



# MT. HOOD CABLE REGULATORY COMMISSION

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

## RECOMMENDED MHCRC FUND BUDGET FISCAL YEAR 2018-19

### Commission Members

Leif Hansen, Chair  
Carol Studenmund  
Mike Bennett  
Sue Dicile  
Rich Goheen  
Scott Harden  
Norman Thomas

### Staff

Ann Goldenberg, Staff Director  
Julie S. Omelchuck, Program Manager  
503-823-5385  
[www.mhcrc.org](http://www.mhcrc.org)

## INTRODUCTION

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

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

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

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

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

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

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

Please refer to the MHCRC's FY 2017-18 Annual Report and website ([www.mhcrc.org](http://www.mhcrc.org)) for more detail about MHCRC activities and accomplishments.

# MHCRC FY2018-19 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 FY2018-19 budget in consultation with MHCRC staff. On May 21, 2018, the MHCRC approved the proposed budget to forward to the Jurisdictions for consideration. The MHCRC provides the proposed Fund Budget to city and County staff in advance of the city councils' and the County Commission's consideration of the budget.

## **BUDGET NARRATIVE**

The MHCRC FY 2018-19 Fund Budget is presented on page 5.

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

### **Fund Resources**

The amount of MHCRC resources from year to year is largely dependent on franchise fee and PEG/I-Net fee payments from cable companies for their private use of public right-of-way. Cable company payments are based on a percentage of the company's gross revenues derived from cable TV services. The FY 2018-19 Fund resources are projected to decrease based on cable company actual payments through 3<sup>rd</sup> Quarter FY 2017-18. The budget also includes a beginning fund balance of little more than \$4 million. Detail on each Fund resource follows:

Franchise Fees: The Commission collects all cable services franchise fees for Gresham, Troutdale, Fairview, Wood Village and Multnomah County from Comcast, Frontier and Reliance Connects cable franchises. The MHCRC has projected a decrease in franchise fee revenues based on the rapidly changing video marketplace, resulting in traditional cable TV subscribers "cutting the cord" and opting for other video options. The MHCRC uses both historical franchise fee data and industry documentation to project franchise fee revenues.

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

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

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

Beginning Fund Balance: The beginning balance is PEG/I-Net Capital funds projected to be unspent in FY 2017-18, which the MHCRC plans to expend or retain as contingencies in FY 2018-19.

The FY 2018-19 Beginning Fund Balance projection is attributable to the following:

- Interest cumulative balance: \$442,628
- Compliance Program carry over: \$790,062
- Community Media Capital Fund contingency: \$109,801
- I-Net Fund contingency: \$800,000
- Community Grants carryover/encumbrances: \$1,130,866
- Community Grants contingency: \$800,000

## **Fund Expenditures**

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

Franchise Fee Balance to the Jurisdictions: This line item expenditure is calculated based on the total amount of franchise fees the MHCRC collects and subtracting the amount each Jurisdiction appropriates to the Commission's Operating Budget and the amount of community media payments to MetroEast and PCM in accordance with the IGA (detail contained in Appendix 1, page 7).

Community Media Payments: In accordance with the IGA, the MHCRC distributes 60% of the East County Jurisdictions' franchise fees to MetroEast and 60% of West Multnomah County franchise fees to Open Signal. These dedicated funds are used to provide media and technology services to the community (detail contained in Appendix 2, page 10).

