

Mt. Hood Cable Regulatory Commission

PROPOSED BUDGET FISCAL YEAR 2011-12

Commission Approved: May 16, 2011

Representing:

City of Portland
City of Fairview

City of Gresham
City of Wood Village

City of Troutdale
Multnomah County

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MT. HOOD CABLE REGULATORY COMMISSION
FY 2011-12 PROPOSED BUDGET

TABLE OF CONTENTS

Commission Overview	1-4
Goals and Objectives	5-7
MHCRC Priorities and Strategic Approach	8
Budget Overview	9-10
Financial Summary	11-13
Operating Budget and Detail	14-18
Appendix One:	
Budget Allocation by Jurisdiction	19-20
Appendix Two	
Franchise Fee Revenue and Disbursement	21-22
Appendix Three	
Access Disbursement Detail	23
1. MetroEast Community Media	
2. Portland Community Media	
Attachments:	
1. MetroEast Community Media Budget	
2. Portland Community Media Budget	

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 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 eight 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 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
Qwest: Portland
Cascade Access: unincorporated east Multnomah County

The Commission contracts for staff through a services agreement with the City of Portland. The Commission funds an equivalent of 3.3 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.

2010 ACCOMPLISHMENTS

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

The MHCRC enforces the cable services consumer protection ordinances of Multnomah County, Portland, Gresham, Troutdale, Fairview, and Wood Village. Frontier had several issues for franchise enforcement, which the MHCRC addressed. Those included, among others, failure to meet installation standards and to provide local complaint contact information on subscriber bills. The MHCRC engaged in compliance proceedings with Comcast for not meeting appointment timeframes. 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 2010, the Commission assisted in the resolution of 150 complaints.

Published a Major Study on Community Communications Technology

The Commission published a ground-breaking study of our local communities' communications technology needs and interests. The study included both cable related aspects and broader technology topics. It also queried on the impact of the current cable franchise public benefits, such as the Institutional Network (I-Net), the Community Access Capital Grant, and the local community media centers and assets. Multiple elements were explored in the study. Some of the key findings are shared below:

EQUITY: Nearly half of the residents whose household income is less than \$30,000 annually are without Internet access at home, compared to just 5% of residents earning more than \$60,000.

INCLUSION: The public strongly supports programs that address the digital divide – especially for youth and the most vulnerable.

LOCALISM: Local community programming and other local content are seen as important across all communities (83%), but especially by marginalized and underserved communities.

CIVIC ENGAGEMENT: Video was cited as increasingly used or needed to engage people in issues of civic importance.

DEMAND: Wireless and fiber network capacity will face exponential growth in the near and long term. Libraries, schools and local governments alone estimate their data transport needs nearly double every 18 months.

ECONOMIC GROWTH: Failure to keep pace with bandwidth expansion will negatively impact our area's economic development, education and health care.

EMPLOYMENT: 25% of those seeking employment have no Internet access at home. Among young people, age 14-25, 90% stated that communications technology literacy and access are important to a successful career.

HOME-BASED BUSINESSES: About one in five of all the Internet connections in homes are used to run a home-based business.

PROTECTION: The public believes local government has a critical role in consumer protection. High level public concerns include protection for personal information, antidiscrimination policies, unauthorized service monitoring, and customer service standards.

PLANNING: In the public online survey, 76% said local government should have a role in planning for the community's technology future.

The MHCRC hopes that the findings of this study will empower people, businesses, community organizations and local governments to take an active role in planning and providing for our local community's communications technology needs. Further study results and findings can be found at: <http://www.mhcr.org/yourvoice.html>.

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 30 grant-funded projects during the year. In 2010, the program granted about \$1.3 million for 10 new community-based projects that will leverage nearly \$2.5 million in matching resources. Newly funded projects included:

- For many domestic violence victims application for a Family Abuse Prevention Act (FAPA) restraining order is a critical step to achieving safety. Through a grant, the newly-opened ***Gateway Center for Domestic Violence Services*** built an interactive video system that allows victims of domestic violence to acquire, at the Center, a FAPA restraining order from the Multnomah County courts located in downtown Portland. This provides a safer and more convenient access point in mid-Multnomah County to this critical legal process. The grant also allowed this service to be co-located at the Gateway Center with other vital services, including safety planning, access to housing and legal assistance.
- The citizens of Multnomah County have long acknowledged the importance of ***Multnomah County libraries*** providing free computers and access to the Internet as a way to reduce disparities for people who don't otherwise have access. Increasingly, the Internet is the only way to apply for a job, access services, and interact with others. Although the Library provides free public computers, the number of computers and time available to use them is limited, and the public need significantly increased over the past two years. The MHCRC's capital grant expanded the number of computers available, adding 180 portable computers for public checkout at all library locations. Portable computers were chosen to allow greatest flexibility of use, and to conserve space in a library's physically small facility.
- ***MetroEast Community Media's Better Access to Government*** project upgraded the video capabilities at the ***Gresham, Fairview and Troutdale city council chambers and the Multnomah County Board chambers***. The grant replaced aging equipment and continues MetroEast's tradition of using technology to streamline and improve services to our local governments and citizens at low cost.
- The MHCRC made it a priority to help schools replace archaic and unstable phone systems with state-of-the-art Internet Protocol (IP) phone service by awarding grants to ***Gresham-Barlow School District, Parkrose School District, Portland Public School District, and Riverdale School District***. Teachers in each classroom now have a fully functional telephone available in their classroom. The telephones also provide improved security and multi-language options for non-English speaking parents. The new IP based phone systems greatly reduce the district's maintenance costs, with greater capabilities for students, teachers and the community.
- ***I-Net Edge Device Upgrade*** grants allowed ***several school districts and Multnomah County*** to replace old devices at 50 sites so that all schools and libraries have full access to the increased capacity on the I-Net with no increase in monthly fees.

Engaged in Partnerships to Provide Network Services More Cost-Effectively

The MHCRC facilitates partnerships and network planning, pursues network assets, and distributes funds to support the Community Institutional Network (I-Net). Over 272 schools, libraries and other public agency sites throughout Multnomah County use the I-Net for their data networking and Internet access needs.

The MHCRC facilitated a major upgrade to the capacity available to schools, libraries, and public agency sites over the I-Net. The MHCRC funded new edge devices at all current I-Net user sites, which replaced edge devices that were beyond “end of life” expectancy. The upgrade resulted in a site’s capacity going from 100Mbps to 400 Mbps with no additional cost to these entities! Local governments and schools continue to need new connections to the I-Net. In 2010, the MHCRC funded 11 new connections to the I-Net from five different 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 2010, 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.

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 submitted comments in the National Broadband Plan proceedings and in the Level 3 Petition at the FCC in support of local authority to provide for public broadband in response to right-of-way preemption efforts.
- The MHCRC advocated for the Community Access Preservation Act which allows local governments more flexibility in allocating PEG funds in local communities.
- The MHCRC filed a response to the FCC rules on Net Neutrality.

Began Informal Negotiations on the Comcast Franchise Renewal

The MHCRC began negotiations with Comcast in March 2010 on the terms of a renewed cable services franchise agreement. The Commission has invested the bulk of its resources in the renewal process in order to preserve the priority public benefits to the community. These benefits include, among others, the Institutional Network and its funding, community access channels and resources, the Community Access Capital Grant, consumer protection provisions and franchise fees. The current franchise expires December 31, 2011.

GOALS AND OBJECTIVES

Approved: May 16, 2011

Effective: July 1, 2011 – June 30, 2012

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. 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).

Goal II: *Successfully negotiate cable services franchise agreements with Comcast, on behalf of the MHCRC jurisdictions, that address cable-related community technology needs and interests and consumer protection issues and trends.*

Objectives

1. Seek public input and comment on potential public benefits of a renewed franchise agreement.
2. Provide the jurisdictions with a recommendation for action on a franchise agreement no later than November 1, 2011.

Goal III: *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. Manage and oversee Community Institutional Network (I-Net) planning and fund 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.
 4. Manage and develop a program to allocate the I-Net funds to begin distribution in FY2012-13.
 5. Manage access provider contracts with Portland Community Media and MetroEast Community Media.
 6. Allocate capital funds for Portland Community Media and MetroEast Community Media.
 7. Explore creative public and community opportunities arising through local adoption of digital technology for both content development and distribution.
 8. Collaborate with organizations, at the federal, state and local levels, to advocate for the community's access to cable system technology.
 9. Negotiate a renewed contract with MetroEast Community Media, which reflects the communities' communications technology needs and interests identified through the "Your Voice" ascertainment study.
 10. Provide the Portland City Council with a recommendation, no later than May 31, 2012, for a renewed contract with Portland Community Media, which reflects the communities' communications technology needs and interests identified through the "Your Voice" ascertainment study.

Goal IV: *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 our communities so that they are empowered to participate in the Comcast franchise renewal process.
3. Research and prepare for potential attempt by Frontier (as successor to Verizon) to exercise "walkaway" provision of Verizon cable franchise; communicate with jurisdiction legal counsel and staff regarding potential timeline and fiscal/policy/regulatory implications.
4. Support our member jurisdictions in implementing FCC rules and federal laws related to cable and telecommunications.
5. Support and provide resources for the development of Commissioners' education and expertise.

Goal V: *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 statewide committees or groups that address local government authority, management and control of public rights of way.
3. Prepare for and participate in any relevant interim legislative activity.
4. Participate in litigation and FCC proceedings on behalf of our jurisdictions' and citizens' interests.
5. Advocate for local interests through participation on the Oregon Broadband Advisory Committee.
6. Advocate for and preserve existing and new public interest benefits, including the Community Access Preservation Act (CAP Act – HR 1746) to preserve community access (PEG) channels and funding.

Goal VI: *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. Conduct annual strategic planning and goal-setting process.
4. Conduct annual MHCRC evaluation of staff services.
5. Present an annual budget request to the jurisdictions that supports the Commission's mission and respects the jurisdictions' budget considerations.

