

MARIN TELECOMMUNICATIONS AGENCY

555 Northgate Drive, Suite 102, San Rafael, CA 94903

415 446-4427 www.mtamarin.org

SPECIAL BOARD MEETING NOTICE

DATE: **Wednesday, March 14, 2018**

TIME: **Closed Session - 7:00 PM – 8:30 PM**

Open Meeting – 8:30 PM

PLACE: **Corte Madera Council Chambers, 300 Tamalpais Dr., Corte Madera, CA**

AGENDA

A. Call to order.

Closed Session – Public Employee Appointment, Government Code Section 54957(b)(1), Title: Executive Officer.

Public Comment.

Open Meeting

B. Announce action taken in Closed Session, if any.

C. Director Comments.

D. Executive Officer's Report (Oral Report).

E. Consent Calendar:

- 1) Approve MTA December 13, 2017 Board Meeting Minutes.
- 2) Receive MTA FY18 Budget Status Report Through March 6, 2018.

F. Public Open time for items not on the agenda.

This portion of the meeting is reserved for persons who want to address the Agency on any matter not listed on the agenda. The Ralph M. Brown Act prohibits discussion of items that are not duly placed on the agenda. Speakers are limited to three minutes. Please Note: The Chair will allow time for public comment on each agenda item.

G. Election of MTA Officers and Finance & Policy Committee for 2018.

H. Approve Increase in MTA Capital Asset Level.

I. Adjourn.

NEXT MTA REGULAR BOARD MEETING: Regular Board Meeting April 11, 2018, 7:00 PM, Corte Madera Town Council Chambers, 300 Tamalpais Drive, Corte Madera.
See MTA's website at www.mtamarin.org for MTA meeting updates.

A COMPLETE AGENDA PACKAGE IS AVAILABLE FOR VIEWING AT 555 Northgate Drive, Suite 102, San Rafael, CA or at the agency's website www.mtamarin.org. Copies of past MTA minutes are available for viewing at the same locations.

MARIN TELECOMMUNICATIONS AGENCY
DECEMBER 13, 2017 REGULAR BOARD MEETING MINUTES
Corte Madera Council Chambers, 300 Tamalpais Drive, Corte Madera CA

Present.

Kate Sears, Chair, County of Marin
Jim Andrews, Town of Corte Madera
Joe Burns, City of Sausalito
Barbara Coler, Vice Chair, Town of Fairfax
Sashi McEntee, City of Mill Valley
Andrew McCullough, City of San Rafael
Elizabeth Robbins, Town of Ross

Absent:

Kay Coleman, Town of San Anselmo
David Kulik, Town of Tiburon
Marty Winter, City of Belvedere

Staff:

Barbara Thornton, Executive Officer
Inder Khalsa, General Counsel
Suki Sennett, Clerk

A. Call to Order: Chairman Sears called the meeting to order at 7:03PM.

B Directors Comments: Chairman Sears announced this was her last meeting as she was stepping down from the MTA and Supervisor Rodoni would likely be taking her place representing the County of Marin. Board members and Executive Officer Thornton expressed their appreciation for her leadership throughout her years of service as MTA Chair.

C. Executive Officer's Report: Thornton reported Horizon Cable had been approved by the CPUC to extend services to Bolinas. This should bring additional revenue to the MTA as well providing much needed service to that area of west Marin. Comcast's DIVCA franchise renewal had been approved November 1, 2017 and takes effect January 2, 2018. There had been no provision for public comment in the renewal process. 3rd Quarter 2017 Comcast franchise and PEG fees had been distributed to the member agencies. AT&T had paid \$34,235 in the audited underpayments for the period July 1, 2014 – June 30, 2017. She had been working with Comcast to verify their numbers regarding the date MTA received the 1% PEG fees. We had a conference call and Ashpaugh & Sculco were going to get additional information from Comcast and do some additional calculations. She was expecting Comcast's response to our underpayment to MTA demand for July 1, 2010-June 30, 2014 this week. Negotiations should take place once we get their response. She reminded the Board that the next MTA Board meeting would be on February 14, 2018 (Valentine's Day).

D. Consent Calendar:

- 1) Approve MTA October 11, 2017 Board meeting Minutes.
- 2) Receive MTA FY18 Budget Status Report Through December 7, 2017.

M/S/P McCullough/Burns, to approve Consent Calendar.

AYES: Sears, Andrew, Burns, Coler, McCullough, McEntee.

NOES: NONE

Abstain: Robbins

Motion carried.

E: Open Time for Items not on the agenda.

