

**Blue Mountain Translator District  
Board of Directors Regular Meeting  
January 10, 2019**

Regular Meeting at 10:00 AM  
Misener Room, Daniel Chapin Building  
1001 4th St.  
La Grande, OR 97850

## **Agenda**

1. Call to Order and Roll Call Vote
2. Declaration of Conflict of Interest
3. Reports
  - a. Director Reports
  - b. Staff Report
4. Old Business
  - a. Safety
5. New Business
  - a. Contract Review Board
  - b. Expenditures
  - c. Approval of Minutes
  - d. Local Channel Strategic Plan
  - e. First Reading, Bylaws Amendments
6. Public Comment
7. Scheduling of Next Meeting and Adjournment.

## 5.a. Contract Review Board

### **Baker City Herald (for Eltrym Theater)**

The Contract Review Board will consider an advertising authorization with the Baker City Herald to run a 30-second video advertisement in movie previews at the Eltrym Theater in Baker City, Oregon.

Cost: \$100.00 per month for 12-month contract (2/20-1/21) = \$1,200.00.

### **Oregon Wireless (Mt. Harris Sublease)**

At the request of President Wallender, BMTD will consider renewing the sublease for Mt. Harris with Oregon Wireless. The current contract expired in September 2016 but Oregon Wireless has continued using the site and paying the lease fee. Oregon Wireless has already paid in full for the current year under the expired contract.

Suggested Amendments include:

- 3-year period and year-to-year afterward
- Backdate to September 2019 or begin September 2020
- Increase Lease cost to \$3,000.00 per year based on current language:
  - \$3,000.00 paid in full by September 31,
  - \$3,000.00 by quarter (\$750.00) on September 1st, December 1st, March 1st and June 1st
  - \$3,000.00 by month (\$250.00) paid on the 1st.

## 5.b. Expenditures

Payee	Description	Requirement	Amount
Payroll & Accounting Services, PC	Accounting Services	Professional Services	\$90.00
Jean Innerarity/Mike Kenny	Signal Check Trip - mileage	Travel & Education	\$32.19
Baum Smith	Legal Research	Professional Services	\$200.00
Always Connect Solutions	Renewal Fee	Engineering - Internet	\$32.40
Chaves Consulting LLC	Database Hosting Fees	Consultant	\$700.80

## Blue Mountain Translator District 2

### **SDAO Conference**

The Executive Director, Vice President Innerarity, and Director Kenny will attend the annual conference of the Special Districts Association of Oregon in February 2019. Cost breakdown includes:

- HOTEL. Two rooms for three people for three nights, up to \$100.00 per night for each room. \$600.
- Dinner during travel to Seaside for three people is \$90.00.
- Lunch during travel to La Grande for three people is \$45.00
- Rental car for 4 days is \$240.00.
- Registration for three people is \$690.
- TOTAL Cost: Up to \$1,665.00.

## 5.c. Approval of Minutes

### **Staff Summary**

The following minutes are presented and available for approval:

- December 10, 2019

## 5.d. Local Channel Strategic Plan

### **Introduction**

SB 394, entering into effect 1/1/2020, authorizes BMTD to broadcast and stream a local TV station. Expenses for launching a channel include capital costs for broadcast/streaming equipment; materials & services costs for installation and maintenance; and approval from the Federal Communications Commission. Launching a channel will require the arrangement of content and advertisements. Operating the channel includes profitable maintenance, expansion to the entire service area, syndication of content, and streaming of content.

### **Process**

BMTD staff requested that Hatfield & Dawson Consulting Engineers, LLC perform a channel study for Mt. Fanny in January 2020. Hatfield & Dawson has advise BMTD that the FCC may not permit new LPTV station applications until July 2020, or even as late as summer 2021. While a channel study will be valuable if a filing period opens July 2020, BMTD can no longer guarantee that a station will launch in Q3 2020.

This delay presents an opportunity for BMTD to better prepare for the launch of an LPTV station. Alongside procuring additional content and advertisements, BMTD can launch the streamed version of the channel by fall 2020 and offer potential partners a proof of concept for operations. Launching the broadcast channel in fall of 2021 will benefit from the early preview of a local channel that has been streamed online. The Board can choose to delay launching both the broadcast and streamed channel, or move forward with the creation of a streamed channel in 2020.

### **Streaming Channel - Creation**

Staff have reviewed available vendors with the capability to create a streamed channel delivered online or "Over the Top" (OTT). The bulk of correspondence has been with TelVue Corporation, a firm that specializes in creating OTT versions of local access channels in the US. TelVue can create and maintain the infrastructure necessary for BMTD's OTT channel for the following costs:

- Hypercaster All In One server \$9,950.00 MSRP (Capital Outlay)
- Cloud Connect
  - \$1,000 setup (Materials and Services)
  - \$1,200 annual CMS (Materials and Services)
  - \$1,800 annual channel management per channel (Materials and Services)
- Streaming Encoder \$4,950.00 (Capital Outlay)
- App \$2,950.00 per platform (includes Roku, Amazon Fire, Apple TV)
- TELVUE TOTAL without App = \$18,900.00
- TELVUE TOTAL with 1 App = \$21,850.00

## Blue Mountain Translator District 4

These costs can be incorporated in the 2020-2021 Budget, included in a new Program entitled "LPTV Station." BMTD will need to leverage equity to invest in the capital outlay and materials and services costs to create the OTT station. Further operations and maintenance of the channel will need to be tied to revenue that it generates.

