

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

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

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

A G E N D A

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION REGULAR BOARD MEETING

(Board Members may participate in person or via teleconference.)

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

THURSDAY, DECEMBER 1, 2022 - 2:30 p.m.

Board Members: Phil Serna, Patrick Kennedy, Rich Desmond, Sue Frost, Don Nottoli, Katie Valenzuela, Eric Guerra, Mai Vang, Bret Daniels, Kevin Spease, YK Chalamcherla, Garrett Gatewood, Kevin Papineau
Elected Alternates: Steve Miller, Stephanie Nguyen, Siri Pulipati
Appointed Alternates: Lisa Nava (Serna), Keaton Riley (Kennedy), Vanessa McCarthy-Olmstead (Desmond), Matt Hedges (Frost), Zachary Freels (Valenzuela), Sarah Pollo-Moo (Guerra), Ryan Brown (Vang)

PUBLIC COMMENT PROCEDURES

In compliance with directives of the County, State, and Centers for Disease Control and Prevention (CDC), the meeting will be live stream and open to public attendance pursuant to health and safety guidelines. The practice of social distancing and wearing of face coverings (mask or shield) is recommended for the health and safety of all persons participating in person during the meeting although it is not required. Seating is limited and available on a first-come, first-served basis.

SPEAKER TIME LIMITS

In the interest of facilitating the conduct of the SMCTC's business, members of the public (speakers) who wish to address the legislative body during the meeting will have specific time limits as enumerated below. Matters not on the posted agenda will be discussed in accordance with the order of the agenda. Speakers should not expect Board members to comment on or respond to comments directly during the meeting. The Board may request SMCTC staff to follow up with a speaker or provide additional information after the meeting or at a later date.

The Chairperson, at his/her discretion, may increase or decrease the time allocation. Each speaker shall limit remarks to the specified time allotment as follows:

- Speakers will have 3-minutes total for a single and/or multiple agenda item(s);
- Speakers will have 3-minutes total for each separate item;
- Speakers will have 3-minutes total for any matter not on the posted agenda.

IN-PERSON PUBLIC COMMENT

Speakers will be required to complete and submit a speaker request form to Clerk staff. The Chairperson will invite each individual to the podium to make a verbal comment.

TELEPHONIC PUBLIC COMMENT

On the day of the meeting, dial (916) 875-2501 to make a verbal public comment and follow the prompts. Clerk staff will contact you and transfer your call into the meeting to make a comment on a specific agenda item or off-agenda item. Public comments will remain open until closed for a specific item or off-agenda item.

WRITTEN COMMENT

Written comments can be emailed to sacmetro@saccounty.gov by **5:00 p.m. Wednesday, November 30, 2022**. Include the meeting date and agenda item number, or off-agenda item. Contact information is optional; or mail a comment to 799 G Street, 4th Floor, Sacramento, CA. 95814. Written comments are distributed to Board members and filed in the record.

VIEW MEETING

The meeting is recorded and cablecast live on Metro Cable 14 on the Comcast, Consolidated Communications, and AT&T U-Verse systems and livestreamed at metro14live.saccounty.gov. It is closed captioned for hearing impaired viewers and webcast live at <http://metro14live.saccounty.gov>. There will be a rebroadcast of this meeting on Saturday, December 3, 2022 at 3:00 p.m.

HOW TO SUBMIT VIDEOS

Video submissions may be delivered to the Commission Clerk electronically to sacmetro@saccounty.gov in the following formats – MP4, MOV, MPG, or WMV. DVD submissions must be delivered to the Commission at 799 G Street, 4th Floor, Sacramento, CA. 95814 by **5:00 p.m., Wednesday, November 30, 2022**. Video submissions shown during the meeting will be limited to the first ten submissions. Video submissions may not exceed 5 minutes in length.

MEETING MATERIAL

The online version of the Agenda and associated material is available at www.sacmetroable.tv. Some documents may not be posted on-line because of size or format. Contact the Cable Commission's Administration Office at (916) 874-6662 to obtain copies of documents.

ACCOMMODATIONS

If there is a need for an accommodation pursuant to the Americans with Disabilities Act (ADA), medial reasons or for other needs, please contact Clerk of the Board by telephone at (916) 874-5411 (voice) and CA Replay Services 711 (for hearing impaired) or email sacmetro@saccounty.gov 24 hours prior to the meeting.

CALL TO ORDER

Roll Call

- ITEM NO. 1) RESOLUTION NO. 2022-021, AUTHORIZING THE SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION BOARD TO REMOTE TELECONFERENCE MEETINGS FOR THE PERIOD OF DECEMBER 1, 2022 THROUGH JANUARY 1, 2023 PURSUANT TO THE RALPH M. BROWN ACT**

Action:

Adopt Resolution No. 2022-021, Authorizing the Sacramento Metropolitan Cable Television Commission Board to Remote Teleconference Meetings for the Period of December 1, 2022 through January 1, 2023 Pursuant to the Ralph M. Brown Act.

- ITEM NO. 2) RESOLUTION NO. 2022-022, DELEGATING AUTHORITY TO THE EXECUTIVE DIRECTOR TO ENTER INTO A FACILITIES USE AGREEMENT WITH THE COUNTY OF SACRAMENTO**

Action:

Approve Resolution No. 2022-022, Delegating Authority to the Executive Director to Enter into a Facilities Use Agreement with the County of Sacramento not to exceed five years, commencing January 1, 2023.

- ITEM NO. 3) CONFLICT OF INTEREST CODE – DESIGNATED POSITIONS FOR CALENDAR YEAR 2022**

Action:

Approve the Designated Positions for Calendar Year 2022 (Appendix A) related to the Commission's Conflict of Interest Code, and delegate authority to the Executive Director to make changes to the list, as needed in the future.

- ITEM NO. 4) RESOLUTION NO. 2022-023, CONGRATULATING ROBERT A. DAVISON UPON THE OCCASION OF HIS RETIREMENT**

Action:

Adopt Resolution No. 2022-023, Congratulating Robert A. Davison Upon the Occasion of His Retirement.

- ITEM NO. 5) RESOLUTION NO. 2022-024, CONGRATULATING SUPERVISOR DON NOTTOLI UPON THE OCCASION OF HIS RETIREMENT**

Action:

Adopt Resolution No. 2022-024, Congratulating Supervisor Don Nottoli Upon the Occasion of His Retirement.

ITEM NO. 6) REVIEW OF FRANCHISE & PEG FEES REMITTED BY COMCAST FOR THE PERIOD JANUARY 1, 2020 THROUGH DECEMBER 31, 2021

Action:

Receive and file the report of the review of franchise & PEG fees remitted to the SMCTC by Comcast for the Period January 1, 2020 through December 31, 2021.

ITEM NO. 7) REVIEW OF FRANCHISE & PEG FEES PAID BY DIRECTV TO THE SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION FOR THE PERIOD AUGUST 1, 2021 THROUGH DECEMBER 31, 2021

Action:

Receive and file the report of the review of franchise & PEG fees remitted to the SMCTC by DirecTV for the Period August 1, 2021 through December 31, 2021.

ITEM NO. 8) CALENDAR YEAR 2022 SURPLUS PROPERTY LIST

Action:

Receive and file the Surplus Property List for Calendar Year 2022.

ITEM NO. 9) REVIEW OF FRANCHISE & PEG FEES PAID BY CONSOLIDATED COMMUNICATIONS, INC. TO THE SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION FOR THE PERIOD JANUARY 1, 2020 THROUGH DECEMBER 31, 2021

Action:

Receive and file the report of the review of franchise & PEG fees remitted to the SMCTC by Consolidated Communications, Inc. for the Period January 1, 2020 through December 31, 2021.

ITEM NO. 10) GENERAL ADMINISTRATION REPORT

Action:

Receive verbal reports from staff regarding the following Commission matters:

- A. Introduction of Metro Cable's Programming Coordinator
- B. SMCTC Ordinance for Amended and Restated JPA – Status Report
- C. Retention of Best Best & Krieger for FCC Advocacy of 621 Order on Remand
- D. SacFaith TV – Inquiry of Eligibility for PEG Fee Funding
- E. Agreement with County for Full Scope Clerk Services
- F. SMCTC Classification & Compensation Study

ITEM NO. 11) CHANNEL LICENSEE REPORTS

Action:

Receive and file reports from the representatives of the following Channel Licensees:

- A. Access Sacramento
- B. Capital Public Radio
- C. KVIE, Inc.
- D. SacFaith TV
- E. Sacramento Educational Cable Consortium

ITEM NO. 12) STATE FRANCHISEE REPORTS

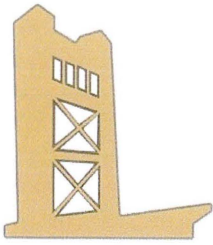
Action:

Receive and file reports from the representatives of the following State Franchisees:

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

ITEM NO. 13) PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

ADJOURNMENT



SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

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

AGENDA ITEM NO. 1

DATE: December 1, 2022

TO: Chair and Board of Directors

FROM: Candice Mabra, Executive Director

**SUBJECT: RESOLUTION NO. 2022-021, AUTHORIZING THE SMCTC BOARD TO REMOTE
TELECONFERENCE MEETINGS FOR THE PERIOD OF DECEMBER 1, 2022 THROUGH
JANUARY 1, 2023 PURSUANT TO THE RALPH M. BROWN ACT**

RECOMMENDATION:

Adopt Resolution No. 2022-021, Authorizing the Sacramento Metropolitan Cable Television Commission Board to Remote Teleconference Meetings for the Period of December 1, 2022 through January 1, 2023 Pursuant to the Ralph M. Brown Act.

BACKGROUND:

On March 4, 2020, Governor Newsom issued a Proclamation of a State of Emergency declaring a state of emergency exists in California due to the threat of COVID-19, pursuant to the California Emergency Services Act (Government Code section 8625).

On March 17, 2020, Governor Newsom issued Executive Order N-29-20 that suspended the teleconferencing rules set forth in the Brown Act, provided certain requirements are met and followed.

On June 11, 2021, Governor Newsom issued Executive Order N-08-21 that clarified the suspension of the teleconferencing rules set forth in the Brown Act, and further provided that those provisions would remain suspended through September 30, 2021.

On September 16, 2021, Governor Newsom signed AB 361 that allows a legislative body subject to the Brown Act to continue to meet without fully complying with the teleconferencing rules in the Brown Act provided the legislative body make certain findings.

A required condition of the Government Code section 54953(e) is that a state of emergency is declared by the Governor pursuant to section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558(b).

Agenda Item No. 1

Resolution No. 2022-021, Authorizing the SMCTC Board to Remote Teleconference Meetings for the Period of December 1, 2022 through January 1, 2023 Pursuant to the Ralph M. Brown Act

Page 2

A further required condition of the Government Code section 54953 (e) is that the state or local officials have imposed or recommended measures to promote social distancing, or the legislative body holds a meeting to determine or has determined by a majority vote that meeting in person would present imminent risks to the health and safety of attendees. These findings must be made at the initial remote meeting and at least every 30 days thereafter.

The following conditions currently still exist:

- There is currently a Proclamation of a State of Emergency that remains in effect.
- California Department of Industrial Relations has issued regulations related to COVID-19 Prevention for employees and places of employment. Title 8 of the California Code of Regulations, Section 3205(c)(5)(d) specifically recommends physical (social) distancing as one of the measures to decrease the spread of COVID-19, based on the fact that particles containing the virus can travel more than six feet, especially indoors.
- On September 28, 2021, the Sacramento County Public Health Officer Dr. Olivia Kasirye issued a Teleconference Recommendation, which states that utilizing teleconference options for public meetings is an effective and recommended social distancing measure to facilitate the participation in public affairs and encourage participants to protect themselves and others from COVID-19.

Because the Cable Commission Board meets regularly on a quarterly basis, more than thirty days will elapse between consecutive meetings. AB 361 is silent as to whether special meetings are required on a more frequent basis to keep up with the thirty-day renewal of findings requirement, although scheduling such meetings would ensure strict compliance.

Alternatively, if the Board does not meet within thirty days after its prior meeting, the Board should make its renewed findings at the beginning of its next meeting prior to any other action or discussion. If the Board wishes to continue meetings remotely, staff recommends this approach absent additional clarification.

The Commission Board has taken the following action to date:

- Adopted Resolution No. 2021-022, Authorizing Remote Teleconference Meetings Pursuant to the Ralph M. Brown Act, at the December 2, 2021 Quarterly Board meeting;
- Adopted Resolution No. 2022-001, Authorizing the SMCTC Board to Remote Teleconference Meetings for the Period of March 3, 2022 through April 3, 2022 Pursuant to the Ralph M. Brown Act, at the March 3, 2022 Quarterly Board meeting;
- Adopted Resolution No. 2022-005, Authorizing the SMCTC Board to Remote Teleconference Meetings for the Period of June 2, 2022 through July 2, 2022 Pursuant to the Ralph M. Brown Act, at the June 2, 2022 Quarterly Board meeting; and
- Adopted Resolution No. 2022-015, Authorizing the SMCTC Board to Remote Teleconference Meetings for the Period of September 1, 2022 through October 1, 2022 Pursuant to the Ralph M. Brown Act, at the September 1, 2022 Quarterly Board meeting.

