

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 08-063

Approving the Mt. Hood Cable Regulatory Commission Budget for Fiscal Year 2008-2009

The Multnomah County Board of Commissioners Finds:

- a. The Mt. Hood Cable Regulatory Commission (MHCRC) was formed by Multnomah County and the cities of Fairview, Gresham, Portland, Troutdale and Wood Village (Cities) to advocate for and protect the public interest in the regulation and development of cable communication systems.
- b. The MHCRC has approved a budget for Fiscal Year 2008-2009 and forwarded this budget to Multnomah County and the Cities for approval.

The Multnomah County Board of Commissioners Resolves:

1. The Mt. Hood Cable Regulatory Commission budget for Fiscal Year 2008-2009 is approved.

ADOPTED this 22nd day of May 2008.

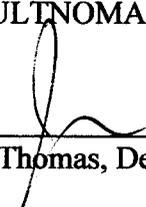


BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON


Ted Wheeler, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By 
John Thomas, Deputy County Attorney

SUBMITTED BY:
Commissioner Lonnie Roberts

MT. HOOD CABLE REGULATORY COMMISSION

Representing:

City of Portland
City of Fairview

City of Gresham
City of Wood Village

City of Troutdale
Multnomah County

Commission Members

Norman Thomas, Commission Chair

Alan Alexander III
Andrea Cano
Tim Clark
Sue Dicile
Rich Goheen
Bill June
Stan Saunders

**PROPOSED BUDGET
FISCAL YEAR 2008-09**

Commission Approved: April 21, 2008

Director: David C. Olson
503 823 5385
www.mhcr.org

MT. HOOD CABLE REGULATORY COMMISSION
FY 2008-09 PROPOSED BUDGET

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MT. HOOD CABLE REGULATORY COMMISSION

OVERVIEW

The Mt. Hood Cable Regulatory Commission (MHCRC or Commission) was created by Multnomah County and the cities of Fairview, Gresham, Portland, Troutdale and Wood Village for the purposes of:

- **Advocating for and protecting the public interest in the regulation and development of cable communications systems;**
- **Monitoring and helping resolve cable subscribers' concerns; and,**
- **Facilitating the planning and implementation of community uses of cable communication technologies.**

Each Jurisdiction appoints citizen representatives to the Commission. Over the past year, these appointees have committed hundreds of volunteer hours to fulfill the Commission's mission and to serve the Jurisdictions. They attended approximately 10 Commission meetings and numerous committee meetings, kept abreast of issues of concern to their Jurisdictions, presented information at city council and county commission meetings, and served as liaisons to Portland Community Media (PCM) and MetroEast Community Media (MetroEast).

The Commission contracts for staff through a services agreement with the City of Portland. The Commission funds an equivalent of 3.8 full-time staff positions plus related materials, services and overhead. Each member Jurisdiction provides a portion of its franchise fees from cable services providers to annually fund Commission operational expenses.

2007 ACCOMPLISHMENTS

Conducted Franchise Compliance to Protect the Jurisdictions' and Consumers' Interests

The MHCRC fined Comcast \$43,899 for failing to adequately notify subscribers of the loss of five programming services which moved to more expensive digital service tiers in October 2007. The changes in effect amounted to a rate increase for nearly 44,000 Comcast subscribers who were required to pay more per month to upgrade to a Comcast digital tier, also requiring additional equipment, in order to retain the same level of programming services. The MHCRC enforces the cable services consumer protection ordinances of Multnomah County, Portland, Gresham, Troutdale, Fairview, and Wood Village.

The consumer protection rules require cable companies to notify subscribers, in writing, at least 30 days prior to implementing rate and programming service changes. This requirement assures that subscribers receive accurate information with a minimum period of time to make any desired changes to their service before their next billing cycle.

The MHCRC also monitored and enforced various service standards for telephone responsiveness, service outage credits, billing, installation and repair responsiveness, and other consumer protection issues. In 2007, the Commission assisted in the resolution of 269 complaints.

Supported Competitive Services through Franchise Negotiations with new Cable Providers

The MHCRC received requests for cable services franchises from three companies, each seeking authority to use the public-right-of-way to offer cable television services in different parts of the County to compete with Comcast. The companies currently offer phone and Internet services in their service areas. The MHCRC successfully altered resource priorities to address this unanticipated workload requirement and has conducted the negotiations within the FY06-08 budget allocations.

The MHCRC recommended a proposed franchise with Qwest for cable television services in Portland, which the Portland City Council unanimously approved in November 2007. MHCRC staff has been diligently negotiating with Verizon representatives to reach agreement on a franchise recommendation for East Multnomah County, including Fairview, Gresham, Troutdale and Wood Village. Although the process has been slow going, the MHCRC believes it's critical to ensure any competitive franchise is comparable to that of the incumbent cable operator and protects local interests while recognizing differences in today's technology and marketplace for cable services. The MHCRC staff also began discussions with Cascade Access for cable services in the unincorporated Multnomah County area commonly referred to as Corbett. Cascade Access approached the MHCRC about the same time as Verizon and franchise negotiations have progressed.

Protected Jurisdictional and Local Interests in Response to a National FCC Rulemaking

The Federal Communications Commission adopted a rule (Competitive Franchise Application Rule or CFAR), that had the potential of undermining the Jurisdictions local rights, authority and public benefits in the cable services franchising process. The MHCRC researched the legal, financial and operational implications of this new rule and identified an urgent need for the Jurisdictions to enact local ordinances to protect our communities' interests in the event a cable services provider sought to apply the FCC CFAR here. The MHCRC developed a local policy, application process and fee structure that was unanimously approved by all six MHCRC Jurisdictions prior to the FCC rule becoming effective.

Ensured Fair Compensation and Correct Accounting for Franchise Fee Payments

The MHCRC conducted a review of Comcast's accounting records, franchise fee and PEG fee payments for the period of January 1, 2004 through September 30, 2006. As a result of the review, additional revenues (\$19,092 in franchise fees, \$9,202 in PEG fees and \$3,798 in I-Net funds) were collected on behalf of the MHCRC Jurisdictions.

Funded Projects to Advance Education and Community-Based Technology

The MHCRC directs the Community Access Capital Grant which provides funds for technology projects to community organizations, libraries, educational institutions and local government agencies throughout Multnomah County. The MHCRC oversees implementation and compliance for about 15 grant-funded projects during the year. In 2007, the program granted nearly \$950,000 for eight new community-based projects that will leverage over \$2 million in matching resources. Newly funded projects included:

- Albertina Kerr Centers, one of Oregon's largest providers of health and social services, spends over \$600,000 each year to manually conduct and track its staff trainings in order to keep pace with new health care best practices. Through the Learning Management Systems grant-funded project, Kerr will evolve to a web-based platform using the Institutional Network (I-Net) to deliver instant access to critical, professional trainings to over 800 employees. As a result, staff will be able to stay on-site improving care to the 1,700-plus emotionally/mental health challenged children and adults.
- Less than five percent of Parkrose High School students have access to technology needed to complete assigned class work or research special projects required for graduation. The grant will equip the school with two wireless computer labs needed to equitably increase accessibility to technology, integrate technology tools into the classroom experience and serve as a model for the entire district.
- The Gresham-Barlow School District will integrate video production and multi-media capabilities into classroom curriculum to increase students' skills in literacy, creative and critical thinking, and media literacy. The project capitalizes on students' fascination with technology to enhance and enliven instruction.
- Thanks to a previous grant from the MHCRC to wire and equip Metro's Council Chambers, Metro has been working toward engaging the public in local government decision making. The 2007 grant updates video recording and presenting equipment to encourage greater public involvement by offering a more accurate and professional viewing experience.
- Winterhaven School, a Portland Public K-8 magnet school focusing on a math, science and technology curriculum, will acquire mobile technology labs to allow all teachers to integrate computer aided curriculum into daily classroom activities.
- Reaching out to local youth, Film Action Oregon's Project Youth Doc summer program – held in North and Northeast Portland - provides an opportunity for youth to create documentary films of personal and diverse social relevance to be shared with the broader community through public access television. Grant funds will help equip a new media education classroom with digital video production equipment at the Hollywood Theater in Northeast Portland
- With Portland Community Media's Access 2.0 project, local non-profit organizations, community media producers and youth will be provided the opportunity to expand their access to new multimedia production, tools and distribution platforms. In an era of unprecedented technological advancement, PCM is keeping pace by incorporating new multi media platforms such as rich media content workstations, blogging, discussion forums and Internet video streaming.
- Founded in 1998, Sowelu is a critically acclaimed non-profit ensemble arts organization offering thought provoking theater productions and education for youth and emerging artists in the art of fictional narrative story telling. The grant expands Sowelu's technology capacity, currently based mostly on loaned equipment, to include multi-media and digital video production equipment for hands-on use by students.

Engaged in Partnerships to Provide Network Services More Efficiently

The MHCRC facilitates partnerships and network planning, pursues network assets, and distributes funds to support the Community Institutional Network (I-Net). The MHCRC developed and continues to facilitate the partnership and network interconnect among Comcast,

ComNet (the City of Portland's networking service bureau) and the MHCRC to provide the highest level of service (capacity increased 10 fold) at the least cost (savings of up to 33%). Over 272 schools and public agencies' sites throughout Multnomah County use the I-Net for their data networking and Internet access needs.

Through its collaborative network planning efforts, the MHCRC identified the need to provide each I-Net site with independent power devices to increase the reliability of the network connections during power failures or surges. The MHCRC funded this network upgrade by supporting capital costs of about \$300,000 from the I-Net Capital Fund related to provisioning and installing Uninterruptible Power Systems ("UPS") devices at all current I-Net user sites.

Local governments and schools continue to need new connections to the I-Net. In 2007, the MHCRC funded eight new connections to the I-Net from five different agencies. An additional 11 new connections are pending from four agencies.

Managed Direct Service Contracts for Community Media Resources (MetroEast & PCM)

The MHCRC manages contracts with MetroEast Community Media and Portland Community Media (PCM), non-profit organizations that facilitate use of technology and communications resources by the community in order to promote broad participation in civic and cultural life. These non-profits provide direct services to a diverse group of individuals, nonprofits, community organizations and government agencies. In 2007, both organizations saw an increase in the number of new video programs and in the community use of facilities and equipment. Media services were used by a wide variety of cultural, ethnic and underserved communities including: Hispanic, Pacific Islanders, Romanian, Russian, Arab, Persian, Ethiopian, Eritrean, African-American and Korean groups. The MHCRC also oversees the community access benefits provided by Comcast under its franchise agreement. As a result of the MHCRC's leadership, local community access programming is now listed on Comcast's channel guides and included in Comcast's video-on-demand digital service provided free to digital subscribers.

Led Advocacy Efforts to Protect Local Authority and Public Services

The MHCRC participated in several Federal Communication Commission (FCC) and legislative processes in order to advocate for local control and resources derived from private use of the public right-of-ways.

