

## **Quad Cities Cable Communications Commission**

Ramsey City Hall – Council Chambers

May 20, 2021, 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 18, 2021 commission meeting and work session minutes.

##### 4.2. Treasurer

4.2.1. February - March Financial Reports

##### 4.3. Executive Director

#### **5. General Business**

##### 5.1. 2020 Audit Report

##### 5.2. 2021 Budget Amendment

##### 5.3. Ashpaugh & Sculco Audit Report

##### 5.4. Personnel Policy Temporary Modification

##### 5.5. Lexica Communications Phase 2 Report

##### 5.6. Remote Meeting Enhancement Update

##### 5.7. Other

#### **6. Adjourn**

QCTV has declared a local emergency effective March 17, 2020.

The regular meeting of the Quad Cities Cable Communications Commission will meet at Ramsey City Hall Council Chambers, 11 am. Some or all commissioners will be attending remotely. The public may watch the QCCCC meeting at [www.qctv.org](http://www.qctv.org) on the main page streaming live the Community Channel or on Comcast Channels 859 and 15.

## **MINUTES OF THE WORK SESSION OF MARCH 18, 2021**

### **CALL TO ORDER – 1**

Chair Ulrich called the meeting to order at 9:37 a.m. at the Ramsey City Hall.

### **ROLL CALL– 2**

Commissioners present were: Eric Skogquist, Anoka; Greg Lee, Anoka; Matt Woestehoff, Ramsey; Kurt Ulrich, Ramsey; Jim Dickinson, Andover; Jamie Barthel, Andover; Tom Moe, Champlin; and Bret Heitkamp, Champlin.

Commissioners absent: None.

Others present included Karen George, Executive Director; John Sommer, Technology Manager; Katherine Lenaburg, Operations Manager; and Seamus Burke, Social Media/Communications Coordinator.

### **APPROVAL OF AGENDA – 3**

The agenda was approved as presented.

### **ANNUAL PROGRAMMING UPDATE – 4**

Ms. George stated that staff members are present today to complete a program review of 2020. She stated that in April 2019 QCTV staff and the Board held a retreat to assist in creating the Strategic Plan which led to the creation of work plans dividing the goals and tasks by year. She stated that in 2020 staff was able to focus on the social media first strategy and a focus on engagement.

Mr. Sommer reviewed the annual statistics for each of the city channels along with the website statistics. He recognized the increase in viewers during 2020 and noted that the challenge will be how to retain those new viewers. He provided a brief recap of the Facebook activity and statistics.

Mr. Burke explained how the social media information can be used to help the organization develop new material.

Mr. Sommer reviewed the Twitter statistics from 2020.

Commissioner Barthel asked for additional information on the increase in viewership and whether that is attributed to the pandemic and the fact that people could not attend events in person.

Ms. George provided additional details on the different increases in viewership during 2020 and the specific programming.

Commissioner Barthel asked if it would be possible to advertise similar programming to those viewers in attempt to keep them engaged and watching.

Mr. Burke replied that there are methods to do that through paid ad campaigns and could be considered going forward.

Ms. George stated that may be one of the tasks during year two. She noted that there are specialty companies that can be involved in turning those soft leads into hard leads.

Commissioner Barthel commented that the coronavirus provided a great opportunity to capture new viewers, especially when attendance is limited for in person events.

Mr. Sommer stated that during 2020, QCTV pivoted its programming and help different organizations, using the example of a Youth First benefit that QCTV helped to host virtually.

Ms. George commented on the ability of staff to use their creativity to continue working and pivoting during the challenges of the past year in order for QCTV to remain relevant.

Ms. Lenaburg provided a summary of the new programming that launched in the past year including The Post and Off The Clock. She stated that 2020 was also an election year and provided details on the election coverage that was provided by QCTV.

Mr. Sommer provided an overview of the equipment updates that occurred during 2020.

Mr. Burke commented that QCTV has had a lot of growth on social media in the past year and look forward to more real time interaction with the community.

Ms. Lenaburg highlighted the awards that QCTV received for its programming this past year.

Commissioner Barthel thanked the QCTV staff for doing the live updates and for following the ideas in the Strategic Plan. He stated that especially with the pandemic people are looking for the connection to others.

Commissioner Skogquist recognized how staff has adapted to social media and sharing shorter clips, which are much more popular and easily shared by others.

Commissioner Heitkamp referenced a recent discussion related to possible utilization of QCTV personnel and asked if this would be an appropriate time to discuss that.

Ms. George confirmed that she has slated time to review that at the end of the meeting.

Chair Ulrich stated that Ramsey has had recent discussions as to how to keep the online engagement going and what the role of QCTV might be.

Commissioner Woestehoff echoed the thanks to QCTV staff for the pivots they have made. He agreed that targeting new viewers would be great and wanted to ensure that the appropriate disclaimers are placed on the website. He stated that perhaps closed captioning would also be good to look into to ensure the organization is ADA compliant. He stated that he enjoyed the Off The Clock segments. He stated that perhaps the core pillars of content be further pulled out in the analytics.

Commissioner Lee stated that there was discussion of changing QCTV to QCCC and asked if that would be the appropriate change or whether something else should be considered for rebranding.

Ms. George stated that staff will look into a privacy policy as suggested by Commissioner Woestehoff. She stated that the organization has been monitoring closed captioning and has discussed that with the Commission in the past. She stated that they will review the possibility of adding that service for government meetings at the September worksession. She stated that branding was discussed in the Strategic Plan and expected that would come forward in 2022.

Chair Ulrich stated that if they are successful in switching platforms from cable to web streaming, he would also be interested in the impact that could have on revenue in the future.

Ms. George confirmed the diversifying revenue is included in the Strategic Plan and identified as a 2022 staff objective. She explained the steps that are being taken in order to prepare for that stage.

Commissioner Dickinson asked if there have been issues with copyrighted content as QCTV starts to put more information on Facebook.

Ms. George stated that the program guidelines is a document that has been recently updated and includes public use of copyrighted content. She provided examples of how QCTV has given permission to other entities to use its content.

Mr. Burke stated that WCCO recently reached out to QCTV in attempt to gain use of footage from a recent Ramsey City Council meeting and provided additional details. He also provided details on KSTP usage of QCTV footage.

Ms. George provided examples of when QCTV has reached out to parties that used copyrighted footage without permission.

Commissioner Woestehoff asked if the League of Women Voters forum footage would be the property of QCTV or the League of Women Voters.

Ms. George stated that QCTV does not participate in creating the content of an election forum and instead provides production. She noted that QCTV does retain the copyright but grants permission for the other entity to place it on their own website for viewing.

Commissioner Woestehoff commented that the League of Women Voters places that footage on its YouTube channel as well.

Ms. George noted that QCTV has made the decision not to use YouTube at this time because using that platform gives up all copyright ability.

Chair Ulrich commented that the Commission is very pleased with the efforts of QCTV staff and their ability to pivot and take advantage of the opportunities of the past year to move more in the direction of the Strategic Plan.

## **STRATEGIC PLAN DISCUSSION – 5**

No additional comments.

## **LEGISLATIVE AND LEGAL UPDATES – 6**

Ms. George commented that about 2.5 years ago they were designing remote participation in government meetings and cities were developing their own policies, which placed them ahead of the ball going into the pandemic. She stated that during 2020 all four cities have been equipped for remote participation in government meetings. She stated that the system was designed for a different challenge and opportunity. She stated that the pandemic has changed how people interact and how meetings are held. She stated that three of the member

cities have expressed challenges with the equipment as designed and what they want it to do. She stated that there are equipment challenges and staffing fatigue from the past year. She stated that they need to go back to the video provider they used to design the systems to determine the changes that will need to be made going forward to address long-term remote participation in meetings.

Chair Ulrich commented that they would like to continue that service but are hesitant with the burden that could place on staff.

Commissioner Dickinson commented that it is a dilemma. He stated that until he reviewed the details, he was not aware of the magnitude of the issues. He stated that in order to run a good meeting the additional staff person is needed.

Commissioner Heitkamp agreed that was a good overview of the issues and noted that he looks forward to the discussions on this topic.

Ms. George provided background information on the 621 ruling by the FCC that happened about one year ago and provided a brief update. She stated that CenturyLink did fulfill payment of the settlement agreement.

Commissioner Skogquist asked if there has ever been discussion about shifting how the fees happen. He noted that the cable world is shifting towards the communications companies and internet world and while the fee has been based on the cable model, perhaps that could be shifted towards a communications company model. He stated that perhaps there would be a fee gained through internet use rather than cable.

Ms. George noted that it a great question and a topic they are continuously involved in. She stated that QCTV continues to monitor that topic and noted that the State of Minnesota hampered the ability of local municipalities and entities to have local control over the right-of-way for wireless services. She stated that there has been national discussion as to how the Cable Act of 1984 could be rewritten to be more relevant.

## **OTHER – 7**

No additional comments.

## **ADJOURN – 8**

Time of adjournment 10:41 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

## **MINUTES OF THE REGULAR MEETING OF MARCH 18, 2021**

### **CALL TO ORDER – 1**

Chair Ulrich called the meeting to order at 11:00 a.m. at the Ramsey City Hall.

### **ROLL CALL– 2**

Commissioners present were: Erik Skogquist, Anoka; Greg Lee, Anoka; Matt Woestehoff, Ramsey; Kurt Ulrich, Ramsey; Jim Dickinson, Andover; Jamie Barthel, Andover; Tom Moe, Champlin; and Bret Heitkamp, Champlin.

Commissioners absent: None.

Others present included Karen George, Executive Director; Technology Manager John Sommer, and Bob Vose, Commission Attorney.

### **APPROVAL OF AGENDA – 3**

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

**A roll call vote was performed:**

<b>Chair Ulrich</b>	<b>aye</b>
<b>Commissioner Barthel</b>	<b>aye</b>
<b>Commissioner Dickinson</b>	<b>aye</b>
<b>Commissioner Skogquist</b>	<b>aye</b>
<b>Commissioner Lee</b>	<b>aye</b>
<b>Commissioner Moe</b>	<b>aye</b>
<b>Commissioner Heitkamp</b>	<b>aye</b>
<b>Commissioner Woestehoff</b>	<b>aye</b>

**Motion carried.**

### **ADMINISTRATIVE REPORTS – 4**

**4.1 Secretary**



#### **4.1.1. Approval of meeting minutes from January 21, 2021**

Motion was made by Barthel and seconded by Skogquist to approve the January 21, 2021 minutes as presented.

**A roll call vote was performed:**

<b>Chair Ulrich</b>	<b>aye</b>
<b>Commissioner Barthel</b>	<b>aye</b>
<b>Commissioner Dickinson</b>	<b>aye</b>
<b>Commissioner Skogquist</b>	<b>aye</b>
<b>Commissioner Lee</b>	<b>aye</b>
<b>Commissioner Moe</b>	<b>aye</b>
<b>Commissioner Heitkamp</b>	<b>aye</b>
<b>Commissioner Woestehoff</b>	<b>aye</b>

**Motion carried.**

#### **4.2 Treasurer**

##### **4.2.1. December - January Financial Report** **4.2.1.1 Investment Report**

Commissioner Dickinson commented that a page was missing from the report. He provided an overview of the financial information within the reports. He noted that these numbers are preaudit for 2020.

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

Further discussion: Commissioner Skogquist asked for details on the changes to the end of year related to the budget.

Commissioner Dickinson commented that modifications will be made to the next budget related to revenue projections.

Ms. George referenced the missing page on the packet and noted that staff will update the agenda published on the website with the missing page. She stated that they have kept their revenues estimated at the standard from 2013 and live below those means. She stated that they then contribute those funds back to the capital reserve fund. She provided additional background on the reserve fund allocation policy. She explained how the capital improvement plan is used to plan for needed improvements.

Commissioner Dickinson commented that they try to avoid the bonding process for capital improvements and have QCTV function completely on its own for the improvement of its assets.

**A roll call vote was performed:**

<b>Chair Ulrich</b>	<b>aye</b>
<b>Commissioner Barthel</b>	<b>aye</b>
<b>Commissioner Dickinson</b>	<b>aye</b>
<b>Commissioner Skogquist</b>	<b>aye</b>
<b>Commissioner Lee</b>	<b>aye</b>
<b>Commissioner Moe</b>	<b>aye</b>
<b>Commissioner Heitkamp</b>	<b>aye</b>
<b>Commissioner Woestehoff</b>	<b>aye</b>

**Motion carried.**

#### **4.3 Executive Director**

Ms. George commented that QCTV was formed 40 years ago, with a JPA signed on March 30, 1981 and wished the cities a happy anniversary. She stated that staff plans a year long recognition of this anniversary through the coming months. She stated that the CenturyLink Prism product has exited the market per the agreed upon terms negotiated between the parties. She stated that the audit is wrapping up and will go before the Budget Committee in April or early May and come before the Board in May. She welcomed the newest QCTV staff member Seamus Burke who is the new Social Media/Communications Coordinator.

Mr. Burke introduced himself and provided background information on himself and his education. He stated that he is excited to be a part of the team and find new ways for QCTV to interact with its audience.

Ms. George stated that the programming guidelines have been updated. She noted that the annual State of the Cities meeting occurred in a hybrid format this year and is another example of how QCTV continues to be relevant in this environment. She read some positive comments received from viewers.

### **GENERAL BUSINESS – 5**

#### **5.1 Awards Presentation**

Chair Ulrich stated that the organization has received many awards that recognize the great work and creativity of the staff.

Ms. George reviewed the recent awards that QCTV received for its programming. She commented that the recognition spans many different categories and partnerships throughout the community.

Chair Ulrich congratulated Ms. George and the members of staff.

## **5.2 RFP: Building General Contractor**

Ms. George stated that QCTV owns and operates the building and grounds it occupies. She stated that there have been more capital and maintenance issues arising over the past few years and because of the age of the structure and increased maintenance needs staff recommends using a building general contractor to help create a capital maintenance plan for the future. She stated that staff is working to draft an RFP for those services.

Chair Ulrich commented that this seems to be an appropriate action and noted that it will come back to the Board for formal consideration at a future meeting.

## **5.3 Other**

No comments.

## **ADJOURN – 6**

Time of adjournment 11:48 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, 2021

	<u>Total</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Bank Accounts - QCTV	1,973,968.67
- PayPay acct	394.16
- US Bank Reserve	5,000.00
- Petty Cash	250.00
- Investments	1,353,049.36
Accounts Receivable	0.00
Other current assets	0.00
<b>Total Current Assets</b>	<b>\$ 3,332,662.19</b>
<b>Fixed Assets</b>	<b>0.00</b>
<b>TOTAL ASSETS</b>	<b>\$ 3,332,662.19</b>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	74,445.59
Other Current Liabilities	0.03
<b>Total Current Liabilities</b>	<b>\$ 74,445.62</b>
<b>Equity</b>	<b>3,258,216.57</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 3,332,662.19 *</b>

QCTV allocates fund reserves in two areas:

Operating Reserves = \$621,184.24

Capital Reserves = \$2,711,477.95 (\$3.3M 5-Year Cap Plan)

