

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 05-112

Approving the Mt. Hood Cable Regulatory Commission Budget for Fiscal Year 2005-2006

The Multnomah County Board of Commissioners Finds:

- a. The Mt. Hood Cable Regulatory Commission (MHCRC) was formed by Multnomah County and the cities of Fairview, Gresham, Portland, Troutdale and Wood Village (Cities) to advocate for and protect the public interest in the regulation and development of cable communication systems.
- b. The MHCRC has approved a budget for fiscal year 2005-2006 and forwarded this budget to Multnomah County and the Cities for approval.

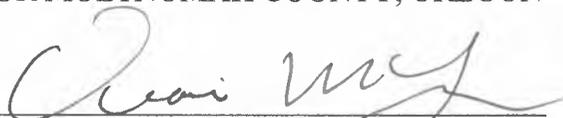
The Multnomah County Board of Commissioners Resolves:

1. The Mt. Hood Cable Regulatory Commission budget for fiscal year 2005-2006 is approved.

ADOPTED this 23rd day of June, 2005.



BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON


Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By 
Agnes Sowle, County Attorney

Mt. Hood Cable Regulatory Commission

Representing:

City of Portland
City of Fairview

City of Gresham
City of Wood Village

City of Troutdale
Multnomah County

Commission Members

Rich Goheen, Commission Chair

Alan Alexander III
Sue Dicile
Ruth Miles
John Redder
Stan Saunders
Norman Thomas
Irma Valdez

PROPOSED BUDGET FISCAL YEAR 2005-06

Director: David C. Olson

Commission Approved: May 16, 2005

MT. HOOD CABLE REGULATORY COMMISSION
FY 2005-06 PROPOSED BUDGET

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MT. HOOD CABLE REGULATORY COMMISSION

OVERVIEW

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

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

Each of the Commission member Jurisdictions appoints citizen representatives to the Commission. Over the past year, these citizen appointees have committed hundreds of volunteer hours to fulfill the Commission's mission and to serve the Jurisdictions. They attended approximately 11 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 Multnomah Community Television (MCTV).

The Commission contracts for staff through a services agreement with the City of Portland. The Commission funds an equivalent of 3.25 full-time staff positions plus related materials, services and overhead. Each of the member Jurisdictions provides a portion of their franchise fees from cable services providers to annually fund the operational expenses of the Commission.

2004 ACCOMPLISHMENTS

Provided Consumer Protection and Complaint Resolution

The MHCRC monitors and enforces various service standards for telephone responsiveness, service outage credits, billing, installation and repair responsiveness, and other consumer protection issues. In 2004, the Commission assisted in the resolution of 167 complaints. The Commission also oversaw enforcement of insurance and bonding issues, technical standards, emergency override requirements, and universal service issues.

Pursued Changes to Comcast's Privacy Policy

Based largely on the MHCRC's objections and efforts to protect subscribers' personal information, Comcast issued a revised national privacy policy in 2004 which the Commission believed was easier to understand. However, the Commission remains concerned that Comcast's new privacy policy gives too much latitude to the Company for releasing personally identifiable information about subscribers to outside entities. Therefore, the Commission is exploring the possibility to recommend stricter local privacy protections.

Confirmed Emergency Alert System Operability

In response to reports from other communities concerning inadequacies in the functionality of the emergency alert systems on their local cable systems, the Commission conducted a technical

The MHCRC also continued its special I-Net connectivity initiative that provided local governments and schools the equipment and other capital needs to cover unbudgeted expenses to transition to the Institutional Network (I-Net) in order to access network services provided by ComNet. The grant initiative provided necessary equipment for 24 sites throughout Multnomah County. The City of Portland, Multnomah County, MESD (including the five East County school districts), Portland Public Schools and Mt. Hood Community College took advantage of the third round of this special initiative.