Agenda Item No. 1

Resolution No. 2022-021, Authorizing the SMCTC Board to Remote Teleconference Meetings for the Period of December 1, 2022 through January 1, 2023 Pursuant to the Ralph M. Brown Act

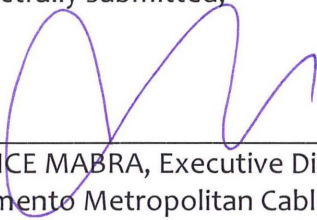
Page 3

At this time, it is necessary for the Board to authorize the Commission Board to continue to remote teleconference meetings.

RECOMMENDATION:

Due to the continual conditions listed above, staff recommends the Board adopt Resolution No. 2022-021, Authorizing the SMCTC Board to Remote Teleconference Meetings for the Period of December 1, 2022 through January 1, 2023, Pursuant to the Ralph M. Brown Act.

Respectfully submitted,



CANDICE MABRA, Executive Director
Sacramento Metropolitan Cable Television Commission

Attachment:

Resolution No. 2022-021

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

RESOLUTION NO. 2022-021

**A RESOLUTION AUTHORIZING THE SMCTC BOARD TO REMOTE
TELECONFERENCE MEETINGS FOR THE PERIOD OF DECEMBER 1, 2022
THROUGH JANUARY 1, 2023 PURSUANT TO THE RALPH M. BROWN ACT**

WHEREAS, all meetings of the SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION (“SMCTC”) and its legislative bodies are open and public, as required by the Ralph M. Brown Act (California Government Code § 54950 et seq); and

WHEREAS, starting in March 2020, in response to the spread of COVID-19 in the State of California, the Governor issued a number of executive orders aimed at containing the COVID-19 virus; and

WHEREAS, among other things, these orders waived certain requirements of the Brown Act to allow legislative bodies to meet virtually; and

WHEREAS, pursuant to the Governor’s executive orders, SMCTC has been holding virtual meetings during the pandemic in the interest of protecting the health and safety of the public, staff, and Commissioners; and

WHEREAS, the Governor’s executive order related to the suspension of certain provisions of the Brown Act expired on September 30, 2021; and

WHEREAS, on September 16, 2021 the Governor signed AB 361 (in effect as of October 1, 2021 - Government Code Section 54953(e)), which allows legislative bodies to meet virtually provided there is a state of emergency, and either (1) state or local officials have imposed or recommended measures to promote social distancing; or (2) the legislative body determines by majority vote that meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, such conditions now exist in SMCTC, specifically, a state of emergency has been proclaimed related to COVID-19, Sacramento County officials are imposing and recommending measures to promote social distancing, and because of the ongoing threat of COVID-19, meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, on September 28, 2021, the Sacramento County Public Health Officer Dr. Olivia Kasirye issued a Teleconference Recommendation which states that utilizing teleconference options

for public meetings is an effective and recommended social distancing measure to facilitate participation in public affairs and encourage participants to protect themselves and other from COVID-19; and

WHEREAS, the SMCTC has an interest in encouraging public participation in open and public meetings while protecting the health, safety and welfare of those who participate; and

WHEREAS, the Cable Commission Board adopted a Resolution authorizing remote teleconference meetings pursuant to the Ralph M. Brown Act from December 2, 2021 through January 2, 2022; and

WHEREAS, the Cable Commission Board adopted a Resolution authorizing remote teleconference meetings pursuant to the Ralph M. Brown Act from March 3, 2022 through April 3, 2022; and

WHEREAS, the Cable Commission Board adopted a Resolution authorizing remote teleconference meetings pursuant to the Ralph M. Brown Act from June 2, 2022 through July 2, 2022;

WHEREAS, the Cable Commission Board adopted a Resolution authorizing remote teleconference meetings pursuant to the Ralph M. Brown Act from September 1, 2022 through October 1, 2022; and

WHEREAS, it is necessary for the Cable Commission to adopt a Resolution authorizing remote teleconference meetings pursuant to the Ralph M. Brown Act from December 1, 2022 through January 1, 2023.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE GOVERNING BOARD OF THE SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION as follows:

1. **State or Local Officials Have Imposed or Recommended Measures to Promote Social Distancing.** SMCTC hereby finds and proclaims that state and local officials have imposed or recommended measures to promote social (physical) distancing based on the California Department of Industrial Relations' issuance of regulations related to COVID-19 Prevention through Title 8 of the California Code of Regulations, Section 3205(c)(5)(D) and Sacramento County Public Health Officer Dr. Olivia Kasirye's Teleconference Recommendation issued September 28, 2021.

2. **Remote Teleconference Meetings.** SMCTC and any of its legislative bodies are hereby authorized to conduct open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act, and Staff are directed to take all actions necessary to carry out the intent and purpose of this Resolution.

3. **Effective Date.** This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) December 1, 2022 or (ii) such time the Authority adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which it and its legislative bodies may continue to teleconference without compliance with Section 54953(b)(3).

On a motion by Director _____, seconded by Director _____, the foregoing Resolution was passed and adopted by the Governing Board of the Sacramento Metropolitan Cable Television Commission, State of California, this 1st day of December 2022, by the following vote, to wit:

AYES:

NOES:

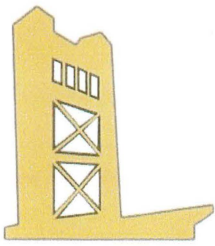
ABSTAIN:

ABSENT:

Chair of the Board

ATTEST:

Clerk of the Board



SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

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

AGENDA ITEM NO. 2

DATE: December 1, 2022

TO: Chair and Board of Directors

FROM: Candice Mabra, Executive Director

SUBJECT: **RESOLUTION NO. 2022-022, DELEGATING AUTHORITY TO THE EXECUTIVE DIRECTOR TO ENTER INTO A FACILITIES USE AGREEMENT WITH THE COUNTY OF SACRAMENTO**

RECOMMENDATION:

It is recommended the Board approve Resolution No. 2022-022, Delegating Authority to the Executive Director to Enter Into a Facilities Use Agreement with the County of Sacramento.

BACKGROUND/DISCUSSION

The Cable Commission relocated its Administration offices to a County-owned building located on the 4th floor at 799 G Street in October 2012. The five year office Agreement expired on October 31, 2017, which allowed the Commission to lease office space on a month-to-month basis under the terms and conditions of the prior lease.

Staff contacted the County of Sacramento to discuss renewing the office lease agreement for another five years back in 2017. The County was amenable to renewing the Agreement, which commenced January 1, 2018, to include the following changes:

- Lease of 1,179 square feet of actual office space – not 1,000 square feet;
- Increase in monthly rent from \$2,340 to \$2,758.86, due to the additional 179 square feet identified;
- Tenant support services cost shall not exceed \$250 (up from \$229) per month, to be provided by the County to include acceptance and delivery of packages, U.S. and inter-office mail delivery, issuance of security badges, and facility coordination and fire inspections, safety issues, and all other facility-related information sharing.

As that five year extension will now end on December 31, 2022, staff reached out recently to the County to determine if they were amendable to extend the Lease Agreement for another five years (January 1, 2023 through December 31, 2027).

The County stated they were amenable to an extension. However, in lieu of a Lease Agreement, the County stated:

Agenda Item No. 2

Resolution No. 2022-022, Delegating Authority to the Executive Director to Enter into a Facilities Use Agreement with the County of Sacramento

Page 2

- Under direction from Facility Planning Management (FPM) and County Counsel, since 2019, the County has gone away from granting leasehold interests for office space use at all County-owned facilities;
- Superior Courts also has a similar Facility Use Agreement (FUA) in place for its recent extension/occupancy on the 4th floor of the 799 G Street Building;
- Further, any leasehold extension beyond five years would trigger board action/approval putting the County beyond the Board of Supervisors' January 1, 2023 consent calendar;
- The FUA allows for the necessary occupancy rights and flexibility to administer;
- The County's Deputy County Executive is delegated authority to sign FUA's up to five years, which does not require action from the County Board of Supervisors.

The attached County Facilities Use Agreement includes revisions requested by Commission staff:

- The office space leased on the 4th floor of the 799 G Street Building will now be for 1,473 square feet of office space, to include the conference room next to Room 416;
- Commission staff is working with County Facilities to determine if the office space can be reconfigured to house additional workstations for additional staff.

With the new Facilities Use Agreement, the monthly rent will go up incrementally each calendar year beginning with CY 2023 (as outlined on page 2 of the attached Facilities Use Agreement).

RECOMMENDATION:

Staff recommends the Board approve Resolution No. 2022-022, Delegating Authority to the Executive Director to Enter Into a Facilities Use Agreement with the County of Sacramento not to exceed five years, commencing January 1, 2023. The Executive Director is also authorized to sign the County-Owned Facilities Use Agreement with future minor modifications after Commission Counsel's review, if there are no fiscal impacts to the Commission.

Respectfully submitted,



CANDICE MABRA, Executive Director
Sacramento Metropolitan Cable Television Commission

Attachments:

Resolution No. 2022-022

County-Owned Facilities Use Agreement (commencing January 1, 2023; expiring on Dec. 31, 2027)

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

RESOLUTION NO. 2022-022

**A RESOLUTION DELEGATING AUTHORITY TO THE EXECUTIVE DIRECTOR
TO ENTER INTO A FACILITIES USE AGREEMENT WITH THE COUNTY OF SACRAMENTO**

WHEREAS, the Commission relocated its Administration offices to a County-owned building located on the 4th floor at 799 G Street in Sacramento in October 2012, since the County is part of the Commission's Joint Powers Authority;

WHEREAS, the five year office lease agreement between the County of Sacramento and the Sacramento Metropolitan Cable Television Commission (Commission) for office space on the 4th floor of the County building located at 799 G Street, Sacramento expired on October 30, 2017;

WHEREAS, the original five year office lease agreement between the County of Sacramento and the Sacramento Metropolitan Cable Television Commission (Commission) for office space on the 4th floor of the County building located at 799 G Street was extended for five years and will expire on December 31, 2022;

WHEREAS, the Commission wishes to continues to use this office space for another five years;

WHEREAS, the two parties now desire to enter into a County-owned **Facilities Use Agreement** for a period of another five years commencing January 1, 2023 through December 31, 2027, commencing upon the expiration of the extended original Lease Agreement;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION hereby authorize the Executive Director to enter into the attached **Facilities use Agreement** with the County not to exceed five years, effective January 1, 2023 with a cost per square foot in each calendar year as outlined on page 2 of the attached **Facilities Use Agreement**, to include a tenant support services costs not to exceed \$250 per month;

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. The Commission's Counsel shall approve the form of the Facilities Use Agreement.

On a motion by Director _____, seconded by Director _____, the foregoing Resolution was passed and adopted by the Sacramento Metropolitan Cable Television Commission this 1st day of December 2022 by the following vote to wit:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

Chair of the Board

Clerk of the Board

COUNTY-OWNED FACILITIES USE AGREEMENT

THIS COUNTY-OWNED FACILITIES USE AGREEMENT (hereinafter referred to as “**Agreement**”) is made by and between the COUNTY OF SACRAMENTO, a political subdivision of the State of California (hereinafter referred to as “**Licensor**”), and the SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION, a joint powers authority (hereinafter referred to as “**Licensee**”), and shall be effective upon execution by the County of Sacramento’s Deputy County Executive of Administrative Services, or designee, under delegation of authority per Sacramento County Code §2.62.020, as set forth on the signature page hereof (the “**Effective Date**”).

RECITALS

A. Ownership. Licensor is the owner of 799 G Street, Sacramento, California 95814, which is more particularly described in **Exhibit “A”**, and situated in the incorporated City of Sacramento, California, hereinafter referred to as the “**Premises**”.

B. License. The Licensee regulates the cable television/video State franchises in Sacramento County, California and desires a license for continued use of a portion of the Premises for office space to house the Sacramento Metro Cable Television Commission Team (hereinafter referred to as the “**SMCTCT Space**”), collectively referred to hereinafter as the “**Facility**”: a mutually agreed area of approximately 1,473 square feet on the 4th floor, as more particularly shown on **Exhibit “B”** attached hereto and made a part hereof by reference, and as described below. The Licensor is willing to grant to Licensee a license for continued use of the Facility as SMCTCT Space on the following terms and conditions as contained herein.

AGREEMENT

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, and intending to be legally bound hereby, Licensor and Licensee agree as follows:

1. Incorporation of the Recitals. The aforementioned Recitals are true and correct, and are incorporated by this reference.

2. Permission. Licensor hereby grants to Licensee a license to use the Facility, which is located at 799 G Street, Sacramento, California, 95814, as SMCTCT Space, and in accordance with the provisions of this Agreement.

3. Term. The term of this license (hereinafter referred to as “**Term**”) shall commence on January 1, 2023, and shall expire at 11:59 PM, local time, on December 31, 2027.

4. Early Termination. Either Licensor or Licensee may at any time and without cause terminate this Agreement in whole or in part during the Term hereof by giving notice in writing at least thirty (30) days prior to the date when any such termination shall become effective.

5. Holdover. In the event Licensee remains in possession of the Premises after expiration, then this Agreement shall remain in effect upon the same terms and conditions as a month-to-month tenancy. Either party may terminate the tenancy by giving a 30-day written notice.

