

# NORTH METRO TELECOMMUNICATIONS COMMISSION MEETING

June 15, 2023

6:00 p.m.

1301 81<sup>st</sup> 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. 1-29](#)
  - a. Minutes of regular meeting of February 15, 2023
  - b. Minutes of Executive Committee meeting of June 6, 2023
  - c. Minutes of Operations Committee meeting of June 7, 2023
  - d. Financial report for the period ending May 31, 2023
5. 2022 Audit Presentation [pp. 30-64](#)
6. Executive Director Report
  - a. Quarterly Report [pp. 65-72](#)
7. Legal Counsel Report
  - a. Quarterly Report [pp. 73-78](#)
8. Old Business
  - a. Pay Study Recommendations [pp. 79-82](#)
9. New Business
  - a. 2023 Budget Adjustment
  - b. 2024 NMTC Budget [pp. 83-96](#)
10. Recommended Reading [pp. 97-106](#)
11. Community Calendar
  - A. Next Meeting Dates:
    - a. Operations Committee –August 1, 2023
    - b. Executive Committee – September 6, 2023
    - c. Cable Commission – September 20, 2023
12. Adjournment

# **NORTH METRO TELECOMMUNICATIONS COMMISSION**

## **UNAPPROVED MINUTES**

**Commission Meeting – February 15, 2023**

### **CALL TO ORDER**

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

### **ROLL CALL**

**Directors Present:** Dale Stoesz; Lino Lakes, Barbara Goodboe-Bisschoff; Spring Lake Park, Tom Newland; Blaine, Russ Koski; Centerville, Nici Dorner; Circle Pines, Brandon Winge; Lexington

**Directors Absent:** Jesse Wilken; Ham Lake

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

### **PUBLIC COMMENT**

There was no public comment.

### **CHANGES TO THE AGENDA**

Discussion of participating in the Digital Discrimination Comments and Reply Comments was added to the Legal Counsel report.

### **CONSENT AGENDA**

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

The December 29, 2022 NMTC meeting minutes, January 31st, 2023 Operations Committee meeting minutes, February 1st, 2023 Executive Committee meeting minutes and the December and January bill lists and financial reports were approved as presented. **Motion for approval made by B. Goodboe-Bisschoff. Second, N. Dorner. Abstained: T. Newland. Motion passed..**

### **REPORT OF EXECUTIVE DIRECTOR**

H. Arnson reported on the following items:

- NMTV staff will be recording and live streaming the annual Guns N Hoses charity hockey event on February 24<sup>th</sup>. It will be available on the cable channel, ROKU, AppleTV, and YouTube.
- Preparations are underway for this year's Arrive Alive event. North Metro TV is working with Centennial High School and the Blaine Police Department to produce the program.
- A marketing team has been created to work toward improving awareness of the commercial services available at North Metro TV. New rate sheets have been created and are posted on the website and finishing touches are being put on print, electronic and video promotional materials. News Director, Danika Peterson, is scheduled to do a presentation highlighting the services at an upcoming Metro North Chamber meeting.
- 4<sup>th</sup> quarter Comcast franchise and PEG fees and reports have been received. The amounts fall within expectations and funding for the 2023 budget is in good shape.
- The Committee was encouraged to review the Commission On-Boarding materials.

#### **REPORT OF LEGAL COUNSEL**

- The importance of working with partners to develop alternate funding sources was discussed, as streaming services continue to deplete cable subscriber numbers.
- Mike Bradley and Nance Werner have presented at several venues, including NATOA webinars, and the Oklahoma Association of Municipal Attorneys. Topics include right-of-way issues, the courts, and the FCC.
- Consideration was given to participating in the filing of Comments and Reply Comments on an FCC Notice of Proposed Rulemaking that has the potential to impact local governments' ability to ensure equitable broadband deployment throughout their communities, as well as local right-of-way management generally. Participating will provide an opportunity to proactively propose rules and rule changes that support local authority, and to counter the suggestion that local regulations are contributing to digital discrimination, and to oppose further limitations on local authority. It was noted that the cost of \$4,000 would fit within the 2023 legal budget.

**MOTION:** To participate in the filing of Comments and Reply Comments in the FCC NPRM regarding Digital Discrimination, not to exceed \$4,000. **Motion made by B. Goodboe-Bisschoff. Second, B. Winge. Motion passed unanimously.**

### **OLD BUSINESS**

- Staff provided an update regarding the NMTC pay study. It was reported that the consultant reviewing the data has finalized a recommendation. The Operations Committee will review the information and a final recommendation will be presented to the Commission. The Commission will likely have a special meeting in March or April to consider any updates to the NMTC pay plan.

### **NEW BUSINESS**

- The annual fee disbursement to cities was considered.

**MOTION:** To approve disbursement of the 2022 fees, retained by the Member Cities, as presented in the disbursement materials. **Motion for approval made by T. Newland. Second, R. Koski. Motion passed unanimously.**

- Recommendations were made for members of the 2023 Executive Committee. Dale Stoesz, Brandon Winge, Chris Massoglia and Barbara Goodboe-Bisschoff have indicated a willingness to serve. If no other candidates express interest in the Committee, at the full Commission meeting, it is recommended that Dale Stoesz serve as Chair, Barbara Goodboe-Bisschoff serve as Vice Chair, Chris Massoglia serve as Treasurer, and Brandon Winge serve as Secretary.

**MOTION:** To approve Dale Stoesz as the Chair, Barbara Goodboe-Bisschoff as the Vice Chair, Chris Massoglia as the Treasurer, and Brandon Winge as the Secretary of the 2023 Cable Commission. **Motion made by R. Koski. Second, B. Goodboe-Bisschoff. Motion passed unanimously.**

- The 2023-2025 Strategic Plan was reviewed. Three primary goals are to diversify income, determine desired services and staffing, and to prepare for leadership transition.

**MOTION:** To accept the 2023-2035 Strategic Plan as presented. **Motion for approval made by T. Newland. Second, N. Dorner. Motion passed unanimously.**

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



**MOTION:** To NOT WAIVE the monetary limits on municipal tort liability. **Motion for approval made by B. Winge. Second, B. Goodboe-Bisschoff. Motion passed unanimously.**

- It was noted that the June 21<sup>st</sup>, 2023 Cable Commission meeting will coincide with the League of Minnesota Cities conference. Moving the Commission meeting date was considered. Staff noted that the June meeting will include consideration of the 2024 NMTC budget. A decision regarding moving the meeting date will be made at a later time.

#### **COMMUNITY CALENDAR**

Upcoming meetings include:

1. The Operations Committee on February 28, 2023
2. The Executive Committee Meeting on June 7, 2023
3. The Cable Commission Meeting on June 21, 2023

#### **ADJOURN**

The meeting was adjourned at 6:35 p.m. **Motion for approval made by R. Koske. Second, T. Newland. Motion passed unanimously.**

---

Brandon Winge; Secretary, NMTC

## **EXECUTIVE COMMITTEE MINUTES**

Meeting of June 7, 2023

Executive Cmte. Present: Barbara Goodboe-Bisschoff; Spring Lake Park, Dale Stoesz; Lino Lakes; Chris Massoglia; Blaine, Brandon Winge; Lexington

Absent:

Others Present: Heidi Arnson; Executive Director, Greg Emmerich; CPA

### **CALL TO ORDER**

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

### **APPROVAL OF MINUTES**

**A motion to approve the February 1, 2023 Executive Committee meeting minutes was made by B. Goodboe-Bisschoff. Second, C. Massoglia. Motion passed unanimously.**

### **2022 AUDIT PRESENTATION**

G. Emmerich, of Harrington, Langer and Associates, reviewed the 2022 North Metro Telecommunications Commission annual financial report. No abnormalities were found and the Commission is in a strong financial position.

**MOTION:** To recommend the Cable Commission approve the 2022 North Metro Telecommunications Commission annual financial report as presented. **Motion for approval made by: B. Winge. Second: C. Massoglia. Motion approved.**

### **EXECUTIVE DIRECTOR / OPERATIONS COMMITTEE REPORT**

- H. Arnson reported that NMTV has registered as a Digital Connection Committee with the Office of Broadband Development (OBD). The Committee is collaborating with the OBD in Minnesota's digital equity planning process. The goal is to gather information regarding internet affordability, having access to an internet-enabled device, and having adequate digital skills. NMTV set up listening sessions and conducted surveys. NMTV is uniquely qualified to address possible solutions to training and device technical support broadband usage. Information gathered has demonstrated a need for internet/device assistance for seniors. NMTV is exploring providing workshops for seniors to address these needs. We are also looking into applying for grants to help fund the project.
- Senate File 3039, and the companion House File 3261 have been introduced in the Minnesota State Senate and House. This bill would assess a 1% tax on the gross revenues of providers of digital products and would "only be spent on the support of local digital media by the operator of the municipality's local access channels." This bill would generate funding for every city/cable commission in Minnesota in support of local digital media, which would include public, educational, and governmental

(PEG) access television programming as well as video and other digital media for use on streaming platforms and other internet platforms. The goal this session was to see if it could get a hearing and/or try to have the bill added to the tax omnibus bill. Neither of those things happened, but the initiative is gaining some support.

- Long-time NMTV Administrative Assistant and Accountant, Rose Valez, retired on June 2<sup>nd</sup>. As a cost-reducing strategy, the NMTC has contracted with the accounting service of Carpenter, Evert & Associates. The last month and a half have been spent transitioning to a new software system, transferring files, and training staff to assist with some tasks such as processing bills, receipts and deposits, and other payment approval tasks. The transition went very smoothly.
- 1<sup>st</sup> quarter franchise Comcast franchise and PEG fee reports were reviewed.

### **OLD BUSINESS**

- H. Arnson reviewed and summarized the pay study and recommendations regarding market based pay increases for NMTV staff. The Operations Committee created a new step matrix that reflected the recommended updates by consultant, Dan Tesch. The Committee would like to move each employee to the step above what they are currently earning, as long as it is at least 2% more. They also recommended that employees with at least 30 years of service be moved up an additional step. The increases would be retroactive to January 1<sup>st</sup>. The cost of that recommendation to the 2023 budget will be \$33,929. That includes salaries and payroll taxes. The Operations Committee recommended that the Cable Commission approve the new step plan and salary increases.

**MOTION:** To recommend that the Cable Commission adopt and implement the market based step increases for NMTV staff as recommended by the Operations Committee.

**Motion made by C. Massoglia. Second, B. Winge. Motion passed unanimously.**

### **NEW BUSINESS**

- The Operations Committee recommended that the Cable Commission approve amending the 2023 budget to reflect the market based salary increases and costs related to hiring an accounting service.

**MOTION:** To recommend the Cable Commission amend the 2023 budget to reflect the market based salary increases and the use of an accounting service. **Motion made by B. Winge. Second, B. Goodboe-Bisschoff. Motion passed unanimously.**

- H. Arnson presented the draft 2024 NMTC budget. The personnel line items included recommended market based step increases, with the Executive Director position being budgeted at the maximum step to provide flexibility in the hiring process. Other budget increases include a COLA increase of 3%, recommended step increases, a \$45 per month/per employee increase in the benefits package, building maintenance, insurance, and accounting service line-items. Capital expenditures include a master router for master control, a tripod and lens for the production truck, cameras and microphones, routine computer and software purchases, a security system upgrade, the HD bond payment and PEG fees for cities. The total 2024

budget is \$29,759 lower than the 2023 budget. If an Executive Director is hired at the minimum salary level the total budget would be \$58,521 lower than the 2023 budget. The Committee approved the budget as presented.

**MOTION:** To recommend the Cable Commission approve the 2024 budget as presented.  
**Motion made by C. Massoglia. Second, B. Winge. Motion passed unanimously.**

**ADJOURN**

**Motion to adjourn made by C. Massoglia. Second, B. Winge. Motion passed unanimously. The meeting was adjourned at 7:10 p.m.**

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

Tuesday, June 6, 2023

**CALL TO ORDER**

The meeting began at 11:07 a.m.

**MEMBERS PRESENT**

D. Buchholtz, P. Antonen, S. Cotton, M. Wolfe, A. Lewis

**MEMBERS ABSENT**

B. Petracek, D. Webster

**OTHERS PRESENT**

H. Arnson

**APPROVAL OF MEETING NOTES**

The meeting notes of May 9, 2023 were approved by consensus.

**EXECUTIVE DIRECTOR REPORT**

- An update was given regarding progress on the Strategic Plan. It included updates on several commercial ventures including researching grants for internet/device usage workshops, promoting commercial services at the Working With Women group of the metro North Chamber of Commerce, and contracting with the National Sports Center and the City of Columbia Heights for streaming services. It was also reported that the transition to the accounting service was complete and that the new processes are functioning well.

**OLD BUSINESS**

There was no old business.

**NEW BUSINESS**

- H. Arnson presented the draft 2024 NMTC budget. The personnel line items included recommended market based step increases, with the Executive Director position being budgeted at the maximum step to provide flexibility in the hiring process. Other budget increases include a COLA increase of 3%, recommended step increases, a \$45 per month/per employee increase in the benefits package, building maintenance, insurance, and accounting service line-items. Capital expenditures include a master router for master control, a tripod and lens for the production truck, cameras and microphones, routine computer and software purchases, a security system upgrade, the HD bond payment and PEG fees for cities. The total 2024 budget is \$29,759 lower than the 2023 budget. If an Executive Director is hired at the minimum salary level the total budget would be \$58,521 lower than the 2023 budget. The Committee approved the budget as presented.
- The Committee recommended that the Cable Commission amend the 2023 budget to reflect the market based salary increases and the use of an accounting service.
- The new sick time rules for part-time employees were considered. That sick time should be calculated and incorporated into the 2024 budget.
- A sub-committee of the Operations Committee will meet in June or July to begin the process of hiring a new Executive Director.
- The July meeting will be canceled. A plan for hiring a new Executive Director will be considered at the August 1<sup>st</sup> meeting.

**ADJOURNMENT**

The meeting was adjourned at 11:58 p.m.

# Management Report

North Metro Telecommunications Commission  
For the period ended May 31, 2023



Prepared by  
**Carpenter, Evert & Associates, Ltd.**

Prepared on  
**June 9, 2023**

Table of Contents

---

Statement of Activity YTD Budget vs Actual.....3

Balance Sheet.....5

A/P Aging Summary .....7

NMTC - Monthly Deposit Detail .....8

NMTC - Monthly Disbursements Detail .....15



# North Metro Telecommunications Commission

## Budget vs. Actuals: 2023 Budget - FY23 P&L

January - May 2023

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Revenue				
4000 PEG Fees - Comcast	317,182.55	650,000.00	-332,817.45	48.80 %
4100 Franchise Fees - Comcast	614,754.56	1,150,000.00	-535,245.44	53.46 %
4200 Interest - NMTC	50,958.60	1,000.00	49,958.60	5,095.86 %
4300 Misc Income - CC Sales	3,777.41	205,433.00	-201,655.59	1.84 %
4301 Misc Income - Other	20,084.27	35,000.00	-14,915.73	57.38 %
<b>Total Revenue</b>	<b>\$1,006,757.39</b>	<b>\$2,041,433.00</b>	<b>\$ -1,034,675.61</b>	<b>49.32 %</b>
<b>GROSS PROFIT</b>	<b>\$1,006,757.39</b>	<b>\$2,041,433.00</b>	<b>\$ -1,034,675.61</b>	<b>49.32 %</b>
Expenditures				
0 - Wages - Accrued vac/comp	-10,816.99		-10,816.99	
1 - Personnel	345,100.95	837,067.00	-491,966.05	41.23 %
2 - Employee Benefits				
5201 Social Security/Medicare Tax	25,814.89	64,586.00	-38,771.11	39.97 %
5203 PERA cost	23,597.50	63,320.00	-39,722.50	37.27 %
5204 Health/Dental/Other	86,286.65	165,660.00	-79,373.35	52.09 %
5205 Workers Compensation/Volunteer	3,529.00	2,000.00	1,529.00	176.45 %
5206 Electronic Filing Charges	583.65	2,000.00	-1,416.35	29.18 %
<b>Total 2 - Employee Benefits</b>	<b>139,811.69</b>	<b>297,566.00</b>	<b>-157,754.31</b>	<b>46.99 %</b>
3 - Administrative Expenses				
5501 Legal Fees	11,187.25	50,000.00	-38,812.75	22.37 %
5602 Audit & Accounting	24,330.50	17,500.00	6,830.50	139.03 %
5605 Conferences	50.00	1,000.00	-950.00	5.00 %
5608 Membership Dues	5,660.00	5,500.00	160.00	102.91 %
5610 Melio & Credit Card Fees	37.06		37.06	
5612 Mileage - Administrative	640.32	1,500.00	-859.68	42.69 %
5613 General/Special Meeting Expenses	498.54	2,000.00	-1,501.46	24.93 %
5615 Miscellaneous admin expense	50.00		50.00	
<b>Total 3 - Administrative Expenses</b>	<b>42,453.67</b>	<b>77,500.00</b>	<b>-35,046.33</b>	<b>54.78 %</b>
4 - Production Expenses				
5003 Intern Stipends	410.00	5,500.00	-5,090.00	7.45 %
5601 Advertising/Marketing	334.48	1,000.00	-665.52	33.45 %
5701 Truck/Fleet Vehicle - Gas & Oil	1,144.15	3,500.00	-2,355.85	32.69 %
5702 Vehicle Licenses	44.25	500.00	-455.75	8.85 %
5703 Truck/Fleet Vehicle - Maintenance/Lic	2,644.02	5,500.00	-2,855.98	48.07 %
5802 Video Equip/Parts/Maintenance	1,192.66	4,000.00	-2,807.34	29.82 %
5803 Video Media/Labels/Shipping	783.98	6,000.00	-5,216.02	13.07 %
5804 Bulb/Battery/Other Prod Costs	109.31	4,000.00	-3,890.69	2.73 %
<b>Total 4 - Production Expenses</b>	<b>6,662.85</b>	<b>30,000.00</b>	<b>-23,337.15</b>	<b>22.21 %</b>
5 - Office/Occupancy				
5401 Building Security	293.85	700.00	-406.15	41.98 %
5403 Property Tax - Special Assessments	1,362.90	1,400.00	-37.10	97.35 %
5404 Postage/Shipping	86.14	500.00	-413.86	17.23 %

