

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 2010-077

Approval of the Mt. Hood Cable Regulatory Commission Budget for Fiscal Year 2010-2011

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 2010-2011 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 2010-2011 is approved.

ADOPTED this 10th day of June 2010.



BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON



Jeff Logan, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By 

Agnes Sowle, County Attorney

Mt. Hood Cable Regulatory Commission

PROPOSED BUDGET FISCAL YEAR 2010-11

Commission Approved: May 24, 2010

Representing:

City of Portland
City of Fairview

City of Gresham
City of Wood Village

City of Troutdale
Multnomah County

Commission Members

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MT. HOOD CABLE REGULATORY COMMISSION
FY 2010-11 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 communications 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 seven 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
Verizon: Gresham, Troutdale, Fairview and Wood Village
Qwest: Portland
Cascade Access: unincorporated east Multnomah County

The Commission contracts for staff through a services agreement with the City of Portland. The Commission funds an equivalent of 3.3 full-time staff positions plus related materials, services and overhead. Each member Jurisdiction provides a portion of its franchise fees from cable services providers to annually fund Commission operational expenses.

2009 ACCOMPLISHMENTS

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

The MHCRC enforces the cable services consumer protection ordinances of Multnomah County, Portland, Gresham, Troutdale, Fairview, and Wood Village. The MHCRC engaged in compliance proceedings with Comcast for not meeting telephone answering standards and appointment timeframes. Verizon had several issues for franchise enforcement, which the MHCRC addressed. Those included, among others, failure to meet installation standards and not providing a sample subscriber bill for the MHCRC service area. The MHCRC also monitored and enforced various service standards for telephone responsiveness, service outage credits, billing, installation and repair responsiveness, and other consumer protection issues. Comcast and the MHCRC reached an agreement about Comcast discontinuing its FM radio service and processed a franchise modification to implement the agreement. In 2009, the Commission assisted in the resolution of 335 complaints.

Completed a Major Study on Community Communications Technology

The Commission undertook a ground-breaking study of our local communities' communications technology needs and interests. The study included both cable related aspects and also broader technology issues. 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. The study focused on six key questions and included six categories:

KEY QUESTIONS

- 1) What is the level of communications technology in our communities today?
- 2) What are our communities' immediate (up to 3 years) communications technology needs?
- 3) What are our communities' future (3-15 years) communications technology needs?
- 4) What are the differences in communications technology needs and interests among our communities?
- 5) What is the role of local government in meeting the communications technology related needs of our community?
- 6) What has been the impact within our communities of existing public benefit requirements of the cable communications franchise agreement?

Categories

Access to Technology
Content
System Capacity
Economic Development
Civic/Community Engagement
Regulation in the Public Interest

The six key questions provided overarching guidance about what would be examined in each of the ascertainment categories. The key questions were supported by six categories that reflect the critical areas of focus for the ascertainment.

The topics to be covered in each category were established through associated elements. For example, the Access to Technology category included the following elements: geographic accessibility; affordability; equity; adoption/literacy; capacity/speed; mobility; and digital inclusion.

One of the Commission's goals for the study was to reflect the broad and diverse voices of our communities. In order to address inclusion, the Commission deployed a multitude of data collection methods, including a scientific phone poll; online surveys; focus group discussions and interviews.

The study provides key data and knowledge which will inform the potential public benefits to be included in a renewed cable services franchise with Comcast, which expires December 2010. The Commission encourages everyone to view the study results and key findings at:
<http://www.mhcr.org/yourvoice.html>.

Evaluated Comcast's Performance of Franchise Obligations

Part to the franchise renewal process under federal law is to conduct an evaluation of the cable company's performance of its obligations contained in its local franchise agreement. The MHCRC's performance evaluation found that, overall, the regulatory structure and the informal processes developed between Comcast and the MHCRC have worked well over the years to address franchise violations and issue. The evaluation report, conducted by an outside consultant, identified several areas to address during franchise renewal discussions and possibly within the obligations of a renewed franchise.

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 2009, the program granted about \$1.5 million for 11 new community-based projects that will leverage nearly \$3 million in matching resources. Newly funded projects included:

- Portland Community Media's SmartAccess project engages the general public, local non-profit organizations and schools to use multi media methods of communication in a variety of formats and distribution platforms. The project targets underserved areas and constituencies at partnership sites.
- Through the Global Portland Voices Project, the Center for Intercultural Organizing (CIO) aims to remove social, economic, linguistic, cultural and political barriers to community involvement by making local community media more accountable and accessible to immigrant and refugee populations. CIO is purchasing video production equipment, creating an on-site media studio and post-production lab and providing video production trainings to its constituencies.
- Wisdom of the Elders (WOTE) plans to record and preserve oral tradition and cultural arts of exemplary indigenous elders, historians, storytellers and song carriers in order to regenerate the greatness of culture among native peoples. The project hopes, by featuring exemplary role models from the regional Native American community, to supplement mental health and addiction prevention efforts.
- Building on a program previously funded by the MHCRC, Ethos will upgrade its studio and mobile equipment with professional grade wireless technology to reduce the costs associated with producing multiple camera, music-based content. Ethos uses the I-Net to broadcast "Ethos Live", a weekly show featuring local musicians. By professionally filming and producing music concerts, recitals, master musician workshops, and community music events, Ethos will provide music education programs to many Multnomah County youth.
- Caldera's Careers in Creative Technology program assists students from low-income families to receive arts education, out-of-school learning and mentoring to prepare for careers in creative technology fields. This grant built on a previous grant which provides equipment and mentoring for students to worked alongside professionals from well-known, local companies such as Nike, Wieden+Kennedy and Ziba Design, and with artists in photography, the written work and video production.

- 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 will help PYB expand its digital video and web-based media curriculum in order to improve training and job readiness skills necessary for students to obtain entry-level employment in today's working environment.
- Lewis Elementary and Sellwood Middle School received a grant from the MHCRC in 2006 to teach digital storytelling by integration of digital production technology into the school's strategies for teaching expository and narrative writing. With additional funding the project extends the program to the entire Cleveland Cluster feeder (four schools: Duniway, Lewis, Llewellyn and Sellwood) and hopes to enhance not only students' literacy skills, but to also increase students' skills in creative and critical thinking and media literacy. The project will benefit students and educators by capitalizing on students' fascination with technology to enhance and enliven instruction.
- With its Digital Video Switcher Project, Portland Public Schools Television Services (PPS-TVS) will move another step closer to completing its new studio. With the new equipment, PPS-TVS will increase studio programming for Channel 28 viewers and save time and money for in-house productions.
- Portland Public Schools takes another step closer to completing an overhaul of its antiquated voice communication system to reduce the disparity of access to communications and collaboration resources for PPS staff, students and parents. In this second phase of the project, grant funds will be used to replace the existing archaic and unstable phone system with state of the art Internet Protocol Telephony (IPT) service at 22 schools (700 classrooms).
- Hosford International Middle School, a Portland Public School serving 560 middle school students, is the only public middle school that boasts two language immersion programs. Despite its many educational successes, Hosford is sorely lacking up-to-date computer systems. The acquisition of mobile technology labs allows any given classroom to have access to the Institutional Network (I-Net), thus enabling educators to more effectively reach and teach students by incorporating a computer aided curriculum into daily classroom activities.
- For Multnomah Education Service District (MESD), the cost of provisioning and supporting basic telephone service now exceeds the cost of provisioning and supporting a computer. Therefore, with grant support MESD will replace its current legacy phone system with an Internet Protocol based phone system that predicts a return on its \$240,000 investment in 2.2 years. The new system would utilize existing I-Net connectivity between MESD sites.

Engaged in Partnerships to Provide Network Services More Efficiently

The MHCRC facilitates partnerships and network planning, pursues network assets, and distributes funds to support the Community Institutional Network (I-Net). The MHCRC developed and continues to facilitate the partnership and network interconnect among Comcast, ComNet (the City of Portland's networking service bureau) and the MHCRC to provide the highest level of service (capacity increased 10 fold) at the least cost (savings of up to 33%). Over 272 schools and public agencies' sites throughout Multnomah County use the I-Net for their data networking and Internet access needs.

The MHCRC facilitated a major upgrade to the capacity available to schools, libraries, and public agency sites over the I-Net. The upgrade resulted in a site's capacity going from 100Mbps to 400 Mbps with no additional cost to these entities! The MHCRC funded this network upgrade with \$426,000 from the I-Net Capital Fund. The project installed new edge devices at all current I-Net user sites, which replaced edge devices that were beyond "end of life" expectancy.

Local governments and schools continue to need new connections to the I-Net. In 2009, the MHCRC funded ten new connections to the I-Net from three different agencies.

Managed Direct Service Contracts for Community Media Resources (MetroEast & PCM)

The MHCRC manages contracts with MetroEast Community Media and Portland Community Media (PCM), non-profit organizations that facilitate use of technology and communications resources by the community in order to promote broad participation in civic and cultural life. These non-profits provide direct services to a diverse group of individuals, nonprofits, community organizations and government agencies. In 2009, both organizations saw an increase in the number of new video programs and in the community use of facilities and equipment. Media services were used by a wide variety of cultural, ethnic and underserved communities including: Hispanic, Pacific Islanders, Romanian, Russian, Arab, Persian, Ethiopian, Eritrean, African-American and Korean groups. The MHCRC also oversees the community access benefits provided by Comcast, Verizon and Cascade Access under their franchise agreements.

Processed Franchise Transfer from Verizon to Frontier

In May, Verizon announced its intention to transfer ownership of its cable, internet and phone (except wireless) to Frontier Communications. In accordance with the franchise agreement, the MHCRC undertook a process to evaluate the transfer based on the technical, legal and financial qualifications to fulfill the current franchise obligations. The Commission recommended that the effected jurisdictions approve the transfer request, with several conditions which protected subscribers' and the jurisdictions' interests. The jurisdictions unanimously approved the MHCRC's recommendation.

