

Mt. Hood Cable Regulatory Commission

PROPOSED BUDGET FISCAL YEAR 2012-13

Representing:

City of Portland
City of Fairview

City of Gresham
City of Wood Village

City of Troutdale
Multnomah County

Commission Members

Sue Dicile, Commission Chair

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**MT. HOOD CABLE REGULATORY COMMISSION
FY 2012-13 PROPOSED BUDGET**

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MT. HOOD CABLE REGULATORY COMMISSION

OVERVIEW

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

- **Advocating for and protecting the public interest in the regulation and development of cable 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 (FTE) 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.

2011 ACCOMPLISHMENTS

Retained and Increased Public Benefits in Comcast Franchise Renewal

The MHCRC began negotiations with Comcast in March 2010 and ended in October 2011 with a renewed, 10-year cable services franchise effective Jan. 1, 2012. While it was a long, and at times difficult, process, the Commission was steadfast and consistent in its drive to preserve and, in some areas, increase the significant public benefits provided throughout Multnomah County under the cable franchise.

The Commission invested the bulk of its resources in the renewal process in order to preserve the priority public benefits to the community. Under federal law, local governments may require certain public benefits only if the benefit is supported by a documented community need or interest. The Commission published a ground-breaking study of our local communities' communications technology needs and interests in early 2010. 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. 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 findings of the study provided a basis for many of the public benefits in the renewal franchise.

Retained Public Benefits:

- A thriving local programming community with rich coverage of community news and events with dedicated capital funding for MetroEast Community Media;
- Carriage of government meetings and live, interactive forums, ensuring city, county and regional governments are visible and accountable;
- Community access channels available to every cable subscriber regardless of level of programming package or service tier;
- High bandwidth, reliable data services and connectivity over the I-Net for schools, libraries, community college, court systems, and public agencies throughout the County;
- Affordable and stable I-Net service rates for next ten years;
- Dedicated I-Net funds to upgrade and expand the I-Net in order to support increasing demands of public organizations for bandwidth and connectivity;
- A local person to turn to when a subscriber has a problem with Comcast that they have not been able to solve with the company; and,
- Franchise fee payments based on 5% of Comcast's gross annual revenues in exchange for use of the public rights-of-way.

Increased Public Benefits:

- Funding for community grants nearly doubles, providing about \$3 million in FY12-13 for local schools, libraries, nonprofits and local governments to use the Institutional Network (I-Net) and community access channels to support their services;
- Community access channels provided in HD formats on a phased schedule starting early 2013;
- Access channel program titles, schedules and descriptions available to subscribers through web-based program guides and in the menus and functions of the company's set-top boxes; and,
- MetroEast's ability to select local, community programming and have it available on Comcast's video-on-demand service at no additional fee for subscribers.

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 2011, the program granted nearly \$1.6 million for 16 new community-based projects that will leverage over \$3.3 million in matching resources. Highlights of some newly funded projects include:

Reynolds High School created a mobile television production studio so that students can learn media literacy, project management and other practical skills, which will also transfer to the Mt. Hood Community College Integrated Media program, or other vocational or educational pursuits.

ACE Academy (serving high school juniors and seniors from the **Parkrose, Centennial, Gresham-Barlow and Reynolds School Districts**) used grant funds to update technology supporting its engineering and science curriculum. In addition, to address lack of some students' access to computers outside of school, ACE is providing student check-out of laptop computers.

Impacted by lack of funds to keep pace with ever changing technology, **Multnomah Education Service District (MESD)** provided equipment for connections at all schools compatible with the latest Microsoft Windows software used in classrooms.

Through the Technology Immersion Pilot project, **Roosevelt High School** is leveraging a state School Improvement Grant to transform the school using anytime/anywhere access to technology for students and their families while giving teachers and administrators the opportunity and the tools to transition to online learning environments. All 850 students will receive mobile computing devices for the 2012-13 school year; e-books will be deployed; and teachers and administrators will receive targeted professional learning, curriculum tools and teaching technology. This holistic approach represents a first for Portland Public Schools and the region and serves as the blueprint for modernizing all of PPS Schools.

At **Chapman Elementary School**, the faculty spent a year studying strategies that support struggling readers before developing the iPad reading fluency lab. Structured as a pilot for improving reading at all grade levels, the mobile iPad lab is used by third grade teachers in the learning process to build necessary literacy skills for students struggling with reading.

Citing a critical need for high schools to offer career technology programs to their students, **Benson Polytechnic High School** offers dual-college credit courses to assist students in receiving certifications in software programs and digital media productions for careers post high school. Grant funds upgraded computer labs and video and still cameras, and provided teacher training on state-of-the-art software.

MetroEast Community Media is using digital technology to create a community conversation through the East Metro MultiMedia Map. The EM4 project captures video, photos, artwork,

literature, etc. created by the people who live and work in East County, giving voice to the unique and diverse populations in East County.

MetroEast Community Media will upgrade the video capabilities at the Gresham, Fairview and Troutdale city council chambers and the Multnomah County Board chambers. For over 20 years MetroEast has provided coverage of city council, planning commission, school board and other public meetings from these sites. As a result of the upgrade, MetroEast's long history of supporting transparency in government will continue.

For the past 15 years, **Caldera's** Careers in Creative Technology program has assisted students at risk of dropping out to receive arts education, out-of-school learning and mentoring to prepare for college and careers in creative technology fields. Due to the program's success, students have worked alongside talented professional artists from well-known, local companies such as Nike and Wieden+Kennedy. Through the grant, Caldera is expanding its programs to serve more students.

NW Documentary's grant will expand and upgrade its video production equipment for two unique documentary film programs: Recording Resilience, a documentary storytelling program in partnership with the Dougy Center that serves children who are suffering the traumatic loss of a parent or sibling; and Documentary Explorers Camp, an educational opportunity offered in partnership with OMSI that introduces young people to documentary filmmaking as a tool for exploring, understanding and appreciating the environment.

For over 44 years, **Outside In** annually serves about 1,000 homeless youth aged 17 to 25. The youth receive education on issues such as alcohol/drug use, safer sex, partner violence, pregnancy prevention and sexual orientation/gender identity. The youth are using digital and film production classes and equipment to produce films on these topics for peer education.

