

**MEETING NOTIFICATION**  
**October 19, 2020**  
**6:30 p.m.**

**Due to the State of Emergency declared in Oregon and Multnomah County in response to the COVID-19 virus, the meeting will be conducted via participation by phone or computer. Participants can access the meeting as follows:**

Join Zoom Meeting

<https://us02web.zoom.us/j/87593564867?pwd=VE1YQWJFbEo3eDc5U11EL2ltYnA0Zz09>

Meeting ID: 875 9356 4867

Passcode: 675495

One tap mobile

+13462487799,,87593564867#,,,,,0#,,675495# US (Houston)

+14086380968,,87593564867#,,,,,0#,,675495# US (San Jose)

**AGENDA**

- Roll Call  
Commission Participation: One or more members of the Commission may attend and participate by electronic means. The public will be afforded an opportunity to listen to the participation.
- Agenda Review
- Disclosures
- Public Comment (non-agenda items)
- PEG Provider Activity Report 15 min
  - Open Signal
  - MetroEast Community Media

**\*CONSENT AGENDA – NO DISCUSSION**

All items listed below may be enacted by one motion and approved as consent agenda items. Any item may be removed from the consent agenda and considered separately if a member of the Commission so requests.

C1. September 21, 2020 Meeting Minutes

**REGULAR AGENDA**

R1. Your Voice: Digital Equity Video Presentation 20 min

\*R2. MHCRC Fund Review Consultant - Scope of Work 15 min

R3. MHCRC FY2019-20 Year-End Financial Report (unaudited) 15 min

- Staff Updates
- New Business; Commissioner Open Comment
- Committee Appointments
  - Meeting Schedule:
    - November – Recess
    - December 21 – Remotely
    - January 18 – Remotely
- Committee Reports
  - Finance Committee
  - Equity Committee
  - Policy Committee
  - Open Signal Board Appointee
  - MetroEast Board Appointee
- Franchisee Activity Report
  - Zply
  - Comcast
  - CenturyLink
- Public Comment
- Adjourn

\*Denotes possible action item

*Please notify the MHCRC no less than five (5) business days prior to our event for ADA accommodations at 503-823-5385, by the City of Portland's TTY at 503-823-6868, or by the Oregon Relay Service at 1-800-735-2900.*

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MT. HOOD CABLE REGULATORY COMMISSION  
Remote Meeting via phone or computer – Portland OR  
September 21, 2020 Meeting Minutes -- DRAFT

## **SUMMARY MINUTES**

Call to Order: 6:30 pm

- Roll Call

Commissioners present: Chair Studenmund, Commissioner Dennerline, Commissioner Thomas, Commissioner McIntire, Commissioner Harden, Commissioner Roche.

Commissioners absent: Commissioner Murphy.

Staff: Elisabeth Perez, Rebecca Gibbons, Cinthia Diaz Calvo, Rana DeBey, Bea Coulter.

- Agenda Review: Perez noted there was a slight change in the agenda item R2 to appropriately convey the content of what will be discussed. She also pointed out that in email communications, R2 summary cover sheet was missing from the document.

Diaz Calvo noted missing summary cover sheet and will ensure public posts include corrected naming convention and cover sheet for R2.

- Disclosures: Harden attended Oregon Mayor's Association Conference, encouraged them to continue Internet Essentials for free throughout the remote learning phase. He asked Comcast to increase the speed and noted internet not being fast enough. He was assured by Comcast that internet work well for up to 4 devices, but Harden has heard that is not the case for families with children.
- Public Comment: None.
- CONSENT AGENDA

\*C1. December 16, 2020 Meeting Minutes

**MOTION:** Harden moved to approve the Consent Agenda as presented. Dennerline seconded.

**VOTE:** 6-0

## **REGULAR AGENDA**

R1. Community Technology Needs Study Presentation

Perez introduced CBG and Esper House to discuss the study which started April of 2019. The last study was conducted in 2009 through 2010. She expressed appreciation to CBG, Esper House and OCT staff for the countless hours of hard work.

Tom Robinson, with CBG Communications introduced his colleagues Krystene Rivers and Toni Tabora-Roberts, from Esper House, who have collaborated in the completion of the study. Robinson said Tabora-Roberts will focus on Esper House's community engagement study with underserved communities.

