

**NORTH METRO TELECOMMUNICATIONS COMMISSION MEETING
SPECIAL MEETING**

July 16, 2025
6:00 P.M.
1301 81st Ave NE
Spring Lake Park, MN 55432

AGENDA

1. CALL TO ORDER/ROLL CALL
2. OLD BUSINESS
 - a. 2026 NMTC Budget **pp. 2 - 14**
3. ADJOURN

NORTH METRO TV

TO: CABLE COMMISSION
FROM: ERIC HOUSTON & DANIKA PETERSON
SUBJECT: 2026 Draft NMTC Budget
DATE: 7/10/2025

The Cable Commission did not approve the draft 2026 NMTC Budget at their June 18 meeting.

The NMTC JPA requires the Commission to submit a budget to the member cities no later than August 1.

The Operations Committee discussed the current draft budget at their July 1 meeting and resolved to meet and discuss options on July 14. Staff plans to release supplemental materials following that meeting.

The Commission may adopt any of the following budget plans or suggest and adopt further alterations.

Budget Plan A – Adopt the 2026 NMTC Budget as presented. The attached budget is the same as presented at the June 18 meeting, with slight alterations to reflect the new Co-Executive Director model.

Budget Plan B – Adopt the 2026 NMTC Budget with the modification that an additional \$50,000 be drawn from Operating Reserve funds and given to the member cities.

Budget Plan C – Adopt the 2026 NMTC Budget as presented and, as part of the approval, the Commission could direct that an additional \$50,000 be distributed to NMTC member cities as a supplemental fee disbursement in the event that the Commission generates at least \$50,000 in surplus income, after meeting all budgeted expenditures.

2026 North Metro Telecommunications Commission

Budget

Talking Points

Overall Organizational Goals

- 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.
- Continue live and on-demand closed captioning.
- Comply with WCAG AA web standards.
- 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 2026 are estimates based on previous allocations, planned spending for 2025, 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.
- Other income includes dub fees, home movie transfers, drone, streaming and production services. Interest income is estimated conservatively based on the current market.
- Estimated expenditures include the operating expenses and capital expenses, production and office equipment, and the fee payment to the cities.
- The year end fund balances include:
 - The **Operating reserve** which is set at a minimum of 25% of the operating budget.
 - **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. With the 5-year franchise extension, these funds won't be needed in the near future.

Budget

- The recommended operating budget for the organization totals \$1,443,254. This number is a \$6,443 decrease compared to last year's operating budget. Decreases were made to overall wages and benefits costs with the recommended Co-Executive Director model. Increases were made administrative costs line items. New expenses include an update to make the website meet federal accessibility requirements, along with ongoing consulting fees and educational opportunities for the Co-Executive Directors.
- Budgeted capital purchases for 2026 are set at \$224,750. Budgeted capital items include a new video player for the control room, a new router for the production truck, equipment contracts, closed captioning contracts, and closed captioning charges. The capital budget also includes routine computer/software upgrades, and software licenses, and \$100,000 in capital equipment support for cities.
- The overall 2026 capital budget is \$6,210 lower than the 2025 capital budget.
- The overall 2026 budget is \$12,653 lower than the 2025 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.
 - Podcasting 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.
- Future state and federal legislation could have an impact on future income sources.

North Metro Telecommunications Commission 2026 Budget Line-Item Supporting Information

Personnel

- The recommended 2026 budget follows the recommendation of The Waldron Group to move to a Co-Executive Director model and reduce one full-time staff position.
- The personnel line-item reflects a 3% COLA.
- Part-time staff includes sports and meeting coverage personnel. Employees in the part-time group are used when needed for a sports shoot or to cover a city meeting. The majority of the part-time staff qualify for PERA. They are not eligible for health benefits. Payroll taxes apply.

Benefits

- The NMTC employee benefits package has been budgeted at \$1,400.00 per FT staff per month for 2026, plus the expected PT payroll taxes and PERA costs. This is \$0 more, per person/per month than was budgeted for 2025. The Member City benefits package average for 2024 was \$1,399.80.
- All indications are that the NMTC's contribution to PERA will remain at 7.5% in 2025.