Portland YouthBuilders (PYB) offers an array of educational, vocational and community service programs in support of students earning high school or general equivalency diplomas. The grant helped PYB expand its digital video and web-based media curriculum to improve training and job readiness skills necessary for students to obtain entry-level employment in today's technology-oriented working environment.

The Skanner Foundation created a yearlong oral history film festival documenting the Vanport era in North Portland. The project builds on the Northeast Portland Media Training Center (NPMTC) mission to provide multi-media production classes and loan video equipment to certified producers at the North Killingsworth site. Citing media disparity faced by African Americans, the project is designed to help strengthen community through the recording of individual or family history and stories.

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

The MHCRC enforces the cable services franchises of Multnomah County, Portland, Gresham, Troutdale, Fairview, and Wood Village. Through a formal hearing process, the MHCRC determined that Frontier had violated a consumer protection requirement by closing its local office and charging subscribers to pay their bills by phone and in person at independent payment centers. The MHCRC required that Frontier pay a penalty, discontinue its charge to pay a bill by phone and refund subscribers who had been charged the fee. The Commission also conducted a review of Comcast's accounting records and franchise and PEG fee payments for 2007 through 2010, which resulted in additional revenues. Other regulatory issues included closed captioning, complaint information on subscriber bills, service standards for telephone responsiveness, service installation and other consumer protection issues. In 2011, the Commission assisted in the resolution of 213 complaints.

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 280 schools, libraries and other public agency sites throughout Multnomah County use the I-Net for their data networking and Internet access needs. In 2011, the MHCRC funded eight new connections to the I-Net from five different agencies.

The MHCRC is coordinating a major upgrade to the I-Net's core backbone, which will increase capacity available to schools, libraries, and public agency sites. This is the first such upgrade of the core since the I-Net was built in early 2000. The upgrade should be complete by mid-2013.

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 2011, both organizations saw an increase in the number of new video programs, in the use of facilities and equipment, and in 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

Based on MCHRC efforts, the Oregon Broadband Advisory Council (OBAC) used the MHCRC ascertainment: *Your Voice, Our Communications Technology* as a model for OBAC's statewide broadband adoption survey. At the federal level, the MHCRC advocated for the Community Access Protection Act (CAP Act) which provides more local control of PEG support fees paid by cable companies, requires cable companies to transmit the channels at no charge to the local government and requires the FCC to undertake a study on PEG. Staff also advocated for local authority of rights of way in the FCC's proceeding on Broadband Acceleration.

GOALS AND OBJECTIVES

Effective: July 1, 2012 – June 30, 2013

The Commission acknowledges that the policy and regulatory work of the Commission is undertaken in a 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 services franchise agreements to serve our member jurisdictions and their residents.*

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 services matters by helping to resolve complaints, enforcing customer service standards and addressing other consumer-related franchise compliance issues.
3. Design a limited community needs ascertainment and begin implementation in order to prepare for the renewal process for the Century Link franchise, which expires December 31, 2013.
4. Conduct an audit of Frontier's franchise and PEG fee payments for the past four years.
5. Monitor Comcast's transition to digital only programming services and the elimination of the analog basic tier to ensure subscribers fully understand the transition and franchise requirements are upheld.
6. Ensure that the updated community access provisions of the renewal Comcast franchise are successfully implemented, including HD access channels, access programming listed in all electronic channel guides, and updated video-on-demand and live program origination technology.

Goal II: *Transform the community grants program to focus on key impacts for addressing needs and equity issues identified through the MHCRC's Your Voice, Our Communications Technology initiative to guide the financial investment of Capital funds in the community over the next ten years.*

Objectives

1. Expand upon the current strong, collaborative working relationships to engage community stakeholders in identifying long-term goals, key indicators and short-term improvement targets.
2. Identify key points of impact for strategic funding to reach targets.
3. Develop cohesive granting processes and broad cross-sector coordination with

public and community stakeholders that leverage resources toward the collective, community goals.

4. Align work, supports and resources to implement community granting process for distribution of capital funds derived from cable service franchises.
5. Create an evaluation and reporting system to measure results and identify improvements.

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 grant-making activities community access and I-Net Capital funds 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. Facilitate and manage Community Institutional Network (I-Net) planning in order to leverage this low cost, high quality resource as a key tool for public organizations to communicate, inform and deliver services to their constituencies.
4. Oversee and authorize new I-Net connections, including reimbursement of Comcast's construction and installation costs.
5. Manage and ensure compliance with the terms of grant agreements with Portland Community Media and MetroEast Community Media.
6. Monitor and ensure accountability for capital funds paid to Portland Community Media and MetroEast Community Media.
7. Explore creative public and community opportunities arising through local adoption of digital technology for 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.

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. Support our member jurisdictions in implementing FCC rules and federal laws related to cable and telecommunications.
3. 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 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 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. Monitor the Office for Community Technology merger into the City of Portland Revenue Bureau to ensure the staff and support services funded by the MHCRC under the IGA continue to be effectively and transparently provided.
3. 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.
4. Conduct annual strategic planning and goal-setting process.
5. Conduct annual MHCRC evaluation of staff services.
6. Present an annual budget request to the Jurisdictions that supports the Commission's mission and respects the Jurisdictions' budget considerations.

MHCRC FY2012-13 BUDGET SUMMARY

The Commission, much like other publicly funded agencies, faces unprecedented budget issues for FY12-13, many of which have increased expenses at a time of diminishing resources. Those issues include:

- A reduction in the jurisdictions' appropriation to the MHCRC (based on Portland's reduction);
- Depletion of the interest revenues derived from the MHCRC Fund;
- Significant increase in internal and overhead charges from the City of Portland;
- A new state requirement for the MHCRC Fund to have an audit separate from the City of Portland's audit;
- The loss of significant policy and legal expertise with the elimination of the half-time director position dedicated to the MHCRC; and,
- Increased workload associated with 1) the significant increase of funds available to grant into the community and 2) higher level of compliance requirements related to dedicated capital funds.

