

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



SACRAMENTO METROPOLITAN Cable Television Commission

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

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

ROBERT A DAVISON, EXECUTIVE DIRECTOR

AGENDA

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION REGULAR BOARD MEETING

Sacramento County Administrative Center
700 H Street, S. 1450
Sacramento, California

THURSDAY, OCTOBER 6, 2011 – 2:30 p.m.

Board Members: Andy Morin (Chair), Mel Turner (Vice-Chair), Steve Detrick, Darrell Fong, Roberta MacGlashan, Kevin McCarty, Don Nottoli, Susan Peters, Phil Serna, Sandy Sheedy, Jimmie Yee
Ex Officio: Robert McGarvey
Elected Alternates: Bonnie Pannell; Steve Miller
Appointed Alternates: Panorea Avdis (Serna), Aaron Chong (Yee), Howard Schmidt (Peters), Ted Wolter (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.

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

The meeting of the Commission is cablecast live on Metro Cable 14, the local government affairs channel and webcast at www.sacmetroable.tv. The meeting is closed captioned and will be repeated the following Saturday at Noon on Channel 14. A DVD copy of the meeting will be available for check out from any Sacramento Library branch for up to 60 days following the meeting.

CALL TO ORDER

A. Roll Call / 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. BC414272.

Action:

Adjourn to a closed session.

ITEM NO. 2) RESOLUTION NO. 2011-009, RESCINDING RESOLUTION NO. 2011-004, CONFIRMING THE EMPLOYER’S CONTRIBUTION UNDER THE PUBLIC EMPLOYEES’ MEDICAL AND HOSPITAL CARE ACT AND ADOPT REPLACEMENT RESOLUTION NO. 2011-010, WHICH INCLUDES MANDATED LANGUAGE REGARDING GOVERNMENT CODE 7507

Action:

Adopt Resolution No. 2011-009, Rescinding Resolution No. 2011-004, Confirming the Employer’s Contribution under the Public Employees’ Medical and Hospital Care Act (PEMHCA), and adopt replacement Resolution No. 2011-010, Confirming the Employer’s Contribution Under the PEMHCA, which includes mandated language regarding Government Code Section 7507.

ITEM NO. 3) RESOLUTION NO. 2011-011, APPROVING THE REVISED BY-LAWS OF THE SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

Action:

Adopt Resolution No. 2011-011, Approving the Revised By-laws of the Sacramento Metropolitan Cable Television Commission.

ITEM NO. 4) REVIEW OF FRANCHISE & PEG FEES REMITTED TO THE SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION BY COMCAST CABLE COMMUNICATIONS, INC. FOR CALENDAR YEARS 2009 AND 2010

Action:

Receive and file the review of Franchise and PEG fees remitted to the Sacramento Metropolitan Cable Television Commission by Comcast Cable Communications, Inc. for the period January 1, 2009 through December 31, 2010.

ITEM NO. 5) RESOLUTION NO. 2011-012, APPROVING A FIXED ASSETS CAPITALIZATION POLICY AND A FIXED ASSETS DISPOSAL POLICY

Action:

Adopt Resolution No. 2011-012, Approving a Fixed Assets Capitalization Policy and a Fixed Assets Disposal Policy

ITEM NO. 6) STAFF STATUS REPORT / MISCELLANEOUS ITEMS

Action:

Receive status reports on Commission matters & miscellaneous items:

- A) Addendum to BESTNet Phase II Agreement (elementary school phase)
- B) Comcast - 18th Amended Application for State Video Franchise (City of Galt)
- C) Metro Cable - Synergy Project
- D) SMCTC - Website Re-Design
- E) FCC – Notice of Inquiry – Local Government Rights-of-Way & Tower Siting Policies
- F) KVIE – Change in Usage of FY 2011-12 PEG Fee Funding
- G) 2011 Board Meetings (November 3 & December 1)

ITEM NO. 7) STATE FRANCHISEE / LICENSEE REPORTS

Action:

Receive reports from State Video Franchisee representatives:

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

ITEM NO. 8) CHANNEL LICENSEE / GRANTEE REPORTS

Action:

Receive reports from Channel Licensee representatives:

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

ITEM NO. 9) PUBLIC COMMENTS

Action:

Receive public comments on matters not on the agenda.

ADJOURNMENT

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ROBERT A. DAVISON, EXECUTIVE DIRECTOR

AGENDA ITEM NO. 1

DATE: October 6, 2011
TO: Chair and Board of Directors
FROM: Robert A. Davison, Executive Director
SUBJECT: **CLOSED EXECUTIVE SESSION**

RECOMMENDATION:

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

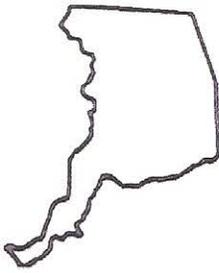
- A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Pursuant to subdivision (a) of Government Code Section 54956.9) – CITY OF LOS ANGELES, SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION, and CITY OF EL SEGUNDO vs. PACIFIC BELL TELEPHONE COMPANY, d/b/a SBC PACIFIC BELL TELEPHONE COMPANY, d/b/a AT&T CALIFORNIA, Los Angeles Superior Court, Central District, Case No. BC414272.

Respectfully submitted,



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

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ROBERT A DAVISON, EXECUTIVE DIRECTOR

AGENDA ITEM NO. 2

DATE: October 6, 2011

TO: Chair and Board of Directors

FROM: Robert A. Davison, Executive Director

SUBJECT: **ADOPT RESOLUTION NO. 2011-009, RESCINDING RESOLUTION NO. 2011-004, CONFIRMING THE EMPLOYER'S CONTRIBUTION UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT, AND ADOPT REPLACEMENT RESOLUTION NO. 2011-010 WHICH INCLUDES MANDATED LANGUAGE REGARDING GOVERNMENT CODE SECTION 7507**

RECOMMENDATION:

It is recommended the Board:

- 1) Adopt Resolution No. 2011-009, Rescinding Resolution No. 2011-004, Confirming the Employer's Contribution Under the Public Employees' Medical and Hospital Care Act (PEMHCA); and
- 2) Adopt Resolution No. 2011-010, Confirming the Employer's Contribution Under the PEMHCA, which includes Mandated Language Regarding Government Code Section 7507.

BACKGROUND/DISCUSSION:

The Sacramento Metropolitan Cable Television Commission (Commission) has participated in the Public Employees' Medical and Hospital Care Act as a local agency contracting with CalPERS since 1983 for its employees and annuitants. Per the contract, the Commission is required to notify CalPERS in writing to increase the employer's annual contribution amount.

On June 2, 2011, the Commission Board adopted Resolution No. 2011-004, Confirming the Employer's Contribution Under the PEMHCA. CalPERS notified Commission staff that the Resolution should be revised due to CalPERS' adoption of criteria pursuant to Senate Bill 1123 (Wiggins, 2008) related to increases in retirement costs and post-employment benefits. Specifically, the CalPERS revision requires certification that the increases comply with Government Code 7507 effective January 1, 2009.