Administrative Expenses

- Budgeted administrative expenses are \$2,700 higher than 2025. The increases include educational opportunities for the new Co-Executive Directors, as well as ongoing consulting from The Waldron Group.

Production Expenses

- Budgeted production expenses are \$12,800 less than 2025. The need for DVDs, Blu-rays, and disc cases continues to decrease, partially as a result of electronic file transfers.
- The intern budget has been decreased by \$2,000

Office Expenses

- Office expenses are budgeted at \$10,200 more than the 2025 level.
- \$10,000 of the increase is attributed to website accessibility upgrades that put us into federal compliance before the April 2027 deadline.
- 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.
- Office supply line-item includes all office supplies, and maintenance contracts on printers and copiers.
- The Telephone/Internet/Web Hosting 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. In 2024, there was an unexpected street assessment fee in this line item.
- Building cleaning, trash, recycling, and hazardous material disposal/recycling increased \$6,000 to better reflect recent cost increases.

Capital Expenditures

- The 2026 capital budget currently includes \$108,250 for production equipment, \$8,500 for office systems and software fees, \$8,000 for HVAC improvements, and \$100,000 for city capital expenses.
- The production equipment budget includes annual system contracts, including closed captioning, a new video player for the studio, and a new router for the production truck.
- Fees back to Cities are included as a capital cost.

Summary

- The recommended 2026 Operating budget is \$6,443 lower than the 2025 budget.
- Capital equipment expenditures are budgeted at \$224,750, which is \$6,210 less than the 2025 budget.
- The 2024 HD bond payment was the final payment, and that bond has been paid off.
- 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 \$100,000 in fees for city capital expenditures and capital reserves.
- The overall 2026 budget is \$12,653 lower than the 2025 budget.

North Metro Telecommunications Commission
2026 FINANCIAL SUMMARY
Estimated Fund Balances/Revenues/Expenditures.

BEGINNING FUND BALANCES

Operating Reserve	\$608,709
Accrued Vac, Sick, Comp	\$120,000
Capital Equip. Fund	\$504,155
Vehicle Replacement Fund	\$49,763
Bldg Repair Reserve	\$165,000
Franchise Renewal Fund	\$200,000
Bond Reserve	\$0

TOTAL: \$1,647,627

ESTIMATED REVENUES

Franchise Fees	\$972,000
PEG Fees	\$480,000
Other Income	\$55,000
Interest Income	\$48,750
Income From Reserve Funds	\$106,597

TOTAL: \$1,662,347

ESTIMATED EXPENDITURES

Operating Expenses	\$1,437,597
Capital Expenses: Equipment/Bldg	\$124,750
Capital Expenses: Bond Payment	\$0 Paid off in 2024
Capital Expenses: PEG Fees to Cities	\$100,000

TOTAL: \$1,662,347

YEAR END FUND BALANCES

		Increase(Decrease)
Operating Reserve	\$496,455	-\$106,597
Accrued Vac, Sick, Comp	\$120,000	\$0
Capital Equip. Fund	\$504,155	\$0
Vehicle Replacement Fund	\$49,763	\$0
Bldg Repair Reserve	\$165,000	\$0
Franchise Renewal Fund	\$200,000	\$0
Bond Reserve	\$0	\$0

TOTAL: \$1,535,373 -\$106,597

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2026
North Metro Telecommunications Commission Budget

	2024 ACTUAL	2025 BUDGET		2026 BUDGET	NOTES
		Budget	April Rev.		
CAPITAL EXPENDITURES					
Video Equipment	144,752	105,960	92,327	108,250	Master Control equipment, live streaming hardware
Computer/Office Equipment/Sftwre	20,042	15,000	10,492	8,500	office systems, software
To equipment reserve fund	200,000	0	0	0	
Vehicles	0	0	0	0	
Building Expenditures	12,409	10,000	0	8,000	HVAC improvements
Bond Payment	230,265	0	0	0	HD Bond Payment
City Capital Expenditures	150,000	100,000	100,000	100,000	Equipment/Equipment Reserves
CAPITAL EXP. TOTAL:	757,468	230,960	202,819	224,750	
GRAND TOTAL:	1,833,367	1,675,000	678,831	1,662,347	

