

Memo

To: Honorable Mayor and City Council
From: Joe Kohlmann, City Administrator
Date: September 11, 2012
Re: LMCC Budget

The Lake Minnetonka Communications Commission (LMCC) has provided the attached 2013 budget for your review. The budget is not funded with tax dollars, but rather from cable franchise fees and PEG fees to cable subscribers. The LMCC provides the community service of producing the City Council meetings and other local programming on cable television and on their website.

Attachments:

- 1. Resolution Adopting 2013 LMCC Budget*
- 2. Letter from Sally Koenecke, LMCC Executive Director*
- 3. 2013 LMCC Budget*

Council Action Requested:

A motion to adopt the attached resolution approving the 2013 LMCC Budget.

RESOLUTION NO. 12-

A RESOLUTION ADOPTING 2013 LMCC BUDGET

WHEREAS, the Lake Minnetonka Communications Commission (LMCC) has submitted its annual budget for review to the cities on Lake Minnetonka; and

WHEREAS, the City Council of the City of Tonka Bay reviewed said budget at its regular meeting on September 11, 2012.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Tonka Bay that the 2013 LMCC budget is adopted as presented.

PASSED at a regular meeting of the Tonka Bay City Council this 11th day of September, 2012.

Motion introduced by _____ and seconded by _____.

Roll Call Vote: Ayes –
Nays –
Absent –

William LaBelle, Mayor

ATTEST:

Joseph Kohlmann, Clerk/Administrator



LMCC

LAKE MINNETONKA COMMUNICATIONS COMMISSION

4071 SUNSET DRIVE ■ BOX 385 ■ SPRING PARK, MN 55384-0385 ■ 952.471.7125 ■ FAX 952.471.9151 ■ lmcc@lmcc-tv.org

September 6, 2012

DEEPHAVEN

EXCELSIOR

Dear City Members of the LMCC:

GREENWOOD

INDEPENDENCE

LONG LAKE

LORETTO

MAPLE PLAIN

MEDINA

MINNETONKA
BEACH

MINNETRISTA

ORONO

ST. BONIFACIUS

SHOREWOOD

SPRING PARK

TONKA BAY

VICTORIA

WOODLAND

The LMCC has had increased operating expenditures in 2012 with the addition of agenda parsing. We added a part time position to facilitate the parsing so that citizens could view a particular part of a meeting without having to scan the entire meeting to find an agenda item. The LMCC has had a positive response to this added service. However, this contributed to a planned \$32,135 deficit before interest payments on our buildings contract for deed which was paid off.

The LMCC Board agreed with staff that we needed to continue to update our technology and increase our capital budget in 2013 from 2012 with just over half of the budget being for new cameras and equipment for government meeting coverage.

The LMCC Budget Committee and Board also felt that it was critical to balance the LMCC budget for 2013. Accordingly at the LMCC August Full Commission Meeting the commission approved an increase of the PEG fee to subscribers from \$.85 cents to \$1.20 per month to support these community programming needs. This is reflected in the 2013 LMCC Budget.

The Commission also approached Mound to increase their PEG fee as they have an agreement with the LMCC for their residents to use the studio. This agreement was created in 2000 due to the Mound Studio closing. Mound has agreed to increase their PEG fee from \$.84 cents to \$1.21 via an amendment to the usage agreement. This will go into effect on 1/1/2013. We anticipate further discussions with Mound to work towards inclusion as members in the future.

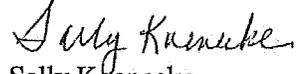
The net effect of the above items is an 8.1% increase in the LMCC's budgeted revenues from \$644,237 in 2012 to \$696,413 in 2013 and a 1.1% increase in the LMCC's budgeted expenditures from \$688,442 in 2012 to \$696,176 in 2013.

The LMCC is also undertaking franchise renewal and has retained consultants to help ascertain future communication needs of the 17 member cities. In order to negotiate the most advantageous franchise for the cities the commission has continued to allocate dollars to this process for consultants and legal costs.

If you have questions regarding these increases please call me or Budget Committee Chair Tom Fletcher at 952-224-5550 for further information.

Thank you for your continued support.

