



## **PUBLIC CABLE TELEVISION AUTHORITY**

**A Joint Powers Agency of the Cities of Fountain Valley, Stanton, and Westminster**  
7800 Katella Avenue, Stanton, CA 90680

### ***REGULAR MEETING AGENDA***

**August 21, 2024**

**9:00 A.M.**

**MEETING LOCATION:** Stanton City Hall, City Council Chambers  
7800 Katella Avenue Stanton, CA 90680

IN ACCORDANCE WITH THE REQUIREMENTS OF CALIFORNIA GOVERNMENT CODE SECTION 54954.2, THIS AGENDA IS POSTED NOT LESS THAN 72 HOURS PRIOR TO THE MEETING DATE AND TIME ABOVE. ALL WRITTEN MATERIALS RELATING TO EACH AGENDA ITEM ARE AVAILABLE FOR PUBLIC INSPECTION IN THE OFFICE OF THE CITY CLERK OF EACH MEMBER CITY OF PCTA:

Fountain Valley City Hall, 10200 Slater Avenue, Fountain Valley, CA 92708  
Stanton City Hall, 7800 Katella Avenue, Stanton, CA 90680  
Westminster City Hall, 8200 Westminster Boulevard, Westminster, CA 92683

ALL AGENDAS, NOTICES, AND RELATED DOCUMENTS CAN BE ACCESSED ONLINE AT:  
<https://www.fountainvalley.gov/599/Public-Cable-Television-Authority>.

IN THE EVENT ANY MATTER NOT LISTED ON THIS AGENDA IS PROPOSED TO BE SUBMITTED TO THE BOARD FOR DISCUSSION AND/OR ACTION, IT WILL BE DONE IN COMPLIANCE WITH BROWN ACT REQUIREMENTS.

### **ORDER OF BUSINESS:**

1. Call to Order
2. Pledge of Allegiance & Roll Call
3. Public Comments: Persons wishing to address the Board on PCTA matters may as determined by the Chair; comments are limited to three minutes or deferred until the specific agenda item.
4. Consent Calendar: All matters listed under the Consent Calendar are considered to be routine and will be enacted on simultaneously with one motion without discussion, unless separate action and/or discussion is requested by a board member, staff, or a member of the public.
  - A. Minute Approval of July 17, 2024, Regular Meeting: See backup to Item 4A.
  - B. Receive/File Register: None received at time of posting.
  - C. Receive/File Treasurer's/Administrative Expenditure Reports: None received at time of posting.

5. Reports:
  - A. Report of Board
  - B. Report of Treasurer
  - C. Report of Attorney
  - D. Report of Administration
  
6. New Business
  - A. FY 2020-2021 PCTA Draft Audit Presentation
    - i. Summary: Staff has contracted the CPA Firm Davis Farr to conduct the PCTA audit for Fiscal Year 2020-2021. Davis Farr has completed the draft audit statement to present to the PCTA Board. (Attachment 6A)
    - ii. Recommended action: Review draft statement and approve to finalize.
  
  - B. June 19<sup>th</sup> Board meeting FY 2024-2025 Budget Workshop Review
    1. FY 2024-25 Budget Presentation by Director Grandis. (Attachment 6B1)
    2. Discuss the autonomy with which each City can spend their approved budget. (Attachment 6B2)
    3. Discuss need for maximum reimbursement amount for Westminster Council upgrades. (Attachment 6B3)
    4. Discuss capital purchases / Westminster lift purchase vs. rent. (Attachment 6B4)
    5. Discuss possibility of creating a Capital Improvement Fund. (Attachment 6B5)
    6. Discuss protocol for compiling an approved vendor/contractor list. (Attachment 6B6)
    7. Discuss rate structure for contractors. (Attachment 6B7)
    8. Discuss the potential to rent out the Production Truck to increase PCTA revenues. (Attachment 6B8)
  
7. ADJOURNMENT TO September 18, 2024, at Stanton City Council Chambers, 7800 Katella Avenue, Stanton, CA 90680.



**MINUTES**

**Regular Meeting of July 17, 2024**

**7800 Katella Avenue, Stanton, CA 92680**

- 1. Call to Order:** Chair David J. Shawver called the meeting to order at 9:00 A.M.
- 2. Roll Call:**
  - Present: Director Glenn Grandis, City of Fountain Valley, Director Carol Warren, City of Stanton, Director Ted Bui, City of Fountain Valley and Chair David J. Shawver, City of Stanton.
  - Absent: Director NamQuan Nguyen, City of Westminster, and Vice-Chair Kimberly Ho, City of Westminster.
  - Excused: None.
- 3. Public Comments:** None.
- 4. Consent Calendar:**

Director Warren motioned to approve the Consent Calendar Seconded by Director Grandis.

Motion carried by the following vote:

  - AYES: 4 (Warren, Grandis, Shawver, Bui)
  - NOES: None
  - ABSTAIN: None
  - ABSENT: 2 (Ho, Nguyen)

Motion unanimously carried 4-0

  - A.** Minutes Approved: Regular Meeting of June 19, 2024.
- 5. Reports:**
  - A.** Report of Board
    - i. None.
  - B.** Report of Treasurer
    - i. Director Grandis recaps on proposed budget.
  - C.** Report of Attorney
    - i. None.
  - D.** Report of Administration
    - i. Staff gave update on former employer receiving Final Demand Letter. Board directed staff to move forward with filing a small claims case.

Director Warren motioned to approve the PCTA Budget from Report B as presented, Seconded by Director Bui.

