



MHCRC

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

MHCRC FUND BUDGET FISCAL YEAR 2024-25 ADOPTED

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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 two companies, serving the following areas:

Comcast: Portland, Gresham, Troutdale, Fairview, Wood Village, and Multnomah County
Ziplay Fiber: Gresham, Troutdale, Fairview, and Wood Village

The MHCRC contracts for staff and other support services through a services agreement with the City of Portland. The MHCRC funds an equivalent of 4.0 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 2022-23 Annual Report and website (www.mhcr.org) for more detail about MHCRC activities and accomplishments.



MHCRC FY 2024-25 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.

BUDGET OVERVIEW

The MHCRC FY 2024-25 Fund Budget is presented on page 6.

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 2024-25 Fund resources are projected based on cable company actual payments through 2nd Quarter FY 2023-24. FY2024-25 Fund resources are projected to be \$451,439 less than FY2023-24 (calculated with the combined total of franchise and PEG fees). This budget includes a beginning fund balance of \$1,808,897.

Detail on each Fund resource follows:

Franchise Fees: The MHCRC collects cable services franchise fees, based on 5% of the companies' gross revenues for cable TV service, for Gresham, Troutdale, Fairview, Wood Village, and Multnomah County from Comcast and Ziplly Fiber cable franchises. The MHCRC uses historical trend data and actual payments through 2nd Quarter FY23-24 to project anticipated FY24-25 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 8).

Interest Earned: The MHCRC collects interest on its Fund. Interest revenue is projected to have an increase when compared to the returns of the last 2 years.

PEG/I-Net Capital Fee: All franchised cable companies pay 3% of their gross revenues related to TV 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 Balance: The FY24-25 beginning balance projection is attributable to the following:

- Interest cumulative balance: \$1,202,593
- Compliance Program carryover: \$606,304
- Community Grants carryover/encumbrances: \$52,340
- Community Grants/community media capital contingency: \$800,000

Fund Expenditures

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

Franchise Fee Balance to the Jurisdictions: This line-item expenditure is calculated based on the total amount of franchise fees the MHCRC collects and subtracting the amount each Jurisdiction appropriates to the 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 8).

MHCRC Operating Budget: This expenditure represents the total MHCRC Operating Budget (resources and line-item detail contained in Appendix 1, page 9).

The MHCRC has opted to carry-over unused budget funding from FY23-24 to facilitate one-time costs, including personnel costs, Comcast franchise renewal negotiations, and a strategic planning process with the Jurisdictions to guide possible changes to the IGA and the MHCRC after FY24-25.

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 11).

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 and Open Signal. These payments are made in accordance with the IGA and the cable services franchise agreements (detail contained in Appendix 2, page 11).

Community Grants: The MHCRC is the grant-making body for the Community Grants program on behalf of member jurisdictions. The Community Grants program supports an annual competitive grant process called the Community Technology Grants and special funding initiatives. 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 Grants program provides funds for technology projects to nonprofit organizations, libraries, educational institutions, and local government agencies throughout Multnomah County to produce video content to be shared on the community media center channels to support project-related goals and objectives. Over 74% of grants made in the last five years (2018-2023) have focused on supporting grantees which are led by, informed by, and/or directly benefitting BIPOC communities facing current and historical policies and practices that have resulted in disparities. The grant-funded projects addressed barriers that limit or prevent individuals and communities from accessing services, information, communication tools and/or training.

Contingency: Separate from the Community Grants/community media capital contingency, the MHCRC annually budgets a fund contingency amount (about 10% of the total Operations Budget) to cover unanticipated community needs and opportunities. For FY24-25, the MHCRC has decided to not budget for this line item. The budget currently includes enough resources in encumbrance carryover.



