

# 2023 North Metro Telecommunications Commission Budget Talking Points

## Overall Organizational Goals

- Implement Strategic Plan.
- Franchise renewal.
- Explore additional services for Cities.
- Grow commercial productions.
- Provide staff for meeting coverage.
- 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 2023 are estimates based on previous allocations, planned spending for 2022, 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 2023, 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** traditionally at 25% of the operating budget. Temporarily includes additional allocations for possible 2023 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.

### **Budget**

- The recommended operating budget for the organization totals \$1,413,098. This number is a \$59,589 increase over last year's operating budget. Increases were made to the personnel, payroll tax, benefits, administrative costs, and office expenses.
- Budgeted capital purchases for 2023 are set at \$628,335. Budgeted capital items include a replay unit for the production truck, cameras, tripods, equipment contracts, closed captioning contracts, and microphones, The capital budget also includes routine computer/software upgrades, and software licenses, the HD Bond payment of \$229,425 and \$200,000 in capital equipment support for cities.
- The overall capital budget is \$39,161 lower than the 2022 capital budget.
- The overall 2023 budget is \$20,248 more than the 2022 budget

### **Closing Points**

- We have worked together to create a thriving and dynamic service for our cities, schools, producers, and viewers. Through program playback and channel management, internet streaming of city meetings including an agenda bookmarking tool, channel live streaming, Roku and AppleTV channels, video equipment consulting, drone services, and video production services, our cities are seeing real benefits from their investment of franchise fees and PEG fees. Our cable subscribers are benefiting from this investment with educational opportunities, tape and film transfer services, and varied, informative and interesting programming regarding their communities.
- NMTV will have a new Strategic Plan by the end of 2022. That plan will address many issues facing NMTV and will outline a path forward.
- Franchise renewal should move forward, and will have an impact on future budgets and goals.

# North Metro Telecommunications Commission 2023 Budget Line-Item Supporting Information

## **Personnel**

- The personnel line-item is our largest and, usually, the only budget area that experiences any fluctuation from year to year. As has been the recommended procedure for the past two years, an “up-to” COLA increase has been included in the budget, as a separate line-item, that could be revisited later in the year. Based on information provided by the Operations Committee, I have budgeted an up-to 2.75% COLA increase for 2023. With this recommendation, the personnel total would increase by \$22,657. The amount also includes step increases for two employees.
- Part-time staff is divided into two groups; freelancers and 20 hour-per-week staff. Employees in the freelancer group are contracted when needed for a sports shoot or to cover a city meeting and generally do not work enough to qualify for PERA. The second part-time designation is for two 20 hours per week positions that do qualify for PERA. Neither category is eligible for health benefits. Payroll taxes apply.

## **Benefits**

- The NMTC employee benefits package budget is based on the values of the benefits packages offered by the Member Cities to their employees. It is budgeted at \$1,255.00 per person/per month. This is \$30 more than was budgeted for 2022. This amount is less than the average of Member City package values for 2022/2023 (average = \$1,292)
- The benefits/payroll tax portion of the budget increased by \$7,595 over the 2022 budget.
- All indications are that the NMTC’s contribution to PERA will remain at 7.5% in 2023.

## **Administrative Expenses**

- Budgeted administrative expenses are \$2,500 more than 2021. The audit, conference, and special meeting line-items were increased. The additions will allow for anticipated audit cost increases, attendance at the local MACTA conference, and attendance at NATOA sponsored webinars.

## **Production Expenses**

- Budgeted production expenses remain unchanged from 2022.

## **Office Expenses**

- Office expenses are budgeted \$26,000 more than the 2022 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.

- The building utilities line item was increased by \$2,000, to cover probable higher fuel/energy costs. 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 \$4,000. The Commission policy cost was increased fairly significantly in 2022, 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 was increased by \$4,000 over the 2022 budget. The increase will cover probable cost increases for bandwidth. Bandwidth 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 \$1,000 to better reflect recent actual costs.

