SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

799 G Street, 4th Floor, Sacramento, CA 95814 • (916) 874-6661 • Fax: (916) 854-9666 • www.sacmetrocable.tv

A Joint Powers Agency Representing Sacramento County and the Cities of Citrus Heights, Elk Grove, Folsom, Galt, Rancho Cordova and Sacramento

AGENDA

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION
REGULAR BOARD MEETING

Sacramento County Administrative Center
700 H Street, S. 1450
Sacramento, California

THURSDAY, SEPTEMBER 1, 2016
2:30 p.m.

Board Members: Larry Carr, Steve Detrick, Eric Guerra, Steve Hansen, Patrick Kennedy, Roberta MacGlashan, Andy Morin, Don Nottoli, Susan Peters, Phil Serna, Mel Turner
Ex Officio: Dan Skoglund
Elected Alternates: Gary Davis, Sue Frost
Appointed Alternates: Isaac Gonzalez (Kennedy) – Vice Chair, Consuelo Hernandez (Hansen), Lisa Nava (Serna), Sarah Pollo (Guerra), Howard Schmidt (Peters), Ted Wolter (MacGlashan) – Chair

The Board may take up any agenda item at any time, regardless of the order listed. Members of the public coming for a specific agenda item are encouraged to arrive earlier than the scheduled time. Public comment will be taken on the item at the time that it is taken up by the Board. We ask that members of the public complete a Request to Speak form, submit it to the Clerk of the Board, and keep their remarks brief. If several persons wish to address the Board on a single item, the Chair may impose a time limit on individual remarks at the beginning of the discussion. Action may be taken on any item on this agenda.

Presentations supplemented with media (video, DVD, PowerPoint, laptop hookup, etc.) must be coordinated in advance with the meeting Clerk. All media must be tested prior to the meeting date by Metro Cable at (916) 874-7685. Untested media will not be allowed on the date of the meeting. It is also highly advisable to bring a paper copy of presentations to the meeting as back up.

Meeting facilities are accessible to persons with disabilities. Requests for alternative agenda document formats, meeting assistive listening devices, or other considerations should be made through the Commission office at (916) 874-6662.

The meeting of the Commission is cablecast live on Metro Cable 14, the local government affairs channel and webcast at www.sacmetrocable.tv. The meeting is closed captioned and will be repeated the following Saturday at Noon on Channel 14.

CALL TO ORDER

A) Roll Call
B) Pledge of Allegiance

ITEM NO. 1) CONFERENCE WITH LEGAL COUNSEL

A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
(Paragraph (1) of subdivision (d) of Section 54956.9)
Name of Case: SMCTC v. Pacific Bell Telephone Company
Case No: 34-2015-00181803

B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Government Code Section 54956.9
Name of Case: Comcast of Sacramento I, LLC, ET AL. v. SMCTC
Case No. 2:16-CV-01264-WBS-EFB

C. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
(Government Code, section 54956.9) – Initiation of litigation pursuant to Section 54956.9(d)(4): No. of Cases 2.

Action

Adjourn to a closed session to discuss the items.

ITEM NO. 2) RESOLUTION NO. 2016-015, ADOPTING THE FISCAL YEAR 2016-17 FINAL GENERAL FUND BUDGET AND RESOLUTION NO. 2016-016, ADOPTING THE FISCAL YEAR 2016-17 FINAL PEG FEE FUND BUDGET

Action

Approve the following Final Budget Resolutions to include all attachments and exhibits referenced in the budget staff report:

- Resolution No. 2016-015, Adopting the Fiscal Year 2016-17 Final General Fund (094A) Budget;
- Resolution No. 2016-016, Adopting the Fiscal Year 2016-17 Final PEG Fee Fund (094B) Budget

ITEM NO. 3) RESOLUTION NO. 2016-017, APPROVING THE UPDATED CONFLICT OF INTEREST CODE

Action

Adopt Resolution No. 2016-017, Approving the Updated Conflict of Interest Code for the Sacramento Metropolitan Cable Television Commission

ITEM NO. 4) JULY 1, 2015 ACTUARIAL REPORT ON GASB 45 RETIREE BENEFIT VALUATION

Action

Receive and file the July 1, 2015 Actuarial Report on GASB 45 Retiree Benefit Valuation

ITEM NO. 5) RESOLUTION NO. 2016-018, APPROVING THE PREGNANCY RELATED LEAVES AND TRANSFER PRIVILEGES POLICY

Action

Adopt Resolution No. 2016-018, Approving the Pregnancy Related Leaves and Transfer Privileges Policy

ITEM NO. 6) CALENDAR YEAR 2017 QUARTERLY BOARD MEETING SCHEDULE

Action

Receive and file the Quarterly Board Meeting Schedule for Calendar Year 2017.

ITEM NO. 7) GENERAL ADMINISTRATION REPORT

Action

Receive a verbal report from staff regarding general administration matters.

ITEM NO. 8) STATE FRANCHISEE REPORTS

Action

Receive verbal reports from State Franchisee representatives:

A. AT&T
B. Comcast
C. Consolidated Communications

ITEM NO. 9) CHANNEL LICENSEE REPORTS

Action

Receive verbal reports from Channel Licensee representatives:

A. ACCESS Sacramento
B. Capital Public Radio
C. KVIE, Inc.
D. Sacramento Faith TV
E. Sacramento Educational Cable Consortium

ITEM NO. 10) PUBLIC COMMENTS

ADJOURNMENT

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION
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AGENDA ITEM NO. 1

DATE: September 1, 2016

TO: Chair and Board of Directors

FROM: Robert A. Davison, Executive Director

SUBJECT: **CONFERENCE WITH LEGAL COUNSEL**

RECOMMENDATION:

It is recommended the Board adjourn to a closed Executive Session to discuss the following items and report out, if necessary:

A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
(Paragraph (1) of subdivision (d) of Section 54956.9)
Name of Case: SMCTC v. Pacific Bell Telephone Company
Case No: 34-2015-00181803

B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Government Code Section 54956.9
Name of Case: Comcast of Sacramento I, LLC, ET AL. v. SMCTC
Case No. 2:16-CV-01264-WBS-EFB

C. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
(Government Code, section 54956.9) - Initiation of litigation pursuant to Section 54956.9(d)(4): No. of Cases 2.

Respectfully submitted,

ROBERT A. DAVISON, Executive Director
Sacramento Metropolitan Cable Television Commission

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AGENDA ITEM NO. 2

DATE: September 1, 2016

TO: Chair and Board of Directors

FROM: Robert A. Davison, Executive Director

SUBJECT: **RESOLUTION NO. 2016-015, ADOPTING THE FISCAL YEAR 2016-17 FINAL GENERAL FUND BUDGET AND RESOLUTION NO. 2016-016, ADOPTING THE FISCAL YEAR 2016-17 FINAL PEG FEE FUND BUDGET**

RECOMMENDATION:

It is recommended the Board approve Resolution No. 2016-015 (Attachment 1), Adopting the Fiscal Year 2016-17 Final General Fund (094A) Budget, and Resolution No. 2016-016 (Attachment 2), Adopting the Fiscal Year 2016-17 Final PEG Fee Fund (094B) Budget, including the following documents:

- Attachment 3 – Fiscal Year 2016-17 Staffing (Revised)
- Exhibit 1 – Fiscal Year 2016-17 Final General Fund (094A) Budget Summary
- Exhibit 2 – Fiscal Year 2016-17 Final PEG Fee Fund (094B) Budget Summary

DISCUSSION:

On June 2, 2016, the Commission Board approved Resolution Nos. 2016-001 & 2016-002, Adopting the Proposed Fiscal Year 2016-17 General Fund and PEG Fee Fund Budgets for the Sacramento Metropolitan Cable Television Commission, along with the direction to change the franchise fee revenue projections to the actual amount of franchise fees received in Fiscal Year 2015-16, thereby enhancing the revenue distributions for member agencies.

In addition, the Board approved a 7.9% COLA for Channel Licensees' Operations/Equipment Bases in lieu of the 5% COLA recommended by staff.

General Fund (094A) Budget

The actual revenues and expenditures realized in the General Fund Budget for Fiscal Year 2015-16 resulted in an increase to the Fiscal Year 2016-17 beginning fund balance. The carry forward fund balance from the previous year includes the account receivable related to the Comcast Calendar Years 2011 & 2012 Audit ($45,846); the remaining $223,976 of this receivable was offset in Fiscal Year 2015-16 by the Comcast Security deposit which was added to the General Fund Reserve in Fiscal Year 2015-16.

The Fiscal Year 2016-17 Final General Fund (094A) Budget as presented includes adjustments to various line items, which include:

- Increase of $582,799 to revenue distribution for member agencies (from $11,443,808 to $12,026,607);
- Increase to the COLA for Channel Licensees' Operations Base (from 5% to 7.9%);
- Increase of $6,237 for salaries and wages (to replace the Office Assistant position with a Senior Office Assistant Confidential position and extra temp help);
- Addition of $15,000 for closed captioning (from $110,000 to $125,000);
- Addition of $70,000 for fixed assets;
- Addition of $70,000 in contingency for operations;
- Addition of $17,500 in DTech support and development costs.

PEG Fee Fund (094B) Budget

The actual revenues and expenditures figures realized in the PEG Fee Fund Budget for Fiscal Year 2015-16 also resulted in an increase to the Fiscal Year 2016-17 beginning fund balance. Similar to the General Fund, the carry forward fund balance from the previous year includes $38,576 to recognize an account receivable related to Comcast's FYs 2011 & 2102 Audit. The carry forward balance is also higher due to PEG projects that either costs less or were not entirely completed as expected.

The Final PEG Fee Fund (094B) Budget as presented for Fiscal Year 2016-17 includes the following adjustments:

- Increase to the COLA for Channel Licensees' Equipment Base (from 5% to 7.9%);
- Increase of $3,045 for Rancho Cordova's PEG Project ($144,613 to $147,658);
- Reduction of $2,786 for Contingency Appropriation (from $104,246 to $101,460).

It is recommended the Board approve Resolutions No. 2016-015 and 2016-016, Adopting the Fiscal Year 2016-17 Final General Fund (094A) and PEG Fee Fund (094B) Budgets, along with all attachments and exhibits in this staff report.

Respectfully submitted,

ROBERT A. DAVISON, Executive Director
Sacramento Metropolitan Cable Television Commission

Enclosures:
Fiscal Year 2016-17 Final General Fund Budget Summary with FY 2015-16 Actuals (Exhibit 1)
Fiscal Year 2016-17 Final PEG Fee Fund Budget Summary with FY 2015-16 Actuals (Exhibit 2)
Fiscal Year 2016-17 Staffing – Revised (Attachment 3)

ATTACHMENT 1

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

RESOLUTION NO. 2016-015

A RESOLUTION ADOPTING THE FISCAL YEAR 2016-17 FINAL GENERAL FUND (094A) BUDGET

WHEREAS, a hearing has been terminated during which time all additions and deletions to the Final Budget for Fiscal Year 2016-17 were made.

THEREFORE, IT IS HEREBY RESOLVED in accordance with Section 29089 of the Government Code, the Final Budget for Fiscal Year 2016-17 for the General Fund (094A) is hereby adopted in accordance with the following:

Salaries and Employee Benefits (Object 10)	$960,087
Services and Supplies (Object 20)	$832,661
Contract Services - Channel Licensees Operations (Object 30)	$1,205,567
Contribution to Other Agencies - Revenue Distribution (Object 30)	$12,026,607
Depreciation Expenses – Audits (Object 30)	$20,000
Sac County-Wide Cost Allocation - A87 (Object 30)	$2,500
Fund Balance Reserve (Object 71)	$150,000
Equipment-SD-Non-Recon - Fixed Assets (Object 43)	$70,000
Contingency Appropriation - Operations (Object 79)	$70,000
FISCAL YEAR 2016-17 FINAL BUDGET	**$15,337,422**

FURTHER BE IT RESOLVED AND ORDERED that the means of financing the General Fund expenditures will be by monies derived from Franchise Fee Revenue and Fund Balance available.

FURTHER BE IT RESOLVED AND ORDERED that the Budget be and is hereby adopted in accordance with the exhibits and attachments in the Fiscal Year 2016-17 Final Budget Staff Report, which show in detail the approved appropriations, revenues, and methods of financing, attached hereto and by reference made a part hereof.

FURTHER BE IT RESOLVED AND ORDERED that COLAs, equity/salary adjustments, and universal salary increases for contract and non-contract employees, if any, are authorized at the same level as approved by the Board of Supervisors for represented management, clerical, and technical employees of the County of Sacramento.

FURTHER BE IT RESOLVED AND ORDERED that the Channel Licensee Annual Funding and Performance Agreements with Channel Licensees – Access Sacramento, Capitol Public Radio, KVIE, Inc., and the Sacramento Educational Cable Consortium and the Annual Performance Agreement with Sacramento Faith TV resulting from the June 2, 2016 Board meeting are approved.

FURTHER BE IT RESOLVED AND ORDERED that the Fiscal Year 2016-17 Budget authorizes a revenue distribution of $12,026,607 to the Commission's seven member jurisdictions in June 2017.

NOW, THEREFORE, BE IT FURTHER RESOLVED AND ORDERED that the Executive Director is authorized and directed to do and perform everything necessary to carry out the purpose of this Resolution.

On a motion by Director __________, seconded by Director ___________, the foregoing Resolution was passed and adopted by the Governing Board of the Sacramento Metropolitan Cable Television Commission, State of California, this 1st day of September 2016, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

____
Chair of the Board

ATTEST:

____
Clerk of the Board

ATTACHMENT 2

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

RESOLUTION NO. 2016-016

A RESOLUTION ADOPTING THE FISCAL YEAR 2016-17 FINAL PEG FEE FUND (094B) BUDGET

WHEREAS, a hearing has been terminated during which time all additions and deletions to the Final Budget for Fiscal Year 2016-17 were made.

THEREFORE, IT IS HEREBY RESOLVED in accordance with Section 29089 of the Government Code, the Final Budget for Fiscal Year 2016-17 for the PEG Fee Fund (094B) is hereby adopted in accordance with the following:

Member Agency Facilities/Equipment (Object 20)	$910,244
BESTNet Phase III - Year 6 (Object 30) + Rollover Year 5	$1,364,903
Channel Licensees - One Time Facilities/Equipment (Object 30)	$1,332,204
Channel Licensees - Facilities/Equipment Base (Object 30)	$150,302
Equipment - Fixed Assets - Metro Cable Projects (Object 40)	$47,213
Contingency Appropriation	$101,460
Contingency Appropriation (A/R from Comcast CYs 2011 & 2012 Audit)	$38,576
FISCAL YEAR 2016-17 FINAL BUDGET	**$3,944,902**

FURTHER BE IT RESOLVED AND ORDERED that the means of financing the PEG Fee Fund expenditures will be by monies derived from Revenue and Fund Balance available.

FURTHER BE IT RESOLVED AND ORDERED that the Fiscal Year 2016-17 PEG Fee Fund Budget is hereby adopted in accordance with the attachments in the Fiscal Year 2016-17 Final Budget staff report, which shows in detail the approved appropriations, revenues, and methods of financing attached hereto and by reference made a part hereof.

NOW, THEREFORE, BE IT FURTHER RESOLVED AND ORDERED that the Executive Director is authorized and directed to do and perform everything necessary to carry out the purpose of this Resolution.