Richard Tate, Mill Valley complained that Comcast does not carry the Smithsonian channel and asked what the MTA could do about it. He also complained about the Comcast regional Sports channel fees. Thornton responded that programming was not regulated, nor were pricing and fees.

F. MTA Annual Financial Statements and Audit for Period Ending June 30, 2017. Executive Officer Thornton said the Board action was to accept the Annual Financial statements and Audit Report prepared by Maher Accountancy for the MTA for the period ending June 30, 2017 which included the Auditors Communication with the MTA Board and Financial Statements and Auditor's Report – Year ended June 30, 2017. Directors McCullough and McEntee of the Audit Committee had communicated with the Auditor during the Audit and had reviewed the draft Financial Statements and Auditor's Report.

She said this year was a good audit with no issues identified. The new County accounting system work went well. She then introduced John Maher who would answer Board questions. Maher noted the most significant estimate in the Report was the outstanding amount for the Comcast franchise fee underpayment and he considered the estimate recommended by Ashpaugh & Sculco reasonable. As Barbara said the audit was smooth and she was very diligent. She had called him asking accounting questions and she could almost be an accountant. As Auditors we didn't have to make Journal entries which was unusual for small agencies and we were very pleased with that, and the Board should be pleased with that too. She had been able to work with the new county accounting system and that should give the Board comfort that cash was being managed. He then reviewed Financial Highlights including MTA's net position of \$213,549, an increase of \$35,267 over the prior year.

He answered questions from the Board. Director McCullough asked about how CMCM's equipment assets were being monitored as they were being held in essence in trust for this agency in the event that CMCM is dissolved. Maher said CMCM was audited in perspective of that organization's interests. In the early days their information was a little slow from his perspective, but there are now substantial records at this point. He noted their equipment depreciated rapidly. Director Coler said an inventory was included in CMCM's Annual Report. Thornton responded as Maher said, as part of the MTA Audit she received financial information from CMCM with regard to their assets and depreciation, and she reviews their very detailed equipment inventory of old and new equipment and what equipment they sell off annually. CMCM was very careful about labelling every piece of equipment and tracking equipment on their inventory sheet. Sears said this issue came up with every Audit report so we were keeping an eye on it.

There was no public comment.

M/S/P Coler/McCullough, to accept the Annual Financial Statements and Audit Report prepared by Maher Accountancy for MTA for the period ending June 30, 2017 which includes Auditors Communication and Auditor's Report -year ended June 30, 2017.

AYES: ALL

NOES: NONE

Motion carried.

G. CMCM Annual Report for July 1, 2016 –June 30, 2017: Executive Officer Thornton provided a brief background of the Dedicated Assess Provider Agreement (DAP) which requires an Annual Report by November 15 each year. Michael Eisenmenger, CMCM Executive Director will present highlights of the 2016 -2017 Annual Report in a power point presentation.

He said he was pleased to submit the eighth annual report for the Community Media Center of Marin for the period July 1, 2016 June 30, 2017. CMCM went on the air June 15, 2009 and opened the Center on June 30, 2009. 2016-2017 had been a good year. This past year CMCM was consistent with recent years in terms of membership activity and equipment usage. Programming levels were consistent on all three channels with the Government channel continuing to show the most growth. Scheduling the Government channels was challenging and it was hard to accommodate concurrent live meetings.

CMCM had the largest expenses in our four year capital equipment budget this fiscal year because we upgraded our master control facilities in order to improve reliability of government carriage as well as other channel content. There were no major new remote installations, but much effort was put into maintenance of existing equipment. We spent a lot of time this year maintaining the older equipment, particularly the government installations, some are reaching seven years of age and we have begun to up-grade the older city installations, such as Mill Valley. We will continue to upgrade over the next two or three years. All this was made possible through the MTA's bridge funding for which we were grateful. CMCM finished the 2016-17 fiscal year in a stable financial condition. The planned capital upgrades were almost completed and we anticipated smooth fiscal years ahead.

He reviewed the Annual Report including membership, training and certification, the three channels: Community, Government and Education, program highlights, community outreach and publicity, finances and staff and Board in a power point presentation. He provided statistics on programming and services and the numbers and types of persons using CMCM's facilities. During, and following his presentation he responded to a number of comments from the Board.

Public Comment: Bruce Bagnoli, CMCM Board President thanked the MTA Board on behalf of the CMCM Board and membership for supporting the CMCM as they installed new equipment.

M/S/P Coler/McCollough, to receive the CMCM Annual Report for July1, 2018 – June 30, 2017.

AYES: ALL

NOES: NONE

Motion carried

H: MTA Agency Operations Review Report: Executive Director Thornton said the recommended Board action was to receive the Operations Committee report and to provide input, and to appoint an ad hoc committee to work with staff in the search for a new Executive Officer as she had indicated a desire to retire in early 2018.

