
The Minneapolis Telecommunications Network 2012 Budget Hearing

Department found on pages 297-303 in budget book

Presentation to Ways and Means/Budget Committee
Date October 5, 2011

MTN impacts on Minneapolis quality of life

- MTN provides access to media production equipment, skill training and program distribution to residence of Minneapolis who otherwise would have barriers to having their voices heard
- Communities strengthened through MTN services include new immigrants, communities of color, youth, low income, GLBT, artists
- MTN regularly produces programming focused on environmental and sustainability issues.
- Youth training provides job skills

Impact of Recommended Budget on Key Results

- \$250,000 cut is 31% of our 2011 budget, including our earned revenue.
- 86% must come from payroll and benefits, even after deep reductions in non-personal expenses.
- Payroll would be reduced by 40%, even after making extensive benefit reductions.
- Payroll reductions would severely impact program areas, earned income levels and MTN'S ability to move forward with new initiatives.

Recent or Planned Efficiencies

- Lease renewal- 29K reduction/ 3-year freeze on lease rate
- Employee attrition- 2 FTE'S not replaced
- Employee multi-tasking
- Equipment replaced with used equipment
- Equipment used beyond lifespan
- Solicitation of food for youth events and camps
- Implementation of data analysis for more organizational efficiency

2012 Operational Expense Reductions

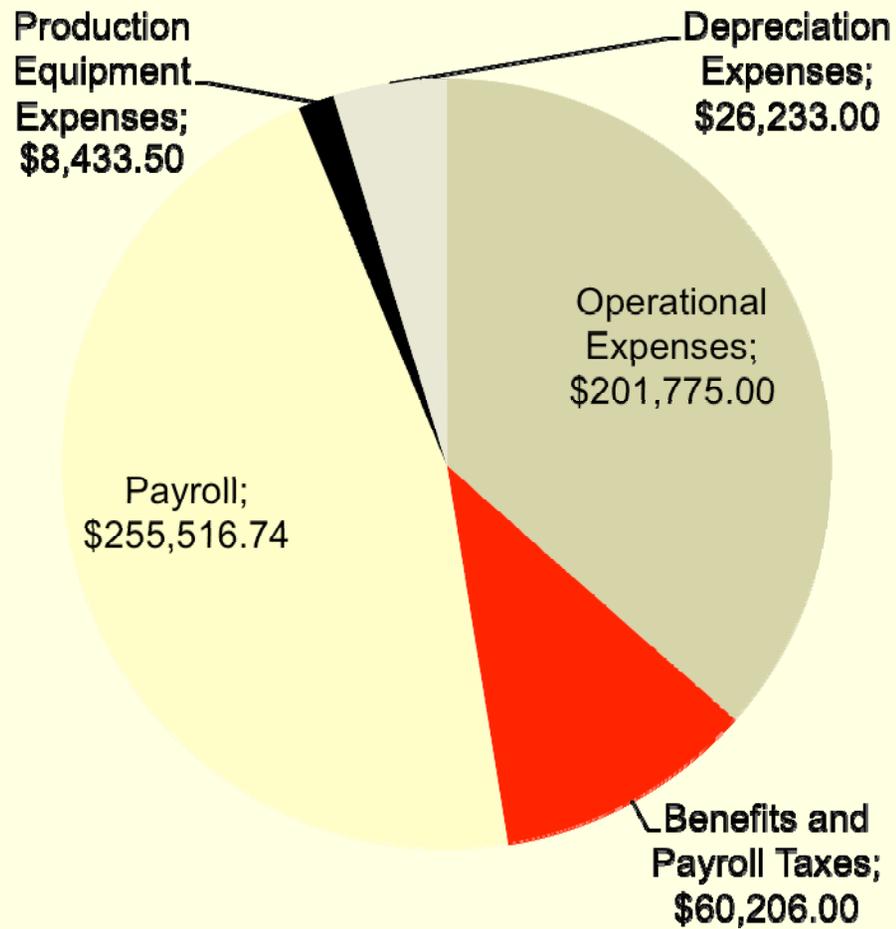
- Reduce production equipment expenses \$5500
- Discontinue all staff development \$5300
- Cancel Regional 6 membership \$3550
- Cut cleaning costs by one half \$2100
- Cancel industry affiliation memberships \$825
- Discontinue postal meter contract \$615
- Reduce printed material \$500

