year and have that period of time to determine what to do to continue providing services. He agreed that 6 months was sufficient for cash flow purposes but that 12 months was better because of the business model risk. Commissioner Irvine and Keenan agreed. Irvine stated that SWCTC does not currently have alternative sources of income. Looking at 9-12 months gives the commission space to react and time to put an alternative in place. Developing alternate revenue streams would take longer than 6 months.

Commissioner Ohs said that Woodbury would not be good with 12 months and that 9 months would be unlikely as well based on the Front Range report. She added that too much is being held and that the money could be used for different technologies for the residents.

Chair Johnson introduced whether there is a need for a “rainy day fund” and that the Commissioners should be talking, on an ongoing basis, to their communities should there be a crisis moment relative to the business model. The member communities delegated certain responsibilities with the JPA and would want to weigh in with the direction for the future. There is also elasticity within the two components of the reserve that could be adjusted, capital projects for instance, to address any adjustment period. The policy then puts emphasis on the annual budgeting process. The difference is what we have historically called the distribution back to the member cities.

Commissioner Thiede expressed a concern for drawing down reserves before there is a chance for the new Administrator and Commission to implement some of the new services SWCTC is planning to provide. Chair Johnson stated that the Commission has agreed that the draw down would be on a “phased basis” and not in “one fell swoop.” There would also be an opportunity to adjust the reserve based on projects for the year

or special projects, such as the HERO center, that would be part of the draw down instead of cash. Ultimately, we're in business to meet the needs of our cities.

Commissioner Thiede stated that he would be more comfortable waiting until after the next franchise renewal period was completed before significant changes were made. The Commission would have a better idea as to the erosion of subscribers by then and there may be better sense of stability after the renewal process.

Commissioner Irvine asked the committee if they could live with 9 months and all agreed. Woodbury didn't think so. Johnson said the draft would be distributed to member cities for comment with a 9 month reserve and feedback will be discussed at the next commission meeting.

Administrator asked about elasticity for expansion of services. Commissioner James stated there are 3 levers for expanding in operating, capital and distribution. Commissioner Irvine stated that the policy would not stop us from doing the things we need to do. Thought being if spending money to provide good things the cities want then that's a good thing. Irvine also said, "We're not here to put money away in the bank. We're here to put services out to the communities."

- C. Nomination Committee - Chair Johnson said the Nominating Committee has received some volunteers. The nominating will end on November 30th and there will be 3 calls for nominees at the next commission meeting Dec. 7th.

## 8. NEW BUSINESS

- A. Small Cell Ordinance - Counsel Bradley reviewed the Small Cell Ordinance project. The participation fee is \$750 per city.

MOTION 10.26.18.3. to recommend to the full Commission at the December meeting that SWCTC, with the exception of Grey Cloud Island, participates in the Small Cell Ordinance study at \$750 per city. Keenan/MOVED, Ohs/SECONDED. MOTION CARRIED UNANIMOUSLY.

B. 2016 Annual Report - Administrator Martinez said that the 2016 Annual Report was completed. Commissioner Thiede asked if the Granicus analytics were available online. Martinez said they are available on the internal network. Thiede suggested mentioning that the data was not searchable. Commissioner Lavold recommended that the report be put on online. Commissioner James asked that there be multi year views of performance measures. How effective is our communications? The Executive Committee accepted the 2016 report as is and recommended a more detailed report for 2017.

## 9. COMMISSION COMMENTS AND REQUESTS

Chair Johnson asked Commissioner Irvine if he had an update on the "Scope" document. Essentially, the Commission will create a boundary box containing what we do and identifying what we do not do. What does PEG restrict us to do? What fits in to what our member cities think we should be doing. Irvine asked for feedback as to what others feel we should be doing or not doing. Give ideas and feedback. The document will be a guideline. The long-term goal is to find the services that are worthwhile to our communities.

Commissioner Thiede asked how specific the Commission would want to be about services. Irvine stated that the scope is for the Commission itself and that there's two parts. A general statement, principle or guideline about what we do and applies to all members. Then provide examples of services including what they are or could be. Commissioner Thiede stated that the intended use is to establish a basis for what we partake in or don't. Chair Johnson added like a product catalog.

Commissioner Lavold suggested that the mission statement be revisited. He continued that it would be a good idea to have a workshop to talk about some of those ideas. Chair Johnson added the overarching mission to serve the needs of our communities. What can be done that is of use? Commissioner Bluhm asked what services SWCTC is allowed to provide. Counsel Bradley stated that there are no restrictions to franchise fees and that PEG fees are intended for capital purchases.

Chair Johnson mentioned in the "Return of Value" there should be fairness relative to the investment and that there are traditional things we've done and new things we think we should do. We want to keep it within the income levels so there's a fairness. Commissioner Thiede recommended that there should be a recommendation to the cities about what SWCTC's position is for reinvestment of distributions.