Directors McEntee and Coler had been previously appointed by the Board to work with staff to review MTA's agency operations and functions that were essential going forward given the MTA had completed many key projects and resolved critical issues. In addition, she had indicated her desire to retire early in 2018. The committee reviewed MTA's operations and identified the essential functions including Franchise and PEG fee administration, oversight of the Designated Access provider (DAP), legislative advocacy and Board administration and Agency overhead. We also reviewed Professional Services for FY 18 which assumed that Customer Service/Clerk Suki Sennett, will retire in 2018, saving \$18,000 and also assumes a reduction in legal fees given MTA's current more routine agency operations.

The Agency Operations Committee had looked at various options to handle the MTA going forward including the Professional Services budget scenarios to reflect the impact of a part-time Executive Officer for 80%, 60% and 50% FTE at MTA's current compensation level. The Committee recommends the best option at this time is to recruit a part time Executive Officer at 50% FTE. They recommend that MTA continue as a single agency with a part time Executive Officer for the present. The Committee also recommended the MTA Board appoint an ad hoc Executive Officer Recruitment Committee of three or four Board members to work with her to manage the recruitment and interview process and establish a salary range.

Director McEntee acknowledged Thornton's work on behalf of the MTA. She was leaving the MTA in a good place. Mill Valley City Manager Jim McCann also acknowledged her assistance and encouraged bringing in someone on an interim basis as the MTA continues to consider its evolution as an agency.

Both McEntee and Coler said they considered this to be an initial step. Director McCullough suggested looking at delegating contract and compliance to member agencies, maybe on a rotating basis. He urged looking at a different model and volunteered to participate in the process.

Chair Sears said Directors Coler and McEntee had indicated they wanted to serve on the Recruitment Committee and Director McCullough had volunteered to serve. Director Burns said he would serve on the Committee. The ad hoc Executive Officer Recruitment Committee would consist of Directors Coler, McEntee, McCullough and Burns.

Public Comment: Bruce Bagnoli said CMCM was a unique organization that requires careful oversight, not only administrative tasks.

I. Legislative – Regulatory Update – Net Neutrality (FCC) & Proposed Federal Wireless Bill (Congress).

Thornton said the Board recommended action was to receive legislative and regulatory update regarding the proposed FCC Net Neutrality Action and Federal Senate Draft Wireless Bill. Approve MTA sending letters regarding the Federal Senate Commerce Committee Draft Wireless Facilities Bill. The FCC would vote to reverse the 2015 Net Neutrality Rules at their meeting on December 14, 2018. It was almost certain that it will pass and the rules will be reversed. Back in November 2017, FCC Chairman Ajit Pai proposed to plan to roll back the protections that prevent companies from slowing down or blocking competing contents and services. MTA recently signed a letter to Pai and Commissioners Clyburn, O’Reilly, Carr and Rosenworcel titled “Mayors for Meaningful Net Neutrality Protections” that was signed by 58 mayors and county elected officials representing nearly 27 million people. The letter represented the concerns of local government leaders regarding net neutrality and its importance for their communities. The letter was signed by MTA Chair Sears and Marin County Supervisor.

The proposed Federal Wireless Bill was terrible for local government and far worse than the failed California Senate bill SB 649, the wireless industry bill that Governor Brown recently vetoed. It would force local governments to lease out publically owned infrastructure, eliminate reasonable local environmental and design review, and eliminate the ability for local governments to negotiate fair leases or public benefits for the installation of “small cell” wireless equipment on tax-payer funded property. Letters were attached for Board approval to send to Senators Feinstein and Harris and Representative Huffman, and were patterned after the League of California Cities letter. The proposed bill was in the U.S. Senate Commerce Committee.

There was no public comment.

M/S/P Coler/Burns, to approve MTA sending letters regarding the Federal Senate Commerce Committee Draft Wireless Facilities Bill.

AYES: ALL

NOES: NONE

Motion carried.

J. Adjourn.

M/S/P McCullough/ McEntee, to adjourn in honor of departing Chair, Kate Sears.

AYES: ALL

NOES: NONE

Motion carried

Meeting adjourned at 9:35PM.

Respectfully Submitted,

Barbara Thornton, Executive Officer
March 14, 2018

MARIN TELECOMMUNICATIONS AGENCY

555 Northgate Drive, Suite 102, San Rafael CA 94903

415-446-4427 www.mtamarin.org

DATE: March 14, 2018
TO: MTA Board of Directors
FROM: Barbara Thornton, Executive Officer
SUBJECT: AGENDA ITEM E-2: BUDGET STATUS FY18 YTD – MARCH 9, 2018

Recommended Action: Receive FY18 Budget Status Report for Operating Fund 8017 and PEG Fund 8018 year-to-date through March 9, 2018.