AGENDA ITEM NO. 2

Adopt Resolution No. 2011-009, Rescinding Resolution No. 2011-004, Confirming the Employer's Contribution Under the PEMHCA, and Adopt Replacement Resolution No. 2011-010 that includes Mandated Language Regarding Government Code 7507

Page 2

The Resolution has been revised to state that the Commission has fully complied with any and all applicable provisions of Government Code 7507 in electing the benefits set forth in the resolution.

Government Code 7507 requires actuarial information be provided at a public meeting that examines the future costs of increases in post-employment benefits and retirement costs. However, the requirements do not apply in this case as the health benefits cited in the resolution are not an increase over the policy approved in 2008, to be paid at 80% of the Kaiser Family Plan rate.

RECOMMENDATION

Resolution No. 2011-004, as approved by the Commission Board on June 2, 2011 does not contain the mandatory language regarding Government Code 7507. Staff recommends the Board rescind that Resolution by adoption of Resolution No. 2011-009, and adopt replacement Resolution No. 2011-010, Confirming the Employer's Contribution under the PEMHCA, which includes mandated language regarding Government Code Section 7507.

This action will have no fiscal impacts to the Commission's FY 2011-12 Budget.

Respectfully submitted,



ROBERT A. DAVISON, Executive Director

Attachments:

Resolution No. 2011-009

Resolution No. 2011-004 (approved June 2, 2011)

Resolution No. 2011-010

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

RESOLUTION NO. 2011-009

A RESOLUTION RESCINDING RESOLUTION NO. 2011-004, CONFIRMING THE EMPLOYER'S CONTRIBUTION UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT

WHEREAS, on June 2, 2011, the Commission Board adopted Resolution No. 2011-004, Confirming the Employer's Contribution Under the Public Employees' Medical and Hospital Care Act pursuant to the Commission's contract with CalPERS;

WHEREAS, CalPERS notified Commission staff that Resolution No. 2011-004 should be revised to include certain mandatory language regarding benefit increases relating to Government Code Section 7507; and

WHEREAS, a replacement Resolution has been drafted to include the mandated language.

NOW, THEREFORE, BE IT RESOLVED, that the Commission hereby rescinds Resolution No. 2011-004 adopted on June 2, 2011.

On a motion by Director _____, seconded by Director _____, the foregoing Resolution was passed and adopted at a regular meeting of the Sacramento Metropolitan Cable Television Commission this 6th day of October, 2011, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

By: _____
Chairperson
Sacramento Metropolitan
Cable Television Commission

Attested by:

Clerk/Secretary of the Board

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

RESOLUTION NO. 2011-004

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

WHEREAS, 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, the Sacramento Metropolitan Cable Television Commission is a local agency contracting under the Act;

NOW, THEREFORE, BE IT RESOLVED, 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 \$1,091 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 Morin, seconded by Director Detrick, the foregoing Resolution was passed and adopted by the Board of Directors of the Sacramento Metropolitan Cable Television Commission this 2nd day of June 2011, by the following vote, to wit:

AYES: UNANIMOUS VOICE VOTE
Detrick, Fong, Wolter (Alternate for MacGlashan), Morin, Nottoli, Schmidt (Alternate for Peters), Serna, Sheedy, Turner, Chong (Alternate for Yee)

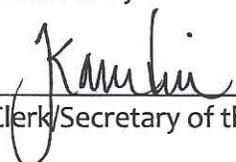
NOES: NONE

ABSENT: MacGlashan, McCarty, Peters, Yee

ABSTAIN: NONE

By: 
Chairperson
Sacramento Metropolitan
Cable Television Commission

Attested By:


Clerk/Secretary of the Board

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

RESOLUTION NO. 2011-010

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

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

WHEREAS, the Sacramento Metropolitan Cable Television Commission is a local agency contracting under the Act.

NOW, THEREFORE, BE IT RESOLVED, 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 80% of the Sacramento Area Region's Kaiser Family Plan premium rate for active employees and retirees, plus administrative fees and Contingency Reserve Fund Assessments; and

FURTHER, BE IT RESOLVED that the Sacramento Metropolitan Cable Television Commission has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and

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 the Resolution.

On a motion by Director _____, seconded by Director _____, the foregoing Resolution was passed and adopted at a regular meeting of the Sacramento Metropolitan Cable Television Commission this 6th day of October 2011, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

By: _____
Chairperson
Sacramento Metropolitan
Cable Television Commission

Attested By:

Clerk/Secretary of the Board

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ROBERT A DAVISON, EXECUTIVE DIRECTOR

AGENDA ITEM NO. 3

DATE: October 6, 2011
TO: Chair and Board of Directors
FROM: Robert A. Davison, Executive Director
SUBJECT: **ADOPT RESOLUTION NO. 2011-011, APPROVING THE REVISED BY-LAWS OF THE SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION**

RECOMMENDATION:

It is recommended that the Board adopt Resolution No. 2011-011, Approving the Revised By-laws of the Sacramento Metropolitan Cable Television Commission.

BACKGROUND:

The Sacramento Metropolitan Cable Television Commission (Commission) By-laws were adopted on December 8, 1982 and were last updated on October 4, 1984.

DISCUSSION:

Since the By-laws had not been updated for a long time, staff felt this was the appropriate time to review the existing By-laws and bring them up to date. The proposed update does not include substantial changes in current practice. The proposed By-law provisions supplement the Commission's Agreement of Formation, as reflected in the Sacramento County Ordinance and in the City Ordinances ("JPA Agreement"). Certain provisions from the JPA Agreement remain in the By-laws because the language in the By-laws either further explains the provision, or adds details that aids in its implementation. The proposed By-laws update includes the following items:

- Deletes most provisions that are duplicative of provisions already found in the JPA Agreement.
- Includes a prefatory paragraph explaining the purpose of the By-laws.

AGENDA ITEM NO. 3

Adopt Resolution No. 2011-011, Approving the Revised By-laws of the SMCTC

Page 2

- Expands on the procedures the Board follows in setting and holding Board meetings, clarifying that the Board shall meet monthly only if needed, but shall meet at least once per year.
- Updates the procedures for recording actions taken at Commission meetings.
- Clarifies that in computing revenue distribution to member agencies, the Commission will use population figures reflected in the most recent federal census as updated annually by the Department of Finance. The "Payments" provision was also amended to clarify that the fiscal year commences in July.
- Clarifies that the Board shall elect its Chairperson and Vice-Chairperson at its annual meeting held in June.
- Updates the delegation of authority to the Executive Director (as approved by Resolution No. 2010-007 on June 3, 2010).
- Provides that audits may take place every other fiscal year, rather than annually, if approved by the Board in accordance with Government Code Section 6505.
- Provides that rules of order shall be determined in accordance with "Rosenberg's Rules of Order, Revised" instead of "Robert's Rules of Order, Revised."

The proposed update to the By-laws has been reviewed by Legal Counsel. Staff will review them periodically hereon to ensure it remains up-to-date.

