



**CITY OF TONKA BAY
ITEM NO. 9C**

LAKE MINNETONKA COMMUNICATIONS COMMISSION

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RECEIVED

SEP 30 2013

CITY OF TONKA BAY

September 27, 2013

RE: Approval of LMCC 2014 Budget and Proposed Amendments to the JPA

DEEPHAVEN

Dear Mayor and Council Members:

EXCELSIOR

The Lake Minnetonka Communications Commission (LMCC) passed the enclosed budget for 2014, at the Special Full LMCC Commission Meeting on September 24, 2013.

GREENWOOD

INDEPENDENCE

This budget is not funded with tax dollars, but rather a cable company franchise fee paid annually to the LMCC. We are also receiving a PEG (public, educational, governmental) access fee. This year included in the budget are two contingency items. There has been some discussion about cities who have or are considering withdrawing from the LMCC. Some of these cities have proposed interest in continuing to contract for services from the LMCC. Due to the uncertainty of this proposition, included in the budget is a contingency amount of \$257,000. This amount is an estimated amount that cities could potentially contract for services based on four cities' current fees. It is understood in the commission's approval of the budget that these funds would not be spent unless the money was received for contracted services. It would not be spent on other services. The second contingency comes from the existing fund balance and would cover the cost that would be incurred with the reduction of staff in terms of severance or unemployment compensation. This was set at \$100,000.

LONG LAKE

LORETTO

MAPLE PLAIN

MEDINA

MINNETONKA
BEACH

MINNETRISTA

ORONO

ST. BONIFACIUS

Also included in this packet are two proposed amendments to the JPA. Included is a redlined document showing proposed amendments to the Joint and Cooperative Agreement forming the LMCC. Also included is a clean copy of the agreement with the amendments incorporated. At the Special Full Commission Meeting on September 24, the commission recommended that the member cities approve the amendments. Member cities that approve these amendments should sign and date the clean version of the agreement and return it to me. The amendments will be effective if and when all member cities approve and return the executed copy to the LMCC.

SHOREWOOD

SPRING PARK

Regarding the budget, I am submitting the budget to all city members of the LMCC for review and approval according to our Joint Powers Agreement. Please send me the minutes or resolution of your actions regarding the LMCC Budget as we keep a record of approval on file at the LMCC Offices.

TONKA BAY

VICTORIA

WOODLAND

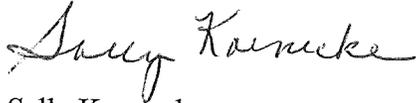
If you would like me to attend your council meeting to answer any questions please let me know the date and time of the meeting or the time I would be placed on the agenda.

The LMCC needs approval of the majority of the cities to proceed with the proposed budget. We would appreciate your approval at your October Council meeting.

Thank you for continued support and use of the television facilities and your participation in your programming of city council meetings, Tonka Report, with your city events, with any election coverage of candidates and other city related programs.

Sincerely,

LAKE MINNETONKA COMMUNICATIONS COMMISSION

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

Sally Koenecke
Executive Director

Enclosures

Lake Minnetonka Communications Commissions

2014 Proposed Budget

6.17.2013 draft	Revised		
<u>Approved by</u>	Franchise	Studio	Total
<u>Full Commission</u>	Administration	Capital	All Funds

9.24.2013

Revenues

Revenue Contingency from contracted services			257,000
Franchise Fees	64,639	249,100	313,739
PEG Fees		79,398	79,398
Mound Usage Fees		49,816	49,816
Studio Rental Dub Fees		2,000	2,000
Interest		1,500	1,500
Insurance Refund		500	500
Projected Total Revenue	64,639	382,314	703,953

Expenses

Projected Fr.Exp/S.Salaries	48,952	252,233	301,185
Projected Total Studio Capital Expenses			93,815
Principal Mortgage Payments			0
Communications Education and Assessment			0
Franchise Renewal Consulting			0
Franchise Fee Audit			0
Total			395,000

Capital Equipment Budget

Proposed 2014 Capital Equipment Proposal		5,000
Projected Total Expenses		400,000

Contingency Expenditure funds only spent if collected from non-member cities contracting for services

Amount derived from current fees from

Orono, Medina, Minnetrista, Victoria	257,000
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Fund Balance

Projected 2014 Fund Bal.	376,208	
Projected 2014 Revenues	<u>446,953</u>	
Total Fund Balance	823,161	
Projected Total Expenses	<u>400,000</u>	
Projected Remaining FB	423,161	
Allocated contingency	<u>100,000</u>	for reduction of staff
	323,161	

