



MT. HOOD CABLE REGULATORY COMMISSION

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

APPROVED BUDGET FISCAL YEAR 2017-18

Commission Approved: March 20, 2017

Commission Members

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MT. HOOD CABLE REGULATORY COMMISSION

INTRODUCTION

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

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

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

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

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

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

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

Please refer to the MHCRC's FY 2016-17 Annual Report and website (www.mhcr.org) for more detail about MHCRC activities and accomplishments.

MHCRC FY2017-18 FUND BUDGET

BUDGET PROCESS

According to the Intergovernmental Agreement (IGA) among the Jurisdictions that created the MHCRC, the MHCRC must gain approval of its Fund Budget by every member Jurisdiction. The MHCRC Finance Committee developed a detailed FY2017-18 budget in consultation with MHCRC staff. On March 20, 2017, the MHCRC approved the proposed budget to forward to the Jurisdictions for consideration. The MHCRC provides the proposed Fund Budget to city and County staff in advance of the city councils' and the County Commission's consideration of the budget.

BUDGET NARRATIVE

The MHCRC FY 2017-18 Fund Budget is presented on page 5.

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

Fund Resources

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

FY 2017-18 Fund resources are projected to slightly increase over FY 2016-17. The budget also includes a beginning fund balance of little more than \$4.7 million. Detail on each Fund resource follows:

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

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

Interest Earned: The MHCRC collects interest on its Fund. Interest revenue is projected to increase compared to current year budget based on current interest earnings.

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

Beginning Fund Balance: The beginning balance is PEG/I-Net Capital funds projected to be unspent in FY 2016-17, which the MHCRC plans to expend or retain as contingencies in FY 2017-18.

The FY 2017-18 Beginning Fund Balance projection is attributable to the following:

- Interest cumulative balance: \$404,639
- Compliance Program carry over: \$702,242
- Community Media Capital Fund contingency: \$304,278
- I-Net Fund contingency: \$800,000
- Community Grants carryover/encumbrances: \$1,229,426
- Community Grants contingency: \$800,000

Fund Expenditures

Nearly all of the MHCRC's expenditures are the disbursement of franchise fees and PEG/I-Net Capital Fees governed by the IGA and by the cable services franchises.

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 media payments to MetroEast and PCM in accordance with the IGA (detail contained in Appendix 1, page 7).

Community Media 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 Open Signal. These dedicated funds are used to provide media and technology services to the community (detail contained in Appendix 2, page 10).

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

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

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

Community Technology Grants and TechSmart Initiative Grants: The MHCRC is the grant-making body for the Community Grants program. The Community Grants program has two funding opportunities: Community Technology Grants and the TechSmart Initiative for Student Success. The TechSmart Initiative provides grants and evaluation resources for school districts within Multnomah County to identify effective classroom instruction that uses technology to foster improved outcomes for all students. Community Technology Grants are awarded during an annual competitive grant round. Community Grants are made in accordance with the IGA and the cable services franchise agreements.

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

BUDGET HIGHLIGHTS

Community Grants Contingency

Every year, the MHCRC enters into new grant agreements with schools, libraries, nonprofits and local government agencies under the TechSmart Initiative for Student Success and the annual Community Technology Grants. Unfortunately, a lawsuit was filed against the MHCRC and its member jurisdictions that implicates grant expenditures. Although the MHCRC believes the lawsuit is groundless and will be dismissed, the timing for resolution is uncertain. In order to accommodate all options, the MHCRC has increased the amount for Community Grants contingency to provide the flexibility in the upcoming fiscal year to enable the MHCRC to make informed decisions about entering into new grant agreements, both in the current fiscal year and next.

