



# MT. HOOD CABLE REGULATORY COMMISSION

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

## MHCRC FUND BUDGET FISCAL YEAR 2021-22 APPROVED

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## INTRODUCTION

The Mt. Hood Cable Regulatory Commission (MHCRC) 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;**
- **Providing consumer protection and cable subscribers' complaint resolution; 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 and MetroEast Community Media (MetroEast), all in service to the Jurisdictions and their communities.

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

Comcast: Portland, Gresham, Troutdale, Fairview, Wood Village and Multnomah County  
Zply Fiber: Gresham, Troutdale, Fairview and Wood Village  
Century Link: Portland (exited as of December 2020)

The MHCRC contracts for staff and other support services through a services agreement with the City of Portland. The MHCRC funds an equivalent of 4.6 full-time (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 focuses on community needs as it navigates today's legal and public policy landscape to steward existing public benefits, while also exploring possibilities and opportunities in our quickly changing technology environment to help ensure a sound and vital digital future for all our communities.

Please refer to the MHCRC's FY 2012-21 Annual Report and website ([www.mhcr.org](http://www.mhcr.org)) for more detail about MHCRC activities and accomplishments.

# MHCRC FY 2021-22 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 FY 2021-22 budget in consultation with MHCRC staff. On May 24, 2021, 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 OVERVIEW**

The MHCRC FY 2021-22 Fund Budget is presented on page 5.

Nearly all 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 and Open Signal), 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 largely depends on franchise fee and PEG/I-Net fee payments from cable companies for their private use of public right-of-way to provide cable TV services. Cable company payments are based on a percentage of the company's gross revenues derived from cable TV services. The FY 2021-22 Fund resources are projected based on cable company actual payments through 3<sup>rd</sup> Quarter FY 2020-21.

Fund resources also include a beginning fund balance and projected amounts for programs underspent in FY 2020-21. Detail on each Fund resource follows:

Franchise Fees: The MHCRC collects all cable services franchise fees, based 5% of the companies' gross revenues for cable TV service, for Gresham, Troutdale, Fairview, Wood Village and Multnomah County from Comcast and Zply Fiber cable franchises. The MHCRC uses historical trend data and actual payments through 3<sup>rd</sup> Quarter FY20-21 to project franchise fees.

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 (detail contained in Appendix 1, page 7).

Interest Earned: The MHCRC collects interest on its Fund. Interest revenue is projected to decrease, due to the recent sharp decline in interest rates, compared to the forecasted amount for FY 2020-21.

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 capital costs of providing community media and technology services to the community (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 a combination of funds attributable to various resources not expended in FY 2020-21, which the MHCRC plans to expend or retain as contingencies in FY 2021-22.

## **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 MHCRC Operating Budget and the amount of community media payments to MetroEast and Open Signal in accordance with the IGA (detail contained in Appendix 1, page 7).

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

Due to FY 2021-22 budget challenges faced by the member Jurisdictions due to the COVID-19 pandemic, MHCRC-related employees received no merit or cost-of-living increases in FY20-21 and none is budgeted for FY21-22. The MHCRC has opted to increase its use of interest revenue to supplement the operating budget and fund certain one-time projects in FY21-22, including Comcast franchise renewal negotiations and a strategic planning process with the Jurisdictions to guide possible changes to the IGA and the MHCRC after FY21-22.

Community Media Operating 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).

Community Media Capital: The MHCRC distributes a portion of the PEG/I-Net Capital fee from the cable companies 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: In previous years, the MHCRC provided grants from the PEG/I-Net Capital fee for use of the Institutional Network (I-Net) by schools, libraries, and local governments to support their broadband network connectivity needs. The MHCRC reimbursed these public agencies and Comcast for capital costs related to I-Net connections, equipment, network infrastructure and electronics upgrades. However, the MHCRC suspended those in 2019 due to a Federal Communications Commission (FCC) rule change. The MHCRC is a party to a legal challenge of the FCC rule but it has not yet been decided.

Community Technology Grants and TechSmart Initiative Grants: The MHCRC is the grant-making body for the Community Grants program on behalf of member jurisdictions. The Community Grants program has two funding opportunities: Community Technology Grants and the TechSmart Initiative for Student Success. Grants are funded through the PEG/I-Net Capital fee revenues from the cable companies and are made in accordance with the IGA and the cable services franchise agreements.

