



MT. HOOD CABLE REGULATORY COMMISSION
Open Signal 2766 NE Martin Luther King Jr Blvd. Portland OR 97212
December 16, 2019 Meeting Minutes -- Approved

SUMMARY MINUTES

Call to Order: 6:30 pm

- Roll Call

Commissioners present: Leif Hansen, Carol Studenmund, Scott Harden, Norm Thomas, Jeff Dennerline.

Commissioners absent: Jacquenette McIntire.

Staff: Elisabeth Perez, Interim Director; Julie Omelchuck, Program Manager; Cinthia Diaz Calvo, Administrative Specialist.

- Agenda Review: None.
- Disclosures: Studenmund visited East Gresham Elementary School to see the technology MHCRC provided through the TechSmart Initiative. The kids were excited to show what they were creating, and her heart was still filled with pride from that experience.
- Public Comment: none.
- CONSENT AGENDA

C1. September 23, 2019 Meeting Minutes

C2. October 21, 2019 Meeting Minutes

MHCRC staff handed out a corrected copy of the October 21, 2019, meeting minutes. In addition, Thomas noted that listed under public comment was "Harden and Thomas noted Comcast's presentations at the Wood Village and Troutdale city councils about its Internet Essentials program.", when it should have been under disclosures.

MOTION: Thomas moved to approve the September 23, 2019, meeting minutes and the October 21, 2019, meeting minutes with the corrects as noted. Studenmund seconded.

VOTE: 5-0

- REGULAR AGENDA

R1. MHCRC FY 2018-19 Fund Audit

Perez presented the MHCRC FY 2018-19 Fund Audit that was completed by Moss Adams. At its December 6th meeting, the Finance Committee approved the fund financial statements for FY 2018-19. She introduced Keith Simovic, Senior Manager, Moss Adams, who will present the process and results of the audit.

Simovic reviewed the audit contained in the meeting packet and noted several deliverables of the audit process, including the Financial Section and the Report of Independent Auditors. The audit test of internal controls, review of source documents, and other procedures demonstrated the financial statements were presented fairly in all material respects and no material weaknesses or deficiencies were reported.

Simovic noted the component unit analysis for Open Signal and said, as a result, Open Signal is no longer included in the MHCRC Fund Audit.

Simovic stated there were no adjustments this year to be made due to the audit. Adjustments made in FY18-19 due to the FY17-18 audit process were due to a couple accrued invoices and a difference in an amount reported by Open Signal and included in the MHCRC fund accounting.

In response to a question from Studenmund about the change to Open Signal's component unit designation, Simovic explained the changes were due to Open Signal entering into a contract with the City of Portland, which changed the operating cost dependency from the MHCRC to the City. This change was effective as of July 2018.

MOTION: Harden moved to acknowledge receipt of the MHCRC FY 2018-19 Fund Audit prepared by Moss Adams and directed MHCRC staff to submit the Audit to the Secretary of State by December 31, 2019. Thomas seconded.

VOTE: 5-0

R2. MHCRC Retreat Facilitator Contract – P. Manley Consulting.

Omelchuck said staff recommends that the Commission approve the retreat facilitator contract with Paula Manley Consulting for a not-to-exceed amount of \$5,000.

MOTION: Thomas moved to approve the retreat facilitator contract with Paula Manley Consulting for a not-to-exceed amount of \$5,000. Harden seconded.

VOTE: 5-0

- Staff Activity Reports and Updates
 - Public Policy/Legislative/FCC – Perez highlighted the staff Media Policy Update contained in the meeting packet. Perez was appointed to the League of Oregon Cities Telecommunication, Broadband and Cable Policy Committee and Mayor Ted Wheeler was nominated for membership on the FCC Intergovernmental Advisory Committee. She also noted the activities on the FCC cable order on in-kind and mixed use and a possible rulemaking on notice requirements from cable companies to subscribers.

