

NORTH METRO TELECOMMUNICATIONS COMMISSION MEETING

May 19, 2021

6:00 p.m.

1301 81st Ave NE

Spring Lake Park, Minnesota

AGENDA

1. Call to Order/Roll Call
2. Public Comments
3. Changes to the Agenda
4. Consent Agenda [pp. 1-13](#)
 - a. Minutes of regular meeting of March 17, 2021
 - b. Minutes of Operations Committee meeting of May 4, 2021
 - c. Minutes of Executive Committee meeting of May 5, 2021
 - d. March and April 2021 financial reports and bill lists
5. 2020 Audit Presentation [pp. 14-48](#)
6. Executive Director Report
 - a. Monthly Report [pp. 49-56](#)
7. Legal Counsel Report [pp. 57-60](#)
 - a. Monthly Report
8. Old Business
9. New Business
10. Recommended Reading [pp. 61-84](#)
11. Community Calendar
 - A. Next Meeting Dates:
 - a. Operations Committee – June 1, 2021
 - b. Executive Committee – June 2, 2021
 - c. Cable Commission – June 16, 2021
12. Adjournment

NORTH METRO TELECOMMUNICATIONS COMMISSION

UNAPPROVED MINUTES

Commission Meeting – March 17, 2021

CALL TO ORDER

Chair B. Nelson called the regular meeting of the North Metro Telecommunications Commission to order at 6:00 p.m.

ROLL CALL

Directors Present: Chris Massoglia; Blaine, D. Love; Centerville, Dale Stoesz; Lino Lakes, Bob Nelson; Spring Lake Park, Jesse Wilken; Ham Lake, Brandon Winge; Lexington

Directors Absent: Steve McChesney; Circle Pines

Others Present: Heidi Arnson; Executive Director, Mike Bradley; Legal Counsel

PUBLIC COMMENT

There was no public comment.

CHANGES TO THE AGENDA

There were no changes to the agenda.

CONSENT AGENDA

- **Minutes, Bill Lists, Financial Reports**

The February 25, 2021 NMTC meeting minutes, March 2, 2021 Operations Committee meeting minutes and the February bill list and financial reports were approved as presented. **Motion for approval made by D. Stoesz. Second, D. Love. C. Massoglia, abstained. D. Love, aye. B. Winge, aye. D. Stoesz, aye. B. Nelson, aye. J. Wilken, aye. Motion passed.**

REPORT OF EXECUTIVE DIRECTOR

H. Arnson reported on the following items:

- North Metro TV's video transfer service has been very busy this month, doing nearly twice the business it usually does. The service allows residents to transfer their own video tapes to DVD or digital file for free. NMTV staff also transfers tapes, most film formats and photos and slides for a fee. This has turned out to be a very popular service with the general public.
- The sports crew has been busy. They have been live streaming as many Blaine, Centennial, and Spring Lake Park games as possible. Thanks to COVID necessitated innovations, NMTV is now able to send out small crews to various locations, cover games, send the live stream back to the studio to a director for the addition of graphics, while simultaneously streaming the signal on the cable channel, Roku, AppleTV, Facebook and YouTube. The New set-up allows NMTV to cover and stream more than one game at a time. It is a game changer and hugely magnifies capabilities.
- North Metro TV is working on a plan to introduce closed captioning to the system. A closed captioning study was completed two years ago. The study examined what the organization may be required to do under FCC and ADA guidelines, and what it would take to comply with any requirements. Since the publication of the report, Tightrope, the technology used for all of the channel management services NMTV provides, has introduced a closed captioning solution that integrates well with their system. Closed captioning is expensive so careful consideration is being given to different options and a plan to slowly incorporate it into the system. The plan is to include some amount of closed captioning hardware, software and services in the 2022 budget.

REPORT OF LEGAL COUNSEL

M. Bradley reported on the following items:

- The FCC filed a Motion for Abeyance requesting that the Sixth Circuit Court put the FCC's 621 Cable Franchising Order on hold so that the FCC can have time to reconsider its position. The NCTA, an organization representing cable companies opposes the Motion. The Cable Commission supports the Motion, and Legal Counsel has sent the Court a Reply to the NCTA's opposition.

OLD BUSINESS

There was no old business.

NEW BUSINESS

There was no new business.

COMMUNITY CALENDAR

Upcoming meetings include:

1. The Operations Committee on April 6, 2021
2. The Executive Committee Meeting on April 7, 2021
3. The Cable Commission Meeting on April 21, 2021

ADJOURN

The meeting was adjourned at 6:14 p.m. **Motion for approval made by D. Stoesz. Second, B. Winge. C. Massoglia, aye. D. Love, aye. B. Winge, aye. D. Stoesz, aye. B. Nelson, aye. J. Wilken, aye. Motion passed unanimously.**

Julie Jeppson; Secretary, NMTC

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

Tuesday, May 4, 2021

CALL TO ORDER

The meeting began at 11:07 a.m.

MEMBERS PRESENT

M. Wolfe, P. Antonen, S. Cotton, M. Statz, D. Buchholtz, B. Petracek, D. Webster

MEMBERS ABSENT

OTHERS PRESENT

H. Arnson, Mike Bradley

APPROVAL OF MEETING NOTES

The meeting notes of April 6, 2021 were approved by consensus.

EXECUTIVE DIRECTOR REPORT

- Commission Legal Counsel, Mike Bradley, talked with the Committee regarding the ongoing Comcast franchise renewal. He reviewed the history of the franchise and the franchise renewal process. Consideration was given as to whether a formal extension of the franchise should be pursued, while negotiations continue.
- An update was given regarding options for introducing closed captioning. A proposal will be included with the 2022 budget.
- First quarter franchise and PEG fee payments were reviewed.

OLD BUSINESS

- There was no old business.

NEW BUSINESS

- The group agreed to meet in person, starting with the June 1, 2021 meeting.

ADJOURNMENT

The meeting was adjourned at 11:54 a.m.

EXECUTIVE COMMITTEE MINUTES

Meeting of May 5, 2021

Executive Cmte. Present: Dale Stoesz; Lino Lakes, Brandon Winge; Lexington, Bob Nelson; Spring Lake Park, Julie Jeppson; Blaine

Absent:

Others Present: Heidi Arnson; Executive Director, Mike Bradley; Legal Counsel, Rose Valez; Admin. Asst.

CALL TO ORDER

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

APPROVAL OF MINUTES

A motion to approve the February 3, 2021 Executive Committee meeting minutes was made by D. Stoesz. Second, J. Jeppson. Ayes: J. Jeppson, D. Stoesz, B. Nelson, B. Winge. Nays: None. Motion passed unanimously.

EXECUTIVE DIRECTOR / OPERATIONS COMMITTEE REPORT

- G. Emmerich, a CPA with Harrington Langer & Associates, reviewed the 2020 NMTC audit. No abnormalities were identified and the Commission is in a strong financial position.

MOTION: To recommend approval of the 2020 audit as presented. **Motion made by D. Stoesz. Second, J. Jeppson. Ayes: J. Jeppson, D. Stoesz, B. Nelson, B. Winge. Nays: None. Motion passed unanimously.**

- Commission Legal Counsel, Mike Bradley, gave an update on the Comcast franchise renewal process. He reviewed the cable franchising process in general and highlighted important documents and past settlement agreements. The option of formally extending the franchise was considered. M. Bradley also discussed the status of the Appeal of the FCC's Third Report and Order and possible actions the new FCC might undertake.
- NMTV staff is researching options for introducing closed captioning to the system. A proposal will be included with the recommended 2022 budget.
- First quarter franchise and PEG fee payments were reviewed.

OLD BUSINESS

- There was no old business.

NEW BUSINESS

- The Committee considered whether to return to meeting in-person.
- Executive Committee Meeting
May 5, 2021
Page 2

MOTION: To hold future Executive Committee and full Commission meetings in-person.
Motion made by D. Stoesz. Second, B. Winge. Ayes: J. Jeppson, D. Stoesz, B. Nelson, B. Winge. Nays: None. Motion passed unanimously.

ADJOURN

Motion to adjourn made by B. Winge. Second, J. Jeppson. Ayes: J. Jeppson, D. Stoesz, B. Nelson, B. Winge. Nays: None. Motion passed unanimously. The meeting was adjourned at 7:12 p.m.

**NORTH METRO TELECOMMUNICATION
BILL LIST**

APRIL 2021

Date	Check #	Payee	Amount	
APRIL	COMBINED	PAYROLL	40,561.02	WAGES
APRIL	COMBINED	IRS/US PAYABLE	13,424.73	WAGES
APRIL	COMBINED	MN REVENUE PAYABLE	2,266.59	WAGES
APRIL	COMBINED	PERA PAYABLE	7,667.34	WAGES
APRIL	COMBINED	PEACHTREE	44.40	MONTHLY SERVICE
APRIL	COMBINED	DISCOVERY BENEFITS	1,177.88	HEALTH SAVINGS EMPLOYEE
13839	4/1/21	Richard D. Larson	334.75	JANITORIAL
13840	4/2/21	B Harris, Inc.	675.00	QUARTERLY CONTRACT
13841	4/2/21	League of MN Cities	9,568.00	PROPERTY/CASUALTY
13842	4/2/21	Michael S. Johnson	57.12	EXPENSES
13843	4/4/21	Bradley Law, LLC	2,863.75	LEGAL/GENERAL
13844	4/6/21	Aid Electric Corporation	1,095.12	AUTO DOOR POWER
13845	4/6/21	Jeremy Millington	19.27	EXPENSES
13846	4/7/21	Coastal Wintergreen LLC	1,655.00	MONTHLY SERVICE
13847	4/7/21	Metro Sales, Inc.	810.00	QUARTERLY CONTRACT
13848	4/13/21	Anoka County Records & Taxation	1,362.90	SOLID WASTE MANAGEMENT
13849	4/15/21	Universal Truck Service LLC	841.31	2001 GENERAL MAINTENANCE
13850	4/19/21	Winfield's Windows & Things, Inc	375.00	SEMI ANNUAL CLEANING
13851	4/20/21	Corporate Mechanical	1,123.16	FURNACE REPAIR/VENT
13852	4/22/21	Rusty S. Ray	56.00	EXPENSES
EFILE	4/1/21	Authorize.Net	34.59	MONTHLY SERVICE
EFILE	4/15/21	Chase Visa Card Services	3,574.61	SECURITY/OS/STUDIO/SFTWR/STAMPS
EFILE	4/1/21	Virtual Merchant Credit Card	10.00	MONTHLY SERVICE
EFILE	4/5/21	Dept of Empl and Eco Development	1,016.10	UNEMPLOYMENT
EPAY-01	4/1/21	Principal Financial Group	485.79	STD/LTD/LIFE/ADD
EPAY-02	4/2/21	POPP TELECOM	212.25	MONTHLY SERVICE
EPAY-03	4/3/21	Comcast	539.67	MONTHLY SERVICE
EPAY-04	4/3/21	T-Mobile	102.16	MONTHLY SERVICE
EPAY-05	4/4/21	Speedway	61.61	MONTHLY SERVICE
EPAY-06	4/7/21	Circle K Station Stores	110.57	GAS/OIL
EPAY-07	4/12/21	AT&T Wireless	427.47	MONTHLY SERVICE
EPAY-08	4/14/21	Republic Services	256.76	MONTHLY SERVICE
EPAY-09	4/15/21	CenterPoint Energy	204.27	MONTHLY SERVICE
EPAY-10	4/15/21	Comcast Business 1000M/1000M	1,237.44	MONTHLY SERVICE
EPAY-11	4/16/21	U.S. Bank Card Service	643.56	FEES/ZOOM/AD/MRKT/DROPBOX
EPAY-12	4/22/21	HealthPartners	12,136.76	HEALTH/DENTAL
EPAY-13	4/26/21	Connexus Energy	2,127.57	MONTHLY SERVICE
MARCH SALES TAX	4/5/21	MN Dept. of Revenue	219.00	SALES TAX
			109,378.52	

**NORTH METRO TELECOMMUNICATION
BILL LIST**

MARCH 2021

Date	Check #	Payee	Amount	
MARCH	COMBINED	PAYROLL	45,869.22	WAGES
MARCH	COMBINED	IRS/US PAYABLE	14,690.05	WAGES
MARCH	COMBINED	MN REVENUE PAYABLE	2,437.64	WAGES
MARCH	COMBINED	PERA PAYABLE	8,037.50	WAGES
MARCH	COMBINED	PEACHTREE	44.40	MONTHLY SERVICE
MARCH	COMBINED	DISCOVERY BENEFITS	1,177.88	HEALTH SAVINGS EMPLOYEE
13831	3/2/21	Richard D. Larson	347.25	JANITORIAL
13832	3/7/21	Coastal Wintergreen LLC	2,925.00	MONTHLY SERVICE
13833	3/7/21	Bradley Law, LLC	4,841.25	LEGAL/GENERAL
13834	3/10/21	Grass Valley USA, LLC	8,869.00	K2 PRIME SERVICE CONTRACT
13835	3/26/21	William S. Hupp	375.00	STIPEND
13836	3/26/21	League of MN Cities	2,207.00	MEMBERSHIP
13837	3/26/21	Coastal Wintergreen LLC	780.00	MONTHLY SERVICE
13838	3/30/21	Per Mar Security Services	36.34	BATTERY
EFILE	3/1/21	Authorize.Net	34.29	MONTHLY SERVICE
EFILE	3/15/21	Chase Visa Card Services	19,695.49	STUDIO UPGRADES/SFTWR/STAMPS/OS
EFILE	3/1/21	Virtual Merchant Credit Card	10.00	MONTHLY SERVICE
EPAY-01	3/1/21	Principal Financial Group	485.79	STD/LTD/LIFE/ADD
EPAY-02	3/2/21	POPP TELECOM	218.94	MONTHLY SERVICE
EPAY-03	3/3/21	Comcast	539.67	MONTHLY SERVICE
EPAY-04	3/3/21	T-Mobile	102.16	MONTHLY SERVICE
EPAY-05	3/4/21	Speedway	60.55	GAS/OIL
EPAY-06	3/7/21	Circle K Station Stores	14.00	GAS/OIL
EPAY-07	3/12/21	AT&T Wireless	427.47	MONTHLY SERVICE
EPAY-08	3/14/21	Republic Services	252.52	MONTHLY SERVICE
EPAY-09	3/15/21	CenterPoint Energy	522.41	MONTHLY SERVICE
EPAY-10	3/15/21	Comcast Business 1000M/1000M	1,237.44	MONTHLY SERVICE
EPAY-11	3/16/21	U.S. Bank Card Service	628.90	MACTA/OS/STUDIO/SFTWR/STAMPS
EPAY-12	3/22/21	HealthPartners	12,136.76	HEALTH/DENTAL
EPAY-13	3/26/21	Connexus Energy	1,984.19	MONTHLY SERVICE
FEB SALES TAX	3/2/21	MN Dept. of Revenue	63.00	SALES TAX
			<u>131,051.11</u>	

