



MT. HOOD CABLE REGULATORY COMMISSION

Serving Multnomah County and the Cities of Fairview, Gresham, Portland, Troutdale and Wood Village

PROPOSED BUDGET FISCAL YEAR 2015-16

Commission Approved: May 18, 2015

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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 communication 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 MHCRC. Over the past year, these appointees, with staff support, have committed hundreds of hours to deeply understand the issues and local impacts of an ever-evolving technology, regulatory and business model landscape. They attended numerous MHCRC meetings, committee meetings and work sessions, kept abreast of issues of concern to their Jurisdictions, presented information at city council and county commission meetings, and served as ex officio Board members for Portland Community Media (PCM) and MetroEast Community Media (MetroEast), all in service to the Jurisdictions and their communities.

The MHCRC regulates and oversees cable service franchises with four companies, serving the following areas:

Comcast: Portland, Gresham, Troutdale, Fairview, Wood Village and Multnomah County
Frontier: Gresham, Troutdale, Fairview and Wood Village
Century Link: Portland
Reliance Connects: unincorporated east Multnomah County

The MHCRC contracts for staff and other support services through a services agreement with the City of Portland. The MHCRC funds an equivalent of four full-time (4 FTE) staff positions plus related materials, services, financial and administrative costs. Each member Jurisdiction annually contributes to the MHCRC's Operations Budget. The Jurisdictions' fund about half the Operations Budget and other MHCRC resources fund the remaining portion.

The MHCRC consistently focuses on community needs as it keeps on foot firmly planted in today's legal and public policy landscape in order to steward existing public benefits, while stepping out to explore possibilities and opportunities to help ensure a sound and vital digital future for our communities.

Please refer to the MHCRC's FY14-15 Annual Report and website (www.mhcr.org) for more detail about activities and accomplishments.

MHCRC FY2015-16 FUND BUDGET

BUDGET PROCESS OVERVIEW

According to the Intergovernmental Agreement (IGA) among the Jurisdictions that created the MHCRC, the MHCRC must gain approval of its Fund Budget by every member Jurisdiction. The MHCRC's Finance Committee developed a detailed FY2015-16 budget in consultation with MHCRC staff. On May 18, 2015, the MHCRC approved the proposed budget to forward to the Jurisdictions for consideration. The MHCRC provides the proposed Fund Budget to city and County staff in advance of the city councils' and the County Commission's consideration of the budget.

BUDGET NARRATIVE

The MHCRC's FY 2015-16 Fund Budget is presented on page 5.

Nearly all of the MHCRC's resources are funds collected from the cable companies and the expenditures are the disbursement of those funds to the member Jurisdictions, the community media providers (MetroEast Community Media (MetroEast) and Portland Community Media (PCM)), and the Community Grants recipients. These disbursements are governed by the IGA and by the cable services franchise agreements.

Fund Resources

The amount of MHCRC resources from year to year is largely dependent on the gross revenues of the cable companies since franchise fees and the PEG/I-Net Capital Fee (community grants, I-Net and community media capital) are based on a percentage of the companies' gross revenues.

FY15-16 Fund resources are projected to slightly increase over FY14-15. The budget also includes a beginning fund balance of little more than \$9.4 million. Detail on each Fund resource follows:

Franchise Fees: The Commission collects all cable services franchise fees for Gresham, Troutdale, Fairview, Wood Village and Multnomah County from Comcast, Frontier and Reliance Connects cable franchises. The MHCRC has conservatively projected a slight increase in franchise fee revenues growth based on the rapidly changing video marketplace, even though the cable companies have continued to remain financially healthy. The MHCRC uses both historical franchise fee data and industry documentation to project franchise fee revenues.

Operating Budget Appropriation - Portland: The MHCRC collects funds from the City of Portland for its share of the MHCRC's operating budget. The other MHCRC jurisdictions' appropriations are allocated from the cable services franchise fees collected by the MHCRC.

Interest Earned: The MHCRC collects interest on its Fund. Interest revenue is projected to increase over the previous couple of years' earnings.

PEG/I-Net Capital Fee: All franchised cable companies pay 3% of their gross revenues related to video services to the MHCRC as dedicated funding for the community media providers' capital funding, I-Net infrastructure and community grants (see specific disbursements under Fund Expenditures below). A small portion also funds the MHCRC's compliance program costs to administer, oversee and disburse the capital funds.