Robinson explained the study was extensive and it focused on community technology. It covered a variety of sectors, stakeholders' cable-related constituencies and demographic populations within the entire MHCRC area. There are three specific demographics considered underserved communities which includes, communities of color, people living with disabilities and seniors. The sectors included educations, business, non-profit, health care and local government. Stakeholders included I-net users, grantees, jurisdictions, community media producers and cable subscribers.

Robinson explained the study methodology and listed the 6 key community technology-related questions established by the MHCRC. With the help of OCT staff, 66 lead research questions were developed to inform the key questions. Another primary focus was on more deeply understanding the barriers for known disparities in technology access and adoption for people of color, people living with disabilities, and seniors.

Rivers elaborated on the definition of "disabilities" by saying that it includes multiple types of conditions as defined by the US Census and the City of Portland. It was also communicated widely that the definition would be the same. Using the same definition would allow the team to compare results from the ascertainment survey to the census as it pertains to the same section.

Robinson explained the last section of the community media center focused on the impact of Covid-19. The survey received over 200 responses. Overall, there is community support for what the community media center's work is doing.

Rivers said the first survey that they launched was the Scientific residential telephone survey. This first survey included 630 MHCRC area residents including cable subscribers and nonsubscribers. CBG communications made sure there was a fair representation of the county as a whole. As for the qualitative public online survey, CBG took form the scientific survey but supplemented the survey with additional questions and concerns related to home internet, and the access and use of and cable related questions that had not been asked in the scientific survey to augment their results. The qualitative public online survey included 442 diverse community correspondents who provided a wide and diverse amount of data. The last one was an online community media producer/user survey and this one was created in collaboration with the community media centers. The community media centers promoted this survey. It was completed by both users and producers. For this online community media producer/user survey, there was representation from community that used both community centers.

Robinson said another aspect of their data collection activities was workshops, focus groups, and interviews. These include public agencies from all MHCRC member jurisdictions, Multnomah County Library, Community Media Centers and Community Access Channel Providers, Digital Inclusion Network (DIN), Public School Districts, OHSU Telehealth, Smart City PDX Equity Advisor.

Tabora-Roberts shared Esper House's approach which included a culturally responsive engagements building on relationships, based on interest and capacity of partner groups who are working directly with target populations. More than 20 community leaders were engaged. The target population were racially and ethnically diverse communities, people with disabilities, and seniors. Partner organizations were encouraged to engage with their communities via email.

**Highlights for question 1: What is the level of communications technology and services in our communities today?**

Robinson reported that 82% wireline internet access at home (primarily broadband), which has increased 10% since 2010. He also said that 18% of households do not have wireline internet access, but the underlining barrier was cost. No need or no desire was also indicated as a primary inhibitor.

Rivers explained that residents are increasingly accessing the internet in places outside the home and increasingly use their own portable devices to do so. Throughout the survey results CBG saw big changes over the 10-year period. More people now are using their work/employer's internet as well as government offices free Wi-Fi, and friends and family's home internet. Restaurants and coffee shops are also being used more today than 10 years ago.

Robinson explained that cable companies have made some strides in the last ten years developing better and more responsive customer service, but still are not well regarded in this area. He pointed out that nationally, the ACSI (American Customer Satisfaction Index) average rating for the cable industry is 64. This reflects recent improvement but is still well below other service industries (the top ACSI score is 100). Robinson said that Open Signal facility users give the Community Media facility staff the highest score of excellent and good ratings (73% combined, including 58% excellent). This is followed by the Community Media facility location at 71% excellent and good (including 48% excellent). The highest fair and poor marks went to hours of operation at 21% combined (including 16% fair). As for MetroEast, Robinson said that their users also give the highest excellent and good ratings to Community Media facility staff at 72% combined (including 63% excellent). This is followed by training/media/digital literacy education at 71% excellent and good (including 57% excellent), which was higher than Open Signals. No fair or poor marks for any characteristic tested exceeded 9% combined.