- The MHCRC sent letters to Oregon's congressional delegation in support of maintaining cable franchising, localism and fees for IP Video providers as Congress takes up the re-write of the 1996 Telecommunications Act. The MHCRC continues to outline for key Congressional representatives the public interest benefits that the Jurisdictions have been able to provide the citizens of Multnomah County through cable franchising that reflects local community needs.
- The MHCRC filed initial and reply comments in the FCC's Further Notice of Proposed Rulemaking on local video franchising and joined other national organizations and local governments to appeal the FCC CFAR in the Sixth Circuit Court. The MHCRC also participated in FCC proceedings on Cable Ownership and Video Competition.

MISSION STATEMENT

The Mt. Hood Cable Regulatory Commission advocates for and protects the public interest in the regulation and development of cable communications systems in Multnomah County and the Cities of Fairview, Gresham, Portland, Troutdale and Wood Village; monitors and helps resolve cable subscribers' concerns in these jurisdictions; and participates in the planning and implementation of community use of communications technologies which make use of the public right of way.

GOALS AND OBJECTIVES

Effective: July 1, 2008 – June 30, 2009

The Commission acknowledges that the policy and regulatory work of the Commission is undertaken in a very dynamic communications technology environment. Consequently, the Commission retains flexibility to modify or revise these Goals and Objectives as may be required from time to time.

Goal I: *Effectively administer cable television franchise agreements to serve our member jurisdictions.*

Objectives

1. Identify and address franchise compliance issues in response to and, when possible, prior to cable company actions.
2. Provide consumer protection for citizens and subscribers in cable television matters by helping to resolve complaints, enforcing customer service standards and addressing other consumer-related franchise compliance issues.
3. Analyze changes in technology and the mergers of telecommunications and cable companies in order to inform the jurisdictions and other stakeholders about how those changes may affect consumers and the local public benefits of the franchise agreements.
4. Pursue regulatory and legal processes to ensure fair compensation and correct accounting for franchise fee payments under franchises regarding use of right-of-way by cable company to deliver converged and bundled services (cable TV, internet and telephone).
5. Analyze video providers' digital telephone service and advise Jurisdictions on local authority and options.
6. Continue to monitor the emerging issues, and the experience of video provider subscribers in the Jurisdictions and nationwide, relative to video providers' privacy policies and practices.
7. Design a community needs ascertainment and begin implementation in order to prepare for the renewal process for the Portland and Multnomah East franchises, which expire December 31, 2010.

8. Assist our constituency with information and assistance during the transition to digital television delivery.

Goal II: *Ensure access to and use of current and new services available through the cable system technology by citizens, local governments and community institutions.*

Objectives

1. Conduct annual, competitive grant-making processes for the Community Access Capital Grant program to support the development of public, educational and governmental uses of cable system technology in a way that ensures that the grant funds are distributed in accordance with the grant purpose and criteria.
2. Monitor projects that have received grant funding to ensure compliance with the project goals and objectives and accountability for grant funds.
3. Conduct an evaluation of grants between 2003-2007.
4. Design and produce a Community Access Capital Grant annual report.
5. Manage and oversee Community Institutional Network (I-Net) planning within available funds in order to leverage this public resource as a low cost, high quality tool for public organizations to communicate, inform and deliver services to their constituencies.
6. Develop an I-Net capital fund expenditure plan based on the I-Net stakeholder future needs ascertainment.
7. Manage access provider contracts with Portland Community Media and MetroEast Community Media.
8. Allocate capital funds for Portland Community Media and MetroEast Community Media.
9. Explore creative public and community opportunities arising through local adoption of digital technology for both content development and distribution.
10. Collaborate with organizations, at the federal, state and local levels, to advocate for the community's access to cable system technology.
11. Encourage development and deployment of broadband services using cable system technology including high speed internet access, on an open, accessible and nondiscriminatory basis throughout the franchise areas.
12. Support and encourage the access providers to integrate new production and distribution technologies and trends into its public access services.

Goal III: *Communicate, educate and respond in a timely and accurate manner to our jurisdictions, cable subscribers and the general public regarding communications technology policy and regulatory issues.*

Objectives

1. Communicate with jurisdictions' elected officials and key staff in order to educate them about communications technology policy and regulatory issues and what's at stake for our communities.

2. Conduct outreach to interested stakeholders so that they view the Commission as an important source of information.
3. Support our member jurisdictions in implementing FCC rules and federal laws related to cable and telecommunications.
4. Provide recommendations, if necessary, to the Jurisdictions to update the Intergovernmental Agreement (IGA) regarding the Commission's roles and responsibilities in light of changes in regulations and/or service delivery by communication providers.
5. Cultivate a more productive relationship between Portland commissioners and City elected officials.
6. Support and provide resources for the development of Commissioners' education and expertise.

Goal IV: *Advocate for continued local authority regarding cable franchises and use of the public rights of way by communication providers.*

Objectives

1. Continue cross-jurisdictional collaborations for information-sharing and coordinated strategies on issues of common concern.
2. Participate in national discussions regarding the potential re-write of telecommunications and cable legislation in order to advocate for and preserve existing and new public interest benefits.
3. Prepare for 2009 Oregon State Legislative session including a possible statewide telecommunications tax proposal. Participate in litigation and FCC proceedings on behalf of our jurisdictions' and citizens' interests.
4. Participate in statewide committees or groups who address local government authority, management and control of public rights of way.
5. Advocate for open, nondiscriminatory access to cable system broadband technology.

Goal V: *Operate the Cable Regulatory Office and the Commission efficiently and effectively.*

Objectives

1. Fulfill Intergovernmental Agreement and Rules of Procedure administrative responsibilities.
2. Plan and conduct Commission meetings in a way that respects the volunteer nature of Commission positions and is in accordance with Oregon Open Meeting laws.
3. Continue annual strategic planning and evaluation.
4. Present an annual budget request to the Jurisdictions that supports the Commission's mission and respects the Jurisdictions' budget considerations.

BUDGET OVERVIEW

According to the Intergovernmental Agreement (IGA) among the Jurisdictions which created the MHCRC, the Commission must gain approval of its budget by every member Jurisdiction. The MHCRC's Finance Committee, comprised of three Commissioners, developed a detailed FY 2008-09 budget in consultation with its staff. On April 21, 2008, the Commission approved the proposed budget to forward to the Jurisdictions for consideration. The MHCRC provides the proposed budget to the Cities' and County's staff in advance of the City Councils' and the County Commission's consideration of the budget.

The Commission's Budget contains two budget documents: a Financial Summary and the Line Item Budget. The Budget also provides four appendixes that include more detailed information.

The proposed budget represents an increase of about 3.5 percent, excluding the one-time expenditures in the current year (FY07-08) budget. The increase is attributable to standard cost-of-living and benefits increases related to current staff positions. Franchise fee revenues are projected to increase by about 5.7 percent.

The MHCRC, most likely, will have two new cable services franchise agreements (Verizon and Cascade Access), along with the recent Qwest franchise, to regulate and ensure public benefit implementation in our local communities. The MHCRC expects an increased workload as these companies rollout services.

The cable services franchise agreements between the Jurisdictions and Comcast expire in December 2010. Under federal law, any public benefit obligation contained in a renewed franchise agreement must be based on a demonstrated community need. Although franchise negotiations and the Jurisdictions' approval processes will take place in FY2009-10, the MHCRC must conduct a community needs ascertainment and public hearings well in advance of those negotiations. The last ascertainment was conducted in 1994-95.

The proposed budget supports current staff resources and some limited consulting resources to design and implement the ascertainment in FY08-09. The anticipated outcome of dedicating these resources is a well-planned, inclusive community needs ascertainment that will provide a sound legal basis to negotiate the breadth and depth of community benefits the MHCRC's constituencies have come to expect.

In partnership with the National Association of Broadcasters and local community organizations, the MHCRC is crafting an outreach program to increase consumer awareness of the February 17, 2009, transition of over-the-air television signals to digital technology (DTV), which will impact people who receive broadcast TV signals through their television set's receiver. The outreach program targets populations throughout Multnomah County that will be most vulnerable in the transition; low income households, the elderly and English as a second language speakers. Information and technical assistance will be provided to residents through targeted community-based organizations to ensure everyone continues to receive broadcast signals once the digital transition takes place.

FINANCIAL SUMMARY

The Commission's FY 2008-09 Financial Summary is presented on page 11. A large portion of the Commission's overall resources are funds collected from the cable company and the expenditures are the disbursement of those funds to the member Jurisdictions, the community access providers (Portland Community Media (PCM) and MetroEast Community Media (MetroEast) and Community Access Capital Grant recipients. These disbursements are governed by the IGA and by the cable services franchises.

The amount of Commission resources from year to year is dependent on the gross revenues of the cable company since franchise fees, the Community Access Capital Grant fund revenues and the Access Corporation Capital fund revenues are based on a percentage of the company's gross revenues.

The Commission's **Revenue Resources** include:

First, the Commission collects all cable services franchise fee revenue for Gresham, Troutdale, Fairview, Wood Village and Multnomah County. The total projected revenues are \$1,132,483 in FY 2008-09;

Second, the MHCRC collects funds from the City of Portland for its share of the Commission's operating budget. The FY 2008-09 City of Portland share is \$308,617;

Third, the Commission administers two programs funded by two percent of Comcast's gross revenues totaling over \$2.6 million: Access Corporation Capital Fund and the Community Access Capital Grant; and

Fourth, the beginning fund balance and the interest on Commission funds.

Expenditures include:

First, franchise fee payments to the Jurisdictions. The franchise fee payments to the Jurisdictions are the total amount of franchise fees the MHCRC collects on behalf of Gresham, Troutdale, Fairview, Wood Village and Multnomah County less the amount each Jurisdiction contributes to the Commission's Operating Budget and the community access payments to MetroEast and PCM in accordance with the IGA.

Second, all MHCRC member jurisdictions contribute a portion of franchise fees to the Commission's Operating Budget (\$465,486). This is a 3.5 percent increase from the current year budget (excluding the one time funding in the current year budget). The net contribution totals \$444,418, after deducting the balance of the FY 2006-07 budget. Each Jurisdiction's net contribution is outlined below:

| | | | |
|------------------|-----------|--------------|-----------|
| Gresham | \$108,524 | Fairview | \$11,402 |
| Troutdale | \$17,406 | Wood Village | \$3,314 |
| Multnomah County | \$14,042 | Portland | \$289,730 |

The proportional funding allocation is based on the methodology adopted by the MHCRC. Greater detail is available on the cost allocation worksheet which appears in Appendix Two.

Third, community access and access corporation capital payments to MetroEast and PCM for operational and capital budgets of the community programming centers in Gresham and Portland. These payments are made in accordance with the IGA and the cable services franchise agreements.

Fourth, the Community Access Capital Grant program. These expenditures support the annual grant program.