The Community Technology Grants provides funding, through an annual, competitive grant process, to nonprofits, libraries, and local governments to use technology resources to further their missions and services. Nearly 75% of current grants focus on supporting traditionally underserved, ethnically diverse, and special needs populations – such as communities of color, immigrants and refugees, low-income people, girls and women, youth, English language learners - in order to bridge the digital divide.

The TechSmart Initiative is an eight-year, \$16 million funding partnership with six school districts in Multnomah County to provide grants and evaluation resources for districts to identify effective classroom instruction that uses technology to foster improved outcomes for all students. Initiative grant projects with the districts will wrap up in school year 2021-22 and the final impact report is planned for publication by December 2022.

Fund Contingency: The MHCRC annually budgets a contingency amount (about 10% of the total Fund Budget) to cover unanticipated community needs and opportunities.

**MHCRC FUND BUDGET  
FISCAL YEAR 2021-22**

	<b>2017-18 Actual</b>	<b>2018-19 Actual</b>	<b>2019-20 Actual</b>	<b>2020-21 Adopted</b>	<b>2021-22 Proposed</b>
<b>RESOURCES</b>					
E. County Franch. Fees, Comcast	1,390,189	1,336,912	1,299,069	1,266,277	1,381,503
E. County Franch. Fees Mult West, Comcast	109,078	106,701	104,901	99,275	100,650
E. County Franch. Fees, Ziplly Fiber	224,846	226,288	183,626	157,411	98,940
Operating Budget Appropriation-Portland	281,036	304,998	314,826	294,418	348,545
Interest Earned	184,274	291,297	265,053	97,875	97,914
PEG / I-Net Capital Fee	5,196,878	4,791,334	4,488,041	3,282,585	4,233,010
<b>Total Resources</b>	<b>7,386,301</b>	<b>7,057,530</b>	<b>6,655,517</b>	<b>5,197,841</b>	<b>6,260,562</b>
Beginning Fund Balance	6,663,998	7,266,195	2,461,722	3,129,131	2,212,420
Unspent Comm Technology Grants	0	0	0	297,488	166,926
Unspent TechSmart Initiative Grants	0	0	4,866,984	6,913,886	1,663,489
Unallocated balance	0	0	980,968	0	2,293,913
<b>Total</b>	<b>\$14,050,299</b>	<b>\$14,323,725</b>	<b>\$14,965,191</b>	<b>\$15,538,346</b>	<b>\$12,597,310</b>
<b>EXPENDITURES</b>					
MHCRC Operating Budget	857,792	656,303	934,596	1,254,868	1,249,431
Franchise Fee Balance to Jurisdictions	530,356	503,730	469,490	450,652	444,760
Community Media Pmt, E. County (MetroEast)	969,020	937,920	889,618	855,967	888,638
Community Media Pmt, Mult. West (Open Signal)	65,446	64,021	62,940	57,812	60,019
Community Media Capital (MetroEast/OS)	1,726,301	1,469,042	1,504,299	2,083,120	1,566,576
I-Net Grants	189,884	568,179	838,279	0	0
Community Technology Grants	110,459	0	869,194	1,197,488	1,066,926
TechSmart Initiative Grants	2,334,845	0	4,866,984	6,913,886	1,663,489
Contingency	0	0	0	800,000	800,000
<b>Total Expenditures</b>	<b>\$6,784,103</b>	<b>\$4,199,195</b>	<b>\$10,435,400</b>	<b>\$13,613,793</b>	<b>\$7,739,839</b>
Net Change in Fund Balance	7,266,195	10,124,530	4,529,791	1,924,553	4,857,471
<b>Total</b>	<b>\$14,050,299</b>	<b>\$14,323,725</b>	<b>\$14,965,191</b>	<b>\$15,538,346</b>	<b>\$12,597,310</b>

