



NORTH SUBURBAN COMMUNICATIONS COMMISSION
February 2, 2012
6:30 P.M.
2670 Arthur Street, Roseville, MN

AGENDA FOR CLOSED EXECUTIVE SESSION

- I. Call to Order
- II. Roll Call
- III. Approval of Agenda
- IV. Closed Executive Session to Discuss Confidential Legal Advice and Strategies Pertaining to the Potential Settlement of Franchise Enforcement Proceedings
- V. Adjourn Closed Executive Session

Please call the office if you or your alternate are unable to attend the closed executive session.

THIS PAGE IS INTENTIONALLY LEFT BLANK



NORTH SUBURBAN COMMUNICATIONS COMMISSION

February 2, 2012

7:00 P.M.

NSCC/NSAC

2670 Arthur Street, Roseville, MN

A G E N D A

- I. Call to Order
- II. Roll Call
- III. Public Forum (10 Minutes)
- IV. Approval of Agenda
- V. Approval of Minutes
- VI. Reports
 - A. Executive Director
 - B. Cable Company
- VII. General Business
 - A. Treasurer's Report – December 2011
 - B. Resolution No. 2012-02 – Extending Certain Deadlines And Dates Established in Resolution No. 2012-01
 - C. Franchise Renewal Consultant Reports
 1. Needs Ascertainment – Sue Buske, The Buske Group
 2. Technical Compliance Review – Dick Nielsen, CBG Communications, Inc.
 - D. Election of Officers
- VIII. Announcements
- IX. Adjournment

Please call the office if you or your alternate are unable to attend the meeting.

Next Regular Meeting – March 1, 2012

THIS PAGE IS INTENTIONALLY LEFT BLANK

**NORTH SUBURBAN COMMUNICATIONS COMMISSION
MINUTES
January 5, 2012**

I. Call to Order

The Commission chair, Dan Roe, called the meeting to order at 7:00 pm at the CTV North Suburbs Roseville facility.

II. Roll Call

The following Commissioners were in attendance:

Craig Wilson, Arden Hills
Rick Talbot, Falcon Heights
Jeff Dains, Lauderdale
Nancy Kracl, Alternate, Mounds View
Gina Bauman, New Brighton
Steve Beilke, North Oaks
Dan Roe, Roseville
Jim Roth, St. Anthony
Blake Huffman, Shoreview

Others Present:

Coralie Wilson, Executive Director
Kathi Donnelly-Cohen, Director Government Affairs, Twin Cities Region, Comcast
Patricia Doocy, Office & Human Resource Coordinator

III. Public Forum

No one was present to speak at the public forum.

IV. Approval of Agenda

Mr. Dains moved, seconded by Mr. Wilson, to approve the agenda. The motion was approved unanimously.

V. Approval of Minutes

Mr. Beilke moved, seconded by Ms. Bauman, to approve the minutes of the December 1, 2011, Commission meeting. The motion was approved with one abstention from Mr. Huffman of Shoreview.

VI. Reports

A. Executive Report

Ms. Wilson reported that Anthony Mendoza from Mendoza Law Office has been retained by Comcast for the local franchise renewal process. She has been corresponding with him requesting information for an audit and for testing of the Institutional Network.

Ms. Wilson also reported that she had received correspondence from Kathi Donnelly-Cohen regarding rate changes and an adjustment in the PEG Fees. After correspondence from Ms. Wilson requesting calculations and an explanation of the increase in PEG fees, Comcast notified Ms. Wilson today that they rescinded the PEG fee adjustment.

Ms. Wilson called attention to the scholarship information that was distributed prior to the meeting. This will be sent to cities, newspapers, schools and prior applicants. She noted that the deadline for applications is no later than 4:00 pm on Friday, April 13, 2012. She also noted the 2012 conference dates that were distributed prior to the meeting.