**MHCRC FUND BUDGET
FISCAL YEAR 2024-25**

| | 2020-21 Actual | 2021-22 Actual | 2022-23 Actual | 2023-24 Adopted | 2024-25 Proposed |
|-----------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| RESOURCES | | | | | |
| E. County Franch. Fees, Comcast | \$1,337,257 | \$1,337,459 | \$1,296,372 | \$1,328,435 | \$1,167,819 |
| E. County Franch. Fees Mult West, Comcast | \$104,185 | \$103,957 | \$100,975 | \$93,059 | \$96,257 |
| E. County Franch. Fees, Ziply Fiber | \$136,396 | \$102,531 | \$69,952 | \$48,766 | \$45,133 |
| Operating Budget Appropriation-Portland | \$294,418 | \$348,545 | \$344,396 | \$354,728 | \$345,600 |
| Interest Earned* | \$95,194 | \$58,380 | \$140,502 | \$146,122 | \$275,586 |
| PEG / I-Net Capital Fee | \$4,338,687 | \$4,246,471 | \$4,071,934 | \$4,020,151 | \$3,609,427 |
| Total Resources | \$6,306,138 | \$6,197,343 | \$6,024,131 | \$5,991,261 | \$5,539,822 |
| Beginning Fund Balance | \$3,129,131 | \$2,212,420 | \$2,037,853 | \$1,947,977 | \$1,808,897 |
| Unspent Comm Technology Grants | \$297,488 | \$166,926 | \$102,555 | \$171,594 | \$52,340 |
| Unspent TechSmart Initiative Grants | \$6,913,886 | \$1,663,489 | \$542,812 | | |
| Unallocated balance | | \$2,293,913 | \$5,280,618 | \$4,865,417 | \$5,519,423 |
| Total | \$16,646,643 | \$12,534,091 | \$13,987,968 | \$12,976,249 | \$12,920,482 |
| EXPENDITURES | | | | | |
| MHCRC Operating Budget | \$1,254,868 | \$1,249,431 | \$704,421 | \$1,520,797 | \$1,494,461 |
| Franchise Fee Balance to Jurisdictions | \$472,590 | \$429,899 | \$401,477 | \$363,987 | \$290,610 |
| Community Media Pmt, E. County (MetroEast) | \$884,189 | \$863,994 | \$819,790 | \$773,346 | \$663,547 |
| Community Media Pmt, Mult. West (MetroEast)* | | | | | \$51,509 |
| Community Media Pmt, Mult. West (Open Signal) | \$62,511 | \$62,375 | \$60,585 | \$56,759 | |
| Community Media Capital (MetroEast/OS)* | \$2,083,120 | \$1,566,576 | \$2,610,600 | \$2,290,365 | \$2,292,723 |
| I-Net Grants | | | | | |
| Community Technology Grants | \$869,211 | \$925,409 | \$1,292,621 | \$2,000,000 | \$1,000,000 |
| TechSmart Initiative Grants | | | | | |
| Community Grants Contingency | | | | \$800,000 | \$800,000 |
| Total Expenditures | \$5,626,489 | \$5,097,683 | \$5,889,494 | \$7,805,254 | \$6,592,850 |
| Net Change in Fund Balance | \$11,020,153 | \$7,436,408 | \$8,098,474 | \$5,170,995 | \$6,327,632 |
| Total | \$16,646,643 | \$12,534,091 | \$13,987,968 | \$12,976,249 | \$12,920,482 |



APPENDIX ONE

FRANCHISE FEE REVENUE AND DISBURSEMENT DETAIL

MHCRC OPERATING BUDGET-LINE-ITEM DETAIL

JURISDICTIONAL APPROPRIATIONS BY JURISDICTION



FRANCHISE FEE REVENUES AND DISBURSEMENTS
FY24-25 Estimate

| Jurisdictions | Franchise Fee Revenues | MetroEast Appropriation | Open Signal Appropriation | MHCRC Budget Appropriation | Payments to Jurisdictions |
|---------------------------|------------------------|-------------------------|---------------------------|----------------------------|---------------------------|
| Portland* | \$4,325,538 | | \$1,053,543 | \$345,600 | |
| MULTNOMAH CO., EAST | 59,971 | 35,983 | | 17,662 | 6,327 |
| MULTNOMAH CO., WEST | 85,848 | 51,509 | | N/A | 34,340 |
| GRESHAM | 811,480 | 486,888 | | 131,822 | 192,783 |
| TROUTDALE | 134,455 | 80,673 | | 21,310 | 32,474 |
| FAIRVIEW | 77,471 | 46,483 | | 11,204 | 19,785 |
| WOOD VILLAGE | 22,534 | 13,520 | | 4,113 | 4,901 |
| Total, East County | \$1,191,759 | \$715,056 | \$0 | \$186,111 | \$290,610 |
| Grand Total | \$5,517,297 | \$715,056 | \$1,053,543 | \$531,711 | \$290,610 |

