

REPRESENTING
Sacramento County
and the Cities of:
Citrus Heights
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Sacramento



SACRAMENTO METROPOLITAN Cable Television Commission

ROBERT A. DAVISON
EXECUTIVE DIRECTOR

901 H STREET, SUITE 206 • SACRAMENTO, CA 95814 • PHONE (916) 874-6661 • FAX (916) 447-1450
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AGENDA

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION REGULAR BOARD MEETING Sacramento County Board Chambers - 700 H Street, S. 1450 Sacramento, California

THURSDAY, OCTOBER 7, 2010 – 2:30 p.m.

Board Members: Andy Morin (Chair), Steve Miller (Vice-Chair), Steve Detrick, Roger Dickinson, Roberta MacGlashan, Kevin McCarty, Don Nottoli, Susan Peters, Robbie Waters, Sandy Sheedy, Jimmie Yee
Ex Officio: Robert McGarvey
Elected Alternates: Bonnie Pannell; Jeff Slowey
Appointed Alternates: Art Gee (Alternate for Yee), Cortez Quinn (Alternate for Dickinson), Howard Schmidt (Alternate for Peters), Ted Wolter (Alternate for MacGlashan)

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.

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NOTE: SOME LENGTHY ATTACHMENTS / EXHIBITS MAY NOT BE INCLUDED IN THIS PACKAGE; COPIES ARE AVAILABLE UPON REQUEST.

CALL TO ORDER

- A. Roll Call
- B. Pledge of Allegiance

ITEM NO. 1) CLOSED EXECUTIVE SESSION

- A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Pursuant to subdivision (a) of Government Code Section 54956.9) – CITY OF LOS ANGELES, SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION, and CITY OF EL SEGUNDO vs. PACIFIC BELL TELEPHONE COMPANY, d/b/a SBC PACIFIC BELL

TELEPHONE COMPANY, d/b/a AT&T CALIFORNIA, Los Angeles Superior Court,
Central District, Case No. BC 414272.

ITEM NO. 2) SACRAMENTO EDUCATIONAL CABLE CONSORTIUM'S GRANT APPLICATION UPDATE FOR FEDERAL FUNDING FROM NTIA'S BROADBAND TECHNOLOGY OPPORTUNITIES PROGRAM (BTOP)

Action:

Receive an update of Sacramento Educational Cable Consortium's grant application for federal funding from NTIA's Broadband Technology Opportunities Program (BTOP), to expand Sacramento's Broadband Education Services Technology Network (BESTNet) infrastructure to elementary schools and selected public libraries; and provide direction to staff, if any, on how to proceed with the BESTNet Phase III Project.

ITEM NO. 3) SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION'S REVISED FISCAL YEAR 2010-11 BUDGET RESOLUTION

Action:

Adopt Resolution No. 2010-010, Revising the Fiscal Year 2010-11 Budget, to appropriate additional fund balance in the General Fund (094A), and to establish the PEG Fee Fund (094B).

ITEM NO. 4) RATIFY AMENDMENT TO THE LEGAL COUNSEL RETAINER AGREEMENT FOR FISCAL YEAR 2010-11

Action:

Ratify the Amendment to the Commission's Legal Counsel Retainer Agreement for Fiscal Year 2010-11, consenting assignment for legal services with McDonough Holland & Allen PC to Best Best & Krieger LLP.

ITEM NO. 5) FINANCIAL AUDIT OF THE SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION OF AND FOR THE FISCAL YEARS ENDED JUNE 30, 2007, 2008, & 2009

Action:

Receive and file the Financial Audit of the Sacramento Metropolitan Cable Television Commission of and for the Fiscal Years ended June 30, 2007, 2008, and 2009.

ITEM NO. 6) REVIEW OF FRANCHISE FEES REMITTED TO SMCTC BY SUREWEST TELEVIDEO FOR THE PERIOD JANUARY 1, 2005 THROUGH DECEMBER 31, 2008

Action:

Receive and file the review of the franchise fees remitted to the Sacramento Metro Cable Television Commission by SureWest Televideo for the period January 1, 2005 through December 31, 2008.

ITEM NO. 7) EMPLOYEE YEARS OF SERVICE AWARDS

Action:

Recognize Commission staff for years of service.

ITEM NO. 8) STAFF REPORT

Action:

- A. Receive a report from Executive Director Bob Davison on Commission business and matters.
- B. Determination of future Board Meetings (November 4, 2010 & December 2, 2010)

ITEM NO. 9) FRANCHISEE/LICENSEE STATUS REPORTS

Action:

Receive reports from State Video Franchisee representatives:

- A) AT&T
- B) Comcast
- C) SureWest

ITEM NO. 10) CHANNEL LICENSEE/GRANTEE STATUS REPORTS

Action:

Receive reports from Channel Licensee representatives:

- A) ACCESS Sacramento
- B) Capital Public Radio (CPR)
- C) KVIE
- D) RCCTV
- E) Sacramento Educational Cable Consortium (SECC)

ITEM NO. 11) PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA BUT WITHIN COMMISSION JURISDICTION

ADJOURNMENT

*This meeting of the Sacramento Metropolitan Cable Television Commission will be cablecast on METRO CABLE 14, the government affairs channel, **LIVE Thursday, October 7, 2010 at 2:30 p.m. and REPEATED Saturday, October 9, 2010, at Noon on Channel 14.** In addition, a video copy of this meeting is available for check out from any Sacramento Library branch (each meeting is available for 60 days following the meeting).*

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SACRAMENTO METROPOLITAN
Cable television
Commission

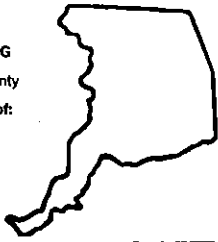
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AGENDA ITEM NO. 1

**This item is a closed
Executive Session.**

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SACRAMENTO METROPOLITAN



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AGENDA ITEM NO. 2

DATE: October 7, 2010
TO: Chair and Board of Directors
FROM: Robert A. Davison, Executive Director
SUBJECT: SACRAMENTO EDUCATIONAL CABLE CONSORTIUM'S GRANT APPLICATION UPDATE FOR FEDERAL FUNDING FROM NTIA'S BROADBAND TECHNOLOGY OPPORTUNITIES PROGRAM (BTOP)

RECOMMENDATION:

It is recommended the Board receive an update regarding Sacramento Educational Cable Consortium's grant application for federal funding from the National Telecommunications and Information Administration's Broadband Technology Opportunities Program to fund BESTNet, Phase III; and provide staff direction, if any, on how to proceed with the funding of the Project.

BACKGROUND/DISCUSSION:

In March 2010, the Sacramento Educational Cable Consortium (SECC) applied for federal funding from the National Telecommunications and Information Administration's (NTIA) Broadband Technology Opportunities Program (BTOP), to expand Sacramento's Broadband Education Services Technology Network (BESTNet) infrastructure to approximately 215 elementary schools and up to 8 select public libraries that are co-located with the elementary schools.

The BESTNet Phase III Project total cost is estimated at \$8 million. BTOP required a thirty percent (30%) local funding match minimum, with additional consideration given to projects that proposed to contribute a non-federal cost share/match that equaled or exceeded the 30% of the total eligible costs of the project.

At the March 4, 2010 meeting, the Board considered SECC's request for \$3 million in matching funds from the PEG fee revenue received by the Sacramento Metropolitan Cable Television Commission (Commission) over a three year period (FYs 2010-11, 2011-12, 2012-13), and adopted Resolution No. 2010-001, Approving SECC's Request for Matching Funds, as Mandated to Apply for Federal Funding From NTIA's Broadband Technology Opportunities Program.

Agenda Item No. 2

**SECC's Grant Application Update for Federal Funding from NTIA's
Broadband Technology Opportunities Program**

Page 2

To date, the Commission has provided \$3.9 million in funding for BESTNet Phase II. Phases I and II of BESTNet were joint projects of SMCTC, SECC, Comcast, Sacramento K-12, and public colleges and university. The projects connected all Sacramento school district offices, community colleges, CSUS, and all Sacramento County high schools and middle schools with a robust broadband fiber infrastructure network. The target completion date of the BESTNet Phase II Project was June 2010.

Unused funds from BESTNet II (approximately \$900,000) from previous fiscal years' budgets were authorized by the Board to be used for the first year of BESTNet Phase III.

Liz Rhodes, SECC's Executive Director will be on hand to provide an update of the grant application, the status of the completion of BESTNet Phase II, and answer any questions related to the BESTNet Phase III Project.

Respectfully submitted,



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

Attachments:

SMCTC's Resolution No. 2010-001

NTIA's Broadband Technology Opportunities Program (BTOP) January 2010 Fact Sheet

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

RESOLUTION NO. 2010-001

A RESOLUTION OF THE SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION APPROVING SACRAMENTO EDUCATIONAL CABLE CONSORTIUM'S REQUEST FOR MATCHING FUNDS, AS MANDATED TO APPLY FOR FEDERAL FUNDING FROM NTIA'S BROADBAND TECHNOLOGY OPPORTUNITIES PROGRAM

WHEREAS, the Sacramento Educational Cable Consortium (SECC) proposes to apply for federal funding from the National Telecommunications and Information Administration's (NTIA) Broadband Technology Opportunities Program (BTOP) to expand Sacramento's Broadband Education Services Technology Network (BESTNet) infrastructure to Sacramento County elementary schools and select public libraries that are co-located with schools (BESTNet Phase III);

WHEREAS, the total project cost of BESTNet Phase III is estimated at \$8 million, and BTOP requires a 30 percent (30%) local funding match minimum;

WHEREAS, SECC is requesting \$3 million in matching funds from PEG fee revenues received by the Sacramento Metropolitan Cable Television Commission (SMCTC) over a three-year period (Fiscal Years 2010-11, 2011-12, & 2012-13), to use as local matching funds for BESTNet III to expand the BESTNet infrastructure to Sacramento County elementary schools and select public libraries;

WHEREAS, BESTNet is an established, proven sustainable operational network, created by local government, educational business partners and established a successful model for leveraging local funding and local business assets;

WHEREAS, SMCTC to date has funded \$3.9 million to BESTNet Phases I and II;

NOW, THEREFORE, BE IT RESOLVED that the Board of the Sacramento Metropolitan Cable Television Commission affirms its support of BESTNet Phase III and its support of SECC's application for a BTOP grant to expand and complete BESTNet through the construction of Phase III, as set forth herein. The Board hereby commits a total of \$3 million dollars of PEG fee revenues, as the local matching fund for SECC's application for federal funding from the NTIA Broadband Technology Opportunities Program.

On a motion by Director Detrick, seconded by Director Quinn, the foregoing Resolution was passed and approved by the Board of the Sacramento Metropolitan Cable Television Commission this 4th day of March, 2010, by the following vote to wit:

AYES: UNANIMOUS VOICE VOTE
Waters, Morin, Detrick, Quinn (Alternate for Dickinson), Wolter (Alternate for MacGlashan), McCarty, Nottoli, Schmidt (Alternate for Peters), Sheedy, Shelby, Gee (Alternate for Yee)

NOES: NONE

ABSENT: Dickinson, MacGlashan, Peters, Yee

ABSTAIN: NONE

By:  _____
Chairperson
Sacramento Metropolitan
Cable Television Commission

Attested By:

 _____
Clerk
Sacramento Metropolitan
Cable Television Commission



Broadband Technology Opportunities Program

Notice of Funds Availability for Second Round—Fact Sheet

January 2010

Overview

NTIA announced a Notice of Funds Availability (NOFA) and solicitation of applications on January 15, 2010, describing the availability of funds and application requirements for the second round of funding for the Broadband Technology Opportunities Program (BTOP). This program was established pursuant to the American Recovery and Reinvestment Act of 2009.¹ Funded at \$4.7 billion, BTOP provides grants to support the deployment of broadband infrastructure, to enhance broadband capacity at public computer centers, and to encourage sustainable adoption of broadband service. With these grants, BTOP advances the Recovery Act's objectives to spur job creation and stimulate long-term economic growth and opportunity.

Changes from the First NOFA

NTIA has made a number of changes to BTOP for the second round of funding to increase efficiency, sharpen BTOP's funding focus, and improve the applicant experience:

- First and foremost, NTIA will focus on Comprehensive Community Infrastructure projects.
- The joint NTIA-RUS application process from Round One has been eliminated. Instead, each agency issued its own NOFA and will use its own separate applications and apply its own separate funding priorities (i.e., for NTIA, Comprehensive Community Infrastructure projects; and for RUS, Last Mile Rural Infrastructure projects).
- NTIA has improved the online application to streamline the intake of information and make the process more user-friendly. Improvements include reducing the number of attachments to be uploaded with the application, eliminating the proposed funded service area mapping tool, and modifying the service area delineations from Census blocks to Census tracts and block groups.
- NTIA no longer will require that an infrastructure project serve an unserved or underserved area; however, we will give priority to projects that are located in such areas and we do intend to carefully evaluate the extent to which proposed projects overbuild existing broadband infrastructure.

Project Categories and Funding

Approximately \$2.6 billion in BTOP funds is available to be awarded under this NOFA and is allocated as follows.

- The **Comprehensive Community Infrastructure (CCI)** category (approximately \$2.35 billion) will focus on Middle Mile broadband infrastructure projects that:
 1. offer new or substantially upgraded service to community anchor institutions;
 2. incorporate a public-private partnership among government, non-profit and for-profit entities, and other key community stakeholders;
 3. bolster growth in economically distressed areas;
 4. commit to serve community colleges;
 5. commit to serve public safety entities;
 6. include a Last Mile infrastructure component in unserved or underserved areas or, alternatively, commitment letters from one or more Last Mile broadband service providers;
 7. propose to contribute a non-federal cost match that equals or exceeds 30 percent of the total eligible costs of the project
- The **Public Computer Center (PCC)** category (at least \$150 million) will fund projects that help expand public access to broadband service and enhance broadband capacity at entities that permit the public to use these computer centers, such as community colleges and public libraries.
- The **Sustainable Broadband Adoption (SBA)** category (at least \$100 million) will fund innovative projects that promote broadband demand, such as projects focused on broadband education, awareness, training, access, equipment, or support, particularly among vulnerable populations.

¹ Pub. L. No. 111-5, 123 Stat. 115 (2009). The Department of Agriculture's Rural Utilities Service (RUS) also announced a NOFA on January 15, 2010 regarding its Broadband Initiatives Program (BIP). This Fact Sheet summarizes elements of the NTIA NOFA only. For additional information regarding both BTOP and BIP, please visit www.broadbandusa.gov.

Application Review Process

Applications will be reviewed according to the following process:

- (1) *Eligibility Factors* – Applications will be reviewed for eligibility (applicant must be an eligible entity, application must be fully complete, applicant must provide at least 20 percent of the total eligible costs of the project in matching contributions or request a waiver);
- (2) *Scoring* – Applications will be compared to the evaluation criteria contained in the NOFA by at least two objective expert reviewers. The evaluation criteria include Projects Purpose, Project Benefits, Project Viability, and Project Budget and Sustainability; and
- (3) *Due Diligence* – BTOP staff will consider “highly qualified” applications to confirm eligibility and evaluate applications with respect to general BTOP requirements and priorities.

As in Round One, States and tribes will be provided an opportunity to make recommendations concerning the allocation of funds for qualifying projects in or affecting their individual states or tribal lands. Existing broadband service providers will also be given an opportunity to provide information regarding current broadband availability in applicants’ proposed service areas.

Other Key Information

- **Matching:** Applicants are required to provide matching funds of at least 20% or request a waiver, but will give additional consideration to projects that propose to contribute a non-federal cost share/match that equals or exceeds 30 percent of the total eligible costs of the project.
- **“But for” Test:** Applicants must demonstrate that the project could not have been implemented during the grant period without federal assistance.
- **Nondiscrimination and Interconnection:** All CCI applicants must adhere to the nondiscrimination and interconnection obligations specified in the NOFA, including adhering to the FCC’s Internet Policy Statement and any subsequent applicable ruling or statement.
- **Timely Completion:** Applicants are encouraged to complete their projects within two years and must complete them within three years.
- **Searchable Database:** NTIA will post at www.broadbandusa.gov information regarding applications including the name of the applicant, summary of the project, federal grant request, cost match and application status.
- **Workshops:** NTIA will conduct 10 workshops regarding this NOFA and will make related information available to prospective applicants online. For more information or to register for workshops, please visit www.broadbandusa.gov/workshop.htm.
- **BroadbandMatch Tool:** Parties interested in exploring application partnership opportunities are invited to visit <http://match.broadbandusa.gov>.
- **Application Submission and Deadline:** Application packages for electronic submissions will be available at: www.broadbandusa.gov. The electronic portal for submitting Round Two applications will open on February 16, 2010 and close on March 15, 2010.
- **Award Announcements:** Awards will be announced on a rolling basis beginning in June 2010 and all awards must be made September 30, 2010.

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AGENDA ITEM NO. 3

DATE: October 7, 2010
TO: Chair and Board of Directors
FROM: Robert A. Davison, Executive Director
SUBJECT: SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION'S REVISED FISCAL YEAR 2010-11 BUDGET RESOLUTION

RECOMMENDATION:

It is recommended the Board adopt Resolution No. 2010-010, Revising the Fiscal Year 2010-11 Budget Resolution, to Appropriate Additional Fund Balance in the Commission's General Fund (094A) and to Establish the PEG Fee Fund (094B).

BACKGROUND/DISCUSSION:

Resolution No. 2010-002, Adopting the Proposed/Final Budget for Fiscal Year 2010-11 was approved by the Commission Board on June 3, 2010. While the staff report presented the newly established Public, Education, Government (PEG) Fee budget, the Budget Resolution did not include an action to adopt the PEG Fee budget.

Staff is asking Resolution No. 2010-002, Adopting the Proposed/Final Fiscal Year 2010-11 be revised, to include the following items:

- Adoption of the PEG Fee Fund (094B) Budget – A separate fund to track PEG fee revenue/expenditures was established with the County of Sacramento's Department of Finance this year – it is necessary to approve a budget before PEG Fee revenues/expenditures can be transferred into the PEG Fee Fund;
- The General Fund (094A) beginning year fund balance included \$949,141 that was expected to be paid for BESTNet Phase II project costs, and were to be incurred in Fiscal Year 2009-10. These costs were not paid in Fiscal Year 2009-10 – staff expects to pay this in Fiscal Year 2010-11 after a final invoice is received from SECC. The revised Budget Resolution appropriates the additional \$949,141 BESTNet Phase II rollover to fund project costs in Fiscal Year 2010-11;

Item No. 3
SMCTC'S Revised FY 2010-11 Budget Resolution
Page 2

- Typically, the annual fiscal year budget resolution authorizes a COLA for Commission employees based upon like positions at the County. However, changes have occurred at the County where many unrepresented management County employees are now represented by the Sacramento County Management Association (SCMA). Some employees at the County remain unrepresented. Over the past two years, COLAs have been granted in one of the years to most bargaining units at the County including SCMA; the remaining unrepresented County employees did not receive a COLA in either year.

The Commission's positions are aligned with the County's job classifications. Some of the classifications received a COLA and some did not. To avoid a situation where the Commission's small staff is treated differently, it is recommended the Budget Resolution be amended so that COLAs, if any, authorized for County employees across all major bargaining units, are granted for the Commission's five full-time employees and 12 part-time employees. The fiscal impact to the Fiscal Year 2010-11 Budget of a 2% COLA is estimated to be \$6,889 and will be funded from Contingencies.

The Board adoption of Resolution No. 2010-010, Revising the Fiscal Year 2010-11 Budget Resolution, to Appropriate Additional Fund Balance in the Commission's General Fund (094A) and to Establish the PEG Fee Fund (094B), will address the three components outlined above.

Respectfully submitted,



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

Attachments:

Resolution No. 2010-010
Resolution No. 2010-002 (Approved June 3, 2010)
Fiscal Year 2010-11 Budget Report (Approved June 3, 2010)

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

RESOLUTION NO. 2010-010

A RESOLUTION OF THE SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION REVISING THE FISCAL YEAR 2010-11 BUDGET RESOLUTION TO APPROPRIATE ADDITIONAL FUND BALANCE IN THE GENERAL FUND (094A) AND TO ESTABLISH THE PEG FEE FUND (094B)

WHEREAS, on June 3, 2010, the Commission Board approved Resolution No. 2010-002, Adopting the Proposed/Final Budget for Fiscal Year 2010-11;

WHEREAS, the implementation and collection of a 1% Public, Education, Government (PEG) fee in May 2009 provides funding for eligible PEG capital facilities and equipment;

WHEREAS, the Budget staff report approved by the Board on June 3, 2010 incorporated herein by this reference, Component 6 – PEG Fee Fund, authorizing the PEG fees collected in Fiscal Year 2010-11 be used to fund expenditures for PEG facilities and equipment;

WHEREAS, a new PEG Fee Fund was created in FY 2010-11 with the Sacramento County's Department of Finance to track PEG fee revenues and expenditures;

WHEREAS, staff is asking that Resolution No. 2010-002, Adopting the Proposed/Final Fiscal Year 2010-11 Budget, be revised to appropriate additional fund balance in the General Fund (094A) and to establish the PEG Fee Fund (094B) Budget.

THEREFORE, IT IS HEREBY RESOLVED in accordance with Section 29089 of the CA Government Code, the revised FY 2010-11 Budget for Fund 094A is hereby adopted in accordance with the following:

GENERAL FUND (094A)

Salaries and Employee Benefits	\$603,279
Services and Supplies	\$597,955
Fixed Assets – Equipment	\$60,000
Parental JPA Member Video Assistance	\$60,000
Contingencies -	
Metro Cable - Operations	\$20,000
Commission - Operations	\$100,000
Channel Licensees – Operations	\$854,616
Closed Captioning	\$200,000
Revenue Distribution	\$10,400,646
BESTNet Phase II Additional Rollover	\$949,141
Transfer to PEG Fee Fund	\$15,505
TOTAL FISCAL YEAR 2010-11 BUDGET REQUIREMENTS	\$ 13,861,142

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

FURTHER BE IT RESOLVED AND ORDERED that equity adjustments and universal salary increases for the Commission’s full-time and part-time employees, if any, are authorized as the general COLA granted to County employees across all major bargaining units, and are authorized to be transferred from Contingencies for payouts per the Personnel Rules, as necessary.

FURTHER BE IT RESOLVED AND ORDERED that the revised Fiscal Year 2010-11 Budget for Fund 094A is hereby adopted in accordance with the Budget staff report, which shows in detail the approved appropriations, authorized positions, revenues and methods of financing and authorized programming activities.

FURTHER BE IT RESOLVED AND ORDERED that the Channel Licensee Annual Funding and Performance Agreements with the Access Sacramento, Capital Public Radio, KVIE, and Sacramento Educational Cable Consortium, identified as Exhibits A, B, C, and D of the Budget staff report, and the Annual Performance Agreement with Religious Coalition for Cable Television (Exhibit E) are approved and that the Chairperson of the Board of Directors be and is hereby authorized to execute the amended agreements.

FURTHER BE IT RESOLVED AND ORDERED that the Fiscal Year 2009-10 Budget for Fund 094A is hereby amended to authorize a revenue distribution of \$11,140,062 to the Commission’s member jurisdictions.

FURTHER BE IT RESOLVED AND ORDERED that the Fiscal Year 2010-11 Budget for Fund 094A is hereby revised to appropriate \$949,141 from the Fiscal Year 2009-10 Budget for BESTNet Phase II additional rollover, which resulted in a higher than anticipated fund balance and will be used to fund BESTNet Phase II project costs.

FURTHER BE IT RESOLVED AND ORDERED that \$15,505 be transferred from the General Fund (094A) to the newly established PEG Fee Fund (094B) for interest earned on the PEG Fee revenues in Fiscal Year 2009-10.

FURTHER BE IT RESOLVED AND ORDERED that the Fiscal Year 2010-11 Budget for the PEG Fee Fund (094B) is hereby adopted in accordance with the following:

PEG FEE FUND (094B)

Member Jurisdiction Projects – First Year of Two-Year Plan	\$221,396
Metro Cable Projects – First Year of Two-Year Plan	\$114,478
Metro Cable & Closed Captioning Equipment Reserves	\$150,000
Channel Licensees Facilities – Base	\$280,007
Channel Licensees Facilities – One Time Augmentation	\$1,355,293
Contingency	\$4,331
TOTAL FISCAL YEAR 2010-11 BUDGET REQUIREMENTS	\$ 2,125,505

FURTHER BE IT RESOLVED AND ORDERED that the means of financing the PEG Fee Fund (094B) expenditures will be by monies derived from Revenue available.

FURTHER BE IT RESOLVED AND ORDERED that the Fiscal Year 2010-11 PEG Fee Fund (094B) Budget is hereby adopted in accordance with Component 6 of the Budget Staff Report, which shows in detail the approved appropriations, revenues and methods of financing.

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 _____, seconded by _____, the foregoing Resolution was passed and adopted by the Board of Directors of the Sacramento Metropolitan Cable Television Commission this 7th day of October 2010, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

By: _____
Chairperson
Sacramento Metropolitan
Cable Television Commission

Attested By:

Clerk,
Sacramento Metropolitan
Cable Television Commission

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

RESOLUTION NO. 2010-002

A RESOLUTION ADOPTING THE PROPOSED/FINAL BUDGET FOR FISCAL YEAR 2010-11

WHEREAS, hearings have been terminated during which time any additions and deletions to the proposed budget for Fiscal Year 2010-11 were made.

THEREFORE, IT IS HEREBY RESOLVED in accordance with Section 29089 of the CA Government Code; the Fiscal Year 2010-11 Budget is hereby adopted in accordance with the following:

Salaries and Employee Benefits	\$ 603,279
Services and Supplies	\$ 597,955
Fixed Assets – Equipment	\$ 60,000
Parental JPA Member Video Assistance	\$ 60,000
Contingencies -	
Metro Cable Operations	\$ 20,000
Commission Operations	\$ 100,000
Channel Licensees – Operations	\$ 854,616
Closed Captioning	\$ 200,000
Revenue Distribution	\$10,400,646
Transfer to PEG Fee Fund	\$ 15,505
TOTAL FISCAL YEAR 2010-11 BUDGET REQUIREMENTS	\$ 12,912,001

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

FURTHER BE IT RESOLVED AND ORDERED that equity 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 unrepresented management, clerical, and technical employees of the County of Sacramento, and are authorized to be transferred from Contingencies for payouts per the personnel rules and the above adjustment and increase, as necessary.

FURTHER BE IT RESOLVED AND ORDERED that the Fiscal Year 2010-11 Budget is hereby adopted in accordance with the listed attachments in the Budget Staff Report, which show in detail the approved appropriations, authorized positions, revenues and methods of financing, and authorized programming activities, attached hereto and by reference made a part hereof.

FURTHER BE IT RESOLVED AND ORDERED that the Channel Licensee Annual Funding and Performance Agreements with the Access Sacramento, Capital Public Radio, KVIE, and Sacramento Educational Cable Consortium, attached hereto as Exhibits A, B, C, and D, and the Annual Performance Agreement with Religious Coalition for Cable Television (Exhibit E) are approved and that the Chairperson of the Board of Directors be and is hereby authorized to execute the amended agreements.

FURTHER BE IT RESOLVED AND ORDERED that the Fiscal Year 2009-10 Budget is hereby amended to authorize a revenue distribution of \$11,140,062 to the Commission's member jurisdictions.

FURTHER BE IT RESOLVED AND ORDERED that the Fiscal Year 2009-10 Budget is hereby amended to appropriate \$2,018,919 for BESTNet Phase II project cost.

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 Nottoli, seconded by Director Wolter, the foregoing Resolution was passed and adopted by the Board of Directors of the Sacramento Metropolitan Cable Television Commission this 3rd day of June 2010, by the following vote, to wit:

AYES: UNANIMOUS VOICE VOTE
Waters, Morin, Quinn (Alternate for Dickinson), Wolter (Alternate for MacGlashan),
McCarty, Miller, Nottoli, Schmidt (Alternate for Peters), Gee (Alternate for Yee)

NOES: NONE

ABSENT: Detrick, Dickinson, MacGlashan, Peters, Sheedy, Yee

ABSTAIN: NONE

By: 

Chairperson
Sacramento Metropolitan
Cable Television Commission

Attested By:



Clerk
Sacramento Metropolitan
Cable Television Commission

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



SACRAMENTO METROPOLITAN Cable Television Commission

ROBERT A. DAVISON
EXECUTIVE DIRECTOR

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WWW.SACMETROCABLE.TV

AGENDA ITEM NO. 2

DATE: June 3, 2010
TO: Chair and Board of Directors
FROM: Robert A. Davison, Executive Director
SUBJECT: FISCAL YEAR 2010-11 PROPOSED/FINAL BUDGET

RECOMMENDATION:

It is recommended the Board approve Resolution No. 2010-002, Adopting the Sacramento Metropolitan Cable Television Commission's Fiscal Year 2010-11 Proposed/Final Budget, totaling \$12,049,796, which includes:

- Approval of FY 2010-11 Channel Licensee Annual Funding and Performance Agreements and RCCTV's FY 2010-11 Performance Agreement (Exhibits A-E);
- Appropriate \$200,000 for Closed Captioning Services;
- Appropriate \$11,140,042 for the FY 2009-10 Revenue Distribution to Parental Agencies;
- Approval of Resolution No. 2010-003, Confirming the Employer's Contribution under the Public Employees' Medical and Hospital Care Act (Exhibit F);
- Adoption of Resolution No. 2010-004, Approving an Agreement for General Counsel Services with McDonough Holland & Allen (Exhibit G);
- Adoption of Resolution No. 2010-005, Approving an Agreement for Consulting Services with Rich Esposto (Exhibit I);
- Authorization for the Chair to execute the Amendments to the General Counsel & Consulting Services Agreements (Exhibits H & J)

INTRODUCTION/ANALYSIS:

I am pleased to submit the Fiscal Year (FY) 2010-11 Proposed/Final Budget for your review and consideration. The total budget proposed for FY 2010-11 is \$12,049,796, which is \$1,775,404 less than the FY 2009-10 budget of \$13,825,200. The budget also includes a FY 2009-10 revenue distribution, to be made in June 2010 of \$11,140,042, which is \$1,757,707 more than the budgeted amount. In addition, the proposed FY 2010-11 revenue distribution to member agencies, to be made in June 2011, is \$9,650,646, which is 2.86% over last year's budgeted distribution.

**SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION
FISCAL YEAR 2010-11 PROPOSED/FINAL BUDGET**

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The Sacramento Metropolitan Cable Television Commission (Commission) is financed by franchise fees, collected from a percentage of the gross revenues from Comcast, AT&T, and SureWest, the three cable/video companies currently operating under a State franchise in Sacramento County. The projected franchise fee revenue in FY 2010-11 is \$10.5 million. No tax dollars are used to fund the Commission's operations.

The implementation of a 1% Public, Education, Government (PEG) Facilities Fee in May 2009 provides funding for eligible PEG Capital Facilities and Equipment. Last year, the PEG Fee was used to offset the BESTNet-Phase II project costs, which were previously identified to be funded with franchise fees. This offset will help maximize the revenue distribution to the Commission's seven member agencies.

Starting this year, a separate fund will be set up for the PEG Fee revenue. A balance is provided between offsets of previously funded BESTNet and other facilities costs and the funding to facility and capital equipment requests from Metro Cable, Member Agencies, and Channel Licensees. The FY 2010-11 Budget includes a projected \$2.1 million in PEG fee revenue.

As presented, the FY 2010-11 Proposed Budget recognizes the ongoing fiscal challenges faced by the Commission's member jurisdictions, which include the County of Sacramento, and the cities of Citrus Heights, Elk Grove, Folsom, Galt, Rancho Cordova, and Sacramento. Towards that end, the budget reflects reductions where possible in the Operating Budget, while maintaining the current level of service despite the effects of the most challenging economic climate in recent history.

FISCAL YEAR 2010-11 REVENUE PROJECTIONS

Cable franchise fees revenue in FY 2010-11 is projected to be at \$10.5 million, a conservative projection from last year's actual revenue. Actual franchise fees collections were stable for the past few years before they increased this year. Time will determine how the current economy will affect future franchise fees revenue; it remains prudent to be conservative in projections.

The implementation of a 1% PEG fee on May 1, 2009 is projected to generate \$2.1 million in revenue in FY 2010-11. The revenue may be used to pay for capital and equipments costs incurred for the provision of PEG programming, for the institutional network that is also part of the cable system, and other associated expenditures allowed under State and federal laws. The PEG fee revenue could also be used to offset capital expenditures previously made from franchise fees revenue.

