Serving the Cities of
Cottage Grove
Newport
St. Paul Park
Woodbury
and
Grey Cloud Island Township
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I. SUMMARY

FROM THE CHAIR

2015 was another busy year for the Commission. We received a Notice of Intent to Franchise from CenturyLink and held a Public Hearing on February 26, 2015. Negotiations began and staff, working with the Commission’s attorney, completed a Finding of Facts and a Staff Report. Another Public Hearing was held on January 28, 2016 for consideration of the CenturyLink application. On February 11, 2016 a special Commission meeting was held and the CenturyLink Cable Franchise was approved.

The commission office upgraded its master control and control room equipment this year to high definition and received its first high definition channel from Comcast (channel 859). CenturyLink will deliver all programming in high definition.

The Commission developed high-quality programming for member cities.

- Over 230 public meetings were cablecast and webstreamed live. Over 23,000 people viewed meetings online.
- Over 140 new episodes of original content were created for the government channels. Several internal training videos and promos were done for the cities of Woodbury and Cottage Grove.
- Commission directors and staff attended the NATOA Conference in San Diego.
- The producers were acknowledged for their work at the national NATOA Conference and received a first and second place award. SWCTC received third place for Overall Excellence in Government Programming. The Holiday Train video received a national Telly Award.
- Candidate profiles where recorded for all candidates running for District 833 School Board.
- The Government Producers attended workshops to hone their skills and keep current.

SWCTC participated in the Cottage Grove Business Expo and the Woodbury Community Expo.

The Commission returned $400,000 to member cities at the end of the year.

The City of Woodbury requested a review of the Joint and Cooperative Agreement. The Commission hired a consultant to review operations and benchmark best practices that will be topics for future discussion.

Craig Johnson
SWCTC Chair
LOOKING FORWARD TO 2016

We are working with the City of Woodbury to update its council chambers. We have had several meetings with the city staff and outside contractors. The Woodbury council chambers will be the first high definition chambers with three chip cameras, switcher, and graphics. A new sound system, new lighting, and several monitors will be installed. This will set a new standard that will follow in other cities.

CenturyLink lines have been installed at the commission office and we are waiting for the final hook-up.

We are having discussions with the cities regarding where they would like the complementary Wi-Fi hot spots offered by CenturyLink.

We are working with Comcast to bring channel encoders from the Newport hub to the commission office and fiber optic connections from each member city hall to the commission office. These two things together will create a reliable all-digital high definition path for programming and city meetings.

A SWCTC priority is to bring government closer to the people and inform them about local elections and candidates. SWCTC will be airing candidate profiles, covering candidate debates, and providing live election night coverage with results. Election coverage is a team effort and its success is partly due to the cooperation we receive from the member cites, local politicians and candidates.

The Commission continues working on requested changes to the Joint and Cooperative Agreement.

Fran Hemmesch
SWCTC Administrator
II. Board of Directors and Governance

Mission Statement
To govern and facilitate, in the public interest, telecommunications in south Washington County

Board of Directors
Elected Officials

City of Woodbury
Julie Ohs

City of Cottage Grove
Dave Thiede

City of St. Paul Park
Mayor Keith Franke

City of Newport
Tracy Rahm

Grey Cloud Island Township
Elizabeth Bell

Appointed Directors

City of Woodbury
Craig Johnson

City of Cottage Grove
Roger Peterson

City of St. Paul Park
Richard Irvine

City of Newport
Virginia Keenan

Grey Cloud Island Township
Jerry Taube

Alternate Directors

City of Woodbury
Wendy Chretien

City of Cottage Grove
Jack Lavold

City of St. Paul Park

City of Newport
Barb Wilczek

Grey Cloud Island Township
Ron Glubka

VACANT
Joint and Cooperative Agreement

The South Washington County Telecommunications Commission (“SWCTC”) was formed based on the acceptance of a Joint and Cooperative Agreement (“JPA”) entered into by the member cities. The JPA determines the composition of the Board of Directors presently one elected official from each member city, one appointed citizen of each member city, and one alternate from each member city. The SWCTC acts on behalf of the member cities in cable television and telecommunications matters, provides member cities with equipment for meeting telecasts, and does specific programming as requested. The Joint Powers Agreement is posted on the SWCTC web site [www.swctc.org](http://www.swctc.org) along with SWCTC By-Laws and the Comcast and CenturyLink Franchise Documents.
III. Recurring Programming

**Weekly Wire** is the only weekly newscast dedicated to the south Washington County area and is very popular with viewers. Viewers can find out what happened last week and what events the cities have coming up. New episodes are available every Friday.