**Quad Cities Communications Commission**  
**Budget vs. Actuals: FY 2021 - FY21 P&L**  
January - December 2021

	Feb 2021				YTD			
	Actual	Budget	over Budget	% of Budget	Actual	Budget	over Budget	% of Budget
<b>Income</b>								
Duplication Revenue	\$ 18.10	\$ 41.67	\$ (23.57)	43.44%	\$ 18.10	\$ 500.00	\$ (481.90)	3.62%
Equipment Grant	60,897.53	5,000.00	55,897.53	1217.95%	60,897.53	60,000.00	897.53	101.50%
Franchise Fees	262,454.90	71,500.00	190,954.90	367.07%	0.00	858,000.00	(858,000.00)	0.00%
Interest Income	59.57	833.33	(773.76)	7.15%	124.03	10,000.00	(9,875.97)	1.24%
Miscellaneous Income		83.33	(83.33)	0.00%	250.00	1,000.00	(750.00)	25.00%
PEG Fee	140,399.94	35,750.00	104,649.94	392.73%	0.00	429,000.00	(429,000.00)	0.00%
<b>Total Income</b>	<b>463,830.04</b>	<b>113,208.33</b>	<b>350,621.71</b>	<b>409.71%</b>	<b>61,289.66</b>	<b>1,358,500.00</b>	<b>(1,297,210.34)</b>	<b>4.51%</b>
<b>Expenses</b>								
A-PERA Expense	3,226.78	4,467.25	(1,240.47)	72.23%	6,671.14	53,607.00	(46,935.86)	12.44%
A-SS/Medicare Expense	3,377.35	4,691.25	(1,313.90)	71.99%	6,237.52	56,295.00	(50,057.48)	11.08%
A-Wages - Full-time	41,790.28	48,823.33	(7,033.05)	85.59%	78,114.43	585,880.00	(507,765.57)	13.33%
A-Wages - Part-time	4,215.00	10,000.00	(5,785.00)	42.15%	7,051.75	120,000.00	(112,948.25)	5.88%
Accounting / HR Services	70.00	1,333.33	(1,263.33)	5.25%	1,589.98	16,000.00	(14,410.02)	9.94%
Ads/Promos/Sponsorships		750.00	(750.00)	0.00%	0.00	9,000.00	(9,000.00)	0.00%
Andover Capital Equipment	79.99	416.67	(336.68)	19.20%	79.99	5,000.00	(4,920.01)	1.60%
Announcers Fees	540.00	1,000.00	(460.00)	54.00%	1,200.00	12,000.00	(10,800.00)	10.00%
Anoka Capital Equipment	261.14	416.67	(155.53)	62.67%	488.86	5,000.00	(4,511.14)	9.78%
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%	0.00	2,500.00	(2,500.00)	0.00%
Building - Cleaning	315.00	500.00	(185.00)	63.00%	630.00	6,000.00	(5,370.00)	10.50%
Building - Insurance		316.67	(316.67)	0.00%	2,750.00	3,800.00	(1,050.00)	72.37%
Building - Maintenance	1,640.00	833.33	806.67	196.80%	2,042.27	10,000.00	(7,957.73)	20.42%
Building - Supplies	49.19	125.00	(75.81)	39.35%	96.90	1,500.00	(1,403.10)	6.46%
Car Allowance	250.00	250.00	0.00	100.00%	500.00	3,000.00	(2,500.00)	16.67%
Cell Phone - Allowance	475.00	525.00	(50.00)	90.48%	1,000.00	6,300.00	(5,300.00)	15.87%
Champlin Capital Equipment	164.89	416.67	(251.78)	39.57%	249.79	5,000.00	(4,750.21)	5.00%
City Sewer & Water	109.80	216.67	(106.87)	50.68%	219.89	2,600.00	(2,380.11)	8.46%
Commission Expense		208.33	(208.33)	0.00%	0.00	2,500.00	(2,500.00)	0.00%
Consulting Services	1,380.00	5,833.33	(4,453.33)	23.66%	1,380.00	70,000.00	(68,620.00)	1.97%
Contingency Fund		833.33	(833.33)	0.00%	0.00	10,000.00	(10,000.00)	0.00%
Duplication Expenses		20.83	(20.83)	0.00%	0.00	250.00	(250.00)	0.00%
Electric Service		1,333.33	(1,333.33)	0.00%	933.46	16,000.00	(15,066.54)	5.83%
Emp / Comm Appreciation		208.33	(208.33)	0.00%	0.00	2,500.00	(2,500.00)	0.00%
Equip/Repair/Supply/Software	1,098.54	2,500.00	(1,401.46)	43.94%	1,098.54	30,000.00	(28,901.46)	3.66%
Federal Unempl Expense		70.83	(70.83)	0.00%	0.00	850.00	(850.00)	0.00%
Health Insurance	6,167.74	8,615.50	(2,447.76)	71.59%	18,275.26	103,386.00	(85,110.74)	17.68%
Insurance - Deductibles		41.67	(41.67)	0.00%	0.00	500.00	(500.00)	0.00%
Insurance - Liability / Bonds		441.67	(441.67)	0.00%	3,260.00	5,300.00	(2,040.00)	61.51%
Lawn Service		416.67	(416.67)	0.00%	0.00	5,000.00	(5,000.00)	0.00%
Legal Fees	272.00	2,083.33	(1,811.33)	13.06%	272.00	25,000.00	(24,728.00)	1.09%
Licenses and Permits		250.00	(250.00)	0.00%	0.00	3,000.00	(3,000.00)	0.00%
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%	4,030.00	10,000.00	(5,970.00)	40.30%
Mileage	591.59	1,000.00	(408.41)	59.16%	882.06	12,000.00	(11,117.94)	7.35%
Miscellaneous Expenses		41.67	(41.67)	0.00%	0.00	500.00	(500.00)	0.00%
Natural Gas	428.46	416.67	11.79	102.83%	832.30	5,000.00	(4,167.70)	16.65%
Office Supplies / Equipment	136.97	500.00	(363.03)	27.39%	136.97	6,000.00	(5,863.03)	2.28%
Parking Lot Maintenance		83.33	(83.33)	0.00%	0.00	1,000.00	(1,000.00)	0.00%
Payroll Expenses	117.50		117.50		235.00	0.00	235.00	
Payroll Expenses (ADP/HSA)		100.00	(100.00)	0.00%	0.00	1,200.00	(1,200.00)	0.00%
Postage		41.67	(41.67)	0.00%	37.63	500.00	(462.37)	7.53%
Printing / Copy Services		41.67	(41.67)	0.00%	0.00	500.00	(500.00)	0.00%
Professional Development	20.00	1,833.33	(1,813.33)	1.09%	3,510.00	22,000.00	(18,490.00)	15.95%
Publications		41.67	(41.67)	0.00%	0.00	500.00	(500.00)	0.00%
Ramsey Capital Equipment	211.97	416.67	(204.70)	50.87%	344.04	5,000.00	(4,655.96)	6.88%
Sales Tax		20.83	(20.83)	0.00%	144.00	250.00	(106.00)	57.60%
Secretary Services		166.67	(166.67)	0.00%	151.00	2,000.00	(1,849.00)	7.55%
Snow Plowing Service	530.00	500.00	30.00	106.00%	1,160.00	6,000.00	(4,840.00)	19.33%
State Unemploy Exp		208.33	(208.33)	0.00%	0.00	2,500.00	(2,500.00)	0.00%
STD / LTD / Life Insurance	554.47	625.00	(70.53)	88.72%	1,108.94	7,500.00	(6,391.06)	14.79%
Studio Sets		416.67	(416.67)	0.00%	0.00	5,000.00	(5,000.00)	0.00%

**Quad Cities Communications Commission**  
**Budget vs. Actuals: FY 2021 - FY21 P&L**  
January - December 2021

	Feb 2021				YTD			
	Actual	Budget	over Budget	% of Budget	Actual	Budget	over Budget	% of Budget
Subscription Services	11,044.89	1,833.33	9,211.56	602.45%	11,356.78	22,000.00	(10,643.22)	51.62%
Temp Staff Services		125.00	(125.00)	0.00%	0.00	1,500.00	(1,500.00)	0.00%
Vehicle - Equipment / Repair		1,250.00	(1,250.00)	0.00%	0.00	15,000.00	(15,000.00)	0.00%
Vehicle - Insurance		166.67	(166.67)	0.00%	892.00	2,000.00	(1,108.00)	44.60%
Vehicle - Maintenance / Gas	102.11	666.67	(564.56)	15.32%	102.11	8,000.00	(7,897.89)	1.28%
Waste Removal	130.29	125.00	5.29	104.23%	260.58	1,500.00	(1,239.42)	17.37%
Web / VOD / Int / CaTV / Phone	1,826.56	1,833.33	(6.77)	99.63%	3,751.95	22,000.00	(18,248.05)	17.05%
Work Comp Insurance		166.67	(166.67)	0.00%	0.00	2,000.00	(2,000.00)	0.00%
<b>Total Expenses</b>	<b>81,177.51</b>	<b>113,080.66</b>	<b>(31,903.15)</b>	<b>71.79%</b>	<b>163,077.14</b>	<b>1,356,968.00</b>	<b>(1,193,890.86)</b>	<b>12.02%</b>
<b>Net Income</b>	<b>\$ 382,652.53</b>	<b>\$ 127.67</b>	<b>\$ 382,524.86</b>	<b>299720.00%</b>	<b>\$ (101,787.48)</b>	<b>\$ 1,532.00</b>	<b>\$ (103,319.48)</b>	<b>-6644.09%</b>
ZCIP - Andover	20,000.00				20,000.00			
ZCIP - Anoka	20,000.00				20,000.00			
ZCIP - Champlin	20,000.00				20,000.00			
	60,000.00				60,000.00			

Tuesday, Mar 23, 2021 06:17:57 AM GMT-7 - Accrual Basis

## QCTV Bank Reconciliation

### February 2021

Beginning Balance - 4M Statement	1,609,413.70
Less: Cleared Checks/Withdrawals	(77,687.20)
Plus: 4M Fund Interest	31.52
Plus: Bank Deposits/Credits	463,752.37
<b>Bank Balance</b>	<b>\$1,995,510.39</b>
Book Balance	1,995,510.39
<b>Adjusted Book Balance</b>	<b>1,995,510.39</b>
<b>Difference:</b>	<b>\$0.00</b>

Completed by: MX

# Quad Cities Communications Commission

## Bill Payment List

February 2021

DATE	NUM	VENDOR	AMOUNT
Quad Cities Commission			
02/01/2021	13529	Amazon	-816.49
02/01/2021	13530	City of Andover	-1,382.39
02/01/2021	13531	HealthEquity Inc.	-23.70
02/01/2021	13532	Maza Technologies, LLC	-1,580.00
02/01/2021	13533	Minnesota Association of Government Communicators	-1,840.00
02/01/2021	13534	NATO	-2,190.00
02/01/2021	13535	Preferred One Insurance Co.	-6,867.39
02/01/2021	13536	The Lincoln National Life Ins. Co.	-554.47
02/01/2021	13537	U.S. Bank Corporate	-624.61
02/12/2021	13538	Associated Bank	-132.90
02/12/2021	13539	HealthEquity Inc.	-842.24
02/12/2021	W D	Minnesota State Retirement System	-450.00
02/12/2021	W D	PERA	-3,053.60
02/19/2021	13540	ACE Solid Waste, Inc.	-130.29
02/19/2021	13541	Alpha Video & Audio Inc.	-3,390.00
02/19/2021	13542	AT&T Mobility	-649.91
02/19/2021	13543	CenterPoint Energy	-428.46
02/19/2021	13544	City of Andover	-1,487.61
02/19/2021	13545	City of Champlin	-109.80
02/19/2021	13546	Comcast Cable	-900.51
02/19/2021	13547	Genesis Technologies Inc.	-10,384.00
02/19/2021	13548	Gerald S. Thomson	-240.00
02/19/2021	13549	Greenery Enterprises, Inc.	-1,160.00
02/19/2021	13550	Huebsch	-49.19
02/19/2021	13551	Joe G. Ruhland	-420.00
02/19/2021	13552	LiveU Inc.	-361.09
02/19/2021	13553	Maza Technologies, LLC	-1,580.00
02/19/2021	13554	NAC Building Solutions	-1,640.00
02/19/2021	13555	Securitas Electronic Security Inc.	-402.27
02/19/2021	13556	T-Mobile	-122.24
02/19/2021	13557	Timesavers	-151.00
02/19/2021	13558	U.S. Bank Corporate	-989.39
02/19/2021	13559	Verizon	-120.03
02/19/2021	13560	Vividly Clean Inc.	-315.00
02/19/2021	13561	Xcel Energy	-933.46
02/26/2021	13562	Associated Bank	-132.90
02/26/2021	13563	HealthEquity Inc.	-842.24
02/26/2021	W D	Minnesota State Retirement System	-450.00
02/26/2021	W D	PERA	-2,969.70
<b>Total for Quad Cities Commission</b>			<b>\$ -50,716.88</b>



**Quad Cities Communications Commission**  
**Balance Sheet Summary**  
As of March 31, 2021

	<u>Total</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Bank Accounts - QCTV	2,236,333.16
- PayPay acct	481.12
- US Bank Reserve	5,000.00
- Petty Cash	250.00
- Investments	1,355,992.03
Accounts Receivable	0.00
Other current assets	0.00
<b>Total Current Assets</b>	<b>\$ 3,598,056.31</b>
<b>Fixed Assets</b>	<u>0.00</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 3,598,056.31</u></b>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	10,736.07
Other Current Liabilities	0.04
<b>Total Current Liabilities</b>	<b><u>\$ 10,736.11</u></b>
<b>Equity</b>	<u>3,587,320.20</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>\$ 3,598,056.31 *</u></b>

QCTV allocates fund reserves in two areas:

Operating Reserves = \$621,184.24

Capital Reserves = \$2,976,872.07 (\$3.3M 5-Year Cap Plan)

**Quad Cities Communications Commission**  
**Budget vs. Actuals: FY 2021 - FY21 P&L**  
January - December 2021

	Mar 2021				YTD			
	Actual	Budget	over Budget	% of Budget	Actual	Budget	over Budget	% of Budget
<b>Income</b>								
<b>Duplication Revenue</b>	86.96	41.67	45.29	208.69%	105.06	500.00	(394.94)	21.01%
<b>Equipment Grant</b>		5,000.00	(5,000.00)	0.00%	60,897.53	60,000.00	897.53	101.50%
<b>Franchise Fees</b>	299,095.50	71,500.00	227,595.50	418.32%	299,095.50	858,000.00	(558,904.50)	34.86%
<b>Interest Income</b>	4,413.36	833.33	3,580.03	529.61%	4,537.39	10,000.00	(5,462.61)	45.37%
<b>Miscellaneous Income</b>		83.33	(83.33)	0.00%	250.00	1,000.00	(750.00)	25.00%
<b>PEG Fee</b>	138,342.47	35,750.00	102,592.47	386.97%	138,342.47	429,000.00	(290,657.53)	32.25%
<b>Total Income</b>	<b>441,938.29</b>	<b>113,208.33</b>	<b>328,729.96</b>	<b>390.38%</b>	<b>503,227.95</b>	<b>1,358,500.00</b>	<b>(855,272.05)</b>	<b>37.04%</b>
<b>Expenses</b>								
<b>A-PERA Expense</b>	3,460.10	4,467.25	(1,007.15)	77.45%	10,131.24	53,607.00	(43,475.76)	18.90%
<b>A-SS/Medicare Expense</b>	3,696.65	4,691.25	(994.60)	78.80%	9,934.17	56,295.00	(46,360.83)	17.65%
<b>A-Wages - Full-time</b>	44,425.80	48,823.33	(4,397.53)	90.99%	122,540.23	585,880.00	(463,339.77)	20.92%
<b>A-Wages - Part-time</b>	5,703.00	10,000.00	(4,297.00)	57.03%	12,754.75	120,000.00	(107,245.25)	10.63%
<b>Accounting / HR Services</b>	1,094.85	1,333.33	(238.48)	82.11%	3,425.16	16,000.00	(12,574.84)	21.41%
<b>Ads/Promos/Sponsorships</b>	1,600.00	750.00	850.00	213.33%	1,600.00	9,000.00	(7,400.00)	17.78%
<b>Andover Capital Equipment</b>		416.67	(416.67)	0.00%	79.99	5,000.00	(4,920.01)	1.60%
<b>Announcers Fees</b>	1,020.00	1,000.00	20.00	102.00%	2,340.00	12,000.00	(9,660.00)	19.50%
<b>Anoka Capital Equipment</b>	341.13	416.67	(75.54)	81.87%	829.99	5,000.00	(4,170.01)	16.60%
<b>Audit</b>		1,375.00	(1,375.00)	0.00%	0.00	16,500.00	(16,500.00)	0.00%
<b>Bank Fees / CC Fees</b>		20.83	(20.83)	0.00%	0.00	250.00	(250.00)	0.00%
<b>Brand Apparel</b>		208.33	(208.33)	0.00%	0.00	2,500.00	(2,500.00)	0.00%
<b>Building - Cleaning</b>	315.00	500.00	(185.00)	63.00%	945.00	6,000.00	(5,055.00)	15.75%
<b>Building - Insurance</b>		316.67	(316.67)	0.00%	2,750.00	3,800.00	(1,050.00)	72.37%
<b>Building - Maintenance</b>	695.84	833.33	(137.49)	83.50%	2,738.11	10,000.00	(7,261.89)	27.38%
<b>Building - Supplies</b>	148.39	125.00	23.39	118.71%	245.29	1,500.00	(1,254.71)	16.35%
<b>Car Allowance</b>	250.00	250.00	0.00	100.00%	750.00	3,000.00	(2,250.00)	25.00%
<b>Cell Phone - Allowance</b>	525.00	525.00	0.00	100.00%	1,525.00	6,300.00	(4,775.00)	24.21%
<b>Champlin Capital Equipment</b>	593.40	416.67	176.73	142.41%	843.19	5,000.00	(4,156.81)	16.86%
<b>City Sewer &amp; Water</b>	111.10	216.67	(105.57)	51.28%	330.99	2,600.00	(2,269.01)	12.73%
<b>Commission Expense</b>	392.60	208.33	184.27	188.45%	392.60	2,500.00	(2,107.40)	15.70%
<b>Consulting Services</b>	1,380.00	5,833.33	(4,453.33)	23.66%	2,760.00	70,000.00	(67,240.00)	3.94%

**Quad Cities Communications Commission**  
**Budget vs. Actuals: FY 2021 - FY21 P&L**  
January - December 2021

	Mar 2021				YTD			
	Actual	Budget	over Budget	% of Budget	Actual	Budget	over Budget	% of Budget
Contingency Fund		833.33	(833.33)	0.00%	0.00	10,000.00	(10,000.00)	0.00%
Duplication Expenses		20.83	(20.83)	0.00%	0.00	250.00	(250.00)	0.00%
Electric Service	1,782.84	1,333.33	449.51	133.71%	2,716.30	16,000.00	(13,283.70)	16.98%
Emp / Comm Appreciation		208.33	(208.33)	0.00%	0.00	2,500.00	(2,500.00)	0.00%
Equip/Repair/Supply/Software	3,588.49	2,500.00	1,088.49	143.54%	4,687.03	30,000.00	(25,312.97)	15.62%
Federal Unempl Expense		70.83	(70.83)	0.00%	0.00	850.00	(850.00)	0.00%
Health Insurance	6,554.46	8,615.50	(2,061.04)	76.08%	24,853.42	103,386.00	(78,532.58)	24.04%
Insurance - Deductibles		41.67	(41.67)	0.00%	0.00	500.00	(500.00)	0.00%
Insurance - Liability / Bonds		441.67	(441.67)	0.00%	3,260.00	5,300.00	(2,040.00)	61.51%
Lawn Service		416.67	(416.67)	0.00%	0.00	5,000.00	(5,000.00)	0.00%
Legal Fees	117.00	2,083.33	(1,966.33)	5.62%	389.00	25,000.00	(24,611.00)	1.56%
Licenses and Permits		250.00	(250.00)	0.00%	0.00	3,000.00	(3,000.00)	0.00%
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%	4,030.00	10,000.00	(5,970.00)	40.30%
Mileage	400.96	1,000.00	(599.04)	40.10%	1,283.02	12,000.00	(10,716.98)	10.69%
Miscellaneous Expenses		41.67	(41.67)	0.00%	0.00	500.00	(500.00)	0.00%
Natural Gas	533.11	416.67	116.44	127.95%	1,365.41	5,000.00	(3,634.59)	27.31%
Office Supplies / Equipment	459.61	500.00	(40.39)	91.92%	596.58	6,000.00	(5,403.42)	9.94%
Parking Lot Maintenance		83.33	(83.33)	0.00%	0.00	1,000.00	(1,000.00)	0.00%
Payroll Expenses	130.00		130.00		365.00	0.00	365.00	
Payroll Expenses (ADP/HSA)		100.00	(100.00)	0.00%	0.00	1,200.00	(1,200.00)	0.00%
Postage	20.91	41.67	(20.76)	50.18%	75.37	500.00	(424.63)	15.07%
Printing / Copy Services		41.67	(41.67)	0.00%	0.00	500.00	(500.00)	0.00%
Professional Development	205.79	1,833.33	(1,627.54)	11.22%	3,715.79	22,000.00	(18,284.21)	16.89%
Publications		41.67	(41.67)	0.00%	0.00	500.00	(500.00)	0.00%
Ramsey Capital Equipment	131.98	416.67	(284.69)	31.67%	476.02	5,000.00	(4,523.98)	9.52%
Reimbursements	0.00		0.00		0.00	0.00	0.00	
Sales Tax		20.83	(20.83)	0.00%	144.00	250.00	(106.00)	57.60%
Secretary Services	223.00	166.67	56.33	133.80%	374.00	2,000.00	(1,626.00)	18.70%
Snow Plowing Service	510.00	500.00	10.00	102.00%	2,182.50	6,000.00	(3,817.50)	36.38%
State Unemploy Exp		208.33	(208.33)	0.00%	0.00	2,500.00	(2,500.00)	0.00%

