



**Mid-Willamette Valley Cable Regulatory Commission
Budget Committee Meeting**

CCTV Studio, 575 Trade Street, Salem, Oregon
June 13, 2017

ATTENDANCE

Committee Members Present: Sam Brentano, Cara Kaser, Brad Nanke

Budget Committee Members Present: Jane Cummins, Beth Vargas Duncan

Staff Present: Alan Haley, Scott Norris, Perry Grier, Jolene Bray

Guests: Alan Bushong, CCTV
Marc Weinstein, City of Salem
Ryan Zink, City of Salem
Tim Goodman, Comcast

Minutes: Jolene Bray

I. CALL TO ORDER: 4:08 P.M.

Commissioner Brentano called the Cable Regulatory Commission Budget Committee Meeting to order.

II. ELECTION OF CHAIR

Councilor Nanke made a motion to appoint Cara Kaser as the budget committee chair. Commissioner Brentano seconded the motion and it was approved unanimously.

III. MINUTES

Beth made a motion to approve the June 9, 2016, budget committee minutes. Councilor Nanke seconded the motion. There was no discussion and the motion was approved unanimously.

IV. PUBLIC HEARING:

Present Budget Message – Alan Haley

Alan H. said this is the Mid-Willamette Valley Cable Regulatory Commission's proposed budget for fiscal year 2017-18. He said the commission is responsible for monitoring and enforcing the provisions of the cable ordinance and franchise agreement as it relates to Comcast Cable Services, the City of Salem, and Marion County, and for providing cable access for public, educational and governmental purposes (PEG) in the area served by Comcast Cable Services within the jurisdictions.

Alan H. said the budgeted resources are mostly from franchise fees from the City of Salem and Marion County, as well as capital funds from a 1.5% PEG fee. He said there is also Net Working Capital of \$1.5 million.

Alan H. said the requirements are generally in line with previous years and will be discussed in more detail by Perry in the next segment of this meeting. Highlight from previous hear is successful purchase of CCTV building for \$550,000.

Alan H. said the total budget is \$3,091,974 and represents the required resources and requirements needed to provide the services in fiscal 2017-18. He said it shows there are funds to meet ongoing obligations and sufficient cash flow for the upcoming year. Alan said the budget has been prepared in accordance with Oregon's municipal budget law.

Overview and Line Item Review – Perry Grier

Perry said the terminology "general reserve" on the last page of the budget document is misleading because reserve has specific meaning. He said the correct term is "purchases" instead of "reserve." The document will be revised to reflect this change.

Perry said franchise fees have continued to grow steady over the past few years. He said he estimated future fees conservatively compared to fee amounts coming in because he wanted to be prepared if there is a change and fees decrease. Perry said he budgeted for an increase of 7.5% for franchise fees and 6.5% for PEG fees based on historical figures, and there is no indication these won't be met. He said he tried to do more in-depth analysis about what is driving the increased fees, but couldn't get the information needed from Comcast to do that. Perry said while it's unknown if cable subscriptions are growing, internet use is and may be supporting the growth through the bundling with cable service.

Perry said the second area of growth is in investment interest, which he said is currently earning about \$1,000 per month. He said he maintained a high base because the new building was only purchased within the last month. Perry said there was a large decrease in services under Materials and Services because the Comcast franchise negotiations are almost concluded and outside legal counsel will no longer be needed. He said there are six people attending the NATOA conference and registration fees and hotel charges have already been paid.

CCTV Budget Review

Alan B. said CCTV is not looking at buying a new system, but do plan on buying used. He said that music production has taken off and some location items and other changes are needed. Alan B. said a \$20 fan caught fire in May, which caused damage from CCTV's fire suppression system. He said they were down for several days and now realizes they need a redundant playback system. Alan B. said the new building on Water Street will be used for a lot of training, which will be much safer, and he wants to improve systems and stay current. He said CCTV will use a portion of their budget to improve services. Commissioner Brentano said he would like Alan B. to report on future expenditures at meetings that fall after funds are used. Alan B. and Alan H. said this will be done.

Public Testimony on Proposed Budget

There was no public testimony.

V. BUDGET DISCUSSION

Councilor Nanke said Perry did great job.

VI. APPROVAL AND RECOMMENDATION TO COMMISSION

Commissioner Brentano made a motion to recommend the CRC approve the 2017-18 budget. Beth seconded the motion and it was approved unanimously.

VII. OTHER BUSINESS

There was no other business brought forth.

Alan thanked Beth and Jane for their continued participation on the CRC budget committee.

VIII. ADJOURNMENT: 4:27 p.m.

DRAFT