**County Insight** explores the services Washington County has to offer from local libraries to human services. The program airs quarterly and is hosted by County Commissioners Lisa Weik and Karla Bigham.

**River Cities** highlights stories and events from the cities of St. Paul Park and Newport, and Grey Cloud Island Township. This program covers various events in these cities such as police and fire news, public works construction, city festivals, businesses and more.
Over 100 episodes of **Woodbury Citystyle** have been created. This program is done in cooperation with the City of Woodbury staff and highlights city events, development, a Mayor’s segment, history, recreation, and more.

Woodbury’s **First Response** is hosted by Police Officers Chris Rheault, Yvette Tillery, and Spencer Scofield. The monthly show highlights topics and events from the Woodbury Public Safety Department.
In 2015 the **Cottage Grove Council Update** program took on a new format switching from a 30-minute interview between the City Administrator and a rotating Council Member to three to four individual 5-minute segments. The shorter segments highlight specific topics and allow viewers on cable and social media to get a quick update on items of interest to them.

Monthly episodes of **Cottage Grove Spotlight** are created in cooperation with the City of Cottage Grove. The popular program showcases development, events, recreation, a Mayor’s Moment, and more.

**Grove 911** highlights activities with the Cottage Grove police, fire, and EMS hosted by Police Officers Gail Griffith and Mike Vandervort.
IV. Annual & Special Programming

2016 will be a big election year. SWCTC will record candidate profiles, air live forums, and live election night coverage with up-to-the-minute results.

The Cottage Grove Strawberry Fest was held June 18-21. A multi-camera production captured the entire parade from the corner of Jamaica Avenue and Indian Boulevard along with festival coverage.

Newport Pioneer Day was held on August 9th. Along with full parade coverage, cameras were rolling at Pioneer Park capturing the annual celebration.

Heritage Days in St. Paul Park was held August 15-16. Full coverage of the parade was done from Summit Avenue along with coverage of the festival.

Woodbury Days was held August 26-28. A new parade route moved our team to Queens Drive with commentators Michelle Okada and John Altman. The Woodbury Citystyle show covered the festival.
The annual Stone Soup-er Bowl fundraiser for the Stone Soup Thrift shop in St. Paul Park was covered.

Coverage of the annual Ice Show in Cottage Grove showcased local skaters of all ages.

The Canadian Pacific Holiday Train stops in Cottage Grove in December. SWCTC had five cameras rolling to capture the live performances by the band. This event raised money for the local food shelf.

Concerts and performances were recorded throughout the year at our remote studio at the Woodbury Central Park Amphitheater.

Memorial Day services were covered in Woodbury, Cottage Grove, St. Paul Park, Newport, and Grey Cloud Island.
V. Equipment Purchases

The SWCTC continues to invest in equipment in its member cities.

Historically, the SWCTC upgrades and replaces equipment in the member cities’ facilities on a rotating seven (7) year replacement schedule. 2015 was an unusual year as the majority of the equipment purchases were at the Commission Office completing a high definition upgrade of master control and control room.

SWCTC continues to provide equipment for its member cities. In 2016 the City of Woodbury’s council chamber will be significantly upgraded.

Because of its size the City of Woodbury has substantially more facilities that need to be equipped. On the right are the actual and budgeted equipment purchases from 2012 to 2020.

2015 had the SWCTC master control and control room upgrade followed by the City of Woodbury upgrade and replacement in 2016. The City of Cottage Grove upgrade is scheduled for 2017. The fall-off in the years after 2017 is a result of the smaller upgrades and replacements in the cities St. Paul Pak and Newport.

Typically, the SWCTC uses both the PEG funds provided by subscribers and part of the Franchise Fees it receives to fund equipment purchases.
SWCTC production staff utilizes the production studio multiple times a week. In 2015 the 15-year-old production control room received a high-definition upgrade including new HD Sony studio cameras, HD Carbonite Ross switcher, tapeless recording, and HD Compix graphics system.