**Quad Cities Communications Commission**  
**Budget vs. Actuals: FY 2021 - FY21 P&L**  
January - December 2021

	Mar 2021				YTD			
	Actual	Budget	over Budget	% of Budget	Actual	Budget	over Budget	% of Budget
STD / LTD / Life Insurance	554.47	625.00	(70.53)	88.72%	1,663.41	7,500.00	(5,836.59)	22.18%
Studio Sets		416.67	(416.67)	0.00%	0.00	5,000.00	(5,000.00)	0.00%
Subscription Services	811.89	1,833.33	(1,021.44)	44.28%	12,168.67	22,000.00	(9,831.33)	55.31%
Temp Staff Services		125.00	(125.00)	0.00%	0.00	1,500.00	(1,500.00)	0.00%
Vehicle - Equipment / Repair	124.35	1,250.00	(1,125.65)	9.95%	124.35	15,000.00	(14,875.65)	0.83%
Vehicle - Insurance		166.67	(166.67)	0.00%	892.00	2,000.00	(1,108.00)	44.60%
Vehicle - Maintenance / Gas	240.25	666.67	(426.42)	36.04%	342.36	8,000.00	(7,657.64)	4.28%
Waste Removal	140.29	125.00	15.29	112.23%	400.87	1,500.00	(1,099.13)	26.72%
Web / VOD / Int / CaTV / Phone	2,139.04	1,833.33	305.71	116.68%	5,890.99	22,000.00	(16,109.01)	26.78%
Work Comp Insurance		166.67	(166.67)	0.00%	0.00	2,000.00	(2,000.00)	0.00%
<b>Total Expenses</b>	<b>84,421.30</b>	<b>113,080.66</b>	<b>(28,659.36)</b>	<b>74.66%</b>	<b>248,911.80</b>	<b>1,356,968.00</b>	<b>(1,108,056.20)</b>	<b>18.34%</b>
<b>Net Income</b>	<b>357,516.99</b>	<b>127.67</b>	<b>357,389.32</b>	<b>280032.11%</b>	<b>254,316.15</b>	<b>1,532.00</b>	<b>252,784.15</b>	<b>16600.27%</b>
ZCIP - Andover	7,000.00				27,000.00			
ZCIP - Anoka					20,000.00			
ZCIP - Champlin					20,000.00			
ZCIP - Ramsey					20,000.00			
	<u>7,000.00</u>				<u>87,000.00</u>			

# QCTV Bank Reconciliation

## March 2021

Beginning Balance - 4M Statement	1,995,510.39
Less: Cleared Checks/Withdrawals	(174,746.33)
Plus: 4M Fund Interest	1,470.69
Plus: Bank Deposits/Credits	40,425.00
<b>Bank Balance</b>	<b>\$1,862,659.75</b>
Book Balance	1,862,659.75
<b>Adjusted Book Balance</b>	<b>1,862,659.75</b>
<b>Difference:</b>	<b>\$0.00</b>

Completed by: MK

# Quad Cities Communications Commission

## Bill Payment List

March 2021

DATE	NUM	VENDOR	AMOUNT
Quad Cities Commission			
03/08/2021	13564	Alliance for Community Media	-3,000.00
03/08/2021	13565	Amazon	-777.19
03/08/2021	13566	Comcast 2	-481.16
03/08/2021	13567	James Childs	-300.00
03/08/2021	13568	Kennedy & Graven, Chartered	-272.00
03/08/2021	13569	The Lincoln National Life Ins. Co.	-554.47
03/12/2021	13570	ACE Solid Waste, Inc.	-140.29
03/12/2021	13571	Anoka Area Chamber of Commerce	-20.00
03/12/2021	13572	Associated Bank	-132.90
03/12/2021	13573	AT&T Mobility	-649.91
03/12/2021	13574	CenterPoint Energy	-533.11
03/12/2021	13575	City of Andover	-20,000.00
03/12/2021	13576	City of Anoka	-20,000.00
03/12/2021	13577	City of Champlin	-20,111.10
03/12/2021	13578	HealthEquity Inc.	-842.24
03/12/2021	13579	Holiday Station	-102.11
03/12/2021	13580	Joe G. Ruhland	-240.00
03/12/2021	13581	Maza Technologies, LLC	-1,580.00
03/12/2021	13582	Preferred One Insurance Co.	-6,549.10
03/12/2021	13583	T-Mobile	-122.24
03/12/2021	13584	Timothy Anderson	-180.00
03/12/2021	13585	U.S. Bank Corporate	-1,377.41
03/12/2021	13586	Verus Corporation	-2,875.00
03/12/2021	13587	Vividly Clean Inc.	-315.00
03/12/2021	13588	Xcel Energy	-930.08
03/12/2021	W D	Minnesota State Retirement System	-450.00
03/12/2021	W D	PERA	-3,186.66
03/26/2021	13589	Amazon	-345.38
03/26/2021	13590	Associated Bank	-132.90
03/26/2021	13591	City of Andover	-7,000.00
03/26/2021	13592	City of Ramsey	-20,000.00
03/26/2021	13593	Comcast 2	-481.16
03/26/2021	13594	Comcast Cable	-900.51
03/26/2021	13595	Costco Membership	-60.00
03/26/2021	13596	DVS Renewal	-240.25
03/26/2021	13597	Greenery Enterprises, Inc.	-280.00
03/26/2021	13598	HealthEquity Inc.	-842.24
03/26/2021	13599	Huebsch	-148.39
03/26/2021	13600	James Childs	-300.00
03/26/2021	13601	Preferred One Insurance Co.	-6,908.17
03/26/2021	13602	Sterling Trophy	-15.50
03/26/2021	13603	The Lincoln National Life Ins. Co.	-554.47
03/26/2021	13604	Verizon	-120.03

# Quad Cities Communications Commission

## Bill Payment List

March 2021

DATE	NUM	VENDOR	AMOUNT
03/26/2021	W D	Minnesota State Retirement System	-450.00
03/26/2021	W D	PERA	-3,272.20
Total for Quad Cities Commission			\$ -127,773.17

4.3 Executive Director's Report

May 13, 2021

To: Commissioners

From: Karen George, Executive Director

Subject: Executive Director's Report

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**40<sup>th</sup> Anniversary of the Quad Cities Cable Communications Commission!**

On March 30, QCTV held a small gathering of staff and commissioners to celebrate the 40<sup>th</sup> anniversary of the station! It was a great event for employees to share their commitment to local media and the member cities. A short video of the event was posted on social media and aired in The Post. View it in the April 7 edition of The Post: <http://reflect-qctv.cablecast.tv/vod/12095-The-Post-Episode-42-04-07-2021-v1/vod.mp4>

QCTV celebrates 40 years serving the cities of Andover, Anoka, Champlin, and Ramsey. On March 30, 1981, these four cities recognized they could do more together in partnership and created the Quad Cities Cable Communications Commission. Operating as QCTV, those 40 years have been filled with award-winning productions, community partnerships, innovative use of technology, and video coverage of 10,000 government meetings. Staff is planning a year-long recognition of this anniversary.

**2020 Audit**

The 2020 audit work has been completed by Redpath and Company. The final audit report has been reviewed by the Budget Committee and will be presented to the Commission at the May 20 meeting.

**Communications / Marketing Plan**

Communications and Social Media Coordinator Seamus Burke has been working with Tami Wendt on the Lexica Communication Phase 2 report. This is the second of a three phase project for QCTV. Phase 2 is a communications and marketing plan and will be presented to the commission for acceptance at the May meeting.

**City CIP Grants**

The annual CIP grants to member cities has been completed. Each city received \$20,000.



### **Franchise Fee Audit**

Ashpaugh & Sculco, CPAs (A&S) finalized the audit of Comcast fees. The audit report will be presented to the commission at the May meeting. The project timeline was extended with the onset of the pandemic in March 2020. The agreement for multiple clients (including QCTV) was tolled for one year, impacting the completion timeline. The initial toll agreement expired and staff has executed an additional year toll to accept the report and secure payment.

### **City Remote Meeting Equipment Upgrades**

Prior to the pandemic, QCTV had research and presented a base plan for city hall equipment upgrades to manage remote meeting participation within the Minnesota Open Meeting law requirement and city policy. Since the pandemic, government meetings are using this technology for serving a changed need and future expectation to continue remote participation. This item was discussed by the commission at the March work session. Staff has been meeting with city staff to assess needs unique to each city and work with the vendor on equipment upgrades to meet the change in service expectations. The commission will be updated at a future meeting.

### **621 Ruling Challenge Court Oral Arguments**

This is an update on the oral arguments heard by the court in the case challenging the FCC 621 Ruling.

## **6th Circuit Oral Argument re: Cable Franchises**

*By Nancy Werner, NATOA General Counsel*

On April 15, 2021, the United States Court of Appeals for the Sixth Circuit held oral argument in *City of Eugene, et al. v FCC, et al.*, the case involving local governments' challenge to the FCC's 2019 [Third Report and Order](#) impacting cable franchises. The Order allows cable operators to deduct from franchise fees the fair market value of cable franchise requirements, with limited exceptions, and largely preempts states and local governments from regulating the non-cable services and equipment of franchised cable operators. A recording of the oral argument is available [here](#).



During oral argument, the court posed many questions to attorneys for the FCC and their supporting intervenors regarding the Order's broad preemption of state and local authority over cable operators' non-cable services. There were also questions regarding the Commission's determination that franchise obligations should be quantified at their fair market value, rather than cost, in calculating the deduction from monetary franchise fees.

Though one can never tell how a court may rule based on oral argument, we are gratified that the Court asked probing questions on these and other important issues. There is no specific date by which the Court must rule in this case.

### **MACTA Legislative Meeting**

The MACTA legislative committee led an informational meeting with leaders of metro stations (including QCTV) to meet with Representative Zach Stephenson. Discussion items included value of local media, the impact of the pandemic and how access stations provided unique services, the challenges of future funding, and suggestions on how to modernize the funding model.

### **Guest on Democratic Visions**

I appeared on the access show Democratic Visions. The topics discussed were the industry changes, local access stations work during the pandemic, and the future of access stations locally and nationally.

### **Personnel and Budget Committee Recaps**

The Personnel Committee met to review temporary modifications to the annual leave section of the personnel policy. This item will be on the May agenda for commission action. The Budget Committee met to review the 2020 audit and recommend CIP commitments. This item will also be on the May agenda for commission action.

### **Xcel Power Outages**

The season arrived early with power outages on the Xcel grid. QCTV suffered a three-day downtime on channels as the result of one outage. John Sommer repaired the QCTV equipment. Some equipment at Champlin City Hall was damaged requiring replacement.

### **VideoBlocks Contract Cancelled**

QCTV has been subscribing to a service that provides stock footage, motion graphics, and audio/music clips. The \$400 per year subscription rate was cost effective since 2014. However, staff was contacted by the company stating that our current plan was no longer valid for QCTV and we must move to an enterprise plan at a cost of \$12,000 per year. The company contends that QCTV was not properly using the previous license and that in exchange for moving to the enterprise plan, the company would indemnify QCTV against any future copyright infringement case. I have reviewed the license agreement, consulted legal counsel, and researched insurance coverage for copyright infringement. QCTV will remove assets used in ongoing productions and seek an alternative vendor for such services. I have taken the extra step to inform sister stations using the same vendor of this issue.

### **Strategic Plan**

Staff completed a strategic plan planning session for 2021 objectives. The 2021 objectives were reviewed by the commission at the March Programming work session. Staff meet in April to review Q1 progress. The Strategic Plan can be viewed at: <http://qctv.org/wp-content/uploads/2019/12/Strategic-Plan-and-Direction.pdf>

### **Tech Staff Presented at MACTA**

Technology staffers John Sommer and CJ Luck presented a comprehensive workshop on remote sports coverage. This is a very unique new service QCTV embarked on during the pandemic in

order to cover more live sports productions since there could be no audience in attendance. Taylor Johnson was also very instrumental in pioneering this new production technique. Kudos to staff for technical ingenuity!

**Updated Social Media Code of Conduct/Copyright**

At the March work session the commission asked staff to review and update QCTV online code of conduct guidelines. Seamus Burke reviewed the code of conduct and QCTV copyright notices and updated.

**Action Requested:**

Accept Executive Director's report.

## QCCCC Agenda Item

### 4.3.1 Operations Report

**March 31, 2021**

**To:** Karen George, Executive Director

**From:** Katherine Lenaburg, Operations Manager

**Subject: Operations Update**

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In the month of March, we produced 18 live government meetings; 3 were cancelled. We assisted the City of Champlin and Andover with meetings that were not cablecast but responded to their request for technical assistance with remote meetings.

We carried 3 live press conferences by Governor Walz as well as his State of the State address.

Regular productions included 5 live episodes of *The Post* involving 24 pre-produced stories and a number of local promos and PSA's featuring our member cities and live reports during each weekly show. These stories were re-deployed on social media per our strategic plan.

We produced *The Chamber Report* in our studio with safety procedures in place. We also produced testimonials for The Chamber as they are doing a membership drive.

We produced a show called *Andover Fire Badge Pinning Ceremony*, partnering with the Andover Fire Department.

Via Zoom, we produced a two-part series in our *Spotlight On Issue* shows with the local League of Women Voters group. The topic was pollinators.

QCTV broadcast a number of regular season and postseason games to our community in the month of March. For the first time, QCTV was allowed to broadcast Section 7AA girls' and boys' hockey. We were able to broadcast all rounds of the Section tournament for Andover boys' and girls' hockey excluding the Section Championship for boys' hockey (which WDIO has the exclusive rights for). Each of those games had up to 1,000 people watching per game. We would like to thank Andover High School and the Andover Hockey Booster Clubs for providing the financial resources to cover the fees necessary to bring these games to our community. Unfortunately, QCTV's request to broadcast live video of the state tournament for Andover boys' and girls' hockey and Champlin Park Boys' Basketball was denied by the Minnesota State High School League. We were however permitted to provide a live audio-only broadcast of the Champlin Park boys' basketball state quarterfinal game. QCTV has begun to switch gears to covering spring sports and look forward to getting our crew outside to cover baseball, softball, lacrosse, and more.

I entered the ACM Hometown Media Awards and served as a judge in the Election category.

I participated in the Annual Program Update to the Quad Cities Cable Communications Commission outlining our accomplishments of 2020. As a team, we updated our Program Guidelines including updates on our election coverage. We also had a good discussion on the strategic plans for 2021 and beyond.

As a member of the STEP (Secondary Technical Education Program) Advisory Board, I worked with local instructor Steve Yaeger and his students in his Arts, Audio/Technology class to produce PSA's which we are running in our weekly show, *The Post*.

Procured programming including an episode of *Inside Health Care*, *The Good Stuff*, and new series by Nine North called *Compass* that features a variety of local topics. We are also playing a show called *2021 Talk Taxes*, produced by Town Square Television and a show produced by The Anoka Conservation District called *ACD Comprehensive Plans and Grants for Pollinator Habitat*.

Taylor Johnson and myself worked with Anoka High Schools' STEAM (Science, Technology, Engineering, Art, and Mathematics) program to advise them on their recording of their Senior Showcase projects. They produced an hour show that we are playing back on our channels.

**Testimonials this month:**

“Katherine and Taylor- Thank you for your advice and allowing us to use your light for recording the Senior Showcase projects. It certainly made the experience feel more professional. ”

- Rana Nestrud and Todd Hunter, STEAM Project, Anoka High School

“Katherine- Another great episode of The Post. Jared- thanks for piecing our recycling segment together so well. I love how you placed the presentation slides perfectly.

- Pam Bowman, City of Anoka

“Thank you for the nice story on the RumRiver Senior Camps. Leslie did a nice job!”

- Susan Yee, RumRiver Co-Founder

## QCCCC Agenda Item

### 4.3.1 Operations Report

**April 30, 2021**

**To:** Karen George, Executive Director

**From:** Katherine Lenaburg, Operations Manager

**Subject: Operations Update**

---

In the month of April, we produced 16 live government meetings; 7 were cancelled. We assisted the City of Champlin and Andover with meetings that were not cablecast but responded to their request for technical assistance with remote meetings.

We carried 3 live press conferences by Governor Walz.

Regular productions included 4 live episodes of *The Post* involving 20 pre-produced stories and a number of local promos and PSA's featuring our member cities and live reports during each weekly show. These stories were re-deployed on social media per our strategic plan.

We produced *The Chamber Report* in our studio and *The District Court Show* via Zoom. We produced promos for these shows that we ran in *The Post* and on social media.

Spring sports started and we produced 8 live games. We also produced our halftime show *At the Half* featuring The Anoka Girls Track and Field team, The Andover Baseball team, and Champlin's Girls Golf team. The host of our show is Anoka High School Senior Elise Pinewski.

I entered the NATOA Government Programming Awards. We submitted 10 programs into the annual competition.

As a member of the STEP (Secondary Technical Education Program) Advisory Board, I worked with local instructor Steve Yaeger and his students in his Arts, Audio/Technology class to produce PSA's which we played back in March and April in our weekly show, *The Post*.