*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 2019-20 Actual | FY 2020-21 Actual | FY 2021-22 Actual | FY 2022-23 Actual | FY 2023-24 Proposed | FY 2024-25 Proposed |
|---------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|
| MULTNOMAH CO., EAST | 15,799 | 16,188 | 12,463 | 11,203 | 10,165 | 6,327 |
| MULTNOMAH CO., WEST | 41,961 | 41,674 | 41,582 | 41,075 | 39,578 | 34,340 |
| GRESHAM | 318,208 | 321,130 | 289,966 | 272,883 | 251,547 | 192,783 |
| TROUTDALE | 52,566 | 52,735 | 48,570 | 45,820 | 42,130 | 32,474 |
| FAIRVIEW | 32,833 | 32,570 | 29,523 | 28,086 | 26,457 | 19,785 |
| WOOD VILLAGE | 8,123 | 8,293 | 7,795 | 7,404 | 6,587 | 4,901 |
| TOTAL | \$469,490 | \$472,590 | \$429,899 | \$406,471 | \$376,463 | \$290,610 |



MHCRC FY24-25 OPERATING BUDGET- Line-Item Detail

| Detail | FY20-21 | FY21-22 | FY22-23 | FY23-24 | FY24-25 |
|------------------------------------------------|---------------------|--------------------|--------------------|---------------------|---------------------|
| | Actual | Actual | Actual | Adopted | Proposed |
| Expenditures | | | | | |
| Personnel - MHCRC Admin | 410,853 | 591,481 | 482,333 | 786,554 | 618,140 |
| Indirect Personnel - Bureau Support | 0 | 0 | 0 | 0 | 160,474 |
| Total Personnel Services | \$410,853 | \$591,481 | \$482,333 | \$786,554 | \$778,614 |
| External Fund Audit | 12,024 | 15,000 | 14,490 | 15,600 | 15,900 |
| Professional Services | 372,923 | 99,657 | 150,875 | 146,300 | 83,712 |
| Legal Services | N/A ⁽¹⁾ | | | 53,000 | 57,000 |
| Miscellaneous Services | 5,161 | 8,413 | 837 | 6,750 | 19,500 |
| Office/Operating Supplies | 2,894 | 4,611 | 3,173 | 5,905 | 3,418 |
| Education | 6,280 | 130 | 7,565 | 14,975 | 4,149 |
| Local Travel | 0 | | 28 | 500 | 500 |
| Out-of-Town Travel | 0 | | 3,533 | 2,700 | 3,934 |
| Miscellaneous | 2,980 | 902 | 3,269 | | 6,150 |
| Total External Materials & Services | \$402,263 | \$128,713 | \$183,769 | \$266,430 | \$194,263 |
| Fleet Services | 0 | | | 0 | |
| Print/Distribution | 582 | 224 | | 0 | |
| Facilities Services | 37,439 | 68,889 | 28,134 | 64,187 | |
| EBS Services | 0 | 0 | | 0 | |
| Information Technology (IT) | 17,113 | 1,637 | 778 | 34,845 | |
| Insurance/Workers Comp | 4,296 | | | 11,248 | |
| Technical Accounting IA | 9,000 | | 8,179 | 15,000 | |
| Mgmt Services (Bus Ops) IA | 0 | 4,980 | | 0 | |
| Other | 0 | 0 | 1,228 | 0 | 100,850 |
| Total Internal Services* | \$68,429 | \$75,730 | \$38,319 | \$125,280 | \$100,850 |
| GF Overhead | 9,609 | 25,000 | | 25,000 | |
| Contingency - General | 53,285 | 0 | 0 | 147,533 | |
| Encumbrance Carryover | 21,041 | 0 | 161,000 | 170,000 | 420,734 |
| Total Fund Level Expenditures | \$ 83,935 | \$ 25,000 | \$ 161,000 | \$ 342,533 | \$ 420,734 |
| Total Expenditures | \$ 965,480 | \$ 820,923 | \$ 865,421 | \$ 1,520,797 | \$ 1,494,461 |
| Franchise Admin. Program Expenses | 614,299 | 485,091 | 300,730 | 958,376 | 667,628 |
| Capital Fund Compliance Expenses | 351,181 | 335,832 | 403,691 | 392,421 | 406,102 |
| Encumbrance Carryover | 0 | 0 | 161,000 | 170,000 | 420,734 |
| Resources | | | | | |
| Appropriation from Jurisdictions | 472,590 | 536,223 | 529,840 | 545,734 | 531,711 |
| Year-end Balance - Carry over | 0 | 0 | 161,000 | 170,000 | 420,734 |
| Year-end Vacancy - Savings | 0 | 0 | 0 | 114,598 | |
| Interest Revenue Allocation | 147,608 | 58,380 | 92,586 | 298,044 | 135,914 |
| Appropriation from Fund Compliance | 433,868 | 433,868 | 407,194 | 392,421 | 406,102 |
| Total Resources | \$ 1,054,066 | \$1,028,471 | \$1,190,620 | \$ 1,520,797 | \$ 1,494,461 |
| Year-End Operations Balance | \$ 88,586 | \$ 207,548 | \$ 325,199 | \$ - | |

