

Saco River PEG Access Fund Management Plan 9-27-99 for Buxton, Hollis, Limerick, Limington, Standish & Waterboro

Introduction:

The new Franchise Agreement provides for three separate funding mechanisms for Public, Government and Education (PEG) Access initiatives in the six towns.

- A. Capital funding for PEG Equipment & leasehold improvements.
- B. Capital funding for Municipal Intra-Net (I-Net) Equipment
- C. Franchise Fees (5%) on the cable operators total gross revenues for the six Saco River Area towns.

To apportion and manage these PEG access allocations, and to provide for operational funding for community television, the following Fund Management Plan is proposed.

Capital Funds Overview: Public Access & Municipal I-Net

- 1) Disbursement of the capital funds for Public, Educational, and Governmental Access shall be made to each town on a percentage basis according to Section 7.3 of the Franchise Agreement. This section requires each Town to deposit these funds in an interest bearing trust account designated for Public, Educational and Governmental Access Capital uses **only**. Capital uses include the purchase of capital equipment for community television purposes and leasehold improvements that may need to be made to Public Access Facilities to bring them into compliance with security, ADA or local fire/safety code requirements. These funds can not be used for any other purpose.
- 2) This fund management plan calls for an agreement by the six towns to consolidate the capital funds allocated for Public Access into one account which will be temporarily held by the town of Standish until the towns have each decided whether or not to participate in the support of a regional Public Access facility. Control of this account would eventually be assigned to the Saco River Cable Committee or a similar representative body appointed by the towns. (Each of the towns have been verbally offered the responsibility of setting up this account and each has agreed to allow Standish to proceed. See attached written agreement)

- 3) Additionally, the town of Standish has offered to hold the initial capital grant for the municipal I-Net in an interest bearing account until the appropriate technology, protocol and equipment has been determined. Any necessary I-Net head end equipment would then be purchased from this fund and the remainder of the fund (including accrued interest) would then be divided in an agreed upon method between the six towns to aid in the acquisition of equipment needed to make use of the Municipal I-Net system.

Operational Funds Overview: Public & Governmental Access

- 1) This section of the plan provides for ongoing operational funding of Public Access as well as operational funding for each of the Town's Government Access operations. Operational funding includes, but is not limited to support for salaries & benefits, supplies and repairs, printing, telephone service, subscriptions, memberships & dues, training and miscellaneous services.
- 2) History: Prior to this new contract, two of the towns (Limerick and Limington) received no franchise fees, three of the towns (Buxton, Hollis and Waterboro) received between 2% to 2.5% of subscriber revenues as a franchise fee and the sixth town (Standish) received 3% of basic subscriber revenue.
- 3) Current Status: Under the new Franchise Agreement each of the six Towns will receive its pro-rata share of 5% of total gross system revenues. Additionally, the Franchise provides for cable wiring into lower density areas in four of the towns and universal wiring in two of the towns which will lead to increased system wide revenues.
- 4) Proposal: Each of the Towns agree to appropriate approximately 60% of the franchise fees that they receive to fund the operational costs of the designated Public Access provider. The remaining 40% will be equal to or more than the amount currently being received under the previous franchises of the Towns. **As a result, there would be no reduction in current Town income and the bulk of the operational needs of providing Public Access for all Towns would be met.** Additionally, the 40% retained by the Town could be used by each of the Towns to operate its Government Access operations through the establishment of dedicated revenue funds in each town as is being done currently in Standish. (See Standish Budget Detail below.)

- 2) To facilitate this procedure, a third interest bearing trust account would be established for Public Access operational funds (similar to the one for capital funding and Municipal I-Net funding as described above) and the 60% allocation to fund the area-wide Public Access would be deposited by each town into this trust account until a nonprofit Public Access provider is created, approved and designated by all participating towns. Once that designation has taken place, funding to the designated Public Access provider would commence and be reviewed on an annual basis by the CATV Regulatory Board in each town to insure that the organization meets its obligations as a Public Access provider as required by their contract with the towns. (Ref. Duties & Responsibilities, SRC-TV Start-up Plan attached.)

