



SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

799 G Street, 4th Floor, Sacramento, CA 95814 ♦ (916) 874-6661 ♦ Fax: (916) 854-9666 ♦ www.sacmetroable.tv

A Joint Powers Agency Representing Sacramento County and the Cities of Citrus Heights, Elk Grove, Folsom, Galt, Rancho Cordova and Sacramento

AGENDA

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION REGULAR BOARD MEETING

Sacramento County Administration Center
700 H Street, S. 1450
Sacramento, California 95814

THURSDAY, OCTOBER 4, 2018

2:30 p.m.

Board Members: Larry Carr, Steve Detrick, Albert J. Fox, Sue Frost, Eric Guerra, Steve Hansen, Lori Heuer, Patrick Kennedy, Don Nottoli, Susan Peters, Phil Serna

Ex Officio: Garrett Gatewood

Elected Alternates: Robert McGarvey, Stephanie Nguyen, Steve Miller

Appointed Alternates: Matt Bryant (Carr), Matt Hedges (Frost), Sarah Pollo (Guerra), Susan McKee (Kennedy), Matt Read (Hansen), Howard Schmidt (Peters), Lisa Nava (Serna)

The Board may take up any agenda item at any time, regardless of the order listed. Members of the public coming for a specific agenda item are encouraged to arrive earlier than the scheduled time. Public comment will be taken on the item at the time that it is taken up by the Board. We ask that members of the public complete a Request to Speak form, submit it to the Clerk of the Board, and keep their remarks brief. If several persons wish to address the Board on a single item, the Chair may impose a time limit on individual remarks at the beginning of the discussion. Action may be taken on any item on this agenda.

Presentations supplemented with media (video, DVD, PowerPoint, laptop hookup, etc.) must be coordinated in advance with the meeting Clerk. All media must be tested prior to the meeting date by Metro Cable at (916) 874-7685. Untested media will not be allowed on the date of the meeting. It is also highly advisable to bring a paper copy of presentations to the meeting as back up.

Meeting facilities are accessible to persons with disabilities. Requests for alternative agenda document formats, meeting assistive listening devices, or other considerations should be made through the Commission office at (916) 874-6662.

The meeting of the Commission is cablecast live on Metro Cable 14, the local government affairs channel and webcast at www.sacmetroable.tv. The meeting is closed captioned and will be repeated the following Saturday at Noon on Channel 14.

CALL TO ORDER

- A) Roll Call
- B) Pledge of Allegiance

ITEM NO. 1) CONFERENCE WITH LEGAL COUNSEL

- A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Government Code Section 54956.9(d)(1)
Name of Case: Comcast of Sacramento I, LLC, ET AL. v. SMCTC
Case No. 2:16-CV-01264-WBS-EFB

- B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Government Code Section 54956.9(d)(1)
Name of Case: SMCTC v. Comcast Cable Communications Management, LLC
Case No. 2:18-CV-00500

- C. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Government Code Section 54956.9(d)(1)
Name of Case: SMCTC v. Comcast Cable Communications Management, LLC
Case No. 2:18-AT-00694

Action:

Adjourn to a closed session.

ITEM NO. 2) RESOLUTION NO. 2018-014, ADOPTING THE FISCAL YEAR 2018-19 FINAL GENERAL FUND (094A) BUDGET AND RESOLUTION NO. 2018-015, ADOPTING THE FISCAL YEAR 2018-19 FINAL PEG FEE FUND BUDGET

Action:

Approve Resolution Nos. 2018-014 and 2018-015, Adopting the Fiscal Year 2018-19 Final General Fund & PEG Fee Fund Budgets, to include the following exhibits and attachment:

- Exhibit I – FY 2017-18 Budget and Actuals / FY 2018-19 Final General Fund (094A) Budget Summary
- Exhibit II – FY 2017-18 Budget and Actuals / FY 2018-19 Final PEG Fee Fund (094B) Budget Summary
- Fiscal Year 2018-19 Staffing (Attachment 3)

ITEM NO. 3) RESOLUTION NO. 2018-017, APPROVING THE AGREEMENT FOR MANAGEMENT SERVICES WITH THE COUNTY OF SACRAMENTO (EXECUTIVE DIRECTOR FOR THE SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION)

Action:

Adopt Resolution No. 2018-017, Approving the Agreement for Management Services with the County of Sacramento (Executive Director for the Sacramento Metropolitan Cable Television Commission).

ITEM NO. 4) ADDITION OF SECOND METRO CABLE TECHNICAL COORDINATOR POSITION

Action:

Approve the addition of a second Technical Coordinator position to, and removing the Technical Assistant position from, the list of funded positions for Fiscal Year 2018-19; contingent upon the Executive Director's promotion of Metro Cable's Technical Assistant to a Technical Coordinator.

ITEM NO. 5) AUDITED FINANCIAL STATEMENTS AND OTHER REPORTS FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND JUNE 30, 2017

Action:

Receive and file the Audited Financial Statements and Other Reports for the Fiscal Years ended June 30, 2016 and June 30, 2017

ITEM NO. 6) RESOLUTION NO. 2018-016, AMENDING THE CONFLICT OF INTEREST CODE FOR THE SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION; UPDATE TO DESIGNATED POSITIONS FOR CALENDAR YEAR 2018

Action

Approve Resolution No. 2018-016, Amending the Conflict of Interest Code (Exhibit A) for the SMCTC; approve the update to the Designated Positions for CY 2018; and delegate authority to the Executive Director and Legal Counsel to make minor changes as needed.

ITEM NO. 7) CALENDAR YEAR 2019 QUARTERLY BOARD MEETING SCHEDULE

Action

Receive and file the Calendar Year 2019 Quarterly Board Meeting Schedule

ITEM NO. 8) GENERAL ADMINISTRATION REPORT

Action:

Receive a verbal report from staff on administrative matters:

- a) Comcast - Calendar Years 2015 & 2016 Audit Update
- b) Federal Communications Commission (FCC) - Orders
- c) PSA on Sac Water Wise Services - City of Sacramento

ITEM NO. 9) CHANNEL LICENSEE REPORTS

Action:

Receive verbal reports from Channel Licensee representatives:

ITEM NO. 9 CHANNEL LICENSEE REPORTS (CONTINUED)

- a. Access Sacramento
- b. Capital Public Radio
- c. KVIE, Inc.
- d. Interfaith Council of Greater Sacramento (Sac Faith TV)
- e. Sacramento Educational Cable Consortium

ITEM NO. 10) STATE FRANCHISEE REPORTS

Action:

Receive verbal reports from State Franchisee representatives.

- a. AT&T
- b. Comcast
- c. Consolidated Communications

ITEM NO. 11) PUBLIC COMMENTS

ADJOURNMENT



SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

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A Joint Powers Agency Representing Sacramento County and the Cities of Citrus Heights, Elk Grove, Folsom, Galt, Rancho Cordova and Sacramento

AGENDA ITEM NO. 1

DATE: October 4, 2018
TO: Chair and Board of Directors
FROM: Robert A. Davison, Executive Director
SUBJECT: CONFERENCE WITH LEGAL COUNSEL

RECOMMENDATION:

It is recommended the Board adjourn to a closed Executive Session to discuss the following items and report out, if necessary:

- A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Government Code Section 54956.9(d)(1)
Name of Case: Comcast of Sacramento I, LLC, ET AL. v. SMCTC
Case No. 2:16-CV-01264-WBS-EFB

- B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Government Code Section 54956.9(d)(1)
Name of Case: SMCTC v. Comcast Cable Communications Management, LLC
Case No. 2:18-CV-00500

- C. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Government Code Section 54956.9(d)(1)
Name of Case: SMCTC v. Comcast Cable Communications Management, LLC
Case No. 2:18-AT-00694

Respectfully submitted,

ROBERT A. DAVISON, Executive Director
Sacramento Metropolitan Cable Television Commission



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A Joint Powers Agency Representing Sacramento County and the Cities of Citrus Heights, Elk Grove, Folsom, Galt, Rancho Cordova and Sacramento

AGENDA ITEM NO. 2

DATE: October 4, 2018

TO: Chair and Board of Directors

FROM: Robert A. Davison, Executive Director

SUBJECT: **RESOLUTION NO. 2018-014, ADOPTING THE FISCAL YEAR 2018-19 FINAL GENERAL FUND BUDGET AND RESOLUTION NO. 2018-015, ADOPTING THE FISCAL YEAR 2018-19 FINAL PEG FEE FUND BUDGET**

RECOMMENDATION:

It is recommended the Board approve Resolution No. 2018-014 (Attachment 1), Adopting the Fiscal Year 2018-19 Final General Fund (094A) Budget, and Resolution No. 2018-015 (Attachment 2), Adopting the Fiscal Year 2018-19 Final PEG Fee Fund (094B) Budget, to include the following documents:

- Exhibit 1 – FY 2017-18 Budgeted/Actuals / FY 2018-19 Final General Fund (094A) Budget Summary
- Exhibit 2 – FY 2017-18 Budgeted/Actuals / FY 2018-19 Final PEG Fee Fund (094B) Budget Summary
- FY 2018-19 Revised Staffing (Attachment 3)

DISCUSSION:

On June 28, 2018, the Commission Board approved Resolution Nos. 2018-001 & 2018-002, Adopting the Proposed Fiscal Year 2018-19 General Fund and PEG Fee Fund Budgets for the Sacramento Metropolitan Cable Television Commission.

General Fund (094A) Budget

The following outlines the major changes to the General Fund Final Budget compared to the proposed budget for Fiscal Year 2018-19:

- Estimated Fiscal Year 2018-19 Franchise Fees are projected to be less than the estimated amount identified in the proposed budget. As previously reported, AT&T revenues have been on a significant decline due to their abandonment of the U-Verse product in favor of a satellite/over-the-top internet product that does not pay franchise fees. While staff has been closely watching this trend, the last two quarters of franchise fee payments from Comcast as well as Consolidated now trends in reduced franchise fees. First and Second Quarter 2018 franchise fees for Comcast are approximately 6 to 7 % lower than for the same quarters last year. First and Second quarter 2018 franchise fees for Consolidated are 3.4% and 10.4 % lower respectively.

Agenda Item No. 2
Resolution Nos. 2018-114 and 2018-115
Page 2

Given this new trend, staff finds it necessary to lower FY 2018-19 franchise fee revenue projections from \$13,750,000 to \$13,000,000. Staff will inform member agencies about the expected reduction and will closely follow the trends with the future quarterly payments.

- Commission staff met with the Auditors on September 25, 2018 to review the adjusting journal entries that needed to be made, resulting from the Commission's Fiscal Years 2015-16 & 2016-17 audit; the net effect lowered the General Fund carry forward balance in the amount of \$447,293.
- The actual revenues and expenditures realized in the General Fund Budget for Fiscal Year 2017-18 resulted in slight increase of \$101,163 in the carry forward balance for Fiscal Year 2018-19 (from \$12,153,239 to \$12,254,402).

The Fiscal Year 2018-19 Final General Fund (094A) Budget as presented includes adjustments the following line items:

G/L Line Item	FY 2018-19 Preliminary Budget	FY 2018-19 Final Budget	Explanation
Revenue			
Interest	\$75,000	\$100,000	Based on actual interest earned in FY 2017-18.
Franchise Fee Revenue	\$13,750,000	\$13,000,000	Reduced to help offset the anticipated reduction in FY 2018-19 franchise fees.
Misc. Other Revenue	\$16,800	\$15,000	SMUD reduced Board meetings from 24 to 12/year.
Expenditures			
Member Agency Revenue Distribution	\$11,000,612	\$10,027,682	Reduced to help offset the anticipated reduction in FY 2018-19 franchise fees.
Fund Balance Reserve	\$150,000	\$100,000	Reduced to help offset the anticipated reduction in FY 2018-19 franchise fees.
Equipment (Fixed Assets)	\$14,000	\$7,000	Reduced to help offset the anticipated reduction in FY 2018-19 Franchise Fees.
Contingency Appropriation	\$50,000	\$7,000	Reduced to help offset the anticipated reduction in FY 2018-19 franchise fees.

PEG Fee Fund (094B) Budget

The following outlines the major changes to the PEG Fee Fund Final Budget compared to the proposed budget:

- Certain member agency PEG projects that were not reimbursed in Fiscal Year 2017-18 resulted in a higher carry forward fund balance but are offset by the increased expenditures in Fiscal Year 2018-19 for the same projects.
- Similar to franchise fees, PEG Fees also are expected to be reduced. Estimated revenues have been reduced from \$2,750,000 to \$2,600,000.
- To compensate for the reduced estimated revenue, budgeted amounts for Reserves and Contingency are proposed to be reduced.

Agenda Item No. 2
Resolution Nos. 2018-114 and 2018-115
Page 3

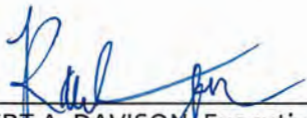
The Fiscal Year 2018-19 Final PEG Fee Fund (094B) Budget as presented includes adjustments to the following line items:

G/L Line Item	FY 2018-19 Preliminary	FY 2018-19 Final	Explanation
Revenue			
Interest	\$15,000	\$25,000	Based on actual Interest earned in FY 2017-18.
PEG Fee Revenue	\$2,750,000	\$2,600,000	Reduced to help offset the anticipated reduction in FY 2018-19 PEG fees.
Expenditures			
Fund Balance Reserve	\$150,000	\$100,000	Reduced to help offset the anticipated reduction in FY 2018-19 PEG fees.
Contingency Appropriation	\$109,875	\$16,081	Reduced to help offset the anticipated reduction in FY 2018-19 PEG fees.

RECOMMENDATION

It is recommended the Board approve Resolutions No. 2018-014 and 2018-015, Adopting the Fiscal Year 2018-19 Final General Fund (094A) and PEG Fee Fund (094B) Budgets, along with the exhibits and attachment in this staff report.

Respectfully submitted,



ROBERT A. DAVISON, Executive Director
 Sacramento Metropolitan Cable Television Commission

Enclosures:

- Fiscal Year 2018-19 Final General Fund Budget Summary with FY 2017-18 Actuals (Exhibit 1)
- Fiscal Year 2018-19 Final PEG Fee Fund Budget Summary with FY 2017-18 Actuals (Exhibit 2)
- Fiscal Year 2018-19 Revised Staffing (Attachment 3)

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

RESOLUTION NO. 2018-014

**A RESOLUTION ADOPTING THE FISCAL YEAR 2018-19
FINAL GENERAL FUND (094A) BUDGET**

WHEREAS, a hearing has been terminated during which time all additions and deletions to the final budget for Fiscal Year 2018-19 were made.

THEREFORE, IT IS HEREBY RESOLVED in accordance with Section 29089 of the Government Code, the final budget for Fiscal Year 2018-19 for the General Fund (094A) is hereby adopted in accordance with the following:

Salaries and Employee Benefits (Object 10)	\$1,094,032
Services and Supplies (Object 20)	\$1,024,658
Channel Licensees – Operations (Object 30)	\$1,289,856
Depreciation Expense - Audit (Object 30)	\$10,000
County Wide Cost Allocation – All (Object 30)	\$7,000
Revenue Distribution – Fiscal Year 2017-18 (Object 30)	\$11,339,881
Revenue Distribution – Fiscal Year 2018-19 (Object 30)	\$10,027,682
Fund Balance Reserve	\$100,000
Equipment – Fixed Assets (Object 40)	\$7,000
Bonded Debt Services (Object 50)	\$15,000
Contingency Appropriation – Operations (Object 70)	\$7,000
FISCAL YEAR 2018-19 FINAL GENERAL FUND (094A) BUDGET TOTAL	\$24,922,109

FURTHER BE IT RESOLVED AND ORDERED that the means of financing the expenditures program will be by monies derived from Franchise Fee Revenue and Fund Balance available.

FURTHER BE IT RESOLVED AND ORDERED that the Budget be and is hereby adopted in accordance with the listed attachments in the Fiscal Year 2018-19 Budget Staff Report, which show in detail the approved appropriations, revenues and methods of financing, authorized positions, attached hereto and by reference made a part hereof.

FURTHER BE IT RESOLVED AND ORDERED that COLAs, equity/salary adjustments, and universal salary increases for contract and non-contract employees, if any, are authorized at the same level as approved by the Board of Supervisors for represented management, clerical, and technical employees of the County of Sacramento.

NOW, THEREFORE, FURTHER BE IT RESOLVED AND ORDERED that the Executive Director is authorized and directed to do and perform everything necessary to carry out the purpose of this Resolution.

On a motion by Director _____, seconded by Director _____, the foregoing Resolution was passed and adopted by the Governing Board of the Sacramento Metropolitan Cable Television Commission, State of California, this 4th day of October 2018, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Chair of the Board

ATTEST:

Clerk of the Board

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

RESOLUTION NO. 2018-015

A RESOLUTION ADOPTING THE FISCAL YEAR 2018-19
FINAL PEG FEE FUND (094B) BUDGET

WHEREAS, a hearing has been terminated during which time all additions and deletions to the final budget for Fiscal Year 2018-19 were made.