Motion carried by the following vote:

AYES: 4 (Grandis, Warren, Bui, Shawver)  
NOES: None  
ABSTAIN: None  
ABSENT: 2 (Ho, Nguyen)

Motion unanimously carried 4-0

## 6. New Business

### A. PCTA Programming and Video Production Policies

- i. Summary: The PCTA Board has requested to review and potentially update existing policies and procedures, as well as determine if new policies and procedures should be developed to provide more documented provisions to guide current and future PCTA operations. This request was originally generated by a discussion regarding a reimbursement request from the City of Fountain Valley for podcast production costs. Upon initial discussion, the PCTA Board realized a broader review was necessary.

Based upon Board direction, staff conducted a search of historical documents. Staff located a document entitled “Public Cable Television Authority Programming and Video Production Policies”, last approved and adopted in July 2015 (attached 6A). This document should provide a starting point for the Board’s discussion on this topic.

- ii. Recommended Action: Provide direction to staff on how to proceed.

Board gave staff direction to amend the language to reflect more autonomy on behalf of each member city, while still maintaining the Boards oversight regarding policies and procedures. The Board also requested that PCTA legal counsel from BBK review the updated policies and procedures for legal guidance and approval.

Motion/Second: None

Motion carried by the following vote:

AYES: None  
NOES: None  
ABSTAIN: None  
ABSENT: None

Provide direction to staff on how to proceed only.

## 7. Adjournment: 9:30 A.M.

To the next regularly scheduled meeting, August 21, 2024, at 9:00 A.M. at Stanton City Hall, Council Chambers, 7800 Katella Avenue, Stanton, CA 90680.

**PUBLIC CABLE TELEVISION AUTHORITY**

**Basic Financial Statements**

**Year ended June 30, 2021**

**PUBLIC CABLE TELEVISION AUTHORITY**

**Basic Financial Statements**

**Year ended June 30, 2021**

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## **Independent Auditor's Report**

Board of Directors  
Public Cable Television Authority  
Fountain Valley, California

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

#### ***Disclaimer of Opinion***

We were engaged to audit the financial statements of the governmental activities and major fund of the Public Cable Television Authority (the Authority), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

We do not express an opinion on the accompanying financial statements of the Authority. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

#### ***Basis for Disclaimer of Opinion***

Adequate supporting documentation was not available for our audit for the year ended June 30, 2021. As a result of this matter, we were unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded balances, and the elements making up the financial statements of the governmental activities and major fund of the Authority, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

#### ***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 the Authority'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 the Financial Statements***

Our responsibility is to conduct an audit of the Authority's financial statements 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 and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are required to be independent of the Authority and to meet our other ethical responsibilities with the relevant ethical requirement relating to our audit.

### ***Report on Summarized Comparative Information***

The financial statements of the Authority as of and for the year ended June 30, 2020 were audited by other auditors whose report dated September 9, 2021 expressed an unmodified opinion on those financial statements.

### ***Other Matters***

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not effected by this missing information.

### ***Report on Other Legal and Regulatory Requirements***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 13, 2024 on our consideration of the Authority'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 solely 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 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 the Authority's internal control over financial reporting and compliance.

Irvine, California  
August 13, 2024

**BASIC FINANCIAL STATEMENTS**

**PUBLIC CABLE TELEVISION AUTHORITY**

**Statement of Net Position**

**Year Ended June 30, 2021  
(with comparative information for prior year)**

	<u>2021</u>	<u>2020</u>
Assets:		
Cash and investments	\$ 1,526,711	1,716,792
Franchise fees receivable	317,465	325,111
PEG support fees receivable	63,493	65,031
Interest receivable	1,139	6,150
Miscellaneous receivable	7,576	-
Prepaid items and deposits	-	10,888
Capital assets:		
Capital assets, being depreciated, net	<u>720,849</u>	<u>720,849</u>
Total Assets	<u>2,637,234</u>	<u>2,844,821</u>
Liabilities:		
Accounts payable	7,920	7,298
Salaries and benefits payable	-	7,080
Franchise fees payable	<u>-</u>	<u>212,964</u>
Total Liabilities	<u>7,920</u>	<u>227,342</u>
Net Position:		
Investment in capital assets	720,849	720,849
Restricted	1,908,465	1,489,891
Unrestricted	<u>-</u>	<u>406,739</u>
Total Net Position	<u>\$ 2,629,314</u>	<u>2,617,479</u>

See accompanying notes to the basic financial statements.

**PUBLIC CABLE TELEVISION AUTHORITY**

**Statement of Activities**

**Year ended June 30, 2021  
(with comparative information for prior year)**

Function	Expenses	Charges for Services	Totals	
			2021	2020
Governmental activities:				
Cable franchise	\$ 503,365	-	(503,365)	(1,686,704)
Public, Education and Government programs (note 6)	<u>1,065,712</u>	<u>260,381</u>	<u>(805,331)</u>	<u>(1,261,966)</u>
Total	<u>\$ 1,569,077</u>	<u>260,381</u>	<u>(1,308,696)</u>	<u>(2,948,670)</u>
General revenues:				
Franchise fee			1,298,791	1,574,870
Sale of asset			6,234	-
Miscellaneous			7,579	-
Investment income			<u>7,927</u>	<u>46,449</u>
Total general revenues			1,320,531	1,621,319
Change in net position			11,835	(1,327,351)
Net position, beginning of year			<u>2,617,479</u>	<u>3,944,830</u>
Net position, end of year			<u>\$ 2,629,314</u>	<u>2,617,479</u>

See accompanying notes to the basic financial statements.