- FY19-20 Budget Process - Perez said the budget season is starting for all jurisdictions. She hopes to receive the MHCRC allocation amount from the City of Portland sometime in January. She will keep Commissioners updated as information becomes available.
 - Community Technology Grant 2020 Round - Omelchuck said they received 16 pre-applications. Two do not use the cable system and are not eligible to proceed. Commissioners will be receiving the pre-application materials for review in early January.
 - Community Needs Ascertainment - Omelchuck said this is a high priority workload for Bea Coulter, MHCRC staff, and her in next 2-3 months. The scientific phone survey has wrapped up. The online qualitative survey will be available early January through February 28, 2020. Esper House, MHCRC local consultant, will do outreach with hard to reach population in January and February, which focuses on people of color, people with disabilities, and Seniors. In January and February, CBG, the MHCRC national consultant will be conducting small group meetings and interviews for sectors (business, non-profits, education, etc.) and for MHCRC stakeholders (I-Net users, grantees, community media centers, etc.).
Omelchuck will be looking to Commission members to assist with outreach to their networks for survey participation and to their jurisdictions to encourage participation. She said she's also coordinating with Multnomah County on work related to engagement on the municipal broadband feasibility study.
 - MHCRC Planning Retreat - Omelchuck said the retreat will be February 22, 2020, at the McMenamins Kennedy School. Commissioners and staff will be working with P. Manley on retreat agenda topics.
 - Comcast Rate Increase – Jan. 1, 2020 – Omelchuck noted the rate increase notice contained in the meeting packet. She said the broadcast fee is significantly increasing and the regional sports fee continues to increase. This was an issue of interest to the Commission a couple years ago as Comcast charges the fees outside of their video package rates. At that time, staff discussed the practice with the Oregon Attorney General staff but there wasn't much interest due to lack of staff capacity to pursue the topic.
- Committee Reports
 - Finance Committee – Thomas said the committee will start back up again in January.
 - TechSmart Grant Committee – No update.
 - Open Signal Board Appointee – Studenmund attended the board retreat and worked on the vision and goals for the organization. Studenmund said she is learning a lot about virtual reality and how it can be used in empathy training in which the person can walk in another person's shoes.
 - MetroEast Board Appointee – Dennerline mentioned MetroEast chose not to pursue a lease of the Rockwood property but the digital literacy trainings will continue.
 - New Business; Commissioner Open Comment
Hansen noted the upcoming MHCRC meeting schedule, including the January meeting is on the 4th Monday due to the holiday and the MHCRC retreat is February 22.

- Franchisee Activity Report
 - Frontier: Jessica Epley, Government & External Affairs Manager at Frontier Communications, said the transfer of ownership is on target to close March 31, 2020. There will be new procedures for automatic electronic payments; customers will receive notice 60 days prior to the change.
 - Comcast: Tim Goodman, Senior Director of Government Regulatory Affairs at Comcast, said that the fees are tied to the sports and broadcast costs, programming is the company's largest expense, and Comcast needs to cover these rising costs. Goodman mentioned that promotional packages won't see an increase. Hansen asked, if it was the programming content that is going up, the MHCRC's expectation is that those costs would be passed on through the package service rates; so, the service would go up and not necessarily the associated fees. Goodman acknowledged Hansen's point and he explained that the fees are due to a particular area. Broadband internet prices are going down and they are not tied to content. Hansen said he understands customers' irritation when they are contracted for a service at a fixed cost only to find this fee loophole that keeps creeping up. Goodman said he understands that.

In the areas that decrease, Harden asked if the internet rate decrease would be passed through to subscribers with contracts as well or will the decrease be only for the new customers. Goodman said he will get back to Commissioners on that. Harden added that Comcast noted the cost of programming being the driver behind the fee increases, but the equipment rental fees are going up as well. Goodman said equipment is more complex to design and create so costs are increasing for those also.

Hansen asked if the reduction of the internet cost was just competitive pricing. Goodman said he had no specifics, but he guesses it is due to competition.

Goodman said Comcast is still processing the FCC In-Kind Order but said the company will have discussions with staff prior to making any changes to franchise fees. He expects to reach out to staff in mid-January.

Goodman said Comcast had the largest giving campaign for United Way in the region and is opening a store soon on SE 82 Avenue in Portland.

- CenturyLink: Samantha Ridderbusch, State and Local Government Affairs Director said CenturyLink participated in the United Way employee giving campaign. CenturyLink matched 50% of all employee donations. She also noted the Teachers in Tech grant opportunity and will send it to staff for outreach to the schools.
- PEG Provider Activity Report
 - Open Signal: Justen Harn, Executive Director at Open Signal, said Open Signal surpassed 1,000 members in January; received a \$100,000 grant from 99 Girlfriends; and a \$35,000 from Oregon Community Foundation to explore earned revenue potential. Harn said

Open Signal is renovating space and focusing on staff supports so the facility will be closed in January. Harn thanked Studenmund for attending the retreat and said strategic planning will continue through January.

Harn said they are opening an Immersive Laboratory, which will support classes and explore potential new projects.

Harn showed two videos: 3D modeling and how to build this world; The Dome.

- MetroEast: Monica Weitzel, Director of Community Relations at MetroEast, noted 19 years of Holiday Showcase, including 11 choirs and orchestras from area schools; the Leadership Academy partnership with the Gresham area Chamber of Commerce; and digital inclusion training with the mobile lab. She said MetroEast is beginning strategic planning in January.
- Public Comment: none.
- Adjourn: 7:57 pm

Respectfully submitted by:
Cinthia Diaz Calvo, Administrative Specialist II