On a motion by Director ____________, seconded by Director ___________, the foregoing Resolution was passed and adopted by the Board of Directors of the Sacramento Metropolitan Cable Television Commission this 1st day of September 2016, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

____
Chair of the Board

ATTEST:

____
Clerk of the Board

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ATTACHMENT 3

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION
FISCAL YEAR 2016-17 STAFFING (REVISED)

Contracted Position					
Executive Director	Per Contract with the County of Sacramento				
Full-Time Positions (Administration)					
Job Title	**Step 5**	**Step 6**	**Step 7**	**Step 8**	**Step 9**
Administrative Services Officer III*	--	--	$8,226.75	$8,637.33	$9,068.92
Administrative Services Officer I**	$5,009.50	$5,260.00	$5,522.75	$5,799.42	$6,090.00
Senior Office Assistant* (Confidential)**	$3,313.00	$3,478.25	$3,652.25	$3,835.00	$4,026.33
Senior Office Assistant**	$3,123.33	$3,279.02	$3,443.50	$3,615.75	$3,796.67
Full-Time Positions (Metro Cable)					
Job Title	**Step 1**	**Step 2**	**Step 3**	**Step 4**	**Step 5**
Production Director**	$4,493.92	$4,718.62	$4,954.55	$5,202.28	$5,462.39
Program Coordinator**	$3,844.79	$4,037.03	$4,238.89	$4,450.83	$4,673.37
Technical Coordinator**	$3,844.79	$4,037.03	$4,238.89	$4,450.83	$4,673.37
Technical Assistant**	$2,898.36	$3,050.92	$3,211.50	$3,380.53	$3,558.45
Part-Time Positions (Metro Cable)					
Job Title	**Step 1**	**Step 2**	**Step 3**	**Step 4**	**Step 5**
Production Assistants – I/II/III	Hourly	Hourly	Hourly	Hourly	Hourly

* Includes the 4% COLA granted to the ASO III position by the County in Fiscal Year 2016-17.
**Includes the 5% COLA granted to the ASO I-aligned positions and the SOA position in Fiscal Year 2016-17.
***Replaces the Office Assistant position in Fiscal Year 2016-17 effective September 1, 2016.

EXHIBIT 1

GENERAL FUND (094A) BUDGET

Fiscal Year 2015-16 Budgeted and Actuals / Fiscal Year 2016-17 Final General Fund (094A) Budget

	G/L #	FY 2015-16 Budget	FY 2015-16 Actuals (Period 13)	FY 2016-17 Proposed Budget	FY 2016-17 FINAL BUDGET
REVENUE					
Interest Income	94941000	$2,500	14,171	$2,500	$2,500
Franchise Fees	97978100	$13,600,000	14,332,799	$13,750,000	$14,332,799
Miscellaneous Other Revenue	97979000	$10,000	10,878	$10,000	$10,000
REVENUE ACCOUNTS TOTAL		$13,612,500	14,357,849	$13,762,500	$14,345,299
Fund Balance / Carry Forward		$1,201,378	1,201,378	$747,368	$992,123
GRAND REVENUE TOTAL		$14,813,878	15,559,227	$14,509,868	$15,337,422
EXPENDITURES					
Salaries & Wages / Benefits					
Salaries & Wages - Employees	10111000	$477,849	376,151	$501,741	$501,741
Salaries & Wages - Extra Help	10112100	$50,000	23,625	$25,130	$30,000
Salaries & Wages - Commission Members	10112400	$6,600	3,480	$7,200	$7,200
Retirement	10121000	$90,117	59,444	$94,623	$94,623
Retirement Health Savings Plan (OPEB Trust)	10121300	$83,601	83,601	$85,000	$86,318
OASDHI (Social Security Act)	10122000	$42,559	31,414	$44,687	$44,687
Group Insurance	10123000	$164,976	132,050	$173,225	$173,225
Dental Insurance	10123002	$10,166	8,713	$9,000	$9,000
Workers Comp Insurance	10124000	$10,543	17,664	$8,950	$9,000
SDI Insurance	10125000	$4,089	3,826	$4,293	$4,293
BENEFITS SUBTOTAL		$406,051	336,714	$419,778	$421,146
SALARIES & WAGES / BENEFITS TOTAL	10 TOTAL	$940,500	739,970	$953,850	$960,087
Books/Periodical Service	20202100	$500	580	$500	$1,000
Film Supplies	20202500	$25,000	11,517	$20,000	$20,000
Business Travel	20203100	$30,000	4,514	$30,000	$30,000
Education & Training Supplies	20203500	$3,000	1,509	$3,000	$6,500
Employee Recognition	20203800	$1,500	432	$1,000	$1,000
Employee Transportation	20203900	$6,000	1,089	$5,000	$5,000
Insurance - General Liability	20205100	$12,500	12,461	$12,461	$13,000
Insurance - Property	20205200	$0	13,100	$807	$1,000
Insurance - Bond / Pollution	20205300	$1,000	464	$84	$100
Membership Dues	20206100	$4,500	3,145	$8,400	$8,400
Office Supplies	20207600	$15,000	12,927	$12,000	$15,000
Postal Services	20208100	$2,250	979	$2,000	$2,000
Printing Services	20208500	$2,000	1,679	$2,000	$2,000
Telephone Services	20219700	$500	0	$0	$0
Accounting Services	20250500	$200,000	12,130	$50,000	$50,000
Legal Services	20253100	$250,000	38,831	$200,000	$200,000
Security Service	20257100	$1,000	118	$1,000	$500
Other Professional Services	20259100	$150,000	93,868	$200,000	$200,000
Data Processing	20281200	$500	285	$500	$1,000
Interpreter Svcs (Closed Captioning)	20283200	$125,000	94,320	$110,000	$125,000
FY Expenditure (State BOE Sales Tax Audit-Recovery of Proj Error)	20288000	$0	4	$50	$100
DTech - County Wide IT Service	20291000	$3,000	2,682	$4,000	$6,000
DTech - System Development Services	20291100	$32,000	19,552	$30,000	$35,000
DTech - System Development Supplies	20291200	$6,000	5,932	$6,000	$14,000
COMPASS Costs	20291500	$5,000	2,758	$3,000	$5,510
DTech - Wide Area Network (WAN) Costs	20291600	$12,000	11,383	$15,000	$17,500
GS - Messenger Services	20292300	$1,600	1,495	$2,000	$2,000
GS - Purchasing Svcs Allocation	20292500	$50	37	$50	$50
GS - Equipment Rental - Light	20292800	$7,000	8,875	$10,000	$10,000
GS - Fuel Usage- Light	20293800	$500	56	$500	$500
County Facility Use (Rent/Lease)	20294200	$36,177	28,080	$35,000	$35,000
GS -Parking Charges	20296200	$14,000	12,030	$15,000	$17,500
Telephone Services - Cell Phones	20298701	$1,500	1,315	$1,500	$1,500
Telephone Services - Land Line	20298703	$5,000	3,221	$5,000	$6,000
Telephone Installations	20298900	$500	0	$500	$500
SERVICES AND SUPPLIES TOTAL	20 TOTAL	$954,577	401,369	$786,352	$832,661

EXHIBIT 1
GENERAL FUND (094A) BUDGET
Fiscal Year 2015-16 Budgeted and Actuals / Fiscal Year 2016-17 Final General Fund (094A) Budget

	G/L #	FY 2015-16 Budget	FY 2015-16 Actuals (Period 13)	FY 2016-17 Proposed Budget	FY 2016-17 FINAL BUDGET
Contract Service (Channel Licensees)					
Access Sac - Operations Base	30310500	$433,760	433,760	$455,448	$468,027
Access Sac - HT-TV Operations Base	30310500	$56,425	56,425	$59,246	$60,883
Access Sac - GOTW Operations Base	30310500	$49,091	49,091	$51,546	$52,969
Access Sac - Grand Total		$539,276	539,276	$566,240	$581,879
Capital Public Radio Operations Base	30310500	$19,509	19,509	$20,484	$21,050
Capital Public Radio - Equipment (One-Time)	30310500	$8,226	8,226	$7,191	$7,191
KVIE Operations Base	30310500	$213,376	213,376	$224,045	$230,233
SECC Operations Base	30310500	$277,511	277,511	$291,387	$299,434
BESTNet Operations Base	30310500	$60,964	60,964	$64,012	$65,780
CONTRACT SERVICES (CHANNEL LICENSEES) TOTAL		$1,118,862	1,118,862	$1,173,359	$1,205,567
Bond/Loan Redemption in FY 2014-15 (G/L 30322000) / G/L Acct Changed to Contr to Other Agencies in FY 2015-16 (G/L 30370000)					
Citrus Heights	30370000	$658,235	0	$660,776	$694,428
Elk Grove	30370000	$1,251,071	0	$1,286,198	$1,351,700
Folsom	30370000	$576,252	0	$591,514	$621,638
Galt	30370000	$189,107	0	$194,884	$204,809
Rancho Cordova	30370000	$528,175	0	$552,897	$581,054
Sacramento	30370000	$3,699,164	0	$3,719,134	$3,908,538
Sacramento County	30370000	$4,415,239	0	$4,438,406	$4,664,440
CONTR TO OTHER AGENCIES (REVENUE DISTRIBUTION) TOTAL		$11,317,243	0	$11,443,808	$12,026,607
Depreciation Expense (From Audit)	30332002	$0	0	$0	$20,000
Sac County Wide Cost Allocation (A87)	30388001	$5,000	2,095	$2,500	$2,500
OTHER CHARGES TOTAL	30 TOTAL	$12,441,105	1,120,957	$12,619,667	$13,254,674
Fund Balance Reserved	7100000	$150,000	150,000	$150,000	$150,000
Fund Balance Reserved (Comcast Sec Dep $223,976 + Remaining AR $45,846)	7100000	$269,822	269,822	$0	$0
Equip-SD-Non-Recon (Fixed Assets)	43430300	$25,000	0	$0	$70,000
Contingency Appropriation (Operations Contingency)	79790100	$32,874	0	$0	$70,000
OTHER CHARGES TOTAL		$477,696	419,822	$150,000	$290,000
GRAND EXPENDITURE TOTAL		$14,813,878	2,682,118	$14,509,868	$15,337,422

EXHIBIT 2

Fiscal Year 2015-16 Budgeted and Estimated Actuals / Fiscal Year 2016-17 Preliminary PEG Fee Fund (094B) Budget

	G/L Acct	FY 2015-16 Budget	FY 2015-16 ACTUALS	FY 2016-17 Proposed Budget	FY 2016-17 Final Budget
REVENUE					
Interest Income	94941000	$2,500	$1,980	$1,000	$1,000
PEG Fee Revenue	97978200	$2,600,000	$2,868,067	$2,750,000	$2,750,000
Miscellaneous Revenue	97979000	$0	$0	$0	$0
Fund Balance / Carry Forward		$580,618	$580,618	$1,189,785	$1,193,902
REVENUE TOTAL		**$3,183,118**	**$3,450,665**	**$3,940,785**	**$3,944,902**
EXPENDITURES					
Inventoriable Equipment (Member Agencies)	20226500				
Citrus Heights		$147,678	$141,672	$249,246	$249,246
Elk Grove		$1,095	$720	$20,454	$20,454
Folsom		$64,875	$11,585	$61,927	$61,927
Galt		$16,891	$13,314	$176,720	$176,720
Rancho Cordova		$70,536	$42,464	$144,613	$147,658
Sacramento		$268,260	$170,572	$124,958	$124,958
Sacramento County (Council Chambers)		$116,862	$48,890	$129,281	$129,281
Invent Equip Subtotal (Member Agencies)		**$686,197**	**$429,218**	**$907,199**	**$910,244**
Prior Year Svc & Supply Exp (BOE Sales Tax Audit Allocation)	20288000	$0	$279	$0	$0
G/L Account 2000 Total		**$686,197**	**$429,497**	**$907,199**	**$910,244**
Support Services (Channel Licensees)	30310400				
Access Sac - One-Time Equipment		$240,898	$240,898	$686,903	$686,903
Access Sac - One-Time Request (HD Truck)		$706,875	$706,875	$0	$0
KVIE - One-Time Equipment		$371,813	$371,813	$540,001	$540,001
SECC - One Time Equipment		$15,000	$15,000	$15,300	$15,300
SECC - One-Time Equipment (SEVA Labs)		$90,000	$90,000	$90,000	$90,000
BESTNet Phase III (Year 6 + Year 5 Rollover)		$795,938	$31,035	$1,364,903	$1,364,903
Support Svcs Subtotal (Channel Licensees)		**$2,220,524**	**$1,455,621**	**$2,697,107**	**$2,697,107**
Contract Services (Chan Licensees)	30310500				
Access Sac Fac/Equip Base		$86,221	$86,221	$90,532	$93,032
Access Sac - Coloma Center Rent		$6,750	$6,750	$6,750	$6,750
KVIE - Fac/Equip Base		$0	$0	$0	$0
SECC - Fac/Equip Base		$46,821	$46,821	$49,162	$50,520
Contract Svcs Inst Subtotal (Chan Licensees)		**$139,792**	**$139,792**	**$146,444**	**$150,302**
G/L Account 3000 Total		**$2,360,316**	**$1,595,413**	**$2,843,551**	**$2,847,409**
Equipment SD Non-Recon - Fixed Assets	43430300				
AT&T - VRAD (Monitoring Equipment)		$5,000	$0	$0	$0
Headend		$0	$0	$5,529	$5,529
Master Control		$12,780	$12,179	$2,848	$2,848
Metro Cable Control Room		$12,994	$8,038	$20,196	$20,196
Metro Cable Van		$1,269	$401	$3,144	$3,144
Server		$4,339	$3,196	$15,496	$15,496
Equip SD Non-Recon - Fixed Assets Sub-Total		**$36,382**	**$23,814**	**$47,213**	**$47,213**
G/L Account 4000 Total		**$36,382**	**$23,814**	**$47,213**	**$47,213**
Contingency Appropriation	79790100	$61,647	$0	$104,246	$101,460
Contingency Appropriation (Comcast A/R CY 11-12 Audit Finding)	79790100	$38,576	$0	$38,576	$38,576
EXPENDITURE TOTAL		**$3,183,118**	**$2,048,723**	**$3,940,785**	**$3,944,902**

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

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A Joint Powers Agency Representing Sacramento County and the Cities of Citrus Heights, Elk Grove, Folsom, Galt, Rancho Cordova and Sacramento

AGENDA ITEM NO. 3

DATE: September 1, 2016

TO: Chair and Board of Directors

FROM: Robert A. Davison, Executive Director

SUBJECT: **RESOLUTION NO. 2016-017, APPROVING THE UPDATED CONFLICT OF INTEREST CODE FOR THE SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION**

RECOMMENDATION:

It is recommended the Board adopt Resolution No. 2016-017, Approving the Updated Conflict of Interest Code for the Sacramento Metropolitan Cable Television Commission, including the revised lists of Designated Employees and Disclosure Categories; and delegate authority to the Executive Director and Legal Counsel to make minor changes as needed.

BACKGROUND/DISCUSSION:

Public agencies in California are required to adopt a Conflict of Interest Code that provides for disclosure of financial interests by its officers, employees, and consultants.

The California Fair Political Practices Commission's (FPPC) regulations mandate a biennial review of each agency's Conflict of Interest Code to ensure that disclosure categories and job titles of filers remain up-to-date.

Pursuant to Government Code section 82011, the Board of Supervisors of the County of Sacramento is the Code reviewing body for the Commission. Staff met with the County's Clerk office to determine if the Commission's Conflict of Interest Code, including the list of designated employees and disclosure categories is to be updated.

The attached Conflict of Interest Code includes the changes recommended to the Code, and the revised lists of Designated Employees and Disclosure Categories.

