

MINUTES OF THE JOINT MEETING

THE NEWBERG AREA CABLE COMMISSION
AND THE MCMINNVILLE CABLE COMMISSION
Thursday, DECEMBER 12, 1996
PROVIDENCE NEWBERG HOSPITAL (ROOMS 1 & 2)
501 Villa Road
Newberg, Oregon 97132

Newberg Representatives:

Terrence D. Mahr, City Attorney
Jim Morrison, Chairman
Donna Proctor, Mayor
Scott Headley
Peggy Hall

McMinnville Representatives:

Clif Ross, City Attorney
Wayne Aylward, Chairman
Lloyd Lowry
Dan Cochran
Curtis Menken
Mark Schoenbein

Others Present:

Stephen Jolin, MuniCom (Consultant)

I. 6:00 p.m. - Dinner and Discussion

After dinner, Mr. Mahr opened the meeting. Appropriate introductions of the members were made. Mr. Mahr indicated that Mr. Jolin would be joining the meeting at approximately 7:00 p.m.

Discussion was held concerning Mr. Menken traveling to Washington over the holidays and he could meet with the cities referenced by Mr. Jolin. Mr. Mahr noted that the Commission cannot actually hire Mr. Jolin, but make recommendations to the City Councils of the various cities. The Commission is performing the background information. Other Commission members stated that they too would assist in calling references and other cities in which Mr. Jolin has worked.

Discussion was also held concerning Arizona cable/telecommunication issues. Mr. Cochran indicated that he has access to Internet information and the Northwest Cable Alliance organization (headquartered in Idaho).

Discussion was held concerning a telecommunications ordinance containing standards that would provide information on data or programming issues. Mr. Ross indicated that PGE is going in this direction. Mr. Ross further added that concerning the telecommunications issue, a separate billing statement on the telecommunications ordinance would be done.

Discussion was held concerning a former TCI employee providing background information and assistance to the Commission on the franchise renewal and/or local access programming/studios. It was noted that this individual could provide the much needed technical information to the Commission and to Mr. Jolin.

The Commission reviewed the components of the franchise renewal process as it pertains to the joint negotiations. Mr. Mahr presented an outline of the Structure of Negotiations.

I. Negotiating Team: meetings to be held during business hours, limitation of number of members to include Commission Chairs, the consultant, Terry Mahr, Clif Ross and possibly a couple of members from each Commission.

II. Reporting: Councils and citizens need to buy in to the process. The inclusion of additional persons wishing to assist in the process was considered. Hold joint quarterly meetings with both Councils to provide an update on the progress.

III. Process: Start out with joint meeting with proposed process. Clarification of what each City wants. Mr. Ross stated that McMinnville wishes to get specifics on various issues. A joint agreement for the two franchise areas, but separate reports from Mr. Jolin in addressing the specific needs of each city. Mr. Mahr indicated that the immediate discussion on the process would probably be held in executive session.

IV. Liaison Committee: Discussion was held concerning the appointment of a liaison committee that would provide input to the negotiating team that would be formulated into the franchise renewal negotiations. Mr. Lloyd Lowry indicated that he would like to sit in on this committee due to his experience in telecommunications. Mr. Lowry is the Information System Director for the City of McMinnville and is quite knowledgeable about telecommunications. A brief discussion was held concerning Measure 47's impact on the whole process. The Commission further discussed the need for solid educational information for schools in the entire county and with the aid of fiber optics, it will make it more possible. Mr. Headley indicated that Mr. Warren Koch, George Fox University (GFU), would also be an ideal candidate for this committee. Mr. Koch is the Director of the Video Center at GFU. It was also discussed that if each City wanted to have their own sub-committee to provide input or report to the Liaison Committee or Negotiating Team, they could do so. Further discussion was held concerning the structure of the process:

Negotiating Team: Stephen Jolin (Consultant)
Terrence Mahr, Newberg City Attorney
Clif Ross, McMinnville City Attorney
Lloyd Lowry, McMinnville
_____, Newberg (to be appointed)

"Super Committee": To coordinate the information received from Liaison Committees

Liaison Committees: McMinnville
Newberg

Sub-Committees: City/citizen input

Mr. Jolin appeared at the meeting at 7:00 p.m.