MHCRC's Operating Budget – Jurisdictions' Appropriation

For a third year, the proposed operating budget includes a reduction in the total amount appropriated by the member jurisdictions to the MHCRC. In light of this reduction, the MHCRC has increased its proposed expenditure amount from the interest gained on the MHCRC's fund. The MHCRC anticipates that FY17-18 will be a "future focus" and planning year. Considering the rapidly evolving technology and public policy landscape, and the fact that cable TV subscribers have dropped for the third year in a row, the MHCRC is turning its sights on the future. The MHCRC intends to work with its jurisdictions, stakeholders and communities to identify needs and opportunities for our broadband future. The budget includes professional services to assist the MHCRC in this endeavor.

**MHCRC FUND BUDGET
FISCAL YEAR 2017-18**

	2015-16 Actual	2016-17 Adopted	2017-18 Proposed
RESOURCES			
E. County Franch. Fees, Comcast	1,381,066	1,375,613	1,492,876
E. County Franch. Fees Mult West, Comcast	110,297	115,411	117,784
E. County Franch. Fees, Frontier & Reliance	227,214	218,701	214,341
Operating Budget Appropriation-Portland	296,435	288,330	281,036
Interest Earned	91,898	60,000	108,000
PEG / I-Net Capital Fee	5,393,179	5,495,853	5,754,337
Compliance Revenue	0	0	2,500
Total Resources	7,500,089	7,553,908	7,970,874
Beginning Fund Balance	8,668,796	4,629,784	4,240,585
Total	\$16,168,885	\$12,183,692	\$12,211,459
EXPENDITURES			
MHCRC Operating Budget	847,962	1,002,482	1,058,884
Franchise Fee Balance to Jurisdictions	538,952	528,635	578,674
Community Media Pmt, E. County (MetroEast)	964,969	961,512	1,024,724
Community Media Pmts, Mult. West (PCM)	66,179	64,324	70,276
Community Media Capital (MetroEast/PCM)	1,587,551	1,648,757	1,726,301
I-Net Grants	275,114	618,200	746,550
Community Technology Grants	787,858	800,000	902,017
TechSmart Initiative Grants	6,470,516	2,319,197	1,804,035
Community Grants Contingency	0	0	2,800,000
Total Expenditures	\$11,539,101	\$7,943,107	\$10,711,461
Ending Fund Balance	4,629,784	4,240,585	1,499,998
Total	\$16,168,885	\$12,183,692	\$12,211,459

APPENDIX ONE

FRANCHISE FEE REVENUE AND DISPURSEMENT DETAIL

MHCRC OPERATING BUDGET-LINE ITEM DETAIL

BUDGET ALLOCATION BY JURISDICTION

**FRANCHISE FEE REVENUES AND DISBURSEMENTS
FISCAL YEAR 2017-18**

Jurisdictions	Franchise Fee Revenues	MetroEast Appropriation	PCM Appropriation	MHCRC Budget Appropriation	Payments to Jurisdictions
Portland	\$7,913,858*		\$851,391*	\$281,036	N/A
MULTNOMAH CO., EAST	80,153	48,092		12,893	19,168
MULTNOMAH CO., WEST	117,127	N/A	70,276	N/A	46,851
GRESHAM	1,267,436	760,462		108,789	398,185
TROUTDALE	201,414	120,848		16,495	64,071
FAIRVIEW	124,957	74,974		10,003	39,980
WOOD VILLAGE	33,914	20,348		3,147	10,419
Total East County	\$1,825,001	\$1,024,724	\$70,276	\$151,327	\$578,674
Grand Total				\$432,363	

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

FRANCHISE FEE BALANCE TO EAST COUNTY JURISDICTIONS-Prior Years:

Jurisdictions	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Actual	FY 2016-17 Adopted
MULTNOMAH CO., EAST	13,430	15,132	17,600	14,373
MULTNOMAH CO., WEST	40,807	42,556	44,118	42,883
GRESHAM	365,348	361,092	371,071	368,784
TROUTDALE	60,671	58,937	59,816	57,962
FAIRVIEW	35,330	36,034	36,378	35,420
WOOD VILLAGE	9,120	9,408	9,969	9,213
TOTAL	\$524,706	\$523,159	\$538,952	\$528,635