Led Advocacy Efforts to Protect Local Authority and Public Services

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

- The MHCRC submitted comments in the National Broadband Plan proceedings in support of local authority to provide for public broadband.
- The MHCRC sent letters to Vice President Biden and to FCC Chairman Julius Genachowski in response to Right-of-Way Preemption Efforts in the National Broadband Plan opposing the inclusion of a federal standard for compensation for use of public property in the National Broadband Plan. The MHCRC continues to outline for key Congressional representatives the public interest benefits that the Jurisdictions have been able to provide the citizens of Multnomah County through cable franchising that reflect local community needs.

MHCRC PRIORITIES AND STRATEGIC APPROACH

The proposed MHCRC budget responds to several changes in the MHCRC's operating environment and workload requirements. In developing its strategic approach, the MHCRC considered several factors that are impacting the Commission's work:

- 1) The resources (both staff and consulting) required to successfully negotiate a renewed franchise agreement with Comcast, and to facilitate the franchise approval process with all the MHCRC jurisdictions; and the related fact that cable companies no longer fund renewal processes (as was the case in the 1990s);
- 2) The depressed economy; and the resulting loss of MHCRC administrative support staff position last year due to budget reductions;
- 3) The desire to retain the remaining 3.3 FTE; and
- 4) The additional reduction to the MHCRC's operating budget for FY2010-11.

The Commission established two priorities to focus its resources over the next 18-24 months:

- Maintain the Commission's core responsibility of franchise management and regulation;
- Conduct the franchise renewal process with Comcast.

The MHCRC will focus its resources on the renewal of the Comcast cable services franchise agreements with the Jurisdictions, which expire in December 2010. Under federal law, any public benefit obligation contained in a renewed franchise agreement must be based on a demonstrated community need. The commission dedicated its resources in the current fiscal year to conduct a well-planned, inclusive community needs ascertainment study that will provide a sound legal basis to negotiate the breadth and depth of community benefits the MHCRC's constituencies have come to expect.

However, the work has just begun. MHCRC staff is now engaged in negotiations with Comcast for updated franchise terms (recall that the current franchise obligations are about 15 years old). In addition to staff resources, the Commission will need one-time funding for legal, technical and financial expertise in order to adequately represent the MHCRC, its jurisdictions and their constituencies in the negotiations. The proposed MHCRC budget includes a total amount of \$46,000 for these one-time costs.

GOALS AND OBJECTIVES

Approved: May 24, 2010

Effective: July 1, 2010 – June 30, 2011

The Commission acknowledges that the policy and regulatory work of the Commission is undertaken in a very dynamic communications technology environment. Consequently, the Commission retains flexibility to modify or revise these Goals and Objectives as may be required from time to time.

Goal I: *Effectively administer cable television franchise agreements to serve our member jurisdictions.*

Objectives

1. Identify and address franchise compliance issues in response to and, when possible, prior to cable company actions.
2. Provide consumer protection for citizens and subscribers in cable television matters by helping to resolve complaints, enforcing customer service standards and addressing other consumer-related franchise compliance issues.
3. Conduct a review of Verizon's allocation of gross revenues and franchise fees among the four cities in order to establish an accurate baseline method.
4. Pursue regulatory and legal processes to ensure fair compensation and correct accounting for franchise fee payments under franchises regarding use of right-of-way by cable companies to deliver converged and bundled services (cable TV, internet and telephone).

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

Objectives

1. To gain public input and comment on potential public benefits of a renewed franchise agreement.
2. To provide the jurisdictions with a recommendation for action on a franchise agreement no later than November 1, 2010.

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

Objectives

1. Conduct annual, competitive grant-making processes for the Community Access Capital Grant program to support the development of public, educational and

governmental uses of cable system technology in a way that ensures that the grant funds are distributed in accordance with the grant purpose and criteria.

2. Monitor projects that have received grant funding to ensure compliance with the project goals and objectives and accountability for grant funds.
3. Manage and oversee Community Institutional Network (I-Net) planning and fund in order to leverage this public resource as a low cost, high quality tool for public organizations to communicate, inform and deliver services to their constituencies.
4. Manage access provider contracts with Portland Community Media and MetroEast Community Media.
5. Allocate capital funds for Portland Community Media and MetroEast Community Media.
6. Explore creative public and community opportunities arising through local adoption of digital technology for both content development and distribution.
7. Collaborate with organizations, at the federal, state and local levels, to advocate for the community's access to cable system technology.
8. Negotiate a renewed contract with MetroEast Community Media, which reflects the communities' communications technology needs and interests identified through the "Your Voice" ascertainment study.
9. Provide the Portland City Council with a recommendation, no later than May 31, 2011, for a renewed contract with Portland Community Media, which reflects the communities' communications technology needs and interests identified through the "Your Voice" ascertainment study.

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

Objectives

1. Communicate with jurisdictions' elected officials and key staff in order to educate them about communications technology policy and regulatory issues and what's at stake for our communities.
2. Conduct outreach to our communities so that they are empowered to participate in the Comcast franchise renewal process.
3. Support our member jurisdictions in implementing FCC rules and federal laws related to cable and telecommunications.
4. 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 the 2011 Oregon State Legislative session including a possible statewide telecommunications tax proposal.
4. Participate in litigation and FCC proceedings on behalf of our jurisdictions' and citizens' interests.
5. Participate in national policy discussions in order to advocate for and preserve existing and new public interest benefits, including the Community Access Preservation Act (CAP Act – HR 3745) 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. Plan and conduct Commission meetings in a way that respects the volunteer nature of Commission positions and is in accordance with Oregon Open Meeting laws.
3. Conduct annual strategic planning and goal-setting process.
4. Conduct annual MHCRC evaluation of staff services.
5. Present an annual budget request to the Jurisdictions that supports the Commission's mission and respects the Jurisdictions' budget considerations.

BUDGET OVERVIEW

According to the Intergovernmental Agreement (IGA) among the Jurisdictions which created the MHCRC, the Commission must gain approval of its budget by every member Jurisdiction. The MHCRC's Finance Committee, comprised of three Commissioners, developed a detailed FY 2010-11 budget in consultation with its staff. On May 24, 2010, 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.

Franchise fee revenues overall are projected to increase by about two percent (2%). However, the proposed budget contains a one-time cost (\$46,000) for needed expertise related to the Comcast franchise renewal (see previous discussion in MHCRC PRIORITIES AND STRATEGIC APPROACH). This results in about an eight percent (8%) increase in the MHCRC's FY2010-11 budget. Excluding this one-time cost, the budget represents a decrease of about two percent (2%) in expenditures from the current fiscal year.

FINANCIAL SUMMARY

The Commission's FY 2010-11 Financial Summary is presented on page 13. A large portion of the Commission's overall resources are funds collected from the cable companies and the expenditures are the disbursement of those funds to the member Jurisdictions, the community access providers (Portland Community Media (PCM) and MetroEast Community Media (MetroEast) 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 is dependent on the gross revenues of the cable companies since franchise fees, the Community Access Capital Grant fund revenues and the Access Corporation Capital fund revenues are based on a percentage of the companies' gross revenues.

The Commission's **Revenue Resources** include:

First, the Commission collects all cable services franchise fee revenue for Gresham, Troutdale, Fairview, Wood Village and Multnomah County from Comcast and Verizon cable franchises. The total projected revenues are \$1,475,557 in FY 2010-11;

Second, the MHCRC collects funds from the City of Portland for its share of the Commission's operating budget. The FY 2010-11 City of Portland share is \$311,900;

Third, the Commission administers two programs funded by two percent of Comcast's gross revenues and 3% of Verizon's gross revenues totaling over \$2.9 million: Access Corporation Capital Fund and the Community Access Capital Grant; and

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

Expenditures include:

First, franchise fee payments to the Jurisdictions. The franchise fee payments to the Jurisdictions are the total amount of franchise fees the MHCRC collects on behalf of Gresham, Troutdale, Fairview, Wood Village and Multnomah County less the amount each Jurisdiction contributes to the Commission's Operating Budget and the community access payments to MetroEast and PCM in accordance with the IGA.

Second, all MHCRC member jurisdictions contribute a portion of franchise fees to the Commission's Operating Budget (\$483,132). This is an eight percent (8%) increase from the current year budget, due to the one-time cost budgeted for Comcast renewal. The net contribution totals \$479,912, after deducting the balance of the FY 2008-09 budget. Each Jurisdiction's net contribution is outlined below:

Gresham	\$121,265	Fairview	\$11,547
Troutdale	\$18,452	Wood Village	\$3,467
Multnomah County	\$13,281	Portland	\$311,900

The proportional funding allocation is based on the methodology adopted by the MHCRC. Greater detail is available on the cost allocation worksheet which appears in Appendix Two.

Third, community access and access corporation capital payments to MetroEast and PCM for operational and capital budgets of the community programming centers in Gresham and Portland. These payments are made in accordance with the IGA and the cable services franchise agreements.

Fourth, the Community Access Capital Grant program. These expenditures support the annual grant program.

FINANCIAL SUMMARY
FY 2010-11

	2007-08	2008-09	2009-10	2010-11
RESOURCES	Actual	Actual	Revised	Proposed
Beginning Fund Balance	4,443,465	5,800,106	5,837,979	4,593,906
E. County Franch. Fees, Comcast	1,107,942	1,153,079	1,202,655	1,402,523
E. County Mult West Franch. Fees, Comcast	68,652	74,525	86,116	73,035
E. County Franch. Fees, Verizon	na	68,880	195,333	205,004
Portland Share of Operating Bud. (1)	307,419	289,730	289,775	311,900
Interest	181,699	46,219	88,000	58,000
Community Access Capital Grant	1,265,537	1,369,348	1,397,000	1,459,824
Access Corporation Capital Revenue	1,265,538	1,369,348	1,410,067	1,500,825
Compliance Revenue	43,899	0	0	0
Total Resources	4,240,686	4,371,129	4,668,946	5,011,111
Total	\$8,684,151	\$10,171,235	\$10,506,925	\$9,605,017
REQUIREMENTS				
EXPENDITURES				
Franchise Fee Balance to Jurisdictions	315,315	369,038	404,507	422,211
Community Access Pmt, E. County (MetroEast)	664,765	733,175	787,123	841,514
Community Access Pmts, Mult. West (PCM)	51,579	44,715	51,670	43,821
MHCRC Operating Budget	463,679	462,264	447,801	483,132
Grant / I-Net Operating Budget	107,177	120,063	165,027	171,453
Access Corporation Capital	1,049,345	1,205,495	1,239,337	1,418,823
Community Access Capital	232,185	1,398,506	1,500,000	1,500,825
Community Access Capital-Contingency			1,317,554	1,064,000
Total Expenditures	\$2,884,045	\$4,333,256	\$5,913,019	\$5,945,779
Ending Fund Balance	5,800,106	5,837,979	4,593,906	3,659,238
Total	\$8,684,151	\$10,171,235	\$10,506,925	\$9,605,017

LINE ITEM BUDGET - SUMMARY

The Commission's FY 2010-11 Line Item Budget provides detail for expenditures included in the Financial Summary.

