



MT. HOOD CABLE REGULATORY COMMISSION
Annual Planning Retreat
OMSI, Portland, OR
March 16, 2019 Retreat Minutes -- APPROVED

SUMMARY MINUTES

MINUTES AS APPROVED AT THE APRIL 22, 2019, MHCRC MEETING.

Called to order: 9:00am

Roll Call

Commissioners Present: Leif Hansen (Chair), Norm Thomas, Carol Studenmund, Sue Dicile, Mike Bennett, Scott Harden, Jeff Dennerline

Staff Present: Elisabeth Perez, Acting Staff Director; Julie Omelchuck, Program Manager; Scott Ellertson, Program Coordinator; Rebecca Gibbons, Program Coordinator

Other: Paula Manley, Facilitator

Guests: Rich Goheen (former Fairview representative); Marybeth Henry (Presenter); Marty Jones (MetroEast Community Media), Justen Harn (Open Signal), Tim Goodman, Comcast. NOTE: Guests did not attend full retreat; only morning session.

Retreat Goals

- Learn about shifts in the cable / communications technology and policy landscape.
- Develop a shared understanding of cable franchise fee and PEG/I-Net fee revenue trends.
- Refresh on the Commission's three-year roadmap of upcoming projects.
- Identify implications of the funding trends and community technology and policy shifts.
- Identify proactive steps to prepare for the future (FY2021-22 and beyond).
- Provide an opportunity for Commissioners and staff to get to know each other and strengthen working relationships.
- Revisit the Commission's operating agreements and meeting protocols.

Environmental Scan

Henry presented recent developments in the communications technology and policy landscape. Jones and Harn each gave brief perspectives on trends they are seeing and how their organizations are responding. Goodman gave an update on the Comcast's development in light of technological and business market changes

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Establishing Role for Government in the Era of Broadband and Smart Cities

Mary Beth Henry highlighted several developments, including: Municipal Broadband PDX effort to study creation of a publicly owned and operated fiber network / internet utility; State Broadband Office and Oregon Universal Service Fund bills in the Oregon legislative session; Federal congressional bills about Digital Equity Act Net Neutrality and Save the Internet Act; and FCC rulemakings limiting the rights of local governments over communications companies use of the public right-of-way and other public assets.

Revenue Forecast Preview

Omelchuck handed out and reviewed financial projections through FY21-22. Key points included:

- The staff forecast is conservative and the projections are based on the current regulatory / rules environment, which could change significantly.
- A 43% decline in cable franchise fees is anticipated in Portland in the next 5 years; a 36% decline is anticipated in East County (due to less subscriber drop off).
- Portland franchise fees are in the general fund.
- In East County, 60% of franchise fees go to MetroEast's operations (Remainder goes to jurisdictions' general fund other than an allocation for the MHCRC budget).

She said the PEG/I-Net Fee financial projections are based on the current allocation model for the compliance program, capital funding for community media centers, I-Net, community technology grants, and TechSmart Initiative. The Commission has discretion over how this money is allocated (other than the compliance program, which is capped at 10%).

Refresh on the MHCRC's 3-Year Roadmap

The Commission and staff reviewed the program areas and upcoming projects contained in the meeting packet.

Future Planning and Priorities

Commissioners and staff discussed work priorities in light of changing landscape and revenue forecasts. Main discussion points included: Ensuring stakeholders are educated about what's happening and how the existing benefits are changing; Communicating with the jurisdictions about what is at stake; annual report is a good tool; Financial modeling will help the Commission assess the "forks in the road" with declining revenue; franchise renewal will influence future revenues and public benefits; Contingency planning is needed for potential drop in public benefits due to declining revenues.

Commissioners identified priorities for staff to use in financial modeling to review with the MHCRC Finance Committee for future allocations of PEG/I-Net Fee revenues (highest to lowest funding priorities through FY21-22: Retain community media centers' capital fund at current levels; fund I-Net stakeholder needs; retain compliance program staffing; fund Community Technology grants for two more fiscal years; and wrap up the TechSmart allocation in FY18-19.

Budget and Staffing Updates

Omelchuck said Scott Ellertson is leaving for a promotional position within the City of Portland. Staff will be proposing to amend the FY18-19 budget to move amounts due to vacant staff positions to be used for office physical move (\$50,000) and increased legal expenses and possible consulting services. The contingency fund will remain intact thus far.

Commissioners agree that a work session may be needed in Summer to lay out work areas for the year and identify any consultant support needed.

Appreciations

Dicile led two rounds of appreciations to thank Commissioners Goheen and Bennett, who were leaving the Commission, for their dedicated service. Studenmund acknowledged Dicile for her leadership and hard work with the re-establishment of the Office for Community as a standalone bureau in the City of Portland.

Adjourned 4:35 p.m.

Respectfully submitted:

Julie S. Omelchuck, Program Manager