On a national level, Ms. Wilson reported that there is public safety broadband legislation to carve out specific spectrum in the radio waves for public safety. The legislation has been placed into the conference committee dealing with payroll tax and Medicare issues. She also reviewed some tax related bills, including the Marketplace Fairness Act (S1832) that allows taxation of on-line sales. Ms. Wilson added that there is also legislation that would preclude taxation of on-line sales. Another bill, S1934, would repeal the telephone excise tax that was imposed during the Spanish-American war on the assumption that it is no longer needed.

B. Cable Company

Ms. Donnelly-Cohen reported on Comcast's new home security product which was recently introduced. She explained that, not only is it a basic security system, but it can be hooked up to cameras and viewed from a computer at work or other areas to have a visual survey of home activities. She added that thermostats can be operated via a mobile device. She said she will forward brochures for this new service.

Ms. Donnelly-Cohen also announced that Comcast has entered into a ten-year agreement with Disney Productions, which includes ESPN, ABC, and Disney products.

Mr. Dains, Mr. Talbot and Mr. Roe thanked Ms. Donnelly-Cohen for her many years of service negotiating with the cable company and the Commission and Mr. Roe presented her with a floral arrangement for her retirement.

VII General Business

A. Treasurer's Report

Mr. Talbot moved, seconded by Ms. Bauman, to accept the November 2011 Treasurer's Report. The motion was approved unanimously.

B. Resolution 2012-01, Extending Certain Deadlines and Dates Established in Resolution 2011-05.

Mr. Huffman moved, seconded by Mr. Beilke, to approve Resolution 2012-01, Extending Certain Deadlines and Dates Established in Resolution N. 2011-05. The motion was approved unanimously.

C. Appointment of Nominating Committee

Mr. Huffman moved, seconded by Ms. Bauman, to appoint Mr. Talbot, Mr. Wilson and Mr. Dains to serve on the Nominating Committee. The motion was approved unanimously.

D. 2012 Meeting Schedule

Ms. Bauman moved, seconded by Mr. Dains, to approve the 2012 meeting schedule. The motion was approved unanimously.

VIII. Announcements

IX. Adjournment

Mr. Huffman moved, seconded by Mr. Dains, to adjourn the meeting. The motion was approved unanimously, and the meeting adjourned at 7:40 pm.

Respectfully submitted

Blake Huffman, Secretary/Treasurer

THIS PAGE IS INTENTIONALLY LEFT BLANK

**NSCC Item VI.A.
January 27, 2012**

to: Commissioners
from: Cor Wilson
Executive Director
subject: January Report

Franchise Renewal – Stephen Guzzetta, the Commission’s legal counsel, and I met with the Franchise Renewal Committee on January 26, and reviewed activity pertaining to the renewal process and the franchise fee audit.

The information we had requested for the technical audit of the Institutional Network was delivered to our office by the extended deadline of January 13, 2012, and Dick Nielsen of CBG Communications, completed the testing of the I-Net earlier this week.

Mr. Guzzetta and I are now reviewing the executive summaries of the needs ascertainment and technical audit reports, which will be distributed to you at your February 2 meeting.

Rate Changes – As a result of the correspondence we sent to Kathi Donnelly-Cohen and Robbin Pepper, the PEG fee will not be increasing on February 1, 2012.

Franchise Fee Calculation – In response to the same correspondence, Ms. Pepper provided us with copies of the calculations for the “franchise fee on the franchise fee” and the advertising and home shopping franchise fees which are passed on to subscribers. At this time, Mr. Treich is working to clarify with Ms. Pepper why the company did not use the calculations which the NSCC and the company agreed to use in 2004.

Century/Link Franchise – The Greater Metro Telecommunications Consortium, a group of 30+ cities in the Denver metropolitan area, approved a model cable television franchise with CenturyLink on January 19, 2012. GMTC’s role is primarily that of collaboration and recommendation, and none of its member jurisdictions have yet to adopt and implement the franchise, but our understanding is that CenturyLink does plan to offer an IP video product in competition with Comcast in that area sometime this year.

My Minnesota colleagues and I will be looking at this document, which addresses the issue of facilities build-out and PEG access commitments, to see whether it could be adapted for use here. Last fall, representatives of CenturyLink indicated that the company would be willing to work with local governments in Minnesota in order to provide competitive cable television service, although the company has not indicated when it might be planning to do so.