Sincerely,

A handwritten signature in cursive script that reads "Sally Koenecke".

Sally Koenecke

Executive Director

Lake Minnetonka Communications Commission

Lake Minnetonka Communications Commission Year 2013 Budget

The Lake Minnetonka Communications Commission is not funded by tax dollars and its operating budget is derived from cable franchise fees and PEG fees to cable subscribers. The LMCC studio and offices are located at 4071 Sunset Drive in Spring Park.

The Lake Minnetonka Communications Commission maintains a fund balance as a reserve to continue operations if unforeseeable funding losses should occur. These could include lowered franchise revenue, legislation resulting in reduced funding, or other revenue losses. The LMCC is in the process of franchise renewal and will be working with consultants to determine technical and financial considerations going forward. The LMCC has maintained its budgeted balance for the first seven months of 2012.

The LMCC continues to provide excellent service to area residents with its programming and streaming services. As you may be aware the LMCC included agenda parsing with its streaming capabilities this year and it has been a very worthwhile service to the cities in viewing city council meetings. The streaming service continues to exhibit growth in the numbers of residents accessing the "on demand" city council meetings. The LMCC earned a national programming award this year from the Alliance for Community Media for a program produced for children about public safety. Other programming produced for and with the cities includes fire safety programming, city events and festivals, state of the city addresses, "Tonka Report" with city administrators, candidate forums, community development programs, school district programs and non-profit organizational programming. The LMCC will have extensive election coverage during the next month. The LMCC continues to resolve cable subscriber complaints and monitors the franchise agreement with Mediacom.

The following is a summary of the budget considerations made by the 2013 Budget Committee:

The budget is proportioned into three categories, Franchise, Studio and Capital:

Franchise Administration

This fund is supported entirely by franchise fees and interest on investments. Activities accounted for in this fund are related to the oversight responsibility of the Commission representing the member cities' interest in the cable operator's compliance with the franchise agreement. This fund also supports the complaint process and resolution of subscriber complaints reported to the LMCC. The LMCC also represents its member cities by monitoring and participating in the legislative activities at the state and federal levels. This fund also supports the oversight of the community television studio.

Studio Salaries and Studio Capital

In 2008 due to an FCC ruling the studio budget was presented a little differently. Due to the possibility that the PEG fee may only be used for capital expenditures the Budget Committee put Studio Salaries as an operating expense. The other funds needed for the studio are classified as Access Studio Capital as the expenses incurred here result in a product, that being community programs. The Budget page for studio is divided into two categories, Access Studio Operating (salaries) and Access Studio Capital.

Capital Equipment and Building Improvement

The Capital Improvement Fund supports the acquisition of new equipment and the need for replacement of equipment and leasehold improvements presently existing. A listing of proposed equipment is included. The equipment list is projected, as pricing may have changed prior to the time of purchase. Purchases are subject to approval by the commission and may change if technology dictates better options. A five-year capital plan that staff has developed in strategic planning is included. The LMCC paid off the building in 2012 so there are no longer monthly payments on a contract for deed.

Other Projected Expenditures

Projected expenditures include funds allocated for franchise renewal expense and a franchise fee audit.

Submitted by:
Sally Koenecke
LMCC Executive Director

**Lake Minnetonka Communications Commissions
2013 Proposed Budget**

	Franchise Administration	Studio Capital	Total All Funds
--	-----------------------------	-------------------	--------------------

Revenues

Franchise Fees	179,673	306,587	485,311
PEG Fees		139,262	139,262
Mound Usage Fees		67,840	67,840
Studio Rental Dub Fees		2,000	2,000
Interest		1,500	1,500
Insurance Refund		500	500
Projected Total Revenue	179,673	517,689	696,413

Expenses

Projected Fr. Exp./Stu. Salaries	172,919	321,705	494,624
Projected Total Studio Capital Expenses		104,993	104,993
Principal Mortgage Payments			0
Communications Education and Assessment			10,000
Franchise Renewal Consulting			20,000
Franchise Fee Audit			7,000
			636,617

Capital Equipment Budget

Proposed 2012 Capital Equipment Proposal			59,559
Projected Total Expenses			696,176

