



Mt. Hood Cable Regulatory Commission

Serving Multnomah County and the Cities of Fairview, Gresham, Portland, Troutdale & Wood Village

MEETING NOTIFICATION

December 13, 2021

6:30 p.m.

In response to the COVID-19 virus, the meeting will be conducted via participation by phone or computer. Participants can access the meeting as follows:

Join Zoom Meeting

<https://us02web.zoom.us/j/86017546524?pwd=eE1FTnZSMHg3OHBEb2tuREU4em1ZUT09>

Meeting ID: 860 1754 6524

Passcode: 292944

One tap mobile

+12532158782,,86017546524#,,,,*292944# US (Tacoma)

+13462487799,,86017546524#,,,,*292944# US (Houston)

AGENDA

- Welcome Ava Hansen, MHCRC Executive Assistant
- Roll Call
- Agenda Review
- Disclosures
- Public Comment (non-agenda items)
- Community Media Center Updates
 - MetroEast
 - Open Signal
- Franchisee Activity Report
 - Ziplly
 - Comcast

*CONSENT AGENDA – NO DISCUSSION

All items listed below may be enacted by one motion and approved as consent agenda items. Any item may be removed from the consent agenda and considered separately if a member of the Commission so requests.

- C1. September 20, 2021 Meeting Minutes
- C2. October 18, 2021 Meeting Minutes



MHCRC 1120 SW 5th Ave. Suite 405 Portland, Oregon 97204
503.823.5385 info@mhcr.org www.mhcr.org

REGULAR AGENDA

- *R1. MHCRC FY 2020-21 Fund Audit 45 min
 - Moss Adams Presentation
 - Commission Discussion

- *R2. Community Technology Grant Amendment: Outside the Frame 5 min

- *R3. Community Technology Grant Amendment: The Old Church 5 min

- Staff Updates
 - Comcast Renewal
 - Community Technology Grant Process
 - Community Media Center Contract Renewal
 - MHCRC Annual Planning Retreat
 - MHCRC FY22-23 Budget Process

- Committee Reports
 - Finance Committee
 - Equity Committee
 - Policy Committee
 - Open Signal Board Appointee
 - MetroEast Board Appointee

- New Business; Commissioner Open Comment
 - Hybrid meetings
 - 2022 Meeting Schedule:
 - January 24
 - February: Retreat TBD
 - March 21
 - April: Recess
 - May 16
 - June 20

- Public Comment

- Adjourn

*Denotes possible action item

Please notify the MHCRC no less than five (5) business days prior to our event for ADA accommodations at 503-823-5385, by the City of Portland's TTY at 503-823-6868, or by the Oregon Relay Service at 1-800-735-2900.



CONSENT AGENDA – NO DISCUSSION

All items listed on the consent agenda may be enacted by one motion and approved as consent agenda items. Any item may be removed from the consent agenda and considered separately if a member of the Commission so requests.



Mt. Hood Cable Regulatory Commission

Serving Multnomah County and the Cities of Fairview, Gresham, Portland, Troutdale & Wood Village

MT. HOOD CABLE REGULATORY COMMISSION
Remote Meeting via phone or computer – Portland OR
September 20, 2021 Meeting Minutes -- DRAFT

SUMMARY MINUTES

Call to Order: 6:34 pm

- Roll Call

Commissioners present: Commissioner Dennerline, Commissioner Roche, Commissioner Brown (6:40), Commissioner McIntire, Commissioner Harden (6:40), Commissioner Studenmund

Commissioners absent: Commissioner Thomas; Commissioner Murphy

Staff: Elisabeth Perez, MHCRC Staff Director; Rebecca Gibbons, Strategic Initiatives Manager; Rana DeBey, Community Grants Manager; Michael Wong, Financial Manager; Bea Coulter, Policy & Communications Coordinator.

Legal Counsel: Mark Wolf, Local Government Law Group

- Agenda Review: none.
- Disclosures: none.
- Public Comment: none.
- PEG Provider Activity Report

- MetroEast Community Media

John Lugton, Deputy Director and Head of Production for MetroEast Community Media, shared a PowerPoint presentation. Lugton said that the new Mobile Media Innovation Lab is outfitted with a lift gate, awning, side mounted projector, laptops and iPads loaded with software, and other equipment to better facilitate their workshops. Lugton said the Mobile Lab has been used throughout the community over the summer and is the result of an MHCRC Community Technology Grant.

Lugton said MetroEast is continuing to develop Digital Art Night, a program in collaboration with Rosewood Initiative. Lugton said the program opens a conversation circle that supports virtual collaboration. Lugton said the program provides training and support for community leaders to become Digital Navigators. The Digital Navigators help other members of the community take classes at MetroEast such as “Film with your iPhone” to help them create



videos, have fun, and experiment with storytelling. Lugton said the program helps participants preserve their art and culture. Lugton said Rosewood Initiative is hosting a Saturday Celebration on September 25 from 11am-6pm. Lugton said attendees can get vaccinated at the event and meet community members and vendors.

Lugton said MetroEast worked with Black Education Achievement Movement mentors (BEAM) to run a storytelling camp for youth. Lugton said LaQuida Lanford led the camp and students went on field trips guided by speakers to Portland Audubon, Albina Vision Trust and Black Williams Project and sites of historical importance (Giles Lake, Black Williams tour, Willamette Cove). Lugton said the students engaged in conversations about displacement, housing insecurity, and future career opportunities in sustainability and environmental sciences in collaboration with the City of Portland.

Lugton said MetroEast hosted a three-week camp with Reynold's Middle School Summer School students. Lugton said students used iPads and other mobile devices to create a Sense of Place video (video link shared in the chat: <https://vimeo.com/525218301>). Lugton said the project is a great example of what students can do with a little bit of instruction and a lot of technology in their hands. Students used iPads to learn basic video production, lighting, editing, and sound capturing techniques.

Lugton said MetroEast partnered with the Rockwood Library Makerspace to run a YouTube and TikTok Camp. Lugton said they tailored the camp to work with some of the equipment at the Makerspace.

Lugton said MetroEast used the Mobile Media Lab over the summer to host media pop-ups in partnership with Gresham Summer Kids in the Park (SKIP) and Chess for Success. Lugton said each week they featured different media education technologies including video, podcasting, and VR.

Lugton said that participants in each of the programs he just described were at least 50% BIPOC. Lugton said the community organization partnership and the mobile lab contributed to the success of each program.

Lugton said MetroEast is asking the community to help name the mobile media lab. Lugton said they've received 122 responses to a naming survey. The responses will be narrowed to top five and put back out to the community to vote.

Lugton said MetroEast resumed core public classes in July including Orientation, Editing, Field Camera and Basic Studio camera classes. Participation was limited to four participants. Lugton said the classes are still in-person and full and they are continuing to offer a monthly virtual orientation class to accommodate those that prefer to attend virtually or face transportation barriers.



Lugton said MetroEast’s education department has a lot of partnerships lined up for the school year with Gresham Barlow School district, Family of Friends, and Rosewood Initiative.

Lugton said MetroEast is take the popular Welcome to Computers class to Wood Village.

Lugton referred to the slide showing the local government programming jurisdictions that MetroEast covers. Lugton said close to 10% of programming comes from government coverage. Lugton said that when COVID hit, MetroEast was able to pivot to virtual coverage so there was no break in coverage. Lugton said that while other community media centers struggled with this shift, MetroEast was prepared and capable so that it was seamless. Lugton said MetroEast staff has since juggled to accommodate virtual and live in-person coverage as each jurisdiction opens and closes in response to the pandemic.

Lugton said MetroEast produced a video for the City of Portland Office for Community Technology. Lugton said the video provides a very compelling overview of the importance of maintaining the right of way. Lugton said the video is currently up for a Government Programming Award at the National Association of Telecommunication Officers and Advisors (NATOA) conference.

- Open Signal

Rebecca Burrell, Director of Strategy at Open Signal, said Open Signal submitted its bi-annual activity report from the first half of 2021 to MHCRC staff. Burrell shared some highlights from the report:

- Despite limited by-appointment services, between January and June, Open Signal engaged nearly 1,000 individuals and 17 mission-aligned nonprofit organizations.
- Open Signal broadcast 4,329 new airings of work created by the community — more than 1,600 of which were created through Open Signal.
- Overall, Open Signal saw a 37% increase in new content submissions over the last reporting period.
- Open Signal broadcast 73 new City Council meetings for 159 hours of content as well as another 83 local government meetings, 61 COVID-related public service announcements, and 28 press conferences and informational videos from the state of Oregon and Multnomah County.
- Education cohort program supported 18 creators from priority communities through a total of 507 hours of virtual and in-person training and project support.
- Open Signal Labs continued to focus on Black media makers by supporting six fellows, as well as more than 300 additional people through virtual events, training, and equipment loans.
- Open Signal added streams of government CityNet and Community Access Network channels, making all five Open Signal channels available to view online for the first time in our 40-year history at watch.opensignaldpx.org.



- This summer, live productions picked up as things opened up again. Last week, Open Signal documented and streamed the City of Portland's first Immigrant and Refugee Welcoming Week, organized by the City's New Portlanders Policy Commission, part of the Office of Community & Civic Life.
- A couple of weeks ago, Open Signal released the completed work from a partnership with Montavilla Jazz, which paired filmmakers with jazz musicians to create original media works. They premiered in an outdoor event at the Portland Art Museum and online on Open Signal's new Watch site.
- Franchisee Activity Report
 - Ziplly: Not present.
 - Comcast: Tim Goodman, Comcast, said Comcast is the signature sponsor for the Portland Film Festival. Goodman said Internet Essentials connections are higher than forecasted based on a new report of subscriptions. Goodman said he will be visiting both community media centers to tour the facilities and get a sense of future needs. Goodman said NBC sports NW (Blazer channel) is going dark at the end of the month. Goodman said the Blazers games will be on Roots Sports.

In response to a question from Studenmund about the NBC sports channel, Goodman said the channel will no longer exist in the channel line-up.

In response from a question from Commissioner Brown, Goodman said the Comcast Internet Essentials program is in its 10th year of providing low-cost internet service to low-income residents. Goodman said Comcast Internet Essentials service is \$9.95/month. Goodman said Comcast is reporting higher enrollment in the service than had been forecasted for the year.

In response to a question from Brown asking about the availability of Internet Essential subscribership by census tract or zip code over time, Goodman said he would have to ask Comcast headquarters for permission to share that information.

- **CONSENT AGENDA**

*C1. June 21, 2021 Meeting Minutes

MOTION: Brown moved to approve the Consent Agenda as presented. Harden seconded.

VOTE: 6-0 passed

REGULAR AGENDA

*R1. Extend Comcast Cable Franchise Renewal Negotiation Period

Perez said staff recommends that the Commission authorize the Chair to send a letter to Comcast acknowledging the agreement to extend the cable franchise renewal negotiation



period through March 31, 2022. Perez said the franchise renewal process began in 2018 when the MHCRC contracted with CBG Communications to conduct the community technology needs study. Perez said that following the conclusion of the study, staff entered into negotiations with Comcast on renewal terms and conditions. Perez said that while the team is making good progress in the negotiations with Comcast, there are a few outstanding critical items that still need to be resolved. Perez said the negotational period extension anticipates concluding the franchise renewal by March 31, 2022.

Perez said the “evergreen clause” in the franchise allows the terms of the existing franchise to remain in full force and effect until a new franchise is approved.

MOTION: McIntire moved to authorize the Chair to send a letter to Comcast acknowledging the agreement to extend the cable franchise renewal negotiation period through March 31, 2022. Dennerline seconded.

DISCUSSION: none.

VOTE: 6-0 passed

*R2. Amend Contract with CBG Communications, Inc., and Allocate Contingency Funds

Perez said staff recommends that the Commission amend its contract with CBG Communications, Inc. and to allocate contingency funds to support this work. Perez said staff is recommending an amended scope of work that would accommodate the additional time to complete the Comcast franchise renewal and to engage with CBG on a similar scope of work to complete the Zippy franchise renewal. Perez said this amended scope of work would require a term extension through December 31, 2022 and \$120,000 in additional funding. Perez shared a PowerPoint slide explaining the breakdown of funding for the CBG contract.

In response to a question from Studenmund about the timeline for the Zippy franchise renewal, Perez said the Zippy franchise renewal would conclude by December 31, 2022.

In response to a question from Brown regarding funding for the increase contract amount, Perez said the funds would come from existing FY21-22 budgeted funds: \$65,000 from professional services line item and \$25,000 from contingency line item for a total of \$90,000 in this fiscal year and \$30,000 from the proposed FY22-23 budget.

In response to a question from McIntire, Perez and Gibbons clarified that that the CBG contract would not include funds set aside in a contingency line item, rather the Commission would be using some of its budgeted contingency funding to fund the CBG expanded scope of work.

MOTION: Dennerline moved to amend the contract with CBG Communications, Inc. to: 1) increase the total contract amount by \$120,000, 2) extend the contract through December 31, 2022, and 3) include the functions, tasks and deliverables as stated in the CBG Draft Memorandum dated August 10, 2021, in order to support the Comcast franchise renewal



negotiations extension and the Northwest Fiber (dba Ziplly Fiber) franchise renewal negotiations. Roche seconded.

DISCUSSION: none.

VOTE: 6-0 passed

***R3. Launch the 2022 Community Technology Grant Cycle**

DeBey said staff is preparing to launch the 2022 Community Technology Grant funding round and is recommending the Commission set a Dec. 8, 2021 as the pre-application deadline date.

Roche thanked DeBey for her work to simplify the application process to make the program more accessible for potential applicants.

Brown shared that he is working with DeBey to map data associated with the Commission's grant funding. Brown shared the link to the map and said the purpose of the map is to provide some visual representation of the organizations the Commission has worked with through the grant program over time.