Also completed was a high-definition upgrade to the Master Control system. Programming for all of SWCTC cable channels runs through this system to Comcast and CenturyLink subscribers. At the center of the new system is a new Tightrope Cablecast playback unit and Carousel messaging board. SWCTC received its first high-definition cable channel from Comcast and programming can be seen on Channel 859. In 2016 the Commission plans to bring fiber from the member city halls to the commission office to improve signal quality and reliability.
VI. City Meeting Coverage

In 2015 over 230 city meetings aired live/replayed on Comcast cable channel 16. Meetings were also web streamed live and on-demand at www.swctc.org.

![Webstreamed Meeting]

2015 ON-DEMAND WEBSTREAMING MEETING STATISTICS

![Statistics]

SWCTC Part-Time Cablecaster Staff:

Kristina Bunde  
Mike Schmidt  
Amanda Webster
VII. Community and Member Cities’ Benefits

The community and member cities’ benefit from the programming and production services provided by the SWCTC in several important ways. Most importantly, the community has access to high quality local programming that showcases local community needs and events within the member cities. These programs are critical in keeping the community informed regarding local events and activities. The member cities benefit by having equipment provided by the SWCTC that allows them to broadcast important government meetings using state of the art equipment. SWCTC is driven by the needs of its member communities.

The SWCTC prepared a cost allocation process for 2015 that has assigned its internal operating costs of providing the programming services to the member cities. The seven (7) programming functions identified were: Weekly Wire, City Meetings, Woodbury Specific, Cottage Grove Specific, Other Specific, Annual Programs and Internal Programs. For example, the cost allocation has determined that Weekly Wire costs on average $0.24 per subscriber per month to produce and air; coverage of City Meetings costs on average $0.32 per subscriber per month to air; and the Annual Programs described above cost on average $0.16 per subscriber per month to cover and air.

The SWCTC derives its operating revenues from franchise fees and PEG (“Public, Educational and Government”) fees paid by the cable operators using the public rights-of-way in the member cities under the franchise agreements with Comcast and CenturyLink. These fees annually amount to approximately $1.6 million.

The SWCTC has three (3) major utilizations of these fees: program and production services, equipment purchases, and annual return to member cities. For 2015, the program and production services consumed approximately $750,000; the equipment purchases used approximately $500,000 and the SWCTC returned $400,000 to member cities.

As is shown in the chart, the vast majority of the programming and production costs are related to the Cities of Woodbury and Cottage Grove and those two cities also provide the largest source of franchise fees and PEG fees from the cable operators. The SWCTC operating expenses consist of approximately $500,000 of salary and salary overhead expenses and approximately $200,000 of administrative and building expenses. The remaining expenses relate to the master control cablecasting function.
The SWCTC compared the fees received from the cable operators and the sum of the allocated programming costs, the equipment purchased for each member city and the allocated return of funds to the member cities by the SWCTC. This analysis suggested a Surplus / (Deficit) for each member city. A surplus results when the fee received from the cable operators by member city exceed the sum of the allocated programming costs, equipment purchases and return of funds to the member cities; and a (Deficit) is the opposite. Because of the cyclical nature of equipment purchases as described above, the Surplus / (Deficit) has been computed for actual 2015 equipment purchases and for budget 2016 equipment purchases.

From the cost allocation analysis, it is apparent that while the individual allocations will not match perfectly the fees received, the variations are fairly insignificant compared to the overall annual budget. It is also clear that the three (3) smaller Member Cities of St. Paul Park, Newport and Grey Cloud are very sensitive to these allocations but only amount to approximately $50,000.

The SWCTC prepares annually a fiscally conservative budget that under-estimates its operating income and over-estimates its operating expenses. This allows for a financial cushion to cover unexpected operating expenses and/or equipment purchases and allows for additional funds to be available that can be returned to the Member Cities. From 2012 to 2015 on an actual basis, payroll expenses grew on a compound annual growth rate (“CAGR”) of 4.5 percent; administrative expenses grew at a 2.6 percent CAGR and building expenses grew at a 1.2 percent CAGR.