In the face of these complex and challenging budget issues, the MHCRC developed a new revenue source for FY12-13, which will address the new work requirements and allow the Commission to continue its high quality services to the Jurisdictions and community stakeholders. More details about the budget issues and new revenue are provided below.

BUDGET ISSUES

Resources:

Jurisdictions' Reduction in MHCRC Appropriation: The City of Portland is reducing (based on current service level) its appropriation to the Commission for FY12-13, and in accordance with the budget policy under the IGA, the other participating Jurisdictions' appropriations will also be reduced.

Interest Revenues: The MHCRC uses interest earned on the MHCRC Fund to supplement the Jurisdiction's appropriation in order to provide the services under the IGA. Prior to FY2008-09, the Fund earned more interest revenue than was expended in any given year. However, since that time, the MHCRC has expended both interest earned during the year and a portion of the cumulative balance. The depletion of the cumulative balance combined with dismal interest earnings will not fully fund expenses traditionally made from interest revenue.

Expenditures:

MHCRC Fund Audit Requirement Under ORS 297: In its recently released audit report for FY10-11, the City of Portland's audit firm, Moss Adams, concluded that the MHCRC Fund should be classified as an "agency fund" for a "municipal corporation" under ORS 297, and in

accordance with new GASB rules, the Fund requires a separate audit. The MHCRC's legal counsel and the Secretary of State's lead municipal auditor both concurred.

Overhead and Internal Service Charges: The MHCRC contracts with the City of Portland (Office for Community Technology) for staff and administrative services. The City establishes internal services and overhead amounts charged to the MHCRC in accordance with City financial policies and, as such, the MHCRC cannot adjust those line item amounts. These charges have significantly increased for FY12-13.

Workload & Staffing:

Reduced Staffing: Loss of Director's Position: Portland's Office for Community Technology (OCT) provides staff for the MHCRC. The current, long-time Director is retiring in September. OCT is being merged with another City bureau to become a division within Portland's Revenue Bureau. The position is not retained in the new structure. The Director's position was appropriated, annually in the budget, at .5 FTE (halftime) to the Commission's work. This position provided the MHCRC with complex and highly specialized legal and policy expertise. Not only is the MHCRC losing this valuable expertise, but also staff resources are reduced from the current 3.3 FTE to 2.8 FTE.

Increased Work Requirements: Fiscal Administration and Disbursement of Capital Fund: Under the renewed Comcast franchise, the MHCRC, starting in FY12-13, will be collecting and granting annually over \$3 million. This is double the amount the Commission currently administers and grants into the community. Currently, the grant program manages about 30 grants at any given time and the MHCRC anticipates that number to increase significantly, maybe even double. In addition, the MHCRC administers operational and capital funding totaling about \$3.2 million annually for Portland Community Media (PCM) and MetroEast Community Media. Events over the past two years and the new requirement for an MHCRC Fund audit have brought into sharp focus the need for increased oversight and accountability under the two community media contracts. The recently renewed community media contracts expand the reporting and accountability obligations of both the centers and the MHCRC.

STRATEGIC BUDGET APPROACH

New Revenue Source - Capital Project Management Fee: With the culmination of the significant reduction in the Jurisdiction appropriation, the increase in overhead and audit costs, the loss of .5 FTE, and the increasing fiduciary responsibility for the MHCRC funds, the Commission determined that other resources were needed in order to meet its responsibility for the funds derived from the cable franchise agreements and its regulatory obligations to the Jurisdictions. The MHCRC is implementing a new revenue source: A capital project management fee. The MHCRC will collect the fee from organizations receiving capital funds derived from the cable services franchises. In discussing the potential for such a fee with our community stakeholders and the access centers, they expressed the desire to have a fee rather than limiting the ability of the MHCRC to disburse the full amount of capital funds into the community. The fee could potentially add about 1.2 FTE staff resources to the MHCRC FY12-13 budget and also covers overhead, audit and other expenses proportional to the size of the capital fund expenditures and

other MHCRC expenditures. The MHCRC has initially budgeted the amount for 1 FTE as a contingency amount to allow the MHCRC flexibility to move the funds to personnel, consulting or other areas as needed in FY12-13.

Transforming the Community Grants Program: The MHCRC will undertake a comprehensive design process in FY12-13 to realign the grant program and disbursement of the increased capital funds to have greater impact on, and be responsive to, the findings from the *Your Vo!ce* initiative and other recent reports documenting disparities in our communities that the MHCRC grant funds could help address. The MHCRC will strategically update programs and implement systems and processes for fund allocation, accountability and evaluation of impact. The MHCRC believes the strategic alignment work would need to be completed in early 2013 in order for grant funds to be distributed in FY12-13. In addition, the MHCRC plans to implement a more comprehensive and systemic evaluation of grant outcomes in order to better gauge the impact of grants. The MHCRC anticipates hiring a new position and using a small amount of one-time compliance revenues to provide strategic planning expertise, implement sound fiscal and programmatic compliance systems, and develop a more robust evaluation for the expanded grant program.

Fiscal and Programmatic Oversight of Access Centers: Under the renewed contracts with MetroEast Community Media and PCM, the MHCRC will increase oversight in areas such as on-site verification of inventory purchased with grant capital funds, documentation and reconciliation of year-end capital expenditures, and justification of expenditures based on strategic and capital plans. In addition, as noted above for the grant program, the MHCRC would like to increase its understanding of the community impact of the investment in the media centers. The MHCRC anticipates that a new position will provide the needed staff resources to expand the oversight of the community media contracts.

Financial Review of Frontier Franchise and PEG/I-Net Payments: The MHCRC will conduct a financial review of Frontier franchise and PEG fee payments for Fiscal Years 2009-2012, for Gresham, Troutdale, Fairview and Wood Village, using a portion of the one-time compliance revenues. The franchise agreement allows for the audit every five years. This will be the first audit conducted for the Frontier franchises in Jurisdictions' service area.

BUDGET PROCESS 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 developed a detailed FY2012-13 budget in consultation with MHCRC staff. On May 21, 2012, 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.

FINANCIAL SUMMARY

The Commission's FY 2012-13 Financial Summary is presented on page 14.