Procured programming including an episode of *Inside Health Care* and a new series by Nine North called *Compass* that features women in sports this month. We are also playing a show called *2021 Talk Taxes*, produced by Town Square Television and a show produced by The Anoka Conservation District called *ACD Comprehensive Plans and Grants for Pollinator Habitat*.

We participated in the Community Media Earth Day Collective produced by producers and engineers from SWCTC, Town Square TV, Nine North, and the City of Coon Rapids. They created a "playlist" that featured videos from PEG facilities around the state. Earth Day topics included water, soil, pollution control, pollinators, gardens conservation efforts and recycling. We contributed a story on water conservation and an Earth Day PSA.

**Testimonial this month:**

"Thanks for the follow and sports coverage this year! I enjoyed watching the game playbacks on Saturday mornings. Thanks for everything you guys have done for us!"

- Hayden Sanders, Champlin Park Football Team

"Thank you, Katherine! Y'all did a fabulous job with the Ice Forum Time Lapse video! The social media posts Seamus is doing are fun to watch! Great job!"

- Ashley Wagner, Communications Director, City of Champlin

"I asked Cory Laing and Taylor Johnson to provide a time lapse of the turnover from ice to a dry floor event. This video is a great asset to have as this project is unique to the Ice Forum and City of Champlin. I am very appreciative and thankful. This project went very smooth."

- Nick Powell, Ice Forum Manager, City of Champlin



“Thanks for promoting our awesome athletes in your *At the Half* show. Very well done!”

- Lance Wicks, Athletic Director, City of Anoka

**QCCCC Agenda Item**  
**4.3.2 Technology Report**

**May 3, 2021**

**To: Karen George, Executive Director**  
**From: John Sommer, Technology Manager**  
**Subject: March 2021 Technology Report**

---

**General Items:**

Alpha Video finished installation of remote meeting equipment in Andover. I went to Andover before the first March meeting to conduct a test meeting with Andover staff. All meetings with the new equipment have gone well.

Working on a Technology Staff plan for delegating and dividing responsibility. The goal is to have one person in charge of each area with back-up available from others. Seamus learned how to publish meetings to the website and CJ has worked with producers to learn how to do city meetings.

**Social Media/Communications:**

Seamus Burke started work March 1<sup>st</sup> at QCTV. He very quickly picked up on what we have been doing and continued regular social media posts. Posts go out daily to promote all of our programming, including city meetings.

**Equipment Issues:**

**QCTV Equipment**

Two Xcel power outages this month. The first during a storm and the second during seemingly fine weather. All equipment came back on-line with minimal channel downtime. Discovered issue with battery back-up for opening doors during the outage.

**City Equipment**

Sharp sent a warranty replacement for the touch display in the Andover Council Chambers. CJ assisted me installing the new monitor and testing its functionality with the Crestron system. CJ later went back to Andover to reinstall the Crestron receiver for the display. CJ received training from Leslie on how to produce a city meeting.

An unknown incident at Ramsey caused VDesk computer to crash and not recover a few hours prior to the start of a meeting. We were able to bring the REMO computer as a backup while I repaired the VDesk machine.

**Comcast Equipment**

No issues to report for this period.

**Action Requested: None.**

**QCCCC Agenda Item**  
**4.3.2 Technology Report**

**May 5, 2021**

**To: Karen George, Executive Director**  
**From: John Sommer, Technology Manager**  
**Subject: April 2021 Technology Report**

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**General Items:**

I met with Ramsey staff to learn more about how they have been integrating Zoom into their meetings and conference rooms.

CJ Luck and I participated in a MACTA video call where we shared creative production ideas QCTV has been using to provide expanded high school sports coverage.

**Social Media/Communications:**

Seamus created an Instagram account for QCTV and has been regularly posting to it and our other social media accounts. Seamus has also been learning about the production of QCTV programs including participating in the production of "The Post." He worked with Tami Went from Lexica Communications to draft a communications plan that will be presented to the Commission in May.

**Equipment Issues:**

**QCTV Equipment**

Installed replacement fiberoptic video transport devices at Champlin City Hall and QCTV.

**City Equipment**

Worked with a repair tech from Alpha Video to eliminate an audio muting issue at Anoka City Hall. Champlin and Ramsey are programmed differently and will likely not have this issue. We corrected a similar problem at Andover last year.

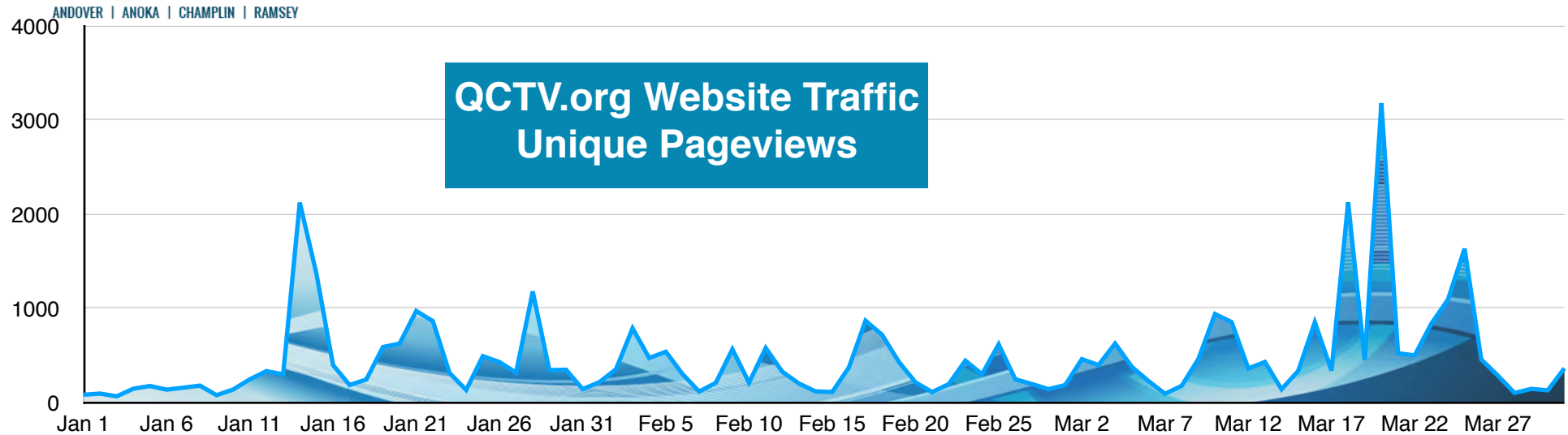
We have had some occasional remote connection issues at Champlin and Ramsey. At Champlin it appeared to be the network settings and at Ramsey it may be the cable modem. No meetings have been affected by this minor issue.

**Comcast Equipment**

Ramsey City Channel was reported not working on lobby monitor at City Hall. I went to Ramsey and found that channel 16 was working but channel 799 was not. I contacted a Comcast Technician and he reset the channel encoder at QCTV. Channel was restored after that and has not had any issues reported since then.

**Action Requested: None.**

# 2021 Quarter 1 Programming Stats



Tweets Top Tweets Tweets and replies Promoted Impressions Engagement Engagement rate

**QCTV** @qctv · Mar 14  
TOMORROW at 12:00 @andoverhockey play @FLRANGERS after a yesterday's victory!

At 2:30 the @andovergirlshoc will play @grglighning girls for the 7AA Championship! 🏒🏆

Join us LIVE on Facebook, on the air, or online to catch all the action! 📺

@AndHSHuskies #HuskyNation  
pic.twitter.com/bPBmu60w3K

View Tweet activity

Promote

**QCTV** @qctv · Jan 28  
Two LIVE shoots on QCTV tonight at 7:00pm!

@AnokaBasketball at @ChamplinParkHS  
Watch: Comcast HD799/SD16 (in Champlin and Anoka),  
qctv.org/champlin/, or here on Facebook!

@andoverhockey at @CPBoysHockey  
Watch: Comcast HD859/SD15, qctv.org/live, or Facebook!  
pic.twitter.com/mLj3odoKtN

View Tweet activity

Promote

**QCTV** @qctv · Mar 17  
We've got a double-header TOMORROW NIGHT on QCTV!

At 5:00 @andovergirlshoc enter the semifinal round of the section tournament against @ERHSHockey. Then at 7:30 @andoverhockey enter sections against @ATownPuck.

Join us tomorrow:  
qctv.org/live!

View Tweet activity

Promote



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

### Top Ways Users Find QCTV

1	Direct	7,227
2	Google search	3,189
3	From Facebook	2,112



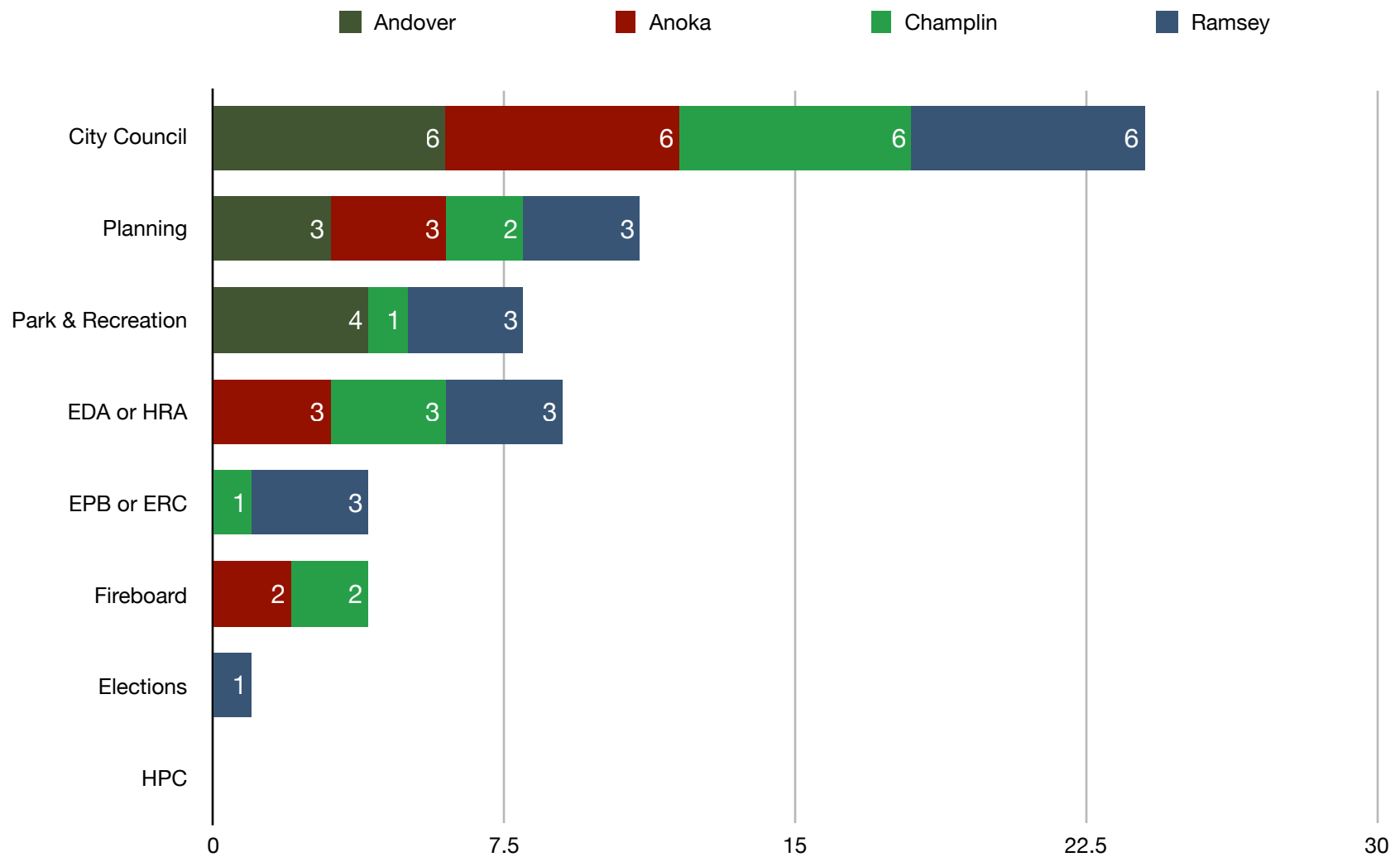
**QCTV: 7AA Championship: Grand Rapids @ Andover.**  
THE ANDOVER HUSKIES ARE YOUR 7AA SECTION CHAMPS! They beat Grand Rapids this afternoon 6-1, led by senior #5 Peyton Hemp with three goals. The Huskies advance to the Xcel Energy Center next Saturday for the opening round of...

Posts	Posted Date	Estimated Reach	3s Video Views	10s Video Views	Unique 3s Video Views	Post Engagement	Average Video Watch Time
QCTV 7AA Championship: Grand Rapid...	03/20/2021 4:20 PM	7.4K	3.2K 100%	1.5K 100%	2.5K	364	0:09 / 1:07

### Top 10 Pages

1	Homepage	7,711
2	Live - Community Channel	5,690
3	Sports	5,214
4	Program Guide	1,337
5	Andover	1,123
6	Anoka	1,482
7	Ramsey	1,039
8	Champlin	980
9	Programs	779
10	/meeting_category/ramsey/ ramsey-city-council-meetings/	715

2021 Q1



**Number of Cablecast Meetings - 55**

**2021 Q1**

**QCCCC Agenda Item**

**5.1 2020 Audit Report**

**May 5, 2021**

**To:** Commissioners

**From:** Karen George, Executive Director

**Subject:** 2020 Audit Report

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The 2020 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 2020 Audit report.



## COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

To the Board of Commissioners  
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, 2020. 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 February 3, 2021. 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 was not changed during 2020. 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 are estimates used to calculate the net pension liability, the pension related deferred outflows and inflows of resources, and pension expense. These estimates 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 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 6, 2021.

*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 schedule and the 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 statements document.

Restriction on Use

This information is intended solely for the information and use of the Board of Commissioners and management of Quad Cities Cable Communications Commission, 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 6, 2021

**QUAD CITIES CABLE COMMUNICATIONS COMMISSION**

**FINANCIAL STATEMENTS**

December 31, 2020

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

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**QUAD CITIES CABLE COMMUNICATIONS COMMISSION  
COMMUNICATIONS COMMISSION  
ORGANIZATION  
December 31, 2020**

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**Commission Members:**

Representing:

**Andover:**

Jamie Barthel - Personnel Committee  
Jim Dickinson - Treasurer and Budget Committee

**Anoka:**

Erik Skogquist - Secretary and Personnel Committee  
Greg Lee - Budget Committee

**Champlin:**

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

**Ramsey:**

Kurt Ulrich - Chair and Personnel Committee  
Jeff Menth - Budget Committee



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## FINANCIAL SECTION

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Quad Cities Cable Communications Commission  
Champlin, Minnesota

### Report on the Financial Statements

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, 2020, 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 above 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, 2020, 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 Cables Communications Commission's 2019 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 21, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 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 schedule and the pension information, as listed in the table of contents, 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 6, 2021

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## **BASIC FINANCIAL STATEMENTS**



**QUAD CITIES CABLE COMMUNICATIONS COMMISSION  
COMMUNICATIONS COMMISSION**

**Statement 1**

**STATEMENT OF NET POSITION**

December 31, 2020

With Comparative Totals for December 31, 2019

	Governmental Activities	
	2020	2019
Assets:		
Cash and investments	\$3,053,991	\$2,753,839
Franchise and PEG fees receivable	402,855	396,138
Prepaid items	6,902	6,539
Capital assets - net:		
Nondepreciable	66,131	66,131
Depreciable	849,469	952,845
Total assets	<u>4,379,348</u>	<u>4,175,492</u>
Deferred outflows of resources related to pensions	<u>61,941</u>	<u>56,580</u>
Liabilities:		
Accounts payable	43,744	60,044
Compensated absences payable:		
Due within one year	65,220	47,703
Net pension liability:		
Due in more than one year	491,627	436,773
Total liabilities	<u>600,591</u>	<u>544,520</u>
Deferred inflows of resources related to pensions	<u>21,979</u>	<u>87,550</u>
Net position:		
Investments in capital assets	915,600	1,018,976
Unrestricted	2,903,119	2,581,026
Total net position	<u>\$3,818,719</u>	<u>\$3,600,002</u>

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

**QUAD CITIES CABLE COMMUNICATIONS COMMISSION**  
**COMMUNICATIONS COMMISSION**  
**STATEMENT OF ACTIVITIES**  
 For The Year Ended December 31, 2020  
 With Comparative Totals for The Year Ended December 31, 2019

**Statement 2**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
					Totals	
					2020	2019
Governmental activities:						
General government	<u>\$1,434,829</u>	<u>\$1,022</u>	<u>\$1,562,937</u>	<u>\$60,116</u>	<u>\$189,246</u>	<u>\$219,990</u>
General revenues:						
Unrestricted investment earnings					25,393	52,984
Miscellaneous					4,078	2,435
Total general revenues					<u>29,471</u>	<u>55,419</u>
Change in net position					218,717	275,409
Net position - January 1					<u>3,600,002</u>	<u>3,324,593</u>
Net position - December 31					<u>\$3,818,719</u>	<u>\$3,600,002</u>

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

**QUAD CITIES CABLE COMMUNICATIONS COMMISSION**  
**COMMUNICATIONS COMMISSION**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
 December 31, 2020  
 With Comparative Totals For December 31, 2019

**Statement 3**

	General Fund	
	2020	2019
Assets:		
Cash and investments	\$3,053,991	\$2,753,839
Franchise and PEG fees receivable	402,855	396,138
Prepaid items	6,902	6,539
Total assets	<u>\$3,463,748</u>	<u>\$3,156,516</u>
Liabilities:		
Accounts payable	<u>\$43,744</u>	<u>\$60,044</u>
Fund balance:		
Nonspendable	6,902	6,539
Unassigned	3,413,102	3,089,933
Total fund balance	<u>3,420,004</u>	<u>3,096,472</u>
Total liabilities and fund balance	<u>\$3,463,748</u>	<u>\$3,156,516</u>
Fund balance reported above	\$3,420,004	\$3,096,472
Amounts reported in the statement of net position are different because:		
Capital assets are not financial resources and, therefore, are not reported in the funds	915,600	1,018,976
Deferred outflows of resources related to pensions are not current financial resources and, therefore, are not reported in the funds	61,941	56,580
Deferred inflows of resources related to pensions are associated with long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds	(21,979)	(87,550)
Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the funds:		
Compensated absences payable	(65,220)	(47,703)
Net pension liability	<u>(491,627)</u>	<u>(436,773)</u>
Net position of governmental activities (Statement 1)	<u>\$3,818,719</u>	<u>\$3,600,002</u>