The SWCTC also handles citizen complaints for the Member Cities regarding cable services. In 2015 the SWCTC handled hundreds of complaints that were unresolved when the citizen initially contacted the cable operator.
VIII. SWCTC Staff and Other Information

SWCTC Staff (left to right) Brian Schmidt, Bob McSherry, Justin Atkinson, Ann Simpson, Jon Lyksett, Fran Hemmesch, Doug Bondeson.

2015 AWARDS

1ST Place NATOA Cold Catfish Cup

Telly Award Holiday Train

3RD Place NATOA Overall Excellence in Government Programming

Find SWCTC programming on Comcast cable channels 14, 16, 18, 95, and 859 and on CenturyLink cable channel 18. Programming and city meetings can also be viewed on-demand at www.swctc.org
IX. 2015 Comcast Overview

In 2015, Comcast and NBC Universal spent over $396.6 million in Minnesota on capital expenditures, taxes and fees, employee investment and community investment.

- **Cable, Broadband and Digital Voice Service in 2015**
  - Over 99% Comcast Cable homes passed with broadband

- **Taxes, Properties and Capital Expenditures**
  - Over $1.8 billion Capital investment since 1996
  - 59 Total properties (includes 2 Comcast Call Centers)

- **Comcast Employees:**
  - 2,268 Full-time Employees

**Community Investment:**
- Over $2 million in community investments in Minnesota in 2015

- **Comcast Cares Day**
  - 2015 was the 14th anniversary of our company’s annual day of giving. Since the first Comcast Cares Day in 2001, a total of 712,800 volunteers have donated over 4.2 million hours of service.
  - In 2015, Minnesota had 1,919 volunteers

- **Other Comcast initiatives includes:**
  - Leaders and Achievers Scholarship Program
  - Comcast Digital Connectors
  - Big Brothers Big Sisters Beyond School Walls Program

- **Employee United Way Pledges**
  - Comcast and NBC Universal are among the nation’s top United Way donors. Since 2001, employees have pledged more than $58.3 million to local United Way organizations
    - 911 Minnesota employee pledges
    - Over $100,000 in pledges

- **Pro-Build:**
  - In 2015, Comcast invested $3.2 million in pro-build throughout the metro area.
  - In 2016, Comcast is expecting to invest $8 million in pro-build throughout the metro area.

**Products and Services:**
- **X1 Platform:** Let X1 search across live TV, On Demand, and your DVR library to find exactly what you want to watch, fast. X1 will even make recommendations just for you and give you shortcuts to what you watch more.

- **Cloud DVR:** Customers will be able to stream and download their recorded DVR programs to any internet-connected device.
- **Stream:** Xfinity Internet customers can watch live TV & On Demand from about a dozen networks – including all the major broadcast networks & HBO – on laptops, tablets and phones in their home.

- **Voice Activated Remote:** Our new remote allows X1 customers to navigate through tens of thousands of shows and movies; set DVR recordings; get recommendations and navigate Xfinity On Demand with their voice.

- **Accessibility:** Comcast is opening our products and services to all users, including customers with a variety of disabilities.

- **Xfinity On Campus:** Powered by X1, XOC lets students watch live TV and On Demand programming across devices. While off campus, students can use their university credentials to authenticate & access online programming.

### Customer Service:

- **Jobs:** Comcast is creating more than 5,500 new jobs as part of a multi-year customer experience transformation. Twin Cities hired 400 new jobs for an additional call center in our St. Paul location.

- **Bill Redesign:** We have redesigned the XFINITY bill to simplify, organize and clarify customers’ monthly account activity. The new statement contains all the billing information you expect in an easy-to-read format.

- **Tech ETA:** Enables our customers to track our technicians’ arrival in real time. Customers are alerted when our tech is about 30 minutes away from arriving, and will be able to track the tech on a map.

- **Equipment Return:** Comcast customers can walk into any of the 4,400 UPS stores nationwide and drop off equipment. Walk in, drop off, that easy.

- **Xfinity Apps:**
  - **XFINITY TV:** Turn any device into a personal TV screen
  - **XFINITY TV GO:** Take your entertainment with you
  - **XFINITY TV Remote:** Use your smartphone/ tablet as a remote control
  - **XFINITY My Account:** Manage your account anytime, anywhere
  - **XFINITY Home:** Look after your home, family and valuables
  - **XFINITY Wi-Fi:** Located XFINITY Wi-Fi ___33 Hotspots in your neighborhood