**Highlights for question 2: What barriers are creating inequities for underserved communities?**

Rivers explained that across the board, no matter what anybody was paying the responses were that a reasonable cost for them was less than what they were currently paying. She said that an affordable monthly cost for home internet service is "free" for 19% of respondents. People of color and seniors (67% of seniors over 75 years old) were more likely to indicate free. Underserved communities indicate an average cost between \$51 and \$100 per month for home internet. They indicate that \$41-\$50 is a reasonable amount to pay. People who delay or avoid paying other important bills or purchases report paying \$50 or more per month for home internet. They believe \$15 to \$30 is a reasonable amount to pay.

Robinson said that something that might create an even greater divide is the growing use of artificial intelligence. The issue will be the cost of new devices and cost customizing the service for the homes and upgrading or customizing the devices.

Tabora-Roberts wanted to add that besides the cost, a primary factor in non-adoption of communications technologies is a lack of understanding and training regarding the uses of such technology. There is an issue with quality in some areas.

Rivers said that another issue besides cost is that persons living with disabilities are aware of assistive technologies and use them but have multiple issues with using them successfully. The number one frustration was with high prices and cost. They have to spend more money to get an upgraded device. Other frustrations included keeping up with changing technologies, and lack of inclusion of assistive technologies, devices, or apps. Nearly every frustration listed on the Qualitative Public Survey was noted

by one in five or more respondents living with disabilities. Tabora-Roberts added that in the education system, instructors are able to accommodate students with assistive technology but are unable to provide support to teach them with the assistive technology.

**Highlights for question 3: What are our communities' communication technology future needs and interests (two-ten years)?**

Robinson said their biggest finding was that cost must be removed as a barrier for residents to have access to and effectively use the communications technologies they need. By far, cost was the biggest barrier at 76%. He said that other foreseen barriers are video, geospatial technologies, and artificial intelligence (A.I.), since they are critical technologies that local governments will need to support to provide transparency, sharing information, and effective service provision. He said that to achieve digital equity, the most important characteristics of communications technology going forward are Universal Design (UD) and affordability. The issue is going to be the cost of the devices to accommodate each household needs. UD principles include: Equitable use, flexibility in use, simple and intuitive, perceptible information, tolerance for error, low physical effort, size and space for approach and use.

Tabora-Roberts added that especially from communities of color, they heard that folks are starting business using their cellphone as the point of contact but then they are challenged to use these technologies at a professional level. There is an education gap. i.e. building a website can't be done using a cellphone. There is a gap between education and accessibility.

Robinson continued by saying that there was a higher level of participation and engagement with new communication technologies but not by all residents. He said that digital literacy and the ability to adapt to those skills and new technologies is a primarily employment skill most relevant for future prosperity and opportunity in the digital age economy. They don't think that all residents will be engaged in the new technology. Moreover, he explained that emerging and new technologies will need to use the public rights-of-way and assets to perform effectively.

**Highlights for question 4: What is the role of local government in meeting the communications technology-related needs of our communities?**

Robinson said their finding was that the community strongly supports local government working to ensure internet services and devices are affordable and available to all, but for digital and multimedia literacy training, the supported approach is through partnerships with trusted community organizations and entities. Tabora-Roberts added that there is skepticism with the trust on government entities. The public does not believe that their government will be able to support with affordable internet. Businesses view internet as essential to their operation and essential to their employees.

Rivers said that in cable customer services, a huge majority said there is an issue with customer service and that regulation is necessary.

Tabora-Roberts mentioned that especially among communities of color and people living with disabilities, people worry about their security and privacy online.

**Highlights for question 5: What has been the impact within our communities of the existing public benefit requirements of the cable franchise agreement?**

Robinson mentioned that overall, there is positive outcomes of the Community Technology Grants since 2012. Viewership of local community access channel programming has developed over time and production has increased. Robinson said that even though more than two-thirds of viewership is through cable, but people do appreciate and still watch local community access programs. Robinson said that I-Net has met the increasing bandwidth needs of these public institutions, equating to a 90-120 % increase every 18 months.

### **Highlights for question 6: How have our communities' access to communications technology changed in the past 10 years?**

Robinson said the capacity of today's network is through the roofs, both wireline and wireless, has substantially increased over the past 10 years. This is true for both public and private networks. A smaller percentage of households has cable television, but more households have broadband and internet services in comparison to 10 years ago. People continue to access content in new and different ways, however, because of the diversity of the population, people still continue to access content in traditional ways. More people are creating video content on their own but are still using the low-cost training and higher capability equipment and facilities provided by the community media centers. Residents' views about a local government role for protection of privacy, security, and consumer issues and regulation of the public right-of-way have not changed since 10 years ago, although concerns about these issues have increased.