Capital Funds Overview: Educational Access

- 1) Specific first year and ongoing capital amounts would be provided to S.A.D. #6 and S.A.D. #57 to be used for Educational Access capital needs as described in Sections 7.2 and 7.3 of the Franchise Agreement. The S.A.D.'s are required to provide documentation to the Cable Operator that these capital funds have been used for Educational Access related capital purposes.

Operational Funds Overview: Educational Access

- 1) Operational funding for Educational Access would be carried on through the existing S.A.D. budget process. (See Detail below)

Capital Funds Overview: Governmental Access

- 1) Disbursement of the capital funds for Governmental Access shall be made to each town on a percentage basis according to Section 7.3 of the Franchise Agreement. In the event that a town does not wish to start a Government Access operation in their town for the purpose of televising municipal meetings, they may use these funds to enhance their existing municipal meeting sound equipment or to purchase computer equipment for the Municipal I-net.

Operational Funds Overview: Government Access

- 1) As stated above, Government Access operational funding would be accomplished by using 40% of the Franchise Fees as received by the Town.

Access Fund Management Plan: Detail

Public Access Funds

First Year Capital Funding - \$140,000 for Public Access:

A Public Access Capital trust account has been established with a local bank and the initial \$140,000 in capital funds from the franchise agreement has been placed into this fund. The Trust is established such that control of this fund, is delegated to the Saco River Cable Committee (or similar representative body) - see attached Duties & Responsibilities - for the purpose of allocating funds to a designated nonprofit public access provider once all six towns have approved and contracted with such provider. Until that time, the Town of Standish has agreed to set up and maintain this account.

Ongoing Capital Funding

On each of the Second, Fourth, Sixth and Eighth years of the contract, \$15,000 is received from the cable operator for PEG Access Capital Replacement and Upgrade and is allocated as follows: \$8,000 for Public Access, \$3,000 for Educational Access and \$4,000 for Government Access.

First Year and Ongoing Operational Funding:

It is recommended that a Public Access Operational trust account be established with a local bank. Each town would contribute to this fund 60% of the total Franchise Fee money as it is received from the cable operator. The Trust is established such that control of this fund is delegated to the Saco River Cable Committee (or similar representative body) for the purpose of allocating funds to a designated nonprofit public access provider once all six towns have approved and contracted with such provider. Until that time, Standish has agreed to set up and maintain this account.

These trusts shall provide for annual capital and operational funding to the designated nonprofit public access provider if that organization meets its obligations as designated by their contract with the towns.

Performance obligations shall be reviewed on an annual basis by the Saco River Cable Committee.

Educational Access Funds

First Year Capital Funding - \$20,000 for Educational Access:

Of the \$20,000 Educational Access Capital grant \$10,000 will be provided to SAD #57 to seed the creation of Educational Access in SAD #57.

The remaining \$10,000 of the Educational Access Capital grant will be provided to SAD #6 to provide for expansion, replacement and upgrade of the existing Educational Access system in SAD #6.

Ongoing Capital Funding

On each of the Second, Fourth, Sixth and Eighth years of the contract, \$15,000 is received from the cable operator for PEG Access Capital Replacement and Upgrade and is allocated as follows: \$8,000 for Public Access, \$3,000 for Educational Access and \$4,000 for Government Access Capital Funding:

First Year and Ongoing Operational Funding:

Educational Access operational funding will be the responsibility of each of the S.A.D.'s.

Government Access Funds

First Year Capital Funding - \$30,000 for Government Access:

\$8,400.00 of the initial Government Access Capital Grant has been provided to Buxton to enhance its Government Access operation.

\$9,300.00 of the initial Government Access Capital Grant has been provided to Standish to enhance its Government Access operation.

\$6,000.00 of the initial Government Access Capital Grant will be provided to Waterboro for the establishment of a Government Access operation in that town if so desired.

