

Budget Summary

Upon recommendation of the Government and Education Access Channels Committee, the attached proposed 2021/22 budget for CurrentTV is being presented for approval by every participating member entity of the Channels, as required by the interlocal agreement. The 10 participating entities are Dare County, the towns of Duck, Southern Shores, Kitty Hawk, Kill Devil Hills, Nags Head, Manteo, Dare County Schools, College of The Albemarle, and Coastal Studies Institute - ECU.

The recommended budget 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.

In addition to maintaining regular services the proposed budget also includes the Capital Purchase of a new video server system to expand capabilities and replace the current outdated system, as well as the equipment and service plans needed to allow for live streaming production capability.

Government Education Access Channels Committee
2021-2022 Proposed Budget

The following item is presented for the Board's review and approval.

Specific Action Requested:

1. Approve the proposed 2021-2022 GEACC Budget.

Budget Summary

The Government Education Access Channels (GEAC) Committee has reviewed and approved the proposed 2021-2022 budget for the operation of the Government and Education Channels. The proposed budget, which would take effect July 1, 2021, 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. The 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 (including a 2% COLA increase as adopted by Dare County), 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.

In addition to the previously listed regular operating expenses, the budget also includes the Capital Purchase of a new video server system to replace the current outdated system and upgrade broadcast capabilities, as well as the equipment and service plans needed for live streaming production capability.

**Government Education Access Channels Committee
2021-2022
Proposed Budget**

Executive Summary

Funding comes from the state of North Carolina use tax on cable and satellite fees, which is pooled together by the 10 partnering entities to provide for 2 channels and allows revenue to be used efficiently and effectively. Our revenue from this source in 2021-2022 is conservatively projected to be \$270,000.00. 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 \$94,025.55 be allocated from the fund balance. The fund balance is projected to be \$322,148.00 on June 30, 2021. The proposed total budget for the Government and Education Access Channels Committee for 2020-2021 is \$375,025.55.

INCOME	CURRENT 2020-2021	PROPOSED 2021-2022
NC PEG Supplemental Video Disbursement (from the state NCDOR) ¹	270,000.00	270,000.00
Member Fees (annual fee paid by participating entities) ²	10,000.00	10,000.00
Interest Income (interest from fund balance)	1,000.00	1,000.00
TOTAL INCOME	281,000.00	281,000.00
APPROPRIATED FUND BALANCE³	25,683.25	94,025.55
TOTAL REVENUE	306,683.25	375,025.55
EXPENDITURES		
Salaries (2 Full time employees) ⁴	(118,000.00)	(112,750.00)
Merit Pay ⁵	(2,360.00)	(2,255.00)
FICA	(9,027.00)	(8,630.00)
Retirement	(12,059.60)	(12,880.00)
Health Insurance ⁶	(30,850.05)	(32,392.55)
Life Insurance	(224.20)	(215.00)
Retiree Health	(212.40)	(203.00)
Contractual Services (Production of Destination Dare/Ed Awareness) ⁷	(50,000.00)	(40,000.00)
Professional Services ⁸	(1,000.00)	(5,000.00)
Equipment - Repair, Replacement, Purchase ⁹	(5,000.00)	(5,000.00)
Supplies ¹⁰	(3,500.00)	(5,000.00)
Music Library	(350.00)	(350.00)
Training	(1,000.00)	(1,000.00)
Travel	(1,000.00)	(1,000.00)
Professional Memberships	(250.00)	(250.00)
Channel Operations ¹¹	(7,200.00)	(7,600.00)
Marketing	(1,000.00)	(1,000.00)
Miscellaneous	(500.00)	(500.00)
Capital Outlay	(0.00)	(75,000.00)
Contingency (Reserve for unexpected expenses)	(5,000.00)	(5,000.00)
Emergency Contingency (Storm related overtime during activations)	(2,500.00)	(2,500.00)
Vehicle Maintenance	(500.00)	(500.00)
Vehicle Fuel	(2,000.00)	(2,000.00)
Insurance and Bonds	(2,900.00)	(3,000.00)
Uniforms	(250.00)	(250.00)
Verizon Wireless ¹²		(750.00)

TOTAL OPERATING EXPENDITURES	(256,583.25)	(325,025.55)
Local Program Development Initiative		
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.		
LPDI 1 - Coastal Studies Institute	(5,000.00)	(5,000.00)
LPDI 2 - College of The Albemarle	(5,000.00)	(5,000.00)
LPDI 3 - Dare County Government	(5,000.00)	(5,000.00)
LPDI 4 - Dare County Schools	(5,000.00)	(5,000.00)
LPDI 5 - Duck	(5,000.00)	(5,000.00)
LPDI 6 - Kill Devil Hills	(5,000.00)	(5,000.00)
LPDI 7 - Kitty Hawk	(5,000.00)	(5,000.00)
LPDI 8 - Manteo	(5,000.00)	(5,000.00)
LPDI 9 - Nags Head	(5,000.00)	(5,000.00)
LPDI 10 - Southern Shores	(5,000.00)	(5,000.00)
TOTAL LPDI	(50,000.00)	(50,000.00)
TOTAL LPDI AND OPERATING EXPENDITURES	(306,583.25)	(375,025.55)

Continue to footnotes on next page.

**Government and Education Access Channel
Draft Budget Notes for 2021-2022**

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. Begin implementation of channel server and equipment upgrades to expand live broadcasting capabilities.
3. Per the guidance of the Government and Education Access Channel Committee, work to decrease and balance expenditures to revenues over the next 3 years.

¹ **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. There has been no significant change in the NC PEG revenue between the 2020 and 2021 fiscal years, thus we have budgeted for an anticipated revenue equal to year 2021.

² **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.

³ **Appropriated Fund Balance** - The unappropriated fund balance is projected to be \$322,148.04 on June 30, 2021. The appropriated fund balance is the amount pulled from the unappropriated fund balance to meet the obligations of the budget.

⁴ **Salaries** - This budget currently funds two full-time positions that are considered to be Dare County employees, and includes a recent 2% COLA increase as approved by Dare County.

⁵ **Merit Pay** - 2% of \$112,750.00

⁶ **Health Insurance** - Includes an annual employee only cost of \$11,172 for Channels Manager and annual family cost of \$19,678 for Video Producer.

⁷ **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 in the alternate months. Per the Committee's guidance from last year's budget

planning, \$10,000 has been deducted from this line item as part of a transitional plan to phase out the need for this contract.

⁸ **Professional Services** - Item to pay for costs associated with professional services such as professional voice over work, acting, and potential production support. Increased to allow for anticipated website work needed to integrate new server system features into the website.

⁹ **Equipment** - Monies set aside for the purchase and repair of large item video production equipment, such as cameras, editing computers, and lighting equipment. Plans to purchase a wireless Cradlepoint modem that will allow for broadcasting video wirelessly from out in the field.

¹⁰ **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 or Equipment.

¹¹ **Channel Operations** - Expenses that support the day to day operation of the channels. This includes:

- \$4,000.00 - OBX Media: for website hosting and maintenance
- \$3,000.00 - Reflect: Streaming Video/VOD for online video streaming service
- \$600.00 - Adobe: Creative Cloud subscription for professional non-linear editing tools

¹² **Verizon Wireless** - New line item dedicated to Verizon Wireless fee for use in mobile live broadcasting with Cradlepoint device.