It is recommended the Board adopt Resolution No. 2016-017, Approving the Updated Conflict of Interest Code for the Sacramento Metropolitan Cable Television Commission (Exhibit A), including the list of Designated Employees (Appendix A) along with the Disclosure Categories (Appendix B); and delegate authority to the Executive Director and Legal Counsel to make minor changes to the Code and appendices as needed.

The Commission's updated Conflict of Interest Code will be forwarded to the County for approval. Pursuant to Government Code section 87303, the Board of Supervisors shall within ninety (90) days of receiving the Commission's updated code can 1) approve the propose code as submitted; 2) revise the proposed code and approve it as revised; or 3) return the proposed code to the agency for revision.

Respectfully submitted,

ROBERT A. DAVISON, Executive Director
Sacramento Metropolitan Cable Television Commission

Attachments:
Conflict of Interest Code (Exhibit A)
Designated Employees (Appendix A)
Disclosure Categories (Appendix B)

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

RESOLUTION NO. 2016-017

A RESOLUTION APPROVING THE UPDATED CONFLICT OF INTEREST CODE FOR THE SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

WHEREAS, the Political Reform Act requires every local government agency to review its Conflict of Interest Code biennially, each even-numbered year, and submit amendments to its code-reviewing body; and

WHEREAS, the code-reviewing body for the Sacramento Metropolitan Cable Television Commission is the Sacramento County Board of Supervisors. Code amendments are not effective until they have been approved by the code reviewing body.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Governing Board of the Sacramento Metropolitan Cable Television Commission, as follows:

1. The updated Conflict of Interest Code, as set forth in Exhibit A, which includes Appendix A, the list of Designated Officers/Employees/Consultants, and Appendix B – the list of Disclosure Categories List, is hereby adopted as the Conflict of Interest Code for the Sacramento Metropolitan Cable Television Commission.

2. The Executive Director, in coordination with Commission Legal Counsel, is hereby authorized to make minor changes to this code consistent with this action.

3. The Commission Board hereby delegates to the Clerk of the Commission Board the authority to carry out the duties of the filing officer for the designated employees in Appendix A.

On a motion by Director ______________, seconded by Director _____________, the foregoing Resolution was passed and adopted by the Governing Board of the Sacramento Metropolitan Cable Television Commission, State of California, this 1st day of September 2016, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

____
Chair of the Board

ATTEST BY:

____
Clerk of the Board

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EXHIBIT A

CONFLICT OF INTEREST CODE
(Updated September 1, 2016)

The Political Reform Act, Government Code Section 81000, *et seq.*, requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation, 2 Cal. Code Regs. Section 18730, which contains the terms of a standard conflict of interest code. It can be incorporated by reference and may be amended by the Fair Political Practices Commission after public notice and hearings to conform to amendments in the Political Reform Act. Therefore, by Resolution No. CATV 84-008, adopted on May 3, 1984, the Board of Directors of the Sacramento Metropolitan Cable Television Commission ("Commission") adopted the terms of 2 Cal. Code Regs. Section 18730, and any amendments to it duly adopted by the Fair Political Practices Commission, as the Conflict of Interest Code of the Commission. Said Section 18730, along with the attached Appendix A in which officers, employees, and consultants are designated and Appendix B of disclosure categories are set forth, constitute the Conflict of Interest Code of the Commission.

Persons holding designated positions shall file statements of economic interests (Form 700) with the Commission who will make the statements available for public inspection and reproduction (Gov. Code § 81008.). Upon receipt of the statements of the Board Members of the Commission, the Commission shall make and retain a copy and forward the original of these statements to the Sacramento County Board of Supervisors. Statements for all other designated employees will be retained by the Commission.

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APPENDIX A

CONFLICT OF INTEREST CODE
DESIGNATED EMPLOYEES

	Designated Position	Assigned Disclosure Categories
1	Board Member, County of Sacramento - District 1	1, 2, 3, 4, 5
2	Board Member, County of Sacramento - District 2	1, 2, 3, 4, 5
3	Board Member, County of Sacramento - District 3	1, 2, 3, 4, 5
4	Board Member , County of Sacramento - District 4	1, 2, 3, 4, 5
5	Board Member, County of Sacramento - District 5	1, 2, 3, 4, 5
6	Board Member, City of Sacramento	1, 2, 3, 4, 5
7	Board Member, City of Sacramento	1, 2, 3, 4, 5
8	Board Member, City of Sacramento	1, 2, 3, 4, 5
9	Board Member, City of Citrus Heights	1, 2, 3, 4, 5
10	Board Member, City of Elk Grove	1, 2, 3, 4, 5
11	Board Member, City of Folsom (representing cities of Folsom, Galt and Rancho Cordova)	1, 2, 3, 4, 5
12	Board Alternate, County of Sacramento - District 1	1, 2, 3, 4, 5
13	Board Alternate, County of Sacramento - District 2	1, 2, 3, 4, 5
14	Board Alternate, County of Sacramento - District 3	1, 2, 3, 4, 5
15	Board Alternate, County of Sacramento, District 4	1, 2, 3, 4, 5
16	Board Alternate, City of Sacramento	1, 2, 3, 4, 5
17	Board Alternate, City of Sacramento	1, 2, 3, 4, 5
18	Board Alternate, City of Citrus Heights	1, 2, 3, 4, 5
19	Board Alternate, City of Elk Grove	1, 2, 3, 4, 5
20	Board Member (Ex Officio), City of Rancho Cordova	1, 2, 3, 4, 5
21	Executive Director	1, 2, 3, 4, 5
22	Administrative Services Officer III	1, 2, 3, 4, 5
23	Production Director	1, 2, 3, 4, 5
24	Legal Counsel	1, 2, 3, 4, 5
25	Legal Counsel	1, 2, 3, 4, 5
26	Consultant*	1, 2, 3, 4, 5

*Consultant shall be included in the list of designated employees and shall disclose pursuant to the disclosure categories set forth in Appendix B, subject to the following limitation:

The Executive Director or Commission Legal Counsel may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in this Code. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The Executive Director's or Commission Legal Counsel's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code.

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APPENDIX B

CONFLICT OF INTEREST CODE
DISCLOSURE CATEGORIES

Designated Filers must furnish information regarding:
Category 1 All interests in real property located in the jurisdiction of the Commission, including leasehold, ownership interest or option to acquire such interest in real property within Sacramento County.
Category 2 Investments in business entities, and income, including gifts, loans, and travel payments, from sources that provide goods, supplies, material, machinery, equipment or services, including consulting services, of the type utilized by the Commission.
Category 3 His or her status as a director, officer, partner, trustee, employee or holder of a position of management in any business entity or nonprofit corporation that contracts with the Commission including any entity that receives any funding from the Commission or use of the Commission's Public, Education, and Government (PEG) channels .
Category 4 Investments in, business positions in, and income, including gifts, loans, and travel payments from: 1) Entities that are engaged in the business of insurance of the type utilized by the Commission including, but not limited to, insurance companies, carriers, underwriters, agents, adjusters, claims managers in the liability and casualty insurance industry, and actuaries. 2) Television and communications industry, including cable television, over-the-air television production or communications agencies, television, video, web and internet services, satellite video and internet services. 3) Entertainment industry and advertising agencies; 4) Business entities performing construction or engineering work or services of the type used in the television and communications industry.
Category 5 The sale or leasing of electronic equipment, office equipment, services and supplies capable of use in the cable television and communications industry.

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AGENDA ITEM NO. 4

DATE: September 1, 2016

TO: Chair and Board of Directors

FROM: Robert A. Davison, Executive Director

SUBJECT: **JULY 1, 2015 ACTUARIAL REPORT ON GASB 45 RETIREE BENEFIT VALUATION**

RECOMMENDATION:

It is recommended the Board receive and file the July 1, 2015 Actuarial Report on GASB 45 Retiree Benefit Valuation.

BACKGROUND/DISCUSSION:

In July 2004, the Governmental Accounting Standards Board (GASB) issued Statement No. 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pension, which mandates disclosure of Other Post-Employment Benefits (OPEB) liabilities for public employees. GASB 45 establishes a standard for measuring and reporting the liability of retirement benefits other than pension.

As recommended by the Commission's auditor at the time, the Commission implemented GASB 45 for the fiscal year ended June 30, 2010. Bickmore was retained to perform valuations of the Commission's OPEB program. The purposes of the valuations are to:

1) assess the OPEB liabilities;
2) provide disclosure information as required by GASB Statement No. 45;
3) provide information to be reported to the California Employers' Retiree Benefit Trust (CERBT), to satisfy the filing requirements for the Trust.

The July 1, 2015 valuation was performed with the understanding that:

1) the Commission will continue to pre-fund its OPEB liabilities by consistently making contributions greater than or equal to the Annual Required Contribution (ARC) each year;
2) continue to invest in CERBT Asset Allocation Strategy 2 using a 6.5% discount rate;
3) the results of the July 1, 2015 valuation will be applied in determining the annual OPEB expense for the fiscal years ending June 30, 2018 and 2019.

FISCAL IMPACT

Based on the calculations, the total Annual Required Contribution (ARC) at fiscal year end June 30, 2018 is $80,216, with the ARC at $82,600 at fiscal year end June 30, 2019.

Staff recommends the Board receive and file the July 1 2015 Actuarial Report as presented.

For agencies with fewer than 200 members, GASB 45 requires that a valuation be prepared no less frequently than every three years. However, the Commission's participation in CERBT requires that valuations be performed every two years. Bickmore is scheduled to prepare the Commission's July 1, 2017 valuation in Fiscal Year 2017-18 based on the Commission's participation in CERBT.

Respectfully submitted,

ROBERT A. DAVISON, Executive Director
Sacramento Metropolitan Cable Television Commission

Attachment:
July 1, 2015 Actuarial Report on GASB 45 Retiree Benefit Valuation

Bickmore

June 10, 2016

Karen Liu
Administrative Services Officer
Sacramento Metropolitan Cable Television Commission
799 G Street, 4th Floor
Sacramento, CA 95814

Re: July 1, 2015 Actuarial Report on GASB 45 Retiree Benefit Valuation

Dear Ms. Liu:

We are pleased to enclose our report providing the results of the July 1, 2015 actuarial valuation of other post-employment benefit (OPEB) liabilities for the Sacramento Metropolitan Cable Television Commission (the Commission). The report's text describes our analysis and assumptions in detail.

The primary purposes of the report are to develop the value of future OPEB expected to be provided by the Commission, and the current OPEB liability and the annual OPEB expense to be reported in the Commission's financial statements for the fiscal years ending June 30, 2018 and June 30, 2019. The report is required to be submitted to the California Employers' Retiree Benefit Trust (CERBT) to satisfy filing requirements for the trust.

This valuation was prepared with the understanding that the Commission will continue:

- To contribute 100% or more of the total ARC each year.
- To invest in CERBT Asset Allocation Strategy 2. Liabilities reflected in this report were calculated based on a 6.5% discount rate.

We have based our valuation on employee data and plan information provided by the Commission. Please review the summary of employee data shown in Table 2 and the benefits described in Table 3A to be comfortable that we have captured this information correctly.

This report introduces an "implicit subsidy" liability, not previously required to be valued by the Commission under GASB 45. This report also includes analysis of any projected excise tax in the year 2020 or later relating to retiree coverage in high cost plans, per the Affordable Care Act. Discussion of these changes is included in the report.

We appreciate the opportunity to work on this analysis and acknowledge the efforts of the Commission employees who provided valuable information and assistance to enable us to perform this valuation. Please let us know if we can be of further assistance.

Sincerely,

Catherine L. MacLeod

Catherine L. MacLeod, FSA, FCA, EA, MAAA
Director, Health and Benefit Actuarial Services

Enclosure

Bickmore

Sacramento Metropolitan Cable Television Commission

Actuarial Valuation of the Other Post-Employment Benefit Programs As of July 1, 2015

Submitted June 2016

Table of Contents

A. Executive Summary 1

B. Requirements of GASB 45 3

C. Sources of OPEB Liabilities 4

OPEB Obligations of the Commission 4

D. Valuation Process 5

E. Basic Valuation Results 6

Changes Since the Prior Valuation 6

F. Funding Policy 8

Funding Policy Illustrated in This Report 8

Funding of the Implicit Subsidy 9

G. Choice of Actuarial Funding Method and Assumptions 10

H. Certification 11

Table 1 12

Table 1A ARC Calculation for FYE 2018 13

Table 1B Expected OPEB Disclosures for FYE 2018 14

Table 1C ARC Calculation for FYE 2019 15

Table 1D Expected OPEB Disclosures for FYE 2019 16

Table 2 Summary of Employee Data 17

Table 3A Summary of Retiree Benefit Provisions 18

Table 3B General CalPERS Annuitant Eligibility Provisions 19

Table 4 Actuarial Methods and Assumptions 20

Table 5 Projected Benefit Payments 26

Appendix 1 Expected Disclosures for Fiscal Years Ending 2016 and 2017 27

Appendix 2 General OPEB Disclosure and Required Supplementary Information 28

Addendum 1: Bickmore Age Rating Methodology 29

Addendum 2: Bickmore Mortality Projection Methodology 30

Glossary 31

A. Executive Summary

This report presents the results of the July 1, 2015 actuarial valuation of the Sacramento Metropolitan Cable Television Commission (the Commission) other post-employment benefit (OPEB) programs. The purposes of this valuation are to assess the OPEB liabilities and provide disclosure information as required by Statement No. 45 of the Governmental Accounting Standards Board (GASB 45) and to provide information to be reported to the California Employers' Retiree Benefit Trust (CERBT). This report reflects the valuation of two distinct types of OPEB liability.

- An "explicit subsidy" exists when the employer contributes directly toward retiree healthcare premiums. In this program, benefits include a monthly subsidy toward medical premiums for eligible retirees. Future excise taxes expected to be paid for "high cost" coverage are also explicit costs and are included with explicit liabilities.
- An "implicit subsidy" exists when the premiums charged for retiree coverage are lower than the expected retiree claims for that coverage. Pre-Medicare retirees able to continue medical coverage at the same premium rates as are charged for active employees creates an implicit benefit subsidy under GASB 45. *This is the first valuation required to include the implicit subsidy liability.*

How much the Commission contributes each year affects the calculation of liabilities. The Commission is prefunding its OPEB obligations by consistently making contributions greater than or equal to the Annual Required Contribution (ARC) each year. Trust assets are currently invested in the CERBT with Asset Allocation Strategy 2. With the Commission's approval, this valuation was prepared using a 6.5% discount rate, slightly lower than the 7.0% rate used in the prior valuation and reflecting a change in the projected long term rate of return on trust assets. Please note that use of this rate is an assumption and is not a guarantee of future investment performance.

Exhibits presented in this report reflect our understanding that the results of this July 1, 2015 valuation will be applied in determining the annual OPEB expense for the fiscal years ending June 30, 2018 and 2019. Appendix 1 provides an updated development of the results for the fiscal years ending June 30, 2016 and 2017, based on the July 1, 2013 valuation and on OPEB contributions expected to be made prior to June 30, 2017.

The Actuarial Accrued Liability and Assets as of July 1, 2015 are shown below:

Subsidy	Explicit	Implicit	Total
Discount Rate	6.5%	6.5%	6.5%
Actuarial Accrued Liability	$ 781,144	$ 159,037	$ 940,181
Actuarial Value of Assets	122,318	-	122,318
Unfunded Actuarial Accrued Liability	658,826	159,037	817,863
Funded Ratio	15.7%	0.0%	13.0%

The liabilities shown in the report reflect assumptions regarding continued future employment, rates of retirement and survival, and elections by future retirees to retain coverage for themselves and their dependents. Please note that this valuation has been prepared on a closed group basis; no provision is generally made for new employees until the valuation date following their employment.