North Metro TV 2026 Computer Budget

ID No.	Model No.	Make	Description	Qty	Cost	Total
2026-201		PC	Michele Office Computer	1	1500	1500
2026-202		PC	Ted Office Computer	1	3000	3000
2026-203		PC	Matt Office Computer	1	1500	1500
2026-204		PC	Computer Replacement Parts	1	1000	2000
						8000

North Metro TV 2026 Software Budget

ID No.	Model No.	Make	Description	Qty	Cost	Total
2026-301	Adobe Suites	Adobe	Adobe Photoshop, Premiere, After Effects....etc (\$900/Month)	12	900	10800
2026-302	Office Products	Microsoft	Microsoft Office Subscription	1	2500	2500
2026-303	Gmail Accounts	Gmail	Google Gmail & Workspace Business Accounts (Monthly at \$211)	1	3000	3000
2026-304	Mac Drive	MacDrive	MacDrive Account for 4 Yearly Licenses	4	50	200
2026-305	RealVNC Pro	RealVNC	Remote VNC Connection to office computers (Yearly Subscription)	1	1000	1000
						17500

North Metro TV 2026 Recommended Equipment Budget

Master Control Service & Subscriptions

ID No.	Model No.	Make	Description	Qty	Cost	Total
2026-1	CBL-PLATINUM-4	Tightrope	4 I/O Platinum Support through Tightrope. Loaner, Night Support, Upgrade Assistance	1	4250	4250
2026-2	CBL-PLATINUM-ADDL	Tightrope	Tightrope Additional I/O Annual Software Maintenance Contract for Large Systems (update 10 Needed)	10	550	5500
2026-3	CBL-REFLECT-BND	Tightrope	Cablecast Reflect Live & VOD Stream Server Subscription -	3	2800	8400
2026-4	CBL-REFLECT-LIVE	Tightrope	Cablecast Live Reflect Service	2	1500	3000
2026-5	CBL-CAPTIONING-500	Tightrope	500 Hour Block of Captioning	1	4000	4000
2026-6	CBL-CABLECAST-REN	Tightrope	Subscription Fee to maintain 1 Cablecast OTT channel	2	300	600
2026-7	CBL-ENCO-SUPPORT	Enco	Annual Support Contract for ENCO enCaption server & software	1	6500	6500
2026-8	M-PREM-SUPP-1	Haivision	Premium Maintenance & Support for StreamHub and Pro460	1	7000	7000
						39250

Master Control Equipment

ID No.	Model No.	Make	Description	Qty	Unit Price	Total
				0	0	0
						0

Control Room/Studio A

ID No.	Model No.	Make	Description	Qty	Unit Price	Total
2026-20	Evertz Playback Server	Evertz	4 Output Playback Server replacing the Black Storm	1	36000	36000
						36000

Control Room/Studio B

ID No.	Model No.	Make	Description	Qty	Unit Price	Total
						0
						0

Production Truck

ID No.	Model No.	Make	Description	Qty	Unit Price	Total
						0
						0

Sports Department

ID No.	Model No.	Make	Description	Qty	Unit Price	Total
2026-50	Ross NK Router	Ross	Ross router to replace 10-year old router in truck	1	20000	20000
						20000

Public Access

ID No.	Model No.	Make	Description	Qty	Unit Price	Total
						0

News Department

ID No.	Model No.	Make	Description	Qty	Unit Price	Total
						0

Special Events

ID No.	Model No.	Make	Description	Qty	Unit Price	Total

							0
Municipal Servies							
ID No.	Model No.	Make	Description	Qty	Unit Price	Total	
			Various Small Equipment Replacements	1	500	500	
							500
Tech Shop Equipment							
ID No.	Model No.	Make	Description	Qty	Unit Price	Total	
2026-100			Cable Reels, Cable Ends, Small Tools, etc.....			7500	
							7500
Various Small Items							
ID No.	Model No.	Make	Description			Total	
2026-120	-	-	Small Item Budget			5000	
							5000
Grand Total							108250.00