6. Rent. The monthly rental rate (the “**Rent**”) during the Term of this Agreement shall be in the amounts shown below. The Rent shall be due and payable in quarterly installments on the last day of March, June, September, and December of each year during the Term (the “Quarterly Rent Due Date”) as shown in the table below. Licensee shall make all Rent payments payable to “County of Sacramento” and sent to the County of Sacramento, Department of General Services, c/o DGS Accounting, 9660 Ecology Lane, Sacramento, California 95827, with the notation “Rev File 270”; or such other entity or location as by notice may be given as herein provided. [Calculation: \$2.34 per square foot x 1,473 square feet = \$3,446.82 per month x 3 months = \$10,340.46 per quarter]

Period	Monthly Rate per SF	Monthly Rent	Quarterly Rent
January 1, 2023 – December 31, 2023	\$2.34	\$3,446.82	\$10,340.46
January 1, 2024 – December 31, 2024	\$2.45	\$3,608.85	\$10,826.55
January 1, 2025 – December 31, 2025	\$2.57	\$3,785.61	\$11,356.83
January 1, 2026 – December 31, 2026	\$2.69	\$3,962.37	\$11,887.11
January 1, 2027 – December 31, 2027	\$2.82	\$4,153.86	\$12,461.58

In lieu of paying the Rent via a check, Licensee may pay the rental amount above through journal voucher directly to the Department of General Services.

7. Access and Use Rights. This grant of license provides for exclusive use of the Facility by Licensee as SMCTCT Space. Licensee’s use of the Facility shall be exercised in a manner that does not interfere with Licensor’s other use or occupation of the Premises or Licensor’s other real or personal property. Licensee’s use of the Facility shall at all times be lawful and in compliance with all applicable governmental (i.e. State, local, federal) statutes, laws, requirements and regulations.

8. Facility Condition. Licensee has inspected and accepts the Facility in “as is” condition, and agrees that Licensor shall have no responsibility for or due to the condition of the Facility to Licensee or to any of Licensee’s invitees or guests. Licensee acknowledges that it is licensing the Facility without any warranty or representation by Licensor as to the condition of the Facility or its fitness for Licensee’s SMCTCT Space.

9. Statement Regarding a Certified Access Specialist. Pursuant to California Civil Code §1938, Licensor states that the Premises:

 X Have not undergone an inspection by a Certified Access Specialist (CAsp).

_____ Have undergone an inspection by a CASp and it was determined that the Premises met all applicable construction-related accessibility standards and a disability access inspection certificate has been issued pursuant to California Civil Code §55.51 et seq.

_____ Have undergone an inspection by a CASp and it was determined that the Premises did not meet all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq.

A Certified Access Specialist (CASp) can inspect the subject Premises and determine whether the subject Premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject Premises, the commercial property owner or licensor may not prohibit the licensee or tenant from obtaining a CASp inspection of the subject Premises for the occupancy or potential occupancy of the licensee or tenant, if requested by the licensee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the Premises.

10. Damage to Facility. Licensee agrees that it shall utilize the Facility for the safe exercise of its intended use, with the cost of operating the SMCTCT Space to be borne solely by Licensee, in accordance with the provisions of this Agreement. Licensee shall at all times deliver the Facility to Licensor in substantially the same condition as existed immediately prior to Licensee's use. Licensee agrees that if its use of the Facility causes damage to the Facility or any Licensor real or personal property, Licensee shall be responsible for the full cost to repair the damage. Licensor shall invoice, and Licensee shall reimburse Licensor the full cost outlined in the invoice in a lump sum payment within thirty (30) days of receipt of invoice, unless other mutually acceptable arrangements are made.

11. Facility Repairs and Improvements. Licensee shall not make any repairs, or install any improvements or make any alterations to the Facility.

(a) **Repairs.** Upon Licensee's request for a repair to the Facility, considered necessary in the discretion of the Licensor, Licensor will dispatch the required repairman within a reasonable timeframe. There will be no cost to Licensee for repairs to the Facility unless the cause of the repair was due to Licensee's negligent use of the Facility. In the event it is determined that the repair is due to Licensee's negligent use of the Facility, Licensor shall perform the necessary repairs and invoice Licensee for the full cost of the repair. Licensee shall reimburse Licensor the full cost outlined in the invoice in a lump sum payment within thirty (30) days of receipt of invoice, unless other mutually acceptable arrangements are made.

(b) **Improvements and Alterations.** Upon Licensee's request for an improvement or alteration to the Facility to which the Licensor consents, Licensor will provide a written estimate for all requested work prior to work commencing. In the event Licensor provides the written estimate, upon completion of the improvement or alteration, Licensor shall invoice Licensee for the full cost of the work. Licensee shall reimburse Licensor the full cost outlined in

the invoice in a lump sum payment within thirty (30) days of receipt of invoice, unless other mutually acceptable arrangements are made.

(c) **Contacts.** To request repairs, improvements, and alterations, Licensee may contact the County Communication Center at the Downtown DGS Call Center, 700 H Street, Sacramento, CA 95814, Phone (916) 874-5854, Fax (916) 874-8099.

12. Risk of Hazards.

(a) Licensee shall not use or allow the Facility or any part thereof to be used or occupied for any purpose other than as SMCTCT Space, nor for any unlawful purpose, and Licensee shall not allow any act to be done or condition to exist in the Facility or any part thereof or any article to be brought thereon, which may be dangerous, unless safeguarded as required by law, or which may make void or voidable any insurance then in force or required under this Agreement.

(b) Licensee shall carefully survey the Facility for any dangerous conditions or hazards prior to each separate time it enters and exits the Facility, and shall be responsible for notifying Licensor promptly of any conditions that Licensee deems to present a danger or hazard.

13. Licensor's Responsibilities. Licensor shall comply with the following service requirements:

(a) **Access.** Licensor shall provide Licensee with keys and security alarm codes, if needed, for Facility access.

(b) **Metered and Hourly Services and Utilities.** As part of the Rent that Licensor receives from Licensee for use of the Facility, Licensor shall pay for the following services and utilities charged to the Facility as described below:

- **Gas & Electricity.** Licensor shall pay gas and electricity utility charges for heating, cooling, lighting, and operation of all office equipment, including computers, used in the Facility, at Licensor's sole cost and expense.

- **Waste Removal.** Licensor shall furnish regular and adequate garbage, waste and recyclable material removal services to the Facility, at Licensor's sole cost and expense.

- **Sewer/Septic System and Water.** Licensor shall furnish sewer/septic system and water service to the Facility, at Licensor's sole cost and expense.

- **Pest Control.** Licensor shall provide all structural and non-structural pest control service for the Facility, at Licensor's sole cost and expense.

- **Mechanical Systems Maintenance.** Licensor shall inspect, service, maintain, and repair the HVAC systems of the Facility, at Licensor's sole cost and expense.

- **Facility Maintenance.** Licensor shall keep the Facility in good order, repair, and tenantable condition at all times during the Term; including, but not limited to: the roof, ceiling, interior and exterior walls and doors, glazing, flooring, plumbing, water pipes, hot water heater, kitchen appliances, alarm systems, fire extinguishers, lighting (including, but not limited to, bulbs, tubes, fixtures, lens covers, ballasts, emergency lights, security lights and exterior lights), heating, ventilating and air conditioning units, and toiletry dispensers, at Licensor's sole cost and expense.

- **Janitorial service.** Licensor shall furnish all necessary janitorial service to the Facility, at Licensee's sole cost and expense.

(c) **Tenant Support Services.** Licensor shall provide tenant support services to Licensee. Tenant support services include the following: (i) receiving, (ii) security access badges, (iii) and facility coordination. Receiving functions include acceptance and delivery of packages received as well as US and inter-office mail delivery. Security access badges include issuance of badges, temporary badge replacement, and reporting as needed. Facility coordination includes Herman Miller component support, General Service request coordination and information sharing for fire inspections, safety issues and all other facility related information sharing.

14. Licensee's Responsibilities. Licensee shall comply with the following service requirements as part of the SMCTCT Space.

(a) **SMCTCT Space Operation.** Licensee shall operate the SMCTCT Space at its sole cost and expense, during normal business hours, Monday through Friday, excluding County holidays.

(b) **Public Services.** Licensee shall regulate cable television/video State franchises in Sacramento County from the Facility as part of the SMCTCT Space operation.

(c) **Office Equipment.** Licensee shall, at Licensee's sole cost and expense, provide its own equipment necessary for the operation of the SMCTCT Space, including but not limited to: phones, computers, and printers.

(d) **Cable Service.** Licensee shall pay for any additional cable service beyond what is currently provided by Licensor at the Facility. Licensee shall be solely responsible for all costs associated with its additional cable service and its respective monthly service charges.

(e) **Additional Support Costs.** Licensee shall reimburse Licensor's Department of Technology directly for tenant support service costs relating to services described in Section 13(c) above (the "Support Costs"). The Support Costs shall not exceed \$250 per month.

(f) **Closure Costs and Activities.** Prior to expiration or earlier termination of the Agreement, Licensor shall be responsible for all closure costs and activities that may be required to surrender the Facility and remove all personal effects and Licensee property and return the Facility to the condition prior to Licensee's occupancy, reasonable wear and tear excepted.

Closure costs and activities include but are not limited to: removal of personal property, removal of garbage and waste, payment of costs to repair damage by Licensee, and payment of costs associated with Licensor's removal of Licensee property not previously removed by Licensee.

15. Furniture. Licensor and Licensee understand and agree that certain furniture currently exist in the Facility, along with certain additional fixtures and furnishings. At Licensee discretion, Licensee is entitled to use all such items, in their present state, during the period of this Agreement at no additional cost. Licensee obtains no ownership right or interest in said furniture, fixtures, and furnishings remaining in the Facility after occupancy, and may not unilaterally later dispose of any such items.

16. Insurance or Self-Insurance. Each party, at its sole cost and expense, shall carry insurance, or self-insure its activities in connection with this Agreement, and obtain, keep in force and maintain, insurance or equivalent program of self-insurance, for property, professional liability, general liability, environmental liability, workers compensation and business automobile liability adequate to cover its potential liabilities hereunder. Each party agrees to provide the other (30) days' advance written notice of any cancellation, termination or lapse of any of the insurance or self-insurance coverages. Failure to maintain insurance as required in this Agreement is material breach of contract and may be grounds for termination of the Agreement.

Licensee and Licensor shall be responsible for the acts and omissions of all its contractors and subcontractors and shall require all of its contractors and subcontractors to maintain adequate insurance.

Each party shall provide the other with proof of insurance or self-insurance upon request.

Licensee and Licensor shall be solely responsible for payment of any deductible in their respective insurance or self-insurance programs, in the event of a claim.

The insurance and self-insurance coverage limits to be maintained by Licensee and Licensor hereunder shall not limit Licensee's or Licensor's liability under this Agreement.

Notification of Claim. If any claim for damages is filed with Licensee or Licensor or if any lawsuit is instituted against Licensee or Licensor, that arise out of or are in any way connected with Licensee's or Licensor's performance under this Agreement and that in any way, directly or indirectly, contingently or otherwise, affect or might reasonably affect Licensee or Licensor, Licensee and Licensor shall give prompt and timely notice thereof. Notice shall not be considered prompt and timely if not given within thirty (30) days following the date of receipt of a claim or ten (10) days following the date of service of process of a lawsuit.

17. Negation of Partnership. Nothing in this Agreement shall be deemed or construed as creating a relationship of principal and agent, partnership, joint venture, or landlord and tenant, between the parties, it being understood that nothing contained in this Agreement, or any acts of the parties hereto, shall be deemed to create any relationship other than an independent contractor relationship between Licensor and Licensee.

18. Licensor's Right of Entry. In addition to Licensor's express or implied right of entry under any other provision of this Agreement, Licensee shall permit Licensor to enter the Facility at all reasonable times for the purposes of, but not limited to:

(a) Inspecting the Facility to determine whether Licensee has complied or is complying with the provisions of this Agreement;

(b) Exercising any matters pursuant to applicable law or governmental regulations; and

(c) Carrying out any purpose necessary, incidental or connected with the performance of any Licensor obligation under this Agreement.

19. Indemnification.

(a) To the fullest extent permitted by law, Licensee shall indemnify, defend, and hold harmless Licensor, its governing Board, officers, directors, officials, employees, and authorized volunteers and agents, (collectively "Indemnified Parties") from and against any and all claims, demands, actions, losses, liabilities, damages, and all expenses and costs incidental thereto (collectively "Claims"), including cost of defense, settlement, arbitration, and reasonable attorney's fees, resulting from injuries to or death of persons, including but not limited to employees of either Party hereto, and damage to or destruction of property or loss of use thereof, including but not limited to the property of either Party hereto, arising out of, pertaining to, or resulting from the acts or omissions of the Licensee, its officers, employees, agents, or contractors, or the acts or omissions of anyone else directly or indirectly acting on behalf of the Licensee, or for which the Licensee is legally liable under law regardless of whether caused in part by an Indemnified Party.

(b) This indemnity shall not be limited by the types and amounts of insurance or self-insurance maintained by the Licensee or the Licensee's contractors.

(c) Nothing in this indemnity shall be construed to create any duty to, any standard of care with reference to, or any liability or obligation, contractual or otherwise, to any third party.

(d) The provisions of this indemnity shall survive the expiration or termination of the Agreement.

20. Amendments. This Agreement sets forth all of the promises, conditions and understandings between Licensor and Licensee relating to the Facility. There are no promises, conditions and understandings, either oral or written, between Licensor and Licensee other than those set forth in this Agreement. No subsequent modification or agreement with respect to the terms of this Agreement shall be effective, unless such subsequent modification or agreement is in writing executed by both Licensee and Licensor. No oral representation, whenever made, by any

official or employee of Licensee shall be effective to modify the provisions of this Agreement. This Agreement shall be binding upon the parties hereto, their successors and assigns.

