



Mt. Hood Cable Regulatory Commission

Serving Multnomah County and the Cities of Fairview, Gresham, Portland, Troutdale & Wood Village

MT. HOOD CABLE REGULATORY COMMISSION
Remote Meeting via phone or computer – Portland OR
April 25, 2022, Special Meeting Minutes – [APPROVED](#)

SUMMARY MINUTES

Call to Order: 6:04 PM by Chair Studenmund

Roll Call

Present: Commissioner DeGraw, Commissioner Roche, Commissioner Studenmund, Commissioner Thomas.

Absent: Commissioner Dennerline, Commissioner Goodlow, Commissioner Harden

Chair Studenmund welcomed new Commissioner Julia DeGraw, the new Portland representative for the MHCRC. Board and staff provided short introductions of themselves and their roles. Additionally, Tim Goodman, Senior Director of Government Regulatory Affairs for Comcast provided an introduction.

Agenda Review:

- Disclosures: None.
- Public Comment (non-agenda items): None.

REGULAR AGENDA

R1. FY2022-23 Goals & Objectives draft staff overview presented by Rebecca Gibbons, Strategic Initiatives Program Manager.

- The commission sets goals and objectives for each fiscal year. The goals and objectives accompany the annual budget request and go to the jurisdictions. Included in the meeting packet are the draft goals and objectives. The commission usually hears about the program work and priorities at the annual strategic planning retreat which was unable to be held this year for a variety of reasons, so this special meeting will allow the MHCRC to consider the draft FY 2022-2023 goals and objectives for this year. The goals and objectives reflect past priorities, and upcoming special projects such as the ongoing franchise renewals with Comcast and Zply that will hopefully be wrapped up this autumn, the last year of the TechSmart Initiative, and the Community Media Center renewals that were extended for another year. Staff will incorporate edits, additions, deletions and bring forward the final draft at the May meeting prior to considering the budget, and they will be packaged for the jurisdictions. Also included in the packet is a draft workplan that can accompany the goals and objectives. The goals and objectives are external



documents and the workplan is more of an internal document. The Workplan is an internal draft and if we do not have enough time, we could do a mini retreat this fall to utilize something like that. The last document in the packet is this current year's goals and objectives as reference.

- MHCRC Discussion:

Commissioner Thomas posits that the goals and objectives are right on and does not see a need to change anything or add to it, adding that it is a full workload for the year. The workplan is a little tougher to assess including the acronym. Commissioner Thomas states it is a good idea.

Commissioner Roche agrees with Commissioner Thomas, noting that goal 5 looks a little different that last years concerning additional items regarding the role of cable franchises and the use of public rights-of-way. In response, Gibbons states that the strategic planning work and kicking it off and highlighting it in this coming year. Commissioner was happy to hear that this will be a focus this year.

Gibbons stated for Commissioner DeGraw that the commission under the IGA is focused on cable television/cable franchise regulation, and the MHCRC as whole has been progressive over the years in getting involved in advocacy and policy work that goes beyond cable as cable companies have merged into being internet service providers and the technology has converged, the MHCRC has broached this as part of their everyday work with the cable franchises, and engaging in that work, and have deeper conversations with jurisdictions about needs and interests. For example, Portland is working on broadband planning, the County is working with east county cities on those issues and is there a need for MHCRC to broaden their scope, and what that might mean for the commission going forward.

Commissioner Studenmund states that she and Commissioner Dennerline that they would like goal number 5 moved to the number 1 position. This important work should be prioritized. Commissioner Thomas notes that goal 1 is defined by IGA, and that some of the stuff in goal 5 isn't quite there even though we want it to get done. Commissioner Studenmund states that it's just rearranging the positioning on the list. Commissioner DeGraw agrees with moving goal 5 to the number 1 spot. Director Perez states that will be moved up to position 1.

Commissioner Roche asks where this falls on the workplan on the policy committee or a different committee. Perez states this falls under the committee and that she has a draft set up and ready to review with the committee and possibly get started this fiscal year. Commissioner asks who is on the policy committee. Perez states it is currently Commissioners Harden and Roche, but she will connect with Chair Studenmund to assess the arrangements of all the committees with new commissioners on board.



Commissioner Thomas asks if Gresham has anyone that they are considering but they have not confirmed anyone for the position yet. Perez stated that Gresham was planning on position the position, and she advised them that they will need to recruit someone.

Chair Studenmund reminded that Commissioner Harden's term ends on June 30th, and he is assisting in the recruitment for his replacement.

Commission Thomas notes he is okay with the workplan, and it looks well put together. He wishes there was a way to get commissioners more involved, so the load is not so heavily on staff. He recommends putting the 8 commissioners to use in terms of workload, and Perez notes that it will be a good project to consider in the policy committee.

Chair Studenmund notes that she had to rework the pages of the document, and Gibbons notes that they can move headers at the top of each page to ease viewing.