Chair Studenmund appreciated the amazing abundance of information in the presentation. She appreciated that Robinson closed with the mention that we both share the same views about the government's role as we did 10 years ago. Even though technology has changed, we still care about the need for local government and security and protection.

Harden asked about far East Portland and which areas were covered. Robinson said that there was representation in the qualitative survey. Harden asked if the need or no desire was that indicative of a certain group, i.e. social economic or by age group. Rivers said that the majority is seniors and a young group that is low-income that work and go to school or go to the café to get their internet, so they don't need it or desire to have home internet.

Harden mentioned the Wood Village meeting with City council in October and he anticipates council will say that there is no room for municipal broadband because it's hard to justify the cost. Are there items that would be a concern to us from CTC? Robinson said that CTC has only responded with their financial data and could only comment on that point. He said that once a network reaches a certain point, it is hard to compete with them.

Thomas mentioned what it looked like to use internet at a café years ago, it was hard, and it cost money, and asked about the preference of the population on the type of internet. Robinson said that if we look at cable subscriptions, the numbers have climbed. Cable companies bundle it to provide internet and it's cheap for a year and then it gets more expensive. Largely, the preference lies in the senior population that is interested in home internet. Thomas asked about demographics and about the eastern Europe population and the need to reach out. Can assumptions be made from the data to do more outreach in this area? Robinson said it was going to be challenging. He said they spoke with counties about AI and the like, which is starting to take off.

Studenmund spoke about the senior population and wondering how she and her household will experience going forward. Robinson said that the pandemic has really opened people's eyes about technology. Robinson mentioned about 5G and that it is a constant learning process.

Perez appreciated all the information and Julie Omelchuck's leadership and MHCRC staff and consultant work.

**\*R2. Launch the 2021 Community Technology Grant Cycle**

DeBey mentioned that staff recommends that the Commission allocate \$800,000 for Community Technology grants in the FY2020-21 competitive process and establish a Pre-Application deadline of December 10, 2020.

Annually the committee allocates funds and establishes the pre-application deadline for the community technology grant cycle. The preparation will open in October and it will be announced. Organization will apply through an online pre application process by December 10<sup>th</sup>. At the Jan 2021 meeting, the commissioners will review and decide which pre-applications they would like staff to pursue within the 800k available for funding. Finally, staff will work with the chosen organizations to finalize the full application and the commission will approve final contracts at a future MHCRC meeting.

Harden mentioned that he really like the format with which the organizations will be evaluated and suggested adding how this supports certain populations etc. DeBey noted and will look for ways to incorporate that data.

McIntire expressed concerns with meeting the timeline and if it was going to be enough time. She feels that time is moving really fast. DeBey explained that the cycle typically opens up in October and there will be 3-4 months to finalize the applications and get a sense of what the organizations will be able to implement by that time.

Studenmund appreciates the much more efficient process of handling the grants process. Thomas mentioned that it was definitely a lot harder to evaluate the applicants before.

**MOTION:** Thomas moved to approve the Commission allocate \$800,000 for Community Technology grants in the FY2020-21 competitive process and establish a Pre-Application deadline of December 10, 2020. Dennerline seconded.

**VOTE:** 6-0

**Staff Activity Reports and Updates**

- Perez mentioned the commission received a Newsletter the week prior to the meeting in which the staff provided updates relating to Public Policy/Legislative/FCC, Comcast Franchise Renewal Process, and MHCRC Community Grants Program Updates.
- Perez announced that there are two new hires that OCT will make this year. The financial analyst position post closes next week and she is looking forward to selecting a start date. The second position is an MHCRC manager to take place prior to Omelchuck's departure in December.
- Perez announced that Mayor Ted Wheeler, under executive order, moved OCT under commissioner Eudaly's oversight.
- Perez announced Commissioners will be assigned a new email to handle MHCRC business. An email with instructions will be provided by Bea Coulter. McIntire appreciates the newsletter, the MHCRC email, and the hard work this summer.