FINANCIAL SUMMARY
FY 2008-09

| RESOURCES | 2005-06 Actual | 2006-07 Actual | 2007-08 Adopted | 2008-09 Proposed |
|---|---------------------------|---------------------------|----------------------------|-----------------------------|
| Beginning Fund Balance | 2,383,979 | 3,367,179 | 4,440,659 | 2,682,931 |
| E. County Franch. Fees | 1,206,840 | 1,048,501 | 1,013,520 | 1,071,243 |
| Multnomah West Franch. Fees | 78,166 | 56,548 | 57,993 | 61,240 |
| Portland Share of Operating Bud. | 257,439 | 282,689 | 318,597 | 289,730 |
| Interest | 100,333 | 171,765 | 88,000 | 112,000 |
| Community Access Capital Grant | 1,294,846 | 1,219,478 | 1,056,766 | 1,205,495 |
| Access Corporation Capital Revenue | 1,294,846 | 1,176,923 | 1,056,766 | 1,205,495 |
| Total Resources | 4,232,469 | 3,955,904 | 3,591,642 | 3,945,203 |
| Total | \$6,616,448 | \$7,323,083 | \$8,032,301 | \$6,628,134 |
| REQUIREMENTS | | | | |
| EXPENDITURES | | | | |
| Franchise Fee Balance to Jurisdictions | 355,212 | 305,654 | 271,786 | 298,305 |
| Community Access Pmt, E. County (MetroEast) | 724,104 | 627,278 | 608,113 | 642,746 |
| Community Access Pmts, Mult. West (PCM) | 37,437 | 33,002 | 37,637 | 36,744 |
| MHCRC Operating Budget (1) | 386,019 | 426,392 | 480,539 | 509,385 |
| Grant / I-Net Operating Budget | 125,764 | 109,750 | 164,047 | 165,618 |
| Access Corporation Capital | 1,219,308 | 999,263 | 882,847 | 1,205,495 |
| Community Access Capital | 401,424 | 378,279 | 1,000,000 | 1,400,000 |
| Community Access Capital-Encumbrances | — | — | 855,056 | — |
| Community Access Capital-Contingency | — | — | — | 1,500,000 |
| Total Expenditures | \$3,249,269 | \$2,879,618 | \$5,349,370 | \$5,758,293 |
| GASB-31 Fund Balance Adjustment | — | (\$2,806) | — | — |
| Ending Fund Balance | 3,367,179 | 4,440,659 | 2,682,931 | 869,841 |
| Total | \$6,616,448 | \$7,317,471 | \$8,032,301 | \$6,628,134 |

(1) Includes contingency reserve of \$43,899 from non-jurisdictional resources.

LINE ITEM BUDGET - SUMMARY

The Commission's FY 2008-09 Line Item Budget provides detail for expenditures included in the Financial Summary.

The proposed budget includes a staffing level of 3.80 FTE. This staffing level allows the Commission to maintain its core programs and address additional workload requirements (as described in the Budget Overview), which include:

- **Monitoring and enforcing cable franchises;**
- **Administering the Community Access Capital Grant program;**
- **Implementing the Community Institutional Network;**
- **Overseeing community access resources;**
- **Advocating for the Jurisdictions in legislative, federal and state proceedings;**
- **Providing sound financial management; and**
- **Conducting an inclusive and legally sound community needs ascertainment.**

The total FY 2008-09 proposed expenditures is \$4,258,293 and contingency of \$1,500,000 for the disbursement of prior year capital grants. The total consists of expenditures funded by dedicated revenues either under the IGA or the franchise agreement in the amount of \$5,292,807, and \$465,486 in Commission's operating expenditures funded by Jurisdictional contributions from the franchise fees.

**LINE ITEM BUDGET - SUMMARY
FISCAL YEAR 2008-09**

| Expenditure Classification | Actual FY 2005-06 | Actual FY 2006-07 | Adopted FY 2007-08 | Proposed FY 2008-09 |
|---|------------------------------|------------------------------|-------------------------------|--------------------------------|
| 511000 Employees | 243,058 | 254,366 | 283,036 | 298,904 |
| 517000 Benefits | 89,985 | 103,001 | 111,483 | 118,033 |
| Total Personal Services | \$333,043 | \$357,367 | \$394,519 | \$416,937 |
| 521000 Professional Services | 28,265 | 63,773 | 83,500 | 82,500 |
| 529000 Miscellaneous Services | 30,797 | 8,730 | 3,200 | 1,200 |
| Pass Through Payments (PEG & Fr.Fee Bal) | 2,737,662 | 2,228,000 | 2,966,881 | 3,583,290 |
| 531000 Office Supplies | 598 | 546 | 1,500 | 1,825 |
| 532000 Operating Supplies | 899 | 461 | 5,600 | 4,500 |
| 541000 Education | 1,841 | 3,473 | 5,200 | 3,600 |
| 542000 Local Travel | 53 | 294 | 1,200 | 1,400 |
| 543000 Out-of-Town Travel | 5,241 | 4,997 | 6,150 | 7,000 |
| 549000 Miscellaneous | 7,205 | 8,728 | 14,190 | 9,692 |
| Total External Materials & Svcs | \$2,812,561 | \$2,319,002 | \$3,087,421 | \$3,695,007 |
| 551000 Fleet Services | 0 | 70 | 156 | 156 |
| 552000 Printing/Distribution | 8,145 | 8,168 | 8,914 | 7,707 |
| 553000 Facilities Services | 23,885 | 25,132 | 28,683 | 10,853 |
| 554000 Communications | 0 | 0 | Consolidated in IT | |
| 555000 Data Processing | 0 | 0 | Consolidated in IT | |
| 554000 Information Technology (IT) | 31,870 | 20,602 | 21,335 | 17,000 |
| 556000 Insurance | 9,830 | 8,243 | 8,956 | 8,243 |
| 559300 Human Resources | 3,877 | 0 | 0 | 0 |
| 558312 Legal Advice | 9,476 | 10,521 | 10,900 | 11,205 |
| Total Internal Materials & Svcs | \$87,083 | \$72,736 | \$78,944 | \$55,164 |
| Total Materials & Services | \$2,899,644 | \$2,391,738 | \$3,166,365 | \$3,750,171 |
| 575707 Capital Grant Transfer to Cornnet | 0 | 0 | 0 | 0 |
| 572101 General Fund Overhead | 16,581 | 14,782 | 17,590 | 14,669 |
| 571100 Contingency * | 0 | 0 | 915,840 | 1,576,516 |
| Total Other | 16,581 | 14,782 | 933,430 | 1,591,185 |
| Total | \$3,249,268 | \$2,763,887 | \$4,494,314 | \$5,758,293 |
| | | | 0 | |
| Professional Services | Acct: 521000 | | Pass Through Payments | Acct: 529000 |
| Operating Budget | 19,500 | | Community Access Payments | 679,490 |
| Capital Fund Budget | 63,000 | | East County Fr. Fee Balance | 298,305 |
| Total | 82,500 | | Access Corporation Capital | 1,205,495 |
| | | | Comm. Access Capital Grant | 1,400,000 |
| | | | | 3,583,290 |
| * Includes encumbered funds for Community Access Capital Grants awarded in prior years. | | | | |

APPENDIX ONE

FY 2008-09 BUDGET DETAIL

The Budget Detail includes three documents: the MHCRC Operating Budget; the MHCRC Operating Budget with PEG and I-Net expenditures less PEG grants and Pass Through Payments; and an Operating Budget Line Item Detail.

Operating Budget

This document presents the MHCRC's "Operating Budget" funded by contributions from the member Jurisdictions. The proposed operating budget is 3.5 percent increase from the current fiscal year (FY07-08) budget (excluding the one-time funding in the current year budget).

A detail of each Jurisdiction's contribution is included in Appendix Two.

MHCRC Operating Budget with PEG and I-Net

This document includes the administrative budget for managing the PEG grants and I-Net in addition to the MHCRC's "Operating Budget" funded by contributions of the member Jurisdictions.

MHCRC Operating Budget Line Item Detail

This document is the highest level of detail of MHCRC's Operating Budget including the I-Net and PEG administrative expenditures. In this document, individual expenditures are itemized within each line item.

Please note: The expenditures under the Grants/I-Net column are funded by revenues dedicated, either in the IGA or the franchise agreements, to a particular use (pass through payments, access corporation capital and grants).

COMMISSION OPERATING BUDGET
Funded by Jurisdictions
Fiscal Year 2008-09

| Acct. | Title | FY 2006-07 Actual | FY 2007-08 Adopted | FY 2008-09 Proposed |
|---|-----------------------------|----------------------|-----------------------|------------------------|
| 5110 | Employees | 200,143 | 228,087 | 242,173 |
| 5170 | Benefits | 81,649 | 89,332 | 94,905 |
| Personnel Services | | \$281,792 | \$317,419 | \$337,079 |
| 5210 | Professional Services | 52,667 | 21,500 | 19,500 |
| 5290 | Miscellaneous Services | 8,729 | 3,200 | 1,200 |
| 5310 | Office Supplies | 546 | 1,500 | 1,825 |
| 5320 | Operating Supplies | 461 | 5,600 | 4,500 |
| 5410 | Education | 3,458 | 5,200 | 3,000 |
| 5420 | Local Travel | 294 | 1,200 | 1,400 |
| 5430 | Out-of-Town Travel | 4,997 | 6,150 | 6,000 |
| 5490 | Miscellaneous | 6,369 | 11,940 | 6,692 |
| External Materials and Services | | \$77,521 | \$56,290 | \$44,117 |
| 5510 | Fleet Services | 70 | 156 | 156 |
| 5520 | Print/Distribution | 7,298 | 7,183 | 6,125 |
| 5530 | Facilities Services | 19,931 | 23,114 | 8,625 |
| 5540 | Communications Services | Consolidated in IT | Consolidated in IT | Consolidated in IT |
| 5550 | Data Processing Services | Consolidated in IT | Consolidated in IT | Consolidated in IT |
| 5540 | Information Technology (IT) | 14,322 | 17,195 | 13,511 |
| 5560 | Insurance | 6,497 | 7,217 | 6,551 |
| 559300 | Human Resources | 0 | 0 | 0 |
| 558312 | Legal Advice | 7,190 | 7,500 | 7,805 |
| Internal Services | | \$55,308 | \$62,365 | \$42,773 |
| 572101 | GF Overhead | 11,771 | 14,175 | 11,658 |
| 575101 | COLA | 0 | 11,218 | 10,679 |
| 571100 | Contingency | 0 | 19,072 | 19,180 |
| Cable Fund Services | | \$ 11,771 | \$ 44,465 | \$ 41,517 |
| Total-Funded by Jurisdictions | | \$426,392 | \$480,539 | \$465,486 |
| 571100 | Contingency-Reserve | 0 | 0 | 43,899 |
| Variance from FY 2007-08 | | | | -3.1% |
| Variance from FY 2007-08 (Excluding one-time Exp.) | | | | 3.5% |