North Metro Telecommunications Commission

Balance Sheet

April 30, 2021

ASSETS

Current Assets

Cash - Checking Account	\$ 2,742,113.04
Petty Cash	150.00
A/R - NMTC	194,954.36
Prepaid Insurance - NMTC	11,182.00

Total Current Assets 2,948,399.40

Property and Equipment

Office Equipment - NMTC	1,433,026.18
Accum Deprec - NMTC	(2,820,312.72)
Bond Equipment 2016	1,985,000.00
Building-Polk/125	1,572,799.17
Land-Polk/125	225,700.00

Total Property and Equipment 2,396,212.63

Other Assets

Deferred Out Related/Pension	40,333.00
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Total Other Assets 40,333.00

Total Assets \$ 5,384,945.03

LIABILITIES AND CAPITAL

Current Liabilities

A/P - NMTC	\$ 7,243.70
Accrued Payroll Taxes & W/H's	449.54
PERA - CORRECTIONS	310.09
Garnished Wages	86.40
Garnished Wages	(86.40)
PERA PAYABLE - PRIOR	(3,371.42)
Accrued Vacation	107,888.88
Accrued Wages	2,299.11
Franchise Fee App	942,358.52
Due to City of Blaine	554,758.00
Due to City of Centerville	34,402.00
Due to City of Circle Pines	49,336.50
Due to City of Ham Lake	143,788.00
Due to City of Lexington	18,347.00
Due to City of Lino Lakes	169,950.00
Due to City of Spring Lake Par	59,328.00
Deferred In Related/Pension	110,477.00

Total Current Liabilities 2,197,564.92

Long-Term Liabilities

Net Pension Liability	536,291.00
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Total Long-Term Liabilities 536,291.00

Total Liabilities 2,733,855.92

Capital

Net Equity	294,672.53
Net Equity - Media Ctr	(206,243.34)
Net Equity - NMTC	2,517,656.37
Net Income	45,003.55

Total Capital 2,651,089.11

Total Liabilities & Capital \$ 5,384,945.03

North Metro Telecommunications Comm

Cash Receipts Journal

For the Period From Apr 1, 2021 to Apr 30, 2021

Date	Transaction Ref	Line Description	Debit Amnt	Credit Amnt
4/4/21	PAYPAL	MARCH PAYPAL MARCH PAYPAL - FEES PAYPAL	0.88 19.12	20.00
4/5/21	13834-REFUND	DUPLICATE PAYMENT Miscellaneous receipts	8,869.00	8,869.00
4/7/21	TAPES DUBS-CASH	TAPES DUBS-CASH Miscellaneous receipts	0.32	0.32
4/7/21	TAPES DUBS-CHECKS	TAPES DUBS-CHECKS Miscellaneous receipts	398.18	398.18
4/7/21	ZOOM LECTURE-ERIC	ZOOM LECTURE-ERIC Miscellaneous receipts	75.00	75.00
4/14/21	TAPE DUBS-CASH	TAPE DUBS-CASH Miscellaneous receipts	21.43	21.43
4/14/21	TAPE DUBS-CHECKS	TAPE DUBS-CHECKS Miscellaneous receipts	101.63	101.63
4/21/21	TRUCK PRODUCTION	TRUCK PRODUCTION-VIRTUAL PERFORMANCE * 4 Miscellaneous receipts	720.00	720.00
4/25/21	1ST FRAN FEES	1ST QTR FRANCHISE FEES CenturyLink-Franchise	4.91	4.91
4/25/21	1ST QTR PEG FEES	1ST QTR PEG FEES CenturyLink-Peg	118.80	118.80
4/26/21	TAPE DUBS-CHECKS	TAPE DUBS-CHECKS Miscellaneous receipts	241.03	241.03
4/27/21	1ST QTR FRAN FEES	1ST QTR FRANCHISE FEES Comcast-Franchise	307,928.22	307,928.22
4/27/21	1ST QTR PEG FEES	1ST QTR PEG FEES Comcast-PEG Fees	182,709.67	182,709.67
4/28/21	APR CC SALES-AUTH	APRIL CC SALES-AUTHORIZE.NET APRIL CC SALES-AUTHORIZE.NET-FEES Credit Card Sales	1.16 38.84	40.00
4/29/21	APR CC SALES-SQUARE	APRIL CC SALES-SQUARE APRIL CC SALES-SQUARE-FEES Credit Card Sales	35.93 1,337.44	1,373.37
4/30/21	INTEREST	INTEREST COMMISSION CHECKING INTEREST - COMMISSION	19.72	19.72
			502,641.28	502,641.28

North Metro Telecommunications Comm

Check Register

For the Period From Apr 1, 2021 to Apr 30, 2021

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

Check #	Date	Payee	Amount
EFILE	4/1/21	Discovery Benefits	22.50
EFILE	4/1/21	Authorize.Net	34.59
EFILE	4/1/21	Virtual Merchant Credit Card	10.00
EPAY-01	4/1/21	Principal Financial Group	485.79
13839	4/1/21	Richard D. Larson	334.75
EPAY-02	4/2/21	POPP TELECOM	212.25
13840	4/2/21	B Harris, Inc.	675.00
13841	4/2/21	League of MN Cities	9,568.00
13842	4/2/21	Michael S. Johnson	57.12
EPAY-04	4/3/21	T-Mobile	102.16
EPAY-03	4/3/21	Comcast	539.67
EPAY-05	4/4/21	Speedway	61.61
13843	4/4/21	Bradley Law, LLC	2,863.75
MARCH SALES TAX	4/5/21	MN Dept. of Revenue	219.00
EFILE	4/5/21	Dept of Empl and Eco Development	1,016.10
13844	4/6/21	Aid Electric Corporation	1,095.12
13845	4/6/21	Jeremy Millington	19.27
13846	4/7/21	Coastal Wintergreen LLC	1,655.00
EFILE	4/7/21	Discovery Benefits	577.69
EPAY-06	4/7/21	Circle K Station Stores	110.57
13847	4/7/21	Metro Sales, Inc.	810.00
EFILE	4/9/21	MN Dept. of Revenue	1,126.76
EFILE	4/9/21	Public Employees Retirement	3,692.64
EFILE	4/9/21	IRS/US BANK	6,333.81
PEACH	4/9/21	Peachtree/Sage Software	22.20
EPAY-07	4/12/21	AT&T Wireless	427.47
13848	4/13/21	Anoka County Records & Taxation	1,362.90
EPAY-08	4/14/21	Republic Services	256.76
EPAY-09	4/15/21	CenterPoint Energy	204.27

North Metro Telecommunications Comm

Check Register

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EPAY-10	4/15/21	Comcast Business 1000M/1000M	1,237.44
13849	4/15/21	Universal Truck Service LLC	841.31
EPAY-11	4/16/21	U.S. Bank Card Service	643.56
13850	4/19/21	Winfield's Windows & Things, Inc	375.00
13851	4/20/21	Corporate Mechanical	1,123.16
EFILE	4/21/21	Discovery Benefits	577.69
EPAY-12	4/22/21	HealthPartners	12,136.76
13852	4/22/21	Rusty S. Ray	56.00
EFILE	4/23/21	MN Dept. of Revenue	1,133.18
EFILE	4/23/21	Public Employees Retirement	3,692.64
EFILE	4/23/21	IRS/US BANK	6,364.17
PEACH	4/23/21	Peachtree/Sage Software	22.20
EPAY-13	4/26/21	Connexus Energy	2,127.57
EFILE	4/30/21	Public Employees Retirement	282.06
EFILE	4/30/21	MN Dept. of Revenue	6.65
EFILE	4/30/21	IRS/US BANK	726.75
Total			68,817.50

North Metro Telecommunications Comm

General Journal

For the Period From Apr 1, 2021 to Apr 30, 2021

Date	Reference	Trans Description	Debit Amt	Credit Amt
4/1/21	ACCRUED VAC/COM/SICK	ACCRUED VAC/COMP/SICK ACCRUED VAC/COMP/SICK	119,480.25	119,480.25
4/1/21	ACCRUED WAGES	ACCRUED WAGES ACCRUED WAGES	21,025.28	21,025.28
4/30/21	ACCRUED DEPRECIATION	ACCRUED DEPRECIATION ACCRUED DEPRECIATION	12,900.00	12,900.00
4/30/21	ACCRUED VAC/COM/SICK	ACCRUED VAC/COMP/SICK ACCRUED VAC/COMP/SICK	107,888.88	107,888.88
	Total		261,294.41	261,294.41

**NORTH METRO
TELECOMMUNICATIONS COMMISSION
ANNUAL FINANCIAL REPORTS
December 31, 2020 and 2019**

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statements of net position of North Metro Telecommunications Commission as of and for the years ended December 31, 2020 and 2019, 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 an opinion 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 from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of North Metro Telecommunications Commission, as of December 31, 2020 and 2019, and the changes in its financial position, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3 through 6 and the budgetary comparison information, schedule of employer's PERA contributions and schedule of employer's share of PERA net pension liability on pages 21 through 25 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 27, 2021 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 the effectiveness of North Metro Telecommunications Commission's internal control over financial reporting or on compliance. That report 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.

April 27, 2021

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

December 31, 2020 and 2019
(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, 2020 and 2019.

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 present 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 report 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, 2020 and 2019.

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

December 31, 2020 and 2019
(Required Supplementary Information)

Financial Highlights

- NMTC ended 2020 with a net position balance of \$2,680,284, of which \$1,391,981 represented the net investment in capital assets, and \$1,288,303 was unrestricted. The net position balance at the end of the year was \$9,618 higher than the net position balance at the beginning of the year.
- As a result of operations, \$400,000 of franchise fees were returned to NMTC member cities for both years ended December 31, 2020 and 2019.

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

Net Position	2020	2019	2018
Assets			
Current Assets	\$ 2,872,227	\$ 2,745,035	\$ 2,712,452
Capital Assets, net	2,221,891	2,602,612	2,915,746
Total Assets	5,094,118	5,347,647	5,628,198
Deferred Outflows			
Deferred outflows related to pensions	41,394	40,333	94,521
Liabilities			
Current Liabilities	1,219,499	1,240,636	1,257,687
Noncurrent Liabilities	1,199,478	1,366,201	1,573,664
Total Liabilities	2,418,977	2,606,837	2,831,351
Deferred Inflows			
Deferred inflows related to pensions	36,251	110,477	148,635
Net Position			
Net investment in capital assets	1,391,981	1,572,702	1,690,746
Unrestricted	1,288,303	1,097,964	1,051,987
Total Net Position	\$ 2,680,284	\$ 2,670,666	\$ 2,742,733

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

December 31, 2020 and 2019
(Required Supplementary Information)

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

Changes in Net Position	2020	2019	2018
Program Revenues			
Operating revenue	\$ 2,069,513	\$ 2,047,353	\$ 2,121,180
General Revenues			
Unrestricted investment earnings	10,064	46,854	38,665
Grants and contributions	63,103	-	-
Miscellaneous	35,198	33,731	27,837
Total General Revenues	108,365	80,585	66,502
Total Revenues	2,177,878	2,127,938	2,187,682
Expenses			
Operations	1,622,454	1,646,274	1,597,558
Non-capitalized equipment	80,249	81,600	47,538
Depreciation and amortization	433,927	436,515	457,912
Interest expense	31,630	35,616	39,215
Total Expenses	2,168,260	2,200,005	2,142,223
Change in Net Position	9,618	(72,067)	45,459
Net Position, Beginning	2,670,666	2,742,733	2,697,274
Net Position, Ending	\$ 2,680,284	\$ 2,670,666	\$ 2,742,733

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 NMTC, and a PEG fee paid by cable subscribers monthly, as established in the franchise agreements.

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

December 31, 2020 and 2019
(Required Supplementary Information)

Expenses

Wages, benefits, franchise fee reimbursements, 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, 2020 and 2019, amounted to \$2,221,891 and \$2,602,612, 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

During 2016, the Commission completed HD equipment and studio upgrades. The equipment was purchased by a member city through issuance of a general obligation bond and is being leased under a capital lease agreement by the Commission for \$1 per year for a period of 10 years. At the end of the lease term, the Commission will assume ownership of the equipment. The remaining member cities agreed to reimburse the member city for their proportionate share of the bonds issued. The Commission has agreed to repay each of the member cities for their share of the bond, plus interest at 2%. As of December 31, 2020 and 2019, the Commission owed \$829,910 and \$1,029,910, respectively, to the member cities.

Budgetary Analysis

During 2020 and 2019, franchise fee and PEG fee revenue exceeded budgeted amounts by approximately \$104,000 and 72,000, respectively, which contributed to revenues over expenditures of \$148,329 and \$54,634, respectively, on the budgetary basis.

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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS		
Cash and investments	2,674,635	\$ 2,538,898
Accounts receivable	186,065	194,954
Prepaid expenses	<u>11,527</u>	<u>11,183</u>
TOTAL CURRENT ASSETS	<u>2,872,227</u>	<u>2,745,035</u>
CAPITAL ASSETS		
Land	225,700	225,700
Building	1,443,850	1,443,850
Building improvements	128,949	128,949
Office and studio equipment	3,158,276	3,123,452
Vehicles	294,574	294,574
Less: accumulated depreciation	<u>(3,029,458)</u>	<u>(2,613,913)</u>
TOTAL CAPITAL ASSETS, NET	<u>2,221,891</u>	<u>2,602,612</u>
TOTAL ASSETS	<u>5,094,118</u>	<u>5,347,647</u>
DEFERRED OUTFLOWS		
Deferred outflows related to pensions	<u>41,394</u>	<u>40,333</u>
LIABILITIES		
CURRENT LIABILITIES		
Current portion of long-term debt	200,000	200,000
Accounts payable and accrued expenses	124,211	98,277
Deferred franchise fee revenue	<u>895,288</u>	<u>942,359</u>
TOTAL CURRENT LIABILITIES	1,219,499	1,240,636
NONCURRENT LIABILITIES		
Long-term debt, net of current portion	629,910	829,910
Net pension liability	<u>569,568</u>	<u>536,291</u>
TOTAL LIABILITIES	<u>2,418,977</u>	<u>2,606,837</u>
DEFERRED INFLOWS		
Deferred inflows related to pensions	<u>36,251</u>	<u>110,477</u>
NET POSITION		
Net investment in capital assets	1,391,981	1,572,702
Unrestricted	<u>1,288,303</u>	<u>1,097,964</u>
TOTAL NET POSITION	<u>2,680,284</u>	<u>\$ 2,670,666</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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES		
Cable operating franchise fees	\$ 1,315,013	\$ 1,261,432
PEG fees	<u>754,500</u>	<u>785,921</u>
TOTAL OPERATING REVENUES	<u>2,069,513</u>	<u>2,047,353</u>
OPERATING EXPENSES		
Franchise fee reimbursements, city members	400,000	400,000
Personnel	772,566	719,627
Employee benefits	234,001	270,776
Office	113,657	136,373
Legal fees	38,637	39,895
Other administrative costs	37,128	44,776
Vehicle	5,984	9,618
Production	20,481	25,209
Depreciation	433,927	436,515
Studio equipment expense	<u>80,249</u>	<u>81,600</u>
TOTAL OPERATING EXPENSES	<u>2,136,630</u>	<u>2,164,389</u>
OPERATING INCOME	<u>(67,117)</u>	<u>(117,036)</u>
NON-OPERATING REVENUES (EXPENSES)		
Investment income	10,064	46,854
Other income	35,198	33,731
Grants and contributions	63,103	-
Interest expense	<u>(31,630)</u>	<u>(35,616)</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>76,735</u>	<u>44,969</u>
CHANGE IN NET POSITION	9,618	(72,067)
NET POSITION, BEGINNING	<u>2,670,666</u>	<u>2,742,733</u>
NET POSITION, ENDING	<u><u>\$ 2,680,284</u></u>	<u><u>\$ 2,670,666</u></u>