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 the Capital Grant recipients. These disbursements are governed by the IGA and by the cable services franchises.

The total FY 2012-13 proposed expenditure is \$8,837,163 and contingency of \$1,581,291 for the disbursement of prior year capital grants. The total consists of expenditures funded by dedicated revenues in the amount of \$8,040,437, and \$796,726 in Commission's operating expenditures.

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

Revenue Resources include:

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. Franchise fee revenues are anticipated to increase slightly compared to FY 2011-12. The MHCRC has conservatively projected the franchise fee revenues based on the rapidly changing video marketplace, even though the cable companies have continued to remain financially healthy. The total projected revenues are \$1,637,134 for FY2012-13 compared to \$1,489,707 in FY 2011-12.

Operating Budget Appropriation: The MHCRC collects funds from the City of Portland for its share of the Commission's operating budget. The FY 2012-13 City of Portland share is \$245,570, which is a 33% decrease from the current fiscal year. The other MHCRC jurisdictions appropriation is collected through the cable services franchise fees.

Capital Revenues: The Commission collects 3% of Comcast's, Frontier's and Cascade Access' gross revenues totaling over \$4.8 million as dedicated funding for the access corporations' capital funding and the community capital grant program.

Capital Project Management Fee: The MHCRC collects a fee from organizations receiving capital funds derived from the cable services franchises based on a methodology set by the Commission.

Compliance Revenue: The line item contains revenue resulting from any compliance actions in the previous fiscal year. The MHCRC budget proposal includes one-time, compliance revenue of \$30,000. This amount is anticipated in FY11-12 from Frontier resulting from the MHCRC's franchise enforcement actions.

Beginning Fund Balance/ Interest: The beginning balance is mainly attributable to funds that have been committed through grant contracts (usually three year projects) but have not yet been paid to the grantee. The MHCRC also collects interest on its Fund.

Expenditures include:

Franchise Fee Balance to the Jurisdictions: This line item expenditure is calculated based on the total amount of franchise fees the MHCRC collects and subtracting the amount each Jurisdiction appropriates to the Commission's Operating Budget and the amount of community access payments to MetroEast and PCM in accordance with the IGA. The amounts paid to the East County Jurisdictions from franchise fees are projected to increase by about 28% from the FY11-12 budget. This is due to three factors: franchise fees from the cable companies are estimated to grow; the jurisdictions' appropriation to the MHCRC budget is decreasing by about 33%; and the MHCRC is crediting the Jurisdictions with the contingency amount budgeted in FY11-12 for a potential Formal Renewal Process, which was successfully avoided.

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.

MHCRC Operating Budget: This expenditure represents the total MHCRC operating budget (See details pages 15-17).

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.

Community Capital Grants: The MHCRC is the grant-making body for the community capital grant program. The grants are made in accordance with the IGA and the cable services franchise agreements.

FINANCIAL SUMMARY
FISCAL YEAR 2012-13

RESOURCES	2009-10 Actual	2010-11 Actual	2011-12 Adopted	2012-13 Proposed
E. County Franch. Fees, Comcast	1,116,510	1,184,851	1,220,152	1,268,958
E. County Mult West Franch. Fees, Comcast	81,977	87,520	65,364	91,021
E. County Franch. Fees, Frontier	277,810	315,259	204,191	277,155
Operating Budget Appropriation-Portland	283,579	290,635	366,790	245,570
Reimbursements from Franchisees	51,367	0	0	0
Interest	71,976	32,395	58,000	42,000
PEG / I-Net Capital Fee	3,073,959	3,145,944	3,927,827	4,865,979
Grant Project Management Fee	0	0	0	280,000
Compliance Revenue	0	0	14,538	30,000
Total Resources	4,957,178	5,056,604	5,856,862	7,100,683
Beginning Fund Balance	5,837,979	5,402,424	4,520,439	3,317,771
Total	\$10,795,157	\$10,459,028	\$10,377,301	\$10,418,454
REQUIREMENTS				
EXPENDITURES				
Franchise Fee Balance to Jurisdictions	439,641	461,655	413,936	522,625
Community Access Pmt, E. County (MetroEast)	839,077	891,988	829,022	927,668
Community Access Pmts, Mult. West (PCM)	49,052	52,512	48,731	54,612
MHCRC Operating Budget	648,724	563,464	782,161	796,726
Access Corporation Capital	1,239,337	1,532,285	1,566,404	1,735,532
Community Capital Grants	2,176,902	2,436,685	1,642,000	3,000,000
Community Capital Grants Contingency	0	0	1,777,276	1,800,000
Total Expenditures	\$5,392,733	\$5,938,589	\$7,059,530	\$8,837,163
Ending Fund Balance	5,402,424	4,520,439	3,317,771	1,581,291
Total	\$10,795,157	\$10,459,028	\$10,377,301	\$10,418,454

COMMISSION OPERATING BUDGET

This section of the MHCRC's budget proposal contains two documents and includes the MHCRC resources that fund the various expenditures and line item detail.

Jurisdictional Appropriation: Each MHCRC member jurisdiction appropriates funds for the Commission's Operating Budget (\$377,800). This appropriation is about 33% less than the FY11-12 appropriation.

The net appropriation of each Jurisdiction is calculated by deducting the credit balance remaining (\$75,000) from the formal renewal process budgeted in FY11-12 but not needed. The net appropriation is about 36% less than the FY11-12 net appropriation. The detail for this amount is on the cost allocation worksheet in Appendix One. Each Jurisdiction's net appropriation (\$351,550 total) is outlined below and detailed in Appendix One:

Gresham	\$76,004	Fairview	\$ 7,247
Troutdale	\$11,007	Wood Village	\$ 2,145
Multnomah County	\$ 9,576	Portland	\$245,570

Other Resources: The other MHCRC revenues include interest on the MHCRC Fund; compliance revenue paid by cable companies related to MHCRC franchise enforcement actions; Grant project management fee (discussed on page 10); and dedicated capital funds.