**COMMISSION OPERATING BUDGET WITH PEG AND I-NET
(Funded by Jurisdictions and other Dedicated Resources) *
FY 2008-09**

| Acct. | Title | FY 2007-08 Adopted | FY 2008-09 Proposed |
|---|--------------------------------------|-----------------------|------------------------|
| 5110 | Employees | 283,036 | 298,904 |
| 5170 | Benefits | 111,483 | 118,033 |
| Personnel Services | | \$394,519 | \$416,937 |
| 5210 | Professional Services | 83,500 | 82,500 |
| 5290 | Miscellaneous Services | 3,200 | 1,200 |
| 5310 | Office Supplies | 1,500 | 1,825 |
| 5320 | Operating Supplies | 5,600 | 4,500 |
| 5410 | Education | 5,200 | 3,600 |
| 5420 | Local Travel | 1,200 | 1,400 |
| 5430 | Out-of-Town Travel | 6,150 | 7,000 |
| 5490 | Miscellaneous | 14,190 | 9,692 |
| External Materials and Services | | \$120,540 | \$111,717 |
| 5510 | Fleet Services | 156 | 156 |
| 5520 | Print/Distribution | 8,914 | 7,707 |
| 5530 | Facilities Services | 28,683 | 10,853 |
| 5540 | Information Technology (IT) | 21,335 | 17,000 |
| 5560 | Insurance | 8,956 | 8,243 |
| 559300 | Human Resources | 0 | 0 |
| 558312 | Legal Advice | 10,900 | 11,205 |
| Internal Services | | \$78,944 | \$55,164 |
| 572101 | Overhead | 17,590 | 14,669 |
| 571100 | COLA | 13,921 | 13,437 |
| 571100 | Contingency | 19,072 | 19,180 |
| 571100 | Contingency Reserve-Discretionary ** | 0 | 43,899 |
| Cable Fund Services | | \$ 50,583 | \$ 91,185 |
| TOTAL | | \$844,586 | \$675,003 |
| Total funded by dedicated PEG resources plus Conting., Reserve. | | \$ 164,047 | \$ 209,517 |
| Total funded by Jurisdictions | | \$ 480,539 | \$ 465,486 |

*** Dedicated funds and resources:**

1. Interest from MHCRC Fund Balance

2. Dedicated PEG Capital Funds

** Resource from compliance revenues

OPERATING BUDGET - LINE ITEM DETAIL

Fiscal Year 2008-09

Proposed

| Line Item | Description | FY 2008-09 | | | FY 2007-08 | | |
|-----------|---------------------------------|----------------------|-----------------|------------------|----------------------|-----------------|------------------|
| | | Commission Operation | Grant / I-Net | Total | Commission Operation | Grants / I-Net | Total |
| 5110 | <i>Employees :</i> | | | | | | |
| | Director 0.50 | 55,469 | 2,311 | 57,780 | 53,457 | 2,227 | 55,684 |
| | Dep. Director 0.50 | 43,665 | 2,787 | 46,452 | 38,269 | 2,443 | 40,712 |
| | Financial Analyst 0.50 | 27,535 | 11,801 | 39,336 | 26,813 | 11,491 | 38,304 |
| | Program Manager 0.80 | 43,072 | 23,192 | 66,264 | 41,941 | 22,583 | 64,524 |
| | Program Specialist 1.00 | 49,917 | 16,639 | 66,556 | 48,612 | 16,204 | 64,816 |
| | Office Support Sp III 0.50 | 22,516 | | 22,516 | 18,996 | | 18,996 |
| | Total 3.80 | \$242,173 | \$56,731 | \$298,904 | \$228,088 | \$54,948 | \$283,036 |
| 5170 | <i>Benefits:</i> | | | | | | |
| | Director 0.50 | 18,640 | 777 | 19,417 | 17,594 | 733 | 18,327 |
| | Dep. Director 0.50 | 16,273 | 1,039 | 17,312 | 14,047 | 897 | 14,944 |
| | Financial Analyst 0.50 | 11,004 | 4,716 | 15,720 | 10,601 | 4,543 | 15,144 |
| | Program Manager 0.80 | 17,503 | 9,425 | 26,928 | 16,856 | 9,076 | 25,932 |
| | Program Specialist 1.00 | 21,515 | 7,172 | 28,686 | 20,706 | 6,902 | 27,608 |
| | Office Support Sp III 0.50 | 9,970 | 0 | 9,970 | 9,528 | | 9,528 |
| | Total 3.80 | \$94,905 | \$23,128 | \$118,033 | \$89,332 | \$22,151 | \$111,483 |
| 5210 | <i>Professional Services:</i> | | | | | | |
| | Engineering Tech. Services | 3,000 | 40,000 | 43,000 | 4,000 | 49,000 | 53,000 |
| | Outreach | 2,000 | 20,000 | 22,000 | 0 | 8,000 | 8,000 |
| | Outside Legal Services | 2,000 | 0 | 2,000 | | | |
| | Financial Services | 9,000 | 3,000 | 12,000 | 9,000 | 5,000 | 14,000 |
| | NATOA Sponsorship | 0 | | 0 | 5,000 | | |
| | MHCRC and Staff Retreat | 3,500 | | 3,500 | 3,500 | 0 | 3,500 |
| | Total | \$19,500 | \$63,000 | \$82,500 | \$21,500 | \$62,000 | \$78,500 |
| 5290 | <i>Miscellaneous Services :</i> | | | | | | |
| | Temp. Clerical Suppt | 0 | 0 | 0 | 2,000 | 0 | 2,000 |
| | Mail Delivery Service | 1,200 | 0 | 1,200 | 1,200 | 0 | 1,200 |
| | Total | \$1,200 | 0 | \$1,200 | \$3,200 | \$0 | \$3,200 |
| 5310 | Office Supplies | \$ 1,825 | \$ - | \$1,825 | \$ 1,500 | 0 | \$1,500 |
| 5320 | <i>Operating Supplies:</i> | | | | | | |
| | Printer, Fax, & other supplies | 2,500 | 0 | 2,500 | 2,000 | 0 | 2,000 |
| | Software Upgrade | 1,000 | 0 | 1,000 | 1,100 | 0 | 1,100 |
| 5350 | Data Processing Equip. | 1,000 | | 1,000 | 2,500 | | 2,500 |
| | Total | \$4,500 | \$0 | \$4,500 | \$5,600 | 0 | \$5,600 |
| 5410 | <i>Education:</i> | | | | | | |
| | Computer Training | 1,000 | 0 | 1,000 | 1,200 | 0 | 1,200 |
| | Cable Regulatory Training | 2,000 | 600 | 2,600 | 4,000 | 0 | 4,000 |
| | Total | \$3,000 | \$600 | \$3,600 | \$5,200 | 0 | \$5,200 |

OPERATING BUDGET - LINE ITEM DETAIL

Fiscal Year 2008-09

Proposed

| Line Item | Description | FY 2008-09 | | | FY 2007-08 | | |
|--------------------------|---------------------------------|----------------------|------------------|------------------|----------------------|-------------------|------------------|
| | | Commission Operation | Grant / I-Net | Total | Commission Operation | Grants / I-Net | Total |
| 5420 | Local Travel | 1,400 | 0 | 1,400 | 1,200 | 0 | 1,200 |
| 5430 | Out of Town Travel | \$6,000 | \$1,000 | \$7,000 | \$6,150 | 0 | \$6,150 |
| 5490 | Miscellaneous: | | | | | | |
| | NATO - Membership | 1,100 | 0 | 1,100 | 900 | 0 | 900 |
| | ACM - Membership | 750 | 0 | 750 | 575 | 0 | 575 |
| | Grantmakers of Oregon | 0 | 2,000 | 2,000 | 0 | 1,750 | 1,750 |
| | Subscriptions: | | | | | | |
| | Multichannel News | 900 | 0 | 900 | 900 | 0 | 900 |
| | Telecommunity | 0 | 0 | 0 | 5,000 | 0 | 5,000 |
| | Oregonian | 80 | 0 | 80 | 80 | 0 | 80 |
| | Gresham Outlook | 85 | 0 | 85 | 85 | 0 | 85 |
| | Aspen Publishers | 0 | 0 | 0 | 600 | 0 | 600 |
| | Law Journal Press | 600 | 0 | 600 | 600 | 0 | 600 |
| | Precursor | 0 | 0 | 0 | 350 | 0 | 350 |
| | West Group | 350 | 0 | 350 | 350 | 0 | 350 |
| | Lexis Nexis | 1,400 | 0 | 1,400 | 800 | 0 | 800 |
| | Parking; MHCRC & Customers | 800 | 0 | 800 | 1,100 | 0 | 1,100 |
| | Refreshments for MHCRC meetings | 627 | 1,000 | 1,627 | 600 | 500 | 1,100 |
| | Total | \$6,692 | \$3,000 | \$9,692 | \$11,940 | \$2,250 | \$14,190 |
| Internal Service: | | | | | | | |
| 5510 | Fleet Services | 156 | 0 | 156 | 156 | 0 | 156 |
| 5520 | Print/Distribution | 6,125 | 1,582 | 7,707 | 7,183 | 1,731 | 8,914 |
| 5530 | Facilities Services | 8,625 | 2,228 | 10,853 | 23,114 | 5,589 | 28,683 |
| 5,540 | Information Technology (IT) | 13,511 | 3,489 | 17,000 | 17,193 | 4,142 | 21,335 |
| 5560 | Insurance/Worker's Comp. | 6,551 | 1,692 | 8,243 | 7,217 | 1,739 | 8,956 |
| 558312 | Legal Advice | 7,805 | 3,400 | 11,205 | 7,500 | 3,400 | 10,900 |
| Other: | | | | | | | |
| 572101 | Overhead | 11,658 | 3,011 | 14,669 | 14,175 | 3,415 | 17,590 |
| 571100 | COLA - EC Share | 10,679 | 2,758 | 13,437 | 11,218 | 2,703 | 13,921 |
| 571100 | Contingency | 19,180 | 0 | 19,180 | 19,072 | 0 | 19,072 |
| | Total Other | \$41,517 | \$5,769 | \$47,286 | \$44,465 | \$6,118 | \$50,583 |
| | Operating Budget | \$465,486 | | | \$480,538 | | |
| 571100 | Contingency-Reserve (1) | 43,899 | 0 | 43,899 | 19,072 | 0 | 19,072 |
| | Total without Reserve | | \$165,618 | | | \$ 164,048 | |
| | Total | | | \$675,003 | | | \$639,586 |

(1) Resource from compliance revenues

APPENDIX TWO

BUDGET ALLOCATION BY JURISDICTION

All member Jurisdictions contribute to the operation of the MHCRC. For FY 2008-09, the Commission used the funding methodology adopted by the Jurisdictions. The methodology is based on an agreed upon shared percentage of the Commission's operating costs between Portland and the East County Jurisdictions. The East County share is then allocated among Fairview, Gresham, Troutdale, Wood Village and Multnomah County based on the number of cable subscribers in each Jurisdiction.