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

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

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

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

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

**MHCRC FUND BUDGET  
FISCAL YEAR 2018-19**

	<b>2016-17 Actual</b>	<b>2017-18 Adopted</b>	<b>2018-19 Proposed</b>
<b>RESOURCES</b>			
E. County Franch. Fees, Comcast	1,460,291	1,518,360	1,336,912
E. County Franch. Fees Mult West, Comcast	114,620	120,360	106,701
E. County Franch. Fees, Frontier & Reliance	218,919	219,864	226,288
Operating Budget Appropriation-Portland	288,330	295,827	304,998
Interest Earned	136,434	108,000	130,000
PEG / I-Net Capital Fee	5,540,134	5,774,046	4,896,810
Compliance Revenue	0	2,500	0
<b>Total Resources</b>	<b>7,758,728</b>	<b>8,038,957</b>	<b>7,001,709</b>
Beginning Fund Balance	3,870,482	6,737,897	4,073,357
<b>Total</b>	<b>\$11,629,210</b>	<b>\$14,776,854</b>	<b>\$11,075,066</b>
<b>EXPENDITURES</b>			
MHCRC Operating Budget	901,958	1,058,884	1,105,046
Franchise Fee Balance to Jurisdictions	562,277	570,710	503,730
Community Media Pmt, E. County (MetroEast)	1,007,526	1,024,724	937,920
Community Media Pmts, Mult. West (PCM)	68,772	70,276	64,021
Community Media Capital (MetroEast/PCM)	1,648,757	1,726,301	1,469,042
I-Net Grants	604,167	746,550	613,400
Community Technology Grants	97,856	902,017	800,000
TechSmart Initiative Grants	0	1,804,035	3,440,426
Community Grants Contingency	0	2,800,000	800,000
<b>Total Expenditures</b>	<b>\$4,891,313</b>	<b>\$10,703,497</b>	<b>\$9,733,585</b>
Ending Fund Balance	6,737,897	4,073,357	1,341,481
<b>Total</b>	<b>\$11,629,210</b>	<b>\$14,776,854</b>	<b>\$11,075,066</b>

## **APPENDIX ONE**

**FRANCHISE FEE REVENUE AND DISPURSEMENT DETAIL**

**MHCRC OPERATING BUDGET-LINE ITEM DETAIL**

**BUDGET ALLOCATION BY JURISDICTION**

**FRANCHISE FEE REVENUES AND DISBURSEMENTS  
FISCAL YEAR 2018-19**

<b>Jurisdictions</b>	<b>Franchise Fee Revenues</b>	<b>MetroEast Appropriation</b>	<b>PCM Appropriation</b>	<b>MHCRC Budget Appropriation</b>	<b>Payments to Jurisdictions</b>
<b>Portland</b>	<b>\$7,587,878*</b>		<b>\$912,514*</b>	<b>\$304,998</b>	
MULTNOMAH CO., EAST	76,363	45,818		13,434	17,111
MULTNOMAH CO., WEST	106,701	N/A	64,021	N/A	42,680
GRESHAM	1,156,477	693,886		119,444	343,147
TROUTDALE	185,705	111,423		17,934	56,348
FAIRVIEW	114,045	68,427		9,936	35,682
WOOD VILLAGE	30,610	18,366		3,482	8,762
<b>Total, East County</b>	<b>\$1,669,901</b>	<b>\$937,920</b>	<b>\$64,021</b>	<b>\$164,230</b>	<b>\$503,730</b>
<b>Grand Total</b>				<b>\$469,228</b>	

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

**FRANCHISE FEE BALANCE TO EAST COUNTY JURISDICTIONS-Prior Years:**

<b>Jurisdictions</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Actual</b>	<b>FY 2016-17 Actual</b>	<b>FY 2017-18 Adopted</b>
MULTNOMAH CO., EAST	15,132	17,600	19,120	18,298
MULTNOMAH CO., WEST	42,556	44,118	45,848	46,851
GRESHAM	361,092	371,071	388,290	392,459
TROUTDALE	58,937	59,816	61,738	63,060
FAIRVIEW	36,034	36,378	37,435	39,741
WOOD VILLAGE	9,408	9,969	9,846	10,301
<b>TOTAL</b>	<b>\$523,159</b>	<b>\$538,952</b>	<b>\$562,277</b>	<b>\$570,710</b>



