

**Quad Cities Cable Communications Commission**  
Anoka City Hall – Council Chambers

May 16, 2019, 11:00 AM

**Agenda**

- 1. Call to Order**
- 2. Roll Call**
- 3. Approval of Agenda**
- 4. Administrative Reports**
  - 4.1. Secretary
    - 4.1.1. Approval of the March 21, 2019, commission work session and regular meeting minutes.
  - 4.2. Treasurer
    - 4.2.1. February /March Financial Reports
    - 4.2.2. Quarterly Investment Report
  - 4.3. Executive Director
- 5. General Business**
  - 5.1. 2018 Audit Presentation
  - 5.2. Movie Screen Trailer
  - 5.3. Technology Server Upgrades
  - 5.4. Remote Meeting Participation
- 6. Adjourn**

## **MINUTES OF THE WORK SESSION OF MARCH 21, 2019**

### **CALL TO ORDER – 1**

Chair Heitkamp called the meeting to order at 9:30 a.m. at the Anoka City Hall.

### **ROLL CALL– 2**

Commissioners present were: Erik Skogquist, Anoka; Greg Lee, Anoka; Megan Thorstad, Ramsey; Kurt Ulrich, Ramsey; Jim Dickinson, Andover; Jamie Barthel, Andover; Ryan Sabas, Champlin; and Bret Heitkamp, Champlin.

Commissioners absent: None.

Others present included Karen George, Executive Director; John Sommer, Technology Manager; Katherine Lenaburg, Operations Manager; and Al Onkka, Aurora Consulting.

### **APPROVAL OF AGENDA - 3**

Motion was made by Skogquist and seconded by Thorstad to approve the agenda as presented.

**8 ayes – 0 nays. Motion carried.**

### **STRATEGIC PLAN KICK OFF – 4**

Ms. George highlighted the upcoming planning retreats that will be held from 9:00 a.m. to 4:30 p.m. on April 16<sup>th</sup> and April 23<sup>rd</sup> at Greenhaven.

Al Onkka, Aurora Consulting, introduced himself to the group and noted that the purpose of the meeting today is to talk about strategic planning and the process ahead. He explained participatory strategic planning which is inclusive, which in this case will include participation from both the Commission and staff and is also transparent. He explained that the planning process is designed to promote full and authentic participation, engender commitment to a shared future, model positive and productive collaboration, and develop leadership capacity throughout the organization. He

explained some of the facilitation values that are important during this process. He explained that the participatory strategic plan process creates an energetic buy-in, practical relevance, responsive innovation, and group ownership. He reviewed the guiding question that will be used to spark dialogue in this process which is: in the next five years, how can QCTV innovate to add value to member city services and have positive impact on communities, while building sustainability in a changing media landscape. He explained that there will be two full day workshops that will include the Commission and staff and reviewed the proposed agenda for those workshops.

Ms. George explained that the Strategic Plan does not just sit on a shelf, it is used daily to guide the activities of staff on a daily basis and long-term strategies.

Commissioner Ulrich asked how the experience of new members and longer-term members would be balanced.

Mr. Onkka acknowledged that everyone involved in the process will be bringing in different knowledge. He explained that the first activity of the first workshop will be to share information. He stated that new members may not be able to share specific information on QCTV but could share information on their city and what is important and changing in that city. He stated that the Commission members will be completing the stakeholder interviews and that process will allow both new and old members to learn more about the information shared by the stakeholders. He explained the different strategic layers involved in this process, including the broader items that the Commission will be involved in and the more specific information that staff would be involved in. He provided an overview of the stakeholder interview process, noting that each Commission member will conduct an interview with a QCTV stakeholder with the goals of incorporating broad perspective into the planning process, planning participants to hear directly from the stakeholders, and reminding stakeholders about QCTV and building trust in the planning process. He provided details on how the stakeholder interviews will occur.

Ms. George asked and confirmed consensus that each of the member cities will hold the stakeholder discussions in a group format, such as a workshop setting with the City Council.

Chair Heitkamp asked if the stakeholders have been identified for interviews.

Mr. Onkka reviewed the list of stakeholders that would be assigned for each Commission member, noting that the City Administrator's would be interviewing their City Council. He noted that the City Councilmembers on the Commission would obviously be a part of the Council interviews but noted that their role during that discussion to be to listen to the opinions of the other members of the Council rather than providing their input. He stated that they would also encourage the City Council Commission members to interview another stakeholder that could provide input. He provided the range of stakeholders that will be interviewed by staff members.

Commissioner Dickinson asked if the viewing public would be involved during the process at some point.

Chair Heitkamp stated that QCTV is the primary communication tool to the constituents for each of the four communities. He stated that it looks that the stakeholders identified currently are the people the organization is involved with today, rather than involving the viewing public.

Mr. Onkka stated that viewing constituents are important. He explained that the strategy has identified people that work with viewing constituents in different capacities. He stated that these stakeholders will have a perspective on what they have seen in the community and how the community is using the information shared. He confirmed that the process does not involve actual viewing constituents as this is not a community-wide survey of viewers.

Chair Heitkamp used the example of ESPN, which focuses the bulk of their marketing on the people already viewing the channel rather than attempting to bring in new viewers. He stated that if the organization is looking at a strategic process of where they would like to be in five years, this process only looks inside the bubble.

Commissioner Barthel agreed that this would only consult people in the bubble that actually benefit from the service provided. He stated that if people are not watching the programming, then there would be a problem.

Commissioner Ulrich stated that the organization did a viewer survey in the past and asked if that information could be incorporated into this process.

Ms. George confirmed that a viewer survey was completed in 2016 and noted that she can circulate the information to the Commission.

Commissioner Barthel asked how often that survey is completed.

Ms. George noted that the survey is completed as needed and typically aligns with the Comcast franchise renewal process. She noted that prior to the 2016 survey, the last viewer survey was completed in 2006. She advised that the 2016 data results were compared to other similar organizations, noting that QCTV outperformed other similar organizations.

Commissioner Skogquist stated that he would prefer to see the survey information prior to the retreat to determine how relevant the information is.

Ms. George confirmed that she would send out the press release as well as the slideshow presentation. She noted that she will attempt to find the recorded presentation for the Commission to review as well.

Commissioner Ulrich noted that each city completes a city survey (every two years or so) and could send that information to Ms. George for review by the other cities, as typically there are communication questions included.

Chair Heitkamp stated that he believes that the core stakeholders are where the time will be spent and is unsure that those are the right individuals. He stated that from the perspective of Champlin, he does not believe that the Champlin viewership is using television as its primary resource. He stated that there has been a discussion on return in investment and stated that Champlin is not utilizing the resource of QCTV anywhere near the capability. He stated he does not see the group of stakeholders as being the people that will supply the desired answers for stakeholder interviews. He was unsure that some of the information sources are appropriate, using the examples of the Historical Society and Anoka Halloween.

Ms. George confirmed that the list of stakeholders can be changed.

Commissioner Barthel noted that there are many families that do not have cable and watch QCTV online. He confirmed that he could complete an interview of that type.

Commissioner Skogquist agreed that it would be important to tap into other people outside of the organizations that are already involved with QCTV.

Mr. Onkka noted that the interview questions are intended to be a guide, but the Commission can ask their own questions as well. He confirmed that the Commission or staff can interview people above and beyond the list provided. He acknowledged that cable viewership is declining with the other forms of media available and that is a large part of the discussion on how the organization can continue to remain sustainable and provide value.

Commissioner Lee stated that his biggest fear for the past few years has been that the organization has been so closely tied to Comcast. He stated that the organization needs to keep transitioning to reach viewers on other formats.

Commissioner Dickinson confirmed that part of the last strategic planning process was to position the organization for these transitions, which high definition and making the website content available on mobile phones.

Ms. George confirmed that each of the member city channels streams live on the website. She stated that over the past five years, the organization has poised itself for the continuing changes in the market.

Commissioner Ulrich stated that another discussion would be on revenue, as if Comcast revenue decreases that stream would need to be replaced.

Chair Heitkamp asked why religious institutions and non-profits are included in the interview process.

Ms. George explained that the design team had discussion on the key stakeholders and government services, which is how the interviews were setup. She explained that she reviewed the stakeholder list created from the last strategic plan process and that is how the organizations were identified. She stated that QCTV is required to provide public, educational, and government access, noting that religion is under public access. She explained that other organization have a religious channel, while QCTV does not. She stated that QCTV would like to speak with those organizations to see how their process has changed, using the example of a church in Ramsey that has built its organization based on tele-evangelism.

Chair Heitkamp stated that Champlin's mission in the strategic planning process is how the City can better provide the information to its businesses and residents. He stated that it appears that the City and QCTV are coming from different perspectives.

Commissioner Lee stated that these are all entities that are currently broadcasting on QCTV and they may have input on how their viewers are using the service. He stated that the input from those organizations may help identify potential revenue sources as cable fees decrease.

Chair Heitkamp stated that while cable television viewership may decrease, that revenue source is not going to go away. He stated that these interviews are with organizations that do not pay to use the QCTV services.

Commissioner Skogquist stated that he found those organizations to be most interesting because they are most engaged with their viewership and may be able to provide a unique perspective. He stated that churches are all adapting on how they communicate with their congregations. He noted that this is a way to get into the community and gain additional perspectives. He stated that churches are also interested in what is going on in the city they are located and the local issues.

Commissioner Ulrich supported looking at the broader perspective of involving those groups, such as civil groups, to get additional input on communication. He stated that those are important community groups that may be willing to pay for services and it can be determined how those groups are using the information provided by QCTV.

Commissioner Dickinson stated that the Federal Government allows QCTV to charge for the use of the right-of-way and there will always be revenue from that. He stated that the graphs will change, using the example of the cost going up to provide that access. He stated that everyone is vested in the future of QCTV and the plan is to continue to plan for how the organization will change over the next five, 10 and 15 years. He stated that the organization will need to tap social media and the current

viewers today. He stated that perhaps a survey could be posted on social media sites to gather information from viewers.

Commissioner Skogquist left the meeting.

Mr. Onkka confirmed that is why there are two days scheduled, in order to discuss these realities.

Commissioner Barthel stated that he agrees with the list of stakeholders but believes that it should be expanded. He stated that the mission of the organization includes the language "valued by residents" but that stakeholder group is not included.

Commissioner Thorstad asked if there would be value in interviewing the people that do not use the QCTV services to determine how the market could be expanded.

Mr. Onkka stated that the question would be whether the 2016 viewer survey would provide the information necessary to move forward with planning or whether something would be needed to supplement that information. He noted that there would be a scheduling element as well with the scheduled retreats.

Ms. George stated that there is also four years of data from the on-demand viewership. She stated that information is shared with the Commission on a quarterly basis.

Commissioner Barthel stated that the stakeholder group is missing people that do not watch and why they do not watch.

Commissioner Ulrich stated that perhaps a few non-viewer stakeholders could be added to the process along with people that utilize QCTV services solely through the website.

Ms. George noted that she could reach out to have another viewer survey completed but the results would not be completed prior to the April retreats. She asked if the strategic planning process should be delayed to complete another survey.

Chair Heitkamp stated that part of the strategic planning process could be to identify how additional input will be gathered, similar to the previous planning process.

Ms. George confirmed the information that she will provide to the Commission prior to the retreats. She noted that City Administrators can forward their city surveys to her for distribution to the Commission. She confirmed the stakeholders that will be interviewed by the Commission members.

Commissioner Ulrich stated that he would also be interested in the non-cable subscriber information from the viewer survey results, if available.

## **ANNUAL PROGRAMMING UPDATE - 5**

Ms. Lenaburg provided an overview of the local programming of QCTV for 2018. She reviewed programming statistics for each of the member city channels, and the community channel, and the types of programs that are available on those channels. She noted that the number of new shows for each channel increased from the previous year. She reviewed the submitted programming statistics and the election coverage from 2018. She highlighted some of the positive feedback that has been received from viewers and organizations that work with QCTV. She reviewed the web statistics, noting that 2018 provided the third year of data that can be used for comparison purposes.

Ms. George stated that the new website was launched in 2015, with the goal of providing additional content to website viewers and increasing viewership in that format, as directed in the last strategic planning process.

Ms. Lenaburg reviewed the top ten programs watched on the website during 2018. She stated that QCTV has been experimenting with ways to increase social media visibility. She highlighted the foundation of quality which included changes and improvement, staff training, collaboration, and networking to create new relationships. She reported the net promoter score for QCTV in 2018 and highlighted the awards the organization received during the past year. She reviewed how the member cities can use QCTV programming through different marketing avenues.

Ms. George noted that typically this discussion would include input from the Commission on programming and future programming suggestions but advised that will be a part of the strategic planning process. She highlighted the change in the election process that has been implemented, linking directly to the City's election page for viewers to gather background information on candidates rather than using the Secretary of State information.

Chair Heitkamp stated that he loves the direction that QCTV has taken and the attention to detail that staff has to the strategic plan. He stated that the organization has a big challenge in the planning process to identify opportunities for the future. He thanked staff for the great job they continue to do for the organization.

Ms. George stated that she loves how engaged the Commission continues to be.

## **OTHER – 6**

No comments.

## **ADJOURN – 7**

Time of adjournment 11:10 a.m.



Respectfully submitted,

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Amanda Staple  
Recording Secretary  
*TimeSaver Off Site Secretarial, Inc.*

Reviewed for approval,

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Karen George  
Executive Director

## **MINUTES OF THE REGULAR MEETING OF MARCH 21, 2019**

### **CALL TO ORDER – 1**

Chair Heitkamp called the meeting to order at 11:15 a.m. at the Anoka City Hall.

### **ROLL CALL– 2**

Commissioners present were: Greg Lee, Anoka; Megan Thorstad, Ramsey; Kurt Ulrich, Ramsey; Jim Dickinson, Andover; Jamie Barthel, Andover; Ryan Sabas, Champlin; and Bret Heitkamp, Champlin.

Commissioners absent: Erik Skogquist, Anoka.

Others present included Karen George, Executive Director; and Technology Manager John Sommer.

### **APPROVAL OF AGENDA – 3**

Motion was made by Barthel and seconded by Sabas to approve the agenda as presented.

**7 ayes – 0 nays. Motion carried.**

### **ADMINISTRATIVE REPORTS – 4**

#### **4.1 Secretary**

##### **4.1.1. Approval of meeting minutes from February 21, 2019**

Motion was made by Dickinson and seconded by Barthel to approve the February 21, 2019 minutes as presented.

**7 ayes – 0 nays. Motion carried.**

#### **4.2 Treasurer**

#### **4.2.1. January Financial Reports**

Commissioner Dickinson provided a brief overview of the January Financial Report. He noted that a large accounts receivable appears on the balance sheet because of the year end and explaining that the first payment from Comcast is not received until the end of the first quarter.

Motion was made by Ulrich and seconded by Barthel to accept the January Financial Reports.

**7 ayes – 0 nays. Motion carried.**

#### **4.3 Executive Director**

Ms. George stated that there is a lot going on in the regulatory environment, noting that she, as a member of NAOTA, met with three bureaus of the Federal Communications Commission on their proposed rule making and policy changes. She noted that she is also a member of the local Chamber of Commerce Executive Director group and spoke at the Minnesota Legislature recently, noting that one of the topics was regarding support for an additional bridge crossing for the Mississippi. She stated that an audit presentation will be provided in May from Redpath and Company. She noted that a quarterly investment update will also be provided in the next Commission packet. She advised that the movie screen purchase process is also moving forward, with some member cities already booking dates to use the equipment.

Motion was made by Ulrich seconded by Barthel to accept the Executive Director's report.

**7 ayes – 0 nays. Motion carried.**

#### **4.4 Organizational Items**

Ms. George stated that action on this item was delayed from the previous meeting to allow more Commission members to be present. She noted that information was provided on Commission appointments.

Motion was made by Dickinson seconded by Ulrich to affirm current officers.

**7 ayes – 0 nays. Motion carried.**

Chair Heitkamp asked if Commissioner Sabas would be interested in joining the Personnel Committee and he would change to the Budget Committee.

Commissioner Sabas confirmed that change.

Motion was made by Heitkamp seconded by Dickinson to affirm the committee appointments, changing Chair Heitkamp to the Budget Committee and Commissioner Sabas to the Personnel Committee.

**7 ayes – 0 nays. Motion carried.**

Ms. George confirmed the consensus of the Commission to affirm the current per diem rate.

## **GENERAL BUSINESS – 5**

### **5.1 Computer Purchase**

Ms. George stated that the strategy for purchasing computer equipment has changed to purchase off the shelf and noted that this will be the process to update office equipment in the future.

Ms. Sommer explained that the current video editing systems are being updated with newer computers that use specialized video editing software. He hoped that this upgrade would reduce processing time and make the process more efficient. He stated that critical infrastructure will be updated on a shorter timeframe, such as two to three years, while other equipment would remain on the longer schedule.

Motion was made by Dickinson and seconded by Barthel to approve the purchase of three Dell workstations not to exceed \$11,760.

**7 ayes – 0 nays. Motion carried.**

## **ADJOURN – 6**

Time of adjournment 11:26 a.m.

