

NORTH METRO TELECOMMUNICATIONS COMMISSION MEETING

May 18, 2016
6:00 p.m.

SPRING LAKE PARK CITY OFFICES
1301 81st Avenue NE
Spring Lake Park, Minnesota

AGENDA

1. CALL TO ORDER/ROLL CALL
2. CONSENT AGENDA **pp. 1-10**
 - 2.1. Approval of the minutes of the regular meeting, March 16, 2016
 - 2.2. Approval of the March and April financial reports and bill lists
3. CITIZENS TO BE HEARD
4. 2015 AUDIT PRESENTATION **pp. 11-48**
5. NORTH METRO TV REPORT **pp. 49-60**
 - 5.1. Monthly update
6. REPORT OF EXECUTIVE COMMITTEE **pp. 61-67**
 - 5.1. HD Upgrade Update/Lease Agreement
 - 5.2. Drone Certification
 - 5.3. Liability Waiver
 - 5.4. Bond Funds Transfer
7. REPORT OF OPERATIONS COMMITTEE **pp. 68**
8. REPORT OF LEGAL COUNSEL
 - 7.1. Monthly Report
9. REPORT OF COMCAST
10. REPORT OF CENTURYLINK
11. NEW BUSINESS
12. OLD BUSINESS
13. REPORT OF DIRECTORS
14. COMMUNICATIONS **pp. 70-81**
15. ADJOURN

NORTH METRO TELECOMMUNICATIONS COMMISSION

UNAPPROVED MINUTES

Commission Meeting – March 16, 2016

CALL TO ORDER

Chair M. Percy called the regular meeting of the North Metro Telecommunications Commission to order at 6:00 p.m. at the Spring Lake Park city offices.

ROLL CALL

Directors Present:

Dick Swanson; Blaine, Carin Payment; Lexington, Melissa Maher; Lino Lakes, Matt Percy; Circle Pines, Steve King; Centerville,

Directors Absent:

Al Parranto; Ham Lake, Jeanne Mason; Spring Lake Park

Others Present:

Heidi Arnson; Executive Director, R. Valez; Admin. Asst.

Comcast Rep:

CenturyLink Rep:

CONSENT AGENDA

- **Minutes, Bill List, Financial Reports**

The February 17, 2016 minutes, and the February bill list and financial reports were approved as presented. **Motion for approval made by D. Swanson. Second, C. Payment. Motion passed.**

REPORT OF NORTH METRO TV

H. Arnson reviewed the North Metro TV report as presented in the packet. A summary was also given of activities for the months of February and March. Topics included:

- Stories produced on the weekly news program, North Metro TV, were highlighted. It was noted that in addition to playing on the cable channel three times daily, all of the local news stories are archived and available to be viewed on the North Metro TV YouTube page. The page can be accessed by going to northmetrotv.com and clicking on the YouTube button at the bottom of the page. Over 260 stories regarding issues, events and items of interest to the North Metro are archived there.

- T.J. Tronson is working with Blaine High School and the Blaine Police Department to produce this year's version of Arrive Alive. The program is always a very powerful and emotional example, for students, of how bad decisions can destroy lives.
- Instructor, Eric Houston, will be offering his very popular Documentary Workshop this spring. The workshop is an intensive instructional on every aspect of documentary production. The students will work together to produce several short documentaries by the end of the eight week session.

REPORT OF EXECUTIVE COMMITTEE/OPERATIONS COMMITTEE

D. Swanson reported on the following items:

- Cities are compiling lists of any public buildings that may qualify for CenturyLink's free Prism service. Consideration is also being given to which locations should be designated for the free CenturyLink internet service.
- The first quarterly meeting with CenturyLink has been scheduled for Wednesday, April 13th, at 11:30 am at the North Metro facility. CenturyLink will report on the number of households capable of being served, and those actually being served.
- The Lino Lakes City Council expressed some concerns regarding the bonding language in the amended Joint Powers Agreement. Changes were made to the language to make it more specific. The changes were accepted by the Lino Lakes Council. A change was also made regarding language that requires any City joining the Commission to file the required paperwork with the City of Blaine Administrator. The language was changed so that the paperwork will be filed with the Commission's Executive Director.

MOTION: To approve the recommended changes to the Joint Powers Agreement. **Motion for approval made by: D. Swanson. Second: M. Maher. Motion approved.**

- Commission staff would like to utilize electronic bill-pay instead of writing checks for most bills.

MOTION: To approve utilizing electronic bill-pay for Commission accounts. **Motion for approval made by: D. Swanson. Second: M. Maher. Motion approved.**

REPORT OF LEGAL COUNSEL

No report was presented.

REPORT OF COMCAST

No report was presented.

REPORT OF CENTURYLINK

No report was presented.

NEW BUSINESS

No new business was presented.

OLD BUSINESS

No old business was presented.

REPORT OF DIRECTORS

No reports were presented.

ADJOURN

The meeting was adjourned at 6:09 p.m. **The motion to adjourn was made by M. Maher. Second, C. Payment. Motion approved.**

The next meeting of the NMTC will be held on **Wednesday, April 20, 2016 at 6:00 p.m.** at the city offices of Spring Lake Park.

Jeanne Mason; Secretary, NMTC

NORTH METRO TELECOMMUNICATION
BILL LIST
MARCH 2016

Date	Check #	Payee	Amount
MARCH	COMBINED	PAYROLL	53,986.94
MARCH	COMBINED	IRS/US PAYABLE	19,281.77
MARCH	COMBINED	MN REVENUE PAYABLE	3,146.61
MARCH	COMBINED	PERA PAYABLE	10,489.69
MARCH	COMBINED	PEACHTREE	64.00
12830	3/2/16	Joshua S. Sibley	500.00
12831	3/8/16	B Harris, Inc.	1,408.75
12832	3/8/16	Pioneer Press	171.60
12833	3/8/16	Star Tribune	324.48
12834	3/8/16	VERIZON WIRELESS	355.08
12835	3/8/16	AT&T Wireless	370.40
12836	3/8/16	Corporate Mechanical	434.28
12837	3/8/16	Republic Services	90.25
12838	3/8/16	U.S. Bank Card Service	368.39
12839	3/9/16	Taylor Goris	250.00
12840	3/16/16	Bradley Hagen & Gullikson, LLC	630.00
12841	3/16/16	Heidi Arnson	102.77
12842	3/16/16	Comcast	275.92
12843	3/16/16	POPP TELECOM	774.45
12844	3/16/16	City of Blaine-utilities	55.25
12845	3/16/16	HealthPartners	9,683.26
12846	3/16/16	Fleet One LLC	141.93
12847	3/16/16	Connexus Energy	1,707.46
12848	3/16/16	Grass Hopper Lawn & Snow	275.00
12849	3/22/16	Megan M Nipe	200.00
12850	3/29/16	Internal Revenue Service	6.09
EFILE	3/1/16	Discovery Benefits	22.50
EFILE	3/1/16	Virtual Merchant Credit Card	13.70
EFILE	3/2/16	POPP TELECOM	775.29
EFILE	3/3/16	Authorize.Net	27.09
EFILE	3/9/16	Chase Visa Card Services	4,265.36
EFILE	3/12/16	Discovery Benefits	495.00
EFILE	3/26/16	Discovery Benefits	495.00
EPAY-01	3/22/16	CenterPoint Energy	210.66
EPAY-02	3/29/16	Assurant Employee Benefits	876.29
EPAY-03	3/30/16	Federal Express	32.87
EPAY-04	3/30/16	AT&T Wireless	372.40
FEB SALES TAX	3/14/16	MN Dept. of Revenue	84.00
			112,764.53

NORTH METRO TELECOMMUNICATION
BILL LIST
APRIL 2016

Date	Check #	Payee	Amount
MARCH	COMBINED	PAYROLL	36,087.58
MARCH	COMBINED	IRS/US PAYABLE	12,842.09
MARCH	COMBINED	MN REVENUE PAYABLE	2,088.63
MARCH	COMBINED	PERA PAYABLE	6,901.70
MARCH	COMBINED	PEACHTREE	41.60
12851	4/5/16	Richard D. Larson	300.00
12852	4/5/16	Part Time Advertising	519.90
12853	4/5/16	Anoka County Records & Taxation	388.83
12854	4/5/16	Alpha Video & Audio, Inc	757.82
12855	4/5/16	U.S. Bank Card Service	1,439.93
12856	4/5/16	Mellisa Maher	135.00
12857	4/5/16	Jeanne M. Mason	135.00
12858	4/5/16	Steve King	135.00
12859	4/5/16	Carin Payment	135.00
12860	4/5/16	Al Parranto	135.00
12861	4/12/16	Matthew Waldron	482.01
12862	4/12/16	Commercial Steam Team	1,228.30
12863	4/12/16	Winter Green Lawn & Snow L.L.C.	503.50
12864	4/12/16	Metro Sales, Inc.	657.74
12865	4/20/16	Harrington Langer & Associates	9,400.00
12866	4/20/16	City of Circle Pines	200,000.00
12867	4/25/16	MAGC	65.00
12868	4/25/16	Hawk Aviation Inc.	1,000.00
12869	4/25/16	HealthPartners	9,683.26
12870	4/25/16	Terry Tronson	169.75
EFILE	4/1/16	Authorize.Net	25.00
EFILE	4/11/16	Chase Visa Card Services	3,273.80
EFILE	4/19/16	Dept of Empl and Eco Development	388.74
EFILE	4/1/16	Discovery Benefits	22.50
EFILE	4/9/16	Discovery Benefits	495.00
EFILE	4/23/16	Discovery Benefits	495.00
EFILE	4/1/16	Virtual Merchant Credit Card	17.50
EPAY-01	4/4/16	Republic Services	89.30
EPAY-02	4/8/16	VERIZON WIRELESS	355.08
EPAY-03	4/12/16	City of Blaine-utilities	55.38
EPAY-04	4/12/16	Fleet One LLC	136.32
EPAY-05	4/20/16	Comcast	275.92
EPAY-P01	4/5/16	Richard R. Swanson	135.00
MAR SALES TAX	4/18/16	MN Dept. of Revenue	242.00
			291,239.18

North Metro Telecommunications Comm

General Journal

For the Period From Apr 1, 2016 to Apr 30, 2016

Date	Reference	Trans Description	Debit Amt	Credit Amt
4/1/16	ACCRUED VAC/COM/SICK	ACCRUED VAC/COM/SICK ACCRUED VAC/COM/SICK	100,070.57	100,070.57
4/1/16	ACCRUED WAGES	ACCRUED WAGES ACCRUED WAGES	9,816.16	9,816.16
4/29/16	ACCRUED DEPRECIATION	ACCRUED DEPRECIATION ACCRUED DEPRECIATION	12,900.00	12,900.00
4/29/16	ACCRUED VAC/COM/SICK	ACCRUED VAC/COM/SICK ACCRUED VAC/COM/SICK	99,688.10	99,688.10
4/29/16	ACCRUED WAGES	ACCRUED WAGES ACCRUED WAGES	12,270.20	12,270.20
Total			234,745.03	234,745.03

North Metro Telecommunications Comm

Check Register

For the Period From Apr 1, 2016 to Apr 30, 2016

Filter Criteria Includes: 1) Accounts Payable only. Report order is by Date.

Check #	Date	Payee	Amount
EFILE	4/1/16	Virtual Merchant Credit Card	17.50
EFILE	4/1/16	Authorize.Net	25.00
EFILE	4/1/16	Discovery Benefits	22.50
EPAY-01	4/4/16	Republic Services	89.30
12851	4/5/16	Richard D. Larson	300.00
12852	4/5/16	Part Time Advertising	519.90
12853	4/5/16	Anoka County Records & Taxation	388.83
12854	4/5/16	Alpha Video & Audio, Inc	757.82
12855	4/5/16	U.S. Bank Card Service	1,439.93
12856	4/5/16	Mellisa Maher	135.00
12857	4/5/16	Jeanne M. Mason	135.00
12858	4/5/16	Steve King	135.00
12859	4/5/16	Carin Payment	135.00
12860	4/5/16	Al Parranto	135.00
EPAY-P01	4/5/16	Richard R. Swanson	135.00
PEACH	4/6/16	Peachtree/Sage Software	1.60
PEACH	4/6/16	Peachtree/Sage Software	19.20
EPAY-02	4/8/16	VERIZON WIRELESS	355.08
EFILE	4/9/16	Discovery Benefits	495.00
EFILE	4/11/16	Chase Visa Card Services	3,273.80
12861	4/12/16	Matthew Waldron	482.01
12862	4/12/16	Commercial Steam Team	1,228.30
12863	4/12/16	Winter Green Lawn & Snow L.L.C.	503.50
12864	4/12/16	Metro Sales, Inc.	657.74
EPAY-03	4/12/16	City of Blaine-utilities	55.38
EPAY-04	4/12/16	Fleet One LLC	136.32
EFILE	4/13/16	IRS/US BANK	6,142.80
EFILE	4/13/16	MN Dept. of Revenue	1,033.03
EFILE	4/13/16	Public Employees Retirement	3,359.87

North Metro Telecommunications Comm

Check Register

For the Period From Apr 1, 2016 to Apr 30, 2016

Filter Criteria includes: 1) Accounts Payable only. Report order is by Date.