# **APPENDIX ONE**

**FRANCHISE FEE REVENUE AND DISBURSEMENT DETAIL**

**MHCRC OPERATING BUDGET-LINE ITEM DETAIL**

**JURISDICTIONAL APPROPRIATIONS BY JURISDICTION**

**FRANCHISE FEE REVENUES AND DISBURSEMENTS  
FY21-22 Estimate**

Jurisdictions	Franchise Fee Revenues	MetroEast Appropriation	Open Signal Appropriation	MHCRC Budget Appropriation	Payments to Jurisdictions
<b>Portland*</b>	<b>\$5,538,063</b>		<b>\$955,594</b>	<b>\$348,545</b>	
MULTNOMAH CO., EAST	72,589	43,553		16,703	12,333
MULTNOMAH CO., WEST	100,031	N/A	60,019	N/A	40,012
GRESHAM	1,095,591	657,355		134,377	303,859
TROUTDALE	178,609	107,165		20,832	50,612
FAIRVIEW	105,143	63,086		11,993	30,064
WOOD VILLAGE	29,131	17,479		3,772	7,880
<b>Total, East County</b>	<b>\$1,581,094</b>	<b>\$888,638</b>	<b>\$60,019</b>	<b>\$187,677</b>	<b>\$444,760</b>
<b>Grand Total</b>	<b>\$7,119,157</b>	<b>\$888,638</b>	<b>\$1,015,613</b>	<b>\$536,222</b>	<b>\$444,760</b>

\*Information purposes only: MHCRC does not collect franchise fee revenues for or disburse Open Signal operational funds from the City of Portland.

**FRANCHISE FEE DISBURSEMENTS to EAST COUNTY JURISDICTIONS - Prior Years:**

Jurisdictions	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Projection	FY 2021-22 Proposed
MULTNOMAH CO., EAST	17,900	16,382	15,866	14,520	12,333
MULTNOMAH CO., WEST	43,632	42,098	40,014	38,607	40,012
GRESHAM	363,362	337,012	314,158	291,376	303,859
TROUTDALE	60,401	55,899	52,546	48,629	50,612
FAIRVIEW	35,620	33,667	32,279	30,509	30,064
WOOD VILLAGE	9,441	8,502	8,110	7,303	7,880
<b>TOTAL</b>	<b>\$530,356</b>	<b>\$493,560</b>	<b>\$462,973</b>	<b>\$430,944</b>	<b>\$444,760</b>



**MHCRC FY21-22 OPERATING BUDGET - Line Item Detail**

Title	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Actual	FY20-21 Adopted	FY21-22 Proposed
<b>Expenditures</b>					
Personnel - MHCRC Admin	497,774	339,589	464,264	629,633	694,024
Indirect Personnel - Bureau Support	34,540	10,870	0	0	0
<b>Total Personnel Services</b>	<b>\$532,314</b>	<b>\$350,459</b>	<b>\$464,264</b>	<b>\$629,633</b>	<b>\$694,024</b>
External Fund Audit	13,150	10,060	12,432	15,000	15,000
Professional Services	140,728	177,044	262,887	362,000	216,810
Legal Services	N/A <sup>(1)</sup>	N/A <sup>(1)</sup>	N/A <sup>(1)</sup>	N/A <sup>(1)</sup>	76,000
Miscellaneous Services	4,755	2,563	5,540	9,000	9,050
Office/Operating Supplies	3,378	2,123	2,719	800	2,634
Education	11,462	8,394	9,884	14,775	15,625
Local Travel	555	0	0	600	500
Out-of-Town Travel	4,744	2,743	2,496	10,400	4,200
Rent Columbia Square	37,677	41,744	31,635	0	0
Miscellaneous	882	1,440	989	800	700
<b>Total External Materials &amp; Services</b>	<b>\$217,331</b>	<b>\$246,111</b>	<b>\$328,582</b>	<b>\$413,375</b>	<b>\$340,519</b>
Fleet Services	0	0	0	0	65
Print/Distribution	8,365	3,918	457	2,799	2,867
Facilities Services	287	310	313	45,359	47,172
EBS Services	13,223	8,548	0	0	0
Information Technology (IT)	22,685	21,022	17,642	15,614	11,514
Insurance/Workers Comp	7,406	6,876	6,276	5,673	5,685
Technical Accounting IA	6,350	5,575	9,000	9,000	9,000
Legal Services IA	17,372	N/A <sup>(2)</sup>	N/A <sup>(2)</sup>	N/A <sup>(2)</sup>	N/A
Mgmt Services (Bus Ops) IA	25,000	8,333	8,062	0	0
Other	878	(9,780)	0	0	0
<b>Total Internal Services</b>	<b>\$101,566</b>	<b>\$44,802</b>	<b>\$41,750</b>	<b>\$78,445</b>	<b>\$76,303</b>
GF Overhead	0	0	100,000	25,000	25,000
Contingency - General	0	0	0	108,415	113,585
Encumbrance Carryover	38,085	80,000	0	0	0
<b>Total Fund Level Expenditures</b>	<b>\$ 38,085</b>	<b>\$ 80,000</b>	<b>\$ 100,000</b>	<b>\$ 133,415</b>	<b>\$ 138,585</b>
<b>Total Expenditures</b>	<b>\$ 889,296</b>	<b>\$ 721,372</b>	<b>\$ 934,596</b>	<b>\$ 1,254,868</b>	<b>\$ 1,249,431</b>
Franchise Admin. Program Expenses	425,962	410,971	582,432	727,881	683,020
Capital Fund Compliance Expenses	431,830	325,332	352,164	526,988	566,411
<b>Resources</b>					
Appropriation from Jurisdictions	455,118	469,228	480,347	452,951	536,223
Year-end Balance - Carry over	2,500	12,409	80,000	127,322	0
Interest Revenue Allocation	\$ -	-	22,058	147,608	146,797
Appropriation from Fund Compliance	519,688	325,332	352,164	526,988	566,411
<b>Total Resources</b>	<b>\$ 977,306</b>	<b>\$ 806,969</b>	<b>\$ 934,569</b>	<b>\$ 1,107,261</b>	<b>\$ 1,249,431</b>
Year-End Operations Balance	\$ 31,656	\$ 70,666	\$ -	\$ -	\$ -