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



**QUAD CITIES CABLE COMMUNICATIONS COMMISSION  
COMMUNICATIONS COMMISSION**

**Statement 4**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

**GOVERNMENTAL FUNDS**

For The Year Ended December 31, 2020

With Comparative Totals For The Year Ended December 31, 2019

	General Fund	
	2020	2019
Revenues:		
Franchise fees	\$1,016,130	\$1,028,693
PEG fees	545,480	553,740
Equipment and support grants	60,116	58,650
Investment income	25,393	52,984
Miscellaneous	5,100	3,457
Total revenues	<u>1,652,219</u>	<u>1,697,524</u>
Expenditures:		
General government:		
Salaries, taxes and benefits	819,909	807,608
Professional and franchise application fees	68,131	85,582
Repairs and maintenance	32,673	35,462
Supplies	6,241	8,239
Travel/conferences/continuing education	4,689	11,929
Mileage	8,869	6,874
Dues, subscriptions and printing	26,033	28,841
Insurance	8,695	7,852
Commission per diem	1,316	4,682
Utilities	27,457	35,654
Advertising	7,321	8,108
Equipment purchases	88,240	199,425
City CIP payments	160,000	80,000
Web hosting	28,581	17,104
Meals and lodging	1,022	1,920
Vehicle maintenance	2,819	9,765
Car allowance	3,000	3,000
Miscellaneous	33,691	4,133
Total expenditures	<u>1,328,687</u>	<u>1,356,178</u>
Revenues over (under) expenditures	323,532	341,346
Fund balance - January 1	<u>3,096,472</u>	<u>2,755,126</u>
Fund balance - December 31	<u><u>\$3,420,004</u></u>	<u><u>\$3,096,472</u></u>

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

**QUAD CITIES CABLE COMMUNICATIONS COMMISSION**  
**COMMUNICATIONS COMMISSION**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS**  
For The Year Ended December 31, 2020  
With Comparative Totals for The Year Ended December 31, 2019

**Statement 5**

	<u>2020</u>	<u>2019</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)	\$323,532	\$341,346
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:		
Equipment purchases capitalized	15,338	116,347
Depreciation expense	(118,714)	(165,555)
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	(17,517)	1,131
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	\$46,015	
Pension expense	(29,937)	
	<u>16,078</u>	<u>(17,860)</u>
Change in net position of governmental activities (Statement 2)	<u>\$218,717</u>	<u>\$275,409</u>

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



QUAD CITIES CABLE COMMUNICATIONS COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

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**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 position and the statement of activities) 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.

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. Taxes and other items not included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds. The Commission reports the following major governmental fund:

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

**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, 2020

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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.

**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 may be authorized by the Commission. There were no budget amendments in 2020.

**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.

**G. CAPITAL ASSETS**

Capital assets, which include building, furniture, fixtures, equipment and intangible assets such as website design are reported 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 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.

Capital assets are 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

**QUAD CITIES CABLE COMMUNICATIONS COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

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**H. LONG-TERM OBLIGATIONS**

In the government-wide financial statements, long-term liabilities such as compensated absences payable 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.

*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.



**QUAD CITIES CABLE COMMUNICATIONS COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

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**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, 2019, from which the summarized information was derived.

Certain reclassifications were made to prior year amounts to conform to the current year presentation.

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

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

For purposes of measuring the net pension liability, deferred outflows and inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to and 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.

**QUAD CITIES CABLE COMMUNICATIONS COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**Note 2 DEPOSITS AND INVESTMENTS**

**A. DEPOSITS**

In accordance with Minnesota Statutes, the Commission maintains deposits at depository banks authorized by the Board of Commissioners. All such banks are members of the Federal Reserve System.

Minnesota Statutes require that all deposits of the Commission 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. Securities pledged as collateral are required to be held in safekeeping by the Commission or in a financial institution other than that furnishing the collateral. Minnesota Statute 118A.03 identifies allowable forms of collateral.

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. At December 31, 2020, the carrying amount and bank balance of the Commission's deposits with financial institutions was \$5,000, all of which was insured by the Federal Deposit Insurance Corporation.

**B. INVESTMENTS**

Subject to rating, yield, maturity and issuer requirements as prescribed by statute, Minnesota Statutes 118A.04 and 118A.05 authorize the Commission to invest in United States securities, state and local securities, commercial paper, time deposits, high-risk mortgage-backed securities, temporary general obligation bonds, repurchase agreements, Minnesota joint powers investment trust and guaranteed investment contracts.

As of December 31, 2020, the Commission had the following investments and maturities:

Investment Type	Rating	Fair Value	Investment Maturities
External investment pool - 4M Liquid Asset Fund	Not rated	\$2,031,200	1 day
External investment pool - 4M Plus Fund	Not rated	717,165	Maximum of 14 days
Brokered certificates of deposit	Not rated	300,000	March, 2021
Total investments		3,048,365	
Deposits		5,000	
Petty cash		626	
Total cash and investments		\$3,053,991	

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's brokered certificates of deposit are categorized as Level 2 investments. Amounts held in external investment pools are stated at amortized cost, and therefore, are not categorized within the fair value hierarchy.



**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 with the 4M Fund is regulated by Minnesota Statutes and the Board of Directors of the League of Minnesota Cities. The 4M Fund is an 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 its investments at amortized cost in accordance with Government Accounting Standards Board Statement No. 79.

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.

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, 2020, \$2,748,365 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, 2020.

**QUAD CITIES CABLE COMMUNICATIONS COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**Note 4 CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2020 is as follows:

<b>Primary Government</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$66,131	\$ -	\$ -	\$66,131
Capital assets, being depreciated:				
Building	1,064,667	-	-	1,064,667
Equipment	1,129,384	15,338	-	1,144,722
Intangible-website	27,999	-	-	27,999
Total capital assets, being depreciated	2,222,050	15,338	0	2,237,388
Less accumulated depreciation for:				
Building	465,924	27,299	-	493,223
Equipment	775,282	91,415	-	866,697
Intangible-website	27,999	-	-	27,999
Total less accumulated depreciation	1,269,205	118,714	0	1,387,919
Total capital assets being depreciated - net	952,845	(103,376)	-	849,469
Governmental activities capital assets - net	<u>\$1,018,976</u>	<u>(\$103,376)</u>	<u>\$0</u>	<u>\$915,600</u>

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

Governmental activities:	
General government	<u>\$118,714</u>



**QUAD CITIES CABLE COMMUNICATIONS COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**Note 5 COMPENSATED ABSENCES PAYABLE**

Activity related to compensated absences payable for the year ended December 31, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Compensated absences payable	\$47,703	\$60,259	(\$42,742)	\$65,220	\$65,220

**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, \$1,016,130 was recognized as earned franchise fees for the Commission. Franchise fees earned but not received at December 31, 2020 were \$262,025.

**Note 7 DEFINED BENEFIT PENSION PLANS**

**A. PLAN DESCRIPTION**

The Commission participates in the following cost-sharing multiple-employer defined benefit pension plan 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.

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.

**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. 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.

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 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 members is 1.2% of average salary for each of the first ten years of service and 1.7% of average salary for each additional year. Under Method 2, the accrual rate for Coordinated Plan members is 1.7% of average salary for all years of service. 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.



**QUAD CITIES CABLE COMMUNICATIONS COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

Benefit increases are provided to benefit recipients each January. Beginning in 2019, the postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024 or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

**C. CONTRIBUTIONS**

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

Coordinated Plan members were required to contribute 6.5% of their annual covered salary in fiscal year 2020 and the Commission was required to contribute 7.5% for Coordinated Plan members. The Commission contributions to the GERP for the year ended December 31, 2020 were \$46,015. The Commission's contributions were equal to the required contributions as set by state statute.

**D. PENSION COSTS**

At December 31, 2020, the Commission reported a liability of \$491,627 for its proportionate share of GERP's net pension liability. The Commission's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's 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 \$15,245. The net pension liability was measured as of June 30, 2020, 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, 2019 through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. The Commission's proportionate share was .0082% at the end of the measurement period and .0079% for the beginning of the period.

Commission's proportionate share of the net pension liability	\$491,627
State of Minnesota's proportionate share of the net pension liability associated with the Commission	15,245
Total	<u>\$506,872</u>

For the year ended December 31, 2020, the Commission recognized pension expense of \$29,937 for its proportionate share of the GERP's pension expense. In addition, the Commission recognized an additional \$1,327 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the GERP.

**QUAD CITIES CABLE COMMUNICATIONS COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

At December 31, 2020, the Commission reported its proportionate share of the GERS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$4,486	\$1,860
Changes in actuarial assumptions	-	18,325
Net collective difference between projected and actual investment earnings	7,539	-
Changes in proportion	25,997	1,794
Contributions paid to PERA subsequent to the measurement date	23,919	-
Total	<u>\$61,941</u>	<u>\$21,979</u>

The \$23,919 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, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense
2021	(\$11,966)
2022	2,656
2023	13,475
2024	11,878
2025	-
Thereafter	-

**E. ACTUARIAL ASSUMPTIONS**

The total pension liability in the June 30, 2020 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.50% per year
Active Member Payroll Growth	3.25% per year
Investment Rate of Return	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabled persons for all plans were based on RP 2014 tables for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25% per year for GERS.

Actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies. The most recent four-year experience study for GERS was completed in 2019. The assumption changes were adopted by the Board and become effective with the July 1, 2020 actuarial valuation.



**QUAD CITIES CABLE COMMUNICATIONS COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

The following changes in actuarial assumptions and plan provisions occurred in 2020:

**Changes in Actuarial Assumptions:**

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- As recommended in the June 30, 2019 experience study, assumed salary increase rates were decreased 0.25% and assumed rates of retirement were changed resulting in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination and disability were also changed.
- The base mortality tables were changed from RP-2014 tables to Pub-2010 tables, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

**Changes in Plan Provisions:**

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

The State Board of 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	35.5%	5.10%
International Stocks	17.5%	5.30%
Bonds (Fixed Income)	20.0%	0.75%
Alternative Assets (Private Markets)	25.0%	5.90%
Cash	2.0%	0.00%
Total	100%	

**F. DISCOUNT RATE**

The discount rate used to measure the total pension liability in 2020 was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at the rate set in Minnesota statutes. Based on that assumption, the fiduciary net position of the GERF 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.



**QUAD CITIES CABLE COMMUNICATIONS COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**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 discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (6.5%)	Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
Proportionate share of the GERF net pension liability	\$787,908	\$491,627	\$247,220

**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 at [www.mnpera.org](http://www.mnpera.org).

**Note 8 FUND BALANCE**

**A. CLASSIFICATION**

At December 31, 2020, a summary of the governmental fund balance classifications are as follows:

	General Fund
Nonspendable for:	
Prepaid items	\$6,902
Unassigned	<u>3,413,102</u>
Total	<u>\$3,420,004</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 for cash flow timing needs of not less than 25% of the subsequent year's budgeted revenues. At December 31, 2020, the unassigned fund balance of the General fund was in compliance with the Board's policy.

**QUAD CITIES CABLE COMMUNICATIONS COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

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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>\$1,000,000</u>

**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**

Management 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. 87 *Leases*.** The provisions of this Statement are effective for reporting periods beginning after June 15, 2021.

**Statement No. 91 *Conduit Debt Obligations*.** The provisions of this Statement are effective for reporting periods beginning after December 15, 2021.

**Statement No. 92 *Omnibus 2020*.** The provisions of this Statement are effective for reporting periods beginning after June 15, 2021.

**Statement No. 93 *Replacement of Interbank Offered Rates*.** The provisions of this Statement contain multiple effective dates, the first being for reporting periods beginning after June 15, 2020.

**Statement No. 94 *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*.** The provisions of this Statement are effective for reporting periods beginning after June 15, 2022.

**Statement No. 96 *Subscription-Based Information Technology Arrangements*.** The provisions of this Statement are effective for fiscal years beginning after June 15, 2022.

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

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## REQUIRED SUPPLEMENTARY INFORMATION



**QUAD CITIES CABLE COMMUNICATIONS COMMISSION**  
**COMMUNICATIONS COMMISSION**  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
For The Year Ended December 31, 2020  
With Comparative Totals For The Year Ended December 31, 2019

Statement 6

	2020				
	Budgeted Amounts		Actual	Variance with	2019
	Original	Final	Amounts	Final Budget - Positive (Negative)	Actual Amounts
Revenues:					
Franchise fees	\$858,000	\$858,000	\$1,016,130	\$158,130	\$1,028,693
PEG fees	429,000	429,000	545,480	116,480	553,740
Equipment and support grants	59,000	59,000	60,116	1,116	58,650
Investment income	30,000	30,000	25,393	(4,607)	52,984
Miscellaneous	1,500	1,500	5,100	3,600	3,457
Total revenues	1,377,500	1,377,500	1,652,219	274,719	1,697,524
Expenditures:					
General government:					
Salaries, taxes and benefits	891,504	891,504	819,909	71,595	807,608
Professional and franchise application fees	145,500	145,500	68,131	77,369	85,582
Repairs and maintenance	67,000	67,000	32,673	34,327	35,462
Supplies	8,500	8,500	6,241	2,259	8,239
Travel/conferences/continuing education	22,000	22,000	4,689	17,311	11,929
Mileage	9,000	9,000	8,869	131	6,874
Dues, subscriptions and printing	35,000	35,000	26,033	8,967	28,841
Insurance	9,600	9,600	8,695	905	7,852
Commission per diem	5,000	5,000	1,316	3,684	4,682
Utilities	38,400	38,400	27,457	10,943	35,654
Advertising	11,000	11,000	7,321	3,679	8,108
Equipment purchases	97,000	97,000	88,240	8,760	199,425
City CIP payments	160,000	160,000	160,000	-	80,000
Web hosting	22,000	22,000	28,581	(6,581)	17,104
Meals and lodging	3,500	3,500	1,022	2,478	1,920
Vehicle maintenance	10,000	10,000	2,819	7,181	9,765
Car allowance	3,000	3,000	3,000	-	3,000
Miscellaneous	9,750	9,750	33,691	(23,941)	4,133
Total expenditures	1,547,754	1,547,754	1,328,687	219,067	1,356,178
Revenues over (under) expenditures	(\$170,254)	(\$170,254)	323,532	\$493,786	341,346
Fund balance - January 1			3,096,472		2,755,126
Fund balance - December 31			\$3,420,004		\$3,096,472

See accompanying notes to the required supplementary information.

**QUAD CITIES CABLE COMMUNICATIONS COMMISSION**  
**COMMUNICATIONS COMMISSION**  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -  
 GENERAL EMPLOYEES RETIREMENT FUND  
 For The Last Ten Years

Statement 7

Measurement Date June 30	Fiscal Year Ending December 31	Commission's Proportionate (Percentage) of the Net Pension Liability	Commission's Proportionate Share (Amount) of the Net Pension Liability (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with Commission (b)	Total (a+b)	Covered Payroll (c)	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%
2019	2019	0.0079%	436,773	13,666	450,439	561,240	80.3%	80.2%
2020	2020	0.0082%	491,627	15,245	506,872	585,653	86.5%	79.1%

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****COMMUNICATIONS COMMISSION****REQUIRED SUPPLEMENTARY INFORMATION****SCHEDULE OF PENSION CONTRIBUTIONS - GENERAL EMPLOYEES RETIREMENT FUND**

For The Last Ten Years

**Statement 8**

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Fiscal Year Ending December 31	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)
2015	\$33,988	\$33,988	\$ -	\$453,177	7.5%
2016	33,541	33,541	-	447,213	7.5%
2017	38,515	38,515	-	513,533	7.5%
2018	41,033	41,033	-	547,107	7.5%
2019	43,084	43,084	-	574,453	7.5%
2020	46,015	46,015	-	613,533	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.

See accompanying notes to the required supplementary information.



**QUAD CITIES CABLE COMMUNICATIONS COMMISSION**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**NOTES TO RSI**  
**December 31, 2019**

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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**

**2020 Changes in Actuarial Assumptions:**

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- As recommended in the June 30, 2019 experience study, assumed salary increase rates were decreased 0.25% and assumed rates of retirement were changed resulting in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination and disability were also changed.
- The base mortality tables were changed from RP-2014 tables to Pub-2010 tables, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

**2020 Changes in Plan Provisions:**

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

**2019 Changes in Actuarial Assumptions:**

- The mortality projection scale was changed from MP-2017 to MP-2018.

**2019 Changes in the Plan Provisions:**

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

**2018 Changes in Actuarial Assumptions:**

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

**2017 Changes in Actuarial Assumptions:**

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



**QUAD CITIES CABLE COMMUNICATIONS COMMISSION**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**NOTES TO RSI**  
December 31, 2019

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2016 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 REQUIRED REPORTS**

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## REPORT ON INTERNAL CONTROL

To the Board of Commissioners  
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, 2020, 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 6, 2021

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## MINNESOTA LEGAL COMPLIANCE REPORT

To the Board of Commissioners  
Quad Cities Cable Communications Commission  
Champlin, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, 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, 2020, and the related notes to the financial statements, which collectively comprise Quad Cities Cable Communications Commission's basic financial statements, and have issued our report thereon dated April 6, 2021.