Respectfully submitted,

Reviewed for approval,

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Amanda Staple  
Recording Secretary  
*TimeSaver Off Site Secretarial, Inc.*

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Karen George  
Executive Director

**Quad Cities Communications Commission**  
**Balance Sheet Summary**  
As of February 28, 2019

	<b>Total</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank Accounts - QCTV</b>	1,205,691.37
- PayPay acct	336.20
- US Bank Reserve	5,000.00
- Petty Cash	250.00
- Investments	1,313,405.80
<b>Accounts Receivable</b>	0.00
<b>Other current assets</b>	0.00
<b>Total Current Assets</b>	<b>\$ 2,524,683.37</b>
<b>Fixed Assets</b>	0.00
<b>TOTAL ASSETS</b>	<b>\$ 2,524,683.37</b>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	55,121.68
<b>Other Current Liabilities</b>	-16,796.66
<b>Total Current Liabilities</b>	<b>\$ 38,325.02</b>
<b>Equity</b>	2,486,358.35
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 2,524,683.37 *</b>

\* **Equity: QCTV allocates fund reserves in two areas:**

Operating Reserves = \$436,808

Capital Reserves = \$2,087,875.37 (\$3.4 M needed for 5-Year CIP)

**Quad Cities Communications Commission**  
**Budget vs. Actuals: FY 2019 - FY19 P&L**  
 January - December 2019

	Feb 2019				YTD			
	Actual	Budget	over Budget	% of Budget	Actual	Budget	over Budget	% of Budget
<b>Income</b>								
Duplication Revenue	93.90	41.67	52.23	225.34%	110.50	500.00	(389.50)	22.10%
Equipment Grant		4,833.33	(4,833.33)	0.00%	0.00	58,000.00	(58,000.00)	0.00%
Franchise Fees	0.00	71,500.00	(71,500.00)	0.00%	0.00	858,000.00	(858,000.00)	0.00%
Interest Income	6,055.86	2,500.00	3,555.86	242.23%	8,655.70	30,000.00	(21,344.30)	28.85%
Miscellaneous Income		41.67	(41.67)	0.00%	0.00	500.00	(500.00)	0.00%
PEG Fee	0.00	35,750.00	(35,750.00)	0.00%	0.00	429,000.00	(429,000.00)	0.00%
<b>Total Income</b>	<b>6,149.76</b>	<b>114,666.67</b>	<b>(108,516.91)</b>	<b>5.36%</b>	<b>8,766.20</b>	<b>1,376,000.00</b>	<b>(1,367,233.80)</b>	<b>0.64%</b>
<b>Expenses</b>								
A-PERA Expense	3,233.87	3,750.00	(516.13)	86.24%	6,428.23	45,000.00	(38,571.77)	14.28%
A-SS/Medicare Expense	3,442.96	4,160.42	(717.46)	82.76%	5,018.31	49,925.00	(44,906.69)	10.05%
A-Wages - Full-time	39,239.12	44,391.25	(5,152.13)	88.39%	56,759.00	532,695.00	(475,936.00)	10.66%
A-Wages - Part-time	6,768.84	9,993.50	(3,224.66)	67.73%	10,394.65	119,922.00	(109,527.35)	8.67%
Accounting / HR Services	2,488.42	1,275.00	1,213.42	195.17%	2,548.42	15,300.00	(12,751.58)	16.66%
Ads/Promos/Sponsorships		916.67	(916.67)	0.00%	1,119.95	11,000.00	(9,880.05)	10.18%
Andover Capital Equipment	195.00	416.67	(221.67)	46.80%	722.27	5,000.00	(4,277.73)	14.45%
Announcers Fees	650.86	1,083.33	(432.47)	60.08%	1,043.87	13,000.00	(11,956.13)	8.03%
Anoka Capital Equipment	155.97	416.67	(260.70)	37.43%	839.21	5,000.00	(4,160.79)	16.78%
Audit		1,375.00	(1,375.00)	0.00%	0.00	16,500.00	(16,500.00)	0.00%
Bank Fees / CC Fees		20.83	(20.83)	0.00%	0.00	250.00	(250.00)	0.00%
Brand Apparel		208.33	(208.33)	0.00%	602.00	2,500.00	(1,898.00)	24.08%
Building - Cleaning	530.45	583.33	(52.88)	90.93%	1,045.45	7,000.00	(5,954.55)	14.94%
Building - Insurance		250.00	(250.00)	0.00%	1,784.00	3,000.00	(1,216.00)	59.47%
Building - Maintenance	2,107.27	833.33	1,273.94	252.87%	2,177.15	10,000.00	(7,822.85)	21.77%
Building - Supplies	72.30	166.67	(94.37)	43.38%	344.43	2,000.00	(1,655.57)	17.22%
Car Allowance	250.00	250.00	0.00	100.00%	500.00	3,000.00	(2,500.00)	16.67%
Cell Phone - Allowance	625.00	625.00	0.00	100.00%	1,250.00	7,500.00	(6,250.00)	16.67%
Champlin Capital Equipment	351.40	416.67	(65.27)	84.34%	963.32	5,000.00	(4,036.68)	19.27%

**Quad Cities Communications Commission**  
**Budget vs. Actuals: FY 2019 - FY19 P&L**  
 January - December 2019

	Feb 2019				YTD			
	Actual	Budget	over Budget	% of Budget	Actual	Budget	over Budget	% of Budget
City Sewer & Water	95.55	216.67	(121.12)	44.10%	203.36	2,600.00	(2,396.64)	7.82%
Commission Expense	6.83	416.67	(409.84)	1.64%	6.83	5,000.00	(4,993.17)	0.14%
Consulting Services	7,500.00	6,250.00	1,250.00	120.00%	7,500.00	75,000.00	(67,500.00)	10.00%
Contingency Fund		2,718.17	(2,718.17)	0.00%	0.00	32,618.00	(32,618.00)	0.00%
Duplication Expenses		41.67	(41.67)	0.00%	0.00	500.00	(500.00)	0.00%
Electric Service		1,500.00	(1,500.00)	0.00%	1,330.85	18,000.00	(16,669.15)	7.39%
Emp / Comm Appreciation		208.33	(208.33)	0.00%	0.00	2,500.00	(2,500.00)	0.00%
Equip/Repair/Supply/Software	297.30	3,333.33	(3,036.03)	8.92%	398.25	40,000.00	(39,601.75)	1.00%
Federal Unempl Expense		70.83	(70.83)	0.00%	0.00	850.00	(850.00)	0.00%
Health Insurance	7,787.49	7,873.33	(85.84)	98.91%	14,919.79	94,480.00	(79,560.21)	15.79%
Insurance - Deductibles		41.67	(41.67)	0.00%	0.00	500.00	(500.00)	0.00%
Insurance - Liability / Bonds		416.67	(416.67)	0.00%	3,224.00	5,000.00	(1,776.00)	64.48%
Lawn Service		416.67	(416.67)	0.00%	0.00	5,000.00	(5,000.00)	0.00%
Legal Fees		2,083.33	(2,083.33)	0.00%	0.00	25,000.00	(25,000.00)	0.00%
Licenses and Permits	200.00	166.67	33.33	120.00%	200.00	2,000.00	(1,800.00)	10.00%
Meals		83.33	(83.33)	0.00%	0.00	1,000.00	(1,000.00)	0.00%
Memberships - NATOA / Others		833.33	(833.33)	0.00%	1,840.00	10,000.00	(8,160.00)	18.40%
Mileage	556.27	750.00	(193.73)	74.17%	954.69	9,000.00	(8,045.31)	10.61%
Miscellaneous Expenses		83.33	(83.33)	0.00%	0.00	1,000.00	(1,000.00)	0.00%
NATOA Membership			0.00		2,630.00	0.00	2,630.00	
Natural Gas	517.39	566.67	(49.28)	91.30%	517.39	6,800.00	(6,282.61)	7.61%
Office Supplies / Equipment	(74.10)	500.00	(574.10)	-14.82%	227.88	6,000.00	(5,772.12)	3.80%
Parking Lot Maintenance		266.67	(266.67)	0.00%	0.00	3,200.00	(3,200.00)	0.00%
Payroll Expenses (ADP/HSA)	127.50	200.00	(72.50)	63.75%	255.00	2,400.00	(2,145.00)	10.63%
Postage	267.57	83.33	184.24	321.10%	267.57	1,000.00	(732.43)	26.76%
Printing / Copy Services		83.33	(83.33)	0.00%	0.00	1,000.00	(1,000.00)	0.00%
Professional Development	875.00	1,833.33	(958.33)	47.73%	927.00	22,000.00	(21,073.00)	4.21%
Publications		41.67	(41.67)	0.00%	0.00	500.00	(500.00)	0.00%

**Quad Cities Communications Commission**  
**Budget vs. Actuals: FY 2019 - FY19 P&L**  
 January - December 2019

	Feb 2019				YTD			
	Actual	Budget	over Budget	% of Budget	Actual	Budget	over Budget	% of Budget
Ramsey Capital Equipment	326.82	416.67	(89.85)	78.44%	985.66	5,000.00	(4,014.34)	19.71%
Sales Tax		41.67	(41.67)	0.00%	73.00	500.00	(427.00)	14.60%
Secretary Services	185.75	208.33	(22.58)	89.16%	185.75	2,500.00	(2,314.25)	7.43%
Snow Plowing Service	3,852.50	416.67	3,435.83	924.59%	4,612.50	5,000.00	(387.50)	92.25%
State Unemploy Exp		208.33	(208.33)	0.00%	0.00	2,500.00	(2,500.00)	0.00%
STD / LTD / Life Insurance	621.34	625.00	(3.66)	99.41%	1,184.90	7,500.00	(6,315.10)	15.80%
Studio Sets		833.33	(833.33)	0.00%	0.00	10,000.00	(10,000.00)	0.00%
Subscription Services	312.55	1,833.33	(1,520.78)	17.05%	11,350.18	22,000.00	(10,649.82)	51.59%
Temp Staff Services		208.33	(208.33)	0.00%	0.00	2,500.00	(2,500.00)	0.00%
Vehicle - Equipment / Repair	463.60	1,250.00	(786.40)	37.09%	1,052.55	15,000.00	(13,947.45)	7.02%
Vehicle - Insurance		333.33	(333.33)	0.00%	872.00	4,000.00	(3,128.00)	21.80%
Vehicle - Maintenance / Gas	1,025.65	666.67	358.98	153.85%	1,436.37	8,000.00	(6,563.63)	17.95%
Waste Removal	106.65	166.67	(60.02)	63.99%	213.30	2,000.00	(1,786.70)	10.67%
Web / VOD / Int / CaTV / Phone	1,352.37	1,833.33	(480.96)	73.77%	2,704.74	22,000.00	(19,295.26)	12.29%
Work Comp Insurance		191.67	(191.67)	0.00%	0.00	2,300.00	(2,300.00)	0.00%
<b>Total Expenses</b>	<b>86,515.49</b>	<b>111,445.00</b>	<b>(24,929.51)</b>	<b>77.63%</b>	<b>153,613.82</b>	<b>1,337,340.00</b>	<b>(1,183,726.18)</b>	<b>11.49%</b>
<b>Net Income</b>	<b>(80,365.73)</b>	<b>3,221.67</b>	<b>(83,587.40)</b>	<b>-2494.54%</b>	<b>(144,847.62)</b>	<b>38,660.00</b>	<b>(183,507.62)</b>	<b>-374.67%</b>
ZCIP - Andover					0.00			
ZCIP - Anoka	20,000.00				20,000.00			
ZCIP - Champlin	20,000.00				20,000.00			
ZCIP - Studio					3,760.00			
ZCIP - Truck					80,160.00			
	<u>40,000.00</u>				<u>123,920.00</u>			



**QCTV Bank Reconciliation**  
**February 2019**

Beginning Balance - 4M Statement	986,576.14
Less: Cleared Checks/Withdrawals	(180,911.11)
Plus: 4M Fund Interest	2,376.01
Plus: Bank Deposits/Credits	415,775.14
<b>Bank Balance</b>	<b>\$1,223,816.18</b>
Book Balance	1,223,816.18
<b>Adjusted Book Balance</b>	<b>1,223,816.18</b>
<b>Difference:</b>	<b>\$0.00</b>

Completed by:     MK

# Quad Cities Communications Commission

## BILL PAYMENT LIST

February 2019

DATE	NUM	VENDOR	AMOUNT
Quad Cities Commission			
02/01/2019	12609	Associated Bank	-120.00
02/01/2019	12610	HealthEquity Inc.	-444.62
02/01/2019	W D	Minnesota State Retirement System	-559.41
02/01/2019	W D	PERA	-3,038.15
02/11/2019	12611	James Childs	-300.00
02/11/2019	12612	James R. Erickson	-120.00
02/11/2019	12613	LiveU Inc.	-513.87
02/11/2019	12614	NATO	-725.00
02/15/2019	12615	Associated Bank	-120.00
02/15/2019	12616	HealthEquity Inc.	-444.62
02/15/2019	W D	Minnesota State Retirement System	-563.25
02/15/2019	W D	PERA	-2,998.32
02/21/2019	12617	ACE Solid Waste, Inc.	-106.65
02/21/2019	12618	Alpha Video & Audio Inc.	-3,760.00
02/21/2019	12619	Amazon	-794.38
02/21/2019	12620	CDW Direct	-11,005.56
02/21/2019	12621	CenterPoint Energy	-517.39
02/21/2019	12622	City of Andover	-2,467.64
02/21/2019	12623	City of Champlin	-107.81
02/21/2019	12624	Comcast 2	-468.15
02/21/2019	12625	Comcast Cable	-791.18
02/21/2019	12626	Coordinated Business Systems, LTD	-241.00
02/21/2019	12627	Gerald S. Thomson	-120.00
02/21/2019	12628	Greenery Enterprises, Inc.	-2,460.00
02/21/2019	12629	HealthEquity Inc.	-51.35
02/21/2019	12630	Huebsch	-47.33
02/21/2019	12631	Kennedy & Graven, Chartered	-59.50
02/21/2019	12632	League of Minnesota Cities	-20.00
02/21/2019	12633	Preferred One Insurance Co.	-8,233.36
02/21/2019	12634	The Lincoln National Life Ins. Co.	-621.34
02/21/2019	12635	TransAlarm, Inc	-402.27
02/21/2019	12636	U.S. Bank Corporate	-753.32
02/21/2019	12637	Verizon Wireless	-70.08
02/21/2019	12638	Vividly Clean Inc.	-530.45
02/21/2019	12639	Xcel Energy	-1,330.85
Total for Quad Cities Commission			\$ -44,906.85

**Quad Cities Communications Commission**  
**Balance Sheet Summary**  
As of March 31, 2019

	<b>Total</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank Accounts - QCTV</b>	1,050,218.19
- PayPay acct	625.09
- US Bank Reserve	5,000.00
- Petty Cash	250.00
- Investments	1,314,459.48
<b>Accounts Receivable</b>	0.00
<b>Other current assets</b>	0.00
<b>Total Current Assets</b>	<b>\$ 2,370,552.76</b>
<b>Fixed Assets</b>	0.00
<b>TOTAL ASSETS</b>	<b>\$ 2,370,552.76</b>
 <b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	51,029.37
<b>Other Current Liabilities</b>	0.01
<b>Total Current Liabilities</b>	<b>\$ 51,029.38</b>
<b>Equity</b>	2,319,523.38
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 2,370,552.76 *</b>

\* **Equity: QCTV allocates fund reserves in two areas:**

Operating Reserves = \$436,808

Capital Reserves = \$1,933,744.76 (\$3.4 M needed for 5-Year CIP)

**Quad Cities Communications Commission**  
**Budget vs. Actuals: FY 2019 - FY19 P&L**  
 January - December 2019

	Mar 2019				YTD			
	Actual	Budget	over Budget	% of Budget	Actual	Budget	over Budget	% of Budget
<b>Income</b>								
Duplication Revenue	288.89	41.67	247.22	693.28%	399.39	500.00	(100.61)	79.88%
Equipment Grant		4,833.33	(4,833.33)	0.00%	0.00	58,000.00	(58,000.00)	0.00%
Franchise Fees		71,500.00	(71,500.00)	0.00%	0.00	858,000.00	(858,000.00)	0.00%
Interest Income	2,802.17	2,500.00	302.17	112.09%	11,457.87	30,000.00	(18,542.13)	38.19%
Miscellaneous Income		41.67	(41.67)	0.00%	0.00	500.00	(500.00)	0.00%
PEG Fee		35,750.00	(35,750.00)	0.00%	0.00	429,000.00	(429,000.00)	0.00%
<b>Total Income</b>	<b>3,091.06</b>	<b>114,666.67</b>	<b>(111,575.61)</b>	<b>2.70%</b>	<b>11,857.26</b>	<b>1,376,000.00</b>	<b>(1,364,142.74)</b>	<b>0.86%</b>
<b>Expenses</b>								
A-PERA Expense	4,894.87	3,750.00	1,144.87	130.53%	11,323.10	45,000.00	(33,676.90)	25.16%
A-SS/Medicare Expense	5,111.09	4,160.42	950.67	122.85%	10,129.40	49,925.00	(39,795.60)	20.29%
A-Wages - Full-time	58,547.04	44,391.25	14,155.79	131.89%	115,306.04	532,695.00	(417,388.96)	21.65%
A-Wages - Part-time	9,906.89	9,993.50	(86.61)	99.13%	20,301.54	119,922.00	(99,620.46)	16.93%
Accounting / HR Services	1,195.15	1,275.00	(79.85)	93.74%	3,743.57	15,300.00	(11,556.43)	24.47%
Ads/Promos/Sponsorships	1,225.00	916.67	308.33	133.64%	2,344.95	11,000.00	(8,655.05)	21.32%
Andover Capital Equipment		416.67	(416.67)	0.00%	722.27	5,000.00	(4,277.73)	14.45%
Announcers Fees	714.80	1,083.33	(368.53)	65.98%	1,758.67	13,000.00	(11,241.33)	13.53%
Anoka Capital Equipment	155.97	416.67	(260.70)	37.43%	995.18	5,000.00	(4,004.82)	19.90%
Audit		1,375.00	(1,375.00)	0.00%	0.00	16,500.00	(16,500.00)	0.00%
Bank Fees / CC Fees		20.83	(20.83)	0.00%	0.00	250.00	(250.00)	0.00%
Brand Apparel		208.33	(208.33)	0.00%	602.00	2,500.00	(1,898.00)	24.08%
Building - Cleaning	530.45	583.33	(52.88)	90.93%	1,575.90	7,000.00	(5,424.10)	22.51%
Building - Insurance		250.00	(250.00)	0.00%	1,784.00	3,000.00	(1,216.00)	59.47%
Building - Maintenance		833.33	(833.33)	0.00%	2,177.15	10,000.00	(7,822.85)	21.77%
Building - Supplies	101.36	166.67	(65.31)	60.81%	445.79	2,000.00	(1,554.21)	22.29%
Car Allowance	250.00	250.00	0.00	100.00%	750.00	3,000.00	(2,250.00)	25.00%
Cell Phone - Allowance	625.00	625.00	0.00	100.00%	1,875.00	7,500.00	(5,625.00)	25.00%
Champlin Capital Equipment	84.90	416.67	(331.77)	20.38%	1,048.22	5,000.00	(3,951.78)	20.96%
City Sewer & Water	101.97	216.67	(114.70)	47.06%	305.33	2,600.00	(2,294.67)	11.74%
Commission Expense	700.00	416.67	283.33	168.00%	706.83	5,000.00	(4,293.17)	14.14%
Consulting Services		6,250.00	(6,250.00)	0.00%	8,880.00	75,000.00	(66,120.00)	11.84%