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

Title	FY 2015-16 Actual	FY 2016-17 Adopted	FY 2017-18 Proposed
Personnel - MHCRC Admin	499,426	506,833	533,731
Indirect Personnel - Bureau Support	30,008	30,000	35,126
Personnel Services	\$529,434	\$536,833	\$568,857
External Fund Audit	12,645	13,150	15,000
Professional Services	71,237	158,668	198,000
Miscellaneous Services	2,077	3,400	3,400
Office Supplies	2,155	2,600	2,575
Operating Supplies	251	700	600
Education	11,921	8,600	10,000
Local Travel	422	1,200	1,200
Out-of-Town Travel	5,358	2,800	3,200
Rent Columbia Square	38,071	39,875	37,630
Miscellaneous	2,002	1,350	1,350
External Materials & Services	\$146,139	\$232,343	\$272,955
Print/Distribution	4,364	4,864	4,722
Facilities Services	332	279	295
EBS Services	14,922	13,934	13,379
Information Technology (IT)	20,810	17,869	21,731
Insurance/Workers Comp	6,846	6,953	7,573
Technical Accounting IA	8,303	12,000	12,000
Legal Services IA	16,811	16,952	17,372
Mgmt Services (Bus Ops) IA	15,000	25,000	25,000
Internal Services	87,388	97,851	102,072
GF Overhead (charged direct to fund)	25,000	25,000	25,000
Contingency - General	0	90,000	90,000
Contingency - Personnel Transition	0	20,455	0
Encumbrance carryover	60,000		
Fund Level Expenditures	\$ 85,000	\$ 135,455	\$ 115,000
TOTAL	\$ 847,962	\$ 1,002,482	\$ 1,058,884
Admin Expenses	461,003	509,040	527,694
Compliance Expenses	386,959	493,442	531,190

Appropriation from Jurisdictions	456,054	443,585	432,363
FY 2014-15 Year-end Balance	0	20,455	0
Appropriation from Fund Compliance	386,959	493,442	531,190
Compliance Revenue			2,500
Fund Level Appropriations	\$ 843,013	\$ 957,482	\$ 966,053
Interest Revenue Allocation	\$ 4,949	\$ 45,000	\$ 92,831

**BUDGET ALLOCATION BY JURISDICTION
COMMISSION OPERATING BUDGET
FY 2017-18**

City of Portland Appropriations	\$281,036
East County Appropriations	<u>\$151,327</u>
Operating Budget Total:	<u><u>\$432,363</u></u>

JURISDICTION		FY 2017-18 Proposed	FY 2017-18 % Allocation
Portland	-	\$281,036	65.0%
	Subscriber Distribution		
<u>East County</u>	<u>No. Of Subs</u>		
	<u>Perc. Distr.</u>		
Gresham	21,462	\$108,789	25.2%
Multnomah Co.	2,544	\$12,893	3.0%
Troutdale	3,254	\$16,495	3.8%
Fairview	1,973	\$10,003	2.3%
Wood Village	622	\$3,147	0.7%
East County Total	29,855	\$151,327	35.0%
Total		\$432,363	100.0%

Budget Allocation Comparison

JURISDICTION	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Proposed
Portland	\$296,435	\$288,330	\$281,036
<u>East County</u>			
Gresham	\$114,319	\$108,633	\$108,789
Multnomah Co.	\$13,536	\$13,693	\$12,893
Troutdale	\$17,255	\$18,056	\$16,495
Fairview	\$11,493	\$11,566	\$10,003
Wood Village	\$3,016	\$3,307	\$3,147
East County Total	159,619	155,255	151,327
Total	456,054	443,585	432,363

APPENDIX TWO

COMMUNITY MEDIA DISBURSEMENT DETAIL (MetroEast and Open Signal)

The MHCRC administers two contracts with the community media organizations that serve the MHCRC-member Jurisdictions. MetroEast Community Media (MetroEast) serves the cities and communities of Gresham, Troutdale, Fairview and Wood Village and east Multnomah County areas. Open Signal (formerly Portland Community Media) serves the City of Portland area.