<https://eupdx.maps.arcgis.com/apps/webappviewer/index.html?id=afd2975dcb344d70939d9f12aed02ed3>

MOTION: Roche moved to approve the launch of the 2022 Community Technology Grant Cycle. Dennerline seconded.

DISCUSSION: none

VOTE: 6-0 passed.

- Staff Updates

- Operations Update: Gibbons said all Commissioners should now be using their MHCRC emails through Outlook. Gibbons said Commissioners should reach out to Bea Coulter with any questions or technical issues. Gibbons said the Commission's new logo is now live and that staff is in the process of updating the website. Gibbons said staff welcomes Bea Coulter into a permanent position as the Commission's Policy and Communications coordinator. Gibbons said the job posting for the admin specialist position was released today.
- Community Technology Grant Outreach: DeBey said staff has been actively pursuing opportunities to engage with new organizations that might be interested in applying for grant funding. DeBey said she is engaging in one-on-one meetings with potential applicants and is scheduled to host two virtual meetings with potential applicants to go over the intent of the grant program and how to apply. DeBey said representatives



from Open Signal and MetroEast are scheduled to attend these meetings to help applicants understand the process to share video content.

- Community Media Center Contract Renewal: DeBey said staff has begun preparations for community media center contract renewal. DeBey said the agreements with both Open Signal and MetroEast expire June 30, 2022.
- Committee Reports
 - Finance Committee: none.
 - Equity Committee: Roche said the Committee met in early September to discuss updates to the grant reporting requirements in response to the recommendations and lessons learned from the impact report conducted by PRE and presented to the Commission at the June MHCRC meeting. Roche said the committee to working to ensure the data we collect from grantees is being used to help tell the impact story. Roche said the committee wants to make it easy to pull data related to the number of videos produced and who's getting trained on the equipment. Roche said the committee is working with staff to collect data that would help staff to more easily and more frequently report on overall program impact.
 - Policy Committee: none.
 - Open Signal Board Appointee: Brown said Open Signal continues to develop its leadership team. Brown said Open Signal is moving away from a hierarchical leadership structure. Brown said in this new structure where everyone is doing everything, they are trying to define and delineate roles and responsibility. Brown said staff is defining division roles, such as a finance division, etc. Brown said the Board has a retreat planned for this Saturday.
 - MetroEast Board Appointee: Dennerline said the last board meeting was canceled due to lack of quorum. Dennerline said the Board is in flux and some personnel changes underway. Dennerline said staff has been working hard despite the pandemic.
- New Business; Commissioner Open Comment

Harden said the new Wood Village City Hall is now open. Harden said the city will be installing smart benches in the park that will provide free internet through service provided by Ziplly. Harden said the city is also rolling out smart trash cans that will report when the can needs to be emptied.
- Public Comment: none.
- Adjourn: 7:47 pm

Respectfully submitted by:
Rebecca Gibbons





Mt. Hood Cable Regulatory Commission

Serving Multnomah County and the Cities of Fairview, Gresham, Portland, Troutdale & Wood Village

MT. HOOD CABLE REGULATORY COMMISSION
Remote Meeting via phone or computer – Portland OR
October 18, 2021 Meeting Minutes -- DRAFT

SUMMARY MINUTES

Call to Order: 6:32 pm

- Roll Call

Commissioners present:

Commissioner Dennerline, Commissioner Roche, Commissioner McIntire, Commissioner Studenmund

Commissioners absent: Commissioner Brown; Commissioner Murphy, Commissioner Thomas, Commissioner Harden

Staff: Elisabeth Perez, MHCRC Staff Director; Rebecca Gibbons, Strategic Initiatives Manager; Rana DeBey, Community Grants Manager; Michael Wong, Financial Manager; Bea Coulter, Policy & Communications Coordinator.

- Agenda Review: none.
- Disclosures: none.
- Public Comment: none.
- PEG Provider Activity Report
 - MetroEast Community Media: Tomi Douglas, MetroEast Community Media, said Monica Wietzel, Director of People and Culture, is retiring on November 1. Douglas said the Director of People and Culture position has been eliminated going forward as part of restructuring and budget reductions. Douglas said Community Hotline, a long-standing flagship program led by Wietzel, will be on pause as MetroEast considers the relevancy and purpose of the program in relation to community needs. Douglas said MetroEast is going to increase its number of days open to the community from two to three. Douglas said the facility will close to the public December 20 through January 1 to allow staff time to address deferred maintenance projects and accommodate staff vacation schedules.
 - Open Signal: none



- Franchisee Activity Report
 - Ziplly: Not present.
 - Comcast: Tim Goodman, Comcast, said sponsorship of Portland Film Festival. NAYA Gala is November 5.
- CONSENT AGENDA

*C1. September 20, 2021 Meeting Minutes

Vote on the Consent Agenda was postponed to the December meeting.

REGULAR AGENDA

R1. FY2020-21 MHCRC Year-End Financial Report (unaudited) (information only)

Wong gave an overview of the MHCRC FY20-21 Year-End Financial Report contained in the meeting packet. Wong said the report is an opportunity to summarize the Commission's impact in the community last year through the lens of the commission's spending. Wong said the report the report is informational only and not a technical accounting report of the MHCRC Fund.

Wong said pages 3 and 4 show the drop in subscribers and franchise fees collected. Wong said franchise fee revenue has continued to decline and is now less than the amount collected ten years ago. Wong said Portland's fees have seen about a 4.9% decrease in the last two fiscal years. And for the East County jurisdictions, franchise fees decreased 3.4% in FY 2019-20 and 0.6% in FY 2020-21.

Wong said page 5 of the report shows franchise fee disbursement in east county. Wong said 60% of the fees are dedicated to MetroEast for operating dollars.

Wong said page 6 shows franchise fee disbursement in Portland. Wong said the City of Portland annually grants funds to Open Signal in the form of operating dollars.

Wong said the MHCRC awarded \$869,211 in Community Technology Grants, which supported video production capital projects with 15 unique organizations. Wong said the MHCRC also provided capital support to Open Signal and MetroEast.

Wong said the MHCRC underspent its Operations and Compliance program budgets mostly related to reductions in personnel expenses due to staff vacancies.

Wong said the top of the page again shows the breakdown of franchise fee revenue and expenditures that come into the MHCRC Fund. Wong said franchise fee payments to the City of do not come through the MHCRC Fund.



Wong said the PEG-I-Net fee revenue and expenditures is detailed in the bottom half. Wong said this program area is carrying an available balance into this fiscal year for a couple reasons: 1) staff vacancies resulted in less compliance program expenditures for staff, and 2) the FCC 621 Order went into effect in FY19-20, so the MHCRC had a sudden and unexpected suspension in I-Net expenditures and TechSmart grants. Wong said plans to shift these resources to meet other high priority community needs was hampered by COVID. Wong said grant compliance program staff anticipates spending down the balance this fiscal year in response to increase need from the community as everything opens back up again.

Wong said page 11 provides a year-to-year comparison of revenues. Wong said there's been a reduction in all revenue streams.

Wong said that due to the cessation in I-Net and TechSmart funding, the MHCRC was able to offset reductions in capital funding due to declines in PEG/I-Net revenue last year to both Open Signal and MetroEast.

Studenmund thanked staff for being good stewards of the money during the uncertainty of the pandemic.

In response to a question from McIntire about vacant staff position, Perez said all positions are filled except for the Executive Assistant position, which is in recruitment right now.

In response to a question from Roche about declining revenue, Wong said the MHCRC has been able to back fill revenue loss with interest revenue. Wong said that this approach is a short-term solution and that staff and the MHCRC will need to discuss other strategies should revenue take a more drastic downturn.

In response to a question from McIntire about the interest fund, Wong said the overall balance is \$1,302,340. Wong said federal bonds are tied to economic conditions driven by the pandemic.

In response to questions from Dennerline and McIntire, Wong said he would research when the MHCRC joined the City of Portland's investment pool and will report back.

- Staff Updates
 - Operations Update: Gibbons said Executive Assistant position interviews are currently scheduled to begin at the end of this week.
 - Legislative/Public Policy/FCC Update: Gibbons said Coulter provided policy updates in the newsletter and that staff welcomed questions or comments. Gibbons said staff has been representing the MHCRC in the preparation of the City of Portland's process to set federal and state legislative priorities. Gibbons said staff will share more about the



priorities once the Portland City Council has had its work session and vote and will assist the MHCRC is sharing the priorities with their jurisdictions.

- Community Technology Grant Process: DeBey said the funding cycle officially launched on October 15. DeBey said pre-applications are due December 8. DeBey said she hosted two informational meetings and multiple one-on-one meeting with potential applicants.
 - Community Media Center Contract Renewal: DeBey said contract renewal discussions with Open Signal and MetroEast staff are underway.
 - NATOA Conference Report: Gibbons referred to newsletter and asked for any questions or comments.
 - MHCRC Annual Planning Retreat: Gibbons said staff is beginning to plan for the retreat and is working with Chair Studenmund to hire a facilitator and set the agenda. More to come.
- Committee Reports
 - Finance Committee: none.
 - Equity Committee: Roche thanked DeBey for conducting greater outreach to potential applicants.
 - Policy Committee: none.
 - Open Signal Board Appointee: none.
 - MetroEast Board Appointee: none.
 - New Business; Commissioner Open Comment

Dennerline reported that Fairview City Administrator Nolan Young is retiring. Studenmund said the next Commission meeting is December 13.
 - Public Comment: none.
 - Adjourn: 7:08 pm

Respectfully submitted by:
Rebecca Gibbons



REGULAR AGENDA



Mt. Hood Cable Regulatory Commission

*Serving Multnomah County and the Cities of Fairview, Gresham,
Portland, Troutdale & Wood Village*

STAFF REPORT – AGENDA ITEM #R1

For Commission Meeting: December 13, 2021

“MHCRC FY 2020-21 Fund Audit”

Recommendation

Staff recommends that the Commission acknowledge receipt of the MHCRC FY20-21 Fund Audit prepared by Moss Adams and direct MHCRC staff to submit the Audit to the Secretary of State by December 31, 2021.

Background

Under MHCRC Resolution 2013-03, the MHCRC delegated to the MHCRC Finance Committee the authority to review and approve the annual MHCRC Financial Statements, to proceed with a timely MHCRC Fund audit as required under Oregon law.

At the November 16th, 2021 meeting, the Finance Committee approved the FY20-21 MHCRC Fund Financial Statements, prepared by the Accounting Division of the City of Portland through an interagency with the MHCRC.

Moss Adams, the MHCRC independent audit firm, completed its audit of the MHCRC Fund Financial Statements and will make a detailed presentation of the results at the December MHCRC meeting.

Once the MHCRC reviews and acknowledge the audit, the MHCRC staff will submit it to the Oregon Secretary of State along with the annual filing fee.

Attachment: MHCRC FY20-21 Financial Statements with Audit and OMS Report, Moss Adams
MHCRC SAS Letter, Moss Adams

Prepared By:
Michael Wong, Finance Manager
December 13, 2021





Mt. Hood Cable Regulatory Commission

Serving Multnomah County and the Cities of Fairview, Gresham, Portland, Troutdale & Wood Village

Financial Statements

And

Auditor's Report

Fiscal Year Ended June 30, 2021

Mt. Hood Cable Regulatory Commission
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AUDIT COMMENTS AND DISCLOSURES

Report of Independent Auditors on Compliance and on Internal Control Over
Financial Reporting Based on an Audit of Financial Statements Performed
In Accordance with *Oregon Minimum Auditing Standards*. 23-24

INTRODUCTORY SECTION

Mt. Hood Cable Regulatory Commission

June 30, 2021

Administration Offices

1120 SW 5th Ave, Suite 405
Portland, Oregon 97204

Commission Members as of June 30, 2021

Carol Studenmund	Chair - Multnomah County Representative
Scott Harden	Vice Chair - Wood Village Representative
Jeff Dennerline	Fairview Representative
Jacquenette McIntire	Gresham Representative
Walle Brown	Portland Representative
Kory Murphy	Portland Representative
Rich Roche	Portland Representative
Norm Thomas	Troutdale Representative

Director

Elisabeth Perez

Program Manager

Rebecca Gibbons

Finance Manager

Michael Wong

Accounting Staff

Kevin Sanders

(City of Portland Bureau of Revenue & Financial Services)



Mt. Hood Cable Regulatory Commission

Serving Multnomah County and the Cities of Fairview, Gresham, Portland, Troutdale & Wood Village

December 13, 2021

The Mt. Hood Cable Regulatory Commission (MHCRC) is pleased to submit the MHCRC Audit for the fiscal year ended June 30, 2021.

This report is published to provide the member jurisdictions - the cities of Fairview, Gresham, Portland, Troutdale and Wood Village and Multnomah County - as well as our residents, stakeholders and other readers with detailed information concerning the financial position and activities of the MHCRC. The MHCRC is responsible for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures.

To the best of our knowledge and belief, the enclosed report is accurate in all material respects and is organized in a manner designed to fairly present the financial position and results of operations of the MHCRC as measured by the financial activity of its fund. The accompanying disclosures are necessary to enable the reader to gain the maximum understanding of the MHCRC's financial affairs.

THE FINANCIAL STATEMENTS

This financial statement report has three main sections: introductory, financial, and comments and disclosures. The introductory section includes this transmittal letter and a list of MHCRC members and staff.

The financial section is prepared in accordance with accounting principles generally accepted in the United States of America. This section includes the Management's Discussion and Analysis (MD&A), which can be found immediately following the report of the independent auditors. These are followed by the basic financial statements and required supplementary information.