Beginning Fund Balance: The beginning balance is primarily capital funds projected to be unspent in FY14-15, which the MHCRC plans to expend or retain as contingencies in FY15-16.

The FY 15-16 Beginning Fund Balance projection is attributable to the following:

Interest cumulative balance: \$246,881

Compliance Program carry over: \$499,620

Access Corporation Capital Fund contingency: \$229,240

I-Net Fund contingency: \$400,000

Community Grants carryover/encumbrances: \$7,268,468

Community Grants contingency: \$800,000

FY13-14 budget remaining for credit to Jurisdictions: \$31,831

Fund Expenditures

Nearly all of the MHCRC's expenditures are the disbursement of franchise fees and PEG/I-Net Capital Fees governed by the IGA and by the cable services franchises. The significant increase in the Community Grants line item is due to the MHCRC's launch of the TechSmart Initiative in Fall 2014 (see below under Community Grants).

Franchise Fee Balance to the Jurisdictions: This line item expenditure is calculated based on the total amount of franchise fees the MHCRC collects and subtracting the amount each Jurisdiction appropriates to the Commission's Operating Budget and the amount of community access payments to MetroEast and PCM in accordance with the IGA (detail contained in Appendix 1, page 7).

Community Access Payments: In accordance with the IGA, the MHCRC distributes 60% of the East County Jurisdictions' franchise fees to MetroEast and 60% of West Multnomah County franchise fees to PCM. These dedicated funds are used to provide media and technology services to the community (detail contained in Appendix 2, page 10).

MHCRC Operating Budget: This expenditure represents the total MHCRC operating budget (line item detail contained in Appendix 1, page 8).

Access Corporation Capital: The MHCRC distributes funds from the cable companies dedicated to support the capital needs of MetroEast and PCM. These payments are made in accordance with the IGA and the cable services franchise agreements (detail contained in Appendix 2, page 10).

I-Net Grants: Schools, libraries and local governments use the I-Net for their broadband network connectivity. The MHCRC reimburses these public agencies and Comcast for capital costs related to I-Net connections, equipment for use of the I-Net, and network infrastructure and electronics upgrades. The reimbursements are made in accordance with the cable franchise agreements.

Community Grants: The MHCRC is the grant-making body for the Community Grants program. The Community Grants program has two funding opportunities: Community Technology Grants and the TechSmart Initiative for Student Success. The budget amount includes both funds to be awarded in FY15-16 and encumbrance amounts for current grants. The grants are made in accordance with the IGA and the cable services franchise agreements.

Community Grants Contingency: The MHCRC annually budgets about 10% of the funds allocated for community grants as a contingency to cover unanticipated community needs and opportunities.

BUDGET HIGHLIGHTS

Jurisdictions' FY15-16 Appropriations Reduced

The MHCRC underspent its operations budget by nearly \$32,000 in FY13-14, which will be credited to the jurisdictions' budget appropriations in FY15-16 (detail contained on page 7).

Community Grants Program

With the launch of the TechSmart Initiative for Student Success in Fall 2014, the MHCRC has continued its partnership with the public school districts in Multnomah County to determine strategic grant investments focused on improving academic outcomes for all students. The TechSmart Initiative investments are made on a rolling basis largely determined by the district's readiness and capacity to implement the grant-funded project. Thus, the MHCRC has completed the first round of funding with two Districts (David Douglas and Parkrose) with the remaining Districts expected to have completed grant agreements in FY15-16.

MHCRC's Operating Budget – Line Item Detail

The proposed operating budget largely represents status quo from the current year budget. The MHCRC anticipates that FY15-16 will be a “future focus” and planning year. Considering a break between cable franchise renewals, the rapidly evolving technology and related public policy landscape, and the TechSmart Initiative now in the implementation phase, the MHCRC is turning its sights on the future. MHCRC intends to work with its jurisdictions, stakeholders and communities to identify needs and opportunities for our broadband future. The budget includes professional services funds to assist the MHCRC in this endeavor.