<sup>(1)</sup> Legal Services was included in the Professional Services line in FY20-21 Adopted Budget and prior

<sup>(2)</sup> In FY2017-18 and prior was classified as internal Legal Services from City Attorney; moved to external legal services as of FY2018-19

**JURISDICTIONAL APPROPRIATION - PERCENTAGE BY JURISDICTION  
MHCRC OPERATING BUDGET  
FY 2021-22**

City of Portland Appropriation	\$348,545	65.0%
East County Appropriations	\$187,678	35.0%
<b>Operating Budget Total:</b>	<b>\$536,223</b>	

JURISDICTION		FY 2021-22 Proposed	FY 2021-22 % Allocation
Portland		\$348,545	65.0%
	Subscriber Distribution		
<u>East County</u>	<u>No. Of Subs</u>	<u>Perc. Distr.</u>	
Gresham	19,422	71.69%	\$134,546 25.1%
Multnomah Co.	2,399	8.86%	\$16,628 3.1%
Troutdale	2,988	11.03%	\$20,701 3.9%
Fairview	1,737	6.41%	\$12,030 2.2%
Wood Village	546	2.02%	\$3,791 0.7%
East County Total	27,092	100.02%	\$187,696 35.0%
Total		\$536,241	100.0%

Budget Allocation Comparison

JURISDICTION	FY 2018-19 Actual	FY 2019-20 Proposed	FY 2021-22 Proposed
Portland	\$304,998	\$314,826	\$348,545
<u>East County</u>			
Gresham	\$119,444	\$124,107	\$134,546
Multnomah Co.	\$13,434	\$13,172	\$16,628
Troutdale	\$17,934	\$18,902	\$20,701
Fairview	\$9,936	\$9,781	\$12,030
Wood Village	\$3,482	\$3,543	\$3,791
East County Total	164,230	169,505	187,696
Total	469,228	484,331	536,241

## APPENDIX TWO

### COMMUNITY MEDIA DISBURSEMENT DETAIL (MetroEast and Open Signal)

The MHCRC administers two grant agreements 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 serves the City of Portland and the west Multnomah County areas.

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 (the amount is included below for informational purposes). 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 Multnomah County area. Open Signal also receives an amount in accordance with the IGA for the west Multnomah County area. Both organizations receive capital funds from the MHCRC Fund Budget, derived from PEG/I-Net Capital fee.