Respectfully submitted,



ROBERT A. DAVISON, Executive Director

Attachments:

By-laws (Adopted December 8, 1982)

Resolution No. 2011-011

Revised By-laws (Exhibit A)

BY-LAWS OF THE
SACRAMENTO METROPOLITAN
CABLE TELEVISION COMMISSION

1. ESTABLISHMENT OF COMMISSION. Pursuant to the provisions of Title 1, Division 7, Chapter 5 of the Government Code, (commencing with Section 6500), there shall be established a separate and distinct public agency to be known as the Sacramento Metropolitan Cable Television Commission (herein referred to as the "Cable Television Commission" or "Commission").

2. MEMBERSHIP. The Cable Television Commission shall be formed by and consist of, as members, the County and the Cities.

3. BOARD OF DIRECTORS. The powers and authority of the Cable Television Commission shall be vested in a Board of Directors which consists of nine (9) members.

- a. Five (5) members of the Board of Directors shall be members of the Governing Body of the County.
- b. One (1) member of the Board of Directors shall be a member of the Governing Body of either the Municipalities of Folsom or Galt.
- c. Three (3) members of the Board of Directors shall be members of, appointed by and serve at the pleasure of the Governing Body of the Municipality of Sacramento.

Each member of the Board of Directors shall be authorized to appoint a personal representative to attend meetings of the Board in the absence of the member, and, during such meetings, vote and exercise all other powers of the member. Such an appointment shall be effective when the member files with the clerk of the Board of Directors a written notice executed by the member which identifies by name and residential address the personal representative who has been appointed. Personal representatives shall serve at the pleasure of the members who appoint them, and such appointments may be revoked by the filing of written notice of revocation with the Clerk of the Board of Directors signed by the member and reciting revocation of the appointment of a designated personal representative. In the event of removal of any personal representative which that member has appointed.

- d. The Commission shall be governed by the powers of the Commission vested in a Board of Directors.
 - 1) Meetings of the Board of Directors and of such advisory or other committees as the Board may appoint, shall be governed by the provisions of the Ralph M. Brown Act (Government Code Sec. 54950 et seq.). The Board of Directors shall establish a time and place for its regular meetings, which shall be held not less frequently than every three (3) months.

- 2) A majority of the members of the Board of Directors shall constitute a quorum for the purpose of transacting business.
- 3) No action taken by the Board of Directors shall be effective except by duly adopted motion receiving the votes of a majority of the Directors of the Board.
- 4) The Board of Directors shall annually elect its Chairperson at a meeting during the first quarter of each calendar year, beginning in 1984, or any time the position becomes vacant.
- 5) The Clerk of the Board of Supervisors of the County shall serve as Secretary to the Board of Directors, and shall be responsible for recordation of the official actions by the Board, and be the official custodian of all records of the Board of Directors.

The County may determine reasonable charges to be made against the Commission for the services of the Clerk, and the Commission shall pay such charges.

4. PURPOSES. The purposes of the Cable Television Commission shall be as follows:

- a. To administer pursuant to the terms and conditions of the Franchise Documents, the Initial CATV Franchise and any franchise subsequently enacted.
- b. To exercise any and all other powers conferred by the Franchise Documents.

5. DELEGATION OF POWERS. The Board of Directors of the Cable Television Commission shall be authorized to form and appoint advisory and other committees of citizens, officials or representatives of concerned interests, and delegate to each committee such powers and authority vested in it by the terms of this chapter as it deems appropriate; provided that the Board of Directors shall reserve the right and authority by means of appeal or otherwise, to make the final decision upon any matter relating to issuance or termination of a franchise.

6. POWERS. The Board of Directors of the Commission shall be vested with the following powers:

- a. To employ in the name of the Commission an Executive Director and such other personnel as the Board of Directors deems appropriate. The Executive Director shall be appointed by and serve at the pleasure of the Board of Directors.
- b. To make and enter into contracts in the name of the Commission including, but not limited to, contracts with the County providing for provision by County personnel of services for the Commission and reimbursement of the County by the Commission of the costs thereof.
- c. To acquire in the name of the Commission take title to, hold and

dispose of real and personal property.

- d. To incur in the name of the Commission debts, liabilities and obligations, which shall not constitute debts, obligations or liabilities of any of the member agencies.
- e. To accept in the name of the Commission grants, gifts and donations in the public interest to carry out the purposes and functions of the Commission;
- f. To establish and provide for the payment of reasonable compensation of its members or their personal representatives for performance of the duties of office; and
- g. To exercise such other powers as may be expressly conferred.

The Board of Directors shall also be authorized to sue in the name of the Commission. The Commission shall be subject to suit in its name.

7. RIGHTS, DUTIES AND PRIVILEGES OF CHAIRPERSON. The Chairperson of the Commission, or such other member as may be presiding, shall be deprived of none of the rights or privileges of a Director by reason of occupying the chair, and may move, second and debate from the chair, subject only to such limitations of debate as are by these rules imposed on all members.

The Chairperson shall have the following duties:

- a) to preside at all meetings of the Commission;
- b) to sign all documents of the Commission as may be required, unless, by resolution, the governing body appoints another to execute such items as may be permitted by law;
- c) to perform such other and further duties as the governing body may, from time to time, prescribe;
- d) to appoint a Chairperson protem in his or her absence;
- e) to appoint with concurrence of the Board, as special, standing ad-hoc committee members.

8. LIMITATIONS. Pursuant to the provisions of Government Code Section 6509, the powers of the Commission are subject to the restrictions upon the manner of exercising such powers of one (1) of the designated member agencies. For such purposes, the Municipality of Sacramento is hereby designated.

9. BUDGET. Prior to July 1st of each fiscal year, the Board of Directors shall adopt a preliminary budget. Prior to September 1st of each fiscal year, said Board shall adopt a final budget.

10. PAYMENTS. Not later than the first day of October of each year, the Commission shall distribute to the County and Cities who are members of the Commission the difference between: (i) the revenue required to finance the costs to be incurred in accordance with the Commission's Budget (including a reserve for contingencies) for the fiscal year commencing on the preceding

first day of July; and (ii) the revenues from franchise fees actually received by the Commission pursuant to the provision of Article 4-d of Sub-Chapter 4 on or before the preceding first day of August for the preceding fiscal year ending June 30. Notwithstanding the foregoing, the Commission shall distribute to said County and Cities not later than the first day of each October not less than twenty (20%) percent of the revenue from such franchise fees.

The franchise fees shall be paid to the County and Cities who are members of the Commission in the same proportion as the ratios which the population of the unincorporated area of the County and incorporated area of the Cities bear to the total population of the Sacramento Community, as disclosed by the Federal Decennial Census for 1980 during the period ending June 30, 1991, the Federal Decennial Census for 1990 during the period commencing July 1, 1991 and ending June 30, 2001, and the Federal Decennial Census for 2000 during any period succeeding June 30, 2001.

Each distribution shall be accompanied by a statement by the Auditor of the Commission stating the amounts of all franchise fees received by the Commission for the distribution period, the dates of receipt, the amount of revenue required to finance the Commission Budget, and the population ratios upon which apportionment of the distribution is being made.

11. DELEGATION OF AUTHORITY TO EXECUTIVE DIRECTOR. The duly appointed Executive Director shall be empowered to sign all documents of the Commission which have been previously authorized by Commission Resolution.