21. Written Communication and Notice. All notices from either party to the other under this Agreement shall be in writing and sent by nationally recognized overnight delivery service or by United States certified or registered mail, postage prepaid with receipt obtained, addressed to the other party at the address provided below, or such other address as the party to receive the notification may subsequently designate by written notice to the other:

To Licensors at:

County of Sacramento
Department of General Services
9660 Ecology Lane
Sacramento, CA 95827
Phone: (916) 876-6394

With a copy to:

County of Sacramento
Real Estate Division
Asset Management Section
3711 Branch Center Road
Sacramento, CA 95827
Phone: (916) 876-6200

To Licensee at:

Sacramento Metropolitan Cable
Television Commission
Attn: Karen Liu
799 G Street, 4th Floor
Sacramento, CA 95814
Phone: (916) 874-6661

22. Invalid and Unenforceable Provisions. If any provision of this Agreement or the application thereof to any party or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, and the application of such provision to parties or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each remaining provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

23. Signature Authority. Each of the persons signing below represents and warrants that he/she has the authority to legally bind the party on whose behalf he/she signs.

24. Authority of Director. The Director of the Department of General Services shall administer this Agreement on behalf of Licensors. Unless otherwise provided herein or required by applicable law, the Director, or any duly authorized officer or employee of Licensors acting on behalf of the Director, shall be vested with all rights, powers, and duties of Licensors hereunder. With respect to matters hereunder subject to the approval, satisfaction, or discretion of Licensors or the Director, the decision of the Director in such matters shall be final.

25. Construction. Headings at the beginning of each paragraph and subparagraph are solely for the convenience of the parties and are not a part of the Agreement. Whenever required by the context of this Agreement, the singular shall include the plural and the masculine shall include the

feminine and vice versa. It is agreed and acknowledged by the parties hereto that the provisions of this Agreement have been arrived at through negotiation, and that each of the parties has had a full and fair opportunity to revise the provisions of this Agreement and to have such provisions reviewed by legal counsel. Therefore, the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing or interpreting this Agreement. All exhibits referred to in this Agreement are attached and incorporated by this reference.

26. Duplicate Counterparts. This Agreement may be executed in several counterparts, and shall be deemed one and the same agreement. Electronic and scanned signatures shall be deemed original signatures for all purposes, including proof of terms herein, and shall be binding on each party.

27. Termination of Prior Agreements. On January 1, 2023, Licensor and Licensee agree that this Agreement voids, replaces and supersedes that certain Lease Agreement, numbered for reference purposes as Revenue Lease No. 00219, between Licensor and Licensee dated January 8, 2018.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

LICENSOR:

COUNTY OF SACRAMENTO, a political
subdivision of the State of California

By: _____

David Villanueva
Deputy County Executive
Administrative Services
Under delegated authority by:
SCC §2.62.020

Date: _____

Effective Date

REVIEWED AND APPROVED BY COUNTY COUNSEL:

By: _____

Deon C. Merene
Deputy County Counsel

APPROVED AS TO TERMS:

By: _____

Greg Nowakowski
Chief, Facility Planning & Management
Department of General Services

LICENSEE:

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION, a joint powers
authority

By: _____

Candice Mabra
Executive Director
Authorized Signatory

EXHIBIT "A"
Premises

Legal Description

A portion of the following described real property:

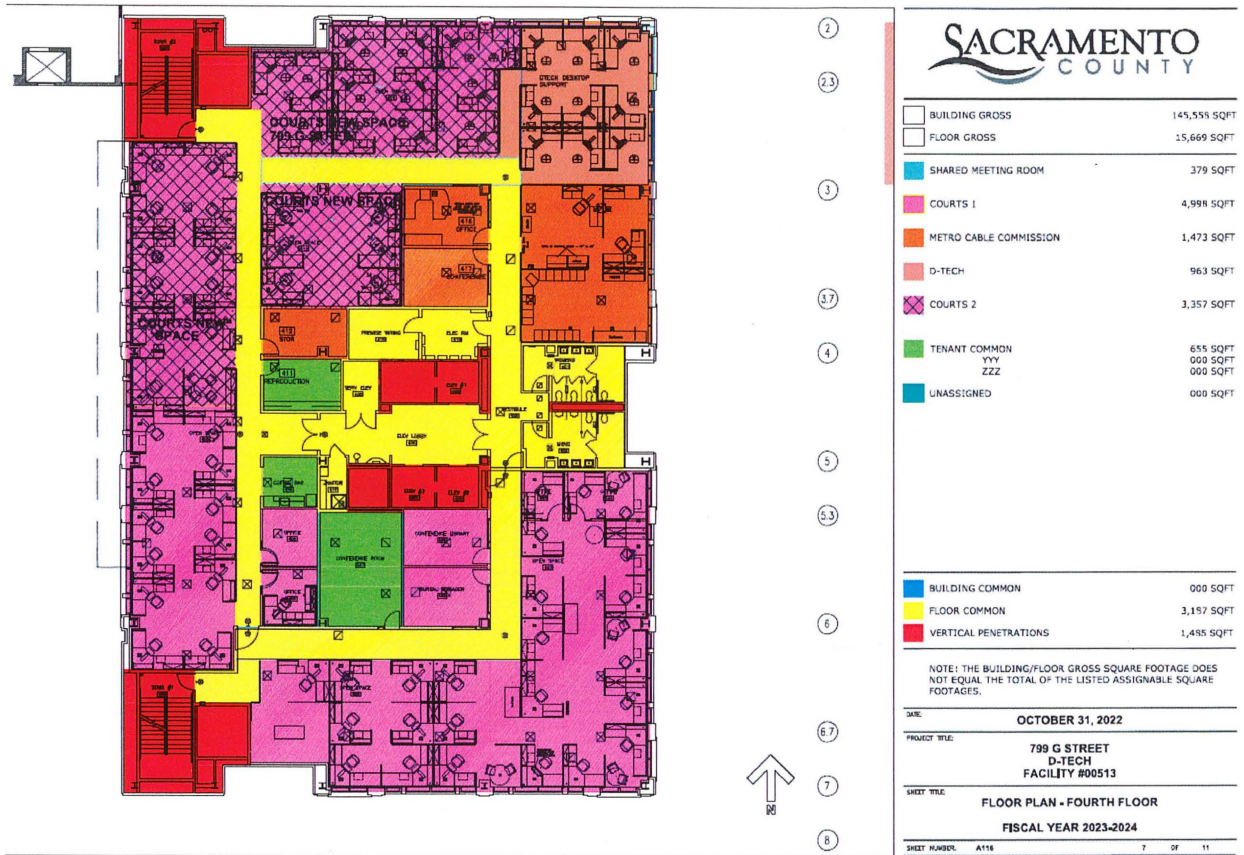
Lot 5 and a portion of Lot 6 in the block bounded by 7th and 8th, "F" and "G" Streets of the City of Sacramento, according to the official plat thereof, together with a portion of the abandoned alley within said block, described as follows:

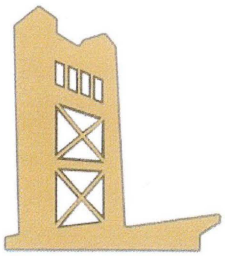
Commencing at the Northwestern corner of Lot 1 of said block; thence along the Northerly line of Lots 1, 2, and 3 of said block South $71^{\circ} 24' 20''$ East 201.06 feet to the Northeast corner of the Westerly one-half of said Lot 3; thence along the Easterly line of said Westerly one-half of said Lot 3 and the Southerly prolongation thereof South $18^{\circ} 34' 59''$ West 173.11 feet to the point of beginning; thence from said point of beginning, leaving said Easterly line, South $71^{\circ} 25' 25''$ East 14.71 feet; thence North $18^{\circ} 34' 35''$ East 5.13 feet; thence South $71^{\circ} 25' 25''$ East 105.94 feet to the Northerly prolongation of the Easterly line of said Lot 5; thence South $18^{\circ} 34' 35''$ West 173.15 feet to the Southeasterly corner of said Lot 5; thence North $71^{\circ} 19' 12''$ West 123.86 feet along the Southerly line of said Lots 5 and 6; thence North $18^{\circ} 34' 35''$ East 134.60 feet parallel with the Easterly line of said Lot 5; thence South $71^{\circ} 25' 25''$ East 3.21 feet; thence North $18^{\circ} 34' 35''$ East 33.20 feet to the point of beginning.

Commonly referred to as 799 G Street, Sacramento, CA 95827
APN: 002-0142-014-0000

EXHIBIT "B"

Site Plan





SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

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

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

AGENDA ITEM NO. 3

DATE: December 1, 2022

TO: Chair and Board of Directors

FROM: Candice Mabra, Executive Director

SUBJECT: CONFLICT OF INTEREST CODE – DESIGNATED POSITIONS FOR CY 2022

RECOMMENDATION:

It is recommended the Board approve the Designated Positions for Calendar Year 2022 (Appendix A), related to the Cable Commission's Conflict of Interest Code.

BACKGROUND/DISCUSSION:

Public agencies in California are required to adopt a Conflict of Interest Code to help identify potential conflicts of interests and to require public officials and its employees in designated positions to report their financial interest on a Statement of Economic Interests (Form 700).

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

Pursuant to Government Code section 82011, the Board of Supervisors of the County of Sacramento is the Code reviewing body for the Cable Commission.

Staff met with the County Clerk's office back in 2016 to discuss the updating of the Cable Commission's Conflict of Interest Code and the list of designated positions and disclosure categories.

As a result of that meeting, the Cable Commission's Conflict of Interest Code was revised, which included changes recommended by the County Clerk's office; revisions were also made to the Disclosure Categories; and the list of Designated Positions (Appendix A) was updated.

The Cable Commission Board approved those revisions to those documents at its September 1, 2016 meeting; which were then forwarded to the County Clerk's office.

At the September 11, 2017 meeting, the Commission Board approved the following changes made to the documents related to the Commission's Conflict of Interest Code:

- 1) the Designated Position of the Board member representing the cities of Folsom, Galt and Rancho Cordova changed to the Galt representative, with Councilmember Lori Heuer replacing Councilmember Andy Morin from Folsom;

Agenda Item No. 3

Conflict of Interest Code – Designated Positions for Calendar Year 2022

Page 2

- 2) the addition of a third Board Alternate appointment for the City of Sacramento; and
- 3) the addition of a newly appointed Ex-Officio for Rancho Cordova.

At the June 24, 2018 meeting, the Commission Board approved the updated list of Designated Positions (Appendix A) which included the following changes:

- 1) the appointment of Matt Read, as Board Alternate for Councilmember Steve Hansen, in place of Consuelo Hernandez; and
- 2) the appointment of Councilmember Robert McGarvey, as the Ex-Officio Alternate for Rancho Cordova.

At the October 4, 2018 meeting, the Commission Board approved the updated list of Designated Positions (Appendix A) which included the following change:

- 1) the appointment of Steve Miller, as Board Alternate for the Citrus Heights.

At the September 3, 2020 meeting, the Commission Board approved the updated list of Designated Positions (Appendix A), which included the following changes:

- 1) the appointment of Councilmember Andy Morin, representing the City of Folsom, as the population at Folsom surpassed 80,000 in CY 2020; and
- 2) the addition of Legal Counsel Laura Fowler from Best, Best, and Krieger who works with Commission staff on personnel matters.

At the March 4, 2021 meeting, the Commission Board approved the updated Designated Positions (Appendix A) of new Board Members and Alternates appointed to the Commission Board in Calendar Year 2021.

At this time, the Designated Positions for Calendar Year 2022 has been updated to include the current Board Members and Alternates; and the addition of a new Designated Position for the City of Galt.

RECOMMENDATION:

It is recommended the Board approve the Designated Positions for Calendar Year 2022 (Appendix A) related to the Commission's Conflict of Interest Code, and delegate authority to the Executive Director to make changes to the list, as needed in the future. The list of Designated Positions for Calendar Year 2022 will be forwarded to the County Clerk's office.