Operating Expenditures: The overall proposed operating expenditures for FY2012-13 increase slightly from the MHCRC's FY2011-12 operating budget, however the portion funded by the Jurisdictions' appropriation has significantly decreased. The budget retains a staffing level of 3 full time equivalent (FTE) employees. It also provides the necessary resources for the MHCRC's increased work requirements mostly related to fiscal administration and disbursement of capital funds derived from the cable franchise agreements.

COMMISSION OPERATING BUDGET SUMMARY

Fiscal Year 2012-13

	FY 2012-13	FY 2012-13	FY 2012-13	FY 2012-13
	Proposed Budget	Capital Fund Compliance	Capital Fund Direct Expenses	Total
<i>MHCRC Operating Resources:</i>				
Jurisdictional Appropriations-Portland	245,570	-	-	245,570
Jurisdictional Appropriations-East County	132,230	-	-	132,230
Interest Revenue	68,926	-	-	68,926
Grant Project Management Fee	-	280,000	-	280,000
Capital Funds	-	-	40,000	40,000
<u>Compliance Revenue</u>	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>30,000</u>
<u>Total</u>	<u>476,726</u>	<u>280,000</u>	<u>40,000</u>	<u>796,726</u>
 <i>MHCRC Operating Expenditures:</i>				
Personnel	327,350	78,097	-	405,447
External M&S	56,461	2,536	40,000	98,997
Internal M&S	47,285	39,214	-	86,499
GF Overhead	13,430	53,719	-	67,149
Contingency	27,800	8,834	-	36,634
MHCRC Fund Audit	4,400	17,600	-	22,000
<u>Contingency New Position</u>	<u>-</u>	<u>80,000</u>	<u>-</u>	<u>80,000</u>
<u>Total</u>	<u>\$ 476,726</u>	<u>\$ 280,000</u>	<u>\$ 40,000</u>	<u>\$ 796,726</u>

COMMISSION OPERATING BUDGET-Detail
Fiscal Year 2012-13

Acct.	Title	FY 2010-11 Actual	FY 2011-12 Adopted	FY 2012-13 Proposed
51100	Employees	337,496	305,413	281,565
51700	Benefits	88,561	131,291	123,882
Personnel Services		\$426,057	\$436,704	\$405,447
52100	Professional Services	30,971	67,500	77,036
52900	Miscellaneous Services	1,200	7,600	600
52900	Temporary Clerical Support	7,000	7,000	7,000
53100	Office Supplies	3,033	1,500	1,500
53200	Operating Supplies	2,767	3,300	3,300
54100	Education	2,121	2,600	2,000
54200	Local Travel	624	2,400	1,800
54300	Out-of-Town Travel	1,272	2,600	1,600
54900	Miscellaneous	1,486	7,179	4,161
External Materials and Services		\$50,474	\$101,679	\$98,997
651201	Print/Distribution	6,927	7,323	7,802
651301	Facilities Services	12,778	13,788	14,781
651401	EBS Services	23,328	27,327	26,720
651504	Information Technology (IT)	12,724	13,095	11,970
651600	Insurance/Workers Comp	9,155	9,499	9,915
652200	MHCRC Fund Audit	0	0	22,000
652233	Legal Advice	15,464	15,464	15,311
Internal Services		\$80,376	\$86,496	\$108,499
572101	GF Overhead	28,549	28,549	67,149
575101	COLA	0	8,734	5,800
571000	Contingency-General	12,076	52,000	30,834
571100	Conting: Comcast Renewal	46,000	75,000	0
571100	Conting: New Position	0	0	80,000
Fund Level Expenditures		\$ 86,625	\$ 164,283	\$ 183,783
Total		\$643,532	\$ 789,162	\$ 796,726
Total-Funded by MHCRC Resources		483,132	564,293	\$ 418,926
Total-Funded by Jurisdiction Appropriation		483,132	564,293	\$ 377,800

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 2012-13

City of Portland Appropriations \$ 245,570
East County Appropriations \$ 132,230
Operating Budget Total: \$ 377,800

<i>JURISDICTION</i>			FY 12-13 Proposed	FY 12-13 % Allocation	Comcast Renewal Credit	Net Juris. Appr.
<u>Portland</u>			<u>\$245,570</u>	<u>65.0%</u>	<u>48,750</u>	<u>\$ 245,570</u>
	Subscriber Distribution (Note 2.)					
<u>E. County</u>	<u>No. Of Subs</u>	<u>Perc. Distr.</u>				
Gresham	19,302	71.7%	\$94,779	25.1%	\$18,775	\$76,004
Multnomah Co.	2,442	9.1%	\$11,991	3.2%	\$2,415	\$9,576
Troutdale	2,795	10.4%	\$13,724	3.6%	\$2,717	\$11,007
Fairview	1,838	6.8%	\$9,025	2.4%	\$1,778	\$7,247
Wood Village	552	2.0%	\$2,710	0.7%	\$565	\$2,145
E. County Total	26,929	100.0%	\$ 132,230	35.0%	\$ 26,250	\$ 105,980
Total			\$377,800	100.0%	\$ 75,000	\$ 351,550

Budget Allocation Comparison

<i>JURISDICTION</i>	FY 10-11 Actual	FY 11-12 Adopted *	FY 12-13 Proposed
<u>Portland</u>	<u>\$290,470</u>	<u>\$366,790</u>	<u>\$ 245,570</u>
<u>E. County</u>			
Gresham	\$112,926	\$135,915	\$75,964
Multnomah Co.	\$12,356	\$14,738	\$9,611
Troutdale	\$17,205	\$16,557	\$11,000
Fairview	\$10,792	\$10,917	\$7,234
Wood Village	\$3,285	\$3,821	\$2,172
E. County Total	\$ 156,407	\$ 181,948	\$ 105,980
Total	\$446,877	\$548,738	\$351,550

* Includes \$75,000 for Comcast Renewal. These funds were not used in FY 2011-12, and credited towards FY 2012-13 budget.

