



2007 – 2008 Proposed Budget --- Budget Summary Telecommunications Fund

2007 – 2008 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 2007 – 2008 budget consistent with Comcast revenue projections.
- The MCM proposed budget is included in its entirety in the City's 2007 – 2008 Telecommunications Fund Proposed Budget.



Programming runs an average of 98 hours per week.

Short- and Long-Term Issues

- Short-Term Issues** --- Addressed by 2007 – 2008 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; although in 2006 – 2007, Comcast cable franchise fees and public access channel subscriber fees are expected to slightly increase.
 - The AT&T “past sins” settlement money was expected to last approximately 10 years from 2001, the year of the settlement. At June 30, 2008, the settlement money remaining will be approximately \$114,000.



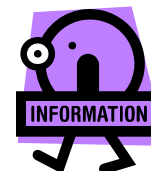
Of the 5% cable franchise fee, 2.25% of the fee supports the local access channel with the remaining 2.75% allocated to the General Fund.

Core Services

The Telecommunications Fund serves primarily as an accounting entity that receives a 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.



Two new computerized editing suites have been added, which are available to community members for creating Channel 11 programs.



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 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.

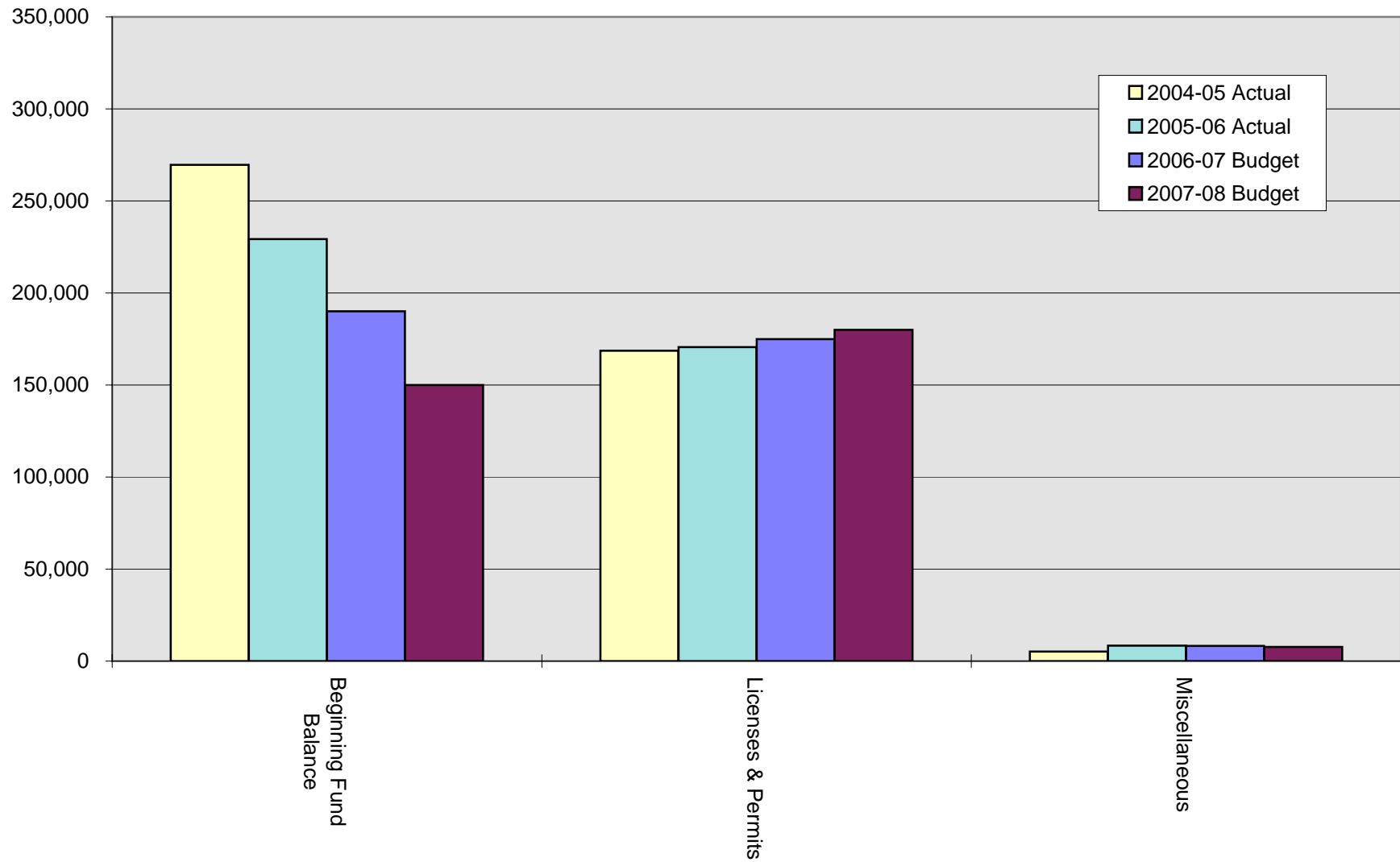


Each Comcast subscriber pays \$1 per month designated for capital equipment.