# North Metro Telecommunications Commission

## Budget vs. Actuals: 2023 Budget - FY23 P&L

January - May 2023

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
5405 Office Supplies/Equipment Maintenance	7,792.04	13,000.00	-5,207.96	59.94 %
5406 Telephone/Internet/Web Service	14,566.83	42,000.00	-27,433.17	34.68 %
5407 Trash/Janitor/Water	4,269.01	8,500.00	-4,230.99	50.22 %
5408 Building Maintenance	25,531.64	45,000.00	-19,468.36	56.74 %
5409 Building Utilities	11,998.92	32,000.00	-20,001.08	37.50 %
5616 Insurance Expense	15,028.00	16,500.00	-1,472.00	91.08 %
5617 Computer Building Expense	987.58		987.58	
Total 5 - Office/Occupancy	81,916.91	159,600.00	-77,683.09	51.33 %
Total Expenditures	\$605,129.08	\$1,401,733.00	\$ -796,603.92	43.17 %
NET OPERATING REVENUE	\$401,628.31	\$639,700.00	\$ -238,071.69	62.78 %
Other Expenditures				
5004 Cities-Refunded PEG Fees	200,000.01	200,000.00	0.01	100.00 %
6001 Depreciation	64,500.00	154,800.00	-90,300.00	41.67 %
Capital Expenditures				
7001 Office Equipment		14,000.00	-14,000.00	
7002 Computer/Office Equip/Software/Upgrades	5,244.04	14,000.00	-8,755.96	37.46 %
7003 Studio Equipment Purchases	106,095.53	142,910.00	-36,814.47	74.24 %
7005 New Vehicle Fund	25,000.00		25,000.00	
7006 Bond Payments	229,375.04	229,425.00	-49.96	99.98 %
7007 Closed Captioning	22,775.75		22,775.75	
7008 Building/Property Improvements		28,000.00	-28,000.00	
Total Capital Expenditures	388,490.36	428,335.00	-39,844.64	90.70 %
Total Other Expenditures	\$652,990.37	\$783,135.00	\$ -130,144.63	83.38 %
NET OTHER REVENUE	\$ -652,990.37	\$ -783,135.00	\$130,144.63	83.38 %
NET REVENUE	\$ -251,362.06	\$ -143,435.00	\$ -107,927.06	175.24 %

# Balance Sheet

As of May 31, 2023

	Total
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
1001 Cash - Checking Account	2,463,119.64
1003 Petty Cash	150.00
<b>Total Bank Accounts</b>	2,463,269.64
<b>Accounts Receivable</b>	
1100 Accounts Receivable	174,710.09
<b>Total Accounts Receivable</b>	174,710.09
<b>Other Current Assets</b>	
1200 Prepaid Insurance - NMTC	11,459.00
1210 Accounts Receivable - Other	3,000.00
<b>Total Other Current Assets</b>	14,459.00
<b>Total Current Assets</b>	2,652,438.73
<b>Fixed Assets</b>	
1500 Office Equipment - NMTC	1,488,709.00
1702 Bond Equipment 2016	1,985,000.00
1800 Building-Polk/125	1,613,485.84
1850 Land-Polk/125	225,700.00
1900 Accum Deprec - NMTC	-3,683,166.46
<b>Total Fixed Assets</b>	1,629,728.38
<b>Other Assets</b>	
1950 Deferred Out Related/Pension	299,695.00
<b>Total Other Assets</b>	299,695.00
<b>TOTAL ASSETS</b>	<b>\$4,581,862.11</b>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2000 Accounts Payable	7,191.00
2001 A/P - NMTC (Old)	18,264.99
<b>Total Accounts Payable</b>	25,455.99
<b>Credit Cards</b>	
USB Corp Card XX1691	275.18
<b>Total Credit Cards</b>	275.18
<b>Other Current Liabilities</b>	
2100 Accrued Payroll Taxes & W/H's	933.23
2101 State Withholding	-438.02
2103 PERA - CORRECTIONS	-503.59
2104 PERA Payable	4,474.08
2105 Garnished Wages - 1	438.02

	Total
2106 PERA PAYABLE - PRIOR	-3,371.42
2150 Sales Tax Payable - MN	332.66
2200 Accrued Vacation	111,010.25
2300 Franchise Fee App	926,091.63
2410 Due to City of Blaine	339,318.00
2420 Due to City of Centerville	21,042.00
2430 Due to City of Circle Pines	30,176.50
2440 Due to City of Ham Lake	87,948.00
2450 Due to City of Lexington	11,187.00
2460 Due to City of Lino Lakes	103,950.00
2470 Due to City of Spring Lake Par	36,288.00
2600 Net Pension Liability	418,504.00
2900 Deferred In Related/Pension	392,476.00
Total Other Current Liabilities	2,479,856.34
Total Current Liabilities	2,505,587.51
Total Liabilities	2,505,587.51
Equity	
3002 Net Equity - Media Ctr	-206,243.34
3003 Net Equity - NMTC	2,517,656.37
Retained Earnings	16,222.63
Net Revenue	-251,361.06
Total Equity	2,076,274.60
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$4,581,862.11</b>

## A/P Aging Summary

As of May 31, 2023

	Current	1 - 30	31 - 60	61 - 90	91 and over	Total
Bradley Werner, LLC	825.00					825.00
Carpenter Evert & Associates	2,700.00					2,700.00
Harrington Langer & Associates	3,350.00					3,350.00
North Metro TC			18,264.99			18,264.99
Richard D. Larson	316.00					316.00
TOTAL	\$7,191.00	\$0.00	\$18,264.99	\$0.00	\$0.00	\$25,455.99

# NMTC - Monthly Deposit Detail

May 2023

Date	Transaction Type	Num	Customer	Vendor	Memo/Description	Clr	Amount
1001 Cash - Checking Account							
05/01/2023	Deposit				Target Balance Credit(s)	R	22,109.82
					Target Balance Credit(s)		-22,109.82
05/01/2023	Receipt		Credit Card Sales		Credit Card Sales	R	163.78
			Credit Card Sales		5/1/2023 Sales		157.00
			Credit Card Sales		5/1/2023 Sales Tax		11.19
			Credit Card Sales		5/1/2023 Square Fees		-4.41
05/02/2023	Deposit					R	3,729.21
			Jim O'Neill		Digital Services		40.00
			Jim O'Neill				2.85
			Gary Ulferts		Digital Services		36.00
			Gary Ulferts				2.57
			Jerry Garland		Digital Services		120.00
			Jerry Garland				8.55
			Debbie Engbloom		Digital Services		19.00
			Debbie Engbloom				1.35
			Debbie Engbloom		Digital Services		10.00
			Debbie Engbloom				0.71
			Steve Berma		Digital Services		21.25
			Steve Berma				1.49

No assurance is provided on this financial statement. All disclosures omitted.

8/20

Date	Transaction Type	Num	Customer	Vendor	Memo/Description	Clr	Amount
			Louann Snell		Digital Services		6.00
			Louann Snell				0.43
			Diane Espeseth		Digital Services		1.00
			Diane Espeseth				0.07
		336187	Copart		Sale of 2001 Chevrolet CC (Sports Scaffold Van)		1,650.00
		280758	Centennial High School		Single Camera Productions - CHS Choir Concert		700.00
		5869	Arabesque Dance		Eng Camera & Op		500.00
		8008	Harmony Business Advisors		Videography & Editing		312.50
		8008	Harmony Business Advisors				22.27
		5740	Blaine HS Girls Hockey Booster Club		Livestream Hockey Banquet		255.00
		5740	Blaine HS Girls Hockey Booster Club				18.17
05/02/2023	Receipt		Credit Card Sales		Credit Card Sales	R	37.51
			Credit Card Sales		5/2/2023 Sales		36.00
			Credit Card Sales		5/2/2023 Sales Tax		2.57
			Credit Card Sales		5/2/2023 Square Fees		-1.06
05/03/2023	Deposit				Target Balance Credit(s)	R	1,558.42
					Target Balance Credit(s)		-1,558.42
05/03/2023	Receipt		Credit Card Sales		Credit Card Sales	R	75.00

No assurance is provided on this financial statement. All disclosures omitted.

9/20

Date	Transaction Type	Num	Customer	Vendor	Memo/Description	Clr	Amount
			Credit Card Sales		5/3/2023 Sales		72.00
			Credit Card Sales		5/3/2023 Sales Tax		5.13
			Credit Card Sales		5/3/2023 Square Fees		-2.13
05/04/2023	Deposit				Target Balance Credit(s)	R	23,045.54
					Target Balance Credit(s)		-23,045.54
05/05/2023	Deposit				Target Balance Credit(s)	R	12,414.38
					Target Balance Credit(s)		-12,414.38
05/05/2023	Receipt		Credit Card Sales		Credit Card Sales	R	284.00
			Credit Card Sales		5/5/2023 Sales		272.00
			Credit Card Sales		5/5/2023 Sales Tax		19.38
			Credit Card Sales		5/5/2023 Square Fees		-7.38
05/08/2023	Deposit				Target Balance Credit(s)	R	2,178.92
					Target Balance Credit(s)		-2,178.92
05/09/2023	Deposit				Target Balance Credit(s)	R	184.89
					Target Balance Credit(s)		-184.89
05/10/2023	Deposit				Target Balance Credit(s)	R	2,621.39
					Target Balance Credit(s)		-2,621.39



Date	Transaction Type	Num	Customer	Vendor	Memo/Description	Clr	Amount
05/10/2023	Receipt		Credit Card Sales		Credit Card Sales	R	646.08
			Credit Card Sales		5/9/2023 Sales		619.00
			Credit Card Sales		5/9/2023 Sales Tax		44.05
			Credit Card Sales		5/9/2023 Square Fees		-16.97
05/12/2023	Deposit				Target Balance Credit(s)	R	1,620.00
					Target Balance Credit(s)		-1,620.00
05/15/2023	Deposit				Target Balance Credit(s)	R	330.97
					Target Balance Credit(s)		-330.97
05/15/2023	Receipt		Credit Card Sales		Credit Card Sales	R	65.70
			Credit Card Sales		5/15/2023 Sales		63.00
			Credit Card Sales		5/15/2023 Sales Tax		4.49
			Credit Card Sales		5/15/2023 Square Fees		-1.79
05/16/2023	Deposit				Target Balance Credit(s)	R	764.12
					Target Balance Credit(s)		-764.12
05/17/2023	Deposit		City of Blaine (C)			R	1,500.00
		247000	City of Blaine (C)		Production Services - Arrive Alive 2023 Event		1,500.00
05/18/2023	Deposit				Target Balance Credit(s)	R	36,782.57

Date	Transaction Type	Num	Customer	Vendor	Memo/Description	Clr	Amount
					Target Balance Credit(s)		-36,782.57
05/19/2023	Deposit				Target Balance Credit(s)	R	2,210.05
					Target Balance Credit(s)		-2,210.05
05/22/2023	Receipt		David Jansa			R	1,257.35
			David Jansa				1,204.00
			David Jansa				85.85
			David Jansa		Square Fees - 2.52%		32.50
05/22/2023	Receipt		Christa Van Zee			R	62.66
			Christa Van Zee				60.00
			Christa Van Zee				4.28
			Christa Van Zee		Square Fees - 2.52%		1.62
05/22/2023	Deposit				Square - Cents Adj	R	0.06
					Square - Cents Adj		-0.06
05/22/2023	Receipt		Credit Card Sales		Credit Card Sales	R	109.57
			Credit Card Sales		5/22/2023 Sales		105.00
			Credit Card Sales		5/22/2023 Sales Tax		7.48
			Credit Card Sales		5/22/2023 Square Fees		-2.91
05/23/2023	Deposit				Target Balance Credit(s)	R	15,995.10

No assurance is provided on this financial statement. All disclosures omitted.

12/20

Date	Transaction Type	Num	Customer	Vendor	Memo/Description	Clr	Amount
					Target Balance Credit(s)		-15,995.10
05/25/2023	Deposit				Target Balance Credit(s)	R	2,506.73
					Target Balance Credit(s)		-2,506.73
05/26/2023	Deposit				Target Balance Credit(s)	R	559.32
					Target Balance Credit(s)		-559.32
05/26/2023	Receipt		Credit Card Sales		Credit Card Sales	R	313.25
			Credit Card Sales		5/26/2023 Sales		300.00
			Credit Card Sales		5/26/2023 Sales Tax		21.38
			Credit Card Sales		5/26/2023 Square Fees		-8.13
05/30/2023	Deposit				Target Balance Credit(s)	R	1,198.17
					Target Balance Credit(s)		-1,198.17
05/31/2023	Deposit				Target Balance Credit(s)	R	247.32
					Target Balance Credit(s)		-247.32
05/31/2023	Receipt		Credit Card Sales		Credit Card Sales	C	1,002.59
			Credit Card Sales		5/31/2023 Sales		960.00
			Credit Card Sales		5/31/2023 Sales Tax		68.40
			Credit Card Sales		5/31/2023 Square Fees		-25.81

# NMTC - Monthly Disbursements Detail

May 2023

Date	Transaction Type	Num	Name	Memo/Description	Clr	Amount
1001 Cash - Checking Account						
05/01/2023	Check	EFILE	Virtual Merchant Credit Card	Virtual Merchant Credit Card	R	-10.00
				ELECTRONIC FILING CHARGES		10.00
05/01/2023	Check	EFILE AUTH	Authorize.Net	Authorize.Net	R	-30.00
				AUTHORIZE.NET		30.00
05/01/2023	Expenditure		Melio Payments	ACH Debit(s) Refund of test deposit	R	-0.49
				ACH Debit(s) Refund of test deposit		0.49
05/01/2023	Expenditure		Melio Payments	ACH Debit(s)	R	-0.86
				ACH Debit(s)		0.86
05/02/2023	Check	Melio ACH	Bradley Werner, LLC	Bradley Werner, LLC	R	-440.00
				LEGAL-GENERAL		440.00
05/02/2023	Check	EPAY-15-05	Comcast	Comcast	R	-4.56
				MONTHLY SERVICE		4.56
05/02/2023	Expenditure	EPAY 01-05	Principal Financial Group	ACH Debit(s)	R	-738.73

No assurance is provided on this financial statement. All disclosures omitted.

14/20

Date	Transaction Type	Num	Name	Memo/Description	Clr	Amount
				May Premiums		738.73
05/02/2023	Expenditure		Cybersource	ACH Debit(s)	R	-4.59
				ACH Debit(s)		4.59
05/02/2023	Expenditure		Target Balance	Target Balance Debit(s)	R	-2,930.09
				Target Balance Debit(s)		2,930.09
05/02/2023	Expenditure		Bank Fee US Bank Acct Services	Banking Fee Redemption	R	-49.85
						49.85
05/03/2023	Check		EPAY-04-05 T-Mobile	T-Mobile	R	-102.40
				MONTHLY SERVICE		102.40
05/03/2023	Check		EPAY-03-05 Comcast - 1	Comcast	R	-546.27
				MONTHLY SERVICE		546.27
05/03/2023	Check		EFILE 5.3 Discovery Benefits - 1	Discovery Benefits	R	-327.69
				EMPLOYEE PAYROLL DEDUCTION		327.69
05/04/2023	Bill Payment (Check)		Melio Richard D. Larson		R	-316.00
						-316.00

Date	Transaction Type	Num	Name	Memo/Description	Clr	Amount
05/04/2023	Expenditure		North Metro Payroll - Net	ACH Debit(s)	R	-18,198.94
				ACH Debit(s)		18,198.94
05/05/2023	Check	EFILE	MN Dept. of Revenue	MN Dept. of Revenue	R	-1,154.99
				EMPL W/H		-1,154.99
05/05/2023	Check	EFILE	Public Employees Retirement	Public Employees Retirement	R	-3,707.99
				EMPL W/H		-1,721.57
				EMPLR W/H		-1,986.42
05/05/2023	Check	EFILE	IRS/US BANK	IRS/US BANK	R	-6,362.51
				EMPL W/H		-6,362.51
05/05/2023	Check	PEACH	Peachtree/Sage Software	Peachtree/Sage Software	R	-22.00
				ELECTRONIC FILING		22.00
05/05/2023	Expenditure		MN Dept. of Revenue	ACH Debit(s) - 5/5 Payroll	R	-438.02
				ACH Debit(s) - 5/5 Payroll		-438.02
05/10/2023	Bill Payment (Check)	Melio	Danika Peterson		R	-267.47
						-267.47
05/10/2023	Expenditure			Check(s) Paid - Fraud Report Filed	R	-3,000.00

Date	Transaction Type	Num	Name	Memo/Description	Clr	Amount
				Check(s) Paid - Fraud Report Filed		3,000.00
05/12/2023	Bill Payment (Check)		Melio Carpenter Evert & Associates		R	-1,620.00 -1,620.00
05/15/2023	Check		APRIL SALES TAX MN Dept. of Revenue	MN Dept. of Revenue DVD SALES	R	-120.00 120.00
05/15/2023	Check		EPAY-07-05 AT&T Wireless	AT&T Wireless MONTHLY SERVICE	R	-330.97 330.97
05/15/2023	Expenditure		EPAY-08-05 Republic Services	Reference ID 436858000052	R	-424.27 424.27
05/16/2023	Expenditure		EPAY-06-05 Circle K Station Stores	gas card	R	-111.78 111.78
05/16/2023	Expenditure		EPAY-09-05 CenterPoint Energy		R	-380.55 380.55
05/16/2023	Bill Payment (Check)		Metro North Chamber of Melio Comm.		R	-25.00 -25.00

Date	Transaction Type	Num Name	Memo/Description	Clr	Amount
05/17/2023	Check	EFILE Discovery Benefits - 1	Discovery Benefits	R	-327.69
			EMPLOYEE PAYROLL DEDUCTION		-327.69
05/17/2023	Bill Payment (Check)	Melio Fee Melio		R	-1.50
					-1.50
05/17/2023	Expenditure	Target Balance	Target Balance Debit(s)	R	-1,300.52
			Target Balance Debit(s)		1,300.52
05/18/2023	Bill Payment (Check)	Melio Coastal Wintergreen LLC	Inv #1000748	R	-2,175.00
					-2,175.00
05/18/2023	Bill Payment (Check)	Harrington Langer & Associates		R	-6,950.00
					-6,950.00
05/19/2023	Bill Payment (Check)	Melio Commercial Steam Team		R	-585.42
					-585.42
05/19/2023	Expenditure	Intuit-QBO		R	-59.50
			QBO - Monthly Fee		59.50
05/19/2023	Expenditure	Comcast Business EPAY-10-05 1000M/1000M	ACH Debit(s)	R	-1,237.44

No assurance is provided on this financial statement. All disclosures omitted.