Last year, the Board authorized the FY 2009-10 budgeted \$1.6 million in PEG Fees be used to offset BESTNet expenditures made in that year. Eligible project costs identified from BESTNet-Phase II in FY 2009-10 are estimated to be \$2,018,919. Therefore, the full amount of the BESTNet project costs may be offset due to the actual collection of \$2,034,424 in PEG Fees (Eligible Project Cost of \$2,018,919 minus PEG Fees Revenue Projection of \$1,600,000 = additional \$418,919 of offset).

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A final invoice for the completion of work for BESTNet-Phase II is forthcoming. It is anticipated there would still be approximately \$900,000 of surplus from the initial \$3.9 million funding provided for the Phase II project in FYs 2006-07, 2007-08, and 2008-09. Your Board recently authorized that this surplus amount be used to fund BESTNet Phase III costs. Staff is recommending that this also be funded by PEG Fees, which will provide further offsets in FY 2010-11.

The additional offset of FY 2009-10 BESTNet costs from PEG Fees collected (\$418,919), plus the additional Franchise Fees collected over the amount budgeted (\$1,338,788) results in a total of \$11,140,042 in available Franchise Fee revenue distribution, an increase of \$1,757,707 from the FY 2009-10 budgeted \$9,382,335 revenue distribution. Payments will be issued to the Commission's seven member jurisdictions in June 2010.

FISCAL YEAR 2010-11 BUDGET OVERVIEW

The FY 2010-11 preliminary budget is based on \$10.5 million of new franchise fees revenue, with expenditures of \$12,049,796. This includes a balance from carryover funds from FY 2009-10 and the Reserve for Contingencies of \$150,000. The budget was developed to allow the Commission to continue to provide services at current levels, while making reductions where possible in the operating budget.

PROPOSED EXPENDITURES BY CATEGORY

The proposed FY 2010-11 Expenditures of \$12,049,796 are as follows:

Category	Proposed
Salaries and Employee Benefits	\$603,279
Services and Supplies	585,750
Fixed Assets – Equipment	60,000
Parental JPA Member Video Assistance	60,000
Contingencies	20,000
Channel Licensees - Operations	854,616
Closed Captioning Services	200,000
Revenue Distribution to Member Jurisdictions	9,650,646
Transfer to PEG Fee Fund	15,505
TOTAL BUDGET REQUIREMENTS	\$12,049,796

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The FY 2010-11 budget ensures that the Commission will continue to provide the following core services:

- a) Administer cable television state franchises and licenses in California.
- b) Assist consumers in resolving their cable/non-cable video issues and concerns.
- c) Monitor community programming and Channel Licensee funding which supports six community channels on the local cable system – Access Sacramento, Capital Public Radio, KVIE, Metro Cable, Sacramento Educational Cable Consortium (SECC), and RCCTV.
- d) Operate Metro Cable 14 – the local government channel.

RECOMMENDED BUDGET BY COMPONENTS

The annual budget for the Sacramento Metropolitan Cable Television Commission is divided into six (6) major components:

Component 1 - Administration and Regulation

Component 2 - Closed Captioning

Component 3 - Metro Cable

Component 4 - Community Programming

Component 5 - Franchise Fee Revenue Distribution to Parental Entities

Component 6 – PEG Fee Fund (new this year)

COMPONENT 1 - Administration and Regulation

The Administration and Regulation budget of \$833,180 includes salary, benefits, services, and supplies consistent with Commission policy. This is the franchise administration and enforcement arm of the Commission on behalf of the seven member jurisdictions. The part-time Executive Director serves at the pleasure of the Commission, and oversees the remaining staff, which includes an Administrative Services Officer, a Senior Office Assistant, and a budgeted 50% Office Clerk.

During the recruitment for the Administrative Services Officer (ASO) in April 2008, survey of the Joint Powers Agency (JPA) members indicated that there were areas regarding benefits that warrant addressing. This past year, the Commission improved employee benefits with increases in the medical subsidy and a new dental benefit. Due to the current economic situation, staff will postpone making further changes to benefits until the economy improves.

Commission staff's salaries and wages are adjusted consistent with Commission policy and tied to Sacramento County's COLA and equity adjustments for unrepresented, non-management employees and unrepresented management employees. The County currently does not have a COLA proposed for its unrepresented, non-management employees. As a result, a COLA is not proposed in the FY 2010-11 budget for Commission staff. Should the County approve COLAs, appropriate adjustments will then be made to the budget.

To further reduce operational costs, the recruitment for a 50% Office Clerk will be delayed for another year. Reductions were also made in professional services, County auditing services, and consultant costs.

Major expenditure items in Component 1 - Administration and Regulation include:

- Part-time Executive Director Salary Reimbursement to Sacramento County - \$75,000
- General Counsel and Litigation - \$200,000 (for on-going AT&T Litigation)
- Accounting Services provided by Sacramento County - \$100,000
- Consultant and Professional Services - \$50,000
- Parental Member Agency Video Assistance - \$60,000

COMPONENT 2 – Closed Captioning

The budget proposes \$200,000 in funding for closed captioning services provided by Caption Colorado. The following summarizes closed captioned meeting hours and the associated costs in Calendar Year 2009.

CALENDAR YEAR 2009					
JPA Members	# of Meetings	Hrs Billed	@ \$120 / hr	% of All	% of JPAs
County Board of Supervisors	136.5	404.50	\$48,540.00	35.1%	42.8%
City of Sacramento	60	167.75	\$20,130.00	14.6%	17.8%
City of Citrus Heights	19	44.50	\$5,340.00	3.9%	4.7%
City of Elk Grove	21	95.00	\$11,400.00	8.2%	10.0%
City of Folsom	18	60.75	\$7,290.00	5.3%	6.4%
City of Galt	26	77.00	\$9,240.00	6.7%	8.1%
City of Rancho Cordova	23	90.00	\$10,800.00	7.8%	9.5%
SMCTC	4	6.50	\$780.00	0.6%	0.7%
Election Forums	0	0.00	0.00		
TOTAL	307.5	946.00	\$113,520.00	82.2%	100.0%
Meetings Held at					
BOS/Sac City Chambers	# of Meetings	Hrs Billed	@ \$120 / hr	% of All	
Air Quality	9	17.25	\$2,070.00	1.5%	
First 5 Child	14	33.00	\$3,960.00	2.9%	
Freeport	0	0	0.00		
Environmental	3	6	\$720.00	0.5%	
Flood	14	30.5	\$3,660.00	2.6%	
LAFCo	8	12.25	\$1,470.00	1.1%	
Library	10	17.50	\$2,100.00	1.5%	
STA	9	12.25	1,470.00	1.1%	
SWA	5	5.25	\$630.00	0.5%	
TOTAL	72	134.00	\$16,080.00	11.6%	
Contracting Agencies	# of Meetings	Hours Billed	@ \$120 / hr	% of All	
SMUD	24	30.00	\$3,600.00	2.6%	
Regional Transit	17	41.75	\$5,010.00	3.6%	
Sac. Metro Fire Dept.	0	0.00	0.00		
Sac. City Schools	0	0.00	0.00		
North Highlands Rec. & Park	0	0.00	0.00		
TOTAL	41	71.75	\$8,610.00	6.2%	
GRAND TOTALS (CY 2009)	420.5	1,151.75	\$138,210.00	100%	

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Closed captioning was first funded by the Commission in June 2006 with direction to caption the Commission's JPA member agency meetings and other agency cablecast in the County Board Chambers. The first captioned meeting was the Commission meeting on February 1, 2007. At the June 2007 Commission budget hearing, additional funding was added to caption the remaining five agencies which contract with the Commission.

Currently, the Commission regularly captions cablecasts of all its JPA members: the County Board of Supervisors, and the Council meetings for the cities of Citrus Heights, Elk Grove, Folsom, Galt, Rancho Cordova, and Sacramento. Of the five contracting agencies (Regional Transit, SMUD, Sacramento City Unified School District, North Highlands Recreation & Park District, and Sacramento Metro Fire Department), Regional Transit and SMUD meetings are closed captioned.

Upon initial funding, the Commission directed that captioning costs be funded from the entire Commission budget prior to franchise fee revenue distribution and that staff report back with cost breakdowns for each member agency. This is the third full year of captioning costs. A summary of Calendar Year 2009 actual costs by agency is presented on page 6. Staff recommends no change to the way closed captioning is funded at this time.

COMPONENT 3 - Metro Cable

Metro Cable's Cablecasting Priorities

Metro cablecasting priorities are established in each year's budget. For FY 2010-11, the following proposed priorities have not changed:

1. Gavel-to-Gavel coverage of all official meetings of the Commission and its parental entities.
2. Gavel-to-Gavel coverage of official meetings held by any jurisdiction in the Board of Supervisors or City Council Chambers.
3. Election Forums.
4. Other official meetings not held in the Board or Council Chambers for which the actual costs are reimbursed.
5. Fixed Assets - equipment replacement.
6. Presentation Assistance (preparing slides and charts, software, training, and equipment support).
7. Technical support for parental entities' audio, video, and presentation systems.
8. Closed Captioning.

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Metro Cable Budget

The Metro Cable budget of \$435,849 includes salary, benefits, services, and supplies consistent with Commission policy. For this year, equipment costs traditionally included in this component are proposed to be funded with the PEG Fee Fund (Component 6), which includes an equipment reserve of \$150,000 for unexpected and emergency equipment replacement.

Metro Cable covered 420.5 meetings, totaling 1,151.75 hours in Calendar Year 2009 for over 22 entities at over 12 different locations.

Assistance with Member Agencies' Projects

On an on-going basis, Metro Cable staff actively supports the member agencies' City Clerks and IT staff by providing assistance with equipment maintenance, research, upgrades, and testing; video equipment testing and quality oversight; as well as design/re-design and coordination of work needed for meeting chambers and control rooms. Metro Cable staff is frequently called upon by the cities, on both a scheduled and spur-of-the-moment basis, to help troubleshoot and fix equipment.

With the May 2009 implementation of the 1% PEG Fee, Metro Cable staff performed an assessment of the Commission's seven member jurisdiction's meeting chambers in February 2010, to determine equipment & upgrades that may be needed and are eligible for PEG fee funding. Staff worked with the member agencies, made recommendations and solicited input. In addition, Metro Cable submitted an assessment of its own equipment needs, eligible for PEG fee funding.

Component 6 of this budget presents an overview of their assessment, along with project costs for each member agency and Metro Cable 14.

Closed Captioning

As mentioned earlier in this report, closed captioning services are implemented for a majority of the agencies served by Metro Cable. Staff works with Caption Colorado, the closed captioning vendor, in the coordination and timing of scheduled services, logins, and testing requirement needed prior to the beginning of each meeting. The vendor has been accommodating throughout the years, in providing customized billing, as-needed services, and last minute change accommodations. Caption Colorado's Agreement expires on June 19, 2010. Staff is recommending the renewal of the Agreement through June 30, 2012, with the same terms and conditions as the original December 19, 2006 Agreement.

COMPONENT 4 - Community Programming (Base)

	FY 2009-10 (Estimated Actuals)	FY 2010-11 BASE	Operations Base (Funded by Franchise Fees) FY 2010-11 Proposed	Capital Facilities/Equip Base (Funded by PEG Fees) FY 2010-11 Proposed
Access Sacramento	\$ 471,532	\$ 471,532	\$392,532	\$ 79,000
AcSac-Home Town & Game of the Week	96,679	96,679	96,679	0
SECC	297,171	297,171	291,671	5,500
BESTNet	55,859	55,859	55,859	0
KVIE	195,507	195,507	0	195,507
RCCTV	N/A	N/A	N/A	N/A
KXPR/CPR	17,875	17,875	17,875	0
Channel Licensee/Grantee Base	\$1,134,623	\$1,134,623	\$854,616	\$ 280,007
<u>One-Time/Reserved Augmentation*</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Sub-Total	\$1,134,623	\$1,134,623	\$ 854,616	\$ 280,007
BESTNet-Phase II Expenses*	2,018,919	0	0	0
GRAND TOTAL	\$3,153,542	\$ 1,134,623	\$ 854,616	\$ 280,007

*This table shows one-time augmentations for projects such as BESTNet-Phase II. With the implementation of the PEG Fee in Component 6 - one time augmentations are now shown in that Component. Also, the Capital Facilities/Equipment Base shown here is proposed to be funded in Component 6.

In February, Commission staff and Legal Counsel Harriet Steiner met with Channel Licensees to discuss FY 2010-11 budget requests for available Public, Education, and Government (PEG) facilities and equipment funding. Under current Federal law, PEG fee revenue may be used to finance facilities and equipment that support PEG programming, access facilities, and channels. The Commission desires and intends that PEG fee revenues fully comply with all federal and State laws and regulations, and will be conservative in their use and distribution. It is also the Commission's desire to find avenues to allocate the available PEG fees funds by creating a collaborate effort that will serve the larger community, to meet the needs of the member agencies as well as all public schools in the County.

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Channel Licensees were informed FY 2010-11 funding requests ideally should be segregated into two categories – **operational versus facilities/equipment** costs. Channel Licensees were asked to submit their budget requests to the Commission directly. In previous years, Channel Licensees forwarded their budgets to the Board, with a copy to staff. Funding decisions were decided by the Board each year at its June budget hearing. This year, staff added Component 6 (PEG Fee Fund) to the budget, which provides an overview of all requests received for Board consideration for funding in FY 2010-11.

For FY 2010-11, staff is recommending no change to the Base for community programming. As a result of the funding requests received from the Channel Licensees, staff is proposing that the Base be split between operations and facilities/equipment as shown in the table above. The benefit of this strategy is that it moves some of the community program funding to Component 6, reducing expenses from franchises fees revenue, thus maximizing the revenue distribution to the Commission’s seven member agencies.

COMPONENT 5 – Franchise Fee Revenue Distribution to Parental Entities

Revenue Distribution				
	PROPOSED FY 09-10 Franchise Fees Revenue Distribution	Population*	Population Percentage	ESTIMATED FY 10-11 Fran Fees Revenue Distribution
Unincorporated County	\$ 4,378,110	567,700	39.30%	\$3,792,768
City of Sacramento	3,749,497	486,189	33.66%	3,248,197
City of Elk Grove	1,109,643	143,885	9.96%	961,287
City of Citrus Heights	679,544	88,115	6.10%	588,691
City of Folsom	551,046	71,453	4.95%	477,373
City of Rancho Cordova	485,078	62,899	4.35%	420,224
City of Galt	187,124	24,264	1.68%	162,106
Total	**\$ 11,140,042	1,444,505	100.00%	\$9, 650,646

*State Dept. of Finance figures E-1 Report @ 5/1/10 (www.dof.ca.gov/HTML/DEMOGRAP/E-1table.xls).

**\$9,382,335 was budgeted in FY 2009-10; \$1,757,707 in additional Franchise Fee revenue distribution is a result of additional franchise fees received & additional offsets of BESTNet-Phase II costs from the new PEG Fee revenue source.

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The Commission's General Fund Balance, minus the cost of Operations, is allocated to the parental entities based on population. The above population percentages are from the State Department of Finance figures released in January 2010. The FY 2010-11 actual distributions next June will be based on the population figures made available in May 2011.

During FY 2009-10, \$1,338,788 of additional franchise fee revenue was received over the \$9,900,000 budgeted amount. In addition, an additional \$434,424 was received over the budgeted PEG Fee Revenue which provides an additional offset (\$418,919 offset with the remaining amount, plus interest to be transferred to the PEG Fee fund). Last year, the Board authorized that the budgeted PEG Fee revenue (\$1.6 million) be used to offset the BESTNet-Phase II project costs that would have normally been funded by franchise fees. The proposed FY 2010-11 revenue distribution is based upon \$10.5 million in projected franchise fees. The distribution is healthy but less than the FY 2009-10 distribution because while the budget includes PEG Fee offsets for items traditionally funded with franchise fees, this year's offsets do not approach the more than \$2 million offset for BESTNet in FY 2009-10.

Last November, your Board reviewed a quarterly report that compared the current franchise fee revenue allocation method compared to where actual collections occurred. The Board directed that staff return at the June budget meeting with a comparison that includes one-year analysis of franchise fee collections. Per Board direction, Attachment 1 is an analysis of franchise fees received in FY 2009-10 comparing revenue distribution broken down by cable company percentages versus the current method of allocation, using the Department of Finance's population figures.

Staff does not recommend a change in the franchise fee allocation policy at this time. However, if the Commission wishes to change this policy, as the current revenue distribution allocation method is identified in the Commission's Joint Powers Agreement (County Code Section 5.50.122), Board direction is needed to initiate such a change in the Joint Powers Agreement.

ATTACHMENT 1

FRANCHISE FEE REVENUE - FISCAL YEAR 2009-10
 Cable Companies % Breakdowns vs. Department of Finance Population %

Member Jurisdiction	AT&T Franchise Fees - by member agency jurisdiction	Comcast Franchise Fees - by member agency jurisdiction	SureWest Franchise Fees - by member agency jurisdiction	Total Franchise Fees - By Member Agency Jurisdiction	Cable Co % Breakdown	Dept of Finance Population %	% Diff in FF Allocation	Actual Fran Fee Allocation By DOF Population	Franchise Fee Allocation Difference	% Revenue Diff
Citrus Heights	\$9,710.93	\$754,050.00	\$19,789.71	\$783,550.64	6.98%	6.11%	-0.87%	\$685,832.03	-\$97,718.61	-12.47%
Elk Grove	\$3,595.36	\$777,658.64	\$237,308.30	\$1,018,562.30	9.08%	9.87%	0.80%	\$1,107,787.59	\$89,225.29	8.76%
Folsom	\$185,119.65	\$545,245.51	\$0.00	\$730,365.16	6.51%	4.96%	-1.55%	\$556,249.83	-\$174,115.33	-23.84%
Galt	\$0.00	\$101,271.45	\$0.00	\$101,271.45	0.90%	1.69%	0.78%	\$189,044.16	\$87,772.71	86.67%
Rancho Cordova	\$71,760.96	\$364,590.33	\$2,478.06	\$438,829.35	3.91%	4.32%	0.40%	\$484,222.32	\$45,392.97	10.34%
Sac City	\$454,427.30	\$3,112,277.13	\$241,981.12	\$3,808,685.55	33.95%	33.59%	-0.36%	\$3,768,317.75	-\$40,367.80	-1.06%
Sac County	\$273,052.60	\$3,782,109.14	\$282,812.07	\$4,337,973.81	38.67%	39.47%	0.80%	\$4,427,896.76	\$89,922.95	2.07%
TOTAL	\$997,666.80	\$9,437,202.20	\$784,369.26	\$11,219,238.26	100.00%	100.00%		\$11,219,350.45		

Comcast total does not include McClellan AFB Franchise Fees collected (Total: \$18,085.58)
 Total (Line 15) does not include STI Franchise Fees (\$1,464.01) for July - Sept. 2008 received in January 2010.

COMPONENT 6 – PEG Fee Fund

Fiscal Year 2010-11	
EXPENDITURES:	
MEMBER JURISDICTIONS	TOTAL
Member Jurisdiction Projects - First Year of Two-Year Plan	\$ 193,396
Sacramento (Reimbursement for Switcher Replacement)	\$ 28,000
Subtotal:	\$ 221,396
METRO CABLE PROJECTS	
Metro Cable Projects - First Year of Two-Year Plan	\$ 114,478
Metro Cable & Closed Captioning Equipment Reserves	\$ 150,000
Subtotal:	\$ 264,478
CHANNEL LICENSEES FACILITIES – BASE	
Access Sacramento	\$ 79,000
SECC	\$ 5,500
KVIE	\$ 195,507
Capitol Public Radio	\$ 0
Subtotal:	\$ 280,007
CHANNEL LICENSEES FACILITIES - ONE TIME AUGMENTATION	
Access Sacramento (\$578,000 over two years)	\$ 289,000
SECC	\$ 0
KVIE	\$ 48,493
Capitol Public Radio	\$ 17,800
BESTNet – Phase III (Year 1 of 3)	\$ 1,000,000
Subtotal:	\$ 1,355,293
TOTAL PEG FEE FUND REQUESTS	\$ 2,121,174
Contingency	\$ 4,331
TOTAL EXPENDITURES	\$ 2,125,505
Transfer to PEG FEE Fund From Commission General Fund	\$ 15,505
Estimated PEG Fee Revenue	\$ 2,110,000
TOTAL PEG FEE REVENUE	\$ 2,125,505

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At the February 5, 2009 meeting, the Commission Board adopted Resolution No. 09-001, Determining to implement and collect a fee to support Public, Education, and Government (PEG) channel facilities in the amount of one percent (1%) of gross revenues. Collection of the PEG Fee became effective in May 2009 and the Commission began to receive PEG Fees in FY 2009-10. A total of \$2,034,424 in PEG Fees was received for 11 months in FY 2009-10. PEG Fees are paid by Comcast, SureWest and AT&T from all areas within the Commission boundaries, with the exception of the City of Galt where Comcast is not yet on a State franchise.

For FY 2010-11, it is proposed that a separate fund be established so that the PEG Fees may be accounted for separately. Federal law restricts the use of PEG funding to capital costs and facilities. The specific expenses that qualify as capital costs remain undefined in the applicable law. In an effort to provide guidelines to Member Jurisdictions and Channel Licensees that may receive PEG funding, the Commission asked Legal Counsel to develop a working definition of the types of expenses that it believes qualify for the use of PEG funding. The Commission may modify this working definition as laws on this topic develops.

PEG Funding may be used for the following expenditures:

- Rent or purchase of facilities and equipment
- Purchase of software
- Tangible goods certified by a Certified Public Accountant that the goods qualify as a capital expenditure pursuant to standard accounting practices (i.e., service and maintenance agreements)

PEG Funding may NOT be used for the following expenditures:

- Operations
- Training
- Maintenance
- Employment of Staff
- Hiring of Persons to Perform Service (i.e., to develop or install software)

Total revenue for the PEG Fee Fund for FY 2010-11 is estimated to be \$2,125,505. This includes a transfer from the Commission General Fund of \$15,505 (made up of PEG Fees not spent last year on BESTNet-Phase II), interest earned on the PEG Fees, and the projected \$2,110,000 in PEG Fee revenue.

As discussed above, Commission and Metro Cable staff and Legal Counsel met with member agencies and Channel Licensees to inform them of the PEG fee and discuss possible budget requests. The following summarizes the requests and the items proposed to be funded by the PEG Fees.

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Member Agencies and Metro Cable Requests

In February 2010, Metro Cable staff examined the control room/board room needs of the member agencies and prepared an assessment of equipment needs. Member agencies' staff reviewed this information and provided concurrence, and in some cases included additional requests. Below is a two-year plan of project costs formulated in May 2010, based on the feedback received, along with Metro Cable's assessment of their own equipment needs. The two-year plan addresses all the needs identified for the entities and creates the flexibility for staff to make decisions regarding which projects to fund first.

The FY 2010-11 budget identifies funding in the first year of the two-year plan in the amount of \$193,396 for member jurisdiction projects and \$114,478 in funding in the first year of the two-year plan for Metro Cable facilities/equipment. In addition, the budget proposes to fund \$150,000 for an equipment reserve for emergency/unplanned equipment purchases.

Member Agencies and Metro Cable - Two Year Funding Plan		
MEMBER JURISDICTIONS	TOTAL YEAR 1	TOTAL YEAR 2
Citrus Heights	\$ 37,904.50	\$ 37,904.50
Elk Grove	5,870.50	5,870.50
Folsom	7,461.00	7,461.00
Galt	50,000.00	50,000.00
Rancho Cordova	41,756.00	41,756.00
Sacramento	37,904.00	37,904.00
Sacramento County	12,500.00	12,500.00
TOTAL - MEMBER JURISDICTION PROJECTS	\$ 193,396.00	\$ 193,396.00
METRO CABLE PROJECTS		
Metro Cable Control Room	\$ 25,328	\$ 25,328
Metro Cable Van Project	12,020	12,020
Comcast Headend Facility	24,000	24,000
Synergy Server Project	53,130	53,130
TOTAL - METRO CABLE PROJECTS	\$ 114,478	114,478

Channel Licensees' Requests

As discussed in Component 4, a portion of the community programming base that has been funded from franchise fees may now be funded by PEG Fees. The PEG Fee fund budget for FY 2010-11 includes facilities base allocations of \$79,000 for Access Sacramento, \$5,500 for SECC, and \$195,507 for KVIE which indicated that their entire base could be used to fund facilities and equipment.

In addition to the base requests, the Channel Licensees submitted various requests for one-time funding from the PEG Fund. These requests include \$578,000 for Access Sacramento (requested over 2 years with the FY 2010-11 portion at \$289,000), \$48,493 for KVIE, and \$17,800 for Capital Public Radio. The details of these requests have been submitted separately to the Board by the Channel Licensees in their budget reports. Staff has reviewed the requests with Counsel and concur that the requests fit within the above definition of expenditures that may be funded by the PEG Fees. In addition, the Channel Licensees request includes the first of three \$1,000,000 allocations for BESTNet Phase III which was approved by the Board in March 2010.

The Channel Licensee FY 2010-11 Funding Requests (Attachments 4-7) includes certification by the applicant's general manager/executive officer that all funds will be expended for the purposes awarded and will be in compliance with all current federal and state laws and regulations. Capital equipment purchases with PEG fee funding will belong to the agency. PEG Fee funding recipients assume full responsibility for maintenance, repair, and replacements of the initial funded equipment.

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION
FISCAL YEAR 2010-11 PRELIMINARY BUDGET
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I would like to take this opportunity to thank the Commission staff for their dedication and hard work behind the scene. As well, I would like to thank the Board for their continued support of the Sacramento Metropolitan Cable Television Commission throughout the years so staff can continue to provide invaluable services to the residents in our community.

Respectfully submitted,



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

Attachments:

FY 2010-11 Budget Summary (Attachment 2A)
FY 2010-11 Budget Detail (Attachment 2B)
Resolution No. 2010-002, Adopting the Proposed/Final FY 2009-10 Budget (Attachment 3)
Channel Licensee Fiscal Year Funding Requests (Attachments 4-7)
Channel Licensee Annual Funding and Performance Agreements (Exhibits A, B, C & E)
RCCTV Annual Performance Agreement (Exhibit D)
Resolution No. 2010-003, Health Benefit Contribution for Active & Retired Employees (Exhibit F)
Resolution No. 2010-004, Approving Agreement for Legal Counsel Services (Exhibit G)
Amendment to Legal Counsel's Retainer Agreement (Exhibit H)
Resolution No. 2010-005, Approving Rich Esposto's Agreement for Consulting Services (Exhibit I)
Amendment to Rich Esposto's Consultant Services Agreement (Exhibit J)

cc: Sacramento County Board of Supervisors
Sacramento Interim County Executive, Steven C. Szalay
Sacramento City Council
Sacramento Acting City Manager, Gus Vina
Citrus Heights City Council
Citrus Heights City Manager, Henry Tingle
Elk Grove City Council
Elk Grove City Manager, Laura Gill
Folsom City Council
Folsom City Manager, Kerry Miller
Galt City Council
Galt City Manager, Jason Behrmann
Rancho Cordova City Council
Rancho Cordova City Manager, Ted A. Gaebler

ATTACHMENT 2A

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION
Fiscal Year 2010-11 Budget Summary

ATTACHMENT 2A

	2009-10		2009-10		2009-10		2009-10		2010-11		2010-11	
	BUDGETED	Regulation	Metro14	ESTIMATE	Regulation	Metro14	BUDGETED	Regulation	Metro14	BUDGETED	Regulation	Metro14
5/27/10 4:39 PM												
EXPENDITURE SUMMARY												
Salaries & Benefits	\$627,959	\$294,463	\$333,496	\$508,841	\$226,216	\$282,625	\$603,279	\$273,430		\$329,849		
Services & Supplies	\$621,050	\$581,200	\$39,850	\$358,696	\$318,743	\$39,953	\$585,750	\$539,750		\$46,000		
Contingencies	\$20,000	\$20,000	\$0	\$0	\$0	\$0	\$20,000	\$20,000		\$0		
Fixed Assets	\$38,000	\$0	\$38,000	\$2,371	\$0	\$2,371	\$60,000	\$0		\$60,000		
SUBTOTAL OPERATIONS	\$1,307,009	\$895,663	\$411,346	\$869,908	\$544,959	\$324,949	\$1,269,029	\$833,180		\$435,849		
Channel Licensee Payments	\$2,865,856			\$3,153,542			\$854,616					
Closed Captioning	\$210,000			\$135,090			\$200,000					
Parental Video Assistance	\$60,000			\$0			\$60,000					
Revenue Distribution	\$9,382,335			\$11,140,042			\$9,650,646					
	<i>Revenue</i>	\$3,702,899	County	\$4,378,110	County	\$3,792,768	County	\$3,792,768	County	\$3,248,198	Sacramento	
	<i>Distribution:</i>	\$3,151,292	Sacramento	\$3,749,496	Sacramento	\$3,248,198	Sacramento	\$3,248,198	Sacramento	\$588,691	Citrus Heights	
		\$573,569	Citrus Heights	\$679,544	Citrus Heights	\$477,373	Folsom	\$477,373	Folsom	\$477,373	Folsom	
		\$465,184	Folsom	\$551,046	Folsom	\$162,106	Galt	\$162,106	Galt	\$162,106	Galt	
		\$158,077	Galt	\$187,124	Galt	\$961,287	Elk Grove	\$961,287	Elk Grove	\$961,287	Elk Grove	
		\$926,398	Elk Grove	\$1,109,643	Elk Grove	\$420,224	RanchoCordova	\$420,224	RanchoCordova	\$420,224	RanchoCordova	
		\$404,915	RanchoCordova	\$485,078	RanchoCordova							
Unfunded PERS Liability	\$0			\$0			\$0			\$0		
CP Augmentation Reserve	\$0			\$0			\$0			\$0		
TOTAL EXPENDITURES	\$13,825,200	\$13,413,854	\$411,346	\$15,298,582	\$14,973,633	\$324,949	\$12,049,796	\$11,613,947		\$435,849		
Positions	6.2	3.2	3	6.2	3.2	3	6.2	3.2		6.2	3.2	3
MEANS OF FINANCING												
Interest Earnings	\$110,000	\$97,522	\$12,478	\$42,000	\$33,685	\$2,873	\$30,000	\$17,522		\$12,478		
Franchise/License Revenue	\$9,900,000			\$11,238,788			\$10,500,000					
PEG Fee Revenue (As of May 2009)	\$1,600,000			\$2,034,424			See PEG Fee Fund					
Misc. Revenues	\$22,100	\$0	\$22,100	\$25,650	\$660	\$24,990	\$22,100	\$0		\$22,100		
From Carry Forward/Reserve	\$2,193,100			\$1,957,720			\$1,497,696					
TOTAL FINANCING	\$13,825,200	\$97,522	\$34,578	\$15,298,582	\$34,345	\$27,863	\$12,049,796	\$17,522		\$34,578		
FUND CONDITION												
RESERVE BALANCE												
Reserve for Contingencies	\$150,000			\$150,000			\$150,000			\$150,000		
Metro Cable Reserve (YE)	\$162,091			\$161,957			\$162,964			\$162,964		
TRUST ACCOUNT												
Security Deposit (YE)	\$162,091			\$162,091			\$162,964			\$162,964		
(FY 2010-11 BUDETA - Page 1)												

ATTACHMENT 2B

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION
Fiscal Year 2010-11 Budget Summary