In addition, the Executive Director may sign all documents to purchase equipment and supplies, or to fill positions, which have been approved in the Commission Budget.

12. VOTING. On all matters acted upon by the Commission the voting shall be by roll call, and the ayes, noes and members present but not voting, shall be entered into the minutes or other records of the meeting.

All action of the Commission shall require an affirmative vote of a majority of the members present and all resolutions must be in writing.

The Clerk, or a person designated by the Clerk, shall record in the minutes the time and place of each meeting of the Commission, the names of the Commissioners present, all official acts of the Commission and the votes given by the Directors. The Agency Clerk, or designee, shall cause the minutes to be written up forthwith and presented for approval or amendment at the next regular meeting.

13. TREASURER. The Treasurer of the County shall be the depository of funds of the Commission, and said Treasurer shall be the ex officio Treasurer of the Commission. The Treasurer shall receive and have custody of and disburse Commission funds on the warrant of the Auditor and shall make disbursements authorized by this Agreement. The Treasurer shall invest Commission funds in accordance with the general law. All interest collected on Commission funds shall be accounted for and posted to the account of said funds.

The County may determine reasonable charges to be made against the Commission for the Services of the Treasurer, and the Commission shall pay such charges.

14. AUDITING. The Auditor of the County shall be the ex officio Auditor of the Commission, and shall draw warrants against the funds of the Commission when the demands are approved by the Executive Director or his designee. At the close of each fiscal year, as provided in Government Code Section 6505, the Auditor shall make an audit. In the alternative, the Board of Directors may contract with a public accountant or certified public accountant to make an audit of the accounts and reports of the Commission.

The Auditor shall establish and maintain such funds and accounts as are deemed necessary to account for and report on receipts and disbursements. The Commission shall keep such additional records and accounts which are deemed necessary to account for and report on sources of funds, expenditures, grants and programs as may be required by good accounting practices. The books and records of the Commission shall be open to inspection at all reasonable times by representatives of the member agencies.

The County may determine reasonable charges to be made against the Commission for the services of the Auditor, and the Commission shall pay such charges.

15. TERM. Except as hereinafter provided, the Commission shall be deemed dissolved on December 31, 2002.

16. DISPOSITION of Assets. Upon dissolution of the Commission, its assets shall be distributed to member agencies in the same proportion as distributions to member agencies have most recently been made pursuant 'payments' above. Any real property owned by the Commission shall, in advance of dissolution, be conveyed by the Board of Directors to member agencies as tenants in common with proportional interests equal to the proportion of distributions most recently made pursuant to the provisions of the Paragraph 'payments'.

17. DEBTS. The debts, liabilities and obligations of the Commission shall not constitute any debts, liabilities or obligations either jointly or severally of the County of Sacramento, City of Sacramento or municipalities of Folsom, or Galt.

18. AMENDMENT. To the extent these Bylaws are not governed by any other Ordinance or Agreement, they may be amended by a two-thirds vote of all of the Board of Directors.

19. ROBERT'S RULE OF ORDER. All rules or order not herein provided shall be determined in accordance with "Robert's Rules of Order Revised".

(0260F)

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

RESOLUTION NO. 2011-011

**A RESOLUTION APPROVING THE REVISED BY-LAWS
OF THE SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION**

WHEREAS, the Sacramento Metropolitan Cable Television Commission (Commission) By-laws were adopted on December 8, 1982 and were last updated on October 4, 1984; and

WHEREAS, the Commission By-laws supplement the Commission's Agreement of Formation, and are meant to be implemented in conjunction with that Agreement.

NOW, THEREFORE, BE IT RESOLVED, that the Commission approves the Revised By-laws of the Sacramento Metropolitan Cable Television Commission, attached hereto as **Exhibit A** and incorporated herein by this reference.

On a motion by Director _____, seconded by Director _____, the foregoing Resolution was passed and adopted at a regular meeting of the Sacramento Metropolitan Cable Television Commission this 6th day of October, 2011, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

By: _____
Chairperson
Sacramento Metropolitan
Cable Television Commission

Attested by:

Clerk/Secretary of the Board

Exhibit A

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



SACRAMENTO METROPOLITAN Cable Television CTC Commission

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

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

ROBERT A DAVISON, EXECUTIVE DIRECTOR

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

BY-LAWS

Originally Adopted: December 8, 1982

Revised: September 2011

PURPOSE OF BY-LAWS. These By-laws of the Sacramento Metropolitan Cable Television Commission (hereinafter referred to as the "Commission"), supplement the Commission's Agreement of Formation, made and entered into pursuant to the provisions of California Government Code section 6500 *et seq.* ("JPA Agreement"). These By-laws are meant to be implemented in conjunction with the JPA Agreement.

- 1. MEETINGS.** Meetings of the Board of Directors and/or such advisory or other committees as the Board may appoint, shall be governed by the provisions of the Ralph M. Brown Act (Government Code section 54950 *et seq.*). The Board of Directors shall establish a time and place for its regular meetings, which shall be held not less frequently than once per year. The annual meeting shall be held at 2:30 p.m. on the first Thursday in June of each year. This meeting shall be held at the Sacramento County Board Chambers, located at 700 H Street, Suite 1450, Sacramento, unless the Commission determines to change the location. The Commission will also schedule regular monthly meetings to take place at 2:30 p.m. on the first Thursday of each month in the Sacramento County Board Chambers. The monthly meeting will take place if the Commission's Chairperson, in consultation with the Executive Director, deems it necessary.
- 2. ELECTION OF CHAIRPERSON AND VICE-CHAIRPERSON.** The Board of Directors shall annually elect its Chairperson and Vice-Chairperson at the annual Board meeting held in June.
- 3. RIGHTS, DUTIES, AND PRIVILEGES OF CHAIRPERSON.** The Chairperson of the Commission, or Vice-Chairperson, or such other Director as may be presiding, shall have all of the rights and privileges of a Director, and may move, second and debate from the

chair, subject only to such limitations of debate as are by these rules imposed on all Directors.

The Chairperson shall have the following duties:

- a. To preside at all meetings of the Commission;
 - b. To sign all documents of the Commission as may be required, unless, by resolution, the governing body appoints another to execute such items as may be permitted by law;
 - c. To perform such other and further duties as the governing body may, from time to time, prescribe;
 - d. In the absence of the Chairperson, the Vice-Chairperson shall preside at the meeting and shall have all the same duties;
 - e. The Board may appoint a pro tem in the event the Chairperson and Vice Chairperson are not available;
 - f. The Chairperson may appoint Directors to special or standing ad-hoc committees, with concurrence from the Commission Board.
4. **VOTING.** If a vote on a matter acted upon by the Commission is not unanimous, then the voting shall proceed by roll call, and the ayes, noes, and members present but not voting, shall be entered into the action summary of the meeting.

All actions of the Commission shall require an affirmative vote of the majority of the members and all resolutions must be in writing.