Date	Transaction Type	Num	Name	Memo/Description	Cir	Amount
05/22/2023	Bill Payment (Check)		Melio Fee Melio	ACH Debit(s)		1,237.44
					R	-1.50
						-1.50
05/22/2023	Expenditure		Target Balance	Target Balance Debit(s)	R	-1,217.72
				Target Balance Debit(s)		1,217.72
05/23/2023	Expenditure		PERA	ACH Debit(s)	R	-3,912.16
				ACH Debit(s)		-3,912.16
05/23/2023	Expenditure		EPAY-12/05 HealthPartners	ACH Debit(s)	R	-12,192.51
				Health/Dental		12,192.51
05/25/2023	Expenditure		Wex Health	ACH Debit(s)	R	-22.50
				ACH Debit(s)		22.50
05/25/2023	Expenditure		USBANK Card Services 3312	ACH Debit(s)	R	-2,484.23
				Payment		-1,707.05
				Payment		-777.18
05/27/2023	Expenditure		EPAY-14-05 Connexus Energy		R	-1,409.84
						1,409.84

Date	Transaction Type	Num	Name	Memo/Description	Clr	Amount
05/30/2023	Expenditure		Bank Fees US Bank Acct Services		R	-186.72
				Banking Fee Redemption		186.72
05/31/2023	Expenditure		City of Blaine-utilities	ACH Debit(s)	C	-86.85
				ACH Debit(s)		86.85
05/31/2023	Bill Payment (Check)		POPP TELECOM		R	-247.32
						-247.32

**NORTH METRO  
TELECOMMUNICATIONS COMMISSION  
ANNUAL FINANCIAL REPORTS  
December 31, 2022 and 2021**

## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying statements of net position of North Metro Telecommunications Commission as of and for the years ended December 31, 2022 and 2021, 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.

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, 2022 and 2021, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of North Metro Telecommunications Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about North Metro Telecommunications Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### *Auditor's Responsibilities for the Audit of Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 North Metro Telecommunications Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about North Metro Telecommunications Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 through 7 and the budgetary comparison information, schedule of employer's PERA contributions and schedule of employer's share of PERA net pension liability on pages 22 through 26 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 May 23, 2023 on our consideration of North Metro Telecommunications 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.

May 23, 2023

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

December 31, 2022 and 2021  
(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, 2022 and 2021.

**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, 2022 and 2021.

**NORTH METRO TELECOMMUNICATIONS COMMISSION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2022 and 2021  
(Required Supplementary Information)

**Financial Highlights**

- NMTC ended 2022 with a net position balance of \$2,488,428, of which \$1,236,832 represented the net investment in capital assets, and \$1,251,596 was unrestricted. The net position balance at the end of the year was \$16,799 lower than the net position balance at the beginning of the year.
- As a result of operations, \$225,000 and \$400,000 of franchise fees were returned to NMTC member cities for years ended December 31, 2022 and 2021, respectively.

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

Net Position	2022	2021	2020
<b>Assets</b>			
Current Assets	\$ 2,839,282	\$ 2,853,825	\$ 2,872,227
Capital Assets, net	1,661,831	1,849,029	2,221,891
Total Assets	4,501,113	4,702,854	5,094,118
<b>Deferred Outflows</b>			
Deferred outflows related to pensions	236,940	299,695	41,394
<b>Liabilities</b>			
Current Liabilities	1,236,450	1,261,432	1,219,499
Noncurrent Liabilities	999,082	843,414	1,199,478
Total Liabilities	2,235,532	2,104,846	2,418,977
<b>Deferred Inflows</b>			
Deferred inflows related to pensions	14,093	392,476	36,251
<b>Net Position</b>			
Net investment in capital assets	1,236,832	1,219,119	1,391,981
Unrestricted	1,251,596	1,286,108	1,288,303
Total Net Position	\$ 2,488,428	\$ 2,505,227	\$ 2,680,284



**NORTH METRO TELECOMMUNICATIONS COMMISSION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2022 and 2021  
(Required Supplementary Information)

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

Changes in Net Position	2022	2021	2020
<b>Program Revenues</b>			
Operating revenue	\$ 1,894,865	\$ 1,923,059	\$ 2,069,513
<b>General Revenues</b>			
Unrestricted investment earnings	38,160	371	10,064
Grants and contributions	10,000	-	63,103
Other income	72,562	58,327	35,198
<b>Total General Revenues</b>	120,722	58,698	108,365
<b>Total Revenues</b>	2,015,587	1,981,757	2,177,878
<b>Expenses</b>			
Operations	1,557,963	1,608,969	1,622,454
Non-capitalized equipment	46,239	86,007	80,249
Depreciation and amortization	404,564	434,408	433,927
Interest expense	23,620	27,430	31,630
<b>Total Expenses</b>	2,032,386	2,156,814	2,168,260
<b>Change in Net Position</b>	(16,799)	(175,057)	9,618
<b>Net Position, Beginning</b>	2,505,227	2,680,284	2,670,666
<b>Net Position, Ending</b>	\$ 2,488,428	\$ 2,505,227	\$ 2,680,284

**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, 2022 and 2021  
(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, 2022 and 2021, amounted to \$1,661,831 and \$1,849,029, 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, 2022 and 2021, the Commission owed \$424,999 and \$629,910, respectively, to the member cities.

**Budgetary Analysis**

During 2022 and 2021, franchise fee and PEG fee revenue exceeded budgeted amounts by approximately \$45,000 and \$60,000, respectively, which contributed to revenues over (under) expenditures of \$15,439 and (\$55,335), 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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and investments	\$ 2,652,704	\$ 2,667,657
Accounts receivable	170,356	174,710
Prepaid expenses	<u>16,222</u>	<u>11,458</u>
<b>TOTAL CURRENT ASSETS</b>	<u>2,839,282</u>	<u>2,853,825</u>
<b>CAPITAL ASSETS</b>		
Land	225,700	225,700
Building	1,443,850	1,443,850
Building improvements	176,530	169,636
Office and studio equipment	3,358,795	3,179,135
Vehicles	285,732	294,574
Less: accumulated depreciation	<u>(3,828,776)</u>	<u>(3,463,866)</u>
<b>TOTAL CAPITAL ASSETS, NET</b>	<u>1,661,831</u>	<u>1,849,029</u>
<b>TOTAL ASSETS</b>	<u>4,501,113</u>	<u>4,702,854</u>
<b>DEFERRED OUTFLOWS</b>		
Deferred outflows related to pensions	<u>236,940</u>	<u>299,695</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Current portion of long-term debt	210,000	205,000
Accounts payable and accrued expenses	121,632	130,340
Deferred franchise fee revenue	<u>904,818</u>	<u>926,092</u>
<b>TOTAL CURRENT LIABILITIES</b>	1,236,450	1,261,432
<b>NONCURRENT LIABILITIES</b>		
Long-term debt, net of current portion	214,999	424,910
Net pension liability	<u>784,083</u>	<u>418,504</u>
<b>TOTAL LIABILITIES</b>	<u>2,235,532</u>	<u>2,104,846</u>
<b>DEFERRED INFLOWS</b>		
Deferred inflows related to pensions	<u>14,093</u>	<u>392,476</u>
<b>NET POSITION</b>		
Net investment in capital assets	1,236,832	1,219,119
Unrestricted	<u>1,251,596</u>	<u>1,286,108</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 2,488,428</u></u>	<u><u>\$ 2,505,227</u></u>

**NORTH METRO TELECOMMUNICATIONS COMMISSION**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>OPERATING REVENUES</b>		
Cable operating franchise fees	\$ 1,232,206	\$ 1,208,065
PEG fees	<u>662,659</u>	<u>714,994</u>
<b>TOTAL OPERATING REVENUES</b>	<u>1,894,865</u>	<u>1,923,059</u>
<b>OPERATING EXPENSES</b>		
Franchise fee reimbursements, city members	225,000	400,000
Personnel	797,159	773,040
Employee benefits	329,877	216,337
Office	120,734	118,556
Legal fees	10,500	27,525
Other administrative costs	41,770	38,726
Vehicle	6,488	6,713
Production	26,435	28,072
Depreciation	404,564	434,408
Studio equipment expense	<u>46,239</u>	<u>86,007</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>2,008,766</u>	<u>2,129,384</u>
<b>OPERATING LOSS</b>	<u>(113,901)</u>	<u>(206,325)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Investment income	38,160	371
Other income	72,562	58,327
Grants and contributions	10,000	-
Interest expense	<u>(23,620)</u>	<u>(27,430)</u>
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<u>97,102</u>	<u>31,268</u>
<b>CHANGE IN NET POSITION</b>	(16,799)	(175,057)
<b>NET POSITION, BEGINNING</b>	<u>2,505,227</u>	<u>2,680,284</u>
<b>NET POSITION, ENDING</b>	<u><u>\$ 2,488,428</u></u>	<u><u>\$ 2,505,227</u></u>

**NORTH METRO TELECOMMUNICATIONS COMMISSION**  
**STATEMENTS OF CASH FLOWS**  
For the Years Ended December 31, 2022 and 2021

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from operations	\$ 1,877,945	\$ 1,965,218
Payments to suppliers and vendors	(478,895)	(705,530)
Payments to employees	(1,082,389)	(1,035,357)
Other non-operating receipts	79,158	57,296
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>395,819</u>	<u>281,627</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of capital assets	(220,401)	(61,546)
Interest expense	(23,620)	(27,430)
Payments on long-term debt	<u>(204,911)</u>	<u>(200,000)</u>
<b>NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(448,932)</u>	<u>(288,976)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment income	<u>38,160</u>	<u>371</u>
<b>NET CHANGE IN CASH AND INVESTMENTS</b>	(14,953)	(6,978)
<b>CASH AND INVESTMENTS, BEGINNING</b>	<u>2,667,657</u>	<u>2,674,635</u>
<b>CASH AND INVESTMENTS, ENDING</b>	<u><u>\$ 2,652,704</u></u>	<u><u>\$ 2,667,657</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating loss	\$ (113,901)	\$ (206,325)
Adjustments:		
Depreciation	404,564	434,408
Loss on disposal of capital assets	3,035	-
Pension expense	80,386	(23,979)
Other non-operating receipts	79,158	57,296
Net change in assets, liabilities, and deferred outflows of resources:		
Accounts receivable	4,354	11,355
Prepaid expenses	(4,764)	69
Accounts payable and accrued expenses	(8,708)	6,129
Deferred franchise fee revenue	(21,274)	30,804
Deferred outflows - contributions after the measurement date	<u>(27,031)</u>	<u>(28,130)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u><u>\$ 395,819</u></u>	<u><u>\$ 281,627</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, 2022 and 2021, 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 \$108,142 and \$102,074, as of December 31, 2022 and 2021, 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, 2022 and 2021, 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, 2022 and 2021, the Commission had no deposits.

**Investments:**

At December 31, 2022 and 2021, investments included the following:

Description	2022	2021
External investment pool - 4M Fund	\$ 2,652,554	\$ 2,667,507

**NOTE 3. FRANCHISE FEE REIMBURSEMENTS**

Included within franchise fee reimbursements for the years ended December 31, 2022 and 2021 are the following amounts paid by the Commission to its city members that represent refunded franchise fees:

	2022	2021
City of Blaine	\$ 124,184	\$ 221,812
City of Centerville	7,863	13,620
City of Circle Pines	9,513	17,363
City of Ham Lake	31,072	54,648
City of Lexington	3,755	6,877
City of Lino Lakes	36,134	63,609
City of Spring Lake Park	12,479	22,071
	<u>\$ 225,000</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, 2021	Increases	Decreases	December 31, 2022
Land	\$ 225,700	\$ -	\$ -	\$ 225,700
Building	1,443,850	-	-	1,443,850
Building improvements	169,636	6,894	-	176,530
Office and studio equipment	3,179,135	213,507	(33,847)	3,358,795
Vehicles	294,574	-	(8,842)	285,732
Total depreciable assets	5,087,195	220,401	(42,689)	5,264,907
Building and improvements	(701,701)	(43,997)	-	(745,698)
Office and studio equipment	(2,467,591)	(360,567)	30,812	(2,797,346)
Vehicles	(294,574)	-	8,842	(285,732)
Total accumulated depreciation	(3,463,866)	(404,564)	39,654	(3,828,776)
Capital assets, net	\$ 1,849,029	\$ (184,163)	\$ (3,035)	\$ 1,661,831

Description	December 31, 2020	Increases	Decreases	December 31, 2021
Land	\$ 225,700	\$ -	\$ -	\$ 225,700
Building	1,443,850	-	-	1,443,850
Building improvements	128,949	40,687	-	169,636
Office and studio equipment	3,158,276	20,859	-	3,179,135
Vehicles	294,574	-	-	294,574
Total depreciable assets	5,025,649	61,546	-	5,087,195
Building and improvements	(659,173)	(42,528)	-	(701,701)
Office and studio equipment	(2,120,180)	(347,411)	-	(2,467,591)
Vehicles	(250,105)	(44,469)	-	(294,574)
Total accumulated depreciation	(3,029,458)	(434,408)	-	(3,463,866)
Capital assets, net	\$ 2,221,891	\$ (372,862)	\$ -	\$ 1,849,029

Depreciation expense charged to operations for the years ended December 31, 2022 and 2021 was \$404,564 and \$434,408, 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 1<sup>st</sup> through 2024. Interest is due semi-annually on February 1<sup>st</sup> and August 1<sup>st</sup>.

Future payments as of December 31, 2022 are as follows:

Year Ending December 31,	Principal	Interest	Total
2023	210,000	19,425	229,425
2024	214,999	15,266	230,265
	<u>\$ 424,999</u>	<u>\$ 34,691</u>	<u>\$ 459,690</u>

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

December 31, 2021	Additions	Payments	December 31, 2022
<u>\$ 629,910</u>	<u>\$ -</u>	<u>\$ 204,911</u>	<u>\$ 424,999</u>
December 31, 2020	Additions	Payments	December 31, 2021
<u>\$ 829,910</u>	<u>\$ -</u>	<u>\$ 200,000</u>	<u>\$ 629,910</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.

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.

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

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

**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. 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 6.5 percent of their annual covered salary in fiscal years 2022 and 2021 and the Commission was required to contribute 7.5 percent for Coordinated Plan members. The Commission's contributions to the General Employees Fund for the years ended December 31, 2022 and 2021 were \$54,259 and \$53,056, 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, 2022 and 2021, the Commission reported a liability of \$784,083 and \$418,504, 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 during 2022 and 2021. 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 \$22,783 and \$12,781 as of December 31, 2022 and 2021, respectively.

The net pension liability was measured as of June 30, 2022 and 2021, 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, 2022 and 2021, the Commission's proportionate share was 0.0099 percent and 0.0098 percent, respectively.

For the years ended December 31, 2022 and 2021, the Commission recognized pension expense of \$121,431 and \$35,159, respectively, for its proportionate share of the General Employees Plan's pension expense. In addition, the Commission recognized an additional \$3,404 and \$1,031, 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.

At December 31, 2022 and 2021, 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:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 6,549	\$ 8,269	\$ 2,545	\$ 12,761
Changes in actuarial assumptions	175,714	3,060	255,530	9,035
Net collective difference between projected and actual investment earnings	15,450	-	-	363,764
Changes in proportion	12,196	2,764	13,490	6,916
Contributions to PERA subsequent to the measurement date	27,031	-	28,130	-
Total	<u>\$ 236,940</u>	<u>\$ 14,093</u>	<u>\$ 299,695</u>	<u>\$ 392,476</u>

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

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

The \$27,031 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, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Amount
2022	\$ 71,070
2023	76,748
2024	(22,911)
2025	70,909

**Total Pension Expense:**

The total pension expense recognized by the Commission for the years ended December 31, 2022 and 2021, was \$107,177 and \$833, respectively.

**Long-Term Expected Return on Investment:**

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:

	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	33.5%	5.10%
International equity	16.5%	5.30%
Fixed income	25.0%	0.75%
Private markets	25.0%	5.90%
Total	100%	

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

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

**Actuarial Methods and Assumptions:**

The total pension liability in the June 30, 2022 and 2021 actuarial valuations was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 6.5 percent. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 6.5 percent was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25 percent for the General Employees Plan. Benefit increases after retirement are assumed to be 1.25 percent for the General Employees Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25 percent after one year of service to 3.0 percent after 27 years of service.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. The tables are adjusted slightly to fit PERA's experience.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2022:

**General Employees Fund:**

**Changes in Actuarial Assumptions:**

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

**Changes in Plan Provisions:**

- There were no changes in plan provisions since the previous valuation.

**Discount Rate:**

The discount rate used to measure the total pension liability in 2022 and 2021 was 6.5 percent. 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.