THIS PAGE IS INTENTIONALLY LEFT BLANK

North Suburban Communications Commission

2011 Financial Report Summary

For the Twelve Months Ending December 31, 2011

	Current Month	Year to Date	% Total Budget	Y-T-D Budget	Annual Budget
Revenues					
Interest Income	84.04	681.28	(0.10)	7,000.00	7,000.00
Cable Co. Scholarships	0.00	95,828.43	(1.02)	93,518.00	93,518.00
Reimbursement	0.00	6,691.08	(1.00)	6,719.00	6,719.00
Misc. Income	0.00	106.00	0.00	0.00	0.00
City Contributions	0.00	338,467.99	(1.00)	338,468.00	338,468.00
Transfer from Reserves	0.00	0.00	0.00	0.00	0.00
Total Revenues	84.04	441,774.78	(0.99)	445,705.00	445,705.00
Expenses Summary					
Personal Services	9,421.54	123,295.91	0.98	126,156.00	126,156.00
Operating Expenses	34,791.32	339,631.84	1.20	283,978.00	283,978.00
Contingency	0.00	0.00	0.00	0.00	0.00
Capital Expenses	6,900.00	29,270.46	0.82	35,571.00	35,571.00
Total Expenses	51,112.86	492,198.21	1.10	445,705.00	445,705.00
Net	(\$ 51,028.82)	(\$ 50,423.43)	0.00	0.00	0.00

NOTE: This is not a final end-of-year report.

North Suburban Communications Commission

2011 Detail Financial Report

For the Twelve Months Ending December 31, 2011

	Current Month	Year to Date	% Total Budget	Y-T-D Budget	Annual Budget
Personal Services					
Full Time Salaries	7,774.10	96,499.16	0.98	98,000.00	98,000.00
Part Time Salaries	0.00	0.00	0.00	0.00	0.00
FICA	624.71	7,742.28	0.96	8,105.00	8,105.00
Retirement	0.00	4,610.83	1.06	4,351.00	4,351.00
Unemployment	44.68	580.84	0.48	1,200.00	1,200.00
Workers Comp	0.00	290.00	0.58	500.00	500.00
Health/Life Insurance	978.05	13,572.80	0.97	14,000.00	14,000.00
Total Personal Services	9,421.54	123,295.91	0.98	126,156.00	126,156.00
Operating Expenses					
General					
Printing	746.43	a. 1,688.89	0.84	2,000.00	2,000.00
Publications	0.00	422.71	1.69	250.00	250.00
Memberships	0.00	5,340.00	0.89	6,000.00	6,000.00
Entries Fees	0.00	0.00	0.00	0.00	0.00
Video Programming	0.00	0.00	0.00	0.00	0.00
Total General	746.43	7,451.60	0.90	8,250.00	8,250.00
Supplies					
I-Net Supplies	0.00	0.00	0.00	500.00	500.00
Office Supplies	40.49	1,607.38	1.00	1,600.00	1,600.00
Video Supplies	0.00	0.00	0.00	0.00	0.00
Software Supplies	0.00	46.99	0.05	1,000.00	1,000.00
Volunteer Supplies	8.96	741.03	0.49	1,500.00	1,500.00
Total Supplies	49.45	2,395.40	0.52	4,600.00	4,600.00

a. Printing -- Newsletter (25%); letterhead and envelopes (50%)