*Total IMS includes Indirect Personnel (\$160,474) and Bureau of Planning and Sustainability (BPS) internal services share of rent, facilities, IT, fleet services, etc. (\$100,850). Grand total \$261,324



**PERSONNEL ALLOCATIONS
MHCRC OPERATING BUDGET
FY 2024-25**

| Position | FY 2023-24 Adopted | FY 2024-25 Proposed |
|--------------------------------------------|-----------------------|------------------------|
| Strategic Initiatives Mgr | 0.3 | 0.3 |
| Administrative Spec | 1.0 | 1.0 |
| Community Grants Mgr | 1.0 | 1.0 |
| Community Engagement & Policy Spec | 0.1 | 0.2 |
| Finance Mgr* | 0.8 | 0.0 |
| Policy Coordinator II | 0.8 | 0.4 |
| Program Coordinator - Compliance | 0.3 | 0.5 |
| Cable Utility Franchise Mgr - Compliance | 0.3 | 0.4 |
| Community Tech Chief (fka Deputy Director) | 0.2 | 0.3 |
| Director* | 0.1 | 0.0 |
| FTE Total | 4.9 | 4.0 |

*Finance Mgr and Director positions included in IMS service fees



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. FY2024-25 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/West County Franchise Fees | \$ 715,056 |
| Capital Funding: MHCRC | \$ 946,379 |
| <u>Capital Funding: MHCRC special project</u> | <u>\$ 218,000</u> |
| Total | \$ 1,879,435 |

Open Signal:

| | |
|-------------------------------------------|---------------------|
| Operations Funding: Portland General Fund | \$ 1,053,543 |
| Capital Funding: MHCRC | <u>\$ 1,128,344</u> |
| Total | \$ 2,181,887 |





TAKE CONTROL OF THE MEDIA

MetroEast FY24-25 Proposed Budget

May 14, 2024

Fiscal Year 2023-2024 Highlights

We are grateful for the support provided by the Mt. Hood Cable Regulatory Commission.

We continued to provide coverage for our jurisdictions Gresham, Fairview, Troutdale, Wood Village City Councils, and Multnomah County Commissioners. We have also continued to produce and cablecast meetings for the Reynolds and Gresham Barlow School Districts.

The last fiscal year was very successful for MetroEast media education and digital inclusion programming. Our new Media Cohort model allowed us to focus on historically underserved groups. As a byproduct of our new focus, we secured more grants (from both the Marie Lamfrom and Collins Foundation), and additional earned revenue. Our Mobile Media Lab continues to be a mainstay of our efforts to, literally, meet participants where they are at. It features an inclusive design representing the diverse East County community we serve. The van serves as a billboard for MetroEast at the media popup and tabling events we attend. We received a Grant from the Miller Foundation, focused on youth media education, which will help us continue this work. Regarding Digital Inclusion, we continue to work with the Rosewood Initiative to provide digital inclusion workshops on internet and device basics to immigrant and refugee communities.

MetroEast received a Community Technology grant to develop a scheduling software tool we can deploy to replace a system built on Microsoft programs that are no longer supported. We hope to create a next-generation tool that will expand our abilities to modernize this prolonged and time-consuming process. This project is slated for completion in Fall 2024.

The Production team is underway on two initiatives. As part of our Diversity, Equity, and Inclusion work, we have facilitated captioning for all our projects. Captioning, for municipal meetings, is also being facilitated by our IT Department. We have just started our second round of BIPOC contractors. This program aims to provide BIPOC contractors with more industry and production experience. We have currently seen two of our previous program participants gain work in the industry. The team just received three Hometown Media Awards from the Alliance for Community Media. Winning entries include Follow the Water, East Metro Steam Partnership Inaugural E-sports Championship, and in the category of Instructional/Training the Community Technology Grant, a short piece we made in conjunction with the MHCRC to explain the initial steps of applying for the grant. We continue to partner with the League of Women Voters who share our commitment to civic engagement. We have also embarked on a project with Juntos NW and FreshOut to record the stories of black and brown communities whose experiences have been shaped by the many changes to N and NE Portland.

Thank you.



FY24-25 Budget Overview

OPERATIONS BUDGET

INCOME: The draft budget reflects the declining operations revenue from East County franchise fees. Starting in FY 24-25, MetroEast will receive the West Multnomah County franchise fees (new line item) previously paid to Open Signal as MetroEast incurs the hard costs to produce the regular County Commission meetings, budget meetings, other County-related programs, and election coverage. In addition, the Board and staff are slowly growing our capacity to diversify revenue in other areas, such as earned revenue, grants, and fundraising. The FY24-25 projections in these areas are conservative estimates based mostly on known commitments or ongoing revenue sources.