The Commission's Secretary shall prepare an action summary following each Commission meeting, which reflects the time and place of the meeting, the names of the Commissioners present, all official acts of the Commission, and the vote given by the Directors. The Secretary shall cause the action summary to be placed on the agenda of a future Commission meeting. Unless a reading or formal motion is requested by a member of the Board of Directors, the action summary of the past meeting shall be deemed approved without reading or formal motion.

5. **PAYMENTS.** Not later than the first day of October of each year, the Commission shall distribute to the County and Cities who are members of the Commission the difference between: (i) the revenue required to finance the costs to be incurred in accordance with the Commission's Budget (including a reserve for contingencies) for the fiscal year commencing on the preceding first day of July for the preceding fiscal year ending June 30; and (ii) the revenues from franchise fees actually received by the Commission

pursuant to the provision of Article 4-d of Sub-Chapter 4 on or before the preceding first day of August for the preceding fiscal year ending June 30.

Notwithstanding the foregoing, the Commission shall distribute to said County and Cities not later than the first day of each October not less than twenty (20%) percent of the revenue from such franchise fees.

The franchise fees shall be paid to the County and Cities who are members of the Commission in the same proportion as the ratios which the population of the unincorporated area of the County and incorporated area of the Cities bear to the total population of the Sacramento Community, as disclosed by the most recent federal census as updated annually by the Department of Finance.

Each distribution shall be accompanied by a statement by the Auditor of the Commission stating the amounts of all franchise fees received by the Commission for the distribution period, the dates of receipt, the amount of revenue required to finance the Commission Budget, and the population ratios upon which apportionment of the distribution is being made.

Note: Although this provision is included in the JPA Agreement, it is also set forth here because the language that follows subsection (ii), shown above, was inadvertently excluded from the amendments to the JPA Agreement. The language reflected here, including subsection (ii), is consistent with the Commission's current practices regarding distribution of payments to Commission members.

6. **DELEGATION OF AUTHORITY TO EXECUTIVE DIRECTOR.** The duly appointed Executive Director shall be empowered to sign all documents of the Commission which have been previously authorized by Commission Resolution.

In addition, the Executive Director is authorized to execute all contracts and purchase orders, and amendments related thereto, in connection with the provision of necessary consulting services or other goods and services as required to assist the Executive Director to conduct the Commission's business. The Executive Director is granted contracting authority up to \$50,000 per service or agreement; and the Executive Director may sole source contracts and services at his discretion. The Executive Director's aggregate authority pursuant to this section shall not exceed \$150,000 for multiple contracts and services, and shall not exceed the Service and Supplies budget allocation in the then effective adopted budget of the Commission.

Contracts are to be approved as to form by Commission Counsel and any action taken by the Executive Director shall be at a minimum reported to the Chair as an update to actions taken, with a report to the full Commission Board at the next scheduled meeting.

7. **AUDITING.** The Auditor of the County shall be the ex officio Auditor of the Commission, and shall draw warrants against the funds of the Commission when the demands are approved by the Executive Director or his designee. At the close of each fiscal year or, if approved by the Board pursuant to Government Code section 6505, every other fiscal year, the Executive Director may contract with a public accountant or certified public accountant to make an audit of the accounts and report of the Commission.

The Auditor shall establish and maintain such funds and accounts as are deemed necessary to account for and report on receipts and disbursements. The Commission shall keep such additional records and accounts which are deemed necessary to account for and report on sources of funds, expenditures, grants and programs as may be required by good accounting practices. The books and records of the Commission shall be open to inspection at all reasonable times by representatives of the member agencies.

The County may determine reasonable charges to be made against the Commission for the services of the Auditor, and the Commission shall pay such charges.

8. **AMENDMENTS TO BY-LAWS.** To the extent these By-laws are not governed by any other Ordinance or Agreement, they may be amended by a two-thirds vote of all of the Board of Directors.
9. **ROSENBERG'S RULES OF ORDER.** All rules of order not herein provided shall be determined in accordance with "Rosenberg's Rules of Order," Revised.

REPRESENTING
Sacramento County
and the Cities of:
Citrus Heights
Elk Grove
Folsom
Galt
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ROBERT A DAVISON, EXECUTIVE DIRECTOR

AGENDA ITEM NO. 4

DATE: October 6, 2011

TO: Chair and Board of Directors

FROM: Robert A. Davison, Executive Director

SUBJECT: REVIEW OF FRANCHISE & PEG FEES REMITTED TO SMCTC BY COMCAST CABLE COMMUNICATIONS, INC. IN CALENDAR YEARS 2009 & 2010

RECOMMENDATION:

It is recommended the Board receive and file the review of the Franchise and PEG fees remitted to the Sacramento Metropolitan Cable Television Commission (SMCTC) by Comcast Cable Communications, Inc. (Comcast) for Calendar Years 2009 & 2010.

DISCUSSION:

The attached review of Franchise and PEG fees remitted to the SMCTC by Comcast for the period January 1, 2009 through December 31, 2010 was performed by Alan A. Matre, Sacramento County's Chief of Audits. 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.

The audit was performed under the authority of the Digital Infrastructure and Video Competition Act (DIVCA) of 2006. The findings are as follows:

- 1) Comcast's internal control procedures appear sufficient to properly account for gross revenue allocated to the Commission;
- 2) Comcast was properly reporting the correct gross revenue amounts and reporting the proper fees due to the Commission;
- 3) Comcast was charging the proper Pasadena Pass-through amounts to their customers.

At the time of the audit, Comcast was operating under a statewide franchise agreement except in the City of Galt, which remained under the previous local franchise agreement. Therefore, revenue generated within Galt was not applicable to PEG fees; the franchise fee revenue generated in Galt is shown separately from other member agencies in this audit report.

AGENDA ITEM NO. 4

**Review of Franchise & PEG Fees Remitted to SMCTC by Comcast
Cable Communications, Inc. for Calendar Years 2009 & 2010**

Page 2

The California Public Utilities Commission (CPUC) received an 18th Amended Application for Comcast's state-issued video franchise to provide cable services in other areas. The City of Galt was notified on September 15, 2011 that Comcast is now providing continued video service in Galt pursuant to a state-issued video franchise, in lieu of the former local franchise, consistent with California's recent state video franchise law.

As a result, Galt is now on the same regulatory footing as the rest of the Commission's member agencies.

Respectfully submitted,

A handwritten signature in blue ink that reads "Robert A. Davison". The signature is written in a cursive style and extends to the right of a horizontal line.

ROBERT A. DAVISON, Executive Director

Attachment:

Review of Franchise & PEG fees remitted to SMCTC by
Comcast Cable Communications, Inc. in Calendar Years 2009 & 2010



Internal Services Agency
Department of Finance
Auditor-Controller Division
Ben Lamera,
Assistant Auditor-Controller

County of Sacramento

Bradley J. Hudson,
County Executive

David Villanueva,
Agency Administrator

Julie Valverde,
Department Director

August 19, 2011

Board of Commissioners
c/o Robert A. Davison
Sacramento Metropolitan Cable Television Commission
901 H Street, Suite 206
Sacramento, California 95814

RECEIVED

AUG 24 2011

SACRAMENTO METROPOLITAN
CABLE TELEVISION COMMISSION

Dear Mr. Davison:

Enclosed is your report of the review of the franchise fees remitted to the Sacramento Metropolitan Cable Television Commission by Comcast Cable Communications, Inc. for the period January 1, 2009 through December 31, 2010.