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

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

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

<u>2022</u>			
	<u>1% Lower Discount Rate (5.5%)</u>	<u>Current Discount Rate (6.5%)</u>	<u>1% Higher Discount Rate (7.5%)</u>
Sensitivity of Net Pension Liability at Current Single Discount Rate	\$ 1,238,501	\$ 784,083	\$ 411,391
<u>2021</u>			
	<u>1% Lower Discount Rate (6.5%)</u>	<u>Current Discount Rate (6.5%)</u>	<u>1% Higher Discount Rate (8.5%)</u>
Sensitivity of Net Pension Liability at Current Single Discount Rate	\$ 853,534	\$ 418,504	\$ 61,535

**Pension Plan Fiduciary Net Position:**

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

**NOTE 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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES</b>				
Franchise fees	\$ 1,150,000	\$ 1,150,000	\$ 1,232,206	\$ 82,206
PEG fees	700,000	700,000	662,659	(37,341)
Interest	500	500	38,160	37,660
Other income	25,000	25,000	69,158	44,158
Grants and contributions	-	-	10,000	10,000
Transfer from reserves	205,052	205,052	-	(205,052)
<b>TOTAL REVENUES</b>	<u>2,080,552</u>	<u>2,080,552</u>	<u>2,012,183</u>	<u>(68,369)</u>
<b>EXPENDITURES</b>				
Franchise fee reimbursements	225,000	225,000	225,000	-
Personnel	823,816	823,816	797,159	26,657
Employee benefits	290,140	290,140	276,522	13,618
Office	121,100	121,100	120,734	366
Legal fees	50,000	50,000	10,500	39,500
Other administrative costs	38,500	38,500	41,770	(3,270)
Vehicle	8,500	8,500	6,488	2,012
Production	35,000	35,000	26,435	8,565
Capital expenditures	488,496	488,496	492,136	(3,640)
<b>TOTAL EXPENDITURES</b>	<u>2,080,552</u>	<u>2,080,552</u>	<u>1,996,744</u>	<u>83,808</u>
<b>REVENUES UNDER EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	15,439	<u>\$ 15,439</u>
Plus effect of capital assets purchased			220,401	
Plus effect of debt service			204,911	
Less effect of depreciation			(404,564)	
Less effect of disposal of capital assets			(3,035)	
Less effect of net pension liability			(49,951)	
<b>CHANGE IN NET POSITION (GAAP BASIS)</b>			<u>\$ (16,799)</u>	

**NORTH METRO TELECOMMUNICATIONS COMMISSION**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES</b>				
Franchise fees	\$ 1,150,000	\$ 1,150,000	\$ 1,208,065	\$ 58,065
PEG fees	712,800	712,800	714,994	2,194
Interest	35,000	35,000	371	(34,629)
Other income	25,000	25,000	57,296	32,296
Grants and contributions	-	-	-	-
Transfer from reserves	170,306	200,306	-	(200,306)
<b>TOTAL REVENUES</b>	<b>2,093,106</b>	<b>2,123,106</b>	<b>1,980,726</b>	<b>(142,380)</b>
<b>EXPENDITURES</b>				
Franchise fee reimbursements	400,000	400,000	400,000	-
Personnel	799,386	799,386	773,040	26,346
Employee benefits	282,090	282,090	268,446	13,644
Office	131,700	161,700	118,556	43,144
Legal fees	50,000	50,000	27,525	22,475
Other administrative costs	43,500	43,500	38,726	4,774
Vehicle	1,500	1,500	6,713	(5,213)
Production	29,500	29,500	28,072	1,428
Capital expenditures	355,430	355,430	374,983	(19,553)
<b>TOTAL EXPENDITURES</b>	<b>2,093,106</b>	<b>2,123,106</b>	<b>2,036,061</b>	<b>87,045</b>
<b>REVENUES OVER EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(55,335)</b>	<b>\$ (55,335)</b>
Plus effect of capital assets purchased			61,546	
Plus effect of debt service			200,000	
Less effect of depreciation			(434,408)	
Less effect of disposal of capital assets			-	
Less effect of net pension liability			53,140	
<b>CHANGE IN NET POSITION (GAAP BASIS)</b>			<b>\$ (175,057)</b>	

**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 year ended December 31, 2021, the Commission approved a budget adjustment for unexpected building maintenance costs. During the year ended December 31, 2022, 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, 2022

<b>Fiscal Year Ending</b>	<b>Statutorily Required Contribution (a)</b>	<b>Contributions in Relation to the Statutorily Required Contribution (b)</b>	<b>Contribution Deficiency (Excess) (a-b)</b>	<b>Covered- Employee Payroll (d)</b>	<b>Contributions as a Percentage of Covered- Employee Payroll (b/d)</b>
December 31, 2022	\$ 54,259	\$ 54,259	\$ -	\$ 723,453	7.50%
December 31, 2021	\$ 53,056	\$ 53,056	\$ -	\$ 707,413	7.50%
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, 2022

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)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2022	December 31, 2021	0.0099%	\$ 784,083	\$ 22,783	\$ 806,866	\$ 738,107	106.2%	106.2%	76.7%
June 30, 2021	December 31, 2021	0.0098%	\$ 418,504	\$ 12,781	\$ 431,285	\$ 705,347	59.3%	59.3%	87.0%
June 30, 2020	December 31, 2020	0.0095%	\$ 569,568	\$ 17,576	\$ 587,144	\$ 679,587	83.8%	83.8%	79.1%
June 30, 2019	December 31, 2019	0.0097%	\$ 536,291	\$ 16,666	\$ 552,957	\$ 683,453	78.5%	78.5%	80.2%
June 30, 2018	December 31, 2018	0.0098%	\$ 543,664	\$ 17,795	\$ 561,459	\$ 652,560	83.3%	83.3%	79.5%
June 30, 2017	December 31, 2017	0.0099%	\$ 632,009	\$ 7,940	\$ 639,949	\$ 637,427	99.2%	99.2%	75.9%
June 30, 2016	December 31, 2016	0.0102%	\$ 828,188	\$ 10,782	\$ 838,970	\$ 629,160	131.6%	131.6%	68.9%
June 30, 2015	December 31, 2015	0.0101%	\$ 523,434	-	\$ 523,434	\$ 592,187	88.4%	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, 2022, 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 May 23, 2023.

**Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2022-1 and 2022-2 that we consider to be significant deficiencies.

### **Report on 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**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Commission's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Commission's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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.

May 23, 2023

**NORTH METRO TELECOMMUNICATIONS COMMISSION**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
For the Year Ended December 31, 2022

**2022-1 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.

**2022-2 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, 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated May 23, 2023.

In connection with our audit, nothing came to our attention that caused us to believe that North Metro Telecommunications Commission failed to comply with contracting – bid laws, depositories of public funds and public investments, conflicts of interest, public indebtedness, claims and disbursements, and miscellaneous provisions sections of the *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Commission's noncompliance with the above referenced provisions, insofar 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.

May 23, 2023

**NORTH METRO  
TELECOMMUNICATIONS COMMISSION  
MANAGEMENT LETTER  
December 31, 2022**

## 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, 2022, and have issued our report thereon dated May 23, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 16, 2023. 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 May 23, 2023.

### *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.

May 23, 2023

### Program Production

In May, a total of **92 new programs** were produced utilizing the North Metro facilities, funds, and services. This constitutes **85:45:00 hours of new programming**.

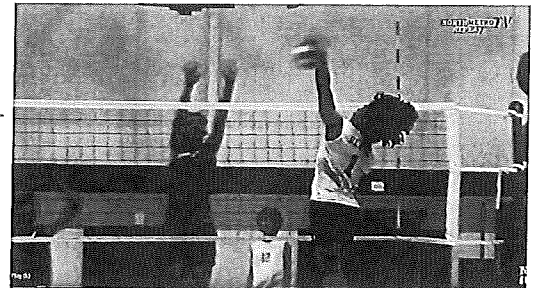
- 37 programs were produced by the public
- 51 programs were produced by NMTV staff
- 4 programs were produced by City staff



### Van Shoots

The HD production truck was utilized for 67:30:00 hours of production in May. The following events were produced live and/or recorded for additional playback:

- Softball: Spring Lake Park vs. Blaine
- Boys Tennis: Centennial vs. Blaine
- Baseball: Spring Lake Park vs. Blaine
- Softball: Centennial vs. Spring Lake Park
- Girls Lacrosse: Osseo-Park Center vs. Blaine
- Boys Lacrosse: Spring Lake Park-Coon Rapids vs. Blaine
- Boys Volleyball: Centennial vs. Blaine
- Softball: 7AAAA 1<sup>st</sup> Round: Duluth East vs. Blaine
- Softball: 5AAAA Lower Bracket: Irondale vs. Spring Lake Park
- Softball: 5AAAA Lower Bracket Semi-Final: Champlin Park vs. Spring Lake Park
- Softball: 5AAAA Lower Bracket Final: Spring Lake Park vs. Centennial
- Baseball: 7AAAA 1<sup>st</sup> Round: Forest Lake vs. Centennial

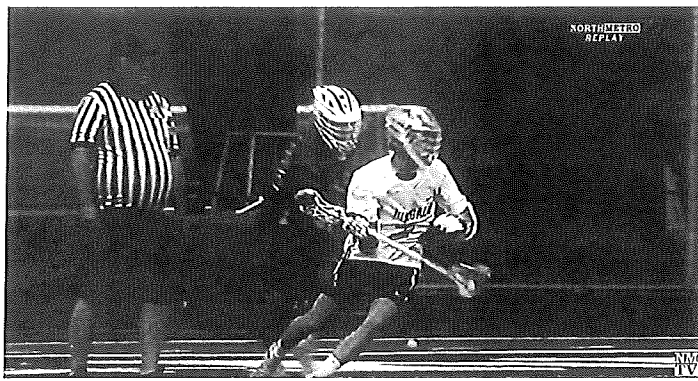


### vMix Live Streaming Shoots

The vMix single camera production system was utilized to record/stream 5 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.

- Adapted Softball: Centennial vs. Anoka-Hennepin
- Boys Lacrosse: Blaine vs. Centennial
- Girls Lacrosse: Centennial vs. Blaine
- Baseball: Centennial vs. Spring Lake Park
- Boys Volleyball: Spring Lake Park vs. Centennial





## Most Viewed YouTube Sporting Event

Boys Lacrosse: Spring Lake Park-Coon Rapids vs. Blaine  
471 Views

## VOD Workshop Views

Workshop	Type	# of Views	Hours Viewed
Batman's Greatest Villains	Mini	153	15.25 hrs
Columbo: One More Thing	Mini	3,493	422 hrs
King of the Cowboys 4 – John Wayne	Mini	55	4.75 hrs
King of the Cowboys 3 – Randolph Scott	Mini	99	5.25 hrs
King of the Cowboys 2 – Autry/Rogers	Mini	371	24.75 hrs
King of the Cowboys 1 – Strong and Silent	Mini	84	5.25 hrs
Great British Game Shows	Mini	71	1.75 hrs
We Love Lucy: The Lucille Ball Story	Full	83	13.5 hrs
The Immortal Ingrid Pitt	Mini	398	18.25 hrs
The Oscars: 90 Years of the Academy Awards	Full	42	7 hrs
Tim Curry Horror Picture Show	Mini	40	1.25 hrs
Back to the Eighties: The Decade's Biggest...	Full	6	.5 hrs
James Bond: 50 Years of 007	Full	17	.25 hrs
Eurovision: A Celebration	Mini	10	.5 hrs
Yabba-Dabba-Do! The Fantastic World of Hanna...	Full	422	31.5 hrs
Superman: The Man of Steel on the Silver Screen	Full	NA	NA
The Fantastic Four on the Silver Screen	Mini	NA	NA
Christmas in Hollywood	Full	NA	NA
TV's Greatest Christmas Specials	Full	NA	NA
Chicago Christmas Classics	Mini	121	5.5 hrs
Let's Go Ghostbusters: Filmation's Haunted Heroes	Mini	7	.25 hrs
Monster Movies of the 40s and 50s	Full	199	13.25 hrs
Monster Movies of the 20s and 30s	Full	11	1 hr
The Presidency on Film JQA to JFK	Full	NA	NA
Monstervision: The Legend of Joe Bob Briggs	Mini	9	18 hrs
The Cult of Caroline Munro	Mini	1576	52.5 hrs
The Marilyn Monroe Story	Full	5	.25 hrs
Nick at Nite: A TV Viewer's Dream	Mini	37	.5 hrs
The Birth of Animation: Mickey, Bugs, and Betty...	Full	NA	NA
Hollywood Goes to War: World War II	Full	81	15.5 hrs
Come on Down: Game Shows of the 70s and 80s	Full	78	17.5 hrs
The Quiz Show Scandals and Other Game Shows...	Full	115	38.25 hrs
The Three Stooges: Comedy's Heavy Hitters	Full	NA	NA
The Marx Brothers: Groucho, Harpo, Chico...	Full	68	5.25 hrs
Mary Pickford: The World's First Movie Star	Full	NA	NA
Hollywood Goes to the Dogs: Lassie, Benji...	Full	15	.25 hrs
<b>36 VOD Workshops</b>		<b>7,666 Total Views</b>	<b>719.75 Hours Viewed</b>



## Most Viewed YouTube Workshop

Columbo: One More Thing  
3,493 Views

## YouTube Stats

Month	Viewers	Videos Viewed	Hours Watched	New Subscribers	Total Impressions
January	26,847	33,656	2,176.25	64	375,076
February	39,350	51,758	5,263	201	1,169,051
March	58,859	74,726	7,070	237	1,833,467
April	53,014	97,942	3,445	58	421,789
May	39,135	61,084	2,771	92	380,115
<b>TOTAL:</b>	<b>217,205</b>	<b>319,166</b>	<b>20,725.25</b>	<b>652</b>	<b>4,179,498</b>

## NMTV Website Stats

Month	Number of Users	Number of Views	Live Stream Views
January	5,568	10,793	1,625
February	5,229	10,091	1,040
March	6,404	11,943	868
April	6,626	11,569	799
May	7,224	8,717	1,564
<b>TOTAL:</b>	<b>31,051</b>	<b>53,113</b>	<b>5,896</b>

## 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	225	51	59	0	0	\$764.92
February	180.75	35	43	0	0	\$234.52
March	284.75	82	62	0	0	\$1,046.56
April	564	149	161	27	236	\$1,871.45
May	514.5	131	69	10	164	\$4,336.45
<b>TOTAL:</b>	<b>1,769</b>	<b>448</b>	<b>394</b>	<b>37</b>	<b>400</b>	<b>\$8,253.90</b>



## Production Highlights

### NMTV News Highlights

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

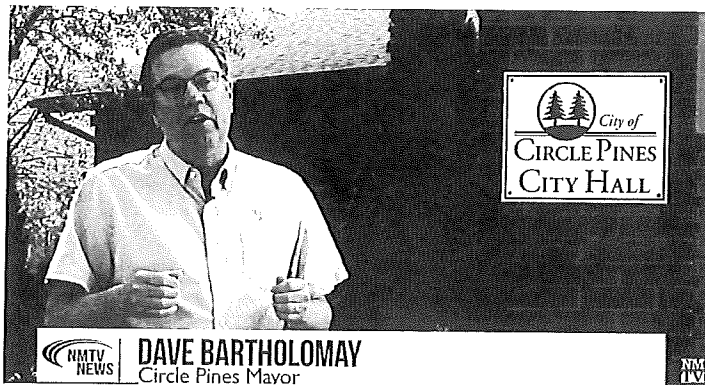
- Union Between City of Blaine and Minnesota United Soccer Still Strong
- Anoka County and Metro Transit at Odds over Northstar Commuter Rail Funding
- Spring Lake Park High School Alum Pens First Children's Book
- Golf Season Finally Arrives in the North Metro
- Bunker Hills Regional Park is a Gem
- US 10 Road Construction Continues in Anoka
- Career Fair Highlights Hands-On and Trades Jobs
- Circle Pines Prepared if Marijuana Gets a Pass in Minnesota
- Blaine is Seeing Growth Across All Sectors
- Wallin Scholarships Give North Metro Students a Chance for College Success
- Mosquitoes invade North Metro Area
- Spring Lake Park High School Jubilant Boys Volleyball Becoming a Sanctioned Sport
- Minnesota Makes Major Investment to Fix Highway 65
- SCOTUS Wetland Ruling Not Expected to Impact Anoka County



**ERIK THORVIG**

City of Blaine Community Development Director

In addition to daily playbacks of North Metro TV News on the cable systems, there are 1,222 local stories archived for viewers on the NMTV YouTube channel. The channel can be accessed through the northmetrotv.com website.



**DAVE BARTHOLOMAY**  
Circle Pines Mayor

### Most Viewed YouTube News Story

Circle Pines Prepared if Marijuana Gets a Pass in Minnesota  
428 Views

### New Program Initiative

Facility Manager, Eric Houston, is working to create a new series of programs for the public channel. He is inviting local continuing education instructors to record their lectures, in studio, for playback on all of our platforms. The recordings would be produced at no cost to the participants, who would be given a copy of their presentation. It would be a great way to provide a service to our community and generate interesting programs for the channel.

### Rose is Retiring

Administrative Assistant and IT Engineer, Rose Valez, is retiring after 24 years of employment with the North Metro Telecommunications Commission. She started her career as the organization's Administrative Assistant, but took advantage of opportunities to expand her role. The Commission paid for her to become a certified Microsoft Engineer, and she subsequently added the title of IT Engineer to her job description. Rose managed our computer and phone networks, built our computers, ordered office supplies, coordinated building maintenance, did all of our accounting, and was a good friend to her fellow employees. We will miss her very much, but are glad she can finally kick back and relax!

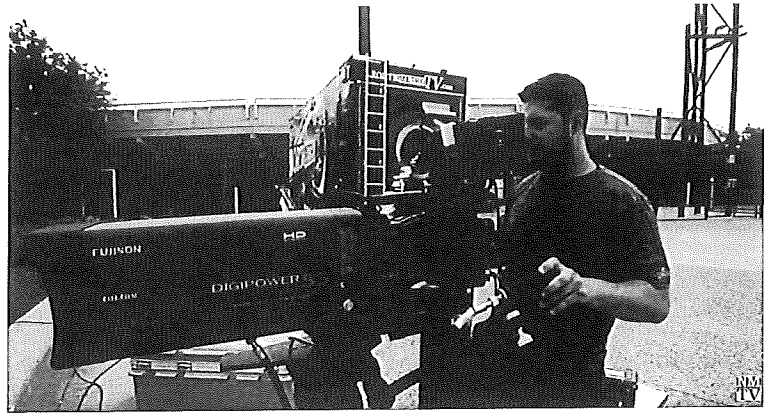
P. 68



## Commercial Projects

NMTV staff has been working hard to expand our sources of income. Currently we have a variety of projects in the works. They include:

- Producing Arabesque Dance School Recitals
- Recording and streaming 2 Centennial concerts
- Recording and streaming Blaine spring band concert
- Editing 3 Kolbe System videos
- Producing MSMA Foundation video
- Providing drone service for the city of Osseo
- Producing 2 promos for the Thumbs Up non-profit organization for an upcoming event
- Producing a general information video for Thumbs Up
- Providing streaming and production services for the National Sports Center for USA Cup Soccer
- Production services for the City of Columbia Heights, Jamboree Days parade



Staff has also produced a promotional video highlighting the commercial services that NMTV can provide. That promo is currently available on our website and Youtube channel.

## Digital Equity Committee

Work on our digital equity needs assessments is wrapping up. Through listening sessions and survey responses we have gathered information from various groups regarding issues they have accessing and utilizing broadband services and devices. This information will be shared with the MN Office of Broadband Development to assist them in determining best steps forward to bring digital equity to the state of Minnesota. NMTV has also learned a lot from the process. We are currently developing classes geared toward senior citizens and internet/device/apps usage. Staff is also researching grant opportunities to help fund the initiative.

## City Productions

In May, Municipal Producer, Trevor Scholl, completed six productions. They included two public safety employee profiles, a story on the Spring Lake Park city hall remodel, and a Get Connected episode. Completed programs include:

- Public Safety Employee Profile: CLPD Jake Chamberland
- Public Safety Employee Profile: SLPPD Officer Lemke
- Get Connected: Quad Area Chamber Events 2023
- SBM Senior Safety Fair
- AHS Rescue Readers
- Spring Lake Park City Hall Remodel Open House



New and ongoing projects include:

- Blaine on-boarding videos
- Blaine Police Department community outreach events
- Public safety employee profiles, fire departments
- Summer Mayor's Minutes
- City summer events
- Business profiles
- Blaine Facebook live town halls

Trevor touches base with contacts on a regular basis and also encourages Cities to contact him with ideas for new videos.