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

Both MetroEast and Open Signal are nonprofit organizations with governing Boards of Directors. These Boards annually develop and adopt budgets. FY17-18 budget summaries are included in this Appendix to provide more detail for the community media expenditures in the MHCRC Fund Budget.

SUMMARY OF COMMUNITY MEDIA DISBURSEMENTS

1. MetroEast Community Media:

Operations Funding: East County Franchise Fees	\$ 1,024,724
Capital Funding: MHCRC	<u>\$ 690,519</u>
Total	\$ 1,715,243

2. Open Signal (formerly Portland Community Media):

Operations Funding: Portland General Fund	\$ 851,560
Operations Funding: West Mult. County	\$ 70,276
Capital Funding: MHCRC	<u>\$ 1,035,782</u>
Total	\$ 1,957,618

MetroEast Community Media FY 2017-18 Budget Narrative

gather • learn • create

MetroEast Community Media (MetroEast) is based in Gresham, Oregon and our mission is to use media to invigorate civic engagement, inspire diverse voices, and strengthen community life. Our core values include accessibility and inclusion, civic engagement, community collaboration and sharing, diversity of voices and information, democracy, and intellectual freedom.

For over 30 years, MetroEast has provided East County residents, community organizations, local governments, and schools free and low cost access to the medium of television and other means of distribution, media literacy training, and video production.

MetroEast and citizen-produced programming is distributed to over 65% of East County households with penetration into over 400,000 cable 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 works with over 150 community organizations and has facilitated nearly 15,000 hours of local and locally-sponsored programming during the past year, including:

- Live and taped coverage of East County local governments, including city council and planning commission meetings and budget and special hearings as well as the Rockwood Water PUD, and Multnomah County Commission.
- Working with educational partners in East County to produce programs on academic and extracurricular activities in local schools, coverage of school board meetings, Mount Hood Conference girls' and boys' varsity basketball, and English Language Development (ELD) programs.
- Working with students from middle through secondary schools to develop student-produced programming for students of differing abilities and backgrounds. With a major highlight of having a film invited to the White House and earning an Honorable Mention Award.
- The only regular television coverage of East County area events and public affairs.
- Fostering citizen involvement through programs such as *Video Voters Guide* with the League of Women Voters, *Community Hotline*, and its Spanish- language companion program, *Nuestra Comunidad*, live programs where community organizations provide information and answer questions about their services.
- Coverage of local community events such as the Gresham Area Chamber of Commerce's public affairs forums, Troutdale's *Summerfest*, Wood Village's *Night Out*, Gresham's *Teddy Bear Parade*, *Spirit of Christmas*, and *Holiday Showcase*.

HOW WE DO IT

MetroEast provides these services by creating access to technology, training to effectively use that technology and transmission of the programs created over cable channels and on the web. For the past several years, use of MetroEast facilities and hours of programming has continued at high levels. In FY 2016-17, MetroEast anticipates that it will:

- Offer training to over 400 people via approximately 100 workshops
- Produce and facilitate 15,000 hours of programming by, for and about East County, 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 County area for more than 25,000 hours.
- Provide more than 75 hours of staff assistance and support to the public each week, an annual total of more than 3,900 hours.

PREPARING FOR THE FUTURE

The new CEO has assembled a leadership team, and implemented a new reporting structure for the organization that will allow us to better focus our strategic efforts to diversify business operations, and update the business model.