We wish to once again thank you and your staff for the cooperation and assistance they provided during our review.

Sincerely,

JULIE VALVERDE
DIRECTOR OF FINANCE

By: Alan A. Matré
Chief of Audits

Attachments



Internal Services Agency

Department of Finance

Auditor-Controller Division

Ben Lamera,
Assistant Auditor-Controller

County of Sacramento

Steven C. Szalay,
Interim County Executive

David Villanueva,
Agency Administrator

Julie Valverde,
Department Director

June 30, 2011

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 and PEG fees remitted to the Sacramento Metropolitan Cable Television Commission (the Commission) by Comcast Cable Communications, Inc. (Comcast) for the period January 1, 2009 through December 31, 2010. 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 Comcast's internal control and revenue allocation procedures.

Finding: Comcast's internal control procedures appear sufficient to properly account for gross revenue allocated to the Commission.

2. Reviewed and tested the gross revenue as reported by Comcast and recomputed the franchise fees and PEG fees due.

Finding: Comcast was properly reporting the correct gross revenue amounts and reporting the proper fees due to the Commission.

3. Reviewed and recalculated the Pasadena Pass-Through amount to determine if Comcast customers were being charged the proper rate.

Finding: Comcast was charging the proper Pasadena Pass-Through amounts to their customers.

Sacramento Metropolitan Cable Television Commission

June 30, 2011

Page 2

Comcast is now under the new statewide franchise agreement, except for the City of Galt (Galt) which remains under the previous franchise agreement; therefore, revenue generated within Galt is not applicable to PEG fees and that revenue generated within Galt is reported separately for franchise fees due. A summary of total gross revenue along with the franchise fees and PEG fees paid the Commission from Comcast appears on Schedule I, pages 1 through 3.

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 Comcast. 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 Comcast and is not intended to be and should not be used by anyone other than those specified parties.

Sincerely,

JULIE VALVERDE
DIRECTOR OF FINANCE



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

Attachment

Sacramento Metropolitan Cable Television Commission
Comcast Cable Communications, Inc.
Schedule of Gross Revenue Recomputed and Franchise Fees Due
All Jurisdictions except for the City of Galt
For the Two Years Ended 2009 and 2010

	Gross Revenue Reported by Comcast ²	Gross Revenue Audited	Franchise Rate	Recomputed Franchise Fee Due	Franchise Fees Paid ¹	Additional Fees Now Due/ (Overpaid)
January 2009	\$ 15,520,972	15,520,972	5.00%	776,049		
February 2009	15,930,645	15,930,645	5.00%	796,532		
March 2009	15,934,619	15,934,619	5.00%	796,731	2,369,312	0
April 2009	15,975,528	15,975,528	5.00%	798,776		
May 2009	15,843,761	15,843,761	5.00%	792,188		
June 2009	15,752,621	15,752,621	5.00%	787,631	2,378,595	0
July 2009	15,581,856	15,581,856	5.00%	779,093		
August 2009	15,483,269	15,483,269	5.00%	774,163		
September 2009	15,366,272	15,366,272	5.00%	768,314	2,321,570	0
October 2009	15,179,014	15,179,014	5.00%	758,951		
November 2009	15,898,777	15,898,777	5.00%	794,939		
December 2009	15,658,645	15,658,645	5.00%	782,932	2,336,822	0
January 2010	15,348,416	15,348,416	5.00%	767,421		
February 2010	15,317,909	15,317,909	5.00%	765,895		
March 2010	15,674,258	15,674,258	5.00%	783,713	2,317,029	0
April 2010	15,782,763	15,782,763	5.00%	789,138		
May 2010	16,378,739	16,378,739	5.00%	818,937		
June 2010	15,959,230	15,959,230	5.00%	797,962	2,406,037	0
July 2010	15,666,184	15,666,184	5.00%	783,309		
August 2010	15,940,975	15,940,975	5.00%	797,049		
September 2010	16,085,968	16,085,968	5.00%	804,298	2,384,656	0
October 2010	17,411,354	17,411,354	5.00%	870,568		
November 2010	16,276,730	16,276,730	5.00%	813,836		
December 2010	15,816,918	15,816,918	5.00%	790,846	2,475,250	0
	<u>\$ 379,785,423</u>	<u>379,785,423</u>		<u>18,989,271</u>	<u>18,989,271</u>	<u>0</u>

¹ Franchise fees are paid quarterly.

² The City of Galt is shown separately since they are still under the original franchise agreement. See Page 2 of 3 of this attachment.

Sacramento Metropolitan Cable Television Commission
Comcast Cable Communications, Inc.
Schedule of Gross Revenue Recomputed and Franchise Fees Due
City of Galt
For the Two Years Ended 2009 and 2010

	Gross Revenue Reported by Comcast	Gross Revenue Audited	Franchise Rate ²	Recomputed Franchise Fee Due	Franchise Fees Paid ¹	Additional Fees Now Due/ (Overpaid)
January 2009	\$ 161,426	161,426	5.00%	8,071		
February 2009	166,114	166,114	5.00%	8,306		
March 2009	165,745	165,745	5.00%	8,287	24,664	0
April 2009	167,255	167,255	5.00%	8,363		
May 2009	164,210	164,210	5.00%	8,211		
June 2009	164,623	164,623	5.00%	8,230	24,804	0
July 2009	165,643	165,643	5.00%	8,282		
August 2009	169,276	169,276	5.00%	8,464		
September 2009	166,814	166,814	5.00%	8,341	25,087	0
October 2009	168,813	168,813	5.00%	8,441		
November 2009	174,343	174,343	5.00%	8,717		
December 2009	176,063	176,063	5.00%	8,803	25,961	0
January 2010	167,130	167,130	5.00%	8,356		
February 2010	169,838	169,838	5.00%	8,492		
March 2010	171,421	171,421	5.00%	8,571	25,419	0
April 2010	172,974	172,974	5.00%	8,649		
May 2010	176,313	176,313	5.00%	8,816		
June 2010	174,494	174,494	5.00%	8,724	26,189	0
July 2010	173,543	173,543	5.00%	8,677		
August 2010	175,721	175,721	5.00%	8,786		
September 2010	170,731	170,731	5.00%	8,537	26,000	0
October 2010	188,751	188,751	5.00%	9,438		
November 2010	176,812	176,812	5.00%	8,841		
December 2010	169,830	169,830	5.00%	8,491	26,770	0
	<u>\$ 4,097,884</u>	<u>4,097,884</u>		<u>204,894</u>	<u>204,894</u>	<u>0</u>

¹ Franchise fees are paid quarterly.

² The Franchise Fee rate for the City of Galt is actually broken down into two components, the Franchise Fee portion and the Settlement Fee portion. The Franchise portion is 2.35% and the Settlement portion is 2.65%. The Pasadena Pass-Through for the City of Galt is only calculated on the Franchise Fee portion of 2.35%.