## Public Access Programs

Title	Producer	Runtime
Bad Movie Bros (5 episodes)	Eric Houston	02:05:15
Rice Creek Watershed District Meeting (2 episodes)	Theresa Stasica	01:46:33
Christ Lutheran Church Worship (4 episodes)	Chance Amundson	03:38:44
Christ Lutheran Church Worship Message (4 episodes)	Chance Amundson	01:58:06
Lovepower (6 episodes)	Rick Larson	06:00:00
The Power of Love (6 episodes)	Rick Larson	03:00:00
Oak Park Community Church (6 episodes)	David Turnidge	04:08:13
Hope Church On-line (4 episodes)	Parker Payne	02:47:43
<b>37 New Programs</b>		<b>25:24:34 New Hours</b>

## NMTV Staff Programs

Title	Producer	Runtime
Anoka County Board Meeting (5/9/23)	T.J. Tronson	00:37:04
Anoka County Board Meeting (5/23/23)	T.J. Tronson	01:27:28
NMTV News (2 episodes)	Danika Peterson/Eric Nelson	00:52:56
Spring Lake Park City Hall Remodel Open House	Trevor Scholl	00:08:55
Get Connected: Quad Chamber Events 2023	Trevor Scholl	00:04:43
Meet the Staff: CLPD Jake Chamberland	Trevor Scholl	00:04:43
Senior Safety Fair	Trevor Scholl	00:01:50
Meet the Staff: SLPPD Officer Lemke	Trevor Scholl	00:03:25
Rescue Readers	Trevor Scholl	00:04:01
Softball: Spring Lake Park/Blaine	Kenton Kipp/Ted Leroux	02:09:09
Boys Tennis: Centennial/Blaine	Kenton Kipp/Ted Leroux	01:46:34
Baseball: Spring Lake Park/Blaine	Kenton Kipp/Ted Leroux	01:45:28
Softball: Centennial/Spring Lake Park	Kenton Kipp/Ted Leroux	01:53:44
Girls Lacrosse: Osseo-Park Center/Blaine	Kenton Kipp/Ted Leroux	01:42:36
Boys Lacrosse: Spring Lake Park-Coon Rapids/Blaine	Kenton Kipp/Ted Leroux	01:43:57
Boys Volleyball: Centennial/Blaine	Kenton Kipp/Ted Leroux	01:16:53
Softball 7AAAA 1 <sup>st</sup> Round: Duluth East/Blaine	Kenton Kipp/Ted Leroux	01:49:52
Softball 5AAAA LB: Irondale/Spring Lake Park	Kenton Kipp/Ted Leroux	01:40:09
Softball 5AAAA LB SF: Champlin Park/Spring Lake Park	Kenton Kipp/Ted Leroux	01:42:58
Softball 5AAAA LB Final: Spring Lake Park/Centennial	Kenton Kipp/Ted Leroux	02:01:41
Baseball 7AAAA 1 <sup>st</sup> Round: Forest Lake/Centennial	Kenton Kipp/Ted Leroux	01:05:56
Adapted Softball: Centennial/Anoka-Hennepin	Kenton Kipp/Ted Leroux	01:21:00
Boys Lacrosse: Blaine/Centennial	Kenton Kipp/Ted Leroux	01:38:28
Girls Lacrosse: Centennial/Blaine	Kenton Kipp/Ted Leroux	01:22:26
Baseball: Centennial/Spring Lake Park	Kenton Kipp/Ted Leroux	02:02:58
Boys Volleyball: Spring Lake Park/Centennial	Kenton Kipp/Ted Leroux	01:18:09
Centennial Middle School Choir Concert	Kenton Kipp/Ted Leroux	01:54:44

Centennial High School Choir Concert	Kenton Kipp/Ted Leroux	02:31:30
<b>29 New Programs</b>		<b>36:13:17 New Hours</b>

## City Meetings

---

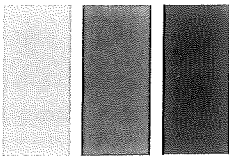
<b>Title</b>	<b>Producer</b>	<b>Runtime'</b>
Blaine City Council Meeting (5/1/23)	T.J. Tronson	02:13:32
Blaine Traffic Commission Meeting (5/2/23)	T.J. Tronson	00:09:33
Blaine Planning Commission Meeting (5/9/23)	T.J. Tronson	01:00:09
Blaine City Council Meeting (5/15/23)	Trevor Scholl	00:39:17
Blaine Natural Resources Conservation Board Meeting (5/16/23)	Trevor Scholl	01:06:36
Centerville Planning & Zoning Meeting (5/2/23)	John Murphy	01:00:34
Centerville Park & Rec Meeting (5/3/23)	John Murphy	02:28:16
Centerville City Council Meeting (5/10/23)	Teresa Bender	02:20:25
Centerville EDA Meeting (5/17/23)	John Murphy	01:39:38
Centerville City Council Meeting (5/24/23)	Teresa Bender	02:08:12
Circle Pines City Council Meeting (5/9/23)	Ray Flint	00:53:33
Circle Pines Planning Commission Meeting (5/15/23)	Danika Peterson	00:16:11
Circle Pines Utility Commission Meeting (5/17/23)	Eric Houston	00:09:09
Circle Pines Planning Commission Meeting (5/22/23)	T.J. Tronson	00:13:16
Circle Pines City Council Meeting (5/23/23)	Danika Peterson	00:42:11
Ham Lake City Council Meeting (5/1/23)	David Little/Danika Peterson	00:25:23
Ham Lake Planning Commission Meeting (5/8/23)	David Little	00:51:31
Ham Lake City Council Meeting (5/15/23)	David Little	00:35:37
Ham Lake Planning Commission Meeting (5/22/23)	David Little	01:03:01
Lexington City Council Meeting (5/4/23)	Lexington Staff	00:06:25
Lexington City Council Meeting (5/18/23)	Lexington Staff	00:04:45
Lino Lakes City Council Meeting (5/8/23)	Anne Serwe	00:24:40
Lino Lakes Planning & Zoning Meeting (5/10/23)	Anne Serwe	00:58:17
Lino Lakes City Council Meeting (5/22/23)	Anne Serwe	00:27:32
Spring Lake Park City Council Meeting (5/1/23)	Ray Flint	00:47:21
Spring Lake Park City Council Meeting (5/15/23)	Ray Flint	01:08:57
<b>26 New Programs</b>		<b>23:54:01 New Hours</b>

If you have any questions or comments regarding this monthly report please contact Heidi Arnson at 763.231.2801 or [harnson@northmetrotv.com](mailto:harnson@northmetrotv.com).

# NORTH METRO TV

## Production Statistics 2023

Programming Statistics														23 Total			23 Average		
	J	F	M	A	M	J	JU	A	S	O	N	D							
Cablecast Programs	2321.00	2070.00	2359.00	2217.00	2328.00									11295.00		941.25			
Cablecast Hours	1917.00	1668.00	1927.00	2060.00	1897.50									9469.50		789.13			
Programs Produced - Public	18.00	22.00	15.00	16.00	25.00									96.00		8.00			
Program Hours Produced - Public	12.50	21.50	10.00	12.00	16.75									72.75		6.06			
Prog. Produced - Affiliated Public	7.00	5.00	5.00	6.00	12.00									35.00		2.92			
Prog. Hours Produced - Affil. Public	6.25	6.00	5.00	6.75	8.75									32.75		2.73			
Programs Produced - City Staff	4.00	5.00	3.00	4.00	4.00									20.00		1.67			
Prog. Hours Produced - City Staff	3.00	3.00	1.50	4.00	4.75									16.25		1.35			
Programs Produced - NMTV Staff	43.00	42.00	43.00	35.00	51.00									214.00		17.83			
Prog. Hours Produced - NMTV Staff	41.00	40.50	31.00	36.75	55.50									204.75		17.06			
Total Public Programs Produced	25.00	27.00	20.00	22.00	37.00									131.00		10.92			
Total Staff Programs Produced	47.00	47.00	46.00	39.00	55.00									234.00		19.50			
Total Internal Programs Produced	72.00	74.00	66.00	61.00	92.00									365.00		30.42			
% Staff Produced Programs	65.28%	63.51%	69.70%	63.93%	59.78%									64.11%		64.11%			
% Public Produced Programs	34.72%	36.49%	30.30%	36.07%	40.22%									35.89%		35.89%			
External Programs Submitted	24.00	22.00	23.00	18.00	26.00									113.00		9.42			
External Program Hours	31.00	18.50	19.00	16.00	22.50									107.00		8.92			
Total New Programs	96.00	96.00	89.00	79.00	118.00									478.00		39.83			
Public Equipment Usage Statistics																			
Facility Hours Available	154.00	94.00	77.00	119.00	133.00									577.00		48.08			
Camera Check Outs	11.00	8.00	9.00	9.00	9.00									46.00		3.83			
Studio A	15.25	5.25	0.00	0.00	0.00									20.50		1.71			
% of Available Time	9.90%	5.59%	0.00%	0.00%	0.00%									3.55%		3.55%			
Studio B	7.50	0.00	0.00	6.50	0.00									14.00		1.17			
% of Available Time	4.87%	0.00%	0.00%	5.46%	0.00%									2.43%		2.43%			
Editing	33.25	17.25	12.25	6.25	5.25									74.25		6.19			
% of Available Time	21.59%	18.35%	15.91%	5.25%	3.95%									12.87%		2.78%			
Number of Public Facility Users	10.00	9.00	7.00	11.00	7.00									44.00		3.67			
Total Hours of Public Use	56.00	22.50	12.25	12.75	5.25									108.75		9.06			
Production Van/Mix Statistics																			
Number of Van Shoots	6.00	4.00	3.00	3.00	11.00									27.00		2.25			
Total Van Usage Hours	36.00	21.00	20.25	18.75	67.50									163.50		13.63			
Number of vMix Shoots	5.00	8.00	1.00	1.00	5.00									20.00		0.19			
Intern Hours	0.00	0.00	0.00	0.00	98.00									98.00		8.17			
Volunteer Hours	5.00	5.00	0.00	0.00	5.00									15.00		1.25			
Workshop Statistics																			
Number of Live Workshops	1.00	1.00	0.00	0.00	2.00									4.00		0.33			
Number of Students at Live Wkshps	3.00	11.00	0.00	0.00	18.00									32.00		2.67			
VOD Students All Workshops	9012.00	26653.00	49927.00	8612.00	7684.00									101888.00		8490.67			
Media Transfer Statistics																			
Total Transfer Equip. Usage Hours	225.00	180.75	284.75	584.00	514.50									1769.00		147.42			
Tapes Transferred	51.00	35.00	82.00	149.00	131.00									448.00		37.33			
Film Reels Transferred	59.00	43.00	62.00	161.00	69.00									394.00		12.28			
Slides/Photos Transferred	0.00	0.00	0.00	236.00	164.00									400.00		33.33			
DVDs Copied	0.00	0.00	0.00	27.00	10.00									37.00		3.08			
Transfer Hours By Public	1.00	18.25	12.75	15.00	1.00									48.00		4.00			
Transfer Hours By Staff	224.00	162.50	272.00	549.00	513.50									1721.00		143.42			
NMTV YouTube Statistics																			
Number of Viewers	26847.00	39350.00	58859.00	53014.00	39135.00									217205.00		18100.42			
Total Videos Viewed	33656.00	51758.00	74726.00	97942.00	61084.00									319166.00		26597.17			
Total Hours Watched	2176.25	5263.00	7070.00	3445.00	2771.00									20725.25		1727.10			
Number of New Subscribers	64.00	201.00	237.00	58.00	92.00									652.00		54.33			
Total Impressions	375076.00	1169051.00	1833467.00	421789.00	380115.00									4179498.00		348291.50			
NMTV Website Statistics																			
Number of Users	5568.00	5229.00	6404.00	6626.00	7224.00									31051.00		2587.58			
Number of Views	10793.00	10091.00	11943.00	11569.00	8717.00									53113.00		4426.08			
Live Stream Views	1625.00	1040.00	868.00	799.00	1564.00									5896.00		491.33			



Bradley Werner  
Attorneys at Law

## MEMORANDUM

**To:** North Metro Telecommunications Commission  
**From:** Nancy L. Werner, Michael R. Bradley, and Michael C. Athay  
**Re:** June, 2023 Legal Report  
**Date:** June 8, 2023

---

### **ALERT - Telecom Industry Bill H.R. 3557 Passes Out of Committee**

On May 24, the House Energy and Commerce Committee passed out of the full committee the American Broadband Deployment Act of 2023 (H.R. 3557). H.R. 3557 would enact new restrictions on a variety of state and local land use and zoning authorities pertaining to the deployment of telecommunications infrastructure, including both wireless deployment and wireline deployment, as well as impose limitations on the ability for counties to negotiate and renew cable franchise agreements. The bill passed on a party-line vote of 27-23.

Provisions of H.R. 3557 that are of particular concern to local government include provisions that would do the following:

- **Preempt state and local zoning authority** over the placement of wireless technologies, including towers, equipment, and small cells - empowers providers to install facilities where they choose regardless of local zoning, thus eliminating the ability of local government to balance providers' and neighbors' interests and jeopardizing the ability of local governments to impose stealth or concealment requirements;
- Mandate that all local wireless siting decisions be "deemed granted" in impractical short time periods. (Federal agencies would have 270 days to act, local governments would be required to conduct all engineering and other reviews and act in as little as 60 days);
- Create technical grounds for defeating incomplete application notices that would pause the shot clock; require a local government to draft, publish and deliver to an applicant, on the same day that the local governing body hears and votes on the application, any written denial decision;
- **Allow cable operators (franchisees) to modify terms/requirement in franchise agreements;**
- Eliminate state and local government authority to manage public rights-of-way (ROW) by collecting fair market compensation for their use and management, and limiting ROW fees to "actual, objectively reasonable costs"; contrary to current

Bradley Werner, LLC

FCC rules and safe harbor pricing, would require localities to justify their fees using a complex, burdensome rate-making formula;

- **Prohibit state and local governments from revoking cable franchises they have awarded;**
- **Substitute FCC for local federal district court as reviewing body** for challenges to decisions, breaking promise made by Congress in 1996 Telecommunication Act that local governments would not be required to travel to Washington to defend local decisions.

We urge local governments to contact their Representatives in the House to express opposition to this industry attempt to restrict and in some cases preempt local regulation of cable and telecommunications providers and facilities.

Prior to an April markup of the component bills now rolled into H.R. 3557, the National Association of Counties (NACo), the National League of Cities (NLC), the U.S. Conference of Mayors (USCM), and the National Association of Telecommunications Officers and Advisors (NATOA) all urged the House Subcommittee on Communications and Technology to reject legislation that would infringe upon local authority. A link to their letter to the Subcommittee can be found [here](#). NACo's bulletin regarding H.R. 3557 can be found [here](#).

#### **ALERT – New Industry Push to Exempt Streaming Revenues from Cable Franchise Fees**

Telecommunications Industry sponsored bills are being introduced across the country to exempt streaming services from cable franchise requirements. Minnesota cities must be prepared for similar bills to be introduced at the state legislature. According to Communications Daily,

Ten states in the past two years clarified that satellite and streaming needn't pay cable franchise fees. Arizona, Georgia, Louisiana and Ohio said so in 2022. States passed bills this year in Arkansas, Iowa, Indiana, Kansas, Oklahoma and Tennessee. More states could soon join them, including Illinois, Missouri, Nevada, South Carolina and Texas. About 20 states have video franchise laws, while others follow federal rules. Fort Scott, Kansas, abandoned litigation against the state earlier this month after an exemptions law was signed (see 2305120021).

The Illinois Senate voted 57-0 to pass HB-3808. The House previously passed the bill, 108-1. The bill clarifies existing policy and has no fiscal impact, Senate sponsor Bill Cunningham (D) told colleagues at a live streamed floor session Friday.

The Nevada Senate adjourned Friday afternoon without taking up the similar AB-146, which passed the House by a 42-0 vote last month. The Senate next meets Monday at 11 a.m. PST.

“Many municipalities across the country are suing TV and video streaming providers to pay a separate cable franchise fee,” said Texas state Rep. Charlie Geren (R) at the webcast hearing on SB-1117 Thursday. That would mean a 5% fee on each of possibly several streaming TV subscriptions bought by a household, “even though the video streaming companies do not own any infrastructure in the right of way like cable companies do.”

Streamers “do utilize the public right of way,” disagreed Texas Municipal League lobbyist Snapper Carr. Dallas thinks SB-1117 “**would essentially eliminate all cable franchise fees in the state of Texas,**” said Nick Fehrenbach, the city’s manager-regulatory affairs: **All cable companies could, “with a few strokes of the pen,” change their TV service to streaming to avoid franchise fees.**

### **Minnesota Legislature Passes, Governor Signs Omnibus Bill Providing for \$125 Million In Broadband Funding**

The Omnibus Agriculture, Broadband and Rural Development bill was passed by the Minnesota House and Senate on May 11, 2023. Gov. Tim Walz signed the bill into law on May 25. The finalized bill includes significant additional financial resources and significant new policy in support of broadband deployment in the state.

Specifically, the legislation includes a total of \$125 million for broadband infrastructure deployment after the infusion of \$100 million in new spending. The additional resources will help bring the state closer to meeting or exceeding Minnesota’s statutory speed goals of broadband availability at 100Mbps/20Mbps to all homes and businesses across the state by 2026. Additionally, underserved and unserved cities will now have more resources to apply for through the Border-to-Border Broadband Grant Program and Low-Density Broadband Development Grant Program. The Legislation also fully funds the Office of Broadband Development, provides additional resources for the Office’s grant program, and makes permanent the lower population density grant program that was introduced as a pilot program in the last legislative session.

Specific provisions in the broadband section of the legislation include:

- An additional \$100 million in one-time funding over the next biennium for the Border-to-Border Broadband Grant Program making a total of \$125 million, to be available as follows:
  - \$75 million available in fiscal year 2024
  - \$50 million available in fiscal year 2025
  - Grant award limits to be increased to \$10 million per project, up from \$5 million
- Of the \$100 million in new one-time funding, \$20 million is reserved each year of the biennium for proposals under the lower population density grant program.



- The lower population density pilot program from last year is replaced by a permanent Low-Density Broadband Development Grant Program, which will be available to fund awards up to 75% of the total project cost, as opposed to the 50% limit for other Border-to-Border Grants.