EXPENSES: Our people are our strength and payroll and benefits are the largest portion of MetroEast's operations budget. Our emphasis on technology and media services and culturally-responsive education requires retaining and hiring staff with unique expertise and experience. The budget maintains the current number of FTE (11.5 FTE), includes a cost-of-living increase, retains status-quo benefits, and provides professional development resources. Other expenses mostly support either operational needs (ie. financial services, utilities, legal expertise, financial audit, etc.) or our cohort-model education services (food, translation services, childcare, gas, etc.).

CAPITAL BUDGET

INCOME

Capital income is the baseline amount provided for in the MetroEast/MHCRC grant agreement and additional one-time capital funds (\$218,000) to address a critical need to replace the building's roof.

EXPENSES

One of the most significant expenses (\$100,000 of the Equipment line item) will be completing the upgrade of operating systems at the four city halls and the County Commission chambers. Other capital projects include: Reroofing the building, remodeling bathrooms to offer gender-neutral bathrooms, main studio control room core upgrades to support 4k production, and increasing our iPad library resources and fleet. Capital expenses will also cover general building upkeep, annual IT support and internal software contract, and equipment replacements and upgrades.

The FY24-25 budget anticipates spending \$73,725 of our reserves to cover all the necessary capital expenses to provide services and maintain our building and assets.



DRAFT MetroEast Community Media FY 24/25 Budget

| | 22/23 | 23/24 | 24/25 |
|---------------------------------------------------------------------|------------------|------------------|------------------|
| | <i>Actual</i> | <i>Budget</i> | <i>Budget</i> |
| OPERATIONS BUDGET | | | |
| INCOME | | | |
| Franchise Fees, East Multnomah County | 832,424 | 773,346 | 663,547 |
| Franchise Fees, West Multnomah County | — | — | 51,509 |
| Sponsorships | 0 | 10,020 | 5,000 |
| Operating Grants | 81,443 | 99,600 | 120,000 |
| Contributions | 4,104 | 4,000 | 4,000 |
| In-Kind | 18,000 | 18,000 | 18,000 |
| Education Services | 15,542 | 12,000 | 12,000 |
| Production Services | 77,446 | 96,000 | 102,701 |
| Memberships | 3,211 | 3,000 | 3,000 |
| Other | 20,879 | 19,306 | 65,000 |
| Interest | 111 | 130 | 130 |
| Total Operating Income | 1,053,159 | 1,035,402 | 1,044,887 |
| EXPENSES | | | |
| Payroll & Benefits | 947,457 | 957,326 | 994,500 |
| <i>Less: Capitalized Wages</i> | <i>(171,979)</i> | <i>(199,508)</i> | <i>(259,477)</i> |
| Adjusted Total Personnel | 775,478 | 757,818 | 735,023 |
| Franchise Fees, West Multnomah County to Open Signal | — | — | 5,000 |
| Communications, Utilities & Maintenance | 80,604 | 80,861 | 81,362 |
| Dues & Subscriptions | 4,734 | 4,939 | 4,939 |
| Professional Development | 666 | 6,600 | 6,600 |
| Business Expenses, Bank Charges and Fees | 1,423 | 1,138 | 4,988 |
| Insurance | 59,143 | 77,661 | 64,010 |
| Marketing and Events | 2,620 | 7,950 | 4,950 |
| Supplies, Printing, Shipping and Postage, Production Expenses, Misc | 8,530 | 14,000 | 12,125 |
| Contractors and Professional Services | 106,278 | 149,700 | 198,222 |
| SaaS (Software as a Service) | 10,163 | 9,250 | 10,000 |
| Travel & Transportation | 2,192 | 9,020 | 9,320 |
| Meals and Entertainment | 4,614 | 8,250 | 11,550 |
| <i>Less: Capitalized Overhead</i> | <i>(104,424)</i> | <i>(91,614)</i> | <i>(174,657)</i> |
| Total Operating Expenses | 952,021 | 1,035,572 | 973,432 |
| Operating Income (Loss)/covered by reserves | 101,138 | (170) | 71,455 |
| CAPITAL BUDGET | | | |
| INCOME | | | |

