



# 2006 – 2007 Proposed Budget --- Budget Summary Telecommunications Fund

## 2006 – 2007 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 2006 – 2007 budget consistent with Comcast revenue projections.
- The MCM proposed budget is in its entirety the City's 2006 – 2007 Telecommunications Fund Proposed Budget.



Programming runs an average of 98 hours per week.

## Short- and Long-Term Issues

- **Short-Term Issues** --- Addressed by 2006 – 2007 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, 2007, the settlement money remaining will be approximately \$154,200.



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.

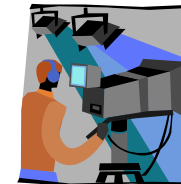
- MCM operates the local access channel for the community – Channel 11.

# Channel 11



The City's local access channel.

- 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.



Last year, 133 separate community organizations used MCM public access services.



## 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, 2002 MCM takes over operating McMinnville’s local access Channel 11 from MCTV.
- 2003** January 2003, MCM expands on-screen community bulletin board for use by local groups and organizations.
- 2003** Fall 2003, MCM provides Saturday open house tours to introduce local citizens to Channel 11.
- 2005** MCM expands media literacy curriculum and creates digital learning lab for computer editing and production.

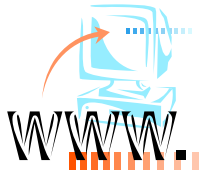


# Telecommunications Fund --- Historical Highlights

**2005** MCM studio control room equipment upgraded – teleprompter, video switcher, and graphics systems.



**2006** January 2006, Major upgrade of [mcm11.org](http://mcm11.org) website, allowing form submittal and easy access to program listings.



**2006** February 2006, MCM Board votes to commission design and engineering of new studio and office facility.

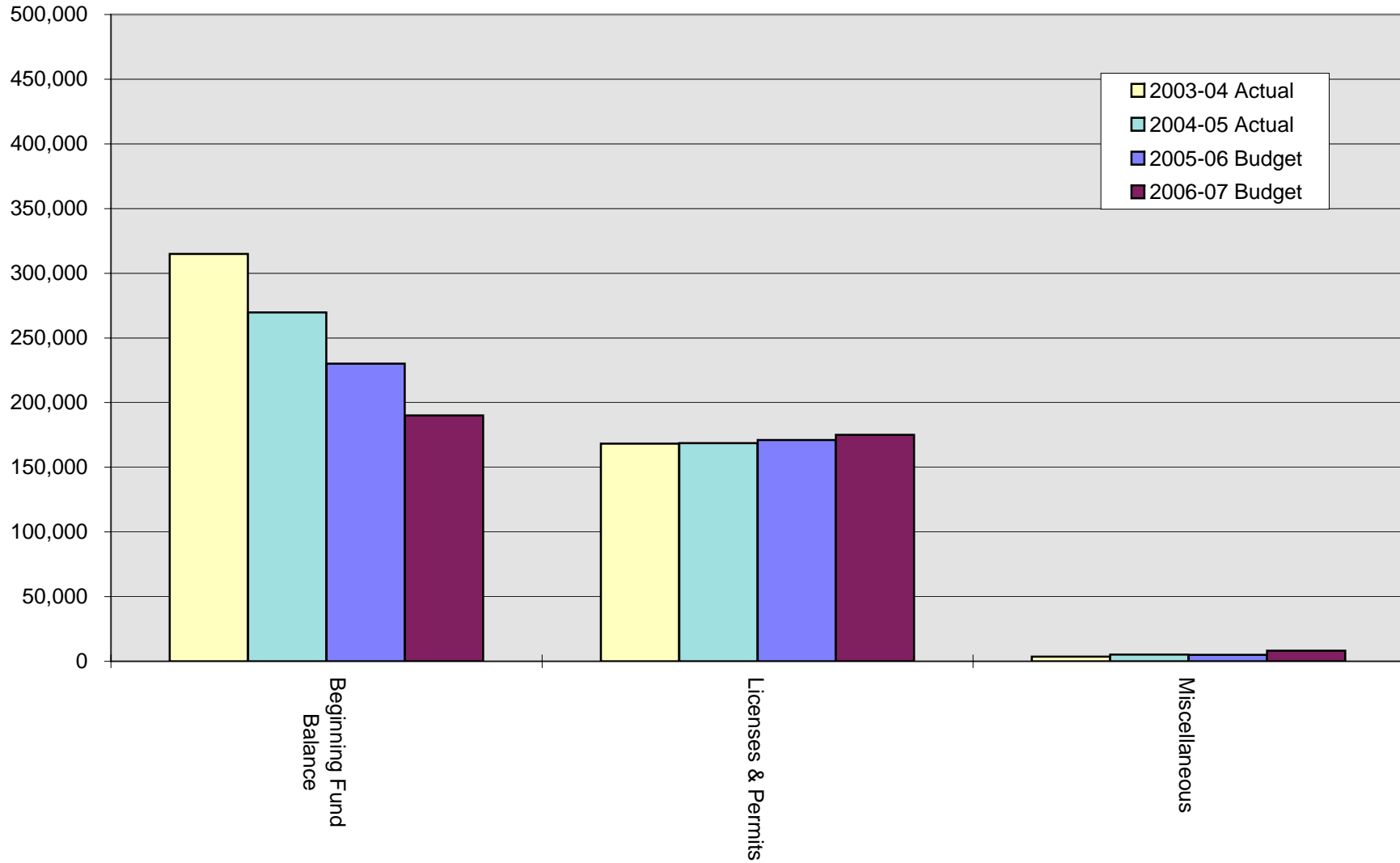


The MCM Studio is open for residents 32 hours per week for production use.