- II. **7:00 p.m. - Discussion with Stève Jolin**
- a. Time line for franchise negotiations
 - b. Cost for franchise negotiations
 - c. Discussions of other items

Mr. Mahr reviewed the information previously discussed prior to Mr. Jolin's arrival. Mr. Jolin stated that he understood the concept and agreed that he would be part of the Negotiating Team and work with the Super Committee, but did not feel it necessary to attend the Liaison Committee meetings. Mr. Jolin indicated that he could make an initial presentation to the Councils of the various cities and provide them information on the process. Discussion was held concerning this presentation.

Mr. Jolin reviewed the Summary of Tasks with Estimated Hours, Costs and Time-line. Mr. Jolin also discussed specific items that would be useful and thought the Commission should consider and what he felt were the priorities. Commission members agreed that a clearer direction on what were the needs and then prioritize the needs would be helpful.

Mr. Alyward brought up the discussion on telephone companies providing "cable" services or alternative sources for cable/telecommunications. Mr. Jolin reviewed with the Commission that process that the telephone companies would have to go through to franchise their services (provide government access, franchise authority, telecommunications vs. cable services, video systems, etc.).

Mr. Jolin continued the review of the Task Summary and pointed out the various time frames. Concerning Item No. 3 (Technical Review) he would ask the assistance of Cliff Schrock who is an expert in this area. Further discussion was held concerning connections to Internet and other telecommunications networking for schools, libraries and other governmental agencies. Commission members noted that both cities are pro-active in this area.

Mr. Jolin discussed issues relating to the Arizona (Tucson) cable systems and how he was brought into the matter as an expert. Mr. Jolin stated that TCI was under legal scrutiny because it refused to continue supporting access during the period of the franchise. Mr. Jolin reviewed other issues relating to that franchise.

Commission members and Mr. Jolin reviewed "negotiating tools" such as performance reviews to be a vital part of the negotiating process.

Mr. Jolin also addressed TCI's financial performance review (Item No. 4) and the qualifications needed by TCI to operate the cable system. Mr. Jolin also added that some cable franchise operators attempt to substitute corporate guarantees rather than performance bonds for security. Mr. Jolin also indicated that with TCI's financial condition, this is an area that must be reviewed carefully.

Mr. Jolin discussed the components the franchise ordinance and telecommunications ordinance would contain (wish list). Mr. Jolin also advised that the Commission should realize that certain services or requests would be whittled away during the negotiation process. Mr. Jolin indicated that his office would maintain the control of the documentation and provide one copy of the draft agreement/ordinance. Changes/amendments would be made through the "red line" or "strikeout" process. Mr. Jolin stated that he would simultaneously work on the telecommunications ordinance.

Discussion was held concerning recent federal legislation on the guidelines for local franchise situations. Mr. Jolin reviewed the changes made to the 1984 Cable Act, as amended in 1992 and the most recent 1996 Act. Mr. Jolin stated that he would not be providing a review of the guidelines at a workshop meeting. Those meetings are scheduled for input on what the systems can provide.

Discussion was held concerning competition in the telecommunications and cable areas. Mr. Jolin indicated that GTE is most likely to compete. Mr. Jolin reviewed North Willamette Telecom (Canby Telephone Association) and their endeavors into Woodburn. Mr. Jolin indicated that the City could also solicit proposals from other agencies other than TCI.

III. 8:00 p.m. - Deliberation and Recommendation

- a. Recommendation shall be forwarded to the McMinnville City Council at the January 14, 1997 regularly scheduled meeting.
- b. Recommendation to be forwarded to the Newberg City Council at the January 20, 1997 meeting.

Mr. Mahr stated that the recommendation of the Commission to appoint Stephen Jolin as consultant will be going to the Newberg City Council at their second meeting in January (21st). Mr. Ross indicated that McMinnville Council will also review the recommendation at their January 14th meeting. The Commission stated that additional background checks would be performed. Mr.

Jolin provided the names of Kathleen McClosky (Director of Administrative Services) or Paula Johnston (Tax and Licenses), City of Bremerton, (360) 478-5290. Mr. Jolin also provided the information of the Tucson representatives: Mr. Bob Hunnicut or Mr. Sam Behrend (phone numbers are unavailable). Mr. Jolin stated that he is a subcontractor hired by the law firm representing the City of Tucson in the lawsuit against TCI. Mr. Jolin stated that he is working directly with Bob Hunnicut.