**PUBLIC CABLE TELEVISION AUTHORITY**

**Balance Sheet - Governmental Funds**

**Year Ended June 30, 2021  
(with comparative information for prior year)**

	General Fund	Totals	
		2021	2020
<b>Assets:</b>			
Cash and investments (Note 2)	\$ 1,526,711	1,526,711	1,716,792
Franchise fees receivables	317,465	317,465	325,111
PEG support fees receivable	63,493	63,493	65,031
Interest receivable	1,139	1,139	6,150
Miscellaneous receivable	7,576	7,576	-
Prepaid items and deposits	-	-	10,888
Total Assets	<u>\$ 1,916,385</u>	<u>1,916,385</u>	<u>2,123,972</u>
<b>Liabilities:</b>			
Accounts payable	\$ 7,920	7,920	7,298
Salaries and benefits payable	-	-	7,080
Franchise fees payable	-	-	212,964
Total Liabilities	<u>7,920</u>	<u>7,920</u>	<u>227,342</u>
<b>Fund Balances:</b>			
Nonspendable			
Prepaid items and deposits	-	-	10,888
Restricted for restoration activities			
PEG channel facilities	-	-	1,489,891
Unassigned	<u>1,908,465</u>	<u>1,908,465</u>	<u>395,851</u>
Total Fund Balances (deficit)	<u>1,908,465</u>	<u>1,908,465</u>	<u>1,896,630</u>
Total liabilities and fund balances	<u>\$ 1,916,385</u>	<u>1,916,385</u>	<u>2,123,972</u>

See accompanying notes to the basic financial statements.

**PUBLIC CABLE TELEVISION AUTHORITY**

**Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position**

**Year ended June 30, 2021**

Fund balances of governmental funds		\$ 1,908,465
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental fund balance		
Capital assets (note 3)	\$ 1,935,058	
Accumulated depreciation	<u>(1,214,209)</u>	
		<u>720,849</u>
Net position of governmental activities		<u>\$ 2,629,314</u>

See accompanying notes to the basic financial statements.

**PUBLIC CABLE TELEVISION AUTHORITY**  
**Statement of Revenue, Expenditures, and Changes in**  
**Fund Balance - Governmental Funds**

**Year ended June 30, 2021**  
**(with comparative information for prior year)**

	General Fund	Totals	
		2021	2020
Revenues:			
Franchise Fees	\$ 1,298,791	1,298,791	1,574,870
PEG support Fees	260,381	260,381	313,607
Sale of Asset	6,234	6,234	-
Miscellaneous	7,579	7,579	-
Interest income	7,927	7,927	46,449
Total Revenues	\$ 1,580,912	1,580,912	1,934,926
Expenditures:			
Current:			
Distribution to members	981,327	981,327	1,462,722
Professional fees	20,158	20,158	12,049
Payroll	10,721	10,721	9,012
Mileage	72	72	620
Executive Director's salary	34,728	34,728	46,475
Director's Fee	3,080	3,080	2,600
Seminars and conventions	-	-	105
Dues and subscription	2,495	2,495	2,672
Insurance	3,218	3,218	28,291
Supplies, postage and communication	1,088	1,088	2,717
Rent	6,854	6,854	6,655
Miscellaneous	1,971	1,971	951
PEG channel - settlement payment to the City of Huntington Beach	-	-	1,000,000
PEG channel	503,365	503,365	1,003,102
Total Expenditures	1,569,077	1,569,077	3,577,971
Net changes in fund balance	11,835	11,835	(1,643,045)
Fund Balances (Deficit) at Beginning of Year	1,896,630	1,896,630	3,539,675
Fund Balances (Deficit) at End of Year	\$ 1,908,465	1,908,465	1,896,630

See accompanying notes to the basic financial statements.

**PUBLIC CABLE TELEVISION AUTHORITY**

**Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balance of Governmental Funds to the Statement of Activities**

**Year ended June 30, 2021**

Net changes in fund balances - total governmental funds	\$ 11,835
Amounts reported for governmental activities in the statement of activities are different because:	-
When capital assets owned by the Authority are purchased or constructed, the resources expended for those assets are reported as expenditures in the governmental fund. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	-
	<u>\$ 11,835</u>
Change in net position of governmental activities	<u>\$ -</u>

See accompanying notes to the basic financial statements.

**PUBLIC CABLE TELEVISION AUTHORITY**

**Notes to the Basic Financial Statements**

**Year ended June 30, 2021**

**(1) Summary of Significant Accounting Policies**

The basic financial statements of the Public Cable Television Authority (the "Authority" or "PCTA") have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

(a) Reporting Entity

The Authority is a public entity created in 1971 pursuant to a joint powers agreement between the Cities of Fountain Valley, Westminster and Huntington Beach (member cities). In 1981, the City of Stanton was admitted as a member of the Authority. In 2019, the City of Huntington Beach terminated its membership with the Authority. The Authority was created for the purpose of exercising the common powers of the member cities to regulate the Community Antenna Television System (CATV) within these cities.

In 2004, the joint powers agreement was amended to include the regulation of open video systems, or cable television system (collectively "cable systems") and any and all services, including non-cable services provided on or through said cable systems. The powers of the Authority include, but are not limited to, granting franchises, administering franchises, renewing franchises, administering channels allocated for city, school, public safety or community uses, conducting research, appearing before or communicating with administrative or legislative bodies, acquiring, constructing, financing, managing and operating a community antenna television system or cable television system and all other necessary and incidental powers with respect to cable system and the services provided on or through those systems.

With the passage of California Assembly Bill 2987, the Digital Infrastructure and Video Competition Act of 2006 (DIVCA) into law, new competitive video service providers such as Verizon and AT&T were able to provide video services in all PCTA communities. In addition, pursuant to this law, Time Warner Cable's franchise with the PCTA was automatically converted to a state franchise as of January 2, 2008. Although the state became the franchisor of all video service providers serving the PCTA member cities at this time, the PCTA maintained the authority for the enforcement of customer services requirements and other standards as well as maintained its regulatory responsibilities over PEG access channel support and operations.