**Lake Minnetonka Communications Commission
2014 Proposed Budget**

6.17.2013 draft

Franchise Administration

Expenses

	2012 Adopted	2012 Actual	2013 Proposed	2013 6 Mo. Proj	2013 Projected	2014 Proposed
<u>Personal Services</u>						
101 Salaried Part-time	49,019	49,479	50,224	24,509	49,019	25,112
103 Salaried Part-time	33,825	23,050	33,825	11,324	23,372	12,066
121 Pera Cont.	6,012	6,790	6,393	3,700	7,400	500
122 FICA Cont.	6,970	8,315	7,500	5,500	7,500	2,305
131 Health Insurance	15,500	14,981	15,700	8,500	15,500	3,000
151 Workers Comp. Insurance	775	1,684	1,684	684	1,684	842
Total Personal Services	112,101	104,299	115,326	55,217	104,475	43,825
<u>Supplies</u>						
200 Office Supplies	1,500	1,821	1,500	750	1,500	100
210 Special Events/Meetings	525	548	525	263	525	0
220 Repair & Maint. Supplies	200	63	300	100	200	0
225 Studio Expendables	0	0	0	0	0	0
Total Supplies	2,225	2,432	2,325	1,113	2,225	100
<u>Professional Services</u>						
301 Accounting/Audit Fees	7,000	2,070	7,000	4,000	7,000	1,000
302 Access Contractors	0	0	0	0	0	0
304 Legal Fees	10,000	5,721	10,000	4,478	9,000	1,000
314 Payroll Services	800	555	800	360	750	300
318 Janitorial Services	1,200	724	1,200	628	1,200	100
319 Security Services	470	402	470	200	470	170
325 Computer/Consulting	1,250	851	1,250	340	1,250	100
326 Training	400	875	400	200	400	0
Total Professional Services	21,120	11,198	21,120	10,206	20,070	2,670
305 Franchise Renewal Legal		7,848				
<u>Other Services and Charges</u>						
309 Copier Expense	3,300	3,235	1,848	1,632	3,300	300
321 Telephone/Communications	1,100	1,250	1,100	550	1,100	100
322 Postage	1,300	1,172	1,300	360	1,100	100
331 Travel School & Conference	8,500	8,625	7,500	2,570	8,500	35
332 Mileage	680	185	500	342	680	100
350 Printing and Publishing	1,500	440	1,500	228	1,400	100
360 Insurance	2,000	2,800	2,200	500	2,000	1,227
380 Utilities	4,700	2,555	3,700	2,350	4,700	100
384 Refuse & Recycling Collection	500	848	500	250	500	50
395 Bank Finance fee	20	20	50	20	20	20
401 Contracted Building Repair	2,000	1,096	2,000	409	1,500	200
404 Maint. Repair Equip.	400	1,545	2,000	1,200	2,000	25
413 Equipment Rental	200	31	300	150	300	0
433 Dues & Subscriptions	2,000	575	2,000	1,098	1,500	0
438 Property Taxes	0	0	0	0	0	0
439 Contingency	3,000	1,637	3,000	1,700	3,000	0
440 Advertising	400	0	400	0	400	0
441 Van Operation	0	0	0	0	0	0
442 Webstreaming/Broadband	0	-832	0	0	0	0
443 Licenses	250	106	250	0	100	0
Total Other Charges	31,850	25,288	30,148	13,359	32,100	2,357
<u>Interest / Capital</u>						
411 mortgage interest	3,050	0	0	0	1,500	0
412 mortgage interest	0	689	0	0	0	0
599 Building Improvements	5,000	0	4,000	2,500	5,000	0
Total Interest / Capital	8,050	689	4,000	2,500	6,500	0
Total Expenditures	175,346	151,754	172,919	82,395	165,370	48,952