MHCRC FY2011-12 STRATEGIC BUDGET APPROACH

The Commission has focused its resources on the following three priorities:

- Maintain the Commission's core responsibility of franchise management and regulation (ie. consumer protection, complaint resolution, franchise fee payments);
- Manage the franchise public benefit resources to benefit our communities (ie. the grant program, I-Net, community access channels & services); and
- Conclude the franchise renewal process with Comcast (highest priority).

The MHCRC will focus most of its resources on the renewal of the Comcast cable services franchise agreements with the Jurisdictions, which expire in December 2011. The MHCRC staff negotiations team, including legal counsel, has been diligently negotiating updated terms of a renewed franchise agreement with Comcast. In addition to staff and legal resources, the Commission has engaged technical and financial expertise in order to adequately represent the MHCRC, its jurisdictions and their constituencies in the negotiations. The negotiations have been slow but steady. Included in the Commission's operating budget are the anticipated resources to conclude the informal negotiations and to facilitate the franchise approval process with all the MHCRC jurisdictions.

A successfully renewed franchise will help define local community communications resources over the next decade. On a Multnomah Countywide basis (including the six MHCRC member jurisdictions), nearly \$4 million annually in dedicated capital funds and \$6 million in cable franchise fees are at stake, together with high speed, low-cost Internet broadband services (the I-Net) for all schools, libraries and local governments throughout the County. The renewal will also greatly define MetroEast's and PCM's resources to provide media literacy tools and content for our communities and local governments. The federally-mandated Formal Renewal Process is set forth by statute in case the parties cannot reach agreement informally. This is a quasi-judicial administrative proceeding that must be followed if informal renewal negotiations break down in order to safeguard the franchise fees and public benefits at stake.

As stated, the MHCRC has, and continues to, diligently pursue informal negotiations to renew the franchise agreements with Comcast. However, the MHCRC may need to conduct a Formal Renewal Process, in accordance with federal law, in order to conclude the franchise renewal with Comcast. The MHCRC is requesting one-time, contingency funding in the amount of \$75,000 to fund a Formal Renewal Process, if necessary, including the cost of legal counsel, transcripts, and a Hearings Officer. The funds will only be spent if the Commission takes action to enter the Formal Renewal Process. Any of these one-time contingency funds not spent for this purpose in FY2011-12 will be returned to the Jurisdictions in the annual credit balance. The core MHCRC operating budget cannot, by any means, accommodate this extraordinary, one-time process which occurs about once every 10-12 years.

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 FY2011-12 budget in consultation with MHCRC staff. On May 16, 2011, 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 the Financial Summary, the MHCRC Operating Budget and three appendixes that provide more detailed information.

MHCRC Budget Highlights and Changes

Revenues

- Franchise fee revenues are anticipated to be relatively flat compared to FY 2010-11. The MHCRC has conservatively projected the franchise fee revenues based on the uncertainty about Frontier's cable services franchise (see bullet below) and the rapidly changing video marketplace. The total projected revenues are \$1,489,707 in FY 2011-12 compared to \$1,475,556 for FY2010-11.
- Frontier franchise and PEG fees: Based on Frontier's actions in some cities in Washington County, the MHCRC believes Frontier intends to exit the video market in Multnomah County, in accordance with the process contained in the franchises Frontier holds with Gresham, Troutdale, Fairview and Wood Village. This may negatively impact the total amount of franchise and PEG fees for these Jurisdictions in FY2011-12. Based on the limited information received from Frontier, the MHCRC estimated the potential impact of this move by Frontier and included the numbers in the proposed budget.
- The MHCRC budget proposal includes a one-time, compliance revenue of \$14,538. The MHCRC conducted a review of the Comcast franchise fee payments from 2007-2010. The \$14,538 is the total amount of underpaid fees attributable to the East County jurisdictions. The amount attributable to each individual jurisdiction is included in the credit balance detail contained on page 22.
- The amounts paid to the East County Jurisdictions from franchise fees are projected to decrease by about 2% from the FY10-11 budget. This is due to two factors: franchise fees from the cable companies are estimated to remain flat in FY11-12 and the MHCRC's operating expenditures include a one-time contingency amount related to a potential Formal Renewal Process for the Comcast franchise. (See discussion under MHCRC FY2011-12 SSTRATEGIC BUDGET APPROACH, page 8).

- The MHCRC anticipates that the portion (one-third) of the PEG/I-Net fee currently paid to Comcast for I-Net purposes will be paid to the Commission under the renewed franchise. This projected revenue (half the fiscal year) is included in the FY2011-12 resources in a new line item, "I-Net Capital Revenues." The MHCRC will need to develop a program to begin disbursing these funds in FY2012-13 to community stakeholders for use and development of the I-Net.

Operating Budget Expenditures

- The proposed MHCRC Operating Budget is \$489,293 (not including the one-time contingency --page 15). This budget retains the current 3.3 FTE staffing level but leaves the MHCRC's proposed budget extremely lean, leaving minimal resources for unforeseen needs. The budget contains some minimal consulting legal, financial and technical expertise needed to continue and complete the Comcast franchise renewal in FY2011-12, through the informal negotiations process. The proposed operating expenditures for FY2011-12 increase by about 1% from the MHCRC's FY2010-11 operating budget.
- The MHCRC budget proposal also contains a \$75,000 one-time, contingency amount in order to cover expenses if the MHCRC needs to enter into a Formal Renewal Process to conclude the Comcast franchise (the Formal Renewal Process and required resources are discussed in MHCRC FY2011-12 STRATEGIC BUDGET APPROACH on page 8). This is a potential one-time expenditure requiring resources above and beyond the MHCRC's core operating budget, including, for example, the costs for legal counsel, transcripts and a Hearings Officer. However, these funds will be used only if the MHCRC decides to pursue a Formal Hearing Process. Any of these one-time contingency funds not spent for this purpose in FY2011-12 will be returned to the Jurisdictions in the annual credit balance. When this amount is added to the FY2011-12 operating budget proposal, the budget increases by about 17% from the MHCRC's FY2010-11 operating budget (page 15).

FINANCIAL SUMMARY

The Commission's FY 2011-12 Financial Summary is presented on page 13. A large portion of the Commission's overall resources are funds collected from the cable companies and the expenditures are the disbursement of those funds to the member Jurisdictions, the community access providers (MetroEast Community Media (MetroEast) and Portland Community Media (PCM)), and Community Access Capital Grant recipients. These disbursements are governed by the IGA and by the cable services franchises.

The total FY 2011-12 proposed expenditure is \$7,044,721 and contingency of \$1,777,276 for the disbursement of prior year capital grants. The total consists of expenditures funded by dedicated revenues in the amount of \$6,480,428, and \$564,293 in Commission's operating expenditures funded by Jurisdictional contributions from the franchise fees.

The amount of Commission resources from year to year is dependent on the gross revenues of the cable companies since franchise fees, the Community Access Capital Grant fund revenues and the Access Corporation Capital fund revenues are based on a percentage of the companies' gross revenues. The proposed budget retains the current staffing level of 3.3 FTE. This staffing level allows the Commission to maintain its core programs and address additional workload requirements (as described in the Budget Overview).

Revenue Resources include:

First, Franchise Fees: The Commission collects all cable services franchise fees for Gresham, Troutdale, Fairview, Wood Village and Multnomah County from Comcast, Frontier and Cascade Access cable franchises. The total projected franchise fee revenues are \$1,489,707 in FY 2011-12. Revenues also include \$14,535 in Compliance Revenue resulting from a franchise fee review conducted by the MHCRC for calendar years 2007-2010;

Second, Operating Budget Appropriation: The MHCRC collects funds from the City of Portland for its share of the Commission's operating budget. The FY 2011-12 City of Portland share is \$366,790;

Third, Capital Revenues: The Commission collects 2% of Comcast's gross revenues and 3% of Frontier's and Cascade Access' gross revenues totaling over \$3.2 million as dedicated funding for the Access Corporation Capital Fund and the Community Access Capital Grant. The MHCRC anticipates that an additional 1% of Comcast's gross revenue, currently retained by Comcast for I-Net purposes, will be paid to the Commission under the renewed franchise. This projected revenue (half the fiscal year) is included in the FY2011-12 resources as a new line item;

Fourth, Compliance Revenue: The MHCRC conducted a review of the Comcast franchise fee payments from 2007-2010 and found a small amount of underpaid fees. This line item is the total amount attributable to the East County jurisdictions; and

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

Expenditures include:

First, 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 contributes to the Commission's Operating Budget and the amount of community access payments to MetroEast and PCM in accordance with the IGA.

Second, 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 access services to the community.

Third, Operating Budget - Jurisdictions: Each MHCRC member jurisdiction contributes to the Commission's Operating Budget (\$564,293).

The net contribution of each Jurisdiction is calculated by deducting the credit balance remaining from the previous year's MHCRC budget and the compliance revenue from the Comcast franchise fee review. The detail for this amount is on the cost allocation worksheet in Appendix One. Each Jurisdiction's net contribution (\$478,310 total) is outlined below:

Gresham	\$136,408	Fairview	\$10,704
Troutdale	\$16,389	Wood Village	\$3,880
Multnomah County	\$14,567	Portland	\$366,790

Fourth, Operating Budget – Other Resources: These are expenditures are funded by revenues other than the Jurisdiction contributions, including dedicated purposes under the IGA or the franchise agreements and interest on the MHCRC funds.

Fifth, 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.

Fourth, Community Access Capital Grant: The MHCRC is the grant-making body for the Community Access Capital Grant program. The grants are made in accordance with the IGA and the cable services franchise agreements.