The proposed budget retains the current staffing level of 3.30 FTE. This staffing level allows the Commission to maintain its core programs and address additional workload requirements (as described in the Budget Overview), which include:

- ☐ **Monitoring and enforcing cable franchises;**
- ☐ **Administering the Community Access Capital Grant program;**
- ☐ **Implementing the Community Institutional Network;**
- ☐ **Overseeing community access resources;**
- ☐ **Advocating for the Jurisdictions in legislative, federal and state proceedings;**
- ☐ **Providing sound financial management;**
- ☐ **Conducting an inclusive and legally sound community needs ascertainment; and**
- ☐ **Conducting Comcast Franchise Renewal**

The total FY 2010-11 proposed expenditure is \$5,945,779 and contingency of \$1,064,000 for the disbursement of prior year capital grants. The total consists of expenditures funded by dedicated revenues either under the IGA or the franchise agreement in the amount of \$5,462,647, and \$483,132 in Commission's operating expenditures funded by Jurisdictional contributions from the franchise fees.

LINE ITEM BUDGET - SUMMARY
FISCAL YEAR 2010-11

Line Item	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Adopted	FY 2010-11 Proposed
511000 Employees	306,428	266,446	283,325	301,722
517000 Benefits	91,182	93,124	103,202	109,189
Total Personal Services	\$397,610	\$359,570	\$386,527	\$410,911
521000 Professional Services	52,427	84,649	91,000	30,900
529000 Miscellaneous Services	2,361	3,637	8,200	7,600
Pass Through Payments (PEG & Fr.Fee Bal)	2,402,795	4,064,613	3,837,087	4,227,194
531000 Office Supplies	1,259	3,914	1,825	1,500
532000 Operating Supplies	2,608	303	4,000	2,800
541000 Education	4,673	2,584	3,600	1,600
542000 Local Travel	518	854	1,000	1,400
543000 Out-of-Town Travel	5,540	5,101	4,000	2,600
549000 Miscellaneous	5,489	3,210	8,165	6,730
Total External Materials & Svcs	\$2,477,670	\$4,168,865	\$3,958,877	\$4,282,324
551000 Fleet Services	26	26	141	141
552000 Printing/Distribution	8,791	9,891	7,716	8,802
553000 Facilities Services	24,256	8,737	12,099	12,389
6540 EBS Services	na	na	na	15,481
554000 Information Technology (IT)	20,156	16,373	19,282	15,341
556000 Insurance/Workers Comp	9,116	6,549	9,800	8,522
559300 Human Resources	0	0	0	0
558312 Legal Advice	10,900	7,805	12,205	15,464
Total Internal Materials & Svcs	\$73,245	\$49,381	61,243	\$76,140
Total Materials & Services	\$2,550,915	\$4,218,246	\$4,020,120	\$4,358,464
572101 General Fund Overhead	15,748	15,172	18,668	14,328
57100 Contingency Operation and I-Net Admin.				52,076
571100 Contingency-Capital Grant				1,064,000
Fund Level Services	15,748	15,172	18,668	1,130,404
Comcast Renewal (One-time)				46,000
Total	\$2,964,273	\$4,592,988	\$4,425,315	\$5,945,779
Professional Services	Acct: 521000	Pass Through Payments	Acct: 529000	
Operating Budget	12,900	Community Access Payments	885,335	
Capital Fund Budget	18,000	East County Fr. Fee Balance	422,211	
		Access Corporation Capital	1,418,823	
		Comm. Access Capital Grant	1,500,825	
Total	30,900	Total	4,227,194	
* Includes encumbered funds for Community Access Capital Grants awarded in prior years.				

APPENDIX ONE

FY 2010-11 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 from the member Jurisdictions. The proposed operating budget has an eight percent (8%) increase from the current fiscal year (FY09-10) due to the one-time cost for Comcast franchise renewal. Excluding this one-time cost (\$46,000), the budget represents a decrease of about two percent (2%) in expenditures from the current fiscal year.

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

Funded by Jurisdictions

Fiscal Year 2010-11

Acct.	Title	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Adopted	FY 2010-11 Proposed
5110	Employees	229,329	266,446	226,260	236,390
5170	Benefits	91,182	93,124	81,412	84,531
Personnel Services		\$320,511	\$359,570	\$307,672	\$320,921
5210	Professional Services (1)	32,316	22,456	28,000	12,900
5290	Miscellaneous Services	2,361	3,637	8,200	7,600
5310	Office Supplies	1,259	3,914	1,825	1,500
5320	Operating Supplies	2,608	303	4,000	2,800
5410	Education	4,628	2,584	3,000	1,000
5420	Local Travel	518	854	1,000	1,400
5430	Out-of-Town Travel	5,540	5,101	3,000	1,600
5490	Miscellaneous	3,534	2,806	5,165	3,730
External Materials and Services		\$52,764	\$41,655	\$54,190	\$32,530
5510	Fleet Services	26	26	141	141
5520	Print/Distribution	8,406	9,891	6,162	7,131
5530	Facilities Services	29,535	8,737	9,662	9,769
6540	EBS Services	na	na	na	12,974
5540	Information Technology (IT)	22,740	16,373	15,398	12,011
5560	Insurance/Workers Comp	9,116	6,549	7,826	7,178
558312	Legal Advice	7,500	7,805	9,948	12,116
Internal Services		\$77,323	\$49,381	\$49,137	\$61,320
572101	GF Overhead	13,082	11,658	14,908	10,286
575101	COLA	0	0	4,400	0
571100	Contingency	0	0	17,493	12,076
Fund Level Expenditures		\$ 13,082	\$ 11,658	\$ 36,801	\$ 22,362
Comcast Renewal (One-time)		na	na	na	\$ 46,000
Total-Funded by Jurisdictions		\$463,680	\$462,264	\$447,800	\$483,132

Funds encumbered from prior year
(from contingency reserve and admin. budget)

\$ 62,193
\$ 524,457

COMMISSION OPERATING BUDGET WITH PEG AND I-NET
(Funded by Jurisdictions and other Dedicated Resources) *
FY 2010-11

Acct.	Title	FY 2009-10 Adopted	FY 2010-11 Proposed
5110	Employees	283,325	301,722
5170	Benefits	103,202	109,189
Personnel Services		\$386,527	\$410,911
5210	Professional Services	91,000	30,900
5290	Miscellaneous Services	8,200	7,600
5310	Office Supplies	1,825	1,500
5320	Operating Supplies	4,000	2,800
5410	Education	3,600	1,600
5420	Local Travel	1,000	1,400
5430	Out-of-Town Travel	4,000	2,600
5490	Miscellaneous	8,165	6,730
External Materials and Services		\$121,790	\$55,130
5510	Fleet Services	141	141
5520	Print/Distribution	7,716	8,802
5530	Facilities Services	12,099	12,389
5540	Information Technology (IT)	19,282	15,341
6540	EBS Services	na	15,481
5560	Insurance / Workers Comp.	9,800	8,522
558312	Legal Advice	12,205	15,464
Internal Services		\$61,243	\$76,140
572101	Overhead	18,668	14,328
571100	COLA	7,106	0
571100	Contingency	17,493	52,076
Fund Level Services		\$ 43,267	\$ 66,404
Comcast Renewal (One-time)		na	46,000
TOTAL		\$612,827	\$654,585
Total funded by dedicated PEG resources plus Conting., Reserve		\$ 165,027	\$ 171,453
Total funded by Jurisdictions		\$ 447,800	\$ 483,132

*** Dedicated funds and resources:**

1. Interest from MHCRC Fund Balance

2. Dedicated PEG Capital Funds

** Resource from compliance revenues

OPERATING BUDGET - LINE ITEM DETAIL

Fiscal Year 2010-11

Proposed

	 FY 2010-11 FY 2009-10		
Line Item	Description	Commission Operation	Grant / I-Net	Total	Commission Operation	Grants / I-Net	Total
5110	Employees :						
	Director 0.50	61,793	2,575	64,368	59,349	2,473	61,822
	Dep. Director 0.50	47,822	5,314	53,136	45,323	2,893	48,216
	Financial Analyst 0.50	27,020	14,800	41,820	28,585	12,251	40,836
	Program Manager 0.80	45,786	24,654	70,440	41,182	22,175	63,357
	Program Specialist 1.00	53,969	17,990	71,958	51,821	17,274	69,095
	Total 3.30	\$236,390	\$65,332	\$301,722	\$226,260	\$57,066	\$283,326
5170	Benefits:						
	Director 0.50	19,036	793	19,829	18,214	759	18,973
	Dep. Director 0.50	16,308	1,812	18,120	15,809	1,009	16,818
	Financial Analyst 0.50	10,226	5,602	15,828	10,723	4,595	15,318
	Program Manager 0.80	16,891	9,095	25,986	15,621	8,412	24,033
	Program Specialist 1.00	22,070	7,357	29,426	21,045	7,015	28,060
	Total 3.30	\$84,531	\$24,658	\$109,189	\$81,412	\$21,790	\$103,202
	Personnel Services, Total	\$320,921	\$89,990	\$410,911	\$307,672	\$78,856	\$386,528
5210	Professional Services:						
	Engineering Tech. Services	1,000	10,000	11,000	2,000	40,000	42,000
	Outreach	1,000	5,000	6,000	2,000	20,000	22,000
	Outside Legal Services	1,000	0	1,000	4,000		4,000
	Financial Services	6,400	3,000	9,400	16,000	3,000	19,000
	MetroEast Sponsorship	0		0	500		500
	MHCRC Retreat	3,500		3,500	3,500	0	3,500
	Total	\$12,900	\$18,000	\$30,900	\$28,000	\$63,000	\$91,000
5290	Miscellaneous Services :						
	Temp. Clerical Suppt	7,000	0	7,000	7,000	0	7,000
	Mail Delivery Service	600	0	600	1,200	0	1,200
	Total	\$7,600	0	\$7,600	\$8,200	\$0	\$8,200
5310	Office Supplies	\$ 1,500	\$ -	\$1,500	\$ 1,825	0	\$1,825
5320	Operating Supplies:						
	Printer, Fax, & other supplies	1,200	0	1,200	2,500	0	2,500
	Software Upgrade	500	0	500	1,000	0	1,000
5350	Data Processing Equip.	1,100		1,100	500		500
	Total	\$2,800	\$0	\$2,800	\$4,000	0	\$4,000
5410	Education:						
	Computer Training	0	0	0	0	0	0
	Cable Regulatory Training	1,000	600	1,600	3,000	600	3,600
	Total	\$1,000	\$600	\$1,600	\$3,000	\$600	\$3,600