Established an On-line Reporting Tool for Grantees

The MHCRC developed and launched a new tool for grantees to file their grant interim and final reports through an on-line report form. The on-line tool allows the grantees to input information, edit it over time and submit the required report to the MHCRC for ongoing grant compliance. In addition, the reporting application collects data from grantees that will be used on an ongoing basis by the MHCRC to evaluate the effectiveness of the grant program.

Partnered with Comcast, PCM and MCTV to Digitize Live Video Origination Capabilities

Many local governments, schools and non-profits use the video transport capabilities of the cable system to provide live coverage of government meetings, sports events, community meetings and other local events. The Commission partnered with Comcast, Portland Community Media and Multnomah Community Television to upgrade the network that transports that video. The new, state-of-the-art, fiber-based system is more reliable, presents higher quality pictures and is easier to use. PCM, MCTV and Portland Public Schools also received mobile units so that events could be covered on the fiber network throughout the County.

Joined Efforts to Protect Local Interests in FCC and Legislative Actions

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

- Played a leading role in coordinating the Future of Media Town Hall held at the Portland Convention Center. Two FCC Commissioners received public comment about the effects of media concentration and FCC policies. David Olson, MHCRC staff director, presented on a localism panel. About 400 people attended.
- Filed comments in response to the FCC's Notice of Preliminary Rule Making on IP-Enabled Services; the FCC's 4th Inquiry Concerning the Deployment of Advanced Telecommunications Capability; and the FCC's Inquiry into A la Carte services.
- Joined other local governments in initially opposing Senate Bill 150, the Internet Tax Non-Discrimination Act, which resulted in language which protected local government's ability to impose local telecommunications or utility taxes to the provision of telecommunications services, including emerging technologies such as VoIP.

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

Objectives

1. Conduct annual, competitive grant-making processes for the Community Access Capital Grant program to support the development of public, educational and governmental uses of cable system technology in a way that ensures that the grant funds are distributed in accordance with the grant purpose and criteria.
2. Assess stakeholder and community needs and develop special grant initiatives or funding tiers that respond to identified needs.
3. Monitor projects that have received grant funding to ensure compliance with the project goals and objectives and accountability for grant funds.
4. Streamline and automate the capital grant Notice of Funds and Guidelines in order to simplify the application process.
5. Manage and oversee Community Institutional Network (I-Net) planning within available funds in order to leverage this public resource as a low cost, high quality tool for public organizations to communicate, inform and deliver services to their constituencies.
6. Manage access provider contracts with Portland Community Media and Multnomah Community Television.
7. Allocate capital funds for Portland Community Media and Multnomah Community Television.
8. Oversee implementation of subscribers receiving listings of PEG Access programming on the cable system.
9. Explore creative public and community opportunities arising through local adoption of digital technology for both content development and distribution.
10. Collaborate with organizations, at the federal, state and local levels, to advocate for the community's access to cable system technology.
11. Encourage development and deployment of broadband services using cable system technology including high speed internet access, on an open, accessible and nondiscriminatory basis throughout the franchise areas.

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

Objectives

1. Communicate in a way which supports the following priority criteria: A) jurisdiction officials and key jurisdiction staff are informed about communications technology policy and regulatory issues and understand what is at stake; and B) interested stakeholders view the Commission as an important source of information.

BUDGET OVERVIEW

According to the Intergovernmental Agreement (IGA) among the member Jurisdictions which created the MHCRC, the Commission must gain approval of its annual budget by every member Jurisdiction. The MHCRC's Finance Committee, comprised of three Commissioners, developed a detailed FY 2005-06 budget in consultation with its staff. On May 16, 2005, the Commission approved the proposed budget to forward to the Jurisdictions for consideration. The MHCRC provides the proposed budget to the Cities' and County's staff in advance of the City Councils' and the County Commission's consideration of the budget.

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

FINANCIAL SUMMARY

The Commission's FY 2005-06 Financial Summary is presented on page 9. A large portion of the Commission's overall resources are funds collected from the cable company and the expenditures are the disbursement of those funds to the member Jurisdictions, the community access providers (Portland Community Media (PCM) and Multnomah Community Television (MCTV)) and Community Access Capital Grant recipients. These disbursements are governed by the IGA and by the cable services franchises.