	Current Month	Year to Date	% Total Budget	Y-T-D Budget	Annual Budget
Maintenance					
Office Equipment	0.00	647.61	0.65	1,000.00	1,000.00
Network Equip. Maint.	3,293.54	3,293.54	1.65	2,000.00	2,000.00
Building Janitorial	1,272.91	15,867.87	1.06	15,000.00	15,000.00
Total Maintenance	4,566.45	19,809.02	1.10	18,000.00	18,000.00
Travel					
Conferences	1,599.12 b.	12,844.74	1.61	8,000.00	8,000.00
Mileage & Meals	173.56	2,513.60	0.97	2,600.00	2,600.00
Total Travel	1,772.68	15,358.34	1.45	10,600.00	10,600.00
Tuition & Training					
Tuition & Training	0.00	(375.00)	(0.50)	750.00	750.00
Utilities					
Utilities	2,096.42 c.	8,958.78	1.49	6,000.00	6,000.00
Leases					
Rent	0.00	3,392.80	0.16	21,000.00	21,000.00
Property Taxes	0.00	0.00	0.00	0.00	0.00
Miscellaneous	0.00	160.00	0.32	500.00	500.00
Postage Meter	154.20	616.80	0.51	1,200.00	1,200.00
Total Leases	154.20	4,169.60	0.18	22,700.00	22,700.00

b. Conferences -- NATOA conference expense reimbursement.

c. Utilities/Rent -- The December rent expense was accidentally posted to the Utilities account and will be corrected when the Office Manager returns from sick leave. The error does not affect the total Operating Expenses.

	Current Month	Year to Date	% Total Budget	Y-T-D Budget	Annual Budget
Contractual					
Audit	0.00	5,825.00	1.06	5,500.00	5,500.00
Insurance	0.00	3,193.20	0.64	5,000.00	5,000.00
Legal	13,110.00	117,213.85	3.35	35,000.00	35,000.00
Intrnet Connection	0.00	5,512.95	0.90	6,100.00	6,100.00
NSCC SALES TAX	103.16	428.48	0.14	3,000.00	3,000.00
Cable Services	1,005.00	11,760.00	0.89	13,260.00	13,260.00
Miscellaneous	5,021.63	d. 64,512.90	1.43	45,000.00	45,000.00
Total Contractual	19,239.79	208,446.38	1.85	112,860.00	112,860.00
Communications					
Postage	173.27	891.27	0.89	1,000.00	1,000.00
Telephone	183.31	3,123.33	0.74	4,200.00	4,200.00
Advertising & Promotion	0.00	3,080.84	2.05	1,500.00	1,500.00
Total Communications	356.58	7,095.44	1.06	6,700.00	6,700.00
Grants					
Scholarships	0.00	42,000.00	0.70	60,000.00	60,000.00
Internships	5,809.32	24,322.28	0.73	33,518.00	33,518.00
Total Grants	5,809.32	66,322.28	0.71	93,518.00	93,518.00
Recruiting					
Recruiting	0.00	0.00	0.00	0.00	0.00
Total Operating	34,791.32	339,631.84	1.20	283,978.00	283,978.00

d. Misc. Contractual -- CBG Communications, Inc., and bank fees

	Current Month	Year to Date	% Total Budget	Y-T-D Budget	Annual Budget
Contingency					
Contingency	0.00	0.00	0.00	0.00	0.00
Capital Expenses					
Capital Improvements	0.00	22,571.00	1.00	22,571.00	22,571.00
Capital Video	0.00	0.00	0.00	0.00	0.00
I-Net Equipment	6,900.00 e.	6,699.46	0.67	10,000.00	10,000.00
Office Equipment	0.00	0.00	0.00	3,000.00	3,000.00
Total Capital	6,900.00	29,270.46	0.82	35,571.00	35,571.00
Total Expenses	51,112.86	492,198.21	1.10	445,705.00	445,705.00

e. I-Net Equipment -- Replacement switch for the Institutional Network. (A second switch will be replaced in 2012.)

THIS PAGE IS INTENTIONALLY LEFT BLANK

**NSCC Item VII.B.
January 27, 2012**

to: Commissioners

from: Cor Wilson, Executive Director

subject: Resolution 2012-02, Extending Deadlines and Dates Established in Resolution No. 2012-01

At your January meeting, you extended the deadlines and dates associated with the resolution finding Comcast in violation of the franchise that was adopted in December 2011 in order to provide time for negotiating a settlement that would resolve the issue of non-compliance. Although we have agreement with Comcast's representatives on the deal points, the company needs a little more time to provide some of the information required for the final document. Staff recommends the adoption of the attached resolution that would extend the deadline for response to February 17 and, should the company fail to respond, adjusts the dates for the non-compliance process accordingly.