DRAFT MetroEast Community Media FY 24/25 Budget

| | 22/23 | 23/24 | 24/25 |
|------------------------------------------------------------------|------------------|------------------|------------------|
| | <i>Actual</i> | <i>Budget</i> | <i>Budget</i> |
| MHCRC Capital Funding | 1,262,717 | 916,146 | 946,379 |
| Other Capital Grants | 0 | 0 | 218,000 |
| Total Capital Funds Received | 1,262,717 | 916,146 | 1,164,379 |
| EXPENSES | | | |
| Capitalized Wages & Benefits | 171,979 | 199,508 | 259,477 |
| Contractor & Installation | 16,904 | 21,195 | 10,500 |
| Equipment | 142,743 | 405,738 | 340,900 |
| Furniture | 0 | 0 | 2,500 |
| Building Improvements | 19,106 | 35,000 | 315,071 |
| Mortgage and Capital Leases | 713,141 | — | — |
| Micro Mobile Production Unit | — | 60,000 | — |
| Vehicles | 1,842 | 0 | 0 |
| Software Development & Licensing | 91,877 | 103,091 | 135,000 |
| Overhead | 104,424 | 91,614 | 174,657 |
| Total Capital Expenditures | 1,262,016 | 916,146 | 1,238,104 |
| MHCRC Capital Increase (Decrease) in grant liability acct | 701 | 0 | (73,725) |
| | | | |
| TOTAL INCOME | 2,315,876 | 1,951,548 | 2,209,266 |
| TOTAL EXPENSES/EXPENDITURES | 2,214,037 | 1,951,718 | 2,211,536 |
| TOTAL GAIN (LOSS) | 101,840 | (170) | (2,270) |

Operating Budget Narrative

FY2024 - 2025

Overview

The budget is prepared with the anticipation that Open Signal will retain high capacity staff at a living wage and continue to expand in-person services post-pandemic. In alignment with our grant agreements with the City of Portland, MHCRC, grant making foundations, and in service of our community and mission organizational activities will continue to focus on equity and those typically marginalized and underserved in the community.

Revenue

Gross operating revenue is expected to increase by 10.48% in FY 24-25 compared to the prior period. This is due to additional one-time operating funding anticipated from the City of Portland for City Hall technology upgrades due to the Charter Reform. Traditional revenue sources amount to a 5.52% decrease due to Open Signal's pending waiver of the west Multnomah Franchise Fees back to Metro East, reduced projections of individual giving in an election year, and revenue from non-inventory sales of old vehicles.

Operating Expenses

Gross operating expenses are expected to increase by 7.54% detail below

Personnel Expenses

Personnel expenses are expected to increase 10.39% due to annual 3% COLA increases to all staff, recent staff promotions, scheduled pay increases, and an overall 2 FTE increase year over year. Our contractor expense is expected to increase by 52.18% due to additional budget for crew needed for productions and marketing for our new Partnered Media department.

Operating Expenses

Non personnel expenses are expected to decrease by 7.04% compared to last fiscal year. This is due to a \$36k downward adjustment of annual depreciation expense, budget for organizational development was moved to contract expense, and small tools budget was reduced, to be offset with the purchase of fixed assets with capital funds. Adjustments were made for the inflation, utility rates, and the potential for insurance rate changes.

Budget Net

Open Signal expects to pass a balanced budget pending final adjustments of our cash carry forward and grant award notifications received prior to May 9 2024, when the Board of Director's conducts its final budget review and vote. Should these final revenue adjustments require us to reduce expenditures, we could look to reduce contract expenses associated with the new Partnered Media department until additional funding can be secured.