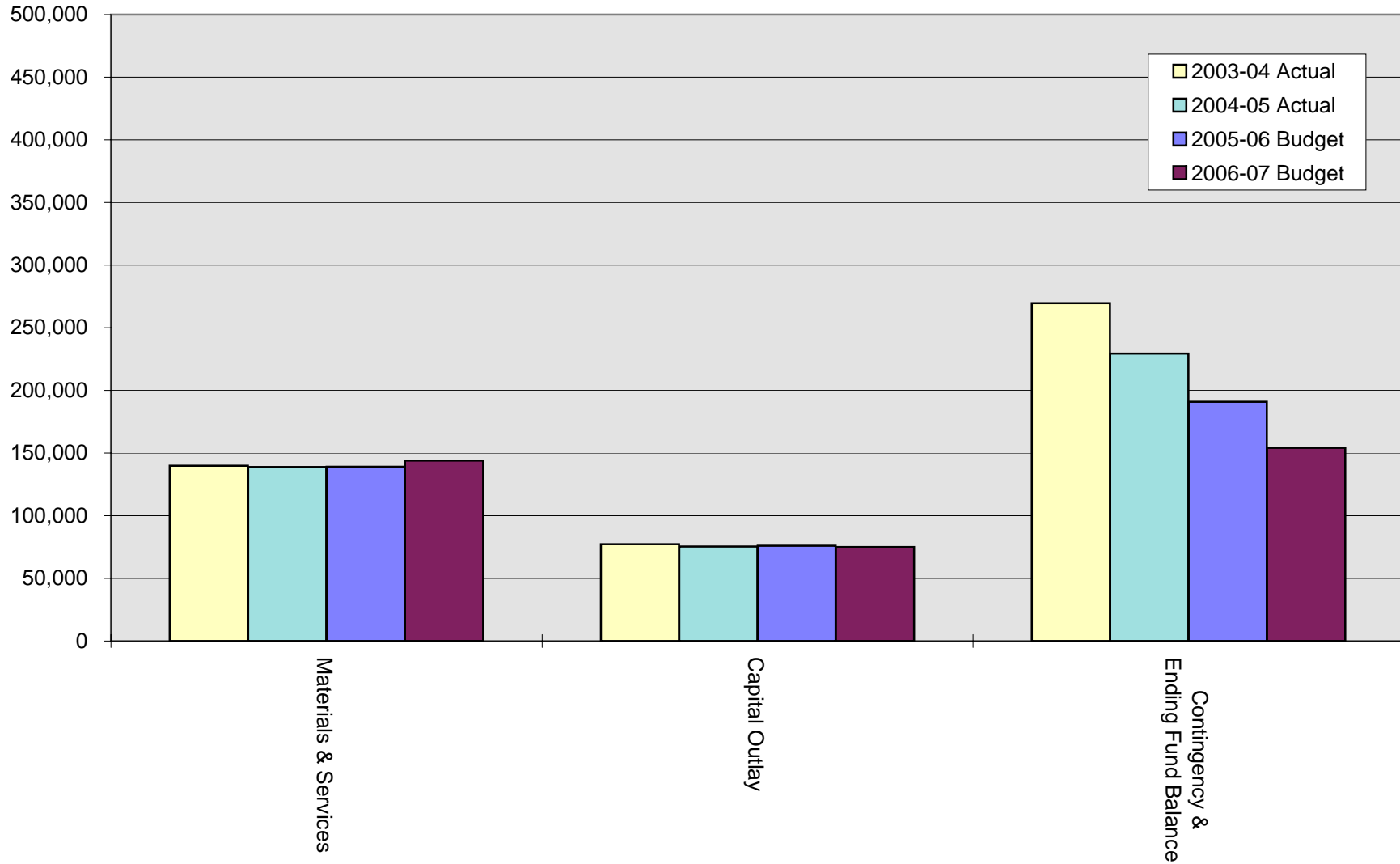


Each Comcast subscriber pays \$1 per month designated for capital equipment.