**BUDGET ALLOCATION BY JURISDICTION
COMMISSION OPERATING BUDGET
FY 2008-09**

Operating Budget Total: \$ 465,486

| JURISDICTION | | | FY 2007-08 Adopted | FY 08-09 %% | FY 2008-09 Proposed | FY 06-07 %% | Credit Balance FY 05-06 | Net Juris. Appr. |
|------------------------|---------------------|---------------------|-------------------------------|------------------------|--------------------------------|------------------------|------------------------------------|-----------------------------|
| Portland | Subscriber | | \$318,597 | 66.3% | \$308,617 | 66.3% | 18,887 | \$ 289,730 |
| | Distribution | | | | | | | |
| E. County | No. Of Subs | Perc. Distr. | | | | | | |
| Gresham | 19,652 | 70.1% | \$107,562 | 22.4% | \$109,986 | 23.6% | \$1,462 | \$108,524 |
| Multnomah Co. | 2,563 | 9.1% | \$22,644 | 4.7% | \$14,344 | 3.1% | \$302 | \$14,042 |
| Troutdale | 3,153 | 11.2% | \$17,386 | 3.8% | \$17,646 | 3.8% | \$240 | \$17,406 |
| Fairview | 2,059 | 7.3% | \$10,423 | 2.2% | \$11,524 | 2.5% | \$122 | \$11,402 |
| Wood Village | 602 | 2.1% | \$3,927 | 0.8% | \$3,369 | 0.7% | \$55 | \$3,314 |
| E. County Total | 28,029 | 100.0% | \$161,942 | 33.7% | \$ 158,889 | 33.7% | \$ 2,181 | \$ 154,688 |
| Total | | | \$480,539 | 100.0% | \$465,486 | 100.0% | \$ 21,068 | \$ 444,418 |

**MT HOOD CABLE REGULATORY COMMISSION
CABLE SUBSCRIBERSHIP**

| Jurisdictions | Jul-06 | Jul-07 | FY 2008-09 Distribution | Percentage Incr./Decr |
|--|----------------|----------------|------------------------------------|----------------------------------|
| E. County | | | | |
| Gresham | 19,309 | 19,652 | 70.1% | 1.8% |
| Multnomah Co. E & W | 4,065 | 2,563 | 9.1% | -36.9% |
| Troutdale | 3,121 | 3,153 | 11.2% | 1.0% |
| Fairview | 1,871 | 2,059 | 7.3% | 10.0% |
| Wood Village | 705 | 602 | 2.1% | -14.6% |
| E. County Total | 29,071 | 28,029 | 100.0% | -3.6% |
| Portland | 118,644 | 123,228 | | 3.9% |
| Total MHCRC Subscribers | 147,715 | 151,257 | | 2.4% |
| Source: Comcast Subscriber Penetration Report | | | | |
| July-06 | | | | |
| July-07 | | | | |

APPENDIX THREE

FRANCHISE FEE REVENUE AND DISBURSEMENT DETAIL

**FRANCHISE FEE REVENUES AND DISBURSEMENTS
FY 2008-09
PROPOSED**

| Jurisdictions | Franchise Fees | Net Budget Appropriation | MetroEast | PCM | Payments to Jurisdictions |
|---------------------------|--------------------|--------------------------|------------------|------------------|---------------------------|
| Portland | | 289,730 | | \$896,322 | |
| GRESHAM | 794,019 | 108,524 | 476,411 | | 209,083 |
| MULTNOMAH CO., EAST | 48,040 | 14,042 | 28,824 | | 5,174 |
| MULTNOMAH CO., WEST | 55,515 | N/A | N/A | 33,309 | 22,206 |
| TROUTDALE | 127,394 | 17,406 | 76,436 | | 33,551 |
| FAIRVIEW | 83,192 | 11,402 | 49,915 | | 21,875 |
| WOOD VILLAGE | 24,323 | 3,314 | 14,594 | | 6,415 |
| Total, East County | \$1,132,483 | \$154,688 | \$646,181 | \$33,309 | \$298,305 |
| Total | - | \$444,418 | - | \$929,631 | - |

FY 2008-09 Budget less FY 2006-07 Credit Balance

| Jurisdictions | FY 2008-09 Proposed | Credit Balance FY 06-07 | Net Budg. Approp. FY 2008-09 |
|-------------------------------|---------------------|-------------------------|------------------------------|
| PORTLAND | 308,617 | 18,887 | 289,730 |
| GRESHAM | 109,986 | 1,462 | 108,524 |
| MULTNOMAH CO. | 14,344 | 302 | 14,042 |
| TROUTDALE | 17,646 | 240 | 17,406 |
| FAIRVIEW | 11,524 | 122 | 11,402 |
| WOOD VILLAGE | 3,369 | 55 | 3,314 |
| Sub Total, East County | \$156,868 | \$2,181 | \$154,688 |
| Total | \$465,486 | \$21,068 | \$444,418 |

FRANCHISE FEE BALANCE TO JURISDICTIONS:

| Jurisdictions | FY 05-06 Actual | FY 06-07 Actual | FY 07-08 Projection | FY 08-09 Projection | Increase/ (decr) 07/08 vs., 08/09 |
|---------------------|------------------|------------------|---------------------|---------------------|-----------------------------------|
| GRESHAM | 180,923 | 211,500 | 180,458 | 209,083 | \$28,625 |
| MULTNOMAH CO., EAST | 18,443 | 5,767 | 17,194 | 5,174 | (\$12,020) |
| MULTNOMAH CO., WEST | 24,479 | 24,015 | 20,356 | 22,206 | \$1,850 |
| TROUTDALE | 30,074 | 36,322 | 29,504 | 33,551 | \$4,047 |
| FAIRVIEW | 18,983 | 23,259 | 17,608 | 21,875 | \$4,267 |
| WOOD VILLAGE | 6,078 | 6,852 | 6,666 | 6,415 | (\$251) |
| | \$278,980 | \$307,715 | \$271,786 | \$298,305 | \$26,519 |

APPENDIX FOUR

ACCESS DISBURSEMENT DETAIL (MetroEast and PCM)

The Commission administers two contracts with the community access providers that serve the Jurisdictions. Attachment 1 presents the FY 2008-09 budget for MetroEast Community Media (MetroEast). MetroEast serves the East Multnomah County area. Attachment 2 presents the FY 2008-09 budget for Portland Community Media (PCM). PCM serves the City of Portland area.

The access providers receive funding for both operations and capital expenditures. The majority of PCM's operational resources is based on a contract between PCM and the City of Portland and is not included in the MHCRC's budget. MetroEast receives operational resources, in accordance with the IGA that created the Commission, based on 60 percent of the franchise fees for the East County area. Both organizations receive access corporation capital funding from franchise resources dedicated for this use.

A summary chart of Access Resources is included below.

1. MetroEast Community Media:

| | |
|--|-------------------|
| Community Access Payment: | |
| 60 % of East County Cable Franchise Fees | \$ 642,746 |
| <u>Access Corporation Capital</u> | <u>\$ 559,834</u> |
| Total | \$1,202,580 |

2. Portland Community Media:

| | |
|-----------------------------------|-------------------|
| Community Access Payment: | |
| City of Portland General Fund | \$ 896,322 |
| 60% of West Multnomah County | \$ 36,744 |
| <u>Access Corporation Capital</u> | <u>\$ 645,661</u> |
| Total | \$ 1,578,726 |

Attachment 1

METROEAST COMMUNITY MEDIA BUDGET

FISCAL YEAR 2008-09

METROEAST COMMUNITY MEDIA FY 2008-09 BUDGET NARRATIVE

MetroEast Community Media, East Metro's truly local electronic media, pursues its mission of building community through media by promoting broad participation in civic and cultural life through the effective use and understanding of community media. A non-profit organization, MetroEast provides East Metro residents, community organizations, local governments, and schools free and low cost access to the medium of television and other means of distribution, media literacy training, and video production. MetroEast and citizen-produced programming is distributed to over 65% of East Metro households and over 400,000 households in the Portland metropolitan region. MetroEast produces city council meetings and work sessions and other government and community meetings as well as programming used as educational and informational tools at meetings, community forums and classroom settings.

WHAT WE DO

MetroEast produces and facilitates programming with many diverse partners and on wide-ranging topics. MetroEast partnered with over 200 community organizations and facilitated over 3000 hours of programming in FY 2008-09, including:

- Live and taped coverage of East Metro local governments, including city council and planning commission meetings and budget and special hearings as well as the Rockwood Water PUD, and Metro.
- Working with educational partners in East Multnomah County to produce programs on academic and extracurricular activities in local schools, coverage of school board meetings and programs on school safety.
- Provided the only regular electronic media coverage of the East Metro area.
- Increasing citizen involvement through programs such as *Candidate Speak Out*, a live call-in for local candidates, and *Community Hotline*, a live call-in program where community organizations provide information and answer questions about their services.
- Development and deployment of the Oregon Learning Lab for Information and Education (OLLIE,) a mobile facility for use by schools and community groups that provides access to training and tools to use technology to improve learning and build community.
- Coverage of local community events such as the Gresham Area Chamber of Commerce's benefit breakfast and public affairs forums, Gresham's *Teddy Bear Parade*, *Senior Showcase*, *Civic Agenda* and *MetroEast Outlook*.

HOW WE DO IT

MetroEast makes these services possible through training, access to equipment, staff support and program production. For the past several years, use of MetroEast facilities and hours of programming produced at MetroEast has increased; these trends continued this year continued. In FY 2008-09, MetroEast will:

- Offer training to 650 people in 125 classes
- Produce and facilitate more than 3000 hours of programming by, for and about East Metro, its residents and their concerns and issues
- Have 300 volunteers give 10,000 hours of their time to MetroEast and the community
- Loan equipment to community members who are creating programming for and about the East Metro area for more than 2,200 days
- Provide more than 75 hours of staff assistance and support to the public each week, an annual total of more than 3,900 hours.

PREPARING FOR THE FUTURE

MetroEast's strategic plan is based on information gathered from a community needs assessment and includes the following strategic directions:

- Building community through media by incorporating a broadened range of media tools, including diversified delivery systems, and serving as a community gathering space for opportunities for face-to-face dialogue.
- Innovating in our practices and processes by challenging ourselves to create new ways of doing business, including expanding partnerships and researching best and emerging practices in the field.
- Catalyzing diverse and responsive programming by facilitating and creating additional community issue forums and other programming that directly responds to East Metro area community needs.
- Improving visibility and awareness by articulating the benefits of MetroEast programming and services based on understanding audience/constituent needs and wants.
- Developing partnerships to diversify funding by seeking grant funding, earned income and other opportunities to supplement cable-related resources.

- Making it easy by lowering the technical threshold to aid the participation of diverse individuals, community groups and local governments and creating ways to “meet groups where they are” as a starting point for their involvement.
- Administering and governing with accountability through board and staff development, planning, and financial oversight.

MetroEast is continuing to pursue these strategic directions through new activities such as providing training and access to new methods of program distribution and producing new programs designed to increase public knowledge about the activities of East Metro local governments.