**MHCRC FUND BUDGET
FISCAL YEAR 2015-16**

	2013-14 Actual	2014-15 Revised	2015-16 Proposed
RESOURCES			
E. County Franch. Fees, Comcast	1,345,581	1,384,440	1,385,875
E. County Franch. Fees Mult West, Comcast	102,020	103,720	105,101
E. County Franch. Fees, Frontier & Reliance	237,458	234,225	252,458
Operating Budget Appropriation-Portland	277,299	288,791	296,435
Interest Earned	43,567	30,000	50,000
PEG / I-Net Capital Fee	5,042,539	5,132,946	5,291,280
Total Resources	7,048,464	7,174,122	7,381,149
Beginning Fund Balance	7,100,259	9,464,778	9,476,040
Total	\$14,148,723	\$16,638,900	\$16,857,189
EXPENDITURES			
Franchise Fee Balance to Jurisdictions	524,706	533,450	548,895
Community Access Pmt, E. County (MetroEast)	949,825	970,632	983,000
Community Access Pmts, Mult. West (PCM)	61,213	62,800	63,061
MHCRC Operating Budget	597,561	837,399	923,587
Access Corporation Capital	1,735,530	1,539,883	1,587,551
I-Net Grants	313,081	208,569 *	751,350
Community Grants	1,115,944	3,010,127 *	9,100,000
Community Grants Contingency	0	0	800,000
Total Expenditures	\$4,683,945	\$7,162,860	\$14,757,444
Ending Fund Balance	9,464,778	9,476,040	2,099,745
Total	\$14,148,723	\$16,638,900	\$16,857,189

Projected *

APPENDIX ONE

FRANCHISE FEE REVENUE AND DISPURSEMENT DETAIL

MHCRC OPERATING BUDGET-LINE ITEM DETAIL

BUDGET ALLOCATION BY JURISDICTION

**FRANCHISE FEE REVENUES AND DISBURSEMENTS
FISCAL YEAR 2015-16**

Jurisdictions	Franchise Fees	MetroEast	PCM	Budget Appropriation	FY 2013-14 Admin Balance	Payments to Jurisdictions
Portland	\$7,076,292 *		\$865,957 *	\$296,435	(20,690)	NA
MULTNOMAH CO., EAST	70,823	42,494		13,536	(945)	15,738
MULTNOMAH CO., WEST	105,101	N/A	63,061	N/A	N/A	42,040
GRESHAM	1,226,105	735,663		114,319	(7,979)	384,102
TROUTDALE	194,249	116,549		17,255	(1,204)	61,649
FAIRVIEW	116,088	69,653		11,493	(802)	35,744
WOOD VILLAGE	31,068	18,641		3,016	(211)	9,622
Total, East County	\$1,743,434	\$983,000	\$63,061	\$159,619	(\$11,141)	\$548,895
Total				\$456,054	(\$31,831)	

* For information purposes only: The MHCRC does not collect franchise fee revenues for the City of Portland or disburse PCM operational funds.

FRANCHISE FEE BALANCE TO EAST COUNTY JURISDICTIONS-Prior Years:

Jurisdictions	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Adopted
MULTNOMAH CO., EAST	8,870	17,502	13,430	14,749
MULTNOMAH CO., WEST	36,444	39,478	40,807	41,866
GRESHAM	310,504	401,195	365,348	371,605
TROUTDALE	56,214	65,886	60,671	60,219
FAIRVIEW	32,438	38,573	35,330	35,877
WOOD VILLAGE	8,038	10,119	9,120	9,134
TOTAL	\$452,508	\$572,753	\$524,706	\$533,450

COMMISSION OPERATING BUDGET - Line Item Detail
(Includes Capital Compliance Program)