The Authority is financially accountable to the member cities and is being governed by the Board of Directors appointed by the City Council of each member city.

(b) Basis of Accounting and Measurement Focus

The *basic financial statements* of the Authority are composed of the following:

- (a) Government-wide financial statements
- (b) Fund financial statements
- (c) Notes to the basic financial statements

**PUBLIC CABLE TELEVISION AUTHORITY**

**Notes to the Basic Financial Statements**

**(Continued)**

**(1) Summary of Significant Accounting Policies (Continued)**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Under the economic resources measurement focus, all assets and liabilities (whether current or noncurrent) associated with their activity are included on their statement of net position. Operating statements present increases (revenues) and decreases (expenses) in total net position. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Program revenues include charges for services from Public, Education and Government (PEG) programs fees. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program. Franchise fees and other items not properly included among program revenues are reported instead as general revenues. Franchise fees, PEG fees and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available where cash is received by the government.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets.

When both restricted and unrestricted resources are combined in a fund, expenditures are considered to be paid first from restricted resources, and then from unrestricted resources.

(c) Investments:

For financial reporting purposes, investments are adjusted to their fair value whenever the difference between fair market value and the carrying amount is material.

(d) Prepaid Items:

Certain payments to vendors reflect costs applicable to future accounting periods, which are accounted for under the consumption method and are recorded as prepaid items in both the government-wide and fund financial statements.

(e) Capital Assets:

The Authority's policy is to capitalize assets with an initial individual cost of more than \$500 and an estimated useful life of more than one year. All assets are depreciated on a straight-line basis. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the statement of net position.

**PUBLIC CABLE TELEVISION AUTHORITY**

**Notes to the Basic Financial Statements**

**(Continued)**

**(1) Summary of Significant Accounting Policies (Continued)**

(f) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and the governmental fund balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The Authority does not have any applicable deferred outflows of resources.

In addition to liabilities, the statement of net position and the governmental fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Authority does not have any applicable deferred inflows of resources.

(g) Net Position

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

Investment in capital assets - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets. The Authority has no debt related to capital assets.

Restricted net position - This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted net position - This amount is all net position that does not meet the definition of "investment in capital assets" or "restricted net position".

(h) Net Position Flow Assumption

Sometimes the Authority will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the Authority's practice to consider restricted - net position to have been depleted before unrestricted - net position is applied.

(i) Fund Balances

In the governmental fund financial statements, fund balances are classified in the following categories:

**PUBLIC CABLE TELEVISION AUTHORITY**

**Notes to the Basic Financial Statements**

**(Continued)**

**(1) Summary of Significant Accounting Policies (Continued)**

Nonspendable - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The Authority's nonspendable fund balance includes prepaid items and deposits totaling \$0.

Restricted - This classification includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers or through enabling legislation. The Authority's restricted fund balance as of June 30, 2021, includes unspent PEG revenues in the amount of \$1,908,891. This amount is restricted exclusively for PEG channel facilities and operating costs per Assembly Bill 2987.

Unassigned - This category is for any balances that have no restrictions placed upon them.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Authority's policy is to apply restricted fund balance first.

When an expenditure is incurred for purposes for which committed or unassigned fund balance classifications could be used, and all those funds are available, the Authority will spend in the order of the committed and unassigned.

(j) Fund Balances

The Authority adopts a budget for expenditures only. Revenues, distributions to members, capital expenditures, and the settlement payment to the City of Huntington Beach are not budgeted.

(k) Estimates:

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

**(2) Cash**

Cash as of June 30, 2021 is classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash	\$	1,526,711
Total cash	\$	<u>1,526,711</u>

**PUBLIC CABLE TELEVISION AUTHORITY**

**Notes to the Basic Financial Statements**

**(Continued)**

**(2) Cash (Continued)**

Cash as of June 30, 2021 consisted of the following:

Cash - deposits	\$ 131,209
Investment in Local Agency Investment Fund	<u>1,395,502</u>
Total cash	<u><u>\$ 1,526,711</u></u>

***Investments Authorized by the California Government Code***

The table below identifies the investment types that are authorized for the Authority by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	5 years	None	None
United States Treasury Obligations	5 years	None	None
United States Government Sponsored Entities	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base value	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	\$75 million
N/A -Not Applicable			

***Interest Rate Risk***

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Authority manages its exposure to interest rate risk is by purchasing shorter term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity as necessary to provide the cash flow and liquidity needed for operations. The Authority's investments in LAIF are available on demand.

**PUBLIC CABLE TELEVISION AUTHORITY**

**Notes to the Basic Financial Statements**

**(Continued)**

**(2) Cash (Continued)**

***Credit Risk***

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Authority's investments in LAIF are not rated.

***Custodial Credit Risk***

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Authority's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The Authority's had no deposits with financial institutions that are insured by the Federal Deposit Insurance Corporation.

***Investment in Local Agency Investment Fund***

The Authority is a voluntary participant in LAIF that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the Authority's investment in this pool is reported in the accompanying financial statements at amounts based upon the Authority's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

***Fair Value Measurements***

The Authority categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the relative inputs used to measure the fair value of the investments. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted prices for similar assets in active markets (significant other observable inputs), and Level 3 inputs are significant unobservable inputs. The Authority's investment in LAIF is not subject to the fair value measurement hierarchy.