## New Business; Commissioner Open Comment

- Committee Appointments

Perez spoke about the Committee Roster listing new committees and participation in those committees. Committees include: Finance Committee, Equity and Inclusion Committee and Policy Committee.

Thomas wanted a copy of the individual commissioner roster. Diaz Calvo noted and will send out the document after the meeting.

Perez went over the roster of committees.

Cinthia to send out the separate document to commissioners.

- Meeting Schedule:
  - October 19 – Remotely
  - November – Recess
  - December 21 – Remotely
  - January 18 – Remotely

## Committee Reports

- Finance Committee – Thomas said they are review the budget and finances for this year and working together with staff to move forward on that.
- Equity Committee – Roche mentioned the committee went over the application process and pre application.
- Policy Committee – Harden said they are trying to schedule their first meeting for early-October. Harden sent Coulter ideas about what the work of what the committee might be, and they have an outline for the first meeting already. The next step will be to determine the work and what specific issues will be tracked and who will we be working with to track that.
- Open Signal Board Appointee – Murphy not present.
- MetroEast Board Appointee – Dennerline said the Board is meeting Tuesday evening. No updates for today.

McIntire asked about the committees and public notices and compliance since there is more than three members of the commissioner participating at some of these committees. Perez explained that measures are being taken by doing public notices and taking minutes for website posting.

## Franchisee Activity Report

- Zply – Zply representative not present.
- Comcast – Tim Goodman from Government Affairs at Comcast, said that Comcast Internet Essentials is still going on. Comcast has continued their support through that program, their continued sponsorship in which they provide the first 3 months of service for free. The programs have proved to be popular. They are keeping their comcast public internet open only for customers. They will roll out more than 1,000 Wi-Fi connected lift zones which will do is provide robust Wi-Fi to community center. Community investments have continued through their continued sponsorship of the Portland Film Festival. They are presenting their gala sponsor for NEIA. They are opening an additional retail store in the Lloyd District, on 1445 NE Weidler, in mid-November. Thomas wants Tim to address questions about internet bandwidth since there some people think the

speed is going down. Tim said that his son is the only one he has heard this complaint from. He said that the network in Portland is the best and that Comcast continues to split nodes which help with the bandwidth. He encourages if there are any complaints to please let him know. Roche mentioned complaints about internet being slow to nearly inexistent between 1- 3:30 pm every day in the Multnomah Village area. This has been reported and the issue hasn't been resolved. Tim noted Roche's request and will address that.

- Century Link – none.

#### PEG Provider Activity Report

- Open Signal – none.
- MetroEast Community Media – none.
- Public Comment: none.
- Adjourn: 8:42 pm

Respectfully submitted by:  
Cinthia Diaz Calvo, Administrative Specialist

**COVER SHEET – AGENDA ITEM #R1**

For Commission Meeting: October 19, 2020

“Your Voice, Our Communications Technology Initiative Digital Equity Video”  
Information Only

**Background**

The MHCRC’s *Your Voice, Our Communications Technology Initiative* included the creation of a short documentary to compliment the written Report.

Open Signal: Portland Community Media Center was engaged to produce the documentary, and we had the opportunity to work with Devin Febroriello, Director of Open Signal Originals, and Portland filmmaker Sika Stanton, whose past work includes *The Numbers* which was produced for Oregon Humanities.

The documentary illustrates the real-world impact of Community Needs Ascertainment key findings from the research by looking at the experiences of three individuals who rely on communications technology to navigate relationships, employment, and the world. The documentary puts an emotional and moving face on the data collected by the MHCRC.

Open Signal will be submitting the documentary to the SIMA Awards (Social Impact Media Awards) which honors documentary filmmakers and production companies who exemplify excellence in their potential to inspire social changes, and for their unique commitments to advancing social impact storytelling.

We are premiering the video at the October MHCRC meeting, and it will be available at the [www.yourvoice2020.mhcr.org](http://www.yourvoice2020.mhcr.org) website in late October.