## 10. INFORMATION ITEMS

Commissioner Irvine read the memo from Comcast regarding their Administrative Late Fee Restructuring. The Late Fee will be restructured \$0.50 from \$9.50 to \$10 as of January 1st, 2018. Counsel Bradley recommended approval to the full Commission in December.

Counsel Bradley mentioned that CenturyLink has announced a streaming service in our area and may be considered a cable service because of having wire in the ROW.

Bradley added that the Commission should consider programming some of the member cities sports games that are being televised by other local cable commissions.

## 11. ADJOURNMENT

MOTION 10.26.18.4. to adjourn at 7:58 p.m. Ohs/MOVED, Irvine/SECONDED. MOTION CARRIED UNANIMOUSLY.



## ADMINISTRATIVE REPORT

FEBRUARY 2018

01/31: The Joint Studio Candidate Forum for District 54 was held at SWCTC in collaboration with North Dakota County Cable Communications Commission (NDC4) and Hastings Community Television.

02/03: SWCTC worked with the City of Woodbury to provide video coverage of the Celebrity Sweat Celebrity Flag Football event at HealthEast Sport Center.

02/07: Staff took part in Mayor Bailey's State of the City address by cablecasting the address live. We also provided additional training and support for the City's Facebook Live broadcast.

02/09: Staff rolled out a new look for Weekly Wire with new graphics, titles, transitions and original music. It had been approximately 3-4 yrs since the last revision was completed. Check out the new episode of Weekly Wire every Friday afternoon.

02/12-13: Staff held their first Innovation Days. The idea was brought pitched by Ann Simpson where staff participated in remote training from New Jersey with Sony Product manager Tom Cubby, shared work skills, discussed website redesigns, and grouped into teams to produce promo ideas for SWCTC and Weekly Wire. The result was two days of learning, creativity and collaboration. The activity was well received by staff and it was great to see the camaraderie within the staff.

02/13: I attended Cottage Grove's annual utility meeting. Representatives from Comcast and CenturyLink were also in attendance.

2/16: I asked our attorney Mike Bradley, at the previous Commission meeting, to send a franchise violation notice to CenturyLink for their months long delay in correcting our channel identity names. As of the 16th, Mike was in direct contact with CL to answer their questions.

- Continued collaboration with Communications teams from both Woodbury and Cottage Grove have developed into weekly meetings and exchange of ideas.
- Cottage Grove's Central Fire Station project is nearing completion. The project will be an estimated \$150,000 capital investment for SWCTC.
- A date for the annual audit with Harrington Langer & Associates will be set soon.
- The Q4 meeting with CenturyLink will be held on Tuesday March 13th at 1pm.



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

To: Twin Cities CenturyLink LFAs  
From: Kirstin Sersland  
Date: February, 2017  
Re: PRISM Combo Billing Issue / 2Q 2017 Revenue

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As you all saw in 3Q2017 quarterly meetings, revenue dropped substantially for many of the cities in the Twin Cities franchise area resulting in lower franchise fees for both LFAs and cities.

CenturyLink bills PRISM service out of one system, ENSEMBLE, and all other products such as home phone service and HSI on another system CRIS. In order to provide one combined bill to our subscribers in the Twin Cities, we combine the Prism charges from one system into another to send one document to print for bill presentation to our customers. It is this combination billing, which caused this issue, and is only in the CRIS footprint (most of the Twin Cities). Due to the many system and process issues, we had PRISM customers that were no longer receiving service and printed bills were ceased (in CRIS), but monthly billings were still processing in the initial system (Ensemble). A clean up of the PRISM customer base found the discrepancy between Ensemble and what looked like live accounts in CRIS, but had been disconnected.

Since this issue dates back as far as 2016, millions in AR balances accumulated. To correct this, in August and September of 2017, we backed out any billing that occurred after the customer stopped using the service with a large mass adjustment that reversed revenue. CenturyLink additionally used this clean up to write off substantial bad debt related to non-pay customers.



**Bradley**

**To: Clients and Interested Municipal Attorneys**  
**From: Bradley Berkland Hagen & Herbst, LLC**  
**Re: Drone Policy and Ordinance**  
**Date: February 8, 2018**

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## **Drone Policy and Ordinance Project**

Drone use is rapidly growing. By 2020, the FAA has estimated that 11 million commercial drones will have been sold in the United States, and the drone industry is projected to have grown, by that time, to \$82bn. The FAA has issued new rules that local governments, including PEG Operators, must comply with.<sup>1</sup> Failure to comply with the FAA's rules can result in civil penalties up to \$27,500 and criminal penalties, including fines, up to \$250,000.