ATTACHMENT 2B

	2009-10		2009-10		2009-10		2009-10		2010-11		2010-11	
	BUDGETED	Regulation	Metro14	ESTIMATE	Regulation	Metro14	BUDGETED	Regulation	Metro14	BUDGETED	Regulation	Metro14
5/27/10 4:40 PM												
SALARIES AND BENEFITS												
Salaries & Wages	\$380,372	\$148,477	\$231,895	\$340,824	\$128,723	\$212,101	\$374,213	\$144,346	\$228,867	\$144,346	\$228,867	
Benefits	\$240,350	\$138,749	\$101,601	\$163,661	\$93,137	\$70,524	\$221,816	\$121,834	\$99,982	\$121,834	\$99,982	
Commissioner Expense	\$7,237	\$7,237		\$4,356	\$4,356	\$0	\$7,250	\$7,250		\$7,250		
Subtotal Salaries & Benefits	\$627,959	\$294,463	\$333,496	\$508,841	\$226,216	\$282,625	\$603,279	\$273,430	\$329,849	\$273,430	\$329,849	
Positions	6.2	3.2	3	6.2	3.2	3	6.2	3.2	3	3.2	3	
SERVICES AND SUPPLIES												
Ads/Books/Printing/Dues	\$7,300	\$6,700	\$600	\$6,952	\$6,352	\$600	\$7,500	\$7,000	\$500	\$7,000	\$500	
Film & Record Supplies	\$20,000	\$0	\$20,000	\$21,931	\$0	\$21,931	\$25,000	\$0	\$25,000	\$0	\$25,000	
Travel/Transportation/Training	\$32,000	\$17,500	\$14,500	\$27,248	\$16,313	\$10,935	\$35,000	\$20,000	\$15,000	\$20,000	\$15,000	
Insurance	\$26,500	\$25,000	\$1,500	\$21,487	\$21,487	\$0	\$26,500	\$25,000	\$1,500	\$25,000	\$1,500	
Office Expense	\$6,500	\$5,500	\$1,000	\$6,524	\$5,793	\$731	\$8,500	\$7,500	\$1,000	\$7,500	\$1,000	
General Counsel	\$240,000	\$240,000	\$0	\$106,898	\$106,898	\$0	\$200,000	\$200,000	\$0	\$200,000	\$0	
Professional Services (County Acctg Svc)	\$150,000	\$150,000	\$0	\$54,025	\$54,025	\$0	\$100,000	\$100,000	\$0	\$100,000	\$0	
- Consultant Costs (Other Prof Svcs)	\$95,000	\$95,000	\$0	\$70,156	\$70,156	\$0	\$125,000	\$125,000	\$0	\$125,000	\$0	
Rent	\$30,000	\$30,000	\$0	\$31,776	\$28,236	\$3,540	\$40,000	\$40,000	\$0	\$40,000	\$0	
Other Operating Expense	\$13,750	\$11,500	\$2,250	\$11,698	\$9,482	\$2,216	\$17,500	\$15,000	\$2,500	\$15,000	\$2,500	
Subtotal Services & Supplies	\$621,050	\$581,200	\$39,850	\$358,696	\$318,743	\$39,953	\$665,750	\$539,750	\$46,000	\$539,750	\$46,000	
Contingencies	\$20,000	\$20,000	\$0	\$0	\$0	\$0	\$20,000	\$20,000	\$0	\$20,000	\$0	
Fixed Assets	\$38,000	\$0	\$38,000	\$2,371	\$0	\$2,371	\$60,000	\$0	\$60,000	\$0	\$60,000	
SUBTOTAL OPERATIONS	\$1,307,009	\$895,663	\$411,346	\$869,908	\$544,959	\$324,949	\$1,269,029	\$833,180	\$435,849	\$833,180	\$435,849	
CHANNEL LICENSEES												
Access/Community Programming	\$471,532	+CPI 0%	\$0	\$471,532	+CPI 0%	\$0	\$471,532	+CPI 0%	\$392,532	\$471,532	+CPI 0%	
AcSac HT-TV & GOTW	\$96,679	+CPI 0%	\$0	\$96,679	+CPI 0%	\$0	\$96,679	+CPI 0%	\$96,679	\$96,679	+CPI 0%	
Access GRAND TOTAL	\$297,171	+CPI 0%	\$0	\$297,171	+CPI 0%	\$0	\$297,171	+CPI 0%	\$291,671	\$297,171	+CPI 0%	
SECC	\$55,859	+CPI 0%	\$0	\$55,859	+CPI 0%	\$0	\$55,859	+CPI 0%	\$55,859	\$55,859	+CPI 0%	
KVIE	\$195,507	+CPI 0%	\$0	\$195,507	+CPI 0%	\$0	\$195,507	+CPI 0%	\$0	\$195,507	+CPI 0%	
Capitol Public Radio	\$17,875	+CPI 0%	\$0	\$17,875	+CPI 0%	\$0	\$17,875	+CPI 0%	\$17,875	\$17,875	+CPI 0%	
Total Ch'l License BASE	\$1,134,623	+CPI 0%	\$0	\$1,134,623	+CPI 0%	\$0	\$1,134,623	+CPI 0%	\$854,616	\$1,134,623	+CPI 0%	
Equipment Additional Funding	\$0		\$0	\$0		\$0	\$0		\$0		\$0	
Licensee Additional Funding	\$1,731,233	BESTNet Rollover	\$0	\$2,018,919	BESTNet Spent (from rollover)	\$0	\$0		\$0		\$0	
BESTNet Agreement	\$2,865,856		\$411,346	\$3,153,542		\$324,949	\$3,153,542		\$3,153,542		\$324,949	
Total Ch'l Licensee Payments	\$2,865,856		\$411,346	\$3,153,542		\$324,949	\$3,153,542		\$3,153,542		\$324,949	
Closed Captioning												
Parental Video Assistance	\$20,000	Services & Equip.	\$0	\$135,090	Services	\$200,000	\$200,000		\$200,000		\$200,000	
Revenue Distribution	\$9,382,335	BOS Chamb-\$30K Rollover & Yr 2 \$30K	\$0	\$11,140,042	BOS Chamber Remodel - \$60,000 Rollover	\$60,000	\$9,650,646		\$9,650,646		\$9,650,646	
Unfunded PERS Liability	\$0		\$0	\$0		\$0	\$0		\$0		\$0	
CP Augmentation Reserve	\$0		\$0	\$0		\$0	\$0		\$0		\$0	
Transfer to PEG Fee	\$0		\$0	\$0		\$0	\$15,505		\$15,505		\$15,505	
TOTAL	\$13,825,200	\$13,413,854	\$411,346	\$15,298,562	\$14,973,633	\$324,949	\$12,049,796	\$11,613,947	\$435,849	\$12,049,796	\$11,613,947	

ATTACHMENT 3

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

RESOLUTION NO. 2010-002**A RESOLUTION ADOPTING THE
PROPOSED/FINAL BUDGET FOR FISCAL YEAR 2010-11**

WHEREAS, hearings have been terminated during which time any additions and deletions to the proposed budget for Fiscal Year 2010-11 were made.

THEREFORE, IT IS HEREBY RESOLVED in accordance with Section 29089 of the Government Code; the Budget for the Fiscal Year 2010-11 is hereby adopted in accordance with the following:

Salaries and Employee Benefits	\$ 603,279
Services and Supplies	585,750
Fixed Assets – Equipment	60,000
Parental JPA Member Video Assistance	60,000
Contingencies	20,000
Channel Licensees - Operations	854,616
Closed Captioning	200,000
Revenue Distribution	9,650,646
Transfer to PEG Fee Fund	15,505
TOTAL BUDGET REQUIREMENTS	\$12,049,796

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

FURTHER BE IT RESOLVED AND ORDERED that equity 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 unrepresented management, clerical, and technical employees of the County of Sacramento, and are authorized to be transferred from Contingencies for payouts per the personnel rules and the above adjustment and increase, as necessary.

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

FURTHER BE IT RESOLVED AND ORDERED that the Channel Licensee Annual Funding and Performance Agreements with the Sacramento Educational Cable Consortium, Access Sacramento, KVIE, and Capital Public Radio, attached hereto as Exhibits A, B, C, and D, and the Annual Performance Agreement with Religious Coalition for Cable Television (Exhibit E) are approved and that the Chairman of the Board of Directors be and is hereby authorized to execute the amended agreements.

FURTHER BE IT RESOLVED AND ORDERED that the Fiscal Year 2009-10 Budget is hereby amended to authorize a revenue distribution of \$11,140,042 to the Commission's member jurisdictions;

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 Board of Directors of the Sacramento Metropolitan Cable Television Commission this 3rd day of June 2010, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

By: _____
Chairperson
Sacramento Metropolitan
Cable Television Commission

ATTEST:

Secretary,
Sacramento Metropolitan
Cable Television Commission

ATTACHMENT 4
FY 2010-11 Funding Request
Access Sacramento



**ACCESS SACRAMENTO BOARD REPORT TO
SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION
April 19, 2010 – Revised May 26, 2010**

Access Sacramento's six-month progress report features key projects completed in the current fiscal year, a matrix of basic programming statistics and highlights, representative audience data, and the Access Sacramento Board approved budget for fiscal year 2010-2011. In addition to our annual budget for operations, we included our request for additional funding from the designated PEG Capital and Facilities fund collected and administered by SMCTC. We appreciate the Cable Commission's continuing support of community media and for additional funds to help refurbish and update our facilities and equipment. Per request from SMCTC Executive Director Bob Davison, we have adjusted the Capital and Facilities request to reflect a two-year funding cycle.

Capital-Facilities Funds Replace Outdated Equipment and Build Future Capacity

Access Sacramento continues to maintain a very conservative budgeting policy. Permanent positions remain at 2003 levels. Due to the continuing fiscal crisis facing all local nonprofit organizations, government entities and businesses, the Access Sacramento Board of Directors authors a 2010-11 fiscal year Operations budget anticipating no additional revenue from SMCTC. Equipment purchases line items and Coloma lease payments to the City of Sacramento from last years budget, totaling \$79,000, have been moved into the new "Capital and Facilities Funding Request" (CFFR). The CFFR funds, derived from the dedicated 1% PEG Equipment Franchise Fee, permit replacement of equipment that has been in steady use for 10-15 years or more, far exceeding the recommended 5-year replacement schedule typical for broadcast operations. CFFR permits Access Sacramento's continued national leadership as a premier public access cable television nonprofit while simultaneously expanding our services to include innovative broadband video delivery, remote video acquisition, and social network interactivity using the Internet to distribute video "on-demand".

Requested CFFR funds will permit specific "investments", designed to further generate new content for our cable channels and new revenue for the nonprofit organization. For the past three years, Access Sacramento has successfully (a) Demonstrated 24/7 "streaming" video on the Internet in partnership with Video Streaming Services Company and other Internet technology innovators. (b) Invested reserve funds to purchase two NewTek Tricaster units – one high definition (SDI-HD) unit for use in the new "Green Studio" and a standard definition (SD) unit for use in the field permitting "live", multi-camera, transmission of video programming using both cable and the Internet for local and world-wide distribution.

Together, SMCTC and Access Sacramento have been a very productive and efficient team for twenty-five years. This report outlines our recent successes, expands the use of public access cable television resources, and introduces innovative and evolving media technologies, including broadband access and the Internet, "giving voice" to the underserved in our community.

2010-11 SMCTC Funding Request

Continued funding ensures another productive year of “Hometown-TV” community events and “Game-of-the-Week” high school and college sports - a continuing success story for SMCTC and Access Sacramento. We have included a detailed listing of the many programs produced or planned thanks to the designated grant funding. To continue this wonderful success and expand our volunteer program productivity, the Board of Directors recommends SMCTC’s consideration and approval of the requested separate Operations and Capital budgets below:

- **Annual base SMCTC grant funding for Access Sacramento of \$489,211 includes the continuation of the HT-TV and the GOTW grant of \$96,679.**
- **Removal of those equipment purchases and facilities lease line items appropriate for funding from the new Capital and Facilities Fund (CFF) totals \$79,000.**
- **No cost of living allowance (COLA) and no additional Operations funding is requested from SMCTC.**
- **Capital and Facilities Fund requests for replacement of current video and audio production equipment and an investment in new equipment totals \$289,000 in fiscal year 2010-11 and \$288,000 in fiscal year 2011-12.**
- **New projects such as the “Green Studio”, the field production Tricaster, and the lease of public access video content management equipment are intended to be revenue generating projects, helping to generate new funding for Operations.**
- **The Board, staff and volunteers of Access Sacramento appreciate the fiscal continuity and capital investment provided by the Cable Commission since 1985.**

ACCESS SACRAMENTO PROPOSED BUDGET

Operations (Current Year) – Capital/Facilities (Two Fiscal Years)

- **2010 - 2011 SMCTC OPERATIONS GRANT REQUEST**
- **2010 - 2011 SMCTC CAPITAL AND FACILITIES GRANT REQUEST**
- **2011 - 2012 SMCTC CAPITAL AND FACILITIES GRANT REQUEST**

The budget reflects requested funding for Operations of \$489,211 and Capital & Facilities Funding of \$289,000 in fiscal year 2010-11 and \$288,000 in fiscal year 2011-12. The budget request below is divided into four columns: (a) detailed chart of all accounts, (b) 2010-11 Operations Budget, (c) 2010-11 Capital & Facilities, and (d) 2011-12 Capital & Facilities.

CHART OF ACCOUNTS

	2010-11 OPERATIONS	2010-11 CAPITAL & FACILITIES	2011-12 CAPITAL & FACILITIES
REVENUE			
SMCTC Grant (includes HT-TV & GOTW)	\$489,211	\$79,000	\$79,000
Interest Income	\$3,000		
Membership Fees	\$27,000		
Fundraising	\$5,000		
User Rental Fees	\$14,000		
Training Class Fee	\$6,000		

Chart of Accounts

Contracted Productions
 Cash donations
 Program Underwriting
 Grants
 Film Festival
 1% PEG FACILITES GRANT
TOTAL REVENUE

2010-11 Ops	2010-11 Cap	2011-12 Cap
\$25,000		
\$6,000		
\$7,500		
\$5,000		
\$11,600		
\$0	\$289,000	\$288,000
\$599,311	\$289,000	\$288,000

EXPENSES

PERSONNEL

COLA
 Executive Director
 Office Coordinator
 Digital Media Coord.
 Operations Director
 Chief Technician
 Radio Prog. Director
 Television Prog. Director
 Playback-Prod. Coordinator
 Multimedj Proj Coord
 Hometown Underwriting
 HT-Community Outreach
 HT & GOTW Prod. Crew
 Temp. Prod./Office Help
TOTAL PERSONNEL

\$0		
\$69,365		
\$26,250		
\$16,380		
\$49,541		
\$18,900		
\$17,695		
\$35,986		
\$27,963		
\$31,843		
\$5,000		
\$10,000		
\$70,839		
\$38,000		
\$417,762		

PS BENEFITS

Payroll Taxes
 Medical Insurance
 Retirement Plan
 HT-TV Payroll Expense
 Workers Comp.
TOTAL PS BENEFITS

\$28,350		
\$33,000		
\$11,000		
\$2,000		
\$5,500		
\$79,850		

FACILITIES

Security and Storage
 Utilities (SMUD)
 Insurance
TOTAL FACILITIES

\$4,000		
\$11,500		
\$14,000		
\$29,500		

SERVICES & SUPPLIES

Office Supplies
 Phone and Computer line
 Postage, General
 Printing, General
 Publications & Memberships

\$4,000		
\$6,500		
\$3,000		
\$2,000		
\$2,000		

Chart of Accounts

Accounting & Annual Audit
 Legal and Consultants
 Community Relations
 Mileage, Parking, Travel
 Promo & Advertising
 Interest Expense
 Training
TOTAL Services & Supply

PROD. & PROGRAMMING
 Festival of Cinema
 Video & Audio Tape
 Mobile Truck Maintenance
 Program Guide/Viewfinder
TOTAL P&P

Contingency
 Student Stipends
TOTAL Ed - Contingency

TOTAL OP EXPENSES

FIXED ASSETS & LEASES

Existing CAP Budget
 Coloma Building Lease
 New Prod. Equipment
 Replacement Equipment
 Office Equipment
 Office Software
Total CAP budget current

1% PEG CAP New Funds

HT-TV & GOTW (new)
 Truck
 Studio-in-a-Suitcase
 Coloma Main Studio
 Volunteer Production Office
 "Green" Tricaster Studio
 Radio Studios
 NNB & Media Lab
 Coloma Business Office
TOTAL 1% PEG CAP New

	2010-11 Ops	2010-11 Cap	2011-12 Cap
	\$14,000		
	\$750		
	\$9,000		
	\$3,500		
	\$10,000		
	\$250		
	\$1,500		
	\$56,500		
	\$4,000		
	\$2,000		
	\$6,000		
	\$2,000		
	\$14,000		
	\$199		
	\$1,500		
	\$1,699		
	\$599,311		
	\$0	\$48,000	\$48,000
	\$0	\$5,000	\$5,000
	\$0	\$11,000	\$11,000
	\$0	\$10,000	\$10,000
	\$0	\$5,000	\$5,000
		\$79,000	\$79,000
		\$43,500	\$91,000
		\$6,000	\$55,500
		\$0	\$49,000
		\$41,500	\$0
		\$9,000	\$0
		\$11,000	\$0
		\$189,500	\$62,500
		\$8,500	\$10,000
		\$289,000	\$288,000

Capital and Facilities Funding Request - 2010-11 AND 2011-12 Budget Sacramento Metropolitan Cable Television Commission

Access Sacramento respectfully requests SMCTC funding for the following items from the designated PEG Agency Capital and Facilities Franchise Fee for the fiscal year 2010-2011 and the following year 2011-12. We appreciate this opportunity to replace well-used equipment, and provide some new improvements to generate new revenue and better serve your constituents.

<u>Total Request for New Capital and Facilities Upgrades</u>	2010-11	2011-12	TOTAL
Mobile Production Truck (RV)	\$ 43,500	91,000	134,500
Main Coloma Center Television Studio Upgrade	0	49,000	49,000
Community Volunteer Camera Training and Check-out	\$ 21,500	20,000	41,500
Community Radio "The Voice"	\$ 11,000	0	11,000
Access Sacramento Office Upgrades	\$ 8,500	10,000	18,500
Studio-In-A-Suitcase and Tricaster for Field Production	\$ 6,000	55,500	61,500
"Green Studio" Additional Cameras	\$ 9,000	0	9,000
Neighborhood News Bureaus and the Media Lab	\$189,500	62,500	252,000
TOTAL Upgrades Request	\$289,000	288,000	577,000

Total Request for Existing Capital and Facilities

Coloma Center Lease	\$ 48,000	48,000
New Production Equipment	\$ 5,000	5,000
Replacement Equipment	\$ 11,000	11,000
Office Equipment	\$ 10,000	10,000
Office Software	\$ 5,000	5,000
TOTAL Existing Budget Request	\$79,000	79,000

Process of Developing Budget Requests -- Access Sacramento surveyed our staff, Board, and volunteers to compile the list. Many items in need of replacement are "original equipment" or purchased used to save money. These items range in age from 15-25 years of constant use. We discovered a particular challenge in purchasing new equipment compatible with our still functioning analog and digital standard definition (SD) gear. Many manufacturers are selling new equipment exclusively for use in 100% high definition (HD) environments. Our specifications sought out equipment compatible with our existing standard definition (SD) equipment. However, this will prove to be a growing concern as the major manufacturers convert to exclusive HD equipment lines and move-on to the next level of innovation, 3D television. Dev Singh, Director of Operations, is attending the National Association of Broadcasters Conference and Trade Show to evaluate these trends and make recommendations.

We divided the list into specific "projects" or work areas (a) maintaining our current, successful production capabilities (Truck, Studio, Radio, Volunteer Training, and Office) and (b) strengthening these resources by implementing new production strategies, using new technology (Tricaster, "Green Studio" and leased Video Content Management Equipment) to generate new revenue. We assume you will have further questions. We await further specific quotes from competing manufacturers and vendors.

Project: Mobile Production Truck (RV)

Annual production of 60-75 events per year from multiple venues and stadium sites requires further upgrades to our Hometown-TV and Game of the Week vehicles.

Current status: Production switcher and character generator are both 10-15 years old and need replacing. The cameras (3) are still very useful after four years but most sporting event shoots require a fourth camera. The 26-pin camera cables are showing wear after more than five years of heavy use and are in need of constant repair. Triax cables are recommended because they are more flexible, not easily damaged, and preferred by broadcast engineers. In addition to the cable, each camera requires a conversion control unit. ARCO is pre-wired for Triax cable connections, for example. Monitors and the intercom system are 15 years old and require replacement. Request for DVD copies of GOTW for sale at the games require an on-board duplicator.

Replacement Video Switcher SDI-HD capable (1) @	\$21,000
Compix (or equivalent) Character Generator (1) @	\$10,000
Sony DXC-55 Studio Camera, tripod, lens & camera control (CCU) (1) @	\$21,500
Four JVC (RGB inputs) studio TV monitors (4) @ \$1,000 each	\$ 4,000
Clear-Com Intercom (minimum of 8 stations) rack mount with headsets	\$ 7,000
One Five slot (5) multiple DVD Duplicator (1) @ \$1,000	\$ 1,000
Paint & Outfit Production trucks (2) @ \$5,000 ea.	\$10,000
Four Triax camera cables & control units (4) @ \$15,000 each	<u>\$60,000</u>
Total Mobile production Truck	\$134,500

Project: Main Coloma Center Television Studio Upgrade

After twenty-five years of daily use, the main Coloma studio is doing well. Recent upgrades purchased by Access reserve funds and SMCTC grant monies include conversion to DV-Cam record machines, curtains, new flooring materials, flat screen monitors, furniture upgrades, and automated playback with the Tightrope system.

Current status: The studio production switcher and character generator are also 10-15 years old and need replacing with the same units to be used on the Truck (for training purposes). The primary monitors for engineering and proper color are 15 years old. The lighting units are 25 years old and draw power and produce much more heat than new LED style instruments. Operation of LED lights are 20% the power usage of standard theatrical lighting and the bulbs last 50 times longer.

Replacement Video Switcher SDI-HD capable (1) @	\$21,000
Compix (or equivalent) Character Generator (1) @	\$10,000
Two studio TV monitors (2) @ \$1,500 each	\$ 3,000
Ten LED studio lighting instruments (10) @ \$1,500 each	<u>\$15,000</u>
Total Coloma Center Studio Upgrade	\$49,000

Project: Community Volunteer Camera Training and Check-out

Each week, our portable cameras are used in training classes and checked out to qualified volunteers. Each "rig" is also outfitted with batteries, tripod, microphone and lights as needed. Six years ago we had six camera systems to check out.

Current status: The six cameras have been heavily used and parts "cannibalized" to keep remaining units operational. Three units are operational but added demand would keep eight units busy. Replacement lights and microphones are needed as well. We maintain DV-Cam tape-to-tape editing also requiring character generator replacements. For video nonlinear editing (NLE) we have successfully upgraded over the years to six Apple Mac systems but we need a Windows based NLE system for volunteers more comfortable with Microsoft Windows PC systems.

Five Panasonic (or equivalent) field cameras SDI-HD (5) @ \$2,500	\$12,500
Compix (or equivalent) Character Generators (2) @ \$10,000	\$20,000
Sennheiser audio microphones (directional shotgun style) (4) @ \$500 ea.	\$ 2,000
Four portable lighting kits (4) \$1,000 each	\$ 4,000
One Dell (or equivalent) Nonlinear video editing computer and software	\$ 3,000
Total Portable Cameras and Editing Upgrades	\$41,500

Project: Community Radio "The Voice"

There are no radio frequencies available in Sacramento County for "over the air" broadcasting of community radio. In this void, our cable community radio has been the only viable option for more than twenty years. "The Voice" of Sacramento has trained hundreds of local residents how to produce community radio. Community radio is transmitted via cable television, on our bulletin board and on the Second Audio Program (SAP) of channel 17. To reach the largest possible audience of cable and non-cable households, we "stream" local community radio 24/7 on our web site.

Current status: Access Sacramento currently rents/contracts "Live 365" providing Internet streaming and music copyright clearances under the federal Millennium Copyright Act. "Live 365" permits our radio producers to share their programs with audiences on the cable system and via the hundreds of simultaneous listeners via the Internet. By increasing our monthly fee from \$150 to \$500 per month, the audience size will grow. Additionally, the computers and software needed for "computer assisted radio production" are out of date by many years. We request an upgrade to the facility for our community radio volunteers and increase potential audience size by 400%.

"Live 365" Service agreement \$500 per month x 12 months	\$ 6,000
Radio operator "automated assist" software upgrade	\$ 2,000
Two Dell (or equivalent) Windows PC computers (2) @ \$1,500 each	\$ 3,000
Total "The Voice" Radio Upgrade	\$11,000

Project: Access Sacramento Office Upgrades

The office is the center for receiving programs, signing up new members, enrollment in our training workshops, building content on our web site, "burning" DVD copies of requested programs, and much more.

Current status: We lease our color copier/printer/fax machine. The primary office computer is the slowest one in the building and needs replacing. New monitors are needed to showcase channel 17 & 18 programming to our guests and a new multiple DVD duplicator is required to keep up with requests from GOTW and HT-TV fans.

IKON copier lease for three years @ \$5000 per year	\$15,000
One Dell (or equivalent) Windows PC computer (1) @ \$1,500 each	\$ 1,500
One Five slot (5) multiple DVD Duplicator (1) @ \$1,000	\$ 1,000
Two flat screen display monitors (2) @ \$500 each	<u>\$ 1,000</u>
Total Access Sacramento Office	\$18,500

Project: Studio-In-A-Suitcase and Newtek Tricaster for Field Production

Small venues and sites where there is no room for the larger Truck utilize the SIAS, developed by Access Sacramento more than ten years ago. In the past year, we used our equipment reserve funds to purchase a Newtek Tricaster for portable, multiple camera productions. The Tricaster has an onboard character generator and the capability of going "live" to the Internet with the push of a button.

Current status: SIAS/Tricaster production has increased, but there are no designated cameras/tripods to use with this unit. Cameras need to be reassigned from the Truck or shared from cameras used by the community volunteers and these multiple cameras often do not match each other in color and image quality. The basic intercom system needs to be upgraded, a second monitor and a separate "switcher keyboard" purchased to complete the unit. These purchases will permit greater flexibility of production tools in different sites and simultaneous 3 camera productions in two separate venues. The JVC cameras could be used to replace the 8- ear old Coloma studio cameras, if needed.

Large flat screen television monitor	\$ 1,500
Three JVC GY-HM790U studio cameras, tripods & lens (3) @ \$18,500 ea.	\$55,500
NewTek Tricaster switcher "keyboard" (1)	\$ 2,500
Portable intercom system (minimum 4 stations)	<u>\$ 2,000</u>
Total SIAS & Tricaster	\$61,500

Project: "Green Studio" Additional Cameras

Utilizing Access Sacramento accumulated reserve funds, last year we purchased a NewTek Tricaster for development of a "Green Screen Studio" utilizing a small space formerly used for tape-to-tape editing. It is growing in popularity because it permits one skilled operator to do the work of many people and using chroma-key technology to simulate "virtual studio" sets. These capabilities are currently limited because the "Green Studio" has only has 1 camera instead of 3 and one monitor instead of two.

Current status: Two more cameras will permit two-person interviews with close-ups of each person. Ideal operation of the Tricaster requires a second monitor and a “switcher keyboard” to help the operator efficiently operate the multiple systems.

Two Sony robotic controlled SDI-HD cameras (2) @ \$3,000 each	\$ 6,000
NewTek Tricaster switcher “keyboard” (1)	\$ 2,500
One additional flat screen large monitor	\$ 500
Total “Green Studio” Upgrades	\$ 9,000

Project: Neighborhood News Bureaus and the Media Lab

For three years, Access Sacramento has been demonstrating the link between community cable television-radio and the streaming of those channels via broadband cable to a non-cable television audiences via the Internet. Internet viewers of channel 17 now average more than 1,000 users per day. The growth of our cable audiences in Sacramento County and non-cable Internet viewers from throughout the region point the way to expanded services by better utilizing at-home computers, Comcast/SureWest & AT&T broadband cable connections, and cell phone technologies. Video and audio via broadband cable on the Internet permits us to expand our cable network to include exciting new sources of local content and information sharing. The Knight Foundation “News Challenge” Grant recently found our “Neighborhood News Bureau” project exceptional and rated it among the top 7% of 2,400 international applications. For a Power Point outline of the project, go to our web site www.AccessSacramento.org

Current status: We are building a central web site (www.AccessLocal.tv) to receive regular video/audio/text neighborhood updates from five (5) community centers in South Sacramento County – La Familia Counseling, Asian Resource Center, Valley Hi Library, Florin Creek Community Center and the Pannell Center in Meadowview. We will “train their trainers” using our media lab resources and theirs. In turn, they will invite their local neighbors to contribute short videos, pod casts, text messages, and regular “community reporter newscasts” focused upon “hyper-local” news for their communities. In turn, “AccessLocal.tv” and our cable channels will be routinely “watched” by local media (Sacramento Bee and Sacramento Press) for “leads” to be followed up by professional journalists.

To “host” the robust, open source, video “on-demand” web site, Access Sacramento proposes to contract server capacity from Video Streaming Services Company (see detailed proposal and timeline under “Attachment D”). By leasing Public Access Video Content Management Equipment, VSSC shall provide state-of-the-art server hardware, ongoing engineering support, maintenance of the servers and the web site architecture. The cable television programming created in our studios combined with video content remotely delivered to us via the Internet from neighborhood centers will be a model carefully reviewed by other communities within our County and by other community media centers throughout California. Why will others be so interested?

- Instead of building multiple community media centers throughout the County costing millions of dollars to build and maintain, www.AccessLocal.tv will coordinate current

resources, work with existing agencies and their staff and volunteers, and re-purpose their “community reports” for viewing throughout the region on our cable channels and throughout the world via Internet streaming.

- By threading together local leaders, youth, and net savvy technicians, we will better inform local neighborhoods, including bi-lingual English and Spanish.
- By obtaining and sharing relevant local information starting in South Sacramento County, we are attempting to address the 40% of the population not currently using the Internet, continuing to fulfill our mission to “give voice” to those people and events too often overlooked or misrepresented by commercial media.
- We will bridge the transition from exclusive cable content production and delivery to interactive online and cell phone originated-delivered information and embrace future trends and evolving open source and social networked technologies.
- Once established, we anticipate that in the second year, other Sacramento County communities, such as Rancho Cordova, Del Paso Heights, Folsom and other neighborhoods will want to provide similar training to their residents using the model and web site developed via this initiative.

First year of NNB project 2010-11:

Ten NLE computers for 5 NNB sites (10) @ \$1,750 each	\$ 17,500
Ten video cameras for NNB sites @ \$500 each (10) @ \$500 each	\$ 5,000
One year lease for video hosting server -- 1 year @ \$106,500	\$106,500
Six NLE computers for NNB training at Acc/Sac (6) @ \$1,750 each	<u>\$ 10,500</u>
Total for 2010-11	\$189,500

Planned growth in second year of NNB project 2011-2012:

Three additional Sacramento County sites:	
Equipment upgrades	\$39,000
2 computers, 2 cameras per site x 3 sites @ \$4,500 each	\$13,500
Additional hosting capacity	<u>\$10,000</u>
Total NNB for 2011-12	\$ 62,500

**Benchmark Events and Progress Report
(Fall 2009 – Spring 2010)**

SWOT Analysis Workshops Help Focus Board Activities

Charley Ansbach of Skystone Ryan Consulting conducted two workshops in the fall of 2009 (September and November). Board members reviewed our mission and discussed future directions. Ansbach emphasized new entrepreneurial initiatives are essential for nonprofit organizations. He explained, “A well-rounded nonprofit organization should operate as any successful business. However, instead of “profits” going to shareholders and owners, excess revenues are plowed back into the organization for the benefit of those served by the organization.” He strongly encouraged Access Sacramento serve as a role model in resource development for the many NPO’s we serve.

South County Media Discussion Surfaces Area Concerns About Media Coverage

Organized by Access Sacramento, Sacramento Media Group, California Common Cause, and the VISIONS and CARE community organizations, 60 South Sacramento County residents met and discussed how media impacts their sense of neighborhood and attitudes toward their neighbors. A common concern raised by many participants was the “negative” portrayal of “South Sacramento” in news stories. Media representatives in attendance included KCRA Channel 3, Sacramento Bee, Sacramento Press, and the Sacramento Observer. A video of the event was shown on Access Sacramento and posted to the new web site “AccessLocal.tv”.

“Place Called Sacramento” Film Festival Celebrates “10 Years – 100 Films”

800 guests enjoyed 12 films in the 2009 PCS, thus rounding out the ten-year effort to create 100 short films since the festival’s inception in the year 2000. Executive Director Ron Cooper was also honored earlier in the year by the Sacramento Music and Film Festival for Access Sacramento’s efforts to “create opportunities” for aspiring Sacramento filmmakers and scriptwriters.

Amy Goodman Access Sacramento Event Helps Fund Neighborhood News Bureaus

On November 21, journalist Amy Goodman helped Access Sacramento raised more than \$1,000 toward the “NNB” concept with a full house of fans in the Coloma Auditorium.

HR 3745 Advocated in NorCal Region – Access Sacramento Takes Leadership Role

The house bill to help fund capital and operations expenditures for PEG access organizations received a positive hearing thanks to initiatives launched by Access Sacramento and other PEG organizations. The Community Access Preservation Act (CAP Act) would mean about \$2 million dollars in annual revenue for local PEG organizations.

Holiday Party Held at CREST Theater and Crest Café

In the spirit of the season, 50 guests were treated to a great meal and a showing of “It’s a Wonderful Life” with Jimmy Stewart on the big screen.

UC Davis School of Education and Access Sacramento Plan Youth Media Forums

The South County Media Forum encouraged several attendees from UC Davis to begin planning an all Youth Media Forum for 2010. Kindra Montgomery-Block and Bel Reyes of the CRESS School of Education organized local leaders to meet monthly at Access Sacramento. The date for the event will be May 22 at the studios of KCRA.

Haitian Relief Telethon Marks First Use of the “Green Studio”

On February 26, Access Sacramento hosted a three-hour relief effort in support of NPO groups in Haiti. Utilizing local bands recorded with the production truck, in-studio guests recently returned from Haiti, and with the help of 60 different volunteers, the event was a great success. Each of the three, one-hour segments began and ended in our new “Green Studio” with the look of a large news set created ‘virtually’ in an 8’ x 10’ space.