APPENDIX TWO

FRANCHISE FEE REVENUE AND DISBURSEMENT DETAIL

**FRANCHISE FEE REVENUES AND DISBURSEMENTS
FY 2012-13
PROPOSED**

Jurisdictions	Franchise Fees	Net Budget Appropriation	MetroEast	PCM	Payments to Jurisdictions
Portland		245,570			NA
GRESHAM	1,155,303	94,779	693,182		367,342
MULTNOMAH CO., EAST	59,837	11,991	35,902		11,944
MULTNOMAH CO., WEST	91,021	N/A	N/A	54,612	36,408
TROUTDALE	187,841	13,724	112,705		61,412
FAIRVIEW	111,391	9,025	66,835		35,532
WOOD VILLAGE	31,741	2,710	19,044		9,986
Total, East County	\$1,637,134	\$132,229	\$927,668	\$54,612	\$522,625
Total	-	\$377,799	-	\$54,612	-

FRANCHISE FEE BALANCE TO EAST COUNTY JURISDICTIONS-Prior Years:

Jurisdictions	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Adopted
GRESHAM	259,393	308,528	323,082	292,245
MULTNOMAH CO., EAST	6,158	9,611	9,733	1,027
MULTNOMAH CO., WEST	30,172	32,791	35,008	32,487
TROUTDALE	41,538	51,185	53,794	49,217
FAIRVIEW	24,799	29,311	31,296	30,499
WOOD VILLAGE	6,977	8,215	8,741	8,461
TOTAL	\$369,037	\$439,641	\$461,654	\$413,936

FY 2011-12 Budget less Credit Balance - East County Jurisdictions			
Jurisdictions	FY 2012-13 Proposed	Comcast Renewal Credit	Net Budg. Approp. FY 2012-13
GRESHAM	94,779	18,775	76,004
MULTNOMAH CO.	11,991	2,415	9,576
TROUTDALE	13,724	2,717	11,007
FAIRVIEW	9,025	1,778	7,247
WOOD VILLAGE	2,710	565	2,145
Total	\$132,228	\$26,250	\$105,979

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 2012-13 budget for MetroEast Community Media (MetroEast). MetroEast serves the East Multnomah County area. Attachment 2 presents the FY 2012-13 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 grant agreement 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	\$ 927,668
<u>Community Access Capital Funding: MHCRC</u>	<u>\$ 756,935</u>
Total	\$ 1,684,603

2. Portland Community Media:

Access Funding: Portland General Fund	\$ 878,194
Community Access Funding: West Mult. County	\$ 54,612
<u>Community Access Capital Funding: MHCRC</u>	<u>\$ 978,597</u>
Total	\$ 1,911,403

Attachment 1

METROEAST COMMUNITY MEDIA BUDGET

FISCAL YEAR 2011-12

**PROPOSED BUDGET
METROEAST COMMUNITY MEDIA
FY 2012-13**

		ACTUAL 2010-11	BUDGET 2011-12	ACTUAL 2011-12 12/20/2011	PROPOSED BUDGET 2012-13
	INCOME:				
4130	Franchise Fees, Multnomah	\$ 666,176	\$ 829,022	\$ 664,408	\$ 972,688
4090	Interest	171	160	41	100
4270	Activity Fees/Fees for Service	32,982	18,000	26,314	18,000
4200	Other	15,802	9,000	2,601	7,500
4172	Capital Funds	640,084	652,936	326,468	707,416
4905	Building Loan Reimbursement	103,774	119,551	29,888	36,136
4162	Investment Fund Withdrawal	0	12,000	0	12,000
	TOTAL OPERATING INCOME	\$ 1,458,989	\$ 1,640,669	\$ 1,049,720	\$ 1,753,840
	EXPENSES:	ACTUAL	BUDGET	ACTUAL	PROPOSED
		2010-11	2011-12	2011-12	BUDGET
				12/20/2011	2012-13
	Personnel				
7020	Full-Time Salaries	\$ 518,831	\$ 545,659	\$ 265,520	\$ 564,009
7030	Part-Time Salaries	108,460	88,902	53,663	92,604
7050	Taxes & Fringe Benefits	197,446	164,986	96,943	190,417
	Total Personal Services	\$ 824,737	\$ 799,547	\$ 416,126	\$ 847,030
	Operations	ACTUAL	BUDGET	ACTUAL	PROPOSED
		2010-11	2011-12	2011-12	BUDGET
				12/20/2011	2012-13
6020	Accounting	\$ 17,426	\$ 17,800	\$ 17,074	\$ 18,000
6041	Consulting	13,850	13,000	11,280	22,500
6051	Dues & Subscriptions	6,395	12,500	5,076	10,000
6060	Educational Program Acquisition	0	400	0	400
6061	Education & Training	3,775	4,000	2,326	3,200
6062	Business Meals/Related	1,606	1,200	786	1,300
6064	Events	550	1,000	0	1,000
6070	Food	6,551	9,500	4,812	11,500
6100	Insurance	44,561	49,000	37,098	51,000
6110	Janitorial	5,340	7,200	2,670	7,200
6130	Legal	748	4,000	1,844	4,000
6131	Local Travel & Mileage	1,393	1,350	1,742	2,500
6140	Maintenance Supplies	1,886	799	572	1,835
6141	Miscellaneous	92	0	0	0
6160	Office Supplies	4,596	4,687	2,625	4,186
6161	Operation Supplies	11,345	8,750	5,838	9,701
6170	Personnel Recruitment	642	750	329	450
6171	Phones	7,062	6,750	3,314	7,500
6172	Postage	2,724	3,200	757	1,600
6173	Printing	810	1,500	935	1,500
					5,000