**COMMISSION OPERATING FY18-19 BUDGET - Line Item Detail**  
(Includes Capital Compliance Program)

Title	FY 2016-17 Actual	FY 2017-18 Adopted	FY 2018-19 Proposed
Personnel - MHCRC Admin	453,674	533,731	524,953
Indirect Personnel - Bureau Support	28,165	35,126	37,958
<b>Personnel Services</b>	<b>\$481,839</b>	<b>\$568,857</b>	<b>\$562,911</b>
External Fund Audit	13,150	15,000	15,000
Professional Services	109,605	198,000	247,390
Miscellaneous Services	5,768	3,400	6,900
Office Supplies	2,276	2,575	2,500
Operating Supplies	2,229	600	400
Education	13,898	10,000	13,825
Local Travel	457	1,200	800
Out-of-Town Travel	4,251	3,200	4,400
Rent Columbia Square	36,272	37,630	38,076
Miscellaneous	511	1,350	1,150
	<b>\$188,416</b>	<b>\$272,955</b>	<b>\$330,441</b>
Print/Distribution	6,534	4,722	5,889
Facilities Services	248	295	262
EBS Services	13,935	13,379	12,415
Information Technology (IT)	17,823	21,731	18,946
Insurance/Workers Comp	5,763	7,573	7,002
Technical Accounting IA	7,699	12,000	9,000
Legal Services IA	16,952	17,372	18,180
Mgmt Services (Bus Ops) IA	25,000	25,000	25,000
<b>Internal Services</b>	<b>93,955</b>	<b>102,072</b>	<b>96,694</b>
GF Overhead (charged direct to fund)		25,000	25,000
Contingency - General	38,000	90,000	90,000
Encumbrance Carryover	99,748		
Fund Level Expenditures	\$ 137,748	\$ 115,000	\$ 115,000
<b>Total</b>	<b>\$ 901,958</b>	<b>\$ 1,058,884</b>	<b>\$ 1,105,046</b>
Admin Expenses	451,631	524,983	577,381
Compliance Expenses	450,327	533,901	527,665

**BUDGET ALLOCATION BY JURISDICTION  
COMMISSION OPERATING BUDGET  
FY 2018-19**

City of Portland Appropriations	\$304,998
East County Appropriations	\$164,230
<b>Operating Budget Total:</b>	<b>\$469,228</b>

JURISDICTION		FY 2018-19 Proposed	FY 2018-19 % Allocation
Portland	-	\$304,998	65.0%
	<u>Subscriber Distribution</u>		
<u>East County</u>	<u>No. Of Subs</u>		
Gresham	23,688	\$119,444	25.5%
Multnomah Co.	2,663	\$13,434	2.9%
Troutdale	3,556	\$17,934	3.8%
Fairview	1,971	\$9,936	2.1%
Wood Village	691	\$3,482	0.7%
East County Total	32,569	\$164,230	35.0%
Total		\$469,228	100.0%

Budget Allocation Comparison

JURISDICTION	FY 2016-17 Actual	FY 2017-18 Adopted	FY 2018-19 Proposed
Portland	\$288,330	\$295,827	\$304,998
<u>East County</u>			
Gresham	\$108,633	\$114,515	\$119,444
Multnomah Co.	\$13,693	\$13,763	\$13,434
Troutdale	\$18,056	\$17,506	\$17,934
Fairview	\$11,566	\$10,242	\$9,936
Wood Village	\$3,307	\$3,265	\$3,482
East County Total	155,255	159,291	164,230
Total	443,585	455,118	469,228

## APPENDIX TWO

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

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

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

Both MetroEast and Open Signal are nonprofit organizations with governing Boards of Directors. These Boards annually develop and adopt budgets. FY18-19 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**

##### 1. MetroEast Community Media:

Operations Funding: East County Franchise Fees	\$ 937,920
Capital Funding: MHCRC	<u>\$ 587,616</u>
Total	\$ 1,525,536

##### 2. Open Signal (formerly Portland Community Media):

Operations Funding: Portland General Fund	\$ 912,514
Operations Funding: West Mult. County	\$ 64,021
Capital Funding: MHCRC	<u>\$ 881,826</u>
Total	\$ 1,857,961



TAKE CONTROL OF  
THE MEDIA

## METROEAST COMMUNITY MEDIA FY 2018-19 BUDGET NARRATIVE

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

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

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

### WHAT WE DO

MetroEast produces and facilitates programming with many diverse partners and on wide-ranging topics. MetroEast works with over 150 community organizations and has facilitated nearly 15,000 hours of local and locally-sponsored programming during the past year, including:

- Live and taped coverage of East County local governments, including city council and planning commission meetings and budget and special hearings as well as the Rockwood Water PUD, and Multnomah County Commission.
- Working with educational partners in East County to produce programs on academic and extracurricular activities in local schools, coverage of school board meetings, Mount Hood Conference girls and boys' varsity basketball, and English Language Development (ELD) programs.
- Working with students from middle through secondary schools to develop student-produced programming for students of differing abilities and backgrounds.