Both MetroEast and Open Signal are nonprofit organizations with governing Boards of Directors. These Boards annually develop and adopt budgets. FY2021-22 draft 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**

##### **MetroEast Community Media:**

Operations Funding: East County Franchise Fees	\$ 888,638
Capital Funding: MHCRC	<u>\$ 626,630</u>
Total	\$ 1,515,268

##### **Open Signal:**

Operations Funding: Portland General Fund	\$ 955,594
Operations Funding: West County Franchise Fees	\$ 60,019
Capital Funding: MHCRC	<u>\$ 939,946</u>
Total	\$ 1,955,559



# TAKE CONTROL OF THE MEDIA

## MetroEast Budget Summary

April 10, 2021

MetroEast Community Media receives funding through the Mt. Hood Regulatory Commission to serve East Multnomah County and the municipalities of Gresham, Fairview, Wood Village and Troutdale. MHCRC funding supports MetroEast as a community-centered media organization committed to diversity, equity and opportunity.

The MetroEast FY21-22 budget reflects the objectives and tactics identified during our 2020/2021 strategic planning process:

- \*We are committed to digital inclusion; we focus on ensuring that all have access to digital content, training, and tools.**
- \*We provide media education, delivering access to relevant technology and training that helps our community tell their stories.**
- \*We are a premier digital media production nonprofit known for our state-of-the-art technology, our award winning production team, and our welcoming facility.**
- \*We provide a welcoming space where our community can celebrate the media arts and the diverse stories of those we serve.**
- \*Local schools, nonprofits, and governments rely on us as an essential service provider and partner.**

## REVENUE

### Grants

Grant income is split between the operating and the capital budgets, depending on donor restrictions of the grant received.

MetroEast has had considerable success in grant writing in the last year. Our contract grant writer has helped acquire several grants, including from new funders such as the Oregon Cultural Trust.

MetroEast is in the 2<sup>nd</sup> year of a 2-year MHCRC Community Technology capital grant that will build out a new mobile education van that will allow us to take our digital and media training classes and experiences to communities throughout the area we serve.

### **Production Services**

MetroEast's video production department creates revenue by selling services primarily to nonprofits and governments. Though COVID shuttered many city meetings, our Production team was able to support local nonprofits in creating "online fundraisers" that helped our clients raise over \$300,000 this year, while supporting MetroEast's operations. Investing in additional marketing support and contractors in 2021 is anticipated to grow our client and revenue base further.

### **Membership and Fundraising**

We are currently revamping our membership program. One major deliverable is to have a membership that is in alignment with our friends at Open Signal, and that offers opportunities for folks to connect.

### **Other**

We were anticipating the sale of our radio translator, currently leased to XRAY, in 2020 but the recent leadership change at XRAY means that we may not see them purchasing the receiver until 2022 or later.

## **EXPENSE**

### **Payroll**

Payroll remains the largest portion of MetroEast's budget. Our people are our strength and our emphasis on individualized service and one-on-one education requires a certain level of staffing. During COVID, we lost 1.5 FTE in the Production department and switched to an on-call producer model, which we anticipate being the "new norm."

MetroEast capitalizes payroll expenses directly attributed to capital projects.

### **Other Operational Expenses**

The remainder of MetroEast's operational expenses this fiscal year are projected based on the lifting of COVID-19 restrictions and re-opening, in coordination with Governor Brown's directives, gradually and intentionally beginning this summer. We will continue to offer training and programming online as well. Operational expenses don't deviate significantly from prior to the pandemic.

### **Contractor and Installation Expenses**

MetroEast has multiple annual IT support contracts that make up the majority of this category. Our new CRM, Neon ONE is a large source of these contracts.

We will also have design and architecture consultants in the budget for the MetroFeast Kitchen project coming in 2022. Most construction and operations expenses will be in FY 22/23.

### **Equipment**

MetroEast has large technical equipment needs, with some equipment nearing end-of-life:

- Roof solar upgrades and related roof repairs (\$80K)
- Staff computer replacements/upgrade (\$20k)

- Ongoing gear for the Mobile Innovation Lab (\$10K)
- All three Studio A cameras are at the end of their useful life, and we need to start replacing them in this FY (\$100k)

### **Building Improvements**

MetroEast will upgrade the solar array and make repairs to some major leaks, caused by the original solar array install. Insurance adjusters are currently working with us to see what of these damages are covered.

### **Vehicles**

No new vehicles will be purchased this FY.

## **RESERVES**

MetroEast is prepared to draw from reserves to cover any budget shortfall. The investment fund stands at \$982k as of 4/2/21.