Acct.	Title	FY 2013-14 Actual	FY 2014-15 Revised	FY 2015-16 Proposed
51xxx	Personnel - MHCRC Admin	414,137	471,242	500,054
619010	Indirect Personnel - Bureau Support	30,850	28,590	29,907
	Personnel Services	\$444,987	\$499,832	\$529,961
521000	External Fund Audit	12,020	12,000	13,000
521000	Professional Services	19,250	106,350	134,700
529000	Miscellaneous Services	5,595	1,800	3,100
531000	Office Supplies	2,368	2,500	2,575
532000	Operating Supplies	4,017	1,960	700
541000	Education	5,769	8,375	10,725
542200	Local Travel	621	1,800	1,600
542400	Out-of-Town Travel	612	4,000	3,800
548000	Rent Columbia Square	28,985	29,925	38,760
549000	Miscellaneous	2,509	1,400	1,400
	External Materials and Services	\$81,746	\$170,110	\$210,360
6512xx	Print/Distribution	3,799	6,936	5,258
651302	Facilities Services	833	359	302
6514xx	EBS Services	27,012	22,777	15,237
6515xx	Information Technology (IT)	14,241	11,353	17,812
6516xx	Insurance/Workers Comp	5,257	4,821	6,846
652200	Technical Accounting IA	4,122	12,000	12,000
652233	Legal Services IA	15,564	15,661	16,811
652253	Mgmt Services (Bus Ops) IA		15,000	15,000
	Internal Services	70,828	88,907	89,266
572101	GF Overhead (charged direct to fund)		25,000	25,000
54900	Contingency - General		53,550	69,000
	Fund Level Expenditures	\$ -	\$ 78,550	\$ 94,000
	Total	\$ 597,561	\$ 837,399	\$ 923,587
	Appropriation from Jurisdictions	426,614	444,294	456,054
	Appropriation from Fund Compliance	202,778	393,105	438,513
	Fund Level Appropriations	\$ 629,392	\$ 837,399	\$ 894,567
	Interest Revenue Allocation	\$ -		\$ 29,020
	Reimbursement to Jurisdictions	\$ (31,831)		

**BUDGET ALLOCATION BY JURISDICTION
COMMISSION OPERATING BUDGET
FY 2015-16**

City of Portland Appropriations	\$296,435
East County Appropriations	\$159,619
Operating Budget Total:	\$456,054

JURISDICTION			FY 2015-16 Proposed	FY 2015-16 % Allocation
Portland	Subscriber Distribution		\$296,435	65.0%
<u>East County</u>	<u>No. Of Subs</u>	<u>Perc. Distr.</u>		
Gresham	21,264	71.62%	\$114,319	25.1%
Multnomah Co.	2,518	8.48%	\$13,536	3.0%
Troutdale	3,209	10.81%	\$17,255	3.8%
Fairview	2,137	7.20%	\$11,493	2.5%
Wood Village	562	1.89%	\$3,016	0.7%
East County Total	29,690	100.00%	\$159,619	35.0%
Total			\$456,054	100.0%

Budget Allocation Comparison

JURISDICTION	FY 2013-14 Actual	FY 2014-15 Adopted	FY 2015-16 Proposed
Portland	\$231,021	\$288,791	\$296,435
<u>East County</u>			
Gresham	\$107,025	\$112,677	\$114,319
Multnomah Co.	\$13,540	\$12,720	\$13,536
Troutdale	\$15,498	\$16,499	\$17,255
Fairview	\$10,191	\$10,590	\$11,493
Wood Village	\$3,061	\$3,017	\$3,016
East County Total	149,315	155,503	159,619
Total	380,336	444,294	456,054

APPENDIX TWO

COMMUNITY MEDIA DISBURSEMENT DETAIL (MetroEast and PCM)

The MHCRC administers two contracts with the community media providers that serve the Jurisdictions. Attachment 1 presents the FY 2015-16 budget for MetroEast Community Media (MetroEast), as adopted by the MetroEast Board of Directors. MetroEast serves the East Multnomah County area. Attachment 2 presents the FY 2015-16 budget for Portland Community Media (PCM), as adopted by the PCM Board of Directors. PCM serves the City of Portland area.

The community media providers receive funding for both operations and capital expenditures. Most of PCM's operational resources come from a grant agreement between PCM and the City of Portland and are not included in the MHCRC's fund budget. MetroEast receives operational resources, in accordance with the IGA that created the MHCRC, based on 60 percent of the cable franchise fees for the East County area. Both organizations receive capital funding from PEG/I-Net Capital Fees dedicated for this use.

A summary of resources provided to the community media centers is included below.

1. MetroEast Community Media:

Community Access Funding: East County	\$ 983,000
Community Access Capital Funding: MHCRC	<u>\$ 635,020</u>
Total	\$ 1,618,020

2. Portland Community Media:

Access Funding: Portland General Fund	\$ 865,957
Community Access Funding: West Mult. County	\$ 63,061
Community Access Capital Funding: MHCRC	<u>\$ 952,531</u>
Total	\$ 1,881,549

MetroEast Community Media

FY 2015-16 BUDGET NARRATIVE

nurturing democracy, inspiring creativity

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 in classroom settings.