**Quad Cities Communications Commission**  
**Budget vs. Actuals: FY 2019 - FY19 P&L**  
 January - December 2019

	Mar 2019				YTD			
	Actual	Budget	over Budget	% of Budget	Actual	Budget	over Budget	% of Budget
Contingency Fund		2,718.17	(2,718.17)	0.00%	0.00	32,618.00	(32,618.00)	0.00%
Duplication Expenses		41.67	(41.67)	0.00%	0.00	500.00	(500.00)	0.00%
Electric Service	2,134.74	1,500.00	634.74	142.32%	3,465.59	18,000.00	(14,534.41)	19.25%
Emp / Comm Appreciation		208.33	(208.33)	0.00%	0.00	2,500.00	(2,500.00)	0.00%
Equip/Repair/Supply/Software	655.00	3,333.33	(2,678.33)	19.65%	1,053.25	40,000.00	(38,946.75)	2.63%
Federal Unempl Expense		70.83	(70.83)	0.00%	0.00	850.00	(850.00)	0.00%
Health Insurance	6,773.65	7,873.33	(1,099.68)	86.03%	21,693.44	94,480.00	(72,786.56)	22.96%
Insurance - Deductibles		41.67	(41.67)	0.00%	0.00	500.00	(500.00)	0.00%
Insurance - Liability / Bonds		416.67	(416.67)	0.00%	3,224.00	5,000.00	(1,776.00)	64.48%
Lawn Service		416.67	(416.67)	0.00%	0.00	5,000.00	(5,000.00)	0.00%
Legal Fees	1,633.50	2,083.33	(449.83)	78.41%	1,633.50	25,000.00	(23,366.50)	6.53%
Licenses and Permits		166.67	(166.67)	0.00%	200.00	2,000.00	(1,800.00)	10.00%
Meals	134.00	83.33	50.67	160.81%	134.00	1,000.00	(866.00)	13.40%
Memberships - NATOA / Others		833.33	(833.33)	0.00%	1,840.00	10,000.00	(8,160.00)	18.40%
Mileage	821.44	750.00	71.44	109.53%	1,776.13	9,000.00	(7,223.87)	19.73%
Miscellaneous Expenses		83.33	(83.33)	0.00%	0.00	1,000.00	(1,000.00)	0.00%
NATOA Membership			0.00		2,630.00	0.00	2,630.00	
Natural Gas	460.94	566.67	(105.73)	81.34%	978.33	6,800.00	(5,821.67)	14.39%
Office Supplies / Equipment	466.01	500.00	(33.99)	93.20%	693.89	6,000.00	(5,306.11)	11.56%
Parking Lot Maintenance		266.67	(266.67)	0.00%	0.00	3,200.00	(3,200.00)	0.00%
Payroll Expenses (ADP/HSA)	127.50	200.00	(72.50)	63.75%	382.50	2,400.00	(2,017.50)	15.94%
Postage	18.31	83.33	(65.02)	21.97%	285.88	1,000.00	(714.12)	28.59%
Printing / Copy Services		83.33	(83.33)	0.00%	0.00	1,000.00	(1,000.00)	0.00%
Professional Development	1,025.32	1,833.33	(808.01)	55.93%	1,952.32	22,000.00	(20,047.68)	8.87%
Publications		41.67	(41.67)	0.00%	0.00	500.00	(500.00)	0.00%
Ramsey Capital Equipment	131.82	416.67	(284.85)	31.64%	1,117.48	5,000.00	(3,882.52)	22.35%
Sales Tax		41.67	(41.67)	0.00%	73.00	500.00	(427.00)	14.60%
Secretary Services	215.00	208.33	6.67	103.20%	400.75	2,500.00	(2,099.25)	16.03%
Snow Plowing Service	791.25	416.67	374.58	189.90%	5,403.75	5,000.00	403.75	108.08%
State Unemploy Exp		208.33	(208.33)	0.00%	0.00	2,500.00	(2,500.00)	0.00%
STD / LTD / Life Insurance	582.82	625.00	(42.18)	93.25%	1,767.72	7,500.00	(5,732.28)	23.57%

**Quad Cities Communications Commission**  
**Budget vs. Actuals: FY 2019 - FY19 P&L**  
 January - December 2019

	Mar 2019				YTD			
	Actual	Budget	over Budget	% of Budget	Actual	Budget	over Budget	% of Budget
Studio Sets		833.33	(833.33)	0.00%	0.00	10,000.00	(10,000.00)	0.00%
Subscription Services	2,273.33	1,833.33	440.00	124.00%	13,823.51	22,000.00	(8,176.49)	62.83%
Temp Staff Services		208.33	(208.33)	0.00%	0.00	2,500.00	(2,500.00)	0.00%
Vehicle - Equipment / Repair	100.08	1,250.00	(1,149.92)	8.01%	1,152.63	15,000.00	(13,847.37)	7.68%
Vehicle - Insurance		333.33	(333.33)	0.00%	872.00	4,000.00	(3,128.00)	21.80%
Vehicle - Maintenance / Gas	832.64	666.67	165.97	124.90%	2,269.01	8,000.00	(5,730.99)	28.36%
Waste Removal	119.47	166.67	(47.20)	71.68%	332.77	2,000.00	(1,667.23)	16.64%
Web / VOD / Int / CaTV / Phone	917.37	1,833.33	(915.96)	50.04%	3,773.85	22,000.00	(18,226.15)	17.15%
Work Comp Insurance		191.67	(191.67)	0.00%	0.00	2,300.00	(2,300.00)	0.00%
<b>Total Expenses</b>	<b>104,358.68</b>	<b>111,445.00</b>	<b>(7,086.32)</b>	<b>93.64%</b>	<b>259,704.24</b>	<b>1,337,340.00</b>	<b>(1,077,635.76)</b>	<b>19.42%</b>
<b>Net Income</b>	<b>(101,267.62)</b>	<b>3,221.67</b>	<b>(104,489.29)</b>	<b>-3143.33%</b>	<b>(247,846.98)</b>	<b>38,660.00</b>	<b>(286,506.98)</b>	<b>-641.09%</b>
ZCIP - Andover	20,000.00				20,000.00			
ZCIP - Anoka					20,000.00			
ZCIP - Champlin	(1,052.71)				18,947.29			
ZCIP - Master Control Equipment	22,265.00				22,265.00			
ZCIP - Ramsey					22,623.32			
ZCIP - Studio					3,760.00			
ZCIP - Truck					80,160.00			
	<u>41,212.29</u>				<u>187,755.61</u>			

**QCTV Bank Reconciliation**  
**March 2019**

Beginning Balance - 4M Statement	1,223,816.18
Less: Cleared Checks/Withdrawals	(143,285.88)
Plus: 4M Fund Interest	1,748.49
Plus: Bank Deposits/Credits	-
<b>Bank Balance</b>	<b>\$1,082,278.79</b>
Book Balance	1,082,278.79
<b>Adjusted Book Balance</b>	<b>1,082,278.79</b>
<b>Difference:</b>	<b>\$0.00</b>

Completed by:     MK

# Quad Cities Communications Commission

## BILL PAYMENT LIST

March 2019

DATE	NUM	VENDOR	AMOUNT
Quad Cities Commission			
03/01/2019	12640	Associated Bank	-120.00
03/01/2019	12641	Aurora Consulting	-7,500.00
03/01/2019	12642	Greenery Enterprises, Inc.	-1,140.00
03/01/2019	12643	HealthEquity Inc.	-444.62
03/01/2019	12644	Holiday Station	-265.70
03/01/2019	12645	NAC Building Solutions	-1,640.00
03/01/2019	W D	Minnesota State Retirement System	-572.09
03/01/2019	W D	PERA	-3,054.52
03/13/2019	12646	ACE Solid Waste, Inc.	-119.47
03/13/2019	12647	AT&T Mobility	-53.55
03/13/2019	12648	CenterPoint Energy	-460.94
03/13/2019	12649	City of Andover	-21,232.49
03/13/2019	12650	City of Anoka	-20,000.00
03/13/2019	12651	City of Champlin	-95.55
03/13/2019	12652	Comcast 2	-468.15
03/13/2019	12653	Comcast Cable	-791.18
03/13/2019	12654	Gerald S. Thomson	-230.86
03/13/2019	12655	Greenery Enterprises, Inc.	-1,392.50
03/13/2019	12656	HealthEquity Inc.	-31.60
03/13/2019	12657	James R. Erickson	-60.00
03/13/2019	12658	Joe G. Ruhland	-240.00
03/13/2019	12659	Kennedy & Graven, Chartered	-110.00
03/13/2019	12660	LiveU Inc.	-354.16
03/13/2019	12661	Timesavers	-185.75
03/13/2019	12662	U.S. Bank Corporate	-2,403.61
03/13/2019	12663	Vividly Clean Inc.	-530.45
03/13/2019	12664	Xcel Energy	-1,086.94
03/15/2019	12665	Associated Bank	-120.00
03/15/2019	12666	HealthEquity Inc.	-444.62
03/15/2019	12667	Tavern at Green Haven	-300.00
03/15/2019	W D	Minnesota State Retirement System	-594.05
03/15/2019	W D	PERA	-3,053.62
03/22/2019	12668	Alpha Video & Audio Inc.	-655.00
03/22/2019	12669	Amazon	-150.30
03/22/2019	12670	City of Champlin	-20,000.00
03/22/2019	12671	Costco Membership	-60.00
03/22/2019	12672	DVS Renewal	-314.00
03/22/2019	12673	Gerald S. Thomson	-60.00
03/22/2019	12674	Greenery Enterprises, Inc.	-411.25
03/22/2019	12675	Huebsch	-47.33
03/22/2019	12676	Jason Dorow	-60.00
03/22/2019	12677	Peter James Hayes	-354.80
03/22/2019	12678	The Lincoln National Life Ins. Co.	-582.82



DATE	NUM	VENDOR	AMOUNT
03/22/2019	12679	Timothy Anderson	-120.00
03/22/2019	12680	Verizon Wireless	-70.08
03/29/2019	12681	Alpha Video & Audio Inc.	-30.00
03/29/2019	12682	Associated Bank	-120.00
03/29/2019	12683	HealthEquity Inc.	-444.62
03/29/2019	12684	Holiday Station	-76.78
03/29/2019	12685	Maza Technologies, LLC	-1,580.00
03/29/2019	12686	Preferred One Insurance Co.	-7,315.75
03/29/2019	12687	Verus Corporation	-1,750.00
03/29/2019	W D	Minnesota State Retirement System	-593.15
03/29/2019	W D	PERA	-3,028.92
Total for Quad Cities Commission			\$ -106,921.22

## INVESTMENT SCHEDULE

3/31/2019

Description	Cusip Number	Purchase Price	Carrying Cost	Maturity Amount	Interest Rate	Interest Paid	Maturity / Due Date
Investments - Cash Flow Reserves							
4M Fund			-				
4M Plus			446,218.21		2.200%		
			<u>446,218.21</u>				
Investments - Building							
4M Fund			55,368.11		2.160%		
CD - Community Bank		200,000.00	200,000.00	204,925.00	2.463%	maturity	8/15/2019
			<u>255,368.11</u>				
Investments - Capital							
4M Fund			64,873.16		2.160%		
CD - Bremer Bank		200,000.00	200,000.00	206,743.90	1.351%	maturity	8/8/2019
CD - Discover Bank	2546723D8	200,000.00	200,000.00	200,000.00	1.700%	semi-annual	2/18/2020
CD - Corporate One Federal Credit Union		148,000.00	148,000.00	154,114.21	2.747%		8/17/2020
			<u>612,873.16</u>				
			<u>1,314,459.48</u>				

## QCCCC Agenda Item

### 4.3 Executive Director's Report

**May 6, 2019**

**To:** Commissioners

**From:** Karen George, Executive Director

**Subject:** Executive Director's Report

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#### **Strategic Planning**

The commission and staff participated in two retreats and crafted a strategic plan. Aurora Consulting provided transcripts of the work and is in process of finalizing the strategic plan after a few wording edits for readability. The plan is on target for delivery to the commission for action at the July commission meeting.

#### **Budget Committee: City CIP 2020 and Audit**

The Budget Committee met to review the audit and set budget targets for 2020. The 2018 audit is on the commission agenda for acceptance in May. The Budget Committee recommends \$200,000 committed to City CIP payments: \$40,000 CIP grant payable to each member city January of 2020 and \$10,000 in the QCTV operating fund for each member city operational expenses in 2020.

#### **Remote Meeting Participation**

This item is on the agenda for action on May 16. The City of Ramsey is ready for implementation and a budget request will be on the agenda.

#### **Movie Screen Purchase**

The movie screen has been purchased. Trailer purchase on State Contract came in at a higher price than previously authorized by the commission. It will be back before the commission to authorize funds to purchase. Member cities are requesting use starting in late August.

August 16th, Friday – Champlin

September 21st, Saturday – Champlin

August 21st, Wednesday – Anoka

October 5th, Saturday – Anoka

September 14th, Saturday – Anoka

#### **Server Room Air Conditioning**

The server room required supplemental air conditioning to keep the equipment cool. Staff has worked with NAC HVAC vendor to implement a cost-effective solution. It is expected to be up and running prior to warmer temps arriving soon.

### **FCC FNPRM of Section 621(a) Order regarding franchise fee offset**

The Federal Communications Commission acted in late September seeking comments on rulemaking regarding cable television franchise fees and allowing cable operators to offset said fees fair market value of in-kind and complimentary services provided to the franchise grantee. Specifically, the FCC tentatively concludes:

- All cable-related, in-kind contributions, other than PEG capital costs and build out requirements, should be treated as “franchise fees” subject to the 5% franchise fee cap.
- LFAs cannot use their video franchising authority to regulate non-cable services offered over cable systems, other than I-Nets.

The National Cable Television Association (NCTA) has been before FCC staff with *Ex Parte* communications opening new lines of argument. It is summarized below. Note that NATOA is coordinating a response to NCTA *Ex Parte* filings.

- [April 19th Letter](#) on “duplicative” fees on cable and broadband services; primarily focusing on California.
- [April 18th Letter](#) suggesting new cap on PEG channels (presumptively 3 channels with HD and SD each 1 channel) and delay in allowing offset of franchise fees for PEG channel capacity.
- [April 4th Letter](#) proposing methodology for franchise fee offset: Cable operators set the amount; LFAs can accept the reduction, reduce the franchise obligations or sue.
- [March 21st Letter](#) including additional responses to LFA reply comments.
- [March 13th Letter](#) including legal arguments responding to LFA reply comments.
- [March 13th Letter](#) complaining of duplicative fees in several jurisdictions.
- [March 11th Letter](#) on meeting with FCC and legal arguments.

### **City Hall Surplus Equipment**

John Sommer sent each member city a list of surplus equipment removed during the HD upgrade project.

### **Audit**

The 2018 audit is complete and ready for commission acceptance.

### **Investments**

Quarterly investment report is included in the May commission meeting financial reports.

### **Comcast Franchise Renewal**

No further updates on the franchise contract extension negotiations.

### **Staff Computer Replacements**

Three staff members have had computer replacement implemented and report greater efficiency and satisfaction with the off-the-shelf systems.

### **Live and Local to Feature Member Cities**

The QCTV Live and Local show will feature member cities in 2019!

Q1 – Champlin – Completed

Q2 – Anoka – Scheduled for June

Q3 – Ramsey

Q4 - Andover

### **Customer Comments**

Thank you Winter for the professional job that your team showed me this morning.

Please pass along my thanks and appreciation.

*Debra Musgrove, Ramsey City Councilmember, Ward 4*

Hello Karen,

I want to thank you for your time yesterday providing a tour and information on your company, QCTV. It was fascinating to tour the studio, step into the mobile units and see all of the high tech equipment used in television production!

*Rana Nestrud, STEAM Coordinator (Science, Technology, Engineering, Arts & Math), Anoka High School*

**Action Requested:** None.

## NATOA Regulatory Update as of May 1, 2019

### Congress

- **Accelerating Broadband Development by Empowering Local Communities Act of 2019** ([H.R. 530](#)) – Bill states that the FCC’s August moratorium order and September small wireless order would have no force or effect. Introduced by Rep. Eshoo; 46 co-sponsors to date. Senate companion bill expected soon.
- **True Fees Act of 2019** ([H.R. 1220](#)) ([S. 510](#)) – Introduced by Rep. Eshoo; Sen. Markey. Similar to the 2018 bill: Applies to voice, internet and video services (cable and DBS); requires advertised prices to include total amount to be charged, including taxes, fees, etc., except for government-imposed taxes/fees or charges that are not uniform across the country; requires free cancellation of contracts if prices increase; prohibits mandatory mediation/arbitration clauses in agreements, for video services and wireless and wireline voice and internet services. 18 co-sponsors in the House; 7 in Senate.
- **Improving Broadband Mapping Accuracy Act** ([S. 842](#)) – Introduced by Sens. Capito, Klobuchar, Manchin and Hoeven. Directs the FCC to initiate a rulemaking to consider using consumer-reported data and data from state, local and tribal government entities to improve broadband mapping accuracy and to consider ways coverage data can be challenged.
- **Transparency for Cable Consumers Act** ([H.R. 1555](#)) – Rep. Brendisi (D-NY) introduced bill to require cable operators that are fined by a state utility/service commission to disclose certain information on a county-wide basis, including average cable and broadband charges and broadband speeds.
- **Digital Equity Act** – ([S. 1167](#)) – Introduced by Sen. Murray (D-WA). Funds grants for digital equity planning and implementation. 11 co-sponsors to date.
- **Save the Internet Act of 2019** ([H.R. 1644](#)) ([S. 682](#)) – Would restore FCC’s 2015 net neutrality rules and bar the FCC from repealing the rules again unless specifically authorized by law to do so. House passed H.R. 1644 April 10<sup>th</sup>; no action in Senate.
- **STREAMLINE Act** (Thune) still under discussion.

### FCC

- **Cable Franchise Regulations/Section 621(a) Docket (MB Docket No. 05-311):**
  - NATOA is coordinating a response to NCTA *Ex Parte* Filings:
    - [April 19th Letter](#) on “duplicative” fees on cable and broadband services; primarily focusing on California.
    - [April 18th Letter](#) suggesting new cap on PEG channels (presumptively 3 channels with HD and SD each 1 channel)

and delay in allowing offset of franchise fees for PEG channel capacity.

- [April 4th Letter](#) proposing methodology for franchise fee offset: Cable operators set the amount; LFAs can accept the reduction, reduce the franchise obligations or sue.
- [March 21st Letter](#) including additional responses to LFA reply comments.
- [March 13th Letter](#) including legal arguments responding to LFA reply comments.
- [March 13th Letter](#) complaining of duplicative fees in several jurisdictions.
- [March 11th Letter](#) on meeting with FCC and legal arguments.
- **[OTARD NPRM](#)** proposing to extend the FCC's over-the-air-reception device (OTARD) rules to include hub and relay antennas as requested by the Wireless Internet Service Providers Association (WISPA). (Comment deadlines not yet set.)
- **Modernization of Media Regulation Initiative (MB Docket No. 17-105):**
  - NATOA filed [Reply Comments](#) suggesting an opt-in (not opt-out) for any new electronic delivery methods.
  - Commission adopted a [Report and Order](#) at its April 12<sup>th</sup> meeting eliminating the rules that cable operators keep a copy of their channel lineup at their local office and in their online public inspection file.
- **[911 Location Accuracy FNPRM](#)**: Seeks comments on proposed vertical, or z-axis, location accuracy metric of +/- 3 meters relative to the handset location to help locate 911 callers in multi-story buildings. Comments Due: May 20, 2019; Reply Comments Due: June 18, 2019.
- **Public Safety and Homeland Security Bureau [seeks input](#)** on the Wireless Resiliency Cooperative Framework (Framework), which was written by the wireless industry and is a voluntary framework for wireless industry for preparing for and responding to disasters. Comments are due April 29<sup>th</sup>; replies due May 20<sup>th</sup>.
- **BDAC**
  - The BDAC's second 2-year term started March 1<sup>st</sup>. No word on new appointments.
- **FCC Open Meeting is May 9, 2019** at 10:30 am Eastern. Here is the [Tentative Agenda](#).