Sacramento Metropolitan Cable Television Commission
Comcast Cable Communications, Inc.
Schedule of Gross Revenue Recomputed and PEG Fees Due
All Jurisdictions except for the City of Galt
For the Two Years Ended 2009 and 2010

	Gross Revenue Reported by Comcast ²	Gross Revenue Audited	PEG Fee Rate	Recomputed PEG Fee Due	PEG Fees Paid ¹	Additional Fees Now Due/ (Overpaid)
May 2009	\$ 15,843,761	15,843,761	1.00%	158,438		
June 2009	15,752,621	15,752,621	1.00%	157,526	315,964	0
July 2009	15,581,856	15,581,856	1.00%	155,819		
August 2009	15,483,269	15,483,269	1.00%	154,832		
September 2009	15,366,272	15,366,272	1.00%	153,663	464,314	0
October 2009	15,179,014	15,179,014	1.00%	151,790		
November 2009	15,898,777	15,898,777	1.00%	158,988		
December 2009	15,658,645	15,658,645	1.00%	156,586	467,364	0
January 2010	15,348,416	15,348,416	1.00%	153,484		
February 2010	15,317,909	15,317,909	1.00%	153,179		
March 2010	15,674,258	15,674,258	1.00%	156,743	463,406	0
April 2010	15,782,763	15,782,763	1.00%	157,828		
May 2010	16,378,739	16,378,739	1.00%	163,787		
June 2010	15,959,230	15,959,230	1.00%	159,592	481,207	0
July 2010	15,666,184	15,666,184	1.00%	156,662		
August 2010	15,940,975	15,940,975	1.00%	159,410		
September 2010	16,085,968	16,085,968	1.00%	160,860	476,932	0
October 2010	17,411,354	17,411,354	1.00%	174,114		
November 2010	16,276,730	16,276,730	1.00%	162,767		
December 2010	15,816,918	15,816,918	1.00%	158,169	495,050	0
	<u>\$ 316,423,660</u>	<u>316,423,660</u>		<u>3,164,237</u>	<u>3,164,237</u>	<u>0</u>

¹ PEG fees are paid quarterly.

² The City of Galt revenue is not included since they are still under the original franchise agreement and PEG Fees do not apply.

PEG Fees did not begin until May of 2009.

REPRESENTING
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and the Cities of:
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ROBERT A DAVISON, EXECUTIVE DIRECTOR

AGENDA ITEM NO. 5

DATE: October 6, 2011
TO: Chair and Board of Directors
FROM: Robert A. Davison, Executive Director
SUBJECT: **ADOPT RESOLUTION NO. 2011-012, APPROVING A FIXED ASSETS CAPITALIZATION POLICY AND A FIXED ASSETS DISPOSAL POLICY**

RECOMMENDATION:

It is recommended the Board adopt Resolution No. 2011-012, Approving a Fixed Assets Capitalization Policy and a Fixed Assets Disposal Policy for the Sacramento Metropolitan Cable Television Commission (Commission).

BACKGROUND:

The term “fixed assets” is used to describe capital assets used in the Commission’s operations that have a useful life beyond a single reporting period.

Capitalization is primarily a financial issue and used to determine whether a given capital asset should be reported on the balance sheet. A government agency may establish a single capitalization threshold for all of its capital assets, or establish different thresholds for different classes of capital assets.

DISCUSSION:

The Commission’s current threshold of \$500 for capitalization of tangible capital assets was established on August 1, 1995. As a result of the audit of the Commission’s FY 2007-08 and FY 2008-09 financial statements, the County Auditor recommended the Commission’s fixed assets threshold be increased from \$500 to \$5,000.

The proposed Fixed Assets Capitalization Policy increases the fixed assets threshold from \$500 to \$5,000 (same as Sacramento County). Staff recommends the Board approve this policy as recommended by the County Auditor.

AGENDA ITEM NO. 5

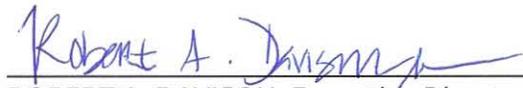
Adopt Resolution No. 2011-012, Approving a Fixed Assets Capitalization Policy and a Fixed Assets Disposal Policy

Page 2

This revision would not affect fixed assets purchased in previous years. Moving forward, items purchased with a value less than \$5,000, will be moved from fixed assets to office equipment. Items purchased with a monetary value of \$5,000 or more are to be reported as fixed assets in the Commission's financial statements.

The Proposed Fixed Assets Disposal Policy outlines procedures for disposing of Commission fixed assets. Fixed Assets that are not being used, no longer needed, obsolete, and/or beyond repair are to be disposed of through submission of an Equipment Disposal/Transfer Form to the Commission Administration Office.

Respectfully submitted,



ROBERT A. DAVISON, Executive Director

Attachments:

Resolution No. 2011-012

Fixed Assets Capitalization Policy (Exhibit A)

Fixed Assets Disposal Policy (Exhibit B)

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

RESOLUTION NO. 2011-012

A RESOLUTION APPROVING A FIXED ASSETS CAPITALIZATION POLICY
AND A FIXED ASSETS DISPOSAL POLICY

WHEREAS, the proposed Fixed Assets Capitalization Policy provides guidelines for the accounting and uniform handling of all fixed assets acquired by the Sacramento Metropolitan Cable Television Commission (Commission); and

WHEREAS, the proposed Fixed Assets Disposal Policy provides a process for the transfer and disposal of fixed assets.

NOW, THEREFORE, BE IT RESOLVED, that the Commission approves the Fixed Assets Capitalization Policy, attached hereto as **Exhibit A** and incorporated herein by this reference; and

FURTHER, BE IT RESOLVED, that the Commission approves the Fixed Assets Disposal Policy, attached hereto as **Exhibit B** and incorporated herein by this reference.

On a motion by Director _____, seconded by Director _____, the foregoing Resolution was passed and adopted at a regular meeting of the Sacramento Metropolitan Cable Television Commission this 6th day of October, 2011, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

By:

Chairperson
Sacramento Metropolitan
Cable Television Commission

Attested by:

Clerk/Secretary of the Board

Exhibit A

REPRESENTING
Sacramento County
and the Cities of:
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Elk Grove
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ROBERT A DAVISON, EXECUTIVE DIRECTOR

FIXED ASSETS CAPITALIZATION POLICY

PURPOSE

The purpose of this policy is to establish the minimum threshold values for fixed assets capitalization (excluding infrastructure), determine the useful life of fixed assets, and provide guidelines for assets acquisition, use, accounting, depreciation, retirement, movement, and disposal of fixed assets.

SCOPE OF POLICY

The provisions of this policy shall apply to all fixed assets acquired by the Commission.

It is the responsibility of the Commission staff to insure that:

- 1) Proper budgeting and purchasing guidelines for acquiring assets are followed.
- 2) Assets assigned to Administration or Metro Cable are adequately controlled and inventoried annually.
- 3) Assets are used for appropriate Commission purposes.
- 4) The Commission's Fixed Assets Disposal Policy will be followed for the disposal and transfer of fixed assets.

It is the responsibility of the Commission staff to accurately account for and report fixed assets in financial reports issued to external reporting agencies and the public.

