



Board of Directors Regular Meeting

September 24, 2019, at 5:30 pm

St. Rose of Lima Parish Hall

501 US Route 2, South Hero, Vermont 05486

Board of Directors in Attendance: Jeff Hathaway (JH), Ken Rocheleau (KR), Curt Taylor (CT) until 6:24 pm, Dick Pecor (DP) at 6:24 pm, and Carol Jones (CJ) at 5:47 pm.

Staff in Attendance: Kevin Christopher (KC).

1. Call to Order by JH at 5:34 pm.

2. Public / Board Member / Staff Comment

KR commented on the success of his Historical Society meetings and the fact that LCATV's coverage was much appreciated.

3. Executive Director's Report

KC reported that Seven Days ran a letter to the editor that he submitted in behalf of the Vermont Access Network regarding recent FCC actions. Budget season has started, camps are winding down and school concerts are beginning.

4. Old Business

a. FCC Action Status & Planning – KC updated the Board regarding the FCC order on charge back of in-kind services. The order is slated to take effect September 26th but KC stated that this does not mean that the charge-back will begin then. The franchise authority (Public Utility Commission – PUC) must first be informed of what actions will be taken by the cable providers. There is then a 120 days period during which the PUC can dispute those actions. As yet VAN has no idea how and when the FCC order will be implemented. There is no real knowledge of the ruling's impact on LCATV's budget. On the federal level, appeals to the ruling have been filed in the 9th circuit court. Further discussion as to how the in-kind charges are handled confirmed that there are many unknowns.

b. Legislative Update – KC reported that the Legislative workgroup met for the fourth time. The committee member representing the cable industry introduced a letter saying that the work group was unnecessary as there is no impending loss of revenue for public access TV.

The work group is narrowing down the topics that may become the subject of future legislation. Those topics include a Universal Service Fund and rights of way issues. Next month there will be a public hearing prior to the fifth committee meeting.

JH asked how charges are allocated for the use of utility poles. KC responded that all cable providers pay a PEG fee. Other utilities (phone, internet) are paying significant taxes but not a PEG fee, as cable TV is not involved. This is as specified by the federal mandate of the Cable Act of 1984.

5. Approve Agenda

Motion to approve by KR, 2nd by CJ, passed unanimously.

6. Approve Minutes of 8/15/2019

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

7. Treasurer's Report

CJ reported that account balances look good. JH asked about LCATV's overall revenue picture for the last several years. KC responded that revenue has increased a little. GAPP changes resulted in a 3% nation-wide decrease, but he expects revenue to plateau and then decrease as more subscribers move from cable to internet content. Adding five towns to the network helped increase revenue and population growth in Colchester and Milton has also added subscribers thereby generating more income for LCATV.

8. New Business

a. FY 2020 Budgets – First Reading of the FY2020 budget – draft 1

KC has very little information regarding costs and revenue for next year. The proposed budget is a best guess with many unknowns. The budget he brought to the Board proposed a 10% reduction in revenue, made up for by reductions in non-essential expenses. Last year's budgeted new full-time position has not been implemented due to the current economic uncertain. That position is not carried forward in the proposed budget.

CJ asked about the significant reductions in facility maintenance and KC reported that the number was not correct. KR also identified a correction in description of the cloud license costs.

For the Capital budget KC remarked that the new insulation has helped with sound suppression and energy efficiency but has made the studio unpleasantly warm. As a result, \$10,000 is in the proposed budget for ventilation. If that estimate turns out to be high and unspent funds remain, those funds may be used for field production equipment.

After considerable discussion the Board decided that KC should:

- Keep the 10% reduction in the proposed FY2020 budget
- Factor in a 1.5% increase in salaries in the proposed 2020 budget
- Consult with the accountant regarding LCATV charging for drone services
- Double FY2019 bonuses (\$1500 to \$3000 total) for this fiscal year.

In the course of the discussion the Board learned that LCATV must pay taxes on any income that is received for services that are not part of LCATV's mission. If the Board decides to charge for such services, a separate entity (LCATV Productions) may need to be establish in order to avoid jeopardizing LCATV's tax exempt status. KC will seek clarification on this and related issues.

9. Executive Session

There was no Executive Session

10. Adjournment

Motion to adjourn at 7:39 pm by CJ, 2nd by DP, passed unanimously

Respectfully Submitted on October 9th (DRAFT) by Curt Taylor – Secretary
Approved with small revision on October 24th, 2019