

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
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**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 mutli-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		
Operating Budget	19,500	Community Access Payments		
Capital Fund Budget	63,000	East County Fr. Fee Balance		
Total	82,500	Access Corporation Capital		
		Comm. Access Capital Grant		
		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

		FY 2008-09			FY 2007-08		
Line Item	Description	Commission Operation	Grant / I-Net	Total	Commission Operation	Grants / I-Net	Total
5110	Employees :						
	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	Benefits:						
	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	Professional Services:						
	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	Miscellaneous Services :						
	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	Operating Supplies:						
	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	Education:						
	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

		FY 2008-09			FY 2007-08		
Line Item	Description	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:						
	NATOA - 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	5,569	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
Total Internal Service							
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
Operating Budget 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%	\$ 158,869	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%
<p style="text-align: center;"><u>Source: Comcast Subscriber Penetration Report</u> July-06 July-07</p>				

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

ACCESS DISBURSEMENT DETAIL (MetroEast and PCM)

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.

1. MetroEast Community Media:

60 % of East County Cable Franchise Fees \$ 642,746

Total	\$1,202,580
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Community Access Payment:

60% of West Multnomah County	\$ 36,744
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Total	\$ 1,578,726
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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	
	TOTAL OPERATING INCOME	\$ 1,830,102	\$ 1,322,966	\$ 676,479	\$ 1,417,338	\$ 1,562,540
		ACTUAL 2005-06	ACTUAL 2006-07	ACTUAL 2007-08 (1/4/08)	BUDGET 2007-08	PROPOSED BUDGET 2008-09
	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 (1/4/08)	2007-08	BUDGET 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 Rodriquez

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	6,660	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

ACCESS 2.0

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

Youth Media (OLLIE and Adventures in Television)

Equipment upgrade

10,000

10,000

Administration

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

Contingency

Video decks

2,000

Other

8,000

10,000

TOTAL

\$645,661