OPERATING BUDGET - LINE ITEM DETAIL

Fiscal Year 2010-11

Proposed

	 FY 2010-11 FY 2009-10		
Line Item	Description	Commission Operation	Grant / I-Net	Total	Commission Operation	Grants / I-Net	Total
5420	Local Travel	1,400	0	1,400	1,000	0	1,000
5430	Out of Town Travel	\$1,600	\$1,000	\$2,600	\$3,000	1,000	\$4,000
5490	Miscellaneous:						
	NATO - Membership	1,200	0	1,200	1,100	0	1,100
	ACM - Membership	600	0	600	750	0	750
	Grantmakers of Oregon	0	2,000	2,000	0	2,000	2,000
	Subscriptions:						
	Wall Street Journal	100	0	100	0	0	0
	Oregonian	80	0	80	80	0	80
	Gresham Outlook	0	0	0	85	0	85
	Law Journal Press	800	0	800	600	0	600
	West Group	0	0	0	350	0	350
	Lexis Nexis	300	0	300	1,000	0	1,000
	Parking; MHCRC & Customers	350	0	350	600	0	600
	Refreshments for MHCRC meeting	300	1,000	1,300	600	1,000	1,600
	Total	\$3,730	\$3,000	\$6,730	\$5,165	\$3,000	\$8,165
	Total, External M & S	\$32,530	\$22,600	\$55,130	\$54,190	\$67,600	\$121,790
	<i>Internal Service:</i>						
5510	Fleet Services	141	0	141	141	0	141
5520	Print/Distribution	7,131	1,671	8,802	6,162	1,554	7,716
5530	Facilities Services	9,769	2,620	12,389	9,662	2,437	12,099
5540	Information Technology (IT)	12,011	3,330	15,341	15,398	3,884	19,282
6540	EBS Services	12,974	2,507	15,481	new beginning fy 10-11		
5560	Insurance / Worers Comp	7,178	1,344	8,522	7,826	1,974	9,800
558312	Legal Advice	12,116	3,348	15,464	9,948	2,257	12,205
	Total, Internal Svcs	\$61,320	\$14,820	\$76,140	\$49,136	\$12,106	\$61,243
572101	Overhead	10,286	4,042	14,328	14,908	3,760	18,668
571100	COLA	0	0	0	4,400	2,706	7,106
571100	Contingency	12,076	40,000	52,076	17,493	0	17,493
	Fund Level Expenditures	\$22,362	\$44,042	\$66,404	\$36,801	\$6,466	\$43,267
	Comcast Renewal (One-time)	\$46,000	\$0	\$46,000			
	Total	\$483,132			\$447,800		
	Budget - Dedicated Funds		\$171,453			\$ 165,028	
	TOTAL			\$654,585			\$612,828

APPENDIX TWO

BUDGET ALLOCATION BY JURISDICTION

All member Jurisdictions contribute to the operation of the MHCRC. For FY 2010-11, 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. The MHCRC updated the funding formula for FY2010-11 budget to more accurately reflect current work requirements and resource distribution (see page 5 for more detail).

**BUDGET ALLOCATION BY JURISDICTION
COMMISSION OPERATING BUDGET
FY 2010-11**

Operating Budget Total:	\$	437,132	
One-time Renewal Cost:	\$	46,000	(1)
Total		483,132	

JURISDICTION			FY 09-10 Adopted	FY 09-10 %%	FY 10-11 Proposed	FY 10-11 %%	Credit Balance FY 08-09	Net Juris. Appr.
Portland	Subscriber Distribution		<u>\$289,775</u>	<u>65.0%</u>	<u>\$314,036</u>	<u>65.0%</u>	<u>2,136</u>	<u>\$ 311,900</u>
<u>E. County</u>	<u>No. Of Subs</u>	<u>Perc. Distr.</u>						
Gresham	22,344	72.2%	\$113,410	25.3%	\$122,026	25.3%	\$761	\$121,265
Multnomah Co.	2,450	7.9%	\$12,821	2.9%	\$13,380	2.8%	\$99	\$13,281
Troutdale	3,401	11.0%	\$17,341	3.9%	\$18,574	3.8%	\$122	\$18,452
Fairview	2,129	6.9%	\$11,026	2.5%	\$11,627	2.4%	\$80	\$11,547
Wood Village	639	2.1%	\$3,426	0.8%	\$3,490	0.7%	\$23	\$3,467
E. County Total	30,963	100.0%	\$158,024	35.0%	\$ 169,096	35.0%	\$ 1,085	\$ 168,011
Total			\$447,800	100.0%	\$483,132	100.0%	\$ 3,221	\$ 479,911

(1) This is one-time funding appropriated for covering the costs associated with the Comcast Cable Franchise renewal

**MT HOOD CABLE REGULATORY COMMISSION
CABLE SUBSCRIBERSHIP**

Jurisdictions	Jun-08	Jun-09	FY 2010-11 Distribution	Percentage Incr./Decr
<u>E. County</u>				
Gresham	20,725	22,344	72.2%	7.8%
Multnomah Co. E & W	2,343	2,450	7.9%	4.6%
Troutdale	3,169	3,401	11.0%	7.3%
Fairview	2,015	2,129	6.9%	5.7%
Wood Village	626	639	2.1%	2.1%
E. County Total	28,878	30,963	100.0%	7.2%
Portland	127,380	132,283		3.8%
Total MHCRC Subscribers	156,258	163,246		4.5%
Source: Comcast Subscriber Penetration Report, June 30, 08 & July 30, 09 Verizon Franchise Fee Report, Qtr. Ending June 30, 2009 Cascade Access Franchise Fee Report, Qtr. Ending June 30, 2009				

APPENDIX THREE

FRANCHISE FEE REVENUE AND DISBURSEMENT DETAIL

**FRANCHISE FEE REVENUES AND DISBURSEMENTS
FY 2010-11
PROPOSED**

Jurisdictions	Franchise Fees	Net Budget Appropriation	MetroEast	PCM	Payments to Jurisdictions
Portland		311,900			
GRESHAM	1,052,164	121,265	631,298		299,601
MULTNOMAH CO., EAST	48,184	13,281	28,910		5,992
MULTNOMAH CO., WEST	73,035	N/A	N/A	43,821	29,214
TROUTDALE	171,129	18,452	102,678		50,000
FAIRVIEW	101,889	11,547	61,134		29,209
WOOD VILLAGE	29,156	3,467	17,494		8,196
Total, East County	\$1,475,557	\$168,012	\$841,514	\$43,821	\$422,211
Total	-	\$479,912	-	\$43,821	-

FY 2010-11 Budget less FY 2008-09 Credit Balance

Jurisdictions	FY 2010-11 Proposed	Credit Balance FY 08-09	Net Budg. Approp. FY 2010-11
PORTLAND	314,036	2,136	311,900
GRESHAM	122,026	761	121,265
MULTNOMAH CO.	13,380	99	13,281
TROUTDALE	18,574	122	18,452
FAIRVIEW	11,627	80	11,547
WOOD VILLAGE	3,490	23	3,467
Sub Total, East County	\$169,096	\$1,085	\$168,012
Total	\$483,132	\$3,221	\$479,912

FRANCHISE FEE BALANCE TO JURISDICTIONS:

	FY 07-08	FY 08-09	FY 09-10	FY 2010-11	Increase/ (decr)
Jurisdictions	Actual	Actual	Projection-Revised	Projection	09/10 vs. 10/11
GRESHAM	241,435	259,393	282,986	299,601	\$16,615
MULTNOMAH CO., EAST	4,381	6,158	8,464	5,992	(\$2,472)
MULTNOMAH CO., WEST	28,578	30,172	34,446	29,214	(\$5,232)
TROUTDALE	36,219	41,538	44,657	50,000	\$5,343
FAIRVIEW	23,009	24,799	26,240	29,209	\$2,969
WOOD VILLAGE	7,147	6,977	7,714	8,196	\$482
	\$340,769	\$369,037	\$404,507	\$422,211	\$17,704

APPENDIX FOUR

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 2009-10 budget for MetroEast Community Media (MetroEast). MetroEast serves the East Multnomah County area. Attachment 2 presents the FY 2010-11 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. 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:

60 % of East County Cable Franchise Fees	\$ 841,514
<u>Access Corporation Capital</u>	<u>\$ 551,002</u>
Total	\$1,392,516

2. Portland Community Media:

City of Portland General Fund	\$ 864,154
60% of West Multnomah County	\$ 43,821
<u>Access Corporation Capital</u>	<u>\$ 867,821</u>
Total	\$ 1,775,796

Attachment 1

METROEAST COMMUNITY MEDIA BUDGET

FISCAL YEAR 2010-11

METROEAST COMMUNITY MEDIA FY 2010-11 BUDGET NARRATIVE

MetroEast Community Media, East Metro's truly local electronic media, pursues its mission of building community through media by promoting broad participation in civic and cultural life through the effective use and understanding of community media. A non-profit organization, MetroEast provides East Metro residents, community organizations, local governments, and schools free and low cost access to the medium of television and other means of distribution, media literacy training, and video production. And, the fall of 2010, MetroEast will launch KZME, a noncommercial radio station.