**PROPOSED BUDGET
METROEAST COMMUNITY MEDIA
FY 2012-13**

	Capital	ACTUAL 2010-11	BUDGET 2011-12	ACTUAL 2011-12 12/20/2011	PROPOSED BUDGET 2012-13
8001	Misc. Debt Expense	\$ 0	\$ 3,750	\$ 0	\$ 3,750
8002	Books	53	150	0	150
8003	Maintenance Supplies	0	500	0	500
8004	Office Supplies	2,763	1,000	2,533	3,914
8005	Operation Supplies	919	750	0	2,602
8006	Repairs & Maintenance	18,549	14,000	2,784	6,823
8007	Videotape	0	1,500	0	1,500
8008	Equipment lease - Debt Reductio	16,371	0	0	0
8009	Equipment lease - Interest	411	0	0	0
8011	Interest Short Term Loans	16,231	17,500	8,787	10,500
8013	Interest Long Term Loan	52,874	52,962	25,997	53,000
8014	Debt Reduction - Short Term Loa	0	50,000	0	75,000
8015	Debt Reduction - Long Term Loa	10,666	10,570	5,333	10,666
8030	Leasehold Improvements	9,125	31,000	3,789	5,000
8016	Building Maintenance Fund	12,000	12,500	0	13,000
8040	Office Equipment	41,478	28,000	56,139	65,000
8050	Office Furnishings	0	2,500	0	2,500
8060	Production & Maintenance Equip	127,362	306,703	24,370	417,375
8090	Building Loan Transfer	103,774	119,552	29,888	36,136
	Total Capital	\$ 412,576	\$ 652,937	\$ 159,620	\$ 707,416
	TOTAL OPERATING EXPENSE	\$ 1,408,908	\$ 1,640,669	\$ 693,401	\$ 1,753,840

Attachment 2

PORTLAND COMMUNITY MEDIA BUDGET

FISCAL YEAR 2011-12

Portland Community Media

PROPOSED OPERATING AND CAPITAL BUDGET FY 2012-2013

		FY 09-10 ADOPTED BUDGET	FY 10-11 ADOPTED BUDGET	FY 11-12 ADOPTED BUDGET	FY 12-13 PROPOSED BUDGET	
		Revised 2/23/10	Revised 1/25/11 FY 2010- 2011	Adjusted 1/24/12 FY 2011- 2012	FY 2012 2013	
Account	OPERATING BUDGET					
	INCOME					
4000	Contract City Portland	909,697	864,154	890,394	875,155	Represents the 4% reduction from the base target of \$
4005	Franchise Mult. West	36,744	43,821	52,212	54,312	
4100	Special Projects - Production Svc.	130,000	175,000	125,000	150,000	
4200	Community Service	0	5,000	0	0	
4214	Access 2.0 Operating Support	28,160	0	0	0	
4215	New Services: SmartAccess Revenue	2,500	3,500	10,000	10,000	Nonprofit contracts for services
4250	Contributions	0	10,500	6,500	10,000	
4300	Media Education	40,000	20,000	25,000	15,000	Workshop fees, exclusive of contracts with nonprofits
4301	MetroEast Ollie Reimbursement	0	0	0	0	
4325	Portland Youth Media	75,000	80,000	40,000	30,000	Summer Camps, Spring Break Camps, small contracts
4355	Development: Grants/Corporate Underwriting	75,000	120,000	80,000	100,000	
4400	Fundraising & Events	1,000	5,000	13,650	10,000	
4409	Energy Savings Project	75,000	0	0	0	
4410	Misc Inc. (Sweep Acct. E-commerce, Events)	25,000	10,000	2,124	1,115	
4412	Damages paid for equipment	500	500	0	0	
4580	Tape / Disk Sales	14,000	20,000	3,600	2,000	
4581	Dubbing	2,000	2,500	1,600	1,000	
4585	User fees	11,000	15,000	6,000	3,000	
4710	Checking Acct. Interest	2,000	2,500	540	500	
4711	Interest on Capital Funds	20,000	1,000	600	500	
4715	Investment Fund Income	750	0	0	0	
4805	Interest USB merchant Investment	0	0	0	0	
4806	REIT Distribution Income	80,000	19,000	0	0	
4810	Dividends Investment	0	0	0	0	
9991- 94	Gain/(Loss) on Sale of Investments	0	0	0	0	
4411	Gain/(Loss) on Sale of fixed assets	35,000	13,000	1,200	3,000	
	Commercial Loan Proceeds	0			1	
	TOTAL OPERATIONS INCOME	1,563,351	1,410,476	1,257,420	1,218,507	
	STAFF RELATED					
5000	Payroll Wages- F/T - P/T	1,000,000	657,750	634,672	612,500	Recommended adjustments of wages for 17 FTE by realizing reductions to discretionary general overhead and administrative costs.
5002	Wages-On Call	70,000	70,000	27,300	27,000	Slight up tick in wages for specialized on-call crew and trainers to address increased demand and sophistication for broadband tools and instruction in emerging technologies.
5100	Payroll Taxes F/T - P/T	97,366	85,832	61,536	59,300	
5102	Payroll Taxes-On Call	7,000	7,650	2,921	2,800	
5110	403 (B) Contributions	40,000	13,000	6,000	6,000	
5111	Medical & Dental Insurance	170,000	100,000	70,000	60,000	
5112	Life & Disability Insurance	10,000	5,000	6,000	5,000	
5200	Employee Recruitment	2,000	2,000	400	500	Plans for increased spending for new requirement in City agreement to support training and professional development in the areas of cultural competency.
5300	Training & Education - Staff	5,000	3,000	2,000	2,000	
5350	Training & Education - Board	0	1,500	500	500	Implementation of PCM Strategic Plan and Board Governance support.
5401	Travel - out of town & Local	12,000	5,000	7,000	7,000	Minimum level of resources to support conference and other trips to keep up with emerging industry trends and advocacy efforts.
5500	Payroll Service	15,000	15,000	6,000	6,000	
5501	Crew Food	1,000	500	1,000	500	