New Initiatives

Initiatives in planning stage for 2012 before proposed cut

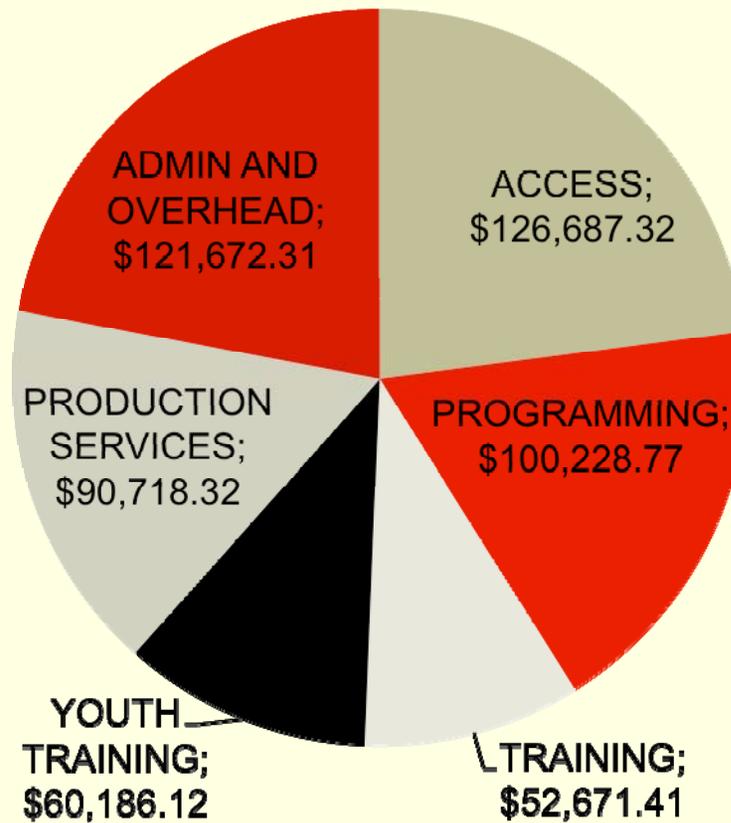
- Expand local business underwriting of MTN produced programming
- Prospect new fundraising opportunities
- Continue to increase Internet program distribution
- Update and redesign of Website
- Restructuring of adult classes to meet member needs
- Expansion of youth training department
- Increase outreach to immigrant communities including Spanish language speakers

Minneapolis Telecommunications Network Expenditures by Type (\$552,164)