#### Courts/Challenges

- Appeals pending in 9<sup>th</sup> Circuit challenging the FCC's September [Declaratory Ruling and Third Report and Order](#) and the August [Moratorium Declaratory Ruling](#). Status conference with the Court held on April 18, 2019. Court denied FCC's motion to put the case on hold pending FCC action on the reconsideration

petitions. Joint briefing on August and September orders will be finished by early September; hoping for oral argument late this year.

#### State Franchise and Broadband Legislation Updates

- **States Wireless Bills Tracking:** 24 States have acted thus far. Georgia and Arkansas are the latest, and more bills are expected in 2019. Bills moving in NE, SC, NJ, and Puerto Rico; amendments proposed in FL.
- **State Net Neutrality Bills Tracking:** WA, OR, VT and CA, have passed legislation (enforcement in CA and VT on hold); 6 states have executive orders requiring ISPs that do business with the state to follow NN principles. Bills pending in NC, HI, CO (sent to Governor), MN, NV, ME and RI.



## Capitol Update Report

To: Minnesota Association of Community Telecommunication Administrators (MACTA)  
 From: Joseph Bagnoli  
 Date: April 15, 2019

### ***Introduced Bills***

***Bills Introduced last week are highlighted***

<b>Bill Introductions</b>	<b>House File</b>	<b>Senate File</b>	<b>Notes</b>
<b>Broadband Funding</b>			
<p>Appropriating \$35 million per year - \$70 million for the biennium - to the broadband grant program.</p>	<p><b>Ecklund/ H. F. 7</b></p>	<p><b>Koran/ S.F. No. 9</b></p>	<p>2/27 – SF 9 was heard in Senate Agriculture/Housing Finance Committee. Laid over for potential inclusion in an omnibus bill</p> <p>4/3 – \$30 million in one-time funding included in SF 2226 - Omnibus Ag/Housing/Broadband Bill – Article J. <a href="#">Link to SF 2226</a></p> <p>4/10 Passed Senate Finance. Sent to Senate floor.</p>
<p>Appropriating \$35 million per year - \$70 million for the biennium - to the broadband grant program.</p>	<p><b>Sauke/ H. F. 752</b></p>	<p><b>None</b></p>	<p>3/13 - HF 7 was heard in House Greater MN Jobs. Amended to add \$15 million in FY19. Passed and referred to House Ways &amp; Means</p> <p>4/8 – HF 7 was amended in House Ways &amp; Means to remove an additional \$15 million in FY 19, thus returning the bill to \$70 million over the biennium. The bill was then amended into HF 2208 (Mahoney), the House Omnibus Jobs Finance Bill. Sent to House Floor.</p>
<p>Appropriating \$35 million in FY 2020 for the broadband grant program</p>	<p><b>None</b></p>	<p><b>Draheim/ S.F. No. 1231</b></p>	<p>2/27 – SF 1231 was heard in the Senate Agriculture/Housing Finance.</p>

Appropriating \$100 million in FY 2020 to the broadband grant program.

[Kresha/  
H. F. 1137](#)

[Howe/  
S.F. No. 1336](#)

3/13 HF 1137 was heard in House Greater MN Jobs. Passed on a voice vote. Referred to House Ways & Means.

Appropriating \$3.2 million for a grant to the Mt. Iron Econ. Dev. Authority to extend an existing broadband network operated by the Northeast Service Cooperative from Willow River to Pine City and from Cromwell to Aitkin

[Sundin/  
H. F. 376](#)

[Ruud/  
S.F. No. 807](#)

2/27 - SF 807 was heard in Senate Agriculture/Housing Finance. Laid over for potential inclusion in an omnibus bill

This provision was not adopted in the Senate Omnibus Agriculture, Housing, Broadband bill.

Authorizing the city of Scandia to create a subordinate service district in order to provide broadband service.

[Dettmer/  
H. F. 1657](#)

[Housley/  
S.F. No. 1684](#)

3/5 SF 1684 was heard in Senate Agriculture/Housing Finance. Passed and sent to Senate Floor.

Requires the Office of Broadband to publish a "How to Manual." It also requires an applicant to post a bond, if it is under investigation.

[Koran/  
S.F. No. 2622](#)

None

Establishing an unserved areas broadband development pilot program.

[Garofalo/  
H. F. 2355](#)

[Draheim/  
S.F. No. 1507](#)

Appropriating money for a pilot grant program to support broadband connections for coworking spaces; requiring reports.

[Robbins/  
H. F. 2419](#)

None

Amending the definition of unserved and underserved areas by deleting the words "wire-line" from the phrase "lack access to wire-line broadband service"

None

[Draheim/  
S.F. No. 2739](#)

## Net Neutrality / Privacy

Privacy - Requiring telecommunications service providers to comply with internet privacy requirements; requiring express approval of disclosure of

None

[Latz/  
S.F. No. 1553](#)

personal information.

Net Neutrality - Prohibiting certain activities by internet service providers under contract to the state or political subdivisions.

Davnie/  
H. F. 555

Bigham/  
S.F. No. 209

2/13 HF 136 was heard in House Commerce. Passed on voice vote. Referred to House Government Operations Policy.

3/5 HF 136 was heard in House Government Operations. Passed on a roll call vote – party line with one exception – Rep. Pelowski voted no. Referred to House State Government Finance.

Net Neutrality - Prohibiting certain activities by internet service providers under contract to the state or political subdivisions.

Stephenson/  
H. F. 136

Latz/  
S.F. No. 317

4/4 HF 2208 – the contents of HF 136 were incorporated into the House Jobs Finance Omnibus bill and it was heard and passed House Jobs. The bill was sent to House Ways & Means.

Article J of the omnibus bill contains the net neutrality provisions set out in HF 136.

4/8 – HF 2208, the House Jobs Finance Omnibus bill, passed Ways & Means. Sent to House floor.

Privacy - Prohibiting access by a government entity to electronic communication held by a service provider or other third party unless certain procedures are followed.

Lesch/  
H. F. 1197

Dibble/  
S.F. No. 1431

## Industry Bills

Establishing a process for hiring private consultants

**This is T-Mobile's siting bill.**

Nelson/  
H. F. 823

Koran/  
S.F. No. 998

3/5 – SF 998 was heard in Senate Local Government. Failed 6-5.

3/14 – SF 998 was reconsidered in Senate Local Government. Amended and passed on a voice vote. Referred to Senate State Government Finance.

4/8 – SF 998 passed Senate State Government Finance. Sent to Senate Rules

4/11 – SF 998 passed Senate Rules. Sent

to Senate Floor

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3/28 – HF 823 was heard and amended in House Government Operations. Referred to House Jobs.

**ATT Wireless' bill.** Providing exemption from tax and business licensing and registration requirements for out-of-state employees and critical infrastructure companies, including affiliates of in-state critical infrastructure companies that temporarily provide resources and personnel in the state during a state of emergency.

None

Weber/  
S.F. No. 1091

**Verizon Bill** that redefines the State Fair as a city for the purposes of siting wireless telephone infrastructure

O'Neill/  
H. F. 2279

Mathews/  
S.F. No. 2197

3/26 – SF 2197 was heard in the Senate Energy Committee and laid on the table.

## Other

Modifying Open Meeting Law to allow attendance by interactive TV.

Koegel/  
H. F. 281

Jasinski/  
S.F. No. 1246

3/11 SF 1246 was heard in Senate Local Government. Passed as amended and sent to Senate Government Finance.

4/1 – SF 1246 passed Senate Government Finance and sent to Senate floor.

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2/18 HF 281 was heard in House Govt. Operation. Passed as amended and sent to House floor.

3/7 Passed House floor 126-1.

### General Update

The legislature ended its week on Friday, April 12 with virtually all the respective finance bills having advanced from committee to the House or Senate Floor. This past week the legislature is taking an Easter/Passover break. They return to work on Tuesday April 23. When they return, they will begin to work towards conclusion of the session. Each body will take up these finance bills and then work towards resolution.

Currently, we are the only state in the Union where the House and Senate are controlled by different parties. In every other state, both bodies are controlled by the same party. Unsurprisingly, the priorities of each of the bodies diverge significantly. The Democratically controlled House wants gun safety measures, paid family medical leave, recreational marijuana, and a number of new taxes. The Republican controlled Senate is opposed to all of these items. The final "deal" seems hard to find in the distance, but hopefully we will get there.

### **MACTA Specific**

#### **Governor's Broadband Task Force**

On Friday, March 29, Governor Walz signed an executive order to continue the Governor's Task Force on Broadband. [Link to Walz Exec. Order - Broadband Task Force](#)

The chair and members of the Task Force will be appointed over the summer.

[Link to League of Cities Article on Task Force](#)

#### **Broadband Funding**

The contours of the conversation around broadband funding are taking shape. The Governor's Broadband Task Force called for \$35 million per year for a total of \$70 million over the biennium to be appropriated to the Border-to-Border Broadband program. Governor Walz's proposed budget adopted the Task Force's recommendation. Governor Walz's budget further called for \$250,000 per year to fund the Office of Broadband within the Department of Employment and Economic Development.

**Senate.** The Senate Omnibus Agriculture, Housing and Broadband Finance Bill appropriates \$30 million in fiscal year 2020 to the Border-to-Border Broadband program. The bill additionally provides \$250,000 per year to fund the Office of Broadband.

**House.** The House Ways & Means Committee incorporated the contents of HF 7 (Ecklund) which provides funding at the level the Governor requested of \$35 million per year. The House Jobs Finance Omnibus bill additionally contains funding for the Office of Broadband in the amount of \$250,000 per year.

Both House and Senate Omnibus finance bills are on the floor.

#### **Net Neutrality**

At the national level, on Wednesday, April 10, the United States House of Representatives voted 232-190 to reinstate federal net-neutrality regulations that would ban internet service providers from blocking or slowing down websites.

[Link to Wash. Post Article on House Vote](#)

The article notes that the US Senate is unlikely to consider the legislation. Sort of sounds like the situation in Minnesota.

Here at home, the Senate has not heard any bill involving net neutrality this year. In contrast, the House has had numerous hearings on HF 136 (Stephenson) which requires internet service providers that contract with the state or local units of government to abide by net neutrality principles. The language contained within HF 136 has been incorporated into the House Jobs Finance Omnibus bill, which is on the House floor.

**T-Mobile Siting Bill**

As introduced, this bill would have put onerous requirements on Cities that sought to use outside consultants for a range of services including engineering services relative to siting wireless facilities on publicly owned structures. Currently, this bill has been modified dramatically such that the League of Minnesota Cities is neutral on the legislation.

This bill is now on the Senate floor. It has not been incorporated into an omnibus finance bill. In the House, the bill has not moved out of committee and is also not a party of any omnibus finance bill.

**Interactive Public Meeting Bill**

Current law requires local officials who desire to participate remotely in official meetings do so from a space open to the public. This legislation would allow local officials that are also members of the National Guard or other branches of service to participate remotely in official meeting even if the remote location is not open to the public.

This bill passed the House 126-1 and is on the Senate floor awaiting action.

## QCCCC Agenda Item

### 4.3.1 Operations Report

**March 29, 2019**

**To:** Karen George, Executive Director

**From:** Katherine Lenaburg, Operations Manager

**Subject: Operations Update**

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This month we produced two episodes of “Champlin Matters”. One was on the Mill Pond Project with Assistant City Engineer Todd Tuominen and Tony Havranek, Senior Ecologist at WSB. The second one was on business development in Champlin with Deputy City Administrator John Cox and local attorney Steve Boynton.

We produced twenty live government meetings. We produced “News and Views” featuring elected officials and staff members from our four-member cities as well as pre-produced stories promoting what is going on in our cities.

With our mobile production van we produced three play-off sectional games and our teams did not advance to the state level. We procured one game from our sister station CCX as well.

Regular productions include “The District Court Show”, “It’s Your History”, “the Chamber Report”, and “QC Cooks.”

For the Sheriff’s Show, we produced it in our studio instead of on-location and it went well.

We produced “Live and Local: Champlin” at the Ice Arena. Our guests were Mayor Karasek, City Administrator Bret Heitkamp, Ice Manager Nick Powell, City Council Member Jessica Tesdall, Police Chief Ty Schmidt, Parks and Rec’s Charlie Lehn and Alicia Jahnke. We pre-produced a “What’s My Job” segment with Inspector Jerry Hart, City Planner Update with Scott Schulte, and a story on the Mill Pond with Todd Tuominen.

Working with the League of Women Voters ABC Chapter, we produced a show on recycling with Coon Rapids Recycling Manager Colleen Sinclair and Anoka County Recycling Manager Maggie Yauk.

Procured programming included a Minnesota Whitecaps Professional Hickey game produced by CTN.

We produced “What’s New at the Q” which features our current line-up of programming.

I spent time entering ACM and NATOA programming competitions. I was also a judge for the ACM and Emmy competitions.

I worked with John Sommers and Lisa Monserud to produce a power point presentation on our annual programming report that was presented in a work session on 3/21/19.



## QCCCC Agenda Item

### 4.3.1 Operations Report

**May 6, 2019**

**To:** Karen George, Executive Director

**From:** Katherine Lenaburg, Operations Manager

**Subject: Operations Update**

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We produced live coverage of the Anoka Hennepin School District Honors Orchestra. This event was held at Champlin Park High School and they were very appreciative, thanking us with a round of applause.

We produced 17 live government meetings. We produced “News and Views” featuring elected officials and staff members from our four-member cities as well as pre-produced stories promoting what is going on in our cities.

We produced the District Court on location in Ramsey. I interviewed a new Stillwater judge as Judges Halsey and Strand were unavailable.

We attended the Mayor’s Prayer Breakfast in Coon Rapids and I interviewed board members from Ramsey, Andover, and Anoka. Singer Kat Perkins was the guest speaker.

We completed our “At the Half” show and started spring sports. We are covering boys and girls lacrosse as well as baseball and softball. We got a late start to spring sports because of the weather but got in 4 games this month.

We produced a show called “The Favorable Economics of Solving the Climate Challenge” with Dr. Jay Coggins from the University of Minnesota. This show was shared with our sister stations.

Regular productions include “The District Court Show”, “It’s Your History”, and “the Chamber Report”.

We ran a PSA on our website on Stopping the FCC from defunding P.E.G. access. It was well produced and was run across the country.

Procured programming included a Minnesota Whitecaps Professional Hockey game produced by CTN. We also procured live coverage of the Minnesota Vixen (Women's Football) produced by Town Square Television. We are also making arrangements to carry live coverage of the Saint Paul Saints this summer which will be produced by sister station CTN.

We produced a QCTV promo with original music by Producer Cory Laing that features clips of our recent programs. We produced one Slow TV.

We all spent time on our Strategic Planning Stakeholder interviews. I talked with City of Anoka's Communication Manager Pam Bowman, League of Women Voters ABC members Gretchen Sabel and Kathy Aanerud. I also interviewed a high school student for her millennial perspective. We spent two days with Aurora Consulting developing our strategic plan for the next five years.

I attended a Chamber of Commerce event on How to Have More Fun at Work and I came up with a list of activities for the Executive Director.

We covered a special workshop on April 22<sup>nd</sup>, in Anoka on development and made it available on our website for people to see who missed the meeting.

We also carried a Vixen vs. Dragons women's football game, produced by our sister station Town Square Television.

## QCCCC Agenda Item

### 4.3.2 Technology Report

**May 6th, 2019**

**To:** Karen George, Executive Director

**From:** John Sommer, Technology Manager

**Subject:** March 2019 Technology Report

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#### Current Projects:

##### **City Hall HD Updates**

The last Change Order for the project was executed in Ramsey at the end of February. I met with City staff March 1<sup>st</sup> to answer questions and go over the Program Video picture in picture confidence monitor solution. A small window in the lower right hand corner of the staff and dais monitors will now show the program video as it appears to viewers on cable or the QCTV website. The wireless collaboration input is now the default input when the system at Ramsey powers on and the background picture on that input is one of their photo contest winners.

#### Equipment Issues:

##### **QCTV Equipment**

New Cablecast FLEX4 video server arrived the first full week of March. I installed the equipment and tested it. Jim Reynolds worked on updating the software on all of the other Cablecast machines. We will execute a soft deployment in April as we phase in using the new hardware and phase out the old machine by the end of May.

##### **City Equipment**

No issues to report for this period.

##### **Comcast Equipment**

No issues to report for this period.

##### **CenturyLink Equipment**

No issues to report for this period.

**Action Requested:** None.

## QCCCC Agenda Item

### 4.3.2 Technology Report

**May 6th, 2019**

**To:** Karen George, Executive Director

**From:** John Sommer, Technology Manager

**Subject:** April 2019 Technology Report

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#### Current Projects:

##### **City Hall HD Updates**

Jim Reynolds and I removed and recycled old equipment from the four city halls. I updated the surplus equipment lists of items removed from city hall and sent to the appropriate finance staff at each city for asset removal notification. Some items were kept as spares and we are also checking if some of the removed equipment has resale value on an auction site.

##### **Computer Purchase Update**

The Commission approved the computer purchase at their March 21<sup>st</sup> meeting. I obtained updated pricing from CDW and the cost dropped from \$11,760 to \$10,950 for the three workstations. They were ordered in March and delivered in early April. Maza Technology staffer Max Krauth and I configured and deployed to three staff members. Staff comments have ranged from, "Wow!" to "It took less than 10 minutes to render - it used to take over an hour."

##### **Movie Screen System and Trailer Update**

Movie screen system was ordered from Z-Systems after the February Commission meeting. Delivery and initial city training meeting will be the end of June or beginning of July. As stated at the Commission meeting, one four-hour training session was requested. Member cities could choose additional training closer to or during their events. I have pursued the purchase of an enclosed cargo trailer to house the movie screen system.

#### Equipment Issues:

##### **QCTV Equipment**

Machine Room HVAC. I shared the updated proposal from NAC-HVAC with Jerry Hart at Champlin, who took time to look it over and share his expertise. He said it was a comparable system to one recently installed in a server room and Champlin and the cost looked on par with that system. The Commission Chair and Treasurer concurred that this project needed to move quickly with rising spring temperatures and approved us to proceed. NAC is scheduled to start work Tuesday May 7<sup>th</sup>.