**PUBLIC CABLE TELEVISION AUTHORITY**

**Notes to the Basic Financial Statements**

**(Continued)**

**(3) Capital Assets**

Changes in capital assets for the year ended June 30, 2021, are as follows:

	Balance at July 1, 2000	Additions	Deletions	Balance at June 30, 2021
Capital assets being depreciated:				
Furniture, fixtures and equipment	\$ 1,935,058	-	-	1,935,058
Less accumulated depreciation:				
Furniture, fixtures and equipment	(1,214,209)	-	-	(1,214,209)
Total capital assets being depreciated, net	720,849	-	-	720,849
Total capital assets, net	\$ 720,849	-	-	\$ 720,849

**(4) Franchise Agreement**

In August 1976, the Authority granted a franchise to Dickinson Communications, Ltd. On October 2, 1979, the franchise was assigned to Dickinson Pacific Cablesystems, a partnership (Grantee). The franchise provided for the construction and operation of a CATV within the Cities of Fountain Valley, Westminster, and Stanton, financed entirely by the Grantee through use of its own funds or other private capital.

The original terms of the franchise gave the member cities, or their nominees, the option to purchase the CATV system upon expiration of the franchise term. Alternatively, the member cities could acquire the system by extending the franchise of the Grantee to operate the system for an additional 5 years, at the termination of which Grantee would convey title in the system to the member cities or their nominees. The original term of the franchise was for 15 years to 1994. This was subsequently extended to 1999.

In February of 1989, the Board approved the transfer of the franchise to KBL Cable, Inc., as well as an additional five year extension of the franchise to the year 2004. The Board also approved and the member cities accepted a settlement agreement of ten million dollars, which deleted from the original agreement their rights to purchase the CATV system at the end of the franchise term or to acquire the system at the end of the franchise extension. The Authority distributed the ten million dollars to its participating members in March, 1989.

In February, 1996, Time Warner, Inc. completed its purchase of KBL Cable, Inc. The terms of the Authority's franchise agreement were not changed.

In August 2000, the Authority approved the transfer of control of the franchise granted to Time Warner Inc. to AOL Time Warner, Inc. (AOL).

**PUBLIC CABLE TELEVISION AUTHORITY**

**Notes to the Basic Financial Statements**

**(Continued)**

**(4) Franchise Agreement (Continued)**

In August 2002, AOL/Time Warner sought the Authority’s consent to the transfer of the franchise, from AOL to Time Warner Cable Inc. (TWC). The Authority approved the transfer in March 2003. The terms of the Authority’s franchise agreement were not changed.

The franchise agreement expired on September 30, 2004. However, the Authority continued to receive franchise fees equal to 5% of gross revenues under the terms of the expired franchise agreement until January 1, 2009, when the provisions of AB 2987 took effect for existing cable television franchisees.

In January 2007, pursuant to AB 2987, the Authority became eligible to receive franchise fees from other video service providers, including Time Warner Cable, Inc. (collectively, the “cable system operators”). In addition to a franchise fee of 5% of gross revenue, new PEG facilities support fee, which is effective January 1, 2009 for existing cable system operators and effective immediately for any new cable system operators. AB 2987 provides that the cable system operators shall pay to the Authority a PEG support fee of 1% of the cable system operators’ gross revenues per year from cable television operations within the franchised cities.

On February 15, 2017, the Board adopted ordinance 2017-1 that reauthorized the PEG support fee for Frontier and AT&T. On November 15, 2017, the Board adopted ordinance 2017-2 that reauthorized the PEG support fee for Charter/Spectrum.

**(5) Franchise Fees and Member Distributions**

Under the provisions of the expired franchise agreement, the existing cable system operator, Time Warner Cable, Inc., was required to pay to the Authority the greater of 5% of its gross revenues per year from cable television operations within the franchised cities or \$85,000 per year, payable semiannually in July and January of each year for the preceding six months. This agreement was no longer effective beginning January 1, 2009, when AB 2987 became effective for existing cable system operators. Under the terms of AB 2987, cable system operators shall pay to the Authority 5% of the cable system operators’ gross revenues per year from cable system operations within the franchised cities. For new cable system operators, AB 2987 requirements were effective beginning January 1, 2007. The cable system operators voluntarily made quarterly payments in fiscal year ended June 30, 2021, totaling \$1,298,791.

The Authority uses the franchise fee revenue to pay for the operating expenses for the current year. Any balances remaining are distributed to the participating member cities. During the current year, the participating members total franchise fees (net of expenses) amounted to \$981,327. Each member’s distributable share was as follows:

Westminster	\$403,681
Fountain Valley	419,392
Stanton	<u>158,254</u>
Total	<u>\$981,327</u>

**PUBLIC CABLE TELEVISION AUTHORITY**

**Notes to the Basic Financial Statements**

**(Continued)**

**(5) Franchise Fees and Member Distributions (Continued)**

On January 22, 2019, the City Council of the City of Huntington Beach approved a six-month prior written notice of intent to terminate from the Authority. On May 21, 2019, the City of Huntington Beach filed suit against the Authority seeking, among other things, to dissolve the Authority and force a distribution of its assets. In October 2019, the City of Huntington Beach and the Authority entered into a settlement agreement that resulted in the termination of the City of Huntington Beach as a member for which they received \$1,000,000 cash, which is shown in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund as a PEG expenditure, plus the receipt of certain capital assets with a net book value of \$720,849 as of the date of transfer. Subsequent to the settlement agreement, the three remaining member cities are continuing operations of the Authority.

**(6) Public, Education and Government (PEG) Support Fees**

Under DIVCA, local entities may require video service providers to provide PEG support fees up to 1% of gross revenues. PCTA has required the video service providers serving its communities to pay to the Authority 1% of the cable system operators' gross revenues per year. As a preexisting cable television franchisee, Time Warner was exempt from paying PEG support fees until January 2008, when Time Warner was transferred to a state franchise. All other video service providers were required to pay PEG support fees under their state franchises beginning as early as January 2007.