THEREFORE, IT IS HEREBY RESOLVED in accordance with Section 29089 of the Government Code, the proposed budget for Fiscal Year 2018-19 for the PEG Fee Fund (094B) is hereby adopted in accordance with the following:

Member Agency Facilities/Equipment (Object 20)	\$1,283,751
BESTNet Phase III – Year 5 Rollover (Object 30)	\$51,700
BESTNet Phase III – Years 6 & 7 (Object 30)	\$1,200,000
Channel Licensees - One Time Facilities/Equipment (Object 30)	\$1,319,911
Channel Licensees – Facilities/Equipment Base (Object 30)	\$166,685
Equipment – Fixed Assets - Metro Cable Projects (Object 40)	\$118,002
Contingency Appropriation (Object 70)	\$16,081
Fund Balance Reserve (Object 70)	\$100,000
FISCAL YEAR 2018-19 FINAL PEG FEE FUND (094B) BUDGET TOTAL	\$4,256,130

FURTHER BE IT RESOLVED AND ORDERED that the means of financing the PEG Fee Fund expenditures will be by monies derived from PEG Fee Revenue and Fund Balance available.

FURTHER BE IT RESOLVED AND ORDERED that the Fiscal Year 2018-19 PEG Fee Fund Budget is hereby adopted in accordance with the attachments in the Fiscal Year 2018-19 Budget staff report, which shows in detail the approved appropriations, revenues and methods of financing attached hereto and by reference made a part hereof.

NOW, THEREFORE, BE IT FURTHER RESOLVED AND ORDERED that the Executive Director is authorized and directed to do and perform everything necessary to carry out the purpose of this Resolution.

On a motion by Director _____, seconded by Director _____, the foregoing Resolution was passed and adopted by the Board of Directors of the Sacramento Metropolitan Cable Television Commission this 4th day of October 2018, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Clerk to the Board

Chair of the Board

EXHIBIT 1

GENERAL FUND (094A) BUDGET

Fiscal Year 2017-18 Budget and Actuals / Fiscal Year 2018-19 Final General Fund (094A) Budget

	G/L #	FY 2017-18 Budget	FY 2017-18 Year End Actuals	FY 2018-19 PROPOSED BUDGET	FY 2018-19 FINAL BUDGET
REVENUE					
Interest Income	94941000	\$75,000	\$121,749	\$75,000	\$100,000
Franchise Fees	97978100	\$13,750,000	\$13,905,795	\$13,750,000	\$13,000,000
Miscellaneous Other Revenue	97979000	\$9,000	\$7,716	\$16,800	\$15,000
REVENUE ACCOUNTS TOTAL		\$13,834,000	\$14,035,260	\$13,841,800	\$13,115,000
Fund Balance / Carry Forward		\$13,288,250	\$13,288,250	\$12,153,239	\$11,807,109
GRAND REVENUE TOTAL		\$27,122,250	\$27,323,510	\$25,995,039	\$24,922,109
EXPENDITURES					
Salaries & Wages / Benefits					
Salaries & Wages - Employees	10111000	\$502,000	\$451,075	\$527,663	\$527,663
Salaries & Wages - Extra Help	10112100	\$30,000	\$36,032	\$30,000	\$30,000
Salaries & Wages - Commission Members	10112400	\$6,600	\$3,720	\$6,600	\$6,600
OT (Time & One-Half) - Added by County w/Conv to COMPASS Payroll 1/1/2018	10113200	\$0	\$4,271	\$6,000	\$6,000
Retirement	10121000	\$126,480	\$77,085	\$180,360	\$180,360
Retirement Health Savings Plan (OPEB Trust)	10121300	\$80,216	\$80,216	\$90,000	\$90,000
OASDHI (Social Security Act)	10122000	\$44,500	\$32,788	\$43,770	\$43,770
Group Insurance	10123000	\$173,000	\$91,802	\$175,709	\$175,709
Dental Insurance	10123002	\$9,000	\$7,375	\$12,402	\$12,402
Workers Comp Insurance	10124000	\$15,000	\$14,428	\$16,224	\$16,224
SDI Insurance	10125000	\$4,300	\$3,087	\$5,304	\$5,304
BENEFITS SUBTOTAL		\$452,496	\$306,781	\$523,769	\$523,769
SALARIES & WAGES / BENEFITS TOTAL	10 TOTAL	\$991,096	\$801,879	\$1,094,032	\$1,094,032
Books/Periodical Service	20202100	\$700	\$1,399	\$1,500	\$1,500
Film Supplies	20202500	\$20,000	\$10,537	\$12,000	\$12,000
Business Travel	20203100	\$20,000	\$2,301	\$15,000	\$15,000
Education & Training Supplies	20203500	\$5,500	\$3,778	\$4,000	\$4,000
Employee Recognition	20203800	\$1,000	\$456	\$1,500	\$1,500
Employee Transportation	20203900	\$3,000	\$1,490	\$2,500	\$2,500
Insurance - General Liability	20205100	\$20,000	\$20,183	\$22,000	\$22,000
Insurance - Bond / Pollution / Property	20205300	\$1,100	\$1,215	\$1,500	\$1,500
Membership Dues	20206100	\$5,000	\$3,819	\$5,000	\$5,000
Office Supplies	20207600	\$15,000	\$12,671	\$15,000	\$15,000
Postal Services	20208100	\$1,250	\$791	\$1,000	\$1,000
Printing Services	20208500	\$2,000	\$1,894	\$2,000	\$2,000
Modular Furniture - Added by County w/Admin Office Reconf	20226400	\$0	\$12,466	\$1,000	\$1,000
Miscellaneous (Comcast's Security Deposit Judgement plus Interest Owed)	20227504	\$169,186	\$0	\$193,326	\$193,326
Accounting Services	20250500	\$30,000	\$11,863	\$25,000	\$25,000
Legal Services	20253100	\$200,000	\$81,888	\$200,000	\$200,000
Security Service	20257100	\$500	\$138	\$500	\$500
Other Professional Services	20259100	\$200,000	\$106,403	\$200,000	\$200,000
Data Processing (Use for Equip Purchase for Office 2010 Conv by 1/2020)	20281200	\$1,000	\$0	\$30,000	\$30,000
Software - Added by County for VISIO Software (Metro Cable)	20281202	\$0	\$335	\$17,500	\$17,500
Sales & Tax Audit - BOE Audit (10/1/13 - 9/30/2016) - Added by County	20281304	\$0	\$142	\$150	\$150
Interpreter Svcs (Closed Captioning)	20283200	\$110,000	\$92,710	\$110,000	\$110,000
DTech - County Wide IT Service	20291000	\$6,000	\$5,660	\$7,000	\$7,000
DTech - System Dev (I/O for Desktop Support/Labor/Web Site Publishing)	20291100	\$40,000	\$22,571	\$41,000	\$41,000
DTech - System Dev Supplies (I/O for Equip Maint/Web Host/Data Storage)	20291200	\$11,000	\$7,224	\$8,000	\$8,000
COMPASS Costs	20291500	\$3,000	\$2,758	\$3,680	\$3,680
DTech - Wide Area Network (WAN) Costs	20291600	\$30,000	\$23,109	\$26,000	\$26,000
GS - Messenger Services	20292300	\$2,000	\$1,472	\$1,650	\$1,650
GS - Purchasing Svcs Allocation	20292500	\$50	\$19	\$50	\$50
GS - Equipment Rental - Light	20292800	\$11,000	\$9,526	\$11,000	\$11,000
GS - Fuel Usage- Light	20293800	\$150	\$64	\$100	\$100
County Facility Use (Rent/Lease)	20294200	\$45,000	\$30,593	\$45,000	\$45,000
GS -Parking Charges	20296200	\$10,000	\$9,771	\$9,000	\$9,000
Telephone Services	20298700	\$0	\$0	\$4,500	\$4,500
Telephone Services - Cell Phones	20298701	\$1,500	\$1,598	\$1,700	\$1,700
Telephone Services - Land Line (Replaced G/L #202987800 in FY 2017-18)	20298703	\$6,000	\$2,753	\$4,500	\$4,500
Telephone Installations (Added Phone to New Admin Work Station)	20298900	\$500	\$1,637	\$1,000	\$1,000
SERVICES AND SUPPLIES TOTAL	20 TOTAL	\$971,437	\$485,235	\$1,024,656	\$1,024,656

EXHIBIT 1

GENERAL FUND (094A) BUDGET

Fiscal Year 2017-18 Budget and Actuals / Fiscal Year 2018-19 Final General Fund (094A) Budget

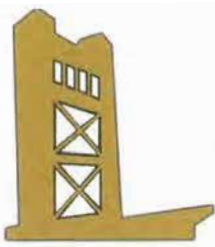
	G/L #	FY 2017-18 Budget	FY 2017-18 Year End Actuals	FY 2018-19 PROPOSED BUDGET	FY 2018-19 FINAL BUDGET
Support Services					
Support Services	30310400	\$0	\$0	\$0	\$0
Contract Service (Channel Licensees) - Amts Include Mid-Year Adj (12-7-2017)					
Access Sac - Operations Base	30310500	\$481,647	\$481,647	\$503,755	\$503,755
Access Sac - HT-TV Operations Base	30310500	\$62,655	\$62,655	\$65,531	\$65,531
Access Sac - GOTW Operations Base	30310500	\$54,510	\$54,510	\$57,012	\$57,012
Access Sac - One-Time Insurance (Mid-Year Adj approved 12-7-2017)	30310500	\$12,685	\$12,685	\$0	\$0
Access Sac - Grand Total		\$611,497	\$611,497	\$626,297	\$626,297
Capital Public Radio - Oper Base	30310500	\$21,663	\$21,663	\$22,657	\$22,657
Capital Public Radio - Equipment	30310500	\$8,321	\$8,321	\$0	\$0
KVIE Operations Base	30310500	\$236,933	\$236,933	\$247,808	\$247,808
SECC Operations Base	30310500	\$308,148	\$308,148	\$322,292	\$322,292
BESTNet Operations Base	30310500	\$67,694	\$67,694	\$70,801	\$70,801
CONTRACT SERVICES (CHANNEL LICENSEES) TOTAL		\$1,254,255	\$1,254,256	\$1,289,856	\$1,289,856
Depreciation Expense (From Audit)	30332002	\$20,000	\$0	\$10,000	\$10,000
G/L Acct Changed to Contr to Other Agencies in FY 2017-18 (G/L 30370000)					
Citrus Heights (FY 2016-17 Revenue Distribution)	30370000	\$711,366	\$711,366	\$0	\$0
Elk Grove (FY 2016-17 Revenue Distribution)	30370000	\$1,398,476	\$1,398,476	\$0	\$0
Folsom (FY 2016-17 Revenue Distribution)	30370000	\$641,973	\$641,973	\$0	\$0
Galt (FY 2016-17 Revenue Distribution)	30370000	\$210,051	\$210,051	\$0	\$0
Rancho Cordova (FY 2016-17 Revenue Distribution)	30370000	\$603,933	\$603,933	\$0	\$0
Sacramento (FY 2016-17 Revenue Distribution)	30370000	\$4,030,677	\$4,030,677	\$0	\$0
Sacramento County (FY 2016-17 Revenue Distribution)	30370000	\$4,780,394	\$4,780,394	\$0	\$0
Fiscal Year 2016-17 Revenue Distribution - Grand Total		\$12,376,870	\$12,376,870	\$0	\$0
Citrus Heights (FY 2017-18 Revenue Distribution)	30370000	\$642,810	\$0	\$650,803	\$650,803
Elk Grove (FY 2017-18 Revenue Distribution)	30370000	\$1,263,702	\$0	\$1,276,785	\$1,276,785
Folsom (FY 2017-18 Revenue Distribution)	30370000	\$580,105	\$0	\$581,933	\$581,933
Galt (FY 2017-18 Revenue Distribution)	30370000	\$189,808	\$0	\$193,006	\$193,006
Rancho Cordova (FY 2017-18 Revenue Distribution)	30370000	\$545,731	\$0	\$550,502	\$550,502
Sacramento (FY 2017-18 Revenue Distribution)	30370000	\$3,642,232	\$0	\$3,719,052	\$3,719,052
Sacramento County (FY 2017-18 Revenue Distribution)	30370000	\$4,319,698	\$0	\$4,367,800	\$4,367,800
Fiscal Year 2017-18 Revenue Distribution - Grand Total	30370000	\$11,184,086	\$0	\$11,339,881	\$11,339,881
Citrus Heights (FY 2018-19 Revenue Distribution)	30370000	\$0	\$0	\$631,332	\$575,495
Elk Grove (FY 2018-19 Revenue Distribution)	30370000	\$0	\$0	\$1,238,586	\$1,129,041
Folsom (FY 2018-19 Revenue Distribution)	30370000	\$0	\$0	\$564,522	\$514,594
Galt (FY 2018-19 Revenue Distribution)	30370000	\$0	\$0	\$187,231	\$170,672
Rancho Cordova (FY 2018-19 Revenue Distribution)	30370000	\$0	\$0	\$534,032	\$486,801
Sacramento (FY 2018-19 Revenue Distribution)	30370000	\$0	\$0	\$3,607,785	\$3,288,701
Sacramento County (FY 2018-19 Revenue Distribution)	30370000	\$0	\$0	\$4,237,124	\$3,862,379
Fiscal Year 2018-19 Revenue Distribution - Grand Total	30370000	\$0	\$0	\$11,000,612	\$10,027,684
CONTR TO OTHER AGENCIES (REVENUE DISTRIBUTION) TOTAL		\$23,560,956	\$12,376,870	\$22,340,494	\$21,367,565
Sac County Wide Cost Allocation (All) - Added by the County in FY 2017-18	3048000	\$0	\$868	\$3,500	\$7,000
Sac County Wide Cost Allocation (A87)	30348001	\$3,000	\$0	\$3,500	\$0
OTHER CHARGES TOTAL	30 TOTAL	\$24,838,211	\$13,631,994	\$23,647,350	\$22,674,421
Fund Balance Reserved	7100000	\$150,000	\$150,000	\$150,000	\$100,000
Equip-SD-Non-Recon (Fixed Assets)	43430300	\$25,000	\$0	\$14,000	\$7,000
Oper Transfer Out - Lease Payments (799 G St Bldg Bonded Debt Svc)	50523000	\$15,000	\$0	\$15,000	\$15,000
Contingency Appropriation (Oper)	79790100	\$131,506	\$0	\$50,000	\$7,000
OTHER CHARGES TOTAL		\$321,506	\$150,000	\$229,000	\$129,000
GRAND EXPENDITURE TOTAL		\$27,122,250	\$15,069,107	\$25,995,039	\$24,922,109

EXHIBIT 2

PEG FEE FUND (094B) BUDGET

Fiscal Year 2017-18 Budget and Actuals / Fiscal Year 2018-19 Final PEG Fee Fund (094B) Budget

	G/L Acct	FY 2017-18 Budget	FY 2017-18 Year End Actuals	FY 2018-19 Proposed Budget	FY 2018-19 Final Budget
REVENUE					
Interest Income	94941000	\$10,000	\$29,860	\$15,000	\$25,000
PEG Fee Revenue	97978200	\$2,750,000	\$2,767,098	\$2,750,000	\$2,600,000
Fund Balance / Carry Forward		\$1,309,258	\$1,309,258	\$509,106	\$1,631,130
REVENUE TOTAL		\$4,069,258	\$4,106,216	\$3,274,106	\$4,256,130
EXPENDITURES					
Inventoriable Equipment (Member Agencies)	20226500				
Citrus Heights		\$81,904	\$40,723	\$69,694	\$69,694
Elk Grove		\$15,448	\$12,467	\$54,047	\$54,047
Folsom		\$194,542	\$183,716	\$72,595	\$72,595
Galt		\$55,427	\$0	\$122,210	\$122,210
Rancho Cordova		\$204,935	\$0	\$304,804	\$304,804
Sacramento		\$75,547	\$0	\$401,561	\$401,561
Sacramento County (Council Chambers)		\$280,129	\$0	\$258,840	\$258,840
Invent Equip Subtotal (Member Agencies)		\$907,932	\$236,906	\$1,283,751	\$1,283,751
Board of Equalization Sales & Use Tax Audit (10/1/13 to 9/30/16)	20281304	\$0	\$9	\$0	\$0
G/L Account 2000 Total		\$907,932	\$236,914	\$1,283,751	\$1,283,751
Support Services (Channel Licensees)	30310400				
Access Sac - One-Time Equipment		\$567,939	\$567,939	\$602,211	\$602,211
Access Sac - One-Time Request (HD Truck Upgrades)		\$91,287	\$91,287	\$36,987	\$36,987
Access Sac - One-Time Equipment Grand Total		\$659,226	\$659,226	\$639,198	\$639,198
KVIE - One-Time Equipment		\$539,083	\$539,083	\$495,463	\$495,463
SECC - One Time Equipment		\$28,002	\$28,002	\$10,250	\$10,250
SECC - One-Time Request (Fully Equipped Production Vehicle)		\$0	\$0	\$85,000	\$85,000
SECC - One-Time Equipment (SEVA Labs)		\$120,000	\$120,000	\$90,000	\$90,000
SECC - One-Time Equipment Grand Total		\$148,002	\$148,002	\$185,250.00	\$185,250.00
BESTNet Phase III (Year 5)		\$51,700	\$0	\$51,700	\$51,700
BESTNet Phase III Completion (Years 6 & 7)		\$1,200,000	\$0	\$1,200,000	\$1,200,000
Support Svcs Subtotal (Channel Licensees)		\$2,598,011	\$1,346,311	\$2,571,611	\$2,571,611
Contract Services (Chan Licensees)	30310500				
Access Sac Fac/Equip Base		\$94,893	\$94,893	\$0	\$0
Access Sac Fac/Equip Base (1st Amendment Approved 12/2017)		\$847	\$847	\$0	\$0
Access Sac Fac/Equip Base Grand Total		\$95,740	\$95,740	\$0	\$100,431
Access Sac - Coloma Center Rent		\$6,750	\$6,750	\$11,716	\$11,716
SECC - Fac/Equip Base		\$51,530	\$51,530	\$0	\$0
SECC Fac/Equip Base (1st Amendment Approved 12/2017)		\$460	\$460	\$0	\$0
SECC Fac/Equip Base Grand Total		\$51,990	\$51,990	\$0	\$54,538
Contract Svcs Inst Subtotal (Chan Licensees)		\$154,480	\$154,480	\$11,716	\$166,685
G/L Account 3000 Total		\$2,752,491	\$1,500,791	\$2,583,327	\$2,738,296
Equipment SD Non-Recon - Fixed Assets	43430300				
Edit System		\$795	\$540	\$30,974	\$30,974
Master Control		\$27,976	\$17,244	\$12,190	\$12,190
Metro Cable Control Room		\$18,682	\$7,135	\$69,301	\$69,301
Metro Cable Van		\$0	\$0	\$2,891	\$2,891
Printer		\$1,300	\$839	\$0	\$0
Server		\$16,795	\$0	\$2,645	\$2,645
Equip SD Non-Recon - Fixed Assets Sub-Total		\$65,548	\$25,758	\$118,002	\$118,002
G/L Account 4000 Total		\$65,548	\$25,758	\$118,002	\$118,001
Fund Balance Reserve	7100000	\$150,000	\$150,000	\$150,000	\$100,000
Contingency Appropriation	79790100	\$193,289	\$0	\$109,875	\$16,083
EXPENDITURE TOTAL		\$4,069,259	\$1,913,464	\$4,244,954	\$4,256,130



SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

799 G Street, 4th Floor, Sacramento, CA 95814 • (916) 874-6661 • Fax: (916) 854-9666 • www.sacmetro.cable.tv

A Joint Powers Agency Representing Sacramento County and the Cities of Citrus Heights, Elk Grove, Folsom, Galt, Rancho Cordova and Sacramento

ATTACHMENT 3

FISCAL YEAR 2018-19 STAFFING (Revised October 4, 2018)

Contracted Position					
Executive Director	Per Agreement with the County of Sacramento				
Full-Time Positions (Administration)					
Job Title	Step 5	Step 6	Step 7	Step 8	Step 9
Administrative Services Officer III*	--	--	\$8,390.25	\$8,809.58	\$9,249.83
Administrative Services Officer I	\$5,263.50	\$5,526.25	\$5,802.92	\$6,093.50	\$6,398.00
Senior Office Specialist** (Confidential)	\$3,857.58	\$4,050.75	\$4,252.58	\$4,464.83	\$4,687.58
Senior Office Assistant	\$3,283.42	\$3,446.92	\$3,619.17	\$3,800.17	\$3,989.83
Full-Time Positions (Metro Cable)					
Job Title	Step 1	Step 2	Step 3	Step 4	Step 5
Production Director	\$4,721.31	\$4,957.38	\$5,205.25	\$5,465.52	\$5,738.79
Program Coordinator	\$4,039.34	\$4,241.30	\$4,453.38	\$4,676.05	\$4,909.85
Technical Coordinator (2)***	\$4,039.34	\$4,241.30	\$4,453.38	\$4,676.05	\$4,909.85
Technical Assistant	\$3,045.02	\$3,205.30	\$3,374.00	\$3,551.58	\$3,738.51
Part-Time Positions (Metro Cable)					
Job Title	Step 1	Step 2	Step 3	Step 4	Step 5
Production Assistant I	--	--	--	--	\$12.67
Production Assistant II	\$13.96	\$14.67	\$15.41	\$16.17	\$16.96
Production Assistant III	\$15.41	\$16.17	\$16.96	\$17.79	\$18.65

*Does not include the COLA, if any, granted to the ASO III classification in Fiscal Year 2018-19 by the County since the Union MOU has not been ratified yet.

**Sr. Office Assistant (Confidential) position re-classified to a Sr. Office Specialist (Confidential) position effective Fiscal Year 2018-19.

***Addition of second TC position; to include the removal of the TA position from the list of funded positions in FY 2018-19.



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A Joint Powers Agency Representing Sacramento County and the Cities of Citrus Heights, Elk Grove, Folsom, Galt, Rancho Cordova and Sacramento

AGENDA ITEM NO. 3

DATE: October 4, 2018

TO: Chair and Board of Directors

FROM: Robert A. Davison, Executive Director

SUBJECT: **ADOPT RESOLUTION NO. 2018-017 APPROVING THE AGREEMENT FOR MANAGEMENT SERVICES WITH THE COUNTY OF SACRAMENTO (EXECUTIVE DIRECTOR FOR THE SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION)**

RECOMMENDATION:

It is recommended the Board adopt the Resolution No. 2018-017, Approving the Agreement for Management Services with the County of Sacramento, to provide services for an Executive Director for the Sacramento Metropolitan Cable Television Commission.

DISCUSSION:

In February 2006, the Commission's member agencies were asked for input and recommendations on how to fill the vacant Executive Director position. Representatives of the member agencies met, solicited interest from member agencies, interviewed candidates, and made a recommendation to appoint a part-time Executive Director.

The Commission Board approved an Agreement for Management Services (February 2, 2006), attached hereto, with the County of Sacramento for Management Services, and appointed Robert A. Davison, then Sacramento County's Manager of Special Districts, Infrastructure Finance Section as the Commission's part-time Executive Director, pursuant to the Agreement.

On March 28, 2006, the Sacramento County Board of Supervisors approved Resolution No. 2006-0342, authorizing the execution of the Agreement. On December 21, 2008, Mr. Davison was promoted to the County of Sacramento's Chief of Development and Surveyor Services Division in the Engineering Department (now the County Engineering Division). The Agreement terminated in June 2009, but Mr. Davison has continued to provide these services and the terms of the agreement have been honored by both parties.

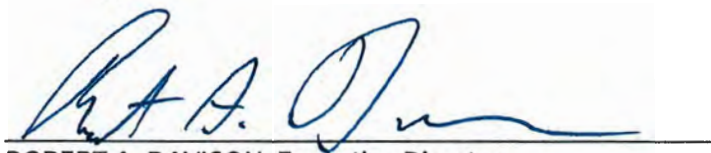
The attached Agreement specifies the terms and conditions of this arrangement. The Agreement provides that Mr. Davison will continue to serve as the Executive Director of the Commission. The Executive Director will remain an employee of the County and the direction and control by the Commission shall extend only to his activities as the Commission's Executive Director.

The previous agreement identified the Manager of Special Districts as the Executive Director. Since Mr. Davison is now the Chief of the County Engineering Division in the Office of Development and Code Services, the attached Agreement identifies that position as the Executive Director. The attached Agreement does not include a termination date and specifies that either party may terminate early with 60 days' notice.

The Agreement provides for the Commission to pay the County a minimum compensation based on an average six hours per week (312 hours a year) with additional payment on an hourly basis for hours that exceed 312 hours per year. Using the current Fiscal Year 2018-19, the minimum annual compensation would be \$57,408. This amount will be adjusted each year based upon the then current loaded labor rate.

Staff recommends the Commission Board adopt the attached resolution Approving the Agreement for Management Services with the County of Sacramento.

Sincerely,

A handwritten signature in blue ink, appearing to read 'R.A. Davison', is written over a horizontal line.

ROBERT A. DAVISON, Executive Director
Sacramento Metropolitan Cable Television Commission

Attachments:

- SMCTC Resolution No. 06-001, Approving Agreement for Commission Management Services & Appointing Robert Davison as Executive Director of the Commission
- Agreement for Management Services (February 2, 2006)
- Sac County Resolution No. 2006-0342, Authorizing the Chair of the Board of Supervisors to Execute an Agreement with SMCTC for the Provision of Management Services to that Cable Commission (March 28, 2006)
- Agreement for Management Services (October 2018)

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

RESOLUTION NO. 2018-017

**A RESOLUTION APPROVING THE AGREEMENT FOR MANAGEMENT SERVICES
WITH THE COUNTY OF SACRAMENTO
(EXECUTIVE DIRECTOR FOR THE SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION)**

WHEREAS, the Sacramento Metropolitan Cable Television Commission (Commission) currently contracts with the County of Sacramento for Executive Director services (Services);

WHEREAS, the current Agreement for Management Services expired in 2009 but the Commission and County have continued to honor its terms;

WHEREAS, the Commission wishes to approve a new Agreement for Management Services on the terms and conditions set forth in the Agreement.

NOW THEREFORE, BE IT RESOLVED THAT the Board of Directors of the Sacramento Metropolitan Cable Television Commission does hereby approve Resolution No. 2018-017, Approving the Agreement for Management Services with the County of Sacramento (Executive Director for the Sacramento Metropolitan Cable Television Commission) (Agreement). The Chair of the Board shall execute the Agreement currently on file with the Clerk of the Board, subject to minor amendments as to form approved by Legal Counsel.

On a motion by Director _____, seconded by Director _____, the foregoing Resolution was passed and adopted by the Board of Directors of the Sacramento Metropolitan Cable Television Commission this 4th day of October 2018, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

Clerk of the Board

Chair of the Board

**Resolution No. 06-001, Approving
Agreement for Commission
Management Services & Appointing
Robert Davison as Executive Director
of the Commission**

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

A RESOLUTION APPROVING AGREEMENT FOR COMMISSION
MANAGEMENT SERVICES AND APPOINTING ROBERT DAVISON AS EXECUTIVE DIRECTOR
OF THE COMMISSION

RESOLUTION NO. 06-001

WHEREAS, the Commission's member agencies were asked for input and recommendations on the vacant Executive Director position; and

WHEREAS, representatives of the management teams of the member agencies met, solicited interest from member agency employees, interviewed two candidates and made a recommendation on the appointment of an Executive Director; and

WHEREAS, these representatives met with the Commission Chair and recommended a part-time Executive Director; and

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Board of Directors approves the 'Agreement for Management Services', attached hereto, with the County of Sacramento for part-time management services.

FURTHER BE IT RESOLVED AND ORDERED that the Board of Directors hereby appoints as Executive Director, Robert Davison, Sacramento County Manager of Special Districts, Infrastructure Finance Section, pursuant to the agreement.

FURTHER BE IT RESOLVED AND ORDERED that the Board of Directors authorizes and directs the Commission Chair to execute the above referenced 'Agreement for Management Services' and to do and perform everything necessary to carry out the purpose of this Resolution.

On a motion by Director Illa Collin, seconded by Director Robbie Waters, the foregoing Resolution was passed and adopted by the Sacramento Metropolitan Cable Television Commission this 2nd day of February, 2006 by the following vote to wit:


AYES: UNANIMOUS VOICE VOTE
Directors Waters, Morin, McCarty, Collin, MacGlashan, Masuoka (alt. for Peters), Miller, Sheedy, Nottoli

NOES: None

ABSENT: Directors Dickinson, Leary, Peters



Chairperson, Sacramento Metropolitan
Cable Television Commission

ATTEST: 
Secretary, Sacramento Metropolitan
Cable Television Commission

**Agreement for Management Services
(February 2, 2006)**

AGREEMENT FOR MANAGEMENT SERVICES

THIS AGREEMENT is made and entered into this 2nd day of February, 2006, by and between the Sacramento Metropolitan Cable Television Commission, a joint powers authority established under the provisions of Government Code Section 6500 et seq., (hereinafter called "Commission"); and the County of Sacramento, a political subdivision of the State of California (hereinafter called "County").

RECITALS

The Executive Director of the Commission retired from the employment of the Commission. The Commission desires to hire the services of the County Manager of Special Districts to serve as Executive Director of the Commission on a part-time basis of approximately 4-8 hours average per week and to provide administrative services to the Commission pursuant to the terms and conditions of this Agreement.

AGREEMENT

FOR AND IN CONSIDERATION OF THE TERMS, CONDITIONS, PROMISES AND COVENANTS CONTAINED HEREIN, THE PARTIES HERETO DO MUTUALLY AGREE AS FOLLOWS:

1. County hereby agrees to provide the services of its Manager of Special Districts ("Director" herein) to serve as manager of the Commission. It is understood that the Director will remain an employee of the County and that direction and control of the Director by the Commission shall extend only to his activities as Commission's manager.

2. During the term of this agreement, Director shall be the executive director of the Commission, and shall, subject to direction and control by the Board of Directors:

- a. Manage and administer the daily operations of the Commission;
- b. Appoint and remove all subordinate personnel of the Commission except the legal counsel;
- c. Enforce against cable operators which are subject to jurisdiction of the Commission regulations of the Commission in accordance with policies and procedures formally adopted by the Board of Directors;
- d. On behalf of the Clerk of the Board of Supervisors of Sacramento County, be Secretary to the Board of Directors and custodian of Commission records; and
- e. Exercise such other powers as are delegated, and perform such other duties as are assigned by the Board of Directors.

3. In consideration of the provision of the services of Director, Commission agrees to pay County the then current loaded labor rate including the 10% 'Cable' pay differential for the County Manager of Special Districts. The Commission shall pay a minimum compensation based on an average of 6 hours per week (312 hours a year), with additional payment on an hourly basis for hours that exceed the 6 hours per week reconciled yearly on hours exceeding 312 hours. (Using the current FY 05-06 loaded rate equals \$34,000 per year plus hourly; this sum is to automatically adjust per Fiscal Year changes to the then current loaded rate.)

The sum shall be payable at a minimum on a quarterly basis, but as frequently as mutually agreeable with the County Infrastructure Finance Section, MSA, and reconciled yearly for hours exceeding 312 hours.

Payment of hours to the County Infrastructure Finance Section shall include payment retroactive beginning with January 2006 hours to compensate for hours spent to receive litigation, BESTNet, and agenda briefings prior to formalization of this agreement.

The parties agree that if this agreement is terminated during a quarter at the request of the Commission, the payment shall be made for the entire quarter in which the termination occurs and shall not be refunded or pro-rated.

4. The term of this Agreement shall commence on the date this agreement is approved by both the Commission and the County and shall terminate on June 30, 2009, unless terminated earlier by either party on sixty (60) days written notice to the non-terminating party.

5. All notices, statements of charges or other communications authorized or required by this Agreement shall be deemed served and effective for all purposes on the date on which they are reduced to writing, deposited in the United States mail, postage prepaid, and addressed as follows:

a. To: Commission
Chair
Board of Directors
Sacramento Metropolitan Cable Television Commission
901 H Street, #206, Sacramento, CA 95814

b. To: County
Director, Manager of Special Districts
Infrastructure Finance Section
827 7th Street, Room 304, Sacramento, CA 95814

With a copy to:
Administrator, Municipal Services Agency
700 H Street, Suite 7650, Sacramento, CA 95814

6. This writing constitutes the sole embodiment of the Agreement between the parties. There are no promises, covenants, conditions precedent, conditions subsequent or other understandings between the parties which are not expressed herein.

7. If there is a conflict in the performance of services under this Agreement and with the performance of services for MSA by the Manager of Special Districts, the provision of services for MSA shall prevail.

8. Commission shall defend, indemnify and hold harmless County, its Board of Supervisors, officers, directors, agents, employees, and volunteers from and against all demands, claims, actions, liabilities, losses, damages, and costs, including reasonable attorneys' fees, arising out of or resulting from the performance of the Agreement, caused in whole or in part by the negligent or intentional acts or omissions of Commission's officers, directors, agents, employees, or subcontractors.

County shall defend, indemnify, and hold harmless Commission, its officers, directors, agents, employees, and subcontractors from and against all demands, claims, actions, liabilities, losses, damages and costs, including reasonable attorneys' fees, arising out of or resulting from the performance of the Agreement, caused in whole or in part by the negligent or intentional acts or omissions of County's Board or Supervisors, officers, directors, agents, employees, or volunteers.

It is the intention of County and Commission that the provisions of this paragraph be interpreted to impose on each party responsibility to the other for the acts and omissions of their respective officers, directors, agents, employees, volunteers, County's Board of Supervisors, and Commission's subcontractors. It is also the intention of County and Commission that, where comparative fault is determined to have been contributory, principles of comparative fault will be followed and each party shall bear the proportionate cost of any damage attributable to the fault of that party, its officers, directors, agents, employees, volunteers, County's Board of Supervisors and Commission's subcontractors.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day, month and year first above written.