## TAKE CONTROL OF THE MEDIA

- Summer Camps at Rockwood DIY that served over 100 youth (ages 13 - 22) over a three week period. Our camps were Gaming; Song Production and Music Video.
- In conjunction with Reynolds School District we produced three Welcome Videos for each of the school divisions Elementary, Middle and High School. Each of these videos was produced in English, Spanish, Vietnamese, Arabic, Somali, Russian, Karen, Burmese, Chuukese and Swahili. This project will receive National recognition at the Hometown Media Awards 2018.
- The only regular television coverage of East County area events and public affairs.
- Fostering citizen involvement through programs such as *Video Voters Guide* with the League of Women Voters, *Community Hotline*, and its Spanish- language companion program, *Nuestra Comunidad*, live programs where community organizations provide information and answer questions about their services.
- Coverage of local community events such as the Gresham Area Chamber of Commerce's public affairs forums, Troutdale's *Summerfest*, Wood Village's *Night Out*, Gresham's *Art Fest*, *Teddy Bear Parade*, *Spirit of Christmas*, and *Holiday Showcase*.

### HOW WE DO IT

MetroEast provides these services by creating access to technology, training to effectively use that technology and transmission of the programs created over cable channels and on the web. For the past several years, use of MetroEast facilities and hours of programming has continued at high levels. In FY 2018-19, MetroEast anticipates that it will:

- Provided training to over 500 people via approximately 150 workshops
- Produce and facilitate 15,000 hours of programming by, for and about East County, its residents and their concerns and issues
- Collaborate with 200 volunteers donating 25,000 hours of their time and talents to MetroEast and the community
- Loan equipment to community members who are creating programming for and about the East County area for more than 25,000 hours.
- Provide more than 75 hours of staff assistance and support to the public each week, an annual total of more than 3,900 hours.

### PREPARING FOR THE FUTURE

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





## TAKE CONTROL OF THE MEDIA

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

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

### THE NUMBERS

Over the course of the current fiscal year, FY 2017-2018, MetroEast entered a new phase of growth and internal investment. The next fiscal year marks a period of continuing our efforts in these areas with a reallocation and restructuring of resources to meet the funding shortages and changing requirements facing our organization.

During the current fiscal year, we invested in growing our revenue base thru expanded activities while improving back-office operations with streamlined financial and operational workflows as well as making much needed investment in dated IT equipment & systems. Also, recognizing our biggest asset is our staff, in an effort to transform our organization into a more connected and nimble digital media hub relevant to today's fast-evolving cloud-based media landscape, we made investment in our team a priority area.

The upcoming fiscal year, FY 2018-2019, budget renews our focus on revenue diversification by generating fundraising and production income. Our biggest areas for growth during the current fiscal year have come from grants for our Rockwood DIY project and fees from production services for nonprofits. Therefore, our goal is to dedicate attention and resources to these growth areas to improve our efforts. On the expense side, the FY 2018-2019 budget has a focus on maintaining investment in our staff of 17 professionals which as a whole is our most valuable asset. However, due to





## TAKE CONTROL OF THE MEDIA

the decrease in funding from cable franchise fees, expenses for FY 2018-2019 will increase only incrementally as we focus on continuing to make inroads in growing operational revenue and automating workflows.

MetroEast continues to demonstrate financial health and this proposed budget approved by our Board of Directors affirms our intention to maintain our path of financial responsibility & stability while exploring innovative ways to ensure the organization's sustainable future. The MetroEast Board supports our need to continue developing a sustainable and diverse funding model which includes grant revenues for Rockwood DIY and income from production services. The Board also recognizes that continued withdrawals from the investment fund will be necessary to support working capital operations on our path to diversify funding and achieve greater fiscal independence.

*(MetroEast's Unrestricted Board Designated Investment Fund was created in the early 1990s when the organization's Board recognized that the 1992 Cable Act would decrease revenues in a new franchise. The investment fund was intended to support the delivery of services in the new franchise. The Board went through an intensive process of developing investment policies, interviewing fund managers, and establishing the investment fund. The Board opted to use the investment fund to bolster services over the life of the new franchise in 1998, with the intent to spend the fund to zero by the end of the franchise. Services remained steady and the fund has not been spent to zero).*