Submitted by: Bea Coulter  
October 8, 2020

## **COVER SHEET -- AGENDA ITEM #R2**

**For Commission Meeting: October 19, 2020**

“MHCRC Fund Financial Review Consultant - Scope of Work”

### **STAFF RECOMMENDATION**

MHCRC staff, in consultation with Chair Studenmund and Finance Committee Chair Thomas, recommends that the Commission approve the following scope of work for a Request for Proposal (RFP) to engage a consultant to provide a financial review of the MHCRC Fund to analyze and make recommendations to leadership regarding Fund policies, obligations, tracking, reporting requirements and comprehensive management.

Project Scope of Work:

1. Meetings with OCT/MHCRC staff and City financial staff to better understand project scope, materials and current practices.
2. Documents and records review and analysis may include:
  - Relevant MHCRC or City financial policies applicable to Fund balance, interest earnings, obligations, revenue or Fund balance
  - The MHCRC Fund FY2019-20 Financial Statements and Audit and audit records
  - The MHCRC year-end reports (unaudited) and related documents
3. A draft written report containing the consultant’s financial review and analysis of the MHCRC Fund records and policies. The report shall include, but is not limited to:
  - Activities that MHCRC or City financial policies require tracked and reported in Fund balance, activities that are currently tracked and/or reported in Fund balance, and recommendations for activity that MHCRC may consider tracked and reported in annual budget and monitoring processes.
  - Recommended updates and changes to Fund policies or areas where a new financial policy may be needed or can simplify processes.
  - Recommended updates and changes to systems and processes moving forward, in regard to Fund tracking, budgeting and reporting, including Fund balance obligations.
  - Notations for the source policy, decision or agreement requiring the change distinguished from changes not explicitly required but would conform to past practice.
  - Amounts contained within the audited FY2019-20 Ending Fund Balance attributable to unspent interest revenues, unspent or unobligated PEG/I-Net fees (delineated by compliance program operations and grant funds), unspent or unobligated Jurisdictions’ budget appropriations, and any other sources as identified.
4. Meeting with the MHCRC Finance Committee to present the draft report and receive input and answer questions from Committee members.
5. A final report, revised with information responsive to the Finance Committee review and input. All reports should be ADA accessible.

6. A presentation to the MHCRC of the final report and recommendations.

## **BACKGROUND**

The MHCRC FY 2020-21 Operating Budget includes \$20,000 in the Professional Services line item for the outside financial review of MHCRC Fund and related policies and processes.

The MHCRC Finance Committee recommended inclusion of the review in the budget to provide solid recommendations to financial systems and processes for MHCRC leadership reporting and decision-making going forward. The review would also inform possible changes to improve and simplify processes in regard to tracking and reporting Fund balance obligations.

The Committee believed a financial review is important to undertake to review processes and obligations of the MHCRC Funds. The decision is timely with the imminent hire of a full-time financial analyst for the Office for Community Technology and the pending departure of a long-time program manager. For a successful transition of duties and management, clear documentation and guiding documents are critical to ensure that incoming staff has explicit direction on the necessary tasks, reporting requirements, and obligations of the Fund. The MHCRC agreed with the Committee's recommendation and included the review in the FY 2020-21 budget.

## **PROJECT TIMELINE (projected)**

MHCRC project Scope of Work approval: Oct. 19  
Issue RFP: Oct. 30  
Deadline for responses: Nov. 23  
MHCRC contract approval: Dec. 21  
Draft report complete: Jan. 29  
Final report complete: Feb. 26  
Report presentation - MHCRC meeting: March 16

Prepared By: Julie S. Omelchuck  
October 12, 2020

**COVER SHEET – AGENDA ITEM # R3**

**For Commission Meeting: October 19, 2020**

“MHCRC FY 2019-20 Year-End Financial Report - Unaudited”  
Information Only

**Background**

The City of Portland administers the financial matters of the Mt. Hood Cable Regulatory Commission (MHCRC) through an Intergovernmental Service Agreement. The City of Portland established a separate agency fund (MHCRC Fund) for the Commission to fiscally manage its revenues and expenditures. The MHCRC Fund includes the revenue collection and expense disbursement of cable franchise fees, the PEG/I-Net Fee, Fund interest, and the MHCRC annual Operations Budget.

The purpose of the annual Year-End Financial Report-Unaudited is to provide the MHCRC an informal report about the MHCRC’s financial activities and status of certain elements of the MHCRC’s Fund at year end. This report is intended as informational only.