“Electronic Lawn Signs” Signals New Effort to Help Candidates in Local Election Efforts

Access Sacramento provides local campaigns a new way to ask voters to participate. Using community cable channel 17 to impact local cable subscribers and simultaneously “stream” out

election messages on the Internet, Electronic Lawn Signs - ELS - offers campaigns an affordable and highly visible means to achieve the following:

- TV Opportunity - Provides local political candidates and initiatives a new advertising opportunity utilizing video to promote their positions and gain visibility.
- Affordable Flat Rate - Sixty-second television spots will be created and played back on channel 17 for a affordable flat fee, seen throughout Sacramento County.
- County-wide – Cable television (Comcast, SureWest, & AT&T systems) permits TV's power to influence a local audience as an option for all political campaigns.
- Better than static lawn signs - All spots will be seen daily by viewers an equal number of times in identified time slots in more than 250,000 Sacramento households.
- All candidates are treated equally for a flat fee.
- Revenue generated can help sustain Access Sacramento activities and stretch SMCTC grant funds

“March Madness” Signals New Precedent for Multiple Production within 24 Hours

On Friday and Saturday March 5 & 6, the Access Sacramento GOTW crew augmented by Cosumnes River Broadcast students, produced six different regional finals basketball games at ARCO arena – Division I, II, & III girls and boys. Simultaneous to this major truck event, a second four-camera crew using our new Tricaster, recorded the Sacramento News & Review “Jammie Awards” -- Friday night at the Crest Theater and Saturday night from the Mondavi Center. Producing eight major, four-camera productions, from three different venues within 24 hours with a total crew of more than 30 student interns, volunteers, plus part-time and full time staff members is unprecedented in Sacramento area television. This accomplishment can only be compared to the multiple venue coverage of the recent 2010 Winter Olympics in Vancouver – except with considerably less money. No television production organization in Sacramento can rival this achievement.

“Streamed” Internet viewers of Channel 17 Top 1,000 Per Day

In February of 2010, Access Sacramento, thanks to the technical support of Video Streaming Services, reached a new record for daily individual views of channel 17 “streamed” via the Internet to our web page www.AccessSacramento.org.

Friday February 5 --	832
Saturday February 6 --	997
Sunday February 7 --	1061
Monday February 8 --	889
Tuesday February 9 --	788
Wednesday February 10 --	853
Thursday February 11 --	906
TOTAL Views for Week	6,326
Average views per day =	903.7 views per day

Statistics supplied by Video Streaming Services Company for www.AccessSacramento.org

A “viewer” must go to the web site and click on the “Watch Channel 17” icon or “bookmark” the icon to be counted as watching the channel.

Comcast “On-Demand” Regional Individual Viewings

Orders for specific programs count when a Comcast cable viewer going to “Channel One On-Demand” clicks through “Get Local” till they pick a specific Access Sacramento program. The individual program viewing statistics are supplied by Comcast on-line services. We thank Comcast for these audiences survey results. Here are a sample of the individual Comcast “On-Demand” views for Access Sacramento programming in the month of October, 2009. Monthly total views average about 2,250 for from 20-30 different Access Sacramento programs available on Comcast “On-Demand”. We thank Comcast for this unprecedented cooperation.

OCTOBER COMCAST “ON-DEMAND” for ACCESS SACRAMENTO PROGRAMS

DART - Green Room	10
Global Climate Change	4
Kids Corporation #39	27
Kids Corporation #40	9
Kids Corporation #41	18
Kids Corporation #42	21
Kids Corporation #43	21
Listen Up! Classics	4
Oak Park Concert	27
Oak Park Summer Concert 2009 Part One	71
Oak Park Summer Concert 2009 Part Two	23
That Kid Has Talent	42
The Jazz Generation	10
Montgomery vs. Grant football	835
Folsom at Davis football	311
SN&R Sammies 2009a	58
SN&R Sammies 2009b	37
Boxing Without Borders – Mexico vs. NorCal Cal	
Expo Boxing	34
Kids Corporation #47	12
Kids Corporation #46	21
SIGLIFF – Gat and Lesbian Film Festival	5
Sac High vs. Rosemont football	522
CBS vs Jesuit football	326
Pleasant Grove vs. Del Campo football	231
Cosumnes Oaks vs. Rio Linda football	134
Kids Corporation Sac Zoo	12
Sacramento Mayor Interview - Livewire	14
The Sound of Moolah - play	9
Light Rail – Listen Up	8
Total of all October Access Sacramento program views	2890

Web Site Visitors for 9 months

Statistics calculated by FireSpring – the web host site for www.AccessSacramento.org

- Total views of web site during 9 months of fiscal year 2009-10 46,995 visits
- Average visits per month 5,221 per month
- Per cent difference from last year's number of visits +3.1%

Web Stats from July 2009 thru March 2010

Month	Unique visitors	Number of visits
Jul 2009	3844	5435
Aug 2009	3787	5149
Sep 2009	4146	5960
Oct 2009	4126	5949
Nov 2009	3369	4842
Dec 2009	2729	3929
Jan 2010	3933	5416
Feb 2010	3538	5009
Mar 2010	3449	5306
Total	32921	46995

Production Partnership with Video Streaming Services

Access Sacramento's partnership with VSSC is creating new programming for our channels by documenting state agencies and other public and nonprofit meetings and posting them onto their web sites and playing them over the local cable channels. Several projects have been completed including 12 part coverage of the California Energy Commission's "Climate Change Conference" and a one-hour "live" to the Internet, location shoot for the "E-85 Fuel Foundation" featuring actress Darryl Hannah. Our relationship with VSSC and George Hall provides Access Sacramento with expertise we could not otherwise afford and the streaming of our channels offers VSSC 24/7 demonstration of their services and the quality of their streaming resources.

Board of Directors Has Maintained Experienced Members

Serving as volunteer "ambassadors" to the community, the Access Sacramento Board include specialized skills in our Board members and add special advisors with expertise in Internet business opportunities, State agency communications, senior issues, and legal advice.

- Inderjit Singh Kallirai, State of California Information Officer
- Xochitl Arellano, Communications for State Senate Latino Caucus
- Margie Metzler, Senior Activist Gray Panthers
- Carl Burton, Chair – Tax Payer Rights advocate
- Gary Martin, Vice-Chair – TV Department Head, Cosumnes River College
- Mary Reddick, Programming Chair – CSU Sacramento, On-Line Librarian
- Abhaya Maharaj, Middle School teacher and leader in Hindi community
- Arne Sampe, Retired Army and community leader for Toastmasters
- JoAnn Fuller, Treasurer – Associate Director of California Common Cause
- Alexander Vasquez, Voice Radio Programmer
- Justin Wilhite, Voice Radio Programmer
- Charlene Jones – Disabled citizen rights advocate and community organizer
- Clayton Moore – Apple Corporation Technical Advice Supervisor
- Richard Novoa, State Agency (retired), Sacramento Sports Commission
- Dr. Diego Bonilla, CSUS Assistant Professor of On-Line Development and Training

Other, non-voting advisors to the Board include:

- Anthony Salamanca, Secretary – CA. Department of Education, Retired
- George Hall – Video Streaming Services Corporation (business advisor)
- Patrick Powers, (Public Relations Advisor)
- Dave Walker and Lois Hart, (grant writing and Internet news advisors)
- Peter Brixie, Attorney (Legal Advisor)

PROGRAMMING COMMITTEE REPORT

All Television Programming (Channels 17 & 18)

July 1, 2009 – March 31, 2010 (nine months)

Original Programming Total Hours Channels 17 and 18 (all sources)

<u>Actual hours (2008-09)</u>	<u>To Date Actual Hrs (09-10)</u>	<u>Projected Actual (09-10)</u>	<u>Goal 2009-10</u>
9,805 (12 months)	8,022 (9 months)	9,412	9,800

Access Sacramento & SECC Original Hours Programming By Origin

	<u>(2008-09 actual)</u>	<u>(9 Month actual)</u>	<u>(Projected 09-10)</u>
All Local Programming	2,911	2,144	2,680 (-8%)
Non-local (local provider)	2,402	1,792	2,240 (-6.8%)
Community Messages (channel 18)	1,612	1,206	1,612 (same)
(includes original community radio)	6,925	5,142	6,532 (-5.7%)
Total hours SECC 1 st Run (9 months)	2,880	2,880	2,880 (same)
Acc/Sac and SECC Total Hours	9,805	8,022	9,412 (-3.9%)

Access Sacramento Programming Highlights of 2008-2009

Channels 17 and 18 are programmed 24 hours per day, 365 days per year, 17,520 total hours for two channels with original video and audio programming produced or provided by residents of Sacramento County. We project 9,412 original hours (53.5%) shall be cablecast during this fiscal year are unique programs, never before seen or heard in Sacramento County. Channel 17 & 18 are now streamed to the Internet. Anyone in the world can now go to www.AccessSacramento.org and watch local programming from Sacramento County from both channels 17 and 18 and community radio, "The Voice".

Community Radio Update

KCBL Community Radio, "The Voice" is programmed daily by local radio volunteers under the supervision of Programming Director Shane Carpenter. Each week 20-30 different producers create one-two hour programs. "The Voice", the only locally produced, non-commercial, general audience radio in Sacramento County, is carried 24/7 on the cable system in the following four different ways:

Cable radio frequency 88.7 FM to homes hooked up with a "splitter"
Switch to the Second Audio Frequency (SAP) on Channel 17 24/7
Heard on all cable sets when channel 18 Bulletin Board Messages are seen
Internet access via "Live 365" on the web site.

LiveWire – A Weekly "Live" Arts and Entertainment News Program Since 1992

The Producer for LiveWire, Michelle A. Barbaria, along with host Ray Tatar, continue to invite local arts and entertainment guests on the show. Additionally, Michelle and Liz Harrison, Co-Producer, train our new studio volunteers as they apply their new technical skills in a "live" studio production. LiveWire helps complete our training program in the following ways:

- "Live" crew experience introduces trainees to a quality production in service to the nonprofit and other community based organizations
- To gain confidence, we feature specialized training for those who want to focus on a particular piece of equipment including cameras, switcher, audio board, character generator, lights, and directing, and floor directing.
- We have 'pre' and 'post' production meetings to help new member-producers learn specific areas and work more effectively together as a team
- Access Sacramento has initiated 5 new television series from people who took the Studio Workshop and came to LiveWire to get certified and trained.
- Livewire has featured many new 'live' theatre acts and fulfilled our goals for interacting with the theatre community
- The Producer, Michelle Barbaria continues to blog about the show on our Access Sacramento SacBee blog site.

LiveWire features the people, places, and events from all of Sacramento County.

Here is a month-by-month synopsis of guests and topics dating back to May 2009.

- **May 09'** – Sacramento Swingtime and Automobile Museum, "Children of the Light" at California Stage, Body Joy, A Place Called Sacramento (PCS), Regional Water Authority, Magician Patrick Wallace, Performing Arts Festival, SN&R Sammies Day

- **June 09'** – Artist Kristen Biedermann, Strawberry Picnic, Quilt Show; Quilts for Orphans, Jazz Sunday, French Film Festival, French Fashion Show, Rhythm 'n' Rhymes, A Theatre Camp for Kids
- **July 09'** – Author Karen Anderson “Not on Your Life!”, Author Lorraine Holden “Don’t get Thin, get Healthy”, Sacramento Sirens Cheer Elite and Sacramento Sirens Football Team, People Reaching Out, Midnight Mass Car Show, Roots and Horizons, D.A.R.T. (Drowning Accident Rescue Team), “Green Room” by Friends of Dorothy Productions
- **August 09'** – Brazilian Carnival Party, Jui Jitsu Demonstrations, Crocker Art Museum, Operation Patriotic Pin-Up, One House of Peace, Roberts Family Development Center
- **September 09'** – Scleroderma Foundation, “6 Women with Brain Death” by Lambda Players, United Way, Mayor Kevin Johnson, Toastmasters, P.C.S.
- **October 09'** – Sacramento Horror Film Festival, Thomas Jefferson, Educational re-enactments, Kids Corporation, Story-teller Angela James, Sacramento International Gay and Lesbian Film Festival, Edible Crawls for The Cystic Fibrosis Foundation, Scary Art
- **November 09'** – “A Taste of December” with The Folsom Cordova Community Center, Nor cal Services for the Deaf and Hard of Hearing, and “Camp Grizzly”
- **December 09'** - Fembots; ladies high school robotic team, Sac City Roller Derby, LiveWire Holiday Special, United Way Special
- **January 10'** – D.A.R.T. Demos, Soapbox with Jeannie Keltner, Nancy Bradley’s Predictions for 2010 with Robert Reppert, “Shimmy & Shake for the Haiti Quake” A Burlesque Show Benefit for Haiti, Successful Thinkers, Folsom Cordova Community Partnership’s Tutoring Program
- **February 10'** – Sacramento Jewish Film Festival, Bravo Bach! Festival, “Three Penny Opera” California Stage, Access Sacramento’s Screenwriting Workshop, P.C.S., Downtown Sacramento Partnership, “The Women of Juarez” California Stage, Morris League Baseball “Honorary Negro League Game”, “Pensacola” by Lambda Players
- **March 10'** – Brazilian Center for Cultural Exchange, “Haiti Relief Telethon” presented by Access Sacramento and The Sacramento Music Alliance, Teen Challenge, Northern California Egg Artists, Sacramento Film Festival, “Arranged Marriage” By Sacramento Theatre Company, Boys and Girls Club of Greater Sacramento, Movies on a Big Screen, “Feria” Festival, and Alzheimer’s Association “Memory Walk”

Listen Up! Sacramento – Bi-Weekly Music Show Featuring Sacramento’s Best Musicians

The Producer for LiveWire, Michelle A. Barbaria, along with Producer and Host Erika Kjesltrom, and Sacramento News & Review introduce local musical talent on the show. Michelle and Erika, along with SN&R strive to introduce Sacramentans to the best new talent in the area. We also feature “Flashback” episodes by dipping into the Access Sacramento vault to preserve our musical heritage. Listen UP! accomplished the following:

- Worked with SN&R and feature up and coming local bands. We included Sammies and Jammies winners and other bands with positive and professional reputations.
- Featured all music genres, languages, and styles from Sacramento County
- Preserved the musical history at Access Sacramento by transferring older ¾” tapes to DVD and retaining past shows including Neon Nites, Sacramento Songwriter Showcase, and Sacto Active Rock.

- Created an opportunity for members interested to join us in learning the production process of producing and directing a music-based show.

“Listen Up! Sacramento” Highlights:

Bands and special episodes featured on "SN&R and Access Sacramento Present Listen Up! Sacramento" from May 2009 through March 2010 include the following local favorites:

- Train Wreck Revival, Justin Farren, Dean Haakenson of Be Brave Bold Robot, Prima, Ricky Berger, Con of Man, Tais, Matt McClean, Light Rail, Sir John, Breaking Glass, Random Abiladeze, Israel, Tha Fruitbat , Autumn Sky, Sonada Malay, “Buck Up or Shut Up on Listen Up!”

“A Place Called Sacramento” Festival and Film Production Contest Celebrates 10th Year

October 4, 2009 welcomed more than 800 local residents to the beautiful Crest Theater for the Tenth Annual PCS World Premiere – “10 Years – 100 Films”. These all locally created films are premiered at the Crest Theater, posted on our web site, and played throughout the year on our channels. This unique contest and volunteer production effort has produced 100 films about the people and places here in Sacramento. The PCS premiere also serves as the primary fundraising and “friend-raising” event of the year.

Any questions may be directed to Board Chair Carl Burton and/or Executive Director, Ron Cooper.

Access Sacramento
4623 T Street, Suite A
Coloma Community Center
Sacramento, CA. 95819
(916) 456-8600 #112



Appendix A

2009-10 Television & Radio Program Management and Content

SacBee.com addition of the Access Sacramento page - www.SacBee.com/Access_Sacramento
This is a unique relationship between community media and the local daily newspaper. Recently, this relationship now includes weekly highlights of each Game of the Week event posted on Sac Bee within 48 hours.

Four “Zones” of Community Messages on Bulletin Board Channel 18 only, (overnight and weekend days) alternates each hour with news from the world on DW-TV. New this year, we have used new software to create four (4) zones of information over a static photo of (1) the tree shaded T street neighborhood (Channel 17) and (2) the busy Old Sacramento waterfront at dusk (Channel 18). Each zone exhibits constantly rotating messages about community events, upcoming classes, program highlights, upcoming programming, and the weather report. Combined with “Voice” Community radio programming and public service announcements, Channel 18 is a multi-media entertainment modeled after the commercial digital channels. The BB messages include:

- (1) Marketing messages promoting, at no charge, Sacramento County nonprofit organizations and their events. No direct “call to action” or solicitation of donations is permitted.
- (2) Access Sacramento programming schedules, membership information, workshops and classes, encourage active participation in local “neighborhood” TV and Radio.
- (3) On-air acknowledgements for Access Sacramento business underwriters. Each message rotates for fifteen seconds each. Current PBS underwriting guidelines are used.

The music and information “underneath” the bulletin board is Access Sacramento Community Radio “The Voice” (17) and KPFA, Berkeley the oldest non-commercial community radio in the U.S. (18). See more complete “Radio” information below.

Board of Director’s Programming Committee -- The Access Sacramento’s Programming Committee meets each second Thursday at 3:30 PM and reports its recommendations to the monthly Board meeting the third Thursday of the month at 4:30 PM. The public is welcome to attend both meetings. Oversight of the channels, the facility located at the Coloma Community Center, and the 6 FT and 4 PT staff positions is the responsibility of the Board of Directors. These 15 community leaders are volunteers and serve as the “community ambassadors and resource stewards” for the organization.

Cable Channel 17 is defined as a local Community Use channel, cablecasting only “family friendly” programming twenty-four hours per day, seven days per week. Programming content is under the stewardship of the Access Sacramento Board of Directors and their designees. The majority of channel 17 programs are produced by local residents and groups. All channel 17

programming is also “streamed” on the Internet to the world at www.AccessSacramento.org in partnership with Video Streaming Services Company. International audiences numbering into the thousands watch specific Access Sacramento programming such as GOTW.

Cable Channel 18 is defined as a public access, Constitutionally protected, free speech, forum invites any Sacramento County resident to share a wide diversity of opinions, speakers, languages, and topics with their Sacramento County, cable-subscribing neighbors. Programs considered to be inappropriate for family viewing are not seen until after 11:00 P.M. and only on Public Access. However, this mature programming is less than 5% of the total local programming submitted to channel 18.

Approximately 60% of channel 18 programs are religious or faith based in content. Programs on channel 18 may be “streamed” on the Internet if they are submitted as MPEG 2 files. Many churches now use this feature to weekly preach to their affiliated missions around the world.

Local and International Programming Reflective of our Diversity -- Programs submitted are provided by Sacramento County residents and reflect their religious, ethnic, cultural, political, and entertainment values and beliefs. Approximately 25% of our programming features a language other than English.

Targeted Programming to Better Serve Our Community -- In addition to public access and community use programming, Access Sacramento provides the following programs in service to our many communities in Sacramento County. This variety and diversity of television programming is unique in the region.

LIVEWIRE – Arts and Entertainment Programming for Sacramento County

Produced each Wednesday “LIVE” from 5-5:30 on channel 17, LiveWire is the longest running A&E program in Sacramento television (originating in 1992 – more than 850 programs produced). Ray Tatar, formerly of the California Arts Council (retired) is our host. Featured guests include local NPO leaders and their fundraising events, new plays and movies, authors and their books, musical and theatrical performances, and more

“Hometown TV” and “Game of the Week” SMCTC Production Grants

Grant Expectations: Complete a minimum of 25 countywide “Hometown-TV” (HT-TV) events taped in the current fiscal year. In addition to worthwhile community events, 25 high school sports would also be covered as the “Game of the Week” (GOTW). Over the past three years, Access Sacramento averages between 60-70 events per year.

For HT-TV, local nonprofit groups are invited to apply, submit their applications to the Programming Committee, modifications to the application made if necessary, and either approved or denied for production.

GOTW contests are selected from various girls and boys sports throughout the year. The events selected are videotaped by a crew of 3-12 trained Access Sacramento staff members complimented by trained volunteers.

“Hometown TV” and “Game of the Week” projects are events that bring pride to their geographic, school, ethnic or cultural communities, by sharing them with 250,000 “cable neighbors” and “streamed” on the Internet to audiences around the world. All events taped in fiscal year 2008-2009 can be found in the Appendix B of this document. I

Access Sacramento and The Sacramento Educational Cable Consortium share programming responsibilities for both Channels 17 and 18. SECC distance learning college courses are cablecast on channel 17 from 7 AM - 5 PM M-F and channel 18 from 8 AM - 2PM M-F. Approximately 50% of the SECC channel time is used for distance learning, live classes from local colleges and 50% is used for satellite programming from outside sources such as ARTS Channel (LA), UCTV (from U of California campuses), and SCOLA (international newscasts).

Deutsche Welle Television (DW-TV) is daily news from the heart of Europe. Different from the SCOLA newscasts on SECC, DW-TV is broadcast in 100% English and features 30 minutes of world news followed by 30 minutes of documentaries or magazine style cultural programming from all continents of the world. With studios and correspondents throughout Europe, DW-TV is network style and broadcast quality. The Access Sacramento Board programs DW-TV to provide a fresh, daily, European perspective on world events and as an alternative to U.S. network coverage. Viewer feedback has been positive and the content draws new viewers to our services.

LINK-TV Documentaries are recorded off satellite and carried at select times. These are high quality stories, from various countries in the world, and translated into English for a U.S. audience. Profiles of distinct cultures, economic and environment challenges, and features on the plight of children are the themes we select for special showings in Sacramento County.

MOSAIC Daily News is seen at 5:00 – 5:30 PM each weekday (except Wednesdays for “Livewire”). Each 30-minute program is a round-up of select news stories from Mid-East national news broadcasts. The national POV’s from Israel, Saudi Arabia, Qatar, Iraq, Iran, Jordan and other countries are represented and translated into English for our local audiences.

Democracy Now! With Amy Goodman is seen daily at 6:00 PM and Midnight on channel 17. Known for her coverage of stories not covered in mainstream media and her journalistic integrity, Amy Goodman has a large following of local residents interested in her progressive style of “speaking truth to power”. Access Sacramento is now included as a regular stop in Sacramento for fundraising events. Democracy Now! Donates all proceeds to Access Sacramento for organizing these events.

Community Radio Programming from “The Voice of Sacramento County” -- “The Voice” the only locally produced, non-commercial, general audience radio in Sacramento County, is carried 24/7 on the cable system as follows:

- (1) Cable radio frequency 88.7 FM to those cable households with a “splitter”
- (2) Switch to the Second Audio Frequency (SAP) on Channel 17, The Sacramento Channel
- (3) Heard on all cable sets whenever the Community Messages are seen on Channel 18
- (4) ‘The Voice’ community radio is distribution 24/7 on the internet at our web site www.AccessSacramento.org. Go to the front page of web site and click on The Voice icon and enjoy local community radio from any computer in the world.
- (5) **SacBee.com/Access_Sacramento now carries “The Voice on their web site.**



Attachment B

“Hometown-TV” and “Game of the Week” UPDATED Program Report

July 1, 2009 – March, 2010

Fifty-five Events completed
(Fifty events annually are required in SMCTC Grant)
120 hours of Local Programming

HT-TV applications are received and scheduled for production by
Programming Committee, the 2nd Thursday of each month at 3:30 PM.
Application forms are located on front page of web site
www.AccessSacramento.org



Attachment C

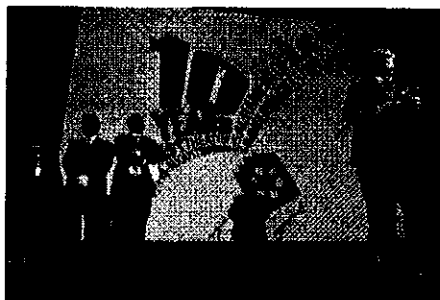
Newsletter Highlights July 2009 - March 2010

Each Monday Access Sacramento sends a newsletter out to 2500 members, friends and local media. The newsletter covers upcoming community events, Access Sacramento updates and other local media topics. These are the highlights of each month's newsletters from July 1, 2010.



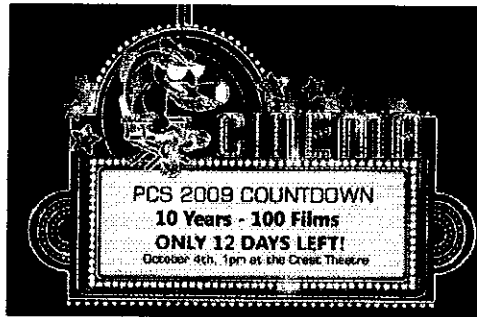
July 2009

Technological Madness - In Search of Perfection... In an Imperfect World, The 10th Annual Sac Film & Music Festival Ron Cooper to Receive Festival Honors, Opening Night Friday July 24, Access Sacramento Discusses "Neighborhood News Bureaus" at National Conference, WAVE Entry Forms Now Available - Enter Your Best Program.



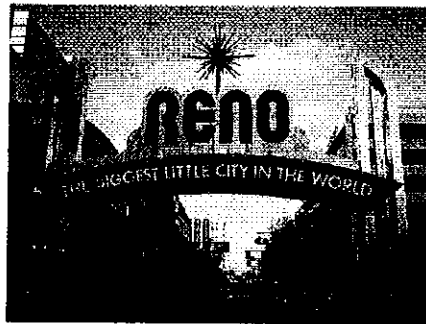
August 2009

In Praise of Our Film Festival Community - An Open Letter to Mayor Kevin Johnson, Twelve Films Near Completion - Tenth Annual "Place Called Sacramento" On Schedule, Programming Committee Approves Great Line-Up of Hometown TV Events For Fall Season, Sacramento Bee Now Features "The Access Sacramento Page" at SacBee.com, Mayor Johnson Creates Arts Initiative - "For Arts Sake..." Access Sacramento E.D. Named to Film Committee.



September 2009

10 Years - One Hundred Films - See you October 4 for 12 New Local Movies, Series Lottery - Program Providers Encouraged To Attend, "A Place Called Sacramento" Film Festival Tenth Year Anniversary - Sunday October 4 at the Crest Theater "Ten Years - 100 Films", Five Access Sacramento Programs Named as Finalists in the 2009 WAVE Video Competition.



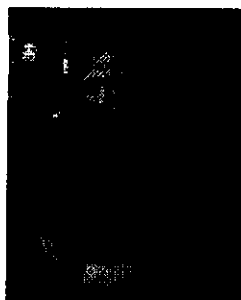
October 2009

Media and Community: Powerful Partners for Community Improvement - Conference Announcement, Bee Video Highlights Game of the Week 2009 Season, Access Sacramento Honored at Reno Conference and WAVE Awards, "Place Called Sacramento" Film Festival Will Continue to Encourage the Completion of Local Films, Future News Bureaus In Sacramento?



November 2009

Amy Goodman Visits Access Sacramento Saturday November 21, 2009, Comcast "ON-DEMAND" Features Wide Variety of Community Programming, G-O-T-W High School Sports Highlights Popular on Internet Sites, Cable Commission Joins Access Sacramento Board and Endorses CAP Act to Save PEG Access, Access Volunteer Wins 2009 Volunteer Spirit Award, Access Sacramento's Holiday Party - Join Us On December 23rd, "Green Studio" Guidelines Established - What Shows Do You Want to See?



December 2009

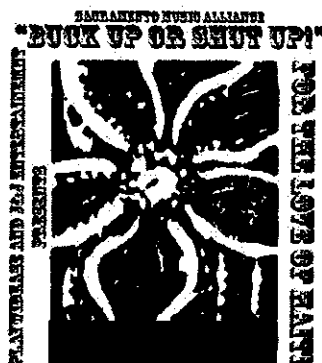
Access Sacramento Channels Lead the "Open Access" Movement - Enter Open Access Video Contest, Kid's Corporation Excited - Santa to Visit "Livewire" Wednesday at 5:00 PM, Happy Holidays From Your Friends At Access Sacramento, Celebrate the New Year and the Old Year with Amy Goodman on Channel 17.



Writing the Story of Transformation

January 2010

Access Sacramento's New Programming Schedule - Tune In Today, Neighborhood News Bureaus Selected as Knight Foundation Grant Finalist, Planning Meeting Held: "Creating A Youth Media Forum - Goals and Vision", Haitian Relief - Just a Click Away.



February 2010

Studio Volunteers Sought for Haitian TV Telethon, Short Form Script Writing Class With Screenwriter Matt Perry - Polish Your PCS Entry, "Media Edge" Sunday Feb. 21 - Celebrate The 250th Episode - 500 Hours in 5 Years!



March 2010

Call For Entries - "Hometown Awards" - National Contest For Public Access Programming, "March Madness" on Channel 17 - Regional Basketball Championships From ARCO Arena, Celebrate St. Patrick's Day - Watch the Old Sacramento Parade Wednesday Night at 10 PM.



Attachment D

Video Streaming Services Company

Proposal for

**Leased Public Access
Video Content Management Equipment**

In support of:



Neighborhood News

Liu. Karen (MSA)

From: Ron Cooper, Access Sacramento [rcooper444@aol.com]
Sent: Wednesday, May 26, 2010 2:32 PM
To: Liu. Karen (MSA); Davison. Bob (MSA); hsteiner@mhalaw.com
Subject: revised Acc/Sac budget request - Cap funding over 2 years
Attachments: 2-year 2010-12 SMCTC.doc

Karen, Bob, and Harriet..... I have created a revamped budget request per your request. We reviewed our requested funds for Capital and Facilities improvements from the 1% designated PEG fund and prioritized the list over two fiscal years 2010-11 AND 2011-12.

Note, I moved the Coloma Lease payment of \$48,000 from the Operations budget to the new CAP budget for each of the two years.

Please review and if you have questions or if anything is confusing, let me know.

Thanks for striving to make this work to everyone's advantage..... ron cooper

ATTACHMENT 5

FY 2010-11 Funding Request

Capital Public Radio



April 19, 2010

Mr. Robert Davidson, Executive Director
Sacramento Metropolitan Cable Television Commission
901 H Street, Room 206
Sacramento, CA 95814

Re: Request for funding FY 2010-2011

Dear Mr. Davidson & Sacramento Metropolitan Cable Television Commissioners,

The Sacramento Metropolitan Cable Television Commission has provided substantial annual support to Capital Public Radio since 1989. Throughout this 21+ year partnership, the Sacramento Metropolitan Cable Television Commission's ongoing financial commitment has made a significant impact on the quality and diversity of programs and services that we are able to bring every day to the greater Sacramento community.

Our on-going partnership allows Capital Public Radio to proudly provide not only the very best in NPR programming, but also includes:

- ◆ 24 hour classical music including *"Friday Night at the Opera"*
- ◆ Our award winning, locally produced daily news reports
- ◆ Our locally produced and innovative public affairs program, *"Insight"*
- ◆ Our Capitol News Bureau and the California Capitol Network, an innovative and well-respected news bureau that covers both the state legislature and local government that provides the news to 56 stations in California, Southern Oregon, and Western Nevada.
- ◆ Locally produced music programs like *"Mick Martin's Blues Party, Blue Dog Jam,"* and
- ◆ Unparalleled jazz programming

In order to continue providing community programming at the current level, Capital Public Radio is requesting a grant in the amount of **\$17,785** from the Sacramento Metropolitan Cable Television Commission for general operations and an additional sum of for capital improvements for fiscal year 2010-2011.

This general operations request will fund any one of the following services:

- Approximately 60% of the cost of our freelance reporters and commentators who cover a variety of local issues including the arts, or
- Approximately 2% of the personnel cost of our news department, or
- Approximately 11% of the personnel cost of our classical music department, or
- Approximately 10% of the personnel cost of our jazz department, or
- The annual cost of the *Mick Martin Blues Party* (weekly four hour show) or *Friday Night at the Opera* (weekly four hour show).

7055 Folsom Blvd • Sacramento • CA 95826 • (916) 278-8900 • capradio.org

90.9 KXJZ Sacramento 91.3 KUOP Stockton 90.5 KKTO Tahoe/Reno 88.1 KQNC Quincy
88.9 KXPR Sacramento 91.7 KXSR Groveland 88.7 KXJS Yuba/Sutter



The request for capital improvements is for the following equipment:

1. Digital Audio Snake (Roland S-4000)	\$7,900
2. Remote ISDN unit	\$7,000
3. CPR Newsroom Comrex DH42	\$2,000
4. COOLDAD Software	\$ 500
5. Shotgun Microphone	\$ 400
Total Capital Improvements	\$17,800

The equipment listed above will allow Capital Public Radio to broadcast and record from a variety of locations including our own community room and outdoor concert area. It gives us the opportunity to provide programming unique to our community and allows us to provide coverage for important stories and events that we would otherwise not be able to cover. It replaces current outdated and well-used equipment. Please find attached a proposed budget for the general operations and the capital improvements request.