MetroEast and citizen-produced programming is distributed to over 65% of East Metro households and over 400,000 households in the Portland metropolitan region. MetroEast produces city council meetings and work sessions and other government and community meetings as well as programming used as educational and informational tools at meetings, community forums and classroom settings.

WHAT WE DO

MetroEast produces and facilitates programming with many diverse partners and on wide-ranging topics. MetroEast partnered with over 200 community organizations and will facilitate about 4,500 hours of programming in FY 2010-11, including:

- Live and taped coverage of East Metro local governments, including city council and planning commission meetings and budget and special hearings as well as the Rockwood Water PUD, and Metro.
- Working with educational partners in East Multnomah County to produce programs on academic and extracurricular activities in local schools, coverage of school board meetings and programs on school safety.
- The only regular electronic media coverage of East Metro area events and public affairs.
- Fostering citizen involvement through programs such as *Candidate Speak Out*, a live call-in for local candidates, and *Community Hotline*, a live call-in program where community organizations provide information and answer questions about their services.
- Coverage of local community events such as the Gresham Area Chamber of Commerce's benefit breakfast and public affairs forums, Gresham's *Teddy Bear Parade*, *Senior Showcase*, *Civic Agenda* and *MetroEast Outlook*.

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. For the past several years, use of MetroEast facilities and hours of programming has continued at high levels. In FY 2010-11, MetroEast anticipates that it will:

- Offer training to 650 people in 125 classes
- Produce and facilitate 4,500 hours of programming by, for and about East Metro, its residents and their concerns and issues
- Have 300 volunteers give 10,000 hours of their time to MetroEast and the community
- Loan equipment to community members who are creating programming for and about the East Metro area for more than 2,200 days
- Provide more than 75 hours of staff assistance and support to the public each week, an annual total of more than 3,900 hours.

PREPARING FOR THE FUTURE

Working with the results of the MHCRC's needs ascertainment and its own survey of East Metro nonprofit public benefit organizations, MetroEast is in the process of developing a strategic plan to continue its high standards of service to the community. The plan will be completed in late 2010 and implementation will begin in early 2011.

MetroEast's current strategic plan is based on information gathered from a community needs assessment and includes the following strategic directions:

- Building community through media by incorporating a broadened range of media tools, including diversified delivery systems, and serving as a community gathering space for opportunities for face-to-face dialogue.
- Innovating in our practices and processes by challenging ourselves to create new ways of doing business, including expanding partnerships and researching best and emerging practices in the field.
- Catalyzing diverse and responsive programming by facilitating and creating additional community issue forums and other programming that directly responds to East Metro area community needs.
- Improving visibility and awareness by articulating the benefits of MetroEast 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.

MetroEast is continuing to pursue these strategic directions through new activities such as providing training and access to new methods of program distribution and producing new programs designed to increase public knowledge about the activities of East Metro local governments.

THE NUMBERS

As with almost every other non-profit organization, school district and local government, MetroEast responded to the faltering economy in FY 2009-10 with significant budget cuts. MetroEast employees bore the brunt of those cuts. Thanks to a somewhat healthier economic outlook, MetroEast has been able to partially restore some funding in areas that were cut.

Overall, the FY 2010-11 budget looks more like previous years than the crisis year of FY 2009-10. But, while MetroEast’s financial situation has improved, the impact of the cuts made last year continue. The flat line in personnel expenditures and the decrease in operating expenditures reflect the loss of a part-time position as well as MetroEast’s share of the OLLIE coordinator and VISTA so the recovery from the financial shock of last year is far from complete.

Proposed personnel expenses (7020, 7030, 7050) restore MetroEast's contribution to the employee 401(k.) Modest raises and the restoration of some promised salary increases that people deferred to help deal with the financial crunch are also included. The increase in personnel expenses from FY 08-09 to FY 10-11 is less than 3% overall.

Proposed operating expenses restore funding for education and training (6061) and some associated travel (6211) and add back funding for marketing and promotion (6174) and food (6070), a critical tool for rewarding and retaining volunteers. Because of the dissolution of the OLLIE partnership due to the financial crisis, consulting (6041) costs are significantly less than in the past few years. Overall, operating expenses are the same as the current fiscal year and less

than in previous years.

The reallocation of capital funding between MetroEast and Portland Community Media significantly decreases MetroEast's capital revenue. The primary impact of the decrease will be to slow the repayment of the line of credit used to finance MetroEast's building (8011, 8014.) The repayment of non-capital funds used for building construction will continue but at a lower rate than in FY 2009-10. The annual contribution to the building maintenance fund (8016) is also restored. Projected expenditures for production and maintenance equipment (8060) are increased to fund the long over due refurbishing of MetroEast's primary studio. Leasehold improvements (8030) has increased to install automatic doors at MetroEast's main entrance and to install French drains to decrease the chance of flooding in MetroEast's facility.

METROEAST COMMUNITY MEDIA
FY 2010-11 PEG BUDGET
LINE ITEM EXPLANATION

INCOME:

4130 Multnomah Franchise Fees

Five percent of gross revenue of Comcast for East Multnomah County system, of which MetroEast receives 60 percent.

4090 Interest

Income projected on current interest rates.

4200 Other

Tape duplication, refunds, special events, underwriting, donations.

4270 Activity/Fees for Service

Moneys from activity fees and charging for MetroEast services.

4172 Capital Funds

Moneys from franchise capital revenues dedicated to PEG access providers.

4162 Investment Withdrawal

Withdrawals from MetroEast's investment fund.

4905 Building Loan Transfer

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

EXPENSES:

7020 Full-time Salaries.

Salaries for full-time employees.

7030 Part-time Salaries

Salaries for part-time employees.

7050 Taxes & Benefits

Includes pension plan contribution, insurances, FICA, Tri-Met and state unemployment tax.

6020 Accounting

Cost of annual audit and accounting support services.

6041 Consulting

Outside professional services except for accounting, graphics, legal, janitorial and equipment repair.

6051 Dues and Subscriptions

Cable, magazine and newspaper subscriptions, professional memberships.

6060 Educational Program Acquisition

Purchase, rental, or licensing fee for any acquired programming.

6061 Education and Training

Training and education for nine Board members and fifteen employees.

6062 Business Meals/Related

Meals purchased for business-related purposes.

6063 Education Tuition Reimbursement

Costs for tuition reimbursement.

6064 Events

Speakers fees, facility rental and other costs associated with special events.

6070 Food

Food for volunteer crews working on MetroEast productions and for events.

6100 Insurance

Workers' Compensation, Volunteer, Liability (including property and auto), Excess Liability, Media Special Perils, Officers and Directors, Pension Board.

6110 Janitorial

Janitorial services.

6130 Legal

Attorney's fees for consultation and advice.

6131 Local Travel and Mileage

Employee reimbursement for business-related mileage and parking.

6140 Maintenance Supplies

Supplies used to repair and maintain equipment that last less than one year.

6160 Office Supplies

Items that are less than \$100 and that last less than one year.

6161 Operating Supplies

Production-related items that are less than \$100 and last less than one year.

6170 Personnel Recruitment

Advertising for position openings.

6171 Phones

Includes regular and cellular service.

6172 Postage:

All outgoing postage, express services, parcel shipping and other shipping.

6173 Printing

Printing done outside including newsletter, invitations, handbook, forms.

6174 Marketing and Promotion

Advertising (except job openings), promotional items, marketing surveys and services.

6190 Repairs and Maintenance

Routine and emergency maintenance.

6211 Travel

Transportation to regional and national conferences and seminars.

6220 Utilities and Maintenance

Utilities, including water and electricity and building maintenance.

6230 Vehicle Maintenance

Maintenance and repairs for two vehicles.

8001 Miscellaneous Debt Expense

Fees for building loan.

8002 Books

Training books, videos, and other books.

8003 Maintenance Supplies

Supplies used to repair and maintain equipment that last less than one year.

8004 Office Supplies

Items that are less than \$100 and that last less than one year.

8005 Operating Supplies

Production-related items that are less than \$100 and last less than one year.

8006 Repairs & Maintenance

Routine and emergency maintenance.

8007 Media/Videotape

Video and audio media (e.g., video tape, DVDs)

8008 Debt Reduction - Equipment Lease

Reduction of principle on equipment lease

8009 Interest - Equipment Lease

Interest payments on equipment lease.

8011 Interest - Short Term Loans

Interest payments on short term loans

8013 Interest on Long Term Loan

Interest payments on Key Bank Loan

8014 Debt Reduction - Short Term Loans

Payments on principle of short term loans.

8015 Debt Reduction - Long Term Loan

Payments on Key Bank loan principle.

8016 Building Maintenance Fund

Funds for future maintenance costs.

8020 Building Construction

Construction costs for new facility.

8021 Property Taxes

Property taxes paid to Multnomah County.

8030 Leasehold Improvements

Improvements to MetroEast building.

8016 Building Maintenance Fund

Funds set aside for major long-term maintenance (e.g., roof replacement.)

8040 Office Equipment

Office equipment in excess of \$100 such as computers, copiers, fax machines.

8050 Office Furnishings

Items in excess of \$100 such as desks, chairs, cabinets, bookcases, file cabinets.

8060 Production and Maintenance Equipment:

Items in excess of \$100 for production, playback and engineering. Includes funds for emergency purchases. See attached for detail.

