



2005 – 2006 Proposed Budget --- Budget Summary Telecommunications Fund

2005 – 2006 Telecommunications Fund Budget Highlights

- McMinnville Community Media (MCM), the non-profit organization formed to operate the local access channel, Channel 11, submitted to the City a 2005 – 2006 budget consistent with Comcast revenue projections.
- The MCM proposed budget is in its entirety the City's 2005 – 2006 Telecommunications Fund Proposed Budget.

Short- and Long-Term Issues

- **Short-Term Issues** --- Addressed by 2004 – 2005 Proposed Budget.
- **Long-Term Issues**
 - Concern that Comcast cable franchise fees and local access subscriber fees might soften due to City residents transferring to satellite systems away from cable television.
 - The AT&T “past sins” settlement money was expected to last approximately 10 years from 2001, the year of the settlement. At June 30, 2006, the settlement money remaining will be approximately \$186,000.



Of the 5% cable franchise fee, 2.25% of the fee supports the local access channel with the remaining 2.75% allocated to the General Fund.

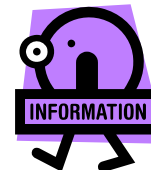
Core Services

The Telecommunications Fund serves primarily as an accounting entity that receives 2.25 percent allocation of the Comcast cable franchise fee. The remaining 2.75 percent of the Comcast cable franchise fee is allocated to the General Fund. The Telecommunications Fund receives 100 percent of the local access channel subscriber fee. After receipt of these funds, the City passes the funds through to McMinnville Community Media (MCM) along with a MCM requested yearly portion of the AT&T “past sins” settlement money.

- MCM operates the local access channel for the community – Channel 11.
- MCM provides equipment and instruction to any local individual that wishes to learn to operate the equipment and learn how to craft a video production.

Channel

11



The City's local access channel.



Programming runs an average of 91 hours per week.



Telecommunications Fund --- Historical Highlights

- 1982** Original 15-year cable television franchise agreement passed by City Council action, Ordinance 4231. New 3% franchise fee revenue dedicated to General Fund.
- 1997** Original cable television franchise agreement expires and extended by City Council action extended five more times until June 30, 2001.
- 1999** Telecommunications Fund implemented in anticipation of successful completion of new franchise agreement and “past sins” negotiations with TCI Cablevision of Oregon dba AT&T Broadband.
- 2001** Public hearing held on re-negotiated franchise agreement with TCI Cablevision of Oregon dba AT&T Broadband.
- 2001** New franchise agreement with TCI Cablevision of Oregon dba AT&T Broadband signed and becomes effective July 1, 2001.

- 2001** New agreement raises franchise fee from 3% to 5%. City Council dedicates 2.25% of raised franchise fee to the Telecommunications Fund and 2.75% to the General Fund.
- 2001** New agreement also requires a \$1 per month per account PEG access support subscriber fee which must be spent on cable access channel capital equipment.
- 2001** City contracts with McMinnville Community Media (MCM), a non-profit corporation, newly formed to operate the local access channel.
- 2001** McMinnville Community Media (MCM) contracts with Multnomah County Television (MCTV) to operate the local access channel until MCM can lease space, construct technical connections to McMinnville Marketplace location, and open a new studio.

- 2001** City receives \$453,500 from TCI / AT&T a combination of \$352,500 of “past sins money”, \$75,000 for MCM to begin operating the local access channel by July 1, 2001, and ~\$26,000 for move to McMinnville Marketplace.
- 2001** MCM hires Jerry Eichten as first MCM Director.
- 2002** April 1, MCM takes over operating McMinnville’s local access channel 11 from MCTV.



The MCM Studio is open for residents to use 32 hours per week.



Each Comcast subscriber pays \$1 per month designated for capital equipment.