Maza Technologies, Jim Reynolds and I have been working this month to install new antivirus software on all QCTV computers.

##### **City Equipment**

The Denon audio recorder at Andover has had intermittent problems mounting the USB drive. Restarting the device or unplugging and plugging back in the USB drive seems to work. QCTV will order new USB drives for each city and test for a resolution. In the meantime, the producers have been updated on what to do if it does not connect.

The document camera at Anoka failed to power up at a recent equipment check. Jim was able to unplug it and plug it back in and it came up. We will continue to test at future equipment checks.

**Comcast Equipment**

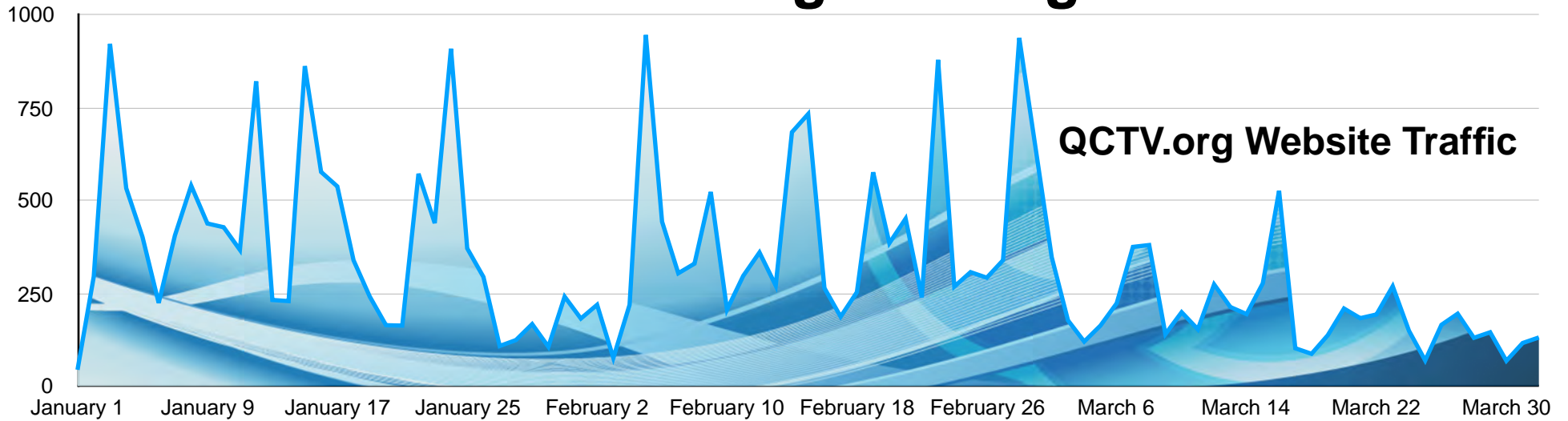
No issues to report for this period.

**CenturyLink Equipment**

No issues to report for this period.

**Action Requested:** None.

# 2019 Quarter 1 Programming Stats



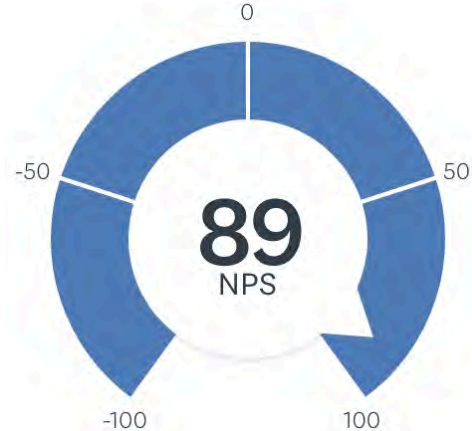
## How did people find us and what page did they go to most?

### Top 10 Ways Users Find QCTV

1	google search	45%
2	Direct	37%
3	<a href="https://m.facebook.com">m.facebook.com</a> link	9%
4	Twitter link	1.5%
5	<a href="https://facebook.com">facebook.com</a> link	1.5%
6	Yahoo search	1%
7	<a href="https://mncourts.gov">mncourts.gov</a> link	1%
9	Bing search	0.6%
10	<a href="https://ushsho.com">ushsho.com</a> link	0.5%
8	<a href="https://l.facebook.com">l.facebook.com</a> link	0.4%

### Top 10 Pages

1	Sports	6,201
2	Homepage	5,361
3	Live - Community Channel	2,700
4	Program Guide	1,659
5	Andover	993
6	Anoka	765
7	Champlin	631
8	Ramsey	598
9	QCTV Programs	429
10	Anoka City Council Meetings	405

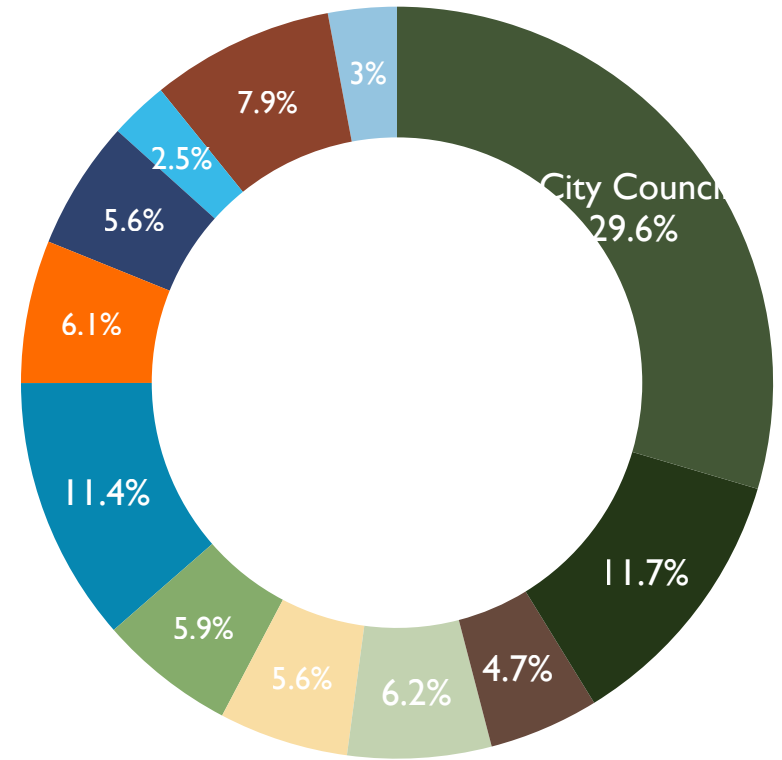
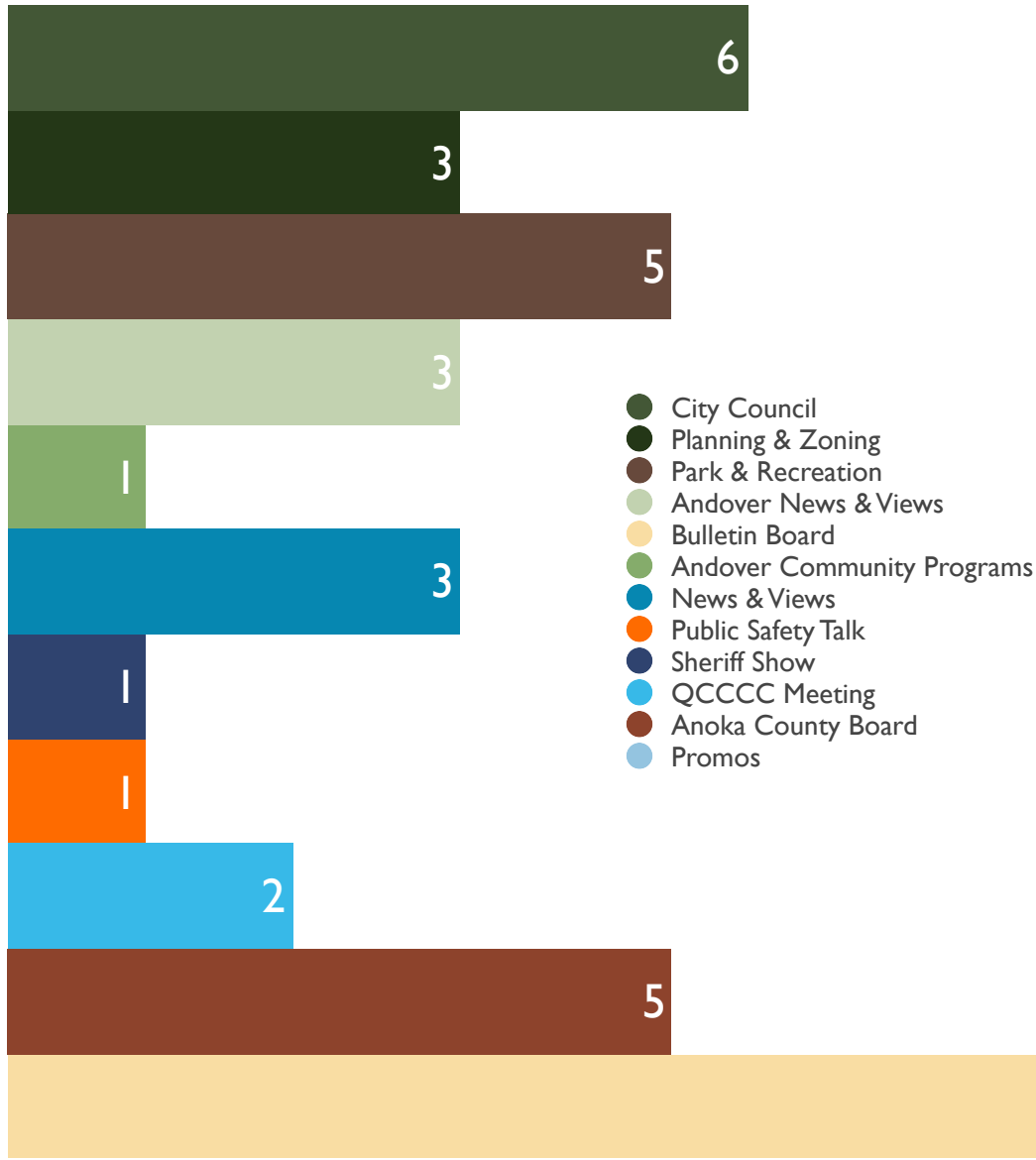


DETRACTORS (0-6)	PASSIVES (7-8)	PROMOTERS (9-10)	NET PROMOTER® SCORE
0	11%	89%	89
0	3	24	

**2019Q1**



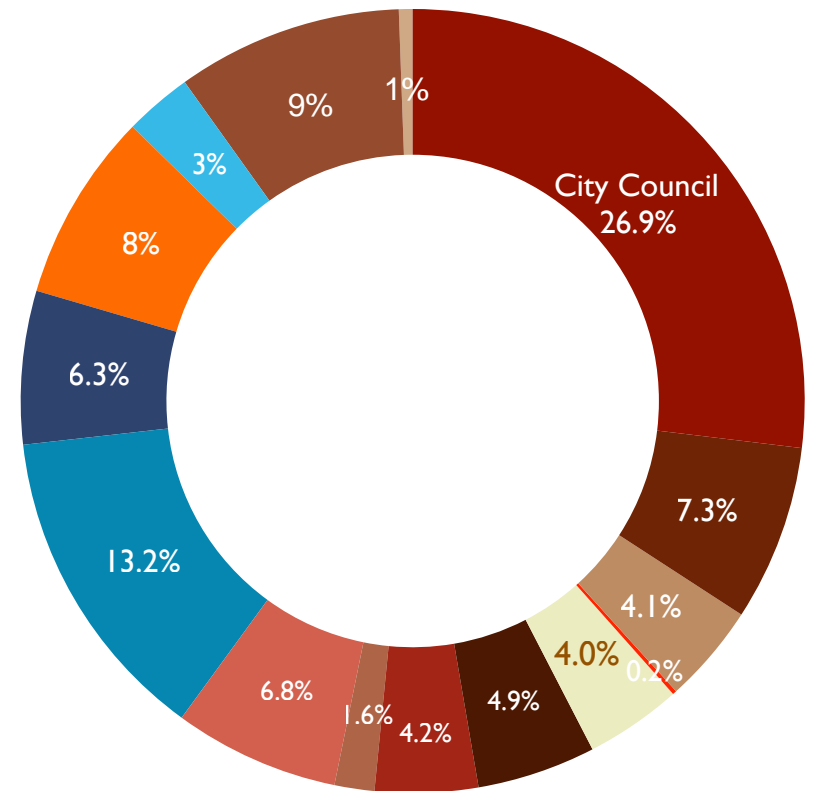
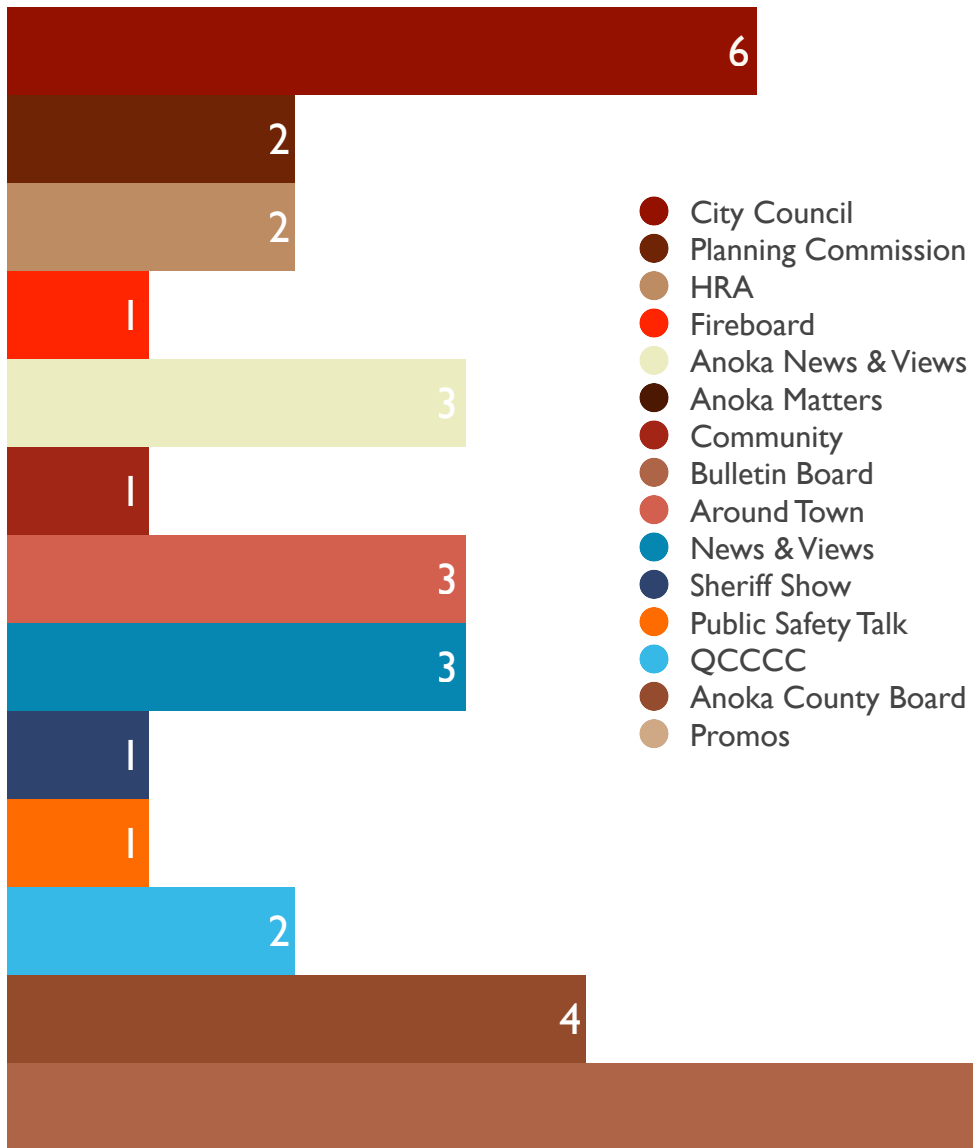
# Channel Programming Stats



Percentage of Channel Playback

Number of New Shows - 30

2019Q1

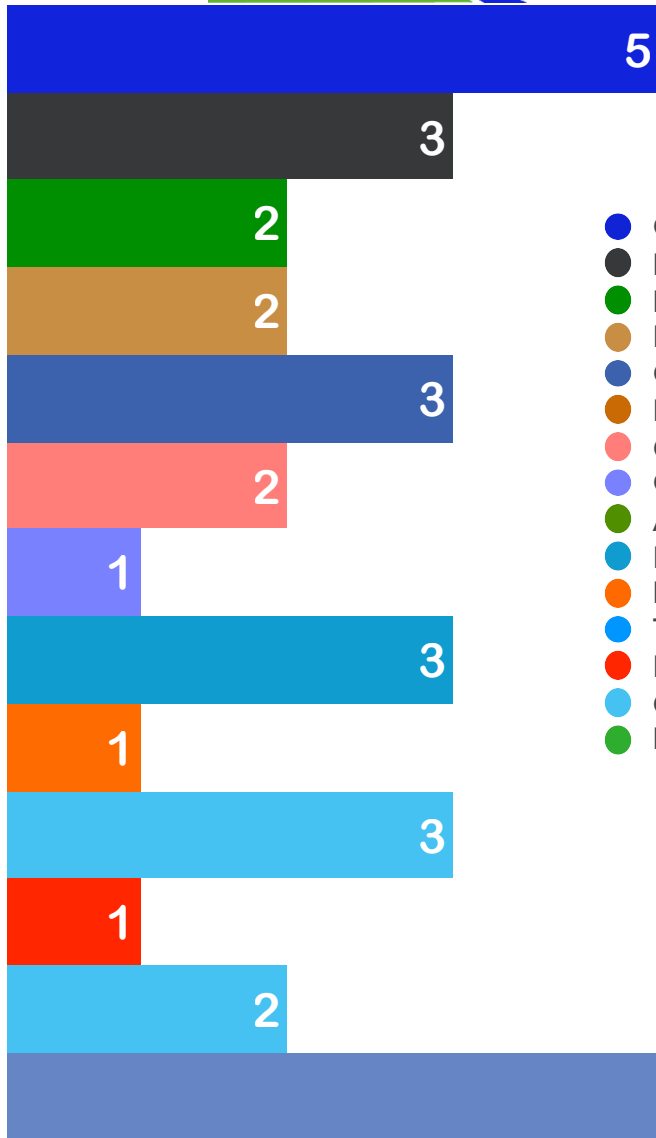


Percentage of Channel Playback

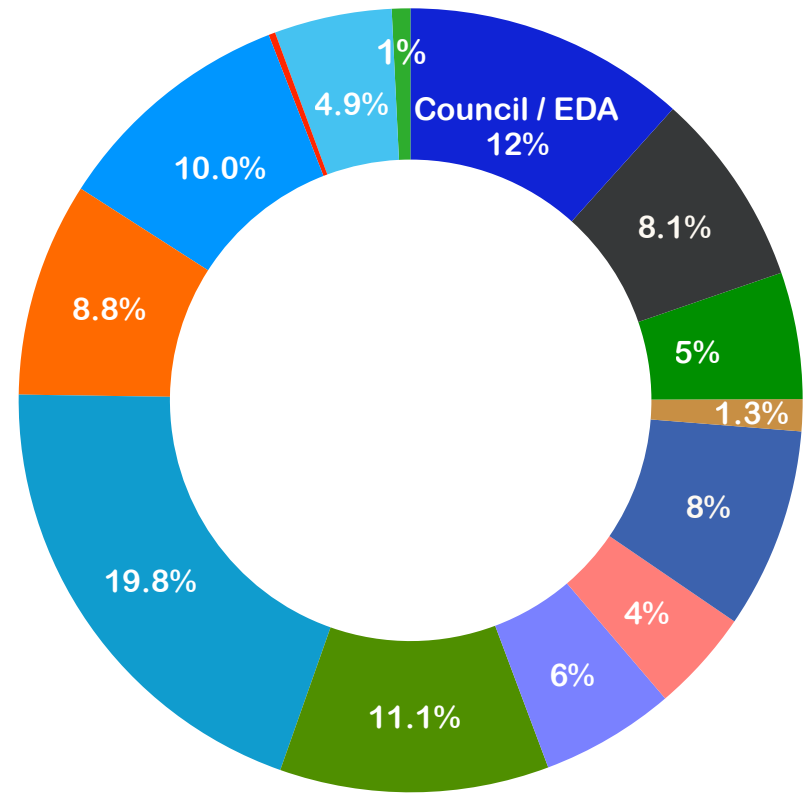




# City of Champlin Channel Programming Stats



- Council / EDA
- Planning Commission
- Park & Rec
- ERC
- Champlin News & Views
- Bulletin Board
- Champlin Matters
- Community Events
- Around Town
- News & Views
- Public Safety Talk
- The Chamber Report
- Fireboard
- QCCCC
- Promos