SACRAMENTO METROPOLITAN CABLE
TELEVISION COMMISSION

By Don Nettoli
Chairperson, Board of Directors
"Commission"

ATTEST: Joan Cook
Clerk of the
Board of Directors

COUNTY OF SACRAMENTO

By Roberta Mackleash
Chairperson, Board of Supervisors
"County"



Clayton H. Turner
Clerk of the
Board of Supervisors

APPROVED:

M. Holly Gilchrist
M. Holly Gilchrist
Supervising Deputy County Counsel

**Sac County Resolution No. 2006-0342,
Authorizing the Chair of the Board of
Supervisors to Execute an Agreement
with SMCTC for the Provision of
Management Services to the Cable
Commission (March 28, 2006)**

RESOLUTION AUTHORIZING THE CHAIR OF THE BOARD OF SUPERVISORS TO EXECUTE AN AGREEMENT WITH THE SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION FOR THE PROVISION OF MANAGEMENT SERVICES TO THAT CABLE COMMISSION

BE IT RESOLVED AND ORDERED that the Chair of the Board of Supervisors be and is hereby authorized and directed to execute an agreement, in the form hereto attached, on behalf of the COUNTY OF SACRAMENTO, a political subdivision of the State of California, with the Sacramento Metropolitan Cable Commission, and to do and perform everything necessary to carry out the purpose of this Resolution.

On a motion by Supervisor Collin, seconded by Supervisor Peters, the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of Sacramento, State of California, this 28th day of March, 2006, by the following vote, to wit:

- AYES: Supervisors Collin, Dickinson, Nottoli, Peters, MacGlashan
- NOES: Supervisors None
- ABSENT: Supervisors None
- ABSTAIN: Supervisors None

2006 AP - 3 A11 E 58



FILED

MAR 28 2006

BOARD OF SUPERVISORS
BY Cathy H. Turner
CLERK OF THE BOARD

Roberta MacGlashan

Chair of the Board of Supervisors
of Sacramento County, California

In accordance with Section 25103 of the Government Code of the State of California a copy of the document has been delivered to the Chairman of the Board of Supervisors, County of Sacramento on **MAR 28 2006**

By Beth J. Johnson
Deputy Clerk, Board of Supervisors

The foregoing is a correct copy of Board of Supervisors Material, which the original is on file with the Office of the Board of Supervisors, Sacramento County, California

ATTEST: Cathy H. Turner
Clerk, Board of Supervisors

<http://owl/sire/cache/389/d0dot055y5rveu45usnb0b45/79277803202006020939198.doc>

Dated MAR 28 2006
Clerk of said Board
of Supervisors
By Kevin Romo
Deputy Clerk

**Agreement for Management Services
(October 2018)**

AGREEMENT FOR MANAGEMENT SERVICES

THIS AGREEMENT FOR MANAGEMENT SERVICES ("Agreement") is made and entered into this ____ day of _____, 2018, by and between the Sacramento Metropolitan Cable Television Commission, a joint powers authority established under the provisions of Government Code Section 6500 et seq., (hereinafter called "Commission"); and the County of Sacramento, a political subdivision of the State of California (hereinafter called "County").

RECITALS

On March 28, 2006, an Agreement for Management Services ("Initial Agreement") was effective between the Commission and the County which provided for the County Manager of Special Districts to serve as the Executive Director of the Commission on a part-time basis of approximately 4-8 hours average per week and to provide administrative services to the Commission pursuant to the terms and conditions of the Initial Agreement. The term of this Initial Agreement was set to expire on June 30, 2009, however, the parties have continued under the terms of the Initial Agreement. Since the Manager of Special Districts was promoted to the Division Chief of the County Engineering Division, the services have been provided by that position. The parties wish to adopt this Agreement to supersede the Initial Agreement.

AGREEMENT

FOR AND IN CONSIDERATION OF THE TERMS, CONDITIONS, PROMISES AND COVENANTS CONTAINED HEREIN, THE PARTIES HERETO DO MUTUALLY AGREE AS FOLLOWS:

1. County hereby agrees to provide the services of its Division Chief of the County Engineering Division ("Director" herein) to serve as Executive Director of the Commission. It is understood that the Director will remain an employee of the County and that direction and control of the Director by the Commission shall extend only to his activities as Commission's Executive Director. Director shall not be eligible for any employment-related benefits provided by Commission, including sick leave, vacation, health and welfare benefit plans, or CalPERS retirement.

2. During the term of this agreement, Director shall be the Executive Director of the Commission, and shall, subject to direction and control by the Commission's Board of Directors ("Board of Directors"):

- a. Manage the daily operations of the Commission;
- b. Appoint and remove all subordinate personnel of the Commission;
- c. Enforce against cable operators which are subject to jurisdiction of the Commission regulations of the Commission in accordance with policies and procedures formally adopted by the Board of Directors;
- d. Exercise such other powers as are delegated, and perform such other duties as are assigned by the Board of Directors.

3. In consideration of the provision of the services of Director, Commission agrees to pay County the then current loaded labor rate including the 10% 'Cable' pay differential for the Director. The Commission shall pay a minimum compensation based on an average of 6 hours per week (312 hours a year), with additional payment on an hourly basis for hours that exceed the 6 hours per week reconciled yearly on hours exceeding 312 hours. As an example and using the current Fiscal Year

2018-19 loaded hourly rate (\$184.00), this would equal \$57,408 per year; this sum is to automatically adjust per fiscal year changes to the then current loaded rate.

The sum shall be payable at a minimum annually, but as frequently as mutually agreeable with the County Office of Development and Code Services, and reconciled yearly for hours exceeding 312 hours.

The parties agree that if this Agreement is terminated during a quarter at the request of the Commission, the payment shall be made for the entire quarter in which the termination occurs and shall not be refunded or pro-rated.

4. The term of this Agreement shall commence on the date this Agreement is approved by both the Commission and the County and may be terminated by either party on sixty (60) days written notice to the non-terminating party with or without cause.

5. All notices, statements of charges or other communications authorized or required by this Agreement shall be deemed served and effective for all purposes on the date on which they are reduced to writing, deposited in the United States mail, postage prepaid, and addressed as follows:

a. To: Commission
Chair
Board of Directors
Sacramento Metropolitan Cable Television Commission
799 G Street, 4th Floor, Sacramento, CA 95814

b. To: County
Chief, County Engineering Division
Office of Development and Code Services
827 7th Street, Room 304, Sacramento, CA 95814

With a copy to:
Deputy County Executive, Public Works and Infrastructure
700 H Street, Suite 7650, Sacramento, CA 95814

6. This writing constitutes the sole embodiment of the Agreement between the parties. There are no promises, covenants, conditions precedent, conditions subsequent or other understandings between the parties which are not expressed herein.

7. If there is a conflict in the performance of services under this Agreement and with the performance of services for the County by the Director, the provision of services for the County shall prevail.

8. Commission shall defend, indemnify and hold harmless County, its Board of Supervisors, officers, directors, agents, employees, and volunteers from and against all demands, claims, actions, liabilities, losses, damages, and costs, including reasonable attorneys' fees, arising out of or resulting from the performance of the Agreement, caused in whole or in part by the negligent or intentional acts or omissions of Commission's officers, directors, agents, employees, or subcontractors.

County shall defend, indemnify, and hold harmless Commission, its officers, directors, agents, employees, and subcontractors from and against all demands, claims, actions, liabilities, losses, damages and costs, including reasonable attorneys' fees, arising out of or resulting from the

performance of the Agreement, caused in whole or in part by the negligent or intentional acts or omissions of County's Board or Supervisors, officers, directors, agents, employees, or volunteers.

It is the intention of County and Commission that the provisions of this paragraph be interpreted to impose on each party responsibility to the other for the acts and omissions of their respective officers, directors, agents, employees, volunteers, County's Board of Supervisors, and Commission's subcontractors. It is also the intention of County and Commission that, where comparative fault is determined to have been contributory, principles of comparative fault will be followed and each party shall bear the proportionate cost of any damage attributable to the fault of that party, its officers, directors, agents, employees, volunteers, County's Board of Supervisors and Commission's subcontractors.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day, month and year first above written.

SACRAMENTO METROPOLITAN CABLE
TELEVISION COMMISSION

By _____
Chairperson, Board of Directors
"Commission"

ATTEST: _____
Clerk of the SMCTC
Board of Directors

COUNTY OF SACRAMENTO

By _____
Chairperson, Board of Supervisors
"County"

(SEAL)

ATTEST: _____
Clerk of the
Board of Supervisors

APPROVED:

M. Holly Gilchrist
Supervising Deputy County Counsel



SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

799 G Street, 4th Floor, Sacramento, CA 95814 ♦ (916) 874-6661 ♦ Fax: (916) 854-9666 ♦ www.sacmetroccable.tv

A Joint Powers Agency Representing Sacramento County and the Cities of Citrus Heights, Elk Grove, Folsom, Galt, Rancho Cordova and Sacramento

AGENDA ITEM NO. 4

DATE: October 4, 2018
TO: Chair and Board of Directors
FROM: Robert A. Davison, Executive Director
SUBJECT: ADDITION OF SECOND METRO CABLE TECHNICAL COORDINATOR POSITION

RECOMMENDATION:

It is recommended the Board approve adding a second Technical Coordinator position to, and removing the Technical Assistant position, from the list of funded positions for Fiscal Year 2018-19; contingent upon the Executive Director's promotion of Metro Cable's Technical Assistant to a Technical Coordinator.

BACKGROUND/DISCUSSION:

Given the increasing complexities of the technical items related to Metro Cable 14 and the Public, Education, and Governmental (PEG) facilities and equipment of the Commission and its member agencies, it is recommended that a second Technical Coordinator position be added.

The Executive Director anticipates promoting the current Technical Assistant to the second Technical Coordinator position due to the level of complexity, degree of involvement, independence of work currently being performed by the Technical Assistant; which is in line with the following duties, responsibilities, and skills identified in the Technical Coordinator job description:

- coordinating and performing preventative maintenance in control rooms;
- installing AV equipment, testing systems and components, and trouble-shooting;
- designing and editing control room engineering schematics with Visio software;
- building graphics and logos; performing regular video editing using Adobe software;
- researching, compiling, and presenting technical reports;
- training and serving as lead to part-time Production Assistants;
- maintaining and upgrading operating system software and firmware.
- assisting in the evaluation and recommendation of new PEG equipment;
- tagging PEG equipment ordered and overall tracking of PEG equipment purchases.

Staff recommends the Board approves the addition of a second Technical Coordinator position to, and removing the Technical Assistant position from the list of funded positions for Fiscal Year 2018-19; contingent upon the Executive Director's promotion of Metro Cable's Technical Assistant to a Technical Coordinator.

Agenda Item No. 4

Addition of Second Metro Cable Technical Coordinator Position

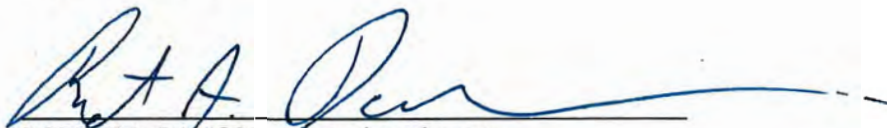
Page 2

Once the promotion is approved by the Executive Director, the promotion will be at Step 1.

Fiscal Year 2018-19 Salary Scale					
Job Title	Step 1	Step 2	Step 3	Step 4	Step 5
Technical Coordinator	\$4,039.34	\$4,241.30	\$4,453.38	\$4,676.05	\$4,909.85

The fiscal impact to the Fiscal Year 2018-19 General Fund Budget will be approximately \$5,600.

Respectfully submitted,



ROBERT A. DAVISON, Executive Director
Sacramento Metropolitan Cable Television Commission

Attachment:
Technical Coordinator Job Description

REPRESENTING
Sacramento County
and the Cities of:
Citrus Heights
Elk Grove
Folsom
Galt
Rancho Cordova
Sacramento



SACRAMENTO METROPOLITAN Cable television Commission

901 H Street, Suite 206 ♦ Sacramento, CA 95814 ♦ www.sacmetroable.tv

Phone: (916) 874-6661 ♦ Fax: (916) 854-9666

ROBERT A DAVISON, EXECUTIVE DIRECTOR

TECHNICAL COORDINATOR

SALARY RANGE*

\$3,389.00 - \$4,119.00 (Monthly)
\$40,668.00 - \$49,428.00 (Annually)

DEFINITION

Plans, organizes, coordinates, and performs specialized technical work on production systems in connection with the cablecast of local government programming.

DISTINGUISHING CHARACTERISTICS

This class is distinguished from other classes by duties and responsibilities above the journey level, and the requirement for performing assigned duties with only minimal supervision.

SUPERVISION RECEIVED AND EXERCISED

- Receives direction from the Production Director or other higher level Commission staff.
- May exercise supervision of Production Assistants.

EXAMPLES OF ESSENTIAL DUTIES

Duties may include but are not limited to the following:

- Participates in a team capacity with the Production Director and Program Coordinator to install, calibrate, maintain, modify and operate television production equipment.

TECHNICAL COORDINATOR

Page 2 of 3

Maintenance:

- Primary responsibility for the operation, repair, and maintenance of the local government video and audio equipment.
- Oversees and tests proper connection of all equipment to ensure video and audio signal quality, synchronization, and crew communication.
- Maintains, repairs, and operates all equipment related to video/audio production, playback, and presentation systems.
- Coordinates services from outside vendors.
- Maintains equipment and repair records, prepares status reports on equipment.
- Prepares technical reports.
- Troubleshoots techniques used in resolving operational problem with computer software.
- Maintains and upgrades applications and operating system software .

Systems Design:

- Plans and researches future equipment upgrades and recommends improvements and purchases, including creating RFQs and POs.
- Creates and maintains technical drawings using CAD programs.
- Coordinates services from outside vendors.
- Installs new equipment and software.
- Assists in coordinating the scheduling, preparation, set-up, and equipment adjustment for a video production, including scouting locations to assess lighting, sound, and electrical needs.
- Provides detailed engineering schematics for production upgrades.
- Supervises and assists in the set-up of equipment, assigns crew to specific jobs, and determines camera locations.
- Trains, leads and gives direction to Production Assistants.
- Instructs Production Assistants in complex production techniques.
- Acts as a member of video production crew as necessary.
- Acts as the Program Coordinator or Production Director in his/her absence or assists with their duties as needed.
- Reviews and gives technical advise about the design and purchase of production equipment.
- Consults with outside agencies on their needs for new equipment.
- Perform other duties as assigned.

MINIMUM QUALIFICATIONS

Knowledge of:

- Systems, servers, networks and terminology of video production engineering;
- Operation of computer systems and networks, video production, and video presentation systems; and
- Local cable television channel operations, rules and procedures.

Ability to:

- Perform component level repairs to video systems and servers, including but not limited to switchers, cameras, controllers, power supplies, patch bays, and various type of character generators;
- Prepare and read technical schematics;
- Perform system and component tests; and
- Connect, operate and analyze the results of test equipment.

EXPERIENCE AND EDUCATION

Any combination of experience and training that would provide the required knowledge and abilities is qualifying. A typical way to obtain knowledge and abilities would be:

Experience

Two-years (full-time equivalent) of experience in broadcast or cable television engineering.

Education

A Bachelor's Degree from an accredited college, university, or technical program with major work in video systems engineering or a related field.

License or Certificate

Possession of a valid CA driver's license. Individuals with disabilities will be reviewed on a case-by-case basis.

SUPPLEMENTAL INFORMATION

The probationary period will be 6 months.

*Source for salary ranges: FY 2009-10 pay rates (effective pay rates prior to one-time 2% Pay-for-Performance increases in FY 2010-11 and FY 2011-12)



SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

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A Joint Powers Agency Representing Sacramento County and the Cities of Citrus Heights, Elk Grove, Folsom, Galt, Rancho Cordova and Sacramento

AGENDA ITEM NO. 5

DATE: October 4, 2018
TO: Chair and Board of Directors
FROM: Robert A. Davison, Executive Director
SUBJECT: **AUDITED FINANCIAL STATEMENTS AND OTHER REPORTS FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND JUNE 30, 2017**

RECOMMENDATION:

It is recommended the Board receives and files the audited financial statements and other reports for the Sacramento Metropolitan Cable Television Commission as of and for the fiscal years ended June 30, 2016 and June 30, 2017.

DISCUSSION:

The audit of the Sacramento Metropolitan Cable Television Commission (Commission) was performed by Richardson & Company, LLP for the fiscal years ended June 30, 2016 and June 30, 2017, in accordance with generally accepted auditing standards, and if applicable, *Government Auditing Standards*, as well as certain information related to the planned scope and timing of the audit.

The audit found that the financial statements are accurate and do not contain any significant deficiencies. During the audit, the auditors became aware of a few deficiencies in internal control other than significant deficiencies and material weaknesses and matters that are an opportunity for strengthening internal controls and operating efficiencies. The following summarizes comments and suggestions regarding those matters.

Fixed Asset Listing

Recommend the Commission no longer assign a residual value to its fixed assets, since they appear to no longer have a salvage value by the time they are disposed.

Commission Management Response

Staff will no longer assign a residual value to its fixed assets.

Risk Assessment Process

Recommend the Commission develop a risk assessment process to identify those risks within the Commission that could result in fraud or material misstatement of the financial statements, and then to implement internal controls to mitigate those identified risks. This risk assessment process should

Agenda Item No. 5

Audited Financial Statements and Reports for the Fiscal Years Ended June 30, 2016 and June 20, 2017

Page 2

involve discussing potential risk areas and then ensure controls or processes are in place to mitigate those risks. The risk assessment should be performed on a periodic basis and can be incorporated into existing Board and staff meetings by adding an item on the agenda to discuss the risks.