	Transfer to Capital for salaries associated with capital projects	-70,000		0		This category is no longer used. Capital Wages are accounted for under GAAP rules.
	Subtotal Staff Related Costs	1,359,366	966,232	825,329	883,107	
	GENERAL OVERHEAD					
6010	Accounting Audit	10,000	20,000	15,000	15,000	
6020	Legal	5,000	12,000	12,000	4,000	
6080	Computer Consulting	2,500	3,000	500	1,000	
6090	Professional Services-admin-contract	7,000	20,000	12,000	8,000	
6091	Production Professional Expenses	3,000	1,000	2,500	2,500	
6092	Independent Contractors (Events)	0	7,000	0	2,000	
6095	Portland Youth Media (PYM)	10,000	5,000	0	0	
6151	Needs Assessment	5,000		0		
6152	Board Planning	5,000	1,000	1,300	2,500	Strategic planning and follow up.
6178	Newsletter CC			0		
6200	Office Supplies	15,000	10,000	10,000	7,500	
6201	Digital Connectors Grant Exp	0	0	3,357	0	
6290	Advocacy/Government Relations	2,500	2,000	1,000	500	
6300	Printing - Outsourced	5,000	5,000	4,000	2,000	
6301	Printing - InHouse	6,000	5,000	4,000	3,000	
6400	Postage & Shipping	6,000	5,000	4,000	2,500	Move to an online series programming scheduling/application process.
6410	Miscellaneous Expenses	500	500	650	500	
6500	Vehicle Fuel	5,000	3,000	2,000	2,000	
6505	Vehicle Parking	3,000	1,500	1,200	1,200	
6580	Video Tapes	15,000	3,000	3,900	3,900	
6670	Marketing & Fund Development	25,000	5,000	3,000	5,000	
6701	Pagers & Cell Phones	6,000	5,000	5,000	2,000	
6702	Internet Access	12,000	8,000	18,000	13,000	
6703	Phone General	10,000	10,000	13,000	5,000	

6710	Computer Software	800	800	1,040	1,040	
6712	Loan Charges	0		0	0	
6715	Bank Charges	10,000	10,000	7,000	7,000	
6720	Dues & Subscriptions	6,000	3,000	3,900	2,500	
6729	Fees	2,000	2,000	1,000	500	
6730	Fees/Video/Entry Fees	0		0	500	
6800	Hospitality	12,000	5,000	6,500	5,500	
60xx	Payment of Loan to Capital	0	87,000	44,000	27,453	Total repayment amount of \$54,907 amortized over two fiscal years.
	Subtotal Administrative Costs	189,300	239,800	179,847	117,593	
	EQUIPMENT RELATED					
7000	Repair - parts	14,000	10,000	10,000	10,000	
7005	Repair- Headend Expense	500	500	0	0	
7010	Repair - small tools	1,000	3,500	0	0	
7015	Repair - sub-contractor	26,500	30,000	20,000	20,000	Costs associated with technology maintenance and troubleshooting on contract with MetroEast technicians.
7016	Repair City Council Chambers	1,000	500	650	650	
7020	Replacement Studio bulbs	1,500	1,200	1,560	1,560	
7030	Replacement equipment batteries	1,500	500	650	650	
	Subtotal Equipment Related	46,000	46,200	32,860	32,860	
	BUILDING RELATED					
7500	Janitor Service - Main Building	18,700	9,240	8,000	8,000	
7502	Janitor Service - Annex	0	2,000	0	0	
7510	Janitorial Supplies	0	2,400	7,000	7,000	
7620	Electricity	31,400	24,000	25,000	25,000	
7622	Electricity Building # 2	0	3,000	0	0	
7635	Garbage Removal	0	1,577	1,500	1,500	
7640	Other Utilities	12,000	5,000	5,000	5,000	
7642	Other Utilities # 2	0	1,000	0	0	
7645	Natural Gas	0	4,500	6,000	6,000	
7646	Natural Gas # 2	0	2,500	0	0	

7650	Vehicle Maintenance	2,500	2,500	2,500	2,500
7660	Landscape Maintenance	0	800	1,500	0,000
7670	Building Maintenance	25,800	9,000	5,000	5,000
7680	Security Service	2,200	1,500	1,950	1,950
	Subtotal Building Related	92,600	69,017	63,450	22,950
	OWNERSHIP COSTS				
9000	Insurance - liability	27,000	27,879	40,000	5,000
	TOTAL OPERATIONS EXPENSES	1,714,266	1,349,128	1,141,486	1,61,610
	NET INCOME (LOSS) OPERATIONS		61,347	115,934	57,387
2909	Balance Capital Fund from Prior FY	0	0	600,000	600,000
4909	PEG Capital Grant Income	661,989	882,899	823,675	911,577
4911	Capital Grant Access 2.0	0	0	0	0
4998	Investment Funds Used	600,000	0	0	0
5000	SmartAccess Funds	300,000	75,000	0	0
4909	City Hall Upgrade Capital Grant	0	0	271,860	0
900x	Payment of Loan to Capital	0	87,000	44,000	27,550
	TOTAL CAPITAL REVENUE	1,561,989	1,054,899	1,839,535	927,030
	CAPITAL EXPENSE:				
1600	Land & Building - Car Park	0	80,209	50,000	0
1620	Building Improvements	0	25,000	25,000	0,000
1622	New Building Improvements	0	10,000	10,000	0
1630	Production Equipment	274,000	298,690	455,800	779,000
1660	Production Vehicles	0	0		0
1640	Playback Equipment	87,000	208,000	340,000	265,000
1647	Youth Media Equipment	102,000	50,000	5,000	0

1650	Office Equipment & Furniture	141,989	118,000	100,000	150,000
1650-S	PEG Access Capitalized Payroll	47,000	89,500	25,000	65,000
1664	SmartAccess-Grant Fund	300,000	75,000	20,000	0
1664-S	SmartAccess Capitalized Payroll	60,000	45,000	3,000	0
6505	City Hall Upgrade Equipment	0	0	263,460	0
1628-C	City Hall Upgrade Capitalized Payroll	0	0	8,400	0
1668	Access 2.0 Grant Fund Equipment	10,000	54,000	35,000	0
1668-S	Access 2.0 Capitalized Payroll	0	60,000	30,000	0
16xx	Transfer from Operations for salaries associated with capital projects	0		0	0
	TOTAL CAPITAL EXPENSES	1,021,989	1,113,399	1,370,660	160,000
9997	Depreciation (Non-cash)			577,257	781,007
	NET CAPITAL SURPLUS (DEFICIT)		(58,500)	468,875	(32,000)
	TOTAL OPERATIONS, & CAPITAL/INCOME & REVENUE (COMBINED)	3,125,340	2,465,374	3,096,955	2,485,841
	TOTAL OPERATIONS & CAPITAL EXPENSES (COMBINED)	2,736,255	2,462,527	2,512,146	(121,510)
	NET COMBINED SURPLUS (DEFICIT)	389,085	2,847	584,809	175,603