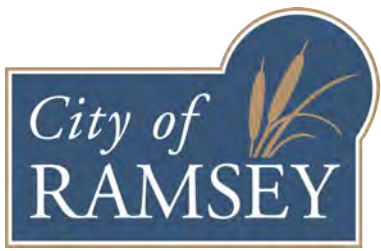


Percentage of Channel Playback

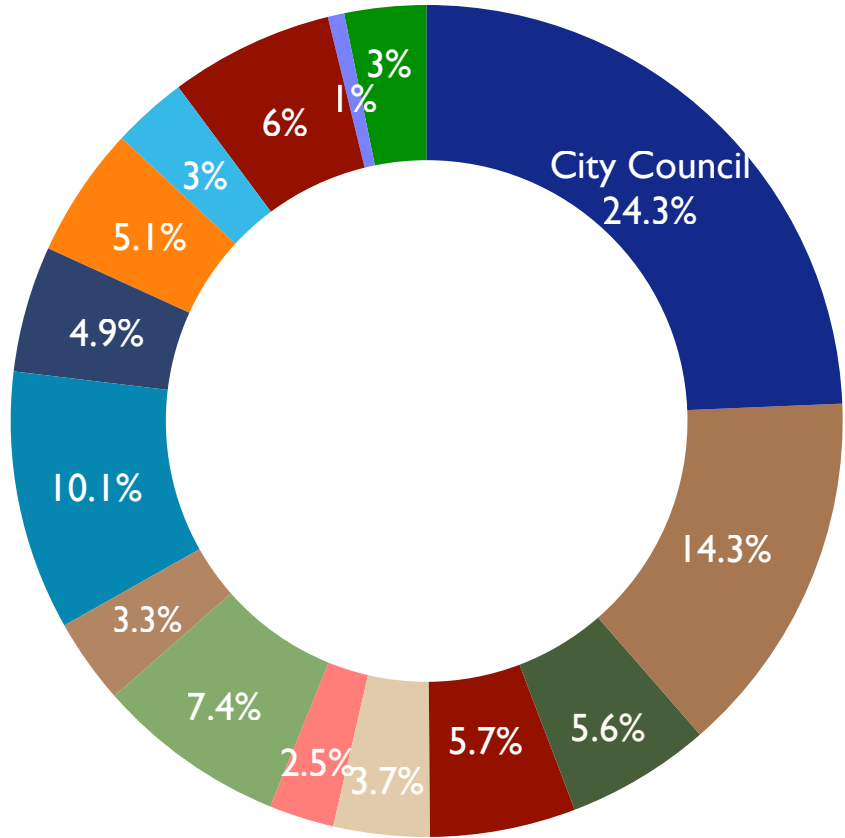
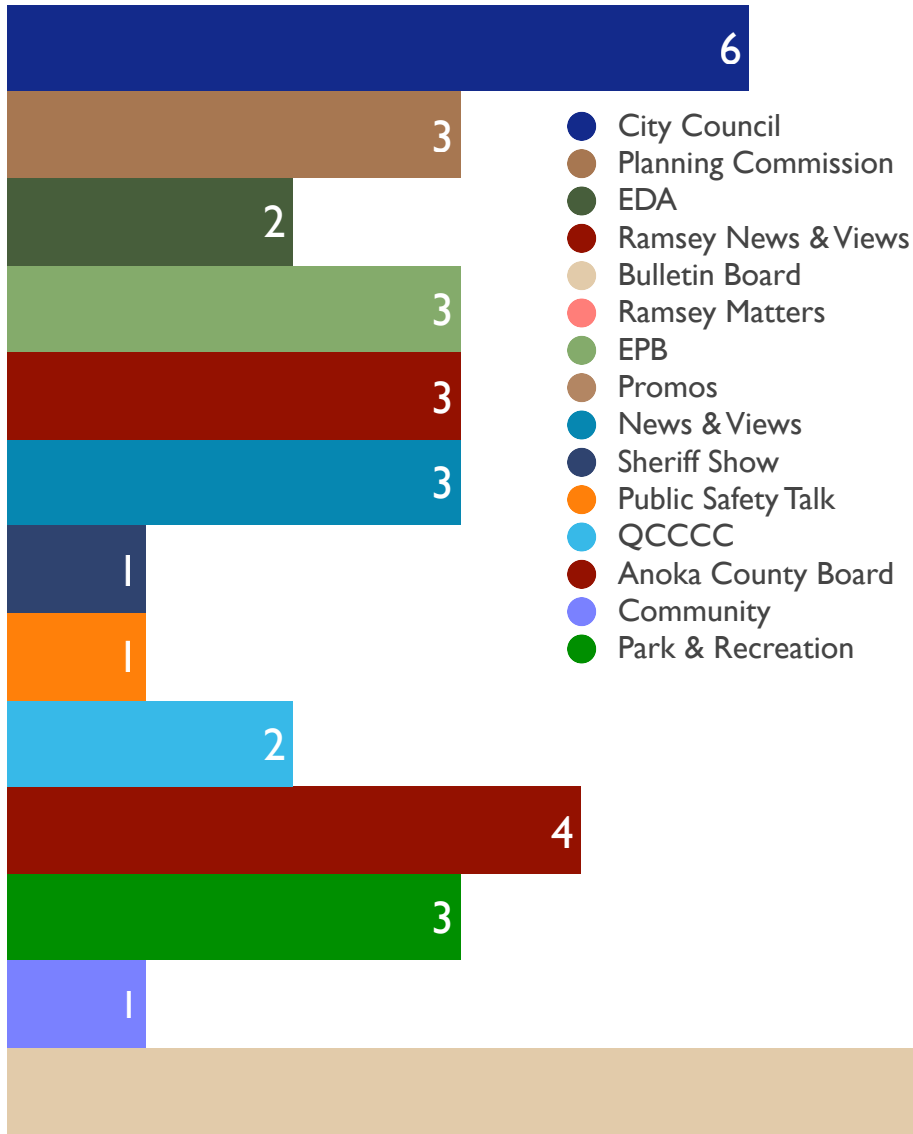
131

Number of New Shows - 28

2019Q1



# Channel Programming Stats



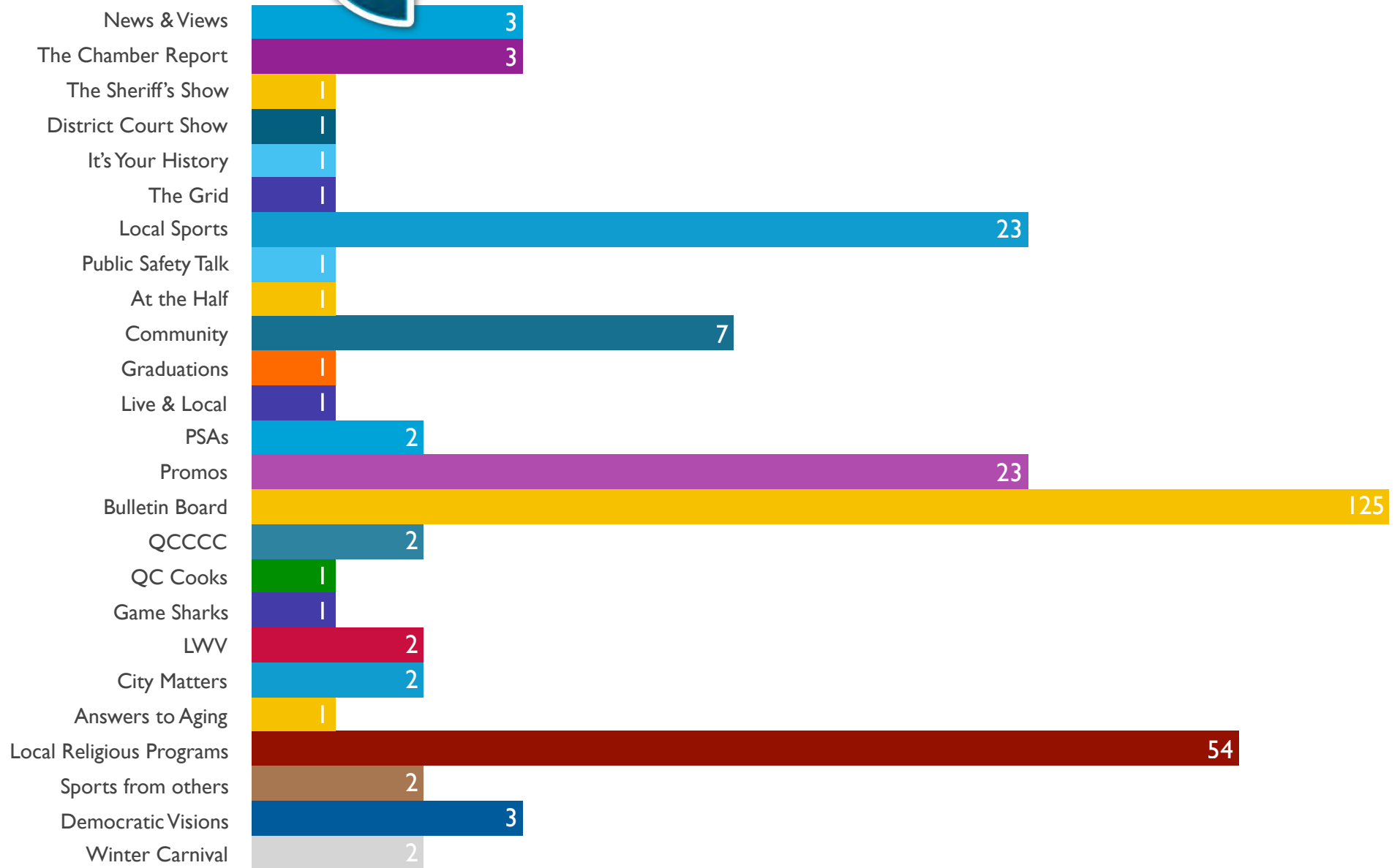
Percentage of Channel Playback

Number of New Shows - 32

2019Q1



# Channel Programming Stats



Number of New Shows - 128

2019Q1

**QCCCC Agenda Item**

**5.1 2018 Audit Report**

**May 8, 2019**

**To:** Commissioners

**From:** Karen George, Executive Director

**Subject:** 2018 Audit Report

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The 2018 Audit Report for QCCCC, prepared by Redpath & Company, Ltd., is attached for your review. Representatives from Redpath & Company, Ltd., will present the audit report.

**Action Requested:** Accept the 2018 Audit report.



April 2, 2019

Karen George, Administrator  
Quad Cities Cable Communications Commission  
12254 Ensign Ave. North  
Champlin, MN 55316

Dear Karen:

Enclosed are the following reports for the Quad Cities Cable Communications Commission for the year ended December 31, 2018:

- ◆ Annual Financial Report (includes Internal Control Letter and Legal Compliance Audit Report) (10 copies)
- ◆ Communication with Those Charged with Governance Letter (10 copies)

A copy of the Annual Financial Report has been sent electronically to the Office of the State Auditor.

We also emailed you electronic versions of each report.

Electronic versions of each workpaper we prepared or assisted preparing, as listed below, were emailed to you on April 1, 2019:

- Fund balance and net position classifications
- Government-wide conversion and GASB 34 entries
- Grouping reports (fund and government-wide), adjusting journal entries and reclassifying journal entries
- Capital Asset workpapers

In addition, we provided GASB 68 (Pension) workpapers to you during fieldwork on March 14, 2019.

Thank you for the opportunity to be of service. If the Commission would like to discuss the reports, please advise.

Sincerely,

A handwritten signature in cursive script that reads "Peggy Moeller".

Peggy Moeller, CPA  
PM/bab

Enclosures

**QUAD CITIES CABLE  
COMMUNICATIONS COMMISSION**

ANNUAL FINANCIAL REPORT

December 31, 2018

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**QUAD CITIES CABLE  
COMMUNICATIONS COMMISSION  
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## **INTRODUCTORY SECTION**

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**QUAD CITIES CABLE  
COMMUNICATIONS COMMISSION  
ORGANIZATION**  
December 31, 2018

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**Commission Members:**

Representing:

Andover:

Jim Goodrich - Personnel Committee  
Jim Dickinson - Treasurer and Budget Committee

Anoka:

Brian Wesp - Secretary and Personnel Committee  
Greg Lee - Budget Committee

Champlin:

Ryan Sabas - Budget Committee  
Bret Heitkamp - Chair and Personnel Committee

Ramsey:

Kurt Ulrich - Vice-Chair and Personnel Committee  
John LeTourneau - Budget Committee

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the  
Quad Cities Cable Communications Commission  
Champlin, Minnesota

We have audited the accompanying financial statements of the governmental activities and each major fund of Quad Cities Cable Communications Commission, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise Quad Cities Cable Communications Commission's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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



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

## **Opinions**

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Quad Cities Cable Communications Commission, as of December 31, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**

We have previously audited the Quad Cities Cable Communications Commission's 2017 financial statements, and we expressed an unmodified audit opinion on the respective financial statements of the governmental activities and each major fund in our report dated April 12, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Other Matters**

### *Required Supplementary Information*

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and the pension information on pages 34 through 37 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing

the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Quad Cities Cable Communications Commission's basic financial statements. The introductory section is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*Redpath and Company, Ltd.*

REDPATH AND COMPANY, LTD.  
St. Paul, Minnesota

April 1, 2019

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## **BASIC FINANCIAL STATEMENTS**

**QUAD CITIES CABLE  
COMMUNICATIONS COMMISSION**

**Statement 1**

STATEMENT OF NET POSITION

December 31, 2018

With Comparable Totals for December 31, 2017

	Governmental Activities	
	2018	2017
Assets:		
Cash and investments	\$2,382,585	\$2,674,424
Franchise and peg fees receivable	415,287	427,363
Prepaid items	5,880	7,413
Capital assets - net:		
Nondepreciable	66,131	66,131
Depreciable	1,002,053	942,561
Total assets	<u>3,871,936</u>	<u>4,117,892</u>
Deferred outflows of resources:		
Related to pensions	<u>112,733</u>	<u>119,010</u>
Liabilities:		
Accounts payable	48,626	55,325
Compensated absences payable:		
Due within one year	48,834	31,808
Due in more than one year	-	10,602
Net pension liability:		
Due in more than one year	443,807	472,411
Total liabilities	<u>541,267</u>	<u>570,146</u>
Deferred inflows of resources:		
Related to pensions	<u>118,809</u>	<u>131,413</u>
Net position:		
Net investments in capital assets	1,068,184	1,008,692
Unrestricted	<u>2,256,409</u>	<u>2,526,651</u>
Total net position	<u><u>\$3,324,593</u></u>	<u><u>\$3,535,343</u></u>

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

**QUAD CITIES CABLE  
COMMUNICATIONS COMMISSION**

**Statement 2**

STATEMENT OF ACTIVITIES

For The Year Ended December 31, 2018

With Comparable Totals for The Year Ended December 31, 2017

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	
					<u>Totals</u>	
				<u>2018</u>	<u>2017</u>	
Governmental activities:						
General government	\$1,942,284	\$1,317	\$1,625,504	\$57,275	(\$258,188)	\$561,821
Total governmental activities	<u>\$1,942,284</u>	<u>\$1,317</u>	<u>\$1,625,504</u>	<u>\$57,275</u>	<u>(258,188)</u>	<u>561,821</u>
General revenues:						
Unrestricted investment earnings					39,049	15,371
Miscellaneous					8,389	8,088
Total general revenues					<u>47,438</u>	<u>23,459</u>
Change in net position					(210,750)	585,280
Net position - January 1					<u>3,535,343</u>	<u>2,950,063</u>
Net position - December 31					<u>\$3,324,593</u>	<u>\$3,535,343</u>

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

**QUAD CITIES CABLE  
COMMUNICATIONS COMMISSION**

**Statement 3**

BALANCE SHEET  
GOVERNMENTAL FUNDS

December 31, 2018

With Comparative Totals For December 31, 2017

	General Fund	
	2018	2017
Assets:		
Cash and investments	\$2,382,585	\$2,674,424
Franchise and PEG fees receivable	415,287	427,363
Prepaid items	5,880	7,413
Total assets	<u>\$2,803,752</u>	<u>\$3,109,200</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$48,626	\$55,325
Total liabilities	<u>48,626</u>	<u>55,325</u>
Fund balance:		
Nonspendable	5,880	7,413
Unassigned	2,749,246	3,046,462
Total fund balance	<u>2,755,126</u>	<u>3,053,875</u>
Total liabilities and fund balance	<u>\$2,803,752</u>	<u>\$3,109,200</u>
Fund balance reported above	\$2,755,126	\$3,053,875
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.	1,068,184	1,008,692
Deferred outflows of resources-pension related are not current financial resources and, therefore, are not reported in the funds	112,733	119,010
Deferred inflows of resources-pension related are associated with long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds	(118,809)	(131,413)
Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the funds:		
Compensated absences payable	(48,834)	(42,410)
Net pension liability	<u>(443,807)</u>	<u>(472,411)</u>
Net position of governmental activities	<u>\$3,324,593</u>	<u>\$3,535,343</u>