See accompanying notes
to basic financial statements

NORTH METRO TELECOMMUNICATIONS COMMISSION
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from operations	\$ 2,031,331	\$ 2,058,249
Payments to suppliers and vendors	(692,560)	(736,842)
Payments to employees	(1,021,113)	(1,009,423)
Other non-operating receipts	96,771	32,483
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>414,429</u>	<u>344,467</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(57,126)	(123,381)
Interest expense	(31,630)	(35,616)
Payments on long-term debt	(200,000)	(195,090)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(288,756)</u>	<u>(354,087)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	10,064	46,854
NET CHANGE IN CASH AND INVESTMENTS	135,737	37,234
CASH AND INVESTMENTS, BEGINNING	<u>2,538,898</u>	<u>2,501,664</u>
CASH AND INVESTMENTS, ENDING	<u><u>\$ 2,674,635</u></u>	<u><u>\$ 2,538,898</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ (67,117)	\$ (117,036)
Adjustments:		
Depreciation	433,927	436,515
Loss on disposal of capital assets	3,920	-
Pension expense	(12,505)	35,231
Other non-operating receipts	96,771	32,483
Net change in assets, liabilities, and deferred outflows of resources:		
Accounts receivable	8,889	4,022
Prepaid expenses	(344)	629
Accounts payable and accrued expenses	25,934	(28,925)
Deferred franchise fee revenue	(47,071)	6,874
Deferred outflows - contributions after the measurement date	(27,975)	(25,326)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 414,429</u></u>	<u><u>\$ 344,467</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.

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.

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, 2020 and 2019, management considered all outstanding amounts to be fully collectible. Accordingly, there was no allowance for doubtful accounts.

Revenues:

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

**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

Compensated Absences:

Vested or accumulated vacation and sick leave is accrued for all eligible employees based on their past service and amounted to \$108,647 and \$86,338, as of December 31, 2020 and 2019, respectively.

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 Outflows of Resources:

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.

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

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

Deferred Inflows of Resources:

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.

Net Position:

In the government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets- This amount consists of capital assets, net of accumulated depreciation and reduced by outstanding debt attributed to the acquisition, construction, or improvement of assets.

Restricted Net Position- This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. At December 31, 2020 and 2019, there was no restricted net position.

Unrestricted- This amount includes all other net position.

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

Use of 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.

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. The market value of the collateral pledged must equal 110% of the deposits not covered by insurance or bonds.

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

NOTE 2. DEPOSITS AND INVESTMENTS (continued)

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, 2020 and 2019, the Commission had no deposits.

Investments:

At December 31, 2020 and 2019, investments included the following:

Description	2020	2019
External investment pool - 4M Fund	\$ 2,674,485	\$ 2,538,748

NOTE 3. FRANCHISE FEE REIMBURSEMENTS

Included within franchise fee reimbursements for the years ended December 31, 2020 and 2019 are the following amounts paid by the Commission to its city members that represent refunded franchise fees:

	2020	2019
City of Blaine	\$ 221,380	\$ 221,353
City of Centerville	13,722	13,784
City of Circle Pines	17,956	17,857
City of Ham Lake	54,336	53,874
City of Lexington	6,431	6,487
City of Lino Lakes	64,159	64,519
City of Spring Lake Park	22,016	22,126
	<u>\$ 400,000</u>	<u>\$ 400,000</u>

NORTH METRO TELECOMMUNICATIONS COMMISSION
NOTES TO FINANCIAL STATEMENTS

NOTE 4. CAPITAL ASSETS

A summary of changes in capital assets is as follows:

Description	December 31, 2019	Increases	Decreases	December 31, 2020
Land	\$ 225,700	\$ -	\$ -	\$ 225,700
Building	1,443,850	-	-	1,443,850
Building improvements	128,949	-	-	128,949
Office and studio equipment	3,123,452	57,126	(22,302)	3,158,276
Vehicles	294,574	-	-	294,574
Total depreciable assets	4,990,825	57,126	(22,302)	5,025,649
Building and improvements	(616,675)	(42,498)	-	(659,173)
Office and studio equipment	(1,791,602)	(346,960)	18,382	(2,120,180)
Vehicles	(205,636)	(44,469)	-	(250,105)
Total accumulated depreciation	(2,613,913)	(433,927)	18,382	(3,029,458)
Capital assets, net	\$ 2,602,612	\$ (376,801)	\$ (3,920)	\$ 2,221,891

Description	December 31, 2018	Increases	Decreases	December 31, 2019
Land	\$ 225,700	\$ -	\$ -	\$ 225,700
Building	1,443,850	-	-	1,443,850
Building improvements	128,949	-	-	128,949
Office and studio equipment	3,000,071	123,381	-	3,123,452
Vehicles	294,574	-	-	294,574
Total depreciable assets	4,867,444	123,381	-	4,990,825
Building and improvements	(574,019)	(42,656)	-	(616,675)
Office and studio equipment	(1,442,212)	(349,390)	-	(1,791,602)
Vehicles	(161,167)	(44,469)	-	(205,636)
Total accumulated depreciation	(2,177,398)	(436,515)	-	(2,613,913)
Capital assets, net	\$ 2,915,746	\$ (313,134)	\$ -	\$ 2,602,612

Depreciation expense charged to operations for the years ended December 31, 2020 and 2019 was \$433,927 and \$436,515, respectively.

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

NOTE 5. LONG-TERM DEBT

During 2016, the Commission began HD equipment and studio upgrades. The equipment was purchased by a member city through issuance of a general obligation bond and is being leased under a capital lease agreement by the Commission for \$1 per year for a period of 10 years. At the end of the lease term, the Commission will assume ownership of the equipment. The remaining member cities have agreed to reimburse the member city for their proportionate share of the bonds issued. The Commission has agreed to repay each of the member cities for their share of the bond, plus interest at 2%. Principal is payable in annual installments on February 1st through 2024. Interest is due semi-annually on February 1st and August 1st.

Future payments as of December 31, 2020 are as follows:

Year Ending December 31,	Principal	Interest	Total
2021	200,000	27,430	227,430
2022	205,000	23,480	228,480
2023	210,000	19,425	229,425
2024	214,910	15,355	230,265
	<u>\$ 829,910</u>	<u>\$ 85,690</u>	<u>\$ 915,600</u>

A summary roll-forward of long-term debt is as follows:

December 31, 2019	Additions	Payments	December 31, 2020
<u>\$ 1,029,910</u>	<u>\$ -</u>	<u>\$ 200,000</u>	<u>\$ 829,910</u>
December 31, 2018	Additions	Payments	December 31, 2019
<u>\$ 1,225,000</u>	<u>\$ -</u>	<u>\$ 195,090</u>	<u>\$ 1,029,910</u>

NOTE 6. DEFINED BENEFIT PENSION PLANS - STATEWIDE

Plan Description:

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

NORTH METRO TELECOMMUNICATIONS COMMISSION
NOTES TO FINANCIAL STATEMENTS

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

General Employees Retirement Plan

All full-time and certain part-time employees of the Commission are covered by the General Employees Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

Benefits Provided:

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service.

General Employees Plan Benefits

General Employees Plan 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 Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2 percent for each of the first 10 years of service and 1.7 percent for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent for all years of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

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

Contributions:

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

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal years 2020 and 2019 and the Commission was required to contribute 7.50% for Coordinated Plan members. The Commission's contributions to the General Employees Fund for the years ended December 31, 2020 and 2019 were \$53,618 and \$51,942, respectively. 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)

Pension Costs:

General Employees Fund Pension Costs

At December 31, 2020 and 2019, the Commission reported a liability of \$569,568 and \$536,291, respectively, for its proportionate share of the General Employees Fund's net pension liability. The Commission's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million to the fund for both years ended 2020 and 2019. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the Commission totaled \$17,576 and \$16,666 as of December 31, 2020 and 2019, respectively. The net pension liability was measured as of June 30, 2020 and 2019, 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 proportionate share 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 through June 30 each year, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2020, the Commission's proportionate share was 0.0095% which was a decrease of 0.0002% from its proportionate share measured as of June 30, 2019.

For the years ended December 31, 2020 and 2019, the Commission recognized pension expense of \$50,579 and \$47,375, respectively, for its proportionate share of the General Employees Plan's pension expense. In addition, the Commission recognized an additional \$1,530 and \$1,248, respectively, as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund in both 2020 and 2019.

At December 31, 2020 and 2019, the Commission reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2020		2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 5,304	\$ 2,155	\$ 15,008	\$ -
Changes in actuarial assumptions	-	21,433	-	42,711
Net collective difference between projected and actual investment earnings	8,115	-	-	54,324
Changes in proportion	-	12,663	-	13,442
Contributions to PERA subsequent to the measurement date	27,975	-	25,325	-
Total	<u>\$ 41,394</u>	<u>\$ 36,251</u>	<u>\$ 40,333</u>	<u>\$ 110,477</u>

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

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

\$27,975 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, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2021	\$ (39,654)
2022	(5,021)
2023	8,082
2024	13,761

Total Pension Expense:

The total pension expense recognized by the Commission for the years ended December 31, 2020 and 2019, was \$13,200 and \$60,403, respectively.

Actuarial Assumptions:

The total pension liability in the June 30, 2020 and 2019 actuarial valuations were determined using the following actuarial assumptions:

	<u>2020</u>	<u>2019</u>
Inflation	2.25% per year	2.50% per year
Active Member Payroll Growth	3.00% per year	3.25% per year
Investment Rate of Return	7.50%	7.50%

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

Actuarial assumptions used in the June 30, 2020 and 2019 valuations were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and become effective with the July 1, 2020 actuarial valuation. The recommended assumptions for the plan was adopted by the Board and will be effective with the July 1, 2021 actuarial valuations if approved by the Legislature.

NORTH METRO TELECOMMUNICATIONS COMMISSION
NOTES TO FINANCIAL STATEMENTS

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

The following changes in actuarial assumptions occurred in 2020:

General Employees Fund:

Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions:

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

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

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

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

	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equity	35.5%	5.10%
Private markets	25.0%	5.90%
Fixed income	20.0%	0.75%
International equity	17.5%	5.30%
Cash equivalents	<u>2.0%</u>	0.00%
Total	<u><u>100%</u></u>	

Discount Rate:

The discount rate used to measure the total pension liability in 2020 and 2019 was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Liability Sensitivity:

The following presents the Commission's proportionate share of the net pension liability for the General Employees fund plan 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:

	<u>1% Lower Discount Rate (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Higher Discount Rate (8.5%)</u>
Sensitivity of Net Pension Liability at Current Single Discount Rate	\$ 912,821	\$ 569,568	\$ 286,413

**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.

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.

NORTH METRO TELECOMMUNICATIONS COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Franchise fees	\$ 1,200,000	\$ 1,200,000	\$ 1,315,013	\$ 115,013
PEG fees	765,000	765,000	754,500	(10,500)
Interest	30,000	30,000	10,064	(19,936)
Other	25,000	25,000	33,668	8,668
Grants and contributions	-	-	63,103	63,103
Transfer from reserves	115,414	115,414	-	(115,414)
TOTAL REVENUES	2,135,414	2,135,414	2,176,348	40,934
EXPENDITURES				
Franchise fee reimbursements	400,000	400,000	400,000	-
Personnel	767,881	767,881	772,566	(4,685)
Employee benefits	277,503	277,503	274,481	3,022
Office	127,900	127,900	113,657	14,243
Legal fees	50,000	50,000	38,637	11,363
Other administrative costs	43,000	43,000	37,128	5,872
Vehicle	2,000	2,000	5,984	(3,984)
Production	42,500	42,500	20,481	22,019
Capital expenditures	424,630	424,630	365,085	59,545
TOTAL EXPENDITURES	2,135,414	2,135,414	2,028,019	107,395
REVENUES OVER EXPENDITURES	\$ -	\$ -	148,329	\$ 148,329
Plus effect of capital assets purchased			57,126	
Plus effect of debt service			200,000	
Less effect of depreciation			(433,927)	
Less effect of disposal of capital assets			(3,920)	
Less effect of net pension liability			42,010	
CHANGE IN NET POSITION (GAAP BASIS)			\$ 9,618	

See accompanying notes to
required supplementary information

NORTH METRO TELECOMMUNICATIONS COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	(Budgetary	Final Budget
			Basis)	Positive
				(Negative)
REVENUES				
Franchise fees	\$ 1,220,000	\$ 1,220,000	\$ 1,261,432	\$ 41,432
PEG fees	755,000	755,000	785,921	30,921
Interest	25,000	25,000	46,854	21,854
Other	25,000	25,000	32,483	7,483
Transfer from reserves	100,000	100,000	-	(100,000)
TOTAL REVENUES	2,125,000	2,125,000	2,126,690	1,690
EXPENDITURES				
Franchise fee reimbursements	400,000	400,000	400,000	-
Personnel	745,992	745,992	719,627	26,365
Employee benefits	270,586	270,586	260,871	9,715
Office	116,500	116,500	136,373	(19,873)
Legal fees	60,000	60,000	39,895	20,105
Other administrative costs	77,500	77,500	44,776	32,724
Vehicle	5,500	5,500	9,618	(4,118)
Production	29,500	29,500	25,209	4,291
Capital expenditures	418,115	418,115	435,687	(17,572)
TOTAL EXPENDITURES	2,123,693	2,123,693	2,072,056	51,637
REVENUES OVER EXPENDITURES	\$ 1,307	\$ 1,307	54,634	\$ 53,327
Plus effect of capital assets purchased			123,381	
Plus effect of debt service			195,090	
Less effect of depreciation			(436,515)	
Less effect of net pension liability			(8,657)	
CHANGE IN NET POSITION (GAAP BASIS)			\$ (72,067)	

See accompanying notes to
required supplementary information

**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, 2020 and 2019, 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, 2020

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, 2020	\$ 53,618	\$ 53,618	\$ -	\$ 714,907	7.50%
December 31, 2019	\$ 51,942	\$ 51,942	\$ -	\$ 692,560	7.50%
December 31, 2018	\$ 49,294	\$ 49,294	\$ -	\$ 657,253	7.50%
December 31, 2017	\$ 47,357	\$ 47,357	\$ -	\$ 631,427	7.50%
December 31, 2016	\$ 48,989	\$ 48,989	\$ -	\$ 653,187	7.50%
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, 2020

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)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with NMTC (a)	Employer's Proportionate Share of the Net Pension Liability Associated with NMTC (a)	Employer's Covered-Employee Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll (a/b)		
							Share of the Net Pension Liability	Fiduciary Net Position as a Percentage of the Total Pension	Liability
June 30, 2020	December 31, 2020	0.0095%	\$ 569,568	\$ 17,576	\$ 587,144	\$ 679,587	83.8%	79.1%	
June 30, 2019	December 31, 2019	0.0097%	\$ 536,291	\$ 16,666	\$ 552,957	\$ 683,453	78.5%	80.2%	
June 30, 2018	December 31, 2018	0.0098%	\$ 543,664	\$ 17,795	\$ 561,459	\$ 652,560	83.3%	79.5%	
June 30, 2017	December 31, 2017	0.0099%	\$ 632,009	\$ 7,940	\$ 639,949	\$ 637,427	99.2%	75.9%	
June 30, 2016	December 31, 2016	0.0102%	\$ 828,188	\$ 10,782	\$ 838,970	\$ 629,160	131.6%	68.9%	
June 30, 2015	December 31, 2015	0.0101%	\$ 523,434	\$ -	\$ 523,434	\$ 592,187	88.4%	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.