FINANCIAL SUMMARY
FISCAL YEAR 2011-12

RESOURCES	2008-09 Actual	2009-10 Actual	2010-11 Adopted	2011-12 Proposed
Beginning Fund Balance	5,800,106	5,837,979	5,429,275	4,289,601
E. County Franch. Fees, Comcast	1,153,079	1,116,510	1,197,517	1,220,152
E. County Mult West Franch. Fees, Comcast	74,525	81,977	73,035	65,364
E. County Franch. Fees, Frontier	68,880	277,810	205,004	204,191
Operating Budget Appropriation-Portland	289,730	283,579	311,900	366,790
Reimbursements from Franchisees	0	51,367	0	0
Interest	46,219	71,976	58,000	58,000
Community Access Capital Grant Revenue	1,369,348	1,520,711	1,459,824	1,566,404
Access Corporation Capital Revenue	1,369,348	1,553,248	1,500,825	1,642,000
I-Net Capital Revenue	0	0	0	719,423
Compliance Revenue (East County Only)	0	0	0	14,538
Total Resources	4,371,129	4,957,178	4,806,105	5,856,862
Total	\$10,171,235	\$10,795,157	\$10,235,380	\$10,146,463
REQUIREMENTS				
EXPENDITURES				
Franchise Fee Balance to Jurisdictions	369,038	412,790	422,211	399,127
Community Access Pmt, E. County (MetroEast)	733,175	839,077	841,514	829,022
Community Access Pmts, Mult. West (PCM)	44,715	49,052	43,821	48,731
MHCRC Operating Budget -Jurisdictions	462,264	557,288	483,132	564,293
Grant / I-Net Operating Budget-Other Resources	120,063	91,436	171,453	217,868
Access Corporation Capital	1,205,495	1,239,337	1,418,823	1,566,404
Community Access Capital Grant	1,398,506	2,176,902	1,500,825	1,642,000
Community Access Capital Grant Contingency	n/a	n/a	1,064,000	1,777,276
Total Expenditures	\$4,333,256	\$5,365,882	\$5,945,779	\$7,044,721
Ending Fund Balance	5,837,979	5,429,275	4,289,601	3,101,742
Total	\$10,171,235	\$10,795,157	\$10,235,380	\$10,146,463

COMMISSION OPERATING BUDGET

This section of the MHCRC's budget proposal contains three documents:

- **Operating Budget Funded by the Jurisdictions**

This document presents the MHCRC's "Operating Budget" funded by contributions from the member Jurisdictions.

The proposed MHCRC's core operations budget is \$489,293 (not including the one-time contingency –see below) and is about a 1% increase from the FY2010-11 operating budget. This budget retains the current 3.3 FTE staffing level but leaves the MHCRC's proposed budget extremely lean, leaving minimal resources for unforeseen needs.

The MHCRC budget proposal also contains a \$75,000 one-time, contingency amount in order to cover expenses if the MHCRC needs to enter into a Formal Renewal Process to conclude the Comcast franchise (the Formal Renewal Process and required resources are discussed in MHCRC FY2011-12 STRATEGIC BUDGET APPROACH on page 8). When this amount is added to the FY2011-12 operating budget proposal, the budget increases by about 17% from the MHCRC's FY2010-11 operating budget (page 15).

Each Jurisdiction's contribution is detailed in Appendix One.

- **MHCRC Operating Budget including Dedicated Fund Expenditures**

This document includes both the operational expenditures for managing the Community Access Capital Grant program and I-Net partnership and the expenditures funded by contributions of the Jurisdictions. The Grant and I-Net programs' expenditures are funded by revenues other than the Jurisdiction contributions, including dedicated purposes under the IGA or the franchise agreements and interest on the MHCRC funds.

- **MHCRC Operating Budget Line Item Detail**

This document is the highest level of detail of MHCRC's Operating Budget, including all expenditures.

APPENDIX ONE

BUDGET ALLOCATION BY JURISDICTION

All member Jurisdictions contribute to the operation of the MHCRC. The Commission uses a 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.

COMMISSION OPERATING BUDGET
Funded by Jurisdictions
Fiscal Year 2011-12

Acct.	Title	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Adopted	FY 2011-12 Proposed	FY 2011-12 Proposed Without the Renewal Cost
5110	Employees	266,446	243,130	236,390	238,860	
5170	Benefits	93,124	88,561	84,531	101,689	
Personnel Services		\$359,570	\$331,691	\$320,921	\$340,549	\$340,549
5210	Professional Services	22,456	123,417	58,900	39,500	
5290	Miscellaneous Services	3,637	2,253	600	600	
5310	Office Supplies	3,914	5,241	1,500	1,500	
5320	Operating Supplies	303	322	2,800	3,300	
5410	Education	2,584	1,314	1,000	2,000	
5420	Local Travel	854	1,370	1,400	1,800	
5430	Out-of-Town Travel	5,101	5,761	1,600	1,600	
5490	Miscellaneous	2,806	3,115	3,730	4,179	
External Materials and Services		\$41,655	\$142,793	\$71,530	\$54,479	\$54,479
559300	Admin. Support	0	7,000	7,000	7,000	
5510	Fleet Services	26	0	141	0	
5520	Print/Distribution	9,891	5,128	7,131	5,605	
5530	Facilities Services	8,737	9,744	9,769	10,554	
6540	EBS Services	na	0	12,974	8,198	
5540	Information Technology (IT)	16,373	16,099	12,011	10,024	
5560	Insurance/Workers Comp	6,549	9,102	7,178	8,068	
558312	Legal Advice	7,805	7,805	12,116	11,856	
Internal Services		\$49,381	\$54,878	\$68,320	\$61,305	\$61,305
572101	GF Overhead	11,658	14,908	10,286	14,275	14,275
575101	COLA	0	0	0	6,686	6,686
571000	Contingency-General	0	0	12,076	12,000	12,000
571100	Conting. Renewal Formal Process	0	0	0	75,000	0
Fund Level Expenditures		\$ 11,658	\$ 14,908	\$ 22,362	\$ 107,960	\$ 32,960
Carry Over to next fiscal Year		\$ -	\$ 10,000			
Total-Funded by Jurisdictions		\$462,264	\$554,270	\$ 483,133	\$ 564,293	\$ 489,293
Percentage Increase					17%	1%

COMMISSION BUDGET SUMMARY
(Funded by Jurisdictions and other Dedicated Resources) *
FY 2011-12

Acct.	Title	FY 2010-11 Adopted	FY 2011-12 Proposed
5110	Employees	301,722	305,412
5170	Benefits	109,189	131,291
Personnel Services		\$410,911	\$436,703
5210	Professional Services	76,900	67,500
5290	Miscellaneous Services	7,600	7,600
5310	Office Supplies	1,500	1,500
5320	Operating Supplies	2,800	3,300
5410	Education	1,600	2,600
5420	Local Travel	1,400	2,400
5430	Out-of-Town Travel	2,600	2,600
5490	Miscellaneous	6,730	7,179
External Materials and Services		\$101,130	\$94,679
5510	Fleet Services	141	0
5520	Print/Distribution	8,802	7,323
5530	Facilities Services	12,389	13,788
5540	Information Technology (IT)	15,341	13,095
6540	EBS Services	15,481	27,327
5560	Insurance / Workers Comp.	8,522	9,499
558312	Legal Advice	15,464	15,464
Internal Services		\$76,140	\$86,496
572101	Overhead	14,328	28,549
571100	COLA	0	8,734
571100	Contingency - General	52,076	52,000
571100	Contingency - Renewal Formal Process	0	75,000
Fund Level Services		\$ 66,404	\$ 164,283
TOTAL		\$654,585	\$782,161
Total funded by dedicated PEG resources		\$ 171,453	\$ 217,868
Total funded by Jurisdictions		\$ 483,132	\$ 564,293
<u>* Dedicated funds and resources:</u> 1. Interest from MHCRC Fund Balance 2. Dedicated PEG Capital Funds			

OPERATING BUDGET - LINE ITEM DETAIL

Fiscal Year 2011-12

Proposed

		 FY 2011-12		 FY 2010-11		
Line Item	Description		Commission Operation	Grant / I-Net	Total	Commission Operation	Grant / I-Net	Total
5110	Employees :							
	Director	0.50	61,150	3,218	64,368	61,793	2,575	64,368
	Dep. Director	0.50	45,166	7,970	53,136	47,822	5,314	53,136
	Financial Analyst	0.50	25,092	16,728	41,820	27,020	14,800	41,820
	Program Manager	0.80	50,717	19,723	70,440	45,786	24,654	70,440
	Program Co-coordinator	1.00	56,736	18,912	75,648	53,969	17,990	71,958
	Total	3.30	\$238,860	\$66,552	\$305,412	\$236,390	\$65,332	\$301,722
5170	Benefits:							
	Director	0.50	22,753	1,198	23,951	19,036	793	19,829
	Dep. Director	0.50	18,523	3,269	21,792	16,308	1,812	18,120
	Financial Analyst	0.50	11,282	7,522	18,804	10,226	5,602	15,828
	Program Manager	0.80	22,283	8,665	30,948	16,891	9,095	25,986
	Program Co-coordinator	1.00	26,847	8,949	35,796	22,070	7,357	29,426
	Total	3.30	\$101,689	\$29,602	\$131,291	\$84,531	\$24,658	\$109,189
	Personnel Services, Total		\$340,549	\$96,154	\$436,703	\$320,921	\$89,990	\$410,911
5210	Professional Services:							
	Engineering Tech. Services		1,000	20,000	21,000	1,000	10,000	11,000
	Outreach		1,000	5,000	6,000	1,000	5,000	6,000
	Outside Legal Services		1,000	0	1,000	1,000	0	1,000
	Financial Services		10,000	3,000	13,000	6,400	3,000	9,400
	Renewal Negotiations		23,000	0	23,000	46,000	0	46,000
	MHCRC Retreat		3,500	0	3,500	3,500		3,500
	Total		\$39,500	\$28,000	\$67,500	\$58,900	\$18,000	\$76,900
5290	Miscellaneous Services :							
	Temp. Clerical Suppt		7,000	0	7,000	7,000	0	7,000
	Mail Delivery Service		600	0	600	600	0	600
	Total		\$7,600	0	\$7,600	\$7,600	0	\$7,600
5310	Office Supplies		\$ 1,500	\$ -	\$1,500	\$ 1,500	\$ -	\$1,500
5320	Operating Supplies:							
	Printer, Fax, & other supplies		1,200	0	1,200	1,200	0	1,200
	Software Upgrade		1,000	0	1,000	500	0	500
5350	Data Processing Equip.		1,100		1,100	1,100		1,100
	Total		\$3,300	\$0	\$3,300	\$2,800	\$0	\$2,800
5410	Education:							
	Computer Training		0	0	0	0	0	0
	Cable Regulatory Training		2,000	600	2,600	1,000	600	1,600
	Total		\$2,000	\$600	\$2,600	\$1,000	\$600	\$1,600

