

Government Education Access Channels Committee
2019-2020 Proposed Budget and Interlocal Agreement Update

The following items are presented to the Town of Kill Devil Hills Board of Commissioners for their review and approval.

Specific Action Requested:

1. Approve the proposed 2019-2020 GEACC Budget.
2. Approve the the updated Inter Local Shared Use Agreement and Standard Operating Procedures to reflect name change of Coastal Studies Institute - ECU.

Budget Summary

The Government Education Access Channels (GEAC) Committee has reviewed and approved the proposed 2019-2020 budget for the operation of the Government and Education Channels. The proposed budget, which would take effect July 1, 2019, must be approved by every participating member entity of the Channels, which includes the towns of Duck, Southern Shores, Kitty Hawk, Kill Devil Hills, Nags Head, Manteo, and Dare County, Dare County Schools, College of The Albemarle, and Coastal Studies Institute - ECU.

The budget as proposed requires no additional funding from the participating entities other than the current annual \$1000 membership fee. Our budget is funded from the North Carolina Video Programming Distribution proceeds, which are dispersed quarterly by the State to certified members of the GEACC. These funds must be used for the operation of the two channels and no other purpose. Additionally, the legislation that originally established the video distribution funding required that the proceeds not supplant current funding. Accordingly, the annual \$1000 membership fee that was in place when the program began must remain, or the Channels would lose all video distribution funding from the state.

The GEAC committee recommends the budget, which includes, in part, the following: funding for two full-time staff positions and a Local Programming Development Initiative to assist members in the development of programming for the Government and Education Channels. The funding

also includes the continued funding of two regular news magazine shows that highlight each of the participating members of the GEAC on the Education Channel and the Government Channel.

Interlocal Agreement and Standing Operating Procedures Update

The Government Education Access Channels (GEAC) Committee has reviewed and approved the change to the Interlocal Shared Use Agreement and Standing Operating Procedures to change the listed name of “UNC - Coastal Studies Institute” to “Coastal Studies Institute - ECU” to reflect its current interinstitutional partnership and designated administrative oversight.

Government Education Access Channels Committee
2019-2020
Proposed Budget

Executive Summary

Funding comes from the state of North Carolina use tax on cable and satellite fees. Our revenue from this source in 2019-2020 is projected to be a conservative \$260,000.00. In addition, each of the 10 entities pay a \$1000 membership fee annually to participate in the channel's operations. This \$1000 fee is unchanged and is the only impact on each entity's budget. This money that is received from the entities in support of the Government and Education Access Channels must remain in the budget in order for each entity to continue to receive PEG Supplements from the state of North Carolina. This budget is requesting a total of \$148,961.40 be allocated from the fund balance. The fund balance is projected to be \$316,715.51 on June 30, 2019. The proposed total budget for the Government and Education Access Channels Committee for 2019-2020 is \$419,961.40.

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|---|---------------------|
| INCOME | |
| Member Fees (annual fee paid by participating entities) ¹ | 10,000.00 |
| NC PEG Supplemental Video Disbursement (from the state NCDOR) ² | 260,000.00 |
| Interest Income (interest from fund balance) ³ | 1,000.00 |
| TOTAL INCOME | 271,000.00 |
| APPROPRIATED FUND BALANCE⁴ | 148,961.40 |
| TOTAL REVENUE | 419,961.40 |
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| EXPENDITURES | |
| Salaries (2 Full time employees) ⁵ | (113,000.00) |
| PT Salary (Internships) | (2,000.00) |
| Merit Pay ⁶ | (2,260.00) |
| FICA | (8,644.50) |
| Retirement | (9,119.10) |
| Health Insurance ⁷ | (29,381.00) |
| Life Insurance | (214.70) |
| Retiree Health | (192.10) |
| Contractual Services (Production of Destination Dare/Ed Awareness) ⁸ | (50,000.00) |
| Channel Operations ⁹ | (15,000.00) |
| Equipment - Repair, Replacement, Purchase ¹⁰ | (10,000.00) |
| Supplies ¹¹ | (5,000.00) |
| Marketing ¹² | (15,000.00) |
| Capital Outlay ¹³ | (40,000.00) |
| Training | (2,500.00) |
| Travel | (2,500.00) |
| Professional memberships (SEATOA, NATOA, NC3C) ¹⁴ | (500.00) |
| Miscellaneous | (500.00) |
| Contingency (Reserve for unexpected expenses) ¹⁵ | (5,000.00) |
| Emergency Contingency (Storm related overtime during activations) ¹⁶ | (2,500.00) |
| Car Maintenance ¹⁷ | (500.00) |
| Car Fuel ¹⁸ | (1,000.00) |
| Insurance and Bonds ¹⁹ | (2,900.00) |
| Professional Services ²⁰ | (1,500.00) |
| Uniforms ²¹ | (750.00) |
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| TOTAL OPERATING EXPENDITURES | (319,961.40) |
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| Local Program Development Initiative | |

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| This is money set aside in the budget to foster development of program content by the member entities. Money is awarded on an application and grant basis to participating entities by the Government and Education Access Channel Committee. The money can be used to produce programs, improve the quality of existing programs, or purchase equipment to provide for increased production and/or quality of programs. | |
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| LPDI 1 - Coastal Studies Institute | (10,000.00) |
| LPDI 2 - College of The Albemarle | (10,000.00) |
| LPDI 3 - Dare County Government | (10,000.00) |
| LPDI 4 - Dare County Schools | (10,000.00) |
| LPDI 5 - Duck | (10,000.00) |
| LPDI 6 - Kill Devil Hills | (10,000.00) |
| LPDI 7 - Kitty Hawk | (10,000.00) |
| LPDI 8 - Manteo | (10,000.00) |
| LPDI 9 - Nags Head | (10,000.00) |
| LPDI 10 - Southern Shores | (10,000.00) |
| TOTAL LPDI | (100,000.00) |
| TOTAL LPDI AND OPERATING EXPENDITURES | (419,961.40) |

**Government and Education Access Channel
Proposed Budget Notes for 2019-2020**

Goals and Objectives to be achieved with this budget.

