



Board of Directors Regular Meeting

August 15th, 2019, at 5:30 pm

LCATV Studio

63 Creek Farm Plaza, Suite 3, Colchester, Vermont 05446

Board of Directors in Attendance: Carol Jones (CJ), Greg Drew (GD), Curt Taylor (CT), Dick Pecor (DP) and Bob Shea (BShea).

Staff in Attendance: Kevin Christopher (KC), Buddy Meilleur and Michael Wright

1. Call to Order by DP at 5:32 pm.

2. Approve Agenda

Motion to approve by GD, 2nd by CT, passed unanimously.

3. Public / Board Member / Staff Comment

DP commented that he is looking into a non-ComCast internet provider for 24 households near his residence. He has contacted Burlington TeleCom and is investigating options, their cost and feasibility. There was some discussion as to how this might work.

4. Approve Minutes of 5/19/2019

Motion to approve with small changes CT, 2nd by GD, passed unanimously.

5. Executive Director's Report

KC reported that much of what he has to present will be discussed in the Old Business portion of the agenda, and much of that will need to be in executive session because it concerns contract negotiations. However, he did say that summer camps have been going well.

6. Treasurer's Report

CJ reported everything is in balance and that we are very close to budget. There were the usual timing issues. There was some discussion about the Health Savings Account. In general, we are spending less than last year. This was planned because of the uncertainty regarding decisions by the FCC which may impact LCATV funding

KC reported that one of LCATV's Certificates of Deposit (CD) is coming due. The discussion turned to whether to roll it over with the same institution. Currently the \$106k CD is with Opportunities Credit Union which, though it does not pay a competitive interest rate (.25%), it uses CD deposits to support local small businesses. CJ mentioned that another credit union would perhaps pay twice the interest. The Board decided to keep the CD with the same institution.

7. Old Business

a. FCC Action Status & Planning – KC.

KC reported progress on Federal Communications Commission (FCC) order 621 dealing with cable franchising. The order passed the FCC. KC stated that it is not as bad as was expected but that there is the possibility of further rule-making yet to come. The FCC is reinterpreting the Cable Act such that some services can be charged against the franchise or PEG access fee. KC gave the example of our contract with

Comcast requiring that they provide free cable service to schools and libraries. By requiring that the service be provided for free, the Cable Act LCATV is depriving the cable provider of an identifiable amount of revenue. The FCC has determined that that amount can be deducted from the amount the cable service sends to LCATV to recoup that revenue.

The reason the reinterpretation may not be as bad as it could have been is that channel capacity was determined to not be such an In Kind service. LCATV is provided three channels by Comcast at no cost. If that service were able to be considered as an In Kind expense then the values of those channels, as determined by Comcast, could have significantly reduced the amount of money LCATV receives from the cable subscribers. If the cable provider determined that providing those three channels would usually generate \$300k in revenue, then \$300k would be deducted from the check LCATV receives from the cable provider. This worst-case scenario did not happen because channel capacity was not determined to be eligible as an In Kind service. The problem being that there was no way to accurately determine that lost revenue of free channel capacity. However, this may be a continuing issue.

There is much that has yet to be worked out regarding the FCC ruling. Exactly how the cable provider will handle legitimate In Kind services is not known. The amount may be deducted from the check we receive or LCATV may receive a bill from the cable provider.

There was considerable Board discussion about how this might impact LCATV but because there is much still to be worked out, the impact remains uncertain.

KC reported that there are several issues at play here that involve the Certificate or Public Good (CPG) negotiations and should not be discussed in public as they involve contract negotiations.

8. Executive Session

Motion by CJ, 2nd by CT to move to executive session to discuss contract negotiations and invite Buddy and Michael to attend. Passed unanimously.

Motion by CJ, 2nd by GD to exit executive session. Passed unanimously.

Upon returning from executive session the Chair reported that no action will be taken as a result of the executive session.

9. New Business

a. Legislative Update

KC reported that a legislative study committee has been formed (PEG Access Study Committee) and has met several times. The committee consists of a State Representative (Michael Yantachka from Charlotte as vice chair) a State Senator (Becca Balint from Windham County as chair), someone from the cable industry (Dan Glanville), someone from the Department of Public Service (DPS), someone from the Public Utilities Commission (PUC) and someone from the Vermont League of Cities and Towns (VLCT). Lauren-Glen Davitian from CCTV is representing VAN on the committee. The committee is charged with looking into alternative funding or regulatory structures that can support Public, Educational, and Government (PEG) access channels in light of current funding challenges. The committee will meet until November and will have public hearings. The final report from the committee may well function as the basis for draft legislation.

ORCA Media is recording the meetings and VAN provides a "highlights" reel on the VAN Facebook page.

KC will testify to the committee on Access Management Organizations (AMO) Governance at their next meeting.

b. Other

KC also made it known that soon the Board needs to discuss budgeting and salaries for the next fiscal year. LCATV's uncertain future funding makes this difficult. KC said he will come up with different budgeting scenarios. KC believes that the future of cable TV is in doubt and that bodes ill for Access TV funding. This is one of the reasons for the legislative study committee.

The discussion turned to first amendment rights with regard to public and private media providers. KC described a recent Supreme Court decision regarding this. He characterized the decision as a double-edged sword, protecting LCATV from suits but also allowing public access providers to heavily control or censor content. LCATV has a "safe harbor" in that some programs with questionable content are relegated to specific hours of the day. The board determined that this might be the subject for a retreat.

Adjournment

Motion to adjourn at 7:06 pm by BShea, 2nd by CJ, passed unanimously

Respectfully Submitted on September 13th, 2019 (DRAFT) by Curt Taylor - Secretary