Executive Summary (Concluded)

Results for the fiscal year ending June 30, 2018 are summarized below:

Subsidy	Explicit	Implicit	Total
Annual Required Contribution (ARC) for FYE 2018	$ 63,670	$ 16,456	$ 80,126
Expected employer paid benefits for retirees	40,663	-	40,663
Current year's implicit subsidy credit	-	14,736	14,736
Expected contribution to OPEB trust	23,007	1,720	24,727
Expected net OPEB obligation at June 30, 2018	63,670	16,456	80,126

Detailed results are shown in tables beginning on page 13. Additional information to facilitate OPEB reporting in the Commission's financial statements is provided in the Appendices.

An exhibit comparing current valuation results to those from the prior valuation is provided on page 7, followed by a description of changes. An actuarial valuation is, by its nature, a projection and to the extent that actual experience is not what we assumed, future results will be different. Some possible sources of future differences may include:

- A significant change in the number of covered or eligible plan members;
- A significant increase or decrease in the future medical premium rates or in the subsidy provided by the Commission toward retiree medical premiums;
- Longer life expectancies of retirees;
- Significant changes in expected retiree healthcare claims by age, relative to healthcare claims for active employees and their dependents;
- Higher or lower returns on plan assets or contribution levels other than were assumed; and
- Implementation of GASB 75, the new OPEB accounting standard, which should be not later than the Commission's fiscal year ending June 30, 2018. One key change moves reporting of the unfunded OPEB liability from a footnote to the balance sheet.

Details of our valuation process and disclosures required by GASB 45 are provided on the succeeding pages. The next valuation is scheduled to be prepared as of July 1, 2017 as required for continued participation in CERBT. If there are any significant changes in the employee data, benefits provided or the funding policy, please contact us to discuss whether an earlier valuation is appropriate.

Important Notices

This report is intended to be used only to present the actuarial information relating to other postemployment benefits for the Commission's financial statements and to provide the annual contribution information with respect to the Commission's current OPEB funding policy. The results of this report may not be appropriate for other purposes, where other assumptions, methodology and/or actuarial standards of practice may be required or more suitable. We note that various issues in this report may involve legal analysis of applicable law or regulations. The Commission should consult counsel on these matters; Bickmore does not practice law and does not intend anything in this report to constitute legal advice. In addition, we recommend the Commission consult with their internal accounting staff or external auditor or accounting firm about the accounting treatment of OPEB liabilities.

B. Requirements of GASB 45

The Governmental Accounting Standards Board (GASB) issued GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers. The underlying intent of GASB 45 is to systematically recognize the projected cost of OPEB during the years employees are working, rather than over the years when the benefits would be paid.

We understand that the Commission implemented GASB 45 for the fiscal year ended June 30, 2010. For agencies with fewer than 200 members covered by or eligible for plan benefits, GASB 45 requires that a valuation be prepared no less frequently than every three years. However, participation in CERBT requires that valuations be performed every two years. GASB 45 disclosures include the determination of an annual OPEB cost. For the first year, the annual OPEB cost is equal to the annual required contribution (ARC) as determined by the actuary.

- If the Commission's OPEB contributions had been equal to the ARC each year, the net OPEB obligation would equal $0.
- If the Commission's actual contribution is less or more than the ARC, then a net OPEB obligation (asset) amount is established. In subsequent years, the annual OPEB expense will reflect adjustments made to the net OPEB obligation in addition to the ARC; see Tables 1B and 1D.

GASB 45 provides for recognition of payments as contributions if they are made (a) directly to retirees or beneficiaries, (b) to an insurer, e.g., for the payment of premiums, or (c) to an OPEB fund set aside toward the cost of future benefits. Funds set aside for future benefits should be considered contributions to an OPEB plan only if the vehicle established is one that is capable of building assets that are separate from and independent of the control of the employer and legally protected from its creditors. Furthermore, the sole purpose of the assets should be to provide benefits under the plan. These conditions generally require the establishment of a legal trust, such as the Commission's OPEB trust account with CERBT. Earmarked assets or reserves may be an important step in financing future benefits, but they may not be recognized as an asset for purposes of reporting under GASB 45.

We reiterate that GASB 45 applies only to the expense to be charged to an agency's income statements and to providing other related liability disclosures. While the Annual Required Contribution typically comprises the majority of the annual OPEB expense, it is a theoretical, not a required contribution amount. The decision whether or not to prefund, and at what level, is at the discretion of the Commission, as are the manner and term for paying down the unfunded actuarial accrued liability. Once a funding policy has been established, however, the Commission's auditor may have an opinion as to the timing and manner of any change to such policy in future years. The level of prefunding also affects the selection of the discount rate used for valuing the liabilities.

New GASB Statement 75, issued in June 2015, will impact the liabilities and/or expenses developed in future valuations and require changes beginning with the Commission's fiscal year end 2018 reporting. Those calculations are outside the scope of this report.

C. Sources of OPEB Liabilities

General Types of OPEB

Post-employment benefits other than pensions (OPEB) comprise a part of compensation that employers offer for services received. The most common OPEB are medical, prescription drug, dental, vision, and/or life insurance coverage. Other OPEB may include outside group legal, long-term care, or disability benefits outside of a pension plan. OPEB does not generally include COBRA, vacation, sick leave[1] or other direct retiree payments which fall under other GASB accounting statements.

A direct employer payment toward the cost of OPEB benefits is referred to as an "explicit subsidy". In addition, if claims experience of employees and retirees are pooled when determining premiums, the retirees pay a premium based on a pool of members that, on average, are younger and healthier. For some coverage, such as medical insurance, this results in an "implicit subsidy" of retiree premiums by active employee premiums since the retiree premiums are lower than they would have been if retirees were insured separately. Paragraph 13.a. of GASB 45 generally requires an implicit subsidy of retiree premium rates be valued as an OPEB liability.

This chart shows the sources of funds needed to cover expected claims for pre-Medicare retirees

<table>
<tr><td colspan="3">Expected retiree claims</td></tr>
<tr><td colspan="2">Premium charged for retiree coverage</td><td>Covered by higher active premiums</td></tr>
<tr><td>Retiree portion of premium</td><td>Agency portion of premium
Explicit subsidy</td><td>Implicit subsidy</td></tr>
</table>

For actuarial valuations dated prior to March 31, 2015, an exception existed for plan employers with a very small membership in a large "community-rated" healthcare program. Following a change in Actuarial Standards of Practice, GASB no longer offers this exception. This change had a material impact on the Commission's total OPEB liability.

OPEB Obligations of the Commission

The Commission provides continuation of medical coverage to its retiring employees, which may create one or both of the following types OPEB liabilities:

- **Explicit subsidy liabilities**: SMCTC contributes directly to the cost of retiree medical coverage, as described in Table 3A. Liabilities for these explicit benefits have been included in this valuation.
- **Implicit subsidy liabilities**: Employees are covered by the CalPERS medical program. The same monthly premiums are charged for active employees and for pre-Medicare retirees; CalPERS has confirmed that the claims experience of these members is considered together in setting these premium rates. We determine the implicit rate subsidy for pre-Medicare retirees as the projected difference between (a) retiree medical claim costs by age and (b) premiums charged for retiree coverage. See Table 4 and Addendum 1: Bickmore Healthcare Claims Age Rating Methodology.

  Different monthly premiums are charged for Medicare-eligible members. CalPERS has confirmed that only the claims experience of these Medicare eligible members is considered in setting these premium rates. We have assumed that this premium structure is adequate to cover the expected claims of these retirees and there is no implicit subsidy of these premiums by active employees.

[1] Unless unused sick leave credits are converted to provide or enhance a defined benefit OPEB.

D. Valuation Process

The valuation has been based on employee census data and benefits initially submitted to us by the Commission in March 2016 and clarified in various related communications. A summary of the employee data is provided in Table 2 and a summary of the benefits provided under the Plan is provided in Table 3A. While individual employee records have been reviewed to verify that they are reasonable in various respects, the data has not been audited and we have otherwise relied on the Commission as to its accuracy. The valuation described below has been performed in accordance with the actuarial methods and assumptions described in Table 4.

In projecting benefit values and liabilities, we first determine an expected premium or benefit stream over the employee's future retirement. Benefits may include both direct employer payments (explicit subsidies) and/or an implicit subsidy, arising when retiree premiums are expected to be subsidized by active employee premiums. The projected benefit streams reflect assumed trends in the cost of those benefits and assumptions as to the expected date(s) when benefits will end. We then apply assumptions regarding:

- The probability that each individual employee will or will not continue in service with the Commission to receive benefits.
- To the extent assumed to retire from the Commission, the probability of various possible retirement dates for each retiree, based on current age and service; and
- The likelihood that future retirees will or will not elect retiree coverage (and benefits) for themselves and/or their dependents.

We then calculate a present value of these benefits by discounting the value of each future expected benefit payment, multiplied by the assumed expectation that it will be paid, back to the valuation date using the discount rate. These benefit projections and liabilities have a very long time horizon. The final payments for currently active employees may not be made for 60 years or more.

The resulting present value for each employee is allocated as a level percent of payroll each year over the employee's career using the entry age normal cost method and the amounts for each individual are then summed to get the results for the entire plan. This creates a cost expected to increase each year as payroll increases. Amounts attributed to prior fiscal years form the "actuarial accrued liability" (AAL). The amount of future OPEB cost allocated for active employees in the current year is referred to as the "normal cost". The remaining active cost to be assigned to future years is called the "present value of future normal costs". In summary:

Actuarial Accrued Liability	Past Years' Cost Allocations	Actives and Retirees
plus Normal Cost	Current Year's Cost Allocation	Actives only
plus Present Value of Future Normal Costs	Future Years' Cost Allocations	Actives only
equals Present Value of Projected Benefits	Total Benefit Costs	Actives and Retirees

Where contributions have been made to an irrevocable OPEB trust, the accumulated value of trust assets is applied to offset the AAL. In this valuation, we set the Actuarial Value of Assets equal to the market value of assets invested in in the Commission's CERBT account. The market value reported as of June 30, 2015 was $122,318. The portion of the AAL not covered by assets is referred to as the unfunded actuarial accrued liability (UAAL).

E. Basic Valuation Results

The following chart compares the results of the July 1, 2015 valuation of OPEB liabilities to the results of the July 1, 2013 valuation.

Funding Policy	Prefunding Basis			
Valuation date	**7/1/2013**	**7/1/2015**		
Subsidy	Explicit	Explicit	Implicit	Total
Discount rate	7.00%	6.50%	6.50%	6.50%
Number of Covered Employees				
Actives	6	5	5	5
Retirees	3	3	2	3
Total Participants	9	8	7	8
Actuarial Present Value of Projected Benefits				
Actives	$ 534,378	$ 469,238	$ 118,799	$ 588,037
Retirees	499,675	475,167	78,533	553,700
Total APVPB	1,034,053	944,405	197,332	1,141,737
Actuarial Accrued Liability (AAL)				
Actives	295,522	305,977	80,504	386,481
Retirees	499,675	475,167	78,533	553,700
Total AAL	795,197	781,144	159,037	940,181
Actuarial Value of Assets	-	122,318	-	122,318
Unfunded AAL (UAAL)	795,197	658,826	159,037	817,863
Normal Cost	29,197	19,704	4,915	24,619
Percent funded	0.0%	15.7%	0.0%	13.0%
Reported covered payroll	610,255	406,164	406,164	406,164
UAAL as percent of payroll	130.3%	162.2%	39.2%	201.4%

Note: The projected excise tax liability for retirees expected to be covered by "high cost" plans under the Affordable Care Act is less than $1,000 as of July 1, 2015 and is included above as part of the explicit subsidy AAL.

Changes Since the Prior Valuation

Even if all of our previous assumptions were met exactly as projected, liabilities generally increase over time as active employees get closer to the date their benefits are expected to begin. Given the uncertainties involved and the long term nature of these projections, our prior assumptions are not likely ever to be exactly realized. The small size of the Commission's employee group makes it more likely that differences from what we anticipate will occur. Nonetheless, it is helpful to review why results are different than we anticipated.

In comparing results shown in the exhibit above, we can see that the Unfunded Actuarial Accrued Liability (UAAL) increased by roughly $23,000 (from $795,000 to $818,000) between July 2013 and July 2015. Over this two year period, we expected a $24,000 decrease in the UAAL (from $795,000 to $772,000), from the excess of new contributions and trust earnings over additional costs accrued for active employees, benefits paid to retirees and the passage of time.

Basic Valuation Results (Concluded)

Thus, the actual UAAL is $46,000 *higher than expected.* This is primarily a result of the following:

- A $159,000 increase in the AAL to begin recognizing the implicit subsidy of medical coverage for current and future retirees prior to becoming eligible for Medicare; in developing this liability, we added assumptions regarding expected claims cost by age and gender as well as expected future increases in medical premiums;
- A $46,000 increase in the AAL due to a change in discount rates used to develop the OPEB liability, from 7.0% to 6.5%;
- A $22,000 increase in the AAL due to revised assumptions for future disability and service retirements, based on the 2014 CalPERS retirement plan experience study covering Commission employees; we also updated our projection of future improvements in retiree mortality rates;
- A $29,000 *decrease* in the AAL due to a decrease in the percentage of employees assumed to cover a spouse on a Commission medical plan in retirement, from 85% to 67%; and
- A $148,000 *decrease* in the UAAL from favorable plan experience relative to prior assumptions. Plan experience includes factors such as changes in plan membership, retiree elections and changes in medical premiums and limits on benefits *other than previously projected*. As noted on the preceding page, wide swings in plan experience (favorable or unfavorable) are more common in programs with few plan members.

  Plan experience also includes asset performance relative to the expected contributions and rate of return; expected assets were quite close to what we expected.

F. Funding Policy

The specific calculation of the ARC and annual OPEB expense for an employer depends on how the employer elects to fund these benefits. The funding levels can generally be categorized as follows:

1. *Prefunding* - contributing an amount greater than or equal to the ARC each year. Prefunding generally allows the employer to have the liability calculated using a higher discount rate, which in turn lowers the liability. In addition, following a prefunding policy does not build up a net OPEB obligation (or gradually reduces it to $0). Prefunding results in this report were developed using a discount rate of 6.5%.
2. *Pay-As-You-Go funding* – contributing only the amounts needed to pay retiree benefits in the current year; generally requires a lower discount rate.
3. *Partial prefunding* – contributing more than the current year's retiree payments but less than 100% of the ARC; requires that liabilities be developed using a discount rate that "blends" the relative portions of benefits that are prefunded and those not.

Determination of the ARC

The Annual Required Contribution (ARC) consists of two basic components, which have been adjusted with interest to the Commission's fiscal year end:

- The amounts attributed to service performed in the current fiscal year (the normal cost) and
- Amortization of the unfunded actuarial accrued liability (UAAL).

ARCs for the fiscal years ending June 30, 2018 and June 30, 2019 are developed in Tables 1A and 1C.

Decisions Affecting the Amortization Payment

The period and method for amortizing the AAL can significantly affect the ARC. GASB 45:

- Prescribes a maximum amortization period of 30 years and requires no minimum amortization period (except 10 years for certain actuarial gains). Immediate full funding of the liability is also permitted.
- Allows amortization payments to be determined (a) as a level percentage of payroll, designed to increase over time as payroll increases, or (b) as a level dollar amount much like a conventional mortgage, so that this component of the ARC does not increase over time. Where a plan is closed and has no ongoing payroll base, a level percent of payroll basis is not permitted.
- Allows the amortization period to decrease annually by one year (closed basis) or to be maintained at the same number of years (open basis).