WHAT WE DO

MetroEast produces and facilitates programming with many diverse partners and on wide-ranging topics. MetroEast partnered with over 275 community organizations and will facilitate about 6,000 hours of local and locally-sponsored programming in FY 2014-15, 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.
- Working with students from elementary through secondary schools to develop student-produced programming for students of differing abilities and backgrounds.
- The only regular electronic media coverage of East Metro area events and public affairs.
- Fostering citizen involvement through programs such as *Candidate Speak Out*, a live call-in for local candidates, *Community Hotline*, and its Spanish language companion program, *Comunidad*, live programs where community organizations provide information and answer questions about their services.
- Coverage of local community events such as the Gresham Area Chamber of Commerce's public affairs forums, Troutdale's *Summerfest*, Wood Village's *Night Out*, Gresham's *Teddy Bear Parade*, *Senior Showcase*, *Music on the Air* and *Holiday Showcase*.

HOW WE DO IT

MetroEast provides these services by creating access to technology, training to effectively use that technology and transmission of the programs created over cable channels and on the web. For the past several years, use of MetroEast facilities and hours of programming has continued at high levels. In FY 2014-15, MetroEast anticipates that it will:

- Offer training to 400 people in 100 classes
- Produce and facilitate 6,000 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 and talents to MetroEast and the community
- Loan equipment to community members who are creating programming for and about the East Metro area for more than 30,000 hours.
- 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

Working with the results of the MHCRC's needs ascertainment and its own survey of East Metro nonprofit public benefit organizations and a scientific survey of community needs, MetroEast continues to pursue the strategic plan it updated in FY 2012-13. The plan continues MetroEast's high standards of service to the community by adopting new production and transmission technologies and providing training on how to use them. Implementation is ongoing, with new undertakings being initiated almost monthly.

MetroEast pursues its strategic directions through new activities such as providing training and access to new methods of program distribution and production and producing new programs designed to increase public knowledge about the activities of East Metro local governments and our communities.

In response to rapid technological changes and to a rapidly changing community, MetroEast will initiate a new strategic planning process by conducting a new community needs assessment in FY 15-16.

THE NUMBERS

Overall, the FY 2015-16 budget looks similar to previous years. While MetroEast's financial situation remains sound and has improved markedly from the crisis year of FY 2009-10, the impact of the cuts made then continue, including decreased personnel.

Due to changes in the health insurance market, personnel costs are uncertain but overall personnel costs will increase only moderately in FY 2015-16. MetroEast employees will receive small raises. Despite rapidly increasing benefits costs, personnel expenses for the years from FY 2010-11 through FY 2015-16 will have increased less than 3% per year.

MetroEast operating expenses will be flat without any major changes in any line items.

Following the completion of the upgrade to high definition, capital expenditures for production and maintenance equipment (8060) will decrease significantly in FY 2015-16. The annual contribution to the building maintenance fund (8016) increases slightly to account for rising costs and the repayment of non-capital funds used for building construction (8090) will be completed in FY 2015-16. Office equipment costs, including computers and software, will increase as video technology becomes increasingly computerized. After allocating significant funds for the transition to HD in the current fiscal year, MetroEast will resume pre-paying its building loans (8013 and 8015). MetroEast's short- and long-term building loans were consolidated in FY 13-14 to a single long-term loan.

MetroEast continues to be financially strong and this budget maintains its history of financial responsibility and stability.

	ACTUAL 2013-14	BUDGET 2014-15	PROPOSED BUDGET 2015-16
INCOME:			
4130 Franchise Fees, Multnomah	\$ 947,569	\$ 963,477	\$ 983,000
4090 Interest	1,506	150	150
4270 Activity Fees/Fees for Service	14,505	18,000	18,000
4200 Other	35,327	16,000	16,000
4172 Capital Funds	712,666	619,047	635,020
4905 Building Loan Reimbursement	266,638	144,840	128,000
4162 Investment Fund Withdrawal	15,000	22,500	33,197
	\$ 1,993,211	\$ 1,784,014	\$ 1,813,367