- The work plan was presented by Gibbons. Staff put some draft workplan goals that are separate from our overall goals and objectives, that highlights the work of the strategic plan. Some opportunities that are wanting to engage with the commission to have more conversations around the use of the PEG I-Net funds, ways to reach outreach to the community on uses of the cable system and how those funds can be used—all goals for this coming fiscal year. Goals that we want to carry forward from the current fiscal year include goal 3 and goal 4, which were to create greater awareness of the commission, its mission, and work, and a lot of that might happen naturally through the strategic planning discussions already, but if the commission has anything in mind if they want staff to focus on this coming year let staff know. Goal 4 is strengthening the commission's commitment to diversity, equity, and inclusion. The commission has talked a lot about diversity and inclusion in membership on the commission, and that is one of the reasons Commissioner Harden is looking for a replacement.

Chair Studenmund would like to pull in communications help with setting the budget as this is different ground and it would be good to have some assistance with that. Commissioner Roche shared that the goals and objectives are fine, and it will be nice to reengage after an absence. Commissioner Thomas asked what needs to be approved tonight. Chair Studenmund shared they will be voted on at the May meeting and that tonight is more of a work session.

Perez noted that the monthly newsletter sent and the jurisdictional newsletter, and they are dense, and would like feedback from commissioners on how to make it more fun to read, easier to read for the jurisdictions, getting a sense of what interests them and what they want to know. If MHCRC get's the sense that they are not being read, it may make sense to discontinue them. Commissioner Thomas



stated they will have to follow up with the City Managers/Administrators. Chair Studenmund attended the TechSmart shared learning event, and they had videos of kids learning how to read, program bots, it really was engaging and if there is something like that to attach to the newsletter that would speak to how people communicate these days. Perez states it might be difficult to do monthly, but staff could do a two-minute video would be helpful in some ways. Commissioner Roche asked Perez is sharing with the Portland City Commissioners, is there any other role that he and Commissioner DeGraw could take in that. Perez states that they listen to her as staff and MHCRC are advocates and they listen to them in very different ways. Perez will check in with Commissioners DeGraw, Goodlow, and Roche to see how to approach that. Commissioner Thomas noted that it does make a difference in how it carries the weight if it is a staff versus a community member. Commissioner DeGraw shared that her style of communication is sharing something in writing and then following up with a conversation highlighting to amplify what City Commissioners /Council members and City Managers need to hear and focus on.

Chair Studenmund shared that the MHCRC is here due to federal law in 1986, and she'd like to see that in conversations with people; there is bigtime legislation that addresses what we're doing and tells us what we need to do. Commissioner Thomas shared that the dynamics has changes from everything being on its own wire to being on shared fiberoptics, and how it will be in the next 10 year will look different from today. Getting away from one-way communication to connecting people, noted Commissioner Roche. Perez notes that the real reasons that people need access not just needing it, but why.

R2. MHCRC Financial Education Materials

- Finance Manager Michael Wong presented a general overview of finance educational materials, different revenue sources, where there are areas of ambiguity that exist within some of our finance educational materials, so that as a discussion item we can get some potential enhancements in advance of the budget proposal discussion in the future meetings to see how staff can aid in transference of what's in the budget from year-over-year to what is the direction we should be heading with regard to the financial acumen that is present and available currently.

Wong went over the cash flow statements. There are four main revenue sources that the MHCRC utilizes to contribute to operational funding, the first being franchise fees. This has a lot of nuances within it and because it is 5% of the gross revenue that is attributable to Comcast and NW Fiber, whom we collect franchise fees from. This goes into two buckets; the revenue that goes out to the jurisdictions net of all operating costs related to MHCRC and staff, and how that



gets appropriated is based on subscriber counts for each jurisdiction. The other revenue component is the capital funds of which there is an error on the cash flow—it should be 3% not 1%—for public education and government access channels. For perspective, the previous year was 4.2 million dollars in this bucket; these expenses can only be used for capital funds, of which they are then distributed between Portland Community Media and MetroEast. Jumping down to the I-Net which is the institutional network related funding of which we get 1% gross revenue; this is for the system of networks that connects the governmental, education, and community institutions, and is based off of funding that currently exists to interconnect the infrastructure that exists between all jurisdictions for non-commercial reasons. Lastly the community access grants, we utilize about 1% of gross revenues from that. A geographic distribution is utilized, and similarly to the PEG fees, it can only be used for capital expenses.

Chair Studenmund asked about contracts for Portland vs. East County. Chair Thomas explained that every city has their own contract with the cable companies. The difference is that Portland collects all their funds directly, and the other five jurisdictions, it comes into the MHCRC and is distributed from there and out of that we take out the cost of operations for the MHCRC and 60% of that by agreement with the county and other four cities, goes to MetroEast. The rest of it the City keeps for their general fund. That 5% is the most that can be charged by federal law, and the other 3% has restrictions due to federal law and cannot be used for standard operations. Perez states that this is a percentage of the cable companies' gross revenue on what they make on cable alone – not internet or voice – 5% in franchise fees and another 3% in PEG (Public, Education, and Government).