The Sacramento Metropolitan Cable Television Commission is acknowledged once per week on our stations, 90.9 and 88.9 for a total of 104 announcements per year. The Sacramento Metropolitan Cable Television Commission logo and website has been linked on our website as well. Capital Public Radio will continue to acknowledge the Sacramento Metropolitan Cable Television Commission on our air and through linkages through our website at www.capradio.org with funding in fiscal year 2010-2011.

On behalf of all of us at Capital Public Radio, I wish to express my sincerest appreciation for the many years of faith you have placed in us, and for this opportunity to request your continued support.

Please feel free to contact me at your earliest convenience if you need additional information or have any questions.

Very truly yours,

Rick Eytcheson
President & General Manager

Attachment (2)
Proposed Budget; Proposed Budget Narrative

Sacramento Metropolitan Cable Television Commission
Funding Request for Fiscal Year 2010-2011
Capital Public Radio
Proposed Budget

	Capital Public		
	Funds requested from SMCTC	Radio Match (cash & inkind)	TOTALS including Match
1. General Operations			
<u>Salaries and Benefits</u>			
Classical Music staffing including benefits	\$ 17,875	\$ 140,702	\$ 158,577
<i>Subtotal Salaries and Benefits</i>	\$ 17,875	\$ 140,702	\$ 158,577
<u>Other Expenses</u>			
On Air/Web Underwriting		\$ 12,000	\$ 12,000
<i>Subtotal Other Expenses</i>	\$ -	\$ 12,000	\$ 12,000
Total General Operations	\$ 17,875	\$ 152,702	\$ 170,577
2. Capital Improvements: Equipment			
Digital Audio Snake	\$ 7,900		\$ 7,900
Remote ISDN Unit	\$ 7,000		\$ 7,000
Newsroom Comrex DH42	\$ 2,000		\$ 2,000
COOLDAD Software	\$ 500		\$ 500
Microphone	\$ 400		\$ 400
Total Capital Improvements: Equipment	\$ 17,800	\$ -	\$ 17,800
3. Indirect (10%)		\$ 15,858	\$ 15,858
GRAND TOTAL:	\$ 35,675	\$ 168,560	\$ 204,235

Sacramento Metropolitan Cable Television Commission
Funding Request for Fiscal Year 2010-2011
 Capital Public Radio: Proposed Budget Narrative
 April 19, 2010

	Funds requested from SMCTC	Capital Public Radio Match (cash & in-kind)	TOTALS including Match
1. General Operations			
<u>Salaries & Benefits</u>	\$ 17,875	\$ 140,702	\$ 158,577
Approximately 11% of the personnel cost of our classical music department including benefits		\$ -	\$ -
<u>Other Expenses</u>		\$ 12,000	\$ 12,000
To provide weekly on air messages on Capital Public Radio stations, "We get support from.." and web link for the SMCTC One message /week on 90.9 & 88.9 X \$100/ message X 52 weeks plus 52 weeks web link on capradio.org			
General Operations Total	\$ 17,875	\$ 152,702	\$ 170,577
2. Capital Improvements			
Digital Audio Snake: The digital audio snake provides the ability to handle multiple microphones operating over a single cable. It will be used for live music events or recording music events for future broadcast.	\$ 7,900		\$ 7,900
Remote ISDN Unit: The ISDN (Integrated Services Digital Network) line is a dial-up digital telephone service provided by the telephone company equipment and enables broadcasting from a remote location.	\$ 7,000		\$ 7,000
Newsroom Comrex DH42: This item will be used in our studios in locally originated programs such as <i>INSIGHT</i> where callers participate in the program. The unit will interface "plain old telephone service" and VOIP telephone lines with our broadcast equipment.	\$ 2,000		\$ 2,000
COOLDAD Software: This software will be used to integrate audio edited with Adobe Audition to our broadcast automation equipment.	\$ 500		\$ 500
Shotgun Microphone: This microphone will be used by the News Department and offter Broadcast personnel to opick up sounds from distant sources. It is particularly usefule when our reporters are required to pick up voices talking into a microphone at an event e.g. musicians, speakers, presenters.	\$ 400		\$ 400
Capital Improvements Total	\$ 17,800	\$ -	\$ 17,800
3. Indirect expenses – 10% of Personnel to cover overhead costs		\$ 15,858	\$ 15,858
GRANT TOTAL OF OPERATIONS & IMPROVEMENTS	\$ 35,675	\$ 168,560	\$ 204,235
TOTAL Request to SMCTC:	\$ 35,675		

ATTACHMENT 6

FY 2010-11 Funding Request

KVIE



KVIE Public Television
2030 W. El Camino Avenue
Sacramento, CA 95833
phone 916.929.5843
fax 916.929.7215

May 19, 2010

Sacramento Metropolitan Cable Television Commission
901 H St, Suite 206
Sacramento, CA 95819

Dear Commission Members:

Because of the support of the commission, KVIE is able to serve Sacramento County with non-profit educational television on KVIE2. Through the programs we acquire and create, KVIE broadens our horizons and expands our sense of possibility by connecting us all to extraordinary people, places and ideas.

On behalf of KVIE, I am respectfully requesting that the Commission consider granting funding for the following capital projects from the additional 1% PEG fees collected from the providers for equipment purchases by licensees. KVIE has submitted this period's budget in the form of all capital requests to allow the Commission to provide KVIE's annual support from the 1% PEG fee pool and use funds that otherwise would have provided our base grant for other purposes.

- Our teleprompters, used by those on camera to be able to read a script while looking directly into the camera, are more than 25 years old and are based on analog technology that is no longer supported by the manufacturer. Repairs are no longer possible should the unit fail. A new teleprompter system is projected to cost \$22,000.
- Our audio console, which is used to mix various audio sources and microphones during the production of program content, was installed in 1996. Several modules of the console have already failed and the console is based on analog technology that does not meet the needs of a modern digital production system. KVIE's cost to replace the audio console with equipment based on modern digital audio processing technology is projected to be \$162,000.
- Our edit bay video monitors, used by program content editors to evaluate picture content for composition and video quality, are based on outdated analog technology that is no longer supported by the manufacturer. The proposed replacement video monitors, which are based on new digital flat screen technology, are projected to cost \$15,000
- Our Broadcast Archive, consisting of a robot tape library and a library management server, is used to warehouse video content until it is needed for presentation on KVIE2. The tape drives are due for replacement and the server is no longer compatible with the latest library management software. The replacement tape drives and server are projected to cost \$30,000
- Content for KVIE2 is currently delivered real-time via satellite and recorded directly onto convention video tape recorders. When needed for presentation on KVIE2, the content is dubbed from video tape to the video server, which is a time-consuming and labor-intensive task. With implementation of a Non-Real-Time Interconnect (NRT) system, content would be delivered as digital files that can automatically be moved directly to the video server for presentation or to the archive for later presentation. The proposed NRT system is projected to cost \$15,000.

KVIE productions of particular interest for Sacramento County residents that have aired in this fiscal year include *Facing the Mortgage Crisis*, which provided local information for struggling homeowners; *First Year Teachers*, which documented some of the issues facing our education system; and *Arts Alive: Second Saturday*, which showcased our community's unique arts offering. Still to come before this fiscal year ends is a new *Rob on the Road* special titled *Planes, Trains and Automobiles* that showcases three Sacramento County Museums – the Aerospace Museum of California, California State Railroad Museum and California Automobile Museum.

Again, thank you for supporting KVIE with continued funding for KVIE2 that provides Sacramento County residents with quality, educational television that unites them and connects them to the world around them.

Sincerely,

David Lowe

David Lowe
President & General Manager

Attachment: KVIE Budget

KVIE Budget
Fiscal Year 2010/2011

KVIE Total	FY2011 DRAFT Budget	
Revenue Sources		
SMCTC Base Grant	\$	-
SMCTC Capital Grant - Teleprompters	\$	22,000
SMCTC Capital Grant - Audio Console	\$	162,000
SMCTC Capital Grant - Edit Bay Monitors	\$	15,000
SMCTC Capital Grant - Broadcast Archive	\$	30,000
SMCTC Capital Grant - NRT System	\$	15,000
Dues/Memberships/Fees	\$	5,993,755
Interest	\$	30,000
Other	\$	7,175,404
Total	\$	13,443,159
Expenditures		
Personnel	\$	4,290,979
Services & Supplies/Operations/G&A	\$	9,143,068
Grants/Scholarships	\$	-
Fixed Assets/Equipment	\$	871,722
Total	\$	14,305,769

*Staff is working on the FY11 budget and plans to submit a balanced budget to the KVIE Board for approval expected by 6/30/10

**Please see the accompanying cover letter for explanations of the equipment grant requests.

ATTACHMENT 7

FY 2010-11 Funding Request

SECC



April 19, 2010

Bob Davison
Executive Director
Sacramento Metropolitan Cable Television Commission
901 H Street, Suite 206
Sacramento, California 95814

Dear Bob:

Attached are the proposed 2010-2011 SECC and BESTNet Budget and a brief overview of 2010-2011 Goals. In order to submit a balanced budget SECC made the assumption funding from the Commission would be equal to 2009-10. If there are changes to the funding sources, SECC and BESTNet will need to adjust.

Please note we used a different format this year that is more detailed and complies with the SMCTC request to break out capital expenditures from operational expenditures. On the SECC and BESTNet operational side, this is a slim year for capital expenditures. We spent a lot of money last year on our automated payback system. I guess we were a year too early on that.

And per your request, SECC certifies that all funds will be expended for the purposes awarded and in compliance with all current federal and state laws and regulations. SECC assumes full responsibility for maintenance, repair and replacement of any initial funded equipment from SMCTC.

Please let me know if you have questions or concerns. SECC and BESTNet appreciate the continued funding and support from the Sacramento Metropolitan Cable Television Commission.

Sincerely,

Elizabeth Rhodes
Executive Director

Cc: SECC Board of Directors

encls



2010-2011 GOALS

Overview: During the past year SECC continued to reorganize and reduce expenditures in anticipation of reduced membership fees, grant revenue and budget cuts. As described in the attached, SECC and BESTNet operational budgets reflect a reduction in expenditures while maintaining core services and providing an expansion in cable classes, professional development opportunities and further expansion of the Student Educational Video Awards Program (SEVA).

The BESTNet 2010-11 Budget:

- It is anticipated when SECC receives the BTOP funding of \$5.6 million; SECC will begin a 3 year connection of 185 elementary schools (most of the remaining schools not currently connected to BESTNet.)
- Due to district budgetary constraints the SECC Board decided to defer 2010-2011 BESTNet fees.

The SECC 2010-2011 budget includes:

- No colas/raises for a second year
- Operational status quo (1 FTE reduction from 1 year ago)
- No increase in SECC membership fees
- \$20,000 from SECC Designated Reserve

SECC is planning on extending program hours and cable classes on SECC channels due to the operational success of the automated playback system purchased last year.

BESTNet:

1. Commence construction of Phase III, (elementary schools), a 3-year project pending BTOP funding.
2. Expand broadband curriculum and resource offerings to all schools through regional discounted licensing and local production.
3. Continue collaborative broadband projects and expand web-based programs with emphasis on shared professional development by all SECC member districts.

Educational Channels:

1. Program cable channels 15 and 16 twenty-four /seven with educational programs. Emphasis will continue on live classes and credit courses.

2. Program 17 and 18 part time based on fall and spring course schedules. These channels are programmed specifically with credit classes.
3. Continue to explore new content offerings for in-school and community use.
4. Increase student based productions and sharing these programs via cable and BESTNet. This project will include support from SECC partners Comcast and News 10.
5. Increase student enrollment in cable classes.

Student/Teacher Media Production:

SECC plans to continue expansion of its Student and Teacher Media Production Program via the Students Educational Video Awards (SEVA) program and the Digital Journalist program. SECC is currently in over 70 schools assisting students and teachers.

SEVA and SEVA training is a year-long program. The Student Educational Video Awards competition is the only countywide opportunity for local students to be recognized for excellence in educational video/multimedia production. It is important for each video to provide educational content and creativity. Production values are important as well.

In the competition, there are categories broken down by grade level. Entries are judged by:

- Educational message strength - this section is the most important area of the competition.
- Organization of production
- Production quality (editing, creativity, originality)
- Technical quality
- Talent of the reporter, interviewer, narrator and editor
- Overall impression

During the school year SECC hosts monthly training/networking sessions for teachers and students. They share their ideas and expertise during the evening and listen to experts in the field share specific topics such as copyright, scripting, lighting, editing, and web resources.

The training and resulting competition culminates in the Annual SECC/SEVA Award Night, the Sacramento version of the Academy Awards. The evening is a celebration of the talents of local students as television and media producers. Last year more than 900 students, parents and teachers attended the event at the Crest Theater.

Digital Journalist a companion piece to SEVA is a partnership between News 10 and SECC. News 10, through the Gannet Foundation funds 15-20 “starter” kits for teachers. SECC coordinates the distribution, training and follow up assistance with teachers. Teachers and students are encouraged to produce programs for the educational channels, their schools, community and the SEVA competition.

In conclusion, SECC is looking forward to a year of change and challenges. SECC believes there are opportunities to be embraced and resources to be leveraged in continued efforts to make the educational channels and broadband a valuable asset to Sacramento.

SECC PROPOSED 2010-2011 BUDGET
4/19/10

REVENUE	ACTUAL YR END 2008-09	BUDGET 2009-10	PROJECTED 2009-10	PROPOSED OPERATIONS: 2010-2011	PROPOSED CAPITAL 2010-2011	PROPOSED TOTAL 2010-2011
Fiscal Year Revenue						
Incoming Cash Balance	\$126,475.00	\$60,000.00	\$95,339.00	\$59,000.00		\$59,000.00
From Designated Reserve	\$297,171.00	\$30,000.00	\$30,000.00	\$20,000.00		\$20,000.00
SMCTC Grant	\$2,689.44	\$297,171.00	\$297,171.00	\$291,671.00	\$5,500.00	\$297,171.00
Interest Income	\$127,363.50	\$600.00	\$24.03	\$100.00		\$100.00
Membership Dues	\$3,000.00	\$127,000.00	\$126,599.44	\$126,500.00		\$126,500.00
SEVA/Award Night	\$3,020.00		\$4,000.00	\$4,000.00		\$4,000.00
SEVA Training Events	\$28,489.00	\$10,000.00	\$1,675.89	\$1,000.00		\$1,000.00
Channel Operations	\$34,954.00	\$15,000.00	\$0.00	\$0.00		\$0.00
Other(Projects/Grants/Royalties)	\$53,404.00	\$10,000.00	\$15,860.00	\$0.00		\$0.00
United Streaming	\$10,000.00	\$10,000.00	\$10,000.00	\$0.00		\$0.00
West Sacramento						
Total Revenue	\$686,565.94	\$549,771.00	\$580,669.36	\$502,271.00	\$5,500.00	\$507,771.00
EXPENDITURES						
Personnel:						
Executive Director	\$86,590.12	\$86,590.00	\$86,590.00	\$79,374.16		\$79,374.16
Program Coordinator/Contract	\$865.00	\$0.00	\$0.00	\$0.00		\$0.00
Production Coordinator	\$44,087.64	\$44,088.00	\$44,088.00	\$44,088.00		\$44,088.00
Promotional Coordinator	\$38,961.90	\$38,962.00	\$38,962.00	\$34,812.00		\$34,812.00
Office Manager	\$52,310.00	\$52,310.00	\$52,310.00	\$52,310.00		\$52,310.00
Production Assistant	\$20,611.32	\$24,000.00	\$21,540.10	\$24,000.00		\$24,000.00
Program Assistant	\$12,516.00	\$10,000.00	\$13,260.00	\$13,500.00		\$13,500.00
Temporary Part Time	\$0.00	\$2,000.00	\$0.00	\$1,000.00		\$1,000.00
Contract Producers	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
Consultants/Training	\$1,090.00	\$2,000.00	\$2,000.00	\$2,000.00		\$2,000.00
Benefits (SECC staff only)	\$104,765.90	\$120,000.00	\$125,682.34	\$142,000.00		\$142,000.00
Total Personnel	\$361,797.88	\$379,950.00	\$384,432.44	\$393,084.16	\$0.00	\$393,084.16
Services and Supplies:						
Facility Rent	\$38,074.96	\$44,000.00	\$39,967.35	\$45,000.00		\$45,000.00
Insurance	\$11,903.50	\$18,000.00	\$13,248.70	\$17,000.00		\$17,000.00
Office supplies	\$6,476.44	\$6,000.00	\$5,148.49	\$6,000.00		\$6,000.00
Telephone	\$2,072.87	\$2,300.00	\$2,046.23	\$2,300.00		\$2,300.00
Internet (Web Page)	\$662.10	\$1,000.00	\$1,026.55	\$1,000.00		\$1,000.00
Postage and Delivery	\$712.76	\$800.00	\$463.37	\$800.00		\$800.00
Promotion/Printing	\$324.41	\$1,000.00	\$392.49	\$1,000.00		\$1,000.00
Bank Charges	\$244.59	\$0.00	\$0.00	\$0.00		\$0.00
Payroll Service	\$1,512.36	\$1,700.00	\$1,318.56	\$1,500.00		\$1,500.00

SECC PROPOSED 2010-2011 BUDGET
4/19/10

Software and Upgrades	\$3,183.74	\$3,000.00	\$2,873.52	\$1,000.00	\$1,000.00	\$1,000.00
Accounting	\$4,700.00	\$4,700.00	\$4,700.00	\$4,700.00	\$4,700.00	\$4,700.00
Maintenance	\$1,804.06	\$3,500.00	\$1,997.21	\$2,500.00	\$2,500.00	\$2,500.00
Production Supplies	\$1,584.75	\$4,000.00	\$1,159.54	\$3,000.00	\$3,000.00	\$3,000.00
Chanel Operations	\$23,288.94	\$10,000.00	\$853.30	\$1,000.00	\$1,000.00	\$1,000.00
Program Acquisitions	\$27.00	\$1,000.00	\$597.00	\$1,000.00	\$1,000.00	\$1,000.00
Videotape/DVD-R	\$2,013.91	\$3,000.00	\$2,424.50	\$2,000.00	\$2,000.00	\$2,000.00
Conferences & Seminars	\$625.00	\$1,500.00	\$403.09	\$1,500.00	\$1,500.00	\$1,500.00
Travel	\$617.78	\$2,000.00	\$1,003.00	\$1,000.00	\$1,000.00	\$1,000.00
Mileage	\$3,662.40	\$4,500.00	\$2,707.11	\$3,500.00	\$3,500.00	\$3,500.00
Entry Fees, Dues, Books/Subscriptio	\$75.00	\$500.00	\$0.00	\$500.00	\$500.00	\$500.00
Total Services and Supplies	\$103,566.57	\$112,500.00	\$82,330.01	\$96,300.00	\$96,300.00	\$96,300.00

	ACTUAL YR END	BUDGET	ACTUAL YTD	PROPOSED OPERATIONS	PROPOSED CAPITAL	TOTAL
	2008-09	2009-10	2009-10	2010-2011	2010-2011	2010-2011
Fixed Asset Acquisitions:						
Production Equipment	\$505.88	\$13,000.00	\$13,960.45	\$2,000.00	\$2,000.00	\$2,000.00
Playback System	\$1,317.35	\$2,000.00	\$946.09	\$1,000.00	\$1,000.00	\$1,000.00
Office Equipment	\$3,810.46	\$3,000.00	\$3,739.11	\$2,500.00	\$2,500.00	\$2,500.00
Total Asset Acquisitions	\$5,633.69	\$18,000.00	\$18,645.65	\$0.00	\$5,500.00	\$5,500.00

PROJECTS:						
Awards Night	\$4,848.58	\$5,000.00	\$5,850.00	\$5,000.00	\$5,000.00	\$5,000.00
Digital Journalist	\$15,546.50		\$15,525.58		\$0.00	\$0.00
SEVA Training	\$3,219.93	\$4,000.00	\$3,334.03	\$4,000.00	\$4,000.00	\$4,000.00
Total Projects	\$23,615.01	\$9,000.00	\$24,709.61	\$9,000.00	\$9,000.00	\$9,000.00
Contingency		\$30,000.00	\$0.00			\$3,886.84
TOTAL EXPENDITURES	\$494,613.15	\$519,450.00	\$510,117.71	\$498,384.16	\$5,500.00	\$503,884.16

Cash Balances:	6/30/09	2/28/10	Projected Balances on 6/30/10
Petty Cash	\$200.00	\$200.00	\$200.00
Wells Fargo Checking	\$13,592.11	\$7,426.73	\$6,074.65
Wells Fargo Stegcoach Money Marke	\$84,466.68	\$208,058.33	\$78,420.00
Dean Witter Liquid Asset Fund	\$102,330.19	\$102,334.51	\$72,335.00
TOTAL CASH BALANCE	\$200,588.98	\$318,019.57	\$157,029.65
Designated Cash Reserve*	\$105,250.00	\$75,250.00	\$55,250.00

SACRAMENTO EDUCATIONAL CABLE CONSORTIUM

2010-2011 BUDGET NARRATIVE

Overview: During the past year SECC has continued to consolidate and reduce expenditures in anticipation of reduced revenue and budget cuts. The attached budget is a conservative budget for 2010-2011, which includes:

- Conservative estimate of carryover funds from 2009-2010
- Reduction in expenditures from 2009-2010
- no colas/raises
- operational status quo
- no increase in membership fees
- deferment of 2010-2011 BESTNet fees
- \$20,000 from Designated Reserve
- Per SMCTC request, differentiation of capital and operational expenditures

A. REVENUE

Incoming Cash Balance: Based on projected carryover from 2009-2010 due to reduced expenditures and cuts.

SMCTC Grant: As requested from Cable Commission The Commission has not indicated a cut or reduction in funding. The Grant will be determined during budget hearing in June.

Interest Income: Based on estimated cash balance.

Membership Dues: Based on partial member support as SECC Board approved.

SEVA Award Night: Anticipate Comcast as continued sponsor.

Channel Operations: No anticipated income due to automated system.

Other Revenue/Projects: Projected on possible projects and grants.

West Sacramento: No anticipated income.

From Reserves: Funds required to balance the budget from SECC Designated Reserve. Every effort will be made to keep utilization of these funds limited.

B. EXPENDITURES:

Personnel: As indicated with no colas nor raises: Note shared salaries with BESTNet:

Salary Adjustments: None

Benefits: For salaried staff (50% time or over); includes payroll taxes, medical plan allotment and 15% allocation for the 401K plan. Increase due to an additional

employee eligible for 401K plus significant increase in medical insurance premiums.

Facility Rental: Office space based on current lease plus projected CAM expenses.

Insurance: Based on quote and projected increases from Driver,

Office Supplies: Based on adjusted current year figures.

Telephone: Based on current year figures.

Internet (Web Page): Internet service as well as charges associated with web site.

Postage & Delivery: Based on current year figures.

Promotion/Printing: Includes incidental printing, set-up and copying such as SECC stationary, labels and miscellaneous flyers. Also includes photographic and graphic supplies (computer artwork, software, font, and theme artwork) and other promotional activities.

Payroll: Based on projections for SECC payroll service

Software: as needed for office, editing, web.

Accounting based on contract with Daniel Ross & Associates. Includes annual review as Board approved.

Maintenance: Based on adjusted current year figures. Includes maintenance on video and office equipment.

Production Supplies and Services: Includes production/video materials, music library, voice over stipends, student DV host stipends etc.

Channel Operations: Based on projected limited needs for automated system.

Program Acquisitions: Acquired program needs identified by the membership.

Videotape/DVD-R: Based on projection for next year's needs. Includes production and duplication tape and disks.

Conferences and Seminars: Registration fee for identified conferences

Travel: Limited travel for conferences and meetings.

Mileage: Based on adjusted current year figures at IRS approved rates (includes parking fees).

Entry Fees, Dues, Books, Subscriptions: As identified and needed.

Production Equipment: SECC will continue to upgrade its existing production equipment and enhance its editing systems plus replace an 8-year-old field camera.

Playback System: Allocation for new automated system enhancements.

Office Equipment: Equipment replacement/upgrades including computer and printer, monitor.

SECC Projects: Budgets for projects to be determined based on grants and contributions as projected.

Award Night: SECC 22nd annual awards night and SEVA competition.

Digital Journalist: Contingent upon grant continuation hence no budgeted item

SEVA Training: SEVA trainings continued from 2009-2010 (October event and subsequent evening events.)

BESTNet Proposed 2010-2011 Budget
4/19/10

<u>REVENUE</u>	<u>ACTUAL YR END</u> 2009-09	<u>BUDGET</u> 2009-10	<u>PROJ YEAR END</u> 2009-10	<u>PROPOSED OPERATIONS</u> 2010-2011	<u>PROPOSED CAPITAL</u> 2010-2011	<u>TOTAL</u> 2010-2011
Fiscal Year Revenue	\$75,000.00			\$9,000.00		\$9,000.00
Incoming Cash Balance						\$0.00
Equity Fund Match (Commission)						\$55,859.00
SMCTC BESTNet Grant	\$55,859.00	\$55,859.00	\$55,859.00	\$55,859.00		\$0.00
BESTNet Equity/Equipment Assessment		\$0.00	\$0.00			\$0.00
SECC BESTNet Assessment						\$0.00
Interest Income	\$295.92	\$50.00	\$18.22	\$20.00		\$20.00
Network Construction - SMCTC	\$45,662.14	\$1,300,000.00	\$2,018,938.88		\$1,000,000.00	\$1,000,000.00
Network Construction - SECC Members	\$53,936.01	\$1,300,000.00	\$2,018,938.88			\$0.00
Total Revenue	\$230,753.07	\$2,655,909.00	\$4,093,754.98	\$64,879.00	\$1,000,000.00	\$1,064,879.00
EXPENDITURES						
Personnel:						
Executive Director	\$12,324.96	\$12,325.00	\$12,325.00	\$23,325.00		\$23,325.00
Production Coordinator	\$12,324.40	\$12,325.00	\$12,325.00	\$12,325.00		\$12,325.00
Promotional Coordinator	\$17,850.00	\$17,850.00	\$17,850.00	\$22,000.00		\$22,000.00
Consultants/Training	\$0.00			\$0.00		\$0.00
Contract: Network Install/Main/Operations	\$0.00			\$0.00		\$0.00
Total Personnel	\$42,499.36	\$42,500.00	\$42,500.00	\$57,650.00	\$0.00	\$57,650.00
Services and Supplies:						
Accounting		\$800.00	\$800.00	\$800.00		\$800.00
Insurance	\$0.00	\$500.00	\$1,000.00	\$1,000.00		\$1,000.00
Production Supplies	\$0.00	\$1,000.00	\$900.00	\$1,000.00		\$1,000.00
Internet/Website	\$125.25	\$500.00	\$300.00	\$500.00		\$500.00
Software	\$100.00	\$1,000.00	\$870.00	\$1,000.00		\$1,000.00
Network Hardware Supplies		\$9,000.00	\$0.00	\$0.00		\$0.00
Total Services and Supplies	\$225.25	\$12,800.00	\$3,070.00	\$4,300.00	\$0.00	\$4,300.00
Fixed Asset Acquisitions:						
Equipment Capital	\$1,138.61					
Computer	\$0.00					
Total Asset Acquisitions	\$1,138.61	\$0.00				
Contingency			\$0.00			
Sub Total Operating Expenses		\$55,300.00	\$45,570.00	\$61,950.00		

BESTNet Proposed 2010-2011 Budget
4/19/10

One-Time Capital Expenditures:				
Layer Three Switches	\$0.00	\$0.00		
Auto-playback/Streaming System	\$6,011.45		\$18,034.55	
Network Construction: Schools & Commission	\$125,805.22	\$2,600,000.00	\$4,037,877.76	\$1,000,000.00
TOTAL EXPENDITURES	\$175,679.89	\$2,655,300.00	\$4,083,447.76	\$1,061,950.00
Wells Fargo BESTNet Checking Account	As of 6/30/09	As of 2/28/10	Projected Year End	
Liberty Group - BESTNet Maintenance Fund	\$82,816.81	\$309,976.61	\$59,941.48	
	\$153,406.23	\$153,425.63	\$500,391.08	
BESTNET SMCTC Project Totals				
2006-2007	\$48,331.45			
2007-2008	\$864,118.65			
2008-2009	\$45,622.14			
2009-2010 (Actual to 2/5/10)	\$1,059,797.88			
Projected 2010	\$849,641.00			
Projected Equipment	\$109,500.00			
SMCTC TOTAL	\$2,977,011.12			

SACRAMENTO EDUCATIONAL CABLE CONSORTIUM

2010-2011 BUDGET NARRATIVE

BESTNET

A. REVENUE

Incoming Cash Balance: Based on projected carryover from 2009-2010 due to reduced expenditures and cuts

Equipment Fund Assessment: The assessment is budgeted the same as 2009-2010 and date of assessment is to be determined by the Board. In light of budget constraints within the districts, the Board thought it prudent to defer collection of assessment until funds are needed.

SMCTC Grant: As requested from The Sacramento Metropolitan Cable Television Commission. The Commission has not indicated a cut or reduction in funding. The Grant will be determined during budget hearing in June.

Network Construction for Elementary Schools: Based on SMCTC's \$1 million commitment to be supplemented by BTOP funds.

B. EXPENDITURES:

Personnel: As indicated: (Note shared salaries with SECC Cable Budget)

Executive Director
Production Manager
Promotion Manager

Consultants: Eliminated for 2010-2011 budget

Services and Supplies:

Accounting: As contracted with Dan Ross to oversee contingency fund

Insurance: As estimated from Driver Alliant

Production Supplies

Internet/Website – costs associated with on-line fees

Network/hardware supplies: There are no major expenditures planned since network refreshment occurred in 2008-2009. Funds allocated for on-going miscellaneous expenditures.

Fixed Assets: No expenditures planned.

Network Construction: Phase II should be completed by June 2010. All equipment should be purchased. Phase III Elementary Schools is scheduled to begin September 2010 pending BTOP grant approval. If the grant is not approved, Phase III will be restructured, not eliminated.

BESTNet Maintenance Fund: Reserve fund as required by SMCTC/Comcast/SECC contract to be used for unanticipated expenses after the BESTNet build (pole replacements.)

BESTNet SMCTC Project Totals: Total funds expended by the Cable Commission for BESTNet with projected 2009-2010 year end expenditures. Note the project is under budget by over \$900,000, almost 25%.

EXHIBIT A

ANNUAL FUNDING AND PERFORMANCE AGREEMENT

THIS AGREEMENT is between the **Sacramento Metropolitan Cable Television Commission ("SMCTC")** and **Sacramento Community Cable Foundation, DBA Access Sacramento ("Licensee")**. It is supplemental to that certain agreement between the same parties entitled **LICENSE AND OPERATIONS AGREEMENT PERTAINING TO USE OF COMMUNITY PROGRAMMING CHANNEL(S)** (the "**Licensing Agreement**") which was effective as of November 6, 2003, and which was subsequently amended on June 1, 2006, and on June 3, 2010.

This Agreement (the "**Funding Agreement**") is made with reference to the following facts, among others:

A. SMCTC and Licensee have entered into the Licensing Agreement. The Licensing Agreement provides Licensee the right to use one (or more) cable television channels which SMCTC controls for television programming which is beneficial to the public, subject to certain terms and conditions.

B. The purpose of this Funding Agreement is to provide certain funds to Licensee for the purpose of operating the cable television channel(s) licensed to it under the Licensing Agreement, so long as those funds do not originate from public, educational, and governmental (PEG) access channel fees, the use of which is further restricted as set forth in Section 4 of this Funding Agreement.

C. SMCTC has received a proposal from Licensee for funding. SMCTC hereby approves the proposal. A copy of the approved proposal which is in the possession of SMCTC is hereby incorporated by this reference.

WHEREFORE, THE PARTIES AGREE:

1. Payment to Licensee.

(a) For and in consideration of Licensee operating the cable channel(s) for which it is licensed according to the approved proposal, SMCTC hereby agrees to pay Licensee in two semi-annual installments the total sum of EIGHT HUNDRED FIFTY SEVEN THOUSAND TWO HUNDRED ELEVEN DOLLARS (\$857,211) as follows:

FISCAL YEAR 2010-11	
Access Sacramento Base - Operations	\$ 392,532
Access Sacramento Base – Facilities (PEG Fees)	\$ 79,000
Home Town T (HT-TV) Base	\$ 51,700
Game of the Week (GOTW) Base	\$ 44,979
PEG Fee Funding	\$ 289,000
TOTAL FY 2010-11	\$ 857,211

ANNUAL FUNDING AND PERFORMANCE AGREEMENT
Sacramento Community Cable Foundation DBA Access Sacramento
Page 2

The above payments will be made on or about August 15, 2010 and February 15, 2011.