TOTAL OPERATING INCOME

	ACTUAL 2013-14	BUDGET 2014-15	PROPOSED BUDGET 2015-16
EXPENSES:			
Personnel			
7020 Full-Time Salaries	\$ 606,055	\$ 586,667	\$ 599,334
7030 Part-Time Salaries	78,598	111,746	116,539
7050 Taxes & Fringe Benefits	235,008	232,804	238,624
Total Personal Services	\$ 919,661	\$ 931,217	\$ 954,497

	ACTUAL 2013-14	BUDGET 2014-15	PROPOSED BUDGET 2015-16
Operations			
6020 Accounting	\$ 19,010	\$ 20,000	\$ 19,000
6041 Consulting	17,866	25,000	25,000
6051 Dues & Subscriptions	6,963	10,000	8,000
6060 Educational Program Acquisition	0	400	0
6061 Education & Training	6,491	4,500	3,750
6062 Business Meals/Related	1,005	1,500	1,000
6064 Events	0	1,500	0
6070 Food	9,780	13,500	14,000
6100 Insurance	44,662	54,000	50,000
6110 Janitorial	5,340	6,500	6,000
6130 Legal	15,005	4,000	4,000
6131 Local Travel & Mileage	1,826	3,000	1,250
6140 Maintenance Supplies	1,032	2,000	2,000
6160 Office Supplies	3,982	4,500	5,000
6161 Operation Supplies	14,899	14,000	15,000
6170 Personnel Recruitment	464	350	350
6171 Phones	10,018	12,500	9,000
6172 Postage	2,966	2,500	2,000
6173 Printing	1,391	1,500	2,500
6174 Marketing/Promotion	8,356	3,500	5,000
6190 Repairs & Maintenance	9,885	9,000	10,000
6211 Travel	2,091	2,250	1,500
6220 Utilities and Maintenance	36,608	37,000	39,000
6230 Vehicle Maintenance	162	750	500
Total Materials & Services	\$ 219,802	\$ 233,750	\$ 223,850

Capital	ACTUAL 2013-14	BUDGET 2014-15	PROPOSED BUDGET 2015-16
8002 Books	\$ 85	\$ 150	\$ 150
8003 Maintenance Supplies	13,510	10,000	500
8004 Office Supplies	419	4,000	4,000
8005 Operation Supplies	523	2,500	2,000
8006 Repairs & Maintenance	56,139	6,000	25,000
8007 Media	1,454	4,000	2,000
8011 Interest Short Term Loans	2,739	0	0
8013 Interest Long Term Loan	28,405	56,854	56,772
8014 Debt Reduction - Short Term Loans	46	0	0
8015 Debt Reduction - Long Term Loan	137,182	26,949	126,675
8091 Capital Consulting	14,139	0	0
8092 Capitalized Wages and Benefits	18,739	15,476	0
8030 Leasehold Improvements	7,700	10,000	15,000
8016 Building Maintenance Fund	13,500	14,000	14,500
8040 Office Equipment	158,380	75,000	100,000
8050 Office Furnishings	2,828	2,500	5,000
8060 Production & Maintenance Equip.	208,554	246,778	283,423
8090 Building Loan Transfer	266,638	144,840	0
Total Capital	\$ 930,980	\$ 619,047	\$ 635,020
TOTAL OPERATING EXPENSES	\$ 2,070,443	\$ 1,784,014	\$ 1,813,367



Portland Community Media: Fiscal Year 2015-16 Budget Narrative

Mission: At PCM we connect people to media technologies and ensure equitable access for communities to share their stories, viewpoints and culture for the purpose of promoting broad participation in our civic and cultural life.

Portland Community Media (PCM) is a nonprofit, public benefit organization dedicated to promoting local, non-commercial media developed and produced in the community, by the community and for the community.

PCM channels reach over 400,000 households in the Portland metro region with gavel-to-gavel coverage of Portland City Council meetings, a variety of local and regional municipal programs and meeting coverage, locally produced talk shows, cultural and arts programs, spiritual programs, and alternative news and information programs.

Since 1981, we have provided equipment and training courses for individuals and organizations to utilize cablecast and other forms of media distribution as a means of communication, civic involvement, artistic and cultural expression and community development.