Check #	Date	Payee	Amount
MAR SALES TAX	4/18/16	MN Dept. of Revenue	242.00
EFILE	4/19/16	Dept of Empl and Eco Development	388.74
EPAY-05	4/20/16	Comcast	275.92
12865	4/20/16	Harrington Langer & Associates	9,400.00
12866	4/20/16	City of Circle Pines	200,000.00
PEACH	4/20/16	Peachtree/Sage Software	20.80
EFILE	4/23/16	Discovery Benefits	495.00
12868	4/25/16	Hawk Aviation Inc.	1,000.00
12867	4/25/16	MAGC	65.00
12869	4/25/16	HealthPartners	9,683.26
12870	4/25/16	Terry Tronson	169.75
EFILE	4/27/16	IRS/US BANK	6,192.48
EFILE	4/27/16	MN Dept. of Revenue	1,033.03
EFILE	4/27/16	Public Employees Retirement	3,405.33
EFILE	4/30/16	IRS/US BANK	506.81
EFILE	4/30/16	MN Dept. of Revenue	22.57
EFILE	4/30/16	Public Employees Retirement	136.50
Total			<u>255,151.60</u>

North Metro Telecommunications Comm

Cash Receipts Journal

For the Period From Apr 1, 2016 to Apr 30, 2016

Date	Transaction Ref	Line Description	Debit Amnt	Credit Amnt
4/7/16	TAPE DUBS-CASH	TAPE DUBS-CASH Miscellaneous receipts	90.00	90.00
4/7/16	TAPE DUBS-CHECKS	TAPE DUBS-CHECKS Miscellaneous receipts	125.00	125.00
4/7/16	COMP REIMB-CIR PINES	COMPUTER REIMBURSEMENT-SCAN CONVERTER Miscellaneous receipts	244.95	244.95
4/7/16	DRONE FOOTAGE	DRONE FOOTAGE-ANOKA COUNTY Miscellaneous receipts	500.00	500.00
4/20/1	1ST QTR FRAN FEES	1ST QTR FRANCHISE FEES Comcast-Franchise	294,360.87	294,360.87
4/20/1	1ST QTR PEG FEES	1ST QTR PEG FEES Comcast-PEG Fees	188,094.76	188,094.76
4/26/1	FEB CC SALES-AUTH	CREDIT CARD SALES - AUTHORIZE NET CREDIT CARD COSTS Credit Card Sales	2.61 87.39	90.00
4/27/1	APR CC SALES-VM	CREDIT CARD SALES - VIRTUAL MERCHANT Credit Card Sales	200.00	200.00
4/28/1	INTEREST	INTEREST-COMM CHECKING INTEREST - COMMISSION	141.40	141.40
			483,846.98	483,846.98

North Metro Telecommunications Commission

Balance Sheet

April 30, 2016

ASSETS

Current Assets

Cash - Checking Account	\$ 2,326,782.70
Petty Cash	150.00
A/R - NMTC	188,207.18
Prepaid Insurance - NMTC	13,314.26

Total Current Assets 2,528,454.14

Property and Equipment

Office Equipment - NMTC	2,061,716.78
Accum Deprec - NMTC	(2,198,070.53)
Accumulated Amortization	(107,700.15)
Bond Setup Fee	92,700.15
Bond Setup Fee 2012	15,000.00
Bond Equipment 2016	200,000.00
Building-Polk/125	1,503,204.17
Land-Polk/125	225,700.00

Total Property and Equipment 1,792,550.42

Other Assets

Deferred Out Related/Pension	72,490.00
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Total Other Assets 72,490.00

Total Assets \$ 4,393,494.56

LIABILITIES AND CAPITAL

Current Liabilities

A/P - NMTC	\$ 5,355.00
Accrued Vacation	99,688.10
Accrued Wages	12,421.40
Franchise Fee App	883,889.23
Deferred In Related/Pension	54,575.00

Total Current Liabilities 1,055,928.73

Long-Term Liabilities

Net Pension Liability	523,433.00
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Total Long-Term Liabilities 523,433.00

Total Liabilities 1,579,361.73

Capital

Net Equity	281,644.60
Net Equity - Media Ctr	(206,243.34)
Net Equity - NMTC	2,517,656.37
Net Income	221,075.20

Total Capital 2,814,132.83

Total Liabilities & Capital \$ 4,393,494.56

NORTH METRO
TELECOMMUNICATIONS COMMISSION
ANNUAL FINANCIAL REPORTS
December 31, 2015 and 2014

Mark D. Harrington, CPA
Wayne A. Langer, CPA
Nichole Fairbanks, CPA
Jesse Fraley, CPA



Gregory W. Heck, CPA, CVA
Greg L. Emmerich, CPA
Michael Belknap, CPA
Bryan W. Swartz, CPA

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
North Metro Telecommunications Commission
Blaine, Minnesota

Report on the Financial Statements

We have audited the accompanying statements of net position of North Metro Telecommunications Commission as of and for the years ended December 31, 2015 and 2014, and the related statements of revenues, expenses, and changes in net position; and cash flows for the years then ended; and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements.

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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of North Metro Telecommunications Commission, as of December 31, 2015 and 2014, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 8 to the financial statements, the Commission adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment to GASB Statement No. 68*, for the year ended December 31, 2015. Adoption of the provisions of these statements results in significant change to the classifications of the components of the financial statements.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 7 and the budgetary comparison information, schedule of employer's PERA contributions and schedule of employer's share of PERA net pension liability on pages 23 through 27 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2016 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. This is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North Metro Telecommunications Commission's internal control over financial reporting and compliance.

Harrington Langer & Associates

April 28, 2016

**NORTH METRO TELECOMMUNICATIONS COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

December 31, 2015 and 2014
(Required Supplementary Information)

The management of the North Metro Telecommunications Commission (NMTC) offers readers of our financial statements the following narrative overview and analysis of our financial activities for the years ended December 31, 2015 and 2014.

Basic Financial Statements

Our basic financial statements are prepared using proprietary fund (enterprise fund) accounting that uses the same basis of accounting as private-sector business enterprises. NMTC is operated under one enterprise fund. Under this method of accounting, an economic resources measurement focus and an accrual basis of accounting is used.

Revenue is recorded when earned and expenses are recorded when incurred. The basic financial statements include statements of net position, statements of revenues, expenses and changes in net position, and statements of cash flows. These are followed by notes to the financial statements. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. In addition to the basic financial statements, this report also contains required supplementary information pertaining to the budgetary comparison and the retirement plan of NMTC.

The statements of net position presents information on NMTC's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of NMTC is improving or deteriorating.

The statements of revenues, expenses, and change in net position reports the operating revenues and expenses and non-operating revenues and expenses of NMTC for the fiscal year with the difference – the net income or loss – being combined with any capital grants to determine the change in net position for the year. That change, combined with the net position at the end of the previous year, totals to the net position at the end of the current year.

The statements of cash flows reports cash and investment activities for the fiscal year resulting from operating activities, capital and related financing activities, non-capital and related financing activities and investing activities. The net result of these activities added to the beginning of the year cash and investments balance total to the cash and investments balance at the end of the current year.

The information contained in the basic financial statements is used as the basis for the discussion presented on the following pages, surrounding NMTC's activities for the years ended December 31, 2015 and 2014.

NORTH METRO TELECOMMUNICATIONS COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2015 and 2014
(Required Supplementary Information)

Financial Highlights

- NMTC ended 2015 with a net position balance of \$2,593,057, of which \$1,644,151 represented the net investment in capital assets, and \$948,906 was unrestricted. GASB Statement No. 68 was implemented for the year ended December 31, 2015 and required a \$490,856 restatement of beginning net position. Prior year amounts were not restated causing a variance in ending net position at December 31, 2014 and beginning net position on January 1, 2015. The net position balance at the end of the year was \$278,557 lower than the net position balance at the beginning of the year.
- As a result of operations, \$320,000 in franchise fees were returned to NMTC member cities for each year during the years ended December 31, 2015 and 2014.

The following is a condensed comparative summary of the Commission's net position:

Net Position	2015	2014
Assets		
Current Assets	\$ 2,463,210	\$ 2,388,885
Loan fees, net	-	28,597
Capital assets, net	<u>1,644,151</u>	<u>1,754,312</u>
Total Assets	<u>4,107,361</u>	<u>4,171,794</u>
Deferred Outflows		
Deferred outflows related to pensions	<u>72,490</u>	<u>-</u>
Liabilities		
Current Liabilities	1,008,786	1,080,180
Noncurrent Liabilities	<u>523,433</u>	<u>220,000</u>
Total Liabilities	<u>1,532,219</u>	<u>1,300,180</u>
Deferred Inflows		
Deferred inflows related to pensions	<u>54,575</u>	<u>-</u>
Net Position		
Net investment in capital assets	1,644,151	1,427,909
Unrestricted	<u>948,906</u>	<u>1,443,705</u>
Total Net Position	<u><u>\$ 2,593,057</u></u>	<u><u>\$ 2,871,614</u></u>

NORTH METRO TELECOMMUNICATIONS COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2015 and 2014
(Required Supplementary Information)

Changes in Net Position	2015	2014
Program Revenues		
Operating revenue	\$ 1,845,248	\$ 1,819,962
General Revenues		
Unrestricted investment earnings	333	355
Miscellaneous	36,768	22,150
Total General Revenues	37,101	22,505
Total Revenues	1,882,349	1,842,467
Expenses		
Operations	1,441,537	1,412,906
Non-capitalized equipment	22,918	21,073
Depreciation and amortization	204,050	183,838
Interest expense	1,545	11,934
Total Expenses	1,670,050	1,629,751
Change in Net Position	212,299	212,716
Net Position, Beginning (as originally presented)	2,871,614	2,658,898
Cumulative effect of change in accounting principle	(490,856)	-
Net Position, Beginning (as restated)	2,380,758	2,658,898
Net Position, Ending	\$ 2,593,057	\$ 2,871,614

Revenue

The major source of operating revenue for NMTC includes a 5% franchise fee paid on gross revenue, earned within the boundaries of the seven members of the NMTC, and a PEG fee paid by cable subscribers monthly, as established in the Memorandum of Understanding, and subsequent franchise agreement, dated November 22, 2002.

**NORTH METRO TELECOMMUNICATIONS COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

December 31, 2015 and 2014
(Required Supplementary Information)

Expenses

Wages, benefits, interest and depreciation make up the largest portion of expenses. Due to the significant investments NMTC has in capital assets, depreciation continues to be a large operating expense. Unlike the other expenses listed, depreciation is not a cash expense. NMTC has and continues to pursue ways to reduce costs without affecting service.

Capital Assets

NMTC's capital assets as of December 31, 2015 and 2014, amounted to \$1,644,151 and \$1,754,312, respectively (net of accumulated depreciation). This investment in capital assets includes land, a building, office and studio equipment, and vehicles.

NMTC primarily acquires its assets with the proceeds from franchise fees and PEG fees. Building construction and new equipment purchases are all a part of NMTC's capital investment plan. Currently there are no commitments for any major purchases.

Debt

As of December 31, 2013, NMTC had \$920,000 of cable franchise revenue bonds outstanding. These bonds were used to acquire, construct, and furnish NMTC's new building, completed in 2006. During the year ended December 31, 2012, the Commission repaid the franchise revenue bonds outstanding and issued \$840,000 of cable franchise revenue refunding bonds. As of December 31, 2015 and 2014, NMTC had \$0 and \$355,000, respectively, of cable franchise revenue refunding bonds outstanding. The total amount of bonds outstanding decreased by \$355,000 and \$170,000, respectively, for the years ended December 31, 2015 and 2014.

Budgetary Analysis

During 2015, actual franchise fee and PEG fee revenue exceeded budgeted amounts by approximately \$65,000 which contributed to the increase in net position of \$212,299.

During 2014, actual franchise fee and PEG fee revenue exceeded budgeted amounts by approximately \$95,000 which contributed to the increase in net position of \$212,716.

Requests for Information

This financial report is intended to provide an overview of the finances of NMTC for those with an interest in this organization. Questions concerning any information within this report may be directed to the Executive Director of NMTC.

NORTH METRO TELECOMMUNICATIONS COMMISSION
STATEMENTS OF NET POSITION
December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
CURRENT ASSETS		
Cash and investments	\$ 2,261,689	\$ 2,173,965
Accounts receivable	188,207	202,826
Prepaid expenses	<u>13,314</u>	<u>12,094</u>
TOTAL CURRENT ASSETS	<u>2,463,210</u>	<u>2,388,885</u>
CAPITAL ASSETS		
Land	225,700	225,700
Building	1,443,850	1,443,850
Building improvements	59,354	59,354
Office and studio equipment	1,989,486	1,955,034
Vehicles	72,230	87,066
Less: accumulated depreciation	<u>(2,146,469)</u>	<u>(2,016,692)</u>
TOTAL CAPITAL ASSETS, NET	<u>1,644,151</u>	<u>1,754,312</u>
OTHER ASSETS		
Loan fees, net of accumulated amortization of \$107,700 and \$79,103, respectively	<u>-</u>	<u>28,597</u>
TOTAL ASSETS	<u>4,107,361</u>	<u>4,171,794</u>
DEFERRED OUTFLOWS		
Deferred outflows related to pensions	<u>72,490</u>	<u>-</u>
LIABILITIES		
CURRENT LIABILITIES		
Current portion of long-term debt	-	135,000
Accounts payable and accrued expenses	124,897	126,134
Deferred franchise fee revenue	<u>883,889</u>	<u>819,046</u>
TOTAL CURRENT LIABILITIES	1,008,786	1,080,180
NONCURRENT LIABILITIES		
Long-term debt, net of current portion	-	220,000
Net pension liability	<u>523,433</u>	<u>-</u>
TOTAL LIABILITIES	<u>1,532,219</u>	<u>1,300,180</u>
DEFERRED INFLOWS		
Deferred inflows related to pensions	<u>54,575</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	1,644,151	1,427,909
Unrestricted	<u>948,906</u>	<u>1,443,705</u>
TOTAL NET POSITION	<u><u>\$ 2,593,057</u></u>	<u><u>\$ 2,871,614</u></u>

See accompanying notes
to basic financial statements

NORTH METRO TELECOMMUNICATIONS COMMISSION
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
OPERATING REVENUES		
Cable operating franchise fees	\$ 1,097,160	\$ 1,064,802
PEG fees	<u>748,088</u>	<u>755,160</u>
TOTAL OPERATING REVENUES	<u>1,845,248</u>	<u>1,819,962</u>
OPERATING EXPENSES		
Franchise fee reimbursements, city members	320,000	320,000
Personnel	666,881	647,584
Employee benefits	248,607	223,391
Office	84,824	97,181
Legal fees	37,657	17,743
Other administrative costs	43,704	71,296
Vehicle	4,067	8,981
Production	35,797	26,730
Depreciation	175,452	173,908
Studio equipment expense	22,918	21,073
Amortization	<u>28,598</u>	<u>9,930</u>
TOTAL OPERATING EXPENSES	<u>1,668,505</u>	<u>1,617,817</u>
OPERATING INCOME	<u>176,743</u>	<u>202,145</u>
NON-OPERATING REVENUES (EXPENSES)		
Investment income	333	355
Other income	36,768	22,150
Interest expense	<u>(1,545)</u>	<u>(11,934)</u>
TOTAL NON-OPERATING REVENUE (EXPENSES)	<u>35,556</u>	<u>10,571</u>
CHANGE IN NET POSITION	<u>212,299</u>	<u>212,716</u>
NET POSITION, BEGINNING (as originally presented)	2,871,614	2,658,898
Cumulative effect of change in accounting principle	<u>(490,856)</u>	<u>-</u>
NET POSITION, BEGINNING (as restated)	<u>2,380,758</u>	<u>2,658,898</u>
NET POSITION, ENDING	<u><u>\$ 2,593,057</u></u>	<u><u>\$ 2,871,614</u></u>

NORTH METRO TELECOMMUNICATIONS COMMISSION
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from operations	\$ 1,924,710	\$ 1,828,739
Payments to suppliers and vendors	(535,471)	(559,471)
Payments to employees	(916,725)	(847,813)
Other non-operating receipts	<u>36,768</u>	<u>22,221</u>
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u>509,282</u>	 <u>443,676</u>
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(65,346)	(224,990)
Interest expense	(1,545)	(11,934)
Payments on debt	<u>(355,000)</u>	<u>(170,000)</u>
 NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	 <u>(421,891)</u>	 <u>(406,924)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	<u>333</u>	<u>355</u>
 NET CHANGE IN CASH AND INVESTMENTS	 87,724	 37,107
 CASH AND INVESTMENTS, BEGINNING	 <u>2,173,965</u>	 <u>2,136,858</u>
 CASH AND INVESTMENTS, ENDING	 <u><u>\$ 2,261,689</u></u>	 <u><u>\$ 2,173,965</u></u>
 RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 176,743	\$ 202,145
Adjustments:		
Depreciation	175,452	173,908
Amortization	28,598	9,930
Loss on disposal of capital assets	55	71
Pension expense	37,176	-
Other non-operating receipts	37,192	22,150
Net change in assets, liabilities, and deferred outflows of resources:		
Accounts receivable	14,619	(15,312)
Prepaid expenses	(1,220)	3,533
Accounts payable and accrued expenses	(1,237)	23,162
Deferred franchise fee revenue	64,843	24,089
Deferred outflows - contributions after the measurement date	<u>(22,939)</u>	<u>-</u>
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u><u>\$ 509,282</u></u>	 <u><u>\$ 443,676</u></u>

See accompanying notes to
basic financial statements

**NORTH METRO TELECOMMUNICATIONS COMMISSION
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING
POLICIES**

Nature of Activities:

The general purpose of the Commission is to award, administer and enforce a cable communications franchise in member municipalities located in the North Central region of the Twin Cities area in Minnesota. The Commission also administers and operates the cable television access functions of the franchise.