2. Licensing Agreement. In addition to operating in accordance with the approved proposal, Licensee agrees to be bound by all terms and conditions of the Licensing Agreement, which are incorporated by this reference, as though they were fully set forth herein. A breach of the Licensing Agreement shall automatically be considered a breach of this Funding Agreement and *vice versa*.

3. Payment Contingent on Receipt of Fees. Licensee understands that the amount specified in Section 1 will be paid to Licensee out of the franchise and/or licensing fees and/or PEG fees collected by SMCTC from cable television operators. SMCTC shall be under no obligation to pay to Licensee the amount stated in Section 1, or any other amount, unless SMCTC receives sufficient fees to make such payment. Licensee further understands that other licensees may, or have, submitted proposals for operation of the channel(s) licensed to them and that SMCTC may, or has, approved such proposals, and that SMCTC may sign, or has signed, funding agreements with them. In the event SMCTC 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.

4. Use of PEG Fee Funding. Licensee understands that a portion of the amount specified in Section 1 may be paid to Licensee from money that originated from public, educational, and governmental (PEG) access channel fees, which portion, if any, is reflected in the table in Section 1(a). As a condition of accepting PEG fee funds, Licensee agrees to use those funds only for capital expenditures and facilities and for no other purpose. Licensee shall provide for such fiscal control and funding accounting procedures as reasonably necessary to assure proper disbursement, accounting, and expenditure of PEG fee funds. Notwithstanding Licensee's acceptance of PEG fee funds, Licensee shall be subject to all of the provisions of the Licensing Agreement, including reporting requirements, except those provisions that conflict with this Section 4 with respect to the use of PEG fee funds. At SMCTC's discretion, PEG fee funds may be disbursed to Licensee upon SMCTC's receipt of invoices from Licensee for qualifying expenditures.

5. Re-payment of Remaining Funds on Demand; Freezing Expenditures. Licensee understands that pursuant to the Licensing Agreement its license may be revoked or terminated under certain conditions. Licensee agrees that if its license is revoked or terminated it will, immediately upon demand of SMCTC, pay to SMCTC any and all amounts then held by it from the funds provided to it by SMCTC under this Funding Agreement. Licensee further agrees that SMCTC may, at any time, order Licensee to cease, and Licensee will cease, spending any of the funds provided to Licensee by SMCTC under this Funding Agreement in order for SMCTC to make a determination whether to revoke or terminate the license of Licensee.

ANNUAL FUNDING AND PERFORMANCE AGREEMENT
Sacramento Community Cable Foundation DBA Access Sacramento
Page 3

6. No right of action. Licensee understands and agrees that it has no right of judicial action against SMCTC for the failure of SMCTC to pay any or all of the funds to Licensee under this funding Agreement. Such judicial actions include those at law and/or equity, including, but not limited to, any action to compel payment of the funds, any action for general or special damages, or otherwise.

7. Effective Date of Agreement. This Funding Agreement shall be first executed by the Licensee. It shall be effective on the date next to the signature of the Chair of SMCTC after the Chair has been authorized to execute it by SMCTC.

8. Term. The term of the Funding Agreement ends June 30, 2011.

SACRAMENTO COMMUNITY
CABLE FOUNDATION
DBA ACCESS SACRAMENTO

SACRAMENTO METROPOLITAN
CABLE TELEVISION COMMISSION

By: _____

By: _____

Title: _____

Title: Chair, Board of Directors

Date: _____

Date: _____

EXHIBIT B

ANNUAL FUNDING AND PERFORMANCE AGREEMENT

THIS AGREEMENT is between the **Sacramento Metropolitan Cable Television Commission ("SMCTC")** and **KXPR-FM, a Licensee of California State University at Sacramento, DBA Capital Public Radio ("Licensee")**. It is supplemental to that certain agreement between the same parties entitled **LICENSE AND OPERATIONS AGREEMENT PERTAINING TO USE OF COMMUNITY PROGRAMMING CHANNEL(S)** (the "**Licensing Agreement**") which was effective as of November 6, 2003, and which was subsequently amended on June 1, 2006, and on June 3, 2010.

This Agreement (the "**Funding Agreement**") is made with reference to the following facts, among others:

A. SMCTC and Licensee have entered into the Licensing Agreement. The Licensing Agreement provides Licensee the right to use one (or more) cable television channels which SMCTC controls for television programming which is beneficial to the public, subject to certain terms and conditions.

B. The purpose of this Funding Agreement is to provide certain funds to Licensee for the purpose of operating the cable television channel(s) licensed to it under the Licensing Agreement, so long as those funds do not originate from public, educational, and governmental (PEG) access channel fees, the use of which is further restricted as set forth in Section 4 of this Funding Agreement.

C. SMCTC has received a proposal from Licensee for funding. SMCTC hereby approves the proposal. A copy of the approved proposal which is in the possession of SMCTC is hereby incorporated by this reference.

WHEREFORE, THE PARTIES AGREE:

1. Payment to Licensee.

(a) For and in consideration of Licensee operating the cable channel(s) for which it is licensed according to the approved proposal, SMCTC hereby agrees to pay Licensee in two semi-annual installments the total sum of THIRTY FIVE THOUSAND SIX HUNDRED SEVENTY FIVE DOLLARS (\$35,675) as follows:

FISCAL YEAR 2010-11	
Capital Public Radio Base	\$17,875
PEG Fee Funding	\$17,800
TOTAL FY 2010-11	\$ 35,675

The above payments will be made on or about August 15, 2010 and February 15, 2011.

ANNUAL FUNDING AND PERFORMANCE AGREEMENT

Capital Public Radio

Page 2

2. Licensing Agreement. In addition to operating in accordance with the approved proposal, Licensee agrees to be bound by all terms and conditions of the Licensing Agreement, which are incorporated by this reference, as though they were fully set forth herein. A breach of the Licensing Agreement shall automatically be considered a breach of this Funding Agreement and *vice versa*.

3. Payment Contingent on Receipt of Fees. Licensee understands that the amount specified in Section 1 will be paid to Licensee out of the franchise and/or licensing fees and/or PEG fees collected by SMCTC from cable television operators. SMCTC shall be under no obligation to pay to Licensee the amount stated in Section 1, or any other amount, unless SMCTC receives sufficient fees to make such payment. Licensee further understands that other licensees may, or have, submitted proposals for operation of the channel(s) licensed to them and that SMCTC may, or has, approved such proposals, and that SMCTC may sign, or has signed, funding agreements with them. In the event SMCTC 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.

4. Use of PEG Fee Funding. Licensee understands that a portion of the amount specified in Section 1 may be paid to Licensee from money that originated from public, educational, and governmental (PEG) access channel fees, which portion, if any, is reflected in the table in Section 1(a). As a condition of accepting PEG fee funds, Licensee agrees to use those funds only for capital expenditures and facilities and for no other purpose. Licensee shall provide for such fiscal control and funding accounting procedures as reasonably necessary to assure proper disbursement, accounting, and expenditure of PEG fee funds. Notwithstanding Licensee's acceptance of PEG fee funds, Licensee shall be subject to all of the provisions of the Licensing Agreement, including reporting requirements, except those provisions that conflict with this Section 4 with respect to the use of PEG fee funds. At SMCTC's discretion, PEG fee funds may be disbursed to Licensee upon SMCTC's receipt of invoices from Licensee for qualifying expenditures.

5. Re-payment of Remaining Funds on Demand; Freezing Expenditures. Licensee understands that pursuant to the Licensing Agreement its license may be revoked or terminated under certain conditions. Licensee agrees that if its license is revoked or terminated it will, immediately upon demand of SMCTC, pay to SMCTC any and all amounts then held by it from the funds provided to it by SMCTC under this Funding Agreement. Licensee further agrees that SMCTC may, at any time, order Licensee to cease, and Licensee will cease, spending any of the funds provided to Licensee by SMCTC under this Funding Agreement in order for SMCTC to make a determination whether to revoke or terminate the license of Licensee.

6. No right of action. Licensee understands and agrees that it has no right of judicial action against SMCTC for the failure of SMCTC to pay any or all of the funds to Licensee under this funding Agreement. Such judicial actions include those at law and/or equity, including, but not limited to, any action to compel payment of the funds, any action for general or special damages, or otherwise.

ANNUAL FUNDING AND PERFORMANCE AGREEMENT

Capital Public Radio

Page 3

7. Effective Date of Agreement. This Funding Agreement shall be first executed by the Licensee. It shall be effective on the date next to the signature of the Chair of SMCTC after the Chair has been authorized to execute it by SMCTC.

8. Term. The term of the Funding Agreement ends June 30, 2011.

CAPITAL PUBLIC RADIO

SACRAMENTO METROPOLITAN
CABLE TELEVISION COMMISSION

By: _____

By: _____

Title: _____

Title: Chair, Board of Directors

Date: _____

Date: _____

EXHIBIT C

ANNUAL FUNDING AND PERFORMANCE AGREEMENT

THIS AGREEMENT is between the **Sacramento Metropolitan Cable Television Commission ("SMCTC")** and **KVIE, Inc., a California Non-profit Public Benefit Corporation ("Licensee")**. It is supplemental to that certain agreement between the same parties entitled **LICENSE AND OPERATIONS AGREEMENT PERTAINING TO USE OF COMMUNITY PROGRAMMING CHANNEL(S)** (the "**Licensing Agreement**") which was effective as of November 6, 2003, and which was subsequently amended on June 1, 2006, and on June 3, 2010.

This Agreement (the "**Funding Agreement**") is made with reference to the following facts, among others:

A. SMCTC and Licensee have entered into the Licensing Agreement. The Licensing Agreement provides Licensee the right to use one (or more) cable television channels which SMCTC controls for television programming which is beneficial to the public, subject to certain terms and conditions.

B. The purpose of this Funding Agreement is to provide certain funds to Licensee for the purpose of operating the cable television channel(s) licensed to it under the Licensing Agreement, so long as those funds do not originate from public, educational, and governmental (PEG) access channel fees, the use of which is further restricted as set forth in Section 4 of this Funding Agreement.

C. SMCTC has received a proposal from Licensee for funding. SMCTC hereby approves the proposal. A copy of the approved proposal which is in the possession of SMCTC is hereby incorporated by this reference.

WHEREFORE, THE PARTIES AGREE:1. Payment to Licensee.

(a) For and in consideration of Licensee operating the cable channel(s) for which it is licensed according to the approved proposal, SMCTC hereby agrees to pay Licensee in two semi-annual installments the total sum of TWO HUNDRED FORTY FOUR THOUSAND DOLLARS (\$244,000) as follows:

FISCAL YEAR 2010-11	
KVIE Base	\$195,507
PEG Fee Funding	\$ 48,493
TOTAL FY 2010-11	\$ 244,000

The above payments will be made on or about August 15, 2010 and February 15, 2011.

ANNUAL FUNDING AND PERFORMANCE AGREEMENT

KVIE, Inc.

Page 2

2. Licensing Agreement. In addition to operating in accordance with the approved proposal, Licensee agrees to be bound by all terms and conditions of the Licensing Agreement, which are incorporated by this reference, as though they were fully set forth herein. A breach of the Licensing Agreement shall automatically be considered a breach of this Funding Agreement and *vice versa*.

3. Payment Contingent on Receipt of Fees. Licensee understands that the amount specified in Section 1 will be paid to Licensee out of the franchise and/or licensing fees and/or PEG fees collected by SMCTC from cable television operators. SMCTC shall be under no obligation to pay to Licensee the amount stated in Section 1, or any other amount, unless SMCTC receives sufficient fees to make such payment. Licensee further understands that other licensees may, or have, submitted proposals for operation of the channel(s) licensed to them and that SMCTC may, or has, approved such proposals, and that SMCTC may sign, or has signed, funding agreements with them. In the event SMCTC 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.

4. Use of PEG Fee Funding. Licensee understands that a portion of the amount specified in Section 1 may be paid to Licensee from money that originated from public, educational, and governmental (PEG) access channel fees, which portion, if any, is reflected in the table in Section 1(a). As a condition of accepting PEG fee funds, Licensee agrees to use those funds only for capital expenditures and facilities and for no other purpose. Licensee shall provide for such fiscal control and funding accounting procedures as reasonably necessary to assure proper disbursement, accounting, and expenditure of PEG fee funds. Notwithstanding Licensee's acceptance of PEG fee funds, Licensee shall be subject to all of the provisions of the Licensing Agreement, including reporting requirements, except those provisions that conflict with this Section 4 with respect to the use of PEG fee funds. At SMCTC's discretion, PEG fee funds may be disbursed to Licensee upon SMCTC's receipt of invoices from Licensee for qualifying expenditures.

5. Re-payment of Remaining Funds on Demand; Freezing Expenditures. Licensee understands that pursuant to the Licensing Agreement its license may be revoked or terminated under certain conditions. Licensee agrees that if its license is revoked or terminated it will, immediately upon demand of SMCTC, pay to SMCTC any and all amounts then held by it from the funds provided to it by SMCTC under this Funding Agreement. Licensee further agrees that SMCTC may, at any time, order Licensee to cease, and Licensee will cease, spending any of the funds provided to Licensee by SMCTC under this Funding Agreement in order for SMCTC to make a determination whether to revoke or terminate the license of Licensee.

ANNUAL FUNDING AND PERFORMANCE AGREEMENT

KVIE, Inc.

Page 3

6. No right of action. Licensee understands and agrees that it has no right of judicial action against SMCTC for the failure of SMCTC to pay any or all of the funds to Licensee under this funding Agreement. Such judicial actions include those at law and/or equity, including, but not limited to, any action to compel payment of the funds, any action for general or special damages, or otherwise.

7. Effective Date of Agreement. This Funding Agreement shall be first executed by the Licensee. It shall be effective on the date next to the signature of the Chair of SMCTC after the Chair has been authorized to execute it by SMCTC.

8. Term. The term of the Funding Agreement ends June 30, 2011.

KVIE, INC.

SACRAMENTO METROPOLITAN
CABLE TELEVISION COMMISSION

By: _____

By: _____

Title: _____

Title: Chair, Board of Directors

Date: _____

Date: _____

EXHIBIT D

ANNUAL PERFORMANCE AGREEMENT

THIS AGREEMENT is between the Sacramento Metropolitan Cable Television Commission ("SMCTC") and **Interfaith Service Bureau, DBA Religious Coalition for Cable Television ("Licensee")**. It is supplemental to that certain agreement between the same parties entitled **LICENSE AND OPERATIONS AGREEMENT PERTAINING TO USE OF COMMUNITY PROGRAMMING CHANNEL(S)** ("the Licensing Agreement") which was effective as of November 6, 2003 and amended June 1, 2006.

This Agreement ("the Agreement") is made with reference to the following facts, among others:

A. SMCTC and Licensee have entered into the Licensing Agreement. The Licensing Agreement provides Licensee the right to use one (or more) cable television channels which SMCTC controls for television programming which is beneficial to the public, subject to certain terms and conditions.

B. The purpose of this Agreement is to approve Licensee's operation of the cable television channel licensed to it under the Licensing Agreement.

C. SMCTC has reviewed a proposal from Licensee for operations. SMCTC hereby approves the proposal. A copy of the approved proposal which is in the possession of SMCTC is hereby incorporated by this reference.

WHEREFORE, THE PARTIES AGREE:

1. Licensing Agreement. In addition to operating in accordance with the approved proposal, Licensee agrees to be bound by all terms and conditions of the Licensing Agreement, which are incorporated by this reference, as though they were fully set forth herein. A breach of the Licensing Agreement shall automatically be considered a breach of this Agreement and *vice versa*.

2. No right of action. Licensee understands and agrees that it has no right of judicial action against SMCTC under this Agreement. Such judicial actions include those at law and/or equity, including, but not limited to, any action to compel payment of any funds, any action for general or special damages, or otherwise.

ANNUAL PERFORMANCE AGREEMENT

RCCTV

Page 2

3. Effective Date of Agreement. This Agreement shall be first executed by the Licensee. It shall be effective on the date next to the signature of the Chair of SMCTC after the Chair has been authorized to execute it by SMCTC.

4. Term. The term of the Agreement ends June 30, 2011.

Dated: _____

SMCTC

Chairperson
Sacramento Metropolitan
Cable Television Commission

Dated: _____

**Interfaith Service Bureau, DBA Religious
Coalition for Cable Television**

By: _____

Print: _____

Its: _____

EXHIBIT E

ANNUAL FUNDING AND PERFORMANCE AGREEMENT

THIS AGREEMENT is between the **Sacramento Metropolitan Cable Television Commission ("SMCTC")** and **Sacramento Educational Cable Consortium**, a California non-profit corporation ("**Licensee**"). It is supplemental to that certain agreement between the same parties entitled **LICENSE AND OPERATIONS AGREEMENT PERTAINING TO USE OF COMMUNITY PROGRAMMING CHANNEL(S)** (the "**Licensing Agreement**") which was effective as of November 6, 2003, and which was subsequently amended on June 1, 2006, and on June 3, 2010.

This Agreement (the "**Funding Agreement**") is made with reference to the following facts, among others:

A. SMCTC and Licensee have entered into the Licensing Agreement. The Licensing Agreement provides Licensee the right to use one (or more) cable television channels which SMCTC controls for television programming which is beneficial to the public, subject to certain terms and conditions.

B. The purpose of this Funding Agreement is to provide certain funds to Licensee for the purpose of operating the cable television channel(s) licensed to it under the Licensing Agreement, so long as those funds do not originate from public, educational, and governmental (PEG) access channel fees, the use of which is further restricted as set forth in Section 4 of this Funding Agreement.

C. SMCTC has received a proposal from Licensee for funding. SMCTC hereby approves the proposal. A copy of the approved proposal which is in the possession of SMCTC is hereby incorporated by this reference.

WHEREFORE, THE PARTIES AGREE:

1. Payment to Licensee.

(a) For and in consideration of Licensee operating the cable channel(s) for which it is licensed according to the approved proposal, SMCTC hereby agrees to pay Licensee in two semi-annual installments the total sum of THREE HUNDRED FIFTY THREE THOUSAND AND THIRTY DOLLARS (\$353,030) as follows:

FISCAL YEAR 2010-11	
SECC Base	\$ 291,671
BESTNet Base	55,859
BESTNet Equipment Funding	5,500
BESTNet Phase III (1 of 3)*	1,000,000
TOTAL FY 2010-11	\$1, 353,030

ANNUAL FUNDING AND PERFORMANCE AGREEMENT

Sacramento Educational Cable Consortium

Page 2

The above payments will be made on or about August 15, 2010 and February 15, 2011 for the SECC Base, BESTNet Base, and PEG Fee Equipment Funding Elements.

(b) *Pursuant to the BESTNet network Phase III Construction and Maintenance Agreement, the Commission will fund up to \$1 million DOLLARS (\$1,000,000) upon invoices from Licensee.

(c) Pursuant to the BESTNet network Phase I and Phase II Construction and Maintenance Agreement, the Commission will rollover unused funds of approximately NINE HUNDRED THOUSAND DOLLARS (\$900,000) – FINAL NUMBER TO BE DETERMINED DEPENDENT upon invoices from Licensee.

2. Licensing Agreement. In addition to operating in accordance with the approved proposal, Licensee agrees to be bound by all terms and conditions of the Licensing Agreement, which are incorporated by this reference, as though they were fully set forth herein. A breach of the Licensing Agreement shall automatically be considered a breach of this Funding Agreement and *vice versa*.

3. Payment Contingent on Receipt of Fees. Licensee understands that the amount specified in Section 1 will be paid to Licensee out of the franchise and/or licensing fees and/or PEG fees collected by SMCTC from cable television operators. SMCTC shall be under no obligation to pay to Licensee the amount stated in Section 1, or any other amount, unless SMCTC receives sufficient fees to make such payment. Licensee further understands that other licensees may, or have, submitted proposals for operation of the channel(s) licensed to them and that SMCTC may, or has, approved such proposals, and that SMCTC may sign, or has signed, funding agreements with them. In the event SMCTC 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.

4. Use of PEG Fee Funding. Licensee understands that a portion of the amount specified in Section 1 may be paid to Licensee from money that originated from public, educational, and governmental (PEG) access channel fees, which portion, if any, is reflected in the table in Section 1(a). As a condition of accepting PEG fee funds, Licensee agrees to use those funds only for capital expenditures and facilities and for no other purpose. Licensee shall provide for such fiscal control and funding accounting procedures as reasonably necessary to assure proper disbursement, accounting, and expenditure of PEG fee funds. Notwithstanding Licensee's acceptance of PEG fee funds, Licensee shall be subject to all of the provisions of the Licensing Agreement, including reporting requirements, except those provisions that conflict with this Section 4 with respect to the use of PEG fee funds. At SMCTC's discretion, PEG fee funds may be disbursed to Licensee upon SMCTC's receipt of invoices from Licensee for qualifying expenditures.

ANNUAL FUNDING AND PERFORMANCE AGREEMENT

Sacramento Educational Cable Consortium

Page 3

5. Re-payment of Remaining Funds on Demand; Freezing Expenditures. Licensee understands that pursuant to the Licensing Agreement its license may be revoked or terminated under certain conditions. Licensee agrees that if its license is revoked or terminated it will, immediately upon demand of SMCTC, pay to SMCTC any and all amounts then held by it from the funds provided to it by SMCTC under this Funding Agreement. Licensee further agrees that SMCTC may, at any time, orders Licensee to cease, and Licensee will cease, spending any of the funds provided to Licensee by SMCTC under this Funding Agreement in order for SMCTC to make a determination whether to revoke or terminate the license of Licensee.

6. No right of action. Licensee understands and agrees that it has no right of judicial action against SMCTC for the failure of SMCTC to pay any or all of the funds to Licensee under this funding Agreement. Such judicial actions include those at law and/or equity, including, but not limited to, any action to compel payment of the funds, any action for general or special damages, or otherwise.

7. Effective Date of Agreement. This Funding Agreement shall be first executed by the Licensee. It shall be effective on the date next to the signature of the Chair of SMCTC after the Chair has been authorized to execute it by SMCTC.

8. Term. The term of the Funding Agreement ends June 30, 2011.

SACRAMENTO EDUCATIONAL
CABLE CONSORTIUM

SACRAMENTO METROPOLITAN
CABLE TELEVISION COMMISSION

By: _____

By: _____

Title: _____

Title: Chair, Board of Directors

Date: _____

Date: _____

EXHIBIT F

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

RESOLUTION NO. 2010-003

A RESOLUTION CONFIRMING THE EMPLOYER'S CONTRIBUTION UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT

WHEREAS, (1) GC 22892(a) provides that a local agency contracting under the Public Employee's Medical and Hospital Care Act shall fix the amount of the employer's contribution at an amount not less than the amount required under Section 22892(b) of the Act, and

WHEREAS, (2) the Sacramento Metropolitan Cable Television Commission is a local agency contracting under the Act; now, therefore be it

RESOLVED, (a) that the employer's contribution for each employee or annuitant shall be the amount necessary to pay the cost of his/her enrollment, including the enrollment of his/her family members, in a health benefit plan, up to a maximum of \$1,045 dollars per month for active employees and retirees, plus administrative fees and Contingency Reserve Fund assessments.

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 at a regular meeting by the Sacramento Metropolitan Cable Television Commission this 3rd day of June 2010 by the following vote to wit:

AYES:

NOES:

ABSENT:

By: _____
Chairperson
Sacramento Metro Cable Television Commission

Attested by:

Clerk of the Commission

EXHIBIT G

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

RESOLUTION NO. 2010-004

A RESOLUTION APPROVING AGREEMENT
FOR COMMISSION LEGAL COUNSEL SERVICES

NOW THEREFORE, BE IT RESOLVED AND ORDERED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION approves the Amendment to Retainer Agreement attached hereto as Exhibit H with McDonough Holland & Allen for general counsel services.

FURTHER BE IT RESOLVED that the Chairman of the Board of Directors be and is hereby authorized to execute the amended agreement in the form hereto attached as Exhibit H, on behalf of the SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION, a Joint Powers Agency of the State of California.

FURTHER BE IT RESOLVED that the Commission's Executive Director is authorized 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 Sacramento Metropolitan Cable Television Commission this 3rd day of June 2010 by the following vote to wit:

AYES:

NOES:

ABSENT:

By: _____
Chairperson
Sacramento Metro
Cable Television Commission

Attested by:

Clerk of the Commission

EXHIBIT H

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

FISCAL YEAR 2010-11

AMENDMENT TO LEGAL COUNSEL RETAINER AGREEMENT

THIS AMENDMENT is made and entered into this 3rd day of June 2010, amending that certain Retainer Agreement dated March 3, 1994, and amended annually, by and between the SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION, a Joint Powers Agency, hereinafter called "Client" and MCDONOUGH HOLLAND & ALLEN, a professional corporation, hereinafter called and referred to as "Firm".

NOW, THEREFORE, the parties agree to amend the aforementioned Agreement as follows:

1. Section 1. Representation.

"The Firm, by and through Harriet A. Steiner, Esq. and Douglas A. Potts, Esq., undertakes legal representation, consultation and advice of the Client as General Counsel and such other and further matters as the Client may from time to time request of the Firm commencing July 1, 2010 and ending June 30, 2011."

2. Section 2. Compensation.

Paragraph A. The firm will bill the client monthly . . . at the rate of \$285 for each hour of legal services rendered."

Paragraph C. The \$285 hourly charge by Firm shall be deemed to include compensation for all costs and expenses incurred by Firm except those for out-of-County travel and filing fees and other litigation expense, if any."

3. All other terms and conditions of the aforesaid Agreement shall remain in effect and unchanged.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day, month, and year first stated above.

**Sacramento Metropolitan
Cable Television Commission**

Dated: _____

Chairperson, Board of Directors

Dated: _____

McDonough Holland & Allen

By: _____

Print: _____

Its: _____

EXHIBIT I

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

RESOLUTION NO. 2010-005

A RESOLUTION APPROVING
AGREEMENT FOR COMMISSION CONSULTING SERVICES

NOW THEREFORE, BE IT RESOLVED AND ORDERED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION approves the Amendment to Consultant Services Agreement attached hereto as Exhibit J with Richard E. Esposito.

FURTHER BE IT RESOLVED that the Chairman of the Board of Directors be and is hereby authorized to execute the amended agreement in the form hereto attached as Exhibit J, on behalf of the SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION, a Joint Powers Agency of the State of California.

FURTHER BE IT RESOLVED that the Commission’s Executive Director is authorized 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 Sacramento Metropolitan Cable Television Commission this 3rd day of June 2010 by the following vote to wit:

AYES:

NOES:

ABSENT:

By: _____
Chair
Sacramento Metro
Cable Television Commission

Attested by:

Clerk of the Commission

EXHIBIT J

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

FISCAL YEAR 2010-11

AMENDMENT TO CONSULTANT SERVICES AGREEMENT AMENDMENT

THIS AMENDMENT is made and entered into this 3rd day of June 2010, amending that certain Consultant Services Agreement dated February 3, 2006, by and between the SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION and RICHARD ESPOSTO.

NOW, THEREFORE, the parties agree to amend the aforementioned Agreement as follows:

- 1. Section 7 - Term.
 "This Agreement shall commence as of July 1, 2010 and shall terminate on June 30, 2011, unless extended by the mutual agreement of the parties or terminated earlier asset forth herein."
- 2. Exhibit B - Time and Manner of Payment.
 "Esposito shall bill the Commission for services on an hourly basis at the rate of \$170 dollars per hour."
- 3. All other terms and conditions of the aforesaid Agreement shall remain in effect and unchanged.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day, month, and year first stated above.

**Sacramento Metropolitan
Cable Television Commission**

Dated: _____

Chairperson, Board of Directors

Dated: _____

Richard Esposito, Consultant

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



SACRAMENTO METROPOLITAN Cable Television Commission

ROBERT A. DAVISON
EXECUTIVE DIRECTOR

901 H STREET, SUITE 206 • SACRAMENTO, CA 95814 • PHONE (916) 874-6661 • FAX (916) 447-1450
WWW.SACMETROCABLE.TV

AGENDA ITEM NO. 4

DATE: October 7, 2010
TO: Chair and Board of Directors
FROM: Robert A. Davison, Executive Director
SUBJECT: RATIFY AMENDMENT TO THE LEGAL COUNSEL RETAINER AGREEMENT FOR FISCAL YEAR 2010-11

RECOMMENDATION:

It is recommended the Board ratify the Amendment to the Commission's Legal Counsel Retainer Agreement for Fiscal Year 2010-11, consenting assignment for legal services with McDonough Holland & Allen PC to Best Best & Krieger LLP.

BACKGROUND/DISCUSSION:

On March 3, 1994, the Sacramento Metropolitan Cable Television Commission (Commission) approved a Retainer Agreement by and between the Commission and McDonough Holland & Allen, PC (MHA) for legal counsel services, which included legal representation, consultation, and advice of the Commission as General Counsel.

The Agreement is amended annually.

In late June 2010, MHA announced that the firm would be winding down its operations and would not be available to provide legal services after September 1, 2010. Harriet A. Steiner, who has served as the Commission's General Counsel since 1994, joined the firm of Best Best & Krieger LLP (BB&K) effective September 1, 2010.

Staff recommends the Board ratify the amendment to the Commission's FY 2010-11 Legal Counsel Retainer Agreement, consenting to assignment of its Agreement for Legal Services with McDonough Holland & Allen PC to Best Best & Krieger LLP on the same terms and conditions. This will insure Harriet Steiner continues her services as the Commission's General Counsel, as her practice focuses on public law, specializing in telecommunications law and cable television franchising.

Agenda Item No. 4

Ratify Amendment to the Legal Counsel Retainer Agreement for Fiscal Year 2010-11

Page 2

Chair Morin was consulted and concurred with the recommendation herein by signature of the attached Amendment to the Legal Counsel Retainer Agreement for Fiscal Year 2010-11.

All terms and conditions of the aforesaid Agreement shall remain in effect and unchanged.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Robert A. Davison", written over a horizontal line.

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

Attachments:

Legal Counsel Retainer Agreement (March 1994)

Assignment Amendment to Legal Counsel Retainer Agreement - FY 2010-11

MHR
1/3/94

RETAINER AGREEMENT

THIS AGREEMENT is entered into as of this 3rd day of March, 1994, by and between McDonough, Holland & Allen, a professional corporation whose offices are located at 555 Capitol Mall, 9th Floor, Sacramento, California 95814 (hereinafter "the Firm") and Sacramento Metropolitan Cable Television Commission, 828 I Street, Room 527, Sacramento, California 95814 (hereinafter "the Client").

1. **Representation.** The Firm, by and through Harriet A. Steiner, Esq. and Douglas A. Potts, Esq., undertakes legal representation, consultation and advice of the Client as General Counsel ("General Counsel") and such other and further matters as the Client may from time to time request of the Firm during a four month term commencing March 3, 1994 and ending June 30, 1994.

2. **Compensation.** For all such representation, consultation and advice, the Client agrees to compensate the Firm on the basis of the time expended by the Firm and the expenses incurred by the Firm in the representation, consultation and advice of the Client on the following basis:

a. The Firm will bill the Client monthly on or about the fifth day of the month for the time and expenses expended during the preceding month at the rate of \$156.00 for each hour of legal services rendered. The \$156.00 hourly rate includes \$150.00 for legal services plus \$6.00 per hour for all copying, telephone, mailing and other similar expenses.

b. The Firm's monthly billings will state clearly the basis therefor, including the amount, rate, basis for calculation, a detailed description of the services performed and the time expended to the nearest tenth of an hour.

c. The \$156.00 hourly charge by Firm shall be deemed to include compensation for all costs and expenses incurred by Firm except those for out-of-County travel and filing fees and other litigation expenses, if any.

3. **Payment of Monthly Billings.** The Client agrees to pay each monthly billing within fifteen (15) days of its deposit in first class mail to the Client at the address provided in this Agreement, or such other address as the Client may subsequently provide to the Firm in writing.

4. Termination of Representation. The Client shall have the right to terminate representation by the Firm at any time during the term of this Agreement effective ten days following the date on which written notice is deposited in the United States Mail, postage prepaid, and directed to the Firm at the address above stated. Any such termination shall not affect the Client's obligation for fees and costs incurred prior to such termination.

5. Arbitration Rights. The Client has been advised that California Business and Professions Code Sections 6200-6206 give the Client the right to submit any dispute as to fees arising from professional legal services under this Agreement to arbitration. The Client shall have thirty (30) days from the date on which the Client receives the monthly billing of the Firm hereunder in which to request arbitration. If the Client does not do so, the Client will be deemed to have waived the right to arbitrate any dispute as to these fees under the program established by the Board of Governors of the State Bar of California. The Client can obtain a form with which to request fee arbitration from the Sacramento County Bar Association, 901 "H" Street, Suite 101, Sacramento, California 95814.