open signal
Operating Budget

| FY 24-25 | FY 24-25 Budget | FY 23-24 Reforecast Budget | Difference | Notes |
|------------------------------------------------------|---------------------|----------------------------|---------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| Revenue | | | | |
| 4000 Direct Contributions | | | | |
| Total 4000 Direct Contributions | \$ 54,560 | \$ 68,615 | \$ (14,055) | |
| 4200 Non-Government Grants | | | | |
| Total 4200 Non-Government Grant | \$ 382,000 | \$ 327,500 | \$ 54,500 | |
| 4300 Government Grants | | | | |
| 4331 Capital Local Grant Releases | \$ 1,128,344 | \$ 1,374,219 | \$ (245,875) | |
| 4332 Operating Local Grants | \$ 1,053,534 | \$ 1,110,921 | \$ (57,387) | |
| Total 4300 Government Grants | \$ 2,181,878 | \$ 2,485,140 | \$ (303,262) | Less Multnomah West fees to Metro East |
| 5000 Government Contracts/Fees | | | | |
| Total 5000 Government Contracts/Fees | \$ 356,000 | \$ 25,425 | \$ 330,575 | Additional Charter Reform work. PS work moved from Program Sales |
| 5100 Program Sales & Fees | | | | |
| Total 5100 Program Sales & Fees | \$ 260,264 | \$ 299,592 | \$ (39,328) | Some PS work moved to gov't contract. Less studio rental revenue. |
| 5400 Revenue From Sales | | | | |
| Total 5400 Revenue From Sales | \$ (610) | \$ 82,960 | \$ (83,570) | Less sale of vehicles |
| 5800 Special Events | | | | |
| Total 5800 Special Events | \$ 2,050 | \$ 2,000 | \$ 50 | |
| 5890 Special Events - Direct Costs | | | | |
| Total 5890 Special Events - Direct Costs | \$ (5,150) | \$ 4,950 | \$ (10,100) | |
| TOTAL FOR SPECIAL EVENTS | | | | |
| Total 5999 Misc. Revenue | \$ (3,100) | \$ (2,950) | \$ 10,150 | |
| 5999 Misc. Revenue | | | | |
| Total 5999 Misc Revenue | \$ - | \$ 310 | \$ (310) | |
| Total Revenue | \$ 3,230,992 | \$ 3,286,592 | \$ (45,300) | 10.48% Increase, If no charter reform it would be a decrease of 5.52% |
| Expenditures | | | | |
| 7000 Grants & Direct Assistance | | | | |
| Total 7000 Grants & Direct Assistance | \$ 4,030 | \$ 3,780 | \$ 250 | |
| 7200 Salaries & Related Expenses | | | | |
| Total 7200 Salaries & Related Expenses | \$ 2,054,252 | \$ 1,805,074 | \$ 249,178 | 10.39% increase. Additional 2 FTE, new promotions, scheduled pay increases, 3% COLA increases |
| 7500 Contract Service Expenses | | | | |
| Total 7500 Contract Service Expenses | \$ 302,526 | \$ 246,576 | \$ 55,950 | Increase of 52.18%. Additional expenses for new Partnered Media department |
| 8100 Non-personnel Expenses | | | | |
| Total 8100 Non-personnel Expenses | \$ 620,006 | \$ 741,593 | \$ (121,587) | 16.46% decrease. Depreciation expense down and some moved to facility depreciation, more MHCRC Cap to fixed assets vs small tools |
| 8200 Facility Expenses | | | | |
| Total 8200 Facility Expenses | \$ 259,583 | \$ 218,786 | \$ 40,797 | 18.65% increase. Depreciation expense increase. |
| 8300 Travel & Conference Expenses | | | | |
| Total 8300 Travel & Conference Expenses | \$ 48,185 | \$ 37,461 | \$ 10,724 | Increase in conferences, increase in gas & parking w/additional vehicle |
| 8400 Other Program Specific Expenses | | | | |
| Total 8400 Other Program Specific Expenses | \$ 13,150 | \$ 6,323 | \$ 6,827 | Increase in marketing supplies |
| 8500 Other Expenses | | | | |
| Total 8500 Other Expenses | \$ 91,096 | \$ 104,932 | \$ (13,836) | Org development moved to contractor |
| Total Expenditures | \$ 3,392,828 | \$ 3,164,524 | \$ 228,303 | 7.54% Increase |
| Net Operating Revenue | \$ (161,836) | \$ 122,067 | \$ (273,603) | -6.95% |
| 9000 Restricted Revenue | | | | |
| Total 9000 Restricted Revenue | \$ - | \$ - | \$ - | |
| 9100 Donated Goods & Services Revenue | | | | |
| Total 9100 Donated Goods & Services Revenue | \$ - | \$ - | \$ - | |
| 9200 Investment Activity | | | | |
| Total 9200 Investment Activity | \$ 24,000 | \$ - | \$ 24,000 | |
| 9300 Other Income | | | | |
| Total 9300 Other Income | \$ - | \$ - | \$ - | |
| 9400 Donated Goods & Services Expense | | | | |
| Total 9400 Donated Goods & Services Expense | \$ - | \$ - | \$ - | |
| Total Other Income & Expenses | \$ 24,000 | \$ - | \$ 162,361 | |
| Adjustments | | | | |
| Operating Cash Carried Forward from Prior Year | \$ 650,000 | \$ 585,985 | \$ 64,015 | Subject to change |
| Capital Cash Carried Forward from Prior Year | \$ - | \$ 901,581 | \$ (901,581) | |
| Reserved for Fixed Asset Purchases | \$ (512,164) | \$ (1,569,525) | | |
| Allocate 2% of Operating Revenue to Reserve | \$ - | \$ (34,331) | \$ 34,331 | Removed as we have met the \$500K currently required in our policy |
| Surplus (Deficit): | \$ 0.00 | \$ 5,777 | \$ (914,477) | |
| Depreciation & Amortization | \$ 614,000 | | | Supposed to be used to spend on capital purchases but since we don't use it, it rolls over as cash to operating purchases |
| Surplus (Deficit): w/out Depreciation Expense | \$ 614,000 | | | |