THE NUMBERS

MetroEast’s non-capital expenditures have remained relatively stable over the years. One notable increase in recent years is found in the Consulting (6041.) .) Thanks to a grant, a new full-time employee will be added to OLLIE staff in FY 08-09. Both the OLLIE Director and this new staff person are PCM employees. MetroEast’s share of both salaries shows in the consulting line.

Capital expenditures have fluctuated significantly over the past few years due to property acquisition and other expenditures (e.g., architectural fees, building permits) for MetroEast’s new facility. Construction of the new facility was completed in November of 2005 and became fully operational in the spring of 2006. (Building payments are reflected in line items 8011, 8013, 8014, 8015.)

The revenue in line item 4200 (Other) includes already committed grant funding and is conservatively based on recent success in garnering funding for OLLIE.

Long-term debt reduction (8014) and long-term interest (8011) can vary significantly from year-to-year due to the provisions of the loans used to finance MetroEast’s building.

METROEAST COMMUNITY MEDIA
FY 2008-09 PEG BUDGET
LINE ITEM EXPLANATION

INCOME:

4130 Multnomah Franchise Fees

Five percent of gross revenue of Comcast for East Multnomah County system, of which MetroEast receives 60 percent.

4140 PCM Educational Services Support

MetroEast provides educational services to six East County school districts that overlap into Portland. Through an agreement with Portland Community Media, MetroEast received payment for services provided for these areas.

4090 Interest

Income projected on current interest rates.

4200 Other

Tape duplication, refunds, special events, underwriting, donations.

4270 Activity/Fees for Service

Moneys from activity fees and charging for MetroEast services.

4172 Capital Funds

Moneys from franchise capital revenues dedicated to PEG access providers.

4162 Investment Withdrawal

Withdrawals from MetroEast's investment fund.

4182 Loan Proceeds

Proceeds from building loans.

EXPENSES:

7020 Full-time Salaries.

Salaries for full-time employees.

7030 Part-time Salaries

Salaries for part-time employees.

7050 Taxes & Benefits

Includes pension plan contribution, insurances, FICA, Tri-Met and state unemployment tax.

6020 Accounting

Cost of annual audit and accounting support services.

6041 Consulting

Outside professional services except for accounting, graphics, legal, janitorial and equipment repair.

6051 Dues and Subscriptions

Cable, magazine and newspaper subscriptions, professional memberships.

6060 Educational Program Acquisition

Purchase, rental, or licensing fee for any acquired programming.

6061 Education and Training

Training and education for nine Board members and fifteen employees.

6062 Business Meals/Related

Meals purchased for business-related purposes.

6063 Education Tuition Reimbursement

Costs for tuition reimbursement.

6064 Events

Speakers fees, facility rental and other costs associated with special events.

6070 Food

Food for volunteer crews working on MetroEast productions and for events.

6080 Graphics

Video and print services used in connection with promotional items.

6100 Insurance

Workers' Compensation, Volunteer, Liability (including property and auto), Excess Liability, Media Special Perils, Officers and Directors, Pension Board.

6110 Janitorial

Janitorial services.

6130 Legal

Attorney's fees for consultation and advice.

6131 Local Travel and Mileage

Employee reimbursement for business-related mileage and parking.

6140 Maintenance Supplies

Supplies used to repair and maintain equipment that last less than one year.

6160 Office Supplies

Items that are less than \$100 and that last less than one year.

6161 Operating Supplies

Production-related items that are less than \$100 and last less than one year.

6170 Personnel Recruitment

Advertising for position openings.

6171 Phones

Includes regular and cellular service.

6172 Postage:

All outgoing postage, express services, parcel shipping and other shipping.

6173 Printing

Printing done outside including newsletter, invitations, handbook, forms.

6174 Marketing and Promotion

Advertising (except job openings), promotional items, marketing surveys and services.

6190 Repairs and Maintenance

Routine and emergency maintenance.

6200 Rent, Utilities and Maintenance

Payments made to Mt. Hood Community College for building (includes utilities and College services.)

6211 Travel

Transportation to regional and national conferences and seminars.

6220 Utilities and Maintenance

Utilities, including water and electricity and building maintenance.

6230 Vehicle Maintenance

Maintenance and repairs for two vehicles.

8001 Miscellaneous Debt Expense

Fees for and interest on building loan.

8002 Books

Training books, videos, and other books.

8003 Maintenance Supplies

Supplies used to repair and maintain equipment that last less than one year.

8004 Office Supplies

Items that are less than \$100 and that last less than one year.

8005 Operating Supplies

Production-related items that are less than \$100 and last less than one year.

8006 Repairs & Maintenance

Routine and emergency maintenance.

8007 Videotape

Blank videotape (Digital, VHS, SVHS)

8008 Debt Reduction - Equipment Lease

Reduction of principle on equipment lease

8009 Interest - Equipment Lease

Interest payments on equipment lease.

8011 Interest - Short Term Loans

Interest payments on short term loans

8013 Interest on Long Term Loan

Interest payments on Key Bank Loan

8014 Debt Reduction - Short Term Loans

Payments on principle of short term loans.

8015 Debt Reduction - Long Term Loan

Payments on Key Bank loan principle.

8016 Building Maintenance Fund

Funds for future maintenance costs.

8020 Building Construction

Construction costs for new facility.

8021 Property Taxes

Property taxes paid to Multnomah County.

8030 Leasehold Improvements
Improvements to MetroEast building.

8016 Building Maintenance Fund
Funds set aside for major long-term maintenance (e.g., roof replacement.)

8040 Office Equipment
Office equipment in excess of \$100 such as computers, copiers, fax machines.

8050 Office Furnishings
Items in excess of \$100 such as desks, chairs, cabinets, bookcases, file cabinets.

8060 Production and Maintenance Equipment:
Items in excess of \$100 for production, playback and engineering. Includes funds for emergency purchases. See attached for detail.

PROPOSED BUDGET
METROEAST COMMUNITY MEDIA
FY 2008-09

| | ACTUAL 2005-06 | ACTUAL 2006-07 | ACTUAL 2007-08 (1/4/08) | BUDGET 2007-08 | PROPOSED BUDGET 2008-09 |
|---------------------------------------|---------------------|---------------------|-------------------------------|---------------------|-------------------------------|
| INCOME: | | | | | |
| 4130 Franchise Fees, Multnomah | \$ 550,997 | \$ 564,772 | \$ 316,468 | \$ 583,008 | \$ 642,746 |
| 4140 PCM Educational Services Support | 41,497 | 17,403 | 0 | 0 | |
| 4090 Interest | 600 | 150 | 53 | 100 | 100 |
| 4270 Activity Fees/Fees for Service | 30,000 | 27,500 | 5,842 | 18,000 | 14,000 |
| 4200 Other | 10,000 | 4,500 | 14,481 | 49,100 | 49,000 |
| 4172 Capital Funds | 442,508 | 458,304 | 235,661 | 484,339 | 559,834 |
| 4162 Investment Fund Withdrawal | 294,500 | 250,337 | 103,974 | 282,791 | 296,860 |
| 4182 Loan Proceeds | 460,000 | 0 | 0 | 0 | 0 |
| TOTAL OPERATING INCOME | \$ 1,830,102 | \$ 1,322,966 | \$ 676,479 | \$ 1,417,338 | \$ 1,562,540 |
| EXPENSES: | | | | | |
| Personnel | | | | | |
| 7020 Full-Time Salaries | \$ 467,216 | \$ 470,863 | \$ 249,174 | \$ 483,376 | \$ 523,846 |
| 7030 Part-Time Salaries | 54,976 | 78,677 | 48,157 | 90,861 | 83,539 |
| 7050 Taxes & Fringe Benefits | 129,032 | 150,014 | 75,472 | 160,786 | 157,920 |
| Total Personal Services | \$ 651,224 | \$ 699,554 | \$ 372,804 | \$ 735,023 | \$ 765,305 |
| Operations | | | | | |
| | ACTUAL 2005-06 | ACTUAL 2006-07 | ACTUAL 2007-08 (1/4/08) | BUDGET 2007-08 | PROPOSED BUDGET 2008-09 |
| 6020 Accounting | \$ 15,500 | \$ 15,187 | \$ 15,257 | \$ 17,000 | \$ 16,500 |
| 6041 Consulting | 25,526 | 44,418 | 23,465 | 35,793 | 54,000 |
| 6051 Dues & Subscriptions | 10,885 | 14,138 | 5,731 | 12,000 | 14,000 |
| 6060 Educational Program Acquisition | 300 | (334) | 0 | 300 | 300 |
| 6061 Education & Training | 8,935 | 9,633 | 3,020 | 7,051 | 8,055 |
| 6062 Business Meals/Related | 2,500 | 1,775 | 372 | 2,250 | 2,500 |
| 6063 Ed. Tuition Reimbursement | 0 | 0 | 0 | 200 | 200 |
| 6064 Events | 1,000 | 0 | 2,292 | 1,000 | 2,500 |
| 6070 Food | 8,000 | 8,269 | 3,262 | 8,000 | 8,500 |
| 6080 Graphics | 2,500 | 0 | 0 | 0 | 0 |
| 6100 Insurance | 37,500 | 40,231 | 36,311 | 42,000 | 45,000 |
| 6110 Janitorial | 7,500 | 9,649 | 4,800 | 9,000 | 9,800 |
| 6130 Legal | 4,000 | 4,863 | 3,648 | 4,000 | 5,500 |
| 6131 Local Travel & Mileage | 1,037 | 2,179 | 696 | 2,120 | 2,860 |
| 6140 Maintenance Supplies | 958 | 649 | 704 | 1,588 | 1,472 |
| 6160 Office Supplies | 1,871 | 3,231 | 2,831 | 2,930 | 3,569 |
| 6161 Operation Supplies | 3,410 | 9,099 | 2,325 | 4,500 | 6,542 |
| 6170 Personnel Recruitment | 1,000 | 0 | 2,789 | 1,000 | 1,230 |
| 6171 Phones | 7,500 | 7,926 | 4,070 | 7,150 | 7,421 |
| 6172 Postage | 7,000 | 7,129 | 1,790 | 5,900 | 6,189 |
| 6173 Printing | 4,300 | 13,166 | 6,387 | 6,250 | 9,488 |
| 6174 Marketing/Promotion | 2,461 | 9,615 | 3,085 | 5,000 | 5,534 |
| 6190 Repairs & Maintenance | 1,616 | 7,285 | 2,618 | 2,300 | 4,001 |
| 6200 Rent, Utilities, Maintenance | 16,315 | 0 | 0 | 0 | 0 |
| 6211 Travel | 4,900 | 5,838 | 52 | 5,544 | 5,340 |
| 6220 Utilities and Maintenance | | 15,715 | 8,520 | 14,500 | 16,400 |
| 6230 Vehicle Maintenance | 500 | 405 | 0 | 500 | 500 |
| Total Materials & Services | \$ 177,014 | \$ 230,066 | \$ 134,026 | \$ 197,876 | \$ 237,401 |