Discussion: Attached is the FY18 year-to-date budget status report for MTA Operating Fund 8017 and PEG Fund 8018. It reflects the FY18 annual budget approved June 14, 2017, and actual revenues and expenses year-to-date.

1. Operating Fund 8017 presents the data for the agency expense budget and the franchise fee revenues and payments to the members. MTA's FY18 year-to-date revenues are \$2,915,750 which is 70% of the approved budget. Operating expenses to date are \$2,840,065 which is 68% of the annual budget for the agency's annual operating expenses.
2. PEG Fund 8018 reflects the year-to-date PEG (Public, Education, and Government) revenue and expenses. PEG fee revenues are \$672,462 which is 67% of the annual PEG revenue projections. Payments to the CMCM are \$670,941 which is 66% of FY18 projections.

Fourth Quarter 2017 Franchise and PEG revenues were received and paid to MTA members and CMCM in March 2018, along with distribution of the AT&T Revenue Audit payment received by MTA for the audit review period of July 1, 2014 through June 30, 2017.

Attachment:

- FY18 YTD Budget Status – Operating Fund (8017) and PEG Fund (8018) YTD March 9, 2018.

MTA FY18 Budget Approved 6/14/17
Operating Fund 8017 and PEG Fund 8018
YTD Actuals 3/9/18

<u>FY18 Budget YTD 3/9/18 - Operating Fund 8017</u>		<u>FY18 Budget Approved 6/14/17</u>	<u>FY18 YTD Actual 3/9/18</u>	<u>YTD % 3/9/18</u>
Revenues:				
	Franchises	4,160,000	2,891,906	70%
	Interest	2,500	1,861	74%
	Other	16,000	21,983	137%
Total Revenues		4,178,500	2,915,750	70%
Operating Expenses:				
	Professional Services	198,500	106,811	54%
	Administration & Financial Services	49,500	27,125	55%
	Insurance Premiums	10,000	8,844	88%
	Communications Services	2,900	1,573	54%
	Rent & Operating Leases	14,000	9,548	68%
	Memberships, Conference, Webinars	4,500	2,500	56%
	Travel	2,000	-	0%
	Office Supplies	2,500	1,001	40%
Total Operating Expenses		283,900	157,401	55%
Net Income		3,894,600	2,758,349	71%
Available for Distribution to Members:				
	Net Income	3,894,600	2,758,349	71%
	Low Income/Youth Projects			
	CMCM Network Services	(21,000)	(12,250)	58%
	Franchise & PEG Fee Audit			
	Marin Broadband Task Force			
	DAP - franchise Fee Funds to CMCM			
	Increase (Decrease) to Reserves			
		3,873,600	2,746,099	71%
Net Distribution to Members		3,873,600	2,670,414	69%
Cash:				
	Inflows	4,178,500	2,915,750	70%
	Outflows**	4,178,500	2,840,065	68%
Net Cash Increase (Decrease)		0	75,685	
** Franchise fee payments to members + MTA operating expenses + Member funded expenses				
<u>FY18 Budget YTD 3/9/18 - PEG Fund 8018</u>		<u>FY18 Budget Approved 6/14/17</u>	<u>FY18 YTD Actual 3/9/18</u>	<u>YTD % 3/9/18</u>
Revenues:				
	Franchises (PEG Fees)	1,010,000	672,462	67%
	Interest	300	159	53%
Total Revenues		1,010,300	672,621	67%
Operating Expenses:				
	Outgoing PEG Fees	1,010,000	670,941	66%
Total Operating Expenses		1,010,000	670,941	66%
Net Income*		300	1680	
* \$300 to be retained in PEG Fund Balance (8018)				

MARIN TELECOMMUNICATIONS AGENCY

555 Northgate Drive, Suite 102, San Rafael CA 94903

415-446-4427 www.mtamarin.org

DATE: March 14, 2018
TO: MTA Board of Directors
FROM: Barbara Thornton, Executive Officer
SUBJECT: AGENDA ITEM G: ELECTION OF MTA OFFICERS AND FINANCE & POLICY COMMITTEE MEMBERS FOR 2018

Recommended Action: Elect MTA's Board Chairperson, Vice Chairperson, and members and an alternate member to the Finance & Policy Committee, for a one year term beginning March 2018.