Commission Management Response

Staff will discuss the recommendation made and develop a risk assessment process.

RECOMMENDATION

Staff recommends the Board receives and files the audited financial statements and reports of the Sacramento Metropolitan Cable Television Commission as of and for the Fiscal Years ended June 30, 2016 and June 30, 2017.

It is anticipated staff will sign an engagement letter with Richardson & Company, in an effort to continue the practice of conducting biennial audits.

Respectfully submitted,



ROBERT A. DAVISON, Executive Director
Sacramento Metropolitan Cable Television Commission

Enclosures:

Richardson & Company, LLP – Governance Letter

Richardson & Company, LL P – Management Letter

Audited Financial Statements and Other Reports (June 30, 2016 and 2017)

RICHARDSON & COMPANY, LLP
GOVERNMENT LETTER



550 Howe Avenue, Suite 210
Sacramento, California 95825

Telephone: (916) 564-8727
Fax: (916) 564-8728

GOVERNANCE LETTER

To the Board of Directors
Sacramento Metropolitan Cable Television Commission
Sacramento, California

We have audited the financial statements of the Sacramento Metropolitan Cable Television Commission (the Commission) for the years ended June 30, 2017 and June 30, 2016 and have issued our report thereon dated September 26, 2018. Professional standards require that we provide you with the information about our responsibilities under generally accepted auditing standards and, if applicable, *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards (GAAS) and *Government Auditing Standards*

As stated in our engagement letter dated February 13, 2017, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of the Commission. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Commission's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involves judgment about the number of transactions to be examined and the areas to be tested.

Our audit included obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further auditing procedures. Material misstatements may result from (1) errors, (2) fraudulent financial report, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Internal control deficiencies identified during the audit are addressed in separate documents.

We performed the audit according to the planned scope previously communicated to you in our engagement letter dated February 13, 2017.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Commission are described in Note A to the financial statements. We noted no transaction entered into by the Commission during the year for which there is a lack of authoritative guidance or consensus. We noted several transactions that have been recognized in the financial statements in a different period than when the transaction occurred. However, adjustments were made during the audit to ensure transactions were recorded in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Accounting estimates are used in determining the depreciable lives and methods used for capital assets, the accrual for other post-employment benefits (OPEB), and the accrual of the unfunded pension liability. The depreciable lives and methods used for capital assets affects the amount of depreciation expense that is recorded and are based on the Commission's estimate of the useful lives of the assets. The OPEB liability is based on an actuarial valuation performed at least every three years, which is based on assumptions including future employment, retirement rates and future costs of health care and health insurance. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole. The accrual for the unfunded pension liability was determined by an actuarial valuation performed annually by CalPERS.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were the postemployment benefit disclosure in Note F and the net pension liability disclosure in Note G to the financial statement.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Adjustments included 20 in 2016 and 26 in 2017 for closing entries and audit adjustments needed to correct balances of the accounts and transactions. The nature of these adjustments consist of the following:

- Adjust capital assets to the correct balances and record depreciation.
- Reclassify capital expenditures not meeting the capitalization threshold.
- Record activity for compensated absence and post-employment benefits liabilities.
- Record prepaid expenses and accounts payable to reflect expenses in the period in which they were incurred.
- Accrue receivables for franchise and PEG fees in the period to which the revenue relates.
- Record activity for the pension deferred inflow, liability, deferred outflow and pension expense.

- Record activity for capital asset disposals.
- Accrue additional franchise and PEG fee revenue as a result of a Commission audit of AT&T.
- Adjust components of fund balance and net position.

Disagreements With Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 26, 2018.

Management Consultations With Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Commission's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Finding Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Commission's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Schedule of the Proportionate Share of the Net Pension Liability and Schedule of Contributions – Miscellaneous Plan (Unaudited) and the Other Postemployment Benefit (OPEB) Plan – Schedule of Funding Progress, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financials statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

This information is intended solely for the use of the Board of Directors and management of the Commission and is not intended to be and should not be used by anyone other than these specified parties.

Richardson & Company, LLP

September 26, 2018

**RICHARDSON & COMPANY, LLP
MANAGEMENT LETTER**



550 Howe Avenue, Suite 210
Sacramento, California 95825

Telephone: (916) 564-8727
FAX: (916) 564-8728

MANAGEMENT LETTER

To the Board of Directors and Management
Sacramento Metropolitan Cable Television Commission
Sacramento, California

In planning and performing our audit of the financial statements of the Sacramento Metropolitan Cable Television Commission (the Commission) as of and for the years ended June 30, 2017 and 2016, in accordance with auditing standards generally accepted in the United States of America, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of Commission's internal control.

However, during our audit, we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and matters that are an opportunity for strengthening internal controls and operating efficiency. See paragraphs below that summarize our comments and suggestions regarding those matters. A separate report dated September 26, 2018, contains our report on significant deficiencies or material weaknesses in the Commission's internal control. This letter does not affect our report dated September 26, 2018 on the financial statements of the Commission.

Fixed Asset Listing

We recommend the Commission no longer assign a residual value to its fixed assets, since they appear to no longer have a salvage value by the time they are disposed.

Risk Assessment Process

We recommend that the Commission develop a risk assessment process to identify those risks within the Commission that could result in fraud or material misstatement of the financial statements, and then to implement internal controls to mitigate those identified risks. This risk assessment process should involve discussing potential risk areas and then ensure controls or processes are in place to mitigate those risks. This risk assessment should be performed on a periodic basis and can be incorporated into existing Board and staff meeting by adding an item to the agenda to discuss these risks.

* * * * *

We would like to take this opportunity to acknowledge the courtesy and assistance extended to us during the course of the audit. This report is intended solely for the information and use of the Board, management, and others within the organization and is not intended to be and should not be used by anyone other than these specific parties.

Richardson & Company, LLP

September 26, 2018

**AUDITED FINANCIAL STATEMENTS
AND OTHER REPORTS
(JUNE 30, 2016 AND 2017)**

**SACRAMENTO METROPOLITAN CABLE
TELEVISION COMMISSION**

Audited Financial Statements and
Other Reports

June 30, 2017 and 2016

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SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

Audited Financial Statements and
Other Reports

June 30, 2017 and 2016

Independent Auditor's Report	1
<u>Basic Financial Statements</u>	
June 30, 2016:	
Statement of Net Position and Governmental Fund Balance Sheet	3
Statements of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance	5
Statement of Revenues and Expenditures – Budget and Actual General Fund	7
Statement of Revenues and Expenditures – Budget and Actual PEG Fee Fund.....	8
June 30, 2017:	
Statement of Net Position and Governmental Fund Balance Sheet	9
Statements of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance	11
Statement of Revenues and Expenditures – Budget and Actual General Fund	13
Statement of Revenues and Expenditures – Budget and Actual PEG Fee Fund.....	14
Notes to the Basic Financial Statements	15
<u>Required Supplementary Information</u>	
Schedule of the Proportionate Share of the Net Pension Liability and Schedule of Contributions to the Pension Plan – Miscellaneous Plan (Unaudited)	32
Other Postemployment Benefit (OPEB) – Schedule of Funding Progress	33
<u>Compliance Report</u>	
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	34

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550 Howe Avenue, Suite 210
Sacramento, California 95825

Telephone: (916) 564-8727
FAX: (916) 564-8728

To the Board of Directors
Sacramento Metropolitan Cable Television Commission
Sacramento, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Sacramento Metropolitan Cable Television Commission (the Commission) as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the Commission's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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To the Board of Directors
Sacramento Metropolitan Cable Television Commission

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Commission as of June 30, 2017 and 2016 and the respective changes in financial position and the budgetary comparisons for the General and PEG Funds for the years then ended in accordance with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Other Matters

Report on Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of the Proportionate Share of the Net Pension Liability and Schedule of Contributions – Miscellaneous Plan and the OPEB Plan Schedule of Funding Progress be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management's Discussion and Analysis

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2018 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Richardson & Company, LLP

September 26, 2018

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET

June 30, 2016

	<u>General</u>	<u>PEG Fee</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 9,064,308	\$ 1,542,639	\$ 10,606,947
Interest receivable	43,244	4,883	48,127
Accounts receivable	3,705,316	768,197	4,473,513
Other assets	12,461		12,461
Equipment, net of depreciation			
TOTAL ASSETS	<u>\$ 12,825,329</u>	<u>\$ 2,315,719</u>	<u>\$ 15,141,048</u>
DEFERRED OUTFLOW OF RESOURCES			
Pensions			
TOTAL DEFERRED OUTFLOW OF RESOURCES			
LIABILITIES			
Accounts payable and accrued expenses	\$ 7,453,000	\$ 125,510	\$ 7,578,510
Long-term liabilities:			
Due within one year			
Due in more than one year			
TOTAL LIABILITIES	<u>7,453,000</u>	<u>125,510</u>	<u>7,578,510</u>
DEFERRED INFLOW OF RESOURCES			
Pensions			
TOTAL DEFERRED INFLOW OF RESOURCES			
FUND BALANCES/NET POSITION			
Fund balance:			
Nonspendable	12,461		12,461
Restricted		2,190,209	2,190,209
Unassigned	5,359,868		5,359,868
Total fund balances	<u>5,372,329</u>	<u>2,190,209</u>	<u>7,562,538</u>
TOTAL LIABILITIES, DEFERRED OUTFLOW OF RESOURCES FUND BALANCES	<u>\$ 12,825,329</u>	<u>\$ 2,315,719</u>	<u>\$ 15,141,048</u>
Net position:			
Investment in capital assets			
Restricted			
Unrestricted			

TOTAL NET POSITION

The accompanying notes are an integral part of these financial statements.

Adjustments (Note L)	Statement of Net Position
	\$ 10,606,947
	48,127
	4,473,513
	12,461
\$ 95,098	95,098
<u>95,098</u>	<u>15,236,146</u>
124,513	124,513
<u>124,513</u>	<u>124,513</u>
	7,578,510
3,485	3,485
<u>1,011,300</u>	<u>1,011,300</u>
<u>1,014,785</u>	<u>8,593,295</u>
<u>87,620</u>	<u>87,620</u>
<u>87,620</u>	<u>87,620</u>
(12,461)	
(2,190,209)	
(5,359,868)	
<u>(7,562,538)</u>	
95,098	95,098
2,301,633	2,301,633
<u>4,283,013</u>	<u>4,283,013</u>
<u>\$ 6,679,744</u>	<u>\$ 6,679,744</u>

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

STATEMENTS OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2016

	<u>General</u>	<u>PEG Fee</u>	<u>Total</u>
PROGRAM REVENUES			
Franchise fees	\$ 14,286,995		\$ 14,286,995
Public, educational and government fees		\$ 2,856,564	2,856,564
Miscellaneous	10,879		10,879
TOTAL REVENUES	<u>14,297,874</u>	<u>2,856,564</u>	<u>17,154,438</u>
EXPENDITURES/EXPENSES			
General government and administration	14,321,739	2,048,725	16,370,464
Capital outlay			
TOTAL EXPENDITURES/EXPENSES	<u>14,321,739</u>	<u>2,048,725</u>	<u>16,370,464</u>
NET PROGRAM (EXPENSES) REVENUES	(23,865)	807,839	783,974
GENERAL REVENUES			
Interest income	14,171	(1,980)	12,191
Loss on disposal of assets			
TOTAL GENERAL REVENUES	<u>14,171</u>	<u>(1,980)</u>	<u>12,191</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(9,694)	805,859	796,165
Fund balance/net position, beginning of year,	<u>5,382,023</u>	<u>1,384,350</u>	<u>6,766,373</u>
FUND BALANCE/NET POSITION END OF YEAR	<u>\$ 5,372,329</u>	<u>\$ 2,190,209</u>	<u>\$ 7,562,538</u>

The accompanying notes are an integral part of these financial statements.

Adjustments (Note L)	Statement of Activities
	\$ 14,286,995
	2,856,564
	10,879
	<u>17,154,438</u>
\$ 116,412	16,486,876
<u>116,412</u>	<u>16,486,876</u>
(116,412)	667,562
	12,191
(11,508)	(11,508)
<u>(11,508)</u>	<u>683</u>
(127,920)	668,245
<u>(754,874)</u>	<u>6,011,499</u>
<u>\$ (882,794)</u>	<u>\$ 6,679,744</u>

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

STATEMENT OF REVENUES AND
EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Franchise fees	\$ 13,600,000	\$ 13,600,000	\$ 14,286,995	\$ 686,995
Interest income	2,500	2,500	14,171	11,671
Miscellaneous	10,000	10,000	10,879	879
TOTAL REVENUES	<u>13,612,500</u>	<u>13,612,500</u>	<u>14,312,045</u>	<u>699,545</u>
EXPENDITURES				
General government and administration:				
Salaries and benefits	940,500	940,500	742,977	197,523
Services and supplies	13,395,682	13,395,682	13,578,762	(183,080)
Capital outlay	25,000	25,000		25,000
Contingency	32,874	32,874		32,874
TOTAL EXPENDITURES	<u>14,394,056</u>	<u>14,394,056</u>	<u>14,321,739</u>	<u>72,317</u>
NET CHANGE IN FUND BALANCE	<u>\$ (781,556)</u>	<u>\$ (781,556)</u>	<u>\$ (9,694)</u>	<u>\$ 771,862</u>

The accompanying notes are an integral part of these financial statements.

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

STATEMENT OF REVENUES AND
EXPENDITURES - BUDGET AND ACTUAL
PEG FEE FUND

For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Public, educational and government fees	\$ 2,600,000	\$ 2,600,000	\$ 2,856,564	\$ 256,564
Interest income	2,500	2,500	(1,980)	(4,480)
TOTAL REVENUES	<u>2,602,500</u>	<u>2,602,500</u>	<u>2,854,584</u>	<u>252,084</u>
EXPENDITURES				
General government and administration				
Services and supplies	3,046,513	3,046,513	2,048,725	997,788
Capital outlay	36,382	36,382		36,382
Contingency	100,223	100,223		100,223
TOTAL EXPENDITURES	<u>3,183,118</u>	<u>3,183,118</u>	<u>2,048,725</u>	<u>1,134,393</u>
NET CHANGE IN FUND BALANCE	<u>\$ (580,618)</u>	<u>\$ (580,618)</u>	<u>\$ 805,859</u>	<u>\$ 882,309</u>

The accompanying notes are an integral part of these financial statements.

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET

June 30, 2017

	<u>General</u>	<u>PEG Fee</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 13,980,293	\$ 1,632,278	\$ 15,612,571
Interest receivable	45,496	5,970	51,466
Accounts receivable	4,142,566	855,535	4,998,101
Other assets	19,572		19,572
Equipment, net of depreciation			
TOTAL ASSETS	<u>\$ 18,187,927</u>	<u>\$ 2,493,783</u>	<u>\$ 20,681,710</u>
DEFERRED OUTFLOW OF RESOURCES			
Pensions			
TOTAL DEFERRED OUTFLOW OF RESOURCES			
LIABILITIES			
Accounts payable and accrued expenses	\$ 12,432,182	\$ 105,504	\$ 12,537,686
Long-term liabilities:			
Due within one year			
Due in more than one year			
TOTAL LIABILITIES	<u>12,432,182</u>	<u>105,504</u>	<u>12,537,686</u>
DEFERRED INFLOW OF RESOURCES			
Pensions			
TOTAL DEFERRED INFLOW OF RESOURCES			
FUND BALANCES/NET POSITION			
Fund balance:			
Nonspendable	19,572		19,572
Restricted		2,388,279	2,388,279
Unassigned	5,736,173		5,736,173
Total fund balances	<u>5,755,745</u>	<u>2,388,279</u>	<u>8,144,024</u>
TOTAL LIABILITIES, DEFERRED OUTFLOW OF RESOURCES FUND BALANCES	<u>\$ 18,187,927</u>	<u>\$ 2,493,783</u>	<u>\$ 20,681,710</u>
Net position:			
Investment in capital assets			
Restricted			
Unrestricted			
TOTAL NET POSITION			

The accompanying notes are an integral part of these financial statements.