Mr. Guzzetta will review the proposed settlement during the executive session to be held prior to the regular Commission meeting.

Action Requested: Motion to adopt Resolution 2012-02, Extending Deadlines and Dates Established in Resolution No. 2012-01.

RESOLUTION NO. 2012-02

EXTENDING CERTAIN DEADLINES AND DATES ESTABLISHED IN RESOLUTION NO. 2012-01

WHEREAS, the North Suburban Communications Commission (hereinafter the “Commission”) is a Joint Powers Commission organized pursuant to Minn. Stat. § 471.59, as amended, and includes the municipalities of Arden Hills, Falcon Heights, Lauderdale, Little Canada, Mounds View, New Brighton, North Oaks, Roseville, St. Anthony, and Shoreview, Minnesota (hereinafter, collectively the “Member Cities” or individually a “Member City”);

WHEREAS, a Joint Powers Commission organized pursuant to Minn. Stat. § 471.59 has the statutory authority to “jointly or cooperatively exercise any power common to the contracting parties;” and

WHEREAS, the Member Cities have awarded franchises to and entered into Franchise Agreements with Comcast of Minnesota, Inc., and its predecessors in interest (hereinafter, “Comcast”); and

WHEREAS, the definition of “the City” is defined under the Franchise Agreements to include, among other entities, the lawful designee of the Member Cities; and

WHEREAS, the Commission’s authority under the Joint Powers Agreement entered into by the Member Cities includes the power to administer and enforce the Franchise Agreements, except for that authority and those tasks specifically retained by a Member City; and

WHEREAS, the Commission may enforce and administer the Franchise Agreements by conducting franchise fee reviews, as permitted by § 8.3.c of the Franchise Agreements; and

WHEREAS, the Commission, pursuant to Resolution No. 2011-02, has authorized Commission staff and/or their designee(s), to evaluate Comcast’s past performance, and to take all steps and actions necessary to review Comcast’s compliance with the Franchise Agreements and applicable laws, including (but not limited to) the issuance of notices of violation; and

WHEREAS, the Commission is in the process of conducting a franchise fee review and has retained Front Range Consulting, Inc. (“FRC”), through its attorneys, Bradley & Guzzetta, LLC (“B&G”), to analyze the accuracy of Comcast’s franchise fee payments for the period from January 1, 2009, through and including December 31, 2011 (the “Review Period”), as part of the Commission’s ongoing past performance review proceeding under Section 626(a) of the Cable Communications Policy Act of 1984, as amended, 47 U.S.C. § 546(a); and

WHEREAS, §§ 8.4 and 8.5.b. of the Franchise Agreements empower the Commission to require Comcast to furnish reports, records and certifications related to Comcast’s operations in the Member Cities, including (but not limited to) accounting and financial records; and

WHEREAS, Comcast and Comcast Cable have failed to provide certain data, documents, records and/or certifications requested by FRC and the Commission's Executive Director that are necessary to conduct and complete the ongoing franchise fee review; and

WHEREAS, on November 15, 2011, the Commission's Executive Director issued a notice of violation to Comcast in accordance with § 9.2.e of the Franchise Agreements ("Notice of Violation"), and caused the Notice of Violation to be served on Comcast on that date in accordance with § 2.9 of the Franchise Agreements; and

WHEREAS, in accordance with § 9.2.e of the Franchise Agreements, the Commission's Notice of Violation gave Comcast thirty (30) days to cure the cited violations by providing all the information, documents and certifications delineated in the Notice of Violation; and

WHEREAS, the cure period applicable to the Notice of Violation was extended to close-of-business on Friday, January 6, 2012, to enable Comcast, Comcast Cable and NSCC staff/agents to engage in settlement discussions; and

WHEREAS, the Commission's representatives, Comcast and Comcast Cable have reached a settlement in principle to resolve the remaining violations described in the Notice of Violation, and require additional time to finalize certain settlement terms and to reduce all settlement terms and conditions to writing for consideration by the Commission; and

WHEREAS, certain deadlines and dates established in Resolution No. 2012-01 need to be modified to facilitate the finalization of settlement terms and the preparation of a settlement agreement that can be adopted and executed by the Commission; and

WHEREAS, the authority exercised in this Resolution by the Commission is not authority or a task specifically retained by a Member City.