The Commission, being established by the joint powers agreement, is considered a governmental entity and as such is exempt from state and federal income taxes.

Measurement Focus, Basis of Accounting and Basis of Presentation:

The Commission has adopted Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, which establishes the financial reporting standards for all state and local government entities.

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting and reflect transactions on behalf of the Commission, the reporting entity. The Commission accounts for its operations as an enterprise fund. Operating revenue and expenses result from administering and enforcing the cable communications franchise and operating the cable television access function. All other revenue and expenses are reported as non-operating revenue and expenses.

The Commission has adopted the option to apply only those Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989 that do not conflict with or contradict GASB pronouncements.

Cash and Investments:

For the purpose of the statements of cash flows, the Commission considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Investments are reported at fair market value and consist of the Minnesota Municipal Money Market Fund (4M). The 4M Fund is a 2a7 external investment pool that is unrated and is exempt from risk disclosure reporting requirements under GASB 40.

The Commission has reported all investment income as non-operating revenue in the Statement of Revenues, Expenses, and Changes in Net Position.

NORTH METRO TELECOMMUNICATIONS COMMISSION
NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets:

Capital assets, which include property and equipment, are reported in the statements of net position. Capital assets are defined by the Commission as assets with an initial cost of more than \$500 and an estimated useful life in excess of two years. Capital assets are recorded at historical cost when purchased. Donated assets are recorded at their estimated fair market value on the date of donation.

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

Depreciation of exhaustible assets is provided on the straight-line basis over the following useful lives:

	<u>Years</u>
Building	39
Building improvements	5-39
Office and studio equipment	5-10
Vehicles	5

Revenues:

Commission revenue consists primarily of franchise fees and governmental access fees (PEG fees). Franchise fees are assessed to the cable operator during the year and are recognized as revenue in the following year. PEG fees are based on a negotiated contract with the cable operator and are recognized as revenue in the year concurrent with the contract.

Compensated Absences:

Vested or accumulated vacation and sick leave is accrued for all eligible employees based on their past service and amounted to \$98,366 and \$99,156, as of December 31, 2015 and 2014, respectively.

Accounts Receivable:

Bad debts are recorded on the allowance method based on historical experience and management's evaluation of outstanding accounts receivable. At December 31, 2015 and 2014, management considered all outstanding amounts to be fully collectible. Accordingly, there was no allowance for doubtful accounts.

Loan Fees:

Loan fees are amortized over the life of the loan.

NORTH METRO TELECOMMUNICATIONS COMMISSION
NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in these financial statements. Actual results could differ from those estimates.

Deferred Outflows of Resources:

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Commission has only one item that qualifies for reporting in this category. Accordingly, the one item, deferred outflows related to pensions, is reported only in the statements of net position. This item results from actuarial calculations and current year pension contributions made subsequent to the measurement date.

Pensions:

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

Deferred Inflows of Resources:

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Commission has only one item that qualifies for reporting in this category. Accordingly, the one item, deferred inflows related to pensions, is reported only in the statements of net position and results from actuarial calculations.

**NORTH METRO TELECOMMUNICATIONS COMMISSION
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING
POLICIES (continued)**

Subsequent Events:

In preparing these financial statements, the Commission has evaluated events and transactions for potential recognition or disclosure through April 28, 2016, the date the financial statements were available to be issued.

NOTE 2. DEPOSITS AND INVESTMENTS

Deposits:

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

Minnesota Statutes require that all deposits be protected by insurance, surety bonds, or collateral. If collateral is pledged as protection for the deposits, the market value of the collateral must at a minimum be 110% of the deposits not covered by insurance or bonds.

Authorized collateral includes the legal investments described below, as well as certain first mortgages, and certain other state or local government obligations. Minnesota statutes require that securities pledged as collateral be held in safekeeping by the Commission or in a financial institution other than that furnishing the collateral.

At December 31, 2015 and 2014, the Commission had no deposits. The entire bank balance was covered by federal depository insurance or collateral held by the Commission's agent in the Commission's name.

Investments:

At December 31, 2015 and 2014, investments included the following:

Description	2015	2014
External investment pool - 4M Fund	\$ 2,261,539	\$ 2,173,815

NORTH METRO TELECOMMUNICATIONS COMMISSION
NOTES TO FINANCIAL STATEMENTS

NOTE 3. FRANCHISE FEE REIMBURSEMENTS

Included within franchise fee reimbursements for the years ended December 31, 2015 and 2014 are the following amounts paid by the Commission to its city members that represent refunded franchise fees:

	2015	2014
City of Blaine	\$ 172,346	\$ 170,515
City of Centerville	10,683	10,641
City of Circle Pines	15,321	16,334
City of Ham Lake	44,666	44,301
City of Lexington	5,750	5,724
City of Lino Lakes	52,807	53,277
City of Spring Lake Park	18,427	19,208
	<u>\$ 320,000</u>	<u>\$ 320,000</u>

NOTE 4. CAPITAL ASSETS

A summary of changes in capital assets is as follows:

Description	Balance December 31, 2014	Increases	Decreases	Balance December 31, 2015
Land	\$ 225,700	\$ -	\$ -	\$ 225,700
Depreciable assets:				
Building	1,443,850	-	-	1,443,850
Building improvements	59,354	-	-	59,354
Office and studio equipment	1,955,034	65,346	(30,894)	1,989,486
Vehicles	87,066	-	(14,836)	72,230
Total depreciable assets	<u>3,545,304</u>	<u>65,346</u>	<u>(45,730)</u>	<u>3,564,920</u>
Accumulated depreciation:				
Building and improvements	(407,349)	(41,160)	-	(448,509)
Office and studio equipment	(1,541,820)	(127,072)	30,839	(1,638,053)
Vehicles	(67,523)	(7,220)	14,836	(59,907)
Total accumulated depreciation	<u>(2,016,692)</u>	<u>(175,452)</u>	<u>45,675</u>	<u>(2,146,469)</u>
Capital assets, net	<u>\$ 1,754,312</u>	<u>\$ (110,106)</u>	<u>\$ (55)</u>	<u>\$ 1,644,151</u>

NORTH METRO TELECOMMUNICATIONS COMMISSION
NOTES TO FINANCIAL STATEMENTS

NOTE 4. CAPITAL ASSETS (continued)

Description	Balance December 31, 2013	Increases	Decreases	Balance December 31, 2014
Land	\$ 225,700	\$ -	\$ -	\$ 225,700
Depreciable assets:				
Building	1,443,850	-	-	1,443,850
Building improvements	59,354	-	-	59,354
Office and studio equipment	1,742,318	224,990	(12,274)	1,955,034
Vehicles	87,066	-	-	87,066
Total depreciable assets	3,332,588	224,990	(12,274)	3,545,304
Accumulated depreciation:				
Building and improvements	(369,123)	(38,226)	-	(407,349)
Office and studio equipment	(1,426,592)	(127,431)	12,203	(1,541,820)
Vehicles	(59,272)	(8,251)	-	(67,523)
Total accumulated depreciation	(1,854,987)	(173,908)	12,203	(2,016,692)
Capital assets, net	\$ 1,703,301	\$ 51,082	\$ (71)	\$ 1,754,312

Depreciation expense charged to operations for the years ended December 31, 2015 and 2014 was \$175,452 and \$173,908, respectively.

NOTE 5. LONG-TERM DEBT

In August 2003, the member cities of the Commission issued Cable Franchise Revenue Bonds, Series 2003 for \$2,000,000 secured by a pledge of franchise fees and other revenue of the Commission. The bonds were issued to provide funds for the financing of the Commission's building and property. During August 2012, the Commission repaid the franchise revenue bonds outstanding and issued Cable Franchise Revenue Refunding Note, Series 2012 for \$840,000 secured by a pledge of franchise fees and other revenue of the Commission. Principal is payable in annual installments on December 1st from December 1st, 2012 through December 1st, 2016. Interest is due semi-annually on June 1st and December 1st. During 2015, the Commission repaid the remaining outstanding balance on the note.

NORTH METRO TELECOMMUNICATIONS COMMISSION
NOTES TO FINANCIAL STATEMENTS

NOTE 5. LONG-TERM DEBT (continued)

A summary roll-forward of bonds is as follows:

Balance 2014	Additions	Payments	Balance 2015
\$ 355,000	\$ -	\$ 355,000	\$ -
Balance 2013	Additions	Payments	Balance 2014
\$ 525,000	\$ -	\$ 170,000	\$ 355,000

NOTE 6. DEFINED BENEFIT PENSION PLANS - STATEWIDE

Plan Description:

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

General Employees Retirement Fund (GERF)

All full-time and certain part-time employees of the Commission are covered by the General Employees Retirement Fund (GERF). GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. The Basic Plan was closed to new members in 1967. All new members must participate in the Coordinated Plan.

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.

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. Members in plans that are at least 90% funded for two consecutive years are given 2.5% increases. Members in plans that have not exceeded 90% funded, or have fallen below 80%, are given 1% increases.

**NORTH METRO TELECOMMUNICATIONS COMMISSION
NOTES TO FINANCIAL STATEMENTS**

NOTE 6. DEFINED BENEFIT PENSION PLANS – STATEWIDE (continued)

The benefit provisions stated in the following paragraphs of this section are current provisions and apply to active plan participants. 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.

GERF Benefits

Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2% of average salary for each of the first ten years of service and 2.7% for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2% of average salary for each of the first ten years and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 2.7% of average salary for Basic Plan members and 1.7% for Coordinated Plan members for each year 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.

Contributions:

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

GERF Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in calendar year 2015. The Commission was required to contribute 7.50% for Coordinated Plan members in calendar year 2015. The Commission's contributions to the GERF for the year ended December 31, 2015, were \$45,452. The Commission's contributions were equal to the required contributions as set by state statute.

NORTH METRO TELECOMMUNICATIONS COMMISSION
NOTES TO FINANCIAL STATEMENTS

NOTE 6. DEFINED BENEFIT PENSION PLANS – STATEWIDE (continued)

GERF Pension Costs

At December 31, 2015, the Commission reported a liability of \$523,433 for its proportionate share of the GERF's net pension liability. The net pension liability was measured as of June 30, 2015, 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, 2014, through June 30, 2015, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2015, the Commission's proportionate share was 0.0101% which was a decrease of 0.0008% from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the Commission recognized pension expense of \$37,176 for its proportionate share of the GERF's pension expense.

At December 31, 2015, the Commission reported its proportionate share of the GERF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ -	\$ 26,390
Changes in actuarial assumptions	-	-
Difference between projected and actual earnings on plan investments	49,551	-
Changes in proportion	-	28,185
Contributions to GERF subsequent to the measurement date	<u>22,939</u>	<u>-</u>
Total	<u>\$ 72,490</u>	<u>\$ 54,575</u>

NORTH METRO TELECOMMUNICATIONS COMMISSION
NOTES TO FINANCIAL STATEMENTS

NOTE 6. DEFINED BENEFIT PENSION PLANS – STATEWIDE (continued)

\$22,939 reported as deferred outflows of resources related to pensions resulting from the Commission's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2016	\$ (5,804)
2017	(5,804)
2018	(5,804)
2019	12,387
2020	-
Thereafter	-

Actuarial Assumptions:

The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.75% per year
Active Member Payroll Growth	3.50% per year
Investment Rate of Return	7.90%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disabilitants were based on RP-2000 tables for males or females, as appropriate, with slight adjustments. Cost of living benefit increases for retirees are assumed to be: 1% effective every January 1st until 2034, then 2.5% for GERP thereafter.

Actuarial assumptions used in the June 30, 2015 valuation were based on the results of actuarial experience studies. The experience study in the GERP was for the period July 1, 2004, through June 30, 2008, with an update of economic assumptions in 2014. Experience studies have not been prepared for the PERA's other plans, but assumptions are reviewed annually.

There were no changes in actuarial assumptions in 2015.

The long-term expected rate of return on pension plan investments is 7.9%. The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis 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.

NORTH METRO TELECOMMUNICATIONS COMMISSION
NOTES TO FINANCIAL STATEMENTS

NOTE 6. DEFINED BENEFIT PENSION PLANS – STATEWIDE (continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	Target Allocation	Long-term Expected Real Rate of Return
Domestic stocks	45%	5.50%
International stocks	15%	6.00%
Bonds	18%	1.45%
Alternative assets	20%	6.40%
Cash	2%	0.50%
	<hr/>	
Total	<u>100%</u>	

Discount Rate:

The discount rate used to measure the total pension liability was 7.9%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. 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.

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 (6.9%)	Discount Rate (7.9%)	1 % Increase in Discount Rate (8.9%)
Commission's Proportionate Share of the GERS Net Pension Liability:	\$ 823,025	\$ 523,433	\$ 276,019

**NORTH METRO TELECOMMUNICATIONS COMMISSION
NOTES TO FINANCIAL STATEMENTS**

NOTE 6. DEFINED BENEFIT PENSION PLANS – STATEWIDE (continued)

Pension Plan Fiduciary Net Position:

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the internet at www.mnpera.org, by writing to PERA, 60 Empire Drive, #200, St. Paul, MN 55103-2088 or by calling 651-296-7460 or 1-800-652-9026.