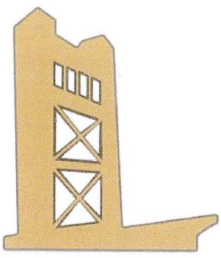
Respectfully submitted,



CANDICE MABRA, Executive Director
Sacramento Metropolitan Cable Television Commission

Attachment:

Conflict of Interest Code – Designated Positions for Calendar Year 2022 (Appendix A)



SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

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

CONFLICT OF INTEREST CODE APPENDIX A

DESIGNATED POSITIONS CALENDAR YEAR 2022

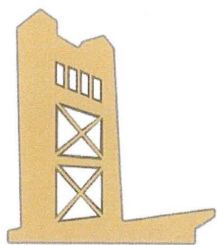
Designated Position	Position No. (County e-Disclosure System)	Name	Assigned Disclosure Categories
Board Member, County of Sacramento - District 1	0000014	Phillip Serna	1, 2, 3, 4, 5
Board Member, County of Sacramento - District 2	0000015	Patrick Kennedy	1, 2, 3, 4, 5
Board Member, County of Sacramento - District 3	0000013	Rich Desmond	1, 2, 3, 4, 5
Board Member, County of Sacramento - District 4	0000010	Sue Frost	1, 2, 3, 4, 5
Board Member, County of Sacramento - District 5	0000012	Don Nottoli	1, 2, 3, 4, 5
Board Member, City of Sacramento – District 4	0000009	Katie Valenzuela	1, 2, 3, 4, 5
Board Member, City of Sacramento – District 6	0000008	Eric Guerra	1, 2, 3, 4, 5
Board Member, City of Sacramento – District 8	0000006	Mai Vang	1, 2, 3, 4, 5
Board Member, City of Citrus Heights	0000023	Bret Daniels	1, 2, 3, 4, 5
Board Member, City of Elk Grove	0000007	Kevin Spease	1, 2, 3, 4, 5
Board Member, City of Rancho Cordova	0000011	Garret Gatewood	1, 2, 3, 4, 5
Board Member, City of Folsom	0000033	YK Chalamcherla	1, 2, 3, 4, 5
Board Alternate, County of Sacramento - District 1	0000003	Lisa Nava	1, 2, 3, 4, 5
Board Alternate, County of Sacramento - District 2	0000002	Keaton Riley	1, 2, 3, 4, 5
Board Alternate, County of Sacramento - District 3	0000004	Vanessa McCarthy-Olmstead	1, 2, 3, 4, 5
Board Alternate, County of Sacramento, District 4	0000005	Matt Hedges	1, 2, 3, 4, 5
Board Alternate, City of Sacramento – District 4	0000024	Zachary Freels	1, 2, 3, 4, 5
Board Alternate, City of Sacramento – District 8	0000025	Ryan Brown	1, 2, 3, 4, 5
Board Alternate, City of Sacramento – District 6	0000027	Sarah Pollo Moo	1, 2, 3, 4, 5
Board Alternate, City of Citrus Heights	0000017	Steve Miller	1, 2, 3, 4, 5
Board Alternate, City of Elk Grove	0000016	Stephanie Nguyen	1, 2, 3, 4, 5
Board Alternate, City of Rancho Cordova	0000028	Siri Pulipati	1, 2, 3, 4, 5
Board Member, City of Galt	0000034	Kevin Papineau	1, 2, 3, 4, 5

Appendix A**Conflict of Interest Code Designated Positions (Calendar Year 2022)**

Page 2

Designated Position	Position No. (County e-Disclosure System)	Name	Assigned Disclosure Categories
Executive Director	0000019	Candice Mabra	1, 2, 3, 4, 5
Administrative Services Officer III	0000001	Karen Liu	1, 2, 3, 4, 5
Production Director	0000020	Kristin Riggs	1, 2, 3, 4, 5
Legal Counsel	0000022	Vacant	1, 2, 3, 4, 5
Legal Counsel	0000026	Joshua Nelson	1, 2, 3, 4, 5
Legal Counsel	0000032	Laura Fowler	1, 2, 3, 4, 5

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



SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

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

AGENDA ITEM NO. 4

DATE: December 1, 2022

TO: Chair and Board of Directors

FROM: Candice Mabra, Executive Director

SUBJECT: **RESOLUTION NO. 2022-023, CONGRATULATING ROBERT A. DAVISON UPON THE OCCASION OF HIS RETIREMENT**

RECOMMENDATION:

It is recommended the Board adopt Resolution No. 2022-023, Congratulating Robert A. Davison Upon the Occasion of His Retirement.

DISCUSSION:

After more than 16 years of contracted service as the Executive Director of the Sacramento Metropolitan Cable Television Commission, Robert A. Davison (Bob) notified the Commission of his plans to retire which became official on November 2, 2022.

The Commission hereby recognizes and congratulates Bob on his retirement after 33 years of service with the County of Sacramento, from his last position held as its County Engineer and the resulting retirement as the Executive Director of Sacramento Metropolitan Cable Television Commission.

RECOMMENDATION:

Staff recommends the Board adopt Resolution No. 2022-023, Congratulating Robert A. Davison Upon the Occasion of His Retirement.

Respectfully submitted,

CANDICE MABRA, Executive Director
Sacramento Metropolitan Cable Television Commission

Attachment:

Resolution No. 2022-023, Congratulating Robert A. Davison Upon the Occasion of His Retirement

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

RESOLUTION NO. 2022-023

A RESOLUTION CONGRATULATING ROBERT A. DAVISON UPON THE OCCASION OF HIS RETIREMENT

WHEREAS, ROBERT A. DAVISON (MR. DAVISON) attended California Polytechnic State University, San Luis Obispo where he earned a Bachelor of Science Degree in Civil Engineering in 1986; and that same year, began his professional career with the Pacific Gas and Electric Company in San Francisco, where he designed hydroelectric structures; and

WHEREAS, MR. DAVISON was hired by the County of Sacramento in October 1989, as an Associate Civil Engineer for the Public Infrastructure Planning and Financing Section; and went on to earn a Master's Degree in Business Administration from California State University, Sacramento in 1995; and

WHEREAS, during more than three decades with the County, **MR. DAVISON** advanced to Senior Civil Engineer, Manager of Special Districts, and finally to the County Engineer position in 2012, where he managed the Site Improvement and Permits Section (SIPS), the Special Districts Section, and the Surveys Section; and

WHEREAS, in addition to the aforementioned responsibilities, **MR. DAVISON** was appointed to serve as the Executive Director of the Sacramento Metropolitan Cable Television Commission (SMCTC) in April 2006; and

WHEREAS, MR. DAVISON as SMCTC's Executive Director worked diligently to successfully navigate numerous cable related matters and concerns; and

WHEREAS, MR. DAVISON led the successful transition from local cable franchises to statewide franchises under the Digital Infrastructure and Video Competition Act of 2006, protecting SMCTC, its member agencies, and local channel licensees; and

WHEREAS, MR. DAVISON implemented the collection of PEG fees from local cable franchises to provide funding for Metro Cable and SMCTC Channel Licensees to purchase PEG equipment and facilities to operate SMCTC's seven local PEG channels; and

WHEREAS, MR. DAVISON recently announced his retirement from his County position effectively November 2, 2022, which resulted in his retirement as SMCTC's Executive Director.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Sacramento Metropolitan Cable Television Commission expresses its gratitude and appreciation to **ROBERT A. DAVISON** for his more than 16 years of service as Executive Director to the Sacramento Metropolitan Cable Television Commission and wishes him only the best for his future endeavors.

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 1st day of December 2022, by the following vote, to wit:

AYES:

NOES:

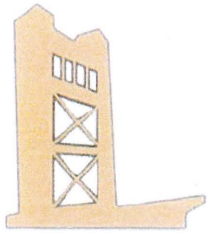
ABSTAIN:

ABSENT:

Chair of the Board

ATTEST:

Clerk of the Board



SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

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

AGENDA ITEM NO. 5

DATE: December 1, 2022

TO: Chair and Board of Directors

FROM: Candice Mabra, Executive Director

SUBJECT: **RESOLUTION NO. 2022-024, CONGRATULATING SUPERVISOR DON NOTTOLI UPON THE OCCASION OF HIS RETIREMENT**

RECOMMENDATION:

It is recommended the Board adopt Resolution No. 2022-024, Congratulating Supervisor Don Nottoli Upon the Occasion of His Retirement.

DISCUSSION:

After more than 28 years of representing the 5th District on the Sacramento County Board of Supervisors, as well as serving as a Board Member on the Sacramento Metropolitan Cable Television Commission Board, Supervisor Don Nottoli has announced he will be retiring at the of his term in 2022.

The Commission is honored to have worked with Supervisor Don Nottoli and would like to express its sincere appreciation and gratitude to him for his continual support of the Sacramento Metropolitan Cable Television Commission mission and purpose.

RECOMMENDATION:

Staff recommends the Board adopt Resolution No. 2022-024, Congratulating Supervisor Don Nottoli Upon the Occasion of His Retirement.

Respectfully submitted,


CANDICE MABRA, Executive Director
Sacramento Metropolitan Cable Television Commission

Attachment:

Resolution No. 2022-024, Congratulating Supervisor Don Nottoli Upon the Occasion of His Retirement

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

RESOLUTION NO. 2022-024

**A RESOLUTION CONGRATULATING SUPERVISOR DON NOTTOLI
UPON THE OCCASION OF HIS RETIREMENT**

WHEREAS, SUPERVISOR DON NOTTOLI was born in Sacramento and raised in Galt and followed his father, Don Nottoli, Sr. who served as a Board Member for 40 years on Galt's Joint Elementary School District Board into community service; and

WHEREAS, SUPERVISOR NOTTOLI earned his Bachelor's Degree in Government/Journalism from Sacramento State University in 1978; and

WHEREAS, SUPERVISOR NOTTOLI was elected to the Galt High School District Board of Trustees and served for more than 17 years as a Board Member, and also served on the Galt City Council; and

WHEREAS, SUPERVISOR NOTTOLI since 1993 served as Chief Assistant to his friend and mentor, former Fifth District County Supervisor Toby Johnson; and

WHEREAS, SUPERVISOR NOTTOLI was elected to the Sacramento County Board of Supervisors in 1994 representing District 5, which encompasses 650 square miles and includes the cities of Elk Grove, Galt, Isleton and Rancho Cordova, as well as rural areas and communities in the southern portion of Sacramento County and the Delta; and

WHEREAS, SUPERVISOR NOTTOLI first served as Board Alternate on behalf of Supervisor Toby Johnson on the Sacramento Metropolitan Cable Television Commission Board and later served as a Board Member for many years; and

WHEREAS, SUPERVISOR NOTTOLI has been instrumental in supporting the vision and mission of the Sacramento Metropolitan Cable Television Commission; and

WHEREAS, during SUPERVISOR NOTTOLI'S tenure, the Commission successfully transitioned to statewide video franchises under the Digital Infrastructure and Video Competition Act of 2006, to ensure that cable providers paid all fees and charges owed to the Commission's member agencies, and protected local public access television.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Sacramento Metropolitan Cable Television Commission expresses its sincere gratitude and appreciation to **SUPERVISOR DON NOTTOLI** for his more than 44 years of dedicated public service to the residents of the County of Sacramento and wishes him only the best in his retirement and future endeavors.

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 1st day of December 2022, by the following vote, to wit:

AYES:

NOES:

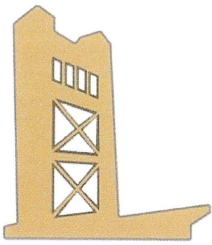
ABSTAIN:

ABSENT:

ATTEST:

Chair of the Board

Clerk of the Board



SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

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

AGENDA ITEM NO. 6

DATE: December 1, 2022

TO: Chair and Board of Directors

FROM: Candice Mabra, Executive Director

SUBJECT: REVIEW OF FRANCHISE & PEG FEES REMITTED BY COMCAST FOR THE PERIOD JANUARY 1, 2020 THROUGH DECEMBER 31, 2021

RECOMMENDATION:

It is recommended the Board receive and file the report of the review of franchise and Public, Educational, and Government (PEG) fees remitted to the Sacramento Metropolitan Cable Television Commission (Commission) by Comcast for the period January 1, 2020 through December 31, 2021.

BACKGROUND/DISCUSSION:

The attached report of the review of the franchise and Public, Educational, and Government (PEG) fees remitted to the Commission by Comcast for the period January 1, 2020 through December 31, 2021 was performed by Carolyn Sculco, with Ashpaugh & Sculco, CPAS, PLC (A&S). The review was performed under the authority of the Digital Infrastructure and Video Competition Act (DIVCA) of 2006. The purpose of the review was to determine whether Comcast was in conformance with its franchise and PEG fee obligations pursuant to its state franchise under the DIVCA.

In accordance with the DIVCA, the franchise fee obligation is 5% of gross revenues and the PEG fee obligation is 1% gross revenues. A&S identified the total amount now due to the Commission for underpayment of franchise, PEG fees, and interest charges for the period reviewed:

Description	Franchise Fees	PEG Fees	Total Underpayment due to SMCTC
Total Amount Due Before Interest	\$43,665	\$8,733	\$52,397
Interest Charges	\$4,176	\$1,264	\$5,440
Total Amount Due With Interest	\$47,841	\$9,997	\$57,837

Agenda Item No. 6

Review of Franchise & PEG Fees Remitted by Comcast for the Period January 1, 2020 through December 31, 2021

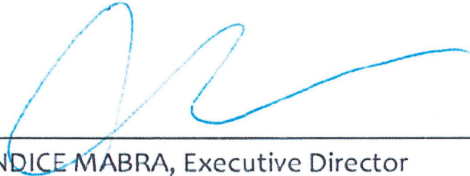
Page 2

A letter was sent to Comcast notifying them of the underpayment. Comcast agreed with the findings from the review of franchise & PEG fees remitted to the Commission for the period of January 1, 2020 through December 31, 2021; and issued a payment to the Commission on November 9, 2022 for \$58,038, which included interest owed.

RECOMMENDATION:

It is recommended the Board receive and file the report of the review of franchise & PEG fees remitted by Comcast for the Period January 1, 2020 through December 31, 2021. The Commission will continue the practice of conducting reviews of franchise & PEG fees remitted to the Commission by Comcast, with a concentrated focus on the accurate reporting of gross revenues to ensure proper amounts are remitted to the Commission.