Funding Policy Illustrated in This Report

It is our understanding that the Commission's prefunding policy includes amortization of the unfunded AAL over a closed 30-year period initially effective July 1, 2009. The remaining amortization period used to develop the ARC for the fiscal years ending June 30, 2018 and June 30, 2019 are 22 and 21 years, respectively. Amortization payments are determined on a level percent of pay basis.[2]

[2] Where the UAAL is amortized on a level percent of pay basis, if all assumptions are met, the UAAL may increase, rather than decrease, in the earlier years of the amortization period.

Funding Policy
(Concluded)

Funding of the Implicit Subsidy

The implicit subsidy liability created when expected retiree medical claims exceed the retiree premiums was described earlier in Section C. In practical terms, when the Commission pays the premiums for active employees each year, their premiums include an amount expected to be transferred to cover the portion of the retirees' claims not covered by their premiums. This transfer represents the current year's implicit subsidy. Paragraph 13.g. of GASB 45 allows for recognition of payments to an irrevocable trust *or directly to the insurer* as an employer's contribution to the ARC. We have estimated each current year's implicit subsidy and recommend netting this amount against the funding requirement for the implicit subsidy (see Tables 1B and 1D).

The following hypothetical example illustrates this treatment:

Hypothetical Illustration Of Implicit Subsidy Recognition	For Active Employees		For Retired Employees		Total	
Annual Agency Contribution Toward Premiums	$	44,000	$	36,000	$	80,000
Current Year's Implicit Subsidy Adjustment	$	(15,000)	$	15,000	$	-
Adjusted contributions reported in Financial St	$	29,000	$	51,000	$	80,000

While total Agency contributions paid toward active and retired employee healthcare premiums in this example are the same, by shifting the recognition of the current year's implicit subsidy from actives to retirees, this amount may be recognized as a contribution toward the OPEB ARC.

There is a larger question about whether or not the Commission will want to prefund the implicit subsidy liability. Some possible options include:

- Prefunding 100% of the ARC relating to both the explicit subsidy and implicit subsidy liabilities. *Exhibits in this report reflect our assumption that the Commission will follow this approach.*
- Prefunding 100% of the ARC relating to both the explicit subsidy and implicit subsidy liabilities, but intentionally allocate the entire trust contribution to more quickly pay-off the explicit subsidy liability, rather than allocating any toward the implicit subsidy liability. We believe this would allow the implicit subsidy liability to be developed using the prefunding discount rate of 6.5%.
- Prefunding 100% of the ARC developed for the explicit subsidy liability, but not prefund the implicit subsidy liability. We believe this approach would require determining the implicit subsidy liability using a pay-as-you-go discount rate (e.g., such as 4.0% rather than at 6.5%).

We are available to review these options further with the Commission.

G. Choice of Actuarial Funding Method and Assumptions

The ultimate real cost of an employee benefit plan is the value of all benefits and other expenses of the plan over its lifetime. These expenditures are dependent only on the terms of the plan and the administrative arrangements adopted, and as such are not affected by the actuarial funding method. The actuarial funding method attempts to spread recognition of these expected costs on a level basis over the life of the plan, and as such sets the "incidence of cost". Methods that produce higher initial annual (prefunding) costs will produce lower annual costs later. Conversely, methods that produce lower initial costs will produce higher annual costs later relative to the other methods. GASB 45 allows the use of any of six actuarial funding methods; a brief description of each is in the glossary.

Factors Impacting the Selection of Funding Method

While the goal of GASB 45 is to match recognition of retiree medical expense with the periods during which the benefit is earned, the funding methods differ because they focus on different financial measures in attempting to level the incidence of cost. Appropriate selection of a funding method contributes to creating intergenerational equity between generations of taxpayers. The impact of potential new employees entering the plan may also affect selection of a funding method, though this is not a factor in this plan.

We believe it is most appropriate for the plan sponsor to adopt a theory of funding and consistently apply the funding method representing that theory. This valuation was prepared using the entry age normal cost method with normal cost determined on a level percent of pay basis. The entry age normal cost method often produces initial contributions between those of the other more common methods and is generally regarded by pension actuaries as the most stable of the funding methods and is one of the most commonly used methods for GASB 45 compliance.

Factors Affecting the Selection of Assumptions

Special considerations apply to the selection of actuarial funding methods and assumptions for the Commission. The actuarial assumptions used in this report were chosen, for the most part, to be the same as the actuarial assumptions used for the most recent actuarial valuations of the retirement plans covering Commission employees. Other assumptions, such as healthcare trend, age related healthcare claims, retiree participation rates and spouse coverage, were selected based on demonstrated plan experience and/or our best estimate of expected future experience. We will continue to gather information and monitor these assumptions for future valuations, as more experience develops.

In selecting an appropriate discount rate, GASB states that the discount rate should be based on the expected long-term yield of investments used to finance the benefits. CERBT provides participating employers with three possible asset allocation strategies; a maximum discount rate is assigned to each of these strategies, which may be rounded or reduced to include a margin for adverse deviation. As requested by the Commission and permitted by CERBT where its asset allocation Strategy #2 is employed, the discount rate used in this valuation is 6.5%.

H. Certification

This report presents the results of our actuarial valuation of the other post-employment benefits provided by the Sacramento Metropolitan Cable Television Commission. The purpose of this valuation was to provide the actuarial information required for the Commission's reporting under Statement 45 of the Governmental Accounting Standards Board. The calculations were focused on determining the plan's funded status as of the valuation date, developing the Annual Required Contribution and projecting the Net OPEB Obligations for the years to which this report is expected to be applied.

We certify that this report has been prepared in accordance with our understanding of GASB 45. To the best of our knowledge, the report is complete and accurate, based upon the data and plan provisions provided to us by the Commission. We believe the assumptions and method used are reasonable and appropriate for purposes of the financial reporting required by GASB 45. The results may not be appropriate for other purposes.

The undersigned individual is a Fellow in the Society of Actuaries and Member of the American Academy of Actuaries who satisfies the Academy Qualification Standards for rendering this opinion.

Signed: June 10, 2016

Catherine L. MacLeod

Catherine L. MacLeod, FSA, FCA, EA, MAAA

Table 1

Results for fiscal years ending 2016 and 2017: The annual required contribution (ARC) and annual OPEB expense (AOE) for the Commission's fiscal years ending June 30, 2016 and 2017 were developed as part of the July 2013 valuation, but the financial statement for these periods have not yet been finalized. We have illustrated what we anticipate will be reported for OPEB under GASB 45 through June 30, 2017 and included this information in Appendix 2. We use the net OPEB asset projected from this Appendix as the starting point for developing the net OPEB asset as of June 30, 2018, shown in Table 1B.

Results for fiscal years 2018 and 2019: The basic results of our July 1, 2015 valuation of OPEB liabilities for the Commission calculated under GASB 45 were summarized in Section E. Those results are applied to develop the ARC, AOE and the net OPEB obligation (NOO) or net OPEB asset (NOA) to be reported by the Commission for its fiscal years ending June 30, 2018 and June 30, 2019. As noted earlier in this report,

- The development of the ARC reflects the assumption that the Commission will contribute at least 100% of the total ARC each year, with contributions comprised of:
  - direct payments to insurers toward retiree premiums,
  - each current year's implicit subsidy, and
  - contribution(s) to the OPEB trust.

  If this understanding is incorrect or if actual Commission contributions differ by more than an immaterial amount, some of the results in this report will need to be revised.
- GASB 75 will not necessarily impact the development of results for funding purposes but will change the development of the OPEB liability and expense information to be reported by the Commission in its financial statements beginning with fiscal year ending June 30, 2018. That information will need to be developed at a later date and is outside the scope of this report.

Employees reflected in future years' costs: The counts of active employees and retirees shown in Tables 1A and 1C are the same as the counts of active and retired employees on the valuation date. While we do not adjust these counts between valuation dates, the liabilities and costs developed for those years already anticipate the likelihood that some active employees may leave employment forfeiting benefits, some may retire and elect benefits and coverage for some of the retired employees may cease. However, because this valuation has been prepared on a closed group basis, no potential future employees are included.

We also note that the number of active employees and retirees expected to create an implicit subsidy OPEB liability are lower than the number of those which create an explicit subsidy liability. CalPERS medical premiums for those over age 65 (active or retired) and expected to be eligible for Medicare are not subsidized by active employee medical premiums, so do not create an implicit subsidy liability.

Table 1A
ARC Calculation for FYE 2018

The table below develops the ARC for the Commission's fiscal year ending June 30, 2018 determined on a prefunding basis, based on a two year "roll forward" of the July 1, 2015 valuation results. Calculations are shown separately, and in total, relating to Explicit and Implicit OPEB benefits.

Funding Policy	**Prefunding Basis**		
Valuation date	**7/1/2015**		
Subsidy	Explicit	Implicit	Total
For fiscal year beginning	7/1/2017	7/1/2017	7/1/2017
For fiscal year ending	6/30/2018	6/30/2018	6/30/2018
Expected long-term return on assets	6.5%	6.5%	6.5%
Discount rate	6.5%	6.5%	6.5%
Number of Covered Employees			
Actives	5	5	5
Retirees	3	2	3
Total Participants	8	7	8
Actuarial Present Value of Projected Benefits			
Actives	$ 526,771	$ 132,730	$ 659,501
Retirees	467,892	61,486	529,378
Total APVPB	994,663	194,216	1,188,879
Actuarial Accrued Liability (AAL)			
Actives	385,611	100,274	485,885
Retirees	467,892	61,486	529,378
Total AAL	853,503	161,760	1,015,263
Actuarial Value of Assets	239,234	-	239,234
Unfunded AAL (UAAL)	614,269	161,760	776,029
Normal Cost	21,005	5,240	26,245
Amortization method	Level % of Pay	Level % of Pay	Level % of Pay
Initial amortization period (in years)	30	30	30
Remaining period (in years)	22	22	22
Determination of Amortization Payment			
UAAL	$ 614,269	$ 161,760	$ 776,029
Factor	15.8401	15.8401	15.8401
Payment	38,779	10,212	48,991
Annual Required Contribution (ARC)			
Normal Cost	21,005	5,240	26,245
Amortization of UAAL	38,779	10,212	48,991
Interest to fiscal year end	3,886	1,004	4,890
Total ARC at fiscal year end	63,670	16,456	80,126
Projected covered payroll	$ 432,994	$ 432,994	$ 432,994
Normal Cost as a percent of payroll	4.9%	1.2%	6.1%
ARC as a percent of payroll	14.7%	3.8%	18.5%
ARC per active ee	12,734	3,291	16,025

Table 1B
Expected OPEB Disclosures for FYE 2018

The following exhibit develops the annual OPEB expense, estimates the expected OPEB contributions and projects the net OPEB obligation as of June 30, 2018 reflecting the assumed prefunding policy described in this report.

	Prefunding Basis		
Fiscal Year End	**6/30/2018**	**6/30/2018**	**6/30/2018**
Subsidy	Explicit	Implicit	Total
1. Calculation of the Annual OPEB Expense			
a. ARC for current fiscal year	$ 63,670	$ 16,456	$ 80,126
b. Interest on Net OPEB Obligation (Asset)	18,308	-	18,308
c. Adjustment to the ARC	(18,937)	-	(18,937)
d. **Annual OPEB Expense (a. + b. + c.)**	63,041	16,456	79,497
2. Calculation of Expected Contribution			
a. Estimated payments on behalf of retirees	40,663	-	40,663
b. Estimated current year's implicit subsidy	-	14,736	14,736
c. Estimated contribution to OPEB trust	23,007	1,720	24,727
d. **Total Expected Employer Contribution**	63,670	16,456	80,126
3. Change in Net OPEB Obligation *(1.d. minus 2.d.)*	(629)	-	(629)
Net OPEB Obligation (Asset), beginning of fiscal year	281,663	-	281,663
Net OPEB Obligation (Asset) at fiscal year end	281,034	-	281,034

In the above, we assumed that the Commission would contribute 100% of the total ARC of $80,126.

- We assumed that the Commission would take credit for the $14,736 current year's implicit subsidy as an OPEB contribution by shifting recognition of this amount from an active healthcare expense to a retiree healthcare benefit expense. If so, this would reduce the Commission's additional cash outlay to fund the full ARC to $65,390.
- Funding 100% of the ARC may require adjusting the estimated $24,727 contribution to the trust if actual retiree benefit payments are higher or lower than projected payments of $40,663 shown above.

Additional notes on the calculations above:

- Interest on the net OPEB obligation (or asset), shown above in item 1.b. is equal to the applicable discount rate (6.5%) multiplied by the net OPEB obligation (or asset) at the beginning of the year.
- The Adjustment to the ARC, shown above in item 1.c., is always the opposite sign of the net OPEB obligation or asset and exists to avoid double-counting of the amounts previously expensed but imbedded in the current ARC. This adjustment is calculated as *the opposite of* the net OPEB obligation (or asset) at the beginning of the year, plus interest on that amount (item 1.b.) with the sum then divided by the same amortization factor used to determine the ARC for this year (see the prior page for these factors).

Table 1C
ARC Calculation for FYE 2019

In the following exhibit, the July 1, 2015 valuation results have been adjusted (rolled forward) an additional year based on the underlying actuarial assumptions. These results are used to develop the annual required contribution (ARC) for the fiscal year ending June 30, 2019.

Funding Policy	**Prefunding Basis**		
Valuation date	**7/1/2015**		
Subsidy	Explicit	Implicit	Total
For fiscal year beginning	7/1/2018	7/1/2018	7/1/2018
For fiscal year ending	6/30/2019	6/30/2019	6/30/2019
Expected long-term return on assets	6.5%	6.5%	6.5%
Discount rate	6.5%	6.5%	6.5%
Number of Covered Employees			
Actives	5	5	5
Retirees	3	2	3
Total Participants	8	7	8
Actuarial Present Value of Projected Benefits			
Actives	$ 554,782	$ 138,686	$ 693,468
Retirees	463,871	53,418	517,289
Total APVPB	1,018,653	192,104	1,210,757
Actuarial Accrued Liability (AAL)			
Actives	426,817	109,701	536,518
Retirees	463,871	53,418	517,289
Total AAL	890,688	163,119	1,053,807
Actuarial Value of Assets	277,791	1,720	279,511
Unfunded AAL (UAAL)	612,897	161,399	774,296
Normal Cost	21,688	5,410	27,098
Amortization method	Level % of Pay	Level % of Pay	Level % of Pay
Initial amortization period (in years)	30	30	30
Remaining period (in years)	21	21	21
Determination of Amortization Payment			
UAAL	$ 612,897	$ 161,399	$ 774,296
Factor	15.3444	15.3444	15.3444
Payment	39,943	10,518	50,461
Annual Required Contribution (ARC)			
Normal Cost	21,688	5,410	27,098
Amortization of UAAL	39,943	10,518	50,461
Interest to fiscal year end	4,006	1,035	5,041
Total ARC at fiscal year end	65,637	16,963	82,600
Projected covered payroll	$ 447,066	$ 447,066	$ 447,066
Normal Cost as a percent of payroll	4.9%	1.2%	6.1%
ARC as a percent of payroll	14.7%	3.8%	18.5%
ARC per active ee	13,127	3,393	16,520

Table 1D
Expected OPEB Disclosures for FYE 2019

The following exhibit develops the annual OPEB expense, estimates the expected OPEB contributions and projects the net OPEB obligation as of June 30, 2019 reflecting the assumed prefunding policy described earlier in this report.