Fund Balance

Projected 2013 Beginning Fund Balance		325,053
Projected 2013 Revenues		696,413
Total Fund Balance and 2013 Revenues		1,021,466
Projected Total Expenses		696,176
Projected Fund Balance Before 10% Contingency		325,290
10% Contingency		69,617
Projected 2013 Fund Balance After Contingency		255,673

**Lake Minnetonka Communications Commission
2013 Proposed Budget**

Franchise Expenses

	2011 Adopted	2011 Actual	2012 Proposed	2012 6 Mo. Proj	2012 Projected	2013 Proposed
<u>Personal Services</u>						
101 Salaried Full-time	47,824	48,221	49,019	24,509	49,019	50,224
103 Salaried Part-time	33,000	23,725	33,825	11,324	23,372	33,825
121 Pera Cont.	5,819	6,225	6,012	3,700	7,400	6,393
122 FICA Cont.	6,415	7,327	6,970	5,500	7,500	7,500
131 Health Insurance	11,500	15,557	15,500	8,500	15,500	15,700
151 Workers Comp. Insurance	715	2,831	775	1684	1684	1684
Total Personal Services	105,273	103,886	112,101	55,217	104,475	115,326
<u>Supplies</u>						
200 Office Supplies	1,300	1,351	1,500	750	1,500	1,500
210 Special Events/Meetings	525	516	525	263	525	525
220 Repair & Maint. Supplies	200	989	200	100	200	300
225 Studio Expendables	0	0	0	0	0	0
Total Supplies	2,025	2,856	2,225	1,113	2,225	2,325
<u>Professional Services</u>						
301 Accounting/Audit Fees	6,450	7,843	7,000	4,000	7,000	7,000
302 Access Contractors	0	0	0	0	0	0
304 Legal Fees	10,000	5,538	10,000	4,478	9,000	10,000
314 Payroll Services	800	540	800	360	750	800
318 Janitorial Services	1,200	828	1,200	628	1,200	1,200
319 Security Services	470	403	470	200	470	470
325 Computer/Consulting	1,250	1,047	1,250	340	1,250	1,250
326 Training	400	675	400	200	400	400
Total Professional Services	20,570	16,874	21,120	10,206	20,070	21,120
<u>Other Services and Charges</u>						
309 Copier Expense	3,250	3,025	3,300	1,632	3,300	1,848
321 Telephone/Communications	1,100	1,152	1,100	550	1,100	1,100
322 Postage	1,300	987	1,300	360	1,100	1,300
331 Travel School & Conference	9,000	11,213	8,500	2,570	8,500	7,500
332 Mileage	680	73	680	342	680	500
350 Printing and Publishing	1,500	795	1,500	228	1,400	1,500
360 Insurance	2,200	1,970	2,000	500	2,000	2,200
380 Utilities	4,700	3,321	4,700	2,350	4,700	3,700
384 Refuse & Recycling Collection	500	624	500	250	500	500
395 Bank Finance fee	20	57	20	20	20	50
401 Contracted Building Repair	2,000	1,612	2,000	409	1,500	2,000
404 Maint. Repair Equip.	250	2,775	400	1,200	2,000	2,000
413 Equipment Rental	200	335	200	150	300	300
433 Dues & Subscriptions	2,000	1,810	2,000	1,098	1,500	2,000
438 Property Taxes	0	0	0	0	0	0
439 Contingency	3,000	601	3,000	1,700	3,000	3,000
440 Advertising	300	0	400	0	400	400
441 Van Operation	0	0	0	0	0	0
442 Webstreaming/Broadband	0	0	0	0	0	0
443 Licenses	100	221	250	0	100	250
Total Other Charges	32,100	30,571	31,850	13,359	32,100	30,148
<u>Interest / Capital</u>						
411 mortgage interest	0	0	3,050	0	1,500	0
412 mortgage interest	3,050	2,172	0	0	0	0
599 Building Improvements	5,000	6,145	5,000	2,500	5,000	4,000
Total Interest / Capital	8,050	8,317	8,050	2,500	6,500	4,000
Total Expenditures	168,018	162,504₂	175,346	82,395	165,370	172,919