Since 2009 we have actively sought out and engaged underrepresented and marginalized groups, bringing training and resources to them and to the community centers and non-profits that serve them.

Our curriculum and services have grown to include a variety of cable television and Internet based technologies with a focus on educating and empowering the community to understand and utilize these tools effectively.

Our Program Areas

Public Access

PCM provides the Portland community with access to creation tools. These tools include professional quality cameras, editing systems, laptops, and two live studios. Tools are available for community members to create content for distribution on PCM channels and over the Internet.

in Fiscal Year 2014-15 PCM community producers will have reserved PCM equipment for thousands of hours of production:

- Approximately 57,500 hours of field camera use,
- Approximately 2,000 hours of studio use,
- Approximately 90,000 hours of laptop editing use.

Distribution

In Fiscal Year 2014-15 PCM will have cablecast approximately 7,300 hours of new programs from all sources, which is approximately 20 hours of new programs containing locally relevant content each day.

Approximately 620 hours of these new programs are coverage of municipal meetings, hearings and events produced by PCM staff. Of the remaining 6,680 hours, approximately 50% of those programs are produced by PCM community producers, 25% are produced by community producers within the



Portland metro region, and 25% are locally sponsored programs.

PCM manages 6 channels in the Portland metro region. PCM maintains 2 interconnected channels between Portland and East Multnomah County, and manages a large, interconnected channel between 4 counties (Multnomah, Clackamas, Clark and Washington) in the Portland metro region allowing greater coverage and visibility for content of regional interest.

Education and Engagement

PCM provides media and Internet education to individuals and groups. In Fiscal Year 2014-15 PCM will have provided video production, content creation and Internet training to approximately 360 individuals, one third of those will be engaged through partnerships with non-profits and community groups serving marginalized populations and at-risk youth communities.

PCM workshops include: studio production, field camera, editing, lighting, audio, animation, Internet basics, and web-based content creation and distribution training.

Government Productions

PCM Multimedia Services staff produce approximately 620 hours of new programs each year. Of these programs, approximately 260 hours are gavel-to-gavel coverage of Portland City Council meetings cablecast and streamed live throughout the Portland metro region. The remaining hours include coverage of City of Portland and regional municipal meetings and events.

Fiscal Year 2015-16 Planning

Developing Strategy

PCM future program and fund development will focus on the creation of our Digital Inclusion program. This program will utilize existing, successful methodologies for community engagement and will tailor training and support to the needs of the community.

PCM Board and Staff will establish and implement a new strategic plan. The plan will support PCM in creating programs that meet the needs of the community, that ensure we are establishing and achieving measurable goals, that support our Digital Inclusion efforts, and that develop new, sustainable funding sources.

Capital Improvements

PCM will focus on building infrastructure improvements to minimize facility repairs and to ensure the facility serves the needs of the community. Two major projects in this fiscal year include a new roof, and upgrade of internal network wiring.

Fiscal Year 2015-16 Budget Notes

Overall, PCM's Fiscal Year 2015-16 proposed budget is very similar to the current year budget with some minor changes identified below:



Income

We anticipate a small increase in funds from the City of Portland.

We are challenging ourselves to raise more funds through our fund development activities in Fiscal Year 2015-16. We will achieve this goal by increasing our outreach efforts to individual and corporate sponsors, and granting organizations. The focus of our fundraising efforts will be on the development of Digital Inclusion community engagement projects.

Personnel Expenses

Expenses include a 3% cost of living increase for all staff.

Operating Expenses

There is an increase in the Board of Directors' Expense line item to support recruitment and training of new Board members.

Our continued improvements in our tracking systems have allowed us to reduce our operating expenses and better plan for future expenses.

In FY 2015-16 we will have the added expense of a transfer from operations to capital. We are able to accommodate this expense by improved tracking and management of our personnel and operating expenses.

Capital Projects

PCM recently upgraded major systems including field production cameras, tripods, lights, desktop computers and laptops for editing. These systems were upgraded in all program areas: Public Access, Media Education, Community Engagement, Multimedia Services and Youth Media.

In fiscal year 2015-16 PCM will undertake needed improvements to the building and infrastructure to ensure the facility remains useful and functional for our community and staff.