NOTE 7. 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; injuries to employees; and natural disasters for which the Commission carries insurance. There were no significant reductions in insurance from the previous year or settlements in excess of insurance.

NOTE 8. CHANGE IN ACCOUNTING PRINCIPLE

During 2015, the Commission implemented several new accounting pronouncements issued by the Government Accounting Standards Board (GASB), including Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*, for the year ended December 31, 2015. GASB 68 addresses accounting and financial reporting for pension plans that are provided to employees of state and local governments. The standards require the Commission to record its share of the net pension liability of defined benefit pension plans, as well as any corresponding deferred inflows and outflows of resources.

These standards required a retroactive implementation which resulted in a decrease in net position to record the net pension liability and deferred outflow of resources at the beginning of the year. Certain amounts necessary to fully restate the 2014 financial statements are not determinable and, therefore, prior year comparative amounts have not been restated.

NORTH METRO TELECOMMUNICATIONS COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Franchise fees	\$ 1,050,000	\$ 1,050,000	\$ 1,097,160	\$ 47,160
PEG fees	730,000	730,000	748,088	18,088
Interest	300	300	333	33
Other	20,000	20,000	36,768	16,768
Transfers from reserves	313,825	313,825	-	(313,825)
TOTAL REVENUES	<u>2,114,125</u>	<u>2,114,125</u>	<u>1,882,349</u>	<u>(231,776)</u>
EXPENDITURES				
Franchise fee reimbursements	320,000	320,000	320,000	-
Personnel	670,554	670,554	666,881	3,673
Employee benefits	238,288	238,288	233,945	4,343
Office	92,400	92,400	86,369	6,031
Legal fees	100,000	100,000	37,657	62,343
Other administrative costs	59,500	59,500	43,704	15,796
Vehicle	9,500	9,500	4,067	5,433
Production	30,000	30,000	35,797	(5,797)
Capital expenditures	594,095	594,095	443,264	150,831
TOTAL EXPENDITURES	<u>2,114,337</u>	<u>2,114,337</u>	<u>1,871,684</u>	<u>242,653</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (212)</u>	<u>\$ (212)</u>	10,665	<u>\$ 10,877</u>
Plus effect of capital assets purchased			65,346	
Plus effect of debt service			355,000	
Less effect of depreciation			(175,452)	
Less effect of amortization			(28,598)	
Less effect of net pension liability			<u>(14,662)</u>	
CHANGE IN NET POSITION (GAAP BASIS)			<u>\$ 212,299</u>	

NORTH METRO TELECOMMUNICATIONS COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Franchise fees	\$ 1,015,000	\$ 1,015,000	\$ 1,064,802	\$ 49,802
PEG fees	710,000	710,000	755,160	45,160
Interest	300	300	355	55
Other	138,339	138,339	22,150	(116,189)
TOTAL REVENUES	<u>1,863,639</u>	<u>1,863,639</u>	<u>1,842,467</u>	<u>(21,172)</u>
EXPENDITURES				
Franchise fee reimbursements	320,000	320,000	320,000	-
Personnel	635,729	635,729	647,584	(11,855)
Employee benefits	223,572	223,572	223,391	181
Office	92,200	92,200	109,115	(16,915)
Legal fees	35,000	35,000	17,743	17,257
Other administrative costs	81,000	81,000	71,296	9,704
Vehicle	7,500	7,500	8,981	(1,481)
Production	29,000	29,000	26,730	2,270
Capital expenditures	439,638	439,638	416,063	23,575
TOTAL EXPENDITURES	<u>1,863,639</u>	<u>1,863,639</u>	<u>1,840,903</u>	<u>22,736</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	1,564	<u>\$ 1,564</u>
Plus effect of capital assets purchased			224,990	
Plus effect of debt service			170,000	
Less effect of depreciation			(173,908)	
Less effect of amortization			(9,930)	
CHANGE IN NET POSITION (GAAP BASIS)			<u>\$ 212,716</u>	

**NORTH METRO TELECOMMUNICATIONS COMMISSION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

BUDGETARY INFORMATION

The Board of Commissioners adopts an annual legal budget for the Commission's enterprise funds. The budget for the funds is prepared on the modified accrual basis and includes capital outlays and debt service as expenditures. Additionally, the funds do not include depreciation and amortization as a budgetary expenditure. The reconciliation of the modified accrual basis (budgetary basis) to GAAP basis is found at the bottom of the schedules. Budgetary level of control is exercised at the overall budget level. During the years ended December 31, 2015 and 2014, the Commission did not approve any specific budget adjustments.

NORTH METRO TELECOMMUNICATIONS COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S PERA CONTRIBUTIONS
For the Year Ended December 31, 2015

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered- Employee Payroll (d)	Contributions as a Percentage of Covered- Employee Payroll (b/d)
December 31, 2015	\$ 45,452	\$ 45,452	\$ -	\$ 606,027	7.50%

* Schedule is to be provided prospectively beginning with the employer'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.

NORTH METRO TELECOMMUNICATIONS COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S SHARE OF PERA NET PENSION LIABILITY
For the Year Ended December 31, 2015

Measurement Date	Fiscal Year Ending	Employer's Proportion (Percentage) of the Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset)	Employer's Proportionate Share		Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
				Employer's Covered- Employee Payroll (b)	of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll (a/b)	
June 30, 2015	December 31, 2015	0.0101%	\$ 523,433	\$ 606,027	86.4%	78.2%

* Schedule is to be provided prospectively beginning with the employer'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.

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

To the Board of Commissioners
North Metro Telecommunications Commission
Blaine, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of North Metro Telecommunications Commission (the Commission), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise North Metro Telecommunications Commission's basic financial statements and have issued our report thereon dated April 28, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies and listed as items 2015-1 and 2015-2 on the Schedule of Findings and Responses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

North Metro Telecommunications Commission's Response to the Findings

North Metro Telecommunications Commission's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Commission's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Harrington Langer & Associates

April 28, 2016

NORTH METRO TELECOMMUNICATIONS COMMISSION
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended December 31, 2015

2015-1 Lack of Segregation of Duties

Condition: North Metro Telecommunications Commission does not have adequate internal accounting controls in certain areas because of a lack of segregation of duties.

Criteria: Internal controls should provide a good system of internal accounting controls that contemplate an adequate segregation of duties so that no one individual handles a transaction from its inception to its completion.

Cause: This condition is common to organizations of this size due to the limited number of office personnel.

Effect: The lack of segregation of duties may not provide an effective system of internal accounting control necessary to prevent and detect errors and irregularities.

Recommendation: Management should provide close supervision and review of accounting policies and procedures and financial information. The Board of Commissioners should monitor the activities of the Commission by receiving interim financial statements and provide oversight to the financial reporting process. Any modifications of internal controls in this area should be reviewed from a cost/benefit perspective.

Management Response: Management will continue to implement segregation of duties to the extent possible. Management and the Board of Commissioners will continue to provide oversight to the financial reporting process.

2015-2 Financial Reporting Process

Condition: Like many similarly sized organizations, North Metro Telecommunications Commission has requested assistance from us, the auditors, with drafting financial statements and the related notes.

Criteria: Internal controls should provide a good system of internal accounting controls that includes the preparation of the financial statements and footnotes.

Effect: This control deficiency increases the possibility that errors and irregularities in the presentation of the financial statements and footnotes may not be detected on a timely basis.

Recommendation: The outsourcing of these services is not unusual to organizations of this size and is a result of management's cost-benefit decision to rely on our accounting expertise rather than incurring this internal resource cost. Management and the Board of Commissioners should continue to monitor the activities of the Commission by reviewing the financial statements and related notes and providing oversight to the financial reporting process.

Management Response: Management is aware of the situation, but a cost-benefit analysis of the issue does not currently support the allocation of additional employees or resources at this time. Certain other safeguards are currently maintained (management oversight and review of draft financial statements) which provide satisfactory mitigation of the issue.

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INDEPENDENT AUDITOR'S REPORT ON MINNESOTA LEGAL COMPLIANCE

To the Board of Commissioners
North Metro Telecommunications Commission
Blaine, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of North Metro Telecommunications Commission as of and for the year ended December 31, 2015, and the related notes to the financial statements, and have issued our report thereon dated April 28, 2016.

The *Minnesota Legal Compliance Audit Guide for Political Subdivisions*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, contains six categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, and miscellaneous provisions. Our audit included all of the listed categories.

In connection with our audit, nothing came to our attention that caused us to believe that North Metro Telecommunications Commission failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for Political Subdivisions*. 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 the Commission's noncompliance with the above referenced provisions.

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.

Harrington Langer & Associates

April 28, 2016

**NORTH METRO
TELECOMMUNICATIONS COMMISSION
MANAGEMENT LETTER
December 31, 2015**

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Jesse Fraley, CPA



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MANAGEMENT LETTER

To the Management and Board of Directors
North Metro Telecommunications Commission
Blaine, Minnesota

In planning and performing our audit of the financial statements of North Metro Telecommunications Commission as of and for the year ended December 31, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered North Metro Telecommunications 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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 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. We did not identify any deficiencies in internal control that we considered to be material weaknesses.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies presented in the attachment to this letter to be significant deficiencies in internal control.

In addition, during our audit, we noted certain matters involving internal control that are presented for your consideration. This letter does not affect our report dated April 28, 2016 on the financial statements of North Metro Telecommunications Commission. We will review the status of these comments during our next audit engagement. Our comments, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, perform any additional

study of these matters, or assist you in implementing the recommendations. Our comments are summarized in the attachment to this letter.

We sincerely appreciate the opportunity to provide services to the Commission and hope you find the information included in this correspondence useful and informative. If you have any questions or wish to discuss any of the items further, please let us know.

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

Harrington Langer & Associates

April 28, 2016

I. Internal Control Deficiencies

Segregation of Duties: Our consideration of internal control disclosed that North Metro Telecommunications Commission has an inherent deficiency associated with the size of its accounting function that we consider to be a significant deficiency.

The size of the Commission is such that optimum internal control achieved through adequate segregation of incompatible duties among accounting personnel is not feasible. Although the Commission has implemented policies and procedures to mitigate for the lack of segregation of duties, the Organization does not meet the criteria (as pronounced by the American Institute of Certified Public Accountants) for segregation of duties in its accounting function. As such, management and the Board of Commissioners should maintain sufficient oversight to avoid errors and irregularities. This situation is common to organizations of this size and any changes should be reviewed from a cost-benefit perspective.

Financial Reporting Process: Our consideration of internal control disclosed that North Metro Telecommunications Commission has a significant deficiency associated with the financial reporting process.

Management is responsible for establishing and maintaining internal controls and for the fair presentation of the financial statements and disclosures, in conformity with U.S. generally accepted accounting principles (GAAP). Like many similarly sized organizations, management has requested assistance from us, the auditors, with drafting financial statements and related notes. The outsourcing of these services is not unusual in organizations of this size and is a result of management's cost-benefit decision to rely on our accounting expertise rather than incurring this internal resource cost. This increases the possibility that errors and irregularities may not be detected on a timely basis.

Management Response:

Management is aware of these situations, but a cost-benefit analysis of the issues does not currently support the allocation of additional employees or resources at this time. Certain other safeguards are currently maintained (management oversight and review of draft financial statements) which provide satisfactory mitigation of the issues.

The Commission's response to the significant deficiencies identified in our audit has not been subjected to the audit procedures applied in our audit of the financial statements and, accordingly, we express no opinion on it.

II. Required Communications

We have audited the financial statements of North Metro Telecommunications Commission for the year ended December 31, 2015, and have issued our report thereon dated April 28, 2016. 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 January 26, 2016. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Principles

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. The requirements of GASB statements No. 68 and No. 71 were adopted in 2015. The application of existing policies was not changed during the year. 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 except for the prior period restatement in Note 8 related to the implementation of GASB statements No. 68 and No. 71.

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. Their most significant estimate affecting the financial statements was the estimate of pension liability.

- Management's estimate of its pension liability is based on several factors, but not limited to, anticipated investment return rate, retirement age for active employees, life expectancy, salary increases, and form of annuity payment upon retirement. The allocation of the pension liability is based on the Commission's proportionate share of employer contributions to the pension plans.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole. The financial statement disclosures are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. We proposed audit adjustments to adjust the Commission's financial statements from the modified accrual basis of accounting to the full accrual basis of accounting based on information provided by management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the Commission's 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 28, 2016.

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 Issues or Findings

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 Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

North Metro TV

April 2016 Update

Program Production

In April, a total of **66 new programs** were produced utilizing the North Metro facilities, funds, and services. This constitutes **56:45:00 hours of new programming**.

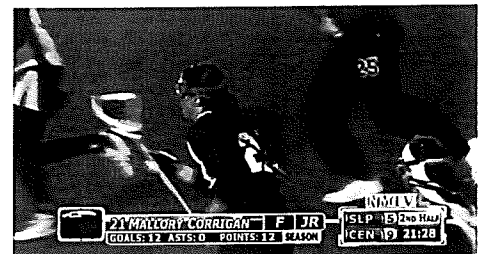
- 28 programs were produced by the public
- 16 programs were produced by NMTV staff
- 22 programs were produced by City staff



Van Shoots

The van was used for **20:30:00 hours of production**. The following events were videotaped:

- Boys Tennis: Centennial vs. Blaine
- Boys Lacrosse: Andover vs. Spring Lake Park
- Baseball: Osseo vs. Blaine
- Girls Lacrosse: Spring Lake Park vs. Centennial



Workshops

Workshop	Instructor	Organization	Students
Editing	Eric Houston	General Public	1
Doc Workshop Week 1	Eric Houston	Video Club	10
Camera	Eric Houston	General Public	1
Spring Session	Eric Houston	Davinci Academy	8
Doc Workshop Week 2	Eric Houston	Video Club	8
Spring Session	Eric Houston	Davinci Academy	8
Blue Screen	Eric Houston	General Public	1
Spring Session	Eric Houston	Davinci Academy	6
Production Workshop	Eric Houston	Northside Christian School	14
Doc Workshop Week3	Eric Houston	Video Club	8
Spring Session	Eric Houston	Davinci Academy	6
Production Workshop	Eric Houston	Northside Christian School	13
Spring Session	Eric Houston	Davinci Academy	8
Production Workshop	Eric Houston	Northside Christian School	10
Doc Workshop Week 4	Eric Houston	Video Club	8
Spring Session	Eric Houston	Davinci Academy	6

Workshop cont.	Instructor cont.	Organization cont.	Students cont
Movie Screening & Discussion	Eric Houston	Video Club	8
Production Workshop	Eric Houston	Northside Christian School	14
18 Workshops			137 Students

Home Movie Transfers

Home movie transfers have become one of our most popular services. Residents can transfer their family videos at North Metro TV themselves for free, or pay NMTV to do it. Most participants want to do it themselves.