**Lake Minnetonka Communications Commission
2013 Proposed Budget**

Access Studio Operating

	2011 Adopted	2011 Actual	2012 Proposed	2012 6 Mo. Proj.	2012 Projected	2013 Proposed
<u>Personal Services</u>						
101 Salaried Full-time	201,700	191,499	206,742	88,392	206,742	211,910
103 Hourly Part-time	13,612	27,789	42,904	16,248	38,000	43,976
121 Pera Cont.	14,500	14,524	14,860	8,858	17,716	17,981
122 FICA Cont.	16,500	15,698	16,900	11,886	15,023	19,158
131 Health Insurance	25,417	26,490	27,000	14,504	27,000	26,490
151 Workers Comp. Insur	920	3,680	1,000	2190	2190	2190
Total Personal Service	272,649	279,680	309,406	142,078	306,671	321,705
<u>Access Studio Capital</u>						
<u>Supplies</u>						
200 Office Supplies	1,200	1,351	1,500	960	1,500	1,500
210 Special Events/Meetin	1,200	1,205	1,200	810	1,200	1,200
220 Repair & Maint. Supp	400	989	400	0	400	600
225 Studio Expendables	3,000	2,768	2,750	1,000	2,750	3,000
Total Supplies	5,800	6,313	5,850	2,770	5,850	6,300
<u>Professional Services</u>						
301 Acct. Fees	6,450	7,843	7,000	2,000	7,000	7,000
302 Access Contractors	26,000	25,185	26,000	9,782	26,000	26,000
304 Legal Fees	3,000	2,492	3,000	1,764	3,000	3,000
314 Payroll Services	1,900	1,259	1,500	842	1,500	1,600
318 Janitorial Services	2,575	1,931	2,575	1,466	2,700	2,575
319 Security Services	470	403	470	200	470	470
325 Computer/Consulting	3,000	2,444	4,000	798	3,000	3,000
326 Training	600	675	600	1000	1500	800
Total Professional Ser	43,995	42,232	45,145	17,852	45,170	44,445
<u>Other Services and Charges</u>						
309 Copier Expense	3,250	3,026	3,250	1,584	3,250	1,848
321 Telephone/Communit	2,550	2,688	2,550	1,290	2,550	2,700
322 Postage	1,350	987	1,250	360	1,250	1,350
331 Travel School & Con	4,770	1,977	4,770	1,500	4,770	4,500
332 Mileage	1,000	439	1,100	300	1,000	900
350 Printing and Publishi	1,800	795	1,600	350	1,600	1,200
360 Insurance	4,500	4,597	4,500	4,500	4,500	4,700
380 Utilities	10,500	7,750	1,000	3,779	8,000	8,500
384 Refuse & Recycling C	550	624	575	253	575	600
395 Bank Finance Fee	0	0	0	0	0	0
401 Contracted Building I	1,500	1,612	1,750	266	1,750	1,800
404 Maint. Repair Equip.	2,000	2,818	2,000	1,214	2,000	3,000
413 Equipment Rental	300	335	100	0	100	300
433 Dues & Subscriptions	2,250	1,810	2,100	1,434	1,500	2,000
438 Property Taxes	0	0	0	0	0	0
439 Contingency	1,300	601	2,000	300	2,000	2,000
440 Advertising	1,000	2,360	3,000	696	1,500	1,500
441 Van Operation	2,000	505	2,000	892	2,000	1,000
442 Webstreaming/Broadl	11,000	6,862	8,000	5,318	10,700	11,000
443 Licenses	350	663	700	100	400	350
Total Other Charges	51,970	40,449	42,245	24,136	49,445	49,248
<u>Interest/ Capital</u>						
411 Mortgage Interest	0	6,515	9,500	2,656	7,500	0
412 Mortgage Interest Exp	9,020	0	0	0	0	0
599 Building Improvemer	5,000	6,145	10,000	2,500	7,000	5,000
Total Interest / Capita	14,020	12,660	19,500	5,156	14,500	5,000
Total Expenditures	388,434	381,334	422,146	191,992	421,636	426,698