At the NATOA National Annual Conference in Seattle last year, it was recently recommended that all local government entities have two documents in place: (1) an internal Drone Policy for the drone use by the local government, and (2) a Drone Ordinance governing drone use by the general public. The drone policy should address issues such as owning and leasing of drones, required insurance, safety, data retention, chain of custody, use of video/images, and PEG programming. The drone ordinance should address issues such as how and when drones may be used within a city, allowing each city to enforce FAA standards and to protect its citizens.

### **Deliverable**

Drone Policy and Drone Ordinance

### **Time Frame**

We expect to commence the project no later than April 1, 2018 and complete the project by September 1, 2018.

### **Flat Fee**

We will charge a flat fee of \$5,000 per municipal joint powers commissions (covering all member cities) and \$1,000 per individual city. We will require a minimum of four (4) commissions to commence the project.

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<sup>1</sup> See 14 C.F.R. Part 107.

## About Bradley Berkland Hagen & Herbst, LLC

Bradley Berkland Hagen & Herbst, LLC is a municipal consulting firm assisting local government entities across the country.

### Contact Information

#### Bradley Berkland Hagen & Herbst, LLC

Mike Bradley  
2145 Woodlane Drive, Suite 106  
Woodbury, MN 55125  
[mike@bradleylawmn.com](mailto:mike@bradleylawmn.com)  
[www.BradleyLawMN.com](http://www.BradleyLawMN.com)  
(651) 379-0900 ext. 101

### Request for Policy and Ordinance

- Yes, our local government entity would like to participate in the Drone Policy and Ordinance Project and agree to the flat fee listed above.

City/Commission: \_\_\_\_\_

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

Contact Person: \_\_\_\_\_

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

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

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

# 2016 Visitors Snapshot

## Field House:

- Total Field Rental Hours  
1,754
- Total Field Rental Participants  
105,240
- Total Field Program Participants  
65,585
- Total Field Participants  
170,825

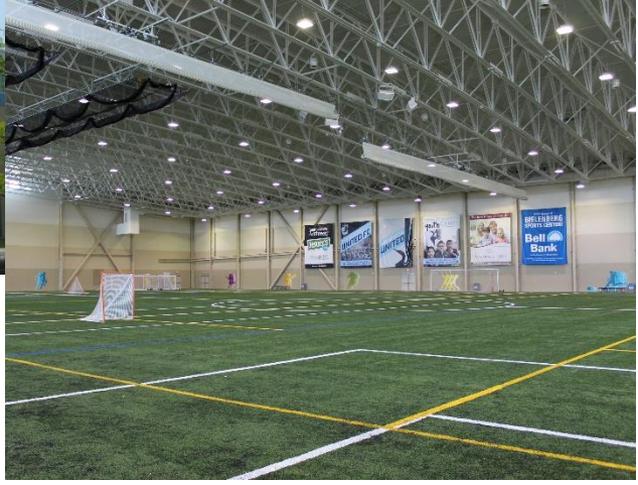
## Ice Arenas:

- Total Ice Rental Hours  
3,788
- Total Ice Rental Participants  
113,640
- Total Ice Program Participants  
28,812
- Total Ice Participants  
142,452

## Past Events:

- Special Olympics Football
- Minnesota Twins clinics
- Minnesota State Figure Skating Competition
- Media Max Home Improvement Expo
- Just Between Friends Sale
- New Year's Eve Celebration
- Feed My Starving Children MobilePack
- Large athletic tournaments
- Fourth of July Celebration

**Total number of visitors to HSC in 2016: 386,787**



HealthEast Sports Center is one of the largest multiuse sports centers in the state, serving the community and region with high-quality indoor and outdoor facilities, including a 90,000-square-foot indoor field house, two indoor ice arenas, an outdoor refrigerated recreational ice skating rink, 36 outdoor athletic fields, the Miracle Field and an outdoor splash pad water feature. It is home to three local high school hockey teams and Madison's Place, the Twin Cities East Metro's first completely handicapped accessible inclusive playground.

 @healtheastport

 /healtheastsportscenter



4125 Radio Drive  
Woodbury, MN 55129  
(651) 714-3740

[www.healtheastsportscenter.com](http://www.healtheastsportscenter.com)

HealthEast  SPORTS CENTER

# Advertising Opportunities

# Advertising Opportunities



**Field House Banners \$7,500**  
Plus \$1,250 production costs

Graphic Description:

- 16 feet by 20 feet
- Full color
- Banner is mounted to cable on the wall for the duration of the sponsorship



**Zamboni Wrap \$15,000**  
Plus \$2,700 production costs

Graphic Description:

- Full color
- The vinyl graphic wrap will cover the entire Zamboni
- Graphic will remain for duration of sponsorship



**Rink Banners - \$7,500**  
Plus \$425 production costs

Graphic Description:

- 8 feet by 10 feet
- Full color
- Placed in the West Rink
- Banner is mounted to cable on the wall for the duration of the sponsorship