Month	Hours Transferred	Tapes	Film	DVDs	Fees Paid
January	262.25	137	54		\$950
February	124.0	37	43		\$110
March	288.5	129	21		\$225
April	243.0	106	23	69	\$525

Public Usage Stats

For statistical purposes, the public access department documents total numbers of unique individuals and total hours of usage of the facility by the general public, every month. These numbers include regular users, class participants, individuals transferring videos, people who attend events, and any other public usage of the facility. The numbers do not take into account the many members of the public who work with any other NMTV department, such as news, sports, outreach, or educational.

Month	Unique Individuals	Total Usage Hours
January	100	746.75
February	52	314.25
March	77	688.00
April	85	759.25

Production Highlights

NMTV News Highlights

Each week Danika Peterson and Ben Hayle create a news program that highlights events, people, issues, and information important to citizens of the our Member Cities. Some April highlights include SBM Fire Chief Nyle Zikmund's retirement, the Senior Safety Fair, Spring Lake Park's school bond referendum, and the MN United FC's new season. In addition to daily playbacks of North Metro TV News on the cable system, there are over 270 local stories archived for viewers on the NMTV YouTube page. The page can be accessed through the northmetrotv.com website.

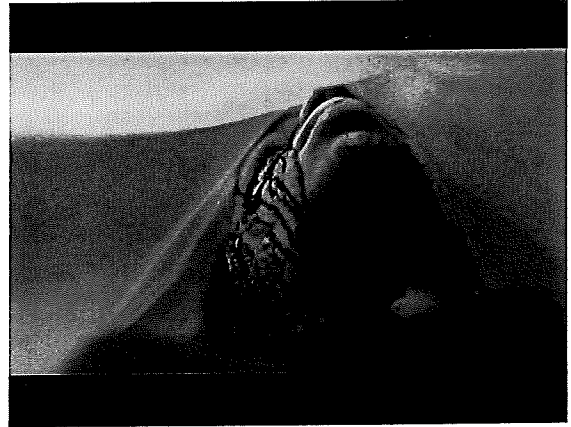


Workshops

Studio Manager, Eric Houston, had a very busy teaching month. Eighteen classes for 137 students occupied a great deal of his time. The very popular Documentary Workshop started, along with two class series taught on location. The Spring Session of the Davinci Academy's after school production series began, along with a production series for students at the Northside Christian School. Both on location classes have been focusing on recording sound. Lessons have included recording sound effects and dialog. The final project will have the students replacing all of the sound from an old movie with their recordings. Eric's on location classes have been a big hit with the schools that have taken advantage of them.

Arrive Alive

T.J. has wrapped up work on this year's version of Arrive Alive. In total three programs will come of the event. The first is the ten minute movie version that was presented to the student body. The second is a YouTube version for the Blaine Police Department, and the third includes the movie, the presentation of the movie to the students, an interview with Officer Steven Nanney explaining the purpose of the program, and finally the reading of letters from the parents and children involved in the presentation. It always ends up being a very emotional program. T.J. really outdid himself this time around. Please check out the 10 minute film version on the northmetrotv.com website. I promise you will be impressed.

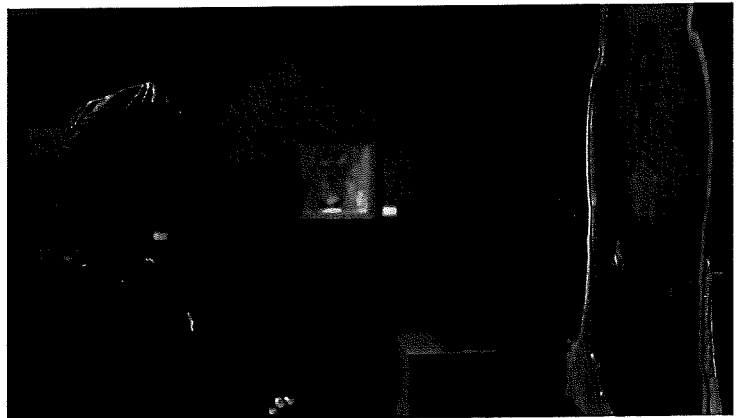


Just Kidding Just Fine And Other Lies

The production of Just Kidding Just Fine and Other Lies is now available for viewing and check-out at every Anoka County Library. The program was a collaboration between the Spring Lake Park student group "The Voice" and North Metro TV.

Art and Culture Series

Damian Kussian completed work on two more artist shorts, highlighting Nick Harper and Aldo Moroni. The shorts are teasers for the Art and Culture Series, "Make." The shorts are featured on the North Metro TV website and are being promoted heavily on social media. So far, 14,355 people have watched them on-line. The response has been very positive. The shorts will be expanded upon and combined into a feature length documentary about the artists and artist culture in the Twin Cities.



PR bits and pieces

- Created shorts for two more artists that will be featured in the Art and Culture series Make.
- Shot additional artist interviews.
- Created a program for the Legislative Session for the Metro North Chamber of Commerce.

Production equipment consulting for cities and schools

Ham Lake (6 hrs)

- Retuned the control room FM receiver to a non-commercial station.
- Purchased parts and built cabling for modulator install in training room.
- Purchased and installed new monitors in control room to replace old monitors.

Lexington (2 hrs)

- SCALA system down. No one knows password to reboot. Have new AV operator who needs training on how to switch from SP-51 to live and make recording.

Spring Lake Park (2 hrs)

- Audio to master control low. Adjusted Comcast modulator audio. Also confirmed quality of video signal.

Blaine (2 hrs)

- Pursued Alpha Video to produce and submit the proposal for the Blaine HD upgrade. Read over proposal and made evaluations. Called Roark to set up a meeting to go over the proposal with Alpha.

Computer/Networking consulting for cities and schools**Ham Lake**

- SCALA down. Get it back up and operational.

Lexington

- Train new AV person on SCALA operation.

City Channel 16 Playback Stats

City	Number of Times Programs Played	Hours Programmed on Channel
Blaine	165	255:09:58
Centerville	10	22:34:46
Circle Pines	143	104:02:30
Ham Lake	52	33:38:28
Lexington	68	36:52:01
Lino Lakes	27	35:09:24
Spring Lake Park	128	103:57:48
Totals:	593 Program Playbacks	591:24:55 Hours of Video Programming on Channels

Programs Produced by the Public

Title	Producer	Runtime
Positive Investigations: Blaine Fest	Fran Sorensen	00:51:50
Hodge Podge: John Krantz- Woodsman	Laurie Sigler	00:43:23
NMTV Video Tips & Tricks: Interview Backgrounds	NMTV Video Club	00:02:14
Marriage Partners (3 episodes)	Kevin Eggerth	02:22:40
A Fresh New Day	Anita Wardlaw	00:31:25
Grace to Overcome	Doug Martin	00:20:29
Giving to Grace Christian Center (2 episodes)	Stevie Lindsey	01:12:53
Cornerstone Church (3 episodes)	Rick Bostrom	01:27:47
Lovepower (6 episodes)	Ann Sandell	06:00:00
The Power of Love (6 episodes)	Rick Larson	03:00:00
Rice Creek Watershed District Meeting	Theresa Stasica	01:10:00
Hope Church (2 episodes)	Cindy Hardy	01:12:38
28 New Programs		18:55:19 New Hours

Programs Produced by NMTV Staff

Title	Producer	Runtime
Anoka County Board Meeting (4/12/16)	T.J. Tronson	00:50:41
Anoka County Board Meeting (4/26/16)	T.J. Tronson	00:23:25
Centennial Fire Awards	T.J. Tronson	01:28:02
Arrive Alive	T.J. Tronson	00:10:00
North Metro TV News (3 episodes)	Danika Peterson/Ben Hayle	01:06:46
On Tap	Ben Hayle	00:24:43
Metro North Chamber Leg. Reception	P. 52 Amian Kussian	00:02:48

Title cont.	Producer cont.	Runtime cont.
Artist Dick Harper	Damian Kussian	00:03:43
Artist Aldo Moroni	Damian Kussian	00:03:42
Discover Aviation Days Promo	Damian Kussian	00:00:30
Boys Tennis: Centennial/Blaine	Kenton Kipp/Matt Waldron	01:27:48
Boys Lacrosse: Andover/Spring Lake Park	Kenton Kipp/Matt Waldron	01:49:12
Baseball: Osseo/Blaine	Kenton Kipp/Matt Waldron	02:00:50
Girls Lacrosse: Spring Lake Park/Centennial	Kenton Kipp/Matt Waldron	01:31:24
16 New Programs		11:23:34 New Hours

Programs Produced by City Staff

Title	Producer	Runtime
Blaine City Council Meeting (4/7/16)	Blaine Staff	01:26:36
Blaine Planning Commission Meeting (4/12/16)	Blaine Staff	01:49:05
Blaine City Council Meeting (4/21/16)	Blaine Staff	02:31:41
Blaine Park Board Meeting (4/26/16)	Blaine Staff	01:09:33
Centerville City Council Meeting (4/13/16)	Centerville Staff	02:49:58
Centerville City Council Meeting (4/27/16)	Centerville Staff	00:55:00
Circle Pines Park Board Meeting (4/5/16)	Circle Pines Staff	00:55:00
Circle Pines City Council Meeting (4/12/16)	Circle Pines Staff	00:33:00
Circle Pines Utility Commission Meeting (4/20/16)	Circle Pines Staff	00:39:42
Circle Pines City Council Meeting (4/26/16)	Circle Pines Staff	00:40:51
Ham Lake City Council Meeting (4/4/16)	Ham Lake Staff	00:38:00
Ham Lake Planning Commission Meeting (4/11/16)	Ham Lake Staff	00:30:43
Ham Lake City Council Meeting (4/18/16)	Ham Lake Staff	00:32:34
Ham Lake Planning Commission Meeting (4/25/16)	Ham Lake Staff	01:18:01
Lexington City Council Meeting (4/7/16)	Lexington Staff	00:40:08
Lexington City Council Meeting (4/21/16)	Lexington Staff	00:20:59
Lino Lakes Planning & Zoning Meeting (4/9/16)	Lino Lakes Staff	03:17:04
Lino Lakes City Council Meeting (4/11/16)	Lino Lakes Staff	01:19:22
Lino Lakes City Council Meeting (4/25/16)	Lino Lakes Staff	00:59:29
Spring Lake Park City Council Meeting (4/4/16)	Spring Lake Park Staff	00:28:59
Spring Lake Park City Council Meeting (4/18/16)	Spring Lake Park Staff	00:56:57
Spring Lake Park Planning Commission Meeting (4/25/16)	Spring Lake Park Staff	00:41:27
22 New Programs		26:14:09 New Hours

If you have any questions or comments regarding this monthly report please contact Heidi Arnson at 763.231.2801 or harnson@northmetrotv.com.

NORTH METRO TV

Production Statistics 2016

Programming Statistics														15 Average	
	J	F	M	A	M	JU	A	S	O	N	D	15 Total			
Cablecast Programs	2675.00	2467.00	2555.00	2472.00								10169.00		847.42	
Cablecast Hours	1820.00	1845.00	1840.25	1912.00								7417.25		618.10	
Programs Produced - Public	42.00	19.00	24.00	25.00								110.00		9.17	
Program Hours Produced - Public	29.50	10.75	10.75	16.50								67.50		5.63	
Prog. Produced - Affiliated Public	6.00	9.00	8.00	3.00								26.00		2.17	
Prog. Hours Produced - Affil. Public	5.50	7.75	6.50	2.50								22.25		1.85	
Programs Produced - City Staff	23.00	22.00	21.00	22.00								88.00		7.33	
Program Hours Produced - City Staff	18.00	21.00	15.75	26.25								81.00		6.75	
Programs Produced - NMTV Staff	20.00	24.00	17.00	16.00								77.00		6.42	
Program Hours Produced - NMTV Staff	20.25	24.00	8.50	11.50								64.25		5.35	
Total Public Programs Produced	48.00	28.00	32.00	28.00								136.00		11.33	
Total Staff Programs Produced	43.00	46.00	38.00	38.00								165.00		13.75	
Total Internal Programs Produced	91.00	74.00	70.00	66.00								301.00		25.08	
% Staff Produced Programs	47.25%	62.16%	54.29%	57.58%								54.82%		54.82%	
% Public Produced Programs	52.75%	37.84%	45.71%	42.42%								45.18%		45.18%	
External Programs Submitted	34.00	37.00	40.00	33.00								144.00		12.00	
External Program Hours	22.50	22.75	25.50	23.00								93.75		7.81	
Total New Programs	125.00	111.00	110.00	99.00								445.00		37.08	
Equipment Usage Statistics															
Facility Hours Available	219.00	185.00	240.50	232.00								876.50		73.04	
Public Field Equipment Uses	9.00	9.00	6.00	14.00								38.00		3.17	
Studio A	115.25	90.00	123.50	99.00								427.75		35.65	
% of Available Time	52.63%	48.65%	51.35%	42.67%								48.80%		48.80%	
Studio B	15.25	0.00	3.00	16.50								34.75		2.90	
% of Available Time	6.96%	0.00%	1.25%	7.11%								3.96%		3.96%	
Public MAC A Edit Suite	159.75	82.00	145.75	154.75								542.25		45.19	
% of Available Time	72.95%	44.32%	60.60%	66.70%								61.87%		20.31%	
Public MAC B Edit Suite	96.25	25.75	42.00	38.00								202.00		16.83	
% of Available Time	43.95%	13.92%	17.46%	16.38%								23.05%		23.05%	
Public MAC C Edit Suite	187.75	63.50	291.00	258.75								801.00		66.75	
% of Available Time	85.73%	34.32%	121.00%	111.53%								91.39%		91.39%	
Production Van Statistics															
Production Hours	45.50	52.75	6.50	20.50								125.25		10.44	
Number of Van Shoots	8.00	8.00	1.00	4.00								21.00		1.75	
Average Hours Per Shoot	5.69	6.59	6.50	5.13								5.96		0.87	
Number of New Volunteers	7.00	6.00	0.00	2.00								15.00		1.25	
Volunteer Hours	58.00	140.00	18.00	39.00								255.00		21.25	
Public Access Statistics															
Number of Workshops	21.00	2.00	13.00	18.00								54.00		4.50	
Number of Students	76.00	17.00	61.00	137.00								291.00		24.25	
PAP Volunteer Hours	266.50	121.00	140.75	153.75								682.00		56.83	
Total Public Facility Usage Hours	746.75	314.25	688.00	759.25								2508.25		209.02	
Tours	0.00	0.00	0.00	0.00								0.00		0.00	
Tour Attendees	0.00	0.00	0.00	0.00								0.00		0.00	

North Metro TV

March 2016 Update

Program Production

In March, a total of **70 new programs** were produced utilizing the North Metro facilities, funds, and services. This constitutes **41:30:00 hours of new programming**.