2013 Capital Budget

Qty:	Description:	Mfg.:	Part #:	Cost Each:	Tax Each:	x Qty	Total:
Government Meeting Needs:							
6	Flash Drive Cameras	Panasonic	AG-HMC80PJ	\$2,055.00	\$154.13	6	\$13,254.78
24	32 Glg Class 10 Pro Flash Cards	Microcenter	18267	\$30.00	\$2.25	24	\$774.00
1	High Speed Card Reader	IO Gear	239509	\$34.99	\$2.62	1	\$37.61
14	LCD Monitors w/HDMI Input	RCA	10LA30RQ	\$149.99	\$11.25	14	\$2,257.36
16	DVD/Hard Drive Recorder	Magnavox	MDR513H/F7	\$250.00	\$18.75	16	\$4,300.00
6	Flash Drive Camera Cases	Panasonic	CTC-3Pan	\$405.00	\$30.38	6	\$2,612.28
16	Misc. Cables	NA	NA	\$150.00	\$11.25	16	\$2,580.00
1	I-Mac for Edit Station	Apple	ZOJP	\$2,999.00	\$224.93	1	\$3,223.93
1	Final Cut Software	Apple	FC7	\$1,000.00	\$75.00	1	\$1,075.00
Subtotal Gov. Meetings							\$30,114.96
ENG Kit Update:							
1	All in 1 ENG Kit w/Work Surface	Broadcast PIX	Slate 1000GA	\$18,400.00	\$1,380.00	1	\$19,780.00
1	Multi Viewer Monitor	TBD	NA	\$1,000.00	\$75.00	1	\$1,075.00
1	4 Person Intercom System	Eartec	TCS4000	\$1,100.00	\$82.50	1	\$1,182.50
Subtotal ENG Kit Update:							\$22,037.50
Studio Needs:							
2	Camera Mount Wireless Mics	Sennheiser	EW112-PG3	\$ 944.72	\$70.86	2	\$2,031.16
2	8 Channel Audio Mixers	Shure	SCM810	\$ 1,575.00	\$ 118.13	2	\$ 3,386.26
1	Dual Channel pre Amp	True Systems	P2A	\$ 1,500.00	\$ 112.50	1	\$ 1,612.50
1	Spot/Flood Light	Source 4	750	\$ 350.00	\$ 26.25	1	\$ 376.25
Subtotal Audio Needs:							\$7,406.17
Total 2013 Capital Budget:							\$59,558.63

Updated On 7/30/12

2013 Capital Equipment 5 Year Plan

Year 1:							
Qty:	Description:	Mfg.:	Part #:	Cost Each:	Tax Each:	x Qty	Total:
6	Flash Drive Cameras	Panasonic	AG-HMC80PJ	\$ 2,055.00	\$ 154.13	6	\$ 13,254.78
24	32 Glg Class 10 Pro Flash Cards	Microcenter	18267	\$ 30.00	\$ 2.25	24	\$ 774.00
1	High Speed Card Reader	IO Gear	239509	\$ 34.99	\$ 2.62	1	\$ 37.61
14	LCD Monitors w/HDMI Input	RCA	10LA30RQ	\$ 149.99	\$ 11.25	14	\$ 2,257.36
16	DVD/Hard Drive Recorder	Magnavox	MDR513H/F7	\$ 250.00	\$ 18.75	16	\$ 4,300.00
6	Flash Drive Camera Cases	Panasonic	CTC-3Pan	\$ 405.00	\$ 30.38	6	\$ 2,612.28
16	Misc. Cables	NA	NA	\$ 150.00	\$ 11.25	16	\$ 2,580.00
1	I-Mac for Edit Station	Apple	ZOJP	\$ 2,999.00	\$ 224.93	1	\$ 3,223.93
1	Final Cut Software	Apple	FC7	\$ 1,000.00	\$ 75.00	1	\$ 1,075.00
1	All in 1 ENG Kit w/Work Surface	Broadcast PIX	Slate 1000GA	\$ 18,400.00	\$ 1,380.00	1	\$ 19,780.00
1	Mullt Viewer Monitor	TBD	NA	\$ 1,000.00	\$ 75.00	1	\$ 1,075.00
1	4 Person Intercom System	Eartec	TCS4000	\$ 1,100.00	\$ 82.50	1	\$ 1,182.50
2	Camera Mount Wireless Mics	Sennheiser	EW112-PG3	\$ 944.72	\$ 70.86	2	\$ 2,031.16
1	Dual Channel Pre Amp	True Systems	P2A	\$ 1,500.00	\$ 112.50	1	\$ 1,612.50
2	8 Channel Audio Mixers	Shure	SCM810	\$ 1,575.00	\$ 118.13	2	\$ 3,386.26
1	Stage Flood/Spot Light	Source 4	750	\$ 350.00	\$ 26.25	1	\$ 376.25
							\$ 59,558.63
Year 2: Note: Includes the LMCC and LMCD(Wayzata)							
Qty:	Description:	Mfg.:	Part #:	Cost:	Tax:	x Qty.	Total:
17	Live Streaming Encoder	Granicus	MBX	\$ 6,000.00	\$ 450.00	17	\$ 109,650.00
17	Cables/Connectors for Streaming	TBD	NA	\$ 200.00	\$ 15.00	17	\$ 3,655.00
17	Eilthernet Switches	Netgear	GS605	\$ 49.99	\$ 3.75	17	\$ 913.58
	Note:Host service is free with Granicus						\$ 114,218.58
Year 3:							
Qty:	Description:	Mfg.:	Part #:	Cost:	Tax:		Total:
1	Remote Control Wall Camera	Sony	BRC-300	\$ 4,695.00	\$ 312.22	1	\$ 5,007.22
4	DV/HD Camera w/Canon Lense	JVC	GY-HM790U	\$ 9,995.00	\$ 749.63	4	\$ 42,978.52