6. Contractor. This Agreement creates an independent contractual relationship, and not an employment. Firm shall be responsible to Client for the end product of the services it provides, and not the means or methods of delivering the services.

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

SACRAMENTO METROPOLITAN CABLE
TELEVISION COMMISSION

by 

MCDONOUGH, HOLLAND & ALLEN

by 

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



SACRAMENTO METROPOLITAN
Cable Television Commission

ROBERT A. DAVISON
EXECUTIVE DIRECTOR

901 H STREET, SUITE 206 • SACRAMENTO, CA 95814 • PHONE (916) 874-6661 • FAX (916) 447-1450
WWW.SACMETROCABLE.TV

AMENDMENT TO LEGAL COUNSEL RETAINER AGREEMENT
FISCAL YEAR 2010-11
Assignment

THIS AMENDMENT is made and entered into this 30th day of August 2010, amending that certain Retainer Agreement dated March 3, 1994, and amended annually, by and between the SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION, a Joint Powers Agency, hereinafter called "Client" and MCDONOUGH HOLLAND & ALLEN PC, a professional corporation, hereinafter called and referred to as "Firm".

Whereas, Firm is winding down its operations and will not be available to provide legal services after September 1, 2010; and

Whereas, Harriet A. Steiner, who has served as Client's general counsel since 1994, will be joining the firm of Best Best & Krieger LLP effective September 1, 2010;

NOW, THEREFORE, the parties agree to amend the aforementioned Agreement as follows:

1. Section 1. Assignment

Client hereby consents to assignment of its Agreement for Legal Services with McDonough, Holland & Allen, PC to Best Best & Krieger LLP, on the same terms and conditions. Best Best & Krieger LLP shall be bound by and shall perform the terms of the Agreement as more fully set forth therein from and after the date of the Assignment to it.

2. All other terms and conditions of the aforesaid Agreement shall remain in effect and unchanged.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day, month, and year first stated above.

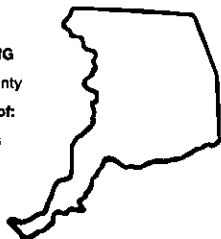
BEST BEST & KRIEGER LLP

By: Harriet A. Steiner
Harriet A. Steiner

**SACRAMENTO METROPOLITAN
CABLE TELEVISION COMMISSION**

Robert A. Davison
Chairperson, Board of Directors

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



SACRAMENTO METROPOLITAN
Cable
CTC television
Commission

ROBERT A. DAVISON
EXECUTIVE DIRECTOR

901 H STREET, SUITE 206 • SACRAMENTO, CA 95814 • PHONE (916) 874-6661 • FAX (916) 447-1450
WWW.SACMETROCABLE.TV

AGENDA ITEM NO. 5

DATE: October 7, 2010
TO: Chair and Board of Directors
FROM: Robert A. Davison, Executive Director
SUBJECT: FINANCIAL AUDIT OF THE SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION OF AND FOR THE FISCAL YEARS ENDED JUNE 30, 2007, 2008, AND 2009

RECOMMENDATION:

It is recommended the Board receive and file the financial audit report of the Sacramento Metropolitan Cable Television Commission of and for the fiscal years ended June 30, 2007, 2008, and 2009.

DISCUSSION:

As stipulated in the Sacramento Metropolitan Cable Television Commission's (Commission) By-Laws, the Auditor of the County shall be the ex-officio Auditor of the Commission.

The financial statements of the governmental activities and General Fund of the Commission were audited, as of and for the years ended June 30, 2007, 2008, and 2009 by Senior Auditor Coye Carter with the Sacramento County's Department of Finance, Auditor-Controller Division. The audit commenced and fieldwork was completed in August 2010, in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that the audit is performed to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The audit included examining, on a test basis, evidence supporting amounts and disclosures in the financial statements. The audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

Agenda Item No. 5

Financial Audit Report of the SMCTC of and for the FYE June 30, 2007, 2008, and 2009

Page 2

Staff made available to the Auditor all financial records and related data for determination of the financial statement amounts. The Commission complied with all aspects of laws, regulations, and contractual agreements that would have a material effect on the financial statements in the event of non-compliance.

I am pleased to report there were no findings reported from the audit of the financial statements for the Fiscal Years ended June 30, 2007, 2008, and 2009.

Staff continues to reconcile the CalPERS 457 Deferred Program postings each month, per the finding identified in the audit of financial statements from Fiscal Years ending June 30, 2004, 2005, and 2006 - that the Commission owed \$1,297.54 to the CalPERS' 457 Deferred Compensation Program for its employees. The error was remedied by staff immediately as soon as it was brought to their attention at that time.

Staff recommends the Board accept the financial audit report of the Sacramento Metropolitan Cable Television Commission of and for the fiscal years ended June 30, 2007, 2008, and 2009, and that a biennial audit covering a two year period is conducted from here on.

Respectfully submitted,



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

Attachment:

SMCTC - Financial Audit Report as of and for the years ended June 30, 2007, 2008, and 2009

Internal Services Agency
Department of Finance
Auditor-Controller Division

Ben Lamera
Assistant Auditor Controller



Steven C. Szalay,
Interim County Executive

Mark Norris,
Agency Administrator

Julie Valverde,
Director of Finance

County of Sacramento

September 13, 2010

Board of Commissioners
Sacramento Metropolitan Cable Television Commission
901 H Street, Suite 206
Sacramento, CA 95814

We have audited the financial statements of the governmental activities and general fund of the Sacramento Metropolitan Cable Television Commission (SMCTC) for the fiscal years ending June 30, 2007, 2008, and 2009, and have issued our report thereon dated September 13, 2010. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated July 10, 2009, our responsibility, as described by professional standards, is to express opinions 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.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. As part of our audit, we considered the internal control of the SMCTC. 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 SMCTC'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.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter dated July 10, 2009.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the SMCTC are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal years 2006/2007, 2007/2008, and 2008/2009.

We noted no transactions entered into by the SMCTC during the fiscal years under audit for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We do not note any accounting estimates that are particularly sensitive and required your special attention.

The disclosures in the financial statements are neutral, consistent, and clear. We do not note any financial statement disclosures are particularly sensitive to financial statement users.

We encountered no significant 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. None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreement with Management

For purposes of this letter, professional standards define a disagreement with management as 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 did not have any disagreements with management that 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 August 11, 2010.

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 governmental unit'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 Findings or 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 SMCTC's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Commissioners, those who charged with governance, and the SMCTC's management and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Sincerely,

JULIE VALVERDE
DIRECTOR OF FINANCE



By: Alan A. Matré
Chief of Audits

**Internal Services Agency
Department of Finance
Auditor-Controller Division**

Ben Lamera
Acting Assistant Auditor Controller



Steven C. Szalay,
Interim County Executive

Mark Norris,
Agency Administrator

Julie Valverde,
Director of Finance

County of Sacramento

September 13, 2010

Board of Commissioners
Sacramento Metropolitan Cable Television Commission
901 H Street, Suite 206
Sacramento, CA 95814

Dear Commission Members:

Enclosed is the final audit report of the Sacramento Metropolitan Cable Television Commission as of and for the fiscal years ended June 30, 2007, 2008, and 2009.

Once again, we would like to thank the board and your staff for the cooperation and assistance extended to us during our audit.

Sincerely,

Julie Valverde
DIRECTOR OF FINANCE

A handwritten signature in black ink, appearing to read "Alan A. Matré", is written over the printed name of the Chief of Audits.

By: Alan A. Matré, C.P.A.
Chief of Audits



COUNTY OF SACRAMENTO

DEPARTMENT OF FINANCE

AUDITOR - CONTROLLER

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION
Audited Financial Statements, Additional Financial
Information, and Other Reports
As of and for the Years Ended June 30, 2007, 2008, and 2009

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION
Audited Financial Statements, Additional Financial
Information and Other Reports
As of and for the Years Ended June 30, 2007, 2008, and 2009

Audit Staff:

Alan A. Matré
Coye E. Carter

Chief of Audits
Senior Auditor

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION
Audited Financial Statements, Additional Financial
Information and Other Reports
As of and for the Years Ended June 30, 2007, 2008, and 2009

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Internal Services Agency
Department of Finance
Auditor-Controller Division

County of Sacramento

Steven C. Szalay,
Interim County Executive

Mark Norris,
Agency Administrator

Ben Lamera,
Assistant Auditor-Controller

Julie Valverde,
Director of Finance

September 13, 2010

Board of Commissioners
Sacramento Metropolitan Cable Television Commission
901 H Street, Suite 206
Sacramento, CA 95814

AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities and general fund of the Sacramento Metropolitan Cable Television Commission (SMCTC), as of and for the years then ended June 30, 2007, 2008, and 2009, which collectively comprise the SMCTC's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the SMCTC's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit 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. 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 includes examining, on a test basis, evidence supporting amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In connection with the audit contained herein, there are certain disclosures that are necessary pursuant to paragraphs 3.22 through 3.24 of *Government Auditing Standards*.

As required by various statutes within the California Government Code, County Auditor-Controllers or Directors of Finance are mandated to perform certain accounting, auditing, and financial reporting functions. These activities, in themselves, necessarily impair *Government Auditing Standards* independence standards. Specifically, "auditors should not audit their own work or provide non-audit services in situations where the amounts or services involved are significant/material to the subject matter of the audit."

Although the Director of Finance is statutorily obligated to maintain the accounts of departments, districts or funds that are contained within the county treasury, we believe that the following safeguard and division of responsibility exist. The staff that has the responsibility to perform audits within the Auditor-Controller Division has no other responsibility of the accounts and records being audited including the approval or posting of financial transactions that would therefore enable the reader of this report to rely on the information contained herein.

In our opinion, except for the disclosure for paragraphs 3.22 through 3.24 of *Government Auditing Standards* as noted above, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and general fund of the SMCTC as of June 30, 2007, 2008, and 2009, and the respective changes in financial positions for the year then ended are in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 13, 2010, on our consideration of the SMCTC's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 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 management's discussion and analysis 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.

Sincerely,

JULIE VALVERDE
DIRECTOR OF FINANCE



By: Alan A. Matré, C.P.A.
Chief of Audits

Sacramento Metropolitan Cable Television Commission
Required Supplementary Information
Management's Discussion and Analysis
For the Fiscal Years ending June 30, 2007, 2008 and 2009

This discussion and analysis of the Sacramento Metropolitan Cable Television Commission's (SMCTC) financial performance provides an overview of financial activities for the years ended 2007, 2008 and 2009. It should be read in conjunction with the basic financial statements which follow.

OVERVIEW

The SMCTC is a Joint Powers Agency, consisting of seven member entities, including the County of Sacramento and the cities of Citrus Heights, Elk Grove, Galt, Folsom, Rancho Cordova, and Sacramento. The purpose of the SMCTC is to administer cable television video franchises in Sacramento County, assist consumers in resolving their cable video concerns, monitor community programming of Channel Licensees, and operate Metro Cable 14, the local government cable channel. The SMCTC collects a franchise fee of 5% of gross revenues, paid by private cable companies for the use of the rights-of-way. In addition, a 1% public, educational, and government (PEG) fee, to support PEG channel facilities and equipment, was imposed and collected starting in May 2009.

The SMCTC uses part of the revenue to support administrative functions and operate Metro Cable 14, which includes capital outlay expenditures. The SMCTC also uses a portion of the revenue to provide funding grants for four independent community Channel Licensees - Access Sacramento, Capital Public Radio, KVIE, & Sacramento Educational Cable Consortium. For discussion and comparison purposes, these calculated figures are combined as 'Other Expenses' in the following table.

The balance of the revenue is distributed, unrestricted, to the SMCTC'S seven member jurisdictions at the end of each fiscal year and is shown as 'Distributions.'

The Statement of Net Assets and Governmental Fund Balance Sheet, typically relevant for many government entities are a minor measure of performance for this government entity because the majority of revenues are distributed and never converted to assets. The Analysis of Financial Statements will identify the differences between Revenues and Distributions. The SMCTC has no component entities.

FINANCIAL HIGHLIGHTS

√ Fiscal Year Ended June 30, 2007

Revenues received totaled \$9,719,531 of which \$9,462,222 was franchise fees paid by cable companies. The balance of \$257,309 is from interest earnings and miscellaneous revenue. Of the total revenue received, \$6,102,221 (63%) was distributed to the member jurisdictions, with the balance used for the purposes described above.

Sacramento Metropolitan Cable Television Commission
Required Supplementary Information
Management's Discussion and Analysis
For the Fiscal Years ending June 30, 2007, 2008 and 2009

Capital outlay expenditures totaled \$40,111. The SMCTC incurred no debt obligations.

√ **Fiscal Year Ended June 30, 2008**

Revenues received totaled \$10,668,219 of which \$10,367,861 was franchise fees paid by cable companies. The balance of \$300,358 is from interest earnings and miscellaneous revenue. Of the total revenue received, \$7,076,151 (66%) was distributed to the member jurisdictions, with the balance used for the purposes described above.

Capital outlay expenditures totaled \$22,485. The SMCTC incurred no debt obligations.

√ **Fiscal Year Ended June 30, 2009**

Revenues received totaled \$10,613,552 of which \$10,424,139 was franchise fees paid by cable companies. The balance consists of \$189,413 is from interest earnings and miscellaneous revenue. Of the total revenue received, \$7,412,850 (70%) was distributed to the member jurisdictions, with the balance used for the purposes described above.

Capital outlay expenditures totaled \$48,710. The SMCTC incurred no debt obligations.

ANALYSIS OF FINANCIAL STATEMENTS

The table below shows the total Revenues and Expenditures/Expenses for the fiscal years.

	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>
Revenues	\$ 9,719,531	10,668,219	10,613,552
Expenditures/Expenses	8,087,643	10,198,074	9,590,381

In FY 2007-08, total revenues increased by \$948,688 over FY 2006-07. For FY 2008-09, total revenues decreased by \$54,667 over FY 2007-08.

Revenues generated by SMCTC vary year to year, by causes independent of actions of the SMCTC and are entirely dependent upon the revenues from private cable companies operating in the marketplace. Revenues are subject to market forces such as competition from alternative providers of video services via satellite technology, which do not use public rights-of-way and therefore do not pay rent for such use. In addition, due to economic factors, residents and businesses will look to reduce or cancel services provided by cable companies.

Sacramento Metropolitan Cable Television Commission
 Required Supplementary Information
 Management's Discussion and Analysis
 For the Fiscal Years ending June 30, 2007, 2008 and 2009

GOVERNMENTAL ACTIVITIES

The table below shows Expenditures/Expenses by areas of operation for the fiscal years.

	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>
Expenditures from Operations:			
Distributions to Members ¹	\$ 6,102,221	7,076,151	7,412,850
Other Expenses ²	<u>1,985,422</u>	<u>3,121,923</u>	<u>2,177,531</u>
TOTAL Expenditures from Operations	<u>\$ 8,087,643</u>	<u>10,198,074</u>	<u>9,590,381</u>

¹Distributions to Members are actual, as reported in the Budget Detail of the SMCTC Annual Budget Staff Report.

²Other Expenses are calculated as the difference between Total Expenditures reported in the Financial Statements and Distributions and Capital Outlay.

In FY 2007-08, Distributions to Members increased by \$973,930 over FY 2006-07. For FY 2008-09, Distributions to Members increased by \$336,699 over the previous fiscal year.

In FY 2007-08, Other Expenses increased by \$1,136,501 from FY 2006-07. For FY 2008-09, Other Expenses decreased by \$944,392 compared to the previous fiscal year.

Capital Outlay Expenditures totaled \$40,111, \$22,485, \$48,710 in FY 2006-07, FY 2007-08, and FY 2008-09 respectively, consisting of equipment replacement and upgrades related to the operation of Metro Cable 14.

The following table details Administrative/Operations Expenditures and Channel Licensee Funding Expenses.

	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>
SMCTC Operations	\$ 868,066	<u>1,053,388</u>	<u>997,286</u>
Channel Licensee/Grantee Funding:			
Access Sacramento	536,675	609,527	568,211
Capitol Public Radio	16,800	17,287	17,875
KVIE	183,750	236,179	195,507
Sacramento Education Cable Consortium (SECC)			
SECC	279,300	287,400	297,171
BESTNet Base	52,500	54,023	55,859
BESTNet Phase II	<u>48,331</u>	<u>864,119</u>	<u>45,622</u>
Total Channel Licensee/Grantee Funding	<u>1,117,356</u>	<u>2,068,535</u>	<u>1,180,245</u>
TOTAL Other Expenses	<u>\$ 1,985,422</u>	<u>3,121,923</u>	<u>2,177,531</u>

Sacramento Metropolitan Cable Television Commission
Required Supplementary Information
Management's Discussion and Analysis
For the Fiscal Years ending June 30, 2007, 2008 and 2009

Total Other Expenses are separated into two categories so interested parties can readily understand the direct SMCTC Operational costs and the grant funding provided to community programming grantees. SMCTC Operations expenses include administrative costs associated with running the SMCTC and Metro Cable 14. Channel Licensees/Grantees expenses are grants appropriated to four independent entities for community programming.

The SMCTC appropriated \$1,300,000 in each of the fiscal years pursuant to the Broadband Education Services Technology Network (BESTNet) Phase II Construction and Maintenance Agreement, spearheaded by SECC, one of the Channel Licensees/Grantees. Described as Sacramento's educational technology gateway, BESTNet is a super high-speed network that connects all of SECC's K-20 member educational institutions.

The revenue for the 1% public, educational, and government (PEG) fee imposed and collected in May 2009 will not be received by SMCTC until the following quarter.

CONTACTING THE SMCTC'S FINANCIAL MANAGEMENT

This Management Discussion and Analysis provides interested parties with a general overview of the Sacramento Metropolitan Cable Television Commission's financial operations and status. Those desiring more information should visit www.sacmetroable.tv, or contact the SMCTC at 901 H Street, Suite 206, Sacramento, CA 95814.

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION
STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND BALANCE SHEET
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
Assets:			
Cash and investments	\$ 2,731,644		2,731,644
Interest receivable	145,188		145,188
Equipment (net)		106,330	106,330
Total assets	<u>\$ 2,876,832</u>	<u>106,330</u>	<u>2,983,162</u>
Liabilities and fund balances			
Liabilities:			
Accounts payable			
and accrued expenses	\$ 373,416		373,416
Deposits from others	199,724		199,724
Intergovernmental payables	42,132		42,132
Long term liabilities:			
Due within one year		64,617	64,617
Due after one year		9,271	9,271
Total liabilities	<u>615,272</u>	<u>73,888</u>	<u>689,160</u>
Fund balances/Net assets:			
Fund balances:			
Designated	150,000	(150,000)	
Undesignated	2,111,560	(2,111,560)	
Total fund balances	<u>2,261,560</u>	<u>(2,261,560)</u>	
Total liabilities and fund balances	<u>\$ 2,876,832</u>		
Net assets:			
Investment in capital assets, net of related debt		106,330	106,330
Restricted		150,000	150,000
Unrestricted		2,037,672	2,037,672
Total net assets		<u>\$ 2,294,002</u>	<u>2,294,002</u>

The notes to the financial statements are an integral part of this statement.

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION
STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND BALANCE SHEET
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	General Fund	Adjustments	Statement of Net Assets
Assets:			
Cash and investments	\$ 2,943,532		2,943,532
Interest receivable	134,586		134,586
Equipment (net)		88,528	88,528
Total assets	\$ 3,078,118	88,528	3,166,646
Liabilities and fund balances			
Liabilities:			
Accounts payable and accrued expenses	\$ 54,603		54,603
Deposits from others	208,267		208,267
Intergovernmental payables	83,543		83,543
Long term liabilities:			
Due within one year		58,837	58,837
Due after one year		12,646	12,646
Total liabilities	346,413	71,483	417,896
Fund balances/Net assets:			
Fund balances:			
Designated	150,000	(150,000)	
Undesignated	2,581,705	(2,581,705)	
Total fund balances	2,731,705	(2,731,705)	
Total liabilities and fund balances	\$ 3,078,118		
Net assets:			
Investment in capital assets, net of related debt		88,528	88,528
Restricted		150,000	150,000
Unrestricted		2,510,222	2,510,222
Total net assets		\$ 2,748,750	2,748,750

The notes to the financial statements are an integral part of this statement.

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION
STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND BALANCE SHEET
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
Assets:			
Cash and investments	\$ 4,345,546		4,345,546
Interest receivable	83,691		83,691
Equipment (net)		89,216	89,216
Total assets	<u>\$ 4,429,237</u>	<u>89,216</u>	<u>4,518,453</u>
Liabilities and fund balances			
Liabilities:			
Accounts payable			
and accrued expenses	\$ 399,627		399,627
Deposits from others	213,332		213,332
Intergovernmental payables	61,402		61,402
Long term liabilities:			
Due within one year		39,957	39,957
Due after one year		6,507	6,507
Total liabilities	<u>674,361</u>	<u>46,464</u>	<u>720,825</u>
Fund balances/Net assets:			
Fund balances:			
Designated	150,000	(150,000)	
Undesignated	3,604,876	(3,604,876)	
Total fund balances	<u>3,754,876</u>	<u>(3,754,876)</u>	
Total liabilities and fund balances	<u>\$ 4,429,237</u>		
Net assets:			
Investment in capital assets, net of related debt		89,216	89,216
Restricted		150,000	150,000
Unrestricted		3,558,412	3,558,412
Total net assets		<u>\$ 3,797,628</u>	<u>3,797,628</u>

The notes to the financial statements are an integral part of this statement.

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Interest income	\$ 234,406		234,406
Franchise fees	9,462,222		9,462,222
Miscellaneous	22,903		22,903
Total revenues	<u>9,719,531</u>		<u>9,719,531</u>
Expenditures/Expenses:			
Current:			
General government and administration	8,047,532	29,892	8,077,424
Capital outlay	40,111	(40,111)	
Total expenditures/expenses	<u>8,087,643</u>	<u>(10,219)</u>	<u>8,077,424</u>
Deficiency of revenues under expenditures	<u>1,631,888</u>	<u>10,219</u>	<u>1,642,107</u>
Beginning fund balances, and net assets	<u>629,672</u>		<u>651,895</u>
Ending fund balances/net assets	<u><u>\$ 2,261,560</u></u>		<u><u>2,294,002</u></u>

The notes to the financial statements are an integral part of this statement.

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Interest Income	\$ 272,922		272,922
Franchise fees	10,367,861		10,367,861
Miscellaneous	27,436		27,436
Total revenues	<u>10,668,219</u>		<u>10,668,219</u>
Expenditures/Expenses:			
Current:			
General government and administration	10,175,589	37,882	10,213,471
Capital outlay	22,485	(22,485)	
Total expenditures/expenses	<u>10,198,074</u>	<u>15,397</u>	<u>10,213,471</u>
Excess/(deficiency) of revenues over/(under) expenditures	<u>470,145</u>	<u>(15,397)</u>	<u>454,748</u>
Beginning fund balances, and net assets	<u>2,261,560</u>		<u>2,294,002</u>
Ending fund balances/net assets	<u>\$ 2,731,705</u>		<u>2,748,750</u>

The notes to the financial statements are an integral part of this statement.

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Interest income	\$ 167,060		167,060
Franchise fees	10,424,139		10,424,139
Miscellaneous	22,353		22,353
Total revenues	<u>10,613,552</u>		<u>10,613,552</u>
Expenditures/Expenses:			
Current:			
General government and administration	9,541,671	23,003	9,564,674
Capital outlay	48,710	(48,710)	
Total expenditures/expenses	<u>9,590,381</u>	<u>(25,707)</u>	<u>9,564,674</u>
Excess/(deficiency) of revenues over/(under) expenditures	<u>1,023,171</u>	<u>25,707</u>	<u>1,048,878</u>
Beginning fund balances, and net assets	<u>2,731,705</u>		<u>2,748,750</u>
Ending fund balances/net assets	<u>\$ 3,754,876</u>		<u>3,797,628</u>

The notes to the financial statements are an integral part of this statement.

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive / (Negative)
Revenues:				
Interest income	\$ 60,000	60,000	234,406	(174,406)
Franchise fees	8,200,000	9,462,221	9,462,222	(1)
Miscellaneous	18,000	18,000	22,903	(4,903)
Total revenues	8,278,000	9,540,221	9,719,531	(179,310)
Expenditures:				
Current:				
General government and administration	8,505,405	9,697,626	8,047,532	1,650,094
Capital outlay	90,000	160,000	40,111	119,889
Total expenditures/expenses	8,595,405	9,857,626	8,087,643	1,769,983
Excess/(deficiency) of revenues over/(under) expenditures		(317,405)	1,631,888	(1,949,293)
Net change in fund balance (GAAP and Budgetary basis) \$		(317,405)	1,631,888	(1,949,293)

The notes to the financial statements are an integral part of this statement.

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive / (Negative)
Revenues:				
Interest income	\$ 120,950	120,950	272,922	(151,972)
Franchise fees	9,200,000	10,356,750	10,367,861	(11,111)
Miscellaneous	20,000	20,000	27,436	(7,436)
Total revenues	<u>9,340,950</u>	<u>10,497,700</u>	<u>10,668,219</u>	<u>(170,519)</u>
Expenditures:				
Current:				
General government and administration	11,231,541	12,363,290	10,175,589	2,187,701
Capital outlay	90,000	115,000	22,485	92,515
Total expenditures/expenses	<u>11,321,541</u>	<u>12,478,290</u>	<u>10,198,074</u>	<u>2,280,216</u>
Excess/(deficiency) of revenues over/(under) expenditures		<u>(1,980,590)</u>	<u>470,145</u>	<u>(2,450,735)</u>
Net change in fund balance (GAAP and Budgetary basis) \$		<u><u>(1,980,590)</u></u>	<u><u>470,145</u></u>	<u><u>(2,450,735)</u></u>

The notes to the financial statements are an integral part of this statement.

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive / (Negative)</u>
Revenues:				
Interest income	\$ 190,000	190,000	167,060	22,940
Franchise fees	9,700,000	10,385,250	10,424,139	(38,889)
Miscellaneous	<u>22,100</u>	<u>22,100</u>	<u>22,353</u>	<u>(253)</u>
Total revenues	<u>9,912,100</u>	<u>10,597,350</u>	<u>10,613,552</u>	<u>(16,202)</u>
Expenditures:				
Current:				
General government and administration	12,319,865	12,995,115	9,541,671	3,453,444
Capital outlay	<u>50,000</u>	<u>60,000</u>	<u>48,710</u>	<u>11,290</u>
Total expenditures/expenses	<u>12,369,865</u>	<u>13,055,115</u>	<u>9,590,381</u>	<u>3,464,734</u>
Excess of revenues over expenditures		<u>(2,457,765)</u>	<u>1,023,171</u>	<u>(3,480,936)</u>
Net change in fund balance (GAAP and Budgetary basis) \$		<u>(2,457,765)</u>	<u>1,023,171</u>	<u>(3,480,936)</u>

The notes to the financial statements are an integral part of this statement.

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2007, 2008, AND 2009

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Sacramento Metropolitan Cable Television Commission (Commission) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing GAAP for state and local government organizations. The Commission's significant accounting policies are described below.

Scope of Financial Reporting Entity

The Commission was organized 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 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.

The Commission is funded through franchise fees from cable television providers operating within Sacramento County.

Government-wide and Fund Financial Statements Presentation

Government-wide Financial Statements

The statement of net assets and statement of activities display information about the primary government (the Commission). These statements include the financial activities of the overall government.

The statement of activities presents direct expenses and program revenues for each function of the Commission's governmental activities. Revenues are presented instead as general revenues.

When both restricted and unrestricted net assets are available, restricted resources are used only after the unrestricted resources are depleted.

Fund Financial Statements

The fund financial statements provide information about the Commission's funds, which include only governmental funds.

The Commission has combined its government-wide financial statements, the statement of net assets and the statement of activities, with its fund financial statements, the balance sheet and the

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2007, 2008, AND 2009

statement of revenues, expenditures, and changes in fund balances, into two statements: the statement of net assets and governmental funds balance sheet; and the statement of activities and governmental fund revenues, expenditures, and changes in fund balances, for simplicity.

The Commission reports a *General Fund* that is used to account for all financial resources except those required or designated by the Board of Directors to be accounted for in another fund.

Measurement Focus and Basis of Accounting

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 at the time liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the Commission gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Commission considers revenues to be available if they are collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues that are accrued include property taxes, interest income, and charges for current services. Revenues that are not accrued include permits and fines, forfeitures, and penalties, if applicable. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due. General capital assets are reported as expenditures in governmental funds. Proceeds of general long-term and capital assets are reported as other financing sources.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Accounts and Records

Financial transactions initiated by the Commission are processed by the Sacramento County Department of Finance, Auditor-Controller. The District maintains copies of source documents. The Department of Finance, Auditor-Controller provides related general ledger, revenue, and expenditure computer listings. In addition, claims are paid and warrants are issued by the Department of Finance, Auditor-Controller.

Budgetary Principles

As required by the laws of the State of California, the Commission prepares and legally adopts a final balanced operating budget on or before October 1 of each fiscal year. The final budget for fiscal year 2006/07 was adopted on June 1, 2006, the final budget for fiscal year 2007/08 was adopted on June 7, 2007, and the final budget for fiscal year 2008/09 was adopted on June 19, 2008.

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2007, 2008, AND 2009

Until the adoption of the final balanced budget, operations are governed by the adopted proposed budget, which is the prior year's final budget, approved by the Board. Public hearings are conducted on the proposed final budget to review all appropriations and the sources of financing.

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, Expenditures - Budget to Actual presents revenues at the source level and expenditures at the function level.

It is not feasible to compare budget to actual data at the object level in this report. Therefore, this information is contained in a separate report prepared by the Sacramento County Department of Finance, Auditor-Controller, titled "Expenditures Status Report." Significant amendments, appropriation transfers between objects and transfers from contingencies must be approved by the Commission. Supplemental appropriations financed by unanticipated revenues also must be approved by the Commission.

Cash and Cash Equivalents

For purposes of the statement of net assets/balance sheet, the Commission considers all short-term highly liquid investments, including restricted assets, amounts held with fiscal agent and amounts held in the County of Sacramento's investment pool, to be cash and cash equivalents. Amounts held with fiscal agent and investments held in the County of Sacramento's investment pool are available on demand to the Commission.

Cash and Investments

As described in Note 2, the Commission's cash and investments are held with the Sacramento County Department of Finance, Treasury, as part of the cash and investment pool with other County Funds or are held with a Fiscal Agent. In accordance with GASB Statement No. 31, investments are stated at fair value. However, the value of the pool shares in the County Treasurer's investment pool that may be withdrawn is determined on an amortized cost basis, which is different from the fair value of the Commission's position in the pool. The County Treasurer's investment pool is subject to regulatory oversight by the Treasury Oversight Committee, as required by Section 27134 of the California Government Code.

Statutes authorize the County to invest in the following:

- a) Obligations of the County or any local agency and instrumentality in or of the State of California;
- b) Obligations of the U.S. Treasury, agencies and instrumentalities;
- c) Bankers' acceptances eligible for purchase by Federal Reserve System;

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2007, 2008, AND 2009

- d) Commercial paper with an A-1 rating by Moody's Investors Service or P-1 rating by Standard & Poor's Corporation;
- e) Repurchase agreements or reverse repurchase agreements;
- f) Medium-term notes with a five-year maximum maturity of corporations operating within the United States and rated in the top three rating categories by Moody's Investor Service or Standard & Poor's Corporation;
- g) Guaranteed investment contracts; and
- h) Shares of beneficial interest issued by diversified management companies (money market funds) investing in securities and obligations as outlined in a) through g). Certain security rankings and/or organizational requirements apply to this type of investment.

Capital Assets

Capital assets, which include land, structures and improvements, machinery and equipment, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial individual cost of more than \$500. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Capital outlay is recorded as expenditures of the General Fund and as assets in the government-wide financial statements to the extent the Commission's capitalization threshold is met. Amortization of assets acquired under capital lease is included in depreciation and amortization. Structures and improvements, and equipment are depreciated using the straight-line method over the following estimated used lives:

<u>Assets</u>	<u>Years</u>
Equipment	5-10

Compensated Absences

Regular, full-time District employees are granted vacation 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. 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. A year-end accrual is not made in the General Fund as the Commission does not believe any of the available year-end financial resources will be required to fund the year-end compensated absences liability. All vacation pay is accrued when incurred in the government-wide statements in accordance with GASB Statement No. 16, "Accounting for Compensated Absences."

Commission employees are granted vacation in varying amounts based on classification and length of service. Maximum vacation hours eligible for carry forward to future years is limited to no more than 400 hours of accrual time at calendar year end. Additionally, certain employees are allowed compensated time-off (CTO) in lieu of overtime compensation and/or for working on holidays.