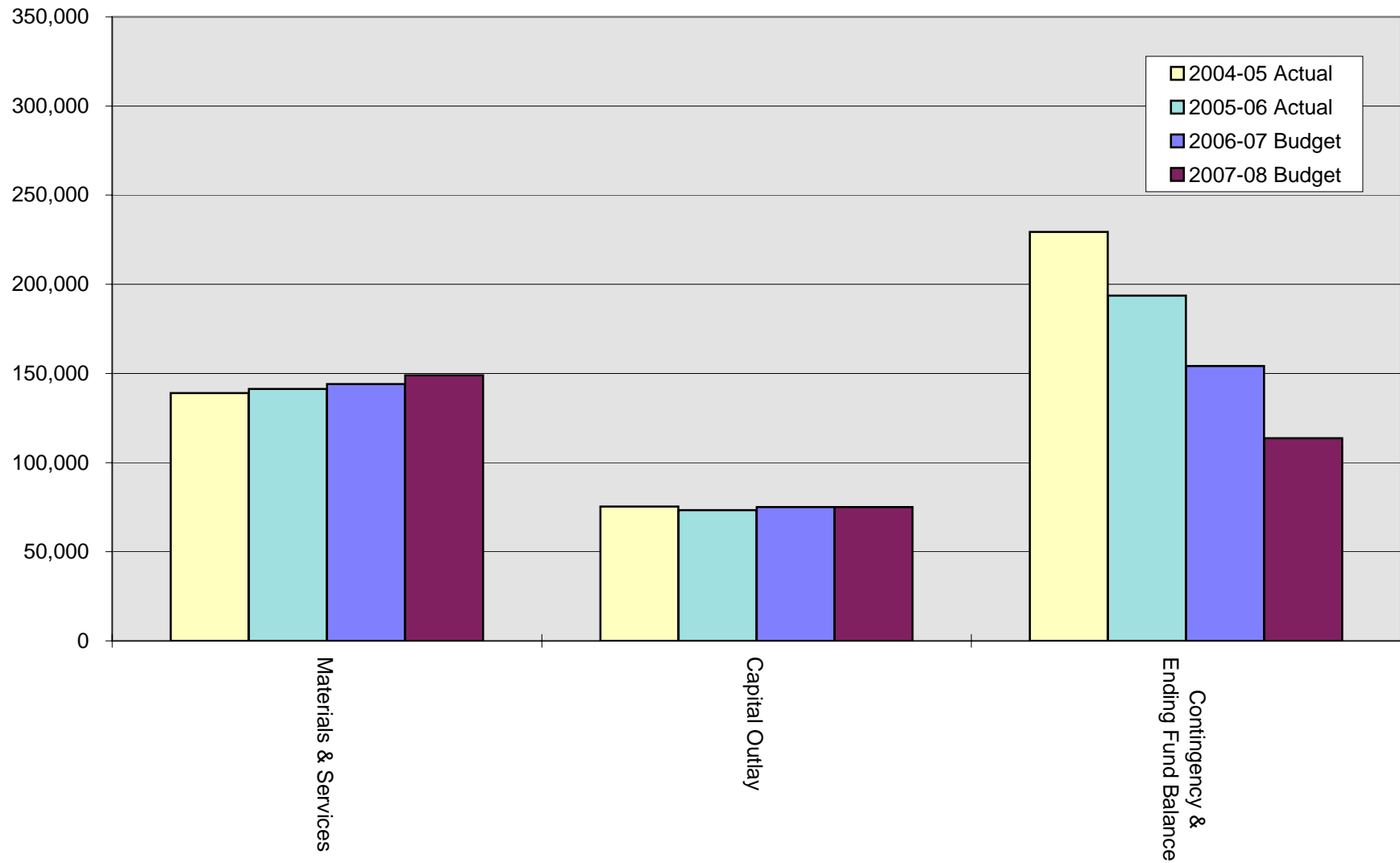
2007 Estimated “past sins” balance remaining at July 1, 2007 is ~\$150,000.