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MetroEast Community Media FY 21/22 Budget				
	18/19	19/20	20/21	21/22
	<i>Actual</i>	<i>Actual</i>	<i>Approved Budget</i>	<i>Proposed Budget</i>
<b>OPERATIONS BUDGET</b>				
<b>INCOME</b>				
Franchise Fees	924,626	891,683	840,000	850,177
Sponsorships	6,500	1,500	20,000	20,004
Operating Grants	58,500	15,000	95,924	95,500
Contributions	4,447	6,975	27,500	27,500
Education Services				\$15,000
Production	122,797	62,589	200,000	150,000
Memberships	7,901	6,913	16,000	7,200
Other	61,830	26,190	82,200	67,200
Interest	1,222	1,445	560	\$560
<b>Total Operating Income</b>	<b>1,187,823</b>	<b>1,012,295</b>	<b>1,282,184</b>	<b>1,233,141</b>
<b>EXPENSE</b>				
Payroll & Benefits	1,342,485	1,184,665	1,179,204	1,221,637
Less: Capitalized Wages	<i>-150,882</i>	<i>-69,783</i>	<i>-175,000</i>	<i>-102,000</i>
Adjusted Total Personnel	1,191,603	1,114,882	1,004,204	1,119,637
Communications, Utilities Maint & Misc	70,428	59,040	60,948	73,928
Dues & Subscriptions	18,671	10,577	14,695	12,000
Education & Training	4,962	7,499	7,500	8,500
Food, Production & Business Expenses	44,915	68,128	46,610	40,050
Insurance	39,757	77,853	64,500	67,900
Marketing, Media, Printing & Shipping	30,527	6,073	26,190	23,690
Office & Operating Supplies	40,712	14,697	26,900	26,900
Professional Services	208,671	83,495	105,560	100,560
Software		11,349	15,618	7,650
Travel & Transportation	37,303	4,765	17,350	6,010
Other Expenses	32,613	1,367	9,540	1,200
Total Operating Expenses	1,720,162	1,459,724	1,399,615	1,488,025
Operating Loss (Covered by Reserves)	<i>-532,339</i>	<i>-447,429</i>	<i>-117,431</i>	<i>-254,884</i>
<b>CAPITAL BUDGET</b>				
<b>INCOME</b>				
MHCRC Capital Funding	858,734	507,603	816,000	626,630
Grants (Capital)		64,987	174,376	167,000
Total Capital Income	858,734	572,590	990,376	793,630
<b>EXPENSE</b>				
Capitalized Wages & Benefits	131,975	69,783	175,000	102,000
Contractor & Installation	35,053	41,982	54,000	49,000
Equipment	267,117	105,132	448,800	313,000
Furniture	42,366	7,094	2,000	5,040
Building Improvements	184,899	13,850	45,000	110,000
Mortgage and Capital Leases	85,411	101,914	102,000	97,297
Other Expenses	34,962			
Peripherals, Supples				
Vehicles		31,897	85,000	0
Software Development & Licensing	76,951	91,691	45,850	100,000
Total Capital Expenses	858,734	463,342	957,650	776,337
Capital and Grant Gain (increase in grant liability account)	0	109,248	32,726	17,293
<b>TOTAL INCOME</b>	<b>2,046,557</b>	<b>1,584,885</b>	<b>2,272,560</b>	<b>2,026,771</b>
<b>TOTAL EXPENSES</b>	<b>2,578,896</b>	<b>1,923,066</b>	<b>2,357,265</b>	<b>2,264,362</b>
<b>TOTAL GAIN/LOSS</b>	<b><i>-532,339</i></b>	<b><i>-338,181</i></b>	<b><i>-84,705</i></b>	<b><i>-237,591</i></b>



## FY 2021-2022 Operating Budget Narrative

### Summary

The budget is prepared with the anticipation that Open Signal will operate to provide services to the community with the equity focus while in compliance with the grant agreement with the City of Portland and Foundation Funders due to the unknown future from the Pandemic.