OPERATING BUDGET - LINE ITEM DETAIL

Fiscal Year 2011-12

Proposed

	 FY 2011-12		 FY 2010-11		
Line Item	Description	Commission Operation	Grant / I-Net	Total	Commission Operation	Grant / I-Net	Total
5420	Local Travel	1,800	600	2,400	1,400	0	1,400
5430	Out of Town Travel	\$1,600	\$1,000	\$2,600	\$1,600	\$1,000	\$2,600
5490	Miscellaneous:						
	NATOA - Membership	1,200	0	1,200	1,200	0	1,200
	ACM - Membership	600	0	600	600	0	600
	Grantmakers of Oregon	0	2,000	2,000	0	2,000	2,000
	Subscriptions:						
	Wall Street Journal	100	0	100	100	0	100
	Oregonian	80	0	80	80	0	80
	Gresham Outlook	0	0	0	0	0	0
	Law Journal Press	800	0	800	800	0	800
	West Group	0	0	0	0	0	0
	Lexis Nexis	300	0	300	300	0	300
	Parking; MHCRC & Customers	350	0	350	350	0	350
	Refreshments for MHCRC meeting	749	1,000	1,749	300	1,000	1,300
	Total	\$4,179	\$3,000	\$7,179	\$3,730	\$3,000	\$6,730
	Total, External M & S	\$61,479	\$33,200	\$94,679	\$78,530	\$22,600	\$101,130
<i>Internal Service:</i>							
5510	Fleet Services	0	0	0	141	0	141
5520	Print/Distribution	5,605	1,718	7,323	7,131	1,671	8,802
5530	Facilities Services	10,554	3,234	13,788	9,769	2,620	12,389
5540	Information Technology (IT)	10,024	3,071	13,095	12,011	3,330	15,341
6540	EBS Services	8,198	19,129	27,327	12,974	2,507	15,481
5560	Insurance / Workers Comp	8,068	1,431	9,499	7,178	1,344	8,522
558312	Legal Advice	11,856	3,608	15,464	12,116	3,348	15,464
	Total, Internal Svcs	\$54,305	\$32,191	\$86,496	\$61,320	\$14,820	\$76,140
572101	Overhead	14,275	14,275	28,549	10,286	4,042	14,328
571100	COLA	6,686	2,049	8,734	0	0	0
571100	Contingency-General	12,000	40,000	52,000	12,076	40,000	52,076
571100	Contingency -Renewal Formal Pro	75,000	0	75,000	0	0	0
	Fund Level Expenditures	\$107,960	\$56,323	\$164,283	\$22,362	\$44,042	\$66,404
	Total	\$564,293			\$483,132		
PEG Budget - From Dedicated Funds			\$217,868			\$171,453	
	TOTAL			\$782,161			\$654,585

APPENDIX ONE

BUDGET ALLOCATION BY JURISDICTION

All member Jurisdictions contribute to the operation of the MHCRC. The Commission uses a 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 2011-12**

Operating Budget Total: **\$ 564,293**

<i>JURISDICTION</i>			FY 11-12 Proposed	FY 11-12 % Allocation	Credit Balance (Note 1.)	Net Juris. Appr.
<u>Portland</u>			<u>\$366,790</u>	<u>65.0%</u>	<u>na</u>	<u>\$ 366,790</u>
	Subscriber Distribution (Note 2.)					
<u>E. County</u>	<u>No. Of Subs</u>	<u>Perc. Distr.</u>				
Gresham	22,733	74.7%	\$147,486	26.1%	\$11,078	\$136,408
Multnomah Co.	2,468	8.1%	\$16,012	2.8%	\$1,445	\$14,567
Troutdale	2,776	9.1%	\$18,010	3.2%	\$1,621	\$16,389
Fairview	1,817	6.0%	\$11,788	2.1%	\$1,084	\$10,704
Wood Village	648	2.1%	\$4,206	0.7%	\$326	\$3,880
E. County Total	30,442	100.0%	\$ 197,502	35.0%	\$ 15,554	\$ 181,948
Total			\$564,293	100.0%	\$ 15,554	\$ 548,739

Note 1. Credit balance to East County Jurisdictions include:

1. Balance from Fiscal Year 2009-10 Administrative Budget.: \$1,17
2. Compliance Revenue, franchise fee recovery from calendar years 2007-2010: \$14,537

Note 2. East County Jurisdictions Budget Allocation Percentage

<u>Jurisdictions</u>	<u>Jun-10</u>	<u>Distribution</u>
Gresham	22,733	74.7%
Multnomah Co. E & W	2,468	8.1%
Troutdale	2,776	9.1%
Fairview	1,817	6.0%
Wood Village	648	2.1%
Total E. County Subscribers	<u>30,442</u>	<u>100.0%</u>
 <u>Source:</u> Comcast Cable Subscriber Report, June 30, 2010 Verizon Franchise Cable Subscribers-Estimated, June 30, 2010 Cascade Access Cable Subscriber Report, April 30, 2010		

APPENDIX TWO

FRANCHISE FEE REVENUE AND DISBURSEMENT DETAIL

FRANCHISE FEE REVENUES AND DISBURSEMENTS
FY 2011-12
PROPOSED

Jurisdictions	Franchise Fees	Net Budget Appropriation	MetroEast	PCM	Payments to Jurisdictions
Portland		366,790			NA
GRESHAM	1,071,634	136,408	642,980		292,245
MULTNOMAH CO., EAST	38,984	14,567	23,390		1,027
MULTNOMAH CO., WEST	81,218	N/A	N/A	48,731	32,487
TROUTDALE	164,015	16,389	98,409		49,217
FAIRVIEW	103,006	10,704	61,803		30,499
WOOD VILLAGE	30,851	3,880	18,511		8,461
Total, East County	\$1,489,707	\$181,948	\$845,094	\$48,731	\$413,935
Total	-	\$548,738	-	\$48,731	-

FRANCHISE FEE BALANCE TO EAST COUNTY JURISDICTIONS:

Jurisdictions	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Adopted	FY 2011-12 Proposed
GRESHAM	259,393	308,528	299,601	292,245
MULTNOMAH CO., EAST	6,158	9,611	5,992	1,027
MULTNOMAH CO., WEST	30,172	32,791	29,214	32,487
TROUTDALE	41,538	51,185	50,000	49,217
FAIRVIEW	24,799	29,311	29,209	30,499
WOOD VILLAGE	6,977	8,215	8,196	8,461
TOTAL	\$369,037	\$439,641	\$422,212	\$413,935

FY 2011-12 Budget less Credit Balance - East County Jurisdictions

Jurisdictions	FY 2011-12 Proposed	FY 2009-10 Budget Bal. & Compl. Rev.	Net Budg. Approp. FY 2011-12
GRESHAM	147,486	11,078	136,408
MULTNOMAH CO.	16,012	1,445	14,567
TROUTDALE	18,010	1,621	16,389
FAIRVIEW	11,788	1,084	10,704
WOOD VILLAGE	4,206	326	3,880
Total	\$197,501	\$15,554	\$181,948

Note 1. Credit balance to East County Jurisdictions, Total: \$15,554

1. Balance from Fiscal Year 2009-10 Administrative Budget.: \$1,017

2. Compliance Revenue: Franchise fee recovery from calendar years 2007-2010: \$14,537

APPENDIX THREE

ACCESS DISBURSEMENT DETAIL (MetroEast and PCM)

The Commission administers two contracts with the community access providers that serve the Jurisdictions. Attachment 1 presents the FY 2011-12 budget for MetroEast Community Media (MetroEast). MetroEast serves the East Multnomah County area. Attachment 2 presents the FY 2011-12 budget for Portland Community Media (PCM). PCM serves the City of Portland area.

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

A summary chart of Access Resources is included below.

1. MetroEast Community Media:

Community Access Funding: East County	\$ 829,022
<u>Community Access Capital Funding: MHCRC</u>	<u>\$ 652,936</u>
Total	\$ 1,481,958

2. Portland Community Media:

Access Funding: Portland General Fund	\$ 890,394
Community Access Funding: West Mult. County	\$ 48,731
<u>Community Access Capital Funding: MHCRC</u>	<u>\$ 913,468</u>
Total	\$ 1,852,593

Attachment 1

METROEAST COMMUNITY MEDIA BUDGET

FISCAL YEAR 2011-12

METROEAST COMMUNITY MEDIA FY 2010-11 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. And, the fall of 2010, MetroEast will launch KZME, a noncommercial radio station.

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 225 community organizations and will facilitate about 4,500 hours of local and locally-sponsored programming in FY 2011-12, 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.
- 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, and *Community Hotline*, a live call-in program 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 benefit breakfast and public affairs forums, Troutdale's *Summerfest*, Wood Village's *Night Out*, Fairview's *Chili on the Green*,

Gresham's *Teddy Bear Parade*, *Senior Showcase*, *Music on the Air* and *Holiday Open Studio*.

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 20011-12, MetroEast anticipates that it will:

- Offer training to 750 people in 150 classes
- Produce and facilitate 4,500 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 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

Working with the results of the MHCRC's needs ascertainment and its own survey of East Metro nonprofit public benefit organizations, MetroEast developed a new strategic plan. 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 of the plan began in late 2010.