8090 Building Loan Transfer

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

**PROPOSED BUDGET
METROEAST COMMUNITY MEDIA
FY 2010-11**

	ACTUAL 2003-04	ACTUAL 2004-05	ACTUAL 2005-06	ACTUAL 2006-07	ACTUAL 2007-08	ACTUAL 2008-09	BUDGET 2009-10	ACTUAL 2009-10 3/31/2010	PROPOSED BUDGET 2010-11
INCOME:									
4130 Franchise Fees, Multnomah	\$ 524,052	\$ 553,601	\$ 649,284	\$ 640,500	\$ 648,944	\$ 693,265	\$ 678,060	\$ 617,335	\$ 841,515
4140 PCM Educational Services Support	35,000	0	0	0	0	0	0	0	0
4090 Interest	683	525	124	107	127	902	1,000	229	335
4270 Activity Fees/Fees for Service	19,828	18,266	19,720	19,272	14,323	16,384	17,500	11,212	18,000
4200 Other	4,730	9,199	9,250	155,650	42,597	13,162	11,480	12,664	14,000
4172 Capital Funds	396,784	435,436	442,508	458,304	484,340	559,836	577,348	433,011	551,002
Building Loan Reimbursement							194,397	0	103,774
4162 Investment Fund Withdrawal	38,000	366,595	402,000	266,083	455,951	319,058	0	10,997	12,000
4182 Loan Proceeds		0	961,973	0	0	0	0	0	0
TOTAL OPERATING INCOME	\$ 1,019,077	\$ 1,383,622	\$ 2,484,959	\$ 1,539,916	\$ 1,646,282	\$ 1,602,607	\$ 1,479,785	\$ 1,085,449	\$ 1,540,626
TOTAL OPERATING INCOME									
EXPENSES:									
Personnel									
7020 Full-Time Salaries	\$ 441,672	\$ 398,453	\$ 350,449	\$ 470,863	\$ 458,448	\$ 500,568	\$ 492,552	\$ 375,588	\$ 530,705
7030 Part-Time Salaries	59,336	75,462	92,325	78,677	92,278	109,122	92,943	71,517	96,734
7050 Taxes & Fringe Benefits	144,321	137,917	132,287	150,014	152,038	159,969	117,099	101,988	163,134
Total Personnel Services	\$ 645,328	\$ 608,832	\$ 575,061	\$ 699,554	\$ 702,764	\$ 769,659	\$ 702,594	\$ 549,093	\$ 790,573
Operations									
6020 Accounting	\$ 14,395	\$ 15,089	\$ 14,105	\$ 15,187	\$ 15,747	\$ 15,141	\$ 15,000	\$ 16,500	\$ 17,000
6041 Consulting	12,255	18,673	31,710	44,418	39,672	57,149	39,500	32,331	14,250
6051 Dues & Subscriptions	4,615	10,329	9,856	14,138	12,681	11,220	14,500	3,053	14,500
6060 Educational Program Acquisition	0	450	1,218	(334)	0	400	0	0	400
6061 Education & Training	13,298	9,822	9,549	9,633	3,889	7,434	0	1,111	6,500
6062 Business Meals/Related	2,434	1,370	1,027	1,775	1,164	2,062	1,000	895	1,545
6063 Ed. Tuition Reimbursement	0	0	0	0	0	0	0	0	200
6064 Events	0	0	0	0	2,372	975	0	400	1,000
6070 Food	7,412	5,199	8,582	8,289	9,294	11,506	6,000	5,117	9,500
6100 Insurance	36,714	39,075	39,324	40,231	41,076	45,004	49,000	39,772	52,000
6110 Janitorial	7,020	7,020	8,862	9,649	9,600	9,635	10,400	7,250	10,800
6130 Legal	612	1,541	8,187	4,863	7,587	553	4,500	413	4,761
6131 Local Travel & Mileage	2,059	2,391	2,239	2,179	1,605	2,228	2,222	1,125	2,036
6140 Maintenance Supplies	2,492	1,989	5,369	649	1,307	1,684	1,486	808	1,737
6160 Office Supplies	4,200	3,164	3,662	3,231	4,561	4,794	3,782	2,036	4,602
6161 Operation Supplies	7,789	8,455	16,093	9,099	6,026	6,599	6,915	4,986	8,468
6170 Personnel Recruitment	7,116	6,537	8,781	7,926	8,576	7,676	11,177	5,018	1,803
6171 Phones	7,130	5,685	6,722	7,129	5,336	4,342	6,000	1,629	6,000
6172 Postage	9,443	9,487	10,860	13,166	13,380	7,024	3,400	299	3,200
6173 Printing	5,573	5,114	6,279	9,615	7,271	4,981	3,000	3,342	1,500
6174 Marketing/Promotion	3,097	3,406	4,135	7,285	5,929	6,374	4,258	6,497	7,500
6190 Repairs & Maintenance	42,324	43,092	17,199	0	0	0	0	0	7,200
6200 Rent, Utilities, Maintenance									0

PROPOSED BUDGET
METROEAST COMMUNITY MEDIA
FY 2010-11

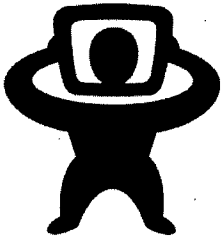
6211	Travel	2,808	3,420	5,126	5,838	3,769	1,324	0	265	3,975	Travel	6211
6220	Utilities and Maintenance		385		15,715	17,096	17,265	17,359	15,195	18,242	Utilities and Maintenance	6220
6230	Vehicle Maintenance	525	0	60	405	349	286	344	641	332	Vehicle Maintenance	6230
	Total Materials & Services	\$ 194,026	\$ 201,571	\$ 220,004	\$ 230,066	\$ 221,201	\$ 226,644	\$ 199,843	\$ 148,888	\$ 199,051	Total Materials & Services	
	Capital											
		ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	BUDGET	ACTUAL	PROPOSED		
		2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2009-10	BUDGET		
									3/31/2010	2010-11		
8001	Misc. Debt Expense	\$ 12,647	\$ 4,110	\$ 4,910	\$ 3,750	\$ 3,780	\$ 1,085	\$ 3,750	\$ 0	\$ 3,750	Miscellaneous Debt Expense	8001
8002	Books	72	0	40	0	250	131	125	0	150	Books	8002
8003	Maintenance Supplies	0	0	0	0	0	0	500	0	500	Maintenance Supplies	8003
8004	Office Supplies	761	1,630	12,487	2,839	3,230	406	1,000	874	1,475	Office Supplies	8004
8005	Operation Supplies	1,289	0	943	11,880	1,238	170	1,500	1,486	1,605	Operation Supplies	8005
8006	Repairs & Maintenance	0	0	121	0	2,944	0	1,000	17,955	3,000	Repairs & Maintenance	8006
8007	Videotape	6,329	1,347	1,232	2,667	1,468	2,196	1,500	901	1,500	Media/Videotape	8007
8008	Equipment lease - Debt Reduction	0	0	17,238	27,185	30,027	33,166	35,577	27,130	16,371	Equipment lease - Debt Reduction	8008
8009	Equipment lease - Interest	0	0	6,256	13,092	10,250	7,110	4,700	3,078	411	Equipment lease - Interest	8009
8010	Interest Short Term Loans	24,523	0	58,855	61,333	378,000	28,375	67,473	10,967	24,167	Interest - Short Term Loans	8010
8011	Interest Long Term Loans	0	29,977	36,873	63,761	49,172	56,874	74,406	40,546	48,613	Interest - Long Term Loans	8011
8012	Debt Reduction - Short Term Loans	8,950	36,913	102,000	160,000	10,665	288,595	43,254	0	75,380	Debt Reduction - Short Term Loans	8012
8013	Debt Reduction - Long Term Loans	0	0	10,490	10,666	61,938	10,666	10,666	7,999	18,335	Debt Reduction - Long Term Loans	8013
8014	Building	211,185	551,906	1,279,594	0	0	0	0	0	0	Building	8014
8015	Property Taxes	4,257	4,424	0	0	0	0	0	0	0	Property Taxes	8015
8020	Leasehold Improvements	0	0	0	19,131	3,384	713	5,000	90	31,000	Leasehold Improvements	8020
8030	Building Maintenance Fund	0	0	0	11,000	11,000	0	0	0	12,000	Building Maintenance Fund	8030
8040	Office Equipment	3,991	17,175	25,902	33,240	16,173	9,975	25,000	12,972	25,000	Office Equipment	8040
8050	Office Furnishings	0	290	13,045	1,908	1,560	0	7,500	1,770	2,500	Office Furnishings	8050
8060	Production & Maintenance Equip.	9,965	10,804	30,084	138,582	68,061	53,588	100,000	52,767	181,471	Production & Maintenance Equip.	8060
8090	Building Loan Transfer	0	0	0	0	0	0	194,397	0	103,774	Building Loan Transfer	8090
	Total Capital	\$ 283,967	\$ 658,576	\$ 1,600,070	\$ 561,034	\$ 653,140	\$ 494,050	\$ 577,348	\$ 178,563	\$ 551,002	Total Capital	
	TOTAL OPERATING EXPENSES	\$ 1,123,322	\$ 1,469,979	\$ 2,395,135	\$ 1,490,654	\$ 1,577,105	\$ 1,490,353	\$ 1,479,785	\$ 876,544	\$ 1,540,626	TOTAL OPERATING EXPENSES	

Attachment 2

PORTLAND COMMUNITY MEDIA BUDGET

FISCAL YEAR 2010-11

PORTLAND COMMUNITY MEDIA FY 2010-11 BUDGET NARRATIVE



About Portland Community Media

The mission of Portland Community Media is to promote broad participation in civic and cultural life by encouraging effective use and understanding of community media. PCM has served the citizens of Portland since 1981, providing training and tools for individuals and organizations to use cable television and other media as a means of communication, civic involvement, artistic and cultural expression and community development.

PCM offers media education, facilities and equipment for community members to produce community programming for cablecast on PCM's public access cable television channels and through new media outlets.

Portland Community Media also provides services to non-profit and community organizations to develop and use media to share their mission and services with the community. Portland Community Media's channels carry programs that span a wide variety of interests, created by members of the community and cablecast in seven languages.

What's New in FY 2010-11?

On May 13, 2010, the Portland Community Media (PCM) Board of Directors unanimously approved PCM's operating and capital budget for FY 2010-11. The budget assumptions reflect realistic expectations for revenue from the City of Portland for operations and capital, earned income projections based on historic patterns and conservative estimates of support from grants, contributions and corporate underwriting already underway.

The budget considers a reduction of 4% in operations support from the City of Portland and an increase of \$230,910 in capital revenue from the adopted 2009-2010 budget. This increase is due, in part, to incorporating the five school districts within the City of Portland into the calculation for the allocation in PCM's service area for distribution of franchise fees for capital.