The amount of Commission resources from year to year are dependent on the gross revenues of the cable company since franchise fees, the Community Access Capital Grant fund revenues and the Access Corporation Capital fund revenues are based on a percentage of the company's gross revenues. In the upcoming fiscal year, no increase is projected in the company's gross revenues due to the sluggish growth reflected during the current fiscal year.

The Commission's Revenue Resources include:

First, the Commission collects all cable services franchise fee revenue for Gresham, Troutdale, Fairview, Wood Village and Multnomah County. The total projected revenues are \$969,863 in FY 2005-06;

Second, the MHCRC collects funds from the City of Portland for its share of the Commission's operating budget;

Third, the Commission administers two programs funded by two percent of Comcast's gross revenues totaling over \$1.9 million: Access Corporation Capital Fund and the Community Access Capital Grant Fund; and

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

**FINANCIAL SUMMARY
FY 2005-06**

RESOURCES	2002-03 Actual	2003-04 Actual	2004-05 Adopted	2004-05 Revised	2005-06 Proposed
Beginning Balance	2,965,146	2,357,680	2,262,486	2,240,271	1,633,898
E. County Franch. Fees	843,146	873,421	922,482	917,870	918,328
Multnomah West Franch. Fees	44,841	49,181	51,028	51,028	54,027
Portland Share of Operating Bud.	219,006	226,460	248,292	248,292	258,114
Franchising Deposit	38,480	0	0		
Interest	61,957	27,961	26,000	28,000	31,508
Community Access Grant Capital Revenue	889,542	920,245	972,330	977,623	969,491
Access Corporation Capital Revenue	907,627	916,251	972,330	977,623	969,491
Total Resources	\$5,969,745	\$5,371,199	\$5,454,948	\$5,440,706	\$4,834,857
REQUIREMENTS					
EXPENDITURES					
Franchise Fee Balance to Jurisdictions	233,385	246,623	279,723	279,723	264,250
Compliance Revenues to Jurisdiction	250,000	0	0		0
Community Access Pmts, E. County(MCTV)	505,887	524,052	553,489	550,722	550,997
Community Access Pmts, Mult. West (PCM)	26,905	29,507	30,617	30,617	32,416
MHCRC Operating Budget	380,127	356,629	374,498	374,498	389,312
Community Access Capital Grants, Personnel	57,758	57,768	57,870	57,870	68,595
Community Access Capital Grants / I-Net M&S	45,766	82,420	94,694	94,694	80,557
Franchising: Renewal & Overbuilds	700	3,750	0		0
Community Access Capital Grants	1,117,041	759,425	850,000	850,000	850,000
Grants Encumbrances	-	-	493,366	538,181	663,874
Access Corporation Capital	994,496	893,752	996,330	996,330	969,491
Access Corporation Capital -Live Origination		177,000			
Contingency Reserve -Discretionary	0	0	34,173	34,173	34,173
Total Expenditures	\$3,612,065	\$3,130,926	\$3,764,760	\$3,806,808	\$3,903,665
Ending Balance *	2,357,680	2,240,271	1,690,188	1,633,898	931,192
Total Requirements	\$5,969,745	\$5,371,197	\$5,454,948	\$5,440,706	\$4,834,857

* Actual ending fund balances through fiscal year 2003-04 conform to the Comprehensive Annual Financial Report (CAFR) of the City of Portland .