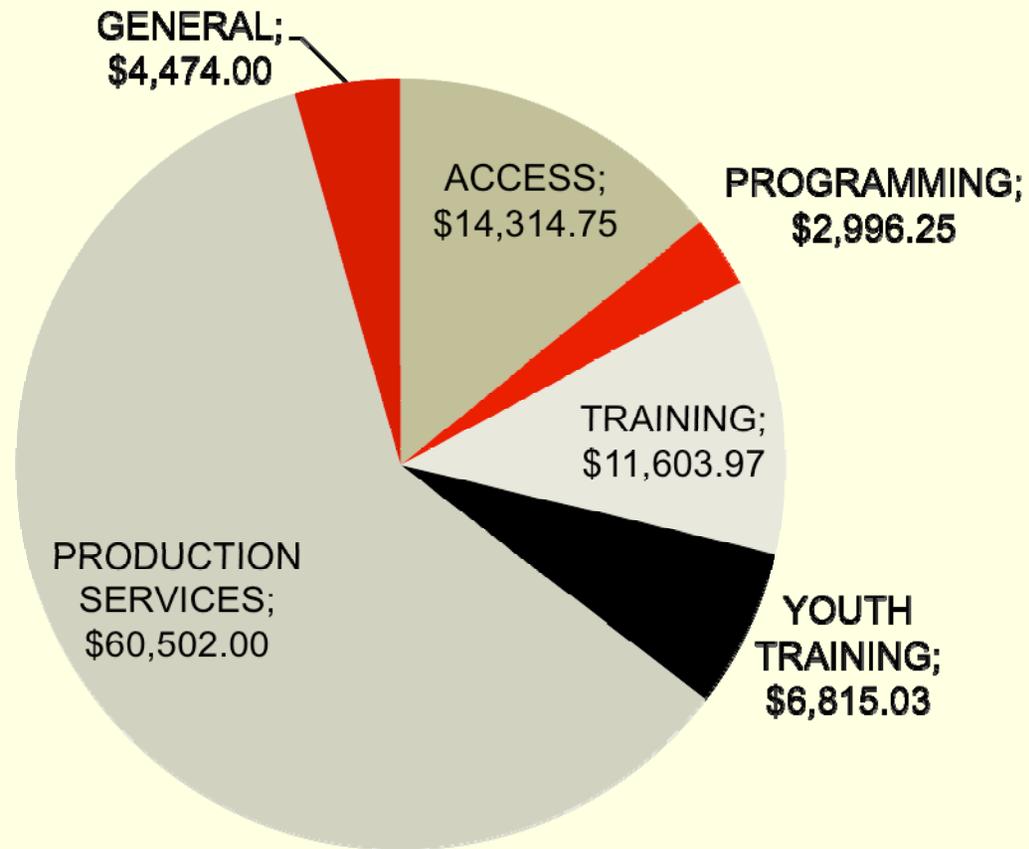
Minneapolis Telecommunications Network

Expenditures by Program (\$552,164)