In addition, the PCM FY 2010-2011 budget responds to current conditions in the economy and adjusts the management of resources and fiscal controls by expanding the detailed line items for expenditures of capital funds. Overall, a reduction of \$698,573 is described in PCM's FY 2010-11 budgets from the previous fiscal year.

What PCM Does

Government and Community Productions

PCM's flagship channel, CityNet 30, cablecasts coverage of all the meetings of the Portland City Council, the Multnomah County Commission, and the Metro Regional Government. Other government and civic programming including City Club of Portland, Portland Development Commission and events such as The Portland Plan, Transportation Summit and other civic interest programs.

In addition, PCM offers production services to non-profit, educational and other government organizations and produces and broadcasts Portland events such as parades, concerts and educational forums.

Multimedia Education Reaches Out to Engage Our Community

Portland residents interested in producing local, non-commercial television have access to PCM's state-of-the-art equipment and facilities. On a yearly average, more than 200 independent producers create over a thousand hours of innovative programming for airing on CAN11, ITN22 and ITN23 on Comcast.

Courses include field and studio production; multimedia and digital storytelling; studio-based camera, audio, graphics and lighting; field audio and lighting; linear and non-linear editing; and mini-mobile production. In response to community interest, courses in Social Media, Social Networking and Do it Yourself Video production, utilizing consumer grade cameras, have been added to our course catalog.

SmartAccess™ Partners

The Multimedia Education department also supports our SmartAccess partnerships with local non-profits, by offering training workshops at the partner locations at a discount. This innovative new program has successfully reached out to serve a broader diversity of the community and has expanded our service delivery to more and different parts of Portland through our partnerships with the Office of Neighborhood Involvement and their Diversity and Civic Leadership partners and with Sisters of the Road.

Youth Media Goes Inside the Classroom

Portland Youth Media (PYM) introduces youth in grades 5-12 to the world of multimedia by partnering with local schools, after-school programs and community-based organizations to provide an Introduction to Multimedia workshop. Inside the classroom, students learn skills such as team building, problem-solving, critical thinking

and communication, as well as, how to use professional multimedia equipment to complete their projects.

PYM has included a Career Development and Job Readiness program, which trains students on becoming certified SmartAccess Junior Technicians after completing the introductory course.

Community Access to Media

PCM is your window to diverse communities in the Portland Metro area. On our six cable channels, viewers will discover unique shows from a new point of view not seen anywhere else. PCM cablecasts locally produced and satellite video programs on Comcast Cable channels: CAN11, PUB21, ITN22, ITN23, POP29 (Pulse of Portland) and CityNet30 (local government and public affairs). Viewers can watch POP29 and CityNet30 online at www.pcmtv.org or download shows at Comcast "Get Local" On Demand.

What's New in FY 2010-11?

Over the last few years the Board of Directors and Leadership of PCM described and began to implement a visionary approach to meet the demands of changes in the regulatory and technology environment. Last year the budget proposal included ambitious goals for increasing revenue and program capacity in areas that would attract grants and increased staffing levels to meet these goals.

However, PCM met *challenges* in achieving the ambitious goals because of a number of factors, including:

- The economic recession resulted in brokerages limiting redemption of investment income
- The philanthropic climate reduced grant support and resulted in funds not being realized
- A laxity of internal controls to manage the resources within PCM resulted in cash flow shortfall for operations in the last quarter of the current fiscal year

In January 2010, PCM implemented an adjustment in spending when it became clear that the benchmarks for revenue had not occurred. The adjustments included a reduction in staff expenses through terminations, reductions in wages and hours for some employees, as well as closing the facility for one day each week.

The current budget responds to these challenges and visionary goals by supporting a foundation for future growth while streamlining revenue and expenses to support current obligations and agreements. The FY 2010-2011

budget reflects a return to historic service delivery methods for PEG Access by a balanced distribution of revenue and expenses across service areas.

Revenue Assumptions:

4100—Special Projects: \$175,000

- PCM Multimedia Services (MMS) has developed a strong reputation as an affordable provider of fee-for-service productions supporting nonprofits, government and special projects. In the current year, MMS has billed in excess of \$170,000 through contracts and special projects.
- Based on performance in the current fiscal year, the MMS department will be able to generate the \$175,000 to achieve this revenue goal for FY 2010-2011.

4300—Media Education (adults, youth and nonprofits): \$20,000

PCM Multimedia Education is very popular and experiences class attendance at full capacity and waiting lists.

- Multimedia Education (MME) will continue to provide project-based workshops in digital technologies utilizing staff and independent contract trainers in specialty areas.
- The \$20,000 revenue goal is reflective of actual net revenue anticipated from workshops and special projects.

4325—Portland Youth Media (ages 10-18 includes partner orgs.): \$55,000

PCM re-structured the OLLIE Program in the current fiscal year and added a career development component as part of the planning for future support. The new Portland Youth Media Program (PYM) has generated interest and partnerships through special projects.

- PYM currently has commitments for funding from partners to provide summer camps and after-school programs beginning in September which will generate \$10,000 toward this revenue target.
- The remainder of the anticipated revenue for this line item comes from grants and underwriting opportunities already in negotiation or applications that are pending.

Expenditure Assumptions and Adjustments

5000 – Staff Related Expenses: \$900,419

Staffing levels are reduced in this budget with a restoration of historic service levels to support PEG Access, the current capital grants for SmartAccess and Access 2.0. This budget provides the support for the following activities and assumptions:

- Balanced distribution of funds across functional departments to meet goals

- Approximately \$200,000 in staff costs per department (P, E, G and Administration)
- Retention of adequate staffing levels to perform core services
 - Establishes a baseline 18.10 FTE for regular employees (FT & PT)
- Limits the use of on-call crew for special projects (cost neutral – paid by contract)
- Support in Executive and Business Office (Administration and Information Technology)
 - Manage modernization of technical systems
 - Enhance internal financial controls by hiring expertise in accounting

Capital Funding Assumptions

The total funding allocated for PCM increased to \$892,899. This budget plan recognizes an expansion of line item descriptions of capital expenditures by PEG Access allocation, and for each capital grant. In addition, capitalized salaries, and support for the different functional and program objectives are described and accounted for in this budget document and will be tracked over time by each cost center and account. PCM has allocated Capital funds to:

- Upgrade production systems to replace aging equipment and for energy efficiency.
- Upgrade public access equipment, increase storage capacity and production quality and integrate for server-based environment.
- Continue modernization of equipment in playback to support the move to automated systems to reduce instances of “system failure” on cable channels.
- Continue to support partnership agreements for SmartAccess by responding to needs for equipment for production and training.

Portland Community Media FY 2010-11 Operating and Capital Budget responds to the community by reorganizing delivery of service to historic PEG Access methods to meet current obligations. This adjustment to the budget provides for a modest operational reserve of \$41,199.

		Per Audited Financials	Per Audited Financials	Approved 5/29/2009	Revised 2/23/2010	Adopted 5/11/2010	
		ACTUAL	ACTUAL	BUDGET	PROJECTED BUDGET	ADOPTED BUDGET	NOTES
Account		2007-2008	2008-2009	2009-2010	2009-2010	2010-2011	
	Board Contributions/Fundraising						
4400	Events	0	0	10,000	1,000	5,000	
4409	Energy Savings Project	0		50,000	75,000	0	
	Misc Inc. (Sweep Acct. E-commerce,						
4410	Events)	10,916	2,060	2,000	25,000	10,000	
4412	Damages paid for equipment	423	590		500	500	
4580	Tape / Disk Sales	16,573	9,983	14,000	14,000	5,000	
4581	Dubbing	2,150	3,209	2,000	2,000	2,500	
4585	User fees	0	12,520	10,000	11,000	15,000	
4710	Checking Acct. Interest	3,983	1,654	2,000	2,000	2,500	
4711	Interest on Capital Funds	2		20,000	20,000	1,000	
4715	Investment Fund Income	14			750	0	
4805	Interest USB Bonds/Notes	328	135	20,000	0	0	
4806	REIT Distribution Income	28,142	25,675		80,000	4,000	
4810	Dividends Investment	109,938	30,915	50,000	0	0	
9991-94	Gain/(Loss) on Sale of Investments	(205,125)	(186,333)				
9993	Gain/(Loss) on Sale of fixed assets	12,174	0	35,000	35,000	10,000	
	Commercial Loan Proceeds	0		250,000	0	0	
	TOTAL OPERATIONS INCOME	1,106,839	982,213	1,850,601	1,563,351	1,331,975	
4909	Capital Grant Income	565,001	807,075	661,989	661,989	892,899	
4911	Capital Grant Access 2.0	324,160					
4998	Investment Funds Used	0	500,000	600,000	600,000		

		Per Audited Financials	Per Audited Financials	Approved 5/29/2009	Revised 2/23/2010	Adopted 5/11/2010	
		ACTUAL	ACTUAL	APPROVED BUDGET	PROJECTED BUDGET	ADOPTED BUDGET	NOTES
Account		2007-2008	2008-2009	2009-2010	2009-2010	2010-2011	
	SmartAccess Funds	0			300,000	75,000	assumes SmartAccess funds tied up in the REITs
90xx	Payment of Loan to Capital					114,143	will be released in FY 2010-11
	TOTAL CAPITAL INCOME					1,082,042	
	TOTAL OPS. & CAPITAL INCOME	1,996,000	2,289,288	3,112,590	3,125,340	2,414,017	
		ACTUAL	ACTUAL	APPROVED BUDGET	PROJECTED BUDGET	PROPOSED BUDGET	
Account		2007-2008	2008-2009	2009-2010	2009-2010	2010-2011	
#	EXPENSES						
	STAFF RELATED						
5000	Payroll Wages- F/T - P/T	853,657	1,008,499	1,088,363	1,000,000	764,603.15	Supports a return to historic service delivery for PEG Access; supports 18.10 FTE
5002	Wages-On Call			120,000	70,000	65,000	on-call wages were not recognized in 2007/08 or 2008/09 as separate line items
5100	Payroll Taxes F/T - P/T	78,121	99,073	105,555	97,366	77,067	
5102	Payroll Taxes-On Call			12,060	7,000	7,150	
5110	403 (B) Contributions	11,374	12,561	42,012	40,000	13,000	
5111	Medical & Dental Insurance	115,783	120,288	191,040	170,000	100,000	
5112	Life & Disability Insurance	3,520	3,721	10,710	10,000	5,000	
5200	Employee Recruitment	18,432	4,629	2,000	2,000	2,000	
5300	Training & Education - Staff	10,441	2,489	20,000	5,000	3,000	
5350	Training & Education - Board	638	2,534	5,500	0	1,500	
5401	Travel - out of town & Local	15,227	10,346	12,000	12,000	5,000	
5500	Payroll Service	19,390	21,852	15,000	15,000	15,000	
5501	Crew Food	132	555	1,000	1,000	500	