**LINE ITEM BUDGET -SUMMARY
FISCAL YEAR 2005-06**

Expenditure Classification	Actual FY 2002-03	Actual FY 2003-04	Adopted FY 2004-05	Proposed FY 2005-06
511000 Employees	215,264	236,068	235,882	243,407
517000 Benefits	83,295	73,525	77,652	86,077
559300 HR I/A				
Total Personal Services	\$298,558	\$309,593	\$313,534	\$329,484
521000 Professional Services	93,528	78,027	87,800	78,000
Pass Through - Capital Grants	1,891,589	1,677,081	1,846,330	1,819,491
529000 Miscellaneous Services	2,242	1,469	3,000	2,500
Pass Through - Accss Corp. MCTV & Jurisd.	850,424	800,182	863,829	847,663
531000 Office Supplies	855	742	900	1,100
532000 Operating Supplies	2,479	3,845	3,800	3,700
541000 Education	2,425	1,565	1,800	1,200
542000 Local Travel	0	0	300	300
543000 Out-of-Town Travel	2,871	8,316	3,900	2,950
549000 Miscellaneous	9,256	16,207	13,195	7,665
Total External Materials & Svcs	\$2,855,667	\$2,587,434	\$2,824,854	\$2,764,569
551000 Fleet Services	277	0	312	104
552000 Printing/Distribution	7,559	6,228	9,649	7,172
553000 Facilities Services	22,550	22,308	21,958	22,724
554000 Communications	3,647	3,311	3,909	Consolidated in IT
555000 Data Processing	11,631	12,063	6,254	Consolidated in IT
554000 Information Technology (IT)	N/A	N/A	N/A	15,094
556000 Insurance	14,322	14,624	9,140	9,994
559300 Human Resources	N/A	N/A	3,849	3,728
558312 Legal Advice	4,509	7,500	9,200	9,476
Total Internal Materials & Svcs	\$64,496	\$66,033	\$64,271	\$68,292
Total Materials & Services	\$2,920,163	\$2,653,467	\$2,889,125	\$2,832,861
575707 Capital Grant Transfer to Comnet	219,948	153,096	0	0
572101 General Fund Overhead	7,645	14,772	13,666	15,875
572101 Transfer to GF (Compliance)	165,750	0	0	0
571100 Contingency	0	0	547,095	725,445
Total Other	393,343	167,868	560,761	741,320
Total	\$3,612,064	\$3,130,928	\$3,763,420	\$3,903,665
Professional Services				
Operating Budget	16,000			
Capital Fund Admin	62,000			2,500
Total	78,000			2,500
Pass Through Payments				
Community Access Capital Grants FY 05-06	850,000			550,997
Community Access Capital (PCM/MCTV)	969,491			264,250
				32,416
Total Pass Through-Prof. Svcs.	1,819,491			847,663
Total Pass Through Payments				\$2,667,154

APPENDIX ONE

FY 2005-06 BUDGET DETAIL

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

Operating Budget

This document presents the MHCRC's "Operating Budget" funded by contributions of the member Jurisdictions. The Commission's proposed budget is up four percent from the current fiscal year budget.

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

MHCRC Operating Budget with PEG and I-Net

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

MHCRC Operating Budget Line Item Detail

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

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

**COMMISSION OPERATING BUDGET WITH PEG AND I-NET
(Less PEG GRANTS AND PASS THROUGH PAYMENTS *)
EXPENDITURES
FY 2005-06**

Acct.	Title	FY 2004-05 Adopted	FY 2005-06 Proposed
5110	Employees	235,882	243,407
5170	Benefits	77,652	86,077
Personnel Services		\$313,534	\$329,484
5210	Professional Services	87,800	78,000
5290	Miscellaneous Services	3,000	2,500
5310	Office Supplies	900	1,100
5320	Operating Supplies	3,800	3,700
5410	Education	1,800	1,200
5420	Local Travel	300	300
5430	Out-of-Town Travel	3,900	2,950
5490	Miscellaneous	13,195	7,665
External Materials and Services		\$114,695	\$97,415
5510	Fleet Services	312	104
5520	Print/Distribution	9,649	7,172
5530	Facilities Services	21,958	22,724
5540	Communications Services	3,909	Consolidated in IT
5550	Data Processing Services	6,254	Consolidated in IT
5540	Information Technology (IT)	N/A	15,094
5560	Insurance	9,140	9,994
559300	Human Resources	3,849	3,728
558312	Legal Advice	9,200	9,476
Internal Services		\$64,271	\$68,292
572101	Overhead	13,666	15,875
571100	COLA	In Contingency	11,000
571100	Contingency	19,556	16,398
571100	Contingency Reserve-Discretionary	0	34,173
Cable Fund Services		\$ 33,222	\$ 77,446
TOTAL		\$525,722	\$572,637
Total funded by dedicated PEG resources		\$ 152,299	\$ 149,152
Total funded by Jurisdictions		\$ 373,423	\$ 389,312

