

**COVER SHEET -- AGENDA ITEM #R1**

For Commission Meeting: March 20, 2017

“MHCRC FY 2017-18 Fund Budget Proposal”

**Finance Committee Recommendation**

The MHCRC Finance Committee recommends that the Commission adopt the FY 2017-18 MHCRC Fund Budget and forward it to the member Jurisdictions with a recommendation for approval.

**Background**

The MHCRC Finance Committee met on February 27, 2017, to develop the MHCRC FY 2017-18 Fund Budget recommendation.

For a third year, the proposed operating budget includes a reduction in the total amount appropriated by the member jurisdictions to the MHCRC. In light of this reduction, the Finance Committee has increased the proposed expenditure amount from the interest gained on the MHCRC’s fund. The interest revenue assists in funding a “future focus” and planning year anticipated in FY17-18. The MHCRC has recognized the rapidly evolving technology and public policy landscape, and the fact that cable TV subscribers have dropped for the third year in a row. The budget includes professional services to assist the MHCRC in working with its jurisdictions, stakeholders and communities to identify needs and opportunities for our broadband future.

The Committee also recommends increasing the amount for Community Grants contingency to provide the flexibility in the upcoming fiscal year in order to accommodate all options related to the timing of entering into new grant agreements, both in the current fiscal year and next. This strategy is directly related to the uncertainty as to when the lawsuit will be resolved.

**Jurisdiction Approval Process**

Staff is currently working to schedule consideration of the MHCRC Fund Budget on the Jurisdictions’ meeting agendas. Staff will provide each Commission member with a budget packet prior to the city council/County Commission meeting, which will include talking points, the Fund Budget, any jurisdiction-related materials and the MHCRC 2016-17 Annual Report.

Prepared By: Julie S. Omelchuck  
March 14, 2017