MetroEast is a member of the Digital Inclusion Network, which is a consortium of nonprofits working with the MHCRC staff to deliver equity and inclusion opportunities to underserved communities in the metro region. Specifically, we have dedicated over \$100,000 in capital towards delivering our part of the Digital Equity Action Plan (DEAP) for East County. Our new digital pop up incubator is now open and offering adult computer literacy training in collaboration with Multnomah County Library and Free Geek where class members earn their own free computer upon completion of the five-week workshop. We chose the Rockwood area because it is one of the most underserved, and most diverse urban zip codes in the state.

We continue to excel at working with second language English learners. Our new computer literacy classes are made up of a cohort of six languages; English, Spanish, Somali, Arabic, Burmese, and Samoan. We are experimenting with providing professional childcare, and dinner for the adult learners and their children. These services, plus the opportunity to earn a device, have proven to be a great combination.

THE NUMBERS

Bain Consulting, the internationally acclaimed management/consulting firm (clients include Intel, Kia Motors, and other major Fortune 500 corporations), facilitated a pro bono staff retreat to help MetroEast refocus its strategic priorities and re-imagine our potential as a transformative and sustainable entity. (\$35,000 value)

In light of this, professional growth and development was the first area of focus the new CEO implemented – focusing on an action team concept that includes oversight of the key aspects of our organization: Training/Education, Diversity Outreach, Government, Community Partnerships, and Production Services.

Overall, the FY 2017-18 budget is focused on investing in our most valuable asset: our staff of 17 professionals, who have an average tenure of over 17 years. Their compensation and benefits have remained stagnant with little growth over the past decade (since the financial crisis).

In order for MetroEast Community Media to realize its full potential and continue to thrive as a cornerstone of the community – our priority must be an investment in our team.

The MetroEast Board recognizes the need to develop sustainable and diverse funding. During the coming fiscal year MetroEast will be exploring, analyzing and developing paths to alternative funding. The Board also recognizes that continued sizable withdrawals from the investment fund will not create long-term stability and will be monitoring MetroEast finances closely and responding appropriately.

(The unrestricted investment fund was created in the early 1990s when the MetroEast board recognized that the 1992 Cable Act would decrease revenues in a new franchise. The investment fund was intended to smooth the delivery of services in the new franchise. The Board went through an intensive process of developing investment policies, interviewing fund managers, and establishing the investment fund. The Board opted to use the investment fund to smooth services over the life of the new franchise (1998) with the intent to spend the fund to zero by the end of the franchise. While services remained steady, the fund was not spent to zero and currently stands at about \$1 million.)

Expenses for FY 2017-18 will increase as we focus on beginning an exciting phase of growth and internal investment. MetroEast continues to be financially strong and this budget affirms our history of financial responsibility and stability while looking to the future sustainability of the organization.

*Approved by MetroEast's Board as of 03.15.17

	AUDITED ACTUAL	AMENDED BUDGET	APPROVED* BUDGET
	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>
INCOME:			
<u>NEW</u>			
Corporate Sponsorships			\$ 60,165
Institutional Grants			88,739
Donations			17,531
Education Services			17,843
Production Services			47,727
Concessions			4,953
Equipment Sales			19,463
Equipment Rentals			0
Distribution			0
Memberships			31,790
NEW INCOME	NA	NA	\$ 288,211
<u>EXISTING</u>			
Franchise Fees, Multnomah	\$ 958,808	\$ 961,512	\$ 1,024,724
Capital Funds	443,042	659,502	701,197
Activity Fees/Fees for Service	11,746	18,000	0
Interest Income	6,510	225	500
Investment Income Gain / (Loss)	(27,037)	0	0
Misc. Income	15,184	16,000	0
Building Loan Income	0	0	0
Investment Fund Withdrawal	0	180,788	200,000
EXISTING INCOME	\$ 1,408,253	\$ 1,836,027	\$ 1,926,421
TOTAL OPERATING INCOME	\$ 1,408,253	\$ 1,836,027	\$ 2,214,632
EXPENSES:			
Personnel			
Full-Time Salaries	\$ 602,844	\$ 529,096	\$ 691,760
Part-Time Salaries	117,221	57,928	75,852
Capitalized Wages & Benefits	0	144,926	211,521
Taxes & Fringe Benefits	245,412	234,224	431,009
Total Personnel	\$ 965,477	\$ 966,175	\$ 1,410,143
<i>Less: Capitalized Wages & Benefits</i>	0	(144,926)	(211,521)
Adjusted Total Personnel	\$ 965,477	\$ 821,249	\$ 1,198,622
Materials & Services			
Communications, Utilities & Maintenance, Misc.	\$ 45,993	\$ 52,000	\$ 62,750
Dues & Subscriptions	18,392	8,000	15,000
Education & Training	5,383	2,500	23,000
Food	12,011	12,750	30,000
Insurance	46,222	45,000	45,000
Marketing/Promotion/Printing/Postage	17,825	8,000	21,300
Office & Operating Supplies	33,623	20,000	17,500
Professional Services	64,965	39,350	60,500
Repairs & Maintenance	4,022	10,000	10,000
Travel & Mileage	2,718	12,750	29,763
Total Materials & Services	\$ 251,154	\$ 210,350	\$ 314,813