MetroEast's strategic plan includes the following strategic directions:

- Collaborating to showcase diverse music, arts and cultures through partnership projects and arts programming distributed on multiple platforms
- Building multimedia literacy in our communities through youth media and community-centered training and volunteer development
- Catalyzing local content across platforms by expanding local content, making use of social media and continuing coverage of local government activities

- Making a difference by finding new and improving existing tools for evaluation
- Promoting MetroEast's services through a branding and communications campaign
- Strengthening the team and the organization through staff, board and resource development

MetroEast pursues these 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.

THE NUMBERS

Overall, the FY 2011-12 budget looks similar to previous years although revenues are projected to be down from the current year of FY 2010-11. MetroEast's financial situation has improved markedly from the crisis year of FY 2009-10 but the impact of the cuts made then continue.

Due primarily to decreased revenue projections (4130), proposed personnel expenses (7020, 7030, 7050) are almost flat. Personnel expenses from FY 08-09 through FY 2011-12 will have increased less than a total of 4%. Rising health care costs add to the pressure on wages and require conservative budgeting.

MetroEast has continued to look for savings in its operating expenses and the proposed budget for operating expenses is less than in FY 2010-11. Some areas of saving are insurance (6100), personnel recruitment (6170), postage (6172), and printing (6173).

Capital expenditures for production and maintenance equipment (8060) will increase significantly in FY 2011-12 as MetroEast upgrades its studio and mobile unit to HD and replaces equipment that is over 10 years old, well beyond its expected life. MetroEast paid off an equipment lease in FY 2010-11 (8008, 8009) and the annual contribution to the building maintenance fund (8016) continues. The repayment of non-capital funds used for building construction (8090) is budgeted at a slightly higher rate than in FY 2010-11. Delayed leasehold improvements (8030), including the installation of automatic doors at MetroEast's main entrance are scheduled for FY 2011-12.

While facing the challenges of decreased revenues and increasing costs in several arenas, MetroEast continues to be financially strong and looks forward to another year of financial stability.

PROPOSED BUDGET
METROEAST COMMUNITY MEDIA
FY 2011-12

INCOME:					
	ACTUAL 2008-09	ACTUAL 2009-10	BUDGET 2010-11	ACTUAL 2010-11 4/4/2011	PROPOSED BUDGET 2011-12
4130 Franchise Fees, Multnomah	\$ 693,265	\$ 828,867	\$ 841,515	\$ 666,176	\$ 829,022
4090 Interest	902	316	335	119	160
4270 Activity Fees/Fees for Service	16,384	14,873	18,000	28,913	18,000
4200 Other	13,162	11,480	14,000	7,099	9,000
4172 Capital Funds	559,836	577,348	551,002	498,353	652,936
4905 Building Loan Reimbursement		152,056	103,774	50,000	119,551
4162 Investment Fund Withdrawal	319,058	16,734	12,000	0	12,000
TOTAL OPERATING INCOME	\$ 1,602,607	\$ 1,601,674	\$ 1,540,626	\$ 1,250,660	\$ 1,640,669
EXPENSES:					
	ACTUAL 2008-09	ACTUAL 2009-10	BUDGET 2010-11	ACTUAL 2010-11 4/4/2011	PROPOSED BUDGET 2011-12
Personnel					
7020 Full-Time Salaries	\$ 500,568	\$ 502,766	\$ 530,705	\$ 408,413	\$ 545,659
7030 Part-Time Salaries	109,122	97,359	96,734	85,117	88,902
7050 Taxes & Fringe Benefits	159,969	162,039	163,134	145,780	164,986
Total Personal Services	\$ 769,659	\$ 762,164	\$ 790,573	\$ 639,310	\$ 799,547
Operations					
	ACTUAL 2008-09	ACTUAL 2009-10	BUDGET 2010-11	ACTUAL 2010-11 4/4/2011	PROPOSED BUDGET 2011-12
6020 Accounting	\$15,141	\$ 16,500	\$ 17,000	\$ 17,032	\$ 17,800
6041 Consulting	57,149	44,687	14,250	10,278	13,000
6051 Dues & Subscriptions	11,220	10,660	14,500	2,579	12,500
6060 Educational Program Acquisition	400	0	400	0	400
6061 Education & Training	7,434	1,289	6,500	2,452	4,000
6062 Business Meals/Related	2,062	1,249	1,545	948	1,200
6063 Ed. Tuition Reimbursement	0	0	200	0	0
6064 Events	975	400	1,000	550	1,000
6070 Food	11,506	7,281	9,500	4,898	9,500
6100 Insurance	45,004	43,751	52,000	39,564	49,000
6110 Janitorial	9,635	9,849	10,800	4,005	7,200
6130 Legal	553	414	4,761	409	4,000
6131 Local Travel & Mileage	2,228	1,439	2,036	778	1,350
6140 Maintenance Supplies	1,684	808	1,737	537	799
6160 Office Supplies	4,794	3,206	4,602	3,947	4,687
6161 Operation Supplies	6,599	7,071	8,468	8,237	8,750
6170 Personnel Recruitment	978	587	1,803	582	750
6171 Phones	7,676	6,636	6,000	5,102	6,750
6172 Postage	4,342	2,212	3,200	2,518	3,200
6173 Printing	7,024	1,100	1,500	648	1,500
6174 Marketing/Promotion	4,981	5,029	7,500	4,922	7,500
6190 Repairs & Maintenance	6,374	10,260	7,200	7,936	8,500
6211 Travel	1,324	266	3,975	1,091	2,250
6220 Utilities and Maintenance	17,265	20,251	18,242	15,528	22,150
6230 Vehicle Maintenance	296	807	332	0	400
Total Materials & Services	\$ 226,644	\$ 195,752	\$ 199,051	\$ 134,541	\$ 188,186

PROPOSED BUDGET
METROEAST COMMUNITY MEDIA
FY 2011-12

Capital	ACTUAL 2008-09	ACTUAL 2009-10	BUDGET 2010-11	ACTUAL 2010-11 4/4/2011	PROPOSED BUDGET 2011-12
8001 Misc. Debt Expense	\$1,085	\$ 0	\$ 3,750	\$ 0	\$ 3,750
8002 Books	131	0	150	53	150
8003 Maintenance Supplies	0	0	500	0	500
8004 Office Supplies	406	674	1,475	966	1,000
8005 Operation Supplies	170	2,314	1,605	229	750
8006 Repairs & Maintenance	0	20,648	3,000	11,053	14,000
8007 Videotape	2,196	900	1,500	0	1,500
8008 Equipment lease - Debt Reductio	33,166	36,632	16,371	16,371	0
8009 Equipment lease - Interest	7,110	3,645	411	411	0
8011 Interest Short Term Loans	28,375	16,734	24,167	11,932	17,500
8013 Interest Long Term Loan	56,874	54,056	48,613	44,135	52,962
8014 Debt Reduction - Short Term Loa	289,595	0	75,380	0	50,000
8015 Debt Reduction - Long Term Loa	10,666	10,665	18,335	8,888	10,570
8030 Leasehold Improvements	713	90	31,000	915	31,000
8016 Building Maintenance Fund	0	23,000	12,000	0	12,500
8040 Office Equipment	9,975	19,956	25,000	12,421	28,000
8050 Office Furnishings	0	2,395	2,500	0	2,500
8060 Production & Maintenance Equip	53,588	126,021	181,471	24,413	306,703
8090 Building Loan Transfer	0	152,056	103,774	50,000	119,551
Total Capital	\$ 494,050	\$ 469,786	\$ 551,002	\$ 181,787	\$ 652,936
TOTAL OPERATING EXPENSE:	\$ 1,490,353	\$ 1,427,702	\$ 1,540,626	\$ 955,638	\$ 1,640,669

METROEAST COMMUNITY MEDIA
FY 2011-12 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.

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.

4905 Building Loan Transfer

Internal transfer of capital funds to operations to reimburse operations funds spent on building construction.

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.

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.

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 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 Media/Videotape**
Video and audio media (e.g., video tape, DVDs)
- 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.

8090 Building Loan Transfer

Transfer of capital funds to reimburse operations funding used for building construction.

Attachment 2

PORTLAND COMMUNITY MEDIA BUDGET

FISCAL YEAR 2011-12



PORTLAND COMMUNITY MEDIA

2766 NE Martin Luther King Jr. Blvd Portland, OR 97212

Phone 503 288-1515 Fax 503 288-8173 www.pcmtv.org

TO: MHCRC FINANCE COMMITTEE
CC: DAVID OLSON, MHCRC DIRECTOR
ALAN ALEXANDER, MHCRC CHAIR
FROM: CECE HUGHLEY NOEL, EXECUTIVE DIRECTOR
DATE: APRIL 29, 2011
SUBJECT: PORTLAND COMMUNITY MEDIA (PCM) BUDGET

On April 26, 2011, the Portland Community Media (PCM) Board of Directors unanimously approved PCM's draft operating and capital budget for FY 2011-2012 and authorized the staff to submit the budget to the MHCRC Finance Committee for review. The budget assumptions reflect realistic expectations for revenue from the City of Portland for operations and capital, earned income projections based on historic patterns and conservative estimates of support from grants, contributions and corporate underwriting.

This budget submission also includes BUDGET NOTES as requested by the MHCRC Finance Committee, which address in narrative detail the assumptions and the history of key line items.

We appreciate the MHCRC staff and the Finance Committee's feedback on our 2011-2012 FY Budget and look forward to answering any questions the Commission has on Tuesday, May 4, 2011 at your regular meeting.

Historic Overview/Current Conditions

In Fiscal Year 2009-2010, PCM experienced financial crisis as a result of poor management of resources compounded by the loss of investment funds and a faltering economy because of the recession. We initiated aggressive curative action to address the issues with the support of the MHCRC and are pleased to report that our efforts resulted in a significant stabilization of the organization during the current fiscal year.

PCM has undertaken a robust re-building and re-structuring of fiscal and operational policies, procedures, protocols and practices in response to the fiscal crisis in the previous year. With appropriate leadership and professional staff in place, we've achieved many of the goals outlined for the Finance Committee as per our conditions of budget approval last May.