**Portland Community Media Proposed FY 15-16 Budget
Operating and Capital Budget Summary**

4/9/2015

	Actuals FY 13-14	FY 14-15 Budget	Proposed Operating Budget for FY 15-16
<i>Income</i>			
Grants - Government	\$ 861,892	\$ 908,460	\$ 930,709
Contributions	11,933	45,000	70,000
Earned Income - All	145,259	125,000	160,373
Indirect Capital Management Fee	75,686	95,230	104,000
Miscellaneous Income	24,062	20,000	5,000
Total Revenue	<u>1,118,832</u>	<u>1,193,690</u>	<u>1,270,082</u>
 <i>EXPENSES</i>			
<u>Personnel Expenses</u>			
Salaries,Wages and Taxes	873,028	860,147	892,340
Fringe Benefits	91,817	97,353	95,298
Capitalized PR, Taxes and Bene	(6,004)	(15,000)	(15,000)
Total Payroll, Tax & Fringes	<u>958,841</u>	<u>942,500</u>	<u>972,639</u>
 <u>Operating Expense</u>			
Bank Charges	5,630	5,550	5,755
Board of Directors' Expense	915	500	2,000
Copier Lease & Maintenance	4,859	4,827	2,680
Crew Food	1,019	978	2,660
Dues & Subscriptions	3,987	4,017	3,230
Equipment Lease & Rental	3,729	3,675	1,500
Fees	87	100	380
Hospitality	6,305	5,628	5,307
Insurance	34,511	44,000	38,000
Interest Expense	-	-	-
Internet & Telephone	28,510	22,980	23,869
Maintenance	18,921	18,359	27,371
Miscellaneous Expense	2,705	2,705	680
Parking	2,398	2,600	3,030
Postage & Shipping	363	1,180	978
Printing	1,305	1,397	1,950
Professional Services Accounting & HR	34,054	38,343	11,010
Prof. Svcs: Auditing & Tax Prep.	17,100	10,450	20,000
Prof. Svcs: Legal Services	5,284	1,900	10,800
Prof. Svcs Other	-	-	2,300
Recruitment	308	125	0
Repairs	11,523	8,056	8,260
Security Services	412	287	420
Software Expense	4,945	4,950	4,800
Small Tools & Equipments	-	525	120
Supplies	13,848	12,052	7,680
Training & Education	5,029	5,400	3,650
Travel & Mileage	6,372	7,500	600
Utilities	33,443	32,560	38,816
Vehicle Fuel & Maintenance	6,843	6,705	5,048
Total Operating Expense	<u>254,405</u>	<u>247,349</u>	<u>232,894</u>
TOTAL EXPENSE	<u>1,213,246</u>	<u>1,189,849</u>	<u>1,205,533</u>
Net Operating Income (Loss)	<u>(94,414)</u>	<u>3,841</u>	<u>64,549</u>
 <u>Other Expenses</u>			
Transfer to Capital Account	-	-	61,480
Net Operating Surplus (Loss)	<u>(94,414)</u>	<u>3,841</u>	<u>3,069</u>

**Portland Community Media Proposed FY 15-16 Budget
Operating and Capital Budget Summary**

4/9/2015

	<u>Actuals FY 13-14</u>	<u>FY 14-15 Budget</u>	<u>Proposed Capital Budget for FY 15-16</u>
<u>Capital Projects Budget</u>			
Revenue	980,830	903,201	952,531
Balance of Capital Fund -Carryover	446,399	586,917	8,000
Transfer from Operation	-		61,480
Total Capital Revenue	<u>1,427,229</u>	<u>1,490,118</u>	<u>1,022,010</u>
 <u>Capital Expenses</u>			
Land & Land Improvement	-		92,110
Building & Building Improvement	14,210	80,000	309,400
Production Equipments	186,851	580,372	284,900
Computers	419,751	318,726	44,000
Vehicles	151	-	15,600
Office Equipment & Funitures	20,717	59,500	64,000
Software & Other Intangibles	110,596	296,000	60,500
Capitalized Wages	6,965	15,000	47,500
Capital Overhead	81,072	132,520	104,000
Total Capital Expenses	<u>840,312</u>	<u>1,482,118</u>	<u>1,022,010</u>
 Net Capital Surplus (Deficit)	 <u><u>586,917</u></u>	 <u><u>8,000</u></u>	 <u><u>0</u></u>