The investment in the OTT channel with TelVue has a dual benefit for BMTD beyond creating the proof of concept for an LPTV station. The equipment necessary to stream a continuous live video feed (and maintain an archive of programming) can be simultaneously used to deliver content to an over the air broadcast facility, ensuring that BMTD has a year of knowledge necessary to operate the system if the channel launches in fall 2021.

### **Content Acquisition**

Staff began soliciting content creators in the Pacific Northwest in summer 2019. A successful channel, delivered OTA or OTT, requires content that viewers will find relevant. This content must also appeal to potential advertisers in order to maximize available revenue. A survey of potential viewers conducted in summer and fall 2019 revealed the most desired content for a local channel:

- Community Events: 55.75%
- Movies: 53.98%
- Local Government Meetings: 51.33%
- Community Performances: 48.67%
- Public Service Announcements: 47.79%
- Locally-Produced TV Shows: 35.4%
- Syndicated TV: 29.2%

BMTD will need to build relationships with other entities prior to distributing their content. Community event footage will need to be recorded and edited, either by an event organizer or a third party. In order to prevent litigation from an event organizer, BMTD should refrain from distributing footage of a community event without the informed consent of the organizer.

The most readily available content includes public domain works, i.e. film and TV episodes that were not copyrighted or no longer retain a copyright due to age. When BMTD lacks content, public domain films and TV episodes can be displayed. These works will be especially valuable for fulfilling FCC mandates for broadcasting Educational and Informational (E/I) content. Additional opportunities for content include review segments for films and TV episodes that will be broadcast.

Local government meetings present more political than technical problems to record and distribute. Oregon's local governments cannot forbid BMTD from recording their proceedings, nor can they prohibit BMTD from distributing these recordings. However, the community stands to gain from cooperative distribution of meeting footage. BMTD can ask first for permission to record meetings, a process as simple as leaving a camera running in the room while a public body is in

session. Until advertising revenue for broadcasting is secured, BMTD can ask local governments to distribute meeting recordings for free, increasing interest in the channel for viewers and advertisers. Once meetings are being distributed, advertisements can be procured for this content. Local governments stand to benefit from the sale of commercial matter in recordings of public meetings, allowing them to increase revenue without raising taxes or fees.

Locally-produced TV shows are rare in northeast Oregon, currently limited to content produced by Brent Clapp Media Services<sup>1</sup> and a few individuals who distribute content on social media platforms. A local channel has the ability to spur the production of local television shows, including by entities that create content in audio and print form. BMTD should discuss existing content creators to consider duplicating their copyrighted works in video format for distribution on a local channel. Other entities can begin creating content by recording their activities; for example, an art gallery can record a critic describing a painting, or the instruction portion of a painting workshop.

Some of the most popular locally-generated programming will be athletics, including sports games at high schools and Eastern Oregon University. The community value of broadcasting sports games is easier to recognize, especially to community members prevented from attending in person due to absence or physical disability. Advertising for sports games will likely be among the most lucrative revenue generation opportunities.

Syndicated TV is the least popular content among potential viewers surveyed. However, the lack of locally-produced TV content necessitates the distribution of syndicated content. TelVue provides a practical solution for procuring content called Media Exchange, an online server of TV programming made freely available by their clients that can be downloaded and redistributed free of charge to any entity in the US, regardless of whether the entity uses their other services.

Staff have begun soliciting content for a local channel from a variety of sources in Oregon. Various entities around Oregon and the Pacific Northwest produce video content that will be relevant to BMTD's audience. Podcasts produced in Oregon provide audio content that will be relevant to viewers. Online publications have been notified of BMTD's broadcasting ambitions and asked to consider creating audio versions of printed content that can be distributed on a local channel. All audio and video content secured for distribution will be maintained in a database by BMTD, with a contractual agreement not to distribute content unless advertising has been procured to accompany its broadcast. Arrangements with content creators will be provided to advertisers so that ads can be arranged for specific programming.

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<sup>1</sup> For the record: Executive Director Alex McHaddad provides services to BCMS as an independent contractor.

### **Syndicating Content**

Content procured by BMTD can raise revenue for the District and benefit local businesses much further geographically than northeast Oregon. Local access channels are plentiful in the US, including 14 in the Pacific Northwest. Programming of interest in the region and the rest of the country can be syndicated to other local access channels, with advertisements for larger companies and organizations procured specifically for this expanded distribution. An entity such as Eastern Oregon University, for example, could be interested in sponsoring the distribution of a La Grande High School football game on BMTD's channel and in the community of LHS's opponent, whereas a local restaurant may only wish to advertise in Baker and Union Counties. Government agencies that distribute recordings of their public meetings may also be interested in generating public interest programming about their operations that can be syndicated with ads.