In connection with our audit, nothing came to our attention that caused us to believe that Quad Cities Cable Communications Commission failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, claims and disbursements and miscellaneous provisions sections of the *Minnesota Legal Compliance Audit Guide for Other Political Subdivisions* promulgated by the State Auditor pursuant to Minnesota Statute § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding Quad Cities Cable Communications Commission's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

This report is intended solely for the information and use of those charged with governance and management of Quad Cities Cable Communications Commission and the State Auditor 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 6, 2021

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## QCCCC Agenda Item

### 5.2 2021 Budget Amendment

**May 4, 2021**

**To:** Commissioners

**From:** Karen George, Executive Director

**Subject:** 2021 Budget Amendment

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#### **QCTV CIP**

The Quad Cities Cable Communications Commission adopts an annual operating budget. The commission also annually reviews the 5-Year Capital Improvement Plan but then grants staff the authority to make capital purchases by project submission to the commission. The Budget Committee reviewed this process at a recent meeting and recommended that the annual CIP amount be presented to the commission as an amendment to the operating budget.

The 2021 CIP amount is projected at \$345,500. Therefore, this budget amendment will roll that into the operating budget. Both revenue and expenditure budgets will be adjusted by \$345,500. QCTV staff will continue to present each capital investment project to the commission for approval prior to expenditure of the capital reserve funds.

**Action Requested:** Motion to amend the 2021 Operating Budget by \$345,500.

#### **City CIP Grant 2022**

The Budget Committee is recommending that the commission take action to approve the 2022 member city CIP grant in the amount of \$20,000. This early decision by the commission is to provide a budget allocation information now, rather than the fall QCTV budgeting timeline, in order for member cities to more accurately plan for this revenue in the city budgeting process. The budget committee recommends the 2022 payment amount be \$20,000 per member city payable in the first quarter of 2022.

**Action Requested:** Motion to approve the 2022 member city CIP grant of \$20,000 payable first quarter 2022.



## QCCCC Agenda Item

### 5.3 Ashpaugh & Sculco Audit Report

**May 7, 2021**

**To:** Commissioners

**From:** Karen George, Executive Director

**Subject:** Ashpaugh & Sculco Audit Report

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The Commission has engaged in Comcast franchise extension/renewal negotiations since a standstill agreement was executed in September of 2017. In August of 2019, Comcast changed the deal points agreed to over two years. Commission legal counsel Bob Vose sent written notification to Comcast regarding the standstill agreement and the impact of the August 2019 negotiation change. Although neither party has invoked formal franchise negotiations, the commission is taking the opportunity to review franchise performance (financial and technical) and determine community needs.

A review of fiscal performance includes an audit of fees paid as outlined in the franchise agreement. The commission's last review of the franchisee was in 2015 in conjunction with the proposed Comcast/TimeWarner transfer of ownership process.

At the November 21, 2019 meeting, the commission approved an audit of Comcast fees by Ashpaugh & Sculco, CPAs, PLC. The audit was delayed due to the pandemic and is now complete. Legal counsel Bob Vose has provided an overview of next steps in the attached memo. The audit report is also attached for your review.

**Action Requested:** Accept the Ashpaugh & Sculco Audit Report.



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## MEMORANDUM

**DATE:** May 6, 2021  
**TO:** Quad Cities Cable Commission  
**FROM:** Bob Vose  
**RE:** Comcast Audit

The member cities' franchises with Comcast ("Franchises") were issued in or about 2000. Since that time, the Franchises have been amended several times, most recently in early 2015. Under that amendment, the Franchises were extended through August 31, 2020 provided that they would be further extended through December 31, 2024 unless Comcast requested renewal.

By letter dated September 21, 2017, Comcast requested renewal. As is common, the parties subsequently entered an agreement dated January 19, 2018 tolling certain timelines governing the franchise renewal under federal law and agreeing to simply negotiate ("Tolling Agreement"). Importantly, the Tolling Agreement provides that the parties:

.... will proceed in good faith with communications and negotiations in order to reach agreement on appropriate terms and conditions of renewed franchise(s) with the expectation of retaining the current terms and conditions to the extent mutually agreeable.

During negotiations in 2018 and much of 2019, Commission and Comcast representatives seemed to be headed toward a mutually acceptable agreement. However, in early fall 2019, around the time that the FCC issued an order related to cable franchise fees (the "621 Order"), Comcast began demanding significant changes to the Franchises. Ultimately, Comcast's lead negotiator indicated that negotiations were unlikely to be fruitful and no further sessions were scheduled. By letters dated August 28, 2019 and July 16, 2020, we advised that the company would continue to be governed by the terms of the Franchises despite the August 31, 2020 expiration date and Comcast has not responded to those communications.

As a result of this background, the Commission has been preparing for formal renewal procedures. Under federal law, those procedures contemplate a review of the cable operator's past performance and compliance with the franchise. This commonly includes an audit of the operator's franchise fee and PEG support payments.

The Commission retained Ashpaugh & Sculco, CPAs, PLC ("A&S") to audit Comcast's franchise fee, PEG Fee, and equipment grant payments to the Commission for the period 2015-2019. In turn, A&S and Comcast entered a confidentiality agreement addressing Comcast's production of information and documents requested by A&S. Due in part to COVID-19, Comcast's production of documents was delayed and the Commission and Comcast entered another tolling agreement ("Tolling Agreement II") preserving the Commission's rights regarding the earliest payment periods being reviewed. Tolling Agreement II was recently renewed through April 30, 2022.

A&S has completed its audit. A&S's final report ("Report") is presented for the Commission's acceptance. The Report concludes that Comcast has underpaid franchise fees and PEG support in several ways. As a result, the Report finds that Comcast owes \$234,441 which includes almost \$65,000 in interest.

The Franchises include provisions governing violations including formal notice, an opportunity to cure or give notice of a dispute, a right to a hearing on any dispute, and ultimately imposition of certain liquidated damages for any violations that are sustained. Prior to initiating this process, and in hopes of avoiding it altogether, staff intends to share the Report with Comcast and seek payment.

RJV:jms



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

April 22, 2021

Karen George  
Executive Director  
Quad Cities Cable Communications Commission  
12254 Ensign Ave N  
Champlin, MN 55316

Subject: **Review of the Franchise and PEG Fees Paid by Comcast to the Quad Cities Cable Communications Commission, Minnesota**

Dear Ms. George:

Ashpaugh & Sculco, CPAs, PLC was engaged by the Quad Cities Cable Communications Commission, Minnesota (Quad Cities) to review the franchise and PEG fees paid by Comcast to the Quad Cities from January 1, 2015 through December 31, 2019. Our findings and conclusions regarding this review are discussed in the attached report. To review the franchise and PEG fees paid by Comcast, A&S performed the Scope of Work included on page two of this letter report.

This letter report is intended solely for, on behalf of, and for the use of the Quad Cities. It is not intended to be and should not be used by anyone other than these specified parties. We appreciate the opportunity to be of service to you. If you have any questions, please do not hesitate to call us at (407) 645-2020.

Sincerely,

ASHPAUGH & SCULCO, CPAS, PLC

*Ashpaugh & Sculco, CPAs, PLC*

REVIEW OF FRANCHISE AND PEG FEES PAID BY COMCAST TO THE  
QUAD CITIES CABLE COMMUNICATIONS COMMISSION, MINNESOTA

**SUMMARY**

Ashpaugh & Sculco, CPAs, PLC (A&S) was engaged by the Quad Cities Cable Communications Commission, Minnesota (Quad Cities) to review the franchise and PEG fees paid by Comcast to the Quad Cities from January 1, 2015 through December 31, 2019 (Review Period). The purpose of our review was to determine whether Comcast was in conformance with the franchise agreement. The franchise agreements state that franchise fees are 5.00% of gross revenues, PEG fees are 2.50% of gross revenues, and the PEG Grant is \$0.20 per subscriber/per month. A&S identified that the total amount due to the Quad Cities is \$234,441, as shown in Table 1. A&S has described each adjustment in the remainder of this report.

**TABLE 1**

Ln No	Description	Franchise Fees (5.0%) Due to Quad Cities	PEG Fees (2.5%) Due to Quad Cities	Total Amount Due to Quad Cities
<b><u>Franchise and PEG Fees</u></b>				
1	Subscriber Revenues	\$168	\$84	\$251
2	Subscriber Revenues - November 2017	7,796	3,898	11,693
3	Subscriber Revenues - GAAP Adjustment	29,554	14,777	44,331
4	Video Installation/Repair Credits	3,263	1,631	4,894
5	Netflix Revenues	7,597	3,799	11,396
6	Bad Debt	3,184	1,592	4,776
7	Late Fees	19,199	9,600	28,799
8	Non-Sufficient Funds Fees	1,592	796	2,388
9	Convenience Fees	1,928	964	2,891
10	Early Termination Fees	13,947	6,974	20,921
11	Whole House Maintenance Fees	20,958	10,479	31,437
12	Billing and Collection	4,369	2,185	6,554
13	Advertising Revenues	(719)	(360)	(1,079)
14	Home Shopping Revenues	(999)	(499)	(1,498)
15	Launch Incentives	1,765	882	2,647
16	Total Adjustments	\$113,601	\$56,801	\$170,402
17	Interest Charges	42,059	21,029	63,088
18	Amount Due to Quad Cities	\$155,660	\$77,830	\$233,490
<b><u>PEG Grant</u></b>				
19	PEG Grant Calculated by A&S			\$149,153
20	PEG Grant Paid by Comcast			(149,153)
21	Interest Charges			951
22	Amount Due to Quad Cities			\$951
23	<b>TOTAL AMOUNT DUE TO QUAD CITIES</b>			<b>\$234,441</b>

## SCOPE OF WORK

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

A&S has relied solely on the information provided to us by the Quad Cities and Comcast. A&S reviewed the franchise and PEG fees paid by Comcast to the Quad Cities to determine whether Comcast complied with the Quad Cities' franchise agreements and ordinances. Our conclusions are based on data responses, accounting records, and interviews provided by the Quad Cities and Comcast. A&S performed the following Scope of Work:

1. Contact the Quad Cities to obtain the documentation required to kick-off the project.
2. Review the franchise agreement to gain an understanding of the definition of gross revenues and determination of franchise and PEG fees.
3. Submit a data request to Comcast. As needed, submit additional data requests to Comcast.
4. Execute a non-disclosure agreement with Comcast.
5. Correspond with the Quad Cities and Comcast, via phone and email, to obtain documentation, and resolve issues.
6. Recalculate the franchise and PEG fees paid to the Quad Cities for the review period.
7. Review gross revenues to determine which revenues Comcast did not include in the determination of franchise and PEG fees.
8. Reconcile subscriber revenues reported to the Quad Cities to data provided by Comcast.
9. Review administrative fees, including late fees and NSF fees, to ensure that they were correctly included in the gross revenues reported to the Quad Cities.
10. Review bad debt expense and bad debt recoveries reported to the Quad Cities.
11. Recalculate the allocation of non-subscriber revenues, including home shopping and advertising revenues. Identify any differences.
12. Reconcile the amount of the equipment grant with the amount recovered by Comcast's line itemization on subscriber bills. Identify any over or under-collections. In the case of an under-collection, estimate when the total will be recovered by Comcast.
13. Develop spreadsheet models that include the following:
  - a. Analyze franchise and PEG fees paid to the Quad Cities, by category of revenues.
  - b. Calculate the amount due to the Quad Cities and associated interest charges.
  - c. Submit a report with the amount due to the Quad Cities, plus applicable interest.

## REVIEW OF FRANCHISE FEES

As outlined in the City of Ramsey's franchise agreement, the definition of gross revenues is defined as follows:

### Gross Revenues

1.22 "Gross Revenues" means any and all revenues arising from or attributable to, or in any way derived directly or indirectly by the Grantee or its Affiliates, subsidiaries, or parent, or by any other entity that is a cable operator of the System, from the operation of the Grantee's System to provide Cable Services (including cash, credits, property or other consideration of any kind or nature). Gross Revenues include, by way of illustration and not limitation, monthly fees charged to Subscribers for any basic, optional, premium, per-channel, or per-program service, or other Cable Service including, without limitation, Internet access and Cable Modem service fees charged to Subscribers, to the extent such services are offered as a Cable Service under applicable law; Installation, disconnection, reconnection, and change-in-service fees; Lockout Device fees; Leased Access Channel fees; late fees and administrative fees; fees, payments or other consideration received from programmers for carriage of programming on the System and accounted for as revenue under GAAP; revenues from rentals or sales of Converters or other equipment; fees related to commercial and institutional usage of the System or the I-Net; advertising revenues; interest; barter; revenues from program guides; franchise fees; and revenues to the System from home shopping, bank-at-home channels and other revenue-sharing arrangements. Gross Revenues shall include revenues received by an entity other than the Grantee, an Affiliate or another entity that operates the System where necessary to prevent evasion or avoidance of the Grantee's obligation under this Franchise to pay the franchise fee. Gross Revenues shall not include: (i) to the extent consistent with generally accepted accounting principles, actual bad debt write-offs, provided, however, that all or part of any such actual bad debt that is written off but subsequently collected shall be included in Gross Revenues in the period collected; (ii) any taxes on services furnished by the Grantee imposed by any municipality, state or other governmental unit, provided that franchise fees shall not be regarded as such a tax; (iii) FCC regulatory fees; (iv) Subscriber credits, adjustments or refunds; or (v) refundable Subscriber deposits.

### Franchise Fees

#### 8.3 Franchise Fee.

- 8.3.1 During the term of the Franchise, the Grantee shall pay quarterly to the City or its delegatee a Franchise fee in an amount equal to five percent (5%) of its Gross Revenues.
- 8.3.2 Any payments due under this provision shall be payable quarterly. The payment shall be made within thirty (30) days of the end of each of Grantee's fiscal quarters together with a report showing the basis for the computation. The City shall have the right to require further supporting

information for each franchise fee payment.

- 8.3.3 All amounts paid shall be subject to audit and recomputation by the City and acceptance of any payment shall not be construed as an accord that the amount paid is in fact the correct amount. The Grantee shall be responsible for providing the City all records necessary to confirm the accurate payment of franchise fees. The Grantee shall maintain such records for five (5) years, unless in the Grantee's ordinary course of business specific records are retained for a shorter period, but in no event less than three (3) years. If an audit discloses an overpayment or underpayment of franchise fees, the City shall notify the Grantee of such overpayment or underpayment. The City's audit expenses shall be borne by the City unless the Audit determines that the payment to the City should be increased by more than five percent (5%) in the audited period, in which case the costs of the audit shall be borne by the Grantee as a cost incidental to the enforcement of the Franchise. Any additional amounts due to the City as a result of the audit shall be paid to the City within thirty (30) days following written notice to the Grantee by the City of the underpayment, which notice shall include a copy of the audit report. If the recomputation results in additional revenue to be paid to the City, such amount shall be subject to a ten percent (10%) annual interest charge. If the audit determines that there has been an overpayment by the Grantee, the Grantee may credit any overpayment against its next quarterly payment.
- 8.3.4 In the event any franchise fee payment or recomputation amount is not made on or before the required date, the Grantee shall pay, during the period such unpaid amount is owed, the additional compensation and interest charges computed from such due date, at an annual rate of ten percent (10%).
- 8.3.5 Nothing in this Franchise shall be construed to limit any authority of the City to impose any tax, fee or assessment of general applicability.
- 8.3.6 The franchise fee payments required by this Franchise shall be in addition to any and all taxes or fees of general applicability. The Grantee shall not have or make any claim for any deduction or other credit of all or any part of the amount of said franchise fee payments from or against any of said taxes or fees of general applicability, except as expressly permitted by law. The Grantee shall not apply nor seek to apply all or any part of the amount of said franchise fee payments as a deduction or other credit from or against any of said taxes or fees of general applicability, except as expressly permitted by law. Nor shall the Grantee apply or seek to apply all or any part of the amount of any of said taxes or fees of general applicability as a deduction or other credit from or against any of its franchise fee obligations, except as expressly permitted by law.



## **PEG Support Obligations**

### **6.2 PEG Support Obligations.**

- 6.2.1 In addition to the franchise fee required under this Franchise, the Grantee shall collect from Subscribers via an itemization on customer bills ("PEG Fee") and pay quarterly to the Commission an amount equal to 2.5 percent of its Gross Revenues (the "Quarterly Support Grant"). Payment of the Quarterly Support Grant shall be made to the Commission within thirty (30) days of the end of each of the Grantee's fiscal quarters together with a report showing the basis for the computation. The Commission shall have the right to require further supporting information for each Quarterly Support Grant. All amounts paid under this paragraph shall be subject to audit and recomputation by the Commission in accordance with the rights provided to the City pursuant to Section 8.3 of this Franchise.

## **SUBSCRIBER REVENUES**

Comcast earns the substantial portion of its revenues from monthly cable television subscriber charges and the revenues are reported to the Quad Cities on an accrual basis. Monthly cable subscriber revenues include amounts received for programming (basic, digital, high-definition), premium channels, DVR revenues, franchise fee revenues, PEG fee revenues, pay-per-view, installation charges, channel guides, equipment lease rentals, late fees, returned check fees, and other miscellaneous charges.

A&S reconciled the subscriber revenues to the franchise fee payments using the third-party billing data provided by Comcast. A&S identified the following discrepancies, which are summarized by line item in Table 1, on page 1 of this report.

### **Subscriber Revenues (Line 1)**

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

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

### **Subscriber Revenues – November 2017 (Line 2)**

Comcast made an adjustment in November 2017 to reflect what it has identified as a correction in its accrual accounting. The effect of the adjustment, which was implemented nationally by Comcast, reduced the franchise and PEG fee payments to local franchise authorities to approximately 50% of the amount paid in November. Additionally, the adjustment reduced the taxes and fees components of gross revenues for November (franchise fees, PEG fees, FCC fees and video revenue surcharges) by the same 50%. While A&S is reviewing this adjustment and supporting data provided by Comcast, we have included it as a discrepancy in our report and

reversed the adjustment. If A&S subsequently agrees with the adjustment, we will revise our findings. It should be noted that the adjustment did not affect subscriber bills, i.e., Comcast still collected the same amounts from subscribers but only remitted a portion of what was collected to the Quad Cities.

### **Subscriber Revenues – GAAP Adjustment (Line 3)**

Comcast provides cable/video service in addition to high-speed data or Internet, voice/telephone and security services. In many cases, Comcast offers packages for these services in what is referred to as a bundle. A bundle may contain as few as two of the services or combinations of different services. The subscriber agrees to take the bundle package for a specific period, usually 12 or 18 months, during which time the price and the components of the bundle do not change. When these services are provided in a bundle, Comcast typically prices the package at a significant discount from the standalone prices of the products, i.e., if the subscriber purchased the services individually. Other products and services outside of the bundle can be subscribed to in addition to the bundle. The price of those additional services can change over the subscription term for the bundle.

