### NORTH METRO TELECOMMUNICATIONS COMMISSION MEETING SPECIAL MEETING

July 16, 2025 6:00 P.M. 1301 81<sup>st</sup> 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.
- o 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:
  - o Program playback and channel management.
  - o Closed captioning.
  - o Internet streaming of city meetings.
  - o Bookmarking city meetings.
  - o Podcasting city meetings.
  - o Live streaming of city channels and community channels.
  - o Provide city channels on Roku and AppleTV via NMTV app.
  - o Video equipment repair, maintenance and consulting.
  - o Drone services.
  - Video production services.
  - Meeting coverage and troubleshooting.
- The general public also benefits from the services of North Metro TV. These services include:
  - o Educational opportunities.
  - Access to professional video production tools.

- o 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, Blurays, 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.

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

### 2026 North Metro Telecommunications Commission Budget

	2024	20:		2026	
	ACTUAL		OGET	BUDGET	NOTES
		Budget	April Act.		
PERSONNEL					
Executive Director (1) FT	6,564	102,909	0	_	NA
IT Engineer/ Administrative Asst.	0,304	102,909	0	-	NA NA
Video Engineer (1) FT	84,348	84,660	27,025	87,200	Matt Waldron
Sports Director (1) FT	77,759	81,439	25,318	87,434	Kenton Kipp
ED/News Director (1) FT	91,526	80,113	30,112	108,850	Danika Peterson
Programming Coord. (1) FT	67,845	68,085	21,723	70,128	Michele Silvester
Special Projects Coor. (1) FT	69,613	68,085	23,472	70,128	T.J. Tronson
Municipal Producer (1) FT	60,825	61,668	19,688	63,518	Trevor Scholl
Sports Producer (1) FT	56,467	59,202	18,878	63,518	Ted Leroux
News Producer (1) FT	49,745	52,371	16,534	56,483	Eric Nelson
ED/Studio Manager (1) FT	64,130	72,623	27,596	108,850	Eric Houston
Freelancers/Sports	73,510	71,765	25,174	71,976	Freelancers Sports
Freelancers/Meetings	14,214	20,693	5,475	25,002	Freelancers/City Meetings
Contingency	0	0	3,113	0	
gy					
PERSONNEL TOTAL:	716,546	823,613	240,995	813,087	3% COLA increase
	.,	,-	-,	,	4 staff w/ step increase
BENEFITS					·
FICA	47,299	51,064	14,942	50,411	6.2% of gross wages
Medicare	10,390	11,942	3,494	11,790	1.45% of gross wages
PERA	53,829	61,771	19,235	60,982	7.50% of gross wages
Paid Leave				3,578	.44% of gross wages
Benefits Package	140,128	168,000	86,981	168,000	Health/Dental/STD, LTD, ADD
Workers Compensation	0	2,000	3,015	4,000	
Electronic Filing Charges	241	2,000	80	2,000	
BENEFITS TOTAL:	251,887	296,777	127,747	300,760	
					*Benefits package
					\$1,400 per FT employee/per month
					plus PT benefits cost
					\$1,399.80 = 2024 City average