Adjustments (Note L)	Statement of Net Position
	\$ 15,612,571
	51,466
	4,998,101
	19,572
\$ 70,005	70,005
<u>70,005</u>	<u>20,751,715</u>
193,833	193,833
<u>193,833</u>	<u>193,833</u>
	12,537,686
1,196	1,196
<u>1,105,526</u>	<u>1,105,526</u>
<u>1,106,722</u>	<u>13,644,408</u>
<u>102,831</u>	<u>102,831</u>
<u>102,831</u>	<u>102,831</u>
(19,572)	
(2,388,279)	
(5,736,173)	
<u>(8,144,024)</u>	
70,005	70,005
2,413,372	2,413,372
<u>4,714,932</u>	<u>4,714,932</u>
<u>\$ 7,198,309</u>	<u>\$ 7,198,309</u>

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

STATEMENTS OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2017

	<u>General</u>	<u>PEG Fee</u>	<u>Total</u>
PROGRAM REVENUES			
Franchise fees	\$ 15,120,313		\$ 15,120,313
Public, educational and government fees		\$ 3,023,961	3,023,961
Miscellaneous	9,096		9,096
TOTAL REVENUES	<u>15,129,409</u>	<u>3,023,961</u>	<u>18,153,370</u>
EXPENDITURES/EXPENSES			
General government and administration	14,823,248	2,825,265	17,648,513
Capital outlay		11,901	11,901
TOTAL EXPENDITURES/EXPENSES	<u>14,823,248</u>	<u>2,837,166</u>	<u>17,660,414</u>
NET PROGRAM REVENUES	306,161	186,795	492,956
GENERAL REVENUES			
Interest income	77,255	11,275	88,530
Loss on disposal of assets			
TOTAL GENERAL REVENUES	<u>77,255</u>	<u>11,275</u>	<u>88,530</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	383,416	198,070	581,486
Fund balance/net position, beginning of year	<u>5,372,329</u>	<u>2,190,209</u>	<u>7,562,538</u>
FUND BALANCE/ NET POSITION END OF YEAR	<u>\$ 5,755,745</u>	<u>\$ 2,388,279</u>	<u>\$ 8,144,024</u>

The accompanying notes are an integral part of these financial statements.

<u>Adjustments (Note L)</u>	<u>Statement of Activities</u>
	\$ 15,120,313
	3,023,961
	9,096
	<u>18,153,370</u>
\$ 74,822	17,723,335
(11,901)	
<u>62,921</u>	<u>17,723,335</u>
(62,921)	430,035
	88,530
	<u>88,530</u>
(62,921)	518,565
<u>(882,794)</u>	<u>6,679,744</u>
<u>\$ (945,715)</u>	<u>\$ 7,198,309</u>

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

STATEMENT OF REVENUES AND
EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Franchise fees	\$ 14,332,799	\$ 14,332,799	\$ 15,120,313	\$ 787,514
Interest income	2,500	2,500	77,255	74,755
Miscellaneous	10,000	10,000	9,096	(904)
TOTAL REVENUES	<u>14,345,299</u>	<u>14,345,299</u>	<u>15,206,664</u>	<u>861,365</u>
EXPENDITURES				
General government and administration:				
Salaries and benefits	960,087	960,087	781,701	(178,386)
Services and supplies	14,067,334	14,067,334	14,041,547	(25,787)
Capital outlay	70,000	70,000		(70,000)
Contingency	70,000	70,000		(70,000)
TOTAL EXPENDITURES	<u>15,167,421</u>	<u>15,167,421</u>	<u>14,823,248</u>	<u>(344,173)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (822,122)</u>	<u>\$ (822,122)</u>	<u>\$ 383,416</u>	<u>\$ 517,192</u>

The accompanying notes are an integral part of these financial statements.

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

STATEMENT OF REVENUES AND
EXPENDITURES - BUDGET AND ACTUAL
PEG FUND

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Public, educational and government fees	\$ 2,750,000	\$ 2,750,000	\$ 3,023,961	\$ 273,961
Interest income	1,000	1,000	11,275	10,275
TOTAL REVENUES	<u>2,751,000</u>	<u>2,751,000</u>	<u>3,035,236</u>	<u>284,236</u>
EXPENDITURES				
General government and administration:				
Services and supplies	3,757,653	3,757,653	2,825,265	(932,388)
Capital outlay	47,213	47,213	11,901	(35,312)
Contingency	140,036	140,036		(140,036)
TOTAL EXPENDITURES	<u>3,944,902</u>	<u>3,944,902</u>	<u>2,837,166</u>	<u>(1,107,736)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (1,193,902)</u></u>	<u><u>\$ (1,193,902)</u></u>	<u><u>\$ 198,070</u></u>	<u><u>\$ (823,500)</u></u>

The accompanying notes are an integral part of these financial statements.

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2016 and 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Sacramento Metropolitan Cable Television Commission (the Commission) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies of the Commission are described below.

Background: The Commission was organized through a Joint Powers Agreement (JPA) beginning in October 1982 under chapter 5.50 of Title 5 of the Sacramento County Code. The purpose of the Commission includes administering the franchising and licensing of cable television services within the Sacramento community. The County of Sacramento and the cities of Sacramento, Galt, Folsom, Elk Grove, Rancho Cordova, and Citrus Heights are members of the Commission.

The power and authority of the Commission is vested with a Board of Directors consisting of eleven Board members. The Commission's Board of Directors is comprised of 5 members from the County Board of Supervisors: 3 members of the Sacramento City Council, 1 member of the Citrus Heights City Council, 1 member of the Elk Grove City Council and 1 member appointed to represent Rancho Cordova, Folsom and Galt.

One of the purposes of the Commission is to administer State-issued cable television franchises in the County of Sacramento. The Commission collects franchise fees from cable providers, which is rent paid for the use of the public rights-of-way. The Commission uses part of the 5% franchise fee revenues it receives to support the administration and enforcement arm of the Commission, to help fund activities and operations of four independent community Channel Licensees (Access Sacramento, Capitol Public Radio, KVIE, and the Sacramento Education Cable Consortium), and to operate Metro Cable 14, the local government channel. The balance of the franchise fee revenue is distributed to the Commission's seven member jurisdictions at the end of each fiscal year.

Digital Infrastructure and Video Act of 2006 (DIVCA) allowed local entities including joint power agencies to impose a fee up to 3% to support Public, Educational and Governmental (PEG) channel facilities. On February 5, 2009 the Commission's board adopted resolution number 09.001 to implement a 1% PEG fee collection.

The use of PEG fees is restricted to pay for capital and equipment costs incurred for the provision of public, educational and government programming on the cable systems and for the institutional network that is also part of the cable system and such other expenditures as the Commission may determine proper under state and federal law. The 1% PEG fee revenue is distributed each fiscal year to member agencies, channel licensees, and Metro Cable, to help fund capital equipment and facility needs to support PEG channel activities. The funds cannot be used for operational expenses such as staffing.

The Commission's reporting entity includes all financial activities under control of its Board of Directors. Control was determined on the basis of budget adoption and continuing oversight responsibilities.

Basis of Presentation – Government-wide Financial Statements: The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the Commission. The effect of interfund activity has been removed from these statements. The Commission has only governmental activities, which are supported primarily by franchise fees and PEG fees.

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2016 and 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Franchise fees and PEG fees are recognized as revenues in the year in which the fee relates.

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first, then unrestricted resources as they are needed.

Basis of Presentation – Fund Financial Statements: Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Commission considers all revenues to be available if they are collected within 90 days of the end of the current fiscal period. Franchise fees and PEG fees and investment earnings associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Payable balances consist primarily of payables to member agencies.

Fund Accounting: The accounts of the Commission are organized on the basis of funds. A fund is a separate accounting unit with a self-balancing set of accounts. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Commission resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent. The Commission's funds are as follows:

General Fund: Used to account for all financial resources except those required or designated by the Board of Directors to be accounted for in another fund. Franchise fees are accounted for in this fund.

PEG Fee Fund: Used to account for the 1% PEG fee and related expenditures. Because these fees are to be expended for capital items, the entire fund balance is reported as restricted.

Capital Assets: Capital assets for governmental fund types are not capitalized in the funds used to acquire or construct them. Capital acquisitions are reflected as expenditures in the governmental fund, and the related assets are reported in the government-wide financial statements. Capital assets are recorded at historical cost. Donated assets are valued at estimated fair value on the date received. Equipment is depreciated using the straight-line method over 5 years with 10% residual value for certain items.

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2016 and 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Maintenance and repairs are charged to operations when incurred. It is the Commission's policy to capitalize all capital assets with a cost of more than \$5,000 and a useful life of more than one year. Costs of assets sold or retired (and the related amounts of accumulated depreciation) are eliminated in the year of sale or retirement, and the resulting gain or loss is recognized in operations. In governmental funds, the sale of general capital assets is included in the statement of revenues, expenditures and changes in fund balance as proceeds from sale.

Compensated Absences: Regular, full-time Commission employees are granted vacation and sick leave in varying amounts based upon length of service. Any accrued hours, not in excess of the maximum allowable, which are unused during the current period, are carried forward to following years. Additionally, certain employees are allowed compensated time-off (CTO) in lieu of overtime compensation and/or for working on holidays. Unused CTO is paid out every year in January. Any sick leave hours not used during the period are carried forward to future years, with no limit to the number of hours that can be accumulated. The Commission pays 1/3 of accumulated sick leave to employees upon termination with a minimum two years of service.

The General Fund records expenditures for compensated absences as they are taken by employees. Each year's budget includes a provision for the estimated expenditure for the current year. Compensated absences are accrued in the government-wide financial statements when earned. A liability for compensated absences is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements and is currently payable. Each year's budget includes a provision for the estimated expenditure for the current year.

Fund Equity: In the fund financial statements, governmental funds report fund balances in the following categories:

Nonspendable Fund Balance – Fund balance should be reported as nonspendable when amounts cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable balances are not expected to be converted to cash within the next operating cycle, which comprise prepaid items and other assets.

Restricted Fund Balance – Fund balance should be reported as restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Fund balances should be reported as committed when the amounts can only be used for specific purposes determined by formal action of the Commission's highest level of decision-making authority (resolution by the Board of Directors). These amounts cannot be used for any other purpose unless the Commission's Board of Directors modifies or removes the fund balance commitment.

Assigned Fund Balance – Fund balance should be reported as assigned when the amounts are constrained by the Commission's intent to be used for specific purposes, but are neither restricted nor committed. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose.

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2016 and 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the Commission's General Fund that includes amounts not contained in the other classification.

Net Position: The government-wide financial statements report net position. The following are the three categories:

Investment in Capital Assets – This category groups all capital assets into one component of net position. Accumulated depreciation reduces the balance in this category.

Restricted Net Assets – This category presents external restrictions imposed by creditors, grantors, contributors, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets – This category represents net position of the Commission not restricted for any project or other purpose.

Fund Balance Policy: When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) fund balances are available, restricted amounts would be reduced first. When expenditures are incurred for purposes for which committed, assigned, or unassigned fund balances are available, committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts.

The Board of Directors is the highest level of authority. It establishes, modifies, or rescinds fund balance commitments and assignments by the passage of a resolution and approval of the detailed implementation plan. The action to commit funds must occur prior to fiscal year-end, to report such commitments in the balance sheet of the respective period, even though the amount may be determined subsequent to fiscal year-end. A commitment can only be modified or removed by the same formal action. When it is appropriate for fund balance to be assigned, the Commission delegates the responsibility to assign funds to the Executive Director or his/her designee. Assignments may occur subsequent to fiscal year-end.

The Commission has set aside \$679,062 as of June 30, 2016 and \$829,062 as of June 30, 2017 for general reserves to be used for unanticipated expenditures and to offset revenue shortfalls during the fiscal years. The reserve was authorized by the Commission's Board of Directors through board resolution. For the purpose of reporting fund balance, this amount is reported as unassigned in the General Fund.

Reclassifications: Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

Budgetary Principles: As required by the Agreement of Formation of the Commission, the Commission's Board of Directors adopts a preliminary budget prior to July 1st and a final budget prior to September 1st of each fiscal year. Until the adoption of the final balanced budget, operations are governed by the adopted proposed budget approved by the Board. Public hearings are conducted on the proposed final budget to review all appropriations and the sources of financing.

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2016 and 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating budgets are adopted for the General Fund on the modified accrual basis of accounting except as explained below. Budgetary control and the legal level of control are at the object level which classifies expenditures by type of goods purchased and services obtained. The *Statement of Revenues and Expenditures - Budget to Actual* presents revenues at the source level and expenditures at the function level.

New Pronouncements: In June 2015, the GASB issued Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)”, replaces the requirements of GASB Statement No. 45 and requires governments that are responsible only for OPEB liabilities related to their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria to report a net OPEB liability, which is the difference between the total OPEB liability and assets accumulated in the trust and restricted to making benefit payments, on the face of the financial statements. Governments that participate in a cost-sharing OPEB plan that is administered through a trust that meets the specified criteria will report a liability equal to their proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan. Governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability related to their employees. This Statement also requires governments to present more extensive note disclosures and required supplementary information about their OPEB liabilities. This Statement is effective beginning the year ended June 30, 2018.

The Commission is currently analyzing the impact of the required implementation of this new statement.

NOTE B – CASH AND CASH EQUIVALENTS

Investment policy: California statutes authorize special districts to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The Commission does not have its own investment policy that addresses its interest rate risk, credit risk and concentration of credit risk, but uses the County’s policy.

Investment in the County of Sacramento’s Investment Pool: The Commission maintains its cash in Sacramento County’s cash and investment pool, which is managed by the Sacramento County Treasurer. The amount invested by all public agencies in Sacramento County’s cash and investment pool is \$3,484,900,826 and \$3,918,146,360 at June 30, 2016 and 2017, respectively. Sacramento County does not invest in any derivative financial products. The Sacramento County Treasury Investment Oversight Committee (Committee) has oversight responsibility for Sacramento County’s cash and investment pool. The Committee consists of ten members as designated by State law. The value of pool shares in Sacramento County that may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the Commission’s position in the pool. Investments held in the County’s investment pool are available on demand to the Commission and are stated at cost, which approximates fair value.

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of June 30, 2016 and 2017, the weighted average maturity of the investments contained in the County’s investment pool was approximately 253 days and 277 days, respectively.

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2016 and 2017

NOTE B – CASH AND CASH EQUIVALENTS (Continued)

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating issued by a nationally recognized statistical rating organization. The County's investment pool does not have a rating provided by a nationally recognized statistical rating organization.

Custodial Credit Risk: Custodial risk is the risk that the government will not be able to recover its deposits or the value of its investments that are in the possession of an outside party. Custodial credit risk does not apply to a local government's indirect deposits or investment in securities through the use of government investment pools (such as the County's investment pool).

NOTE C – CAPITAL ASSETS

Capital asset activity for the years ended June 30, 2016 and 2017 was as follows:

	Balance June 30, 2015	Additions	Disposals	Adjustments	Balance June 30, 2016
Capital assets, being depreciated:					
Equipment	\$ 697,433		\$ (64,710)	\$ 11,674	\$ 644,397
Total capital assets, being depreciated	697,433	-	(64,710)	11,674	644,397
Less accumulated depreciation for:					
Equipment	(490,911)	\$ (99,916)	53,202	(11,674)	(549,299)
Total accumulated depreciation	(490,911)	(99,916)	53,202	(11,674)	(549,299)
Total capital assets for governmental activities	\$ 206,522	\$ (99,916)	\$ (11,508)	\$ -	\$ 95,098
	Balance June 30, 2016	Additions	Disposals	Adjustments	Balance June 30, 2017
Capital assets, being depreciated:					
Equipment	\$ 644,397	\$ 11,901			\$ 656,298
Total capital assets, being depreciated	644,397	11,901			656,298
Less accumulated depreciation for:					
Equipment	(549,299)	(36,994)			(586,293)
Total accumulated depreciation	(549,299)	(36,994)			(586,293)
Total capital assets for governmental activities	\$ 95,098	\$ (25,093)	\$ -	\$ -	\$ 70,005

The adjustments for the year ended June 30, 2016 represent assets that were previously disposed of that were identified as an active assets during the year.

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2016 and 2017

NOTE D – LONG-TERM LIABILITIES

The following is a summary of long-term liabilities activity of the Commission for the years ended June 30, 2016 and 2017:

	Balance June 30, 2015	Additions	Repayments	Balance June 30, 2016	Due Within One Year
Compensated absences	\$ 58,578	\$ 41,257	\$ (38,932)	\$ 60,903	\$ 3,485
Other post-employment benefits	279,483	84,945	(119,252)	245,176	
Net pension liability	523,066	185,640		708,706	
	<u>\$ 861,127</u>	<u>\$ 311,842</u>	<u>\$ (158,184)</u>	<u>\$ 1,014,785</u>	<u>\$ 3,485</u>
	Balance June 30, 2016	Additions	Repayments	Balance June 30, 2017	Due Within One Year
Compensated absences	\$ 60,903	\$ 45,329	\$ (48,027)	\$ 58,205	\$ 1,196
Other post-employment benefits	245,176	87,164	(117,861)	214,479	
Net pension liability	708,706	125,332		834,038	
	<u>\$ 1,014,785</u>	<u>\$ 257,825</u>	<u>\$ (165,888)</u>	<u>\$ 1,106,722</u>	<u>\$ 1,196</u>

NOTE E – OPERATING LEASES

In October 2012, the Commission entered into a new five-year lease agreement for office space commencing on November 1, 2012. This agreement was renewed for another five years commencing January 1, 2018. The monthly rental payments are \$2,340 through December 31, 2017 and increase to \$2,758.86 in January 2018.

Future minimum non-cancelable operating lease payments are as follows:

<u>Year ending June 30:</u>	Amount
2018	\$ 30,593
2019	33,106
2020	33,106
2021	33,106
2022	33,106
2023	16,553
	<u>\$ 179,570</u>

NOTE F – OTHER POST-EMPLOYMENT BENEFITS

Plan Description: The Commission provides medical coverage through CalPERS to eligible retirees and their dependents. The Commission contributes 100% of the premium for the employee and his or her dependents up to, but not exceeding, 80% of the Kaiser (pre-Medicare) family premium rate in the Sacramento region. This provides a maximum monthly subsidy of \$1,445 per month in 2016, which decreased to \$1,436 per month in 2017.