Effective January 1, 2018, Comcast has explained that it implemented monthly adjustments to the bundle package revenues reported to the Quad Cities to conform to generally accepted accounting principles ("GAAP"), specifically Accounting Standards Codification ("ASC") Topics 605 Revenue Recognition and 606 Revenue From Contracts With Customers. ASC 606 further enhanced ASC 605 and was effective for fiscal years starting after December 2017.

ASCs 605 and 606 address and set the rules for how the discounts associated with these bundles will be applied to determine revenue of each product included in the bundle. While ASC 606 superseded ASC 605, the guidance and methodology from 605 on recognizing revenue associated with bundle packages and the associated package discount remained mostly the same. ASC 605 explained:

The amendments in this Update will eliminate the residual method of allocation and require that arrangement consideration be allocated at the inception of the arrangement to all deliverables using the relative selling price method. The relative selling price method allocates any discount in the arrangement proportionally to each deliverable on the basis of each deliverable's selling price.

The amendments in this Update will require that a vendor determine its best estimate of selling price in a manner that is consistent with that used to determine the price to sell the deliverable on a standalone basis. The amendments in this Update do not prescribe any specific methods that vendors must use to accomplish this objective; however, examples have been provided to illustrate the concept of estimated selling price and the relative selling price method.

Emphasis added.

Source: Accounting Standards Update No. 2009-13, Revenue Recognition (Topic 605) Multiple-Deliverable Revenue Arrangements, page 2.

While the adoption of ASC 605 and ASC 606 is required for financial reporting purposes to the Federal Securities and Exchange Commission ("SEC"), investors and banks, Comcast has gone

further and developed software that it refers to as the "Blender" that recalculates every subscriber bill every month for all 20+ million subscribers it serves nationally to push the impact of ASC 605 and ASC 606 down to the determination of gross revenues for all local franchise authorities ("LFAs").

The methodology in ASC 605/606 explains that:

1. The discount is computed by comparing the sum of the standalone prices of the products in the bundle to the bundle price.
2. The discount is then allocated to each product based on the standalone price of that product divided by the total of the standalone prices of the bundle components.
3. The revenue associated with each product is then determined by netting the standalone product price and the allocated discount. In the case of franchise fees, the netted cable/video amount should be used in the determination of franchise fees.

Comcast's methodology varies from the emphasized language above. Instead of using the prices at the inception of the subscriber's agreement to take bundle service, Comcast uses the current rate card (advertised) prices of the products at the time of each monthly Blender analyses. This has led to a major discrepancy in its calculation. Comcast compounds this error by unilaterally determining to include components in the bundle that were not included the bundle price. For example, our analysis in another project identified premium channels that Comcast included in the bundle discount allocation that were not part of the subscriber's bundle package. This issue was also reflected in the analyses relative to the Quad Cities.

However, by far the largest "interpretation" by Comcast, is its inclusion of the Broadcast Television ("BTV") and Regional Sports Network ("RSN") fees in the allocation of the bundle discount. Neither of these fees are or were included in the bundle price at inception. Both are separately itemized on the subscriber's bill and vary independently of the bundle price, i.e., Comcast changes the amount of the BTV and RSN charges on the bill while not changing the contracted bundle price.

While the above discusses how Comcast uses the Blender analyses to determine franchise fees, it should be noted that Comcast does not reflect any change on the subscriber's bill relative to ASCs 605/606.

Comcast has stated that it uses the same Blender methodology throughout the country. We have extensively reviewed the Blender methodology in several recent projects and concluded that Comcast's methodology is unreliable and provides erroneous results. In summary, Comcast's GAAP adjustment is inaccurate and inappropriately shifts reported revenues away from video revenues, thus reducing the franchise fees paid to the Quad Cities. Due to the numerous problems and inconsistencies discussed, A&S eliminated Comcast's GAAP adjustments. Table 2 below shows the impact of the GAAP video adjustment, by quarter, on franchise fees.

**TABLE 2**

	1st Qtr 2018	2nd Qtr 2018	3rd Qtr 2018	4th Qtr 2018	1st Qtr 2019	2nd Qtr 2019	3rd Qtr 2019	4th Qtr 2019
Franchise Fees	\$3,992	\$4,860	\$3,144	\$3,119	\$3,167	\$3,669	\$4,041	\$3,561
PEG Fees	\$798	\$972	\$629	\$624	\$633	\$734	\$808	\$712
Adjustment	\$4,791	\$5,832	\$3,773	\$3,743	\$3,801	\$4,403	\$4,849	\$4,274

The Quad Cities should be aware that Comcast is still using the same Blender software in determining the franchise fee payments after the Review Period. Thus, the issues identified above would also be present in subsequent years that Comcast uses the Blender methodology.

#### **Video Installation/Repair Credits (Line 4)**

Comcast provides customers with an on-time guarantee and customers receive a credit on their bill if Comcast is late or fails to show up for an appointment. Also, if Comcast fails to repair a problem on the first visit and must make repeated trouble calls, Comcast frequently gives customers credit on their bills. These credits are for missed appointments and failure to fix a problem from a service call by its technician. The credits given to subscribers for Comcast's failures in these instances are business expenses.

Comcast decreased the revenues reported to the Quad Cities for credits related to failed on-time guarantees, installations, and repairs. By reducing gross revenues for franchise fees by these credits, Comcast is requiring the Quad Cities to subsidize its operational failures. A&S made an adjustment to reverse the amounts. It is our opinion that these are business expenses and should not decrease the gross revenues reported to the Quad Cities.

#### **Netflix Revenues (Line 5)**

Comcast offers a subscriber the option to purchase Netflix and the charge is identified as such separately on the subscriber's bill. This is similar to a subscriber purchasing HBO, Showtime, or Pay-per-view. When purchased through Comcast, Netflix is delivered through Comcast's set top X1 TV box. Comcast did not include Netflix revenues in the revenues reported to the Quad Cities for the review period. A&S made an adjustment to include Netflix revenues.

#### **Bad Debt (Line 6)**

Subscriber bad debt reported to the Quad Cities should include only actual video write-offs and recoveries. Historically, the CPSM-318 reports utilized by Comcast did not provide the breakout of write-offs and recoveries by line of business. Comcast estimated video write-offs based on an allocation of video revenues to total subscriber revenues. Based on our review of the CPSM-318 reports, A&S noted that the reports listed actual bad debt write-offs and recoveries by line of business for the Review Period. However, the bad debt detail was not accurately reported by line of business. Although we disagree with Comcast's allocation of bad debt based on revenues, absent a better method supported by data, we recalculated bad debt, net of all adjustments, utilizing an allocation based on the total revenues on the CPSM-318 reports. A&S made an adjustment to bad debt for the difference in Comcast's estimate of bad debt compared to our estimate of bad debt.

## **MULTI-SERVICE REVENUES**

Comcast classifies a group of unrelated subscriber charges that are not specific to any line of service as "multi-service revenues," i.e., not specifically identifiable to any one line of business. Comcast identifies these charges as late fees, non-sufficient funds (NSF) fees, convenience fees, service protection plan fees, administrative fees, early termination fees, and billing and collection expenses. As will be discussed in the following, most of the charges are associated with the bill, an action taken by the subscriber or the service package, and are not related to a line of business (i.e., video, HSD, voice, or security). For example, an administrative fee is typically charged when the subscriber pays the bill over the phone. The charges are the same amount whether the subscriber takes only video or takes multiple services.

Comcast argues that, according to Generally Accepted Accounting Principles (GAAP), these revenues are "multiple products" and should be allocated when reported to the Quad Cities. This argument is without merit. None of the NSF fees, convenience fees and administrative fees are "products." As noted above, the fee is the same in every instance and holds no relationship to any line of business or the amount of the bill.

Instead of reporting 100% of the fees collected from subscribers in the gross revenues reported to the Quad Cities, Comcast allocates the "multi-service" fees based on an allocation factor of video gross revenues to total billed service revenues (billed video revenues divided by the sum of billed video, high-speed, voice and security revenues). However, these fees are not related to and have no relationship to billed revenues. The fees are instead related to the subscriber's bill no matter the amount charged on the bill. The charges are the same whether the customer has one line of service or multiple lines of service.

A&S disagrees that the "multi-service" revenues should be allocated and made adjustments to the revenues regarding each of the separate categories of charges as explained in the following paragraphs.

### **Late Fees (Line 7)**

Late fees are flat-rate administrative fees charged to subscribers when they pay their bill past the due date. For the calculation of franchise and PEG fees, Comcast allocated the late fee revenues based on total billed gross revenues. Until Comcast provides data on the actual services billed on the associated with these revenues, it is our opinion that 100% of these revenues should be included in video gross revenues.

### **Non-Sufficient Funds Fees (Line 8)**

Non-Sufficient Funds (NSF) fees are flat-rate administrative fees charged to subscribers when their payment is returned by the bank or the credit card charge was not valid. Until Comcast provides data on the actual services billed associated with these revenues, it is our opinion that 100% of these revenues should be included in video gross revenues.

### **Convenience Fees (Line 9)**

Convenience fees are flat-rate administrative fees charged to subscribers when they contact Comcast customer service. Examples include discussing or paying the bill and requesting copies of statements. Until Comcast provides data on the actual services billed associated with these

revenues, it is our opinion that 100% of these revenues should be included in video gross revenues.

**Early Termination Fees (Line 10)**

If a subscriber signed up for services for a specified term and then terminated or canceled services before the end of the contract, Comcast charges an early termination fee. Until Comcast provides data on the actual services billed associated with these revenues, it is our opinion that 100% of these revenues should be included in video gross revenues.

**Whole House Maintenance Fees (Line 11)**

Comcast offers subscribers a Service Protection Plan (SPP). It is insurance in case there is a wiring problem that interferes with service. The charge is a flat rate per subscriber amount. Comcast allocates these revenues based on total billed gross revenues. However, these charges are not related to total billed gross revenues. Over the history of this revenue stream, Comcast has identified and differentiated whether the customer was or was not a video subscriber. When that data was available, A&S included 100% of the revenue associated with video subscribers and excluded the amounts identified from non-video. Comcast no longer differentiates these revenue streams but chooses to allocate the total based on gross revenues. It is our opinion that 100% of these revenues should be included until Comcast provides data on the actual services billed associated with these revenues.

**Billing and Collection (Line 12)**

Comcast reduced the revenues reported to the Quad Cities by amounts classified as "billing and collection." According to Comcast, this category is related to credits to customers, which are business expenses. However, the credits are co-mingled between the different lines of business (video, voice, high-speed data, and security) and are not reflected in Comcast's revenue / account receivable data, requiring Comcast to make a separate adjustment in multi-service. Comcast allocated this decrease to revenues based on total billed gross revenues. It is our opinion that 100% of these adjustments should be excluded from video gross revenues.

**NON-SUBSCRIBER REVENUES**

Comcast included non-subscriber revenues generated from advertising, home shopping and other revenues in the gross revenues used to calculate the franchise fees paid to the Quad Cities. A&S obtained and reviewed the amounts from data provided by Comcast. A&S identified the following discrepancies, which are summarized by line item in Table 1.

**Advertising Revenues (Line 13)**

A&S recalculated advertising revenues and compared the amounts to the advertising revenues reported by Comcast. A&S noted that an agent was omitted from the denominator of the allocation percentage prior to 2019. The allocation percentage was corrected in 2019. A&S made an adjustment for the difference.

**Home Shopping Revenues (Line 14)**

A&S recalculated home shopping revenues and compared the amounts to the home shopping revenues reported by Comcast. A&S noted that an agent was omitted from the denominator of



the allocation percentage prior to 2019. The allocation percentage was corrected in 2019. A&S made an adjustment for the difference.

#### **Launch Incentives (Line 15)**

Comcast received launch incentives from programming suppliers as reimbursement of costs incurred in support of the launch or promotion of new programming. Comcast records launch incentives as "contra-expenses", i.e. reductions to expense, and does not recognize them as revenues. There is no exclusion of any payments from the definition of gross revenues. A&S made an adjustment to include the launch incentives in the gross revenues reported to the Quad Cities for the Review Period.

#### **INTEREST CHARGES (Line 17)**

In accordance with Sections 8.3.4 and 6.2.3 of the franchise agreement, A&S calculated interest charges at 10.00%, compounded annually, for the underpayment of franchise and PEG fees. A&S assumed that payment of the outstanding amount would be on April 30, 2021. If payment is after April 30, 2021, additional interest charges will accrue. Interest charges will be recalculated based on when actual payment is expected to be received.

#### **REVIEW OF PEG GRANT (Line 22)**

In accordance with the settlement agreement in 2015, "Beginning March 31, 2016, in addition to PEG support required by the Franchises, Grantee will pay to the Commission a PEG fee in the amount of \$0.20 per subscriber/per month." Comcast did not make the first payment until July 2017. A&S calculated interest charges associated with the late payment. A&S did not find any other exceptions.

#### **REVIEW OF ANNUAL EQUIPMENT GRANT**

Under the franchise agreement, the equipment grant payments are defined below in Section 6.2.2.4. below:

- 6.2.2.4 an annual equipment grant of \$40,000 (the "Equipment Grant"), to be allocated by the Commission in its sole discretion. The Equipment Grant shall be increased by CPI on an annual basis, and shall be paid to the Commission no later than January 15 of each year beginning in 2001.

The first annual equipment grant payment was due to the Quad Cities on January 15, 2001. A&S recalculated the equipment grant payments since the effective date of the franchise to verify that the correct consumer price index was utilized and carried forward each year. Our calculation is shown in the table below:

**TABLE 3**

Year	CPI	% Change	Amount Calculated by A&S	Amount Paid by Comcast	Difference
2000	168.200				
2001	175.300	4.221%	\$41,688	\$41,680	\$8

REVIEW OF FRANCHISE AND PEG FEES PAID BY COMCAST TO THE  
QUAD CITIES CABLE COMMUNICATIONS COMMISSION, MINNESOTA

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Year	CPI	% Change	Amount Calculated by A&S	Amount Paid by Comcast	Difference
2002	179.300	2.282%	42,640	42,639	1
2003	181.700	1.339%	43,210	43,193	18
2004	186.600	2.697%	44,376	44,359	17
2005	192.400	3.108%	45,755	45,734	21
2006	195.100	1.403%	46,397	46,375	23
2007	200.627	2.833%	47,712	47,673	38
2008	208.284	3.817%	49,532	49,485	48
2009	206.167	-1.016%	49,029	48,990	39
2010	210.965	2.327%	50,170	50,117	53
2011	217.374	3.038%	51,694	51,620	74
2012	223.880	2.993%	53,241	53,169	73
2013	228.473	2.052%	54,334	54,285	48
2014	231.764	1.440%	55,116	55,045	71
2015	229.374	-1.031%	54,548	55,871	(1,323)
2016	232.777	1.484%	55,357	56,429	(1,072)
2017	238.152	2.309%	56,635	57,275	(640)
2018	243.770	2.359%	57,971	58,650	(678)
2019	248.616	1.988%	59,124	60,116	(992)
2020	251.842	1.298%	59,891	60,898	(1,006)
			<u>\$1,018,422</u>	<u>\$1,023,601</u>	<u>(\$5,179)</u>

Based on our review, it appears that Comcast truncated the consumer price index and carried forward the amount due each year incorrectly. We have included the difference for each year that Comcast paid the equipment grant payments to the Quad Cities. We recommend that Comcast deduct the amount from the next annual payment to the Quad Cities.

#### AUDIT FEE

In accordance with Section 8.3.3. of the Quad Cities' franchise agreement, Comcast is obligated to reimburse audit costs if the underpayment of franchise fees exceeds 5.00%. Based on our review, Comcast did not underpay franchise fees in any quarter during the review period by more than 5.00%. Thus, A&S did not include any audit fees in the amount due to the Quad Cities.

#### CONCLUSION

A&S recommends pursuing the underpayment of franchise fees, PEG fees, and PEG Grant fees totaling \$234,441 from Comcast. It is reasonable to assume that some of the findings noted in this report could apply to payments after December 31, 2019. Based on our experience, Comcast will continue to make the following adjustments:

1. GAAP Adjustment
2. Multi-service fees

3. Netflix

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

**STATUTE OF LIMITATIONS AND TOLLING**

The franchise agreement with Comcast includes language that sets a window of time in which the Quad Cities has the right to challenge the appropriateness of franchise payment. Due to delays in getting data from Comcast, the Quad Cities was at risk of losing the opportunity to challenge. The Quad Cities and Comcast agreed to a tolling of that period. Currently, Comcast and the Quad Cities have signed a tolling agreement that expires on April 30, 2022.

**5.4 Temporary Modification to Policy**

**May 10, 2021**

**To:** Commissioners

**From:** Karen George, Executive Director

**Subject:** Temporary Modification to Personnel Policy

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**Temporary modification of Personnel Policy**

**Annual Leave Section 10**

The Personnel Committee has reviewed employee annual leave use and the related section of the Personnel Policy regarding annual leave use, 280 hours cap, and conversion provisions. Employee annual leave use has dropped off in the pandemic. Member cities and other agencies have implemented temporary extensions for annual leave balance use.

The Personnel Policy calls for a 280 hour annual leave cap on the anniversary of the employee's hire date. The policy also allows for conversion of unused annual leave (after a formula of use and remaining balance) to cash or 457, upon notification the first of December.

The temporary modifications considered by the Personnel Committee were: to allow the cap to be temporarily suspended; extend the use period; review the policy for changes to the annual leave conversion timing; and, consider adding HSA to the conversion options. The Personnel Committee directed staff to craft the temporary modification language to come before the commission for action at the May regular meeting.

**Proposed Temporary Modification to Annual Leave Cap**

"Employees shall be allowed to carryover annual leave balances in excess of the 280 hours cap 90-days past the employee's anniversary of hire date, provided there is an approved use plan to reduce the hours to the cap of 280 hours. The plan must be approved by the Executive Director. The Executive Director's annual leave use plan must be approved by the Commission Chair. This temporary modification is effective May 20, 2021 through December 1, 2021."