*** Dedicated funds and resources:**

- | | |
|---|--|
| <ul style="list-style-type: none"> 1. Community Access Capital Grants 2. Access Corporation Capital | <ul style="list-style-type: none"> 3. Franchise fee balance and other revenues to Jurisdictions 4. Community Access Payments to PCM and MCTV |
|---|--|

OPERATING BUDGET LINE ITEM DETAIL
Proposed

Line Item	Description FY 2005-06 FY 2004-05		
		Commission Operation	Grant / I-Net	Total	Commission Operation	Grants / I-Net	Total
5420	Local Travel	300	0	300	300	0	300
5430	Out of Town Travel	\$2,950	\$0	\$2,950	\$3,900	0	\$3,900
5490	Miscellaneous:						
	NATOA - Membership	875	0	875	1,000	0	1,000
	ACM - Membership	500	0	500	500	0	500
	Grantmakers of Oregon	0	1,000	1,000	0	1,000	1,000
	Subscriptions:						
	Multichannel News	950	0	950	800	0	800
	Telecommunity	0	0	0	5,000	0	5,000
	Oregonian	80	0	80	80	0	80
	Gresham Outlook	50	0	50	50	0	50
	Aspen Publishers	260	0	260	160	0	160
	Law Journal Press	300	0	300	300	0	300
	Cable Monitor	0	0	0	455	0	455
	Precursor	250	0	250	200	0	200
	West Group	300	0	300	250	0	250
	Lexis Nexis	900	0	900	800	0	800
	Parking; MHCRC & Customers	1,100	0	1,100	1,200	300	1,500
	Refreshments for MHCRC meetings	600	500	1,100	600	500	1,100
	Total	\$6,165	\$1,500	\$7,665	\$11,395	\$1,800	\$13,195
	Total, External M & S	\$33,915	\$63,500	\$97,415	\$38,295	\$76,400	\$114,695
	<i>Internal Service:</i>						
5510	Fleet Services	104	0	104	312	0	312
5520	Print/Distribution	5,725	1,447	7,172	7,649	2,000	9,649
5530	Facilities Services	17,901	4,823	22,724	17,614	4,344	21,958
5540	Communications Services:	These services are consolidated in IT services					
	Assigned Equipment				2,387	589	2,976
	Telecomm., Billable				933	0	933
5550	Data Processing Services:						
	Corporate Applications	810	200	1,010			
	Bureau Specific Services	2,622		2,622	2,622		5,244
5,540	Information Technology (IT)	12,498	2,596	15,094 New line item for 05-06		
5560	Insurance/Worker's Comp.	7,815	2,179	9,994	7,333	1,807	9,140
559300	Human Resources	2,916	812	3,728	3,086	763	3,849
558312	Legal Advice	6,476	3,000	9,476	6,200	3,000	9,200
	Total, Internal Svcs	\$53,435	\$14,857	\$68,292	\$48,946	\$15,325	\$64,271
572101	Overhead	12,863	3,012	15,875	10,962	2,704	13,666
571100	COLA	11,000		11,000			
571100	Contingency	16,398	0	16,398	19,556	0	19,556
	Total Other	\$40,261	\$3,012	\$43,273	\$30,518	\$2,704	\$33,222
	Operating Budget	\$389,312			\$373,422		
	Dedicated Fund Resources		\$149,152			\$ 152,299	
	Total			\$538,464			\$525,722

APPENDIX TWO

COST ALLOCATION BY JURISDICTION

All member Jurisdictions contribute to the operation of the MHCRC. For FY 2005-06, the Commission used the funding methodology adopted by the Jurisdictions. The methodology is based on an agreed upon shared percentage of the Commission's operating costs between Portland and the East County Jurisdictions. The East County share is then allocated among Fairview, Gresham, Troutdale, Wood Village and Multnomah County based on the number of cable subscribers in each Jurisdiction.