\$3,600.00 of the initial Government Access Capital Grant has been provided to Hollis for the establishment of a Government Access operation in that town if so desired.

\$1,200.00 of the initial Government Access Capital Grant has been provided to Limington for the establishment of a Government Access operation in that town if so desired.

\$1,500.00 of the initial Government Access Capital Grant has been provided to Limerick for the establishment of a Government Access operation in that town if so desired.

In the event that a town does not wish to start a Government Access operation in their town for the purpose of televising municipal meetings, they may use these funds to enhance their existing municipal meeting sound equipment or their municipal I-net.

Operational Funding:

Each Town will retain 40% of its total Franchise Fee payment. These funds may be used to provide operational and/or capital support for Town Government Access operations as Standish is currently doing. This 40% should be equal to or more than the amount that each town is currently receiving from the previous franchise agreement.

Municipal I-Net Development Fund

First Year Capital Funding - \$10,000:

A Municipal I-Net Development Capital trust account has been established with a local bank and the initial \$10,000 of the Government I-Net Capital Grant has been placed into this fund. The Town of Standish has set up this account on behalf of the six towns, ref. attached agreement. Once the six towns have agreed, (with the cooperation of the Cable Operator technical staff) on a data exchange standard/protocol and equipment vendor, the necessary I-Net head-end equipment (i.e. data translator) will be purchased wholly from this fund. The remainder of the fund (with interest) will then be divided as agreed upon and distributed to each of the six Towns to be used to aid in the capital purchase of the communications equipment necessary for the Town to utilize the Municipal I-Net data channel.

Ongoing Capital Funding

On each of the Second, Fourth, Sixth and Eighth years of the contract, \$15,000 is received from the cable operator for PEG Access Capital Replacement and Upgrade and is allocated as follows: \$8,000 for Public Access, \$3,000 for Educational Access and \$4,000 for Government Access Capital Funding:

I- Net Operational Funding:

Municipal I-Net operational costs will be the responsibility of each of the town governments. Each Town will retain 40% of its total Franchise Fee payment. These funds may be used to provide operational and/or capital support for Municipal I-Net systems.

MUNICIPAL AGREEMENT

The following agreement is hereby entered into by the Towns listed below for the purpose of consolidating the following funds and to provide an appropriate legal entity (the Town of Standish) to receive funds from the Cable Operator, FrontierVision, as provided by the Cable Television Franchise Agreement dated June 22, 1998.

Public Access Capital Funds

Public Access Operational Funds*

Municipal I-Net Capital Funds

These funds shall be held in three separate interest bearing accounts by the Town of Standish until such time as all towns agree upon their disposition as described in the Saco River PEG Access Fund Management Plan dated July __ , 1998.

<u>Scott S. Cole</u>	<u>10-22-98</u>
For the Town of Standish	Date

<u>Jonathan Jewett</u>	<u>7-30-98</u>
For the Town of Buxton	Date

<u>Mark K. Goodwin, Sylvia H. Smith, Martha E. Huff</u>	<u>7-31-98</u>
For the Town of Hollis	Date

<u>Dale A. Whitman</u>	<u>8-11-98</u>
For the Town of Waterboro	Date

<u>Kenneth L. Laughlin</u>	<u>7-29-98</u>
For the Town of Limerick	Date

<u>Kathleen Maddocks</u>	<u>7-28-98</u>
For the Town of Limington	Date

Standish Public Access

FY2000 Budget Request

P.O. Box 258

Standish, Maine 04084

EXAMPLE: Town of Standish

Estimated 1st Year Operational Budget to Support Regional Public Access and Standish Governmental Access Needs

Assumptions:

1. Single Community Public Access Center shared by 6 towns.
2. Each town contributes a percentage based on number of cable subscribers.
3. 2 people for startup (1st year) 1 @ 20 hrs/wk, \$12k per year
1 @ 30 hrs/wk, \$18k per year
4. Total salary & benefits \$37,500
5. Total 1st year operating budget including Salary & Benefits \$79,365.00
(Ref. Fund Management Plan)

Standish Portion of Regional Public Access Center

1. Estimated Franchise Fee Revenue for the Town of Standish = \$36,787.20 (5% of Cable Operator's gross revenue for the Town of Standish)
2. Recommend allocation of 66% of the 5% (\$24,603.15) to Standish portion of Regional Public Access Center.
3. Recommend allocation of 33% of the 5% (\$12,184.05) to Standish Government Access to fund operational costs of televising municipal meetings.