The MHCRC’s audited financial statements provide an outside audit and technical accounting status of the MHCRC Fund. The audit presentation will take place at the December 21<sup>st</sup> MHCRC meeting. The annual Year-End Financial Report provides more granular information than the audited financial statements about the MHCRC’s Operations Budget and about the PEG/I-Net Fee Capital fund for planning purposes.

Attachment: FY 2019-20 MHCRC Year-End Financial Report (Unaudited)

Prepared By:  
Julie S. Omelchuck, Program Manager  
October 10, 2020

## **MHCRC YEAR-END FINANCIAL REPORT – FY 2019-20 (Unaudited)**

The purpose of the annual Year-End Financial Report (unaudited) is to provide the MHCRC an informal, informational report about the MHCRC's financial activities and status of certain elements of the MHCRC's Fund at year end. This report is intended as informational. The MHCRC's annual audited financial statements provide an outside audit and technical accounting status of the MHCRC Fund.

### **The annual year-end Financial Report consists of the following:**

#### Page 2: Fiscal Year 2019-20 Highlights

- Financial highlights for the fiscal year.
- High level summary of MHCRC Fund activities.

#### Pages 3-6: Trend Analysis, Resources and Disbursements

- Cable Franchise Fee Trend
- Cable TV Subscriber Trend
- Franchise Fee Disbursements-East County Jurisdictions
- Franchise Fee Disbursements – City of Portland
- Funding Support for Community Media Centers & Community Grants

#### Page 7: MHCRC's Operations Budget to Actual

This section summarizes the MHCRC's budget-to-actual operations budget, including revenues and expenditures by administrative/regulatory and capital fund compliance programs.

#### Page 8: Fund Interest Balance History

The section details the interest earned on the MHCRC Fund and the amount expended during a fiscal year for the MHCRC operational budget.

#### Page 9: Revenues and Disbursements by Major Categories

This section itemizes revenues, expenditures, and allocations by major categories:

- Cable Franchise Fees
- MHCRC PEG/I-Net Fee Capital Fund

#### Page 10: Revenues Comparison, FY 2018-19 vs. FY 2019-20

This section compares the MHCRC FY 2019-20 revenues and community media organizations' funding to the previous fiscal year.

#### **Prepared By:**

Julie S. Omelchuck, MHCRC Program Manager  
Aaron Rivera, Business Operations Manager

## Highlights

### REVENUES:

The MHCRC oversaw the collection of \$7,479,954 in cable franchise fees for FY 2019-20. Both Portland and the East Multnomah County jurisdictions continued the decline in franchise fees, which began in FY 2017-18 and is now less than the amount collected ten years ago. For example, Portland's fees have seen about a 7.8% decrease in the last two fiscal years. For the East County jurisdictions, franchise fees decreased 4.7% in FY 2018-19 and 3.4% in FY 2019-20.

The MHCRC also collected \$4,488,043 in PEG/I-Net Fee revenues from the cable franchises, a 6.4% decrease from the previous fiscal year. The MHCRC Fund gained \$265,053 in interest revenue for FY 2019-20.