**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, 2020, 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 27, 2021.

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. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. 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 have not been 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 2020-1 and 2020-2.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from 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.

April 27, 2021

NORTH METRO TELECOMMUNICATIONS COMMISSION
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended December 31, 2020

2020-1 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.

2020-2 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.

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, 2020, and the related notes to the financial statements, and have issued our report thereon dated April 27, 2021.

The *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, contains seven categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing. Our audit included all of the listed categories, except we did not test for compliance with the provisions for tax increment financing because the Commission has not established a tax increment financing district.

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 Cities*. 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, in so far as they relate to accounting matters.

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.

April 27, 2021

**NORTH METRO
TELECOMMUNICATIONS COMMISSION
MANAGEMENT LETTER
December 31, 2020**

MANAGEMENT LETTER

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

We have audited the financial statements of North Metro Telecommunications Commission for the year ended December 31, 2020, and have issued our report thereon dated April 27, 2021. 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 December 30, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

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. No new accounting policies were adopted and 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.

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.

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 27, 2021.

Management Consultations with Other Independent Accountants

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

Other Audit 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 Matters

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

Restriction on Use

This information 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.

April 27, 2021

Program Production

In April, a total of 64 **new programs** were produced utilizing the North Metro facilities, funds, and services. This constitutes **72:00:00 hours of new programming**.

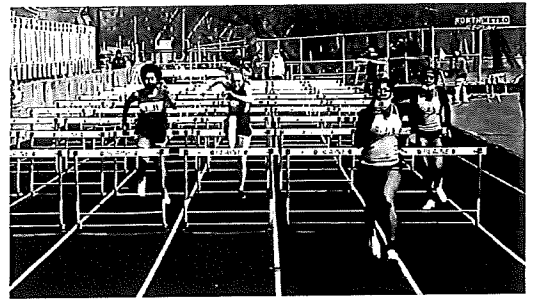
- 20 programs were produced by the public
- 37 programs were produced by NMTV staff
- 7 programs were produced by City staff



Van Shoots

The HD production truck was utilized for 18:00:00 hours of production in April. The following events were produced live and recorded for additional playback:

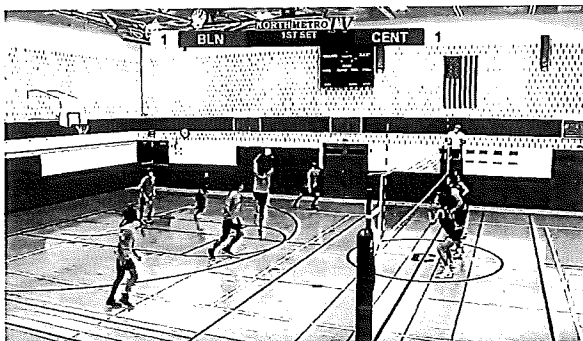
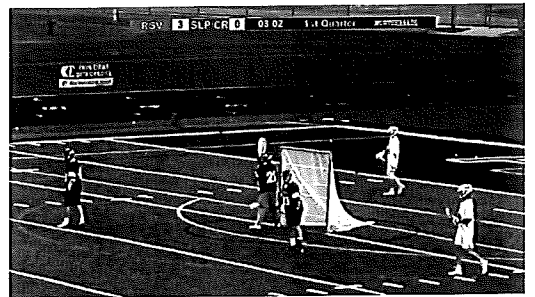
- Boys & Girls Track & Field: Centennial vs. Blaine
- Girls Lacrosse: Elk River vs. Centennial
- Boys Volleyball: Blaine vs. Centennial



vMix Live Streaming Shoots

The vMix single camera production system was utilized to record/transmit live three high school sporting events. The vMix system requires significantly fewer staff members, than the production truck. vMix crews are spread out over multiple locations and connected via the internet.

- Baseball: Armstrong vs. Blaine
- Boys Lacrosse: Armstrong vs. Blaine
- Boys Lacrosse: Roseville vs. Spring Lake Park/Coon Rapids



Most Viewed YouTube Sporting Event

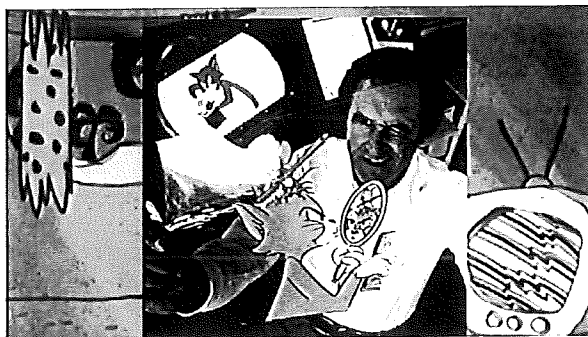
Boys Volleyball: Blaine vs. Centennial
473 Views

Live Workshops

Workshop	Instructor	Organization	Students
Live Lecture - Hollywood Goes to War: World War II	Eric Houston	Waters Senior Living of Saint Paul (fee)	9
Live Lecture - The Oscars: 90 Years of the Academy Awards	Eric Houston	General Public via Youtube	15
Live Lecture - We Love Lucy: The Lucille Ball Story	Eric Houston	Robbinsdale Community Education (fee)	3
Editing	Eric Houston	General Public	1
4 Live Workshops			30 Students

VOD Workshop Views

Workshop	Type	# of Views	Hours Viewed
The Oscars: 90 Years of the Academy Awards	Full	35	15 hrs
Tim Curry Horror Picture Show	Mini	54	2.5 hrs
Back to the Eighties: The Decade's Biggest...	Full	23	5.5 hrs
James Bond: 50 Years of 007	Full	16	1.25 hrs
Eurovision: A Celebration	Mini	2	N/A
Yabba-Dabba-Do! The Fantastic World of Hanna...	Full	2,339	234 hrs
Superman: The Man of Steel on the Silver Screen	Full	7	2.25 hrs
The Fantastic Four on the Silver Screen	Mini	6	.5 hrs
Christmas in Hollywood	Full	N/A	N/A
TV's Greatest Christmas Specials	Full	12	.25 hrs
Chicago Christmas Classics	Mini	80	4 hrs
Let's Go Ghostbusters: Filmation's Haunted Heroes	Mini	10	.25 hrs
Monster Movies of the 40s and 50s	Full	457	68.5 hrs
Monster Movies of the 20s and 30s	Full	345	63.25 hrs
The Presidency on Film JQA to JFK	Full	3	.75 hrs
Monstervision: The Legend of Joe Bob Briggs	Mini	31	1.75 hrs
The Cult of Caroline Munro	Mini	1582	66 hrs
The Marilyn Monroe Story	Full	20	2.5 hrs
Nick at Nite: A TV Viewer's Dream	Mini	71	3 hrs
The Birth of Animation: Mickey, Bugs, and Betty...	Full	16	3 hrs
Hollywood Goes to War: World War II	Full	23	5.25 hrs
Come on Down: Game Shows of the 70s and 80s	Full	34	2.75 hrs
The Quiz Show Scandals and Other Game Shows...	Full	93	16.25 hrs
The Three Stooges: Comedy's Heavy Hitters	Full	9	.25 hr
The Marx Brothers: Groucho, Harpo, Chico...	Full	110	9 hrs
Mary Pickford: The World's First Movie Star	Full	12	2.25 hrs
Hollywood Goes to the Dogs: Lassie, Benji...	Full	4	.75 hrs
27 VOD Workshops		5,394 Total Views	510.75Hours Viewed



Most Viewed YouTube Workshop

Yabba-Dabba-Do! The Fantastic World of Hanna-Barbera
2,339 Views

YouTube Stats

Month	Viewers	Videos Viewed	Hours Watched	New Subscribers	Total Impressions
January	23,800	38,487	3,620.2	132	532,400
February	21,198	34,307	3,201	103	507,655
March	26,738	46,359	5,147	145	668,404
April	20,378	28,623	1,653	84	462,844
TOTAL:	92,114	147,776	13621.2	464	2,171,303

NMTV Website Stats

Month	Number of Users	Number of Views	Live Stream Views
January	6,103	20,923	1,324
February	5,860	16,285	1,692
March	5,347	14,476	2,182
April	4,313	9,558	599
TOTAL:	21,623	61,242	5,797

Home Movie Transfers

Home movie transfers have become one of our most popular services. Residents can transfer their family videos themselves for free, or pay NMTV to do it. NMTV can also transfer film, slides, and photos for a fee.

Month	Hours Transferred	Tapes	Film Reels	DVDs	Photos/ Slides	Fees Paid
January	387	74	136	3	516	\$1,927.20
February	358	77	101	15	1,097	\$688.06
March	587.50	153	76	73	850	\$3,007.08
April	429	134	52	92	860	\$1,550.12
TOTAL:	1,761.5	438	365	183	3,323	\$7,172.46

Production Highlights

NMTV News Highlights

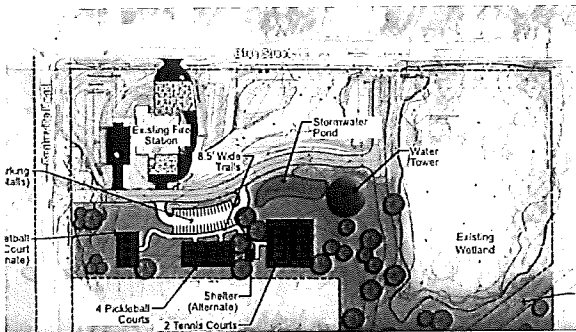
Each week Danika Peterson and Rusty Ray create a news program that highlights events, people, issues, and information important to citizens of our Member Cities. Some April highlights include:

- Centennial High School Students Protest Racial Bullying With Walkout
- Lino Lakes Moving Ahead With Plans for Tower Park
- Golden Lake Elementary School Murals Showcase Local Biodiversity Student Artistic Ability
- City of Blaine Recognized for Conservation Efforts
- Bunker Beach Readies for Busy 2021 Season
- Master Gardener Takes Lasagna Approach to Building Gardens



- Anoka Hennepin Retail Boutique Re-Opens
- USA Cup Makes a Comeback in 2021
- The Sandhill Crane Natural Area Welcomes Back Cranes
- Chomonix Golf Course on a Rebound Thanks to Pandemic
- Blaine Charity Gives Back to Non-Profit That Provides Food to Needy
- School Districts Expanding On-Line School Offerings Even After Return to Normal
- Anoka County Seeing Rise in Prescription Drug Abuse Cases
- Blaine HyVee Not Closer to Opening But Receives Extension From City Leaders
- SBM Firefighters to Distribute Bicycle Helmets to Promote Community Safety
- Real Estate Market Welcomes Those Who Seek Career Change
- Compost Piles are Money Saving and Great Starts for Gardens
- Police Offer Tips to Help Slow Growing Rate of Catalytic Converter Thefts
- Andover Family Helps Rescue Stranded Baby Great Horned Owl
- Census Results Start to Paint Political Future in North Metro and Minnesota
- Speed Limit Change Could Help Improve Safety at School in Ham Lake
- New Anoka County Economic Development Director Talks Opportunity, Challenges
- North Metro Cities Plan for Festivals One Year After Pandemic Cancellations

In addition to daily playbacks of North Metro TV News on the cable systems, there are 826 local stories archived for viewers on the NMTV YouTube channel. The channel can be accessed through the northmetrotv.com website.



Most Viewed YouTube News Story

Lino Lakes Moving Ahead With Plans for Tower Park
290 Views

Mayor's Minutes

Municipal Producer, Trevor Scholl, produced two episodes of Mayor's Minutes in March. The program gives Mayors an opportunity to update residents on all the important issues and events taking place in the city. All Member City mayors are invited to participate. This month, Mayor Sanders of Blaine and Mayor Murphy from Lexington were able to participate.



Seasonal Sports Coverage

With the end of winter sports, coverage opportunities for NMTV are winding down as well. The short spring season provides some opportunities with baseball, softball, lacrosse, and track and field, but are often impacted by field conditions and weather. Still, with our expanded capabilities with single camera live systems we are covering as many games as we can. Certainly, parents and grandparents appreciate being able to see the games live-streamed!

"Thank you very much for streaming the Blaine/Centennial boys volleyball game. We are the grandparents of a Blaine player and since we cannot attend, we so appreciate being able to live stream. The announcers were excellent and did a WONDERFUL job. Thanks again."

-Phyllis & Wayne Rechtzigel

Live Streaming Requests

NMTV continues to receive requests to live stream events. T.J. Tronson is currently scheduled to live stream six events for Blaine High School, including concerts, a play, the Girls Virtual Hockey Banquet, and the Center for Engineering Mathematics and Science senior class presentations. We are also scheduled to live-stream a special event for Stepping Stones Emergency Housing.

Class Additions and Changes

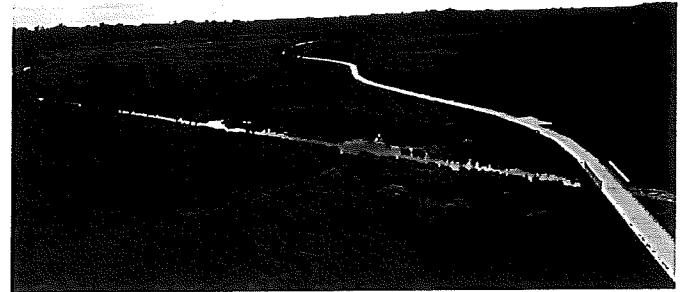
Instructor, Eric Houston, continues to create new workshops. This month The Oscars: 90 Years of the Academy Awards and the mini-class Tim Curry Horror Picture Show were added to our library. Interest and comfort levels with in-person classes is on the rise, so Eric is working to get back to presenting his classes in-person. We are hoping to start working with our workshop partners (senior centers, senior living facilities, community education, Park & Rec, History Center etc.) to bring the service back to their facilities as soon as possible. Prior to the pandemic, Eric was receiving requests from several facilities outside of our service area. All classes provided for organizations outside of the Member Cities are done so for a fee. Classes provided to facilities/organizations within our Member Cities are done free of charge.