	APPROVED*		
	AUDITED	REVISED	PROPOSED
	ACTUAL	BUDGET	BUDGET
	FY 2016-2017	FY 2017-2018	FY 2018-2019
<b>INCOME:</b>			
<b>Operating Income</b>			
Sponsorships		\$ 60,165	\$ 85,000
Grants	\$ 27,786	88,739	100,000
Contributions		17,531	25,000
Education Services		17,843	
Productions	49,044	47,727	70,000
Misc. Income	22,830		2,500
Concessions		4,953	
Sales Income		19,463	
Memberships		31,790	10,000
Equipment			1,000
Studio			5,000
Other			50,000
Interest Income	285	500	2,500
<b>Total Operating Income</b>	<b>\$ 99,945</b>	<b>\$ 288,711</b>	<b>\$ 351,000</b>
<b>Other Income</b>			
Franchise Fees	\$ 1,005,840	\$ 1,024,724	\$ 944,106
Capital Funds	659,502	690,519	612,882
Investment Fund Withdrawal	180,000	200,000	300,000
<b>Total Other Income</b>	<b>\$ 1,845,342</b>	<b>\$ 1,915,243</b>	<b>\$ 1,856,988</b>
<b>TOTAL INCOME</b>	<b>\$ 1,945,287</b>	<b>\$ 2,203,954</b>	<b>\$ 2,207,988</b>
<b>EXPENSES:</b>			
<b>Personnel</b>			
Payroll & Benefits	\$ 905,667	\$ 1,054,884	\$ 1,174,006
Capitalized Wages & Benefits	0	125,521	150,882
<b>Total Personnel</b>	<b>\$ 905,667</b>	<b>\$ 1,180,406</b>	<b>\$ 1,324,888</b>
<i>Less: Capitalized Wages &amp; Benefits</i>	0	(125,521)	(150,882)
<b>Adjusted Total Personnel</b>	<b>\$ 905,667</b>	<b>\$ 1,054,884</b>	<b>\$ 1,174,006</b>
<b>Materials &amp; Services</b>			
Communications, Utilities, Maintenance & Misc.	\$ 53,652	\$ 61,050	\$ 69,000
Dues & Subscriptions	12,849	13,000	18,000
Education & Training	11,204	10,000	11,000
Food & Meals and Business Expenses	33,180	32,000	38,600
Insurance	57,180	60,000	65,000
Marketing, Media, Printing & Shipping	16,336	24,000	35,000
Office & Operating Supplies	11,477	25,000	30,000
Other Expenses	22,755	24,000	29,500
Professional Services	61,511	150,500	50,000
Rockwood DIY	2,127	29,000	40,000
Travel & Transportation	19,069	30,000	35,000
<b>Total Materials &amp; Services</b>	<b>\$ 301,340</b>	<b>\$ 458,550</b>	<b>\$ 421,100</b>



	APPROVED*		
	AUDITED ACTUAL	REVISED BUDGET	PROPOSED BUDGET
	<u>FY 2016-2017</u>	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
* Approved by MetroEast's Board			
<b>EXPENSES:</b>			
<b>Capital Expenses</b>			
Capitalized Wages & Benefits	\$ -	\$ 125,521	\$ 150,882
Contractor & Installation	9,705	15,948	60,000
Equipment	141,647	145,993	75,000
Furniture	3,035	79,723	20,000
Leasehold Improvements	29,116	47,845	30,000
Mortgage	83,437		
Other Expenses		239,179	222,000
Peripherals, Supplies & Misc.	(322)	9,728	15,000
Repairs & Maintenance	7,456	26,581	10,000
Software & Website Development	24,556	0	30,000
<b>Total Capital Expenses</b>	<b>\$ 298,630</b>	<b>\$ 690,519</b>	<b>\$ 612,882</b>
<b>TOTAL EXPENSES</b>	<b>\$ 1,505,637</b>	<b>\$ 2,203,954</b>	<b>\$ 2,207,988</b>
<b>CHANGE IN NET ASSETS</b>	<b>\$ 439,650</b>	<b>\$ -</b>	<b>\$ -</b>
<b>NET ASSETS:</b>			
<b>Change in Unrestricted Net Assets</b>	<b>\$ 439,650</b>	<b>\$ -</b>	<b>\$ -</b>
Beginning Unrestricted Net Assets	720,422	1,160,072	1,685,911
<b>Ending Unrestricted Net Assets</b>	<b>\$ 1,160,072</b>	<b>\$ 1,160,072</b>	<b>\$ 1,685,911</b>
Capital Carryover	708,749	NA	NA
<b>Adjusted Net Asset Value</b>	<b>\$ 1,868,821</b>	<b>\$ 1,160,072</b>	<b>\$ 1,685,911</b>



Open Signal: Portland Community Media Center

## Budget Highlights for Fiscal Year 2018-19

### **FISCAL YEAR 2018-19 GOALS**

In FY 2018-19 we will continue to build on our mission through acquisition of new technologies supporting creative expression, cultural exchange and civic participation; increased public access to production equipment, studios and ongoing support; partnerships with non-profits and community groups; workshops focusing on digital inclusion and workforce training; distribution services over the cable channels and the internet; and increased outreach and community engagement events.