### **Advertising**

The most critical component of BMTD's local channel is generating revenue by the sale of commercial matter in OTA/OTT content. Content creators will not want to distribute their content on BMTD's channel without guaranteed revenue, and BMTD will need to recover the costs of creating and maintaining both a streaming service and over the air channel. BMTD lacks personnel with training and experience in advertising sales, necessitating the solicitation of advertising procurement services from another entity.

BMTD will need to release a Request for Proposals (RFP) for Advertising Procurement by the end of March 2020, and secure a contract with an advertising firm by April 2020. Expenses related to the operation and maintenance of an OTT/OTA channel can only be recovered by revenue generated on this channel, and BMTD will need an estimate for advertising revenue when the Staff Recommendation for projected general fund revenue on Form LB-20 is drafted.

An advertising RFP will need to cover the following points:

- Desired commission from advertising.
- Pedigree soliciting advertisements, specifically for broadcast.
  - (Entities that have successfully procured advertisements for distribution in other media may be considered.)
- The ability to maximize revenue by selling a variety of advertising formats.
  - Video, picture, bottom-third on-screen labels, and bottom corner graphics.
- Existing advertising relationships with firms and organizations that operate, in order:
  - Union and Baker Counties
  - Northeast Oregon
  - Treasure Valley, Idaho and southeast Washington
  - Oregon
  - Washington and Idaho

- US
- Willingness to forego revenue from programming for which content creators procured their own commercial matter.
- Term of contract.
- Willingness to collect and disburse all advertising revenue.
- Whether the board will consider contracts with multiple entities, especially if a firm can focus on procuring advertisements for other geographic regions outside of northeast Oregon.
- The ability to edit videos to include advertisements.

### **Media Production**

Once video or graphic advertisements are procured, BMTD will need to ensure that commercial matter is incorporated with video. The current Executive Director possesses adequate video editing skills to incorporate ads procured for the Local Channel. However, current resources restrict the Executive Director to 30 hours per week with a preexisting job description that does not include video editing. BMTD should consider creating internship partnerships with EOU and local high schools that include instruction in video editing and regularly-scheduled editing work. An intern at Eastern Oregon University can be more competitively recruited if BMTD will fund the cost of internship credits.

Live video broadcast is a more complex operation that will require special equipment to interface with BMTD's media server. The most difficult element of live video project is the inclusion of commercial matter. Until District revenue exceeds \$200,000.00 per year, BMTD should not invest in live video transmission. Instead, BMTD should maintain a list of firms with live video delivery capabilities, including real-time insertion of advertisements, for the benefit of content creators.

### **Action Items**

The Board of Directors must formalize this strategic plan and publish the document on the BMTD website. A local channel advisory committee can be created to track progress on its development.

BMTD should consult with RS Technology prior to contracting with TelVue to ensure that equipment capable of operating the OTT Local Channel is compatible with equipment that will be used to operate the OTA Local Channel.

The Executive Director will draft RFP's for channel streaming and advertising procurement to be approved by the Board in February. Proposals will be accepted in March, and contracts awarded in April.

The 2020-2021 Budget will include funding for the Local Channel, prioritizing equipment necessary to create the OTT version and then permitting purchase of equipment necessary to operate the OTA version if the FCC approves an application in summer 2020.

## 5.e. First Reading, Bylaws Amendments

### **Staff Summary - Board Eligibility**

SB 393 permits service charge payers to serve on BMTD's Board of Directors regardless of elector status. Rules to govern the appointment of non-electors to the Board should be included in the Bylaws. The following amendments to Section II are suggested.

#### II. Board of Directors

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Directors (officers) may be removed prior to completion of term of office by: (1) Submitting a letter of resignation; (2) Request for resignation by unanimous vote of all other Directors; (3) Officers may be requested to step down from officer position by unanimous vote of all other Directors. **Directors who are not electors of the District but pay the service charge may be removed from office if the Secretary/Treasurer does not receive a service charge payment from this board member during the annual billing period.**

...

**In accordance with ORS 354.655, individuals who pay the service charge but are not electors of the District may serve on the Board of Directors. In order to certify that an individual may be elected to the Board of Directors, the individual must have paid a service charge directly to the District prior to filing candidacy paperwork with the Baker County Clerk. When a vacancy occurs on the Board of Directors, BMTD will first consider the appointment for non-electors who have already directly paid the service charge. If no elector of the District or non-elector who has paid the service charge applies for appointment to the Board, a non-elector may be appointed conditional upon the receipt of a service charge payment.**

### **Staff Summary - Meeting Schedule**

The Bylaws include a mandate for all regular meetings to occur the first Tuesday of every month, though the Board often meets on a different day. Vice President Innerarity requested that the date be removed from the Bylaws.

#### III. Board of Directors Meetings

Board of Directors Meetings will be held ~~the first Tuesday of every month~~ **on dates chosen by the President in consultation with Directors and the Secretary/Treasurer.** These meetings are open to the public.