Discussion was held concerning the contract provisions including Mr. Jolin's rate, scope of services and project time frames. A brief discussion was held concerning billing arrangements and who would be paying for the services. A split billing statement for each city would be provided. Mr. Jolin indicated that it may be a negotiating point for TCI to pay some or all of the costs associated with the franchise renewal.

IV. Approval of the Minutes of the Joint Commission Meeting - November 19, 1996

Mr. Morrison asked for any changes to the minutes of the November 19, 1996 joint meeting. Mr. Menken indicated that he is Cable Commission member from McMinnville, not a County Commissioner. Changes were duly noted by Peggy Hall. The minutes were approved as amended.

V. Continued Business:

1. Amendment to Newberg City Ordinance Concerning Quorum/Members:

Mr. Morrison addressed the issue of certain existing Commission members not appearing at the monthly meetings. Mr. Morrison stated that a review of Newberg's present ordinance should be done to accommodate the Commission's authority to approve items on the agenda with a reduced quorum requirement. Mr. Morrison stated that it is difficult to get enough members at the meetings to hold a quorum. Mr. Mahr indicated that he would review the ordinance with Mr. Morrison.

Mr. Mahr further added that new appointments to the Newberg Commission will be made by Mayor Proctor and the Newberg City Council.

Discussion was held concerning bringing the City of Dundee into the negotiations.

Mr. Mahr stated that a draft contract for Mr. Jolin would be prepared for review by the Commission.

Mr. Jolin indicated that he would begin planning the workshop to be held in a couple of months (March or April).

VI. Adjourn

Chairman Morrison adjourned the meeting at 8:17 p.m.

ADOPTED by the Cable Communications Commission on January 13, 1997.


Jim Morrison, Chairman

STRUCTURE OF NEGOTIATIONS

I. Negotiation Team:

1. Steve Jolin
2. Newberg City Attorney
3. McMinnville City Attorney
4. Other Suggested Members
5. Other Suggested Members

II. Reporting:

1. Liaison's Committee - Meets frequently, perhaps once a week during negotiations, goes over various things, may not need consultant to meet as well for cost factors (Cable Commission member/City Council member).
2. Cable Commissions - Joint monthly meeting to go over matters.
3. McMinnville City Council and Newberg City Council monthly update with more frequent meetings if necessary.

III. Processes:

- a. After we have approved consultant, might have a joint meeting of both the City Council of Newberg and McMinnville to start the negotiations, settle on the team and outline proper authority.
- b. Review time-lines on process and confirm with Cable Operator.

**CABLE COMMUNICATIONS COMMISSION
CONSULTANT AD-HOC COMMITTEE**

Name	City	Phone/Address	
Jack Eichhorn	Newberg	538-7485 201 E. Illinois Street Newberg, OR 97132	
Jim Morrison	Newberg	538-1643 717 E. Sheridan Street Newberg, OR 97132	
Terry Mahr	Newberg City Attorney	414 E. First Street Newberg, OR 97132	
Clif Ross	McMinnville City Attorney	(503) 538-7302 230 E. Second Street McMinnville, OR 97128	
Wayne Aylward	McMinnville Cable Commission	(503)472-4744 1303 East 5th Street McMinnville, OR 97128	
Laurel Adams	McMinnville Cable Commission	(503)472-6988 1235 Greenbriar Place McMinnville, OR 97128	
Mark Schoenbein	McMinnville Cable Commission	(503)472-2848 523 NW Birch Street McMinnville, OR 97128	
David Olson	Mt. Hood Cable Regulatory Commission	(503) 823-5385 (503) 823-5370 (FAX) 1211 SW Fifth Avenue, Room 1160 Portland, OR 97204-3711	
Alan Bushong	Capital Community TV	(503) 588-2288 PO Box 2342 Salem, OR 97308-2342	
Scott Headley	Newberg	537-0968 or 538-8383 x2836 902 East Sixth Street Newberg, OR 97132	
Warren Koch	Newberg	538-8383 x-2596 Asst. Professor of Video Production George Fox University 414 North Meridian Street #6006 Newberg, OR 97132	

CONSULTANTS

Name	Phone	Address	
Stephen Jolin Municom	(503) 227-0422	4820 SW Barbur Blvd., #34 Portland, OR 97201	
George L. Page (Les)	(503) 635-2658	4242 Lakeview Blvd. Lake Oswego, OR 97035	