Summary:

1. Maintains current funding levels to enterprise fund
2. Supports Standish share of Public Access

SACO RIVER COMMUNITY TELEVISION

REGIONAL PUBLIC ACCESS TELEVISION CENTER START-UP PLAN

MISSION STATEMENT

1. To provide the citizens of the 6 towns on the Saco River Cable System with the training and equipment necessary to produce non-commercial, non-profit, community television programming to be shown on the regional public and governmental access channels. Such training and equipment will be provided to any resident of the participating towns on a non-discriminatory basis without regard for their various political, social, economic, religious, or other views or beliefs.
2. To provide the opportunity and technical means for individuals, institutions and organizations to learn and expand their horizons and to provide a flourishing marketplace for an exchange of ideas in the community.
3. To foster innovative uses of the access channels in the public interest with particular concern for those whose interests are not commercially attractive to the conventional media.
4. These channels are provided to all cable television subscribers according to the terms and conditions of the cable TV franchise agreement with the cable operator. Program content shall be the sole responsibility of the producer and must comply with the guidelines set forth the Saco River Community Television Operating Policies and Procedures Manual.

START-UP CHECKLISTS

Town(s) Start-up Action List:

1. Enact or modify Cable TV ordinance(s) to include provisions to contract with a non-profit, community-based Public Access Corporation via normal budgeting process.
2. Continue to appoint a representative to the Saco River Cable Committee as described below.

3. Appoint a representative to the Public Access Corporation Board of Directors as described below.

Saco River Cable Committee Start-up Activities and Ongoing Functions:

- Appointments: This committee consists of up to 6 members, one from each of the participating towns. Each participating town annually appoints one member to this committee. Non-participating towns (if any) may appoint a non-voting representative to this committee. In addition to their present duties as described in the by-laws of the committee, the members are responsible for creating the Saco River Community Television Access Corporation and performing the start-up and ongoing functions as listed below:
- Create Articles of Incorporation - 501 (C) 3
- Assist with the design of studio space and equipment requirements
- Develop a current and projected budget and define funding sources
- Assist with start up of operations and the creation of the Access Corporation.
- Insure that the Cable operator is in compliance with all provisions of the Cable Franchise Agreement. Provide recommendations and information to the Town Manager, Selectmen and/or Town Council regarding compliance issues regarding the Cable Television Franchise Agreement.
- Review and audit reports submitted to the town by the cable operator as required by the Cable Television Franchise Agreement and any other correspondence as may be submitted to the town concerning the operation of the cable system so as to insure that the necessary reports are completed and fulfilled pursuant to the terms of the Cable Television Franchise agreement or the Towns CATV Ordinance.
- Work with the public and the media to assure that all records, rules and charges pertinent to the cable system are made available for inspection during town business hours upon reasonable notice.
- Coordinate and resolve customer complaint issues from the public with the cable operator.
- Make recommendations to the cable operator concerning citizens requests or surveys for specific channel programming.
- To create and monitor compliance with the terms and conditions of a contract between each town and the SRC-TV Access Corporation.

- The board shall have the authority to conduct public hearings in the performance of its duties and to undertake other such duties as the Selectmen and/or Town Council may assign from time to time.

(TOWN) CATV REGULATORY BOARD or CABLE COMMITTEE

DUTIES AND RESPONSIBILITIES

- Members are appointed by the Selectmen or Town Council and perform the duties that are assigned to them by the individual towns. A member of this board may be appointed as the towns representative to the Saco River Cable Committee.