"I thoroughly enjoyed this! Learned some new facts about my most favorite animation producers and joyfully reminisced too. Thank you so much for the work/research you have done here."

-Yellowmass Sky on Yabba-Dabba-Do

Drone Flights

Special Events Coordinator and UAS Remote Pilot, T.J. Tronson, is working on FAA drone authorizations for two flights within the Anoka-Blaine airport restricted area. The flights have been requested by the City of Blaine for a Highway 65 traffic study and by Blaine's Water Resource Manager, Rebecca Haug, for some wetland aerals. Permissions have been granted by the FAA, but we also require permission from MnDot to fly close to Highway 65. According to regulations, we are not allowed to fly over moving vehicles, people or businesses. T.J. has created a flight route that would keep the drone within regulations while obtaining the desired footage.



Anoka County Job Training Center Partnership

Darcy Hokkanen, Program Coordinator for the Anoka County Job Training Center, became familiar with NMTV through our participation with the Metro North Chamber of Commerce's virtual career fair. She runs a program for local youth who are poor or disabled to help them enter the job force. She had a young man in mind for us, who is interested in working in media and wondered whether we would be interested in working with the program. We already work with young people with special needs and were happy to participate. We also recommended that one of the young men we already work with might be a good fit for her program. Anyone partnered with NMTV, through the job training partnership, would be employed and paid by the program, but would work under the direct supervision of North Metro TV staff.

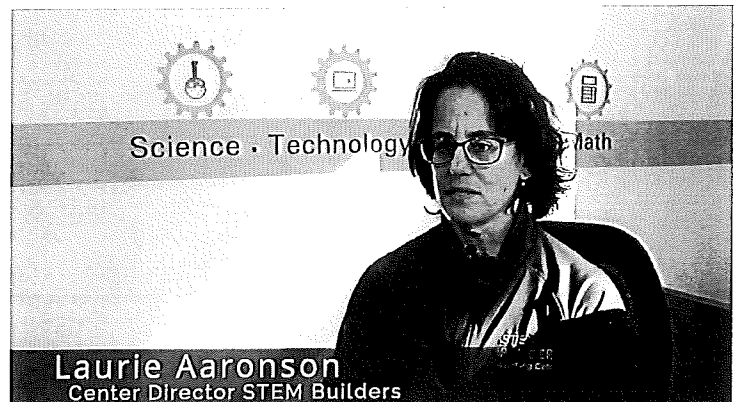
City Productions

In April, Municipal Producer, Trevor Scholl, completed four productions. The shows included two episodes of Mayor's Minutes, a Blaine STEM academy profile, and an update to Blaine's safety training meeting. Programs completed include:

- Lexington Spring Mayor's Minutes
- Blaine Mayor's Minutes
- Business Matters: STEM Builders of Blaine
- City of Blaine: Safety Training Meeting

New and ongoing projects include:

- Property marker video for Blaine
- Business profiles
- Retail theft video
- Quad Area Chamber of Commerce video
- BPD hearing impaired relations
- Lino Lakes public works profile
- Wetland Sanctuary series
- Bonfire safety videos
- Lino Lakes fire recruitment updates
- Circle Pines virtual tour



Trevor touches base with contacts on a regular basis and also encourages Cities to contact him whenever they have an idea for a new show.

Public Access Programs

Title	Producer	Runtime
NMTV's Untitled, Socially Distant Game Show	Eric Houston	00:29:57
Bad Movie Bros (2 episodes)	Eric Houston	01:27:24
Rice Creek Watershed District Meeting (2 episodes)	Theresa Stasica	04:19:57
Christ Lutheran Church (4 episodes)	Chance Amundson	03:00:26
Lovepower (4 episodes)	Rick Larson	04:00:00
The Power of Love (4 episodes)	Rick Larson	02:00:00
Oak Park Community Church (4 episodes)	David Turnidge	02:07:57
20 New Programs		17:25:41 New Hours

NMTV Staff Programs

Title	Producer	Runtime
Anoka County Board Meeting (4/13/21)	T.J. Tronson	01:11:23
Anoka County Board Meeting (4/27/21)	T.J. Tronson	01:35:52
NMTV News (4 episodes)	Danika Peterson/Rusty Ray	01:30:09
Business Matters: STEM Builders of Blaine	Trevor Scholl	00:05:27
Lexington Mayor's Minutes: Spring 2021	Trevor Scholl	00:04:48
Blaine Mayor's Minutes: Spring 2021	Trevor Scholl	00:04:36
City of Blaine: Safety Training Meeting	Trevor Scholl	00:45:00
Ham Lake Welcomes New Fire Chief	Trevor Scholl	00:04:30
Boys & Girls Track and Field: Centennial/Blaine	Kenton Kipp/J. Millington	01:53:07
Baseball: Armstrong/Blaine	Kenton Kipp/J. Millington	01:42:20
Boys Lacrosse: Armstrong/Blaine	Kenton Kipp/J. Millington	01:30:09
Boys Lacrosse: Roseville/Spring Lake Park & Coon Rapids	Kenton Kipp/J. Millington	01:26:46
Girls Lacrosse: Elk River/Centennial	Kenton Kipp/J. Millington	01:20:34
Boys Volleyball: Blaine/Centennial	Kenton Kipp/J. Millington	00:58:57
Sports Den Winter Wrap: Spring Lake Park Boys Swim & Dive	Kenton Kipp/J. Millington	00:09:14
Sports Den Winter Wrap: Centennial Boys Swim & Dive	Kenton Kipp/J. Millington	00:15:07
Sports Den Winter Wrap: Centennial Gymnastics	Kenton Kipp/J. Millington	00:14:43
19 New Programs		14:48:12 New Hours

City Meetings

Title	Producer	Runtime
Blaine City Council Meeting (4/5/21)	T.J. Tronson	02:06:09
Blaine Planning Commission Meeting (4/13/21)	Trevor Scholl	01:33:28
Blaine City Council Meeting (4/19/21)	Trevor Scholl	02:06:09
Blaine Natural Resources Conservation Board Meeting (4/20/21)	T.J. Tronson	01:00:55
Blaine Park Board Meeting (4/27/21)	Trevor Scholl	01:01:21

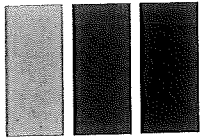
Centerville Park & Rec Meeting (4/7/21)	Centerville Staff	03:16:28
Centerville City Council Meeting (4/14/21)	Centerville Staff	02:07:27
Centerville EDA Meeting (4/21/21)	Centerville Staff	02:14:38
Centerville Planning & Zoning Meeting (4/26/21)	Centerville Staff	06:05:43
Centerville City Council Meeting (4/28/21)	Centerville Staff	04:20:32
Circle Pines City Council Meeting (4/13/21)	Patrick Willson	00:07:08
Circle Pines Utility Commission Meeting (4/21/21)	Patrick Willson	00:47:41
Circle Pines City Council Meeting (4/27/21)	Patrick Willson	01:07:45
Ham Lake City Council Meeting (4/5/21)	Patrick Willson	00:30:14
Ham Lake Planning Commission Meeting (4/12/21)	Patrick Wilson	01:07:37
Ham Lake Planning Commission Meeting (4/26/21)	Patrick Wilson	01:40:33
Lexington City Council Meeting (4/1/21)	Lexington Staff	00:54:03
Lexington City Council Meeting (4/15/21)	Lexington Staff	00:10:15
Lino Lakes Environmental Board Meeting (3/31/21)	Lino Lakes Staff	01:48:21
Lino Lakes Park Board Meeting (4/7/21)	Lino Lakes Staff	00:59:07
Lino Lakes City Council Meeting (4/12/21)	Anne Serwe	00:47:39
Lino Lakes Planning & Zoning Meeting (4/14/21)	Lino Lakes Staff	01:30:37
Lino Lakes City Council Meeting (4/26/21)	Anne Serwe	00:37:40
Spring Lake Park City Council Meeting (4/5/21)	Isaac Quick	01:11:15
Spring Lake Park City Council Meeting (4/19/21)	Isaac Quick	00:33:24
25 New Programs		39:46:09 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 2021

Programming Statistics														21 Total		21 Average	
	J	F	M	A	M	J	JU	A	S	O	N	D					
Cablecast Programs	2478.00	2262.00	2542.00	2186.00										9468.00		789.00	
Cablecast Hours	1985.50	1945.50	2090.75	2085.50										8107.25		675.60	
Programs Produced - Public	18.00	12.00	19.00	15.00										64.00		5.33	
Program Hours Produced - Public	14.00	10.00	15.00	11.00										50.00		4.17	
Prog. Produced - Affiliated Public	6.00	6.00	8.00	5.00										25.00		2.08	
Prog. Hours Produced - Affli. Public	6.00	5.00	6.50	6.50										24.00		2.00	
Programs Produced - City Staff	10.00	6.00	6.00	7.00										29.00		2.42	
Prog. Hours Produced - City Staff	14.50	12.00	6.25	20.50										53.25		4.44	
Programs Produced - NMTV Staff	49.00	46.00	99.00	37.00										231.00		19.25	
Prog. Hours Produced - NMTV Staff	39.50	39.25	53.00	34.00										165.75		13.81	
Total Public Programs Produced	24.00	18.00	27.00	20.00										89.00		7.42	
Total Staff Programs Produced	59.00	52.00	105.00	44.00										260.00		21.67	
Total Internal Programs Produced	83.00	70.00	132.00	64.00										349.00		29.08	
% Staff Produced Programs	71.08%	74.29%	68.75%											74.50%		74.50%	
% Public Produced Programs	28.92%	25.71%	31.25%											25.50%		25.50%	
External Programs Submitted	15.00	27.00	24.00	23.00										89.00		7.42	
External Program Hours	11.50	19.50	21.25	20.25										72.50		6.04	
Total New Programs	98.00	97.00	156.00	87.00										438.00		36.50	
Public Equipment Usage Statistics																	
Facility Hours Available	105.00	105.00	140.00	119.00										469.00		39.08	
Camera Check Outs	5.00	4.00	7.00	6.00										22.00		1.83	
Studio A	0.00	0.00	0.00	0.00										0.00		0.00	
% of Available Time	0.00%	0.00%	0.00%	0.00%										0.00%		0.00%	
Studio B	0.00	0.00	0.00	0.00										0.00		0.00	
% of Available Time	0.00%	0.00%	0.00%	0.00%										0.00%		0.00%	
Editing	16.00	17.00	19.50	18.00										70.50		5.88	
% of Available Time	15.24%	16.19%	13.93%	15.13%										15.03%		2.64%	
Number of Public Facility Users	5.00	2.00	4.00	6.00										17.00		1.42	
Total Hours of Public Use	49.00	26.00	49.00	84.00										208.00		17.33	
Production Van/Vmix Statistics																	
Number of Van Shoots	0.00	0.00	12.00	3.00										15.00		1.25	
Total Van Usage Hours	0.00	0.00	67.50	18.00										85.50		7.13	
Number of vmix Shoots	13.00	14.00	11.00	3.00										0.18		0.10	
Intern Hours	27.50	10.00	17.00	10.00										64.50		5.38	
Volunteer Hours	0.00	0.00	4.00	8.00										12.00		1.00	
Workshop Statistics																	
Number of Live Workshops	2.00	3.00	2.00	4.00										11.00		0.92	
Number of Students at Live Workshops	23.00	27.00	29.00	30.00										109.00		9.08	
VOD Students All Workshops	3677.00	2640.00	3908.00	5394.00										15619.00		1301.58	
Media Transfer Statistics																	
Total Transfer Equip. Usage Hours	387.00	358.00	587.50	429.00										1761.50		146.79	
Tapes Transferred	74.00	77.00	153.00	134.00										438.00		36.50	
Film Reels Transferred	136.00	101.00	76.00	52.00										4.02		12.23	
Slides/Photos Transferred	516.00	1097.00	850.00	860.00										3323.00		276.92	
DVDs Copied	3.00	15.00	73.00	92.00										183.00		15.25	
Transfer Hours By Public	10.50	32.00	74.00	40.50										157.00		13.08	
Transfer Hours By Staff	376.50	326.00	513.50	388.50										1604.50		133.71	
NMTV YouTube Statistics																	
Number of Viewers	23900.00	21198.00	26738.00	20378.00										92114.00		7676.17	
Total Videos Viewed	38487.00	34307.00	46359.00	28623.00										147776.00		12314.67	
Total Hours Watched	3620.20	3201.00	5147.00	1653.00										13621.20		1135.10	
Number of New Subscribers	132.00	103.00	145.00	84.00										464.00		38.67	
Total Impressions	532400.00	507655.00	668404.00	462844.00										2171303.00		180941.92	
NMTV Website Statistics																	
Number of Users	6103.00	5860.00	5347.00	4313.00										21623.00		1801.92	
Number of Views	20923.00	16285.00	14476.00	9558.00										61242.00		5103.50	
Live Stream Views	1324.00	1692.00	2182.00	599.00										5797.00		483.08	



Bradley

MEMORANDUM

To: North Metro Telecommunications Commission
From: Mike Bradley and Michael Athay
Re: May 2021 Legal Report
Date: May 7, 2021

Cable Franchising Order Appeal

There was a lot of activity in the Appeal of the FCC's cable franchising order between mid-March and mid-April. First, the FCC filed a Motion for Abeyance requesting that the Sixth Circuit put this case on hold so that the FCC can have time to reconsider its position. It recognized that the makeup of the FCC Commissioners has changed and that a majority of the current Commissioners (2-1) actually dissented from the report and order in question (the other Commissioner was appointed after the report and order). The FCC sought time to allow the Fifth Commissioner to be appointed and to determine its legal position on this report and order under the new leadership.

The NCTA (cable industry association) filed an opposition to the FCC's motion for abeyance. The attorneys with clients participating in the municipal coalition all agreed to file a short reply to the NCTA and to support the FCC's motion. Unfortunately, the Sixth Circuit denied the FCC's motion to hold the oral argument in abeyance. Therefore, oral argument was heard on April 15, 2021 as originally scheduled.

The Sixth Circuit Court of Appeals heard oral argument on April 15, 2021. The 3-Judge panel, led by Judge Kethledge, was very engaged. The Court focused most of its time on the mixed use rule and the preemption of state and local governments. Judge Kethledge said he was a textualist and pressed the parties, particularly the FCC and NCTA, on the precise statutory basis for its arguments. Judge Kethledge seemed unconvinced that the FCC had a statutory basis for claiming preemption of regulation of all non-cable services based on the text of the Cable Act. The Court did address the in-kind issue with the FCC on the issue of cost vs. FMV and indicated that it thought the FCC confused the payor of franchise fees and that when the proper payor is identified the in-kind question is answered. At the end of oral argument the Court thanked the parties for the good briefing and participating in the oral argument.