Respectfully submitted,



CANDICE MABRA, Executive Director
Sacramento Metropolitan Cable Television Commission

Attachment:

Review of Franchise & PEG Fees Remitted by Comcast from January 1, 2020 through December 31, 2021



ASHPAUGH & SCULCO, CPAs, PLC
Certified Public Accountants and Consultants

October 11, 2022

Robert Davison, Executive Director
Sacramento Metropolitan Cable TV Commission
799 G Street, 4th Floor
Sacramento, CA 95814

Subject: Review of Franchise and PEG Fees Paid by Comcast to the Sacramento Metropolitan Cable Television Commission, California

Dear Mr. Davison:

Ashpaugh & Sculco, CPAs, PLC (A&S) was engaged by the Sacramento Metropolitan Cable Television Commission, California (SMCTC) to review the franchise and PEG fees paid by Comcast in accordance with Comcast's state franchise under the Digital Infrastructure and Video Competition Act of 2006 (DIVCA) enacted in California. Please find enclosed our findings for the review period of January 1, 2020 through December 31, 2021. To review the franchise and PEG fees paid by Comcast, A&S performed the Scope of Work included on page two of this letter report.

This letter report is intended solely for the information and use of the SMCTC, is not intended to be, and should not be used by anyone other than these specified parties. It is our opinion that the total amount due to the SMCTC from Comcast for underpayment of franchise fees, PEG fees, and interest charges totals \$57,837, as shown on page one of this letter report.

We appreciate the opportunity to be of service to you. If you have any questions, please let us know.

Sincerely,

ASHPAUGH & SCULCO, CPAs, PLC

Ashpaugh & Sculco, CPAs, PLC

ANALYSIS OF FRANCHISE AND PEG FEES PAID BY COMCAST TO THE
SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

SUMMARY

Ashpaugh & Sculco, CPAs, PLC (A&S) was engaged by the Sacramento Metropolitan Cable Television Commission, California (SMCTC) to review the franchise and PEG fees paid by Comcast. The purpose of our review was to determine whether Comcast conformed with Comcast's state franchise under the Digital Infrastructure and Video Competition Act of 2006 (DIVCA) enacted in California. In accordance with DIVCA, franchise fees are 5.00% of gross revenues and the PEG fee obligation is 1.00% of gross revenues. A&S identified the total amount due to the SMCTC for underpayment of franchise fees, PEG fees, and interest charges is \$57,837.

TABLE 1

Ln No.	Description	Franchise Fees Due to the SMCTC	PEG Fees Due to the SMCTC	Total Due to the SMCTC
1	Franchise and PEG Fees Paid by Comcast	\$21,917,860	\$4,383,572	\$26,301,431
2	California PUC Fees	(69,736)	-	(69,736)
3	Franchise and PEG Fees Paid by Comcast	\$21,848,124	\$4,383,572	\$26,231,696
Adjustments				
4	Subscriber Revenues	\$3,682	\$736	\$4,419
5	Bad Debt	1,652	330	1,982
6	Home Shopping Revenues	38,331	7,666	45,997
7	Total Adjustments	\$43,665	\$8,733	\$52,397
8	Franchise and PEG Fees Calculated by A&S (Lns. 3+7)	\$21,891,788	\$4,392,305	\$26,284,093
9	Franchise and PEG Fees Paid by Comcast (from Ln. 3)	(21,848,124)	(4,383,572)	(26,231,696)
10	Additional Franchise Fees Due to SMCTC	\$43,665	\$8,733	\$52,397
11	Interest Charges	4,176	1,264	5,440
12	Total Amount Due to SMCTC	\$47,841	\$9,997	\$57,837

A&S was not engaged to and did not perform an audit of Comcast, the objective of which would be the expression of an opinion that the financial statements provide a representation of the operations for the period reviewed. Accordingly, we do not express such an opinion. Had A&S performed such additional procedures, other matters might have come to our attention that would have been reported to the SMCTC. This report relates only to a review of Comcast's gross revenues used to calculate franchise and PEG fees and does not extend to any financial statements of Comcast or the SMCTC. A&S has relied solely on the information provided to us by the SMCTC and Comcast.

A&S reviewed the franchise and PEG fees paid by Comcast to the SMCTC to determine whether Comcast complied with franchise and PEG fee obligations of DIVCA. The analysis was performed solely to assist the SMCTC with respect to evaluating franchise and PEG fees owed by Comcast to the SMCTC for the review period. The conclusions and recommendations are based on data

ANALYSIS OF FRANCHISE AND PEG FEES PAID BY COMCAST TO THE SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

responses, accounting records, and interviews provided by the SMCTC and Comcast. A&S performed the following Scope of Work:

1. Submitted initial data request to Comcast, on behalf of the SMCTC, requesting information for the review period.
2. Reviewed DIVCA, to gain an understanding of the terms, conditions, and requirements for determining franchise and PEG fees.
3. Submitted data requests to Comcast to resolve outstanding items and questions.
4. Corresponded with Comcast and the SMCTC's staff, if needed, to obtain additional information.
5. Reconciled the gross revenues reported in franchise and PEG fee payments to supporting data provided by Comcast.
6. Determined whether the categories of revenues were correctly included in the calculation of franchise and PEG fees.
7. Summarized the dollar impact of any exceptions.
8. Calculated interest charges associated with the underpayment of franchise and PEG fees.
9. Submitted report to the SMCTC summarizing our findings and recommendations.

REVIEW OF FRANCHISE AND PEG FEES

In accordance with the DIVCA, franchise fees are 5.00% and PEG fees are 1.00% of gross revenues, respectively. A&S reviewed the franchise and PEG fees paid by Comcast to the SMCTC for the review period of January 1, 2020 through December 31, 2021. The total amount due to the SMCTC for underpayment of franchise and PEG fees is \$57,837. We explain our adjustments and reference them by line number in the remainder of this report, using the same line numbers listed in Table 1 on Page 1.

ANALYSIS OF SUBSCRIBER REVENUES

Comcast earns a substantial portion of its revenues from cable television subscriber revenues. Cable subscriber revenues include amounts received for programming (basic, digital, high-definition), premium channels, franchise fees, pay-per-view, installation charges, channel guides, equipment lease rentals, late fees, returned check fees, and other miscellaneous charges. A&S reconciled the subscriber revenues to the franchise and PEG fee payments, on a test basis, utilizing the same data as Comcast for reporting revenues to the SMCTC.

Subscriber Revenues (Line 4)

A&S reviewed the monthly subscriber revenues to determine whether the revenues were correctly included in the gross revenues reported to the SMCTC. Comcast excluded certain subscriber revenues because, in Comcast's opinion, they were not revenues in accordance with the definition of gross subscriber revenues. We reviewed the revenues and made an adjustment to include the subscriber revenues that should have been reported to the SMCTC. Comcast has

acknowledged this is an error and concurs with our finding. A&S made an adjustment for the difference.

Bad Debt (Line 5)

Subscriber bad debt reported to the SMCTC should include only actual video write-offs and recoveries. Comcast utilized the CPSM-318 third-party billing reports to calculate the bad debt reported to the SMCTC. The CPSM-318 reports listed actual bad debt write-offs and recoveries by line of business. However, the bad debt detail was not accurately reported by line of business. Thus, Comcast estimated video write-offs based on an allocation of video revenues to total subscriber revenues. A&S allocated net bad debt, as shown on the CPSM-318 reports, using the total subscriber revenues, plus our adjustments, to the total amounts collected from subscribers. A&S made an adjustment to bad debt for the difference in Comcast's estimate of bad debt compared to our estimate of bad debt.

Due to the confidential nature of the subscriber revenues, we have not provided any additional detail in this report. At Comcast's request and with the SMCTC's approval, we will submit supporting calculations to Comcast for subsequent review and discussion.

NON-SUBSCRIBER REVENUES

Comcast included non-subscriber revenues generated from advertising, home shopping and other revenues in the gross revenues used to calculate the franchise fees paid to the SMCTC. A&S obtained and reviewed the amounts from data provided by Comcast. A&S identified the following discrepancy, which is shown in Table 1.

Home Shopping Revenues (Line 6)

A&S recalculated home shopping revenues and compared the amounts to the home shopping revenues reported by Comcast. A&S noted that Comcast incorrectly allocated home shopping revenues to the SMCTC during 2020. Comcast has acknowledged this is an error and concurs with our finding. A&S made an adjustment for the difference.

INTEREST CHARGES (Line 11)

Interest charges are defined in DIVCA, Section 5860, paragraph (h) as follows:

The state franchise fee shall be remitted to the applicable local entity quarterly, within 45 days after the end of the quarter for that calendar quarter. Each payment shall be accompanied by a summary explaining the basis for the calculation of the state franchise fee. If the holder does not pay the franchise fee when due, the holder shall pay a late payment charge at a rate per year equal to the highest prime lending rate during the period of delinquency, plus 1 percent. If the holder has overpaid the franchise fee, it may deduct the overpayment from its next quarterly payment.

A&S calculated interest charges, compounded annually, for the underpayment of franchise fees utilizing the prime rate plus 1.00%. The prime rate plus 1.00% is shown in the table below. A&S assumed that payment of the outstanding amount would be on October 31, 2022. Additional

ANALYSIS OF FRANCHISE AND PEG FEES PAID BY COMCAST TO THE
SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

interest charges will accrue if payment is after October 31, 2022. Interest charges will be recalculated based on when actual payment is expected to be received.

Period Interest Rate was in Effect	Prime Rate Plus 1.00%
May 2020 – March 31, 2022	4.25%
April 1, 2022 – May 31, 2022	4.50%
June 2022	5.00%
July 2022	5.75%
August 2022 – September 2022	6.50%
October 2022	7.25%

DIVCA does not address the issue of interest charges for the underpayment of PEG fees. Therefore, A&S utilized the language from the California Constitution, Article 15, Section 1, to determine the interest charges associated with PEG fees. A&S calculated interest charges at 7.00%, compounded annually, through October 31, 2022. Additional interest charges will accrue if payment is after October 31, 2022. Interest charges will be recalculated based on when actual payment is expected to be received.

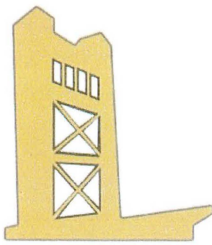
AUDIT FEES

In accordance with DIVCA, Section 5860(i), "If the examination discloses that the holder has underpaid franchise fees by more than 5 percent during the examination period, the holder shall pay all of the reasonable and actual costs of the examination." The identified underpayment due to the SMCTC from our review exceeded the 5.00% threshold for the review period. Thus, reimbursement of the audit fee is not included in Table 1.

CONCLUSION

A&S recommends pursuing the underpayment of franchise fees totaling \$57,837 from Comcast. It is reasonable to assume that some of the findings noted in this report might apply to payments after December 31, 2021.

A&S proposes that the SMCTC request that Comcast maintains all financial records related to the determination of franchise and PEG fees if the SMCTC decides to review additional years later. The financial records should include all accounting records, general ledgers, analyses, number of subscribers, and supporting detail for advertising revenues. It is imperative to maintain these records because clerical errors, changes in accounting methods or unique situations that would not surface during the year may be discovered under direct question and analyses.



SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

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

AGENDA ITEM NO. 7

DATE: December 1, 2022

TO: Chair and Board of Directors

FROM: Candice Mabra, Executive Director

SUBJECT: REVIEW OF FRANCHISE & PEG FEES PAID BY DIRECTV TO THE SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION FOR THE PERIOD AUGUST 1, 2021 THROUGH DECEMBER 31, 2021

RECOMMENDATION:

It is recommended the Board receive and file the review of franchise and PEG fees paid by DirecTV to the Sacramento Metropolitan Cable Television Commission (Commission) for the Period August 1, 2021 through December 31, 2021.

BACKGROUND/DISCUSSION:

The review of the franchise and public, educational, government (PEG) fees remitted to the Commission by DirecTV for the Period August 1, 2021 through December 31, 2021 was performed by Carolyn Sculco with Ashpaugh & Sculco, CPAs, PLC (A&S).

AT&T entered into a deal with a private equity firm (TPG) to spin off its DirecTV, AT&T and U-Verse businesses, according to a SEC filing released in February 2021; whereby under the Agreement, AT&T and TPG was to form a new company called DirecTV (a standalone company). The DIVCA franchise was subsequently transferred to DirecTV.

The review performed by A&S was in accordance with DirecTV's state franchise under the Digital Infrastructure and Video Competition Act of 2006 (DIVCA); to solely assist the Commission with respect to evaluating franchise & PEG fees paid by DirecTV for the period reviewed.

The review and findings were made by the auditor based on data responses, accounting records, and documentation provided by Commission staff and DirecTV. As a result of that review, A&S identified the following amounts due to the Commission for underpayment of franchise and PEG fees, including interest charges:

Description	Franchise Fees	PEG Fees	Total Underpayment due to SMCTC
Total Amount Due Before Interest	\$3,040	\$609	\$3,649
Interest Charges	\$130	\$34	\$164
Total Amount Due With Interest	\$3,170	\$6423	\$3,813

Agenda Item No. 7

Review of Franchise & PEG Fees Remitted by DirecTV to Sacramento Metropolitan Cable Television Commission for the Period August 1, 2021 through December 31, 2021

Page 2

A letter was sent to DirecTV letter notifying them of the underpayment. DirecTV agreed with the findings and issued payment to SMCTC on November 14, 2022 for \$3,813.