		Per Audited Financials	Per Audited Financials	Approved 5/29/2009	Revised 2/23/2010	Adopted 5/11/2010	
		ACTUAL	ACTUAL	APPROVED BUDGET	PROJECTED BUDGET	ADOPTED BUDGET	NOTES
Account		2007-2008	2008-2009	2009-2010	2009-2010	2010-2011	
	Transfer to Capital for salaries associated with capital projects	(70,000)	(77,333)		(70,000)	(145,000)	Funds to support capital projects transferred to line items 1650; 1644; 1668. Modifications in the amounts from FY 2007/08 and Revised FY 2010/11 are due to capitalized salaries for Capital PEG Access, SmartAccess and an extension of the grant term for Access 2.0
	Subtotal	1,056,715	1,209,214	1,625,240	1,359,366	913,820	
#	GENERAL OVERHEAD						
6010	Accounting Audit	9,390	10,603	10,000	10,000	20,000	
6020	Legal	8,434	1,254	10,000	5,000	12,000	
6080	Computer Consulting	31,816		3,000	2,500	3,000	
6090	Professional Services-admin-contract	14,794	27,083	13,000	7,000	20,000	
6091	Production Professional Expenses	0		3,000	3,000	1,000	
6092	Independent Contractors (ME/Events)	0				7,000	
6095	Portland Youth Media (PYM)	164		5,000	10,000	5,000	
6096	Ollie Expenses/Portland Youth Media (OLD)	34,396	9,447	10,000	n/a	n/a	
6098	VISTA OLLIE/PYM Expenses	7,317	5,715	10,400	0	0	
6099	VISTA PCM Expenses	0	12,285	10,400	0	0	
6151	Needs Assessment	0		5,000	5,000	0	
6152	Board Planning	0	739	1,000	2,500	1,000	
6178	Newsletter CC	779				N/A	
6200	Office Supplies	16,692	25,904	15,000	15,000	10,000	
6290	Advocacy/Government Relations	0	2,500	2,500	2,500	3,000	

		Per Audited Financials	Per Audited Financials	Approved 5/29/2009	Revised 2/23/2010	Adopted 5/11/2010	
		ACTUAL	ACTUAL	APPROVED BUDGET	PROJECTED BUDGET	ADOPTED BUDGET	NOTES
Account		2007-2008	2008-2009	2009-2010	2009-2010	2010-2011	
6300	Printing - Outsourced	6,165	4,594	5,000	5,000	5,000	
6301	Printing - InHouse	5,665	6,470	6,000	6,000	5,000	
6400	Postage & Shipping	6,404	4,310	6,000	6,000	5,000	
6410	Miscellaneous Expenses (Peg Media)	0		250	500	500	
6500	Vehicle Fuel	3,881	2,789	5,000	5,000	5,000	
6505	Vehicle Parking	1,697	1,358	3,000	3,000	1,500	
6580	Video Tapes	25,546	22,712	15,000	15,000	(15,000)	moves to CAPITALIZED expense for SD CARDS with useful life > 1 year
6670	Marketing & Fund Development	0		25,000	25,000	5,000	
6672	Advertising & Promo (Old)	1,047	689	n/a	n/a	n/a	
6701	Pagers & Cell Phones	6,614	6,164	6,000	6,000	5,000	
6702	Internet Access	7,570	12,501	12,000	12,000	8,000	reduction due to switching service costs for POP29 streaming
6703	Phone General	10,424	11,873	10,000	10,000	10,000	
6710	Computer Software	700		800	800	(3,000)	moves to CAPITALIZED expense for financial software Sage ACCPac with a useful life of > 1 year
6712	Loan Charges	0		18,000	0	0	
6715	Bank Charges	15,924	8,797	10,000	10,000	10,000	
6720	Dues & Subscriptions	6,336	5,087	6,000	6,000	3,000	reduction due to limiting and cancelling subscriptions on periodicals
6729	Fees	2,723	7,065	2,000	2,000	2,000	
6730	Fees/Video/Entry Fees	130		500		0	
6800	Hospitality	14,468	10,334	12,000	12,000	5,000	
60xx	Payment of Loan from Operations					114,143	

		Per Audited Financials	Per Audited Financials	Approved 5/29/2009	Revised 2/23/2010	Adopted 5/11/2010	
		ACTUAL	ACTUAL	APPROVED BUDGET	PROJECTED BUDGET	ADOPTED BUDGET	NOTES
Account		2007-2008	2008-2009	2009-2010	2009-2010	2010-2011	
	Subtotal	239,076	200,273	240,850	186,800	248,143	
#	EQUIPMENT RELATED						
7000	Repair - parts	8,882	11,024	14,000	14,000	10,000	
7005	Repair- Headend Expense	762	797	500	500	500	
7010	Repair - small tools	3,999	3,384	1,000	1,000	3,500	
7015	Repair - sub-contractor	44,367	33,598	26,500	26,500	30,000	
7016	Repair City Council Chambers	100		1,000	1,000	500	
7020	Replacement bulbs	1,082	840	1,500	1,500	1,200	
7030	Replacement batteries	233	70	1,500	1,500	500	
	Subtotal	59,425	49,713	46,000	46,000	46,200	
#	BUILDING RELATED						
7500	Janitor Service - Main Building	4,043	8,969	3,500	18,700	10,500	
7502	Janitor Service - Annex	1,480	5,277	4,000		4,000	
7510	Janitorial Supplies	3,561	4,672	4,500		3,000	
7620	Electricity	20,149	20,600	19,000	31,400	24,000	anticipates some savings based on solar energy project
7622	Electricity Building # 2	2,036	4,416	2,500		3,000	
7635	Garbage Removal	847	1,067	1,500		1,577	
7640	Other Utilities	2,544	2,166	2,000	12,000	5,000	
7642	Other Utilities # 2	932	837	2,000		1,000	
7645	Natural Gas	4,509	4,804	2,500		4,500	
7646	Natural Gas # 2	2,793	2,624	1,500		2,500	

		Per Audited	Per Audited	Approved	Revised	Adopted	
		Financials	Financials	5/29/2009	2/23/2010	5/11/2010	
		ACTUAL	ACTUAL	APPROVED	PROJECTED	ADOPTED	NOTES
				BUDGET	BUDGET	BUDGET	
Account		2007-2008	2008-2009	2009-2010	2009-2010	2010-2011	
7650	Vehicle Maintenance	3,997	1,660	2,500	2,500	2,500	
7660	Landscape Maintenance	1,440	393	1,500		800	
7670	Building Maintenance	4,035	8,394	5,000	25,800	9,000	
7680	Security Service	2,103	1,701	1,500	2,200	1,500	
	Subtotal	54,469	67,580	53,500	92,600	72,877	
#	OWNERSHIP COSTS						
9000	Insurance - liability	28,556	26,242	27,000	27,000	27,879	
	Subtotal	28,556	26,242	27,000	27,000	27,879	
	TOTAL OPERATIONS EXPENSES	1,438,241	1,553,022	1,992,590	1,711,766	1,308,919	
#	CAPITAL EXPENSE:						
16xx	Capital:PEG Access					80,209	
1620-	Building Improvements	2,736	47,853			25,000	
1622-	New Building Improvements	130,097	195,472			10,000	
1630-	Production Equipment	270,556	436,019	274,000	274,000	298,690	
1640-	Playback Equipment	10,333	38,758	87,000	87,000	208,000	this would include funds for a new router for the PESA conversion to replace the MATCO
1647-	Ollie-Youth Media Equipment	14,839	5,854	102,000	102,000	50,000	
1650-	Office Equipment & Furniture (Incl Computers)	29,790	150,554	136,661	141,989	118,000	includes software and SD Cards with >1 year shelf life

		Per Audited Financials	Per Audited Financials	Approved 5/29/2009	Revised 2/23/2010	Adopted 5/11/2010	
		ACTUAL	ACTUAL	APPROVED	PROJECTED	ADOPTED	NOTES
				BUDGET	BUDGET	BUDGET	
Account		2007-2008	2008-2009	2009-2010	2009-2010	2010-2011	
1650-S	PEG Access Capitalized Payroll	55,000	23,364	47,000	47,000	40,000	transferred from Operations to support capitalized salaries for capital projects
1664-	SmartAccess-Grant Fund Equipment	0		0	300,000	75,000	accrued capital funds for the year - transferred from deferred capital revenue; leaves a balance of \$80,000 for FY 2011-2012
1664-S	SmartAccess Capitalized Payroll				60,000	45,000	transferred from Operations to support capitalized salaries for SmartAccess grant
1668-	Access 2.0 Grant Fund Equipment	36,732	120,518	10,000	10,000	54,000	represents remaining balance of capital to be spent to complete grant deliverables
1668-S	Access 2.0 Capitalized Payroll	15,000	53,969			60,000	transferred from Operations to support capitalized salaries for completion of Access 2.0 grant
16xx	Transfer from Operations for salaries associated with capital projects			0		0	See line item 55xx
	TOTAL CAPITAL EXPENSES	565,083	1,072,361	656,661	1,021,989	1,063,899	
	TOTAL OPS & CAPITAL EXPENSES	2,003,324	2,625,383	2,649,251	2,733,755	2,372,818	
	Difference (Income over Expenses)	(7,324)	(336,095)	463,339	391,585	41,199	Operating reserves