PROPOSED BUDGET
METROEAST COMMUNITY MEDIA
FY 2008-09

| | ACTUAL | ACTUAL | ACTUAL | BUDGET | PROPOSED |
|--|---------------------|---------------------|-------------------|---------------------|---------------------|
| Capital | 2005-06 | 2006-07 | 2007-08 | 2007-08 | BUDGET |
| | | | (1/4/08) | | 2008-09 |
| 8001 Misc. Debt Expense | | \$ 3,750 | \$ 0 | \$ 5,000 | |
| 8002 Books | 175 | 0 | 0 | 175 | 125 |
| 8003 Maintenance Supplies | 2,954 | 0 | 0 | 3,000 | 3,000 |
| 8004 Office Supplies | 407 | 2,839 | 2,467 | 800 | 2,200 |
| 8005 Operation Supplies | 764 | 11,880 | 708 | 800 | 4,687 |
| 8006 Repairs & Maintenance | 1,075 | 0 | 0 | 1,000 | 1,000 |
| 8007 Videotape | 500 | 2,667 | 410 | 1,000 | 1,500 |
| 8008 Equipment lease - Debt Reduction | 0 | 27,185 | 14,640 | 30,027 | 33,165 |
| 8009 Equipment lease - Interest | 0 | 13,092 | 5,498 | 10,250 | 7,112 |
| 8011 Interest Short Term Loans | 28,428 | 61,333 | 23,974 | 47,776 | 44,281 |
| 8013 Interest Long Term Loan | 32,005 | 63,761 | 36,937 | 116,517 | 113,718 |
| 8014 Debt Reduction - Short Term Loans | 31,899 | 160,000 | 0 | 73,436 | 146,216 |
| 8015 Debt Reduction - Long Term Loan | 5,646 | 10,666 | 6,222 | 23,658 | 24,831 |
| 8020 Building | 678,363 | 0 | 0 | 0 | 0 |
| 8021 Property Taxes | 0 | 0 | 0 | 0 | 0 |
| 8030 Leasehold Improvements | 0 | 19,131 | 0 | 5,000 | 11,500 |
| 8016 Building Maintenance Fund | | 11,000 | 2,580 | 11,000 | 11,500 |
| 8040 Office Equipment | 20,000 | 33,240 | 0 | 25,000 | 25,000 |
| 8050 Office Furnishings | 10,000 | 1,908 | 0 | 10,000 | 10,000 |
| 8060 Production & Maintenance Equip. | 105,984 | 138,582 | 63,998 | 120,000 | 120,000 |
| Total Capital | \$ 918,200 | \$ 561,034 | \$ 157,435 | \$ 484,439 | \$ 559,835 |
| | | | | | |
| TOTAL OPERATING EXPENSES | \$ 1,746,438 | \$ 1,490,654 | \$ 664,264 | \$ 1,417,338 | \$ 1,562,541 |

Attachment 2

PORTLAND COMMUNITY MEDIA BUDGET

FISCAL YEAR 2008-09



P O R T L A N D C O M M U N I T Y M E D I A
2766 NE Martin Luther King Jr. Blvd Portland OR 97212
Phone 503 288-1515 Fax 503 288-8173 www.pcmv.org

April 14, 2008

Norm Thomas, Chair
Mt Hood Cable Regulatory Commission
1120 SW Fifth Ave., Suite 1305
Portland, OR 97204

Dear Norm,

Enclosed are Portland Community Media's Operating and Capital Budgets for FY 2008-2009 as approved by the PCM Board of Directors at the March 25, 2008 meeting.

The operating budget was developed with the following assumptions:

1. The City Contract base funding is \$896,322.
2. PCM will continue to develop diversified revenue from grants, projects, new services and other sources.
3. PCM and MetroEast will continue to share the revenue and operating expenses of the OLLIE project.
4. Investment funds of up to \$149,341 may be used for operating expenses. These funds are expected to come from interest and not from investment principal.

The allocation for capital expenditures is \$645,661. The proposed capital budget focuses on the following primary objectives:

- Upgrading public access on-site, field and media education computers to provide updated capacity, technology and software
- Maintaining and improving mobile production capacity for Production Department and community volunteer producers through upgrades to production truck equipment
- Continuing implementation of Access 2.0 to adopt and integrate new technology to improve and expand delivery of community media services to community members, community based and non-profit organizations, youth and the viewing public
- Beginning replacement of DVCam decks at City Hall
- Upgrading PCM's capacity to integrate with standard broadcast technology through a Fiber optic CCU link
- Maintaining and upgrading equipment for youth media services
- Expansion of in-house server capacity to support additional demands

PCM appreciates the ongoing support of the MHCRC and looks forward to working with the Commission in the future as community media continues to develop and evolve in our community.

If you have any questions please feel free to contact me.

Sincerely,

Susan Salkield

Susan Salkield
Planning and Development Director

Cc: David Olson, Julie Omelchuck, Sebastian Rodriguez

Prepared March 21 2008

**PORTLAND COMMUNITY MEDIA
OPERATING & CAPITAL BUDGETS 2004-2009**

| Account # | | ACTUAL 2004-2005 | ACTUAL 2005-2006 | ACTUAL 2006-2007 | MIDYEAR ADJUSTED 2007-2008 | APPROVED BUDGET 2008-2009 |
|-----------|-------------------------------|---------------------|---------------------|---------------------|----------------------------------|---------------------------------|
| | REVENUE: | | | | | |
| 4000 | Contract City Portland | 741,828 | 756,356 | 774,846 | 867,292 | 896,322 |
| 4005 | Franchise Mult. West | 32,895 | 36,708 | 41,531 | 37,637 | 36,744 |
| 4100 | Special Projects | 26,421 | 79,154 | 91,273 | 110,000 | 110,000 |
| 4200 | Community Service | 6,860 | 6,140 | 6,970 | 10,000 | 10,000 |
| 4214 | Access 2.0 Operating Support | | | | 30,720 | 28,160 |
| 4215 | New Services Revenue | | | | 4,000 | 10,000 |
| 4250 | Contributions | | | 969 | 5,000 | 15,000 |
| 4300 | Media Education | 14,781 | 13,178 | 17,504 | 9,000 | 9,000 |
| 4301 | MetroEast Ollie Reimbursement | | 33,541 | 33,722 | 41,007 | 41,007 |
| 4325 | Youth Media | 11,370 | 18,850 | 74,095 | 40,000 | 55,000 |
| 4326 | Adventures Kit Revenue | 1,394 | 93 | 160 | | |
| 4350 | CMRD | | | | | |
| 4355 | Grants/Capacity Building | | 27,000 | | 10,000 | 10,000 |
| 4400 | Board Community Fund Raising | 2,188 | 0 | 14,955 | 10,000 | 10,000 |
| 4409 | Energy Savings Project | | | | | |
| 4410 | Misc Income | 26,808 | 8,764 | 2,954 | 3,229 | 4,000 |
| 4412 | Damages paid for equipment | 289 | 287 | 108 | | |
| 4580 | Tape / Disk Sales | 17,973 | 17,871 | 18,038 | 20,000 | 20,000 |
| 4581 | Dubbing | 2,299 | 3,233 | 3,298 | 2,000 | 2,000 |
| 4585 | User fees | | | | | |
| 4700 | Contract Interest - Delauney | | | | | |
| 4710 | Checking Acct. Interest | 3,058 | 5,667 | 4,724 | 2,000 | 2,000 |
| 4711 | Interest on Capital Funds | | | 72 | 40,000 | 40,000 |
| 4715 | Investment Fund Income | 826 | 63 | 28 | | |
| 4800 | Interest Investments | | | | | |
| 4805 | Interest USB Bonds/Notes | 33,783 | 17,572 | 1,034 | 25,000 | 25,000 |
| 4806 | REIT Distribution Income | | 22,772 | | | |
| 4810 | Dividends Investment | 27,150 | 32,257 | 66,240 | 75,000 | 75,000 |
| 4811 | Earnings Domini Investments | | | | | |
| 4812 | Lease Revenues | | | | | |
| 4820 | Interest - Internal | | | | | |
| 4830 | Gain of Sale | 21,638 | 31,785 | 8,775 | | |
| 4831 | Unrealized Gain / Loss | | | | | |
| 4908 | PEG Capital grant-Sound track | | | | | |
| 4909 | Capital Grant income | 308,710 | 526,984 | 540,960 | 565,006 | 645,661 |
| 4910 | Capital Grant Ollie | 102,957 | | | | |
| 4911 | Capital Grant Access 2.0 | | | | 162,500 | 62,000 |
| 4998 | Investment Funds Used | 119,835 | | | 61,228 | 149,341 |
| | TOTAL REVENUE | 1,502,863 | 1,638,276 | 1,702,257 | 2,130,619 | 2,256,235 |

| Account # | | ACTUAL 2004-2005 | ACTUAL 2005-2006 | ACTUAL 2006-2007 | MIDYEAR 2007-2008 | APPROVED BUDGET 2008-2009 |
|-----------|-----------------------------|---------------------|---------------------|---------------------|----------------------|---------------------------------|
| | EXPENSES: | | | | | |
| | STAFF RELATED | | | | | |
| 5000 | Payroll Wages | 579,782 | 664,388 | 737,114 | 867,045 | \$1,000,106 |
| 5100 | Payroll Taxes | 60,877 | 68,140 | 73,116 | 87,366 | 97,366 |
| 5110 | 403 (B) Contributions | 18,620 | 12,428 | 12,075 | 12,000 | 16,000 |
| 5111 | Medical & Dental Insurance | 68,250 | 81,516 | 86,438 | 123,752 | 155,252 |
| 5112 | Life & Disability Insurance | 6,500 | 4,252 | 5,590 | 5,000 | 5,000 |

| | | | | | | |
|----------|------------------------------|---------|---------|---------|-----------|-----------|
| 5200 | Employee Recruitment | 1,000 | 8,972 | 511 | 15,000 | 3,000 |
| 5300 | Training & Education - Staff | 10,000 | 12,934 | 5,884 | 20,000 | 20,000 |
| 5350 | Training & Education - Board | | 2,450 | 1,715 | 5,500 | 5,500 |
| 5400 | Travel - local | 500 | 0 | 36 | | |
| 5401 | Travel - out of town | 3,000 | 14,527 | 10,705 | 10,000 | 12,000 |
| 5500 | Payroll Service | 3,000 | 16,104 | 17,774 | 15,000 | 15,000 |
| 5501 | Crew Food | 1,000 | 976 | 199 | 1,500 | 1,500 |
| Subtotal | | 752,529 | 886,686 | 951,158 | 1,162,163 | 1,330,724 |