## **Capital Expenditures**

- The 2023 capital budget currently includes \$142,910 for production equipment, \$28,000 for office systems, \$229,425 for the HD bond payment, and \$200,000 for city capital expenses.
- The production equipment budget includes annual system contracts, including closed captioning, a re-play system for the truck, tripods, cameras and miscellaneous items such as microphones.
- Office equipment includes routine computer and software upgrades, and 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 2023 Operating budget is \$59,589 higher than the 2022 budget. The increases are split between personnel/benefits (\$30,252), administrative costs (\$2,500) and office expenses (\$26,000).
- Capital equipment expenditures are budgeted at \$142,910, which is \$43,106 lower than the 2022 budget.

- The 2023 HD bond payment is budgeted at \$229,425. The bond will be paid off in 2024.
- 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 \$200,000 in fees for city capital expenditures and capital reserves.
- The overall 2023 budget is \$20,248 higher than the 2022 budget.

**North Metro Telecommunications Commission**  
**2023 FINANCIAL SUMMARY**  
**Estimated Fund Balances/Revenues/Expenditures.**

**BEGINNING FUND BALANCES**

Operating Reserve	\$459,439
Accrued Vac, Sick, Comp	\$120,000
Capital Equip. Fund	\$253,323
Vehicle Replacement Fund	\$45,000
Bldg Repair Reserve	\$200,000
Franchise Renewal Fund	\$200,000
Bond Reserve	\$0

**TOTAL: \$1,277,762**

**ESTIMATED REVENUES**

Franchise Fees	\$1,150,000
PEG Fees	\$650,000
Other Income	\$35,000
Interest Income	\$1,000
Income From Reserve Funds	\$205,433

**TOTAL: \$2,041,433**

**ESTIMATED EXPENDITURES**

Operating Expenses	\$1,413,098
Capital Expenses: Equipment/Bldg	\$198,910
Capital Expenses: Bond Payment	\$229,425
Capital Expenses: PEG Fees to Cities	\$200,000

**TOTAL: \$2,041,433**

**YEAR END FUND BALANCES**

		Increase(Decrease)
Operating Reserve	\$353,275	-\$106,164
Accrued Vac, Sick, Comp	\$120,000	\$0
Capital Equip. Fund	\$184,054	-\$69,269
Truck Replacement Fund	\$45,000	\$0
Bldg Repair Reserve	\$170,000	-\$30,000
Franchise Renewal Fund	\$200,000	\$0
Bond Reserve	\$0	\$0

**TOTAL: \$1,072,329 -\$205,433**

**2023**  
**North Metro Telecommunications Commission Budget**

	2021 ACTUAL	2022 BUDGET		2023 BUDGET	NOTES
		Budget	April Act.		
<b>PERSONNEL</b>					
Executive Director (1) FT	94,890	97,496	29,997	97,496	Heidi Arnson
IT Engineer/ Administrative Asst.	70,970	72,919	22,438	72,919	Rose Valez
Video Engineer (1) FT	69,059	72,919	22,438	72,919	Matt Waldron
Sports Director (1) FT	63,794	65,554	20,173	65,554	Kenton Kipp
News Director (1) FT	63,794	65,554	20,173	65,554	Danika Peterson
Programming Coord. (1) FT	58,302	59,909	18,432	59,909	Michele Silvester
Ed./Special Projects Coord. (1) FT	58,302	59,909	18,432	59,909	T.J. Tronson
Municipal Producer (1) FT	50,664	52,623	16,192	52,623	Trevor Scholl
Sports Producer (1) FT	47,809	52,623	12,348	52,623	Ted Leroux
News Producer (1) FT	47,074	52,623	15,418	53,960	Rusty Ray
Studio Manager (1) FT	58,302	59,909	18,432	59,909	Eric Houston
Freelancers/Sports/Meetings	75,469	76,521	29,619	76,521	Freelancers Sports/City Mtgs
20 Hour per Week Assistants (2)	16,040	35,331	4,736	35,331	News/City Mtgs/Sports
Contingency Up to 2.75% COLA	0		0	22,657	
<b>PERSONNEL TOTAL:</b>	<b>774,469</b>	<b>823,890</b>	<b>248,828</b>	<b>847,884</b>	<b>Up to 2.75 % COLA increase 2 staff w/ step increase</b>
<b>BENEFITS</b>					
FICA	56,864	51,081	18,381	52,569	6.2% of gross wages
Medicare		11,946		12,294	1.45% of gross wages
PERA	52,942	61,792	16,537	63,591	7.50% of FT gross wages
Benefits Package	155,764	161,700	69,746	165,660	Health/Dental/STD, LTD, ADD
Workers Compensation	1,289	2,000	0	2,000	
Electronic Filing Charges	1,428	2,000	548	2,000	
Contingency COLA Tax Increase					Dependent on any COLA increase
<b>BENEFITS TOTAL:</b>	<b>268,287</b>	<b>290,519</b>	<b>105,212</b>	<b>298,114</b>	
					<b>*Benefits package = based on cities \$1,255 per employee/per month \$30 increase over 2022</b>
					<b>\$1,295 = 2022/2023 City average</b>