Lake Minnetonka Communications Commission 2014 Proposed Budget

6.17.2013 draft

Access Studio Operating

	2012 Adopted	2012 Actual	2013 Proposed	2013 6 Mo. Proj.	2013 Projected	2014 Proposed
<u>Personal Services</u>						
101 Salaried Full-time	206,742	191,526	209,843	88,392	206,742	215,950
103 Hourly Part-time	42,904	36,614	40,600	16,248	38,000	0
121 Pera Cont.	14,860	15,842	17,981	8,858	17,716	10,205
122 FICA Cont.	16,900	17,815	19,158	11,886	15,023	13,388
131 Health Insurance	27,000	25,508	26,490	14,504	27,000	10,500
151 Workers Comp. Insur	1,000	2,190	2,190	2,190	2,190	2,190
Total Personal Services	309,406	289,495	316,262	142,078	306,671	252,233
<u>Access Studio Capital</u>						
<u>Supplies</u>						
200 Office Supplies	1,500	1,822	1,500	960	1,500	1,500
210 Special Events/Meetin	1,200	882	1,200	810	1,200	500
220 Repair & Maint. Supr	400	63	600	0	400	1,000
225 Studio Expendables	2,750	4,098	3,000	1,000	2,750	4,000
Total Supplies	5,850	6,865	6,300	2,770	5,850	7,000
<u>Professional Services</u>						
301 Acct. Fees	7,000	12,424	7,000	2,000	7,000	10,000
302 Access Contractors	26,000	25,988	26,000	9,782	26,000	16,802
304 Legal Fees	3,000	2,636	3,000	1,764	3,000	9,000
314 Payroll Services	1,500	1,297	1,600	842	1,500	1,300
318 Janitorial Services	2,575	1,689	2,575	1,466	2,700	2,289
319 Security Services	470	403	470	200	470	634
325 Computer/Consulting	4,000	1,988	3,000	798	3,000	3,000
326 Training	600	875	800	1,000	1,500	500
Total Professional Ser	45,145	47,300	44,445	17,852	45,170	43,525
305 Franchise Renewal Legal		1,549				
<u>Other Services and Charges</u>						
309 Copier Expense	3,250	3,235	1,848	1,584	3,250	3,710
321 Telephone/Communik	2,550	2,916	2,700	1,290	2,550	3,300
322 Postage	1,250	1,172	1,350	360	1,250	1,450
331 Travel School & Con	4,770	2,503	4,500	1,500	4,770	500
332 Mileage	1,100	926	900	300	1,000	900
350 Printing and Publishi	1,600	440	1,200	350	1,600	400
360 Insurance	4,500	6,533	4,700	4,400	4,500	4,700
380 Utilities	1,000	5,961	8,500	3,779	8,000	9,500
384 Refuse & Recycling C	575	848	600	253	575	900
395 Bank Finance Fee	0	0	0	0	0	0
401 Contracted Building F	1,750	1,096	1,800	266	1,750	2,000
404 Maint. Repair Equip.	2,000	1,545	3,000	1,214	2,000	3,500
413 Equipment Rental	100	31	300	0	100	30
433 Dues & Subscriptions	2,100	1,459	2,000	1,434	1,500	0
438 Property Taxes	0	0	0	0	0	0
439 Contingency	2,000	3,912	2,000	300	2,000	0
440 Advertising	3,000	770	1,500	696	1,500	50
441 Van Operation	2,000	1,251	2,000	892	2,000	2,000
442 Webstreaming/Broadl	8,000	11,855	11,000	5,318	10,700	10,000
443 Licenses	700	319	350	100	400	350
Total Other Charges	42,245	46,772	50,248	24,136	49,445	43,290
<u>Interest/ Capital</u>						
411 Mortgage Interest	9,500	2,064	0	2,656	7,500	0
412 Mortgage Interest Expense		0	0	0	0	0
599 Building Improvemen	10,000	-	5,000	2,500	7,000	0
Total Interest / Capita	19,500	2,064	5,000	5,156	14,500	-
Total Expenditures	422,146	394,045	422,255	191,992	421,636	346,048

LAKE MINNETONKA COMMUNICATIONS COMMISSION
2014 Proposed Budget Notes to Budget Committee on Proposed Changes

1. Streaming and agenda parsing are left in the budgeted services as these services are what city officials have deemed as important to them.
2. Due to staff cuts there will be some reorganizing of duties which could potentially lead to a much reduced number of educational and staff produced programs for the cities.
3. Van operation was left in the budget because our needs assessment supported it.
If the van becomes inoperable we have nothing in capital or contingency to cover replacement.
4. The franchise budget was cut by over \$100,000.
5. Executive Director salary and hours were cut by 50%. The Executive Director would participate in the PERA program currently offered through PERA called "Phased Retirement".
6. For the last 5 or 6 years Abdo, Eich and Meyers have completed our audits. We have had successful audits.

Approximated Cuts to LMCC Budget:

	cuts
1. Cut capital budget to minimal replacement costs of peripherals.	\$55,000
2. Eliminated all membership and dues for MACTA, NATOA and Chambers of Commerce.	4000
3. Cut conference fees for commissioners and staff to a minimum.	8540
4. Cut contracted videotaping to those cities who may drop out	9198
5. Cut contingency line item	5000
6. Cut portion Health Insurance, eliminated Health Savings	25,212
7. Cut part time staff budget for studio. Reorganize duties of full time.	40,600
8. Cut building improvements	14,000
10. Cut PERA	14,157
11. Cut FICA	9018
12. Communications And Assessment	10,000
13. Franchise Renewal Consulting	20,000
14. Franchise Fee Audit	7,000
15. Numerous line item cuts (printing, mileage, building repair, advert. etc.)	14,000

Cost saving measures:

The LMCC would reduce the number of hours of operation to close at 7 PM and would not be open on Saturdays. Currently we are open until 10 PM on weekdays and 2 PM on Saturdays. This should cut our utility expenses.

Some line item expenses in franchise were transferred to studio. Many of the bills will still be relevant even if the franchise budget is reduced. Many of the line items were split 50/50 on past budgets but the studio operations take up a much greater portion of the building and those costs will remain.

RESOLUTION NO. 13-

A RESOLUTION ADOPTING 2014 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 October 8, 2013.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Tonka Bay that the 2014 LMCC budget is adopted as presented.

PASSED at a regular meeting of the Tonka Bay City Council this 8th day of October, 2013.

Motion introduced by _____ and seconded by _____.

Roll Call Vote: Ayes –
Nays –
Absent –

Gerry De La Vega, Mayor

ATTEST:

Joseph Kohlmann, Clerk/Administrator