The Production Director of Metro Cable and the Commission Administrative Services Officer (ASO) have the following responsibilities:

- 1) Verifying the receipt of all new fixed asset property assigned/purchased.
- 2) Assigning an inventory number and tagging all property properly.
- 3) Maintaining an inventory of all tagged property.
- 4) Safeguarding the possession of all property within the department.

Fixed Assets Capitalization Policy

September 2011

Page 2

PROCEDURES

Definition of a Fixed Asset

Generally, if an asset has a cost greater than \$5,000 and a useful life of more than one year, it will be considered a fixed asset and should be capitalized. Capitalization is an accounting procedure that spreads out the cost of the asset over its useful life, rather than expensing the cost in the year purchased. Generally accepted accounting principles will be used to help define what is determined to be a fixed asset.

The cost of equipment includes the purchase price less discounts received; freight charges, sales, use and transportation taxes, and installation charges, if applicable.

Budgeting for Fixed Assets

The allocation for new fixed assets will be approved through the Commission's annual budget process. The need for emergency replacement of existing fixed assets will be at the discretion of the Executive Director, or designated staff and will be paid for out of the Commission's General Fund or PEG Fee Fund, as appropriate or as funds are available.

Purchasing of Fixed Assets

The purchase of fixed assets and infrastructure assets will follow the procedures set forth in the Commission's Purchasing Policy.

Use, Maintenance, and Protection of Fixed Assets

The Commission staff is responsible for the proper use, maintenance, and protection from loss, theft, or vandalism of the fixed assets.

Accounting for Fixed Assets

The Commission ASO is responsible for recording the fixed assets according to this policy and generally accepted accounting principles. The capitalization threshold is \$5,000. This threshold is applied to individual units of fixed assets as listed. Repairs to fixed assets and/or improvements to fixed assets will only be capitalized if they exceed \$5,000 and extend the useful life of the asset. Capital assets should be depreciated over their estimated useful lives unless they are inexhaustible.

Fixed Asset	Useful Life
Computer Equipment / Software	5 Years
Office Equipment / Furniture	5 Years
Metro Cable / Specialty Equipment	5 Years

Inventory and Transfer of Fixed Assets

An inventory of the fixed assets will be maintained. Commission staff is responsible for performing annual physical inventories of the assigned fixed assets. Lost, stolen, or damaged assets shall be reported to the Commission ASO. The ASO must also be notified of any transfer of assets from one location to another.

Disposal of Fixed Assets

The retirement and disposal of fixed assets will follow the procedures set forth in the Commission's Fixed Assets Disposal Policy.

Exhibit B

SACRAMENTO METROPOLITAN Cable Television Commission

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

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

ROBERT A DAVISON, EXECUTIVE DIRECTOR

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



FIXED ASSETS DISPOSAL POLICY

Fixed Assets that are not being used, no longer needed, obsolete, and/or beyond repair are to be disposed of through submission of an Equipment Disposal/Transfer Form to the Sacramento Metropolitan Cable Television Commission (Commission) Administration Office.

The Production Director of Metro Cable and the Commission Administrative Services Officer (ASO) have the following responsibilities, in addition to their responsibilities under the Fixed Asset Policy:

1. Submitting an Equipment Disposal/Transfer form for disposal of fixed assets that are no longer used, no longer needed, obsolete, and/or beyond repair.
2. Submitting an incident report, along with the Equipment Disposal/Transfer form in the event an item is lost or stolen.
3. The Commission ASO shall keep a copy of the form and shall update the fixed asset inventory.

Disposal of the fixed asset will be determined after the Equipment Disposal/Transfer Form is completed and forwarded to the Administration office. Equipment may not be disposed of until a completed form is on file with the Administration office. Disposal shall be accomplished as required by law (i.e., as appropriate, the surplus property rules will apply to disposal).

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ROBERT A DAVISON, EXECUTIVE DIRECTOR

EQUIPMENT DISPOSAL/TRANSFER FORM

Department Name:		Date:		Inventory Tag #	
Serial #	Brand/Make:	Model #	Purchase Date:	Cost:	
Description of Property:		<input type="checkbox"/> Not working & beyond repair <input type="checkbox"/> Obsolete <input type="checkbox"/> Trade-In <input type="checkbox"/> No longer needed <input type="checkbox"/> Other – please explain in detail: _____ _____			
		Purchase Order #		Comment:	

Disposal – By my signature I represent under oath that the above facts are true and correct to the best of my knowledge.

Reason for Disposal:	
Approved by:	Date:

Administration office use only:

Picked up by:	Date:
Date of Disposal:	Fixed Asset Master Inventory List updated by:

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ROBERT A. DAVISON, EXECUTIVE DIRECTOR

AGENDA ITEM NO. 6

DATE: October 6, 2011
TO: Chair and Board of Directors
FROM: Robert A. Davison, Executive Director
SUBJECT: STAFF STATUS REPORT / MISCELLANEOUS ITEMS

RECOMMENDATION:

It is recommended the Board receive status reports on the following items and determine future Board meeting dates:

- A) Addendum to BESTNet Phase II Agreement (elementary school phase)
- B) Comcast - 18th Amended Application for State Video Franchise (City of Galt)
- C) Metro Cable - Synergy Project
- D) SMCTC - Website Re-Design
- E) FCC – Notice of Inquiry – Local Government Rights-of-Way & Tower Siting Policies
- F) KVIE – Change in Usage of FY 2011-12 PEG Fee Funding
- G) 2011 Board Meetings (November 3 & December 1)

Respectfully submitted,

A handwritten signature in blue ink that reads "Robert A. Davison".

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

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ROBERT A DAVISON, EXECUTIVE DIRECTOR

AGENDA ITEM NO. 7

DATE: October 6, 2011
TO: Chair and Board of Directors
FROM: Robert A. Davison, Executive Director
SUBJECT: STATE FRANCHISEE / LICENSEE REPORTS

RECOMMENDATION:

It is recommended the Board receive verbal reports from State Franchisees/Licensees, if any.

Respectfully submitted,

A handwritten signature in blue ink that reads "Robert A. Davison". The signature is written over a horizontal line.

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

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ROBERT A DAVISON, EXECUTIVE DIRECTOR

AGENDA ITEM NO. 8

DATE: October 6, 2011
TO: Chair and Board of Directors
FROM: Robert A. Davison, Executive Director
SUBJECT: CHANNEL LICENSEE / GRANTEE REPORTS

RECOMMENDATION:

It is recommended the Board receive verbal reports from Channel Licensees / Grantees.

Respectfully submitted,



ROBERT A. DAVISON, Executive Director
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ROBERT A. DAVISON, EXECUTIVE DIRECTOR

AGENDA ITEM NO. 9

DATE: October 6, 2011
TO: Chair and Board of Directors
FROM: Robert A. Davison, Executive Director
SUBJECT: PUBLIC COMMENTS

RECOMMENDATION:

It is recommended the Board receive comments from the public, if any.

Respectfully submitted,

A handwritten signature in blue ink that reads "Robert A. Davison". The signature is written in a cursive style and is positioned above a horizontal line.

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