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

**QUAD CITIES CABLE  
COMMUNICATIONS COMMISSION**

**Statement 4**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
For The Year Ended December 31, 2018  
With Comparative Totals For The Year Ended December 31, 2017

	General Fund	
	2018	2017
Revenues:		
Franchise fees	\$1,054,554	\$1,117,505
PEG fees	567,581	629,727
Equipment and support grants	57,275	56,429
Investment income	39,049	15,371
Miscellaneous	9,706	10,445
Total revenues	<u>1,728,165</u>	<u>1,829,477</u>
Expenditures:		
General government:		
Salaries, taxes and benefits	751,452	699,879
Professional and franchise application fees	70,786	81,934
Repairs and maintenance	68,330	54,985
Supplies	6,245	5,464
Travel/conferences/continuing education	16,009	13,408
Mileage	8,259	8,230
Dues, subscriptions and printing	23,459	24,971
Insurance	7,658	7,655
Commission per diem	1,640	2,252
Utilities	37,128	31,532
Advertising	8,538	7,762
Equipment purchases	652,388	28,272
City CIP payments	80,000	80,000
Web hosting	14,333	21,162
Meals and lodging	1,217	1,498
Vehicle maintenance	24,670	9,648
Car allowance	3,000	3,000
Miscellaneous	2,177	2,225
Capital outlay	249,625	92,054
Total expenditures	<u>2,026,914</u>	<u>1,175,931</u>
Revenues over (under) expenditures	(298,749)	653,546
Fund balance - January 1	<u>3,053,875</u>	<u>2,400,329</u>
Fund balance - December 31	<u><u>\$2,755,126</u></u>	<u><u>\$3,053,875</u></u>

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



**QUAD CITIES CABLE  
COMMUNICATIONS COMMISSION**

**Statement 5**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
For The Year Ended December 31, 2018  
With Comparable Totals for The Year Ended December 31, 2017

	<u>2018</u>	<u>2017</u>
Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:		
Net changes in fund balance - total governmental funds (Statement 4)	(\$298,749)	\$653,546
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	59,492	(74,607)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in compensated absences payable	(6,424)	(11,451)
Governmental funds report pension contributions as expenditures, however, pension expense is reported in the Statement of Activities. This is the amount by which pension expense differed from pension contributions:		
Pension contributions	\$41,033	
Pension expense	(6,102)	
	<u>34,931</u>	<u>17,792</u>
Change in net position of governmental activities (Statement 2)	<u>(\$210,750)</u>	<u>\$585,280</u>

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

**QUAD CITIES CABLE COMMUNICATIONS COMMISSION**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2018

---

**Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Quad Cities Cable Communications Commission (the Commission) was formed by the Cities of Andover, Anoka, Champlin and Ramsey. The Commission was formed to administer and enforce a cable communications franchise in the member municipalities.

The Commission was officially formed in March of 1981 with the signing of the Joint Powers Agreement.

Member cities appoint two representatives. Officers are elected bi-annually.

The financial statements of the Commission have been prepared in conformity with generally accepted accounting principles as applied to government units by the Governmental Accounting Standards Board (GASB). The Commission accounting policies are described below.

**A. FINANCIAL REPORTING ENTITY**

In accordance with GASB pronouncements and generally accepted accounting principles, the financial statements of the reporting entity include those of the Commission (the primary government) and its component units. The Commission does not have any component units.

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government.

*Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services. There are no business-type activities, which rely to a significant extent on fees and charges for services.

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

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**QUAD CITIES CABLE COMMUNICATIONS COMMISSION**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2018

---

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Commission considers all revenues, except reimbursement grants, to be available if they are collected within 60 days of the end of the current fiscal period. Reimbursement grants are considered available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Intergovernmental revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Commission.

The Commission reports the following major governmental fund:

General Fund – is the general operating fund of the Commission. It is used to account for all financial resources of the Commission.

**D. BUDGETS**

Budgets for the General Fund are adopted on a basis consistent with generally accepted accounting principles. During the budget year, supplemental appropriations and deletions are or may be authorized by the Commission. Individual amendments were not material in relation to the original appropriations which were adjusted.

The General Fund expenditures exceed final budgeted appropriations by \$767,762 at December 31, 2018.

**E. CASH AND INVESTMENTS**

Cash and investment balances are invested to the extent available in authorized investments.

Investments are stated at fair value, except for investments in external investment pools that meet GASB 79 requirements, which are stated at amortized cost. Investment income is accrued at balance sheet date.

**F. INVENTORIES**

The original cost of materials and supplies have been recorded as expenditures at the time of purchase (purchases method). The Commission does not maintain material amounts of inventories of goods and supplies.

**QUAD CITIES CABLE COMMUNICATIONS COMMISSION**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2018

---

**G. CAPITAL ASSETS**

Capital assets, which include property, plant, equipment, infrastructure assets, and intangible assets such as computer software, are reported in the governmental activities columns in the government-wide financial statements. Capital assets are defined by the Commission as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

GASB Statement No. 34 requires the Commission to report and depreciate new infrastructure assets effective in 2004. Neither their historical cost nor related depreciation has historically been reported in the financial statements. For governmental entities with total annual revenues of less than \$10 million for the fiscal year ended December 31, 1999, the retroactive reporting of infrastructure is not required under the provisions of GASB Statement No. 34. The Commission does not own any infrastructure assets.

The Commission implemented GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* effective January 1, 2010, which required the Commission to capitalize and amortize intangible assets. For governmental entities with total annual revenues of less than \$10 million for the fiscal year ended December 31, 1999, the retroactive reporting of intangible assets is not required under the provision of GASB Statement No. 51. The Commission has elected not to report intangible assets acquired in years prior to 2010.

Property, plant and equipment of the Commission is depreciated using the straight-line method over the following estimated useful lives.

Furniture, fixtures and equipment	3 – 10 years
Building	39 years
Intangibles – website	4 years

**H. LONG-TERM OBLIGATIONS**

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

**I. FUND BALANCE CLASSIFICATIONS**

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

*Nonspendable* - consists of amounts that are not in spendable form, such as prepaid items.

*Restricted* - consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

*Committed* - consists of internally imposed constraints. These constraints are established by Resolution of the Commission Board.

**QUAD CITIES CABLE COMMUNICATIONS COMMISSION**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2018

---

*Assigned* - consists of internally imposed constraints. These constraints reflect the specific purpose for which it is the Commission's intended use. These constraints are established by the Commission Board.

*Unassigned* - is the residual classification for the general fund and also reflects negative residual amounts in other funds.

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

When committed, assigned or unassigned resources are available for use, it is the Commission's policy to use resources in the following order: 1) committed 2) assigned and 3) unassigned.

**J. USE OF ESTIMATES**

The preparation of financial statements in accordance with generally accepted accounting principles (GAAP) requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

**K. PREPAID ITEMS**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

**L. COMPENSATED ABSENCES**

It is the Commission's policy to permit employees to accumulate earned but unused PTO benefits. All PTO that is payable at termination is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. In accordance with the provisions of Statement of Government Accounting Standards No. 16, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive PTO benefits.

**M. COMPARATIVE TOTALS**

The basic financial statements and required supplementary information include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Commission's financial statements for the year ended December 31, 2017, from which the summarized information was derived.

**N. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Commission has one item that qualifies for

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reporting in this category. It is the pension related deferred outflows reported in the government-wide Statement of Net Position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has pension related deferred inflows of resources reported in the government-wide Statement of Net Position.

**O. DEFINED BENEFIT PENSION PLANS**

*Pensions.* For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA’s fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA’s fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**P. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

The governmental fund statement of revenues, expenditures and changes in fund balance includes a reconciliation between *net changes in fund balance – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense”. The details of this \$59,492 difference is as follows:

Capital outlay	\$249,625
Depreciation / amortization expense	<u>(190,133)</u>
Net adjustment to increase net changes in fund balance - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$59,492</u></u>

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Another element of that reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds”. The details of this (\$6,424) difference is as follows:

Compensated absences:	
At December 31, 2017	\$42,410
At December 31, 2018	<u>(48,834)</u>
Net adjustments to decrease net changes in fund balance - total governmental funds to arrive at changes in net position of governmental activities	<u><u>(\$6,424)</u></u>

**Note 2    DEPOSITS AND INVESTMENTS**

**A. DEPOSITS**

In accordance with Minnesota Statutes, the Commission maintains deposits at depository banks authorized by the Commission’s Board, all of which are members of the Federal Reserve System.

Minnesota Statutes require that all of the Commission’s deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds.

Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the Commission’s Treasurer or in a financial institution other than that furnishing the collateral. Authorized collateral includes the following:

- a) United States government treasury bills, treasury notes and treasury bonds;
- b) Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- c) General obligation securities of any state or local government with taxing powers which is rated “A” or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated “AA” or better by a national bond rating service;
- d) General obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- e) Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank’s public debt is rated “AA” or better by Moody’s Investors Service, Inc. or Standard & Poor’s Corporation; and
- f) Time deposits that are fully insured by the any federal agency.

Custodial Credit Risk – Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Commission’s deposits may not be returned to it.

**QUAD CITIES CABLE COMMUNICATIONS COMMISSION**  
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At December 31, 2018, the carrying amount and bank balance of the Commission's deposits was \$5,000. The entire bank balance was covered by federal depository insurance.

**B. INVESTMENTS**

Minnesota Statutes authorize the Commission to invest in the following:

- a) Direct obligations or obligations guaranteed by the United States or its agencies, its instrumentalities or organizations created by an act of congress, excluding mortgage-backed securities defined as high risk.
- b) Shares of investment companies registered under the Federal Investment Company Act of 1940 and whose only investments are in securities described in (a) above, general obligation tax-exempt securities, or repurchase or reverse repurchase agreements.
- c) Obligations of the State of Minnesota or any of its municipalities as follows:
  - 1) any security which is a general obligation of any state or local government with taxing powers which is rated "A" or better by a national bond rating service;
  - 2) any security which is a revenue obligation of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service; and
  - 3) a general obligation of the Minnesota Housing Finance Agency which is a moral obligation of the State of Minnesota and is rated "A" or better by a national bond rating agency.
- d) Bankers acceptances of United States banks.
- e) Commercial paper issued by United States corporations or their Canadian subsidiaries, of the highest quality, and maturing in 270 days or less.
- f) Repurchase or reverse repurchase agreements with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000; a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York; certain Minnesota securities broker-dealers; or, a bank qualified as a depositor.
- g) General obligation temporary bonds of the same governmental entity issued under section 429.091, subdivision 7; 469.178, subdivision 5; or 475.61, subdivision 6.





April 2, 2019

Karen George, Administrator  
Quad Cities Cable Communications Commission  
12254 Ensign Ave. North  
Champlin, MN 55316

Dear Karen:

Enclosed are the following reports for the Quad Cities Cable Communications Commission for the year ended December 31, 2018:

- ◆ Annual Financial Report (includes Internal Control Letter and Legal Compliance Audit Report) (10 copies)
- ◆ Communication with Those Charged with Governance Letter (10 copies)

A copy of the Annual Financial Report has been sent electronically to the Office of the State Auditor.

We also emailed you electronic versions of each report.

Electronic versions of each workpaper we prepared or assisted preparing, as listed below, were emailed to you on April 1, 2019:

- Fund balance and net position classifications
- Government-wide conversion and GASB 34 entries
- Grouping reports (fund and government-wide), adjusting journal entries and reclassifying journal entries
- Capital Asset workpapers

In addition, we provided GASB 68 (Pension) workpapers to you during fieldwork on March 14, 2019.

Thank you for the opportunity to be of service. If the Commission would like to discuss the reports, please advise.

Sincerely,

A handwritten signature in cursive script that reads "Peggy Moeller".

Peggy Moeller, CPA  
PM/bab

Enclosures

**QUAD CITIES CABLE COMMUNICATIONS COMMISSION**  
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As of December 31, 2018, the Commission had the following investments and maturities:

Investment Type	Rating	Fair Value	Investment Maturities (In Years)	
			Less Than 1	1 - 5
External investment pool - 4M Liquid Asset Fund	NR	\$ 727,503	\$ 727,503	\$ -
External investment pool - 4M Plus Fund	NR	699,875	699,875	-
External investment pool - 4M Fixed Income	NR	949,243	749,243	200,000
Total investments		2,376,621	\$ 2,176,621	\$ 200,000
Deposits		5,000		
Petty cash		964		
Total cash and investments		\$ 2,382,585		

NR - Not Rated

The Commission categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy has three levels. Level 1 investments are valued using inputs that are based on quoted prices in active markets for identical assets; Level 2 investments are valued using inputs that are based on quoted prices for similar assets or inputs that are observable, either directly or indirectly; Level 3 investments are valued using inputs that are unobservable.

The Commission had no recurring fair value measurements as of December 31, 2018. Investments as of December 31, 2018 were as follows.

Investments not categorized:	
External investment pool - 4M Liquid Asset Fund	\$727,503
External investment pool - 4M Plus Fund	699,875
External investment pool - 4M fixed income	949,243
	<u>\$2,376,621</u>

**C. INVESTMENT RISKS**

Interest rate risk – Interest rate risk is the risk that changes in the interest rates of debt investments could adversely affect the fair value of an investment. The Commission does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligation to the holder of the investment. State law limits investments in municipal bonds to those rated “A” or better by a national bond rating service for general obligation and rated “AA” or better for a revenue obligation. Mutual funds or money market funds are limited to those investments that are restricted to securities described in MS 118A.04. The Commission follows State Statutes in regards to credit risk of investments. The Commission does not have a formal investment policy which places further restrictions on investment options.

The Commission’s external investment pool investment is with the 4M Fund which is regulated by Minnesota Statutes and the Board of Directors of the League of Minnesota Cities. The 4M Fund is an

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unrated pool and the fair value or the position in the pool is the same as the value of pool shares. The pool is managed to maintain a portfolio weighted average maturity of no greater than 60 days and seeks to maintain a constant net asset value (NAV) per share of \$1. The pool measures their investments in accordance with Government Accounting Standards Board Statement No. 79, at amortized cost.

The 4M Liquid Asset Fund has no redemption requirements. The 4M Plus Fund requires funds to be deposited for a minimum of 14 calendar days. Withdrawals prior to the 14-day restriction period are subject to a penalty equal to seven days interest on the amount withdrawn. In regards to the 4M fixed income fund, redemption of a CD prior to the maturity may result in early withdrawal penalties.

Custodial credit risk – For investments in securities, custodial credit risk is the risk that in the event of a failure of the counterparty to a transaction, the Commission will not be able to recover the value of its investment securities that is in the possession of an outside party. The Commission does not have a formal investment policy which addresses custodial credit risk. As of December 31, 2018, \$2,376,621 of the Commission's investments are invested in external investment pools. Investments in external investment pools and money markets are not evidenced by securities that exist in physical or book entry form, and therefore are not subject to custodial credit risk disclosures.

Concentration of credit risk – Concentration of credit risk is the risk of loss that may be attributed to the magnitude of the Commission's investment in a single issuer. The Commission places no limit on the amount the Commission may invest in any one issuer.

**Note 3 RECEIVABLES**

All receivables are expected to be collected within one year of December 31, 2018.

**QUAD CITIES CABLE COMMUNICATIONS COMMISSION**  
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**Note 4 CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2018 is as follows:

<b>Primary Government</b>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$66,131	\$ -	\$ -	\$66,131
	<u>66,131</u>	<u>0</u>	<u>0</u>	<u>66,131</u>
Capital assets, being depreciated:				
Building	1,064,667	-	-	1,064,667
Equipment	831,068	249,625	(15,382)	1,065,311
Intangible-website	27,999	-	-	27,999
Total capital assets, being depreciated	<u>1,923,734</u>	<u>249,625</u>	<u>(15,382)</u>	<u>2,157,977</u>
Less accumulated depreciation for:				
Building	411,326	27,299	-	438,625
Equipment	555,264	155,834	(15,382)	695,716
Intangible-website	14,583	7,000	-	21,583
Total less accumulated depreciation	<u>981,173</u>	<u>190,133</u>	<u>(15,382)</u>	<u>1,155,924</u>
Total capital assets being depreciated - net	<u>942,561</u>	<u>59,492</u>	<u>-</u>	<u>1,002,053</u>
Governmental activities capital assets - net	<u>\$1,008,692</u>	<u>\$59,492</u>	<u>\$0</u>	<u>\$1,068,184</u>

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	<u>\$190,133</u>

**QUAD CITIES CABLE COMMUNICATIONS COMMISSION**  
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**Note 5 LONG-TERM DEBT**

CHANGE IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2018, was as follows:

	Balance 1/1/18	Additions	Deletions	Balance 12/31/18	Due Within One Year
Governmental activities:					
Compensated absences payable	\$42,410	\$52,852	\$46,428	\$48,834	\$48,834

It is not practicable to determine the specific year for payment of long-term accrued compensated absences.

**Note 6 FRANCHISE FEES**

The Commission receives franchise fees equal to five percent of the cable company's annual gross revenue. These revenues are to be considered compensation for the use of the member municipalities' public property.

The cable company considers their gross revenue to be trade secret information not for public disclosure. Accordingly, cable company gross revenue amounts are not disclosed in these financial statements. In accordance with the franchise agreement, \$1,054,554 was recognized as earned franchise fees for the Commission. Franchise fees earned but not received at December 31, 2018 were \$270,098.

**Note 7 DEFINED BENEFIT PENSION PLANS**

**A. PLAN DESCRIPTION**

The Commission participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401 (a) of the Internal Revenue Code.

General Employees Retirement Fund (GERF)

All full-time and certain part-time employees of the Commission are covered by the General Employees Retirement Fund (GERF). GERF members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

**B. BENEFITS PROVIDED**

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature.

GERF Benefits

Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's

**QUAD CITIES CABLE COMMUNICATIONS COMMISSION**  
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Coordinated members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated Plan members is 1.2 percent for each of the first ten years of service and 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% for all years of service. The accrual rates for former Minneapolis Employee Retirement Fund (MERF) members is 2.0% for each of the first 10 years of service and 2.5% for each additional year. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989 normal retirement age is the age for unreduced Social Security benefits capped at 66.