- 32 programs were produced by the public
- 17 programs were produced by NMTV staff
- 21 programs were produced by City staff



Van Shoots

The van was used for **6:30:00 hours of production**. The following events were videotaped:

- Boys Basketball: 7AAAA Championship: Forest Lake vs. Blaine



Workshops

Workshop	Instructor	Organization	Students
Movie Screening & Discussion	Eric Houston	Video Club	7
Non-linear Editing	Eric Houston	General Public	1
Intro to NMTV	Eric Houston	General Public	7
Non-linear Editing	Eric Houston	General Public	1
Camera	Eric Houston	General Public	7
Intro to NMTV	Eric Houston	SLP HS Drama Department	2
Intro to NMTV	Eric Houston	General Public	3
Studio A	Eric Houston	General Public	2
Camera	Eric Houston	General Public	2
Tips & Tricks Video Shoot	Eric Houston	Video Club	7
Studio A	Eric Houston	General Public	3
Intro to Final Cut X	Eric Houston	Video Club	7
Emmy Judging	Eric Houston	Video Club	12
13 Workshops			61 Students

Home Movie Transfers

Home movie transfers have become one of our most popular services. Residents can transfer their family videos at North Metro TV themselves for free, or pay NMTV to do it. Most participants want to do it themselves.

Month	Hours Transferred	Tapes	Film	Fees Paid
January	262.25	137	54	\$950
February	124.0	37	43	\$110
March	288.5	129	21	\$225

Public Usage Stats

For statistical purposes, the public access department documents total numbers of unique individuals and total hours of usage of the facility by the general public, every month. These numbers include regular users, class participants, individuals transferring videos, people who attend events, and any other public usage of the facility. The numbers do not take into account the many members of the public who work with any other NMTV department, such as news, sports, outreach, or educational.

Month	Unique Individuals	Total Usage Hours
January	100	746.75
February	52	314.25
March	77	688.00

Production Highlights

NMTV News Highlights

Each week Danika Peterson and Ben Hayle create a news program that highlights events, people, issues, and information important to citizens of our Member Cities. Some March highlights include Westwood Middle School's STEM students building hovercrafts, youth intervention events, sharing food with neighbors, Kira the hawk at the Wargo Nature Center, Lexington and Spring Lake Park municipal liquor stores, and the Marco Rubio rally and MN caucuses. In addition to daily



playbacks of North Metro TV News on the cable system, there are over 260 local stories archived for viewers on the NMTV YouTube page. The page can be accessed through the northmetrotv.com website.

Emmy Judging Class

Studio Manager, Eric Houston, provided members of the NMTV Video Club with a unique learning experience in March. He was named a Regional Emmy Judge and invited Club Members to observe the judging process. After two NMTV public access programs were nominated for Regional Emmy Awards last year, many producers expressed interest in learning more about the nomination process. During the class, Eric live judged two entries from the lower New England region. Students were able to judge along with Eric, learn how the Regional Emmys work, and have questions answered about how to enter programs. The Class was a fun way for community producers to "look behind the curtains" of a major industry award that they are all eligible to enter.

Discover Aviation Days

Outreach Coordinator, Damian Kussian, worked with the folks at the Anoka County Airport to create a new promo for this year's Discover Aviation Days events. In exchange, NMTV will be promoted on all Aviation Days marketing materials, the website and in event emails. NMTV has had a long relationship with Aviation Days, and have held screenings of our historical airplane documentaries during the event in the past.



NMTV Promos

T.J. Tronson has been working on a series of promos for North Metro TV. He completed five of those promos in March. They involve staff, community producers, representatives of police, cities, and schools talking about their experiences with NMTV and how that relationship has benefitted the community.

Sports Den Winter Season Finale

The hour-and-a-half long, live, Sports Den Winter Finale went out live on Monday, March 21st. Once again, the studio was filled with student athletes from Blaine, Centennial, and Spring Lake Park High Schools, along with parents, friends and coaches. The show included highlights from the hockey, wrestling, gymnastics and basketball seasons and interviews. Each student athlete was brought onto the set and asked questions



about the past season and their future goals. The students all received a Sports Den athletic shirt and a dvd copy of the program to thank them for attending and for being a fan of Sports Den. The shirts are very popular with student athletes and serve as an excellent source of promotion for NMTV and Sports Den.

PR bits and pieces

- Created a promo for Discover Aviation Days.
- Met with Mike Ericson and Gaugh Companies representative Lou Suskie to work on video message. Also met with Centerville business owners in preparation for video.
- Created ad and bought 300 souvenir cups for high school football games.
- Continue work on artist vignettes for "Make."
- Signed up sponsors for Sports Den Winter season finale.

Production equipment consulting for cities and schools

Centerville (2 hrs)

- Returned DVD recorder back to service. Successfully made several test recordings.

Blaine (2 hrs)

- Met with Roark Haver and Alpha engineer to assess the City's needs for an HD equipment upgrade estimate.

Ham Lake (7 hrs)

- Loss of signal. Signal to modulator in head-end good. Contacted Comcast. Problem discovered down the line.
- Ceiling projector displaying a jittery output. Found failing component and will order replacement.
- Looked into connecting the cable system modulator and running their consoles A/V signals to the modulator.
- Studied Emergency Services room to **page 5** system operation. Will create simple "users guide."

- Measured cable lengths and determined hardware needs for training room connection to new modulator. Took pictures of system and studied system drawings to being training manual creation.

Computer/Networking consulting for cities and schools

Ham Lake

- SCALA down. Reboot on site.

City Channel 16 Playback Stats

City	Number of Times Programs Played	Hours Programmed on Channel
Blaine	174	188:11:54
Centerville	14	19:39:23
Circle Pines	128	79:30:50
Ham Lake	37	19:25:35
Lexington	90	42:20:31
Lino Lakes	20	16:26:04
Spring Lake Park	95	68:52:04
Totals:	558 Program Playbacks	474:26:21 Hours of Video Programming on Channels

Programs Produced by the Public

Title	Producer	Runtime
It's Only Food (7 episodes)	John Politte	00:56:12
Chit Chat: Sailing Joan Gilmore	Sharon Carlson	00:18:34
Off Constantly: Oscars 2016	Tim Dold/Dave Bauer	00:28:42
Garage Deals	Public Access Video Club	00:12:12
His Legacy TV	Nonie Tanner	00:38:26
A Fresh New Day (3 episodes)	Anita Wardlaw	01:14:47
Cornerstone Church (2 episodes)	Rick Bostrom	00:59:43
Lovepower (4 episodes)	Ann Sandell	04:00:00
The Power of Love (4 episodes)	Rick Larson	02:00:00
Rice Creek Watershed District Meeting (2 episodes)	Theresa Stasica	01:36:45
Hope Church (2 episodes)	Cindy Hardy	01:26:34
Sunday Senior Moments (4 episodes)	David Turnidge	03:29:01
32 New Programs		17:20:56 New Hours

Programs Produced by NMTV Staff

Title	Producer	Runtime
Anoka County Board Meeting (3/8/16)	T.J. Tronson	00:34:00
Anoka County Board Meeting (3/22/16)	Ben Hayle/Danika Peterson	00:57:33
North Metro Cable Commission Meeting	T.J. Tronson	00:09:24
NMTV Promos (5 episodes)	T.J. Tronson	00:05:00
North Metro TV News (4 episodes)	Danika Peterson/Ben Hayle	01:18:58
Boys Basketball: 7AAAA Championship: Forest Lake vs. Blaine	Kenton Kipp/Matt Waldron	01:36:09
Adapted Floor Hockey: State Championship: CI Division: Anoka Hennepin vs. North Suburban	Kenton Kipp	01:26:04
Sports Den (2 episodes)	Kenton Kipp/Matt Waldron	00:59:00
Sports Den Winter Season Finale	Kenton Kipp/Matt Waldron	01:24:54
17 New Programs	P. 58	08:31:02 New Hours

Programs Produced by City Staff

Title	Producer	Runtime
Blaine City Council Meeting (3/3/16)	Blaine Staff	00:54:05
Blaine Planning Commission Meeting (3/8/16)	Blaine Staff	01:05:05
Blaine City Council Meeting (3/17/16)	Blaine Staff	01:11:57
Blaine Park Board Meeting (3/22/16)	Blaine Staff	00:54:49
Centerville City Council Meeting (3/9/16)	Centerville Staff	01:12:49
Centerville City Council Meeting (3/23/16)	Centerville Staff	01:35:40
Circle Pines City Council Meeting (3/8/16)	Circle Pines Staff	00:24:36
Circle Pines Utility Commission Meeting (3/16/16)	Circle Pines Staff	00:21:06
Circle Pines City Council Meeting (3/22/16)	Circle Pines Staff	00:53:18
Ham Lake City Council Meeting (3/7/16)	Ham Lake Staff	00:31:05
Ham Lake Park & Tree Meeting (3/16/16)	Ham Lake Staff	00:52:58
Ham Lake City Council Meeting (3/21/16)	Ham Lake Staff	00:31:27
Ham Lake Planning Commission Meeting (3/28/16)	Ham Lake Staff	00:03:49
Ham Lake Planning Commission Meeting (1/25/16)	Ham Lake Staff	00:19:35
Lexington City Council Meeting (3/3/16)	Lexington Staff	00:25:23
Lexington City Council Meeting (3/17/16)	Lexington Staff	00:25:00
Lino Lakes Planning & Zoning Meeting (3/9/16)	Lino Lakes Staff	00:32:41
Lino Lakes City Council Meeting (3/14/16)	Lino Lakes Staff	01:23:44
Lino Lakes City Council Meeting (3/28/16)	Lino Lakes Staff	00:03:00
Spring Lake Park City Council Meeting (3/7/16)	Spring Lake Park Staff	00:25:53
Spring Lake Park City Council Meeting (3/21/16)	Spring Lake Park Staff	00:40:06
Spring Lake Park Planning Commission Meeting (3/28/16)	Spring Lake Park Staff	01:12:42
21 New Programs		15:41:13 New Hours

If you have any questions or comments regarding this monthly report please contact Heidi Arnson at 763.231.2801 or harnson@northmetrotv.com.

NORTH METRO TV

Production Statistics 2016

Programming Statistics														15 Total	15 Average
Cablecast Programs	2675.00	2467.00	2555.00									7697.00	641.42		
Cablecast Hours	1820.00	1845.00	1840.25									5505.25	458.77		
Programs Produced - Public	42.00	19.00	24.00									85.00	7.08		
Program Hours Produced - Public	29.50	10.75	10.75									51.00	4.25		
Prog. Produced - Affiliated Public	6.00	9.00	8.00									23.00	1.92		
Prog. Hours Produced - Affil. Public	5.50	7.75	6.50									19.75	1.65		
Programs Produced - City Staff	23.00	22.00	21.00									66.00	5.50		
Prog. Hours Produced - City Staff	18.00	21.00	15.75									54.75	4.56		
Programs Produced - NMTV Staff	20.00	24.00	17.00									61.00	5.08		
Prog. Hours Produced - NMTV Staff	20.25	24.00	8.50									52.75	4.40		
Total Public Programs Produced	48.00	28.00	32.00									108.00	9.00		
Total Staff Programs Produced	43.00	46.00	38.00									127.00	10.58		
Total Internal Programs Produced	91.00	74.00	70.00									235.00	19.58		
% Staff Produced Programs	47.25%	62.16%	54.29%									54.04%	54.04%		
% Public Produced Programs	52.75%	37.84%	45.71%									45.96%	45.96%		
External Programs Submitted	34.00	37.00	40.00									111.00	9.25		
External Program Hours	22.50	22.75	25.50									70.75	5.90		
Total New Programs	125.00	111.00	110.00									346.00	28.83		
Equipment Usage Statistics															
Facility Hours Available	219.00	185.00	240.50									644.50	53.71		
Public Field Equipment Uses	9.00	9.00	6.00									24.00	2.00		
Studio A	115.25	90.00	123.50									328.75	27.40		
% of Available Time	52.63%	48.65%	51.35%									51.01%	51.01%		
Studio B	15.25	0.00	3.00									18.25	1.52		
% of Available Time	6.96%	0.00%	1.25%									2.83%	2.83%		
Public MAC A Edit Suite	159.75	82.00	145.75									387.50	32.29		
% of Available Time	72.95%	44.32%	60.60%									60.12%	14.51%		
Public MAC B Edit Suite	96.25	25.75	42.00									164.00	13.67		
% of Available Time	43.95%	13.92%	17.46%									25.45%	25.45%		
Public MAC C Edit Suite	187.75	63.50	291.00									542.25	45.19		
% of Available Time	85.73%	34.32%	121.00%									84.13%	84.13%		
Production Van Statistics															
Production Hours	45.50	52.75	6.50									104.75	8.73		
Number of Van Shoots	8.00	8.00	1.00									17.00	1.42		
Average Hours Per Shoot	5.69	6.59	6.50									6.16	0.73		
Number of New Volunteers	7.00	6.00	0.00									13.00	1.08		
Volunteer Hours	58.00	140.00	18.00									216.00	18.00		
Public Access Statistics															
Number of Workshops	21.00	2.00	13.00									36.00	3.00		
Number of Students	76.00	17.00	61.00									154.00	12.83		
PAP Volunteer Hours	266.50	121.00	140.75									528.25	44.02		
Total Public Facility Usage Hours	746.75	314.25	688.00									1749.00	145.75		
Tours	0.00	0.00	0.00									0.00	0.00		
Tour Attendees	0.00	0.00	0.00									0.00	0.00		

EXECUTIVE COMMITTEE MINUTES

Meeting of May 4, 2016

Executive Cmte. Present: Dick Swanson; Blaine, Matt Percy; Circle Pines, Carin Payment; Lexington; J. Mason, Spring Lake Park

Absent:

Others Present: Heidi Arnson; Executive Director, Rose Valez; Admin. Asst., Greg Emmerich, CPA

CALL TO ORDER

The Chair called the meeting to order at 6:00 p.m.

APPROVAL OF MINUTES

A motion to approve the March 2, 2016 Executive Committee meeting minutes was made by D. Swanson. Second, M. Percy. Motion approved.

EXECUTIVE DIRECTOR / OPERATIONS COMMITTEE REPORT

- G. Emmerich, a CPA with Harrington Langer & Associates, presented the 2015 audit. No abnormalities were identified and the Commission is in a strong financial position.