**2023  
North Metro Telecommunications Commission Budget**

	2021 ACTUAL	2022		2023	NOTES
		Budget	April Act.		
<b>CAPITAL EXPENDITURES</b>					
Video Equipment	100,089	186,016	19,715	142,910	Replay unit; cameras; tripods; mics
Computer/Office Equipment/Sftwre	20,084	28,000	4,588	28,000	office systems, software
Vehicles	0		0	0	
Building Expenditures	0		0	28,000	Parking lot repairs. Electronic signage
Bond Payment	227,430	228,480	0	229,425	HD Upgrade
City Capital Expenditures		225,000	225,000	200,000	Equipment/Equipment Reserves
<b>CAPITAL EXP. TOTAL:</b>	<b>347,603</b>	<b>667,496</b>	<b>249,303</b>	<b>628,335</b>	
<b>GRAND TOTAL:</b>	<b>1,462,696</b>	<b>2,021,005</b>	<b>687,587</b>	<b>2,041,433</b>	

## North Metro TV 2023 Equipment Budget

### Master Control Service & Subscriptions

ID No.	Model No.	Make	Description	Qty	Cost	Total
2023-1	CBL-PLATINUM-4	Tightrope	4 I/O Platinum Support through Tightrope. Loaner, Night Support, Upgrade Assistance	1	4000	4000
2023-2	CBL-PLATINUM-ADDL	Tightrope	Tightrope Additional I/O Annual Software Maintenance Contract for Large Systems	8	500	4000
2023-3	CBL-REFLECT-BND	Tightrope	Cablecast Reflect Live Stream Server Subscription -	4	2300	9200
2023-4	CBL-CAPTIONING-500	Tightrope	500 Hour Block of Captioning	1	3500	3500
2023-5	CBL-CABLECAST-REN	Tightrope	Subscription Fee to maintain 1 Cablecast OTT channel	2	300	600
2023-6	CBL-ENCO-SUPPORT	Tightrope	Annual Support Contract for ENCO enCaption server & software	1	6000	6000
2023-7	M-PREM-SUPP-1	Haivision	Premium Maintenance & Support 1-Year -Renew in November-	1	6000	6000
2023-8	Ross Equipment Support	Ross	Ross Service Contract Quote 30330 - Studio Xpression, Studio Carbointes, Blackstorm, Truck Cart	1	22000	22000
2023-9	Imagine Equipment Support	Imagine Communicat	Imagine Contract for MC Router, Encoder "Good Through April 30"	1	7000	7000
						<b>62300</b>

### Master Control Equipment

ID No.	Model No.	Make	Description	Qty	Unit Price	Total
2023-10	CBL-LIVE350	Tightrope	Live Streaming Video Server (Extend into 2024 Budget)	0	3500	0
						<b>0</b>

### Control Room/Studio A

ID No.	Model No.	Make	Description	Qty	Unit Price	Total
2023-20						0
						<b>0</b>

### Control Room/Studio B

ID No.	Model No.	Make	Description	Qty	Unit Price	Total
2023-30						0
						<b>0</b>