During the fiscal year ended June 30, 2021, the PEG support fees amounted to \$260,381.

The Authority uses the PEG support fees to pay for the costs associated with the PEG access channel. During the current year, the Authority had the following PEG channel-related expenditures, which were paid for through PEG support fees:

Director fees	\$ 3,080
Salary	171,556
Insurance	9,904
Repairs and maintenance	491
Professional fees	69,570
Mileage	52
Telephone	1,800
Seminars and conventions	1,018
Dues and subscriptions	3,056
Supplies	5,337
Capital expenditures	3,745
Miscellaneous	1,075
Video production and streaming equipment	70,636
Equipment video production support	<u>162,045</u>
Total	<u>\$503,365</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**PUBLIC CABLE TELEVISION AUTHORITY**

**Schedule of Expenditures  
Budget and Actual - General Fund**

**Year ended June 30, 2021**

	Budgeted Amounts		Actual	Variance- Positive (Negative)
	Original	Final		
Expenditures:				
Professional fees	\$ -	-	20,158	20,158
Payroll and insurance	-	-	13,939	13,939
Mileage	-	-	72	72
Executive Director's salary	-	-	34,728	34,728
Director's fees	-	-	3,080	3,080
Dues and subscriptions	-	-	2,495	2,495
Supplies, postage and communication	-	-	1,088	1,088
Office Rent	-	-	6,854	6,854
Miscellaneous	-	-	1,971	1,971
PEG channel	-	-	503,365	503,365
Total Budgeted Expenditures	\$ -	\$ -	587,750	587,750
Distributions to members *			981,327	981,328
Total Expenditures	\$ -	\$ -	1,569,077	1,569,078

\* The Authority does not budget these amounts.

Budgets and Budgetary Data:

The Authority's Executive Director prepares and submits an administrative and PEG budget to the Board of Directors each year. The budget is not adopted in accordance with generally accepted accounting principles. For certain expenditures which are budgeted, the budget does not differ substantially from the modified accrual basis of accounting. The Authority does not budget revenues or distributions to members. The Board of Directors must approve all supplemental appropriations to the budget between major accounts.

See accompanying notes to the basic financial statements.

**Attachment to Item 6B1 - FY 2024-25 Budget Presentation by Director Grandis**

-Dir. Grandis gives FY24-25 Budget Presentation

-Dir Grandis suggests LAIF interest income should be moved to Admin accounts

-Chair Shawver suggests using LAIF interest to create a Capital Improvement Fund (CIF)

-Dir. Grandis states annual LAIF interest is approximately \$40K p/yr.

-Dir. Grandis suggest 5yrs of interest moved to a CIF would equal about \$200K

**-No action taken regarding budget or LAIF suggestions at time of June 19<sup>th</sup> meeting**

-July 17<sup>th</sup> Board Mtg: The Board voted to adopt the PCTA Budget as presented by Treasurer Grandis

**VOTE: MO: Warren - 2<sup>ND</sup>: Bui with a 4-0 unanimous vote. (Vice-Chair Ho and Dir. Nguyen were both absent for July 17<sup>th</sup> Board Meeting)**

**Attachment to Item 6B2 - Discuss the autonomy with which each City can spend their approved budget**

-The Board unanimously agrees each City should retain 100% autonomy over the spending of their own budget (Should this be included in PCTA policies?)

-Chair Shawver asks what to do with excess budget at end of year. Dir. Grandis states overages are unlikely and anticipates the more likely scenario of budget deficits.

-Dir. Grandis states that any city-shortage will come from Admin Gen Fund for that City

-General sentiment from the Board is stay within budget – if over budget, difference will come from city's Admin General Fund

**NO ACTION/VOTE TAKEN**

**Attachment Item 6B3 - Discuss need for maximum reimbursement amount for Westminster Council upgrades**

- WM liaison Vanessa Johnson asks what is the max amount allotted for chamber upgrade
- Dir. Grandis suggests FV upgrade from 2020 should be basis for WM upgrade for pricing baseline
- Chair Shawver suggests WM figure out needs and associated cost, and that the Board can't create spending cap at present time
- Chair Shawver also suggested possibility that all cities upgrade annually individual pieces of equipment to space out cost
- Dir Nguyen reminds Board that FV costs were pre-pandemic 4+ yrs ago
- Chair Shawver suggests annual maintenance for control rooms and production truck

**ACTION STAFF (completed):** Review control room and production truck maintenance routine. Staff confirms that Engineers Rich and Hugo do perform routine maintenance (as specified in their scope of service with PCTA), and regularly “patch” and fixed hardware to extend life beyond typical 5-year expectations. (NOTE: Some current components comprising the WM control room are over 15+ years old.)

**ACTION WESTMINSTER:** Research needs for Council upgrade and then request RFP's

## **Attachment to Item 6B4 - Discuss capital purchases / Westminster lift purchase vs. rent**

- Staff gave report on purchasing vs. city borrow
- Dir. Bui brings attention to city liability potential
- Chair Shawver suggest renting a lift as needed
- Dir Nguyen suggests a drone that can send a live feed would be great for Tet
- Vanessa mentions WMPD hesitant to have drones at Tet
- Dir Nguyen wants to see pricing of equipment for scissor/boom lifts (buy vs rent)
- Chair Shawver suggests possibility of hiring a certified deputy to fly a drone for us as needed

**ACTION STAFF:** (1) Staff to research scissor lift & boom lift rental rates and purchase range (rent VS buy). (2) Staff to research drones that can send a live signal.