The MD&A provides a narrative introduction, overview, and analysis to accompany the basic financial statements and should be read in conjunction with this letter of transmittal. The basic financial statements include both the government-wide and fund level financial statements as well as a separate column for MHCRC's component unit, MetroEast Community Media.

MHCRC PROFILE

The Mt. Hood Cable Regulatory Commission (MHCRC) was created by Multnomah County and the cities of Fairview, Gresham, Portland, Troutdale and Wood Village (Jurisdictions) for the purposes of:

- Advocating for and protecting the public interest in the regulation and development of cable communication systems;
- Monitoring and helping resolve cable subscribers' concerns; and
- Facilitating the planning and implementation of community uses of cable communication technologies.

Each Jurisdiction appoints resident representatives to the MHCRC. Over the past year, these appointees have committed hundreds of volunteer hours to fulfill the MHCRC's mission on behalf of the Jurisdictions. They participated in approximately eight MHCRC meetings and numerous committee meetings, kept abreast of issues of concern to their Jurisdictions, presented information at city council and county commission meetings, and served as Board members for MetroEast Community Media (MetroEast).

The MHCRC regulates and oversees cable services franchises with two companies, serving the following areas:

Comcast: Portland, Gresham, Troutdale, Fairview, Wood Village and Multnomah County
Zipty: Gresham, Troutdale, Fairview and Wood Village

The MHCRC contracts for staff and other administrative support services through an agreement with the City of Portland. The MHCRC funds an equivalent of 5 full-time (FTE) staff positions plus related materials, services and overhead. Each member Jurisdiction provides a portion of its franchise fees from cable services providers to annually fund Commission operational expenses.

OUTLOOK

The primary revenues and expenses of the MHCRC are related to cable services franchise agreements with the cable companies. Revenues are fees paid to the MHCRC by the companies based on a percentage of the company's gross annual revenues derived from cable TV services. Cable fee revenues to the Jurisdictions peaked in FY 2016-17. Since that time however, fee revenues declined steadily at a pace of approximately 7% overall each year. Portland's fees decreased by 4.1% in FY 2020-21 with East County Jurisdictions franchise fees increasing by 2.7% in FY 2020-21 due to increased Comcast premium subscriptions while overall subscriptions have decreased. The MHCRC anticipates this decline in revenues to continue as people move from subscribing to traditional cable TV services to video delivered over the internet. This will impact the MHCRC resources from franchise fees and PEG/I-Net fees collected from cable companies and also MHCRC expenditures made to support the community media providers, community technology grantees, and I-Net stakeholders.

The impact of COVID on MHCRC finances and internal operations had little to no effect, although the financial impact doesn't ostensibly reduce cable subscribers short of a prolonged economic recession. Cable demand is assumed to continue at current trends, and will continue to be monitored in the upcoming fiscal year. Areas of concern continue to be a minimal amount of redundancy and backup support, which will be mitigated as much as possible by leveraging available city support with attention to relationship building and support structures if backup or additional support is necessary.

OTHER INFORMATION

A. Independent audit

According to Oregon Revised Statutes 190, the MHCRC is required to secure an independent audit every year.

B. Acknowledgments

We would like to express our sincere gratitude to the City of Portland personnel who contributed to this report, especially personnel in the Financial Reporting Division and Accounting staff in the Revenue Division, both within the Bureau of Revenue and Financial Services.

Respectfully submitted,



Elisabeth Perez
Director
Mt. Hood Cable Regulatory Commission

FINANCIAL SECTION

Report of Independent Auditors

The Board of Commissioners
Mt. Hood Cable Regulatory Commission
Portland, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the discretely presented component unit of the Mt. Hood Cable Regulatory Commission (“the Commission”), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Commission’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of MetroEast Community Media, which in the aggregate, represents 100% of the assets, net position and revenues of the discretely presented component unit of the Commission. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for MetroEast Community Media, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the discretely presented component unit of the Mt. Hood Cable Regulatory Commission, as of June 30, 2021 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedule of revenues, expenditures and changes in fund balance – budget and actual on pages 4 through 7, and 22, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the management's discussion and analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the management's discussion and analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The budgetary schedule described above is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The budgetary schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.

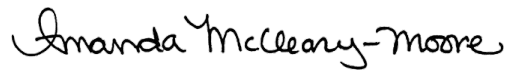
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The introductory section on pages i through iv is presented for purposes of additional analysis and is not a required part of the basic financial statements, and has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Reports on Other Legal and Regulatory Requirements

Other Reporting Required by Minimum Standards for Audits of Oregon Municipal Corporations

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 10, 2021, on our consideration of the Commission's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



For Moss Adams LLP
Portland, Oregon
December 10, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Mt. Hood Cable Regulatory Commission ("MHCRC"), we offer readers of MHCRC's Annual Financial Report this narrative overview and analysis of the financial activities of MHCRC for the fiscal year ended June 30, 2021.

FINANCIAL HIGHLIGHTS

The following are MHCRC's financial highlights for fiscal year ending June 30, 2021:

- The assets of MHCRC exceeded its liabilities at the close of FY 2020-21 by \$11,997,349 (*net position*).
- MHCRC's total net position increased by \$1,594,607 from FY 2020-21. The key factor for this increase was a decrease in the amount of program expenditures during the year. Given the nature of the MHCRC grant agreements, sizable year-to-year expense fluctuations are customary.
- The MHCRC's governmental fund reported an ending fund balance of \$11,997,349 an increase of \$1,594,607 .

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to MHCRC's basic financial statements. MHCRC's basic financial statements comprise four components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements, and 4) required supplementary information.

A. Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of MHCRC's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of MHCRC's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of MHCRC is improving or deteriorating.

The *statement of activities* presents information showing how MHCRC's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

In addition to MHCRC (primary government), the government-wide financial statements include MetroEast Community Media (MetroEast) for which the MHCRC is financially accountable. Financial information for MetroEast is reported separately from the financial information presented for the primary government.

B. Fund financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources segregated for specific activities or objectives. MHCRC, like other state and local governments, uses fund accounting to ensure compliance with finance-related legal requirements. MHCRC only has one governmental fund.

- **Governmental fund.** *The governmental fund is used to account for the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on spendable resources, near-term inflows, outflows and balances available at fiscal year end. Such information may be useful in evaluating a government's near-term financing requirements.*

Because the focus of a governmental fund is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term funding decisions. The statements "*Governmental Fund Balance Sheet / Statement of Net Position*" and "*Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance / Statement of Activities*" show the governmental fund perspective and the governmental activities perspective.

C. Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

D. Required supplementary information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning MHCRC's budget.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position serves as a useful indicator of a government's financial position. For the MHCRC, assets exceeded liabilities by \$11,997,349 at the close of FY 2020-21.

A. Analysis of net position

The largest portions of MHCRC's net position consist of \$8,930,542 in cash and investments, \$1,900,865 of grant advances, and \$1,490,720 in accounts receivable.

All of MHCRC's assets are restricted by intergovernmental agreements.

Mt. Hood Cable Regulatory Commission Summary of Net Position Balances as of

	June 30, 2021	June 30, 2020	Change
Assets	\$ 12,322,127	\$ 14,871,670	\$ (2,549,543)
Liabilities	324,778	4,468,928	(4,144,150)
Net Position			
Restricted Net Position	11,997,349	10,402,742	1,594,607
Total Net Position	\$ 11,997,349	\$ 10,402,742	\$ 1,594,607

B. Analysis of changes in net position

**Mt. Hood Cable Regulatory Commission
Summary of Changes in Net Position
For the years ended**

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Change</u>
Revenues			
Program revenues:			
Intergovernmental	\$ 6,580,747	\$ 7,131,015	\$ (550,268)
General revenues:			
Investment earnings	<u>95,194</u>	<u>265,053</u>	<u>(169,859)</u>
Total revenues	6,675,941	7,396,068	(720,127)
Expenses			
Community development	<u>5,081,334</u>	<u>11,240,489</u>	<u>(6,159,155)</u>
Changes in net position	1,594,607	(3,844,421)	5,439,028
Net position - beginning	<u>10,402,742</u>	<u>14,247,163</u>	<u>(3,844,421)</u>
Net position - ending	<u>\$ 11,997,349</u>	<u>\$ 10,402,742</u>	<u>\$ 1,594,607</u>

Net position increased by \$1,594,607 due to an excess of revenues over expenses in FY 2020-21. Given the nature of the MHCRC grant agreements, sizable year-to-year expense fluctuations are customary.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the MHCRC uses fund accounting to ensure compliance with finance-related legal requirements.

A. Governmental fund

The focus of MHCRC's *governmental fund* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing MHCRC's financing requirements.

As of the end of the current fiscal year, MHCRC's governmental fund reported an ending fund balance of \$11,997,349 which is an increase of \$1,594,607. The General Fund is the only fund of MHCRC.

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual revenues were \$1,480,781 above the final budget which is an increase over the final budget of 29%. Actual expenditures were \$8.6 million less than the final budget due to under expenditures for program expenditures. These under expenditures are largely attributable to the assurance of sufficient funding for projects performed by contracted public agencies and non-profit organizations.

Although MHCRC is exempt from state budget law per ORS 294.316 (14), a budget was adopted for MHCRC for FY 2020-21. During FY 2020-21, General Fund expenditures did not exceed budgetary estimates.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The MHCRC has no debt. Capital Assets consist of internally generated grants management software and are fully depreciated.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Cable fee revenues to the Jurisdictions peaked in FY 2016-17. Since that time however, fee revenues declined steadily at a pace of approximately 7% overall each year. Portland's fees decreased 4.1% in FY 2020-21 with East County Jurisdictions franchise fees increasing by 2.7% in FY 2020-21 due to increased Comcast premium subscriptions while overall subscriptions have decreased. The MHCRC anticipates this decline in revenues to continue as people move from subscribing to traditional cable TV services to video delivered over the Internet. This will impact the MHCRC resources from franchise fees and PEG/I-Net fees collected from cable companies and also MHCRC expenditures made to support the community media providers, community technology grantees, and I-Net stakeholders.

The sustained declining revenues are not expected to materially change at this time, and will continue to be monitored to determine if the steady decline will continue and what action this prompts. Reductions to the operational budget are still an option, but have not been taken at this time. Cable activity and associated franchise fees and other revenues will continue to be monitored and discussions with stakeholders will continue regarding long term plans to administer MHCRC within forecasted resources.

The impact of COVID has resulted in reduced expenditures due to limited capacity on new capital projects from non-profits and public agencies. Franchise fee revenue will be monitored in the upcoming fiscal year to determine actual impacts of COVID once first and second quarter revenues are received. At the time of this audit, first quarter revenues have not been received and processed. Additional budget information can be obtained at <http://www.mhcrc.org/about-the-mhcrc/>.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of MHCRC's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to Office for Community Technology / MHCRC, PO Box 745, Portland, OR 97207-0745.

Mt. Hood Cable Regulatory Commission
Governmental Fund Balance Sheet / Statement of Net Position
June 30, 2021

	Primary Government			Component Unit
	General Fund	Reconciliation Governmental Fund Balance	Statement of Net Position	MetroEast Community Media
ASSETS				
Cash and investments	\$ 8,930,542	\$ -	\$ 8,930,542	\$ 1,579,285
Receivables:				
Accounts, net	1,466,585	-	1,466,585	-
Accrued interest	24,135	-	24,135	1,280
Due from Mt. Hood Cable Regulatory Commission	-	-	-	240,882
Advances - MetroEast Community Media	534,589	-	534,589	-
Advances - others	1,366,276	-	1,366,276	-
Prepaid expense	-	-	-	15,272
Capital assets, not being depreciated				
Land	-	-	-	210,330
Intangible assets:				
FCC license	-	-	-	78,000
Capital assets, being depreciated				
Buildings	-	-	-	3,164,067
Equipment	-	12,000	12,000	1,791,845
Vehicles	-	-	-	87,428
Accumulated depreciation	-	(12,000)	(12,000)	(2,312,637)
Total assets	12,322,127	-	12,322,127	4,855,752
LIABILITIES				
Accounts payable	83,896	-	83,896	43,937
Due to MetroEast Community Media	240,882	-	240,882	-
Refundable advances - MHCRC	-	-	-	534,589
Accrued payroll and related expenses	-	-	-	116,926
Long-term debt	-	-	-	732,567
Capital lease obligation - current	-	-	-	13,165
Total liabilities	324,778	-	324,778	1,441,184
FUND BALANCE / NET POSITION				
Fund balance:				
Restricted	11,997,349			
Total liabilities and fund balance	\$ 12,322,127			
Net position:				
Restricted		-	11,997,349	10,698
Unrestricted		-	-	3,403,870
Total net position		\$ -	\$ 11,997,349	\$ 3,414,568

The accompanying notes are an integral part of the basic financial statements.

Mt. Hood Cable Regulatory Commission
Statement of Governmental Fund Revenues, Expenditures, and
Changes in Fund Balance/Statement of Activities
For the Year Ended June 30, 2021

	Primary Government			Component Unit
	General Fund	Reconciliation Governmental Fund Balance	Statement of Activities	MetroEast Community Media
Expenditures / Expenses:				
Community development	\$ 5,081,334	\$ -	\$ 5,081,334	\$ 2,157,986
Total expenditures / expenses	<u>5,081,334</u>	<u>-</u>	<u>5,081,334</u>	<u>2,157,986</u>
Program revenues:				
Intergovernmental	6,580,747	-	6,580,747	-
Grants	-	-	-	2,100,180
Membership income	-	-	-	3,090
Service charges	-	-	-	257,541
In-kind contributions	-	-	-	20,275
Total program revenues	<u>6,580,747</u>	<u>-</u>	<u>6,580,747</u>	<u>2,381,086</u>
Net program (expense) revenue		<u>-</u>	<u>1,499,413</u>	<u>223,100</u>
General revenues:				
Investment earnings (losses)	95,194	-	95,194	180,121
Excess of revenues over expenditures	1,594,607	-		
Change in net position	-	-	1,594,607	403,221
Fund balances / net position				
Beginning of the year	10,402,742	-	10,402,742	3,011,347
End of the year	<u>\$ 11,997,349</u>	<u>\$ -</u>	<u>\$ 11,997,349</u>	<u>\$ 3,414,568</u>

The accompanying notes are an integral part of the basic financial statements.