### Production Truck

ID No.	Model No.	Make	Description	Qty	Unit Price	Total
2023-40	Vision 250	Vinten	Vinten Vision 250 Carbon Fiber Tripod with Mid-Spreader	1	16000	16000
2023-41	Mira	Ross	New Replay System (Possible Ross Mira)	1	40000	40000
2023-42	Graphics PKG	Ross	Rocket Surgery Graphics Package	0	18000	0
2023-43	CV503	Marshall	Marshall Electronics CV503 Mini HD Camera (3G/HD-SDI)	4	400	1600
2023-44	AllSports CG	Daktronics	Daktronics All Sports CG Scoreboard Tie-In Machine	1	5000	5000
						<b>62600</b>

### Sports Department

ID No.	Model No.	Make	Description	Qty	Unit Price	Total
2023-46				1		0
						<b>0</b>

### Public Access

ID No.	Model No.	Make	Description	Qty	Unit Price	Total
2023-50	MM100PRO	Wolverine	Wolverine 8mm and Super 8mm Digitizer	1	500	500
2023-51	ZV427FX4	Funai	Funai Combination VCR and DVD Recorder	1	750	750
2023-52			Assorted parts and supplies for home movie transfer service	1	400	400
						<b>1650</b>

### News Department

ID No.	Model No.	Make	Description	Qty	Unit Price	Total
2023-60	Camera	Panasonic	Panasonic Camera	0	5000	0
						<b>0</b>

### Special Events

ID No.	Model No.	Make	Description	Qty	Unit Price	Total
2023-70	CX350	Panasonic	Panasonic AG-CX350 4K Camcorder	0	4200	0
2023-71	AG-VBR59P	Panasonic	Panasonic 7.28V 43Wh Lithium-Ion Battery for DVX200 and CX10 (5900mAh)	0	200	0
2023-72	AG-BRD50P	Panasonic	Panasonic Battery Charger for AG-VBR & Other Batteries	1	300	300
2023-73	67UVP	Tiffen	Tiffen 67mm UV Protector Filter	3	20	60

2023-74	OCM-7B-4KV2	Elvid	Elvid FieldVision 4KV2 7" On-Camera Monitor	3	200	600
2023-75	SDSDXDK-128G-ANCIN	SanDisk	SanDisk 128GB Extreme PRO UHS-II SDXC Memory Card	6	175	1050
2023-76	C-4203BKII	Watson	Watson NP-F975 Battery Kit with Compact AC/DC Charger	3	90	270
2023-77	CAR-AGCX350	Portabrace	PortaBrace Ultra-Lightweight Carrying Case for Panasonic AG-CX350	3	190	570
2023-78	VZ-STEALTH-LX	VariZoom	VariZoom VZ-Stealth-LX Zoom Controller	3	150	450
2023-79	LED-7100T	Genaray	Genaray LED-7100T 312 LED Variable-Color On-Camera Light	1	180	180
2023-80	EW 112P G4-A1	Sennheiser	EW 112P G4 Camera-Mount Wireless Omni Lavalier Microphone System (A1: 470 to 516 MHz)	1	750	750
2023-81	EW 112P G4-A	Sennheiser	EW 112P G4 Camera-Mount Wireless Omni Lavalier Microphone System (A: 516 to 558 MHz)	1	750	750
2023-82	ME2-II-V1	Sennheiser	ME 2-II Omnidirectional Lavalier Microphone with Locking 3.5mm Connector (Black)	2	140	280
2023-83	MDR-7506	Sony	Sony MDR-7506 Headphones	1	100	100
						<b>5360</b>

<b>Municipal Servies</b>						
ID No.	Model No.	Make	Description	Qty	Unit Price	Total
2023-90			Various Small Equipment Replacements	1	1000	1000
						<b>1000</b>

<b>Tech Shop Equipment</b>						
ID No.	Model No.	Make	Description	Qty	Unit Price	Total
2023-100			Cable Reels, Cable Ends, Small Tools, etc.....			0
						<b>5000</b>

<b>Various Small Items</b>						
ID No.	Model No.	Make	Description	Qty	Unit Price	Total
2023-120	-	-	Small Item Budget			0
						<b>5000</b>

<b>Grand Total</b>						<b>142910.00</b>
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