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2007, 2008, AND 2009

Sick leave is earned by regular, full-time employees. 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. Any sick leave hours unused at the time of an employee's retirement are added to the actual period of service when computing retirement benefits. The Commission does not pay accumulated sick leave to employees who terminate prior to retirement. Accordingly, no provision for payment of sick leave has been included in the government-wide financial statements.

NOTE 2 – CASH AND INVESTMENTS

The Commission maintains specific cash deposits and investments with the County and involuntarily participates in the external investment pool of the County. The Commission's share of the investment pool is separately accounted for and interest earned, net of related expenses, is apportioned quarterly and at the end of the fiscal year based upon the relationship of its daily cash balance to the total of the pooled account.

The following are summaries of the Commission's cash and investments at fair value:

	<u>June 30, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>
Cash in Treasury	\$ 2,731,644	2,943,532	4,345,546

NOTE 3 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

For the year ended June 30, 2007, total fund balance of the Commission's governmental funds, \$2,261,560, differs from net assets of governmental activities, \$2,294,002, reported in the *Statement of Net Assets and Governmental Fund Balance Sheet* by \$32,442.

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2007, 2008, AND 2009

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets are as follows:

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 assets includes those capital assets among the assets of the Commission as a whole.

Cost of capital assets	\$ 539,056
Accumulated depreciation	<u>(432,726)</u>
	<u>106,330</u>

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.

Compensated absences	
Total Long Term Liabilities	<u>(73,888)</u>

Total differences between the governmental fund balance sheet and the government-wide statement of net assets	<u>\$ 32,442</u>
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The net change in fund balances for governmental funds, \$1,631,888, differs from the change in net assets for governmental activities, \$1,642,107 reported in the statement of activities and governmental fund revenues, expenditures, and changes in fund balances by \$10,219.

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities are as follows:

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 assets includes those capital assets among the assets of the Commission as a whole.

Capital expenditures	\$ 27,941
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The change in compensated absences reported in the statement of activities does not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	<u>(17,722)</u>
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Total	<u>\$ (10,219)</u>
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SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2007, 2008, AND 2009

For the year ended June 30, 2008, total fund balance of the Commission's governmental funds, \$2,731,705 differs from net assets of governmental activities, \$2,748,750, reported in the *Statement of Net Assets and Governmental Fund Balance Sheet* by \$17,045.

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets are as follows:

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 assets includes those capital assets among the assets of the Commission as a whole.

Cost of capital assets	\$ 561,541
Accumulated depreciation	<u>(473,013)</u>
	<u>88,528</u>

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.

Compensated absences	<u>(71,483)</u>
Total Long Term Liabilities	<u>(71,483)</u>

Total differences between the governmental fund balance sheet and the government-wide statement of net assets	<u>\$ 17,045</u>
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The net change in fund balances for governmental funds, \$470,145, differs from the change in net assets for governmental activities, \$454,748 reported in the *Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balances* by \$15,397.

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2007, 2008, AND 2009

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities are as follows:

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 assets includes those capital assets among the assets of the Commission as a whole.

Capital expenditures	\$ 17,802
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The change in compensated absences reported in the statement of activities does not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	<u>(2,405)</u>
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Total	<u>\$ 15,397</u>
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For the year ended June 30, 2009, total fund balance of the Commission's governmental funds, \$3,754,876, differs from net assets of governmental activities, \$3,797,628, reported in the *Statement of Net Assets and Governmental Fund Balance Sheet* by \$42,752.

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2007, 2008, AND 2009

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets are as follows:

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 assets includes those capital assets among the assets of the Commission as a whole.

Cost of capital assets	\$ 609,724
Accumulated depreciation	<u>(520,508)</u>
	<u>89,216</u>

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.

Compensated absences	<u>(46,464)</u>
Total Long Term Liabilities	<u>(46,464)</u>

Total differences between the governmental fund balance sheet and the government-wide statement of net assets	\$ <u>42,752</u>
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The net change in fund balances for governmental funds, \$1,023,171, differs from the change in net assets for governmental activities, \$1,048,878, reported in the *Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balances* by \$25,707.

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2007, 2008, AND 2009

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities are as follows:

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 assets includes those capital assets among the assets of the Commission as a whole.

Capital expenditures	\$ 688
The change in compensated absences reported in the statement of activities does not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	<u>25,019</u>
Total	<u>\$ 25,707</u>

NOTE 4 – OPERATING LEASES

The Commission leased office space under operating leases and they are as follows:

In June 2002, the Commission entered into a fifty-one month lease agreement for office space commencing on July 1, 2002. The monthly rental payments start at \$1,800 per month and escalate at three percent every year. The terms of the lease agreement provides for a one five-year option to extend the lease under the same terms and conditions through September 30, 2012.

In July 2007, the Commission exercised its five-year lease option with a termination date of September 30, 2012.

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

<u>Year Ending June 30</u>	<u>Amount</u>
2010	\$ 26,372
2011	27,163
2012	27,978
2013	<u>7,046</u>
Total	<u>\$88,559</u>

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2007, 2008, AND 2009

NOTE 5 – CAPITAL ASSETS AND DEPRECIATION

The following is a summary of capital Assets activity for the year ending June 30, 2007:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets being depreciated:				
Equipment	\$ 683,800	40,111	(184,855)	539,056
Total Assets:	<u>683,800</u>	<u>40,111</u>	<u>(184,855)</u>	<u>539,056</u>
Less accumulated depreciation				
Equipment	(605,411)	(32,509)	205,194	(432,726)
Total accumulated depreciation:	<u>(605,411)</u>	<u>(32,509)</u>	<u>205,194</u>	<u>(432,726)</u>
Total capital Assets, net:	<u>\$ 78,389</u>	<u>7,602</u>	<u>20,339</u>	<u>106,330</u>

The following is a summary of capital Assets activity for the year ending June 30, 2008:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets being depreciated:				
Equipment	\$ 539,056	22,485	_____	561,541
Total Assets:	<u>539,056</u>	<u>22,485</u>	<u>_____</u>	<u>561,541</u>
Less accumulated depreciation:				
Equipment	(432,726)	(40,287)	_____	(473,013)
Total accumulated depreciation:	<u>(432,726)</u>	<u>(40,287)</u>	<u>_____</u>	<u>(473,013)</u>
Total capital Assets, net:	<u>\$ 106,330</u>	<u>(17,802)</u>	<u>_____</u>	<u>88,528</u>

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2007, 2008, AND 2009

The following is a summary of capital Assets activity for the year ending June 30, 2009:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets being depreciated:				
Equipment	\$ 561,541	48,710	(527)	609,724
Total Assets:	<u>561,541</u>	<u>48,710</u>	<u>(527)</u>	<u>609,724</u>
Less accumulated depreciation:				
Equipment	<u>(473,013)</u>	<u>(48,022)</u>	<u>527</u>	<u>(520,508)</u>
Total accumulated depreciation:	<u>(473,013)</u>	<u>(48,022)</u>	<u>527</u>	<u>(520,508)</u>
Total capital Assets, net:	<u>\$ 88,528</u>	<u>688</u>	<u></u>	<u>89,216</u>

NOTE 6 – RETIREMENT PLAN

A. Plan Description

The Commission contributes to the California Public Employees' Retirement System (CalPERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. A menu of benefit provisions as well as other requirements are established by State statutes within the Public Employees' Retirement Law. The Commission selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits by board approval. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, Lincoln Plaza – 400 Q Street – Sacramento, CA 95814.

All permanent Commission employees working at least twenty hours per week are eligible to participate in CalPERS. Benefits vest after five years of service. Upon retirement, participants are entitled to an annual retirement benefit, payable for life, in an amount equal to a benefit factor times their highest average monthly salary over any twelve consecutive months of employment. The applicable benefit factor is based on an age at retirement and years of credited service, and ranges from 1.426 percent per year of credited service for retirement at age 50 to 2.418 percent per year of credited service for retirement at or after age 63. CalPERS also provides death and disability benefits to covered employees.

The Commission's payroll for employees covered by CalPERS for the years ended June 30, 2007, 2008, and 2009 was \$251,166, \$273,109, and \$265,428, respectively. Total payroll for the same period was \$330,187, \$356,485, and \$382,847.

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2007, 2008, AND 2009

B. Funding Policy

The Commission's employees' contribution is 7.75% of current covered payroll which is paid for by the employer under a tax deferred arrangement to the extent available and any remaining amount is paid by the employee. The Commission is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rates for June 30, 2007, 2008, and 2009 is 8.800%, 9.077%, and 9.565%, respectively. The contribution rates of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

C. Pension Cost

For the year ended June 30, 2007, the Commission's pension cost was as follows:

	Annual Pension Cost (APC)	Percentage of APC Contributed
Miscellaneous	\$ 33,812	100%

For the year ended June 30, 2008, the Commission's pension cost was as follows:

	Annual Pension Cost (APC)	Percentage of APC Contributed
Miscellaneous	\$ 37,071	100%

For the year ended June 30, 2009, the Commission's pension cost was as follows:

	Annual Pension Cost (APC)	Percentage of APC Contributed
Miscellaneous	\$ 27,034	100%

Actual contributions equaled annual pension costs for the years ended June 30, 2007, 2008, and 2009.

Actuarial assumptions for the System may be obtained by contacting the System directly. The actuarial value of the Commission's assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a five-year period. The Commission's unfunded or overfunded actuarial accrued liability (AAL) for the miscellaneous member classification is being amortized as a level percentage of projected payrolls on a closed basis. Remaining amortization periods for the System may be obtained by contacting the System directly.

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2007, 2008, AND 2009

D. Required Supplementary Information

Funded Status of Plan:

The System does not make separate measurements of assets and pension obligation benefits of individual employers.

NOTE 7 – COMMITMENTS

The Commission has on-going agreements with four entities to provide community programming. Payments made to those grantees for fiscal years 2007, 2008, and 2009 equaled \$1,117,356, \$2,068,535, and \$1,180,245, respectively.

NOTE 8 – LONG-TERM OBLIGATIONS

The following is a summary of long-term liabilities transactions for the years ended June 30, 2007:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Compensated Absences	\$ 56,166	22,515	(4,793)	73,888	9,518
Total governmental activities					
Long-term obligations	<u>\$ 56,166</u>	<u>22,515</u>	<u>(4,793)</u>	<u>73,888</u>	<u>9,518</u>

The following is a summary of long-term liabilities transactions for the years ended June 30, 2008:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Compensated Absences	\$ 73,888	6,866	(9,271)	71,483	12,646
Total governmental activities					
Long-term obligations	<u>\$ 73,888</u>	<u>6,866</u>	<u>(9,271)</u>	<u>71,483</u>	<u>12,646</u>

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2007, 2008, AND 2009

The following is a summary of long-term liabilities transactions for the years ended June 30, 2009:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Compensated Absences	\$ 71,483	(12,373)	(12,646)	46,464	6,507
Total governmental activities					
Long-term obligations	<u>\$ 71,483</u>	<u>(12,373)</u>	<u>(12,646)</u>	<u>46,464</u>	<u>6,507</u>

NOTE 9 – COMMISSION SUNSET PROVISION

Under Chapter 5.50.112 of Sacramento County Code entitled “Agreement of Formation” sub-part No. 9 – Term: “Except as hereinafter provided, this Agreement shall terminate and the Commission shall be deemed dissolved on December 31, 2024. The Commission shall review the status of the franchise and the status of state and federal law related to cable franchises no later than June 30, 2010, and shall make a recommendation to the member agencies on whether the Commission shall be dissolved prior to December 31, 2024. Nothing in this section shall preclude the Commission from making a recommendation regarding the continuation or early dissolution of the Commission either prior to or after June 2010.”

The Sacramento County Ordinance and Agreement of Formation is common or is similarly adopted by the Cities of Sacramento, Folsom, Galt, Citrus Heights, Rancho Cordova, and Elk Grove.

NOTE 10 – GASB STATEMENT NO. 55

Effective March 2009, the Commission implemented statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Government*. The objective of the Statement is to incorporate the hierarchy of Generally Accepted Accounting Principles (GAAP) for state and local government into the Governmental Accounting Standards Board’s (GASB) authoritative literature. The “GAAP Hierarchy” consists of the sources of accounting principles used in the preparation of financial statements of state and local governmental entities that are presented in conformity with GAAP, and the framework for selecting those principles. The GASB does not expect that this Statement will result in a change in current practice.

NOTE 11 – GASB STATEMENT NO. 56

Effective March 2009, the County implemented statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards* effective March 2009. The objective of this Statement is to incorporate into the Governmental Accounting Standards Board’s (GASB) authoritative literature, certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants’

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2007, 2008, AND 2009

Statements on Auditing Standards. This Statement addresses three issues not included in the authoritative literature that established accounting principles-related party transaction, going concern considerations, and subsequent events. The presentation of principles used in the preparation of financial statements is more appropriately included in accounting and financial reporting standards than auditing literature. This Statement does not establish new accounting standards, but rather incorporates the existing guidance (to the extent appropriate in a governmental environment) into the GASB standards.

Additional Financial Information

SACRAMENTO METROPOLITAN CABLE COMMISSION
SCHEDULE OF INSURANCE COVERAGE
JUNE 30, 2007, 2008, and 2009

The Commission maintained the following insurance coverage:

For the period ending June 30, 2007:

	<u>AMOUNT</u>	
General Liability, General Public Officials, Broadcasters Liability (SLIP)	\$ 5,000,000 5,000,000	Each occurrence Aggregate
Workers' Compensation and Employer's Liability	150,000,000 5,000,000	Each occurrence Aggregate
Property	494,856	Aggregate

For the period ending June 30, 2008:

	<u>AMOUNT</u>	
General Liability, Public Officials, Broadcaster Liability and Automobile Liability (SLIP)	\$ 5,000,000 5,000,000	Each occurrence Each occurrence
Workers' Compensation and Employer's Liability	300,000,000 5,000,000	Each occurrence Aggregate
Property & Boiler and Machinery	513,612	Aggregate

For the periods ending June 30, 2009:

	<u>AMOUNT</u>	
General Liability, Public Officials, and Liability and Automobile Liability (SLIP)	\$ 5,000,000 5,000,000	Each occurrence Aggregate
Workers' Compensation and Employer's Liability	5,000,000	Each occurrence
Property & Boiler and Machinery	527,509	Aggregate

Other Reports

Internal Services Agency
Department of Finance
Auditor-Controller Division

Ben Lamera
Assistant Auditor Controller



Steven C. Szalay,
Interim County Executive

Mark Norris,
Agency Administrator

Julie Valverde,
Director of Finance

County of Sacramento

September 13, 2010

Board of Commissioners
Sacramento Metropolitan Cable Television Commission
901 H Street, Suite 206
Sacramento, CA 95814

AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

We have audited the financial statements of the governmental activities and general fund of the Sacramento Metropolitan Cable Television Commission (SMCTC), as of and for the years ended June 30, 2007, 2008, and 2009, which collectively comprise the SMCTC's basic financial statements and have issued our report thereon dated September 13, 2010. We conducted our audit 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.

Compliance

As part of obtaining reasonable assurance about whether the SMCTC's basic financial statements are free of material misstatements, we performed tests of the SMCTC's 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 provisions 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*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the SMCTC's internal control over financial reporting as a basis for designing our auditing procedures 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 SMCTC's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the SMCTC's internal control over financial reporting.

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 SMCTC's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

This report is intended solely for the information and use of the Sacramento Metropolitan Cable Television Commission's Board of Commissioners and management. This report is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Sincerely,

JULIE VALVERDE
DIRECTOR OF FINANCE



By: Alan A. Matré, C.P.A.
Chief of Audits

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION
PRIOR YEAR SIGNIFICANT DEFICIENCY
FOR THE YEARS ENDED JUNE 30, 2007, 2008, AND 2009

**CURRENT STATUS OF PRIOR YEAR FINDING FOR THE FISCAL YEARS ENDED
JUNE 30, 2004, 2005, AND 2006**

SIGNIFICANT DEFICIENCY

Deferred Compensation

The Commission owes \$2,197.54 to the CalPERS' 457 Deferred Compensation Program for its employees. Retirement accounts have outstanding balances extending to the 2001 fiscal year. Employee retirement accounts should be reconciled on a regular basis.

Recommendation:

We recommend the Commission reconcile its employee's CalPERS 457 Deferred Compensation Program accounts on a regular basis.

Auditee Response:

The Sacramento Metro Cable Television Commission (SMCTC) appreciates that the Audit Team identified this problem and actions were taken immediately by staff to remedy the finding as soon as it was called to their attention. On November 18, 2008, CalPERS notified the SMCTC that all affected employees will have corrected postings to their accounts by the end of this week.

SMCTC agrees with the finding. Moving forward, SMCTC will reconcile the CalPERS 457 Deferred Program postings each month.

Status:

SMCTC is reconciling their CalPERS 457 Deferred Compensation Program accounts.

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



SACRAMENTO METROPOLITAN



ROBERT A. DAVISON
EXECUTIVE DIRECTOR

901 H STREET, SUITE 206 • SACRAMENTO, CA 95814 • PHONE (916) 874-6661 • FAX (916) 447-1450
WWW.SACMETROCABLE.TV

AGENDA ITEM NO. 6

DATE: October 7, 2010

TO: Honorable Board of Directors

FROM: Robert A. Davison, Executive Director

SUBJECT: REVIEW OF FRANCHISE FEES REMITTED TO SMCTC BY SUREWEST TELEVIDEO FOR THE PERIOD JANUARY 1, 2005 THROUGH DECEMBER 31, 2008

RECOMMENDATION:

It is recommended the Board receive and file the review of the franchise fees remitted to the Sacramento Metropolitan Cable Television Commission (SMCTC) by SureWest Televideo for the period January 1, 2005 through December 31, 2008.

DISCUSSION:

The attached review of franchise fees remitted to the SMCTC by SureWest Televideo for the period January 1, 2005 through December 31, 2008 was performed by Alan Matre, Sacramento County's Chief of Audits. The audit was performed under the authority of the Digital Infrastructure and Video Competition Act (DIVCA) of 2006. The agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report.

SureWest's July 14th response letter (attached) acknowledges and agrees with the following findings and recommendations:

Finding related to Shopping Commissions: SureWest Televideo did not include the shopping commissions that they received in their computation and reporting of gross revenue to the Commission. Shopping commissions should be included in the calculation of gross revenue. The net effect for the four-year period was an underpayment of \$11,116.

Recommendations: SureWest include shopping commissions that they receive when calculating and reporting gross revenue to the Commission; the \$11,116 underpayment be remitted to the Commission by SureWest.

Agenda Item No. 6

Review of Franchise Fees Remitted to SMCTC by SureWest Televideo

Page 2

Finding related to Franchise Fees Collected: SureWest passed through to their customers the five percent (5%) franchise fee. Since SureWest passed this amount through, this amount should be included in the calculation of gross revenue. Even though SureWest paid the franchise fee on these amounts collected, they did not include them in the gross revenue reported; instead a higher franchise fee was paid to the Commission for these amounts collected.

Recommendation: SureWest include the franchise fees charged to their customers in the gross revenue reported.

A summary of SureWest's total gross revenue and the franchise fees paid to the Commission appears on Schedule I of the attached audit.

Staff recommends audits of franchise and PEG fees remitted by SureWest to the Commission in future calendar years are conducted on a bi-annual basis, with a concentrated focus on the timely reporting and remittance of proper amounts, to include shopping commission revenue.

Respectfully submitted,



ROBERT A. DAVISON Executive Director
Sacramento Metropolitan Cable Television Commission

Attachments:

Review of SureWest's Franchise Fees Remitted to SMCTC for CYs 2005-2008
SureWest's July 14, 2010 Response Letter

**Internal Services Agency
Department of Finance
Auditor-Controller Division**

Vacant
Assistant Auditor Controller



County of Sacramento

Steven C. Szalay,
Interim County Executive

Mark Norris,
Agency Administrator

Julie Valverde,
Director of Finance

June 25, 2010

Board of Commissioners
c/o Robert A. Davison
Sacramento Metropolitan Cable Television Commission
901 H Street, Suite 206
Sacramento, California 95814

Dear Commission Members:

Enclosed is your report of the review of the franchise fees remitted to the Sacramento Metropolitan Cable Television Commission by Surewest Televideo for the period January 1, 2005 through December 31, 2008.

We wish to once again thank you and your staff for the cooperation and assistance that has been provided during our review.

Sincerely,

JULIE VALVERDE
DIRECTOR OF FINANCE

A handwritten signature in black ink, appearing to read "Alan A. Matré", is written over the typed name of the Chief of Audits.

By: Alan A. Matré
Chief of Audits

Attachments

Internal Services Agency
Department of Finance
Auditor-Controller Division

Vacant
Assistant Auditor Controller



Steven C. Szalay,
Interim County Executive

Mark Norris,
Agency Administrator

Julie Valverde,
Director of Finance

County of Sacramento

June 10, 2010

Board of Commissioners
Sacramento Metropolitan Cable Television Commission
901 H Street, Suite 206
Sacramento, California 95814

Dear Commission Members:

We have performed the procedures enumerated below for the review of the franchise fees remitted to the Sacramento Metropolitan Cable Television Commission (the Commission) by Surewest Televideo (Surewest) for the period January 1, 2005 through December 31, 2008. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings were as follows:

1. Reviewed and tested the gross revenue as reported by Surewest and recomputed the franchise fees due.

Finding: Surewest was not including the shopping commissions that they received when reporting the gross revenue amounts to the Commission. See *Findings and Recommendations* on Attachment I.

2. Reviewed and recalculated the Pasadena Pass-Through amount to determine if Surewest customers were being charged the proper rate.

Finding: Surewest was charging the proper Pasadena Pass-Through amounts to their customers.

A summary of total gross revenue and the franchise fees paid the Commission from Surewest appears on Schedule I.

This review was performed under the authority of the Digital Infrastructure and Video Competition Act (DIVCA) of 2006.

We were not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on the financial statements of Surewest. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Commission and Surewest and is not intended to be and should not be used by anyone other than those specified parties.

Sincerely,

JULIE VALVERDE
DIRECTOR OF FINANCE

A handwritten signature in black ink, appearing to read 'Alan A. Matré', is written over the printed name and title.

By: Alan A. Matré, C.P.A.
Chief of Audits

Attachments

Sacramento Metropolitan Cable Television Commission
Review of Surewest Televideo
for the Reporting of Gross Revenue In the Computation of License Fees Remitted
Findings and Recommendations
For the Four Years Ended December 31, 2008

Shopping Commissions

Surewest Televideo (Surewest) did not include the shopping commissions that they received in their computation and reporting of gross revenue to the Sacramento Metropolitan Cable Television Commission (Commission). Shopping commissions should be included in the calculation of gross revenue. The net effect for the four-year period was an underpayment of \$11,116. See *Schedule of Gross Revenue Recomputed and License Fees Due* on Schedule I.

Recommendation

We recommend that Surewest include the shopping commissions that they receive when calculating and reporting gross revenue to the Commission and we also recommend that this \$11,116 underpayment be remitted to the Commission by Surewest.

Franchise Fees Collected

Surewest passed through to their customers the five percent (5%) franchise fee. Since Surewest passed this amount through, this amount should be included in the calculation of gross revenue. Even though Surewest paid the franchise fee on these amounts collected, they did not include them in the gross revenue reported; instead, a higher franchise fee was paid to the Commission for these amounts collected.

Recommendation

We recommend that Surewest include the franchise fees charged to their customers in the gross revenue reported.

Sacramento Metropolitan Cable Television Commission
 Review of Surewest Televideo
 Schedule of Gross Revenue Recomputed and License Fees Due
 For the Four Years Ended December 31, 2008

Month	Gross Revenue Reported by Surewest ³	Gross Revenue Audited	Franchise Rate	Recomputed Franchise Fee Due	Franchise Fee Paid ¹	Additional Fees Now Due ²
January 2005	\$ 669,987	705,248	5.00%	35,262		
February 2005	700,467	737,333	5.00%	36,867		
March 2005	706,736	743,931	5.00%	37,197	109,323	3
April 2005	739,316	778,226	5.00%	38,911		
May 2005	742,207	781,269	5.00%	39,063		
June 2005	742,777	781,869	5.00%	39,093	117,065	2
July 2005	771,267	811,872	5.00%	40,594		
August 2005	744,136	784,811	5.00%	39,241		
September 2005	773,264	813,974	5.00%	40,699	120,493	41
October 2005	767,013	809,098	5.00%	40,455		
November 2005	759,511	799,495	5.00%	39,975		
December 2005	787,477	828,932	5.00%	41,447	121,821	56
January 2006	791,461	835,215	5.00%	41,761		
February 2006	890,295	938,803	5.00%	46,940		
March 2006	886,855	934,927	5.00%	46,746	135,200	247
April 2006	897,707	946,809	5.00%	47,340		
May 2006	911,057	964,338	5.00%	48,217		
June 2006	939,396	991,427	5.00%	49,571	144,630	498
July 2006	937,501	997,732	5.00%	49,887		
August 2006	936,785	1,006,802	5.00%	50,340		
September 2006	935,269	991,150	5.00%	49,558	147,850	1,935
October 2006	956,574	1,010,720	5.00%	50,536		
November 2006	960,384	1,012,638	5.00%	50,632		
December 2006	991,437	1,047,884	5.00%	52,394	153,062	500
January 2007	1,051,747	1,124,406	5.00%	56,220		
February 2007	1,045,733	1,104,750	5.00%	55,238		
March 2007	1,064,470	1,122,075	5.00%	56,104	166,416	1,146
April 2007	1,048,341	1,109,824	5.00%	55,491		
May 2007	1,067,813	1,128,295	5.00%	56,415		
June 2007	1,063,393	1,120,730	5.00%	56,037	167,348	595
July 2007	1,041,927	1,100,730	5.00%	55,037		
August 2007	1,049,114	1,111,522	5.00%	55,576		
September 2007	1,049,448	1,106,042	5.00%	55,302	165,295	620
October 2007	1,025,378	1,086,476	5.00%	54,324		
November 2007	1,032,856	1,095,207	5.00%	54,760		
December 2007	1,072,028	1,137,119	5.00%	56,856	164,756	1,184
January 2008	1,190,366	1,258,702	5.00%	62,935		
February 2008	1,156,826	1,222,082	5.00%	61,104		
March 2008	1,155,593	1,219,720	5.00%	60,986	184,361	664
April 2008	1,155,604	1,220,797	5.00%	61,040		
May 2008	1,170,853	1,234,106	5.00%	61,705		
June 2008	1,179,602	1,273,475	5.00%	63,674	184,535	1,884
July 2008	1,151,243	1,220,604	5.00%	61,030		
August 2008	1,199,702	1,263,430	5.00%	63,172		
September 2008	1,178,141	1,251,291	5.00%	62,565	185,742	1,025
October 2008	1,221,275	1,292,186	5.00%	64,609		
November 2008	1,182,487	1,246,626	5.00%	62,331		
December 2008	1,210,224	1,279,709	5.00%	63,985	190,209	716
	<u>\$ 46,703,043</u>			<u>2,469,222</u>	<u>2,458,106</u>	<u>11,116</u>

¹ Franchise fees are paid quarterly.

² The differences are primarily made up of Surewest not properly including the Shopping Commissions in their reporting of Gross Revenue.

³ The franchise fees passed through to the customers was not included in the Gross Revenue reported.



July 14, 2010

Robert A. Davison
Executive Director
Sacramento Metropolitan Cable Television Commission
901 H Street, Suite 206
Sacramento CA 95814

RECEIVED

JUL 19 2010

SACRAMENTO METROPOLITAN
CABLE TELEVISION COMMISSION

RE: Request for Response-SureWest's Franchise Fee Remittance Review for CYS 2005-2008

Dear Mr. Davison-

We have received the report of the review of franchise fees remitted to the Sacramento Metropolitan Cable Television Commission (Commission) by SureWest Communications (SureWest), for the period January 1, 2005 through December 31, 2008. Below is our response of the review, findings and recommendations, as well as a timeline on when SureWest will complete the recommended corrective action.

Shopping Commissions

SureWest did not include the shopping commissions that were received in the computation and reporting of gross revenue, resulting in an underpayment of \$11,116 for the reporting period. It was recommended that SureWest include the shopping commissions received when calculating and reporting revenue.

Corrective Action

SureWest is now including the shopping commissions received when calculating and reporting revenue as of January 1, 2010. As well, SureWest is aware of the underpayment of \$11,116. SureWest is requesting an invoice to ensure proper posting of this underpayment.

Franchise Fees Collected

SureWest passes through the five percent (5%) franchise fee to its customers, but was not including it in the gross revenue reported. It was recommended that SureWest include the franchise fees charged to their customers in the gross revenue reported.

Corrective Action

A simple calculation of applying the 5% franchise fee to the total billed revenue does not take into account the circulatory effect of applying the franchise fee to franchise fee collections. Therefore SureWest applied a 5.263% factor which accounts for the circulatory effect of charging the franchise fee on the franchise fee collections. SureWest reporting reflects the gross revenue amount without the franchise fee amount in it. Effective 3rd quarter 2010, SureWest will report gross revenue including the 5% franchise fee.

Sincerely,

Dan Roskelley
Accounting Manager, Tax and Revenue
SureWest Communications

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



SACRAMENTO METROPOLITAN



ROBERT A. DAVISON
EXECUTIVE DIRECTOR

901 H STREET, SUITE 206 • SACRAMENTO, CA 95814 • PHONE (916) 874-6661 • FAX (916) 447-1450

WWW.SACMETROCABLE.TV

AGENDA ITEM NO. 7

DATE: October 7, 2010
TO: Chair and Board of Directors
FROM: Robert A. Davison, Executive Director
SUBJECT: **EMPLOYEE YEARS OF SERVICE AWARDS**

RECOMMENDATION:

It is recommended the Board recognize Commission staff for their years of dedicated and loyal service.

BACKGROUND

The Sacramento Metro Cable Television Commission has not historically celebrated milestones in years of services of its employees. As there is no form of recognition as important to the success of any organization than acknowledging employees for their years of service, I would like to take this opportunity to express appreciation to the employees who have achieved 5 to 25, or more years of services (in 5-year increments) through **2010**, by presenting the following eligible employees with awards for their years of dedicated and loyal service:

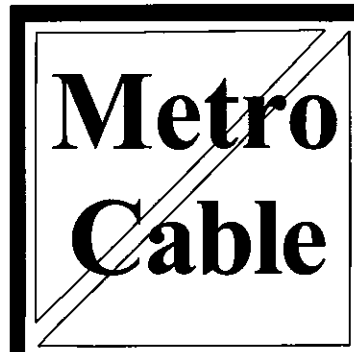
Donna Welborn - Production Director, Metro Cable
20 Years (1990-2010)

Kristin Riggs - Program Coordinator, Metro Cable
10 Years (2000-2010)

This acknowledgement falls in line with the Commission's policy and procedures for employee recognition. Congratulations to the staff that have reached this particular milestone in their careers with the Commission.

Respectfully submitted,

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



YEARS OF SERVICE AWARD

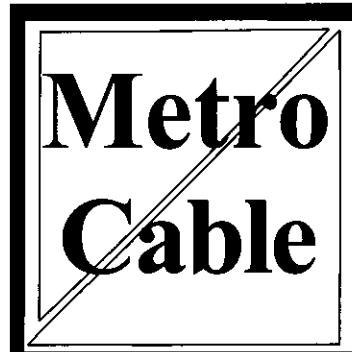
PRESENTED TO

DONNA WELBORN



In Recognition and Gratitude
for 20 Years of Dedicated
and Loyal Service.

1990 - 2010



YEARS OF SERVICE AWARD

PRESENTED TO

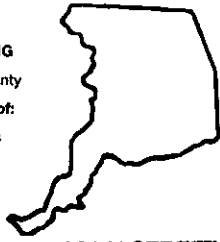
KRISTIN RIGGS



In Recognition and Gratitude
for 10 Years of Dedicated
and Loyal Service.

2000 - 2010

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



SACRAMENTO METROPOLITAN

Cable
CTC television
ommission

ROBERT A. DAVISON
EXECUTIVE DIRECTOR

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AGENDA ITEM NO. 8

**This item is a
verbal report
from staff.**

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SACRAMENTO METROPOLITAN

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AGENDA ITEM NO. 9

**This item consists of
verbal reports from
State Video/Cable
Franchisees.**

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



SACRAMENTO METROPOLITAN
CMC Cable Television Commission

ROBERT A. DAVISON
EXECUTIVE DIRECTOR

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AGENDA ITEM NO. 10

**This item consists of
verbal reports from
Channel Licensees.**

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



SACRAMENTO METROPOLITAN

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ommission

ROBERT A. DAVISON
EXECUTIVE DIRECTOR

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AGENDA ITEM NO. 11

**This item is open for
Public Comments.**