We are awaiting the Court's decision and anticipate that it could be issued within 60-90 days.

Remote meetings under Minnesota Open Meetings Law after the pandemic

Just over a year ago, I provided guidance on how you could conduct meetings remotely during a pandemic and state declared emergency. News that vaccines will be available soon to everyone over the age of 16 in the State of Minnesota raises the possibility that the

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pandemic/emergency may come to an end in the near future. During the pandemic, remote meetings have been held pursuant to a provision of the Minnesota Open Meeting Law that allows remote participation due to a health pandemic or a special declared emergency. Minn. Stat. 13D.021. Once the pandemic/emergency ends, local government entities will no longer have authority to meet remotely under that section of the Open Meeting Law and must return to following the Open Meeting Law as before the pandemic/emergency. Note, however, that the Open Meeting Law does allow meetings to be conducted by "interactive television" if all five of the following requirements are met:

- At least one member of the body is physically present at the regular meeting location;
- All members of the body participating in the meeting, wherever their physical location, can hear and see one another and can hear and see all discussion and testimony presented at any location at which at least one member is present;
- Members of the public present at the regular meeting location of the body can hear and see all discussion and testimony and all votes of members of the body;
- All votes are conducted by roll call so each member's vote on each issue can be identified and recorded; and
- **Each location at which a member of the body is present is open and accessible to the public.**

Minn. Stat. 13D.02, Subd. 1(a). The term "interactive television" is not defined in the statute. However, the Department of Administration has advised that Skype could qualify as interactive television. It would seem reasonable to conclude that video meetings conducted by Microsoft Teams, Zoom, Webex and the like would similarly qualify as interactive television for the purposes of complying with the Open Meeting Law.

Notice of the use of interactive television and the location of every participating member of the body meeting must also be provided. Minn. Stat. 13D.02, Subd. 4. The body meeting will generally need to allow members of the public to monitor the meeting from a remote location. Minn. Stat. 13D.02, Subd. 3, and minutes of the meeting must reflect the names of any members appearing by interactive television and state the reason(s) for their appearing by that means. Minn. Stat. 13D.02, Subd. 6.

Note that the current Open Meeting Law provides very limited exceptions for participation from a non-public location due to military service or medical reasons. Minn. Stat. 13D.02, Subd. 1(b). The exception for medical reasons can be used only three times a year. In a very recent development, a bill providing for limited expansion of this exception appears close to becoming law. HF 820, passed by both houses and headed to Gov. Tim Walz for signature, would remove this cap retroactively starting Jan. 1, 2021 and continuing through July 1, 2021. Gov. Walz is expected to sign the bill into law.

Community Development Block Grant Coronavirus (CDBG-CV) Program

Minnesota established this CDBG program using funds from the 2020 federal CARES Act. Funds are available to Minnesota communities for Community Development Block Grant-eligible activities that are carried out to prevent, prepare for, and respond to coronavirus

(COVID-19), and that meet specific CDBG national objectives. Minnesota's allocation totals \$37,600,868. Eligible activities include broadband development. **Applications for funding are due on or before June 1, 2021.**

Applications and information are available from the Minnesota Department of Employment and Economic Development at <https://mn.gov/deed/government/financial-assistance/community-funding/cdbg-cv.jsp>.

American Jobs Plan [Infrastructure Plan]

President Biden's proposed \$2 trillion infrastructure plan includes \$100 billion for broadband infrastructure and a proposal to "prioritize[] building 'future proof' broadband infrastructure in unserved and underserved areas" and "prioritize[] support for broadband networks owned, operated by, or affiliated with local governments, non-profits, and co-operatives." The proposal also discusses broadband affordability and transparency. As the proposal moves towards legislation, we will keep you apprised of any grant opportunities and other funding for local broadband projects. (The GOP has proposed \$568 billion total, with \$65 billion for broadband.)

Accessible, Affordable Internet for All Act (H.R. 1783; S. 745)

This bill was introduced by Rep. Clyburn and Sen. Klobuchar. It would provide \$80 billion to deploy broadband infrastructure; \$5 billion over five years for low-interest financing of broadband deployment; and an additional \$6 billion for the Emergency the Broadband Benefit Program, and an additional \$2 billion for the Emergency Connectivity Fund through E-Rate. Other provisions of the bill would guarantee the right of local governments, public-private partnerships, and cooperatives to deliver broadband service to the public. It would also establish grant programs for states to create and implement digital equity plans and for local communities to implement digital inclusion projects.

American Rescue Plan Act (H.R. 1319)

This legislation was signed into law by President Biden on 3/11/21. It includes, among many provisions, \$7.6 billion in E-Rate funds for off-site use during the pandemic, as well as \$350 billion in emergency relief for states, local governments, tribes and territories (among many other things). Guidance from the U.S. Treasury Department on how funds can be accessed and by what entities is expected in the very near future.

FCC Establishing Emergency Connectivity Fund to Close the Homework Gap (WC Docket No. 21-93)

More federal funding for broadband is coming through the \$7.171 billion Emergency Connectivity Fund Congress established in the American Rescue Plan Act. The FCC released a Draft Report and Order on April 30, 2021, responding to the Act's direction to the FCC to promulgate rules providing for distributions from the Fund to eligible schools and libraries for the purchase, during a COVID-19 emergency period, of eligible equipment and advanced

telecommunications and information services for use by students, school staff, and library patrons at locations other than a school or library. It looks like there may be funding for commercial service in the home, including equipment, and if no commercial service is available, for other means of providing connectivity: “We therefore find, that, unless there is no service available to purchase in an area, to qualify for funding as advanced telecommunications or information services, schools and libraries will only be reimbursed for purchasing a commercially available service providing a fixed or mobile broadband connection for off-campus use by students, school staff, or library patrons.” Draft Order Par. 34.

Data Practices and Retention Policies

As a local government entity, you are required by the state’s Government Data Practices Act to have a data practices policy and to update it each year prior to August 1. The Minnesota Department of Administration has more information and a sample policy. Your organization must also have a document retention policy. We encourage you to review your policies for compliance with state law.

Biden's \$100B broadband plan raises four big questions

DanoVision Mike Dano, Editorial Director, 5G & Mobile Strategies 4/5/2021

After much discussion, President Biden finally released the general outlines of his \$2 trillion infrastructure plan, of which \$100 billion will be devoted to broadband services.

Whether Biden will be able to get his proposal through Congress remains to be seen. But if he is successful, his proposal could dramatically alter the contours of the US broadband industry by injecting more federal money into the space than ever before.

However, it's not clear exactly how Biden's plan will work. As usual, the devil is in the details. Here are four questions that need to be answered to properly vet the president's bold broadband plan.

1. What is broadband?

While this question might seem hyperbolic or rhetorical, it's neither. A mostly reliable 25Mbit/s downlink is much, much different from an always-on, symmetrical 1Gbit/s connection. The first can be achieved relatively easily over most mobile networks today, while the other would almost undoubtedly require fiber.

Based on the handful of paragraphs Biden's plan devotes to broadband, it appears the president is leaning toward fiber because of his calls for a "future proof" infrastructure. Tom Wheeler, President Obama's FCC chairman, similarly argued for a "future proof" approach to broadband, writing in recent House testimony that prioritizing symmetrical 1Gbit/s capacity "is to prioritize a 'fiber first' policy."

If a "future proof" network must support 1Gbit/s on both the uplink and downlink, then today's wireless and cable network operators would be ineligible for government subsidies. Further, the situation also raises the possibility that Biden's plan would actually finance fiber-powered 1Gbit/s alternatives to existing cable and wireless networks.

Meaning, Biden's infrastructure plan might actually fund competitive challenges to Comcast's cable network or T-Mobile's fixed wireless efforts.

"The tone [of Biden's proposal] sets a negative view toward the industry," wrote the financial analysts at Cowen, pointing out that shares of cable providers like Comcast, Altice USA and Cable One declined during the week of Biden's proposal even while the overall stock market rose.

Others, though, aren't so worried: "We are skeptical that a majority of the Congress wants to allocate billions to subsidize fiber networks to compete with cable," wrote the financial analysts at New Street Research in their assessment of Biden's plan.

2. What is overpriced service?

Biden's plan largely aligns with previous Democratic efforts to promote broadband around the country. However, one line raised eyebrows among analysts: "Americans pay too much for the Internet – much more than people in many other countries – and the President is committed to working with Congress to find a solution to reduce Internet prices for all Americans, increase adoption in both rural and urban areas, hold providers accountable, and save taxpayer money."

Biden didn't say exactly what that all would entail, but the prospect of the US government setting prices for Internet connections caused concern among financial analysts.

"This is more forward-leaning commentary than we've heard from Biden or even most congressional Democrats on broadband prices," wrote the analysts at Cowen. "We think Biden's tone could elevate the risk of some type of broadband price regulation. We don't mean direct FCC regulation of all broadband prices. We mean that Congress (or the FCC at Biden's direction) could press all ISPs to offer a 'lifeline' tier of broadband service (50/50Mbit/s) at an FCC-set price. If this is where the bill goes, the key would be whether Congress/FCC only require ISPs to offer this regulated tier to low-income homes (shouldn't be a problem for ISPs) or whether it must offer it to all customers (clearly would be a concern)."

The financial analysts at New Street Research also wondered exactly what Biden means by reducing the "price" of broadband. "To some it means that the average price is fair, on the basis of international metrics, to the average American. To those who adopt that view, policy should bring down the average price," they wrote.

However, another meaning might only involve the "entry-level price," leaving other prices untouched.

3. Who will benefit?

A number of previous administrations, both Republican and Democratic, have focused on allocating government funding to existing broadband providers to either lower costs for consumers or to lower network buildout costs for providers. In the end, the providers benefited.

However, Biden's plan specifically mentions an alternative: financing community-operated municipal networks. Specifically, it calls for "lifting barriers that prevent municipally-owned or affiliated providers and rural electric co-ops from competing on an even playing field with private providers."

If Biden's plan does indeed push federal money toward municipal broadband projects, it could essentially divert that money from the cable, telecom and wireless providers that would otherwise get it.

However, some analysts aren't too worried about that particular outcome. "While we know that some local governments would like to have an option to provide their own broadband service, we think the ones that actually would do so would be rural communities unserved by current cable or fiber offerings, which would not be material to the companies we cover," wrote the analysts at New Street. "While a number of states ban such efforts, a majority of states do not, yet we have not seen municipal efforts in those states that do not that materially impact the companies we cover."

However, there is one clear group of beneficiaries to Biden's plan: Network equipment suppliers. The analysts at Cowen noted that Biden's proposal is nothing but good news for the likes of Ciena, Cisco, Infinera, Nokia, Adtran and others.

4. Is broadband a utility?

Herein lies the fundamental question facing lawmakers voting for Biden's plan. And their answer – whether through this vote or future votes – will help to shape the outline of the US broadband market for decades to come.

"With the 1936 Rural Electrification Act, the federal government made a historic investment in bringing electricity to nearly every home and farm in America, and millions of families and our economy reaped the benefits. Broadband Internet is the new electricity," according to Biden's plan.

Some believe that kind of thinking is exactly what is needed.

"The reference to electrification implies that much of the funding for modernizing the network might come in the form of low-interest federal loans given to community-based organizations," wrote Doug Dawson with CCG Consulting. "This same plan for electrification spurred the formation of electric cooperatives and would do something similar now. I favor this as the best use of federal money because the cost of building the infrastructure with federal loans means that the federal coffers eventually get repaid."

But if broadband is a public utility, along the lines of electricity, then it would likely be carefully managed by state or local officials.

On the one hand, such an approach could spur the delivery of speedy networks to remote and rural users. On the other, it could squelch private investments in technologies ranging from Massive MIMO to low Earth orbit satellite broadband.

Thus, expect much debate on the topic as summer looms.

Cable lobby says it hates Biden plan to expand broadband and lower prices

Industry says US should favor private ISPs and take no action to lower prices.

Jon Brodtkin - 4/1/2021, 1:06 PM

President Biden's plan to expand broadband access and lower prices is, predictably, facing bitter opposition from cable companies that want to maintain the status quo.

NCTA—The Internet & Television Association, which represents Comcast, Charter, Cox, and other cable companies, argued that Biden's plan is "a serious wrong turn." NCTA is particularly mad that Biden wants to expand municipal broadband networks that could fill gaps where there's no high-speed broadband from private ISPs and lower prices by providing competition to cable companies that usually dominate their regional territories.

"The White House has elected to go big on broadband infrastructure, but it risks taking a serious wrong turn in discarding decades of successful policy by suggesting that the government is better suited than private-sector technologists to build and operate the Internet," NCTA CEO Michael Powell wrote in a statement.

Before becoming a lobbyist, Powell was chairman of the Federal Communications Commission under President George W. Bush. In that role, Powell led a vote in 2002 that prevented common-carrier regulation of cable Internet, with his FCC claiming that the decision would "result in better quality, lower prices, and more choices for consumers."

Yesterday, Powell claimed that America's broadband is just fine the way it is. Biden is "mistakenly lumping in our successful modern digital networks with our decaying roads, bridges, waterways, and electric grids," Powell wrote. "While we have seen repeated examples of traditional infrastructure failures in recent years, America's broadband has been a reliable workhorse as millions of Americans have worked, learned, and stayed connected from home during the pandemic. Simply put, the high caliber of our broadband networks kept millions of Americans safe and will continue to revolutionize work, healthcare, education, and more."

USTelecom, which represents AT&T, Verizon, and other DSL and fiber providers, also claimed that things are going well and that Biden should stick with a strategy centered on private ISPs.

"Today's broadband marketplace is also ultra-competitive, defined by increasing speeds, declining prices, new entrants and next generation technologies," USTelecom CEO Jonathan Spalter said. "Congress now should prioritize affordability and accessibility solutions that are fast and smart and incentivize continued private investment to get the job done."

Biden: “Americans pay too much for Internet service”

Biden's plan would make a \$100 billion broadband investment and, per the [White House's description](#), "prioritizes support for broadband networks owned, operated by, or affiliated with local governments, non-profits, and co-operatives—providers with less pressure to turn profits and with a commitment to serving entire communities."

Biden's plan talks of "lifting barriers that prevent municipally owned or affiliated providers and rural electric co-ops from competing on an even playing field with private providers," which may be a reference to overturning nearly 20 [state laws](#) that restrict the growth of municipal networks.

Biden further proposed "requiring Internet providers to clearly disclose the prices they charge," an idea opposed by cable companies because they like to advertise low prices and then sock customers with bigger monthly bills by tacking on hidden fees. Biden also wants other action to lower prices, though exactly what that would be is unclear. The plan said that "the president is committed to working with Congress to find a solution to reduce Internet prices for all Americans, increase adoption in both rural and urban areas, hold providers accountable, and save taxpayer money."