In additions to the above goals, Open Signal will also focus on building the Operating Reserve account. The goal is to have the reserve balance at \$449K which equivalent to 3 months of operating expenses

#### **Revenue:**

Total revenue is increase by \$28K from the FY17-18 Mid-Year Revise Budget with anticipated 7.9% cut from the City Operating funds.

The anticipated revenue from Production Services will be \$213K and \$158K from Education Program. The laptops in the Media Service and Media Education Department has reached the end of their useful life and replacement is needed. The lights in Studio A is also not functioning properly and need to be replace. Once these items are cycling out of the inventory, it will generate \$68K in Miscellaneous Income

#### **Expenses:**

##### ***Personnel Expenses:***

The total personnel expenses includes the hiring of a part-time Accounting Clerk, Grant writing Specialist and bringing one part-time front desk staff to full time if re-opening Tuesday is needed in the next fiscal year.

The Fringe Benefits is less than the FY17-18 Revise Budget because the benefit enrollment is based on current staff enrollment with no family member on the plan and plus a 10% anticipating increase in medical and dental premium.



Capitalized Wages is a little higher than FY 17-18. This amount fluctuate from year to year because this is all base on which staff is working on the capital project and how much time the staff put into each capital project.

***Operating Expenses:***

The operating expense line item is based on the FY17-18 actual and department Director anticipating expense. The administrative (insurance, utilities, professional services, auditing and tax) expenses are based on FY17-18 actual plus 10% anticipating increase.

The increase in the hospitality line item will support ongoing efforts to connect with funders, partners and our community through hosted activities at Open Signal (examples: community meetings and focus groups, outreach events, and informational sessions with potential partners and funders).

Keeping the Training & Education and Travel to a minimal to save the resource to build up our reserve.

**Portland Community Media**  
 Open Signal Preliminary FY 18-19 Budget  
 Budget Summary  
 05/19/18

	<b>FY 16-17 Actual</b>	<b>2017-18 Adopted Revised Budget</b>	<b>2018-19 Proposed</b>
<b><u>Operating Budget</u></b>			
<b>INCOME</b>			
Grants	937,798	1,206,379	1,219,957
Contributions	3,281	36,963	55,720
Earned Income - All	295,087	384,227	371,524
Capital Overhead (Capital Management Fee)	135,508	155,773	137,898
Miscellaneous Income	40,062	21,301	68,600
Total Revenue	<u>1,411,736</u>	<u>1,804,643</u>	<u>1,853,699</u>
Carry Forward from Reserve		203,281	
Total Resources available for Operating	<u>1,411,736</u>	<u>2,007,924</u>	<u>1,853,699</u>
<b>EXPENSES</b>			
Total Payroll, Tax & Fringes	1,063,081	1,590,676	1,468,771
Total Operating Expense	<u>252,641</u>	<u>411,740</u>	<u>367,778</u>
Net Operating Surplus (Deficit)	<u>96,014</u>	<u>5,508</u>	<u>17,150</u>

	<b>FY 16-17 Actual</b>	<b>2017-18 Adopted</b>	<b>2018-19 Proposed</b>
<b><u>Capital Project Budget</u></b>			
Revenue from City of Portland	989,255.00	1,051,796.00	919,323.00
Balance of Capital Fund Carryover	206,156.00	37,553.00	5,000.00
Transfer From Operating			-
Total Capital Resources Available	<u>1,195,411.00</u>	<u>1,089,349.00</u>	<u>924,323.00</u>
<b><i>Capital Expenses</i></b>			
Property, Plants & Equipment	837,993.88	742,048.00	611,547.00
Capitalized Wages	171,757.55	167,347.00	174,405.00
Capital Overhead	148,388.25	157,769.00	137,898.45
Total Capital Expense	<u>1,158,139.68</u>	<u>1,067,164.00</u>	<u>923,850.45</u>
Net Capital Surplus	<u>37,271.32</u>	<u>22,185.00</u>	<u>472.55</u>