	Prefunding Basis		
Fiscal Year End	**6/30/2019**	**6/30/2019**	**6/30/2019**
Subsidy	Explicit	Implicit	Total
1. Calculation of the Annual OPEB Expense			
a. ARC for current fiscal year	$ 65,637	$ 16,963	$ 82,600
b. Interest on Net OPEB Obligation (Asset)	18,267	-	18,267
c. Adjustment to the ARC	(19,506)	-	(19,506)
d. **Annual OPEB Expense (a. + b. + c.)**	64,398	16,963	81,361
2. Calculation of Expected Contribution			
a. Estimated payments on behalf of retirees	45,338	-	45,338
b. Estimated current year's implicit subsidy	-	18,334	18,334
c. Estimated contribution to OPEB trust	20,299	(1,371)	18,928
d. **Total Expected Employer Contribution**	65,637	16,963	82,600
3. Change in Net OPEB Obligation *(1.d. minus 2.d.)*	(1,239)	-	(1,239)
Net OPEB Obligation (Asset), beginning of fiscal year	281,034	-	281,034
Net OPEB Obligation (Asset) at fiscal year end	279,795	-	279,795

In the above, we assumed that the Commission would contribute 100% of the total ARC of $82,600.

- We assumed that the Commission would take credit for the $18,334 current year's implicit subsidy as an OPEB contribution by shifting recognition of this amount from an active healthcare expense to a retiree healthcare benefit expense. If so, this would reduce the Commission's additional cash outlay to fund the full ARC to $64,266.
- Funding 100% of the ARC may require adjusting the estimated $18,928 contribution to the trust if actual retiree benefit payments are higher or lower than projected payments of $45,338 shown above.

Notes on calculations above:

- Interest on the net OPEB obligation (or asset), shown above in item 1.b. is equal to the applicable discount rate (6.5%) multiplied by the net OPEB obligation (or asset) at the beginning of the year.
- The Adjustment to the ARC, shown above in item 1.c., is always the opposite sign of the net OPEB obligation or asset and exists to avoid double-counting of the amounts previously expensed but imbedded in the current ARC. This adjustment is calculated as *the opposite of* the net OPEB obligation (or asset) at the beginning of the year, plus interest on that amount (item 1.b.) with the sum then divided by the same amortization factor used to determine the ARC for this year (see the prior page for these factors).

Table 2
Summary of Employee Data

Active members: The Commission reported 5 active employees; of these, 4 are currently participating in the medical program while 1 employee was waiving coverage as of the valuation date. Age and service information for the reported individuals is provided in this chart:

Actives By Age		
Employee	**Age**	**Service**
1	54.63	7.21
2	54.34	19.00
3	46.95	15.13
4	31.02	0
5	24.64	4.26

Annual Covered Payroll	$406,164
Average Attained Age for Actives	42.3
Average Years of Service	9.1

Retired members: There are also 3 retirees currently receiving benefits under this program. Their ages are summarized in the chart shown to the right.

All 3 current retirees are married and covering their spouse on the medical plan; one is currently covered by Medicare and the other two are not yet eligible.

Retirees By Age		
Employee	**Age**	**Service**
1	65.93	22.46
2	57.88	22.43
3	70.28	16.98

Reconciliation: The chart below reconciles the number of actives and retirees included in the July 1, 2013 valuation of the Commission plan with those included in the July 1, 2015 valuation:

Reconciliation of Commission Plan Members Between Valuation Dates				
Status	Covered Actives	Waiving Actives	Covered Retirees	Total
Number reported as of July 1, 2013	5	1	3	9
New employees	1	-	-	1
Terminated employees	(2)	-	-	(2)
Number reported as of July 1, 2015	**4**	**1**	**3**	**8**

There were no new retirees during this period nor any change in existing coverage for the 3 prior retirees or their covered spouse. Two employees hired in 2013 and 2014, respectively terminated their employment with the Commission soon afterward. One new employee hired in 2015 was included in the valuation.

Medical plan elections: Except for 1 current retiree covered by the United Healthcare Supplemental plan and 1 active employee waiving coverage through the Commission, all other active and retired employees selected coverage in the Kaiser HMO plan in Sacramento area rate region.

Table 3A
Summary of Retiree Benefit Provisions

OPEB provided: The Commission reports that the only OPEB provided is medical coverage.

Access to coverage: Medical coverage is currently provided through CalPERS as permitted under the Public Employees' Medical and Hospital Care Act (PEMHCA). This coverage requires the employee to satisfy the requirements for retirement under CalPERS: either (a) attainment of age 50 (or age 52, if a new miscellaneous employee on or after January 1, 2013) with 5 years of State or public agency service or (b) an approved disability retirement.

If an eligible employee is not already enrolled in the medical plan, he or she may enroll within 60 days of retirement or during any future open enrollment period. Coverage may be continued at the retiree's option for his or her lifetime. A surviving spouse and other eligible dependents may also continue coverage.

The employee must begin his or her retirement benefit (warrant) within 120 days of terminating employment with the Commission to be eligible to continue medical coverage through the Commission and be entitled to the employer subsidy described below.

Benefits provided: As a PEMHCA employer, the Commission is obligated to contribute toward the cost of retiree medical coverage for the retiree's lifetime or until coverage is discontinued. The Commission maintains an "equal contribution" resolution with CalPERS (executed in 2011) which defines the level of the Commission's contribution toward the cost of medical plan premiums for both active and retired employees. Specifically, the Commission contributes 100% of the premium for the employee and his or her dependents up to, but not more than 80% of the Kaiser (pre-Medicare) family premium rate in the Sacramento area region. This provided a maximum monthly subsidy of $1,374.80 per month during 2015, which increased to $1,445.83 per month in 2016.

Current premium rates: The 2016 CalPERS monthly medical plan rates in the Sacramento Area rate group are shown in the table below. If different rates apply where the member resides outside of this area, those rates are reflected in the valuation, but not listed here. The additional CalPERS administration fee is assumed to be separately expensed each year and has not been projected as an OPEB liability in this valuation.

Sacramento 2016 Health Plan Rates						
	Actives and Pre-Med Retirees			Medicare Eligible Retirees		
Plan	Ee Only	Ee & 1	Ee & 2+	Ee Only	Ee & 1	Ee & 2+
Kaiser HMO	$ 695.11	$ 1,390.22	$ 1,807.29	$ 297.23	$ 594.46	$ 1,011.53
UnitedHealthcare HMO	686.36	1,372.72	1,784.54	320.98	641.96	1,053.78

Table 3B
General CalPERS Annuitant Eligibility Provisions

The content of this section has been drawn from Section C, Summary of Plan Provisions, of the State of California OPEB Valuation as of June 30, 2014, issued December 2014, to the State Controller from Gabriel Roeder & Smith. It is provided here as a brief summary of general annuitant and survivor coverage.

<u>Health Care Coverage</u>

Retired Employees

A member is eligible to enroll in a CalPERS health plan if he or she retires within 120 days of separation from employment and receives a monthly retirement allowance. If the member meets this requirement, he or she may continue his or her enrollment at retirement, enroll within 60 days of retirement, or enroll during any Open Enrollment period. If a member is currently enrolled in a CalPERS health plan and wants to continue enrollment into retirement, the employee will notify CalPERS and the member's coverage will continue into retirement.

Eligibility Exceptions*:* Certain family members are not eligible for CalPERS health benefits:

- Children age 26 or older
- Children's spouses
- Former spouses
- Disabled children over age 26 who were never enrolled or were deleted from coverage
- Grandparents
- Parents
- Children of former spouses
- Other relatives

Coordination with Medicare

CalPERS retired members who qualify for premium-free Part A, either on their own or through a spouse (current, former, or deceased), must sign up for Part B as soon as they qualify for Part A. A member must then enroll in a CalPERS sponsored Medicare plan. The CalPERS-sponsored Medicare plan will pay for costs not paid by Medicare, by coordinating benefits.

Survivors of an Annuitant

If a CalPERS annuitant satisfied the requirement to retire within 120 days of separation, the survivor may be eligible to enroll within 60 days of the annuitant's death or during any future Open Enrollment period. Note: A survivor cannot add any new dependents; only dependents that were enrolled or eligible to enroll at the time of the member's death qualify for benefits.

Surviving registered domestic partners who are receiving a monthly annuity as a surviving beneficiary of a deceased employee or annuitant on or after January 1, 2002, are eligible to continue coverage if currently enrolled, enroll within 60 days of the domestic partner's death, or enroll during any future Open Enrollment period.

Surviving enrolled family members who do not qualify to continue their current coverage are eligible for continuation coverage under COBRA.

Table 4
Actuarial Methods and Assumptions

Valuation Date	July 1, 2015
Funding Method	Entry Age Normal Cost, level percent of pay[3]
Asset Valuation Method	Market value of assets
Long Term Return on Assets	6.5% (6.73% less .23% margin for adverse deviation)
Discount Rate	6.5%
Participants Valued	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.
Salary Increase	3.25% per year, used only to allocate the cost of benefits between service years
Assumed Wage Inflation	3.0% per year; used to determine amortization payments if developed on a level percent of pay basis
General Inflation Rate	2.75% per year

Demographic actuarial assumptions used in this valuation are based on the 2014 experience study of the California Public Employees Retirement System using data from 1997 to 2011, except for a different basis used to project future mortality improvements. Rates for selected age and service are shown below and on the following pages. The representative mortality rates were those published by CalPERS adjusted to back out 20 years of Scale BB to central year 2008 and then projected forward 6 years using Bickmore Scale 2014 to year 2014.

Mortality Before Retirement

Mortality rates in these tables are from the CalPERS experience study, adjusted as described above.

These rates were adjusted further on a generational basis by Bickmore Scale 2014 to anticipate future mortality improvement each year until the expected payments in any future year occur.

CalPERS Public Agency Miscellaneous Non-Industrial Deaths		
Age	Male	Female
15	0.00020	0.00015
20	0.00028	0.00018
30	0.00051	0.00027
40	0.00070	0.00047
50	0.00147	0.00103
60	0.00340	0.00201
70	0.00619	0.00408
80	0.01157	0.00918

[3] The level percent of pay aspect of the funding method refers to how the normal cost is determined. Use of level percent of pay cost allocations in the funding method is separate from and has no effect on a decision regarding use of a level percent of pay or level dollar basis for determining amortization payments.

Table 4 - Actuarial Methods and Assumptions (Continued)

Mortality After Retirement

Representative mortality rates for 2014 are shown in the charts below. The rates were then adjusted on a generational basis by Bickmore Scale 2014 to anticipate future mortality improvement.

Healthy Lives

CalPERS Public Agency Miscellaneous, Police & Fire Post Retirement Mortality		
Age	Male	Female
40	0.00103	0.00085
50	0.00475	0.00480
60	0.00785	0.00481
70	0.01541	0.01105
80	0.04556	0.03271
90	0.14423	0.10912
100	0.32349	0.29541
110	0.97827	0.97516
115	1.00000	1.00000

Disabled Miscellaneous

CalPERS Public Agency Disabled Miscellaneous Post-Retirement Mortality From Jan 2014 Experience Study Report		
Age	Male	Female
20	0.00548	0.00339
30	0.00717	0.00469
40	0.00887	0.00565
50	0.01594	0.01192
60	0.02530	0.01363
70	0.03394	0.02460
80	0.07108	0.05326
90	0.16458	0.14227

Termination Rates

Miscellaneous Employees: Sum of Vested Terminated & Refund Rates From CalPERS Experience Study Report Issued January 2014						
Attained	Years of Service					
Age	0	3	5	10	15	20
15	0.1812	0.0000	0.0000	0.0000	0.0000	0.0000
20	0.1742	0.1193	0.0946	0.0000	0.0000	0.0000
25	0.1674	0.1125	0.0868	0.0749	0.0000	0.0000
30	0.1606	0.1055	0.0790	0.0668	0.0581	0.0000
35	0.1537	0.0987	0.0711	0.0587	0.0503	0.0450
40	0.1468	0.0919	0.0632	0.0507	0.0424	0.0370
45	0.1400	0.0849	0.0554	0.0427	0.0347	0.0290

Service Retirement Rates

The following miscellaneous retirement formulas apply:

If hired on or after 1/1/2013, Classic:	2% @ 55
If hired on or after 1/1/2013, PEPRA:	2% @ 62

Sample rates of future retirements applicable to each of these retirement benefit formulas are shown in charts on the following page.

Table 4 - Actuarial Methods and Assumptions (Continued)

Service Retirement rates

Miscellaneous Employees: 2% at 55 formula From CalPERS Experience Study Report Issued January 2014						
Current Age	Years of Service					
	5	10	15	20	25	30
50	0.0140	0.0180	0.0210	0.0250	0.0270	0.0310
55	0.0480	0.0610	0.0740	0.0880	0.1000	0.1170
60	0.0670	0.0860	0.1030	0.1230	0.1390	0.1640
65	0.1550	0.1970	0.2380	0.2850	0.3250	0.3860
70	0.1300	0.1650	0.2000	0.2400	0.2720	0.3230
75 & over	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Miscellaneous "PEPRA" Employees: 2% at 62 formula From CalPERS Experience Study Report Issued January 2014						
Current Age	Years of Service					
	5	10	15	20	25	30
52	0.0103	0.0132	0.0160	0.0188	0.0216	0.0244
55	0.0440	0.0560	0.0680	0.0800	0.0920	0.1040
60	0.0616	0.0784	0.0952	0.1120	0.1288	0.1456
65	0.1287	0.1638	0.1989	0.2340	0.2691	0.3042
70	0.1254	0.1596	0.1938	0.2280	0.2622	0.2964
75 & over	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Disability Retirement Rates

CalPERS Public Agency Miscellaneous Disability From Jan 2014 Experience Study Report		
Age	Male	Female
20	0.00017	0.00010
25	0.00017	0.00010
30	0.00019	0.00024
35	0.00049	0.00081
40	0.00122	0.00155
45	0.00191	0.00218
50	0.00213	0.00229
55	0.00221	0.00179
60	0.00222	0.00135

Medicare Eligibility

Absent contrary data, all individuals are assumed to be eligible for Medicare Parts A and B at age 65.

Table 4 - Actuarial Methods and Assumptions (Continued)

Healthcare Trend

Medical plan premiums and claims costs by age are assumed to increase once each year. The increases over the prior year's levels are assumed to be effective on the dates shown below:

Effective January 1	Premium Increase	Effective January 1	Premium Increase
2016	Actual	2020	6.00%
2017	7.50%	2021	5.50%
2018	7.00%	2022	5.00%
2019	6.50%	2023 & later	4.50%

Participation Rate

Active employees: 100% of those currently covered through the Commission are assumed to continue their current plan election in retirement; 90% of those currently waiving coverage through the Commission are assumed to elect coverage in the Kaiser Sacramento region plan at a later date, thus gaining access to subsidized coverage in retirement.

Retired participants: Existing medical plan elections are assumed to be continued until the retiree's death.

Spouse Coverage

Active employees: 67% (2 out of 3) are assumed to be married and elect coverage for their spouse in retirement. Surviving spouses are assumed to retain coverage until their death. Husbands are assumed to be 3 years older than their wives.

Retired participants: Existing elections for spouse coverage are assumed to continue until the spouse's death. Actual spouse ages are used, where known; if not, husbands are assumed to be 3 years older than their wives.

Dependent Coverage

Active employees: 30% are assumed to cover dependents other than a spouse under age 26 at retirement; eligibility for coverage for the youngest dependent is assumed to end at the retiree's age 63.

Retired participants covering dependent children are assumed to end such coverage when the youngest currently covered dependent reaches age 26.