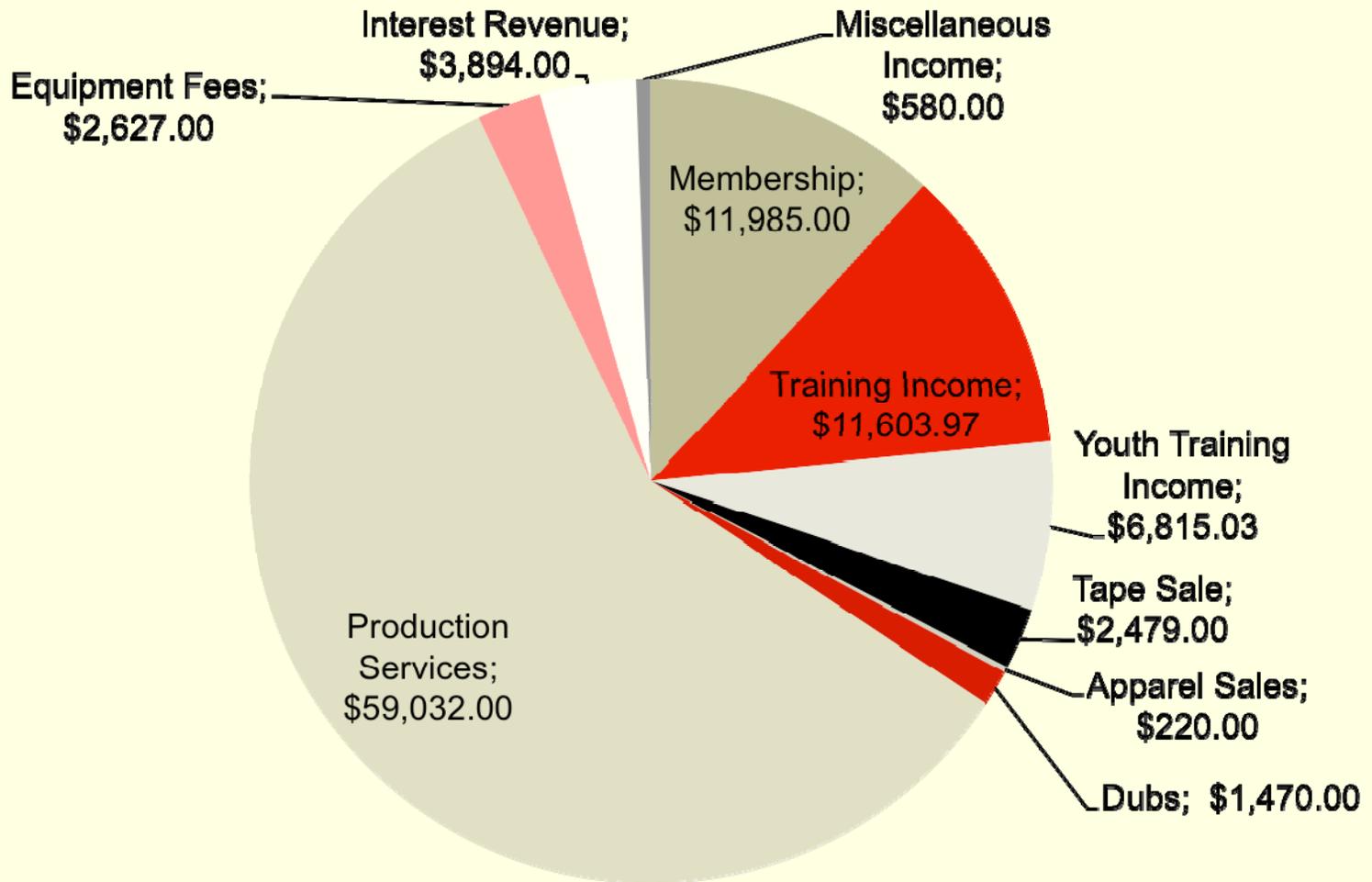
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Direct Revenue by program (\$100,706)