I. Summary of significant accounting policies:

A. Reporting entity:

In 1992 Multnomah County, Oregon, and the Cities of Fairview, Wood Village, Troutdale, Gresham, and Portland entered into an intergovernmental agreement under ORS 190 to form a unified regulatory commission called the Mt. Hood Cable Regulatory Commission (MHCRC) to serve the public interest by jointly regulating and administering franchise agreements within their boundaries. The MHCRC negotiates and enforces cable service franchise agreements; manages the public benefit resources and assets derived from the franchises; and advocates on behalf of the public interest on communications policy issues at the local, state and federal levels. The public benefits include:

- Community Grants Program which provides funds for technology projects to community organizations, libraries, educational institutions and local government agencies throughout Multnomah County. This program assists local entities in using cable system technology for enhanced communications, including video, data and voice applications;
- Institutional Network (I-Net) which is an advanced, fiber based communications network connecting government, educational and community institutions that is capable of carrying video, data and voice applications; and
- PEG access resources, which include both operating and capital funds for two community media centers (Open Signal and MetroEast Community Media) and other assets, such as channels on the cable system, digital capacity, and sites throughout the community used to originate programming.

Appointments to the MHCRC are made by the elected bodies of the participating jurisdictions.

MHCRC is reported as a Custodial Fund within the City of Portland's Annual Comprehensive Financial Report but they are not recognized as a component unit of the City of Portland.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Criteria indicating financial accountability include, but are not limited to, the following:

- Fiscal dependency by the organizations on MHCRC.

The discretely presented component unit is reported in a separate column in the government-wide statements to emphasize that they are legally separate from MHCRC, their governing boards are not the same as the MHCRC's, and they do not provide services entirely or exclusively to MHCRC.

Discretely presented component unit – MetroEast Community Media (MetroEast)

MetroEast is a non-profit organization that uses media to invigorate civic engagement, inspire diverse voices, and strengthen community life. MetroEast's services are generally targeted to the areas within the Cities of Gresham, Troutdale, Fairview and Wood Village and unincorporated Multnomah County. The MHCRC contracts with MetroEast for community media services. Through government and education programs broadcast on public access cable TV channels, underrepresented neighborhoods and groups are able to participate in and be aware of community and government activities and services. MetroEast gavel-to-gavel coverage of City Council and County Commission meetings on the citywide Government Access Channel (30). Substantially all of MetroEast's funding is received from MHCRC. Audited financial statements are prepared for MetroEast and can be obtained by contacting them at: 829 NE 8th Street, Gresham, OR 97030.

I. Summary of significant accounting policies, continued:

B. Government-wide and fund financial statements:

The government-wide financial statements, which include the statement of net position and the statement of activities, report information on all of the activities of the primary government and its component unit. *Governmental activities*, which normally are supported by intergovernmental revenues, are reported. The *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses are offset by program revenues. *Direct expenses* are those that are clearly identifiable.

Program revenues include franchise fees and public, education and government (PEG) fees due to the jurisdictional partners of MHCRC from the cable providers. Investment earnings are properly included among general revenues.

C. Measurement focus, basis of accounting, and financial statement presentation:

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon thereafter to pay liabilities of the current period. For this purpose, MHCRC considers revenues to be available if they are collected within *sixty days* of the end of the current fiscal period.

Significant measurable and available revenues for the fiscal year ended June 30, 2021, under the modified accrual basis of accounting, were as follows:

- Franchise fees
- Charges for services

Expenditures generally are recorded when a liability is incurred.

MHCRC reports the following major governmental fund:

- The General Fund is MHCRC's only fund. It accounts for all financial transactions of the general government.

D. Assets, liabilities, and net position:

1. Cash and investments

MHCRC's cash is held in the City of Portland's cash and investment pool. Cash and investments are presented on the balance sheet in the basic financial statements at fair value in accordance with GASB Statement No. 31 and GASB Statement No. 72.

All investment pool cash purchases and sales are part of the City of Portland's cash management activity and are considered cash and cash equivalents. In general, interest earned from pooled investments is allocated to MHCRC based on the average earnings rate and daily cash balance.

I. Summary of significant accounting policies, continued:

D. Assets, liabilities, and net position, continued:

Oregon Revised Statutes (ORS) 294, authorizes the City of Portland to invest primarily in general obligations of the United States (U.S.) Government and its agencies and instrumentalities, of the U.S. or enterprises sponsored by the U.S. Government and obligations whose payment is guaranteed by the U.S., agencies and instrumentalities of the U.S. or enterprises sponsored by the U.S. Government, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, high-grade commercial paper, and the State Treasurer's Local Government Investment Pool (LGIP).

For MetroEast, investments in marketable securities with readily determinable fair values are valued at their fair values. Certificates of deposits are valued at cost. Unrealized gains and losses are included in the increase (decrease) in net position.

2. Receivables

MHCRC records monies due from other governmental agencies as receivables.

3. Advances

MHCRC contracts with other entities to provide a variety of services. Since those entities are small non-profit organizations, MHCRC advances monies for grants and contracted services to enable the organizations to implement capital projects and/or provide services in accordance with their grant contracts with MHCRC. Advances represent amounts that have been paid by MHCRC, but for which no services have yet been provided.

4. Restricted amounts

All of MHCRC's assets are restricted because their use is limited by the external governments that created MHCRC. If both restricted and unrestricted resources were available for use, it is MHCRC's policy to use restricted resources first and then unrestricted resources, as they are needed.

5. Capital assets

Primary Government

MHCRC capital assets consist of internally generated software and is reported in the applicable columns of the government-wide financial statements. Internally generated software are capitalized with total costs of \$10,000 or more. Other computer software (not internally generated) with a cost of \$5,000 or greater are capitalized.

Capital assets are recorded at historical cost or estimated historical cost when actual cost is not available. The cost of normal maintenance and repairs that do not add value to the asset or materially extend asset lives are not capitalized. Management evaluates capital assets for impairment and retirement biannually, or as circumstances warrant.

Upon disposal of capital assets, historical cost or estimated historical cost is removed. Proceeds from sales are generally recorded as revenue.

Depreciation and amortization of capital assets are computed on the straight-line method over their estimated useful lives. Depreciation and amortization are not taken during the year of acquisition and no salvage values are used.

I. **Summary of significant accounting policies**, continued:

D. **Assets, liabilities, and net position**, continued:

The estimated useful lives of capital assets are:

- Computer software – internally generated – 7 to 17 years
- Computer software – other – 1 to 10 years

Component Unit

MetroEast follows the practice of capitalizing, at cost, all expenditures for property, equipment, and leasehold improvements in excess of \$1,000. Property and equipment received through donation or transfer are recorded at estimated fair value at the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets, which range from 5 to 30 years.

6. Accounts payable

Accounts payable to vendors and contractors include general accounts payable and other accrued contingent liabilities not included in short-term or long-term liabilities.

7. Use of estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America (GAAP), requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

8. Net position and fund balances

In the financial statements, assets in excess of liabilities are presented in one of two ways depending on the measurement focus of the statement.

On the *Statement of Net Position* for government-wide reporting, net position is segregated into three categories:

Net investment in capital assets represents total capital assets less accumulated depreciation.

Restricted net position represents net position that is *not* subject solely to the government's own discretion. Restrictions may be placed on net position by an external third party that provided the resources, from laws or regulations of other governments, from enabling legislation, from endowments agreements, or by the nature of the asset.

Unrestricted net position represents amounts not restricted.

On the *Balance Sheet – Governmental Fund*, assets in excess of liabilities are reported as fund balance and are reported in the classification indicating the extent to which MHCRC is bound to honor constraints on the specific purposes for which those funds can be spent.

Fund balance is reported as **Restricted** when the constraints placed on the use of resources are either: (a) externally imposed by grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, MHCRC's policy is to use restricted resources first and then unrestricted resources, as they are needed.

I. Summary of significant accounting policies, continued:

E. Adoption of new GASB pronouncement:

The following pronouncement was implemented during the year:

GASB Statement No. 89, Accounting for Interest Costs Incurred Before the End of a Construction Period.

This statement was issued June 2018 to establish accounting requirements for interest cost incurred before the end of a construction period. The objectives of the statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. GASB Statement No. 89 was implemented for the MHCRC for fiscal year ending June 30, 2021.

F. Future adoption of GASB pronouncements:

The following GASB pronouncements have been issued, but are not yet effective as of June 30, 2021:

GASB Statement No. 87, Leases. This statement was issued June 2017 to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments and increases the usefulness of governments' financial statements. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. GASB Statement No. 87 will be effective for the MHCRC, fiscal year ending June 30, 2022.

GASB Statement No. 91, Conduit Debt Obligations. This statement was issued May 2019. This statement establishes accounting requirements for conduit debt obligations by issuers. The objectives of this statement are to eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB Statement No. 91 will be effective for the MHCRC for fiscal year ending June 30, 2023.

GASB Statement No. 92, Omnibus 2020. This statement was issued January 2020, this Statement enhances comparability and financial reporting to improve the consistency of authoritative literature to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to leases implementation, derivative instruments, postemployment benefits (pensions and other postemployment benefits [OPEB]), asset retirement obligations, risk pool and fair value measurements. GASB Statement No. 92 will be effective for the MHCRC for fiscal year ending June 30, 2022.

GASB Statement No. 93 Replacement of Interbank Offered Rates (IBOR). This Statement was issued March 2020 to address accounting and financial reporting implications that result from the replacement of an IBOR. GASB Statement No. 93 will be effective for the MHCRC for the fiscal year ending June 30, 2022.

GASB Statement No. 94, Public-Private and Public-Public Partnership and Availability Payment Arrangements. This Statement was issued March 2020 to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). It also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). GASB Statement No. 94 will be effective for the MHCRC for the fiscal year ending June 30, 2023.

I. Summary of significant accounting policies, continued:

F. Future adoption of GASB pronouncements, continued:

GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). This statement was issued May 2020 to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users (governments). This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlay other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. GASB Statement No. 96 will be effective for the MHCRC for the fiscal year ending June 30, 2023.

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statement No. 14 and No. 84, and a supersession of GASB Statement No. 32. This Statement was issued June 2020. The primary objectives are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component unit in fiduciary fund financial statement; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meets the definition of a pension plan and for benefits provided through those plans. GASB Statement No. 97 will be effective for the MHCRC for the fiscal year ending June 30, 2022.

II. Stewardship, compliance, and accountability:

A. Budgetary information:

Although state law does not require MHCRC to adopt a budget, it has done so. The budget is approved by the governmental entities that founded MHCRC. Total resources in MHCRC equal total expenditures and requirements. Appropriations lapse at fiscal year end.

MHCRC's budget was adopted prior to July 1st, after being approved by every member jurisdiction. This budget authorizes and establishes appropriations for the fiscal year for the MHCRC's major categories of expenditures. The level of appropriation is established for program expenses and contingencies. MHCRC program expenses include the following major object categories: materials and services, and capital outlay.

MHCRC budgets on the modified accrual basis of accounting. Budgets may be modified during the fiscal year through different means. MHCRC managers may transfer appropriations between line items within major object categories. In addition, MHCRC may transfer appropriations between major object categories with the permission of the MHCRC, provided the adjustments do not affect total appropriations.

Mt. Hood Cable Regulatory Commission
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

III. Detailed notes:

A. Cash and investments:

MHCRC's cash and investments are maintained in a cash and investment pool run by the City of Portland. MHCRC's cash and cash equivalents are represented by participation in this pool rather than specific, identifiable securities. Interest earned on pooled investments is allocated monthly based on the average participation of the funds in relation to total investments in the pool. It is not practical to determine the investment risk, collateral or insurance coverage for the MHCRC's share of these pooled investments. Information about the pooled investments is included in the City's Annual Comprehensive Financial Report (ACFR). The City's ACFR can be found at: <http://www.portlandonline.com/omf/index.cfm?c=26053>.

The City accounts for cash and investments in accordance with the provisions of GASB Statement No. 31: *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, which requires governmental entities, including governmental external investment pools, to report certain investments at fair value in the balance sheet and to recognize the corresponding change in the fair value of investments in the year in which the change occurred. Disclosures regarding risks associated with cash and investments required by GASB Statement No. 3: *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*, and GASB Statement No. 40: *Deposit and Investment Risk Disclosures* are included in the City's financial statements.

	Primary Government	<u>Component Unit</u> MetroEast	Total
City of Portland external investment pool	\$ 8,930,542	\$ -	\$ 8,930,542
Cash and cash equivalents	-	667,775	667,775
Equity securities	-	639,184	639,184
Government and fixed income securities	-	242,007	242,007
Certificates of deposit	-	30,319	-
Total	<u>\$ 8,930,542</u>	<u>\$ 1,579,285</u>	<u>\$ 10,479,508</u>

Mt. Hood Cable Regulatory Commission
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

III. Detailed notes, continued:

A. Cash and investments, continued:

Component Unit disclosures

Investments of the component unit are exposed to various risks such as interest rate, market, and credit risk. The value, liquidity, and related income of these investments are sensitive to changes in economic conditions and may be adversely affected by shifts in the market's perception of the issuers and interest rates. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, which could materially affect account balances and amounts reported in the financial statements.

