



June 22, 2023

**TO: NMTC OPERATIONS COMMITTEE**

**RE: APPROVAL OF 2024 NORTH METRO TELECOMMUNICATIONS  
COMMISSION BUDGET**

Enclosed, please find for the council's review and approval the 2024 North Metro Telecommunications Commission Budget and support materials.

The Commission's operating budget for 2024 is proposed at \$1,420,610. This number represents a \$27,692 increase over expected expenditures for 2023. The increase includes a 3% COLA increase for staff, step increases, benefits increase, building maintenance costs, an accounting service, and insurance costs.

Budgeted capital costs for 2023 are \$570,884. This number represents a \$57,451 decrease from the 2023 budget. Capital expenditures include video equipment for North Metro TV, office equipment, a security system update, \$230,266 for the final HD Bond payment, and \$150,000 to be returned to cities for capital expenditures.

In total, the 2024 budget is \$29,759 lower than the 2023 budget.

**Recommendation:** That the Member Cities approve the 2024 Commission Budget as recommended by the Telecommunications Commission and the Operations Committee.

The Joint Powers Agreement states, "submitted budgets shall be deemed approved by a Member City unless, prior to October 15 preceding the effective date of the proposed budget, the Member City gives notice in writing to the Commission that it is withdrawing from the Commission."

I want to thank the Commission directors, staff, and the Operations Committee for their efforts in preparing these budgets. If you have any questions about either budget please consult with your Commission director or City Administrator.

Page 2

I look forward to working with all parties, throughout the remainder of 2023, toward reaching the full potential of North Metro TV and to increase both the quality and quantity of community programming and services in 2024.

Sincerely,

A handwritten signature in black ink, appearing to read "Dale Stoesz", with a stylized flourish extending to the right.

Dale Stoesz  
Chair, North Metro Telecommunications Commission

Enc.

# 2024 North Metro Telecommunications Commission Budget Talking Points

## Overall Organizational Goals

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

## Estimated Fund Balance/Revenues/Expenses

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

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

### **Budget**

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

### **Closing Points**

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

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

# North Metro Telecommunications Commission 2024 Budget Line-Item Supporting Information

## Personnel

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

## Benefits

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

## Administrative Expenses

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

## Production Expenses

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

## Office Expenses

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

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

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

## **Capital Expenditures**

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

## **Summary**

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

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



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

**BEGINNING FUND BALANCES**

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

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

**ESTIMATED REVENUES**

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

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

**ESTIMATED EXPENDITURES**

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

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

**YEAR END FUND BALANCES**

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

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

## 2024 North Metro Telecommunications Commission Budget

	2022 ACTUAL	2023 BUDGET		2024 BUDGET	NOTES
		Budget	April Act.		
<b>PERSONNEL</b>					
Executive Director (1) FT	97,490	111,552	31,200	124,890	NA
IT Engineer/ Administrative Asst.	72,925	33,544	23,334	0	NA
Video Engineer (1) FT	69,419	79,800	23,334	82,194	Matt Waldron
Sports Director (1) FT	65,562	71,513	20,979	75,720	Kenton Kipp
News Director (1) FT	65,562	71,513	20,979	74,432	Danika Peterson
Programming Coord. (1) FT	59,904	64,176	19,168	66,102	Michele Silvester
Ed./Special Projects Coord. (1) FT	59,904	64,176	19,168	66,102	T.J. Tronson
Municipal Producer (1) FT	52,624	55,803	16,838	59,320	Trevor Scholl
Sports Producer (1) FT	43,283	51,153	15,270	55,083	Ted Leroux
News Producer (1) FT	44,015	46,503	13,852	48,451	Eric Nelson
Studio Manager (1) FT	59,904	63,565	19,168	67,662	Eric Houston
Freelancers/Sports	83,463	79,582	27,053	81,970	Freelancers Sports
Freelancers/Meetings	15,966	18,373	425	18,925	Freelancers/City Meetings
Contingency	0	0	0	0	
<b>PERSONNEL TOTAL:</b>	<b>790,021</b>	<b>811,253</b>	<b>250,768</b>	<b>820,851</b>	<b>3% COLA increase 6 staff w/ step increase</b>
<b>BENEFITS</b>					
FICA	58,677	50,298	18,746	50,893	6.2% of gross wages
Medicare		11,763		11,902	1.45% of gross wages
PERA	53,822	60,844	17,118	61,564	7.50% of FT gross wages
Benefits Package	166,983	165,660	74,145	156,000	Health/Dental/STD, LTD, ADD
Workers Compensation	0	2,000	0	2,000	
Electronic Filing Charges	1,626	2,000	499	2,000	
<b>BENEFITS TOTAL:</b>	<b>281,108</b>	<b>292,565</b>	<b>110,508</b>	<b>284,359</b>	<b>*Benefits package \$1,300 per employee/per month \$45 increase over 2023  \$1,399.80 = 2024 City average</b>