APPENDIX THREE

FRANCHISE FEE REVENUE AND DISBURSEMENT DETAIL

APPENDIX FOUR

ACCESS DISBURSEMENT DETAIL (MCTV AND PCM)

The Commission administers two contracts with the community access providers that serve the Jurisdictions. Attachment One presents the FY 2005-06 budget for Multnomah Community Television (MCTV). MCTV serves the East Multnomah County area. Attachment Two presents the FY 2005-06 budget for Portland Community Media (PCM). PCM serves the City of Portland area.

The access providers receive funding for both operations and capital expenditures. The majority of PCM's operational resources is based on a contract between PCM and the City of Portland and is not included in the MHCRC's budget. MCTV 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. MCTV:	Community Access Payment:	
	60 % of East County Cable Franchise Fees	\$ 550,997
	<u>Access Corporation Capital</u>	<u>\$ 442,509</u>
	Total	\$ 993,506
2. PCM:	Community Access Payment:	
	City of Portland General Fund	\$ 756,355
	60% of West Multnomah County	\$ 32,416
	<u>Access Corporation Capital</u>	<u>\$ 526,982</u>
	Total	\$1,315,753

Attachment 1

MULTNOMAH COMMUNITY TELEVISION BUDGET

FISCAL YEAR 2005-06

MULTNOMAH COMMUNITY TELEVISION FY 2005-06 BUDGET NARRATIVE

Multnomah Community Television, East Metro's truly local television, 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, MCTV provides East Metro residents, community organizations, local governments, and schools free and low cost access to the medium of television, media literacy training and video production. MCTV and citizen-produced programming is distributed to over 65% of East Metro households and over 400,000 households in the region. MCTV produces city council meetings and work sessions and other government and community meetings as well as programming used as educational and informational tools at meetings, community forums and classroom settings.

WHAT WE DO

MCTV produces and facilitates programming with many diverse partners and on wide-ranging topics. MCTV partnered with over 200 community organizations and facilitated over 3000 hours of programming in FY 2004-05, including:

- Live and taped coverage of East Metro local governments, including planning commission meetings and budget and special hearings as well as the Rockwood Water PUD, and Metro.
- Programs focussing on emergency preparedness produced in cooperation with the Gresham Emergency Management.
- Working with educational partners in East Multnomah County to produce programs on academic and extracurricular activities in local schools, coverage of school board meetings and programs on school safety.
- Provided the only regular electronic media coverage of the East Metro area.
- Increasing citizen involvement through programs such as *Speak Out*, a live call-in for individuals to share information and raise issues of concern, and *Community Hotline*, a live call-in program where community organizations provide information and answer questions about their services.
- Development and deployment of the Oregon Learning Lab for Information and Education (OLLIE,) a mobile facility for use by schools and community groups that provides access to training and tools to use technology to improve learning and build community.

- Improving visibility and awareness by articulating the benefits of MCTV programming and services based on understanding audience/constituent needs and wants.
- Developing partnerships to diversify funding by seeking grant funding, earned income and other opportunities to supplement cable-related resources.
- Making it easy by lowering the technical threshold to aid the participation of diverse individuals, community groups and local governments and creating ways to “meet groups where they are” as a starting point for their involvement.
- Administering and governing with accountability through board and staff development, planning, and financial oversight.

THE NUMBERS

MCTV’s non-capital expenditures have remained stable for several years and will remain so in FY 2005-06. However, the Director of the OLLIE project, a collaborative effort between MCTV and Portland Community Media (see above), is a PCM employee and MCTV’s share of the Director’s salary has been added to the Consulting (6041) line item. MCTV’s personnel line has been reduced to balance this expenditure.