Accounting principles generally accepted in the United States of America for governmental entities establish a three-level hierarchy for disclosure of assets and liabilities recorded at fair value. The classification of assets and liabilities within the hierarchy is based on whether the inputs to the valuation methodology used for measurement are observable or unobservable. Observable inputs reflect market-derived or market-based information obtained from independent sources while unobservable inputs reflect estimates about market data.

The fair-value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1: Quoted prices are available in active markets for identical investments as of the reporting date.
- Level 2: Pricing inputs are observable for the investments, either directly or indirectly, as of the reporting date, but are not the same as those used in Level 1. Fair value is determined through the use of models or other valuation methodologies.
- Level 3: Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

<u>MetroEast</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity securities	\$ 639,184	\$ -	\$ -	\$ 639,184
Government and fixed income securities	-	242,007	-	242,007
Total	<u>\$ 639,184</u>	<u>\$ 242,007</u>	<u>\$ -</u>	<u>\$ 881,191</u>

Mt. Hood Cable Regulatory Commission
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

III. Detailed notes, continued:

B. Receivables:

Receivables as of June 30, 2021, are as follows:

	Primary Government	Component Unit MetroEast	Total
Franchise fees receivable	\$ 1,466,585	\$ -	\$ 1,466,585
Due from MHCRC	-	240,882	240,882
Accrued interest receivable	24,135	1,280	25,415
Total	<u>\$ 1,490,720</u>	<u>\$ 242,162</u>	<u>\$ 1,732,882</u>

All of MHCRC's receivables are short term in nature.

C. Prepaid items and advances:

MHCRC works with a variety of entities that require advances in order to accomplish the work they contract with MHCRC to do. At June 30, 2021 advance balances were:

	Primary Government
MetroEast	\$ 534,589
Other entities	1,366,276
Total	<u>\$ 1,900,865</u>

MetroEast had \$15,272 of prepaid expenses at June 30, 2021.

D. Payables:

Payables and other accrued liabilities at June 30, 2021 are as follows:

	Primary Government	Component Unit MetroEast	Total
Payable to vendors and contractors	\$ 83,896	\$ 43,397	\$ 127,833
Due to component units	240,882	-	240,882
Total	<u>\$ 324,778</u>	<u>\$ 43,397</u>	<u>\$ 368,715</u>

Mt. Hood Cable Regulatory Commission
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

III. Detailed notes, continued:

E. Fund balances, governmental funds:

The fund balance is reported in the aggregate in the classifications defined by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The entire fund balance is restricted due to intergovernmental agreements which specify the uses of the funds.

F. Capital assets:

Capital assets activity for the component units, for the year ended June 30, 2021, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>MHCRC</u>				
Capital Assets, being depreciated				
Computer software	\$ 12,000	\$ -	\$ -	\$ 12,000
Accumulated amortization	(12,000)	-	-	(12,000)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>MetroEast</u>				
Capital assets, not being depreciated				
Land	\$ 210,330	\$ -	\$ -	\$ 210,330
Intangible assets:				
FCC license	78,000	-	-	78,000
Capital assets, being depreciated				
Buildings	3,147,209	16,858	-	3,164,067
Equipment	1,525,677	436,795	(170,627)	1,791,845
Vehicles	29,825	57,603	-	87,428
Accumulated depreciation	(2,019,920)	(415,745)	123,028	(2,312,637)
Capital assets, net	<u>\$ 2,971,121</u>	<u>\$ 95,511</u>	<u>\$ (47,599)</u>	<u>\$ 3,019,033</u>

Some of the equipment listed for MetroEast would revert to MHCRC if the contracts between the entities were terminated.

Mt. Hood Cable Regulatory Commission
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

III. Detailed notes, continued:

G. Leases:

MetroEast has entered into a capital lease obligation on April 14, 2019 for certain production and maintenance equipment costing \$47,047. Future minimum lease payments under the capital lease total \$13,851 less amounts representing interest of \$686.

H. Debt:

MetroEast has a debt agreement with Bank of America. The note is due in monthly installments of \$6,954, including interest at 4.75% through the July 2023 maturity date of the note. The note is secured by land and building with a net book value of \$1,547,467.

Payments as disclosed in the notes to the MetroEast's financial statements are:

Fiscal Year Ending June 30,	Amount
2022	\$ 49,927
2023	52,350
2024	<u>630,290</u>
Total	<u>\$ 732,567</u>

Debt and long-term liability activity of the two entities for the year ended June 30, 2021, was:

<u>MetroEast:</u>	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Note payable	\$ 779,501	\$ -	\$ 46,934	\$ 732,567	\$ 49,927
Compensated absences	118,772	116,926	118,772	116,926	116,926
Capital Lease Obligation	28,934	-	15,769	13,165	13,165
Total MetroEast	<u>\$ 927,207</u>	<u>\$ 116,926</u>	<u>\$ 181,475</u>	<u>\$ 862,658</u>	<u>\$ 180,018</u>

Mt. Hood Cable Regulatory Commission
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

IV. Other information:

A. Risk management:

MHCRC is exposed to various risks of loss related to theft, damage and destruction of assets, tort claims (general and fleet liability), acts of terrorism, and natural disasters. MHCRC participates in the City of Portland’s risk pool for general liability claims through a monthly overhead charge paid to the City. The City is responsible for all costs of claims. There have been no claims in excess of coverage or a significant reduction in coverage during the last three years.

B. Employee retirement system and pension plan:

MetroEast sponsors a 401(k) profit sharing plan (the plan). Eligible participants have the opportunity to defer a portion of their salary into the plan, as well as receive an employer contribution that will be discretionarily determined annually by the Board of Directors. Requirements for eligibility are a minimum of employment during the last six months of the plan year and participants must be at least 18 years of age. Pension expense under this plan for the years ended June 30, 2021 and 2020 was \$52,145 and \$60,141 respectively.

C. Commitments:

MHCRC has entered into multiple contractual agreements to provide future grants to various community based agencies. These obligations are not expected to be fully paid from current financial resources and are not recognized as a liability until performance under the contract has occurred. These agreements are represented by open purchase orders with balances at June 30, 2021 as follows:

Organization	Project Description	Commitments
Portland Public School District	TechSmart 3rd Grade Literacy Project	\$ 610,828
Centennial School District	CSD Techsmart Grant	485,471
Multnomah County School District	GBSD Techsmart Grant 2: MS Math	181,235
Multnomah County	Mobile Computing Device Checklist	122,360
David Douglas School District	DDSD Techsmart Grant	119,990
Pacific Northwest College	MHCRC - Make Think Code - Advance Pay	40,937
Reynolds School District	Techsmart Grant 2: Expand Class	35,736
Multnomah County	Welcome to Computers	19,196
Resolutions Northwest	Moving the Equity Conversion Video Project	7,224
Junior Achievement of Portland	JA BizTown & B2TV Tech	6,571
Portland Community College	New Equipment & Tools for Students	5,817
City of Fairview	Council Chambers Tech Upgrade	3,387
Boys & Girls Club	My Future Rockwood Expansion	701
Total		<u>\$ 1,639,453</u>

REQUIRED SUPPLEMENTARY INFORMATION

Mt. Hood Cable Regulatory Commission
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Intergovernmental revenue	\$ 5,099,966	\$ 5,099,966	\$ 6,580,747	\$ 1,480,781
Other:				
Investment earnings	150,000	150,000	95,194	(54,806)
Total revenues	<u>5,249,966</u>	<u>5,249,966</u>	<u>6,675,941</u>	<u>1,425,975</u>
EXPENDITURES				
Current:				
Program expenditures	13,613,793	13,613,793	4,982,279	8,631,514
Total expenditures	<u>13,613,793</u>	<u>13,613,793</u>	<u>4,982,279</u>	<u>8,631,514</u>
Revenues over (under) expenditures	<u>(8,363,827)</u>	<u>(8,363,827)</u>	<u>1,693,662</u>	<u>10,057,489</u>
Fund balance - beginning	<u>10,340,505</u>	<u>10,340,505</u>	<u>11,678,312</u>	<u>1,337,807</u>
Fund balance - ending	<u>\$ 1,976,678</u>	<u>\$ 1,976,678</u>	<u>13,371,974</u>	<u>\$ 11,395,296</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Non-budgetary advance recovery			<u>(1,374,625)</u>	
Net position - GAAP basis			<u>\$ 11,997,349</u>	

Report of Independent Auditors on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Oregon Minimum Audit Standards*

The Board of Commissioners
Mt. Hood Cable Regulatory Commission
Portland, Oregon

We have audited the basic financial statements of the governmental activities and the major fund of the Mt. Hood Cable Regulatory Commission (MHCRC or the Commission), as of and for the year ended June 30, 2021, and have issued our report thereon dated December 10, 2021. We did not audit the financial statements of MetroEast Community Media, which in the aggregate, represent 100% of the assets, net position and revenues of the discretely presented component unit of MHCRC. Those statements were audited by other auditors whose report has been furnished to us, and in our opinion, insofar as it relates to the amounts included for MetroEast Community Media, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Oregon Secretary of State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

Compliance

As part of obtaining reasonable assurance about whether the Commission's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-0000 to 162-10-0330, as set forth below, noncompliance with which could have a direct and material effect on the determination of financial statement amounts:

- The use of various depositories to secure the deposit of public funds.
- The requirements relating to insurance and fidelity bond coverage.
- The statutory requirements pertaining to the investment of public funds.
- The requirements pertaining to the awarding of public contracts and the construction of public improvements.

However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Oregon Administrative Rules 162-10-000 to 162-10-0330.

Internal Control Over Financial Reporting

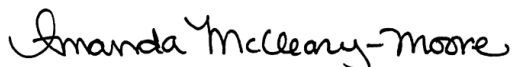
Management of the Commission is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control over financial reporting that we consider to be a significant deficiency as defined above. Discussion of this deficiency can be found in our Communication to Those Charged with Governance and Internal Control Related Matters dated December 10, 2021.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Amanda McCleary-Moore, Partner
for Moss Adams LLP
Portland, Oregon
December 10, 2021



COMMUNICATIONS WITH THOSE
CHARGED WITH GOVERNANCE AND
INTERNAL CONTROL RELATED MATTERS

MT. HOOD CABLE REGULATORY COMMISSION

June 30, 2021

Communications with Those Charged with Governance

To the Board of Commissioners
Mt. Hood Cable Regulatory Commission

We have audited the financial statements of the governmental activities and the major fund of the Mt. Hood Cable Regulatory commission (“MHCRC”) as of and for the year ended June 30, 2021, and have issued our report thereon dated December 10, 2021. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Auditing Standards Generally Accepted in the United States of America

As stated in the City of Portland Agreement for Professional, Technical, or Expert Services Contract Number 30005847 dated May 16, 2017 (the Contract), as amended, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit in accordance with auditing standards generally accepted in the United States of America and to design the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free from material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the MHCRC’s internal control over financial reporting. Accordingly, we considered MHCRC’s internal control solely for the purposes of determining our audit procedures and not to provide assurance concerning such internal control.

We are also responsible for communicating significant matters related to the financial statement audit that, in our professional judgment, are relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Other Information in Documents Containing Audited Financial Statements

Our responsibility for other information in the financial statements does not extend beyond the financial information identified in our report. We do not have an obligation to perform any procedures to corroborate other information contained in these documents. However, we have read the information and nothing came to our attention that caused us to believe that such information or its manner of presentation is materially inconsistent with the information or manner of its presentation appearing in the financial statements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in the Contract dated May 16, 2017.

Significant Audit Findings and Issues

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by MHCRC are described in Note I to the financial statements. The MHCRC adopted GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, during fiscal year 2021. The adoption of the statement had no material impact on overall change in net assets or net cash from operating activities, however, the disclosures in the financial statements have been updated. We noted no transactions entered into by the MHCRC during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the MHCRC's financial statements were:

- Allowance for doubtful accounts
- Estimated liabilities for cable franchise fee revenue due to other parties

Financial Statement Disclosures

The disclosures in the financial statements are consistent, clear and understandable. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The disclosure of the reporting entity and significant accounting policies in Note I to the financial statements. This disclosure reports the operations under the governance of the Commissioners, as well as the more significant policies used by MHCRC in the preparation of the financial statements. Note I discloses MetroEast Community Media as a discretely presented component unit.
- The disclosure of MHCRC's risk management programs in Note IV.A. to the financial statements. This disclosure provides a summary of the various risks of loss MHCRC is exposed to, and its method of financing those risks.

Significant Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all factual and judgmental misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

Corrected misstatements are those entries found during the course of the audit that management decided to post to the financial statements. We identified the following corrected misstatements during the course of our audit procedures:

1. Entry to true up advances for recoveries received but not recorded during FY 2021– \$676,677 (decrease in advances)

Uncorrected misstatements are those entries found during the course of the audit that management has decided to not post to the financial statements. We identified the following passed adjustments during the course of our audit procedures:

1. Entry to correct PEG fees recorded for FY 2021 – \$40,595 (increase in revenues)

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 10, 2021.

Management Consultation with Other Independent Accountants

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

Other Significant Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the MHCRC's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Communication of Internal Control Related Matters

In planning and performing our audit of the financial statements of the MHCRC as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the MHCRC's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the MHCRC's internal control. Accordingly, we do not express an opinion on the effectiveness of the MHCRC's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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

Our audit was also not designed to identify deficiencies in internal control that might be significant deficiencies. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in the MHCRC's internal control to be a significant deficiency over advances:

Recording of Advance Recoveries – During our procedures, we noted that the advance accounts related to Portland Community Media were not reconciled at year end to ensure the advance amounts recorded were updated as of June 30, 2021. This resulted in MHCRC excluding significant advance recovery activity relating to Portland Community Media. This error resulted in a \$676,677 adjustment made at year end. We recommend that MHCRC reconcile all advance accounts, whether they are related to a component unit or not, in order to ensure that advances at year end are accurate for financial reporting purposes.