LMC's full article can be found [here](#).

### **LMC Provides Summary of Current Grant Opportunities, Including Broadband Grants**

In May the Minnesota League of Cities shared a summary of grants available to Minnesota Cities. The summary can be found [here](#).

### **New Cosponsor For Protecting Community Television Act, More Cosponsors Sought**

The Protecting Community Television Act was reintroduced this year by Sens. Ed Markey (D-Mass.) and Tammy Baldwin (D-Wis.) as S. 340, and by Rep. Anna Eshoo (D-Calif.) as H.R. 907. The bill amends the Cable Act to undo Trump-era FCC rules and clarify that franchise fees do not include “in-kind” franchise obligations. The legislation has up to 21 House and 18 Senate sponsors, now including new cosponsor, Sen. Cory Booker (D-N.J.). More house and Senate cosponsors are needed. Consider lobbying your House and Senate delegations to support this important legislation and encourage your peers to do so as well. The Act is endorsed by the Alliance for Community Media, the National Association of Counties, the National Association of Telecommunications Officers and Advisors (NATOA), and the National League of Cities. The text of the bill and information on its status can be found [here](#). NATOA's announcement of its support is available [here](#); and the Markey/Baldwin/Eshoo press release is available [here](#).

### **President Biden Announces Federal Communications Commission Nominees**

On May 22, 2023, President Joe Biden announced that he will nominate the following persons to serve as Commissioners of the Federal Communications Commission:

- Anna M. Gomez
- Geoffrey Adam Starks
- Brendan Carr

Anna M. Gomez is a telecommunications attorney with extensive experience in domestic and international communications law and policy. Gomez serves as a Senior Advisor for International Information and Communications Policy in the Bureau of Cyberspace and Digital Policy, and served as the National Telecommunications and Information Administration Deputy Administrator from 2009 to 2013. She also served for 12 years in various positions at the Federal Communications Commission, including as Deputy Chief of the International Bureau and as Senior Legal Advisor to then-Chairman William E. Kennard. Prior to joining the State Department in 2023, Gomez was a partner in Wiley

LLP's telecommunications media and technology group, and also was Vice President for Federal and State Government Affairs at Sprint Nextel.

Geoffrey Adam Starks has served as an FCC Commissioner since 2017. Throughout his career, Starks has focused on creating access to high quality broadband for every American including rural America. While at the FCC he has worked to make networks more secure. He previously was Assistant Bureau Chief of the FCC's Enforcement Bureau. Before joining the Commission in 2015, Starks was Senior Counsel to the Deputy Attorney General at the U.S. Department of Justice, where he received the Department's highest employee service award, the Attorney General's Award for Exceptional Service. Prior to his government service, Starks practiced law at Williams & Connolly.

Brendan Carr is currently an FCC Commissioner, having first joined the agency as a staffer in 2012. In his time on the Commission, Carr has focused on expanding affordable, high-speed Internet service to all Americans. Carr also leads a groundbreaking telehealth initiative at the FCC, the Connected Care Pilot Program, which supports the delivery of high-quality care to low-income Americans and veterans. Prior to his current role, Carr served as the FCC's General Counsel and before that as a staffer in multiple offices at the Commission. Before joining the agency, he clerked for Judge Dennis Shedd on the U.S. Court of Appeals for the Fourth Circuit and worked as a lawyer in the private sector.

### **Report Shows Streaming Revenues Up, Subscription Cable TV Down**

A *Convergence Research* report based on analysis of 80 streaming services predicts that growth will slow this year to 21 percent and to 13 percent in 2025. The report covers Netflix, Disney, Hulu, Warner Bros. Discovery and Amazon as well as many smaller services and providers. According to coverage by *NextTV/Multichannel News* (available [here](#)) late last month, growth in household penetration, subscriptions per household and net OTT subscriptions will slow in the 2023-25 period to a rate half the growth shown in 2020-22. In 2022, U.S. OTT access revenue grew 26% to \$49.6 billion.

The *Convergence* report estimates 2022 cable, satellite and telco TV access revenue declined in the U.S. by 6%, to \$85.8 billion, and forecasts a possible 9% decline for 2023, with average revenue per unit growth of 3%; and a 13% decline in 2025. **In 2022, U.S. pay TV subscribers declined by 7.37 million (11%) and another decline of 8.44 million (14%) is expected for 2023, according to the report, with a 16% decline projected in 2025.** In terms of numbers, as of year-end 2022, almost 70 million U.S. households (over 53% of households) did not have a TV subscription via cable, satellite or telco, according to the report, which some analysts say means that traditional TV is well into becoming a niche product.

According to the report, U.S. broadband continued to grow in subscribers (3.2 million) and revenue (6.5% to \$84.8 billion) in the U.S. in 2022, and higher subscriber growth is forecast for 2023, with slightly lower revenue growth. Cable TV providers continue to

have the lions' share of residential broadband subscribers but Cable's annual share of net increases has fallen precipitously, which is projected to continue through 2025.

According to *NextTV/Multichannel News*, fixed wireless access is primarily responsible (e.g. T-Mobile and Verizon), accounting for 95% of home broadband growth in the first quarter of this year (see this *Next TV* article).

### **DeSantis' Twitter Launch Proves Traditional TV Not Dead Yet**

It is well known that cord cutting has reached record highs. Pundits have been warning of the death of "traditional TV" (aka cable, broadcast and satellite) for years., as more and more viewers decide to switch from traditional TV to on-demand, online streaming video services. According to *NextTV/Multichannel News*, despite this trend, the superiority of traditional TV for some purposes was demonstrated by the disastrous May 24 experience of Florida Governor Ron DeSantis' precedent-breaking use of Twitter for the announcement of his presidential candidacy. As reported by the publication [here](#), the launch announcement on Twitter Space was marked by constant crashes and glitches that delayed the announcement by almost 30 minutes. When the announcement finally came, it was overwhelmed by media coverage of the technical problems, including from Fox News. And the DeSantis announcement was just audio, as *NextTV/Multichannel News* points out, with no attempt to incorporate technically more challenging video media, and proved that traditional media can be the more reliable option, **pointing out that broadcasters and cable operators are required by law to provide a dependable signal to viewers.**

### **FCC States Latest Broadband Map Shows 8.3M Locations Unserved**

In a notice issued May 30, 2023, the FCC states that its latest map of broadband service across the country shows that more than 8.3 million locations that could have high-speed connectivity remain unserved. According to the FCC, its most recent "iterative" map (version 2 of the map) is the first to incorporate large sets of data through a monthslong challenge process following an initial map created under the Broadband DATA Act in November, 2022, and gives the clearest information to date on coverage gaps in the U.S. The latest map, which includes a search-by-address function to determine broadband availability, can be found at <https://broadbandmap.fcc.gov/home>. The map also permits users to download availability data by state and by provider. The FCC's notice can be found [here](#).

### **NTIA To Use Latest FCC Broadband Map To Allocate BEAD Funds To The States**

The National Telecommunications and Information Administration (NTIA) will allocate \$42.5 billion to the states under its Broadband Equity, Access, and Deployment (BEAD) program based on how many Unserved Broadband Serviceable Locations (BSLs) each state has as a percentage of the national total. Each Unserved BSL is worth about \$4,895. Small changes to a state's Unserved number can lead to large changes to its share of BEAD funds, particularly when the change is larger than the average of the other states. For more information, see NTIA's discussion [here](#) and in its blogs at [InternetForAll.Gov](#).

---

---

NORTH METRO TV

---

---

TO: CABLE COMMISSION  
FROM: HEIDI ARNSON  
SUBJECT: PAY STUDY RECOMMENDATIONS  
DATE: 5/26/2023

---

### **Background**

As you are aware, last year, the Operations Committee asked me to perform a salary survey of community television organizations throughout the Twin Cities. The results of the survey seemed to show that, in general, NMTV positions were below the survey average. Some positions were very well below the average.

After reviewing the information, the Operations Committee determined that a consultant should be retained to review and finalize any recommendations to the Cable Commission. Dan Tesch was selected for the project, which he completed in January 2023.

Next, utilizing the analysis provided by Dan Tesch, a sub-committee of the Operations Committee worked to create a new step scale that reflected recommended market adjustments. The new step scale and the scale it replaced are attached to this memo.

In order to equitably implement the recommended salary increases, the Operations Committee determined that each employee be moved to the step above their current salary, as long as it was at least 2% more than they were currently earning. They also recommended that employees with at least 30 years of service be moved up an additional step. The increases would be retroactive to January 1<sup>st</sup>. The cost of that recommendation to the 2023 budget will be \$33,929. That includes salaries and payroll taxes.

Savings of over \$82,000 have been identified in the personnel/benefits areas of the 2023 budget due to staff turn-over and retirement. Even with the estimated cost of accounting services for 2023 at about \$22,000, we should still be \$26,000 under budget in 2023.

**OPERATIONS COMMITTEE RECOMMENDATION: To approve the updated NMTC step plan and market salary adjustments retroactive to January 1<sup>st</sup>, 2023.**

**NORTH METRO TV**  
**2023 Step Pay Plan/Pay Study Final**

Position Title		Step 1 Start	Step 2 1 Year	Step 3 2 Years	Step 4 3 Years	Step 5 4 Years	Step 6 5 Years
		80%	84%	88%	92%	96%	100%
Technician 1	annual	\$46,503.00	\$48,828.00	\$51,153.00	\$53,478.00	\$55,803.00	\$58,128.00
Coordinator	annual	\$51,341.00	\$53,908.00	\$56,475.00	\$59,042.00	\$61,609.00	\$64,176.00
Studio/Facility Manager	annual	\$55,274.00	\$58,037.00	\$60,801.00	\$63,565.00	\$66,328.00	\$69,092.00
Director	annual	\$65,012.00	\$68,263.00	\$71,513.00	\$74,764.00	\$78,014.00	\$81,265.00
Video Repair Engineer	annual	\$63,840.00	\$67,032.00	\$70,224.00	\$73,416.00	\$76,608.00	\$79,800.00
Executive Director	annual	\$97,002.00	\$101,852.00	\$106,702.00	\$111,552.00	\$116,402.00	\$121,252.00

**NORTH METRO TV**  
**2023 Step Pay Plan/4% COLA**

Position Title		Step A Start	Step B 6 Months	Step C 1 Year	Step E 2 Years	Step F 3 Years	Step G 4 Years
Production Assistant	annual	\$14,866.00	\$15,609.00	\$16,352.00	\$17,096.00	\$17,838.00	\$18,582.00
		\$14.30	\$15.01	\$15.73	\$16.44	\$17.16	\$17.87
Technician 1	annual	\$44,515.00	\$45,859.00	\$47,242.00	\$49,632.00	\$52,119.00	\$54,728.00
Technician 2	annual	\$49,883.00	\$51,836.00	\$53,401.00	\$56,119.00	\$58,915.00	\$62,306.00
Coordinator	annual	\$49,883.00	\$51,836.00	\$53,401.00	\$56,119.00	\$58,915.00	\$62,306.00
Administrative Assistant	annual	\$48,353.00	\$50,543.00	\$52,806.00	\$55,171.00	\$57,644.00	\$60,267.00
Director	annual	\$55,369.00	\$57,023.00	\$58,742.00	\$61,729.00	\$64,807.00	\$68,177.00
Video Repair Engineer	annual	\$61,714.00	\$63,562.00	\$65,470.00	\$68,788.00	\$72,225.00	\$75,836.00
IT Engineer	annual	\$61,714.00	\$63,562.00	\$65,470.00	\$68,788.00	\$72,225.00	\$75,836.00
Executive Director	annual	\$81,117.00	\$85,173.00	\$89,507.00	\$93,285.00	\$97,340.00	\$101,396.00

2023		Step 1 Start	Step 2 1 Year	Step 3 2 Years	Step 4 3 Years	Step 5 4 Years	Step 6 5 Years	
JOB TITLE		80%	84%	88%	92%	96%	100%	
Executive Director (H. Anson 36 yrs)	Annual	\$97,002	\$ 101,852.00	\$106,702	\$111,552	\$116,402	\$121,252	
IT Engineer/Admin Asst./Accounting/HR (R. Valez 23 yr)	Annual	\$63,928	\$ 60,404.00	\$63,281	\$66,157	\$69,034	\$71,910	\$75,836
Video Engineer (M. Waldron 20 yrs)	Annual	\$63,840	\$ 67,032.00	\$70,224	\$73,416	\$76,608	\$79,800	
News Director (D. Peterson 18 yrs)	Annual	\$65,012	\$ 68,263.00	\$71,513	\$74,764	\$78,014	\$81,265	
Sports Director (K. Kipp 23 yrs)	Annual	\$65,012	\$ 68,263.00	\$71,513	\$74,764	\$78,014	\$81,265	
Special Events Coordinator/Drone Pilot (T. Tronson 32 yr)	Annual	\$51,341	\$ 53,908.00	\$56,475	\$59,042	\$61,609	\$64,176	
Programming Coordinator (M. Sylvestre 23 yrs)	Annual	\$51,341	\$ 53,908.00	\$56,475	\$59,042	\$61,609	\$64,176	
Studio Manager/Instructor (E. Houston 14 yrs)	Annual	\$55,274	\$ 58,037.00	\$60,801	\$63,565	\$66,328	\$69,092	
News Producer (E. Nelson 0 yrs))	Annual	\$46,503	\$ 48,828.00	\$51,153	\$53,478	\$55,803	\$58,128	
Sports Producer (T. Leroux 1 yr))	Annual	\$46,503	\$ 48,828.00	\$51,153	\$53,478	\$55,803	\$58,128	
Municipal Producer (T. Scholl 5 yrs)	Annual	\$46,503	\$ 48,828.00	\$51,153	\$53,478	\$55,803	\$58,128	
Part Time Assistant	Hourly							
Part Time Sports Freelancers	Hourly						\$20.77	
Part Time City Meeting Freelancers	Hourly						\$20.77	
							\$20.00	

# 2024 North Metro Telecommunications Commission

## Budget

### Talking Points

#### Overall Organizational Goals

- Welcome a new Executive Director.
- Support legislation that will update the community television funding model to better reflect current entertainment delivery trends.
- Develop educational services for internet service/devices/software usage.
- Apply for grants to fund broadband educational services.
- Grow commercial productions.
- Improve and expand closed captioning on certain platforms.
- Continue to be responsive to cities communications needs.
- Maintain accessibility of all channels through live streaming, OTT channels, and video on demand services, 24-hours-a-day, on any device.
- Provide program playback, video transport, channel management services, video equipment maintenance and consulting services, internet streaming services for city channels, VOD libraries for meetings, meeting management software licenses and bookmarking services, program production and event coverage services, home-media transfer services, and public access to television production for our cities, schools and general public.

#### Estimated Fund Balance/Revenues/Expenses

- The beginning fund balances for 2024 are estimates based on previous allocations, planned spending for 2023, and estimated income.
- Estimated revenues include: Franchise fees, including the actual first quarter franchise fee payment, with anticipated reductions across quarters two through four. PEG fees based on estimated number of subscribers, throughout 2024, multiplied by the PEG fee, or by a percentage in a new franchise document. Other income includes dub fees, home movie transfers, drone, streaming and production services. Interest income is estimated based on the first quarter interest earnings of this year.
- Estimated expenditures include the operating expenses and capital expenses including the bond payment, production and office equipment, and the fee payment to the cities.
- The year end fund balances include:
  - The **Operating reserve** which is traditionally set at 25% of the operating budget, also includes additional allocations for possible 2024 budgetary support.
  - **Accrued vacation, sick and comp** time. The total value of owed vacation, sick, and comp time to employees.



- The **capital equipment fund** is intended for emergency replacement of unplanned equipment failures.
- The **vehicle replacement fund** is to cover the cost of a new fleet vehicle.
- The **building repair fund** is to cover major costs related to the building such as windows, roof, furnace, parking lot, AC replacement and painting, carpet replacement etc.
- The **franchise renewal fund** is a reserve fund for the NMTC's franchise renewal process. Franchise renewal can be very expensive, with the informal negotiation process historically costing around \$200,000 across the renewal period. Moving to a formal negotiation process is more expensive. These costs could include needs assessments, consulting, and legal fees. While there has been no recent action on franchise renewal, it could begin again at any time.

### **Budget**

- The recommended operating budget for the organization totals \$1,420,610. This number is a \$27,692 increase over last year's operating budget. Increases were made to the personnel and administrative costs line items. The Operating budget could be \$80 less than last year, depending on the step level of the new Executive Director.
- Budgeted capital purchases for 2024 are set at \$570,884. Budgeted capital items include a server and router for master control, tripod and lens for the production truck, cameras, tripods, equipment contracts, closed captioning contracts, closed captioning charges and microphones. The capital budget also includes routine computer/software upgrades, and software licenses, the final HD Bond payment of \$230,266 and \$150,000 in capital equipment support for cities.
- The overall 2024 capital budget is \$57,451 lower than the 2023 capital budget.
- The overall 2024 budget is \$29,759 lower than the 2023 budget. If an Executive Director is hired at the minimum step the overall budget would be \$58,521 lower than the 2023 budget.

### **Closing Points**

- North Metro TV provides a variety of valuable services to our member cities in a very cost effective manner. These services include:
  - Program playback and channel management.
  - Closed captioning.
  - Internet streaming of city meetings.
  - Bookmarking city meetings.
  - Live streaming of city channels and community channels.
  - Provide city channels on Roku and AppleTV via NMTV app.
  - Video equipment repair, maintenance and consulting.
  - Drone services.
  - Video production services.
  - Meeting coverage and troubleshooting.

- The general public also benefits from the services of North Metro TV. These services include:
  - Educational opportunities.
  - Access to professional video production tools.
  - Home Movie transfer services.
  - Varied and informative programming about their community, including high school sports, local news, and city meetings.
- A new Executive Director will be hired to lead North Metro TV into the future.
- Franchise renewal may move forward, and will have an impact on future budgets and goals.
- Recent state and federal legislation could have an impact on future income sources.

# **North Metro Telecommunications Commission**

## **2024 Budget Line-Item Supporting Information**

### **Personnel**

- The personnel line-item reflects the recommended market based step increases, along with a 3% COLA. The Executive Director position is budgeted at the maximum step level to afford flexibility during the hiring process. If an Executive Director is hired at the minimum step level that would reduce the personnel line item by \$24,978.
- Part-time staff includes sports and meeting coverage personnel. Employees in the part-time group are utilized when needed for a sports shoot or to cover a city meeting and generally do not work enough to qualify for PERA. Neither category is eligible for health benefits. Payroll taxes apply.