Capital expenditures have fluctuated significantly over the past few years due to property acquisition and other expenditures (e.g., architectural fees, building permits) for MCTV’s new facility. Construction of the new facility which will be completed in FY 2005-06, began in February 2005.

PROPOSED MCTV BUDGET FY 2005-06

8003	Maintenance Supplies	11,816	0	500	2,954	Maintenance Supplies
8004	Office Supplies	867	761	1,750	407	Office Supplies
8005	Operation Supplies	1,765	1,289	1,750	764	Operation Supplies
8006	Repairs & Maintenance	4,301	0	500	1,200	Repairs & Maintenance
8007	Videotape	1,067	6,329	7,500	500	Videotape
8008	Debt Reduction	58,911	0	0	0	Debt Reduction
8009	Interest on Debt	3,224	0	20,000	0	Interest on Debt
8011	Interest Short Term Loan	18,757	24,523	19,000	28,428	Interest on Line of Credit
8013	Interest Long Term Loan		0	0	32,005	Interest Long Term Loan
8014	Debt Reduction - Short Term Loan		8,950	0	31,899	Debt Reduction - Short Term Loan
8015	Debt Reduction - Long Term Loan		0	0	5,646	Debt Reduction - Long Term Loan
8020	Building	737,250	211,185	783,801	678,363	Building
8021	Property Taxes	4,519	4,257	4,385	0	Property Taxes
8030	Leasehold Improvements	6,201	0	0	0	Leasehold Improvements
8040	Office Equipment	686	3,991	35,000	20,000	Office Equipment
8050	Office Furnishings	0	0	75,000	10,000	Office Furnishings
8060	Production & Maintenance Equip	12,175	9,965	100,000	98,639	Production & Maintenance Equip.
8080	Equipment Search in Progress		0		0	Equipment Search in Progress
	Total Capital	\$ 865,815	\$ 283,967	\$ 1,049,436	\$ 910,980	Total Capital
	TOTAL OPERATING EXPENSE	\$ 1,702,501	\$ 1,123,322	\$ 1,930,325	\$ 1,770,023	TOTAL OPERATING EXPENSES

Attachment 2

PORTLAND COMMUNITY MEDIA

FISCAL YEAR 2005-06

May 5, 2005

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

Dear Rich,

Enclosed is the operating and capital budgets for Portland Community Media for FY 2005-2006 as approved by the Board of Directors.

The budget was drafted with the following assumptions:

1. City of Portland operational funding, \$756,355.00.
2. PCM's investment fund revenues will continue to support the development/fundraising department, outreach and marketing and partially compensate for city funding reductions
3. Fundraising will increase support for special projects such as "Ollie" and "Adventures in Television"
4. PCM will generate additional revenue through production services, grant writing, and space rental in the newly acquired building.

Capital funds will be used to improve and expand PCM's building space, HVAC systems and the implementation of a major technology assessment plan.

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

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

Sincerely,

Carl Kucharski
Executive Director

Cc: David Olson, Julie Omelchuck, Sebastian Rodriques

Expenses

These are the highlights of the annual expenses:

- Acct 5000 reflects all of the operational expenses for 19.5 FTEs and funds for On-Call employees for specialty or fill in work for vacation and sick days; PCM is estimating that more than \$58,000 in salaries are eligible to be funded through the Capital Fund and so are itemized in that section of the budget
- Acct 5300 includes a significant increase in funding for staff development education as a means to further implement the service improvement plan
- Acct 6001 is a prorated share of funds to reimburse MCTV for access services which it performs in our service area
- Acct 6090 includes funds for 1) the TACS contract which includes the Transition Manager's contract of services, 2) professional grant writing services, and 3) professional board planning and development services
- Acct 6703 shows a major decrease in expenditures because telephone services were changed
- Acct 6720 funds PCM membership in the Alliance For Communications Democracy by use of funds from the Investment Fund
- Acct 7621 is a new account for the electrical use in the Life Center building
- Acct 9000 funds all insurance needs for equipment, property and buildings including the Life Center building

There is Net Income Before Depreciation of \$5,306.00

The Budget Figures with Historical Information and, Detailed Capital Budget are attached.