The current policy language regarding annual leave conversion shall remain in effect.

**Proposed Permanent Change to Conversion Language**

The Personnel Committee further directed staff to prepare changes to the policy regarding timing of the annual leave conversion to more equitably manage accrual and conversion among the anniversary dates spread throughout the year. The committee also directed staff to review the option of adding HSA as a conversion option. Both of these changes will be presented to the commission for action prior to year-end.

The Personnel Committee will further review the Personnel Policy for other updates. The updated Personnel Policy will be presented to the commission for action prior to year-end.

**Action Requested:** Approve the temporary modification to the Personnel Policy as recommended by the Personnel Committee.

**QCCCC Agenda Item**

**5.5 Lexica Communications Phase 2 Report**

**May 10, 2021**

**To:** Commissioners

**From:** Karen George, Executive Director

**Subject:** Lexica Communications Phase 2 Report

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The Strategic Plan calls for a Social Media First Strategy. Staff has been working to shift programming, staffing duties, and equipment in that direction. Lexica Communications has presented a three phase proposal to align strategic vision with day-to-day operations.

**Phase 1**

Craft plan aligning program content, format, and social media delivery platforms.  
*COMPLETED.*

**Phase 2**

Draft an implementation plan.

*The Lexica Communications Phase 2 was approved by the commission November 2020. Social Media/Communications Coordinator Seamus Burke completed work with the consultant on Phase 2 – Communication Planning. The report is attached for commission consideration.*

**Phase 3**

Develop a plan for garnering supplemental revenue.

*FUTURE CONSIDERATION.*

**Action Requested:**

Motion to accept Lexica Communications Phase 2 report.



# **QCTV MARKETING COMMUNICATIONS PLAN 2021-2022**

## Background

QCTV is moving to a social media first strategy to meet new and existing viewers where they are most often—online. The station is adapting to this new approach by getting more heavily engaged in the popular social media platforms.

## Goals Driving This Plan

1. Create awareness that QCTV is the hyperlocal source for information, events, and government.
2. Create deeper engagement with members of the communities we serve by using a “share and be shared” approach.

## Audiences

### 1) **Single Young Adults** (16-28 years old)

This demographic is one of the largest users of social media. As young adults, they want content that is dynamic and they want to be engaged in conversation. They are looking for access to high school sports events, life hacks and tips on “adulting”, and information on events they may enjoy such as concerts or festivals. They tend toward activism and brand loyalty; willing to be standard bearers for things they feel a part of.

### 2) **Parents with School-Age Children** (28-45 years old)

This demographic is juggling work and family. They want engaging entertainment ideas. They want to know about the festivals and other family-friendly activities nearby. Many have teenagers in sports and want access to local high school games. They want to know what is going on in their communities and the impact it might have on them or their children. They also want to know about things that make challenges they face in this stage of life a bit easier. They want to know about convenient local businesses that offer products and services for them or their family. They may also be interested in children’s programming.

### 3) **Mature Adults** (45+ years old)

These are generally empty nesters, or nearing an empty nest, or those who have never had/do not plan to have children. They have more time for an interest in what is going on in local government. They want to know about ways to give back, and what to do with the time they have available, such as attending local cultural events. They have more time to learn about the individuals and businesses that make up their community. They may also have grandchildren in sports and have an interest in accessing local games.

## Communication Vehicles

These communications vehicles include those recommended in the Phase 1 report as well as a few others that have emerged since that time as potentially influential.

Category	Vehicle	Tools
Community news outlets	Union Herald (ABC Newspapers)	Print ads Online ads Sponsored content
	City newsletters Chamber newsletters Anoka County Historical Society Community Guides	Short articles Ads
Expos/Events	Anoka Riverfest	Booth
	Andover FunFest celebration	Booth
	Anoka Halloween activities	Booth (or other physical presence)
	Ramsey Happy Days celebration	Booth
	Champlin Father Hennepin	Booth
	Scavenger hunt	To be developed
	School “career” events (show n’ tell)	Presentation
Social Networks	Facebook	Organic posts Paid posts
	Instagram	Posts/stories/user generated content
	Twitter	Posts
	NextDoor	Create a presence
	Snapchat	Create a presence

	Linkedin - local business spotlight/professional updates (e.g. QCCCC)	Redefine presence
Email	Community members	List of individuals via "opt-in"
	Business email list	List from Chamber
Website	QCTV website	Re-design website
Other	Cross show promos	Ads

## Key Messages Overall

1. Watch QCTV programming on social media channels, the website, or on cable television.
2. QCTV provides hyperlocal content, news, and information.
3. QCTV introduces viewers to local attractions, activities, and events.
4. QCTV cares about the communities it serves.

## Key Messages by Audience Segments

### Single Young Adults (16-28 years old)

#### Additional Key Messages

- QCTV engages with you and with the community and wants you to be part of the conversation.
- You can get access to local, high school sports, graduations, and other community events.

### Strategies and Tactics for Reaching and Engaging this Audience

1. Engage this audience on social media
  - a. Run targeted Facebook ads and boosted posts to this group inviting photo or video submissions that will be used on-air
  - b. Run photo contests on Instagram (e.g. photos of local venues, the Halloween parade, local sports, etc.)
  - c. Snapchat filters at key events (sports games, parades, etc.)

- d. Paid ads/boosted posts in “gaming” Facebook groups
- e. Use ongoing interaction with followers to generate future content ideas
- f. Engage with comments on QCTV Facebook page
- g. Build a brand ambassador program in the schools. Identify students who can post photos, etc. from high school games and local events; and feature that content on the broadcast during breaks in the action
  - i. Brand ambassador: *A non-QCTV employee who generates content on QCTV’s behalf at key events (e.g. sports playoffs)*
- h. Use ambassador photos on Instagram
- i. Post sports highlights on Twitter
  - i. Share and reshare content from school sports teams
- j. Offer station swag to ambassadors (e.g. hoodies, etc.)
- 2. Offer exclusive “digital programming” for this audience
  - a. Digital Exclusive: *Programming developed for the sole purpose of being distributed online and not on QCTV’s cable channels*
  - b. Create and populate a YouTube channel for event highlights. Use Facebook and Instagram to drive traffic to this new content
  - c. Create short videos on topics relevant to this audience to post on YouTube (e.g. life hacks, how-to’s using local experts, etc) using Facebook to promote them
  - d. encourage ambassadors to nominate outstanding students for short profile pieces (possibly student-produced with guidance from QCTV staff)

## 2. Parents with School-Age Kids (28-45 years old)

### Additional Key Messages

- QCTV is a place to learn about local attractions, activities, and events you can do with your children or on a date night
- QCTV offers online access to local, high school sports

### Strategies and Tactics for Reaching and Engaging this Audience

- 1. Use social platforms to deliver snippets of content about local events and attractions that appeal to families.
  - a. Use Facebook boosted posts to increase penetration over existing efforts
  - b. Use email to remind recipients about upcoming events they might want to attend or watch live on QCTV’s website/channel.

2. Explore ways to curate or create content specifically for young children (10 and under)
  - a. Tap local storytellers, magicians, puppeteers for short programs (possibly digital-exclusive program)
3. Create and populate a YouTube channel for event highlights (change in commission directive)
  - a. Use Facebook, Instagram, and NextDoor to drive traffic to this new content
4. Establish a presence on NextDoor
  - a. Post photos and casual conversation-based text of local events.
  - b. Invite people to contribute story ideas and photos
  - c. Post questions that invite engagement (e.g. who has the best ice cream in your town)
5. Create and utilize an email list to remind recipients of upcoming events and local people being profiled
6. Submit short articles to city newsletters about programming specific to their community. Use a QR code for quick access to the content
7. Pilot contests where clues are hidden in social media posts
  - a. Promote on that specific social media channel
8. Have branded presence at large community events
  - a. Promote coverage of games/graduations/other school-related events
  - b. Secure space/booth at Riverfest, Ramsey Happy Days, Andover FunFest, Champlin Father Hennepin Days, Anoka Halloween, and possibly Anoka County Fair
  - c. Develop plan for a display that will attract and engage attendees (e.g. gear demonstrations, simulated shows, monitors with shows playing, games, swag)

### **3. Key Messages for Mature Adults (45+ years old)**

- QCTV is the place to find information about local government, local elections, area development, and local cultural events
- QCTV is the best place to get an in-depth look at the local businesses that make up your community
- Watch local high school sporting events on QCTV's live-streamed on social media (YouTube or Facebook) (aimed at grandparents)
- Learn about local activities and cultural events



## Strategies and Tactics for Reaching and Engaging this Audience

1. Create teasers for content having to do with local businesses and government issues
  - a. Use Facebook, NextDoor, and LinkedIn to serve this content
  - b. Include teasers for other QCTV content that might interest this audience
2. Use Facebook to serve up individual segments of The Post. Include links to YouTube for viewing other segments
3. Use Facebook to post promotion of upcoming school sporting events to allow time for the link to be shared
4. Use ongoing interaction with Facebook followers to generate future content ideas
5. Create programming about local venues that offer recreational activities that appeal to this audience (e.g. virtual walks through area parks, relaxing scenes of local areas set to music, etc.)
  - a. Promote these on Facebook, NextDoor and via email
6. Have branded presence at large community events
  - a. Promote graduations/games, etc
  - b. Secure space/booth at Riverfest, Ramsey Happy Days, Andover FunFest, Champlin Father Hennepin Days, Anoka Halloween, and possibly Anoka County Fair
  - c. Develop plan for a display that will attract and engage attendees (e.g. gear demonstrations, simulated shows, monitors with shows playing, games, swag)

## Stakeholder Considerations

In this case, stakeholders are those audiences that not only have an interest in the success of QCTV, but play a role in it. While this communications plan is focused on viewers and followers, QCTV's relationship with the following stakeholders will be invited to submit ideas and content designed for use in short-form format.

Stakeholders: League of Women Voters, Anoka County Library, festival planning committees, AA Chamber, Metro North Chamber, Anoka County (various department such as parks, libraries, elections, law enforcement...), Anoka County Historical Society, 10th Judicial District Courts, nonprofits such as Youth First, Haven for Heroes, animal rescue organizations, sport booster clubs, Anoka-Hennepin School District, etc.

## Implementation and Communication Schedule

Month	Actions
July 2021	<p>Complete the creation of QCTV's presence on Facebook, YouTube, Instagram, LinkedIn, NextDoor Snapchat, and Twitter</p> <p>Draft a plan for website redesign</p> <p>Develop plan and schedule for which events to participate in and what messaging will drive the form QCTV's presence will take</p> <p>Participate in community events - Riverfest and Andover FunFest</p> <p>Post to and engage with comments on all social media platforms daily</p>
August	<p>Build two email databases: 1) individual residents 2) businesses</p> <p>Set up MailChimp/Constant Contact account and create branded email template</p> <p>Create email distribution calendar</p> <p>Contact high schools to discuss possible education module which would include a presentation</p>

	<p>and invitation to become QCTV ambassadors and create curriculum and execution plan</p> <p>Create a calendar for article submissions to city newsletters with overall key messages and key messages for audience segments 2 and 3 mind</p> <p>Begin promoting coverage of elections</p> <p>Coverage/promotion of fall sports begins</p> <p>Post to and engage with comments on all social media platforms daily</p>
September	<p>Develop Anoka Halloween photo contest for Oct. 1 roll out</p> <p>Begin monthly email newsletter highlighting programming (embed very short video clips)</p> <p>Develop plan for holiday scavenger hunt</p> <p>Begin to promote upcoming YouTube channel (pending commission approval)</p> <p>Participate in community events - Ramsey Happy Days</p> <p>Post to and engage with comments on all social media platforms daily</p>
October	<p>Launch YouTube channel (pending commission approval)</p> <p>Participate in community events - Anoka Halloween</p>

	<p>Continue promotion of election coverage</p> <p>Post to and engage with comments on all social media platforms daily</p>
November	<p>Coverage/promotion of fall Sports playoffs</p> <p>Begin running ads in professional journals</p> <p>Post to and engage with comments on all social media platforms daily</p>
December	<p>Execute scavenger hunt</p> <p>Coverage/promotion of winter sports begin</p> <p>Post to and engage with comments on all social media platforms daily</p>
January 2022	<p>Perform a six-month review of metrics (followers, views, engagements) and adjust efforts as necessary</p> <p>Work with producers to develop programming that appeals to young adults</p> <p>Work with producers (and possibly Anoka Library system) to develop a six-month plan for children' programming. Promote through the library system and schools in addition to social media.</p>

	Post to and engage with comments on all social media platforms daily
February	<p>Refine strategy for presence at local 2022 events and develop a plan</p> <p>Develop short form programming introducing viewers to local businesses. Produced with a social media first approach. (a re-formulated version of the Chamber report)</p> <p>Post to and engage with comments on all social media platforms daily</p>
March	<p>Complete web redesign</p> <p>Re-imagine other long form programs for social media-first</p> <p>Post highlights from winter sports playoffs (utilize brand ambassadors)</p> <p>Post to and engage with comments on all social media platforms daily</p>
April	<p>Post Spring sports highlights (utilize brand ambassadors)</p> <p>Post to and engage with comments on all social media platforms daily</p>
May	<p>Post highlights from spring sports playoffs (utilize brand ambassadors)</p> <p>Post to and engage with comments on all social media platforms daily</p>

June	<p>Post information about coverage of graduations</p> <p>Post information about summer sports</p> <p>Post to and engage with comments on all social media platforms daily</p>
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## Metrics (Key Performance Indicators)

### 1. Follower Growth

- People who elect to follow QCTV on various social media platforms

### 2. Impression Growth

- Users who see QCTV's content in their timelines (followers and non-followers)

### 3. Engagement Increase

- Users who interact with QCTV's content on social media (followers and non-followers)
  - e.g. like, comment, share, and/or click a link

Our goal is to measure a steady increase in all aforementioned areas quarter by quarter over the next 12 months.



## 5.6 Remote Meeting Enhancement Update

May 13, 2021

To: Karen George, Executive Director

From: John Sommer, Technology Manager

Subject: Remote Meeting Enhancement Update

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### Background:

Pre-pandemic QCTV was asked by the member cities to provide a technology solution to allow one member of the city council or a commission to attend a city meeting remotely over a platform of the city's choosing. Working with the cities and Alpha Video, QCTV crafted a baseline of equipment needed. The Commission approved the baseline equipment and a grant of \$7,000.00 to each city selecting implementation. Between February of 2020 and March of 2021 all cities opted to install the baseline equipment with customizations and requested the \$7,000.00 CIP grant.

While the installed equipment is adaptive to many members attending remotely, there are some opportunities for improvement. Remote participants now include city staff, city contractors, resident petitioners and public commenters. This presents a new challenge for city staff managing the content of the meeting while also needing to interact with the Zoom platform to manage presenters, commenters and view only participants.

QCTV staff provides video coverage including live cablecast, camera switching, agenda and presenter graphics, and monitoring audio. The Master Control Operator at the QCTV office monitors the live meeting feed to viewers on cable TV and streaming on the QCTV website.

### Sustainability of Remote Meetings:

When the pandemic hit, QCTV staff and city staff nimbly adjusted to the new situation. City staff accommodated these changes for more than a year. There is an opportunity to reconfigure for different challenges and serve city needs yet to be determined. I met with representatives from each city individually or in a small group to discuss their needs.

- Andover: Jim Dickinson and Scott Allen
- Anoka: Clark Palmer
- Champlin: Roberta Colotti, Todd Beisang and Shelly Peterson
- Ramsey: Tim Gladhill and Jason Fredrickson.

Each city has unique needs.

- Andover needs multiple camera angles available for Zoom. They frequently use the document camera and would need access to that too.

- Anoka had recent direction from the City Council that the council preferred to conduct work sessions in the work session room. Anoka would like another camera shot of the audience to send to the remote participants.
- Champlin is interested in a solution that allows staff to select the type of meeting and have video sources automatically directed by that selection. Staff do not want to operate cameras during the meeting. Champlin would also like to use the chambers for staff meetings and have the system usable for that purpose.
- Ramsey would like to make starting the Zoom meeting easier for more of their staff. The city currently uses a different room for their council work sessions.

All cities would like to make the meeting management easier.

QCTV will coordinate a user group meeting among representatives of the four cities.

### **Technical Upgrade Options:**

- |        |   |
|--------|---|
| Good   | Provide city staff with access to the VDesk system for non-Cablecast meetings.  |
| Better | Identify cameras that need to be on Zoom for non-Cablecast meetings and split them to go to both the VDesk system and Zoom. |
| Best A | Install secondary Zoom system with separate camera(s) and controller in chambers for city staff use.                        |
| Best B | Replace existing VDesk system with a new system that allows for multiple points of independent control.                     |

### **Funding Option:**

- QCTV capital fund support of equipment upgrades through Commission approved capital expenditure request.
- QCTV capital fund support of equipment upgrades through Commission approved capital expenditure request for baseline grant.
- Cities fund equipment upgrades using QCTV CIP capital grants on deposit with the city.
- Cities fund equipment upgrades using city capital or operating funds.

### **Action Requested:**

Provide direction to staff on preferred equipment upgrade options.

Action option: Delay for future commission consideration.

### **Terminology:**

- Zoom will be used as a generic term for remote meeting software but the hardware for both the Cablecast and Presentation Systems will work with any of the current web meeting software. Currently all four cities are using Zoom for remote meetings.
- Cablecast is the term meaning that QCTV sends the meeting out over the Comcast Cable system to subscribers and over the internet to anyone viewing the QCTV website. It also means that the recorded meeting will replay on the city channel in addition to the Video on Demand (VOD) portion of the QCTV website.
- The Presentation System is the equipment installed in 2018/2019 centered around Creston hardware that provides audio and video to each Council Chambers. The system is independent of but connected to the Cablecast System. The Presentation System is controlled by one or more Crestron panels located in the Chambers.
- Cablecast or Broadcast System is TV equipment centered around a 2014/2015 Rushworks VDesk computer-based video switcher and 2017 Panasonic HD/4K remote controlled cameras.