*Approved by MetroEast's Board as of 03.15.17

	AUDITED ACTUAL FY 2015-16	AMENDED BUDGET FY 2016-17	APPROVED* BUDGET FY 2017-18
EXPENSES:			
Capital			
Building & Leasehold Improvements		\$ 90,000	\$ 47,845
Building Maintenance Fund		15,000	15,948
Capitalized Software & Consulting		10,000	58,477
Capitalized Wages and Benefits		144,926	211,521
Depreciation & Amortization	458,763	0	0
P&I Payments Long-term Loan	46,579	180,000	191,380
Office Equipment & Furnishings		129,000	79,723
Production & Maintenance Equipment		56,426	59,993
Capital Equipment Supplies & Media		9,150	9,728
Repairs & Maintenance	76,414	25,000	26,581
Total Capital	\$ 581,756	\$ 659,502	\$ 701,197
TOTAL OPERATING EXPENSES	\$ 1,798,387	\$ 1,836,027	\$ 2,214,632
NET EARNINGS	\$ (390,134)	\$ -	\$ -
NET ASSETS:			
Change in Unrestricted Net Assets	\$ (390,134)	\$ -	\$ -
Beginning Unrestricted Net Assets	4,356,215	3,966,081	3,966,081
Ending Unrestricted Net Assets	\$ 3,966,081	\$ 3,966,081	\$ 3,966,081
Capital Carryover	219,877.22	347,877.31	NA
Adjusted Net Asset Value	\$ 4,185,958	\$ 4,313,958	\$ 3,966,081

Open Signal: Portland Community Media Center FY 2017-18 Budget Narrative

At Open Signal we empower our community to make effective use of media for creative expression, cultural exchange and civic participation.

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

In the last year we have increased our workshop offerings, partnerships with local non-profits and schools, outreach and visibility in the community, and we've increased our hours of operation. We are building on our 35+ years of service to the Portland community with the goal of realizing the full potential of the organization.

In calendar year 2016:

- We hired our Director of Equity and Digital Inclusion to incorporate digital inclusion and equity principles throughout our programs and business practices, and to build on the collaborative work of the Digital Inclusion Network.
- We cablecast approximately 11,382 hours of new content from all sources, which is about 31 hours of new programs containing locally relevant content each day. 4,103 hours of these new programs were coverage of municipal meetings, hearings and events, including 366 first run hours of Portland City Council meetings.
- We provided video production, content creation and internet training to approximately 591 adults and 319 youth.
- We increased our public hours of operation, adding a total of 1,248 additional hours per year.

Fiscal Year 2017-18 Goals

In FY 2017-18 we will continue to build on our mission through acquisition of new technologies supporting creative expression, cultural exchange and civic participation; increased public access to production equipment, studios and ongoing support; partnerships with non-profits and community groups; workshops focusing on digital inclusion and workforce training; distribution services over the cable channels and the internet; and increased outreach and community engagement events.