### **Benefits**

- The NMTC employee benefits package has been budgeted at \$1,300.00 per person/per month for 2024. This is \$45 more, per person/per month than was budgeted for 2023. The Member City benefits package average for 2024 is \$1,399.80.
- All indications are that the NMTC's contribution to PERA will remain at 7.5% in 2024.
- If a new Executive Director is hired at the minimum step level it would reduce the budgeted payroll taxes by \$3,784.

### **Administrative Expenses**

- Budgeted administrative expenses are \$11,500 more than 2023. The audit, conference, and special meeting line-items were increased. The additions will allow for anticipated audit cost increases, attendance at NATOA and MACTA conferences for a new Executive Director and staff, attendance at NATOA sponsored webinars, and lots of meetings. Money has also been budgeted under the Consultants line item for the new accounting service.

### **Production Expenses**

- Budgeted production expenses are \$4,000 less than in 2023. The need for DVDs, Blu-rays and disc cases has been greatly reduced, partially as a result of electronic file transfers.

### **Office Expenses**

- Office expenses are budgeted at \$18,800 more than the 2023 level.
- The building maintenance line-item was increased by \$15,000, to better reflect actual costs over the past two years, and with recognition that there will likely be

unexpected problems with an aging building. Building maintenance includes the furnace/AC maintenance contract, lawn care, snow removal, carpet and window cleaning, fire inspection, and landscaping and building mechanical services.

- Building utilities include sewer, water, gas, and electric.
- Insurance includes all property, liability, crime, volunteer, vehicle, drone, and monument sign coverage. This amount was increased by \$3,500. The Commission policy cost was increased fairly significantly in 2023, due to insurance costs in general.
- Office supply line-item includes all office supplies, and maintenance contracts on printers and copiers.
- The Telephone/Internet/Web Hosting line-item remains at \$42,000. This line item covers bandwidth which is required to transport signals from city hall. NMTV continues to pay a fee to house video-on-demand and streaming content on a remote server. This allows for unlimited simultaneous viewing, without a reduction in speed, or an inordinate amount of bandwidth for that purpose. The line-item also covers the wireless live transmission of sporting events and other field productions. The website maintenance contract, web hosting, telephone costs, license fees for our Roku and AppleTV apps, and the annual phone software upgrade are also included.
- Postage covers the cost of mailing dubs and equipment for contract maintenance, and other postage for the NMTC.
- Property tax is for the recycling assessment.
- Building cleaning, trash, recycling, and hazardous material disposal/recycling was increased \$500 to better reflect recent actual costs.

## **Capital Expenditures**

- The 2024 capital budget currently includes \$145,502 for production equipment, \$38,116 for office systems and software fees, \$7,000 for a security system upgrade, \$230,226 for the final HD bond payment, and \$150,000 for city capital expenses.
- The production equipment budget includes annual system contracts, including closed captioning, a master control server and router, a tripod and lens for the production truck, and a variety of cameras, lights, microphones, and tripods for field production.
- Office equipment includes three computer/editing system upgrades and monthly software licenses for office and editing computers.
- Fees back to Cities are included as a capital cost. Once the franchise is renewed with Comcast, PEG fees could be restricted to capital costs. In such a case, any PEG fees used for operating costs would result in lower franchise fees. As such, PEG fees will be returned to cities for equipment upgrades and reserves.

## **Summary**

- The recommended 2024 Operating budget is \$27,692 higher than the 2023 budget, if an Executive Director is hired at the maximum step. If an Executive Director is hired at the minimum step, the 2024 Operating budget would be \$80 less than the 2023 budget.
- Capital equipment expenditures are budgeted at \$145,502, which is \$2,592 higher than the 2023 budget.

- The 2024 HD bond payment is budgeted at \$230,266. This will be the final HD bond payment.
- It is recommended that fees returned to cities be included in capital expenditures in order to maximize fee payments in the future. This budget includes \$150,000 in fees for city capital expenditures and capital reserves.
- The overall 2023 budget, with an Executive Director hired at the maximum step is \$29,759 lower than the 2023 budget.
- If an Executive Director is hired at the minimum step level the overall 2024 budget will be \$58,521 lower than the 2023 budget.

**North Metro Telecommunications Commission**  
**2024 FINANCIAL SUMMARY**  
**Estimated Fund Balances/Revenues/Expenditures.**

**BEGINNING FUND BALANCES**

Operating Reserve	\$472,593
Accrued Vac, Sick, Comp	\$120,000
Capital Equip. Fund	\$304,155
Vehicle Replacement Fund	\$45,000
Bldg Repair Reserve	\$200,000
Franchise Renewal Fund	\$200,000
Bond Reserve	\$0

**TOTAL: \$1,341,748**

**ESTIMATED REVENUES**

Franchise Fees	\$1,150,000
PEG Fees	\$565,000
Other Income	\$35,000
Interest Income	\$50,000
Income From Reserve Funds	\$191,494

**TOTAL: \$1,991,494**

**ESTIMATED EXPENDITURES**

Operating Expenses	\$1,420,610
Capital Expenses: Equipment/Bldg	\$190,618
Capital Expenses: Bond Payment	\$230,266
Capital Expenses: PEG Fees to Cities	\$150,000

**TOTAL: \$1,991,494**

**YEAR END FUND BALANCES**

		Increase(Decrease)
Operating Reserve	\$355,153	-\$117,440
Accrued Vac, Sick, Comp	\$120,000	\$0
Capital Equip. Fund	\$230,101	-\$74,054
Vehicle Replacement Fund	\$45,000	\$0
Bldg Repair Reserve	\$200,000	\$0
Franchise Renewal Fund	\$200,000	\$0
Bond Reserve	\$0	\$0

**TOTAL: \$1,150,254      -\$191,494**

<p style="text-align: center;"><b>2024</b></p> <p style="text-align: center;"><b>North Metro Telecommunications Commission Budget</b></p>
---

[illegible]

[illegible]



## 2024 North Metro Telecommunications Commission Budget

	2022 ACTUAL	2023		2024	NOTES
		Budget	April Act.		
<b>CAPITAL EXPENDITURES</b>					
Video Equipment	227,535	142,910	128,264	145,502	Master Control router, tripod, lens, cameras, mics
Computer/Office Equipment/Sftwre	24,667	28,000	6,232	38,116	office systems, software
Vehicles	0	0	25,000	0	
Building Expenditures	0	28,000	0	7,000	Security System Upgrade
Bond Payment	228,530	229,425	229,425	230,266	HD Bond Payment
City Capital Expenditures	225,000	200,000	200,000	150,000	Equipment/Equipment Reserves
<b>CAPITAL EXP. TOTAL:</b>	<b>705,732</b>	<b>628,335</b>	<b>588,921</b>	<b>570,884</b>	
<b>GRAND TOTAL:</b>	<b>1,830,155</b>	<b>2,021,253</b>	<b>1,056,153</b>	<b>1,991,494</b>	

# North Metro TV 2024 Equipment Budget

## Master Control Service & Subscriptions

ID No.	Model No.	Make	Description	Qty	Cost	Total
2024-1	CBL-PLATINUM-4	Tightrope	4 I/O Platinum Support through Tightrope. Loaner, Night Support, Upgrade Assistance	1	4000	4000
2024-2	CBL-PLATINUM-ADDL	Tightrope	Tightrope Additional I/O Annual Software Maintenance Contract for Large Systems	8	500	4000
2024-3	CBL-REFLECT-BND	Tightrope	Cablecast Reflect Live Stream Server Subscription -	4	2400	9600
2024-4	CBL-CAPTIONING-500	Tightrope	500 Hour Block of Captioning	1	3700	3700
2024-5	CBL-CABLECAST-REN	Tightrope	Subscription Fee to maintain 1 Cablecast OTT channel	2	250	500
2024-6	CBL-ENCO-SUPPORT	Tightrope	Annual Support Contract for ENCO enCaption server & software	1	5995	5995
2024-7	M-PREM-SUPP-1	Hatvision	Premium Maintenance & Support 1-Year -Renew in November-	1	4100	4100
2024-8	Ross Equipment Support	Ross	Ross Service Contract Quote 30330 - Studio Xpression, Studio Carbointes, Blackstorm, Truck Card	1	22000	22000
						53895

## Master Control Equipment

ID No.	Model No.	Make	Description	Qty	Unit Price	Total
2024-10	CBL-LIVE350	Tightrope	Live Streaming Video Server (Ch 14 & 15 Upgrade) (Moved To 2025 Budget)	0	4000	0
2024-11	ROSS-ROUTER	Ross	Ross Imagine Router Upgrade	1	30000	30000
						30000

## Control Room/Studio A

ID No.	Model No.	Make	Description	Qty	Unit Price	Total
2024-20						0
						0

## Control Room/Studio B

ID No.	Model No.	Make	Description	Qty	Unit Price	Total
2024-30						0
						0

## Production Truck

ID No.	Model No.	Make	Description	Qty	Unit Price	Total
2024-40	VINTEN-250	Vinten	Vinten Tripod, Legs & Pan Head	1	16000	16000
2024-41	ZA22x7.6BRM-M6	Fujinon	22x ENG Lens	1	21000	21000
2024-42	F-M1SDI-TX/RX	Thor	SDI to HDSDI over Fiber Mini Extender	2	429	858
2024-43	M2Ra	Lectrosanics	Digital IEM/IFB Receiver (A1B1: 470-614 MHz)	1	1499	1499
						39357

## Sports Department

ID No.	Model No.	Make	Description	Qty	Unit Price	Total
2024-46				1		0
						0

## Public Access

ID No.	Model No.	Make	Description	Qty	Unit Price	Total
2024-50	MM100PRO	Wolverine	Wolverine 8mm and Super 8mm Digitizer	1	500	500
2024-51	ZV427FX4	Funai	Funai Combination VCR and DVD Recorder	1	800	800
2024-52			Assorted parts and supplies for home movie transfer service	1	450	450
						1750

## News Department

ID No.	Model No.	Make	Description	Qty	Unit Price	Total
2024-60			Camera Lights	1	200	200
2024-61		GoPro	Go Pro	1	500	500
2024-61		Bluetooth	Cellphone Bluetooth Mic	1	300	300
						1000

## Special Events

ID No.	Model No.	Make	Description	Qty	Unit Price	Total
2024-70	DJI	X7	DJI X7 Camera & Zennmouse	1	8000	8000
2024-71	24MM Lens w NDI	DJI	24MM Lens with NDI Filter	1	1500	1500
						9500

Municipal Services									
ID No.	Model No.	Make	Description	Qty	Unit Price	Total			
2024-90			Various Small Equipment Replacements	1	1000	1000			
1000									
Tech Shop Equipment									
ID No.	Model No.	Make	Description	Qty	Unit Price	Total			
2024-100			Cable Reels, Cable Ends, Small Tools, etc.....			0			
5000									
Various Small Items									
ID No.	Model No.	Make	Description			Total			
2024-120	-	-	Small Item Budget			0			
4000									
Grand Total						145502.00			

## North Metro TV 2024 Computer Budget

ID No.	Model No.	Make	Description	Qty	Cost	Total
2024-201	Mac Pro	Apple	Editing Suite Computer	1	16000	16000
2024-202	PC	Danika	Office Computer	1	3200	3200
2024-203	PC	Eric Nelson	Office Computer	1	3200	3200
2024-204	PC		Computer Replacement Parts	1	1000	1000
						23400

## North Metro TV 2024 Software Budget

ID No.	Model No.	Make	Description	Qty	Cost	Total
2024-301	Adobe Suites	Adobe	Adobe Photoshop, Premiere, After Effects....etc (\$900/Month)	12	900	10800
2024-302	Office Products	Microsoft	Microsoft Office	1	1000	1000
2024-303	Gmail Accounts	Gmail	Google Gmail & Workspace Business Accounts (Monthly at \$168)	1	2016	2016
2024-304	Mac Drive	MacDrive	MacDrive Account for 4 Yearly Licenses	4	50	200
2024-305	RealVNC Pro	RealVNC	Remote VNC Connection to office computers (Yearly Subscription)	1	700	700
						14716

# NORTH METRO FRANCHISE FEE HISTORY

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Blaine	\$ 263,753.93	\$ 279,208.95	\$319,025.00	\$372,357.22	\$419,605.63	\$451,142.07	\$489,867.99	\$489,867.99	\$507,790.06
Centerville	\$ 17,019.97	\$ 17,335.34	\$20,586.00	\$24,471.73	\$27,709.99	\$30,394.00	\$33,396.69	\$33,396.69	\$34,466.27
Circle Pines	\$ 24,038.71	\$ 26,111.31	\$32,761.00	\$37,791.19	\$42,127.90	\$44,077.04	\$48,214.82	\$48,214.82	\$51,160.77
Ham Lake	\$ 58,094.40	\$ 61,562.41	\$72,454.00	\$89,622.56	\$101,055.23	\$110,300.91	\$120,788.01	\$120,788.01	\$126,979.69
Lexington	\$ 12,215.15	\$ 12,467.38	\$13,358.00	\$14,226.57	\$15,843.48	\$16,149.47	\$17,332.08	\$17,332.08	\$17,229.92
Lino Lakes	\$ 78,388.13	\$ 78,656.36	\$91,430.00	\$108,733.61	\$124,734.06	\$138,088.24	\$154,839.41	\$154,839.41	\$164,197.27
Spring Lake Park	\$ 41,874.85	\$ 41,883.42	\$45,333.00	\$48,737.21	\$52,724.02	\$55,191.43	\$58,168.63	\$58,168.63	\$57,343.08
<b>Total Franchise Fee:</b>	<b>\$ 495,385.14</b>	<b>\$ 517,225.17</b>	<b>\$594,947.00</b>	<b>\$695,940.09</b>	<b>\$783,800.31</b>	<b>\$845,343.16</b>	<b>\$922,607.63</b>	<b>\$930,414.06</b>	<b>\$959,167.06</b>
<b>Change Over Past Year</b>	<b>\$ 17,758.43</b>	<b>\$ 21,840.03</b>	<b>\$77,721.83</b>	<b>\$100,993.09</b>	<b>\$87,860.22</b>	<b>\$61,542.85</b>	<b>\$77,264.47</b>	<b>\$7,806.43</b>	<b>\$28,753.00</b>
<b>Budget/Other:</b>	<b>\$ 358,410.00</b>	<b>\$ 420,319.00</b>	<b>\$474,719.00</b>	<b>\$522,855.00</b>	<b>\$583,800.31</b>	<b>\$645,343.16</b>	<b>\$722,607.63</b>	<b>\$595,029.06</b>	<b>\$620,851.06</b>
<b>Back to Cities:</b>	<b>\$ 136,975.14</b>	<b>\$ 96,906.17</b>	<b>\$120,228.00</b>	<b>\$173,085.09</b>	<b>\$200,000.00</b>	<b>\$200,000.00</b>	<b>\$200,000.00</b>	<b>\$335,385.00</b>	<b>\$338,316.00</b>
	2011	2012	2013	2014	2015	2016	2017	2018	2019
Blaine	\$503,339.13	\$533,294.81	\$567,390.18	\$585,645.69	\$619,449.94	\$686,830.44	\$726,688.09	\$697,516.93	\$680,768.66
Centerville	\$32,296.67	\$33,949.63	\$35,408.93	\$37,140.41	\$38,397.37	\$43,277.43	\$46,134.63	\$43,436.19	\$42,197.35
Circle Pines	\$51,388.95	\$52,777.06	\$54,350.50	\$54,304.86	\$55,068.52	\$58,815.23	\$61,193.34	\$56,271.77	\$55,217.74
Ham Lake	\$131,446.66	\$139,834.48	\$147,412.39	\$152,919.27	\$160,540.12	\$174,071.97	\$181,449.70	\$169,763.88	\$167,088.15
Lexington	\$16,913.54	\$17,630.79	\$19,045.04	\$19,361.48	\$20,666.91	\$21,905.05	\$23,179.45	\$20,441.94	\$19,774.97
Lino Lakes	\$164,334.42	\$170,600.73	\$177,278.96	\$182,147.16	\$189,802.00	\$202,824.99	\$211,952.77	\$203,309.05	\$197,297.77
Spring Lake Park	\$58,600.64	\$61,520.23	\$63,916.34	\$65,641.10	\$66,231.13	\$69,664.14	\$73,309.11	\$69,721.29	\$67,700.33
<b>Total Franchise Fee:</b>	<b>\$958,320.01</b>	<b>\$1,009,607.73</b>	<b>\$1,064,802.34</b>	<b>\$1,097,159.97</b>	<b>\$1,160,155.99</b>	<b>\$1,257,389.25</b>	<b>\$1,323,907.09</b>	<b>\$1,260,461.05</b>	<b>\$1,230,044.97</b>
<b>Change Over Past Year</b>	<b>(\$847.05)</b>	<b>\$51,287.72</b>	<b>\$55,194.61</b>	<b>\$32,357.63</b>	<b>\$52,996.02</b>	<b>\$107,233.26</b>	<b>\$66,517.84</b>	<b>(\$63,446.04)</b>	<b>(\$30,416.08)</b>
<b>Budget/Other:</b>	<b>\$673,600.01</b>	<b>\$724,608.00</b>	<b>\$744,802.00</b>	<b>\$777,159.90</b>	<b>\$830,156.00</b>	<b>\$912,389.25</b>	<b>\$923,907.09</b>	<b>\$860,461.05</b>	<b>\$830,044.97</b>
<b>Back to Cities:</b>	<b>\$284,720.00</b>	<b>\$284,999.73</b>	<b>\$320,000.34</b>	<b>\$320,000.00</b>	<b>\$320,000.00</b>	<b>\$345,000.00</b>	<b>\$400,000.00</b>	<b>\$400,000.00</b>	<b>\$400,000.00</b>
	2020	2021	2022	2023	2024	2025	2026	2027	2028
Blaine	\$669,907.73	\$680,088.31	\$670,699.60						
Centerville	\$41,136.00	\$43,059.27	\$43,737.40						
Circle Pines	\$52,439.76	\$52,098.98	\$50,870.74						
Ham Lake	\$165,044.25	\$170,075.39	\$170,659.44						
Lexington	\$20,769.44	\$20,564.91	\$19,096.27						
Lino Lakes	\$192,110.23	\$197,883.40	\$200,011.16						
Spring Lake Park	\$66,657.71	\$68,339.65	\$64,961.30						
<b>Total Franchise Fee:</b>	<b>\$1,208,065.12</b>	<b>\$1,232,109.91</b>	<b>\$1,220,035.91</b>						
<b>Change Over Past Year</b>	<b>(\$21,979.85)</b>	<b>\$24,044.79</b>	<b>(\$12,074.00)</b>						
<b>Budget/Other:</b>	<b>\$808,065.10</b>	<b>\$1,007,110.00</b>	<b>\$1,020,004.00</b>						
<b>Back to Cities:</b>	<b>\$400,000.00</b>	<b>\$225,000.00</b>	<b>\$200,000.00</b>						

# Biden FCC nominee Anna Gomez gets initial industry support



News Analysis Nicole Ferraro, Editor, Light Reading 5/23/2023

President Biden on Monday nominated attorney Anna Gomez to serve as fifth FCC Commissioner, nearly three months after Gigi Sohn withdrew from consideration. Initial industry reactions suggest Gomez has support from some of the same forces that reportedly helped derail Biden's initial pick.