A current challenge PCM is facing is the completion of two major grants (ACCESS 2.0 and SMART ACCESS) in progress in its final years despite absence of the revenue allocation for the project. The funds received upfront were recognized and expensed 100% in fiscal year 2009-2010 in general operational activities. Despite the constraint, current PCM administration has undertaken the responsibility to ensure successful completion of the projects for its remaining term from its current internal resources.

The Budget for 2011-2012 is separated and budgeted on the basis of "Restricted Funds" and "Unrestricted Funds". This budget is designated as a year of re-building PCM resources.

Operations Support

The Operating budget consists of Unrestricted Funds measuring activity of PCM as an enterprise executing PEG functions.

The budget considers a reduction of 1.5% in operations support from the City of Portland of \$890,394. In total, the budget anticipates gross operating revenue forecast for the fiscal year 2011-2012 is \$1,598,965. The average monthly revenue expected is around \$133,247 which represents an average increase of \$4,000 per month from prior year revised budget of 12/31/10. Key focus areas include Production Services with \$200,000 budget with improved staffing resources and acquiring new contract for services.

Funds Development efforts are increased to a goal of \$200,000 and Fundraising Events of \$6,500 is planned based on our successful efforts this past year in this area. PCM has successfully attained 42% of this budget item prior to the last quarter of the current fiscal year through the team effort by Board and staff and will expand it in the new budget year.

On-going aggressive cash flow management, the development of a new investment plan and appropriate revenue cycle management will bolster the efforts to improve revenue from cash resources in the next fiscal year.

Capital Investment

The second part of the budget consists of Restricted Funds measuring the "Capital Investment" value for Public Access, Community Education and Technology through PCM resources.

The capital (restricted funds) is forecasted to generate revenue of \$1,157,468 with carried forward revenue of estimated \$200,000 from fiscal year 2010-2011 and City funding of \$913,468. The balance of the loan repayment of \$44,000 from operations to capital revenue is scheduled in 2011-2012.

The Capital Investment Plan has been estimated to incur purchases of assets, setup and implementation at a cost of \$841,690 by June 2012. The current portion of depreciation is estimated at \$53,735. As a result, the surplus capital fund is anticipated at \$262,043 for the fiscal year.

Expenses

Operating expenditures for PCM for the fiscal year is forecasted at \$1,547,362, an increase of \$198,234.

In order to restore services and deliverables, investment of expenditures in key areas such as an expansion of human resources capability with a restructuring of the organization to enhance service

delivery and a greater return on investment. As a result an increase of \$183,530 is anticipated in alignment with the revenue potential.

Fiscal year ending June 2012 forecast is expected to generate an earned income from operating activity of \$51,603.

The combined result of PCM activity forecast for fiscal year 2011-2012 is as follows:

1. The total revenue generated of \$2,756,433 (Operating = \$1,598,965 and Capital = \$1,157,468).
2. Total funds Expenditure for year total \$2,442,787 (Operating = \$1,547,362 and Capital = \$841,690).
3. Net surplus of \$313,646 (Operating = \$51,603 and Capital = \$262,043) is generated per forecast for 2011-2012.

Portland Community Media

April 19, 2011

Report to the PCM Finance Committee & Board of Directors

Summary of Budget Report for Fiscal Year 2011-2012 ending June, 2012.

A. Budget.

The Budget for 2011-2012 is separated and budgeted on the basis of "Restricted Funds" and "Unrestricted Funds" basis.

This budget is designated as a year of Re-building PCM resources.

- The Operating budget consists of Unrestricted Funds measuring activity of PCM as an enterprise executing PEG functions.
- The second part of Budget consists of Restricted Funds measuring the "Capital Investment" value for Public Access, Community Education and Technology through PCM resources.

B. Operating Budget.

1.0 Revenue.

1. Gross operating revenue forecast for the fiscal year 2011-2012 is \$1,598,965. The average monthly revenue expected is around \$133,247,
 - Average increase of \$4,000 per month from prior year revised budget of 12/31/10 is forecasted.
 - Key focus areas include Production Services with \$200,000 budget with improved staffing resources and acquiring new contract for services,
 - Funds Development effort of \$200,000 and fundraising Event of \$6,500 is undertaken already through a management function to integrate with community for projects, partnership and affiliation. Evidently, PCM has successfully attained 42% of this budget item in last 3 months through the team effort in the current budget and will expand it in new budget year.
 - Aggressive cash flow management, investment plan and revenue cycle management to bolster the effort to improve revenue from cash resources represented in the revenue item from 4409 – 9993.

2. Current challenge PCM is facing is the completion of two major grants (ACCESS 2.0 and SMART ACCESS) in progress in its final years despite absence of the revenue allocation for the project. The funds received upfront were recognized and expensed 100% in fiscal year 2009-2010 in general operational activities. Despite the constraint, current PCM administration has undertaken the responsibility to ensure successful completion of the project for its remaining term from its current internal resources.

2.0 Expenses

Operating expenditure for PCM for fiscal year is forecasted at \$1,547,362, an increase of \$198,234.

- Staff Related - In order to restore services and deliverables, investment of expenditure in key areas such as expansion of human resources capability (human capital) being the key component of non-profit function will be upgraded and developed for quality community integration and to achieve the return on Investment value. As a result an increase of \$183,530 is anticipated in alignment with the revenue potential.
- General Overhead – forecasted to remain in same range as prior year.
- Equipment Related – Expected to remain same with a minor adjustment to subcontractor services. Focus will be on replacing the aged assets instead of repairs.
- Building related – Forecast is to maintain at the same level with financial planning and cost management process.
- Ownership Cost –accommodate for around 3% increase expected from insurance industry trend.

3.0 Net Income

- Fiscal year ending June 2012 forecast is expected to generate an earned income from operating activity of \$51,603.
- Non-cash item, depreciation expense, is accounted for in the capital budget.

C. Capital Budget.

1. The capital (restricted funds) is forecasted to generate revenue of \$1,157,468 with carried forward revenue of estimated \$200,000 from fiscal year 2010-2011 and City funding of \$913,468. The balance loan repayment of \$44,000 from operations to capital revenue is scheduled in 2011-2012.
2. The Capital investment plan has been estimated to incur in purchases of assets, setup and implementation cost of \$841,690 by June 2012.

3. Current portion of Depreciation is estimated at \$53,735.
4. As a result the surplus capital fund is anticipated at \$262,043 for the fiscal year.

D. Combined Results (Operating plus Capital) Budget.

The combined result of PCM activity for fiscal year 2011-2012 is as follows per the statement:

1. The total revenue generated of \$2,756,433 (Operating = \$1,598,965 and Capital = \$1,157,468).
2. Total funds Expenditure for year total \$2,442,787 (Operating = \$1,547,362 and Capital = \$841,690).
3. Net surplus of \$313,646 (Operating = \$51,603 and Capital = \$262,043) is generated per forecast for 2011-2012.

PORTLAND COMMUNITY MEDIA

BUDGET 2011 - 2012

Line Item	12/31/2010				1/25/2011				4/26/2011				Change from last year	Narrative
	REVISED ADOPTED			% of Total Revenue	Approved			Approved by PCM Board						
	BUDGET	2010-2011	FY		BUDGET	2010-2011	FY	BUDGET	2011-2012	FY	% of Total Revenue	%		
OPERATING BUDGET														
INCOME														
4000	Contract City Portland	864,154		61.3%	903,953			57.8%	890,394			55.7%	26,240	Unrestricted City of Portland Funding expected at a reduction rate of 1.5% per contractual relationship.
4005	Franchise Mult. West	43,821		3.1%	43,821			2.8%	48,731			3.0%	4,910	MINV fees increased by \$4,910.
4100	Special Projects - Production Svc.	175,000		12.4%	200,000			12.8%	200,000			12.5%	25,000	Anticipate expansion through organizational affiliation beyond our contracted clients - Work is already in progress by the MMS manager and ED. Currently, PCM has 3 contracts (POC, PSC, Metro) and a handful of permanent relationships.
4200	Community Service	5,000		0.4%	6,500			0.4%	-			0.0%	(5,000)	Combined with Line Item 4400.
4214	Access 2.0 Operating Support	-		0.0%	-			0.0%	-			0.0%	-	Grant re-organized to activate revenue potential.
4215	New Services: SmartAccess Revenue	3,500		0.2%	3,500			0.2%	5,000			0.3%	1,500	ONI, SMNI, Sisters of Road activity fee from grant.
4250	Contributions	10,500		0.7%	13,650			0.9%	13,650			0.9%	3,150	New website re-vamp and awareness to expand activity from public contribution.
4300	Media Education	20,000		1.4%	26,000			1.7%	30,000			1.9%	10,000	The Community Media program is being strengthened through re-organization with 5.75 FTE. Expect to increase revenue activity whilst focused on mission based programs by at least 5 additional workshops, 5 organizational funding and affiliation in 2011-2012.
4301	MetroEast Ollie Reimbursement	-		0.0%	-			0.0%	-			0.0%	-	None - project completed.
4325	Portland Youth Media	80,000		5.7%	104,000			6.6%	104,000			6.5%	24,000	PCM is forecasting 20 workshops @ \$5,200.
4355	Development: Grants/Corporate Underwriting	120,000		8.5%	160,000			10.2%	200,000			12.5%	80,000	Based on new budget target by each program area to managers, fund development calendar and focus by job function to actively integrate into community through networking and expanding PCM role. Within 3 months of implementation from Jan-March 42% budget already achieved for 2010-2011 reflects confidence and establishment of positive results - some grants received from corporate sponsors - Unrestricted funds.
4400	Fundraising & Events	5,000		0.4%	6,500			0.4%	6,500			0.4%	1,500	PCM is already actively holding fund-raising events with sponsors and plan to pursue more frequently with community support and improved level of integration and awareness. Active staff participation encouraged and developed.
4409	Energy Savings Project	-		0.0%	-			0.0%	-			0.0%	-	Solar energy research in process to determine the failed ROI of investment. Expect resolve in early part of the fiscal year. Seems the final aspect of project needs to be revisited - review transformer activity to solar energy to enable savings and improved ROI.
4410	Misc Inc. (Sweep Acct. E-commerce, Events)	10,000		0.7%	13,000			0.8%	-			0.0%	(10,000)	Sweep income is invested directly into investment portfolio - revenue generated is accounted on line 4805 and 4806 below.