Fiscal Year 2017-18 Budget Notes

Income

In fiscal year 2016 -17 we separated production from other earned income to reflect the program performance. These line items are now called *Earned Income – Production*, and *Earned Income – All*.

We anticipate an increase in all earned revenue areas and the goal for grants and contributions is similar to last fiscal year's adopted budget. We anticipate a significant decrease in resources from the Hollywood Theatre due to the partner grant sunset in fiscal year 2017-18.

We determined earned income targets based on actuals from fiscal year 2015-16, and projections from the current fiscal year. We anticipate an increase in miscellaneous income in fiscal year 2017-18 due to sale of idle assets.

Personnel Expenses

In fiscal year 2016-17 the budget was adjusted mid-year, and a bonus was identified in the personnel expenses. In this year there is no bonus identified.

The Salaries line item shows an increase and Wages shows a decrease due to the promotion of our Education Manager to Education Director.

Due to the 5% decrease in operating revenue from the City of Portland there are no wage increases planned for fiscal year 2017-18.

Operating Expenses

There is an increase in the Dues & Subscriptions line item to allow for additional memberships that might be needed as the organization continues to grow.

There is an increase in the Engagement line item to support advertising and promotion of Open Signal services and programs.

There is an increase in the Professional Services-Other line item to support growth of the organization. This increase is due to grant requirements in partnering with Open School, and supporting engagement activities

There is a decrease in the Recruitment line item due to minimal need for recruitment.

There is an increase in Training and Education for staff professional development to meet the needs of a growing organization. Trainings will include professional development and cultural competency.

There is an increase in Travel and Mileage to support the increase in Training and Education for staff.

There is an increase in Maintenance for Building Maintenance and Janitorial Services to provide a more welcoming environment for the community.

There is an increase in the Supplies for janitorial supplies to ensure the facility is clean and welcoming.

There is an increase in the Insurance for rate increase anticipation due to the increase in umbrella coverage for the organization. This increase is in response to a City of Portland production contract need for increased insurance coverage from vendors.

CAPITAL PROJECTS

Capital projects in fiscal year 2017-18 will mainly focus on: building improvements (which we are phasing over multiple years), acquisition of production equipment supporting education, community media and production services.

Portland Community Media			
Open Signal Preliminary FY 17-18 Budget			
Operating Budget Summary Budget			
	2015-16 Actual	2016-17 Adopted	2017-18 Proposed
<u>Operating Budget</u>			
INCOME			
Grants	984,421	1,232,736	1,017,344
Contributions	3,281	5,520	13,220
Earned Income - All	247,585	264,846	380,680
Capital Overhead	135,508	142,880	157,769
Miscellaneous Income	40,062	9,740	35,000
Total Revenue	1,410,857	1,655,722	1,604,014
EXPENSES			
Total Payroll, Tax & Fringes	1,063,081	1,268,030	1,260,684
Total Operating Expense	252,641	330,787	337,787
Total Expense	1,315,722	1,598,817	1,598,472
Other Expenses			
Transfer to Capital Account	(91,375)	(56,264)	-
Net Operating Surplus (Deficit)	4,639	641	5,542
	2015-16 Actual	2016-17 Adopted	2017-18 Proposed
<u>Capital Projects Budget</u>			
Revenue	952,531	989,255	1,051,796
Balance of Capital Fund Carryover	294,943	205,516	20,740
Transfer from Operation	112,320	56,264	-
Total Capital Revenue	1,359,794	1,251,035	1,072,536
Capital Expenses			
Property, Plants & Equipment	1,006,071	932,032	742,048
Capitalized Wages	2,894	155,383	167,347
Capital Overhead	145,313	142,880	157,769
Total Capital Expenses	1,154,278	1,230,295	1,067,164
Net Capital Surplus (Deficit)	205,516	20,740	5,371