Capital Budget Narrative

FY 2024 - 2025

Overview

Open Signal's capital spending this year is focused on the expansion of our partnered media services. As we begin to develop new public and partnership programs we will need to purchase additional production equipment. We will continue to upgrade our studios. We are also planning for some replacements and upgrades to our building.

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: \$35,000.00

We plan to renovate our production services edit suite. A small budget was set aside for any unexpected expenses.

Production Equipment

Budget: \$365,000.00

We will be purchasing additional equipment to support partner programs and the expansion of our partner media, production services, cohort and

studio workshops. There will also be a budget reserved for the upkeep of City Hall equipment.

Computers

Budget: \$20,000.00

We will be hiring at least 2 new staff in this fiscal year and will supply them with work computers and phones as needed for their positions.

Vehicles

Budget: \$500.00

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

Office Equipment and Furniture

Budget: \$2,000.00

There will be some furniture purchases for new staff as well as purchases for our Edit Suite renovation project. A small budget has been set aside for unexpected office equipment & furniture costs.

Software and Other Intangibles

Budget: \$182,494.00

There are no plans to add additional software in this fiscal year. We have set aside a budget for our anticipated software contract renewal costs.

Open Signal

Capital Budget Workbook

Fiscal Year 24-25

\$ 1,128,344 FY 24-25 Capital Budget

\$ - FY 23-24 Carry Forward

\$ 1,128,344 Total Budget

| Lead | Projects | Quarter | Budget | Reconciled | Remaining | Status | Notes |
|------------------------------------------------|----------|---------|-----------------------|---------------|-----------------------|---------------|-----------------------------------------------------------|
| Land & Land Improvement | | | | | | | |
| Totals MHCRC - Land & Land Improvement | | | \$2,000.00 | \$0.00 | \$2,000.00 | | |
| Building & Building Improvement | | | | | | | |
| Totals MHCRC - Building & Building Improvement | | | \$35,000.00 | \$0.00 | \$35,000.00 | | |
| Production Equipment | | | | | | | |
| Totals MHCRC - Production Equipment | | | \$365,000.00 | \$0.00 | \$365,000.00 | | |
| Computers | | | | | | | |
| Totals MHCRC - Computer | | | \$20,000.00 | \$0.00 | \$20,000.00 | | |
| Vehicles | | | | | | | |
| Totals MHCRC - Vehicles | | | \$500.00 | \$0.00 | \$500.00 | | |
| Office Equipment & Furniture | | | | | | | |
| Totals MHCRC - Office Equipment & Furniture | | | \$2,000.00 | \$0.00 | \$2,000.00 | | |
| Software & Other Intangibles | | | | | | | |
| Totals MHCRC - Software & Other Intangibles | | | \$182,494.00 | \$0.00 | \$182,494.00 | | |
| Capitalized Wages | | | | | | | |
| Totals MHCRC - Capitalized Wages | | | \$352,098.00 | \$0.00 | \$352,098.00 | | Includes padding since we're doing quarterly surveys now. |
| Capital Overhead | | | | | | | |
| | | | \$169,252.00 | \$0.00 | \$169,252.00 | | 15% of capital payment from city |
| Total Budgeted: | | | \$1,128,344.00 | \$0.00 | \$1,128,344.00 | \$0.00 | Overage |

| | | Fixed Asset Calculation | |
|---|-----------------------------------------|------------------------------------------------------|------------------------------------------------------------------------------------------|
| ? | Amount Carried forward per MHCRC Report | -\$521,350.00 Backout Overhead & Wages | \$0.00 FY 25-26 Carry Forward |
| ? | Audit Final # | -\$54,830.00 Backout Software in OPS | \$0.00 Unallocated Budget (Contingency) |
| ? | Audit Correction | -\$40,000.00 Backout Small tools in OPS | \$0.00 Total Overage if budgets remain |
| | | \$512,164.00 Total available for Fixed Assets | Current Unspent Budget (potentially avail to cover total overage if projects are paused) |
| | | | \$521,350.00 |
| | | | -\$616,180.00 |