Minneapolis Telecommunications Network

Direct Revenue by Type (\$100,706)



Impacts of payroll and benefit reductions

- 5% pay cut across remaining staff
- Loss of 3% match in employee retirement fund
- Additional employee contributions to Health Benefits
- Additional costs of an employment attorney to oversee layoffs
- Future increase in unemployment insurance

Impacts to MTN of department reductions

43% reduction in Administration

- Public Relations
- Marketing
- Development/fundraising
- New Initiative implementation

17% reduction in Youth Services

- 2012 contract with South High for 62 seniors would be honored
- Diminished ability to work with low income organizations, Brian Coyle Center, Rec Plus, etc.

Impacts to MTN of department reductions

42% reduction Equipment and Facility Access

- Reduction in open hours
- Reduction in staff to assist producers when MTN is open
- Loss of credibility and visibility of organization
- Inability to replace or upgrade equipment
- Loss of membership revenue

Impacts to MTN of department reductions

38% Reduction in Programming Department

- Reduced ability to perform daily functions
 - Processing of media submissions, scheduling and customer relations.
 - Programs encoded into video server and labeled properly.
 - General look and interface of the channels, with programming guides between programs.
 - Commitment to online distribution, livestreaming all channels and live studio programs.

Impacts to MTN of department reductions

38% Reduction in Production Services

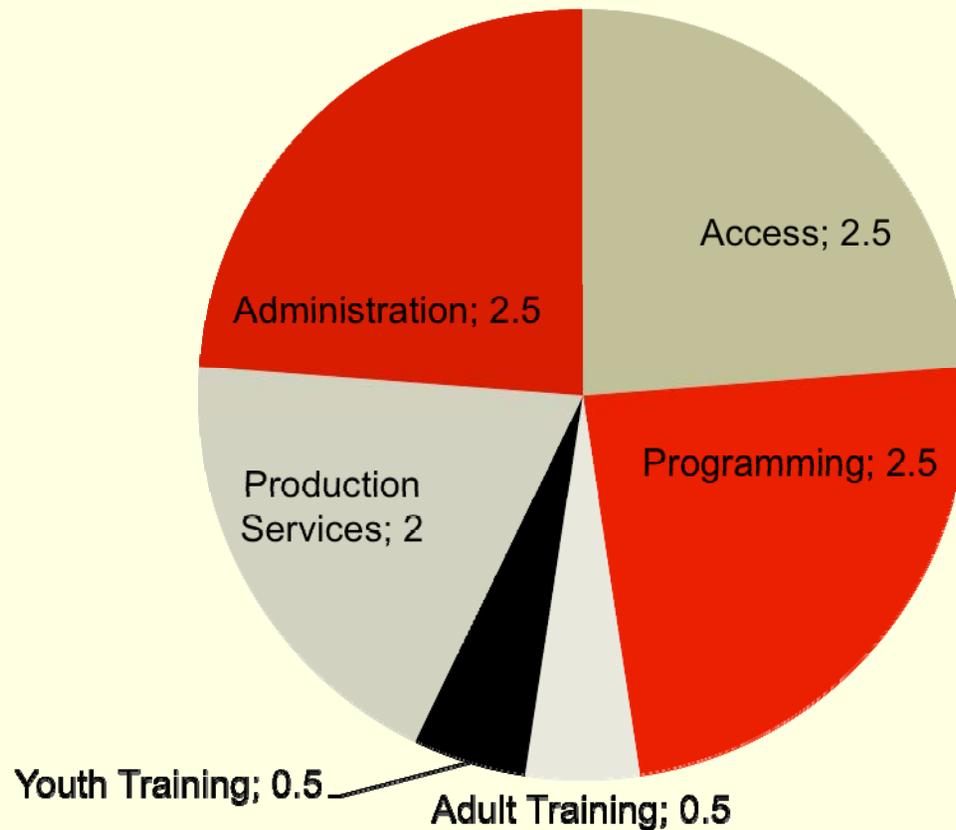
- Loss of community events coverage
- Increase fees for services
- Loss of revenue

15% reduction in Adult Training

- Less classes offered
- Increase class fees
- Inability to offer special rates to community partners

Minneapolis Telecommunications Network

2011 Positions by Program (10.5 FTE)



2012 Reduction (4.5 FTE)

Minneapolis Telecommunications Network 2012 Budget

Ordinary Income/Expense

Income

Funded Revenue

City of Minneapolis/Time Warner

Total Funded Revenue 452,000

Earned Revenues

Membership 11,985

Training & Cert's - Video 18,419

Tape Sale 2,479

Apparel Sales 220

Dubs 1,470

NCEC Contract 11,000

Production Services - Video 27,200

Hennepin County Meetings 20,832

Miscellaneous Income - Video 580

Interest Revenue 3,894

Equipment Fees 2,627

Total Earned Revenues 100,706

Total Income 552,706

Expense

Operational Expenses

CPA 9,500

Insurance 18,650

Legal and Consulting 1,000

Local Transportation 100

Postage 1,500

Office Supplies 1,482

Phone 4,094

Meetings and Subscriptions 350

DSL/Bandwidth 1,800

Staff/Board Development 1,200

Bank Service Charge Fee 1,152

Building Lease 98,400

Building Maintenance/Repair/Expen 14,473

Real Estate Taxes 20,240

Cleaning 2,100

Advertising/Public Relations 3,480

Intern/Americorps Expense 5,600

I.T. Services 10,000

Tapes - Cost of Sales 600

Apparel - Cost of Sales 54

Maintenance - Parts & Services 6,000

Total Operational Expenses 201,775

Benefits and payroll taxes

Benefit Plan	35,999
FICA	24,207
Unemployment Taxes	
Total Benefits and payroll taxes	<u>60,206</u>
Payroll	
Payroll Service Fees	2,400
Administrative Payroll	69,682
Access Payroll	46,115
Engineering Payroll	9,977
Programming Payroll	55,910
Training Payroll	21,927
Hennepin County Productions	9,239
Public Access Programming Payroll	40,268
Total Payroll	<u>255,517</u>
Production Equipment Expenses	
Van Operating Expense	434
Production Supplies & Expenses	8,000
Total Production Equipment Expenses	<u>8,434</u>
Miscellaneous Expenses	
Depreciation Expense	26,233
Total Miscellaneous Expenses	<u>26,233</u>
Total Expense	<u>552,164</u>
Net Ordinary Income	<u>542</u>