This information is intended solely for the use of the Commissioners and management of the Mt. Hood Cable Regulatory Commission and is not intended to be and should not be used by anyone other than these specified parties.

Mass Adams LLP

Portland, Oregon
December 10, 2021



Mt. Hood Cable Regulatory Commission

Serving Multnomah County and the Cities of Fairview, Gresham, Portland, Troutdale & Wood Village

COVER SHEET – AGENDA ITEM R2

For Commission Meeting: December 13, 2021

Community Technology Grant Amendment: Outside the Frame

Staff Recommendation

Staff recommends that the Commission approve an amendment to the current contract with Outside the Frame for an additional grant award amount of \$70,330.

Background/Discussion

The Commission approved an agreement in June 2020 in the amount of \$32,250 for the purpose of providing the Commission's grant funds to Outside the Frame for their *Expanding Filmmaking Opportunities for Youth Experiencing Homelessness* project. The Agreement is set to expire March 31, 2022.

Outside the Frame is a long-standing community partner of the Commission and a repeat grantee. Their work continues to expand in terms of content, community connections, and production value, in large part to the Commission's investments in the project. Expanded project sessions and increases in the number of youth participants have created a shortage of sufficient capital equipment to support concurrent productions, trainings, and equipment checkouts under the original project scope. Outside the Frame is requesting additional funding to purchase more video production equipment to support the training of an additional 50 youth and an additional 10 apprentices to produce an additional 20 films and to extend the term of the Agreement to allow time to implement the expanded services.

The additional grant award of \$70,330 combined with the already granted amount will bring the total grant award amount to \$102,580.

Attachments: Outside the Frame Grant Amendment (Final Draft)

Prepared By: Rana DeBey
December 3, 2021



AGREEMENT FOR COMMUNITY TECHNOLOGY GRANT

This is an Amendment to the Agreement for Community Technology Grant (Agreement) between the Mt. Hood Cable Regulatory Commission (Commission), through the Office for Community Technology (OCT), and Outside the Frame (Grantee) (together referred to as the "Parties").

RECITALS

1. The Commission approved an Agreement in June 2020 in the amount of \$32,250 for the purpose of providing the Commission's grant funds for the Grantee's Expanding Filmmaking Opportunities for Youth Experiencing Homelessness project. The Agreement is set to expire March 31, 2022.
2. Grantee's work continues to expand in terms of content, community connections, and production value, in large part to the Commission's investments in the project. Expanded project sessions and increases in the number of youth participants have created a shortage of sufficient capital equipment to support concurrent productions, trainings, and equipment checkouts. Grantee requests additional funding to purchase more video production equipment to support the training of an additional 50 youth and an additional 10 apprentices to produce an additional 20 films and to extend the term of the Agreement to allow time to implement the expanded services.
3. This Amendment awards additional grant funds in the amount of \$70,330 in support of the project expansion as described in Attachment A to this Amendment.
4. This Amendment extends the term of the Agreement through March 31, 2023.
5. Any change in the amount of the Grant funds or the financial risks under this Agreement must be approved by vote of the Commission. Agreement Section 13.

AGREEMENT

1. Agreement, Section 1, Grant Amount, Use of Grant, is amended to include an additional grant award of \$70,330, for a total grant award amount of \$102,580 for specific capital costs related to the revised grant project as described in Attachment A of the Amendment.
2. Agreement Section 3, Payments, is amended to require that, no later than February 28, 2023, Grantee must have completed all expenditures made from Grant funds for Grant project capital costs and provided receipts or other evidence of payment for actual grant funded capital costs to the Project Manager in order to be paid under the Agreement terms.
3. Agreement Section 5, Reports, is amended to include the additional Interim reporting periods: January 1, 2022 through June 30, 2022; July 1, 2022 through December 31, 2022. Grantee shall submit a Final Report by March 31, 2023, summarizing the activities and accomplishments of the entire Grant.
4. Agreement Section 14, Term of the Agreement, is amended to extend the term of the Agreement through, and including, March 31, 2023.

5. All other terms of the Agreement shall remain the same.

Outside the Frame:

By: _____

Title: _____

Date: _____

Mt. Hood Cable Regulatory Commission:

By: _____

Carol Studenmund, Commission Chair

Date:

Approved as to Form:

Commission Legal Counsel

ATTACHMENT A: REVISED PROJECT PLAN

Rationale for Addendum:

Outside the Frame's work continues to expand in terms of content, community connections and production value, largely thanks to MHCRC's investments in our program. Currently Weekly Workshops are offered twice a week, except when we run our Film Intensives. With additional staff - we just hired a new Program Manager - and gear, our twice weekly workshops and film workforce development programming will be offered concurrently and year-round, increasing the number of training opportunities for youth. OTF alumni and youth are taking on increasing roles with greater independence. We have assigned a crew of participants to interview and film, and in the case of narrative projects also write and direct several contract projects on their own, including a mini documentary about a local non-profit and more humorous Covid PSA's for the Latinx community. We have found ourselves with the good problem of not having enough gear to support the concurrent productions, trainings and equipment checkouts. Which is why we are asking for the increased equipment/gear.

Measurable Project Outcomes:

1. 110 total youth participate in film industry workforce development, measured by a count of unique youth on attendance lists in Air Table for Production Assistant Bootcamps, Gear Training, Apprenticeship Film Projects and Equipment check out. *(original goal was 60 youth)*
2. 20 youth work as apprentices on professional-level film projects, measured by a count of unique youth on attendance lists in Air Table for apprenticeship film projects and freelance support programming. *(original goal was 10 youth)*
3. 30 films get submitted to community access channels *(was not an original goal, but original project plan did include submission of approximately 10 videos)*

Updated Project Timeline: The timing of some filming events in our implementation plan will remain flexible due to COVID-19 outbreaks. As outlined in our program plan, we have made adjustments to carry out both physically distant programming and filming, supplemented by remote workshops. However, we may occasionally delay workshops to hold them in person rather than remotely.

July 1 - December 31, 2020

Milestones:

- Host "Digital Media Bootcamp: Pathway To Set" class in partnership with IATSE Local 488 and Oregon Film;
- Serve 15 youth total

Tasks:

- Purchase new film equipment
- Engage program youth in planning of advanced gear training and apprenticeship film project
- Hire and train 2 peer mentors
- Refine Digital Media Bootcamp curriculum

January 1 - June 30, 2021

Milestones:

- Pilot Professional Workshop
- Pilot freelance support program
- Serve 25 youth total

Outside the Frame Amendment November 2021

Tasks:

- Develop Advanced Equipment Training curriculum with guest instructors
- Produce professional short film through workshop
- Work with partners to place youth in apprenticeships, secure freelance work, and production assistant jobs

July 1 - December 31, 2021

Milestones:

- Host 2 quarterly Advanced Equipment Training sessions
- Begin checking out new gear to youth working freelance jobs
- Enroll youth in IATSE 488 bootcamps
- Serve 20 youth total

Tasks:

Develop Professional Workshop curriculum with guest instructors

- Submit films to cable access channel
- Work with partners to place youth in apprenticeships, secure freelance work, and production assistant jobs
- Hire and train 2 peer mentors
- Implement equipment checkout system

Jan 1 - June 30, 2022

Milestones:

- Set up permanent studio at OTF HQ
- Host PA bootcamp
- Host monthly Equipment Training sessions
- Check out gear to youth working freelance jobs
- Produce 5 films
- Serve 25 youth total

Tasks:

- Purchase gear
- Refine equipment storage and checkout system
- Update gear protocols - Gear for productions, gear for training, gear for checkout
- Work with partners to place youth in apprenticeships, secure freelance work, and production assistant jobs
- Continue professional development of 2 Peer Mentors and Equipment Room Manager on staff

July 1 - Dec 31, 2022

Milestones:

- Engage 5 youth in apprenticeship roles in OTF film project
- Host PA bootcamp
- Host monthly Equipment Training sessions
- Check out gear to youth working freelance jobs
- Produce 5 films
- Serve 25 youth total

Tasks:

Outside the Frame Amendment November 2021

- Create visual aids for gear
- Evaluate and improve equipment storage and checkout system
- Work with partners to place youth in apprenticeships, secure freelance work, and production assistant jobs
- Continue professional development of 2 Peer Mentors and Equipment Room Manager on staff

Revised Line-Item Budget Table:

Cost Category	Grant Funds	Match Amt	Project Total
Personnel	\$0	\$89,391	\$89,381
Education & Training	\$0	\$0	\$0
Travel	\$0	\$0	\$0
Contractual	\$0	\$13,375	\$13,375
Equipment	\$99,649	\$0	\$99,649
Infrastructure/Facilities Construction	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$0
Overhead	\$2,931	\$11,428	\$14,359
Total	\$102,580	\$114,194	\$216,764

Budget Narrative for Additional Equipment Request:

Camera package I: The following package would up our game and offer advanced learning opportunities while filling gaps in our current setup to maximize learning accessibility, image quality and efficiency.

- Native RF lenses for our two professional Canon C70 cameras - They are compact, amazing autofocus, which is important for anyone below expert level, stellar image, and very versatile.
- Gimbals - the grandchild of the steadicam, it allows smooth and stable camera movements.
- Hard weatherproof protective cases to carry it all in, accessories.

Total - \$21,246

Camera package II: An intermediate camera similar to the C70 but smaller and lighter, and can shoot 4K. These cameras are good for classroom teaching and for youth to check out and build up skill, confidence and buy-in while producing cinematic looking docs, narratives or music videos.

- 4 additional Canon mirrorless cameras and lenses - two for in-house, two for checkout: \$3,999/each, Total - \$15,996

Lights: Along with the camera package above, the following gear will support a permanent setup in our studio, so that participants can walk into the room, flip a switch, and start filming and learning. This will reduce setup/breakdown time and allow for dedicated in house teaching gear and dedicated production gear.

Lights, backdrops, stands, cords: \$3,966

Audio: Everyone wants to be a director or cinematographer. Audio is a field that has the most points of entry in the film industry. It is important to build up confidence and skill while getting good quality audio. The following gear is “fail proof” - it can pick up whispering to yelling without distortion, allowing the students to focus on mic placement during the shoot, and on adjusting volume during editing.

- Lavs, mixer, mic, soundproof panels to dampen the train station noise, speakers for editing - \$4,058

Post Production:

- 8 editing-capable laptops for youth and staff. In house use only with accessories and warranty - \$2,500/each, up to 8 - \$20,000.
- Hard drives for individual projects and archive - \$300/each up to \$3,600
- Monitors and LED screen - for multiple youth to edit together, screen for color correction: \$1,465

Grand total: \$70,330

**complete gear list below*

Increased Matching Resources:

Personnel

.3 FTE Executive Director's Annual Salary = \$20,749

Equipment Room Manager, PT = \$15,600

Total = \$36,349

Outside the Frame Gear List Addendum

Item Name	Vendor	Units	Unit Price	Subtotal	Rationale
CAMERA					
Camera package I					
Canon RF 24-70mm Lens	B&H	2	\$2,399	\$4,798	They are compact, amazing autofocus, stellar image, very versatile.
Canon RF 70-200mm Lens	B&H	2	\$2,799	\$5,598	They are compact, amazing autofocus, stellar image, very versatile.
Canon RF 15-35mm Lens	B&H	2	\$2,399	\$4,798	They are compact, amazing autofocus, stellar image, very versatile.
EF lens adaptor	B&H	2	\$90	\$180	Adaptor for existing lenses
DJI RS2 Pro Gimbal & Case	B&H	2	\$1,189	\$2,378	For smooth camera movements
Pelican Cases		1	Allow	\$2,000	Hard, weatherproof cases
Small Rig Accessories	https://w	1	Allow	\$1,000	Lots of little pieces that connect everything really well to maximize existing gear potential
Easyrig	B&H	1	\$395	\$395	Helps hold up cameras
SmallRig Shoulder Mount	B&H	1	\$99	\$99	Helps hold up cameras
SUBTOTAL				\$21,246	
Camera package II					
Mirrorless camera	B&H	4	\$1,600	\$6,400	Cameras to teach on and check out. Great autofocus, can do fancy beautiful shots easily
Lenses for mirrorless camera	B&H	4	\$2,399	\$9,596	They are compact, amazing autofocus, stellar image, very versatile.
SUBTOTAL				\$15,996	
CAMERA SUBTOTAL				\$37,242	
LIGHTS					
C Stands	B&H	4	\$160	\$640	For permanent in house studio setup, not for checkout
Aputure Lantern Softbox	B&H	1	\$89	\$89	For permanent in house studio setup, not for checkout
Dracast Bi-Color LED500 Kit	B&H	1	\$600	\$600	For permanent in house studio setup, not for checkout
Speedrail Pipe		1	Allow	\$200	For permanent in house studio setup, not for checkout
Impact Combo Stand	B&H	2	\$180	\$360	For permanent in house studio setup, not for checkout
Studio Rated Stingers	B&H	4	\$33	\$131	For permanent in house studio setup, not for checkout
Surge Protector	B&H	1	\$92	\$92	For permanent in house studio setup, not for checkout
Sand Bags (orange)	B&H	2	\$90	\$179	For permanent in house studio setup, not for checkout
Black Fabric	B&H	2	\$39	\$78	For permanent in house studio setup, not for checkout
Aputure 300d	B&H	1	\$1,099	\$1,099	For permanent in house studio setup, not for checkout
Aputure MC 4 Light w Charging Case	B&H	1	\$499	\$499	For narrative productions
LIGHTS SUBTOTAL				\$3,966	
AUDIO					
Tentacle Sync Trak E Lav kit	B&H	2	\$349	\$698	"Idiot proof" lav mics, easy to learn, hard to mess up
Speakers	SWEET	4	\$199	\$796	For two editing stations, to hear what it really sounds like
Sound Devices MixPre-6 II	B&H	1	\$970	\$970	"Idiot proof" mixer, easy to learn, hard to mess up
Sound absorption panels	B&H	2	\$418	\$836	To blunt some of the sounds of the train station below
Sanken Cos 11d	B&H	2	\$379	\$758	High end lav mic
AUDIO SUBTOTAL				\$4,058	
POST PRODUCTION					
Macbook Pros/PCS + Accessories and Warr	B&H	8	\$2,500	\$20,000	Editing laptops for youth and staff
LED Screen	B&H	1	\$329	\$329	For color correction
Computer monitors	B&H	4	\$284	\$1,136	So multiple youth can see together
Samsung T7 2TB SSD	B&H	8	\$300	\$2,400	Project hard drives
WD 10TB Purple Pro HDD	B&H	4	\$300	\$1,200	Hard drives to archive our growing library of films
POST PRODUCTION SUBTOTAL				\$25,065	
GRAND TOTAL				\$70,330	



Mt. Hood Cable Regulatory Commission

Serving Multnomah County and the Cities of Fairview, Gresham, Portland, Troutdale & Wood Village

COVER SHEET – AGENDA ITEM R3

For Commission Meeting: December 13, 2021

Community Technology Grant Amendment: The Old Church

Staff Recommendation

Staff recommends that the Commission approve an amendment to the current contract with grantee The Old Church for an additional grant award amount of \$21,735.