## 2024 North Metro Telecommunications Commission Budget

	2022 ACTUAL	2023		2024	NOTES
		Budget	April Act.		
<b>ADMINISTRATIVE EXPENSES</b>					
Audit: Commission	19,000	17,500	9,650	20,000	Annual audit of Commission finances
Audit: Company	0	0	0	0	
Conferences	695	1,000	50	5,000	NATOA & MACTA Conf. , Webinars
Consultants	0	22,000	0	26,000	Accounting Service
General/Special Meeting Expenses	1,099	2,000	524	3,000	
Government/Legislative Affairs	0	0	0	0	
Legal Fees	10,500	50,000	9,922	50,000	Franchise renewal/State and Fed Issues
Membership Dues	3,091	5,500	5,450	5,500	NATOA, MACTA, ,Chamber of C
Mileage Reimbursement	1,100	1,500	169	1,500	
Personnel Recruitment	0	0	0	0	
Tuition and Training	0	0	0	0	
Contingency Expenses	0	0	0	0	
<b>ADMINISTRATIVE EX. TOTAL:</b>	<b>35,485</b>	<b>99,500</b>	<b>25,765</b>	<b>111,000</b>	
<b>PRODUCTION EXPENSES</b>					
Advertising/Marketing/Entry Fees	322	1,000	54	1,000	Printed materials, entry fees
Awards Ceremony/ Entry Fees	325		0	0	
Bulbs/Batteries/Other Prod. Costs	2,428	4,000	109	4,000	Bulbs, Camera Batt. Duct tape
Interns	6,898	5,500	410	5,500	Stipends for internships
Truck/Fleet Vehicle Gas/Oil	3,202	3,500	1,032	3,500	Prod. Van & fleet vehicles
Truck/Fleet Vehicle Maint/Lic.	2,645	6,000	2,688	6,000	Prod. Van & fleet vehicles
Video Equipment/Parts/Maint.	1,511	4,000	343	4,000	Parts and Maintenance for video equip.
DVDs/Flash Drives/Cases	478	6,000	664	2,000	Blank media for masters/copies
<b>PRODUCTION EX. TOTAL:</b>	<b>17,809</b>	<b>30,000</b>	<b>5,300</b>	<b>26,000</b>	
<b>OFFICE EXPENSES</b>					
Building Maintenance	78,576	45,000	22,771	60,000	Bldg & Prop./Fire Insp./Furn. Contract
Building Security	610	700	294	700	
Building Utilities	28,774	32,000	10,122	32,000	Sewer, Water, Gas & Electric
Insurance	16,315	16,500	18,557	20,000	Liability/property/vehicle/volunteer
Office Supp./Office Equip. Maint.	8,394	13,000	6,599	13,000	Copier & Fax maint. contracts, Supplies
Phone/Internt Service/Web Hosting	38,173	42,000	11,911	42,000	VOD, Live Streaming, web maint.,bandwidth
Postage/Shipping	92	500	61	300	equipment/dub/packet postage
Property Tax	1,363	1,400	1,363	1,400	Recycling assessment
Trash/Recycling/Janitorial	8,293	8,500	3,213	9,000	
<b>OFFICE EXPENSES TOTAL:</b>	<b>180,590</b>	<b>159,600</b>	<b>74,891</b>	<b>178,400</b>	
<b>OPERATIONS TOTAL:</b>	<b>1,124,423</b>	<b>1,392,918</b>	<b>467,232</b>	<b>1,420,610</b>	

**2024**  
**North Metro Telecommunications Commission Budget**

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

# North Metro TV 2024 Equipment Budget

## Master Control Service & Subscriptions

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

## Master Control Equipment

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

## Control Room/Studio A

ID No.	Model No.	Make	Description	Qty	Unit Price	Total
2024-20						0
						<b>0</b>

## Control Room/Studio B

ID No.	Model No.	Make	Description	Qty	Unit Price	Total
2024-30						0
						<b>0</b>

## Production Truck

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

## Sports Department

ID No.	Model No.	Make	Description	Qty	Unit Price	Total
2024-46				1		0
						<b>0</b>

## Public Access

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

## News Department

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

## Special Events

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

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

### North Metro TV 2024 Computer Budget

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

### North Metro TV 2024 Software Budget

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