The Biden plan also said that "Americans pay too much for the Internet—much more than people in many other countries." Further, "more than 30 million Americans live in areas where there is no broadband infrastructure that provides minimally acceptable speeds," and, "in part because the United States has some of the highest broadband prices among OECD countries, millions of Americans can't use broadband Internet even if the infrastructure exists where they live." These problems of access and affordability are most severe in rural and tribal areas and for minority groups, the Biden plan said.

"When I say 'affordable,' I mean it," [Biden said in a speech yesterday](#). "Americans pay too much for Internet service. We're going to drive down the price for families who have service now and make it easier for families who don't have affordable service to be able to get it now."

Cable lobby opposes plan to reduce prices

Powell is mad at Biden for suggesting that the government should try to lower broadband prices.

"Government does have a critical role to play in getting networks to areas that lack service and helping low-income families afford it," Powell wrote. "However, those targeted, shared goals are not served by suggesting wrongly that the entire network is ailing and that the solution is either to prioritize government-owned networks or micromanage private networks, including the unfounded assertion that the government should be managing prices." (Biden did not say that the government should be managing prices—his stated plan to "find a solution to reduce Internet prices for all Americans" is too vague to know what that will consist of, and requiring ISPs to clearly disclose prices wouldn't necessarily make those prices lower.)

Powell also argued that "the rapid innovation in Internet technology and services that Americans have seen over the past two decades is the direct consequence of massive and continuing private investment in networks across the country." While Powell touted "private investment," he did not mention that the FCC has given billions to private ISPs since 2015 to build networks in underserved areas, and recently awarded another \$9.2 billion out of a total of \$20.4 billion planned.

Despite that, millions of Americans still lack access to fast and/or affordable broadband. The cable industry and Republicans have consistently worked against plans to fix those problems with municipal networks. Republicans in Congress last month proposed a nationwide ban on municipal broadband.

Advertisement

Small ISPs more welcoming of Biden plan

A group that represents small, rural broadband providers issued a far more positive statement about the Biden plan. "No infrastructure package would be complete without digital infrastructure, and on behalf of NTCA's members, I want to thank President Biden for recognizing the importance of broadband access in his new American Jobs Plan," said Shirley Bloomfield, CEO of NTCA—The Rural Broadband Association.

"We need to aim high and invest in efficient and scalable technologies like fiber to meet the needs not only of today's consumers but also tomorrow's," Bloomfield said. By contrast, AT&T is lobbying against government-funded fiber networks in rural areas despite admitting that fiber is the most "future-proof" broadband technology.

The Wireless Internet Service Providers Association (WISPA), another lobby group representing small ISPs, issued a similarly positive statement.

"Though the digital divide is shrinking, more can and must be done to bring all Americans online. The president's focus is right on target," the group said. Still, the lobby group said that subsidy programs should "leverage providers already in the marketplace," a stance that would favor existing ISPs over new municipal, nonprofit, and co-op providers.

Whereas Congressional Democrats are pushing for a symmetrical 100Mbps broadband standard that would prioritize the building of fiber networks, WISPA naturally wants funding for wireless ISPs. The group said that subsidy programs should be "truly tech-neutral," that more spectrum should be made available to "small innovators," and that small ISPs should get "nondiscriminatory access to physical infrastructure."

Consumer advocates have been heaping praise on the Biden plan. "President Biden's historic plan places a big bet on broadband that is desperately needed," said Gigi Sohn, a consumer advocate who served in the Obama-era FCC as counselor to then-Chairman Tom Wheeler. "Refusing to repeat the mistakes of the past, which have left tens of millions of people in America unconnected, the president's plan prioritizes 'future proof networks,' promotes

competition by lifting state barriers on community-owned networks, requires price transparency, and pledges to tackle affordability by, among other things, addressing the high price of broadband Internet access."

Biden's broadband plan ends era of 'hands-off' regulation

News Analysis Robert Clark 4/12/2021

The Biden Administration's \$100 billion broadband plan marks the end of an era.

Since telecom reform began in the mid-80s with the breakup of the old AT&T it's been big telecom that has driven the industry, constrained by no more than light-touch regulation.

That's been the case not just in the US but across the OECD and much of the developing world.

The new Biden plan, hazy as it still is, drives the last nail in the coffin of the old regime.

Just as the deregulation era was driven by wider economic trends and new technology that rendered obsolete the "natural monopoly" concept, today's change is driven by an equally broad recognition that we need governments to do certain things, like manage health crises and ensure access to affordable broadband.

Everyone's a critic

There's been a predictable industry backlash, both on the idea of regulation in general and in particular from the hint that the government might intervene on pricing.

That's something a number of regulators already do, though you wouldn't know it from Michael Powell, former FCC chief and head of the cable lobby group NCTA, who is certain this will mean "a drawn-out government rate regulating process."

Nonetheless, he declared the industry had the same goal as the administration of "ensuring 100% of Americans have access to robust broadband networks."

To which the 30 million Americans who lack quality, affordable Internet might well ask: Why don't we?

As USA Today explains: "The problems with US broadband networks have been obvious for years. Service costs more than in many other rich nations, it still doesn't reach tens of millions of Americans and the companies that provide it don't face much competition."

It's not that US governments haven't tipped any funds into broadband, but it's been piecemeal and localized, mostly aimed at filling in the gaps in rural communications.

The recent Rural Digital Opportunity Fund auction, for example, will grant \$9.2 billion to successful bidders over the next decade.

The new plan is national and holistic, with the aim of future-proofing the networks and bringing in municipal players.

It is a fundamental change from the last three decades.

Playing catchup

Other major economies are already on this path.

The EU has allocated a fifth of its €672.5 billion (US\$801 billion) COVID-19 reconstruction fund, Recovery and Resilience Facility, to digital connectivity and in particular to fiber and 5G.

By 2030, the European Commission aims to have all households covered by a gigabit network and all populated areas covered by 5G.

In the last decade, Singapore and Australia have both rolled out government-funded next-gen broadband networks.

The Singapore project is an unqualified success – it ranks number one in world broadband rankings – and while the Australian scheme has been degraded by partisan politics no one questions its necessity.

Regulators in other successful Asian broadband markets such as Japan, Korea and Taiwan, have always been more hands-on.

Of course, setting out a plan is one thing. Filling in the detail is another.

There's a lot of opportunity for Biden and his team to get things wrong, but this is a landmark shift.

Mpls. to boost closed captioning, ASL after complaint

Liz Navratil, Star Tribune
March 28, 2021 · 2 min read

Minneapolis will provide live closed captioning of most public meetings and boost its interpretation services after a deaf man filed a discrimination complaint because he couldn't take part in hearings about the future of the Police Department.

North Minneapolis resident Jon Shanahan wanted to participate when the Charter Commission was taking comments on a City Council proposal to replace the Minneapolis Police Department in the wake of George Floyd's death.

Shanahan, who was born deaf, often relies on an American Sign Language interpreter to follow public hearings. He said he contacted the city asking for accommodations but, when the crucial moment arrived, help wasn't there.

The city told him he could submit a comment, but he felt he was at a disadvantage because he didn't know what the other speakers had said. "How am I going to put a comment, if I don't understand the meeting?" he said.

As public meetings continued, Shanahan said he felt "growing frustration, because I felt that my rights were taken away. I felt like a second-class citizen." Shanahan and his attorney, Heather Gilbert, filed a discrimination charge with the Minnesota Department of Human Rights and eventually entered mediation with the city.

Once the city attorney working the case understood the problem, he "was great to work with, but then the next problem we had was how do we solve this, how do we work this out," Gilbert said.

Gilbert said they tried new closed captioning systems, aside from the automated one the city adopted in early 2020.

Eventually, they arrived at a settlement that calls for the city to provide live, human-generated closed captioning for most public meetings.

"That's a really big accomplishment," Gilbert said.

The settlement also requires the city to provide sign language interpretation for public hearings if residents request it at least seven days in advance. It includes a \$20,000 payment as well, \$8,000 of which reimburses a portion of the attorney's fees and \$12,000 of which is compensatory damages for Shanahan.

The City Council approved the settlement Friday, and it now heads to Mayor Jacob Frey for approval.

Liz Navratil • 612-673-4994

Is it Time to Kill Retransmission Rules?

Rep. Anna Eshoo (D-Calif.) and Rep. Steve Scalise (R-La.) recently introduced a bill to Congress labeled as the Introducing the Modern Television Act of 2021 that wants to largely do away with the retransmission consent rules for cable companies. They've introduced similar bills in recent years.

Retransmission rules require that cable operators must carry local TV stations that are within over-the-air transmission range of a given area. That rule sounds benign enough but has been used by local stations to extract huge fees from cable companies for carrying local content. The fees paid to local stations are one of the primary reasons that cable TV rates have escalated so quickly over the last decade.

Fifteen years ago, it was rare for local stations to charge anything for carrying their signal. They were happy to be able to claim cable viewers of their content when calculating advertising rates based upon 'eyeballs' for ads placed on their stations. But a handful of consultants convinced a few stations that the retransmission requirements were a valuable commodity and stations started insisting on payments from cable companies to carry the content. Since that time, the payments have climbed from zero to rates in the range of \$4 or more per cable customer, per local station per month. For a cable company carrying even the basic four networks of ABC, CBS, FOX, and NBC means shelling out \$16 or more per month to local stations for each cable subscriber.

It was these fees that have led the big cable companies to create the local programming fees that are not part of basic rates. Cable companies may advertise a basic rate for a cable package at \$50 but then sock on large hidden fees of \$20 or more to cover local station fees along with some sports network fees.

The bill sponsors also blame high retransmission fees for the increasing blackouts of content that we've seen in recent years. When cable companies balk at paying increasing rates each year for local content, the local stations have adopted the tactic of shutting off access to their content until the cable company finally agrees to pay the ever-increasing rates.

Following are a few of the key provisions of the bill:

- Eliminates the retransmission consent, mandatory copyright fees, and other provisions of current FCC rules (which were dictated by Congress). This should allow for real negotiations of rates – today the stations demand rates and there is little room for negotiation.
- Adds a 60-day period where blackouts of content aren't allowed when the local station and a cable operator are negotiating rates.
- Gives the FCC the right to push a programming dispute into binding arbitration. Blackouts would be prohibited during the arbitration period.
- Preempts federal, state, and local governments from regulating cable rates. This is an odd requirement since there is little or no rate regulation that I know of, but it must exist somewhere in the country.

- Keeps the rule that cable networks and satellite providers must continue to carry local content.

As would be expected, local TV stations and the major networks are against these changes. Most of the money charged for retransmission consent ends up in the pockets of the major networks. Cable companies are obviously in favor of the proposed changes since it would give them an opportunity for real negotiations for content.

Congress created this original mess by mandating that cable companies must carry local content without allowing for things like the arbitration in negotiations this bill brings to the process. But the runaway rates in the cable industry can be pinned on the greed of programmers who have raised programming charges far more than inflation for two decades. The industry has driven cable rates so high that millions of households are cutting the cord annually and abandoning paying for content that includes local stations. If you were asked to imagine a scenario where an industry would self-destruct over time, it would be hard to think of a better example than the retransmission fees in the TV industry.

The FCC is deadlocked. When will Biden finally fix that?

Biden has moved slower than his predecessors in filling out the agency.

Apr 15, 2021, 5:36 pm*

Since taking office, President Joe Biden has faced consistent pressure to nominate someone at the Federal Communications Commission (FCC) to either fill out the five-person agency or become the permanent chair.

But despite that push from advocacy groups and more than 100,000 people online, they have watched as Biden has nominated people to other federal agencies like the Federal Trade Commission (FTC), leaving the FCC without the ability to tackle issues that need a Democratic majority to move forward.

While the administration has spent a significant portion of its first few months focusing on the coronavirus pandemic, advocates agree that now is the time to get the FCC fully functioning.

“This really is truly an administration that is starting in the midst of a crisis and, I think, has rightly been focused on the pandemic in particular, and got something of a late start with the Senate. So there’s some reasons for delay that are understandable, and yet: The FCC can’t make any real policy without five commissioners,” Craig Aaron, the co-CEO of Free Press Action told the Daily Dot, adding: “Every delay in naming who you’re going to put forward for these jobs, pushes the whole agenda back.”

Aaron added: “I don’t think people have reached the point of anger at all, but I know there’s definitely a collective eagerness. There’s a lot to be done.”

When he took office, Biden inherited an FCC that was in a 2-2 partisan deadlock after Republicans jammed through former President Donald Trump’s nomination of Nathan Simington and former Chairman Ajit Pai stepped down on Inauguration Day.

By quickly confirming Simington—who faced a heap of criticism—Republicans seemed to hope that they could keep the FCC in a 2-2 partisan tie if they retained control of the Senate, which confirms presidential nominees. At the very least, a Republican Senate could drag out confirming Biden’s pick.

That gambit failed when the Georgia elections gave Democrats control of the Senate, spurring advocates to push Biden to make a “bold” choice for the FCC. However, Biden doesn’t seem pressed to push on it.

Since then, Biden has only named Jessica Rosenworcel, a Democrat, as the acting commissioner of the agency. There’s been rampant speculation as to who Biden might pick to either

permanently lead the FCC or who could be named as the fifth commissioner, but nothing announced.

A 3-2 Democratic majority isn't insignificant. With that majority, the FCC could tackle a number of issues that would face a party-line vote, such as restoring net neutrality rules and classifying broadband under Title II of the Communications Act.

That slow nomination process hasn't gone unnoticed, with pressure mounting almost weekly on the president to finally make a pick.

Just last week, a coalition of tech advocacy groups announced that more than 100,000 people signed a petition calling on Biden to pick someone for the FCC without telecom ties and who supports restoring net neutrality rules under Title II of the Communications Act.

Before that more than 30 advocacy groups called on the administration and Congress to fill the agency swiftly, saying that leaving the agency "impotent to pursue the bold action at this time would be a serious failing."

Chris Lewis, the president and CEO at Public Knowledge, said the advocacy group signed onto efforts to push Biden to fill out the agency because they felt there was a sense of "urgency."

Lewis echoed others in noting that the administration was dealing with other issues like the pandemic immediately after taking office, but the time has come for Biden to make his nominee known.

"There's a great amount of work to do to make sure broadband is affordable, accessible to everybody, open, and reliable," Lewis said. "You can't do that without an agency that has actual authority to protect consumers over broadband. And right now, since 2017, the FCC does not have authority. It repealed its own authority. The great news is they can restore it if they want to. But you're going to need five commissioners to do that—it's clear. So there needs to be a sense of urgency there."

But it's not just a sense of things moving slower: Biden isn't moving as quick as past presidents to fill out the FCC, perhaps because of the focus on the pandemic. Former President Barack Obama nominated Julius Genachowski to become the chair of the FCC in March 2009. Meanwhile Trump picked Ajit Pai to be the chairman days after his inauguration in 2017.