Administration

Computers and Office Machines/Copier	\$15,000	
Technology Assessment Plan Implementation	\$50,000	
Revised ACCPAC Accounting System	\$ 2,000	
Subtotal		\$67,000.00

Personnel

Expenses related to capital projects for the following:

Executive Director		
Managing Director		
Finance Director		
Engineer		
Subtotal		\$58,598.00

Contingency

Subtotal		\$10,000.00
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TOTAL **\$526,982.00**

5400	Travel - local	124	500	500	200
5401	Travel - out of town	4,066	4,000	3,000	5,000
5500	Payroll Service	2,954	2,400	3,000	3,600
5501	Crew Food	663	700	1,000	1,500
5999	Payroll transfers-production				
	Subtotal	625,432	678,755	752,529	853,574

Present Account #	GENERAL OVERHEAD	ACTUAL 2002-03	ACTUAL 2003-2004	BUDGET 2004-2005	PROPOSED BUDGET 2005-2006
6001	MCTV Education Dist.	40,193	40,781	39,850	40,647
6010	Accounting Audit	10,999	9,000	10,000	8,000
6011	Audit Inventory			500	500
6020	Legal	928	5,000	5,000	2,000
6080	Computer Consulting	13,396	5,000	3,000	2,000
6090	Professional Services-admin	5,693	3,000	4,000	29,630
6100	CMRD Expenses		8,000		
6125	Adventures In TV			30,000	10,000
6150	Annual Report			500	
6151	Needs Assessment	14,297		5,000	
6152	Board Planning	4,000			1,000
6178	News letter-community connect		2,000	2,400	3,600
6179	News letter-tecno times				
6200	Office Supplies	4,605	5,000	7,000	6,600
6290	Charity Contribution				
6300	Printing - Outside	355	2,000	2,000	2,000
6301	Printing - Inside	3,562	3,100	3,000	4,000
6400	Postage & Shipping	1,920	3,000	4,000	4,000
6410	Miscellaneous Expenses	2,716		2,000	1,500
6500	Vehicle Fuel	2,571	3,300	4,000	4,000
6505	Vehicle Parking	633	750	1,000	1,450
6580	Video Tapes	26,096	32,000	35,000	20,000
6581	Dubbing				500
6582	Tee shirts for re-sale				
6672	Advertising & Promo	175	10,000	15,000	5,000
6701	Pagers & Cell Phones	5,861	5,000	4,000	4,000
6702	Internet Access	2,245	5,000	4,000	2,000
6703	Telephone Local	10,396	7,000	8,000	8,000
6708	Interest Miscellaneous	9		100	
6709	Interest - credit cards				
6710	Computer Software	1,440	700	3,000	
6715	Bank Charges	2,099	1,800	1,800	3,000
6720	Dues & Subscriptions	3,899	4,000	4,000	3,000
6729	Fees	3,731		2,000	2,000
6730	Fees/Video/Entry Fees	250	1,000	1,000	500
6800	Hospitality	3,895	2,000	5,000	10,000
	Subtotal	165,966	158,431	206,150	178,927

Present Account	ACTUAL 2002-03	ACTUAL 2003-2004	BUDGET 2004-2005	PROPOSED BUDGET 2005-2006
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Subtotal	31,925	26,600	27,000	30,000
TOTAL	897,604	939,286	1,059,279	1,126,501

Present Account #		ACTUAL 2002-03	ACTUAL 2003-2004	BUDGET 2004-2005	PROPOSED BUDGET
	CAPITAL EXPENSE:				
1630	Production equipment	555,998	496,968	536,893	526,982
1640	Playback equipment				
	TOTAL CAPITAL EXPENSE	555,998	496,968	536,893	526,982
	TOTAL EXPENSES	1,453,602	1,436,254	1,596,172	1,653,483