Commissioner DeGraw notes that the regulations lag behind the technology. Perez noted an interesting thing about the graph it states 1% each for the I-Net, Community Grants, and the Community Media Centers, it is not divided up by 1% anymore; the Bureau of Technology Services (BTS) provides internet services for the city as well as some of the other jurisdictions through Comcast through the I-Net. BTS through the city decided they wanted a new provider and recently contracted with WAVE and switching our entire instructional network onto WAVE. It will no longer be a requirement in our franchise since the city has gone in a different direction, which means it's pulled all the other cities in the county along as well. The school districts were the first to go since we provided broadband to the districts, and they are now on WAVE as well. Slowly but surely all the sites are moving over. The I-Net will no longer be a part of our franchise and Comcast was not doing the best job of keeping up with it. Comcast is trying to move everyone over to their business service, which is more expensive. So



much public safety is dependent upon that. That means that the 1% is in Comcast's head that one percent is gone, but that is not true because all the other costs are going up. Staff and consultants are working on this. Michael is working on more educational materials regarding this to make sure folks understand our budget from beginning to end. Where is our money coming from and where does it go – it's complicated – questions can be directed to Michael. Michael will do a 1-1 with new commissioners and it will be a part of the onboarding process.

Wong presented the showcase of the MHCRC interest fund balance explaining that it is for any expenditure that exists over our initial funding availability. We use some of interest to cover costs. We have not always used it in each respective year. What you see is a showcase of how our portfolio has fared regarding interest investments. It's regulated through the City of Portland economists. A large proponent of those investments are municipality bonds and federal bonds with a small proportion of commercial. Based on the year, they are usually in close alignment with how overall US economics is moving along. Last year, we didn't fare as well as previous years, due to Covid-19 and economic slow-down. Last week update, forecast expects pickup in coming year. We were expecting about .5% interest, next year should be closer to 1%. To clarify, this is unspent revenue money that was set aside in past for future spending when we need to – MHCRC piggy bank. Commissioner Thomas provided that there should be more verbiage to go with this chart to make it clearer what it is for.

- Gibbons presented process for officer elections and Committee member selection. At the May meeting, goals objective, grant agreements, budget, grant agreements, and then June meeting will be regularly anticipated grant agreements, year-end contract renewals, as well as officer elections for chair and vice chair- terms of one year. In the past, it has been informal process – informal nominations. Feedback from commission after last year is they would like a more transparent, more structured, process, so staff has put together a draft elections process. Gibbons welcomed additional feedback on other ways to approach officer elections.

Draft for a new election process includes these components:

- Members interested in the Chair or Vice Chair positions will notify staff at least 10 days before the regularly scheduled June Commission meeting.
- Interested members will prepare a statement and each person will have 3 minutes to present their statement at the June meeting.
- There will be time for public comment on the Commission's discuss of candidates.
- Votes will be tallied for the Chair position first and then the Vice Chair position.
- Votes will take place in alphabetic order by last name.



- If a candidate gets the majority of votes, they will be confirmed in the position. If not a majority, then there will be a run-off vote between the top two candidates.

In answering a question by Commissioner DeGraw regarding the term limits, there is a 3-year limit on both positions, consecutively, then they must take a break. Chair Studenmund has served as chair for two years with one more year eligible. Vice Chair will be open this June. Gibbons, even before documented process. Staff would put a cover page in packet of who is eligible to be considered, and we can do that along with new guidelines. Commissioner Roche, asked what the difference is in roles of vice chair and chair; Perez stated to assist the chair when needed, if chair cannot attend meeting, the vice chair steps in. Perez would like to consider other possibilities for the positions as well. Perez will prepare something more substantial on expectations of officer roles and duties.

Commissioner DeGraw asked about how folks get assigned to committees around the June timeline. Committees are formed at the discretion and pleasure of the chair. They will be reviewed with staff and circulate the contact with folks about people's interest, expertise, and availability. Right now, we have 3 committees, policy, equity grants, and finance. Additionally, there are two liaisons – non-voting board members of Open Signal and non-voting board member of MetroEast. MetroEast serves rest of the county and Open Signal serves Portland – it's been necessary for us to be there; MHCRC has some oversight requirements to ensure they don't do things that violate franchises.

MOTION: Commissioner Thomas moved to adjourn. Motion seconded by Commissioner Roche.

VOTE: Motion passed with 4 votes in favor, 0 against.

Adjourned: 7:32 PM by Chair Studenmund.

Respectfully submitted,
Ava Hansen, BSW
Executive Assistant