NOW, THEREFORE, THE NORTH SUBURBAN COMMUNICATIONS COMMISSION HEREBY RESOLVES AS FOLLOWS:

1. In the event Comcast and Comcast Cable have not furnished to FRC and B&G all of the information, data, documents and certifications specified in the Notice of Violation prior to close-of-business on Friday, February 17, 2012 (or such other date as may be set by Commission staff or their designee(s)), and the Commission's representatives, Comcast and Comcast Cable have not, by February 17, 2012 (or such other date as may be set by Commission staff or their designee(s)), agreed upon all settlement terms and conditions and prepared a final settlement agreement for consideration by the Commission at its March 1, 2012, meeting, the Commission authorizes the Executive Committee, or its designee(s), to satisfy all conditions necessary to draw upon the letter of credit, but orders Commission staff not to draw on the letter of credit until any Comcast/Comcast Cable objections filed by Friday, March 9, 2012, are heard by the Commission, and a decision is then made by the Commission addressing any timely objections from Comcast/Comcast Cable.

2. If Comcast and Comcast Cable fail to provide all of the information, data, documents and certifications specified in the Notice of Violation by close-of-business on Friday, February 17, 2012 (or such other date as may be set by Commission staff or their designee(s)), and the Commission's representatives, Comcast and Comcast Cable have not, by February 17, 2012 (or such other date as may be set by Commission staff or their designee(s)), agreed upon all settlement terms and conditions and prepared a final settlement agreement for consideration by the Commission at its March 1, 2012, meeting, Commission staff is directed to inform Comcast, in writing, that the cure period has expired, that Comcast currently remains in violation of the Franchise Agreements, as specified in the Notice of Violation, and that Comcast shall file any written objections it has to this determination, no later than Friday, March 9, 2012.

3. Written objections timely filed by Friday, March 9, 2012, pursuant to the preceding paragraph, will be heard at a public hearing to be conducted at the Commission's April 5, 2012, meeting.

4. From the date hereof to the commencement of the Commission's April 5, 2012, meeting, the Commission delegates to its Executive Committee the power to determine the nature and scope of the public hearing to be conducted pursuant to this Resolution. The Commission reserves all rights, powers, authority, defenses and remedies (legal, statutory, contractual, and equitable) it possesses under the Franchise Agreements and applicable laws, rules, orders, resolutions and decisions with regard to making a determination at the April 5, 2012, public hearing concerning (i) the Notice of Violation, and (ii) any written objections timely filed by Comcast/Comcast Cable, including (but not limited to) drawing on the letter(s) of credit filed by Comcast.

5. This Resolution supersedes and amends Resolution No. 2012-01 to the extent provided herein.

6. This Resolution shall be effectively immediately upon its adoption by the Commission.

This Resolution is passed, adopted and issued by the Commission this 2nd day of February, 2012.

**NORTH SUBURBAN COMMUNICATIONS
COMMISSION**

By: _____
Its Chair

Attest: _____

**NSCC Item VII.D.
NSAC Item VI.C.
January 25, 2012**

to: Commissioners
Board of Directors

from: Cor Wilson, Executive Director

subject: Election of Officers

The members of the Nominating Committee – Rick Talbot, Craig Wilson and Jeff Dains – report the following slate for your consideration:

Chair/President – Blake Huffman

Vice-Chair/Vice-President – Steve Beilke

Secretary/Treasurer – Gina Bauman

Action Requested: Motion to accept the slate as submitted by the Nominating Committee.

THIS PAGE IS INTENTIONALLY LEFT BLANK