Gomez – currently senior advisor for the State Department's International Information and Communications Policy in the Bureau of Cyberspace and Digital Policy – has prior experience at the FCC, where she served for over 12 years in multiple roles. She also served as deputy administrator of the NTIA from 2009 to 2013. In the private sector, Gomez was VP of government affairs at Sprint Nextel.

"I congratulate Anna Gomez on her nomination to serve as FCC Commissioner. She brings with her a wealth of telecommunications experience, a substantial record of public service, and a history of working to ensure the U.S. stays on the cutting edge of keeping us all connected. I wish her all the best during the confirmation process," said FCC Chairwoman Jessica Rosenworcel in a statement on Monday.

In a post on LinkedIn, Gomez said: "I thank President Biden for this honor. I am humbled and grateful. If confirmed, I look forward to working with Chairwoman Rosenworcel and my fellow Commissioners to bring the benefits of modern communications to all."

Following the news of Biden's intent to nominate Gomez, industry groups and telecommunications companies issued statements of approval, alongside public advocacy groups encouraging her swift confirmation to restore the full FCC, which has been tied with two Democrats and two Republicans since January 2021.

"Anna Gomez's deep knowledge across the breadth of issues before the FCC makes her exceptionally qualified to be a Commissioner. In addition to her prior service at the FCC, she also has extensive experience in both the executive and legislative branches of government – from NTIA and the Senate, and most recently leading the US delegation to the ITU World radio

conference. From the digital broadcast transition to spectrum issues, Ms. Gomez has expertise across the board," said Comcast Chief Legal Officer Tom Reid in a [statement on Monday](#).

Gomez also received support from the Wireless Internet Service Providers Association (WISPA), which issued a [statement](#) congratulating her as well as current Commissioners Geoffrey Starks and Brendan Carr, a Democrat and Republican, respectively, who have been renominated to the FCC.

"If confirmed, each would bring years of experience and ability to the positions at the Commission, helping the agency keep abreast of communications technology and the marketplace in service of the American communications consumer. Importantly, it would bring the Commission to full strength, enabling it to move more confidently forward – especially in the area of spectrum policy, which, now more than ever, demands a clear, balanced and functioning pipeline to meet the demand of America's mobile and fixed wireless consumer," said WISPA in a press release.

Meredith Attwell Baker, president and CEO of CTIA, [said of Gomez's nomination](#) that "she has amassed an impressive track record in public service and brings the knowledge and expertise needed to address the critical challenges we face in closing the digital divide and securing America's 5G leadership."

Gomez also received a round of support from consumer advocacy groups like [Free Press](#), which called out the "deep-pocketed phone, cable and broadcast companies" that lobbied Sohn's nomination, allowing the FCC to remain deadlocked.

"In addition to her corporate experience — which has often entailed working for competitive carriers instead of incumbents — Gomez has a long track record of public service, including high-ranking positions at the FCC and Commerce Department. She is eminently qualified for this role at the FCC," said Jessica J. González, co-CEO of Free Press. "She would also be the first Latinx FCC commissioner in more than two decades, and we celebrate the White House's nomination of experts from diverse backgrounds for these important roles."

### **Now what?**

While having a new nominee puts the US a step closer to having a fully functional FCC, it's still expected to take months before Gomez gets a confirmation hearing, no less a vote.

In a [note for New Street Research on Monday](#) (registration required), analyst Blair Levin said it was "unlikely there will be a hearing before the fall," pushing a potential Democratic majority at the FCC until late 2023.

"While we expect a Democratic majority to quickly move forward with a process to adopt an order like the 2015 Open Internet Order (classifying ISPs as Title II carriers), it will take a while and may not be done before the 2024 election," added Levin.

Apart from a potential vote on net neutrality and Title II, another broadband-related issue requiring a Commission vote is adopting rules on preventing digital discrimination. That vote is technically mandated to happen, according to the Infrastructure Investment and Jobs Act (IIJA), by this November. It's unclear if Gomez will be confirmed by then.

Further, as Levin added in a conversation with Light Reading, another crucial area where Gomez's confirmation could make a difference is working on reforming the Universal Service Fund (USF), which supports high-cost broadband programs and Lifeline benefits.

While the FCC released a report last year, as mandated by the IIJA, looking into ways to reform the USF – including how it should be paid for and how much it should distribute – no further action has been taken on a proceeding at the Commission. Meanwhile, there is widespread concern about the contribution base for the USF, which has also faced court challenges this year.

The future of universal service is up for debate at the same time that the Affordable Connectivity Program (ACP) is soon projected to run out of funding with no current backup plan. Some in the industry have suggested that ACP could eventually sit under the USF as a potential replacement for the Lifeline program, but action from Congress and the FCC to rescue both programs is necessary.

"There is a need for a significant amount of analysis of what Universal Service should look like post the BEAD program, post capital projects... It's obviously going to be very dramatically restructured," said Levin. "I think Anna could be enormously helpful in that."



# POTs and PANs

## Subsidizing Lost Cable TV Revenue

I've been tracking the number of claimed broadband customers at the largest telcos and cable companies for years. When I was looking at the statistics for the first quarter of 2023, it struck me that the biggest cable companies are now making up for the loss of cable TV customers by increasing broadband rates.

For the last decade, the big cable companies have been thriving financially through big annual increases in broadband customers. This came year after year as large numbers of customers bailed on DSL, along with organic population growth – the cable companies won most new broadband households.

Every traditional cable TV provider started to lose traditional cable TV customers starting around the end of 2018. Since that time, the loss of cable TV customers has accelerated. Small ISPs will tell you that they don't make much money from cable TV, and many of them have abandoned the business line. But this is not the case for the biggest cable companies, which still have a decent monthly margin from cable TV.

But the margins on broadband are far higher than on cable TV, and as cable TV customers dropped, cable companies continued to add broadband customers, and profits continued to increase.

Profits were further bolstered by broadband rate increases. Comcast has been increasing broadband rates by about \$3 per year, while Charter's rate increases have been closer to \$5. Charter broadband rates were significantly lower than Comcast, and they seem to be in the process of closing the gap.

Over the last year, the traditional formula of covering the losses of cable TV customers with the growth of broadband customers came to a screeching halt. Consider the following table that shows the annual change in broadband and cable TV customers for Comcast and Charter since the end of the first quarter of 2019. These numbers come from the Leichtman Research Group, which publishes customers every quarter for the biggest ISPs and cable providers.

<u>Comcast</u>	<u>Broadband</u>	<u>Cable TV</u>
YE 1Q 2020	1,509,000	(1,021,000)
YE 1Q 2021	1,928,000	(1,490,000)
YE 1Q 2022	1,129,000	(1,691,000)
YE 1Q 2023	161,000	(2,136,000)
<u>Charter</u>	<u>Broadband</u>	<u>Cable TV</u>
YE 1Q 2020	1,559,000	(357,000)

YE 1Q 2021	1,988,000	(12,000)
YE 1Q 2022	1,040,000	(341,000)
YE 1Q 2023	235,000	(815,000)

In the years ended in the first quarter of 2020 and 2021, Comcast added more broadband customers than the losses of cable TV customers. That flipped in the year ended 1Q 2022 as Comcast lost 562,000 more cable TV customers than it gained broadband customers. In the year just ended 1Q 2023, the wheels have totally come off for Comcast. The company lost over 2.1 million cable TV customers while gaining only 161,000 broadband customers.

Charter's numbers are not quite as dramatic since the company has been able to hang onto traditional cable TV customers better than the rest of the industry. But Charter's net customer gains for broadband have slowed to only 235,000 for the year ended 1Q 2023 while traditional cable TV losses are accelerating.

It now seems like both big cable companies must make up for losses of cable TV customers through broadband rate increases. The day of broadband growth subsidizing cable TV losses is over. I wonder how folks who cut the cord from these two companies feel about having the companies make up for losing them as cable TV customers by raising broadband rates?

# Communications and Technology Subcommittee Hearing Examines the National Telecommunications and Information Administration

May 23, 2023

Source:

Benton Institute for Broadband & Society

Author:

Kevin Taglang

Coverage Type:

Reporting

The House Commerce Committee's Subcommittee on Communications and Technology convened to conduct oversight of the U.S. Department of Commerce's National Telecommunications and Information Administration (NTIA). The subcommittee is considering reauthorizing NTIA for the first time since 1993. Key questions leading into the hearing included:

- Why is the NTIA's proposed budget increase necessary to fulfill its statutory duties?
- What steps is the NTIA taking to prevent waste, fraud, and abuse in its broadband grant programs?
- What steps is the NTIA taking to improve the coordination and management of Federal spectrum?
- What steps is the NTIA taking to provide oversight of public safety activities, including the First Responder Network Authority?

The hearing's sole witness was Assistant Secretary of Commerce for Communications and Information Alan Davidson, NTIA's Administrator. (Yes, there were jokes about how he fits his full title on a business card.)

In prepared testimony, Administrator Davidson reported on progress NTIA has made in recent months 1) connecting everyone in America to affordable, reliable high-speed Internet service, no matter where they live; 2) maintaining American leadership in wireless innovation by developing a national spectrum strategy, pipeline, and data-driven processes for long-term spectrum planning; and 3) developing policies that will make for a better Internet – one that offers privacy, security, openness, and trust. On the broadband front:

- Every state and eligible territory has applied to participate in both the Broadband Equity, Access, and Deployment, or BEAD, program and NTIA's Digital Equity Planning Grant program. By the end of 2022, NTIA had issued more than \$307 million in BEAD and Digital Equity planning grants to all 50 states, Puerto Rico, and the District of Columbia.

- NTIA has awarded 157 grants totaling more than \$1.77 billion through the Tribal Broadband Connectivity Program, serving 230 Tribal Governments. These grants will be used for broadband deployment on tribal lands, as well as for telehealth, distance learning, broadband affordability, and digital inclusion activities.
- NTIA has awarded nearly \$263 million in Connecting Minority Communities grants to 93 Historically Black Colleges and Universities, Hispanic Serving Institutions, Minority Serving Institutions, and Tribal colleges and universities. This program helps schools pay for Internet access and devices, or to hire and train information technology personnel. These grants are already helping people in need: from the grandmother in Oklahoma who made a fresh start as a fiber technician to a member of Navajo Nation in Arizona who was able to go back to school thanks to a new device and hotspot.

## What is NTIA?

NTIA is the Executive Branch agency that is principally responsible by law for advising the President on telecommunications and information policy issues. NTIA's programs and policymaking focus largely on expanding broadband Internet access and adoption in America, expanding the use of spectrum by all users, and ensuring that the Internet remains an engine for continued innovation and economic growth. Specific NTIA activities include:

- Managing the Federal use of spectrum and identifying additional spectrum for commercial use;
- Administering grant programs that further the deployment and use of broadband and other technologies in America;
- Developing policy on issues related to the Internet economy, including online privacy, copyright protection, cybersecurity, and the global free flow of information online;
- Promoting the stability and security of the Internet's domain name system through its participation on behalf of the U.S. government in Internet Corporation for Assigned Names and Numbers (ICANN) activities; and
- Performing cutting-edge telecommunications research and engineering with both Federal government and private sector partners.

## NTIA's Budget

The Consolidated Appropriations Act, 2023, appropriated to NTIA \$62 million. The NTIA currently employs 154 full-time staff for 157 positions. NTIA's fiscal year (FY) 2023 budget request totaled \$67.6 million for 189

positions. Highlights included:

- **BroadbandUSA:** NTIA's broadband program funding in FY 2023 totals \$27.4 million for 42 positions. In FY 2023, NTIA will continue to support communities in their efforts to close the digital divide and to improve broadband services in unserved and underserved communities across the country.

- **Domestic and International Policies:** NTIA's domestic and international policies program funding in FY 2023 totals \$14.2 million and 48 positions. NTIA's domestic and international policies work to preserve the Internet's openness and its cultural and economic potentials while advancing key U.S. interests. NTIA coordinates Executive Branch communications policy and represents the Administration's policy to independent agencies such as the Federal Communications Commission and the Federal Trade Commission. NTIA says it must be positioned to meet the growing complexity of the Internet environment, as the world becomes more interconnected via rapid growth of the Internet, the globalization of information technology services and equipment, and as governance of the Internet becomes an increasingly complex geopolitical issue.
- **Spectrum Management:** FY 2023 funding for spectrum management totals \$8.9 million for 40 positions. NTIA will continue to evolve its analysis capabilities to increase spectrum access available to commercial and federal users. The budget will support the commercial sector's development of next generation wireless services by recommending reallocation of spectrum for commercial use and by promoting spectrum sharing between commercial and government users. The agency promotes the most efficient use of the limited spectrum resources across the Federal Government. Working with the FCC, NTIA coordinates international and domestic spectrum access requirements, identifies and reallocates spectrum bands for commercial use, updates spectrum policies, and develops long-range spectrum management plans. NTIA collaborates with the State Department to advance U.S. interests and positions related to international spectrum issues, conferences, and negotiations.

The total NTIA budget request for Fiscal Year (FY) 2024 is \$109.665 million, which is \$47.665 million more than the amount appropriated for FY23. For the NTIA's core programs, the FY24 budget requests \$17 million for domestic and international policies. The FY24 budget requests \$25 million for spectrum management. This request is an increase of approximately \$15 million over the FY23 enacted level. The budget would be used to develop and implement a mechanism for dynamically sharing spectrum in a given band that would enable managing interference between incumbent Federal users and new entrants. The FY24 budget requests \$42 million for broadband programs to provide technical assistance and guidance to bring broadband to communities across America. The request would increase administrative oversight of grants funded under the Infrastructure Investment and Jobs Act.

## NTIA's Responsibilities

Over the past few years, Congress has assigned a number of important responsibilities to NTIA.

### 1. Consolidated Appropriations Act, 2021

The Consolidated Appropriations Act, 2021 included COVID-19 stimulus funding, and provided NTIA \$1.3 billion for broadband grants: \$1 billion for Tribal areas and \$300 million for broadband deployment in unserved areas. The Tribal grants may be used by Tribal governments to be used not only for broadband deployment on Tribal lands, but also telehealth, distance learning, broadband affordability, and digital inclusion. The broadband expansion grants support broadband infrastructure deployment to areas lacking broadband, especially rural areas.

The Consolidated Appropriations Act, 2021 also created the Connecting Minority Communities Pilot Program, which included \$285 million to support to expand broadband capacity and use in communities surrounding Historically Black Colleges and Universities, Tribal colleges and universities, and minority-serving education institutions.

## **2. Infrastructure Investment and Jobs Act**

The Infrastructure Investment and Jobs Act tasked the NTIA with managing several grant programs that carry out broadband deployment and adoption activities.

- \$42.45 billion for the Broadband Equity, Access, and Deployment (BEAD) Program, which will provide last-mile deployment grants to states for unserved and underserved areas;
- \$2.75 billion for the State Digital Equity Capacity Grant Program and the Digital Equity Competitive Grant Program, which support digital equity and inclusion activities;
- \$1 billion for the Middle Mile Grant Program, to support the deployment of middle-mile infrastructure; and
- \$2 billion for the Tribal Connectivity Program, to support connectivity-related activities for Tribal communities

## **Legislation on the Agenda**

As part of the hearing, the subcommittee was considering a number of (draft) bills that would impact the NTIA including:

### **H.R. \_\_\_, the National Telecommunication and Information Administration**

**Reauthorization Act of 2023:** The discussion draft is led by Subcommittee Chairman Bob Latta (R-OH). The discussion draft would reauthorize the NTIA, promote the Assistant Secretary of Commerce for Communications and Information to the Under Secretary of Commerce for Communications and Information, and make changes to the agency's statutory mission, functions, and policy.

**H.R. \_\_\_, the NTIA Consolidated Reporting Act:** The discussion draft is led by Representative Rick Allen (R-GA). The discussion draft would repeal outdated or unnecessary reporting requirements and establish an annual, consolidated report, which would include many existing statutory reporting requirements.

**H.R. \_\_\_, the Proper Leadership to Align Networks (PLAN) for Broadband Act:** The discussion draft is led by Representative Tim Walberg (R-MI). The discussion draft would require NTIA to develop and submit to Congress a national strategy to close the digital divide that would support better management of broadband funding programs, synchronize interagency coordination among agencies that provide broadband funding, and reduce barriers to broadband permitting processes.

**H.R. \_\_\_, the Improving Broadband Mapping Act:** The discussion draft is led by Representative Tony Cardenas (D-CA). The discussion draft would direct NTIA to submit an

annual report to Congress on the state of the digital divide. It would also require NTIA to update its Indicators of Broadband Need mapping application every six months with new data, including data collected from the FCC's Broadband Data Collection, third-party speed tests, and Affordable Connectivity Program eligibility and enrollment.

**H.R. \_\_\_, To direct the Assistant Secretary of Commerce for Communications and Information to publish data from the Broadband Equity, Access, and Deployment Program, and for other purposes:** The discussion draft is led by Representative Yvette D. Clarke (D-NY). The discussion draft would direct NTIA to post on its website data collected from recipients and subrecipients of an award from the Broadband, Equity, Access, and Deployment (BEAD) grant program on subgrantee ownership demographics. The discussion draft would also direct NTIA to collect and post data on the demographics of the workforce used for activities assisted with BEAD funding, and the number and amount of contracts and subcontracts awarded under BEAD to minority business enterprises and to women's business enterprises.

**H.R. \_\_\_, the Diaspora Link Act:** The discussion draft is led by Delegate Stacey E. Plaskett (D-Virgin Islands). The discussion draft would direct NTIA to submit a report to Congress assessing the value, cost, and feasibility of developing a trans-Atlantic submarine fiber optic cable connecting the contiguous United States, the United States Virgin Islands, Ghana, and Nigeria.