### **SCISSOR LIFT RENTAL RATES**

**United Rentals** 20ft SLift \$168 Daily + tax/fees (waived for govt)

<https://www.unitedrentals.com/marketplace/equipment/aerial-work-platforms/scissor-lifts/20-21-ft-scissor-lift-electric-narrow-power-deck-extension>

**Home Depot (WM)** 20ft SLift \$229 Daily + tax/fees

<https://www.compactpowerrents.com/rental-equipment/scissor-and-boom-lifts/20-ft-single-manlift/>

**Big Rentz** 19ft SLift \$108 Daily + tax/fees

<https://www.bigrentz.com/equipment-rentals/scissor-lifts>

**F&B Rentals** 19ft SLift \$165 Daily + tax/fees

<https://fbrentals.net/equipment.asp?action=category&category=57&key=LIFS19>

### **BOOM LIFT RENTAL RATES**

**Discount Lift Rentals** \$425 40ft BLift Daily + tax/fees

<https://discountliftrentals.com/rental-equipment/40-straight-boom-lift/>

**DOZR** \$265 30ft BLift Daily + tax/fees

[https://dozr.com/rent/articulating-boom-lift?utm\\_source=search&utm\\_medium=googleads&utm\\_campaign=search-demand-articulatingboomlift-FL-CATX&utm\\_source=google\\_ads&utm\\_medium=cmp=15415331700&utm\\_campaign=129087494606&utm\\_term=rent%20aerial%20lift%20near%20me&utm\\_medium=&utm\\_place=&utm\\_network=g&utm\\_position=&utm\\_plt=gp&utm\\_gad\\_source=&utm\\_gclid=Cj0KCQjwkdO0BhDxARISAnkNcrd2ICrfs22i581c\\_pmujojyasxfYFZxJTdQbzPqxfQOtYURRNIQ5oHIaAotoEALw\\_wcB](https://dozr.com/rent/articulating-boom-lift?utm_source=search&utm_medium=googleads&utm_campaign=search-demand-articulatingboomlift-FL-CATX&utm_source=google_ads&utm_medium=cmp=15415331700&utm_campaign=129087494606&utm_term=rent%20aerial%20lift%20near%20me&utm_medium=&utm_place=&utm_network=g&utm_position=&utm_plt=gp&utm_gad_source=&utm_gclid=Cj0KCQjwkdO0BhDxARISAnkNcrd2ICrfs22i581c_pmujojyasxfYFZxJTdQbzPqxfQOtYURRNIQ5oHIaAotoEALw_wcB)

**United Rentals** \$454 32ft BLift Daily + tax/fees

<https://www.unitedrentals.com/marketplace/equipment/aerial-work-platforms/boom-lifts/30-33-ft-articulating-boom-lift-electric>

**Attachment to Item 6B4 - Discuss capital purchases / Westminster lift purchase vs. rent**

**BOOM LIFT RENTAL RATES (cont.)**

**CAT Rental Store** \$360 34ft BLift Daily + tax/fees

[https://www.catrentalstore.com/quinn/en\\_US/products/aerial-equipment/family.boom-lifts.html?utm\\_source=google&utm\\_medium=cpc&utm\\_campaign=wfx\\_cat\\_rentls\\_usa\\_dealer\\_quinn\\_rental\\_services&utm\\_content=wfx\\_cat\\_rentals\\_usa\\_dealer\\_quinn\\_rental\\_services&utm\\_term=rental%20boom%20lift&gclid=Cj0KCQjwkdO0BhDxARIsANkNcreTVoZT4ikRLrikylr6J4n5bMP2noDjczcnNF33Kb8BTALdg0fW3LAaApHcEALw\\_wcB](https://www.catrentalstore.com/quinn/en_US/products/aerial-equipment/family.boom-lifts.html?utm_source=google&utm_medium=cpc&utm_campaign=wfx_cat_rentls_usa_dealer_quinn_rental_services&utm_content=wfx_cat_rentals_usa_dealer_quinn_rental_services&utm_term=rental%20boom%20lift&gclid=Cj0KCQjwkdO0BhDxARIsANkNcreTVoZT4ikRLrikylr6J4n5bMP2noDjczcnNF33Kb8BTALdg0fW3LAaApHcEALw_wcB)

**Bigrentz** \$306 34ft BLift Daily + tax/fees

<https://www.bigrentz.com/equipment-rentals/boom-lifts>

**SCISSOR LIFT PURCHASE RANGE:** The price range for a 19ft scissor lift is, \$10k - \$20k+

**BOOM LIFT PURCHASE RANGE:** The price range for a 32ft boom lift is, \$35k - \$50k+

**DRONES WITH LIVE BROADCAST ABILITY:** This is a common feature amongst most professional level drones. The price range is, \$2,500 - \$5,000. One of the highest rated professional level drones with live broadcast ability is the DJI Mavic 3 Pro which retails for approximately \$3,500.00.

NOTE: (1) The PCTA production truck is already equipped with the necessary hardware to integrate a live drone feed. (2) PCTA currently has in its contractor roster an FAA certified drone pilot.

**Attachment to Item 6B5 - Discuss possibility of creating a Capital Improvement Fund**

-Chair Shawver gives example of uses for CIF fund

-Chair Shawver revisits the suggestion to take LAIF interest and create a CIF to be used by all member cities

**VOTE: MO: Shawver-2ND: HO (To begin July 1 - new FY)**

-Dir. Grandis also requests to move no more than \$200k from LAIF to PCTA local acct to pay bills (within next 90days)

**VOTE: MO: Grandis-2ND-Ho Roll Call vote taken 6-0 Unanimous**

**ACTION BOARD:** (1) Board to transfer LAIF interest into a new CIF account. (2) Dir. Grandis to transfer up to \$200k from LAIF to PCTA local account to pay bills (To be done within the next 90 days)

**Attachment to Item 6B6 - Discuss protocol for compiling an approved vendor/contractor list**

- Chair Shawver recounts the current process in place for production requests and assigning contractors
- Chair Shawver asks Staff if current contractor protocol is sufficient and adhering to best practices. Staff confirms current process is still best choice.
- Board agrees to continue with current process.