### Revenue

The total anticipated revenue for FY 21-22 is lower than FY 20-21 by approximately \$557K, this is because in fiscal year 2020-2021, Open Signal received supplemental capital funding approximately \$325K for the online distribution project. The anticipated revenue for Production Services revenue is lower than fiscal year 20-21 by approximately \$198K is because the leadership decided not to expand the Production Services department by maintaining the current contracts and only accepting new contracts that are mission aligned with Open Signal. The Capital Overhead is approximately \$46K lower than FY20-21 is because the Capital funding is lower than FY20-21.

Approximately 2% of the anticipated operating revenue is allocated to the reserved account, the estimated amount is \$31K.

### Personnel Expenses

The anticipated total personnel for FY 2021-2022 is approximately \$1.4 millions which is approximately \$204K lower than fiscal year 2020-2021. The \$1.4 millions is including the estimated \$96K salary increase for current staff, a \$128K for any new hires if needed for FY 2021-2022 and \$50K built in for contingency.

### Operating Expenses

The anticipating total operating expenses is approximately \$579K which is about \$30K less than FY 2020-2021. There are several big anticipated expenses for FY 21-22, Access need for disability accommodation of \$10K, Professional Services (Planning, etc) of \$65K and Training of \$24K; Equity training and professional development for staff.



# Open Signal

Fiscal Year 21-22  
Capital and Operating Budget - Preliminary

	Actual FY19-20	Adopted Total Budget FY20-21	Preliminary Total Budget FY21-22
<b>INCOME</b>			
Grants - Government	\$ 1,751,033	\$ 2,239,328	\$ 1,950,894
Grants - Foundation With Donor's Restrictions	\$ 344,920	\$ 280,000	\$ 200,000
Grants - Foundation Without Donor's Restrictions	\$ 26,175	\$ -	\$ 80,000
Contributions-Corporation	\$ 1,017	\$ 10,000	\$ 10,000
Contributions-Board	\$ 2,753	\$ 3,000	\$ 3,500
Contributions-Member	\$ 19,416	\$ 30,000	\$ 20,000
Earned Income - Production Services	\$ 305,751	\$ 270,720	\$ 72,000
Earned Income - All	\$ 54,448	\$ 29,360	\$ 15,000
Capital Overhead (Capital Management Fee)	\$ 135,387	\$ 187,631	\$ 140,991
Miscellaneous Income	\$ 12,255	\$ 5,020	\$ 5,000
<b>Total Revenue</b>	<b>\$ 2,653,155</b>	<b>\$ 3,055,059</b>	<b>\$ 2,497,385</b>
Estimated Operating Cash Balance Carry Forward from FY 20-21	\$ 246,731	\$ 162,377	\$ 336,526
2% of Anticipating Operating Revenue allocating to Reserve			\$ (31,149)
<b>Total Resources Available</b>	<b>\$ 2,899,886</b>	<b>\$ 3,217,436</b>	<b>\$ 2,802,762</b>
<b>EXPENSES</b>			
Total Payroll, Tax & Fringes	\$ 1,586,222	\$ 1,563,999	\$ 1,359,421
Total Operating Expense	\$ 583,606	\$ 610,351	\$ 579,718
Net Ordinary Operating & Capital Surplus(Deficit)	\$ 730,058	\$ 1,043,086	\$ 863,623
Total Other Income (Expense)	\$ (713,829)	\$ (555,585)	\$ (758,668)
<b>Total Operating &amp; Capital Surplus (Deficit)</b>	<b>\$ 16,229</b>	<b>\$ 487,501</b>	<b>\$ 104,955</b>



## FY 2021-22 Capital Plan Narrative

### Overview

Due to the combination of loosening of COVID-19 restrictions and the continued goal to maintain public safety, Open Signal has identified the need to adjust for a hybrid approach of online and in-person services. The capital budget for FY 2021-22 will be primarily centered around increasing in-person services and streamlining our equipment to lessen the safety risk of prolonged interactions with the public.

### Land and Land Improvements

**Budget: \$2,000.00**

There are no expected land improvements in this fiscal year. A small budget was set aside for any unexpected expenses.

### Building and Building Improvements

**Budget: \$22,000.00**

In FY19-20 an accessibility assessment of the building was conducted. Due to our capacity and the county's strict COVID restrictions we were unable to make the necessary improvements last fiscal year. We have carried forward our accessibility project into this fiscal year. Areas of focus will be the parking lot, handicap loading area and restrooms. We will also be installing a key fob system to our building for increased security and management. A budget was set aside to conduct a building feasibility study for future expansion of the building. A small budget was set aside to repaint the studios.