1. Continue to fund the operation of the channel at a level that provides a professional, reliable and quality service to the citizens of Dare County.
2. Continue to bring the fund balance down to an appropriate level and strategically use the fund balance to fund channel initiatives.
3. An increased spending of the Fund Balance will be necessary to cover purchase of vehicle, anticipated new employee expenses, equipment upgrade purchases, and to bolster marketing initiatives.

¹ Member Fees - Each entity member pays an annual membership fee to participate in the Government and Education Channel Access. This money must remain in place in order for each entity to receive the PEG Supplement from the state. There is no change to this amount from last year, so impact on each entity's budget is unchanged..

² NC PEG Supplemental Video Disbursement - this is revenue that is collected by the state in the form of a use tax on cable and satellite providers. The money is pooled and disbursed to qualifying PEG operations within the state. PEG stands for Public, Education, and Government Access. Dare County has 10 qualifying PEG entities, each is a member of the Government and Education Access Channel Committee. Each quarter, this money is disbursed to the entities by the state, and then the Government and Education Access Channels invoices the entities for this money. These state funds are the main source of funding for the Government and Education Access Channels. As there has been a 2% decrease in revenue between fiscal year 2018 and 2019, we have budgeted for a 3.7% decrease in anticipated revenue.

³ Interest Income - This is interest the Government and Education Access Channels Committee receives on the fund balance.

⁴ Appropriated Fund Balance - The unappropriated fund balance is projected to be \$316,715.51 on June 30, 2019. The appropriated fund balance is the amount pulled from the unappropriated fund balance to meet the obligations of the budget.

⁵ Salaries - This budget currently funds two full-time positions that are considered to be Dare County employees.

⁶ Merit Pay - 2% of 113,000.00

⁷ Health Insurance - Includes an annual employee only cost of \$10,640, and annual family cost of \$18,741 for vacant position. Vacant positions are budgeted at the Family cost.

⁸ Contractual Services - This is for the production of Destination Dare and Dare Education Awareness, our two main programming initiatives that highlight interesting aspects of government and education in Dare County. Each entity contributes one segment to each episode. Destination Dare is produced every other month, and Dare Education Awareness is produced on the alternate months.

⁹ Channel Operations - Expenses that support the day to day operation of the channels. This includes:

- \$3,000.00 - OBX Media: to cover website hosting and maintenance
- \$3,850.00 - Tightrope: Hardware Assurance to cover the master control server
- \$2,200.00 - Reflect: Streaming Video/VOD for online video streaming service
- \$600.00 - Adobe: Creative Cloud subscription for professional non-linear editing tools
- \$3,200.00 - Gracenote: subscription for E-guide service on Charter Spectrum
- \$300.00 - Soundstripe: subscription for music & sound effects. Cancel current subscription with Manhattan Music.
- \$1,500.00 - Website upgrade for optimized video grouping / "suggestions"
- \$350.00 - And other expenses that may be required for ongoing station operations

¹⁰ Purchase of new camera system (\$5k), new Mac Pro editing desktop (\$4.5k). These purchases are planned to be the initiation of planned equipment cycle program that would see older, but still usable equipment passed down to our public schools for use.

¹¹ Supplies - This supports the purchase of supplies such as batteries, gaffers tape, lighting gels, accessories, and small equipment items that do not qualify as Capital Outlay.

¹² Marketing - Expenses to support marketing efforts including paid advertising, promotional giveaway items, portable promotional signage for community events, and a vehicle wrap for new vehicle.

- Upt to \$9,000.00 - Design and installation for a full vehicle wrap.
- \$3,000.00 - Promotional items (such as stickers, usb thumb drives, koozies) and portable signage for promotional events.
- \$3,000.00 - Paid digital advertising on Google, Facebook, and Instagram

¹³ Capital Outlay - Purchase of new, 4 wheel drive, Chevy Tahoe for \$39,333.46. For use in video production operations, to replace our borrowed use of county vehicles which have become unreliable.

¹⁴ Professional Memberships - This supports memberships for the two staff positions for the Southeastern Association of Telecommunications Officers and Advisors (SEATOA), National Association of Telecommunications Officers and Advisors (NATOA), and The North Carolina City and County Communicators (NC3C). These are national, regional and state professional associations for PEG Channel Operators.

¹⁵ Contingency - This is for expenses that come up that were either unplanned or unforeseen. Not for use of everyday expenses.

¹⁶ Emergency Contingency - This pays for storm related overtime for the hourly employee during Emergency Management Activations.

¹⁷ Car Maintenance - Car maintenance costs. This is a new line item and will be a future expense associated with the use and ownership of a new vehicle.

¹⁸ Car Fuel - Estimated fuel costs for vehicle based on previous budget year use of Dare County's vehicle. This is a new line item and will be a future expense associated with the use and ownership of a new vehicle.

¹⁹ Insurance and Bonds - Costs that Dare County will be charging Current TV for costs related to insuring equipment and new vehicle. This will be a new recurring expense.

²⁰ Professional Services - Item to pay for costs associated with talent services such as professional voice over work, acting and hosting fees, and potential production support.

²¹ Uniforms - Planned expenses for embroidered uniform items including several polo shirts and rain jackets. Will require a uniform policy to be established in coordination with Dare County Public Relations department.