Beginning January 1, 2019, benefit recipients will receive a future annual increase equal to 50 percent of the Social Security Cost of Living Adjustment, not less than 1.0 percent and not more than 1.5 percent. For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches Normal Retirement Age (not applicable to Rule of 90 retirees, disability benefit recipients, or survivors). A benefit recipient who has been receiving a benefit for at least 12 full months as of June 30 will receive a full increase. Members receiving benefits for at least one month but less than 12 full months as of June 30 will receive a pro rata increase.

**C. CONTRIBUTIONS**

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

GERF Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2018; the Commission was required to contribute 7.50% for Coordinated Plan members. The Commission's contributions to the GERF for the year ended December 31, 2018, were \$41,033. The Commission's contributions were equal to the required contributions as set by state statute.

**D. PENSION COSTS**

GERF Pension Costs

At December 31, 2018, the Commission reported a liability of \$443,807 for its proportionate share of the GERF's net pension liability. The Commission's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million to the fund in 2018. The State of Minnesota is considered a non-employer contributing entity and the state contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the commission totaled \$14,448. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Commission's proportion of the net pension liability was based on the Commission's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2017, through June 30, 2018, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2018, the Commission's proportion was .0080% which was an increase of .0006% from its proportion measured as of June 30, 2017.

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Post-retirement benefit increases were changed from 1.0% per year with a provision to increase to 2.5% upon attainment of 90% funding ratio to 50% of the Social Security Cost of Living Adjustment, not less than 1.0% and not more than 1.5%, beginning January 1, 2019.

For the year ended December 31, 2018, the Commission recognized pension expense of \$6,102 for its proportionate share of the GERF's pension expense. In addition, the Commission recognized an additional \$3,369 as pension expense (and grant revenues) for its proportionate share of the State of Minnesota's contribution of \$16 million to the GERF.

At December 31, 2018 the Commission reported its proportionate share of the GERF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$11,747	\$13,427
Changes in actuarial assumptions	43,985	49,867
Difference between projected and actual investment earnings	-	43,484
Changes in proportion	36,164	12,031
Contributions paid to PERA subsequent to the measurement date	20,837	-
Total	<u>\$112,733</u>	<u>\$118,809</u>

\$20,837 reported as deferred outflows of resources related to pensions resulting from Commission contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Pension Expense Amount</u>
2019	\$24,102
2020	(17,589)
2021	(24,163)
2022	(9,263)
2023	-
Thereafter	-

**E. ACTUARIAL ASSUMPTIONS**

The total pension liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Salary Growth	3.25% per year after 26 years of service
Investment Rate of Return	7.50%

**QUAD CITIES CABLE COMMUNICATIONS COMMISSION**  
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The total pension liability for each of the defined benefit cost-sharing plans was determined by an actuarial valuation as of June 30, 2018, using the entry age normal actuarial cost method. Inflation is assumed to be 2.50 percent for the General Employees Plan. Salary growth assumptions in the General Employees Plan decrease in annual increments from 11.25 percent after one year of service, to 3.25 percent after 26 years of service.

Mortality rates for all plans are based on RP-2014 mortality tables. The tables are adjusted slightly to fit PERA's experience. Actuarial assumptions for the General Employees Plan are reviewed every four to six years. The most recent six-year experience study for the General Employees Plan was completed in 2015.

The following changes in actuarial assumptions occurred in 2018:

**General Employees Fund**

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.0 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

The State Board Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Stocks	36%	5.10%
International Stocks	17%	5.30%
Bonds (Fixed Income)	20%	0.75%
Alternative Assets (Private Markets)	25%	5.90%
Cash	2%	0.00%
Total	100%	

**F. DISCOUNT RATE**

The discount rate used to measure the total pension liability in 2018 was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**G. PENSION LIABILITY SENSITIVITY**

The following presents the Commission's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a



**QUAD CITIES CABLE COMMUNICATIONS COMMISSION**  
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discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	<u>1% Decrease in Discount Rate (6.5%)</u>	<u>Discount Rate (7.5%)</u>	<u>1% Increase in Discount Rate (8.5%)</u>
Commission's proportionate share of the GERF net pension liability	\$721,244	\$443,807	\$214,791

**H. PENSION PLAN FIDUCIARY NET POSITION**

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org).

**Note 8 FUND BALANCE**

**A. CLASSIFICATION**

At December 31, 2018, a summary of the governmental fund balance classifications are as follows:

	<u>General Fund</u>
Nonspendable for:	
Prepaid items	\$5,880
Unassigned	<u>2,749,246</u>
Total	<u><u>\$2,755,126</u></u>

**B. MINIMUM UNASSIGNED FUND BALANCE POLICY**

The Board of Commissioner's has formally adopted a policy regarding the minimum unassigned fund balance for the General Fund.

The policy establishes a year end targeted unassigned fund balance amounts for cash flow timing needs of not less than 25% of the subsequent year's budgeted revenues. At December 31, 2018, the unassigned fund balance of the General fund was in compliance with their policy.

In addition to the minimum fund balance policy, the Commission has informally allocated fund balance for the following purposes:

City capital investment	\$100,000
QCTV Building Investment	250,000
QCTV Capital Investment	600,000
Emergency Funds	50,000
Total	<u><u>\$1,000,000</u></u>

**QUAD CITIES CABLE COMMUNICATIONS COMMISSION**  
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**Note 9 RISK MANAGEMENT**

The Commission is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the Commission carries commercial insurance policies. The Commission retains risk for the deductible portions of the insurance policies. The amount of these deductibles is considered immaterial to the financial statements.

There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

**Note 10 CONTINGENCIES**

The Commission is not aware of any existing or pending lawsuits, claims or other actions in which the Commission is a defendant.

**Note 11 RECENTLY ISSUED ACCOUNTING STANDARDS**

The Governmental Accounting Standards Boards (GASB) recently approved the following statements which were not implemented for these financial statements:

**Statement No. 83** *Certain Asset Retirement Obligations*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2018.

**Statement No. 84** *Fiduciary Activities*. The provisions of this Statement are effective for reporting periods beginning after December 15, 2018.

**Statement No. 87** *Leases*. The provisions of this Statement are effective for reporting periods beginning after December 15, 2019.

**Statement No. 88** *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2018.

**Statement No. 89** *Accounting for Interest Cost Incurred before the End of a Construction Period*. The provisions of this Statement are effective for reporting periods beginning after December 15, 2019.

**Statement No. 90** *Majority Equity Interests*. The provisions of this Statement are effective for reporting periods beginning after December 15, 2018.

The effect these standards may have on future financial statements is not determinable at this time.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**QUAD CITIES CABLE  
COMMUNICATIONS COMMISSION**  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
For The Year Ended December 31, 2018  
With Comparative Actual Amounts For The Year Ended December 31, 2017

Statement 6

	2018			Variance with Final Budget - Positive (Negative)	2017 Actual Amounts
	Budgeted Amounts		Actual Amounts		
	Original	Final			
<b>Revenues:</b>					
Franchise fees	\$874,248	\$874,248	\$1,054,554	\$180,306	\$1,117,505
PEG fees	437,125	437,125	567,581	130,456	629,727
Equipment and support grants	57,549	57,549	57,275	(274)	56,429
Investment income	12,000	12,000	39,049	27,049	15,371
Miscellaneous	3,000	3,000	9,706	6,706	10,445
Total revenues	<u>1,383,922</u>	<u>1,383,922</u>	<u>1,728,165</u>	<u>344,243</u>	<u>1,829,477</u>
<b>Expenditures:</b>					
General government:					
Salaries, taxes and benefits	805,602	805,602	751,452	54,150	699,879
Professional and franchise application fees	146,700	146,700	70,786	75,914	81,934
Repairs and maintenance	67,200	73,200	68,330	4,870	54,985
Supplies	8,500	8,500	6,245	2,255	5,464
Travel/conferences/continuing education	18,000	18,000	16,009	1,991	13,408
Mileage	8,000	8,000	8,259	(259)	8,230
Dues, subscriptions and printing	31,000	31,000	23,459	7,541	24,971
Insurance	11,000	11,000	7,658	3,342	7,655
Commission per diem	5,000	5,000	1,640	3,360	2,252
Utilities	40,100	40,100	37,128	2,972	31,532
Advertising	11,000	11,000	8,538	2,462	7,762
Equipment purchases	45,000	53,800	652,388	(598,588)	28,272
City CIP payments	-	-	80,000	(80,000)	80,000
Web hosting	22,000	22,000	14,333	7,667	21,162
Meals and lodging	3,500	3,500	1,217	2,283	1,498
Vehicle maintenance	10,000	10,000	24,670	(14,670)	9,648
Car allowance	3,000	3,000	3,000	-	3,000
Miscellaneous	8,750	8,750	2,177	6,573	2,225
Capital outlay	-	-	249,625	(249,625)	92,054
Total expenditures	<u>1,244,352</u>	<u>1,259,152</u>	<u>2,026,914</u>	<u>(767,762)</u>	<u>1,175,931</u>
Revenues over (under) expenditures	<u>\$139,570</u>	<u>\$124,770</u>	(298,749)	<u>(\$423,519)</u>	653,546
Fund balance - January 1			<u>3,053,875</u>		<u>2,400,329</u>
Fund balance - December 31			<u>\$2,755,126</u>		<u>\$3,053,875</u>

QUAD CITIES CABLE  
COMMUNICATIONS COMMISSION

Statement 7

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY\* -  
GENERAL EMPLOYEES RETIREMENT FUND  
For The Year Ended December 31, 2018

Measurement Date June 30	Fiscal Year Ending December 31	Commission's Proportionate (Percentage) of the Net Pension Liability	Proportionate Share (Amount) of the Net Pension Liability (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with Commission (b)	Commission's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with Commission (a+b)	Covered Payroll (c)	Commission's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	2015	0.0074%	\$383,506	\$ -	\$383,506	\$432,343	88.7%	78.2%
2016	2016	0.0075%	608,963	7,955	616,918	463,120	133.2%	68.9%
2017	2017	0.0074%	472,411	5,962	478,373	467,226	102.4%	75.9%
2018	2018	0.0080%	443,807	14,448	458,255	528,120	86.8%	79.5%

\* The schedule is provided prospectively beginning with the Commission's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

**QUAD CITIES CABLE  
COMMUNICATIONS COMMISSION**

**Statement 8**

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PENSION CONTRIBUTIONS\* - GENERAL EMPLOYEES RETIREMENT FUND

For The Year Ended December 31, 2018

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/2015	\$33,988	\$33,988	\$ -	\$453,177	7.5%
12/31/2016	33,541	33,541	-	447,213	7.5%
12/31/2017	38,515	38,515	-	513,533	7.5%
12/31/2018	41,033	41,033	-	547,107	7.5%

\* The schedule is provided prospectively beginning with the Commission's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

**QUAD CITIES CABLE COMMUNICATIONS COMMISSION**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**NOTES TO RSI**  
December 31, 2018

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**Note A LEGAL COMPLIANCE – BUDGETS**

The General Fund budget is legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the fund level for the General Fund.

**Note B PENSION INFORMATION**

**PERA – General Employees Retirement Fund**

*2018 Changes*

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.0 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

*2017 Changes*

Changes in Actuarial Assumptions:

- The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

*2016 Changes*

Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

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## **OTHER REPORTS**

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## REPORT ON INTERNAL CONTROL

To the Honorable Members and Management of  
Quad Cities Cable Communications Commission  
Champlin, Minnesota

In planning and performing our audit of the financial statements of the governmental activities and each major fund of Quad Cities Cable Communications Commission as of and for the year ended December 31, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered Quad Cities Cable Communications Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Quad Cities Cable Communications Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of Quad Cities Cable Communications Commission's internal control.

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

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

This communication is intended solely for the information and use of management, Quad Cities Cable Communications Commission's Board, and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Redpath and Company, Ltd.*

REDPATH AND COMPANY, LTD.  
St. Paul, Minnesota

April 1, 2019

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## COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

To the Honorable Members of  
Quad Cities Cable Communications Commission  
Champlin, Minnesota

We have audited the financial statements of the governmental activities and each major fund of Quad Cities Cable Communications Commission (the Commission) for the year ended December 31, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 16, 2018. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Matters

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Commission are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies were not changed during 2018. We noted no transactions entered into by the Commission during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the governmental activities financial statements were management's estimates of the net pension liability, pension related deferred outflows and inflows of resources and pension expense. Management estimates relating to the net pension liability, pension related deferred outflows and inflows of resources and pension expense are based on actuarial studies. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. Determining sensitivity is subjective, however, we believe the disclosure most likely to be considered sensitive is Note 7 – Defined Benefit Pension Plans.

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

*Difficulties Encountered in Performing the Audit*

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

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no uncorrected misstatements that have an effect on our opinion on the financial statements. There were no corrected misstatements identified during the audit.

*Disagreements with Management*

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

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated April 1, 2019.

*Management Consultations with Other Independent Accountants*

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

*Other Audit Findings or Issues*

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

Other Matters

We applied certain limited procedures to the budgetary comparison information and pension information which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the introductory section, which accompanies the financial statements but is not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reports

Various reports on compliance and internal controls are contained in the other required reports section of the audited financial statement document.

Restriction on Use

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

*Redpath and Company, Ltd.*

REDPATH AND COMPANY, LTD.  
St. Paul, Minnesota

April 1, 2019



## QCCCC Agenda Item

### 5.2 Movie Screen Project

**May 7th, 2019**

**To:** Karen George, Executive Director

**From:** John Sommer, Technology Manager

**Subject:** Movie Projector and Screen System Project Update



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#### **Background**

At the February 21<sup>st</sup> Commission meeting the Commissioners approved the purchase of the Movie Screen and System from Z-Systems. Z-Systems confirmed that they have placed the order and will be ready to schedule training for late June or early July.

The second part of the approved motion was the purchase of a trailer for transport and storage of the system. The cost was not to exceed \$2,500 plus tax and shipping.

#### **Pricing to purchase a trailer the Minnesota CPV**

Of the six vendors with current State of Minnesota Cooperative Purchasing Venture contracts, two offer enclosed cargo trailers. The least expensive option is from Truman Welters for the purchase of a CargoPro enclosed 4x6 cargo trailer. The base price is \$2950.00 plus \$450 for freight. There are no state taxes or fees. The grand total is \$3400.00. License and registration fees to be included in the operational budget.

#### **Considerations**

##### Equipment

There are three large components to the system and a few smaller ones that would all need to fit inside a trailer. The large components are:

- The inflatable screen is one large bundle which folded or rolled up weighs 300 pounds and is approximately 40" square by 30" high.
- The electronic equipment would be housed in a rack enclosure. The rack weighs 25 pounds unloaded and is approximately 20" square by 18" high.
- There are two speakers, they each weigh 57 pounds and are 28" tall by 17.7" across and 15" deep.

(The system also includes a heavy-duty cart.)

#### **Action Requested**

##### **Options for Action**

- Approve purchase of Cargo Trailer
- Request more information
- Delay purchase for future consideration
- Delegate to Executive Committee

5.3 Technology Server

May 7th, 2019

**To:** Karen George, Executive Director  
**From:** John Sommer, Technology Manager  
**Subject:** Purchase Request – Back-up Solution



**General Overview:**

This purchase request is an outcome of one of the project goals from the annual Technology Report. Working with IT consultant, Maza Technologies, we identified three short comings in the current back-up plan: improved automation of on-site back-up of users’ accounts and workstations; consolidate data storage; and, implement redundant off-site back-up of data. This plan addresses all three of these issues.

The plan can be broken down into four parts: two Synology Network Attached Storage devices; a network switch and two fiber transceivers; configuration and set-up time; and, a fiber extension at Champlin City Hall from the fiber entry point to the Champlin IT server room (there is already dedicated fiber between QCTV and Champlin City Hall).

**Pricing:**

Quotes for hardware were received from three vendors; CDW, Summit Information Services, and B&H Photo Video. Maza Technologies estimates the time needed to configure and test everything to be 27 hours at \$115/hour. The costs are itemized below:

Item	Vendor	Cost
Synology and Seagate hardware	B&H Photo Video	\$16,345.98
Cisco hardware	Summit Information Services	\$1,105.00
Configuration and testing	Maza Technologies	\$3,105.00
Shipping and installation materials	5% contingency	\$1,000.00
Project Total		\$21,555.98

**Capital Budget:**

The QCTV Five Year Capital Plan Master Control Equipment budget includes \$30,000.00 for back-up storage and redundancy.

**Action Requested:**

Approve purchase of Synology hardware and Cisco hardware from vendors with the lowest quotes. Approve IT consultant time up to 27 hours. Approve up to 5% contingency of total project, or \$1,000.00, for shipping and installation materials. Total cost of project not to exceed \$21,555.98.

**Options for Action**

- Direct staff to provide more information
- Delay action for future consideration
- Delegate to Executive Committee

**May 7th, 2019**

**To:** Karen George, Executive Director

**From:** John Sommer, Technology Manager

**Subject:** Remote Attendance at City Meetings - Ramsey

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### **Background**

At the February Commission meeting I presented an option to allow city meeting participants to remotely attend a live meeting in compliance with Minnesota's Open Meeting Law (Statute 13D.02). Quotes were solicited from three local audio video companies. Only Alpha Video & Audio responded with a complete proposal. After Commission discussion the item was postponed allowing time for Commissioners to seek input from their respective city councils. On April 23<sup>rd</sup> the Ramsey City Council passed a Policy Regarding Remote Attendance and Participation in Council and Commission Meetings. Ramsey has requested implementation of remote meeting technology.

### **Legal Advice**

Legal counsel, Scott Lepak reviewed technical requirements of *MN Statute 13D.02 subdivision 1*. QCTV legal direction is each member city determines policy on implementation on remote meeting participation. Lepak advises any member city sending broadcast program video to the remote participant must ensure that the remote participant is able to see all meeting activity including presentations, to meet statute requirements.

### **Synopsis of Proposal for Ramsey**

The remote participant would use GoToMeeting or Skype to connect to a Ramsey IT provided computer in the cable control room. This computer would connect to the presentation system's audio and video devices and the QCTV broadcast system. The remote participant will see a video feed from the broadcast system and hear the same audio as the council chambers. The remote location audio feed will be active in the council chambers. Alternating dais displays will show the remote participant to the members in attendance in the chambers. One of the two video projectors will display the remote participant for the duration of the meeting.

### **Pricing**

The original base proposal from Alpha presented at the February Commission meeting has been customized to meet the unique needs of Ramsey. Total cost as quoted is \$6,985.87.

### **Funding**

This project was not included in the 5 Year Capital Plan, however, there are sufficient unallocated reserve funds to complete the project for Ramsey.

### **Action Requested**

Accept and approve quote from Alpha Video & Audio in the amount of \$6,985.87.

### **Options for Action**

- Delay action