MOTION: To recommend approval of the 2015 audit as presented. **Motion made by D. Swanson. Second, J. Mason. Motion approved.**

- H. Arnson reviewed progress on the HD upgrade. The advertisement for bids has been published and the Circle Pines City Council approved the bid specs. Invitations and Specifications for bids have been sent to vendors. Bids are due on June 6th and recommendations for bid awards will be reviewed by the Operations Committee on June 7th, The Circle Pines City Council will consider the vendors at their June 14th meeting. The lease agreement, created by Attorney Mike Bradley, between the City of Circle Pines and the Commission was reviewed.

MOTION: To recommend approval of the equipment lease agreement. **Motion made by D. Swanson. Second, C. Payment. Motion approved.**

- First quarter subscriber numbers were reviewed. It appears that subscriber numbers are increasing.
- NMTV will be expanding services it can provide to Cities along with creating a potential income generating service with its drone capabilities. The FAA is creating new rules for commercial drone use. NMTV wishes to provide expanded drone service to its members and potential commercial interests, along with utilizing it for internal video production purposes. In order to comply with federal commercial drone operation guidelines, staff drone operation, T.J. Tronson, is being trained as a

private pilot. The drone has been registered and NMTV has applied for a Section 333 exemption. The exemption allows for the continued operation of a commercial drone prior to the finalization of new commercial drone rules. New rules are expected in July of 2016.

- Every year, as an administrative matter, the Commission has to decide whether or not to waive the statutory tort liability limits for insurance purposes. This decision determines the amount an individual would be able to recover on any claim to which the statutory tort limits apply. In the past the Commission has opted to NOT WAIVE the monetary limits on municipal tort liability. The Executive Committee recommends that the Commission NOT Waive the monetary limits.

MOTION: To NOT WAIVE the monetary limits on municipal tort liability. **Motion made by C. Payment. Second, J. Mason.**

- Staff will be working on the 2017 NMTC budget for consideration at the June meetings.

OLD BUSINESS

No old business was presented.

NEW BUSINESS

- As a part of the HD bond payment \$200,000 needs to be transferred from reserves to the bond fund.

MOTION: To transfer \$200,000 to the bond payment fund. **Motion made by J. Mason. Second, D. Swanson.**

ADJOURN

Motion to adjourn made by D. Swanson. Second, C. Payment. Motion approved. The meeting was adjourned at 6:55 p.m.

Lease with Option to Purchase

Agreement made on the date below between the North Metro Telecommunications Commission, a Minnesota Municipal Joint Powers Commission ("NMTC") and City of Circle Pines, Minnesota (the "City"). In this Agreement, NMTC and City are each individually referred to as a "Party" and are collectively referred to as the "Parties."

For and in consideration of the mutual covenants contained in this agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

RECITALS

WHEREAS, the City has agreed to issue bonds to purchase certain municipal cable access television equipment for the benefit of NMTC and its member cities, including the City;

WHEREAS, the parties anticipate the bonds will be paid out of cable franchise fees received by the NMTC on behalf of its Member Cities, including the City;

WHEREAS, the parties desire the City to purchase and own the equipment during the period of the bonds;

WHEREAS, the City desires to lease the equipment to NMTC during the bonding period; and

WHEREAS, once the bonds are paid, the parties desire NMTC to assume ownership of all of the equipment leased under this Lease;

NOW, THEREFORE, for and in consideration of the mutual covenants contained in this agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

AGREEMENT

1. **Lease.** City hereby leases to NMTC and NMTC hereby leases from City, the equipment identified in **Exhibit A** (the "Equipment"), all upon and subject to the terms and conditions set forth in this Agreement.

2. **Term.** The lease term for which NMTC may use the Equipment will begin upon execution of this Agreement and will continue until the bonds are paid or for a period of ten (10) years, whichever is less.

3. **Rental.** NMTC agrees to pay as rental for the use of the Equipment the sum of one dollar (\$1.00) per year, the first payment to be made upon execution of this Agreement, and each subsequent payment to be made in advance on or before June 1, of each year of the lease term.

4. **Use and Maintenance of Equipment.** NMTC will use and maintain the equipment consistent with its intended use.

5. **Assignment and Subletting.** NMTC shall not sublet the Equipment, or any part thereof, or assign this lease agreement without City's prior written consent.

6. **Indemnification.** NMTC agrees to indemnify City for any and all claims resulting from, or incidental to, the NMTC's operation of the Equipment during the term of this Lease. NMTC assumes all risks and liabilities from its use and operation of the Equipment.

7. **Insurance and Indemnification.** NMTC will acquire, pay for, and maintain adequate insurance for the Equipment as agreed upon by the parties.

8. **Option to Purchase.** City hereby grants to NMTC the option to purchase the Equipment in its then current condition at the end of the Term of this Agreement for the sum of one dollar (\$1.00). If NMTC desires to exercise the option to purchase, NMTC shall do so by giving City written notice of that intent.

9. **Notices.** All notices which shall or may be given pursuant to this Agreement shall be in writing and delivered personally or transmitted (a) through the United States mail, by registered or certified mail, postage prepaid; or (b) by means of prepaid overnight delivery service, addressed as follows:

NMTC: The North Metro Telecommunication Commission
 ATTN: Executive Director
 12520 Polk Street N.E.
 Blaine, MN 55434

City: City of Circle Pines
 ATTN: City Clerk
 City Hall 200 Civic Heights Circle
 Circle Pines, MN 55014

10. **Governing Law.** This Agreement will be governed and construed according to the laws of the State of Minnesota without regard to conflicts-of-law principles.

11. **Jurisdiction and Venue.** With respect to any disputes arising out of or related to this Agreement, the Parties consent to the exclusive jurisdiction of, and venue in, the state or federal courts located in the State of Minnesota.

12. **Entire Agreement.** This Agreement constitutes the full and entire understanding and agreement between the Parties with regard to the subject matter of this Agreement and supersedes any and all prior or contemporaneous oral or written negotiations, understandings, and agreements. No Party will be liable or bound to the other Party in any manner with regard to this Agreement by any warranties, representations, or covenants except as specifically set forth in this Agreement.

13. **Contract Construction.** The Parties have participated jointly in negotiating and drafting this Agreement and no presumption or burden of proof will arise favoring or disfavoring any Party

by virtue of the authorship of any of the provisions of this Agreement. The exhibit identified in this Agreement is incorporated into this Agreement by reference and is made a part of this Agreement.

14. **Electronic Execution and Delivery.** An electronic copy or other reproduction of this Agreement may be executed by one or both Parties, and an executed copy of this Agreement may be delivered by one or both Parties by electronic transmission pursuant to which the signature of or on behalf of such Party can be seen, and such execution and delivery will be considered valid, binding, and effective for all purposes. At the request of either Party, the other Party agrees to execute an original of this Agreement as well as any electronic or other reproduction of this Agreement.

15. **Authorized Signatures.** Intending to be legally bound, authorized representatives of the Parties have executed this Agreement effective as of the date of final execution.

**CITY OF CIRCLE PINES,
MINNESOTA**

**NORTH METRO
TELECOMMUNICATIONS
COMMISSION**

By: 
Its: City Administrator

By: _____
Its: _____

Date: April 26, 2016

Date: _____, 2016

Exhibits

Exhibit A	Description of Equipment
-----------	--------------------------

Exhibit A – Description of Equipment



CONNECTING & INNOVATING
SINCE 1913

LIABILITY COVERAGE – WAIVER FORM

LMCIT members purchasing coverage must complete and return this form to LMCIT before the effective date of the coverage. Please return the completed form to your underwriter or email to pstech@lmc.org

This decision must be made by the member's governing body every year. You may also wish to discuss these issues with your attorney.

League of Minnesota Cities Insurance Trust (LMCIT) members that obtain liability coverage from LMCIT must decide whether to waive the statutory tort liability limits to the extent of the coverage purchased. The decision has the following effects:

- *If the member does not waive the statutory tort limits*, an individual claimant would be able to recover no more than \$500,000 on any claim to which the statutory tort limits apply. The total all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would be limited to \$1,500,000. These statutory tort limits apply regardless of whether the city purchases the optional excess liability coverage.
- *If the member waives the statutory tort limits and does not purchase excess liability coverage*, a single claimant could potentially recover up to \$2,000,000 for a single occurrence. (Under this option, the tort cap liability limits are waived to the extent of the member's liability coverage limits, and the LMCIT per occurrence limit is \$2 million.) The total all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to \$2,000,000, regardless of the number of claimants.
- *If the member waives the statutory tort limits and purchases excess liability coverage*, a single claimant could potentially recover an amount up to the limit of the coverage purchased. The total all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to the amount of coverage purchased, regardless of the number of claimants.

Claims to which the statutory municipal tort limits do not apply are not affected by this decision.

LMCIT Member Name

Check one:

- ☐ The member **DOES NOT WAIVE** the monetary limits on municipal tort liability established by Minnesota Statutes, Section 466.04.
- ☐ The member **WAIVES** the monetary limits on municipal tort liability established by Minnesota Statutes, Section 466.04 to the extent of the limits of the liability coverage obtained from LMCIT.

Date of city council/governing body meeting _____

Signature _____ Position _____

**NORTH METRO TELECOMMUNICATIONS COMMISSION
UNAPPROVED OPERATIONS COMMITTEE MEETING NOTES**

Tuesday, May 3, 2016

CALL TO ORDER

The meeting began at 10:30 a.m.

MEMBERS PRESENT

D. Buchholtz, B. Petracek, D. Krueger, M. Ericson, J. Keinath, J. Karlson

MEMBERS ABSENT

C. Arneson

OTHERS PRESENT

H. Arnson, R. Valez, N. Anhut

APPROVAL OF MEETING NOTES

The meeting notes of March 1, 2016 were approved by consensus.

EXECUTIVE DIRECTOR REPORT

- Nick Anhut of Ehlers answered questions regarding the bond payment. A bond payment schedule will be sent to the Commission.
- H. Arnson reviewed progress on the HD upgrade. The advertisement for bids has been published and the Circle Pines City Council approved the bid specs. Invitations and Specifications for bids have been sent to vendors. Bids are due on June 6th, and recommendations for bid awards will be reviewed by the Operations Committee on June 7th. J. Keinath reviewed an equipment lease drafted by Commission Attorney, Mike Bradley. The Commission would lease the equipment from Circle Pines for one dollar a year until the bond is paid off. At that point the Commission would purchase the equipment for one dollar. The group unanimously recommended approval of the lease agreement to the Cable Commission.
- First quarter subscriber numbers were reviewed. It appears that subscriber numbers are increasing.
- NMTV will be expanding services it can provide to Cities along with creating a potential income generating service with its drone capabilities. The FAA is creating new rules for commercial drone use. NMTV wishes to provide expanded drone service to its members, and potential commercial interests, along with utilizing it for internal video production purposes. In order to comply with federal commercial drone operation, staff drone operator, T.J. Tronson, is being trained as a private pilot. The drone has been registered and NMTV has applied for a Section 333 exemption. The exemption allows for the continued operation of a commercial drone prior to the finalization of new commercial drone rules. New rules are expected in July of 2016.
- Staff will be working on the 2017 NMTC budget. Emails will be sent requesting benefits and COLA information.

OLD BUSINESS

- There was no old business.

NEW BUSINESS

- The June Operations Committee meeting was rescheduled from May 31 to June 7th.

ADJOURNMENT

The meeting was adjourned at 11:27 a.m.



April 26, 2016

Ms. Heidi Arnson
Cable Administrator
North Metro Telecommunications
12520 Polk Street Northeast
Blaine, MN 55434

RE: Important Information—Price Changes

Dear Heidi:

At Comcast, we are committed to constantly improving our customers' entertainment and communications experience in your community, and we continue to invest in making their services even better. As we make these and other investments, we periodically need to adjust prices due to increases we incur in programming and other business costs. Starting June 1, 2016 new prices will apply to select XFINITY TV and Internet services and equipment as reflected in the enclosed notice.

We are committed to providing our customers with a consistently superior experience, including 24/7 customer service and on-time arrival—or we'll credit the customer \$20 or provide a free premium channel for three months. We back up our services with the Comcast Customer Guarantee (visit www.comcast.com/guarantee for details).

We know you may have questions about these changes. If I can be of any further assistance, please contact me at 651-493-5777.

Sincerely,

Karly Werner
Director, Government Affairs

Enclosure: Customer Notice

XFINITY® Products And Services Price List

Afton, Andover, Anoka, Arden Hills, Bayport, Baytown Twp, Birchwood, Blaine, Brooklyn Center, Brooklyn Park, Burnsville, Centerville, Champlin, Circle Pines, Columbia Heights, Coon Rapids, Cottage Grove, Crystal, Dellwood, Denmark Township, Eagan, Eden Prairie, Edina, Falcon Heights, Fridley, Gem Lake, Golden Valley, Grant, Grey Cloud Island, Ham Lake, Hanover-Hennipen, Hastings, Hilltop, Hopkins, Hudson, Inver Grove Heights, Lake Elmo, Lakeland, Lakeland Shores, Landfall, Lauderdale, Lexington, Lilydale, Lino Lakes, Little Canada, Mahtomedi, Maple Grove, Maplewood, Mendota, Mendota Heights, Minneapolis, Minnetonka, Mounds View, New Brighton, New Hope, Newport, North Hudson, North Oaks, North Saint Paul, Oak Park Heights, Oakdale, Osseo, Pine Springs, Plymouth, Prescott, Ramsey, Richfield, Robbinsdale, Roseville, Saint Paul Park, Shoreview, South St. Paul, Spring Lake Park, St Anthony, St Paul, St. Croix Beach, St. Louis Park, St. Mary's Point, Stillwater, Stillwater Twp, Sunfish Lake, University of Minnesota, Vadnais Heights, West Lakeland, West St. Paul, White Bear Lake, White Bear Township, Willernie, Woodbury, MN

We're writing to let you know that starting on June 1, 2016, prices for select XFINITY TV and XFINITY TV Installation fees will change.

Such changes are a function of a variety of factors including increases to business costs as well as product and technology upgrades. Please know that we have made an effort to reduce some fees and minimize the scope of our increases.

If you have any questions, please call us anytime at 1-855-688-9460.

Below is a summary of the price changes:

Starting on June 1, 2016 the following XFINITY services and fees will be changing.

Double Play Packages	Today	06/01/16
Starter XF Double Play	\$129.44	\$129.95
Preferred XF Double Play	\$147.44	\$147.95
Basic Services	Today	06/01/16
Broadcast TV Fee	\$1.50	\$4.50
Digital Services	Today	06/01/16
Digital Preferred Plus	\$126.49	\$128.49
Basic and Digital Ancillary Services	Today	06/01/16
HBO®	\$19.99	\$15.00
Showtime®	\$19.99	\$10.00
Starz®	\$19.99	\$10.00
Cinemax®	\$19.99	\$10.00
The Movie Channel®	\$19.99	\$10.00
Digital Adapter Additional Outlet Service (SD or HD)	\$2.99	\$3.99

+ 200 %

- 25 %

- 50 %



+ 33 %

If you're currently receiving services on a promotional basis, under a minimum term agreement associated with a specific rate, or in the guaranteed period of one of our SurePrice™ plans, the prices for those specific services will not be affected during the applicable period.