Biden has actually been slow to solidify a slate of somewhat related positions that would likely factor into tech policy including: deciding whether to make acting FTC Chair Rebecca Slaughter the permanent chair—although he has nominated Lina Khan to be a commissioner at the agency—and a Department of Justice antitrust spot.

But each passing week without a nomination from Biden pushes back any potential action the FCC can take. After getting nominated, the pick will have to be confirmed by the Senate. For reference, Genachowski was nominated in March and confirmed in June 2009.

After that, the agency will have to settle in, and if they wanted to take action—for instance, restoring net neutrality—there would have to be an initiation of a rulemaking process, and a period of public comment before a vote even takes place.

Essentially, it's a long road for any "bold" policymaking. That timeline, advocates say, makes it even more important Biden makes a pick quickly so the agency can get to work.

"There's an understanding of the work that's been necessary to deal with these crises. I do think we are at a point where it is important to fill the FCC quickly. It's not just a matter of doing this quickly. It's extremely important the right person is chosen," Mark Stanley, the director of operations at Demand Progress, told the Daily Dot. "I think with each day and each week that goes by, there is a cost to not having a full FCC."

Stanley noted the more than 100,000 signatures Battle for the Net has received on its petition demanding Biden fill the FCC with someone without telecom ties shows that people are invested in who the president ultimately chooses.

"When it comes to net neutrality and open internet protections in general, obviously the public has mobilized en masse in the past," Stanley said. "There is hope Biden is going to pick a good nominee and do it, hopefully, soon. If the nomination continues to be delayed and delayed, I think you're going to see the public getting to a place where they are willing to mobilize even more and speak out even more. That's especially true if were a bad nominee."

Despite the slow roll, there does seem to be some optimism surrounding who Biden might ultimately pick. Tech advocates pointed to Khan's appointment at the FTC and Tim Wu, who coined the term "net neutrality," being picked to serve on the National Economic Council as reasons they believe Biden will choose someone at the FCC who is similar.

Biden's recent infrastructure proposal, which allocates \$100 billion for broadband initiatives, has also signaled to advocates that Biden will make a solid pick for the agency.

While Biden's other picks have given advocates a reason for optimism, the president's past ties to the telecom industry still are "undoubtedly" part of the vetting process, Aaron said.

Biden's first fundraiser after announcing his bid for the presidency was with David Cohen, a well-known former Comcast executive.

"Undoubtedly, that has to be a factor in any vetting. I will say, so far, some of the appointments—whether it's Tim Wu going to the White House or Lina Khan going to the FTC—these are public interest appointments, these are not people with deep corporate ties," Aaron said. "Our hope and expectation is that these key FCC jobs are going to be filled by people with a similar record of independence."

Lewis said that there were several names that would "satisfy what we're looking for" that have been rumored to be under consideration for the FCC.

“I’m looking for leadership at the chairman level and other commissioner seat from people who are willing to make bold decisions based on what we know is needed. Bold action is necessary,” Lewis said. “It’s time for folks to remember that this is important work.”

We Could Really Have a Wireless Power Grid That Runs on 5G

This tech might make us say goodbye to batteries for good.

By Courtney Linder
Apr 30, 2021

- Researchers at Georgia Tech have come up with a concept for a wireless power grid that runs on 5G's mm-wave frequencies.
 - Because 5G base stations beam data through densely packed electromagnetic waves, the scientists have designed a device to capture that energy.
 - The star of the show is a specialized Rotman lens that can collect 5G's electromagnetic energy from all directions.
-

If you've ever owned a Tile tracker—a square, white Bluetooth beacon that connects to your phone to help keep tabs on your wallet, keys, or whatever else you're prone to losing—you're familiar with low-power Internet-of-Things (IoT) devices.

Just like other small IoT devices, from voice assistants to tiny chemical sensors that can detect gas leaks, Tile trackers require a power source. It's not realistic to hook these gadgets up to a wall outlet, and having to constantly change batteries is a waste of time that's ultimately bad for the environment.

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But what if you could wirelessly charge those devices with a power source that's already all around you? Researchers at Georgia Tech have dreamed up this kind of "wireless power grid" with a small device that harvests the electromagnetic energy that 5G base stations routinely emit.

Just like the 3G and 4G cell phone towers that came before, 5G base stations radiate electromagnetic energy. At the moment, we're only harnessing these precious bands of energy to transfer data (which helps you download your favorite Netflix series at lightning speeds).

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With some crafty engineering, it's possible to use 5G's waves of energy as a form of wireless power, says Manos Tentzeris, Ph.D., a professor of flexible electronics at Georgia Tech. He leads

the university's ATHENA research group, where his team has fabricated a specialized Rotman lens "rectenna" that makes this energy collection possible.

If the idea takes off, this tiny device—which is really a small, high-tech sticker—can use the wireless power grid to charge up far more devices than just your Tile tracker. Your cell phone providers could start beaming out electricity to power all kinds of small electronics, from delivery drones to tracking tags for pallets in a "smart warehouse." The possibilities are truly endless.

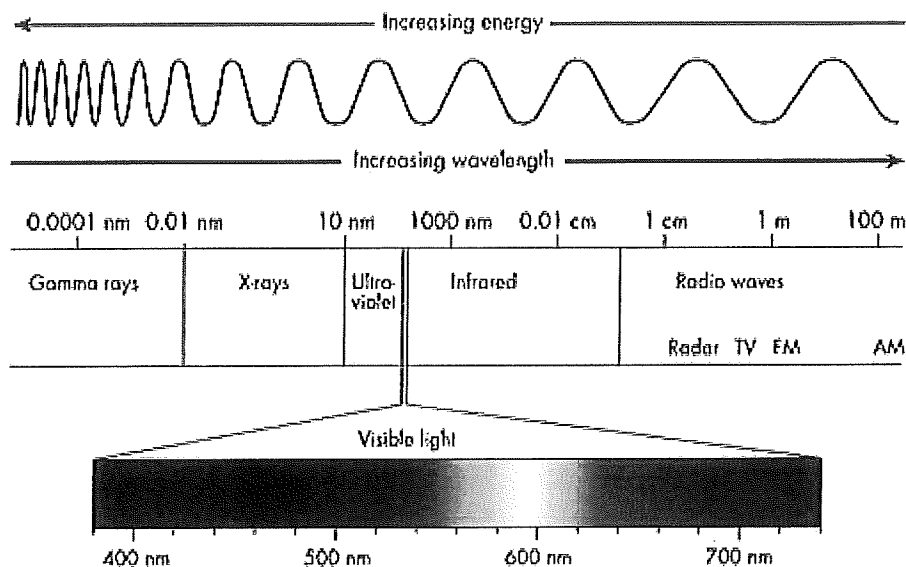
"If you're talking about real-world implementation of all of these ambitious projects, such as IoT, smart cities, or digital twins ... you need to have wireless sensors everywhere," Tentzeris tells *Pop Mech*. "But currently, all of them need to have batteries."

But Wait, How Does 5G Create Power?

Let's start out with the basics: 5G technically *is* energy.

5G can seem like a black box to those of us who aren't electrical engineers, but the premise hinges on something we can all understand: electromagnetic energy. Consider the visible spectrum, or all of the light you can see. It exists along the larger electromagnetic spectrum, but it's really just a blip.

In the graphic below, you can see the visible spectrum is just between ultraviolet and infrared light, or between 400 and 700 nanometers. As energy increases along the electromagnetic spectrum, the waves become shorter and shorter—notice gamma rays are far more powerful, and have more densely packed waves than FM radio, for example. Human eyes can't detect these waves of energy.



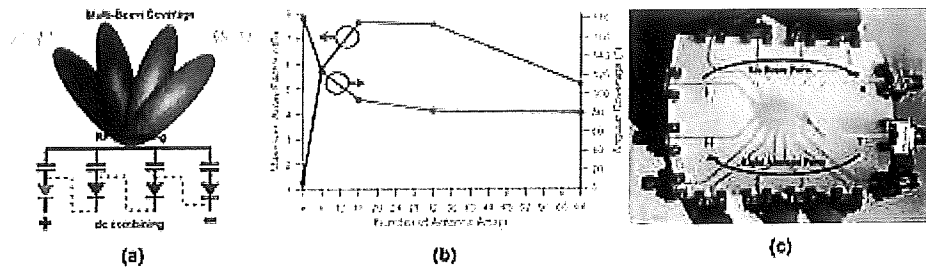
5G is also invisible and operates at a higher frequency than other communication standards we're used to, like 3G or 4G. Those networks work at frequencies between about 1 to 6 gigahertz, while experts say 5G sits closer to the band between 24 and 90 gigahertz.

Because 5G waves function at a higher frequency, they're more powerful, but also shorter in length. This is the primary reason why new infrastructure (like small 5G cells installed on utility poles) is required for 5G deployment: the waves have different characteristics. Shorter waves, for example, will see more interference from objects like trees and skyscrapers, and even droplets of rain or flakes of snow.

But don't think of a city's constellation of 5G base stations as wasteful. Old standards, like 3G and 4G, are known for indiscriminately emitting power from massive service towers in all directions, beaming significant amounts of untapped energy. 5G base stations are much more efficient, says Jimmy Hester, Ph.D., a Georgia Tech alum who serves as senior lab advisor to the ATHENA group.

"Because they operate at high frequencies, [5G base stations] are much better able to focalize [power]. So there's less waste in a sense," Hester tells *Pop Mech*. "What we're talking about is more of an intentional energization of the devices, themselves, by focalizing the beam towards the device in order to turn it on and power it."

A 'Tarantula' Lens Takes Shape



The Rotman lens, pictured at the far right, can collect energy from multiple directions. Image courtesy of Georgia Tech's ATHENA Group

There's a drawback to this efficient focalization: 5G base stations transmit energy in a limited field of view. Think of it like a beam of energy moving in one direction, rather than a circle of energy emanating from a tower. The researchers call it a "pencil beam." How could a small device precisely snatch up energy from all of these scattered base stations, especially when you can't see the direction in which the waves are traveling?

Enter the Rotman lens, the key technology behind the team's breakthrough energy-harvesting device. You can see Rotman lenses at work in military applications, like radar surveillance systems meant to identify targets in all directions without having to actually move the antenna. This isn't the prototypical lens you're used to seeing in a pair of glasses or in a microscope. It's a flexible lens with metal backing, the team explains in a [new research paper](#) published in *Scientific Reports*.

"The lens is like a tarantula...[it] can look in six different directions."

"The same way the lens in your [camera](#) collects all of the [light] waves from any direction, and combines it to one point...to create an image, that's exactly how [this] lens works," Aline Eid, a Ph.D. student and senior researcher at the ATHENA lab, tells *Pop Mech*. "The lens is like a tarantula ... because a tarantula has six eyes, and our system can also look in six different directions."

The Rotman lens increases the energy collecting device's field of view from the "pencil beam" of about 20 degrees to more than 120 degrees, Eid says, making it easier to collect millimeter-wave energy in the 28-gigahertz band. So even if you slapped the sticker onto a moving drone, you could still reliably collect energy from 5G base stations all over a city.

"If you stick these devices on a window, or if you stick these devices on a light pole, or in the middle of an orchard, you're not going to know the map of the strongest-power base stations," Tentzeris explains. "We had to make our harvesting devices direction agnostic."

Your Cell Phone Plan, Reimagined

Tentzeris says he and his colleagues are looking for funding and eager to work with telecom companies. It makes sense: these companies could integrate the rectenna stickers around cities to augment the 5G networks they're already building out. The end result could be a sort of new-age cell phone plan.

"In the beginning of the 2000s, companies moved from voice to data. Now, using this technology, they can add power to data/communication as well," Tentzeris says.

Right now, the rectenna stickers can't collect a huge amount of power—just about 6 microwatts of electricity, or enough to power some small IoT devices, from 180 meters away. But in lab tests, the device is still able to gather about 21 times more energy than similar devices in development.

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Plus, accessibility is on the team's side, since the system is fully printable. Tentzeris says it only costs a few cents to produce one unit through additive manufacturing. With that in mind, he says it's possible to embed the rectenna sticker into a wearable or even stitch it into clothing.

"Scalability was very important, you're talking about billions of devices," Tentzeris says. "You could have a great prototype working in the lab, but when somebody asks, 'Can everybody use it?' you need to be able to say yes."

6th Circuit Denies FCC Request to Pause Franchise Fee Case

By Amy Maclean | March 19, 2021

A federal appeals court Friday denied the **FCC**'s request to place a challenge to the agency's franchise fee order in abeyance for 120 days.

This all dates back to the FCC's August 2019 order revamping cable franchise fees to make it clear that most in-kind contributions required by franchises, such as operational support of Public Educational and Governmental (PEG) access channels and free video service, are subject to the statutory 5% cap on franchise fees under the Communications Act. The FCC also reaffirmed that Local Franchise Authorities (LFAs) can't use their authority to regulate or impose costs on broadband and internet voice services delivered over a cable system.

In Friday's terse order, the Sixth Circuit Court of Appeals simply said that the April 15 arguments will continue as scheduled via video conference.

A slew of cities, including Pittsburgh and Chicago, appealed the FCC order to the Sixth Circuit. Last week, the Commission asked the federal court to postpone the argument and place the case in abeyance for 120 days from April 15 in light of the changes in leadership at the agency. Acting chair *Jessica Rosenworcel* voted against the LFA order in 2019, upset that it would hurt PEG channels.

At a press conference this week, Rosenworcel described the abeyance request as routine. "We're reviewing all the pending litigation positions of the agency. That is standard given the shift in agency leadership," she said. "We're just reviewing the cases to make sure our legal positions are exactly what they should be. But we're doing it in this case and others—I wouldn't suggest that there's anything especially unique about this one here."

The FCC's request for abeyance has created some fallout. The City of Kirkland, Washington, informed **Comcast** that in light of the FCC suspension motion, it was unilaterally staying its franchise negotiation with the MVPD. Presumably, that will now move forward. Meanwhile, the US District Court for the District of Oregon recently stayed a challenge to the City of Beaverton's Right-of-Way ordinance pending the court's decision on the LFA appeal. Comcast sued Beaverton last fall, alleging that a fee its levying for use of city land to provide phone and internet service violates the FCC's determination that local government can't use their cable TV franchise fees to regulate anything other than video.

"The straightforward statutory interpretation issues presented by this case are ripe for resolution by this Court," **NCTA** said in a filing Wednesday that urged the court to keep the April 15 arguments. "Further delay in this more-than-decade-long set of rulemakings is unwarranted, especially in light of the ongoing effect on NCTA's members and consumers. And any future action by the FCC is too speculative to justify frustrating this Court's review of the order."

The court had asked NCTA if the FCC and petitioners were to jointly move to dismiss the appeal, whether the association would be treated as a plaintiff. NCTA said it could and would do so, explaining that its status as intervenor allows it to continue the proceeding. "Even if the petitioners were to withdraw their petitions, the order would remain in legal 'limbo' while the Commission determines whether to 'revisit' or 're-evalaute' the order," the association said. "NCTA would therefore object to abandonment of the appeal and be prepared to defend the order ... if the FCC chose not to do so."