Retired participants covering dependent children are assumed to end such coverage when the youngest currently covered dependent reaches age 26.

Table 4 - Actuarial Methods and Assumptions (Continued)

Development of Age-related Medical Premiums

Actual premium rates for retirees and their spouses were adjusted to an age-related basis by applying medical claim cost factors developed from the data presented in the report, "Health Care Costs – From Birth to Death", sponsored by the Society of Actuaries. A description of the use of claims cost curves can be found in Bickmore's Age Rating Methodology provided in Addendum 1 to this report.

Representative claims costs derived from the dataset provided by CalPERS for retirees not currently covered or not expected to be eligible for Medicare appear below:

	Kaiser Sacramento		Other HMO Sacramento	
Age	Male	Female	Male	Female
50	$ 690	$ 855	$ 762	$ 945
53	814	939	899	1,037
56	945	1,011	1,044	1,116
59	1,083	1,092	1,196	1,206
62	1,231	1,204	1,360	1,330

All current and future Medicare-eligible retirees are assumed to be covered by plans that are rated based solely on the experience of Medicare retirees. Therefore, no implicit subsidy is calculated for Medicare-eligible retirees.

Excise tax on high-cost plans

The expected value of excise taxes for high cost plan coverage for retirees, now expected to be effective in the year 2020, was included in this valuation. Annual threshold amounts for 2018 under the Affordable Care Act (ACA) were assumed to increase at the General Inflation Rate. A 40% excise tax rate was applied to the portion of premiums projected to exceed the threshold.

2018 Thresholds	Ages 55-64	All Other Ages
Single	$ 11,850	$ 10,200
Other than Single	$ 30,950	$ 27,500

Changes Since the Prior Valuation:

Discount rate — Decreased from 7.0% to 6.5%

Assumed Wage Inflation — Decreased from 3.25% to 3.0%

General Inflation Rate — Decreased from 3.0% to 2.75%

Table 4 - Actuarial Methods and Assumptions (Concluded)

Demographic assumptions	Assumed mortality, termination, disability and retirement rates were updated from those provided in the CalPERS 2010 experience study report to those provided in the CalPERS 2014 experience study report. Rates of mortality were updated to the rates in the midpoint year of the CalPERS 2014 experience study (2008), then projected on a generational basis by Bickmore Scale 2014.
Healthcare trend	Medical plan premium rates are assumed to increase at a slightly lower rate in 2025 and later years than was assumed in the prior valuation, the result of a change in our methodology for estimating the potential impact of the excise tax for high cost plans under the Affordable Care Act.
Spouse Coverage	The percentage of married active employees who are assumed to elect coverage for their spouse in retirement was decreased from 85% to 67%.
Age-Related Medical Premiums	We introduced methodology for developing age-related medical premiums based on updated research and data sponsored by the Society of Actuaries. We added an implicit subsidy analysis for pre-Medicare retirees covered by the CalPERS medical program.
Excise Tax Impact	We directly reflected the potential impact of the excise tax attributable to retirees for high cost healthcare plans for retirees, as provided by the Affordable Care Act.

Table 5
Projected Benefit Payments

The following is an estimate of other post-employment benefits to be paid on behalf of current retirees and current employees expected to retire from the Commission. Expected annual benefits have been projected on the basis of the actuarial assumptions outlined in Table 4.

These projections do not include any benefits expected to be paid on behalf of current active employees *prior to* retirement, nor do they include any benefits for potential *future employees* (i.e., those who might be hired in future years).

Projected Annual Benefit Payments							
Fiscal Year Ending June 30	Explicit Subsidy			Implicit Subsidy			Total
	Current Retirees	Future Retirees	Total	Current Retirees	Future Retirees	Total	
2016	$ 36,229	$ -	$ 36,229	Not required to be disclosed			$ 36,229
2017	32,401	3,871	36,272				36,272
2018	34,434	6,229	40,663	12,065	2,671	14,736	55,399
2019	36,403	8,935	45,338	14,038	4,296	18,334	63,672
2020	38,278	12,462	50,740	16,216	6,560	22,776	73,516
2021	40,033	16,572	56,605	18,581	9,560	28,141	84,746
2022	35,245	21,360	56,605	9,799	13,485	23,284	79,889
2023	29,628	24,492	54,120	-	13,638	13,638	67,758
2024	30,437	31,062	61,499	-	18,827	18,827	80,326
2025	31,216	36,731	67,947	-	24,310	24,310	92,257
2026	31,957	36,946	68,903	-	21,139	21,139	90,042
2027	32,650	35,300	67,950	-	13,903	13,903	81,853
2028	33,282	39,683	72,965	-	17,314	17,314	90,279
2029	33,844	44,118	77,962	-	21,327	21,327	99,289
2030	34,302	41,302	75,604	-	13,957	13,957	89,561

The amounts shown in the Explicit Subsidy section reflect the expected payment by the Commission toward retiree medical premiums in each of the years shown. The amounts are shown separately, and in total, for those retired on the valuation date ("current retirees") and those expected to retire after the valuation date ("future retirees").

The amounts shown in the Implicit Subsidy section reflect the expected excess of retiree medical (and prescription drug) claims over the premiums expected to be charged during the year for retirees' coverage. These amounts are also shown separately and in total for those currently retired on the valuation date and for those expected to retire in the future.

Appendix 1
Expected Disclosures for Fiscal Years Ending 2016 and 2017

The annual OPEB expense and net OPEB obligation for the fiscal years ending June 30, 2016 and 2017 were projected in the July 1, 2013 valuation and reflected Bickmore's understanding of OPEB contributions prior to that date.

The following exhibit updates the development of the annual OPEB expense and net OPEB obligation, providing the information assumed to be reported in the Commission's financial statement for these two fiscal years.

	Prefunding	
Fiscal Year End	**6/30/2016**	**6/30/2017**
1. Calculation of the Annual OPEB Expense		
a. ARC for current fiscal year	$ 83,601	$ 86,318
b. Interest on Net OPEB Obligation (Asset) at beginning of year	19,563	19,657
c. Adjustment to the ARC	(18,219)	(18,811)
d. **Annual OPEB Expense (a. + b. + c.)**	84,945	87,164
2. Calculation of Expected Contribution		
a. Estimated payments on behalf of retirees	*36,229*	*36,272*
b. Estimated current year's implicit subsidy	N/A	N/A
c. Estimated contribution to OPEB trust	*47,372*	*50,046*
d. **Total Expected Employer Contribution**	83,601	86,318
3. Change in Net OPEB Obligation *(1.d. minus 2.d.)*	1,344	846
Net OPEB Obligation (Asset), beginning of fiscal year	279,473	280,817
Net OPEB Obligation (Asset) at fiscal year end	280,817	281,663

Appendix 2
General OPEB Disclosure and Required Supplementary Information

The Information necessary to complete the OPEB footnote in the Commission's financial reports is summarized below, or we note the location of the information contained elsewhere in this report:

Summary of Plan Provisions:	See Table 3A
OPEB Funding Policy:	See Section F; details are also provided in Tables 1A and 1C
Annual OPEB Cost and Net OPEB Obligation:	See Table 1B and 1D
Actuarial Methods and Assumptions:	See Table 4
Funding Status and Funding Progress:	See Section E – Basic Valuation Results

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2009	$ -	$ 855,188	$ 855,188	0.0%	$ 341,856	250.2%
7/1/2012	$ -	$ 968,563	$ 968,563	0.0%	$ 391,020	247.7%
7/1/2013	$ -	$ 795,197	$ 795,197	0.0%	$ 610,255	130.3%
7/1/2015	$ 122,318	$ 1,562,288	$ 1,439,970	7.8%	$ 406,164	354.5%

Required Supplementary Information: Three Year History of Amounts Funded
See chart below:

OPEB Cost Contributed

Fiscal Year Ended	Annual OPEB Cost	Employer OPEB Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/2014	$ 94,069	$ 96,017	102.1%	$ 278,894
6/30/2015	$ 96,616	$ 96,038	99.4%	$ 279,473
6/30/2016	$ 84,945	$ *83,601*	*98.4%*	$ *280,817*
6/30/2017	$ 87,164	$ *86,318*	*99.0%*	$ *281,663*
6/30/2018	$ *79,497*	$ *80,126*	*100.8%*	$ *281,034*
6/30/2019	$ *81,361*	$ *82,600*	*101.5%*	$ *279,795*

Italicized values above are estimates which may change if contributions are other than projected.

To see these values separately for explicit and implicit subsidy liabilities, please refer to Section E of the report or to Tables 1B and 1D.

Addendum 1: Bickmore Age Rating Methodology

Both accounting standards (e.g. GASB 45) and actuarial standards (e.g. ASOP 6) require that expected retiree claims, not just premiums paid, be reflected in most situations where an actuary is calculating retiree healthcare liabilities. Unfortunately the actuary is often required to perform these calculations without any underlying claims information. In most situations, the information is not available, but even when available, the information may not be credible due to the size of the group being considered.

Actuaries have developed methodologies to approximate healthcare claims from the premiums being paid by the plan sponsor. Any methodology requires adopting certain assumptions and using general studies of healthcare costs as substitutes when there is a lack of credible claims information for the specific plan being reviewed.

Premiums paid by sponsors are often uniform for all employee and retiree ages and genders, with a drop in premiums for those participants who are Medicare-eligible. While the total premiums are expected to pay for the total claims for the insured group, on average, the premiums charged would not be sufficient to pay for the claims of older insureds, and would be expected to exceed the expected claims of younger insureds. An age-rating methodology takes the typically uniform premiums paid by plan sponsors and spreads the total premium dollars to each age and gender intended to better approximate what the insurer might be expecting in actual claims costs at each age and gender.

The process of translating premiums into expected claims by age and gender generally follows the steps below.

1. *Obtain or Develop Relative Medical Claims Costs by Age, Gender, or other categories that are deemed significant.* For example, a claims cost curve might show that, if a 50 year old male has $1 in claims, then on average a 50 year old female has claims of $1.25, a 30 year male has claims of $0.40, and an 8 year old female has claims of $0.20. The claims cost curve provides such relative costs for each age, gender, or any other significant factor the curve might have been developed to reflect. Table 4 provides the source of information used to develop such a curve and shows sample relative claims costs developed for the plan under consideration.
2. *Obtain a census of participants, their chosen medical coverage, and the premium charged for their coverage.* An attempt is made to find the group of participants that the insurer considered in setting the premiums they charge for coverage. That group includes the participant and any covered spouses and children. When information about dependents is unavailable, assumptions must be made about spouse age and the number and age of children represented in the population. These assumptions are provided in Table 4.
3. *Spread the total premium paid by the group to each covered participant or dependent based on expected claims.* The medical claims cost curve is used to spread the total premium dollars paid by the group to each participant reflecting their age, gender, or other relevant category. After this step, the actuary has a schedule of expected claims costs for each age and gender for the current premium year. It is these claims costs that are projected into the future by medical cost inflation assumptions when valuing expected future retiree claims.

The methodology described above is dependent on the data and methodologies used in whatever study might be used to develop claims cost curves for any given plan sponsor. These methodologies and assumptions can be found in the referenced paper cited as a source in the valuation report.

Addendum 2: Bickmore Mortality Projection Methodology

Actuarial standards of practice (e.g., ASOP 35, Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations, and ASOP 6, Measuring Retiree Group Benefits Obligations) indicate that the actuary should reflect the effect of mortality improvement (i.e., longer life expectancies in the future), both before and after the measurement date. The development of credible mortality improvement rates requires the analysis of large quantities of data over long periods of time. Because it would be extremely difficult for an individual actuary or firm to acquire and process such extensive amounts of data, actuaries typically rely on large studies published periodically by organizations such as the Society of Actuaries or Social Security Administration.

As noted in a recent actuarial study on mortality improvement, key principals in developing a credible mortality improvement model would include the following:

(1) Short-term mortality improvement rates should be based on recent experience.
(2) Long-term mortality improvement rates should be based on expert opinion.
(3) Short-term mortality improvement rates should blend smoothly into the assumed long-term rates over an appropriate transition period.

The **Bickmore Scale 2014** was developed from a blending of data and methodologies found in two published sources: (1) the Society of Actuaries Mortality Improvement Scale MP-2014 Report, published in October 2014 and (2) the demographic assumptions used in the 2015 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, published July 2015.

Bickmore Scale 2014 is a two-dimensional mortality improvement scale reflecting both age and year of mortality improvement. The underlying base scale is Scale MP-2014 which has two segments – (1) historical improvement rates for the period 1951-2007 and (2) Scale MP-2014's best estimate of future mortality improvement for years 2008 and thereafter. The Bickmore scale uses the same improvement rates as the MP-2014 scale during the historical period 1951-2007. In addition, the Bickmore scale uses Scale MP-2014's best estimate of future mortality improvement for years 2008-2010. The Bickmore scale then transitions from the last used MP-2014 improvement rate in 2010 to the Social Security Administration (SSA) Intermediate Scale. This transition to the SSA Intermediate Scale occurs linearly over the 10 year period 2011-2020. After this transition period, the Bickmore Scale uses the constant mortality improvement rate from the SSA Intermediate Scale from 2020-2038. The SSA's Intermediate Scale has a final step down in 2039 which is reflected in the Bickmore scale for years 2039 and thereafter. Over the ages 100 to 115, the SSA improvement rate is graded to zero.

Scale MP-2014 can be found at the SOA website and the projection scales used in the 2015 Social Security Administrations Trustees Report at the Social Security Administration website.

Glossary

Actuarial Accrued Liability (AAL) – Total dollars required to fund all plan benefits attributable to service rendered as of the valuation date for current plan members and vested prior plan members; see "Actuarial Present Value"

Actuarial Funding Method – A procedure which calculates the actuarial present value of plan benefits and expenses, and allocates these expenses to time periods, typically as a normal cost and an actuarial accrued liability

Actuarial Present Value Projected Benefits (APVPB) – The amount presently required to fund all projected plan benefits in the future, it is determined by discounting the future payments by an appropriate interest rate and the probability of nonpayment.

Actuarial Value of Assets –The actuarial value of assets is the value used by the actuary to offset the AAL for valuation purposes. The actuarial value of assets may be the market value of assets or may be based on a methodology designed to smooth out short-term fluctuations in market values.

Aggregate – An actuarial funding method under which the excess of the actuarial present value of projected benefits over the actuarial accrued liability is levelly spread over the earnings or service of the group forward from the valuation date to the assumed exit date, based not on individual characteristics but rather on the characteristics of the group as a whole

Annual Required Contribution (ARC) – The amount the employer would contribute to a defined benefit OPEB plan for a given year, it is the sum of the normal cost and some amortization (typically 30 years) of the unfunded actuarial accrued liability

Annual OPEB Expense – The OPEB expense reported in the Agency's financial statement, which is comprised of three elements: the ARC, interest on the net OPEB obligation at the beginning of the year and an ARC adjustment.

Attained Age Normal Cost (AANC) – An actuarial funding method where, for each plan member, the excess of the actuarial present value of benefits over the actuarial accrued liability (determined under the unit credit method) is levelly spread over the individual's projected earnings or service forward from the valuation date to the assumed exit date

CalPERS – Many state governments maintain a public employee retirement system; CalPERS is the California program, covering all eligible state government employees as well as other employees of other governments within California who have elected to join the system

Defined Benefit (DB) – A pension or OPEB plan which defines the monthly income or other benefit which the plan member receives at or after separation from employment

Defined Contribution (DC) – A pension or OPEB plan which establishes an individual account for each member and specifies how contributions to each active member's account are determined and the terms of distribution of the account after separation from employment

Glossary (Continued)

Discount Rate – The rate of return that could be earned on an investment in the financial markets; for GASB 45 purposes, the discount rate should be based on the expected long-term yield of investments used to finance the benefits. The discount rate is used to adjust the dollar value of future projected benefits into a present value equivalent as of the valuation date.