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2016 and 2017

NOTE F – OTHER POST-EMPLOYMENT BENEFITS (Continued)

Funding Policy: On June 6, 2013, the Commission entered into an agreement to contribute to the California Employer’s Retiree Benefit Trust (CERBT) Fund, an irrevocable trust established to fund OPEB. CERBT is administrated by CALPERS, and is managed by an appointed board not under the control of the Commission. This trust is not considered a component unit by the Commission and has been excluded from these financial statements. The CERBT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained from the California Public Employee’s Retirement System, CERBT, P.O. Box 942703, Sacramento, CA 94229-2703.

The contribution requirements of the Commission’s participants and the Commission are established by, and may be amended by the Commission pursuant to agreements with employees. The Commission contributed \$35,651 and \$31,543 during the years ended June 30, 2016 and 2017, respectively, on a pay-as-you-go basis for current benefit payments. The Commission also contributed to the OPEB trust \$83,601 and \$86,318 during the years ended June 30, 2016 and 2017, respectively, on a prefunding basis. Retired plan members and their beneficiaries pay the annual premium cost not paid by the employer.

Annual OPEB Cost and Net OPEB Obligation: The Commission’s annual other post-employment benefit cost (expense) is calculated based on the annual required contribution (ARC) of the employer. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following table shows the components of the Commission’s annual OPEB cost for the years ended June 30, 2016 and 2017, the amount actually contributed to the Plan, and changes in the Commission’s Net OPEB obligation:

	2016	2017
Annual required contribution	\$ 83,601	\$ 86,318
Interest on net OPEB obligation	19,563	19,657
Adjustment to annual required contribution	(18,219)	(18,811)
Annual OPEB cost (expense)	84,945	87,164
Prefund OPEB	(83,601)	(86,318)
Contributions made (premium payments made)	(35,651)	(31,543)
Change in net OPEB obligation	(34,307)	(30,697)
Net OPEB obligation, beginning of year	279,483	245,176
Net OPEB obligation, end of year	\$ 245,176	\$ 214,479
Covered payroll	\$ 432,121	\$ 458,673
ARC as a percent of payroll	19.3%	18.8%

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2016 and 2017

NOTE F – OTHER POST-EMPLOYMENT BENEFITS (Continued)

The Commission’s annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the last three fiscal years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2015	\$ 96,621	99.4%	\$ 279,483
6/30/2016	84,945	140.4%	245,176
6/30/2017	87,164	135.2%	214,479

Funded Status and Funding Progress: The funded status of the Plan as of July 1, 2017 (the Plan’s most recent actuarial valuation) is as follows:

Actuarial accrued liability (AAL)	\$ 940,181
Actuarial value of Plan assets	(122,318)
Unfunded actuarial accrued liability (UAAL)	817,863
Funded ratio (actuarial value of Plan assets/AAL)	13.0%
Covered payroll (active Plan participants)	406,164
UAAL as a percentage of covered payroll	201.4%

Actuarial valuations of an ongoing plan involve estimates of the value of expected benefit payments and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Due to the relatively small size of the Commission’s employee group, differences from actuarial assumptions and actual experience are more likely to occur. These variances lead to more volatility in results from one valuation to the next.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan participants) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan participants to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

For the July 1, 2015 actuarial valuation, the Plan’s most recent valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 6.5% discount rate, a 3.25% salary increase and a 2.75% general inflation rate. Actual premiums were used for 2016. Premiums were assumed to increase from 7.5% in 2017, grading down to 4.5% for 2023 and thereafter. The initial UAAL was amortized as a level percentage of projected payroll over a fixed 30-year period as of July 1, 2009.

Changes were made in the actuarial assumptions in the July 1, 2015 actuarial valuation, which included the following: the discount rate was decreased from 7% to 6.5%, the assumed wage inflation rate was decreased from 3.25% to 3% and the general inflation rate was decreased from 3% to 2.75%.

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2016 and 2017

NOTE G – PENSION PLANS

Plan Descriptions: All qualified permanent and probationary employees are eligible to participate in the District’s cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS). The Board has the following cost-sharing Plans:

- Miscellaneous Plan
- PEPRA Miscellaneous Plan

Benefit provisions under the Plans are established by State statute and Board resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at www.calpers.ca.gov.

Benefits Provided: CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 (52 for PEPRA Miscellaneous Plan) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is the following: the 1957 Survivor Benefit or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plans’ provisions and benefits in effect at June 30, 2016 and 2017, are summarized as follows:

Hire date	Miscellaneous Plan (Prior to January 1, 2013)	PEPRA Miscellaneous Plan (On or after January 1, 2013)
Benefit formula (at full retirement)	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates - 2016	6.891%	6.75%
Required employer contribution rates - 2016	9.829%	7.00%
Required employee contribution rates - 2017	6.886%	6.75%
Required employer contribution rates - 2017	9.902%	7.022%

In addition to the contribution rates above, the Commission was also required to make payments of \$25,467 and \$21,804 toward its unfunded actuarial liability during the years ended June 30, 2017 and 2016, respectively.

The Miscellaneous Plan is closed to new members that are not already CalPERS eligible participants.

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2016 and 2017

NOTE G –PENSION PLANS (Continued)

Contributions: Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Commission is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the years ended June 30, 2016 and 2017 the contributions recognized as part of pension expense were \$49,482 and \$56,118, respectively.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions: As of June 30, 2016 and 2017, the Commission reported a net pension liability for its proportionate share of the net pension liability of \$708,706 and \$834,038, respectively.

The Commission’s net pension liability is measured as the proportionate share of the net pension liability of the pool. The net pension liability as of June 30, 2016 and 2017 is measured as of June 30, 2016 and 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 and 2016 rolled forward to June 30, 2016 and 2017 using standard update procedures. The Commission’s proportion of the net pension liability was based on a projection of the Commission’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The Commission’s proportionate share of the net pension liability for the Plans as of June 30, 2016 and 2017 was as follows:

Proportion - June 30, 2015	0.019066%
Proportion - June 30, 2016	0.020401%
Change - Increase (Decrease)	0.001335%
Proportion - June 30, 2017	0.021157%
Change - Increase (Decrease)	0.000756%

For the years ended June 30, 2016 and 2017, the Commission recorded pension expense of \$96,892 and \$127,341, respectively. At June 30, 2016 and 2017, the Commission reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	June 30, 2016		June 30, 2017	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 1,831	\$ (420)	\$ 1,146	\$ (16,422)
Changes in assumptions		(17,326)	142,222	(10,845)
Net differences between projected and actual earnings on plan investments	90,174		32,165	
Adjustment due to differences in proportions	32,508	(30,749)	18,300	(16,729)
Difference between actual vs. allocated contributions		(39,125)		(58,835)
Total	<u>\$ 124,513</u>	<u>\$ (87,620)</u>	<u>\$ 193,833</u>	<u>\$ (102,831)</u>

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2016 and 2017

NOTE G –PENSION PLANS (Continued)

The net deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended	
June 30	
2018	\$ (1,382)
2019	71,202
2020	40,279
2021	(19,097)
	<u>\$ 91,002</u>

Actuarial Assumptions: The total pension liabilities in the actuarial valuations for the Plan were determined using the following actuarial assumptions:

	June 30, 2017	June 30, 2016
Valuation Date	June 30, 2016	June 30, 2015
Measurement Date	June 30, 2017	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.15%	7.65%
Inflation	2.75%	2.75%
Payroll Growth	3.0%	3.0%
Projected Salary Increase	3.3% - 14.2% (1)	3.3% - 14.2% (1)
Mortality	Derived using CalPERS Membership Data for all Funds	Derived using CalPERS Membership Data for all Funds

(1) Depending on entry age and service

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2016 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2017 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate: The discount rates used to measure the total pension liability was 7.15% and 7.65% for June 30, 2017 and 2016. The current rate of 7.15% reflects the long-term expected rate of return for the Plan net of investment expenses and without reduction for administrative expenses. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS used the amortization and smoothing periods adopted by the Board in 2013. For the Plan, the crossover test was performed for a miscellaneous agent plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The crossover test results are presented in a detailed report that can be obtained from the CalPERS website.

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2016 and 2017

NOTE G –PENSION PLANS (Continued)

In Fiscal Year 2016-2017, the financial reporting discount rate for the Plan was lowered from 7.65 percent to 7.15 percent. Deferred outflows of resources for changes of assumptions represent the unamortized portion of this assumption change.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class for each of the Plans. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	2017			2016		
	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.0%	4.90%	5.38%	51.0%	5.25%	5.71%
Global Fixed Income	19.0%	80.00%	2.27%	20.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.60%	1.39%	6.0%	0.45%	3.36%
Private Equity	12.0%	6.60%	6.63%	10.0%	6.83%	6.95%
Real Estate	11.0%	2.80%	5.21%	10.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	3.90%	5.36%	2.0%	4.50%	5.09%
Liquidity	2.0%	(0.40)%	(0.90)%	1.0%	(0.55)%	(1.05)%
Total	<u>100.0%</u>			<u>100.0%</u>		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2016 and 2017

NOTE G –PENSION PLANS (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the Commission’s proportionate share of the net pension liability for the Plans, calculated using the discount rate for the Plans, as well as what the Commission’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate at June 30, 2016 and 2017:

	2016	2017
1% Decrease	6.65%	6.15%
Net Pension Liability	\$ 1,120,601	\$ 1,302,842
Current Discount Rate	7.65%	7.15%
Net Pension Liability	\$ 708,706	\$ 834,038
1% Increase	8.65%	8.15%
Net Pension Liability	\$ 368,294	\$ 445,766

Pension Plan Fiduciary Net Position: Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE H – INSURANCE

The Commission is a member of the Golden State Risk Management Authority (GSRMA). The GSRMA is a risk-pooling self-insurance authority, created under the provisions of the California Government Code Sections 6500 et. seq. The purpose of the GSRMA is to provide a full risk management program for California local governments. GSRMA provides insurance through the pool up to a certain level, beyond which group purchased commercial excess insurance is obtained.

The Commission pays an annual premium to GSRMA for general liability, property, management liability, and workers compensation insurance coverage. The Commission’s annual premium is based on its pro-rata share of charges for the pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the GSRMA.

The Commission’s deductible and coverage are as follows:

Coverage	Commercial	GSRMA	Deductible
General liability/Automobile	\$1,000,000	\$250,000	None
Crime	10,000,000	25,000	\$2,500
Workers compensation	Statutory	300,000	None
Property	25,000,000	5,000 to 25,000	250 to 25,000

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2016 and 2017

NOTE I – COMMISSION SUNSET PROVISION

The Commission is formed by executing an Agreement with member agencies. Current member agencies include the County of Sacramento and the cities of Sacramento, Folsom, Galt, Citrus Heights, Rancho Cordova and Elk Grove.

Under Chapter 5.50.112, sub-part No. 9 of Sacramento County Code entitled “Agreement of Formation,” the Agreement shall terminate and the Commission shall be deemed dissolved on December 31, 2024. However, the Commission may make a recommendation to the member agencies regarding the continuation or early dissolution prior to December 31, 2024.

NOTE J – REVENUE DISTRIBUTIONS TO MEMBER AGENCIES

Under Sacramento County Code, Section 5.50.112, sub-part No. 6 and the Commission’s by-law, the Commission is required to distribute no less than 20% of franchise fees revenues received to its member agencies no later than the first day of October of each year. The Commission pays the franchise fees revenues to its member agencies in the same proportion as the ratios which the population of the unincorporated area of the County and incorporated area of the cities bear to the total population of the Sacramento community, as disclosed by the Federal Decennial Census. Distributions made to the member agencies for fiscal years 2015-16 and 2016-17 equaled \$12,050,042 and \$12,376,870, respectively.

NOTE K – COMMITMENTS AND CONTINGENCIES

Channel Licensees Annual Funding & Performance Agreements: The Commission has on-going agreements with four independent community channel licensees including Access Sacramento, Capital Public Radio, KVIE, and Sacramento Educational Cable Consortium to provide funding for their operations and capital facilities expenditures. Payments made to these grantees for fiscal years 2015-16 and 2016-17 equaled \$1,118,862 and \$1,205,567, respectively.

The Commission is not obligated to pay the amount agreed on to channel licensee unless the Commission receives sufficient franchise and/or license and/or PEG fees to make such payment. In the event the Commission receives some, but not all, of the fees necessary to fund all funding agreements, each licensee shall receive its pro rata share of the available funds based on the percentage each individual licensee's approved dollar amount under its funding agreement bears to the total dollar amount of all funding agreements.

BESTNet Network Phase III Construction: The Commission Board approved the First Addendum to the BESTNet Network Phase II Construction and Maintenance Agreement at their March 3, 2011 meeting, to provide connection of the identified elementary school sites (Phase III) to the network. The First Addendum is to provide up to a total of \$3 million for BESTNet Network Phase III over a five-year period to be completed July 1, 2016, to be funded out of the PEG Fee Fund budget.

Due to construction delays and contract disagreements Phase III has not been completed. The Commission has expended \$2,948,300 through June 30, 2017 and has allocated \$1,251,700 in its fiscal year 2017/18 budget to complete Phase III.

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2016 and 2017

NOTE L – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Amounts reported for governmental activities in the governmental funds balance sheet are being adjusted to arrive at the statement of net assets. The adjustments as of June 30, 2016 and 2017 are as follows:

	<u>2016</u>	<u>2017</u>
Fund Balance - Total Governmental Funds	\$ 7,562,538	\$ 8,144,024
<p>When capital assets that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the Commission as a whole.</p>		
Cost of capital assets	644,397	656,298
Accumulated depreciation	(549,299)	(586,293)
<p>Certain pension adjustments due to differences in proportions are reported as deferred outflows of resources on the statement of net position.</p>		
	124,513	193,833
<p>Long-term liabilities applicable to the Commission's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net assets.</p>		
Compensated absences	(60,903)	(58,205)
Liability for other post-employment benefits	(245,176)	(214,479)
Pension liability	(708,706)	(834,038)
<p>Employee pension differences to be recognized in the futures as pension expense are reported as deferred inflows of resources on the statement of net position.</p>		
	<u>(87,620)</u>	<u>(102,831)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 6,679,744</u>	<u>\$ 7,198,309</u>

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2016 and 2017

NOTE L – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
(Continued)

Amounts reported for governmental activities in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance are adjusted to arrive at the Statement of Activities for Government-wide presentation. The adjustments for the fiscal years ended June 30, 2016 and 2017 are as follows:

	<u>2016</u>	<u>2017</u>
Net Change in Fund Balance - Total Governmental Funds	\$ 796,165	\$ 581,486
<p>Governmental funds report capital outlay as expenditures. However, in the Government-wide Statement of Activities the cost of those assets when completed is allocated over their estimated useful lives as depreciation expense.</p>		
Cost of assets capitalized	-	11,901
Depreciation expense	(99,916)	(36,994)
<p>In the Government-wide Statement of Activities, only the gain or (loss) on the sale of capital assets is reported, whereas in the governmental funds, proceeds from sales increase financial resources.</p>		
Loss on disposal of assets	(11,508)	
<p>Some expenses reported in the Government-wide Statement of Activities do not require the use of current financial resources and therefore are not expenditures in the governmental funds.</p>		
Change in compensated absences	(2,325)	2,698
Change in other post-employment benefits liability	34,307	30,697
Change in net pension liability	(185,640)	(125,332)
Change in deferred inflows and outflows	137,162	54,109
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 668,245</u>	<u>\$ 518,565</u>

REQUIRED SUPPLEMENTARY INFORMATION

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

REQUIRED SUPPLEMENTARY INFORMATION

For the Years Ended June 30, 2017 and 2016

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY - MISCELLANEOUS PLAN (UNAUDITED)**

Last 10 Years

	June 30			
	2017	2016	2015	2014
Proportion of the net pension liability	0.021157%	0.020401%	0.0191066%	0.0198%
Proportionate share of the net pension liability	\$ 834,038	\$ 708,706	\$ 523,066	\$ 490,432
Covered - employee payroll	\$ 341,959	\$ 324,079	\$ 273,759	\$ 299,923
Proportionate share of the net pension liability as a percentage of covered payroll	243.90%	218.68%	191.07%	163.52%
Plan fiduciary net position as a percentage of the total pension liability	75.53%	76.84%	82.10%	83.03%

Notes to Schedule:

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in assumptions: In the June 30, 2017 Actuarial Valuation, the discount rate was changed from 7.65% to 7.15%.

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2014. No information was available prior to this date.

SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN - MISCELLANEOUS PLAN (UNAUDITED)

Last 10 Years

	June 30			
	2017	2016	2015	2014
Contractually required contribution (actuarially determined)	\$ 56,118	\$ 48,414	\$ 33,426	\$ 32,918
Contributions in relation to the actuarially determined contributions	(56,118)	(48,414)	(33,426)	(32,918)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered - employee payroll	\$ 341,959	\$ 324,079	\$ 273,759	\$ 299,923
Contributions as a percentage of covered - employee payroll	16.41%	14.94%	12.21%	10.98%

Notes to Schedule:

Valuation date June 30:

Methods and assumptions used to determine contribution rates:

	2014	2013	2012	2011
Amortization method	Entry age normal			
Remaining amortization period	Level percentage of payroll, closed			
Asset valuation method	12 years	13 years	14 years	15 years
Inflation	5-year smoothed market			
Salary increases	2.75%	2.75%	2.75%	2.75%
Investment rate of return	1.22% to 3.20%			
	7.50%, net of pension plan investment expense, including inflation			

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2014. No information was available prior to this date.

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

OTHER POST EMPLOYMENT BENEFITS (OPEB) – SCHEDULE OF FUNDING PROGRESS

FOR THE YEARS ENDED JUNE 30, 2016 AND 2017

**Required Supplementary Information
Other Postemployment Benefits Plan
Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2012	\$ -	\$ 968,563	\$ 968,563	0.0%	\$ 391,020	247.7%
7/1/2013	-	795,197	795,197	0.0%	610,255	130.3%
7/1/2015	122,318	940,181	817,863	13.0%	406,164	201.4%

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COMPLIANCE REPORT



550 Howe Avenue, Suite 210
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Sacramento Metropolitan Cable Television Commission
Sacramento, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Sacramento Metropolitan Cable Television Commission (the Commission), as of and for the years ended 2016 and 2017, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated September 26, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

To the Board of Directors
Sacramento Metropolitan Cable Television Commission

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provision was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Richardson & Company, LLP". The signature is written in a cursive style and is positioned to the right of the date.

September 26, 2018



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A Joint Powers Agency Representing Sacramento County and the Cities of Citrus Heights, Elk Grove, Folsom, Galt, Rancho Cordova and Sacramento

AGENDA ITEM NO. 6

DATE: October 4, 2018

TO: Chair and Board of Directors

FROM: Robert A. Davison, Executive Director

SUBJECT: RESOLUTION NO. 2018-016, AMENDING THE CONFLICT OF INTEREST CODE FOR THE SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION; UPDATE TO THE DESIGNATED POSITIONS FOR CALENDAR YEAR 2018

RECOMMENDATION:

It is recommended the Board approve Resolution No. 2018-016, Amending the Conflict of Interest Code (Exhibit A) for the Sacramento Metropolitan Cable Television Commission (Commission); approving the updated list of Designated Positions; and delegate authority to the Executive Director and Legal Counsel to make minor changes as needed.

BACKGROUND/DISCUSSION:

Public agencies in California are required to adopt a Conflict of Interest Code that provides for disclosure of financial interests by its officers, employees, and consultants.

The California Fair Political Practices Commission's (FPPC) regulations mandate a biennial review of each agency's Conflict of Interest Code to ensure that disclosure categories and job titles of filers remain up-to-date.

Pursuant to Government Code section 82011, the Board of Supervisors of the County of Sacramento is the Code reviewing body for the Commission. Staff met with the County's Clerk office in 2016 where it was determined the Commission's Conflict of Interest Code, including the list of Designated Positions and Disclosure Categories needed to be updated.

As a result of that meeting:

- 1) the Commission Conflict of Interest Code was revised, which included changes the County recommended to the Code, along with the revised list of Designated Positions, and the list of Disclosure Categories;
- 2) the revisions were forwarded to and approved by the Commission Board at their September 1, 2016 meeting.

Agenda Item No. 6

Resolution No. 2018-016, Amending the Conflict of Interest Code

Page 2

In 2017, the following changes on the list of Designated Positions were forwarded to and approved by the Commission Board at their September 11, 2017 meeting:

- 1) the designated position of the Board member representing the cities of Folsom, Galt and Rancho Cordova changed to the Galt representative, with Councilmember Lori Heuer replacing Councilmember Andy Morin from Folsom;
- 2) the addition of a third Board Alternate appointment for the City of Sacramento;
- 3) the addition of a newly appointed Ex-Officio for the City of Rancho Cordova.

At their June 28, 2018 meeting, the Commission Board approved the updated list of Designated Positions with the following changes for Calendar Year 2018:

- 1) appointment of Matt Read, as Board Alternate for Councilmember Steve Hansen, in place of Consuelo Hernandez;
- 2) appointment of an **Alternate** to the Ex-Officio for the City of Rancho Cordova (a brand new position).

On June 29, 2018, Citrus Heights notified staff that their Mayor, Steve Miller will serve as Alternate to the Commission Board, in place of Councilmember Bret Daniels.

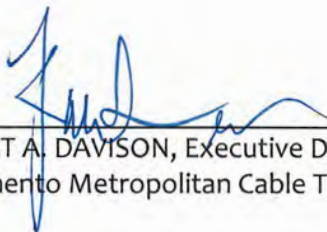
As well, the County recently asked that the Commission's Conflict of Interest Code (Exhibit A) be updated to document that our staff will continue to use the County's electronic filing system to manage our filers; and to include language in the Code that the Clerk of the County's Board of Supervisors will serve as the Commission's Filing Officer for all purposes.

Staff now recommends the Board:

- approve Resolution No. 2018-016, Amending the Conflict of Interest Code for the Sacramento Metropolitan Cable Television Commission (Exhibit A) which includes the language requested by the County;
- approve the updated Calendar Year 2018 list of Designated Positions (replacing CM Bret Daniels with Mayor Steve Miller); and
- delegate authority to the Executive Director and Legal Counsel to make minor changes to the Code and appendices as needed in the future.

The Commission's amended Conflict of Interest Code (Exhibit A) and updated list of Designated Positions will be forwarded to the County for processing.

Respectfully submitted,



ROBERT A. DAVISON, Executive Director
Sacramento Metropolitan Cable Television Commission

Attachments:

Resolution No. 2018-016, Amending the Conflict of Interest Code (Exhibit A)
Conflict of Interest Code (Exhibit A) – Amended October 2018
Designated Positions (Revised October 4, 2018)

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

RESOLUTION NO. 2018-016

**A RESOLUTION AMENDING THE CONFLICT OF INTEREST CODE
FOR THE SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION**

WHEREAS, the Political Reform Act requires every local government agency to review its Conflict of Interest Code biennially, each even-numbered year, and submit amendments to its code-reviewing body;

WHEREAS, the code-reviewing body for the Sacramento Metropolitan Cable Television Commission (Commission) is the Sacramento County Board of Supervisors. Code amendments are not effective until they have been approved by the code reviewing body;

WHEREAS, the Board of Directors substantially revised the Conflict of Interest Code in 2016 with the adoption of Resolution 2016-017;

WHEREAS, the Conflict of Interest Code and applicable law allows Commission staff to make minor, non-substantive edits to the Code;

WHEREAS, Commission staff wishes to amend the Conflict of Interest Code to clarify that the Commission will continue to use the County of Sacramento's electronic filing system; and

WHEREAS, the Clerk of the County Board of Supervisors will serve as the Commission's Filing Officer;

WHEREAS, in an abundance of caution, Commission staff is having the Board of Directors approve this non-substantive amendment to the Code.

NOW, THEREFORE, BE IT HEREBY RESOLVED THAT THE GOVERNING BOARD of the Sacramento Metropolitan Cable Television Commission adopts Resolution No. 2018-016, Amending the Conflict of Interest Code (Exhibit A). This Resolution does not make a substantive amendment to the Conflict of Interest Code. Except as modified as set forth in the attachment, this Resolution makes no additional edits to the Code.

On a motion by Director _____, seconded by Director _____, the foregoing Resolution was passed and adopted by the Governing Board of the Sacramento Metropolitan Cable Television Commission, State of California, this 4th day of October 2018, by the following vote, to wit:

AYES:

NOES:

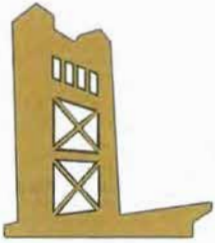
ABSTAIN:

ABSENT:

ATTEST BY:

Clerk of the Board

Chair of the Board



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EXHIBIT A

CONFLICT OF INTEREST CODE

(Updated October 4, 2018)

The Political Reform Act, Government Code Section 81000, *et seq.*, requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation, 2 Cal. Code Regs. Section 18730, which contains the terms of a standard conflict of interest code. It can be incorporated by reference and may be amended by the Fair Political Practices Commission after public notice and hearings to conform to amendments in the Political Reform Act. Therefore, by Resolution No. CATV 84-008, adopted on May 3, 1984, the Board of Directors of the Sacramento Metropolitan Cable Television Commission ("Commission") adopted the terms of 2 Cal. Code Regs. Section 18730, and any amendments to it duly adopted by the Fair Political Practices Commission, as the Conflict of Interest Code of the Commission. Said Section 18730, along with the attached Appendix A in which officers, employees, and consultants are designated and Appendix B of disclosure categories are set forth, constitute the Conflict of Interest Code of the Commission.

Persons holding designated positions shall file statements of economic interests (Form 700) with the Clerk of the Board of Supervisors for Sacramento County through the County's electronic filing system, which will make the statements available for public inspection and reproduction (Gov. Code § 81008.). The Clerk of the Board shall act as the Commission's filing officer for all purposes.



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CONFLICT OF INTEREST CODE APPENDIX A

DESIGNATED POSITIONS

CALENDAR YEAR 2018
(Revised October 4, 2018)

Designated Position	Position No. (County e-Disclosure System)	Name	Assigned Disclosure Categories
Board Member, County of Sacramento - District 1	0000014	Phillip Serna	1, 2, 3, 4, 5
Board Member, County of Sacramento - District 2	0000015	Patrick Kennedy	1, 2, 3, 4, 5
Board Member, County of Sacramento - District 3	0000013	Susan Peters	1, 2, 3, 4, 5
Board Member, County of Sacramento - District 4	0000010	Sue Frost	1, 2, 3, 4, 5
Board Member, County of Sacramento - District 5	0000012	Don Nottoli	1, 2, 3, 4, 5
Board Member, City of Sacramento	0000009	Steve Hansen	1, 2, 3, 4, 5
Board Member, City of Sacramento	0000008	Eric Guerra	1, 2, 3, 4, 5
Board Member, City of Sacramento	0000006	Lawrence Carr	1, 2, 3, 4, 5
Board Member, City of Citrus Heights	0000023	Albert Fox	1, 2, 3, 4, 5
Board Member, City of Elk Grove	0000007	Steve Detrick	1, 2, 3, 4, 5
Board Member, City of Galt (Representing Folsom, Galt and Rancho Cordova)	0000011	Lori Heuer	1, 2, 3, 4, 5
Board Alternate, County of Sacramento - District 1	0000003	Lisa Nava	1, 2, 3, 4, 5
Board Alternate, County of Sacramento - District 2	0000002	Susan McKee	1, 2, 3, 4, 5
Board Alternate, County of Sacramento - District 3	0000004	Howard Schmidt	1, 2, 3, 4, 5
Board Alternate, County of Sacramento, District 4	0000005	Matt Hedges	1, 2, 3, 4, 5
Board Alternate, City of Sacramento	0000024	Matthew Read	1, 2, 3, 4, 5
Board Alternate, City of Sacramento	0000025	Matthew Bryant	1, 2, 3, 4, 5
Board Alternate, City of Sacramento	0000027	Sarah Pollo	1, 2, 3, 4, 5
Board Alternate, City of Citrus Heights	0000017	Steve Miller	1, 2, 3, 4, 5
Board Alternate, City of Elk Grove	0000016	Stephanie Nguyen	1, 2, 3, 4, 5
Board Member (Ex-Officio), City of Rancho Cordova	0000018	Garrett Gatewood	1, 2, 3, 4, 5
Board Member (Ex-Officio Alternate), City of Rancho Cordova	0000028	Robert McGarvey	1, 2, 3, 4, 5

Appendix A
Conflict of Interest Code - Appendix A - Designated Positions
Calendar Year 2018 (Revised October 4, 2018)
Page 2

Designated Position	Position No. (County e-Disclosure System)	Name	Assigned Disclosure Categories
Executive Director	0000019	Robert Davison	1, 2, 3, 4, 5
Administrative Services Officer III	0000001	Karen Liu	1, 2, 3, 4, 5
Production Director	0000020	Kristin Riggs	1, 2, 3, 4, 5
Legal Counsel	0000022	Harriet Steiner	1, 2, 3, 4, 5
Legal Counsel	0000026	Joshua Nelson	1, 2, 3, 4, 5

The Executive Director or Commission Legal Counsel may determine in writing that a particular consultant, although a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in this Code. Such written determination shall include a description of the consultant’s duties and, based upon that description, a statement of the extent of disclosure requirements. The Executive Director’s or Commission Legal Counsel's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code.



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A Joint Powers Agency Representing Sacramento County and the Cities of Citrus Heights, Elk Grove, Folsom, Galt, Rancho Cordova and Sacramento

AGENDA ITEM NO. 7

DATE: October 4, 2018
TO: Chair and Board of Directors
FROM: Robert A. Davison, Executive Director
SUBJECT: CALENDAR YEAR 2019 QUARTERLY BOARD MEETING SCHEDULE

RECOMMENDATION:

It is recommended the Board receive and file the Quarterly Board Meeting Schedule for Calendar Year 2019.

DISCUSSION:

The Sacramento Metropolitan Cable Television Commission Board meets quarterly at 2:30 p.m. in the County of Sacramento's Board Chambers located at 700 H Street, Suite 1450.

The attached Quarterly Board Meeting Schedule for Calendar Year 2019 is subject to change and additional meetings may be added if necessary. The Executive Director will coordinate with the Chair regarding cancellation of any meetings, as well as the addition of meetings if needed.

It is recommended the Board receive the file the Calendar Year 2019 Quarterly Board Meeting Schedule.

Respectfully submitted,

ROBERT A. DAVISON, Executive Director
Sacramento Metropolitan Cable Television Commission

Attachment:
Calendar Year 2019 Quarterly Board Meeting Schedule



SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

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CALENDAR YEAR 2019 QUARTERLY BOARD MEETING SCHEDULE

Below are the quarterly meeting dates for the Sacramento Metropolitan Cable Television Commission Board, scheduled in Calendar Year 2019.

All meetings are held at 2:30 p.m. at the Sacramento County Board of Supervisors' Chambers located at 700 H Street, Suite 1450, Sacramento, CA.

The Calendar Year 2019 Quarterly Board Meeting Schedule is subject to change and additional meetings may be added if needed.

Date	Meeting
March 7, 2019	Regular Meeting
June 6, 2019	Regular Meeting / Budget Hearing
September 5, 2019	Regular Meeting
December 5, 2019	Regular Meeting



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A Joint Powers Agency Representing Sacramento County and the Cities of Citrus Heights, Elk Grove, Folsom, Galt, Rancho Cordova and Sacramento

AGENDA ITEM NO. 8

DATE: October 4, 2018
TO: Chair and Board of Directors
FROM: Robert A. Davison, Executive Director
SUBJECT: GENERAL ADMINISTRATION REPORT

RECOMMENDATION:

It is recommended the Board receive a verbal report from staff regarding the following administration matter:

- 1) Comcast's Calendar Years 2015 & 2016 Audit Update
- 2) Federal Communications Commission (FCC) Orders
 - a) Small Cell Order
 - b) In-Kind Offset Cable Proposed Rule
- 3) City of Sacramento – PSA on Sac Water Wise Services

Respectfully submitted,

ROBERT A. DAVISON, Executive Director
Sacramento Metropolitan Cable Television Commission



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A Joint Powers Agency Representing Sacramento County and the Cities of Citrus Heights, Elk Grove, Folsom, Galt, Rancho Cordova and Sacramento

AGENDA ITEM NO. 9

DATE: October 4, 2018
TO: Chair and Board of Directors
FROM: Robert A. Davison, Executive Director
SUBJECT: CHANNEL LICENSEE REPORTS

RECOMMENDATION:

It is recommended the Board receive verbal reports from the representatives of the following Channel Licensees who are present:

- A) Access Sacramento
- B) Capital Public Radio
- C) KVIE, Inc.
- D) Interfaith Council of Greater Sacramento (SacFaith TV)
- E) Sacramento Educational Cable Consortium

Respectfully submitted,

ROBERT A. DAVISON, Executive Director
Sacramento Metropolitan Cable Television Commission



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AGENDA ITEM NO. 10

DATE: October 4, 2018
TO: Chair and Board of Directors
FROM: Robert A. Davison, Executive Director
SUBJECT: STATE FRANCHISEE REPORTS

RECOMMENDATION:

It is recommended the Board receive verbal reports from representatives of the following state franchisees who are present:

- A) AT&T
- B) Comcast
- C) Consolidated Communications, Inc.

Respectfully submitted,

ROBERT A. DAVISON, Executive Director
Sacramento Metropolitan Cable Television Commission



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AGENDA ITEM NO. 11

DATE: October 4, 2018
TO: Chair and Board of Directors
FROM: Robert A. Davison, Executive Director
SUBJECT: PUBLIC COMMENTS

RECOMMENDATION:

It is recommended the Board receive comments from the public on matters that are not on the agenda.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'R. A. Davison', with a long, sweeping underline that extends to the right.

ROBERT A. DAVISON, Executive Director
Sacramento Metropolitan Cable Television Commission