TELECOMMUNICATIONS FUND

2005-06

10-May-05

27	00	ACTUAL 2002-03	ACTUAL 2003-04	BUDGET 2004-05		NUMBER OF EMPLOYEES	PROPOSED 2005-06	APPROVED 2005-06	ADOPTED 2005-06
<u>RESOURCES</u>									
<u>BEGINNING FUND BALANCE</u>									
		363,519	314,971	269,000	60001-00 BEGINNING FUND BALANCE Estimated July 1, 2005 cash carryover from the 2004 - 2005 fiscal year.	0.00	225,000	0	0
		363,519	314,971	269,000	TOTAL BEGINNING FUND BALANCE	0.00	225,000	0	0
<u>LICENSES & PERMITS</u>									
		88,710	91,098	87,800	60019-00 COMCAST - CABLE FRANCHISE FEE City Council 2.25% allocation of Comcast cable franchise fee (5%) to support local access Channel 11 operations.	0.00	91,000	0	0
		81,211	77,236	76,000	60021-00 COMCAST - SUBSCRIBER FEE - PEG \$1 per month Comcast subscriber fee - restricted for public access channel capital expenditures.	0.00	76,000	0	0
		169,921	168,334	163,800	TOTAL LICENSES & PERMITS	0.00	167,000	0	0
<u>MISCELLANEOUS</u>									
		5,577	3,553	3,400	60151-00 INTEREST	0.00	5,000	0	0
		5,577	3,553	3,400	TOTAL MISCELLANEOUS	0.00	5,000	0	0
		539,017	486,858	436,200	TOTAL RESOURCES	0.00	397,000	0	0

TELECOMMUNICATIONS FUND

2005-06

10-May-05

27	00									
ACTUAL	ACTUAL	BUDGET			NUMBER OF	PROPOSED	APPROVED	ADOPTED		
2002-03	2003-04	2004-05			EMPLOYEES	2005-06	2005-06	2005-06		
<u>REQUIREMENTS</u>										
<u>MATERIALS & SERVICES</u>										
0	0	0	80465-00	CABLE COMMISSION	0.00	0	0	0	0	0
0	0	0	80611-00	PROFESSIONAL SERVICES:	0.00	0	0	0	0	0
2,925	1,356	0	80611-03	PS - FEASIBILITY STUDY	0.00	0	0	0	0	0
88,710	91,099	87,800	80621-00	MCMINNVILLE COMMUNITY MEDIA	0.00	91,000	0	0	0	0
				City pass-through of 2.25% of Comcast franchise fee (5%) to McMinnville Community Media (MCM), non-profit organization formed to operate the local access Channel 11.						
51,200	47,500	45,600	80621-01	MCM - M&S SETTLEMENT	0.00	44,000	0	0	0	0
				City pass-through of AT&T Settlement for "past sins" to McMinnville Community Media (MCM), per MCM's 2005 - 2006 budget plan.						
142,835	139,955	133,400		TOTAL MATERIALS & SERVICES	0.00	135,000	0	0	0	0
<u>CAPITAL OUTLAY</u>										
81,211	77,236	76,000	80701-00	MCM - PEG ACCESS SUPPORT	0.00	76,000	0	0	0	0
				City pass-through to McMinnville Community Media of the Comcast collected \$1 per month subscriber fee required to be spent for cable access channel capital equipment.						
0	0	0	80703-00	MCM - CO SETTLEMENT	0.00	0	0	0	0	0
81,211	77,236	76,000		TOTAL CAPITAL OUTLAY	0.00	76,000	0	0	0	0
<u>OPERATING CONTINGENCIES</u>										
0	0	25,000	80801-00	OPERATING CONTINGENCIES	0.00	25,000	0	0	0	0
0	0	25,000		TOTAL OPERATING CONTINGENCIES	0.00	25,000	0	0	0	0
<u>UNAPPROPRIATED ENDING FUND BAL</u>										
314,971	269,667	201,800	80997-00	UNAPPROPRIATED ENDING FUND BAL	0.00	161,000	0	0	0	0
				Budgeted undesignated cash carryover for July 1, 2006. Actual cash carryover will also include all remaining money from the Operating Contingency account and the excess (deficit) of revenues over (under) expenditures from 2005 - 2006 operations.						
314,971	269,667	201,800		TOTAL UNAPPROPRIATED ENDING FUND BAL	0.00	161,000	0	0	0	0
539,017	486,858	436,200		TOTAL REQUIREMENTS	0.00	397,000	0	0	0	0

TELECOMMUNICATIONS FUND

2005-06

10-May-05

27 00

ACTUAL 2002-03	ACTUAL 2003-04	BUDGET 2004-05
539,017	486,858	436,200

**TELECOMMUNICATIONS FUND
TOTAL REQUIREMENTS**

NUMBER OF EMPLOYEES	PROPOSED 2005-06	APPROVED 2005-06	ADOPTED 2005-06
	397,000	0	0