Entry Age Normal Cost (EANC) – An actuarial funding method where, for each individual, the actuarial present value of benefits is levelly spread over the individual's projected earnings or service from entry age to the last age at which benefits can be paid

Excise Tax – The Affordable Care Act created a 40% excise tax on the value of "employer sponsored coverage" that exceeds certain thresholds. The tax is first effective is 2020.

Explicit Subsidy – The projected dollar value of future retiree healthcare costs expected to be paid directly by the Employer, e.g., the Employer's payment of all or a portion of the monthly retiree premium billed by the insurer for the retiree's coverage

Frozen Attained Age Normal Cost (FAANC) – An actuarial funding method under which the excess of the actuarial present value of projected benefits over the actuarial accrued liability (determined under the unit credit method) is levelly spread over the earnings or service of the group forward from the valuation date to the assumed exit date, based not on individual characteristics but rather on the characteristics of the group as a whole

Frozen Entry Age Normal Cost (FEANC) – An actuarial funding method under which the excess of the actuarial present value of projected benefits over the actuarial accrued liability (determined under the entry age normal cost method) is levelly spread over the earnings or service of the group forward from the valuation date to the assumed exit date, based not on individual characteristics but rather on the characteristics of the group as a whole

Financial Accounting Standards Board (FASB) – A private, not-for-profit organization designated by the Securities and Exchange Commission (SEC) to develop generally accepted accounting principles (GAAP) for U.S. public corporations

Government Accounting Standards Board (GASB) – A private, not-for-profit organization which develops generally accepted accounting principles (GAAP) for U.S. state and local governments; like FASB, it is part of the Financial Accounting Foundation (FAF), which funds each organization and selects the members of each board

Health Care Trend – The assumed rate(s) of increase in future dollar values of premiums or healthcare claims, attributable to increases in the cost of healthcare; contributing factors include medical inflation, frequency or extent of utilization of services and technological developments.

Implicit Subsidy – The projected difference between future retiree claims and the premiums to be charged for retiree coverage; this difference results when the claims experience of active and retired employees are pooled together and a 'blended' group premium rate is charged for both actives and retirees; a portion of the active employee premiums subsidizes the retiree premiums.

Glossary (Concluded)

Net OPEB Obligation (Asset) - The net OPEB obligation (NOO) represents the accumulated shortfall of OPEB funding since GASB 45 was implemented. If cumulative contributions have exceeded the sum of the prior years' annual OPEB expenses, then a net OPEB asset results.

Non-Industrial Disability (NID) – Unless specifically contracted by the individual Agency, PAM employees are assumed to be subject to only non-industrial disabilities.

Normal Cost – Total dollar value of benefits expected to be earned by plan members in the current year, as assigned by the chosen funding method; also called current service cost

Other Post-Employment Benefits (OPEB) – Post-employment benefits other than pension benefits, most commonly healthcare benefits but also including life insurance if provided separately from a pension plan

Pay-As-You-Go (PAYGO) – Contributions to the plan are made at about the same time and in about the same amount as benefit payments and expenses coming due

PEMHCA – The Public Employees' Medical and Hospital Care Act, established by the California legislature in 1961, provides community-rated medical benefits to participating public employers. Among its extensive regulations are the requirements that a contracting Agency contribute toward medical insurance premiums for retired annuitants and that a contracting Agency file a resolution, adopted by its governing body, with the CalPERS Board establishing any new contribution.

Plan Assets – The value of cash and investments considered as 'belonging' to the plan and permitted to be used to offset the AAL for valuation purposes. To be considered a plan asset, GASB 45 requires (a) the assets to be segregated and restricted in a trust or similar arrangement, (b) employer contributions to the trust to be irrevocable, (c) the assets be dedicated to providing benefits to retirees and their beneficiaries, and (d) that the assets be legally protected from creditors of the employer and/or plan administrator. See also "Actuarial Value of Assets"

Projected Unit Credit (PUC) – An actuarial funding method where, for each individual, the projected plan benefit is allocated by a consistent formula from entry date to assumed exit date

Public Agency Miscellaneous (PAM) – Non-safety public employees.

Select and Ultimate – Actuarial assumptions which contemplate rates which differ by year initially (the select period) and then stabilize at a constant long-term rate (the ultimate rate)

Unfunded Actuarial Accrued Liability (UAAL) – The excess of the actuarial accrued liability over the actuarial value of plan assets

Unit Credit (UC) -- An actuarial funding method where, for each individual, the unprojected plan benefit is allocated by a consistent formula from entry date to assumed exit date

Vesting – As defined by the plan, requirements which when met make a plan benefit nonforfeitable on separation of service before retirement eligibility

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

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A Joint Powers Agency Representing Sacramento County and the Cities of Citrus Heights, Elk Grove, Folsom, Galt, Rancho Cordova and Sacramento

AGENDA ITEM NO. 5

DATE: September 1, 2016

TO: Chair and Board of Directors

FROM: Robert A. Davison, Executive Director

SUBJECT: **RESOLUTION NO. 2016-018, APPROVING THE PREGNANCY RELATED LEAVES AND TRANSFER PRIVILEGES POLICY**

RECOMMENDATION:

It is recommended the Board adopt Resolution No. 2016-018, Approving the Pregnancy Related Leaves and Transfer Privileges Policy.

BACKGROUND/DISCUSSION:

Staff is currently working on a comprehensive update of the Commission's Personnel Rules and Procedures. During this review, staff has recognized that the Commission's policy for pregnancy disability leave needs to be updated.

The attached Pregnancy Related Leaves and Transfer Privileges Policy as prepared by Legal Counsel will insure the Commission is compliant with applicable laws. The policy allows for unpaid leave for up to 17 1/3 weeks during a period of actual disability. Employees must use any sick leave and may use other leave balances during this period. The policy also allows for integration with state disability insurance.

Staff recommends the Board adopt Resolution No. 2016-018, Approving the Pregnancy Related Leaves and Transfer Privileges Policy. The Policy will be in full force and effect from and immediately upon the adoption of Resolution No. 2016-018.

Respectfully submitted,

ROBERT A. DAVISON, Executive Director
Sacramento Metropolitan Cable Television Commission

Attachments:

- Resolution No. 2016-018, Approving the Pregnancy Related Leaves and Transfer Privileges Policy
- Pregnancy Related Leaves and Transfer Privileges Policy

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

RESOLUTION NO. 2016-018

A RESOLUTION APPROVING THE
PREGNANCY RELATED LEAVES AND TRANSFER PRIVILEGES POLICY

WHEREAS, during review of the current Personnel Rules and Procedures of the Sacramento Metropolitan Cable Television Commission (Commission), the Commission has identified some necessary updates with respect to pregnancy disability leave; and

WHEREAS, the Commission wishes to provide its eligible employees with pregnancy disability leave as required by applicable law; and

WHEREAS, the Commission is seeking to amend its current leave policies to ensure employees have the right to take leave where allowed by law due to disability caused by pregnancy.

NOW, THEREFORE, BE IT RESOLVED by the Commission Board on this 1st day of September 2016 that the attached Policy titled "Pregnancy Related Leaves and Transfer Privileges Policy" is hereby approved as an amendment to supplement and/or replace the existing sections of the same in the Commission's Personnel Rules and Procedures.

FURTHER BE IT RESOLVED the Pregnancy Related Leaves and Transfer Privileges Policy is in full force and effect from and immediately upon the adoption of this Resolution.

On a motion by Director ____________, seconded by Director ______________, the foregoing Resolution was passed and adopted by the Governing Board of the Sacramento Metropolitan Cable Television Commission, State of California, this 1st day of September 1 2016, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

____
Chair of the Board

ATTEST BY:

____
Clerk of the Board

SACRAMENTO METROPOLITAN CABLE TELEVISON COMMISSION

PREGNANCY RELATED LEAVES AND TRANSFER PRIVILEGES POLICY

A. Eligibility for Leave:

(1) The Commission provides pregnancy disability leaves of absence without pay to eligible employees who are temporarily unable to work due to a disability related to pregnancy, childbirth, or related medical conditions.

(2) Employees who are affected by pregnancy or a related medical condition are also eligible to transfer to a less strenuous or hazardous position or to less strenuous or hazardous duties, if such a transfer is medically advisable and can be reasonably accommodated. Where transfers are made based on the employee's health needs, the employee will receive the pay that accompanies the alternate position.

B. Procedures for Requesting Leave:

(1) An employee should make requests for pregnancy disability leave to her supervisor at least 30 days in advance of foreseeable events and as soon as possible for unforeseeable events.

(2) A health care provider's statement must be submitted verifying the need for pregnancy disability leave and stating:

(a) The date on which the employee became disabled due to pregnancy, childbirth or related medical condition, or the date on which the need for a transfer became medically advisable;

(b) The probable duration of the period or periods of disability or the need for transfer; and

(c) A statement that, due to the disability, the employee is unable to perform one or more of the essential functions of her position without undue risk to herself, the successful completion of her pregnancy, or to other persons, or that the transfer is medically advisable.

(3) Re-certification may be required if the employee requests an extension beyond the original certification.

(4) Any changes in this information contained in the health care provider's statement should be promptly reported to the Administrative Services Officer III.

C. Length of Leave:

(1) Full-time employees are normally granted unpaid leave for the period of the disability, up to a maximum of four months (or 17 1/3 weeks). Part-time employees are granted unpaid leave on a pro-rata basis.

(2) Pregnancy disability leave does not need to be taken in one continuous period of time, but can be taken on an as-needed basis. In other words, leave may be taken intermittently or on a reduced work schedule when determined medically advisable by the employee's health care provider. The smallest increment of time that can be used for such leave is 0.25 of an hour. The Commission may transfer the employee to an alternate position or alter the existing job to accommodate intermittent leave or a reduced work schedule. The employee will receive the same pay and benefits in the alternate position.

D. Compensation and Benefits During Leave:

(1) During pregnancy leave, an employee may be eligible for wage replacement benefits in the form of state disability insurance (SDI). SDI benefits are administered by the California Employment Development Department (EDD) and are funded by way of payroll deduction. More information is available on EDD's website at www.edd.ca.gov.

(2) An employee taking pregnancy leave must substitute all accrued sick leave before continuing on an unpaid basis. After exhausting available sick leave, the employee may substitute all accrued paid vacation, compensatory time off, or other forms of paid personal leave, if applicable, before continuing leave on an unpaid basis. Substituted paid leave time will be counted toward the 17 1/3 week entitlement.

(3) The Commission integrates all available paid time off with SDI benefits (meaning that an employee can use a portion of available paid time off during any time the employee is receiving SDI benefits). This integration is intended to allow an employee to use available paid time off on a pro rata basis while receiving SDI in order to receive full compensation for a period of time. At no time while an employee is on pregnancy disability leave should an employee receive more than 100% of her normal compensation.

(4) Employees on unpaid leave will not continue to accrue vacation time and will not be paid for holidays during the leave, unless otherwise required by applicable law. For any time an employee is using a pro rata portion of accrued leave to integrate benefits with SDI, the employee will continue to accrue further paid leave benefits on a pro rata basis.

(5) The Commission will allow the employee to continue participating in any health and welfare benefit plans in which the employee was enrolled before the first day of the leave (for up to a maximum of 17 1/3 work weeks) at the level and under the conditions of coverage as if the employee had continued in employment for the duration of the pregnancy disability leave. The continued participation in health benefits begins on the date leave first begins. For any voluntary employee-funded contributions to savings or retirement plans, those contributions will continue to be made via payroll deduction during any period of paid leave. During any period of unpaid leave, those voluntary contributions will not be made.

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AGENDA ITEM NO. 6

DATE: September 1, 2016

TO: Chair and Board of Directors

FROM: Robert A. Davison, Executive Director

SUBJECT: **CALENDAR YEAR 2017 QUARTERLY BOARD MEETING SCHEDULE**

RECOMMENDATION:

It is recommended the Board receive and file the Quarterly Board Meeting Schedule for Calendar Year 2017.

DISCUSSION:

The Sacramento Metropolitan Cable Television Commission Board meets quarterly at 2:30 p.m. in the County of Sacramento's Board Chambers located at 700 H Street, Suite 1450.

The attached Quarterly Board Meeting Schedule for Calendar Year 2017 is subject to change and additional meetings may be added if necessary. The Executive Director will coordinate with the Chair regarding cancellation of the meetings, as well as the addition of meetings if needed.

It is recommended the Board receive the file the Calendar Year 2017 Quarterly Board Meeting Schedule.

Respectfully submitted,

ROBERT A. DAVISON, Executive Director
Sacramento Metropolitan Cable Television Commission

Attachment: Calendar Year 2017 Quarterly Board Meeting Schedule

SACRAMENTO METROPOLITAN
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CALENDARY YEAR 2017
QUARTERLY BOARD MEETING SCHEDULE

Below are the approved quarterly meeting dates for the Sacramento Metropolitan Cable Television Commission Board. All meetings are held at 2:30 p.m. at the Sacramento County Board of Supervisors' Chambers located at 700 H Street, Suite 1450, Sacramento, CA.

The Calendar Year 2017 Quarterly Board Meeting Schedule is subject to change and additional meetings may be added if needed.

Date	Meeting
March 2, 2017	Regular Meeting
June 1, 2017	Regular Meeting / Budget Hearing
September 7, 2017	Regular Meeting
December 7, 2017	Regular Meeting

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AGENDA ITEM NO. 7

DATE: September 1, 2016

TO: Chair and Board of Directors

FROM: Robert A. Davison, Executive Director

SUBJECT: **GENERAL ADMINISTRATION REPORT**

RECOMMENDATION:

It is recommended the Board receive a verbal report from staff regarding the following administration matters:

1) SMCTC Website Re-design
2) BESTNet III Update

Respectfully submitted,

ROBERT A. DAVISON, Executive Director
Sacramento Metropolitan Cable Television Commission

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AGENDA ITEM NO. 8

DATE: September 1, 2016

TO: Chair and Board of Directors

FROM: Robert A. Davison, Executive Director

SUBJECT: **CHANNEL LICENSEE REPORTS**

RECOMMENDATION:

It is recommended the Board receive verbal reports from the representatives of the following Channel Licensees who may be present:

A) Access Sacramento
B) Capital Public Radio
C) KVIE, Inc.
D) Sacramento Faith TV
E) Sacramento Educational Cable Consortium

Respectfully submitted,

ROBERT A. DAVISON, Executive Director
Sacramento Metropolitan Cable Television Commission

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AGENDA ITEM NO. 9

DATE: September 1, 2016

TO: Chair and Board of Directors

FROM: Robert A. Davison, Executive Director

SUBJECT: **STATE FRANCHISEE REPORTS**

RECOMMENDATION:

It is recommended the Board receive verbal reports from representatives of the following state franchisees who may be present:

A) AT&T, Inc.
B) Comcast
C) Consolidated Communications

Respectfully submitted,

ROBERT A. DAVISON, Executive Director
Sacramento Metropolitan Cable Television Commission

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AGENDA ITEM NO. 10

DATE: September 1, 2016

TO: Chair and Board of Directors

FROM: Robert A. Davison, Executive Director

SUBJECT: **PUBLIC COMMENTS**

RECOMMENDATION:

Receive comments from the public on matters that are not on the agenda.

Respectfully submitted,

ROBERT A. DAVISON, Executive Director
Sacramento Metropolitan Cable Television Commission