RECOMMENDATION:

It is recommended the Board receive and file the review of franchise & PEG fees remitted by DirecTV to SMCTC for the period August 1, 2021 through December 31, 2021. The Commission will continue the practice of conducting biennial audits of franchise and PEG fees remitted by DirecTV.

Respectfully submitted,



CANDICE MABRA, Executive Director
Sacramento Metropolitan Cable Television Commission

Attachment:

Review of Franchise & PEG Fees Remitted by DirecTV to SMCTC for the Period August 1, 2021 through December 31, 2021



ASHPAUGH & SCULCO, CPAs, PLC
Certified Public Accountants and Consultants

October 4, 2022

Robert Davison, Executive Director
Sacramento Metropolitan Cable TV Commission
799 G Street, 4th Floor
Sacramento, CA 95814

Subject: Review of the Franchise and PEG Fees Paid by DirecTV to the Sacramento Metropolitan Cable Television Commission, California for the Period of August 1, 2021 Through December 31, 2021

Dear Mr. Davison:

We have enclosed the report of our review of the franchise and PEG fees paid by DirecTV to the Sacramento Metropolitan Cable Television Commission, California (SMCTC) from August 1, 2021 through December 31, 2021 in accordance with DirecTV's state franchise under the Digital Infrastructure and Video Competition Act of 2006 (DIVCA) enacted in California.

This report is intended solely for the information and use of the SMCTC, is not intended to be, and should not be used by anyone other than these specified parties. It is our opinion that the amount due to the SMCTC from DirecTV totals \$3,813, as shown on page one of this letter report.

We appreciate the opportunity to be of service to you. If you have any questions, please do not hesitate to call us at (407) 645-2020.

Sincerely,

ASHPAUGH & SCULCO, CPAS, PLC

Ashpaugh & Sculco, CPAs, PLC

REVIEW OF THE FRANCHISE AND PEG FEES
PAID BY DIRECTV TO THE SMCTC, CALIFORNIA

SUMMARY

Ashpaugh & Sculco, CPAs, PLC (A&S) has reviewed the franchise and PEG fees paid by DirecTV to the Sacramento Metropolitan Cable Television Commission, California (SMCTC) from August 1, 2021 through December 31, 2021 (review period). The purpose of our review was to determine whether the franchise and PEG fee payments paid by DirecTV to the SMCTC were in conformance with the state franchise under the Digital Infrastructure and Video Competition Act of 2006 (DIVCA) enacted in California.

In accordance with DIVCA, franchise fees are 5.00% of gross revenues and PEG fees are 1.00% of gross revenues. A&S identified an amount due to the SMCTC for the underpayment of franchise and PEG fees, including interest charges, of \$3,813. We have itemized the underpayment of franchise and PEG fees on the following table. We explain our adjustments and reference them by item number in the remainder of this report, using the same item numbers listed in Table 1.

TABLE 1

Ln. No	Description	Franchise Fees Due to SMCTC	PEG Fees Due to SMCTC	Total Due to SMCTC
1	Franchise and PEG Fees Paid by DirecTV	\$401,784	\$80,360	\$482,144
	<u>Adjustments</u>			
2	Late Fees	\$2,851	\$570	\$3,421
3	Convenience Fees	53	11	63
4	Returned Check Charges	52	10	63
5	Credit Adjustments	134	27	162
6	Home Shopping Revenues	(50)	(10)	(60)
7	Total Adjustments	\$3,040	\$608	\$3,649
8	Franchise and PEG Fees Calculated by A&S	\$404,824	\$80,968	\$485,792
9	Franchise and PEG Fees Paid by DirecTV	(401,784)	(80,360)	(482,144)
10	Total Before Interest Charges	\$3,040	\$608	\$3,649
11	Interest Charges	130	34	165
12	Total Amount Due to SMCTC	\$3,170	\$643	\$3,813

SCOPE OF WORK

A&S was not engaged to and did not perform an audit of DirecTV, the objective of which would be the expression of an opinion that the financial statements provide a representation of the operations for the period reviewed. Accordingly, we do not express such an opinion. Had A&S performed such additional procedures, other matters might have come to our attention that would have been reported to the SMCTC. This report relates only to a review of DirecTV's gross revenues used to calculate franchise and PEG fees and does not extend to any financial statements of DirecTV or the SMCTC. A&S has relied solely on the information provided to us by

the SMCTC and DirecTV. This report is intended solely for the information and use of the SMCTC, is not intended to be, and should not be used by anyone other than this specified party.

A&S reviewed the franchise and PEG fees paid by DirecTV to the SMCTC to determine whether DirecTV complied with the franchise and PEG fee obligations of DIVCA. The review was performed solely to assist the SMCTC with respect to evaluating franchise and PEG fees paid by DirecTV to the SMCTC for the review period. We based our conclusions and recommendations on data responses, accounting records, and interviews provided by the SMCTC and DirecTV. To analyze franchise and PEG fees, A&S performed the following Scope of Work:

Project Kick-Off and General Steps

1. Contact the SMCTC staff to obtain the documentation required to kick-off the project, including, but not limited to:
 - a. Copies of franchise and PEG fees paid to the SMCTC for the review period and any supporting information; and
 - b. Copies of other documentation and correspondence between the SMCTC and DirecTV relevant to the review period and consistent with DIVCA.
2. Submit initial data request to DirecTV requesting information for the review period. During the project, if needed, prepare and submit additional data requests.
3. If required, execute a non-disclosure agreement with DirecTV in order to obtain confidential data.
4. Correspond with the SMCTC, DirecTV via phone, mail, and email to obtain data, resolve issues, and obtain assistance.
5. Review the franchise and PEG fee payments to the SMCTC to determine whether the franchise and PEG were calculated in accordance with DIVCA.

Subscriber Revenues

6. Reconcile gross revenues reported in the franchise and PEG fee payments to revenues recorded in the general ledgers or equivalent reporting information.
7. Review the components of reported subscriber revenues consistent with the definition of gross revenues in DIVCA to ensure the amounts were correctly included in the franchise and PEG fees reported to the SMCTC.
8. Identify each revenue type that DirecTV did not include in the determination of the franchise and PEG fees remitted to the SMCTC for the review period and note if the methodology is consistent with DIVCA.

Non-Subscriber Revenues

9. Reconcile non-subscriber revenue categories reported in the franchise and PEG fee payments to the documentation provided by DirecTV.
10. Review and recalculate the allocation of non-subscriber revenues to ensure that they were correctly included in the franchise and PEG fees reported to the SMCTC.

Final Report

11. Submit report to the SMCTC. The report will include:
 - a. Supporting table that summarizes our findings by year and category of service;
 - b. Calculations of under/overpayments of the franchise and PEG fees by category of revenues including any associated interest charges; and,
 - c. Identification of any areas of noncompliance and our recommended actions.

SUBSCRIBER REVENUES

DirecTV earns a substantial portion of its revenues from cable television subscriber fees. Cable subscriber revenues include amounts received for programming (basic, digital, high-definition), premium channels, franchise fees, pay-per-view, installation charges, channel guides, equipment lease rentals, late fees, returned check fees, and other miscellaneous charges. A&S reconciled the subscriber revenues to franchise and PEG fee payments utilizing the same data as DirecTV for reporting revenues to the SMCTC.

Late Fees (Line 2)

DirecTV charged a past due collection fee, also known as a late fee, to subscribers if payment was not received on or before the bill due date. The late fee was the same amount no matter whether the subscriber was taking a single service or multiple services. DirecTV included amounts collected from subscribers for late payment fees in the gross revenues reported to the SMCTC. However, DirecTV allocated the late fees based on the services taken by the subscriber during that month, i.e., if a subscriber took voice, video, and Internet services, one-third of the late fee was included in reported gross revenues. Since late fees are associated with the bill and not a specific line of service or services, A&S made an adjustment to include 100% of the late fees collected from video subscribers for the review period.

Convenience Fees (Line 3)

DirecTV charged a convenience fee when a customer service representative processed a subscriber payment. DirecTV included the convenience fees in the revenues reported to the SMCTC. However, DirecTV allocated the convenience fee based on the services the subscriber took during that month, i.e., if a subscriber took voice, video, and Internet services, one-third of the convenience fee was included in reported gross revenues. Since convenience fees are associated with the bill and not a specific line of service or services, A&S made an adjustment to include 100% of the convenience fees collected from video subscribers for the review period.

Returned Check Charges (Line 4)

DirecTV charged a returned check fee to subscribers when the bank returned a check because of insufficient funds. DirecTV included the returned check charges in the revenues reported to the SMCTC. However, DirecTV allocated the returned check charges based on the services taken by the subscriber during that month, i.e., if a subscriber took voice, video, and Internet services, one-third of the returned check charge was included in reported gross revenues. Since returned check charges are associated with the non-payment of the bill and not a specific line of service

or services, A&S made an adjustment to include 100% of the returned check charges collected from video subscribers for the review period.

Credit Adjustments (Line 5)

Each month, DirecTV reduced subscriber revenues by a "credit adjustment." However, the "credit adjustment" included Internet, telephone, and video services, as well as lump-sum credits to address subscriber complaints. DirecTV provided A&S with supporting schedules so that we could reasonably determine how much of the credit was applicable to video. Based on our review of the data provided by DirecTV, A&S accepted the portion of the credit-related to video and made an adjustment to reverse the non-video related charges for the review period.

NON-SUBSCRIBER REVENUES

In accordance with DIVCA, DirecTV included non-subscriber revenues generated from advertising, home shopping, and other revenues. A&S reviewed the revenues from supporting documentation provided by DirecTV.

Home Shopping Revenues (Line 6)

A&S recalculated the home shopping revenues and compared the amounts to the home shopping revenues that DirecTV reported to the SMCTC. A&S adjusted the home shopping revenues to reflect the revised amounts.

INTEREST CHARGES (Line 11)

Interest charges for franchise fees are defined in DIVCA, Section 5860, paragraph (h) as follows:

The state franchise fee shall be remitted to the applicable local entity quarterly, within 45 days after the end of the quarter for that calendar quarter. Each payment shall be accompanied by a summary explaining the basis for the calculation of the state franchise fee. If the holder does not pay the franchise fee when due, the holder shall pay a late payment charge at a rate per year equal to the highest prime lending rate during the period of delinquency, plus 1 percent. If the holder has overpaid the franchise fee, it may deduct the overpayment from its next quarterly payment.

In accordance with DIVCA, A&S calculated interest charges through October 31, 2022 for the underpayment of franchise fees utilizing the prime rate of interest plus 1.00%, compounded annually. Interest charges should be recalculated based on when the actual payment is received.

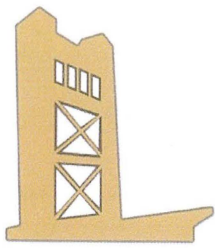
DIVCA does not address the issue of interest charges for the underpayment of PEG fees. Therefore, A&S utilized the language from the California Constitution, Article 15, Section 1, to determine the interest charges associated with PEG fees. A&S calculated interest charges at 7.00%, compounded annually, through October 31, 2022. Interest charges would be recalculated based on when actual payment is expected to be received.

AUDIT FEES

In accordance with DIVCA, Section 5860(i), "If the examination discloses that the holder has underpaid franchise fees by more than 5 percent during the examination period, the holder shall pay all of the reasonable and actual costs of the examination." The identified underpayment due to the SMCTC from our review did not exceed the 5.00% threshold for the review period. Thus, we did not include the reimbursement of audit fees in our findings.

RECOMMENDATIONS

A&S recommends that the SMCTC pursue payment of \$3,831 from DirecTV for the underpayment of franchise and PEG fees, including interest charges. Based on our review, it is reasonable to assume that some of the findings noted in this report could apply to franchise and PEG fees paid to the SMCTC in future quarters. A&S proposes that the SMCTC request that DirecTV maintains all relevant financial records in case the SMCTC decides to review additional years later. The financial records should include accounting records, general ledgers, the number of subscribers, and data for advertising revenues. It is imperative to maintain these records because clerical errors, changes in accounting methods, or unique situations that would not surface during the year may be discovered under direct questions and analyses.



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

AGENDA ITEM NO. 8

DATE: December 1, 2022

TO: Chair and Board of Directors

FROM: Candice Mabra, Executive Director

SUBJECT: CALENDAR YEAR 2022 SURPLUS PROPERTY LIST

RECOMMENDATION:

It is recommended the Board receive and file the Surplus Property List for Calendar Year 2022.

BACKGROUND/DISCUSSION:

As recommended by the Commission's Auditor a number of years ago, staff implemented the practice of conducting a physical inventory of fixed assets annually. This allows the Commission to maintain an accurate list of inventory and to track Commission-owned equipment, supplies, and furnishings as well as to track items that are surplus annually, specifically items that were no longer needed nor in use by the Commission.

The Commission Board discussed notifying the Commission's Channel Licensees, local agencies, non-profits, schools, and small businesses of the opportunity to receive equipment that was no longer needed nor used by the Commission. As a result, the Board approved Resolution No. 2022-014 at its June 2, 2022 meeting. The approved Revised Fixed Assets Disposal Policy now outlines the opportunity for parties to acquire unused equipment prior to disposal.

Following the June Board meeting, staff took the following actions:

- In July 2022, a list of items deemed donatable was posted at the Commission website for 45 days.
- Forwarded the list of donatable items to SMCTC's Channel Licensees (Access Sacramento, KVIE, and SECC) and asked them to help disseminate the information about the opportunity to their networks and to potential interested parties.
- Forwarded the list to staff at local college's film and TV departments as well as to local non-profits and small businesses.