Background/Discussion

The Commission approved a grant agreement in June 2021 in the amount of \$45,512 for the purpose of providing the Commission's grant funds for The Old Church's *Expanding The Old Church's Programming Production Capabilities* project. The agreement is set to expire March 31, 2023.

The original project proposal, funded by the original grant agreement, included capital costs to upgrade the broadcasting and live streaming equipment in the concert hall to allow for more and better-quality productions. Immediately upon project implementation, staff at The Old Church experienced an increase in artists using the new video capabilities that exposed some shortcomings in the originally proposed equipment upgrades. They are requesting additional funding to support increased demands for more audio equipment and additional monitor mixers. The additional, better-quality equipment will allow The Old Church to capture technically excellent recorded audio and expand the number of artists who can perform at the facility, as well as increase the number of recorded video programs shared with the broader community (2 additional programs per month).

The additional grant award of \$21,735 combined with the already granted amount will bring the total grant award amount to \$67,247.

Attachments: The Old Church Amendment (Final Draft)

Prepared By: Rana DeBey
December 3, 2021



AGREEMENT FOR COMMUNITY TECHNOLOGY GRANT

This is an Amendment to the Agreement for Community Technology Grant (Agreement) between the Mt. Hood Cable Regulatory Commission (Commission), through the Office for Community Technology (OCT), and The Old Church (Grantee) (together referred to as the "Parties").

RECITALS

1. The Commission approved an Agreement in June 2021 in the amount of \$45,512 for the purpose of providing the Commission’s grant funds for the Grantee’s Expanding The Old Church’s Programming Production Capabilities project. The Agreement is set to expire March 31, 2023.
2. The original project proposal, funded by the Agreement, included capital costs to upgrade the broadcasting and live streaming equipment in the concert hall to allow for more and better-quality productions. Immediately upon project implementation Grantee experienced an increase in artists using the new video capabilities that exposed some shortcomings in the originally proposed equipment upgrades. Grantee requests additional funding to support increased demands for more audio equipment and additional monitor mixes. The additional, better-quality equipment will allow Grantee to capture technically excellent recorded audio and expand the number of artists who can perform at the facility, as well as increase the number of recorded video programs shared with the broader community (2 additional programs per month).
3. This Amendment awards additional grant funds in the amount of \$21,735 in support of the unanticipated equipment needed to effectively implement the project as described in Attachment A to this Amendment.
4. Any change in the amount of the Grant funds or the financial risks under this Agreement must be approved by vote of the Commission. Agreement Section 13.

AGREEMENT

1. Agreement, Section 1, Grant Amount, Use of Grant, is amended to include an additional grant award of \$21,735, for a total grant award amount of \$67,247 for specific capital costs related to the revised grant project as described in Attachment A of the Amendment.
2. All other terms of the Agreement shall remain the same.

The Old Church:

By: _____

Title: _____

Date: _____

Mt. Hood Cable Regulatory Commission:

By: _____

Carol Studenmund, Commission Chair

Date:

Approved as to Form:

Commission Legal Counsel

ATTACHMENT A: REVISED PROJECT PLAN

Rationale for Addendum:

As The Old Church phases into its new status as Portland's premiere broadcasting and live streaming venue thanks to MHCRC, we face increased audio demands from an ambitious class of artists our new video capabilities are attracting. To execute technically excellent recorded audio, TOC needs to offer artists a greater number of discrete monitor mixes. This will allow artists with large ensembles to work more comfortably, and will improve broadcast quality by reducing the overall volume on stage. Similarly, TOC seeks to relocate its primary audio mix position to alongside the current camera broadcast position. The current legacy mix position is out of sight lines from broadcast control, requiring communication over headset. Closing the physical gap with dedicated recording and audio booths will greatly improve the ability of camera and audio engineers to directly coordinate. This update will also eliminate the four hours required to set-up and tear-down with our current system.

The Old Church respectfully requests funds from the Mt. Hood Cable Regulatory Commission to support these unanticipated needs during this expansion of our current production capabilities. A month into broadcasting our community programs and we are already celebrating our success in reaching thousands of our community members. This amendment will allow us to level the technical quality of our sound system to meet the excellence of our new video equipment and safely share live music by larger name musicians with Multnomah County.

Revised Line-Item Budget Table:

(see additional details below)

Cost Category	Grant Funds	Match Amt	Project Total
Personnel	\$0	\$21,360	\$21,360
Education & Training	\$0	\$2,000	\$2,000
Travel	\$0	\$0	\$0
Contractual	\$5,000	\$7,700	\$12,700
Equipment	\$49,696	\$17,800	\$67,496
Infrastructure/Facilities Construction	\$8,000	\$14,575	\$22,575
Miscellaneous	\$0	\$0	\$0
Overhead	\$4,551	\$3,975	\$8,526
Total	\$67,247	\$67,410	\$134,657



Amendment Narrative

As The Old Church phases into its new status as Portland's premiere broadcasting and live streaming venue thanks to MHCRC, we face increased audio demands from the ambitious class of artists our new video capabilities are attracting. To execute technically excellent recorded audio and expand the number of artists we can serve, TOC needs to offer a greater number of discrete monitor mixes. This will allow artists with large ensembles to work more comfortably, and will improve broadcast quality by reducing the overall volume on stage. Similarly, TOC seeks to relocate its primary audio mix position to alongside the current camera broadcast position. The current legacy mix position is out of sight lines from broadcast control, requiring communication over headset. Closing the physical gap with dedicated recording and audio booths will greatly improve the ability of camera and audio engineers to directly coordinate. This update will also eliminate the four hours required to set-up and tear-down with our current system.

The Old Church respectfully requests funds from the Mt. Hood Cable Regulatory Commission to support these unanticipated needs during this expansion of our current production capabilities. A month into broadcasting our community programs and we are already celebrating our success in reaching thousands of our community members. This amendment will allow us to level the technical quality of our sound system to meet the excellence of our new video equipment. By augmenting our system we look forward to safely sharing more live music by showcasing larger name musicians and technically complex ensembles with our community in Multnomah County.

Timeline

Proposed Amendment Start Date: January 2022

Proposed Amendment End Date: December 2022

Implementation Plan

The monitor equipment included in this amendment will be ordered by our Project Manager and Sound System Designer from Alcons Audio USA Corp in January 2022, in anticipation of expected shipping delays. TOC personnel will spend the remainder of the winter and spring quarters consulting with our Sound System Designer and planning the monitor and booth installation around our programming. Our fundraising to fulfill the remaining \$9,376 in match funds has already begun and is projected to be completed by the end of June.

The actual installation and wiring of the new monitors and booths will occur in the summer. Blackburn Sound and Arciform, trusted contractors with a long history at TOC and active partners on this project currently, will complete these installations. This will be followed by technician training led by our Project Manager. The resulting upgrade in our sound system will allow us to produce more technically complex shows in the fall that we will broadcast through MetroEast starting October 2022.

Please find a visual timeline reflecting this implementation plan attached.

Measurable Project Outcomes and Evaluation Measures

4. Release at least two additional recorded programs per month through MetroEast's Comcast and Frontier cable channels, starting October 2022.

Measurable Project Outcome:

We will pursue releasing two additional, high-quality programs per month through a distribution deal with MetroEast. This will include several We Can Listen community programs which are hybrid documentary/performance/panel discussion events and episodes of our Moon Series, an ongoing curated musical series that celebrates intentional healing through sound, ritual, poetry, and creative visuals that coincide with the Full or New Moon. We would produce these shows to air at about 60 minutes long. MetroEast will rerun our individual performances up to three times, usually for an evening weeknight, morning or afternoon weekday, and weekend viewings.

Evaluation Measure:

Similar to evaluation measure three in our initial application, our success will be measured by a count of regularly recorded shows shared with MetroEast via our Project Coordinator. Further context will include our number of live-streamed shows through our own platforms, as well as the development of our relationship with MetroEast.

Budget Narrative

Augmenting our system for \$43,471 includes a \$21,735 ask from MHCRC; \$12,360 confirmed from The Old Church; and \$9,376 remaining to be fundraised. The following narrative and attached budgets covers equipment, installations, and project management.

PERSONNEL

Project Director. TOC's Executive Director, Amanda Stark, is overseeing this project. In her time as ED she has led TOC's transformation into a concert hall serving diverse audiences.

Encompassing both executive and artistic direction, she is responsible for programming, development, managing large facility projects, content quality, and overseeing project evaluation measures. This amendment will require 25 additional hours for this position on top of the hours included in the initial project proposal. Based on 25 estimated hours at \$28 per hour, the cost to the project will be \$700.

Grant Funds: \$0

Match: \$700 - The Old Church

Project Coordinator. TOC's Operations Director, Gina Piroli, will manage the overall day to day activities of the grant project, including securing agreements with contractors and project partners, scheduling, recordkeeping, accounting, providing internal reports on project activities, and ensuring video distribution to MetroEast. She will complete data collection and reporting to support project evaluation. This amendment will require 20 additional hours for this position on top of the hours included in the initial project proposal. Based on 20 estimated hours at \$25 per hour, the cost to the project will be \$500.

Grant Funds: \$0

Match: \$500 - The Old Church

Project Manager. TOC's Technician Supervisor, Eben Hoffer, will help manage the project planning, provide technical expertise, and oversee technician training. Based on 60 estimated hours at \$30 per hour, the cost to the project will be \$1,800.

Grant Funds: \$0

Match: \$1,800 - The Old Church

Technician Time for Training. TOC Technicians will train with the Project Manager post equipment installation on the full ins and outs of operating the new monitors. Training will culminate in a live run through of a full show from beginning to end. The Project Manager's fee for training is included in his wages under Personnel. Based on an approximate 12 hours total at \$30 per hour, the cost to the project will be \$360.

Grant Funds: \$0

Match: \$360 - The Old Church

Total Personnel Costs: \$3,360

EDUCATION AND TRAINING

N/A

Total Education and Training Costs: \$0

TRAVEL

N/A

Total Travel Costs: \$0

CONTRACTUAL

Sound System Designer. Gary Stokes is a broadcast audio engineer and sound system designer based out of Portland, OR. He put together our equipment quote from Alcons Audio and will oversee the project design, system installation, and launch while working with the aforementioned personnel. The flat fee for this service is \$1,500.

Grant Funds: \$0

Match: \$1,500 - The Old Church

Total Contractual Costs: \$1,500

EQUIPMENT

Monitors. (4) VR12 RBN601 + 12" Neodymium, 102dB, 60Hz-30kHz., 90x40 @ \$2,901.60 = \$11,606.40. Includes a 20% discount off the retail price from Alcons Audio USA Corp.

Grant Funds: \$11,606.40

Match: \$0

Amplifier. (1) Controller/amplifier, 4x 750W, SIS, touch screen @ \$6,229.60 = \$6,229.60. Includes a 20% discount off the retail price from Alcons Audio USA Corp.

Grant Funds: \$6,229.60

Match: \$0

Cables. Cables to integrate the monitors and amplifier = \$1,200.

Grant Funds: \$1,200.00

Match: \$0

Hard drives. (2) Hard drives to accommodate more complex audio and video files @ \$2,500 = \$5,000.

Grant Funds: \$2,699.00

Match: \$2,301.00

Total Equipment Grant Funding: \$21,735
Total Equipment Matching Funding: \$2,301
Total Equipment Costs: \$24,036

INFRASTRUCTURE/FACILITIES CONSTRUCTION

Monitor and Booth Wiring. We will contract Blackburn Sound to snake and install cabling for the new monitors and booths. The total cost for this service is \$7,075.

Grant Funds: \$0
Match: \$7,075

Booth Installation. We will contract Arciform to build and install two dedicated recording and audio booths. The total cost for this service is \$7,500.