Telecommunications Fund Resources



Telecommunications Fund Requirements



TELECOMMUNICATIONS FUND

27 00

2007-08

11-Jul-07

ACTUAL 2004-05	ACTUAL 2005-06	BUDGET 2006-07		NUMBER OF EMPLOYEES	PROPOSED 2007-08	APPROVED 2007-08	ADOPTED 2007-08
RESOURCES							
<u>BEGINNING FUND BALANCE</u>							
269,667	229,313	190,000	60001-00 BEGINNING FUND BALANCE	0.00	150,000	150,000	155,000
Estimated July 1, 2007 cash carryover from the 2006-2007 fiscal year.							
269,667	229,313	190,000	TOTAL BEGINNING FUND BALANCE	0.00	150,000	150,000	155,000
<u>LICENSES & PERMITS</u>							
93,333	97,234	100,000	60019-00 COMCAST - CABLE FRANCHISE FEE	0.00	105,000	105,000	105,000
City Council 2.25% allocation of Comcast cable franchise fee (5%) to support local access Channel 11 operations, passed through to McMinnville Community Media, Account #27-00-80621-00.							
Budget Note: Of the 5% Comcast franchise fee, 2.75% allocated to General Fund, revenue Account #01-00-60015-05.							
75,361	73,297	75,000	60021-00 COMCAST - SUBSCRIBER FEE - PEG	0.00	75,000	75,000	75,000
\$1 per month Comcast subscriber fee - restricted for public access channel capital expenditures, passed through to McMinnville Community Media through MCM-PEG Access Support, Account #27-00-80701-00.							
168,694	170,531	175,000	TOTAL LICENSES & PERMITS	0.00	180,000	180,000	180,000
<u>MISCELLANEOUS</u>							
5,246	8,354	8,200	60151-00 INTEREST	0.00	7,700	7,700	7,700
5,246	8,354	8,200	TOTAL MISCELLANEOUS	0.00	7,700	7,700	7,700
443,607	408,198	373,200	TOTAL RESOURCES	0.00	337,700	337,700	342,700

TELECOMMUNICATIONS FUND

27 00

2007-08

11-Jul-07

ACTUAL 2004-05	ACTUAL 2005-06	BUDGET 2006-07		NUMBER OF EMPLOYEES	PROPOSED 2007-08	APPROVED 2007-08	ADOPTED 2007-08
REQUIREMENTS							
<u>MATERIALS & SERVICES</u>							
0	0	0	80621-00 MCMINNVILLE COMMUNITY MEDIA:	0.00	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 collected in revenue Account #27-00-60019-00.				
45,600	44,000	44,000	80621-01 MCM - M&S SETTLEMENT	0.00	44,000	44,000	44,000
			City pass-through of AT&T Settlement for "past sins" to McMinnville Community Media (MCM), per MCM's 2007-2008 budget plan.				
93,333	97,234	100,000	80621-02 MCM - CABLE FRANCHISE FEE	0.00	105,000	105,000	105,000
0	0	0	80621-03 MCM - PEG ACCESS SUPPORT	0.00	0	0	75,000
138,933	141,234	144,000	TOTAL MATERIALS & SERVICES	0.00	149,000	149,000	224,000
<u>CAPITAL OUTLAY</u>							
75,361	73,297	75,000	80701-00 MCM - PEG ACCESS SUPPORT	0.00	75,000	75,000	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 collected in revenue Account #27-00-60021-00.				
75,361	73,297	75,000	TOTAL CAPITAL OUTLAY	0.00	75,000	75,000	0
<u>OPERATING CONTINGENCIES</u>							
0	0	30,000	80801-00 OPERATING CONTINGENCIES	0.00	30,000	30,000	30,000
0	0	30,000	TOTAL OPERATING CONTINGENCIES	0.00	30,000	30,000	30,000
<u>UNAPPROPRIATED ENDING FUND BAL</u>							
229,313	193,667	124,200	80997-00 UNAPPROPRIATED ENDING FUND BAL	0.00	83,700	83,700	88,700
			Budgeted undesignated cash carryover for July 1, 2008. Actual cash carryover will also include all remaining money from the Operating Contingency account and the excess (deficit) of revenues over (under) expenditures from 2007-2008 operations.				
229,313	193,667	124,200	TOTAL UNAPPROPRIATED ENDING FUND BAL	0.00	83,700	83,700	88,700
443,607	408,198	373,200	TOTAL REQUIREMENTS	0.00	337,700	337,700	342,700

TELECOMMUNICATIONS FUND

27 00

2007-08

11-Jul-07

ACTUAL 2004-05	ACTUAL 2005-06	BUDGET 2006-07		NUMBER OF EMPLOYEES	PROPOSED 2007-08	APPROVED 2007-08	ADOPTED 2007-08
443,607	408,198	373,200	TELECOMMUNICATIONS FUND TOTAL REQUIREMENTS		337,700	337,700	342,700