| Account | | ACTUAL 2004-2005 | ACTUAL 2005-2006 | ACTUAL 2006-2007 | MIDYEAR 2007-2008 | APPROVED BUDGET 2008-2009 |
|----------|-------------------------------|---------------------|---------------------|---------------------|----------------------|---------------------------------|
| # | GENERAL OVERHEAD | | | | | |
| 6001 | MCTV Education Dist. | 39,850 | 40,647 | 17,403 | | |
| 6010 | Accounting Audit | 10,000 | 9,843 | 15,495 | 10,000 | 10,000 |
| 6011 | Inventory | 500 | 0 | 0 | | |
| 6020 | Legal | 5,000 | 24,815 | 1,741 | 10,000 | 10,000 |
| 6080 | Computer Consulting | 3,000 | 1,560 | 25,548 | 30,000 | 10,000 |
| 6090 | Professional Services-admin | 4,000 | 41,006 | 11,518 | 18,000 | 17,000 |
| 6096 | Ollie Expenses | | 17,782 | 45,883 | 25,000 | 25,000 |
| 6098 | VISTA Expenses | | 0 | 5,903 | 9,200 | 20,800 |
| 6097 | Ollie Expenses MetroEast | | 12,420 | 9,016 | | |
| 6095 | Adventures In TV | 30,000 | 5,749 | 33 | 5,000 | 5,000 |
| 6150 | Annual Report | 500 | 900 | | | |
| 6151 | Needs Assessment | 5,000 | | | | |
| 6152 | Board Planning | | | | 1,000 | 1,000 |
| 6178 | News letter-community connect | 2,400 | 1,948 | 1,884 | | |
| 6179 | News letter-tecno times | | | | | |
| 6200 | Office Supplies | 7,000 | 17,092 | 19,992 | 12,000 | 12,000 |
| 6290 | Charity Contribution | | 2,600 | 2,500 | | |
| 6300 | Printing - Outsourced | 2,000 | 688 | 2,278 | 5,000 | 5,000 |
| 6301 | Printing - InHouse | 3,000 | 10,411 | 8,493 | 6,000 | 6,000 |
| 6400 | Postage & Shipping | 4,000 | 3,983 | 5,091 | 6,000 | 6,000 |
| 6410 | Miscellaneous Expenses | 2,000 | 898 | (1,215) | 250 | 250 |
| 6500 | Vehicle Fuel | 4,000 | 3,605 | 3,983 | 5,000 | 5,000 |
| 6505 | Vehicle Parking | 1,000 | 1,620 | 1,974 | 3,000 | 3,000 |
| 6580 | Video Tapes | 35,000 | 23,814 | 26,304 | 17,000 | 15,000 |
| 6581 | Dubbing | | | | | |
| 6670 | Marketing | | | | | |
| 6672 | Advertising & Promo | 15,000 | 4,175 | 7,390 | 5,000 | 2,000 |
| 6701 | Pagers & Cell Phones | 4,000 | 6,110 | 6,014 | 6,000 | 6,000 |
| 6702 | Internet Access | 4,000 | 571 | 384 | | |
| 6703 | Phone General | 8,000 | 6,018 | 5,434 | 10,000 | 10,000 |
| 6708 | Interest Miscellaneous | 100 | | 90 | | |
| 6710 | Computer Software | 3,000 | 2,199 | 515 | 500 | 800 |
| 6712 | Albina Bank Loan Charges | | 15,808 | 3,958 | | |
| 6715 | Bank Charges | 1,800 | 3,857 | 5,456 | 8,000 | 8,000 |
| 6716 | Investment Fees | | 6,918 | | | |
| 6720 | Dues & Subscriptions | 4,000 | 1,109 | 1,214 | 3,000 | 6,000 |
| 6729 | Fees | 2,000 | 6,944 | 6,179 | 2,000 | 2,000 |
| 6730 | Fees/Video/Entry Fees | 1,000 | | 480 | 500 | 500 |
| 6800 | Hospitality | 5,000 | 15,539 | 23,545 | 12,000 | 12,000 |
| Subtotal | | 206,150 | 290,631 | 264,484 | 209,450 | 198,350 |

| Account | | ACTUAL | ACTUAL | ACTUAL | MIDYEAR | APPROVED |
|---------|------------------------------|-----------|-----------|-----------|-----------|-----------|
| | | 2004-2005 | 2005-2006 | 2006-2007 | 2007-2008 | BUDGET |
| | | | | | | 2008-2009 |
| # | EQUIPMENT RELATED | | | | | |
| 7000 | Repair - parts | 5,000 | 9,541 | 9,983 | 14,000 | 14,000 |
| 7005 | Repair- Headend Expense | 1,000 | 4,316 | 876 | 500 | 500 |
| 7010 | Repair - small tools | 500 | 4,539 | 2,757 | 1,000 | 1,000 |
| 7015 | Repair - sub-contractor | 28,000 | 42,898 | 33,241 | 26,500 | 26,500 |
| 7016 | Repair City Council Chambers | 2,000 | 557 | 147 | 1,000 | 1,000 |
| 7020 | Replacement bulbs | 3,000 | 323 | 1,980 | 1,500 | 1,500 |
| 7030 | Replacement batteries | 1,500 | 977 | 110 | 1,500 | 1,500 |
| | Subtotal | 41,000 | 63,151 | 49,094 | 46,000 | 46,000 |

| Account | | ACTUAL | ACTUAL | ACTUAL | MIDYEAR | APPROVED |
|---------|--------------------------|-----------|-----------|-----------|-----------|-----------|
| | | 2004-2005 | 2005-2006 | 2006-2007 | 2007-2008 | BUDGET |
| | | | | | | 2008-2009 |
| # | BUILDING RELATED | | | | | |
| 7500 | Janitor Service | 1,500 | 3,420 | 5,040 | 3,500 | 3,500 |
| 7502 | Janitor Service | | | 1,315 | | |
| 7510 | Janitorial Supplies | 2,500 | 3,127 | 2,880 | 1,500 | 1,500 |
| 7620 | Electricity | 14,000 | 18,636 | 20,987 | 19,000 | 19,000 |
| 7622 | Electricity Building # 2 | | 1,380 | 1,690 | 2,500 | 2,500 |
| 7635 | Garbage Removal | 1,500 | 870 | 817 | 1,500 | 1,500 |
| 7640 | Other Utilities | 3,000 | 2,059 | 2,306 | 2,000 | 2,000 |
| 7642 | Other Utilities # 2 | | 700 | 825 | 2,000 | 2,000 |
| 7645 | Natural Gas | 1,500 | 2,506 | 4,034 | 2,500 | 2,500 |
| 7646 | Natural Gas # 2 | | 2,701 | 3,191 | 1,500 | 1,500 |
| 7650 | Vehicle Maintenance | 3,000 | 2,597 | 2,290 | 2,500 | 2,500 |
| 7660 | Landscape Maintenance | 800 | | 808 | 1,500 | 1,500 |
| 7670 | Building Maintenance | 4,000 | 7,860 | 4,724 | 5,000 | 5,000 |
| 7680 | Security Service | 800 | 1,351 | 1,313 | 1,500 | 1,500 |
| | Subtotal | 32,600 | 47,206 | 52,219 | 46,500 | 46,500 |

| Account | | ACTUAL | ACTUAL | ACTUAL | MIDYEAR | APPROVED |
|---------|--------------------------------|-----------|-----------|-----------|-----------|-----------|
| | | 2004-2005 | 2005-2006 | 2006-2007 | 2007-2008 | BUDGET |
| | | | | | | 2008-2009 |
| # | OWNERSHIP COSTS | | | | | |
| 9000 | Insurance - liability | 27,000 | 25,799 | 37,608 | 24,000 | 27,000 |
| 9100 | Bad debts | | | | | |
| 9820 | Interest expense-self financed | | | | | |
| | Contingency | | | | | |
| | Subtotal | 27,000 | 25,799 | 37,608 | 24,000 | 27,000 |

| Account | | ACTUAL | ACTUAL | ACTUAL | MIDYEAR | APPROVED |
|---------|--|------------------|------------------|------------------|------------------|------------------|
| | | 2004-2005 | 2005-2006 | 2006-2007 | 2007-2008 | BUDGET |
| | | | | | | 2008-2009 |
| # | CAPITAL EXPENSE: | | | | | |
| 1630 | Production equipment | 536,893 | 526,984 | 540,960 | 565,006 | 645,661 |
| 1640 | Playback equipment | | | | | |
| | Access 2.0 Grant | | | | 162,500 | 62,000 |
| | Transfer to Operations for salaries associated with capital projects | | | | -85,000 | -100,000 |
| | TOTAL CAPITAL EXPENSE | 536,893 | 526,984 | 540,960 | 642,506 | 607,661 |
| | TOTAL EXPENSES | 1,596,172 | 1,840,456 | 1,895,523 | 2,130,619 | 2,256,235 |

Prepared March 21, 2008

Portland Community Media

CAPITAL BUDGET

FY 2008 – 2009

The allocation for capital expenditures is \$645,661. The proposed capital budget focuses on the following objectives:

- Upgrading public access onsite, field and media education computers to provide updated capacity, technology and software
- Maintaining and improving mobile production capacity for Production Department and community volunteer producers through upgrades to production truck equipment
- Continuing implementation of Access 2.0 to adopt and integrate new technology to improve and expand delivery of community media services to community members, community based and non-profit organizations, youth and the viewing public
- Maintaining and upgrading equipment for youth media services
- Expansion of in-house server capacity to support additional demands

CAPITAL BUDGET DETAIL

Public Access

| | | |
|------------------------------------|--------|---------|
| Apple onsite computer replacements | 36,000 | |
| Apple field computer replacements | 28,000 | |
| I book replacements--field | 40,000 | |
| I book replacements--media ed | 28,000 | |
| | | 132,000 |

New Technology

| | | |
|---------------------------------------|--------|--------|
| In house network and server expansion | 20,000 | |
| | | 20,000 |

Production

| | | |
|---|---------|--|
| DVD Recorders | 10,000 | |
| Replace switchers in truck | 47,000 | |
| Truck camera replacement | 180,000 | |
| DVCam Decks for City Hall (four decks—four additional to be added in 2009/2010) | 25,000 | |

| | | |
|---|------------------|---------|
| Fiber optic CCU link (allows fiber connection to cameras with current broadcast infrastructure in facilities such as the Rose Garden) | 32,661 | 294,661 |
| <u>ACCESS 2.0</u> | | |
| Continued website and database development | 5,000 | |
| Expanded External Network Connection | 2,500 | |
| VOD server | 4,500 | |
| D9 mastering deck replacement | 44,000 | 56,000 |
| <u>Youth Media (OLLIE and Adventures in Television)</u> | | |
| Equipment upgrade | 10,000 | 10,000 |
| <u>Administration</u> | | |
| Computers and Office Machines | 10,000 | |
| ACCPAC system upgrade | 3,000 | |
| Upgrades and system maintenance for general office systems | 5,000 | |
| Telephone system upgrade and buildout | 3,000 | |
| Furniture and chairs | 2,000 | |
| Personnel expenses related to capital projects | 100,000 | 123,000 |
| <u>Contingency</u> | | |
| Video decks | 2,000 | |
| Other | 8,000 | 10,000 |
| TOTAL | \$645,661 | |