Updated on 8/20/12

2013 Capital Equipment 5 Year Plan

4	Tripod Adapter Kit	JVC	KA-551U	\$ 345.00	\$ 25.88	4	\$ 1,483.52
4	Servo Zoom Control	JVC	HZ-ZS13U	\$ 856.00	\$ 64.20	4	\$ 3,680.80
4	Manual Focus Control	JVC	HZ-FM15U	\$ 782.00	\$ 58.65	4	\$ 3,362.60
4	8.4" HD/SD Viewfinder	JVC	VF-HP790G	\$ 4,195.00	\$ 314.63	4	\$ 18,038.52
4	View Finder Mounting Bracket	JVC	SA-K790	\$ 395.00	\$ 29.63	4	\$ 1,968.52
4	Multicore Studio Module	JVC	KA-M790G	\$ 2,620.00	\$ 196.50	4	\$ 11,266.00
4	Digital Camera Control Unit	JVC	RM-HP790DU	\$ 4,720.00	\$ 354.00	4	\$ 20,296.00
4	50m Camera Cables for SD/HD	JVC	VC-HP113U	\$ 2,195.00	\$ 164.63	4	\$ 9,438.52
							\$ 117,520.22
Year 4:							
Qty:	Description:	Mfg.:	Part #:	Cost:	Tax:		Total:
1	Production Truck(Used)	Any	NA	\$ 90,000.00	\$ 6,750.00	1	\$ 96,750.00
							\$ 96,750.00
Year 5:							
Qty:	Description:	Mfg.:	Part #:	Cost:	Tax:		Total:
1	Common Computer/Server	Dell	1U Rack Mnt (2tb)	\$ 2,700.00			\$ 2,700.00
3	Computer Workstations	Dell	Mini Tower / DT (800Gb)	\$ 3,750.00	\$ 281.25		\$ 4,031.25
3	Laptop Computers	Dell	XPS (500Gb)	\$ 3,750.00	\$ 281.25		\$ 4,031.25
1	Installation	NA	32hr @ \$100	\$ 3,200.00			\$ 3,200.00
4	Camcorders for Prod. Staff Use	Canon	XL-2E	\$ 15,000.00	\$ 1,125.00		\$ 16,125.00
4	Tri Pod Kits	Bogen	503HDV	\$ 2,580.00	\$ 193.50		\$ 2,773.50
2	Final Cut Edit Station	Apple	NA	\$ 25,000.00	\$ 1,875.00	2	\$ 53,750.00
1	24 Channel Audio Board/Studio						
							\$ 86,611.00

Updated on 8/20/12