**NO ACTION/VOTE TAKEN**

**Attachment to Item 6B7 – Discuss rate structure for contractors**

-Chair Shawver requests Staff to do a regional comp study to see if Contractor hourly rate increase is justified

**ACTION STAFF:** Staff to do a regional comp study on video production pay rates.

**CONTRACTOR/PA REGIONAL RATES: (Note: Current PCTA contractor rate is \$25 p/hr. since 2018)**

**Laguna Beach:** \$180 w/ 4hr min. + additional time billed at \$45 p/hr.

**Lakewood:** Range starting at \$27 p/hr. then increases with time and responsibility (W2 emps / no 1099's)

**Irvine:** Range of \$35-\$40 p/hr. w/ 4hr min.

**Tustin:** \$45 p/hr. w/ 3hr min.

**San Clemente:** \$30 p/hr.

**Buena Park:** Range of \$26-\$56 p/hr. depending on experience and responsibilities

**\*Angels Baseball:** Range starting at \$37 p/hr. to \$45+ p/hr. depending on experience

**\*Honda Center:** Range starting at \$48 p/hr. to \$60+ p.hr. depending on experience

**Recommended action:** Board to approve increasing contractor rate to \$35 per hour.

\*Increase comparison: The current 5 min average length video costs about \$1,500 to produce. With the contractor rate increase to \$35 p/hr. the 5 min average length video cost would increase to approximately \$1,550.

**EDITOR RATES (note: Editor rates have not increased in 12+ years)**

**Current PCTA Editor Sliding Scale Rates (Based on an avg 8hr day at 3 to 4 days per project)**

*(Note: Industry standard bills for editing by the hour typically.)*

**\$ 350 - \$400** (~~\$10.93-\$12.50/Hour~~) **SHORT:** PSA or promo spots (up to 60 seconds)

**\$ 550 - \$600** (~~\$17.18-\$18.75/Hour~~) **MEDIUM:** news stories (1 to 5min projects)

**\$ 650 - \$1050** (~~\$20.31-\$32.81/Hour~~) **LONG:** full programs (talk show, documentary, State of the City Address)

**\$ 40/HR** **QUICK-EDITS:** Individual Projects requiring very basic editing within a day

**Attachment to Item 6B7 – Discuss rate structure for contractors (cont.)**

**Combined packages (w/post-production included):**

**\$ 1,200 - \$2,400 Completed PSA including in field, on-camera talent, voice over [if necessary], and all producer functions, in field or studio videography, script writing, post-production editing, finalization, delivered within technical specifications and by deadline**

**Recommended action:** Board to approve switching to an hourly based pay scale based on the already existing \$40 per hour rate assigned to the “Quick Edits” pay category. No changes to the “Combined Packages” current rate range.

\*Increase comparison: The current 5 min average length video costs about \$1,500 to produce. With the recommended contractor and editor rate adjustments the 5 min average length video cost would increase to approximately \$2,235.

## **Attachment to Item 6B8 - Discuss the potential to rent out the Production Truck to increase PCTA revenues**

- Chair Shawver asks condition of production truck
- Staff replies with last 12 months status
- Staff shared there was a past rental of the production truck to the City of Garden Grove for the Strawberry Festival
- Chair Shawver suggests our crew should be included with truck rental package / Vice Chair Ho agrees w/ Chair Shawver on crew package
- Staff shared that the Garden Grove rental included a PCTA Engineer and one PCTA staff
- Board agrees Engineer and 1 PCTA staff would be ideal
- Chair Shawver suggests reaching out to Seal Beach and Los Alamitos to see if they have any interest/need in using the production truck
- Chair Shawver requests Staff perform a comp study on production truck rental costs.
- Dir. Bui adds we should look into insurance impact if we start to rent the truck to other entities
- Staff also shared that Item 7A from Oct 2022 adopted to create a sizzle reel and solicit production business from other cities. Dir. Grandis suggests eventually reaching out to other cities to see if there is interest before we spend time or money soliciting other cities. Complete audits first.

**ACTION BOARD:** PCTA Board to reach out to point of contacts for Seal Beach and Los Alamitos to see if they have any interest/need in using the production truck.

**ACTION STAFF:** (1) Staff to perform a comp study to determine regional pricing for production truck rentals. (2) Staff to determine impact on auto insurance policy for production truck if PCTA rents to other entities.

### **REGIONAL PRICING FOR PRODUCTION TRUCK RENTAL COSTS**

**TAKEITLIVE MEDIA:** Prod Trk nicer 4k version of PCTA / longer cable runs / 2 dedicated livestream computers

**COST:** \$2,000 per day + mileage + engineer

<https://takeitlive.tv/productiontrailerrental>

**HRS Mobile TV:** VERY high-end with 8 cameras – 12ch EVS playback system, plus usuals

**COST:** \$9,500 per day

[www.hrsmobile.tv](http://www.hrsmobile.tv)

**VizTV Media Services:**

**COST:** \$1,400-\$5,400 per day depending on add-ons

[www.viztvmedia.com](http://www.viztvmedia.com)

**Attachment to Item 6B8 - Discuss the potential to rent out the Production Truck to increase PCTA revenues  
(cont.)**

NOTE: Quora production truck forum estimates range from \$5k-\$20k per day / this is for high end pro studio/broadcast level gear

**POTENTIAL IMPACT TO AUTO INSURANCE POLICY**

None, since PCTA would be acting within its normal course of business according to current production policies.