PORTLAND COMMUNITY MEDIA

BUDGET 2011 - 2012

Line Item	12/31/2010			1/25/2011			4/26/2011			Narrative
	REVISED ADOPTED			Approved			Approved by PCM Board			
	BUDGET	FY	% of Total Revenue	BUDGET	FY	% of Total Revenue	BUDGET	FY	% of Total Revenue	
4412	Damages paid for equipment	500	0.0%	650	0.0%	0.0%	650	0.0%	0.0%	Recovery cost of damages to PCM equipment from public access usage
4580	Tape / Disk Sales	20,000	1.4%	26,000	1.7%	1.7%	26,000	1.6%	1.6%	Public access product sales
4581	Dubbing	2,500	0.2%	3,250	0.2%	0.2%	3,250	0.2%	0.2%	MMS dubbing revenue from production services
4585	User fees	15,000	1.1%	19,500	1.2%	1.2%	15,000	0.9%	0.9%	With greater support to Public Access dept. addition of Public Relations/Outreach Coordinator and .5FTE in Technical expertise expected to provide ability to integrate wide spectrum of users and generate fees such as studio rental during down-time, portable equip rental, meeting space, etc.
4710	Checking Acct. Interest	2,500	0.2%	3,250	0.2%	0.2%	3,250	0.2%	0.2%	Capital fund - Bank interest checking account
4711	Interest on Capital Funds	1,000	0.1%	1,300	0.1%	0.1%	1,300	0.1%	0.1%	Rainy Day - Bank money market account
4715	Investment Fund Income	-	0.0%	-	0.0%	0.4%	6240	0.4%	0.4%	Ameriprise Real Estate investment income, currently generating \$520 per month
4805	Interest USB merchant /investment	-	0.0%	-	0.0%	0.0%		0.0%	0.0%	Merchant Bank investment sweep income
4806	REIT Distribution Income	19,000	1.3%	15,000	1.0%	1.9%	30,000	1.9%	1.9%	Based on actual 2010-2011 fiscal year results of \$23K and considering on-going economic conditions, the average \$266K investment fund is expected to generate at least \$30K annual income from reserve fund.
4810	Dividends Investment	-	0.0%	-	0.0%	0.0%		0.0%	0.0%	None expected
9991-94	Gain/(Loss) on Sale of Investments	-	0.0%	-	0.0%	0.0%		0.0%	0.0%	None expected
9993	Gain/(Loss) on Sale of fixed assets	13,000	0.9%	15,000	1.0%	0.9%	15,000	0.9%	0.9%	The obsolete assets of around \$100K is expected to generate \$15K gain from sale
	Commercial Loan Proceeds	-	0.0%	-	0.0%	0.0%		0.0%	0.0%	None expected
	TOTAL OPERATIONS INCOME	1,410,475	100.0%	1,564,874	100.0%	100.0%	1,598,965	100.0%	100.0%	Growth rate of 13% forecasted from 12/31/2010 revised budget (4% if exclude City fund)
STAFF RELATED										
5000	Payroll Wages- F/T - P/T	657,750	46.6%	770,526	49.2%	50.7%	811,066	50.7%	50.7%	Increase includes 3.0 COLA, re-instatement of 4 FTE in (2-Comm. Educ., 2-MMS) and addition of 1.75 FTE in PUB ACCESS. Overall PCM FTE = 23.50.
5002	Wages-On Call	70,000	5.0%	91,000	5.8%	4.2%	66,400	4.2%	4.2%	Increased activity demand and to re-instate services to community, on-call support is acquired at terms of direct wage mainly utilized by Production services and Community Media Education activity. Community intergration, creating jobs and generating PCM matching funds by recruiting on-call personnel is also achieved
5100	Payroll Taxes F/T - P/T	85,832	6.1%	111,581	7.1%	6.1%	97,328	6.1%	6.1%	Combined tax liability for line item 5000
5102	Payroll Taxes-On Call	7,650	0.5%	9,945	0.6%	0.5%	7,968	0.5%	0.5%	Combined tax liability for line item 5000
5110	403 (B) Contributions	13,000	0.9%	15,000	1.0%	1.3%	20,000	1.3%	1.3%	Based on actual contribution match of \$17,946 for FY 2010-2011. Expect increase in membership in fiscal year 2011-2012
5111	Medical & Dental Insurance	100,000	7.1%	110,000	7.0%	6.9%	110,000	6.9%	6.9%	Employee benefit accounts for a slight increase in personnel (FTE)
5112	Life & Disability Insurance	5,000	0.4%	6,000	0.4%	0.4%	6,000	0.4%	0.4%	Employee benefit accounts for a slight increase in personnel (FTE)
5200	Employee Recruitment	2,000	0.1%	2,600	0.2%	0.2%	2,600	0.2%	0.2%	An on-going recruitment cost to cater for staff turn-over and growth activity

PORTLAND COMMUNITY MEDIA

BUDGET 2011 - 2012

Line Item	12/31/2010			1/25/2011			4/26/2011			Narrative
	REVISED ADOPTED			Approved			Approved by PCM Board			
	FY	BUDGET	% of Total Revenue	FY	BUDGET	% of Total Revenue	FY	BUDGET	% of Total Revenue	
			2010-			2010-2011			2011-2012	
5300	Training & Education - Staff		3,000	0.2%		3,900	0.2%	3,900	0.2%	900
5350	Training & Education - Board		1,500	0.1%		1,500	0.1%	1,500	0.1%	-
5401	Travel - out of town & Local		5,000	0.4%		5,000	0.3%	5,000	0.3%	-
5500	Payroll Service		15,000	1.1%		15,000	1.0%	15,000	0.9%	-
5501	Crew Food		500	0.0%		650	0.0%	3,000	0.2%	2,500
	Subtotal		966,232	68.5%		1,142,702	73.0%	1,149,762	71.9%	183,530

GENERAL OVERHEAD										
6010 Accounting Audit	20,000		1.4%	22,000		1.4%	20,000		1.3%	Expect to utilize expertise and services regarding advice for Fiscal management and confirmation in various areas throughout the year as a proactive safeguard of PCM assets and operation.
6020 Legal	12,000		0.9%	12,000		0.8%	12,000		0.8%	Contingency and on-going legal advice to safeguard PCM and to minimize risk.
6080 Computer Consulting	3,000		0.2%	5,000		0.3%	5,000		0.3%	Professional consulting and ad-hoc key project require specific expertise above and beyond such as ACCPAC upgrade to non-profit package, contract management and grant evaluation, etc.
6090 Professional Services-admin-contract	20,000		1.4%	20,000		1.3%	20,000		1.3%	Succession planning and Back-up support for professional help in key job functions and expertise.
6091 Production Professional Expenses	1,000		0.1%	1,300		0.1%	1,300		0.1%	Acquire support for professional services in production contract management.
6092 Independent Contractors (Events)	7,000		0.5%	9,100		0.6%	9,100		0.6%	Support events and fund- development events.
6095 Portland Youth Media (PYM)	5,000		0.4%	6,500		0.4%	5,000		0.3%	Support the activities of Youth Media non-funded and administrative activities such as access to community programs, representation and awareness.
6152 Board Planning	1,000		0.1%	1,300		0.1%	1,300		0.1%	Support Board development activities.
6200 Office Supplies	10,000		0.7%	13,000		0.8%	13,000		0.8%	Increased level required due to increased business activity and personnel.
6290 Advocacy/Government Relations	2,000		0.1%	2,600		0.2%	2,600		0.2%	Support contract negotiations and funding and PR activity.
6300 Printing - Outsourced	5,000		0.4%	6,500		0.4%	6,500		0.4%	General printing such as checks, annual report, etc.
6301 Printing - InHouse	5,000		0.4%	6,500		0.4%	6,500		0.4%	Specialized printing such as brochures, promotional items, marketing materials, etc.
6400 Postage & Shipping	5,000		0.4%	6,500		0.4%	6,500		0.4%	Postage machine and shipping activity.