As a result, two parties applied to receive surplus items:

- Sacramento State's Film Department requested and received 17 items.
- Catalyst Unfound (local business) requested and received 48 items.

AGENDA ITEM NO. 8

CALENDAR YEAR 2022 SURPLUS PROPERTY LIST

The items on the attached surplus list were left over following the completion of the donation process. In accordance with the Fixed Assets Disposal Policy, the remaining Calendar Year 2022 surplus items were taken to the County Surplus Department by Metro Cable's staff in September 2022.

RECOMMENDATION:

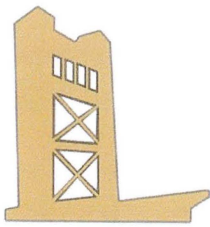
It is recommended the Board receive and file the Calendar Year 2022 Surplus Property list.

Respectfully submitted,



CANDICE MABRA, Executive Director
Sacramento Metropolitan Cable Television Commission

Attachment:
Surplus Property List (Calendar Year 2022)



SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

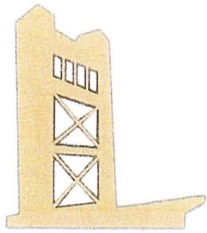
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SURPLUS PROPERTY LIST CALENDAR YEAR 2022*

Inventory Tag #	Serial #	Brand/Make	Model #	Description of Property
1 195633	N/A	Eiki	N/A	Eiki Standmaster
2 204952	12090640949	Kramer	VM-1010	Kramer Distribution Amplifier
3 204953	12090640962	Kramer	VM-1010	Kramer Distribution Amplifier
4 204954	12090638661	Kramer	VM1610	Kramer 1x10 Distribution Amplifier w/ Screw Terminals
5 204979	17050792309	Kramer	VS-101A/V Switcher	Kramer 10x1 Switcher
6 204985	063C1177	JVC	SR-MV45U	VHS/DVD Recorder
7 205005	470DA-112	EEG	Smart Encoder III	EEG Smart Encoder III
8 205009	BI19HCHYB03723B	Samsung	930B	Samsung Monitor #930B
9 212148	904NDFVE1923	LG	W1953T	Flat LCD Computer Monitor
10 212190	79261	ATI	DA2016-1	Dual 1x8 Distribution Amplifier
11 213652	2 ASI/RX40/0710-04	Maxcom	MX270R	SDI Rx 40Km
12 213674	274404101155	Marshall	V-R82DP-2C	Marshall Dual Monitor
13 213743	11101709600006	Kramer	801-XLM	Kramer Audio Video Switcher
14 213819	N/A	True Innovations	9287	Chair, low back, black vinyl
15 214008	7110261200029	Kramer	VM-1010	Chair, low back, black vinyl
16 215788	AOJ1UMDE24239	Extron	VSC-700D	Scan Converter
17 300071	07140026800001	Sierra Video	Lassen XL	Larssen 16x16 HDSOI 1.5G HD-SDI +Standard Audio 2RU Router
18 300100	12140106200001	Sierra Video	Lassen XL	Larssen 16x16 HDSOI 1.5G HD-SDI +Standard Audio 2RU Router
19 300208	LGPA79503	Canon	K10372	Canon Inkjet Printer
20 300261	A1W044801727	Viewsonic	VLCDS25973-2W	LCD Monitor
21 300262	A1W042551067	Viewsonic	VLCDS25973-2W	LCD Monitor
22 300263	PUB054265731	Viewsonic	VS10040	LCD Monitor VE510b
23 400016	11050692232	Kramer	Vm10xl	Video DA
24 N/A	N/A	N/A	N/A	5x Monitors
25 N/A	N/A	N/A	N/A	8x Box of 50 Unused VHS Tapes
26 N/A	N/A	N/A	N/A	Box of Sigma DAs
27 N/A	390	Link Electronics	AVS-816/HDD	Manual SDI switch

* All equipment on this list were taken to County Surplus located at 9650 Goethe Road on September 30, 2022.



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AGENDA ITEM NO. 9

DATE: December 1, 2022
TO: Chair and Board of Directors
FROM: Candice Mabra, Executive Director
SUBJECT: **REVIEW OF FRANCHISE & PEG FEES PAID BY CONSOLIDATED COMMUNICATIONS, INC. TO THE SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION FOR THE PERIOD JANUARY 1, 2020 THROUGH DECEMBER 31, 2021**

RECOMMENDATION:

It is recommended the Board receive and file the review of franchise and PEG fees paid by Consolidated Communications, Inc. to the Sacramento Metropolitan Cable Television Commission (Commission) for the period January 1, 2020 through December 31, 2021.

BACKGROUND/DISCUSSION:

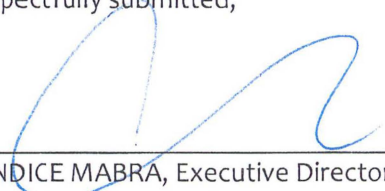
The review of the franchise and public, educational, government (PEG) fees remitted to the Commission by Consolidated Communications, Inc. (CCI) for the period January 1, 2020 through December 31, 2021 was performed by Carolyn Sculco with Ashpaugh & Sculco, CPAs, PLC (A&S).

The review performed by A&S determined that the fees paid by CCI during the period were in compliance with the Digital Infrastructure and Video Competition Act of 2006 (DIVCA). Based on the review, CCI does not owe any additional franchise or PEG fees to SMCTC for the period reviewed.

RECOMMENDATION:

It is recommended the Board receive and file the review of franchise & PEG fees remitted by Consolidated Communications, Inc. for the period January 1, 2020 through December 31, 2021. The Commission will continue the practice of conducting biennial audits of franchise and PEG fees remitted by CCI.

Respectfully submitted,



CANDICE MABRA, Executive Director
Sacramento Metropolitan Cable Television Commission

Attachment:

Review of Franchise & PEG Fees Paid by Consolidated Communications, Inc. to SMCTC for the Period January 1, 2020 through December 31, 2021



ASHPAUGH & SCULCO, CPAs, PLC
Certified Public Accountants and Consultants

November 18, 2022

Candice Mabra, Executive Director
Sacramento Metropolitan Cable TV Commission
799 G Street, 4th Floor
Sacramento, CA 95814

**Subject: Review of Franchise and PEG Fees Paid by Consolidated Communications, Inc.
to the Sacramento Metropolitan Cable Television Commission, California**

Dear Ms. Mabra:

Ashpaugh & Sculco, CPAs, PLC (A&S) was engaged by the Sacramento Metropolitan Cable Television Commission, California (SMCTC) to perform a review of the franchise and PEG fees paid by Consolidated Communications, Inc. (CCI). Please find enclosed our findings for the review period of January 1, 2020, through December 31, 2021. To review the franchise and PEG fees paid by CCI, A&S performed the Scope of Work included on page two of this letter report.

This letter report is intended solely for the information and use of the SMCTC, is not intended to be, and should not be used by anyone other than these specified parties. It is our opinion that CCI does not owe any additional franchise or PEG fees to the SMCTC.

We appreciate the opportunity to be of service to you. If you have any questions, please let us know. We can be reached at (407) 645-2020.

Sincerely,

ASHPAUGH & SCULCO, CPAS, PLC

Ashpaugh & Sculco, CPAs, PLC

SUMMARY

Ashpaugh & Sculco, CPAs, PLC was engaged by the Sacramento Metropolitan Cable Television Commission, California (SMCTC) to perform a review of the franchise and PEG fees paid by Consolidated Communications, Inc. (CCI). The review period was from January 1, 2020 through December 31, 2021 (Review Period).

The purpose of our review was to determine whether CCI was in conformance with CCI's state franchise under the Digital Infrastructure and Video Competition Act of 2006 (DIVCA) enacted in California. In accordance with DIVCA, franchise fees are 5.00% of gross revenues and the PEG fee obligation is 1.00% of gross revenues. It is our opinion that CCI does not owe any additional franchise or PEG fees to the SMCTC.

SCOPE OF WORK

A&S was not engaged to and did not perform an audit of CCI, the objective of which would be the expression of an opinion that the financial statements provide a representation of the operations for the period reviewed. Accordingly, we do not express such an opinion. Had A&S performed such additional procedures, other matters might have come to our attention that would have been reported to the SMCTC. This report relates only to a review of CCI's gross revenues used to calculate franchise and PEG fees and does not extend to any financial statements of CCI or the SMCTC. A&S has relied solely on information provided to us by the SMCTC and CCI. This report is intended solely for the information and use of the SMCTC, is not intended to be, and should not be used by anyone other than this specified party.

A&S performed a review of the franchise and PEG fees paid by CCI to the SMCTC to determine whether CCI complied with the obligations of DIVCA. The review was performed solely to assist the SMCTC with respect to evaluating franchise and PEG fees owed by CCI to the SMCTC for the review period. The conclusions and recommendations are based on data responses, accounting records, and interviews provided by the SMCTC and CCI. A&S performed the following Scope of Work:

1. Submitted initial data request to CCI, on behalf of the SMCTC, requesting information for the review period.
2. Reviewed DIVCA, to gain an understanding of the terms, conditions, and requirements for the determination of franchise and PEG fees.
3. During the project, submitted data requests to CCI to follow-up and resolve outstanding items and questions.
4. Corresponded with CCI and the SMCTC's staff, if needed, to obtain additional information.
5. Reconciled revenues reported in franchise and PEG fee payments to supporting data provided by CCI.
6. For the review period, determined whether all categories of revenues were properly included in the calculation of franchise and PEG fees.
7. Summarized the dollar impact of any exceptions noted for each year.

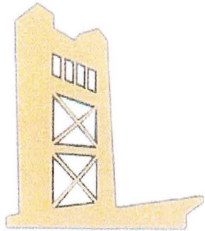
8. Submitted report to the SMCTC summarizing our findings and recommendations.

REVIEW OF SUBSCRIBER REVENUES

CCI earns a substantial portion of its revenues from cable television subscriber fees. Cable subscriber revenues include amounts received for programming, premium channels, franchise fees, pay-per-view, installation charges, equipment lease rentals, late fees, returned check fees and other miscellaneous charges. A&S reconciled the subscriber revenues to the franchise and PEG fee payments, on a test basis, utilizing the same data as CCI for reporting revenues to the SMCTC. A&S did not identify any material discrepancies in the subscriber revenues reported by CCI to the SMCTC for the review period.

REVIEW OF NON-SUBSCRIBER REVENUES

CCI included non-subscriber revenues generated from advertising, home shopping and other revenues in the gross revenues reported to the SMCTC. A&S obtained and reviewed the amounts from supporting documentation provided by CCI. A&S did not identify any material discrepancies in the non-subscriber revenues reported by CCI to the City for the review period.



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AGENDA ITEM NO. 10

DATE: December 1, 2022

TO: Chair and Board of Directors

FROM: Candice Mabra, Executive Director

SUBJECT: GENERAL ADMINISTRATION REPORT

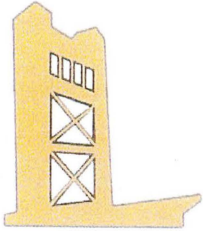
RECOMMENDATION:

It is recommended the Board receive verbal reports from staff regarding the following Commission matters:

1. Introduction of Metro Cable's Programming Coordinator
2. SMCTC Ordinance for Amended and Restated JPA – Status Report
3. Retention of Best Best & Krieger for FCC Advocacy of 621 Order on Remand
4. SacFaith TV – Inquiry of Eligibility for PEG Fee Funding
5. Agreement with Sacramento County for Full Scope Clerk Services
6. SMCTC Classification & Compensation Study

Respectfully submitted,

CANDICE MABRA, Executive Director
Sacramento Metropolitan Cable Television Commission



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AGENDA ITEM NO. 11

DATE: December 1, 2022
TO: Chair and Board of Directors
FROM: Candice Mabra, Executive Director
SUBJECT: CHANNEL LICENSEE REPORTS

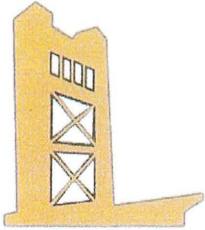
RECOMMENDATION:

It is recommended the Board receive and file reports and comments from the representatives of the following Channel Licensees:

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

Respectfully submitted,

CANDICE MABRA, Executive Director
Sacramento Metropolitan Cable Television Commission



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AGENDA ITEM NO. 12

DATE: December 1, 2022
TO: Chair and Board of Directors
FROM: Candice Mabra, Executive Director
SUBJECT: STATE FRANCHISEE REPORTS

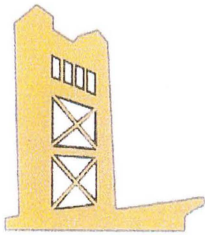
RECOMMENDATION:

It is recommended the Board receive and file reports and comments submitted from representatives of the following state franchisees:

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

Respectfully submitted,

CANDICE MABRA, Executive Director
Sacramento Metropolitan Cable Television Commission



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AGENDA ITEM NO. 13

DATE: December 1, 2022
TO: Chair and Board of Directors
FROM: Candice Mabra, Executive Director
SUBJECT: PUBLIC COMMENTS

RECOMMENDATION:

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

Respectfully submitted,

CANDICE MABRA, Executive Director
Sacramento Metropolitan Cable Television Commission