8772/1000, 5010-5090, 5110-5120, 5140-5430, 5490-5580, 5630-5810, 5840-5850, 5900-5970, 6000-6010, 6050, 6100-6140, 6210-6220

xfinity
the future of awesome™

SA3GFOCE

Services no longer available for new subscription

Starting on June 1, 2016 the following XFINITY Bundle, TV & Internet packages will change.

Triple Play Packages		Today	06/01/16
Starter Bundle <i>(with Performance Internet + Local with More)</i>		\$154.39	\$157.39
Premier Bundle <i>(with Performance Internet + Voice Unlimited)</i>		\$252.39	\$255.39
Double Play Packages		Today	06/01/16
Blast! Extra		\$74.95	\$79.95
Blast! Plus		\$84.95	\$89.95
TV Latino 150 Bundle <i>(with Performance Internet)</i>		\$83.90	\$86.90
Double Play Bundle <i>(Performance Internet + Voice Unlimited)–when subscribing to video service</i>		\$93.90	\$96.90
Double Play Bundle <i>(Performance Internet + Voice Unlimited)</i>		\$98.90	\$101.90
TV Latino 450 Bundle <i>(with Voice Unlimited)</i>		\$109.90	\$114.90
Preferred Bundle <i>(with HBO® + Performance Internet)</i>		\$162.44	\$165.44
Preferred Plus Bundle <i>(with Performance Internet)</i>		\$180.44	\$185.44
Premier Bundle <i>(with Performance Internet)</i>		\$202.44	\$205.44
Digital Services		Today	06/01/16
Multiple Premium Package <i>(Cinemax® + Starz®)</i>		\$39.98	\$20.00
Multiple Premium Package <i>(Showtime® + Starz®)</i>		\$39.98	\$20.00
Multiple Premium Package <i>(Showtime® + Cinemax®)</i>		\$39.98	\$20.00
Multiple Premium Package <i>(HBO® + Starz®)</i>		\$39.98	\$25.00
Multiple Premium Package <i>(HBO® + Showtime®)</i>		\$39.98	\$25.00
Internet		Today	06/01/16
Performance Internet <i>(with TV or Voice Service)</i>		\$53.95	\$56.95
Performance Internet - Annual Service		\$593.45	\$626.45
Internet		Today	06/01/16
ChoiceLink Annual Internet <i>(with Modem)</i>		\$703.45	\$736.45
Bulk Tenant		Today	06/01/16
Tenant Preferred & Internet Package		\$71.95	\$74.95

+ 6.7%
+ 5.9%

+ 2.8%
+ 1.5%

SA3GF0CF

Services no longer available for new subscription

Starting on June 1, 2016 the following XFINITY Bundle, TV & Internet packages will change.

Reactivation Fees	Today	06/01/16
Video Reactivation Fee – No In-Home Visit Required (<i>per occurrence</i>)	\$1.99	\$6.00
Miscellaneous Fees	Today	06/01/16
Service Protection Plan	\$4.99	\$5.99
Regional Sports Network Fee	\$1.00	\$3.00
Video Equipment	Today	06/01/16
CableCARD (<i>second card in same device</i>)	\$0.80	\$1.50
Limited Basic Only Converter	\$1.00	\$2.50
HD Digital Converter (<i>Limited Basic Only</i>)	\$2.00	\$2.50

+ 201.5%
+ 20%
+ 110%
+ 20%

SA4GF09H

Starting on June 1, 2016 the following XFINITY services and fees will be changing.

XFINITY TV Installation Fees	Today	07/01/16
Unwired Home <i>(Standard Installation)</i>	\$38.50	\$99.99
Wired Home <i>(Standard Installation)</i>	\$29.50	\$99.99
Hourly Service Charge <i>(Custom Installation)</i>	\$34.50	\$70.00
Additional Outlet-New <i>(Initial Installation of Service)</i>	\$14.00	\$35.00
Additional Outlet-New <i>(After Initial Installation of Service)</i>	\$32.50	\$70.00
Activate Pre-existing Additional Outlet <i>(Initial Installation of Service)</i>	\$5.75	\$35.00
Activate Pre-existing Additional Outlet <i>(After Initial Installation of Service)</i>	\$24.00	\$70.00
Relocate Additional Outlet <i>(Initial Installation of Service)</i>	\$14.00	\$35.00
Relocate Additional Outlet <i>(After Initial Installation of Service)</i>	\$32.00	\$70.00
Connect VCR/DVD <i>(Initial Installation of Service)</i>	\$8.00	\$35.00
Connect VCR/DVD <i>(After Initial Installation of Service)</i>	\$19.00	\$70.00
Upgrade of Service <i>(In-home visit required)</i>	\$29.00	\$70.00
Downgrade of Service <i>(In-home visit required)</i>	\$12.00	\$70.00
In-Home Service Visit	\$36.50	\$70.00

+ 159.00
+ 238.90
+ 102.50
+ 150.00
+ 308.70

SA4GF008

Subject: Join MACTA for the Annual Conference on June 9!

From: info@mactamn.org

Date: 4/28/2016 1:59 PM

To: harnson@northmetrotv.com



Minnesota Association of Community
Telecommunications Administrators

There is something for everyone at MACTA's 33rd Annual Conference on Thursday, June 9!

Whether you are a cable franchise administrator, a PEG video producer, or an official who is involved with the oversight of cable franchise policy, MACTA's annual conference provides a wide variety of informative and educational sessions.

The conference will start with an energizing opening general session, "60 Ideas in 60 Minutes," which features a panel of five experts who will provide 60, yes you can count them, 60 practical and useful ideas and tips on cable franchise policy, PEG non-profit operations, video story-telling, social media and technical tools of the trade. Based upon past conferences responses to this concept, this session is guaranteed to get you ready for the rest of what guarantees to be a great all-day event.

Other session topics through the day include:

- » To Caption or Not to Caption?: That is the Question
- » Drone On!
- » Cable Franchising: Hot Topics
- » State & Federal Legislative Updates
- » Alternative Production Tools/Techniques
- » Jodie Miller, NATOA President, keynote

Of course, there is also ample time to network with your fellow colleagues and visit with the vendors.

So, don't delay, go to MACTA's Annual Conference webpage for all the details on what promises to be another great MACTA conference.

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Your username is harnson@northmetrotv.com. Retrieve your password.

4248 Park Glen Road

Minneapolis, MN 55416

Phone: 952-928-4653

www.mactamn.org | info@mactamn.org

This email was sent to harnson@northmetrotv.com. To unsubscribe from MACTA emails, please click on the following link:

<http://www.mactamn.org/members/EmailOptPreferences.aspx?id=22792676&e=harnson@northmetrotv.com&h=856af7eb12755c1ee6e0bd38b6d202fca5732f28>

From: Rose Valez <rvalez@northmetrotv.com>
Date: 4/29/2016 3:20 PM
To: Heidi Arnson <harnson@northmetrotv.com>

Comcast to Buy DreamWorks Animation for \$3.8 Billion

By Bryant
Frazer / Apr
29, 2016

Comcast has purchased DreamWorks Animation in a deal valued at approximately \$3.8 billion. DreamWorks Animation now becomes part of division NBCUniversal's Universal Filmed Entertainment Group.

DreamWorks CEO and co-founder Jeffrey Katzenberg will become chairman of DreamWorks New Media — basically online media creator AwesomenessTV and 3D visualization unit Nova — but is essentially out of the picture at the animation studio, where he will serve only as a "consultant to NBCUniversal," according to a Comcast press release. Illumination Entertainment founder Chris Meledandri, the impresario behind *Despicable Me*, is expected to take a leadership role.

"We have enjoyed extraordinary success over the last six years in animation with the emergence of Illumination Entertainment and its brilliant team at Illumination Mac Guff studio," said NBCUniversal CEO Steve Burke in a prepared statement. "We are fortunate to have Illumination founder Chris Meledandri to help guide the growth of the DreamWorks Animation business in the future."

The deal puts NBCUniversal in a better position to compete with arch-rival Disney/Pixar, with new franchises including *Kung Fu Panda* and *How to Train Your Dragon* now under the corporate umbrella. Additionally, DreamWorks Animation's 2012 acquisition of Classic Media earned it rights to Casper the Friendly Ghost, Lassie, Fat Albert, and more — characters who now become part of the NBCUniversal stable.

In fact, the news seems rather ominous for those employed by DreamWorks Animation, as the word is Comcast is more interested in repurposing the company's IP library than in continuing its operations as an animation studio. Citing unnamed "knowledgeable people," *The Wall Street Journal* reported that Meledandri will decide what happens to DreamWorks' production capabilities, and that layoffs in production and administration are "likely." And the *Los Angeles Times* noted that internationally known characters like Kung Fu Panda and Shrek could help boost the prospects of an ambitious 300-acre theme park that Comcast plans to open in 2019 in China, along with other plans for expansion into the Chinese magazine

Sent from my BlackBerry 10 smartphone on the Verizon Wireless 4G LTE network.

Antitrust regulators on Monday cleared a mega-merger that will create the country's second-largest cable company.

The Department of Justice and the chairman of the Federal Communications Commission approved Charter Communications (CHTR)' \$78 billion takeover of Time Warner Cable (TWC) and its \$10.4 billion purchase of Bright House Networks.

The government agencies attached several conditions to the approval.

The full FCC still needs to vote to accept chairman Tom Wheeler's recommendation, but the vote is believed to be a formality in this case.

Once the deal is complete, Charter will stand next to Comcast, AT&T, and Verizon as a media giant shaping the future of television-watching and web-surfing.

"We are pleased to reach this critical step in the regulatory review of our merger with Charter," Time Warner Cable CEO Rob Marcus said, "and remain optimistic that the transaction will be finalized soon."

The purchase was proposed almost a year ago, after Comcast's bid to combine with Time Warner Cable fell apart amid stiff opposition from Washington.

The same regulators were more supportive of Charter's bid for Time Warner Cable -- but with important caveats.

Charter will be prohibited from putting data caps in place or charging customers based on usage, the two agencies said in a statement on Monday.

Additionally, the company won't be allowed to charge internet content providers fees for connecting them to customers.

The conditions will apply for seven years to "focus on removing unfair barriers to video competition," the statement said.

Tom Rutledge, Charter's CEO, will run the enlarged company. He initially hoped the deal would be approved by the end of 2015, but the process has taken a long time.

Now Charter is eyeing a mid- to late-May completion date. Along with the FCC vote, the company still needs approval from the California's Public Utilities Commission. A vote is scheduled for May 12.

"We are pleased that Chairman Wheeler has submitted the proposed conditions for consideration by the full Commission and that the DOJ has submitted its agreement for approval by the court," Rutledge said in a statement.

"The conditions that will be imposed ensure Charter's current consumer-friendly and pro-broadband businesses practices will be maintained by New Charter," he said.

The deal will affect one in six American households.

Charter is expected to retire, or at least downplay, the Time Warner and Bright House brand names.

Charter already promotes its products with the brand name Spectrum, and it will be extending that name to its new markets.

(Time Warner Cable was a unit of Time Warner, the parent company of CNN, until 2009. The two companies are no longer related except by name.)

Comcast to allow some TV customers to ditch set-top box



Roger Yu, USA TODAY 11:54 a.m. EDT April 21, 2016

Cable giant Comcast said Wednesday it will allow some customers to watch cable TV without leasing a set-top box, responding to federal regulators' heightened efforts to open up the pay-TV set-top box market.

In a limited program that will be gradually expanded, customers with a Roku TV, a Roku streaming media player, or a 2016 Samsung Smart TV will be able to watch later this year Comcast's TV programming -- including local broadcast, cable and DVR recordings stored in the cloud -- through the Xfinity TV Partner app embedded in the TV set or via the Roku devices.

To use the app, customers still have to subscribe to a cable TV package from Xfinity, which is Comcast's brand for its cable TV and Internet services. Comcast's new program plans to recruit more manufacturers to expand its device options.

Customers who subscribe to Comcast's TV service but buy Internet from another competitor will have to use a small device. Comcast doesn't plan to charge for the device.

"We remain committed to giving our customers more choice in how, when and where they access their subscription," said Mark Hess, a Comcast senior vice president, in a prepared statement.

"Since many Roku customers are also Xfinity subscribers we believe the new Xfinity channel will be very popular when it launches this fall," Steve Shannon, Roku's general manager of content, said in a statement.

Earlier this year, the Federal Communications Commission began the process of crafting rules that could give consumers new devices and apps to access pay-TV programming without renting set-top boxes from their cable provider. Customers pay, on average, about \$232 a year to rent set-top boxes, according to a survey of ten largest pay-TV providers last year by Senators Edward J. Markey (D-Mass.) and Richard Blumenthal (D-Conn.).

The FCC's action follows Congress' 2014 instruction to increase set-top box competition and lower rental costs by allowing consumers to use other manufacturers' devices.

The pay-TV industry has opposed the FCC's efforts, citing concerns about consumer privacy and intellectual property protection. The industry's proponents also argue that

opening the set-top box market may be a futile effort given the rapid pace of technological changes that may make current options obsolete in the near future.

"While we do not know all of the details of this announcement, it appears to offer only a proprietary, Comcast-controlled user interface and seems to allow only Comcast content on different devices, rather than allowing those devices to integrate or search across Comcast content as well as other content consumers subscribe to," the FCC said in a statement.

Subject: NATOA News: NATOA Applauds Comcast's Xfinity TV Partner Program

From: Tonya Rideout <info@natoa.org>

Date: 4/21/2016 3:04 PM

To: harnson@northmetrotv.com



NATOA Applauds Comcast's Xfinity TV Partner Program

FOR IMMEDIATE RELEASE -- April 21, 2016 -- The National Association of Telecommunications Officers and Advisors (NATOA) congratulates Comcast on the launch of its Xfinity TV Partner Program, which Comcast announced will permit consumers to access Comcast video content without the need to lease a set-top box. "We applaud Comcast for providing its customers with more viewing options, especially by alleviating the need to rent a set-top box," stated NATOA Executive Director Steve Traylor.

"We are very happy to see that the new service will provide access to Public, Education and Government (PEG) channels," added NATOA President Jodie Miller. "NATOA has often raised the importance of treating PEG programming the same as all other commercial and broadcast channels in terms of navigating, searching and recording programs. We appreciate that Comcast's new service recognizes the importance of PEG channels to local communities."

NATOA

3213 Duke Street, #695
Alexandria, Virginia 22314
703-519-8035

NATOA, 3213 DUKE STREET, #695, ALEXANDRIA, VA 22314

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Constant Contact 