# 2026 North Metro Telecommunications Commission Budget

2024 2025 2026							
	2024 ACTUAL	202 BUD	BUDGET		NOTES		
		Budget	April Act.		NOTES		
ADMINISTRATIVE EXPENSES							
Commission Audit & Accountant	38,143	45,000	19,924	42,000	Annual audit of Commission finances		
Audit: Company	0	0	0	0			
Consultants and Professional Fees	0	0	3,441	3,000	evaluating co-exec model		
Conferences	600	5,000	140	5,000	NATOA & MACTA Conf. , Webinars		
General/Special Meeting Expenses	2,330	3,000	738	3,000			
Government/Legislative Affairs	0	0	0	0			
Legal Fees	51,206	50,000	12,361	50,000	Franchise renewal/State and Fed Issues		
Membership Dues	5,095	5,800	3,767	5,500	NATOA, MACTA, ,Chamber of C		
Mileage Reimbursement	1,096	1,500	484	1,500			
Personnel Recruitment	0	0	0	0			
Tuition and Training	0	0	0	3,000	Executive Director Education		
Contingency Expenses	0	0	0	0			
ADMINISTRATIVE EX. TOTAL:	98,470	110,300	40,855	113,000			
PRODUCTION EXPENSES							
Advertising/Marketing/Entry Fees	49	1,500	0	500	Printed materials, entry fees		
Awards Ceremony/ Entry Fees	420	0	0	500	NATOA and MACTA awards		
Bulbs/Batteries/Other Prod. Costs	239	4,500	214	1,000	Bulbs, Camera Batt. Duct tape		
Interns	1,970	4,500	100	2,500	Stipends for internships		
Truck/Fleet Vehicle Gas/Oil	2,725	3,800	580	3,500	Prod. Van & fleet vehicles		
Truck/Fleet Vehicle Maint/Lic.	2,818	6,500	4,241	4,000	Prod. Van & fleet vehicles		
Video Equipment/Parts/Maint.	298	4,500	0	1,000	Parts and Maintenance for video equip.		
DVDs/Flash Drives/Cases	477	1,500	214	1,000	Blank media for masters/copies		
PRODUCTION EX. TOTAL:	8,996	26,800	5,349	14,000			
OFFICE EXPENSES							
Building Maintenance	26,328	50,000	8,877	35,000	Bldg & Prop./Fire Insp./Furn. Contract		
Building Security	798	800	0	1,000			
Building Utilities	21,494	35,000	8,766	30,000	Sewer, Water, Gas & Electric		
Insurance	16,133	20,000	14,885	20,000	Liability/property/vehicle/volunteeer		
Office Supp./Office Equip. Maint.	3,372	14,000	2,144	10,000	Copier & Fax maint. contracts, Supplies		
Computer Apps/Subscriptions	15,431	0	6,978	18,000	Software subscriptions		
Phone/Internt Service/Web Hosting	51,928	55,000	13,670	55,000	VOD, Live Streaming, web maint.,bandwidth		
Website Update				10,000	WCAG AA updates		
Postage/Shipping	201	250	343	250	equipment/dub/packet postage		
Property Tax	10,496	1,500	1,363	1,500	Recycling and street assessments		
Trash/Recycling/Janitorial	11,822	10,000	4,040	16,000			
OFFICE EXPENSES TOTAL:	158,003	186,550	61,066	196,750			
OPERATIONS TOTAL:	1,075,899	1,444,040	476,012	1,437,597			

# 2026 North Metro Telecommunications Commission Budget

	2024 ACTUAL	DUDGET		2026 BUDGET	NOTES
	7.0.07.2	Duuget	Ahiii Aor		
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	

		N	orth 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 Effectsetc (\$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			
	I 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	425
2026-2	CBL-PLATINUM-ADDL	Tightrope	Tightrope Additional I/O Annual Software Maintenance Contract for Large Systems (update 10 Needed)	10	550	550
2026-3	CBL-REFLECT-BND	Tightrope	Cablecast Reflect Live & VOD Stream Server Subscription -	3	2800	84
2026-4	CBL-REFLECT-LIVE	Tightrope	Cablecast Live Reflect Service	2	1500	30
2026-5	CBL-CAPTIONING-500	Tightrope	500 Hour Block of Captioning	1	4000	40
2026-6	CBL-CABLECAST-REN	Tightrope	Subscription Fee to maintain 1 Cablecast OTT channel	2	300	6
2026-7	CBL-ENCO-SUPPORT	Enco	Annual Support Contract for ENCO enCaption server & software	1	6500	65
2026-8	M-PREM-SUPP-1	Haivision	Premium Maintenance & Support for StreamHub and Pro460	1	7000	70 392
laster Contro	l Equipment					
ID No.	Model No.	Make	Description	Qty	Unit Price	Total
				0	0	
ontrol Room			Possible .	0,	11.25 B 2	<b>T</b> . ()
ID No.	Model No.	Make	Description Description	Qty	Unit Price	Total
2026-20	Evertz Playback Server	Evertz	4 Output Playback Server replacing the Black Storm	1	36000	360 360
ontrol Room	Studio B					
ID No.	Model No.	Make	Description	Qty	Unit Price	Total
ID NO.	Wiodel No.	Iviane	Description	Qty	Office Frice	IUlai
roduction Tru						
ID No.	Model No.	Make	Description	Qty	Unit Price	Total
ports Departi						
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	200
						200
ublic Access ID No.	Model No.	Make	Description	Qty	Unit Drice	Total
ID NO.	Wiodei No.	IVIANE	Description	Qly	Unit Price	IOlai
lews Departm	ent					
ID No.	Model No.	Make	Description	Qty	Unit Price	Total
			<u> </u>			
pecial Events						
ID No.	Model No.	Make	Description	Qty	Unit Price	Total

						0
Municipal Servies					L	Ü
ID No.	Model No.	Make	Description	Qty	Unit Price	Total
			Various Small Equipment Replacements	1	500	500
					L	500
Tech Shop Equipme						
ID No.	Model No.	Make	Description	Qty	Unit Price	Total
2026-100			Cable Reels, Cable Ends, Small Tools, etc			7500
					L	7500
Various Small Items	5					
ID No.	Model No.	Make	Description			Total
2026-120	-	-	Small Item Budget			5000
				·		5000
			Grand Total			108250.00