# Telecommunications Fund Resources



## Telecommunications Fund Requirements



**TELECOMMUNICATIONS FUND**

2006-07

02-Aug-06

27	00	ACTUAL 2003-04	ACTUAL 2004-05	BUDGET 2005-06		NUMBER OF EMPLOYEES	PROPOSED 2006-07	APPROVED 2006-07	ADOPTED 2006-07
<b>RESOURCES</b>									
<b><u>BEGINNING FUND BALANCE</u></b>									
	314,971	269,667	230,000	<b>60001-00</b>	<b>BEGINNING FUND BALANCE</b> Estimated July 1, 2006 cash carryover from the 2005 - 2006 fiscal year.	0.00	190,000	190,000	190,000
	314,971	269,667	230,000		<b>TOTAL BEGINNING FUND BALANCE</b>	0.00	190,000	190,000	190,000
<b><u>LICENSES &amp; PERMITS</u></b>									
	91,098	93,333	95,000	<b>60019-00</b>	<b>COMCAST - CABLE FRANCHISE FEE</b> City Council 2.25% allocation of Comcast cable franchise fee (5%) to support local access Channel 11 operations.	0.00	100,000	100,000	100,000
	77,236	75,361	76,000	<b>60021-00</b>	<b>COMCAST - SUBSCRIBER FEE - PEG</b> \$1 per month Comcast subscriber fee - restricted for public access channel capital expenditures.	0.00	75,000	75,000	75,000
	168,334	168,694	171,000		<b>TOTAL LICENSES &amp; PERMITS</b>	0.00	175,000	175,000	175,000
<b><u>MISCELLANEOUS</u></b>									
	3,553	5,246	5,000	<b>60151-00</b>	<b>INTEREST</b>	0.00	8,200	8,200	8,200
	3,553	5,246	5,000		<b>TOTAL MISCELLANEOUS</b>	0.00	8,200	8,200	8,200
	<b>486,858</b>	<b>443,607</b>	<b>406,000</b>		<b>TOTAL RESOURCES</b>	<b>0.00</b>	<b>373,200</b>	<b>373,200</b>	<b>373,200</b>

**TELECOMMUNICATIONS FUND**

2006-07

02-Aug-06

27	00	ACTUAL 2003-04	ACTUAL 2004-05	BUDGET 2005-06		NUMBER OF EMPLOYEES	PROPOSED 2006-07	APPROVED 2006-07	ADOPTED 2006-07
<b>REQUIREMENTS</b>									
<b><u>MATERIALS &amp; SERVICES</u></b>									
		0	0	0	<b>80611-00</b>	PROFESSIONAL SERVICES:	0.00	0	0
		1,356	0	0	<b>80611-03</b>	PS - FEASIBILITY STUDY	0.00	0	0
		91,099	93,333	95,000	<b>80621-00</b>	<b>MCMINNVILLE COMMUNITY MEDIA</b> 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.	0.00	100,000	100,000
		47,500	45,600	44,000	<b>80621-01</b>	<b>MCM - M&amp;S SETTLEMENT</b> City pass-through of AT&T Settlement for "past sins" to McMinnville Community Media (MCM), per MCM's 2006 - 2007 budget plan.	0.00	44,000	44,000
		139,955	138,933	139,000		<b>TOTAL MATERIALS &amp; SERVICES</b>	0.00	144,000	144,000
<b><u>CAPITAL OUTLAY</u></b>									
		77,236	75,361	76,000	<b>80701-00</b>	<b>MCM - PEG ACCESS SUPPORT</b> 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.	0.00	75,000	75,000
		77,236	75,361	76,000		<b>TOTAL CAPITAL OUTLAY</b>	0.00	75,000	75,000
<b><u>OPERATING CONTINGENCIES</u></b>									
		0	0	25,000	<b>80801-00</b>	OPERATING CONTINGENCIES	0.00	30,000	30,000
		0	0	25,000		<b>TOTAL OPERATING CONTINGENCIES</b>	0.00	30,000	30,000
<b><u>UNAPPROPRIATED ENDING FUND BAL</u></b>									
		269,667	229,313	166,000	<b>80997-00</b>	<b>UNAPPROPRIATED ENDING FUND BAL</b> Budgeted undesignated cash carryover for July 1, 2007. Actual cash carryover will also include all remaining money from the Operating Contingency account and the excess (deficit) of revenues over (under) expenditures from 2006 - 2007 operations.	0.00	124,200	124,200
		269,667	229,313	166,000		<b>TOTAL UNAPPROPRIATED ENDING FUND BAL</b>	0.00	124,200	124,200
		<b>486,858</b>	<b>443,607</b>	<b>406,000</b>		<b>TOTAL REQUIREMENTS</b>	0.00	<b>373,200</b>	<b>373,200</b>

**TELECOMMUNICATIONS FUND**

*2006-07*

02-Aug-06

27 00	ACTUAL 2003-04	ACTUAL 2004-05	BUDGET 2005-06		NUMBER OF EMPLOYEES	PROPOSED 2006-07	APPROVED 2006-07	ADOPTED 2006-07
	486,858	443,607	406,000	<b><i>TELECOMMUNICATIONS FUND TOTAL REQUIREMENTS</i></b>		373,200	373,200	373,200