Grant Funds: \$0
Match: \$7,500

Total Infrastructure/Facilities Construction Costs: \$14,575

MISCELLANEOUS

N/A
Total Miscellaneous Costs: \$0

OVERHEAD COSTS

N/A
Total Project Cost: \$0

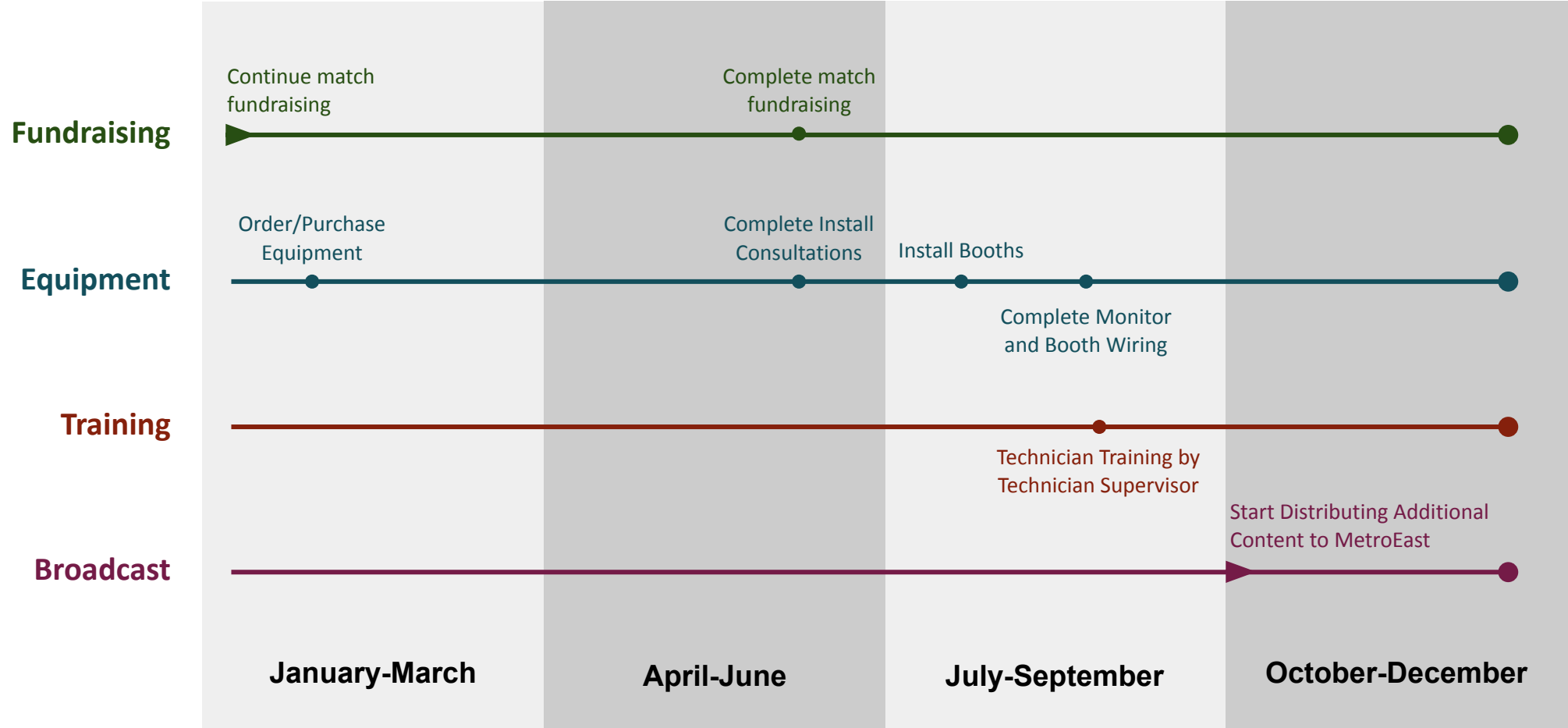
Total Amendment Grant Funding: \$21,735
Total Amendment Matching Funding: \$21,736
Total Amendment Cost: \$43,471

Total Amended Project Grant Funding: \$67,247
Total Amended Project Matching Funding: \$67,410
Total Amended Project Cost: \$156,392

Please find our amendment budget as well as an updated project line-item budget attached.

TOC Project Amendment Timeline

2022



The Old Church Production Expansion Project Budget Amendment				
	(Pending) Mt. Hood Cable Regulatory Commission Grant	(Planned) Match Funds Needed	(Confirmed) The Old Church	Total
Personnel			\$3,360	\$3,360
Project Director			\$700	\$700
Project Coordinator			\$500	\$500
Project Manager			\$1,800	\$1,800
Technician Time for Training			\$360	\$360
Education and Training				\$0
Travel				\$0
Contractual			\$1,500	\$1,500
Sound System Designer			\$1,500	\$1,500
Equipment	\$21,735	\$2,301	\$0	\$24,036
VR12 Full-range Monitors	\$11,606			\$11,606
Loudspeaker Controller/Amplifier	\$6,230			\$6,230
Cables to Integrate Monitors/Amplifiers	\$1,200			\$1,200
Hard drives	\$2,699	\$2,301		\$5,000
Infrastructure/Facilities Construction	\$0	\$7,075	\$7,500	\$14,575
Monitor and Booth Wiring		\$7,075		\$7,075
Booth Installation			\$7,500	\$7,500
Overhead				\$0
Subtotals	\$21,735	\$9,376	\$12,360	
Match Total		\$21,736		
Total Project Cost	\$43,471			

The Old Church Production Expansion Project Line-Item Budget			
	Grant Funds	Match Amount	Project Total
Personnel	\$0	\$21,360	\$21,360
Education and Training	\$0	\$2,000	\$2,000
Travel	\$0	\$0	\$0
Contractual	\$5,000	\$7,700	\$12,700
Equipment	\$49,696	\$17,800	\$89,231
Infrastructure/Facilities Construction	\$8,000	\$14,575	\$22,575
Miscellaneous	\$0	\$0	\$0
Overhead	\$4,551	\$3,975	\$8,526
Totals	\$67,247	\$67,410	\$156,392

Quote

Pauline Ortiz y Pino
 US Operations Manager
 Office: 949-439-8203
 ICE: 949-439-5479
 ortizypino@alconsaudio.us
 For Questions or Comments

Pro Forma#	
PO#	
DATE:	8/31/2021
PROJECT NAME:	The Old Church monitor system update system
Requested Delivery Date:	

Bill To:	Item #	Model Number	Description	Special Instructions	Retail Price (USD)	Disc. %	Adjusted Price	Qty	Total Retail	Total Adjusted
Address:	1	VR12HOR	As VR12 but enclosure/horn in horizontal orientation. Full-range system, RBN601 + 12" Neodymium, 102dB, 60Hz-30kHz, 90x40		\$ 3,627.00	20%	\$ 2,901.60	2	\$ 7,254.00	\$ 5,803.20
	2	VR12HORM	As VR12 but enclosure/horn in horizontal orientation and with cabinet in mirrored version for 'symmetrical pair' floor/ceiling monitors. Full-range system, RBN601 + 12" Neodymium, 102dB, 60Hz-30kHz, 90x40		\$ 3,627.00	20%	\$ 2,901.60	2	\$ 7,254.00	\$ 5,803.20
City, State, Zip:	3	Sentinel 3 US	Controller/amplifier, 4x 750W, SIS, touch screen, AES3		\$ 7,787.00	20%	\$ 6,229.60	1	\$ 7,787.00	\$ 6,229.60
	4									
Contact:	5									
	6									
Phone:	7									
	8									
Fax/Other:	9									
	10									
Email:	11									
	12									
	13									
	14									
Ship To:	15									
	16									
Address:	17									
	18									
City, State, Zip:	19									
	20									
Contact:	21									
	22									
Phone:	23									
	24									
Fax/Other:	25									
	26									
Email:	27									
	28									
	29									
	30									

TOTAL RETAIL ▶									\$	22,295.00	
TOTAL PRODUCT QUANTITY ▶								5	TOTAL ADJUSTED ▶		\$ 17,836.00
							\$	-	SUBTOTAL ▶		\$ 17,836.00
									SYSTEM COMMISSIONING ▶		\$
									FREIGHT/SHIPPING ▶		\$ 150.00
									SUBTOTAL ▶		\$ 17,986.00
							\$	-			\$ -
							\$	-			\$ -
TOTAL AMOUNT DUE ▶									\$	17,986.00	



Blackburn Sound

A/V adds for camera system

Estimate

Estimate #1398

October 28, 2021

Customer

Amanda Stark
The Old Church
worthmusic@gmail.com
+1 (503) 222-2031
1422 SW 11th Ave
Portland, Oregon 97201

Additional Recipients

amanamanda@theoldchurch.org

Cat 6 Shielded wire (\$0.35 ea.) × 400	\$140.00
AV over IP repeater	\$260.00
SDI > HDMI converter	\$60.00
JBL Control 1 pair (\$175.00 ea.) × 2 <i>Green room speakers</i> <i>Bar speakers</i>	\$350.00
QSC PLD4.2 <i>4 channel amplifier with onboard DSP</i>	\$1,200.00
Speaker cable (\$0.40 ea.) × 100 <i>14-2</i> <i>For bar/green room</i>	\$40.00
line level audio cable (\$0.35 ea.) × 400 <i>22-4 shielded</i>	\$140.00

Labor	\$3,360.00
(\$105.00 ea.) × 32	
<i>Move/splice FOH DMX connections</i>	
<i>Terminate current FOH data to 2 gang box</i>	
<i>Terminate new FOH Panel</i>	
<i>Add 5 stage boxes for speaker runs</i>	
<i>Pull new low volt circuits to Bar/green room</i>	
<i>Install new equipment rack</i>	
<i>Ground low voltage wiring</i>	
<i>Hang 2 screens</i>	
<i>Hang 4 speakers</i>	
<i>Install amp in bar cabinet</i>	
<i>Make connections and terminations</i>	
<i>Configure System</i>	
<i>Test</i>	
Expendables	\$100.00
<i>Wire supports</i>	
<i>Tape</i>	
<i>Pull string</i>	
<i>Fasteners</i>	
<i>Labels</i>	
Audio Extractor	\$70.00
(\$35.00 ea.) × 2	
Wire Mold raceway	\$80.00
<i>Non metallic</i>	
16u hinged open frame equipment rack	\$325.00
<i>For low volt wiring and stage amps/sub snake</i>	
DMX wire	\$175.00
(\$0.35 ea.) × 500	
14-4	\$300.00
(\$0.60 ea.) × 500	
<i>Stage speaker runs</i>	
FOH Audio & Lighting Panel	\$225.00
<i>DMX, CAT 6, XLR</i>	
Speakon Connectors	\$64.00
(\$4.00 ea.) × 16	
Speakon Patch Panel for stage rack 1u	\$40.00
2 gang outlet box	\$30.00
(\$5.00 ea.) × 6	
Box plates	\$48.00
(\$8.00 ea.) × 6	

DMX wire mount connector	\$16.00
(\$4.00 ea.) × 4	
XLR Panel mount	\$32.00
(\$4.00 ea.) × 8	
Cat 6 jacks	\$20.00
(\$5.00 ea.) × 4	
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Subtotal	\$7,075.00
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Total	\$7,075.00

Blackburn Sound

INFORMATION ONLY



CITY OF
PORTLAND, OREGON
OFFICE OF THE CITY ATTORNEY

Robert L. Taylor, City Attorney
1221 SW 4th Avenue, Suite 430
Portland, Oregon 97204
Telephone: (503) 823-4047
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December 3, 2021

CONFIDENTIAL ATTORNEY-CLIENT COMMUNICATION

TO: All Bureau Directors

FROM: Tony N. García *TG*
Chief Deputy City Attorney

SUBJECT: Post COVID Emergency Public Meetings

Prior to the COVID emergency, public meetings were generally held in-person. Governor Brown issued Executive Order 20-16 declaring a COVID emergency allowing boards and commissions to hold meetings electronically. That emergency is set to expire December 31, 2021.

Oregon House Bill 4212 (2020) allows the city's boards and commissions to conduct all electronic meetings without providing a physical space for the public to attend, however, it will expire 30 days after the Governor's emergency expires (January 30, 2022). In addition, a separate new law (HB 2560 (2021), effective January 1, 2022) imposes three new requirements for all public meetings of a public body, whether in-person or electronically: (1) the body must provide a means for people to attend meetings electronically; (2) if in-person oral testimony is allowed, the body must allow oral testimony by telephone, video or other electronic/virtual means; and (3) if in-person written testimony is allowed, the body must allow submission of written testimony by email or other electronic means.

Boards and commissions may continue to meet electronically if their authorizing code or bylaws do not prohibit it. Accordingly, the statutory requirement for providing a place or electronic means for the public to listen to the communication will apply. In that regard, effective January 30, 2022, all City boards and commissions subject to Oregon Public Meetings Laws must, to the extent reasonably possible:

1. provide the opportunity to access and attend in-person and electronic meetings, including provision of a physical space for the public to participate in electronic meetings and a means to participate electronically in in-person and electronic meetings; and
2. allow the public to submit oral or written electronic testimony when the public meeting allows for in-person oral or written testimony.

Therefore, all in-person meetings need to have a hybrid component. If holding an electronic public meeting, such as Zoom, the board must provide a space such as a conference room with a computer, speakerphone, or other way to observe the meeting. If meeting in person and allowing oral testimony in person, the board must ensure the public can testify orally.

Accordingly, at a minimum the board must allow audio participation, but the allowing the video portion for a speaker on Zoom would be optional. Similarly, if the board accepts written testimony in person, the board must ensure the public can testify in writing by some electronic means. Boards should update bylaws and procedures to identify which electronic means are permissible (e-mail, fax, or other electronic format) and establishing a cut-off time for submission. This means that someone will need to monitor the electronic medium(s) for incoming testimony during the meeting and have a procedure in place to notify the board and incorporate the testimony before the board renders a decision.