### Production Equipment

**Budget: \$341,000.00**

We are streamlining our public checkouts by building new base-level kits and multi-camera kits for public use. We will also be building additional kits for our project-based cohort. Purchases of custom protective cases for storage and transport will be made for Labs cameras and other production equipment, such as monitors and focus control. We will purchase additional tripod systems to support heavier and more complex camera systems, in addition to other camera stabilization. We will replace the current, outdated main edit and post production workstation computer. Purchases will also be made of larger scale cinema lighting systems and accessories as well as specialty lenses and optics. We will be purchasing replacement computers for handling live video graphics, as well as dedicated computers for handling remote meeting



coverage. We will be enhancing our ability to support multiple simultaneous meetings as well as rebuilding our field equipment for going to remote locations. We will also be participating in the upgrade process for City Hall when that project starts up again. We will be allocating funds to upgrade the City Hall Control Room. A small budget was set aside for any unexpected expenses.

## Computers

**Budget: \$155,000.00**

We will be replacing our current stock of public computers, to better serve the community members with producing their content, as well as better options for submitting content. A small budget was set aside for any unexpected expenses.

## Vehicles

**Budget: \$0.00**

There are no planned vehicle purchases in this fiscal year.

## Office Equipment and Furniture

**Budget: \$1,000.00**

There are no expected office equipment and furniture needs in this fiscal year. A small budget has been set aside for unexpected office equipment & furniture costs.

## Software and Other Intangibles

**Budget: \$193,500.00**

There are no plans to add additional software in this fiscal year. The budget has been set to maintain the current software. A small budget was set aside for software needs as they arise. We will continue developing our website and CRM system to meet the needs of the organization. Features we are working on including customization of our CRM software, to better track our programs, grants, and Production Services clients:

- Adding features to allow our system to integrate with our new online presence
- Refactoring our Reservations system to be more efficient. Refactoring our Playback Programming system to take advantage of advances in the newer version of our Traffic Control System (Tightrope/Cablecast)
- Additional work will be creating tools for staff to have better insight into the data stored in our central database and be able to correct data entry errors, as well as improvements to the user experience in generating reports based on the data we collect and report to our stakeholders

# open signal

- Adding additional features to gather SCTE ISBE Standard metadata for video content, preparing for new features to allow producers to submit content to other Content Networks
- Replacing our content upload feature using new standard web technologies (S3) to replace our prior internal only submissions system. Initial phase of our automated backup of video content to Archive.org. Containerization of our current web platform.

**Preliminary Capital Budget FY 21-22**

	<b>Actual Capital Expense FY19-20</b>	<b>Adopted Total Budget FY20-21</b>	<b>Approved Total Budget FY21-22</b>
Capital Revenue	\$ 902,580	\$ 925,144	\$ 925,144
Carry Forward Amount	\$ 67,406	\$ 242,274	\$ 317,976
FY17-18 Audit Difference Adjustment	\$ 1,480		
Balance OF Capital Fund Carryover	\$ 971,466	\$ 1,167,418	\$ 1,243,120
<b>Total Capital Resources Available</b>			
<b>Capital Expenses</b>			
Land & Land Improvement	\$ -	\$ 2,000	\$ 2,000
Building & Building Improvement	\$ 91,390	\$ 11,500	\$ 22,000
Production Equipment	\$ 172,157	\$ 220,000	\$ 341,000
Computer	\$ 13,346	\$ 110,000	\$ 155,000
Vehicles		\$ -	\$ -
Office Equipment & Furniture	\$ 46,134	\$ 14,000	\$ 1,000
Software & Other Intangibles	\$ 155,813	\$ 161,500	\$ 193,500
Capitalized Wages	\$ 114,965	\$ 191,670	\$ 120,000
Construction in Progress - CIP	\$ -		
Capital Overhead	\$ 135,387	\$ 138,772	\$ 140,992
<b>Total Capital Expense</b>	<b>\$ 729,192</b>	<b>\$ 849,442</b>	<b>\$ 975,492</b>
<b>Net Capital Surplus</b>	<b>\$ 242,274</b>	<b>\$ 317,976</b>	<b>\$ 267,628</b>