Background:

In accordance with MTA's By-Laws, in February each year the Board elects it's Chairperson, Vice Chairperson and members and an alternate for the Finance & Policy Committee.

Chairperson - Supervises the preparation of the business agenda, presides over the Agency meetings, and signs correspondence authorized and directed by the Agency. Barbara Coler, Vice Chair, is currently serving as MTA Acting Chair following Chair Kate Sears rotation off MTA's Board in January 2018.

Vice Chairperson - Performs the duties of the Chairperson in the absence of such officer. Barbara Coler is the current Vice Chair.

Finance & Policy Committee - Considers policy and strategy issues referred to it by the Board. It also consults with the Executive Officer and prepares recommendations to the Board regarding the annual MTA budget and other financial issues. The Finance & Policy Committee meets on an as needed basis, generally once or twice a year.

The Committee is comprised of the MTA Chairperson, the two board members from the two largest financial contributors to the Agency (County & San Rafael), and two members elected by the Board. In selecting the two members from the balance of the Board, a geographic distribution shall be the agency's goal. At the time of elections the Board reviews this committee's membership and elects two members to the committee. In the event that the Board Chair is from a large financial contributor, a designee shall be appointed by the Chairperson. In addition the Board may elect an alternate member for the committee who can serve when a committee member is absent.

Current Finance & Policy Committee Members

The 2017 Finance & Policy Committee members are MTA Chair Kate Sears who rotated off MTA's Board in January 2018 (County) and Andrew McCullough (San Rafael) who are

from the two largest financial contributing agencies, and Joe Burns (Sausalito), Kay Coleman (San Anselmo) as MTA elected members, and Sashi McEntee (Mill Valley) as the designee member appointed by Chair Sears as the MTA By-Laws allow when the Board member of one the two largest financial contributing agencies serves as MTA Chair.

David Kulik (Tiburon) is the Finance & Policy Committee alternate member.

Recommendation

The Board should elect the MTA Board Chair and Vice Chair and review the membership of the Finance & Policy Committee and elect two committee members and an alternate committee member. In addition, if the Chair of the MTA board is one of MTA's two largest financial contributors, the Chair should appoint a designee as a member of the F&P Committee as called for by MTA's By-Laws.

MARIN TELECOMMUNICATIONS AGENCY

555 Northgate Drive, Suite 102, San Rafael CA 94903

415-446-4427 www.mtamarin.org

DATE: March 14, 2018
TO: MTA Board of Directors
FROM: Barbara Thornton, Executive Officer
SUBJECT: AGENDA ITEM H: INCREASE CAPITAL ASSET LEVEL FOR MTA

Recommended Action: Approve increasing MTA's capital asset level to \$3000 beginning with FY18 and approve the attached Resolution.

Discussion:

MTA's current capital assets level is \$1,000 for purchased or acquired assets which means that purchased or acquired assets above this level are to be depreciated in MTA's financial statements. It is recommended that the capital asset level be increased to \$3,000. MTA's existing capital asset level of \$1,000 was established when MTA was formed in 1998.

Essentially the only purchases that MTA makes that the capital asset level would impact is the purchase of computers and computer related equipment which MTA buys infrequently. Increasing the level to \$3,000 would simplify MTA's accounting for the minimal equipment that MTA purchases.

The capital asset level of \$3000 would begin with the current Fiscal Year 2017 - 2018.

This change in the capital asset level has been discussed with MTA's auditor, John Maher, who said it would be appropriate for MTA.

The capital asset level for equipment purchases that MTA's Dedicated Access Provider, currently the Community Media Center of Marin makes using PEG funds would not change from the current \$1,000.

Attachment:

- MTA Resolution 2018-xx adopting MTA's Capital Asset Level of \$3,000

MARIN TELECOMMUNICATIONS AGENCY

ADOPTION OF THE NEW CAPITAL ASSET LEVEL OF \$3,000

RESOLUTION NO. 2018-XX

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MARIN
TELECOMMUNICATIONS AGENCY ADOPTING THE NEW CAPITAL ASSET
LEVEL OF \$3,000**

WHEREAS, MTA's current Capital Asset Level is \$1,000; and

WHEREAS, the MTA Board of Directors in MTA's March 14, 2018 Board meeting considered and approved increasing MTA's Capital Asset Level to \$3,000 to begin with MTA's current Fiscal Year (FY18) beginning July 1, 2017.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marin Telecommunications Agency hereby adopts the new MTA Capital Asset level of \$3,000 to begin with MTA's current Fiscal Year (FY18) beginning July 1, 2017.

Adopted this 14th day of March, 2018.

Ayes:

Noes:

Absent:

Chair

ATTEST:

Executive Officer