PORTLAND COMMUNITY MEDIA

BUDGET 2011 - 2012

Line Item	12/31/2010			1/25/2011			4/26/2011			Narrative
	REVISED ADOPTED			Approved			Approved by PCM Board			
	FY	BUDGET	% of Total Revenue	FY	BUDGET	% of Total Revenue	FY	BUDGET	% of Total Revenue	
		2010-			2010-2011			2011-2012		
		2011	%			%			%	
Miscellaneous Expenses (Program acquisition-Peg Media)		500	0.0%	650	0.0%		1,000	0.1%	General expenses for program support and coordination.	
6410		3,000	0.2%	3,900	0.2%		3,900	0.2%	Fleet of 7 vehicles supporting program and general administration activity.	
6500 Vehicle Fuel		1,500	0.1%	1,950	0.1%		1,950	0.1%	Expense incurred during production and general administration activity.	
6505 Vehicle Parking		3,000	0.2%	3,900	0.2%		3,900	0.2%	Media purchases for PCM operation.	
6580 Video Tapes		5,000	0.4%	6,500	0.4%		6,500	0.4%	Support activity for marketing materials and fund development needs.	
6670 Marketing & Fund Development		5,000	0.4%	6,500	0.4%		6,500	0.4%	Revised contract for phones in use for program activities.	
6701 Pagers & Cell Phones		8,000	0.6%	15,000	1.0%		15,000	0.9%	To allow for licenses and hosting cost under-stated in budget last year.	
6702 Internet Access		10,000	0.7%	13,000	0.8%		13,000	0.8%	Support PCM phone system to assist conduct general business.	
6703 Phone General		800	0.1%	1,040	0.1%		1,040	0.1%	Minor software support and purchases.	
6710 Computer Software		10,000	0.7%	13,000	0.8%		13,000	0.8%	Banking activity charges.	
6715 Bank Charges		3,000	0.2%	3,900	0.2%		3,900	0.2%	Membership for PCM related activity for accessibility and education oriented participation.	
6720 Dues & Subscriptions		2,000	0.1%	2,600	0.2%		2,600	0.2%	General fees and charges incurred.	
6729 Fees		5,000	0.4%	6,500	0.4%		6,500	0.4%	Support PCM hosting activities and events.	
6800 Hospitality		87,000	6.2%	44,000	2.8%		44,000	2.8%	Total Estimated per final audit at \$131K. \$87K to be paid in current and \$44K in 2010-2012 per board approval.	
60xx Payment of Loan to Capital		239,800	17.0%	234,740	15.0%		231,590	14.5%	Growth rate of -.3% forecasted from 12/31/2010 revised budget - savings of \$8K in 2011-2012.	
Subtotal										
EQUIPMENT RELATED										
7000 Repair - parts		10,000	0.7%	13,000	0.8%		13,000	0.8%	Replacement Part purchases for equipment and assets.	
7005 Repair- Headend Expense		500	0.0%	650	0.0%		-	0.0%	None forecasted.	
7010 Repair - small tools		3,500	0.2%	4,550	0.3%		-	0.0%	None forecasted.	
7015 Repair - sub-contractor		30,000	2.1%	39,000	2.5%		30,000	1.9%	To fund aged equipment and general maintenance.	
7016 Repair City Council Chambers		500	0.0%	650	0.0%		650	0.0%	Contingency to support activity and engagement for city contract.	
7020 Replacement Studio bulbs		1,200	0.1%	1,560	0.1%		1,560	0.1%	Studio lighting maintenance cost.	
7030 Replacement equipment batteries		500	0.0%	650	0.0%		650	0.0%	Equipment and accessories battery replacement cost.	
Subtotal		46,200	3.3%	60,060	3.8%		45,860	2.9%	Growth rate of -.1% forecasted from 12/31/2010 revised budget - savings of \$340 in 2011-2012.	

PORTLAND COMMUNITY MEDIA

BUDGET 2011 - 2012

Line Item	12/31/2010			1/25/2011			4/26/2011			Change from last year	Narrative
	REVISED ADOPTED			Approved			Approved by PCM Board				
	BUDGET	FY	% of Total Revenue	BUDGET	FY	% of Total Revenue	BUDGET	FY	% of Total Revenue		
BUILDING RELATED											
7500 Janitor Service - Main Building		9,240	0.7%	9,240		0.6%	9,240		0.6%	-	Cleaning and maintenance of office and public access hygiene facility.
7502 Janitor Service - Annex		2,000	0.1%	2,000		0.1%	2,000		0.1%	-	Cleaning and maintenance hygiene of office and public access facility.
7510 Janitorial Supplies		2,400	0.2%	3,120		0.2%	3,120		0.2%	720	Supplies to maintain office and public access facility.
7620 Electricity		24,000	1.7%	27,000		1.7%	25,000		1.6%	1,000	Accommodate rate increase and usage due to increased activity and general office usage.
7622 Electricity Building # 2		3,000	0.2%	3,900		0.2%	3,900		0.2%	900	Accommodate rate increase and usage due to increased activity and general office usage.
7635 Garbage Removal		1,577	0.1%	2,050		0.1%	2,050		0.1%	473	Garbage management services -necessity.
7640 Other Utilities		5,000	0.4%	6,500		0.4%	6,500		0.4%	1,500	Expense necessary to maintain service heat, water and other utility - necessity.
7642 Other Utilities # 2		1,000	0.1%	1,300		0.1%	1,300		0.1%	300	Expense necessary to maintain service heat, water and other utility - necessity.
7645 Natural Gas		4,500	0.3%	5,850		0.4%	5,850		0.4%	1,350	Expense necessary to maintain service heat and HVAC utility - necessity.
7646 Natural Gas # 2		2,500	0.2%	3,250		0.2%	3,250		0.2%	750	Expense necessary to maintain service heat and HVAC utility - necessity.
7650 Vehicle Maintenance		2,500	0.2%	3,250		0.2%	3,250		0.2%	750	Fleet service and maintenance cost.
7660 Landscape Maintenance		800	0.1%	1,040		0.1%	1,040		0.1%	240	Land scaping cost for upkeep of property owned.
7670 Building Maintenance		9,000	0.6%	11,700		0.7%	11,700		0.7%	2,700	General repairs and maintenance of owned building.
7680 Security Service		1,500	0.1%	1,950		0.1%	1,950		0.1%	450	Security alarm system management service.
Subtotal		69,017	4.9%	82,150		5.2%	80,150		5.0%	11,133	Growth rate of 16% forecasted from 12/31/2010 revised budget - increase of \$11,133.
OWNERSHIP COSTS											
9000 Insurance - liability		27,879	2.0%	36,243		2.3%	40,000		2.5%	12,121	Insurance premium required for umbrella coverage.
TOTAL OPERATIONS EXPENSES											
		1,349,128	95.7%	1,555,895		89.4%	1,547,362		96.8%	198,234	Net Growth rate of expenses of 18% forecasted from 12/31/2010 revised budget - increase of \$241,336.
NET INCOME (LOSS) FROM OPERATIONS											
		61,347	4.3%	8,979		0.6%	51,603		3.2%	(9,744)	Net earnings of \$51,603 in first year of rebuilding is forecasted with a significant financial constraints and turnaround effort from prior year.

PORTLAND COMMUNITY MEDIA

BUDGET 2011 - 2012

Line Item	12/31/2010				1/25/2011				4/26/2011				Narrative
	REVISED ADOPTED				Approved				Approved by PCM Board				
	BUDGET	FY	2010-2011	%	BUDGET	FY	2010-2011	%	BUDGET	FY	2011-2012	%	
CAPITAL BUDGET													
2909	Balance Capital Fund from 2010-2011		-	0.0%		-		0.0%	200,000			17.3%	Expected balance of Capital Fund to be carried forward from prior 2010-2011 to 2011-2012.
4909	Capital Grant Income		892,899	84.6%		923,675		90.4%	913,468			78.9%	Restricted Capital PEG funds granted from City of Portland per contract.
4911	Capital Grant Access 2.0		-	0.0%		-		0.0%	-			0.0%	None forecasted.
4998	Investment Funds Used		-	0.0%		-		0.0%	-			0.0%	None forecasted.
	SmartAccess Funds		75,000	7.1%		54,000		5.3%	-			0.0%	Restricted fund allocated for 3 year funding was fully utilized in 2009-2010, as a result none carried forward for project. PCM funds utilized to complete the project.
90xx	Payment of Loan to Capital		87,000	8.2%		44,000		4.3%	44,000			3.8%	(75,000) See line item 60xx above.
	TOTAL CAPITAL INCOME		1,054,899	100.0%		1,021,675		100.0%	1,157,468			100.0%	(43,000) Restricted funds - aggregate income for capital investment.
	CAPITAL EXPENSE:												
1600	Land & Building - Car Park		80,209	7.6%		80,209		7.9%	30,000			2.6%	Resurface and marking to meet regulatory requirement.
1620	Building Improvements		25,000	2.4%		25,000		2.4%	25,000			2.2%	General upgrade and replacement due to wear and tear.
1622	New Building Improvements		10,000	0.9%		10,000		1.0%	10,000			0.9%	General upgrade and replacement due to wear and tear.
1630	Production Equipment		298,690	28.3%		298,690		29.2%	298,690			25.8%	Additional upgrade and investment of aging production equipment.
1640	Playback Equipment		208,000	19.7%		208,000		20.4%	208,000			18.0%	Additional upgrade and investment of aging playback equipment for public access services.
1647	Ollie-Youth Media Equipment		50,000	4.7%		50,000		4.9%	-			0.0%	Not applicable.
1650	Office Equipment & Furniture (Incl Computers)		118,000	11.2%		100,000		9.6%	100,000			8.6%	Office remodel staggered to accommodate support and resource management - engineering and public access, Office, etc.
1650-S	PEG Access Capitalized Payroll		89,500	8.5%		95,000		9.3%	120,000			10.4%	PEG payroll for implementation of capital project and development per capital investment plan.
1664	SmartAccess-Grant Fund Equipment		75,000	7.1%		50,000		4.9%	-			0.0%	Not applicable.
1664-S	SmartAccess Capitalized Payroll		45,000	4.3%		45,000		4.4%	50,000			4.3%	Support SMARTA grant management and completion per grant agreement.
1668	Access 2.0 Grant Fund Equipment		54,000	5.1%		-		0.0%	-			0.0%	Not applicable.
1668-S	Access 2.0 Capitalized Payroll		60,000	5.7%		-		0.0%	-			0.0%	Not applicable.
	TOTAL CAPITAL EXPENSES		1,113,399	105.5%		961,899		94.1%	841,690			72.7%	Capital funds change (savings) of ~24% deferred as result of timing and stage by stage implementation of capital plan. A careful asset management practice now place to progress steadily in light of accumulative financial constraint and lack of due care for aging assets over the prior years per the asset structure of organization. Reserve management of capital funds maintained to support any crisis or disaster recovery experiences.
9997	Depreciation (Non-Cash) -current portion		-	-		-		-	53,735			-	Depreciation is calculated on average federal rate for 5-7 year life as reserve for asset management purposes.
	NET CAPITAL SURPLUS (DEFICIT)		(58,500)	-5.5%		59,776		5.9%	262,043			22.6%	Net surplus of \$262,043 is expected as a result of prioritizing and planned development of key aging assets replacement and upgrade to map with the mission driven objectives.

PORTLAND COMMUNITY MEDIA

BUDGET 2011 - 2012												
Line Item	12/31/2010				1/25/2011		4/26/2011		Change from last year	Narrative		
	REVISED ADOPTED				Approved		Approved by PCM Board					
	% of Total Revenue				% of Total Revenue		% of Total Revenue					
	BUDGET	2010-	2011		BUDGET	FY	2010-2011	%			BUDGET	FY
										</		