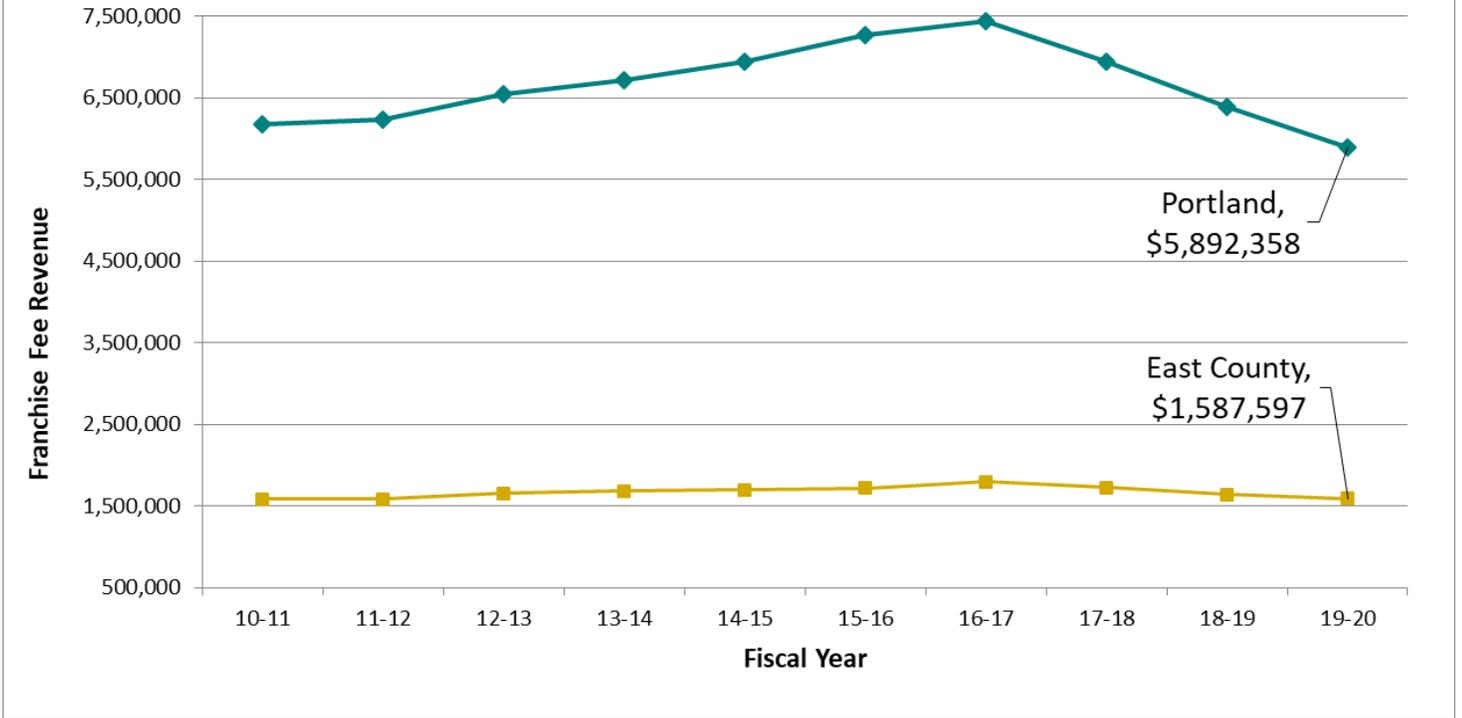
### EXPENDITURES:

- **MHCRC Operations Budget:** The MHCRC underspent its Operations budget mostly related to reductions in personnel due to staff vacancies and savings in Internal Materials & Services due to the office move. The budget experienced an unexpected expenditure in Overhead costs but the approved budget was able to absorb the expense due to under expenditures in other areas.
- **Community Media Funding:** The MHCRC oversaw the disbursement of operational and capital dollars for the two community media centers as follows:
  - a) MetroEast Community Media: \$889,618 from East County franchise fees, a reduction of 3.7% from the previous fiscal year, and \$601,719 in capital funds.
  - b) Open Signal: \$929,587 from the City of Portland general fund, an increase of 1.9%, \$62,940 from West Multnomah County franchise fees, and \$902,580 in capital funds.
- **Community Technology Grants Awards:** Although the MHCRC delayed grant decisions in FY 2018-19 the Commission and staff completed two rounds of Community Technology Grants awards in FY 2019-20. Awards were granted to 16 organizations in the total amount of \$883,390.
- **TechSmart Initiative Grant Awards:** In FY 2019-20, the MHCRC made its final grant awards under the TechSmart Initiative for Student Success, totaling \$4,866,984.
- **I-Net Capital Costs:** Total funding of public agencies' and schools' capital costs related to the I-Net connections and equipment were \$838,279.

### PEG/I-NET FEE CAPITAL FUND SUMMARY:

The MHCRC PEG/I-Net Fee capital fund is a component of the discrete MHCRC Fund managed within the City of Portland's financial system. The capital fund compliance program budget, community media capital, I-Net expenses, and grants are funded by these dollars. At the end of FY 2019-20, the fund had \$1,167,709 in remaining balance for the capital compliance program and \$3,541,055 in unallocated balance (see Page 9).

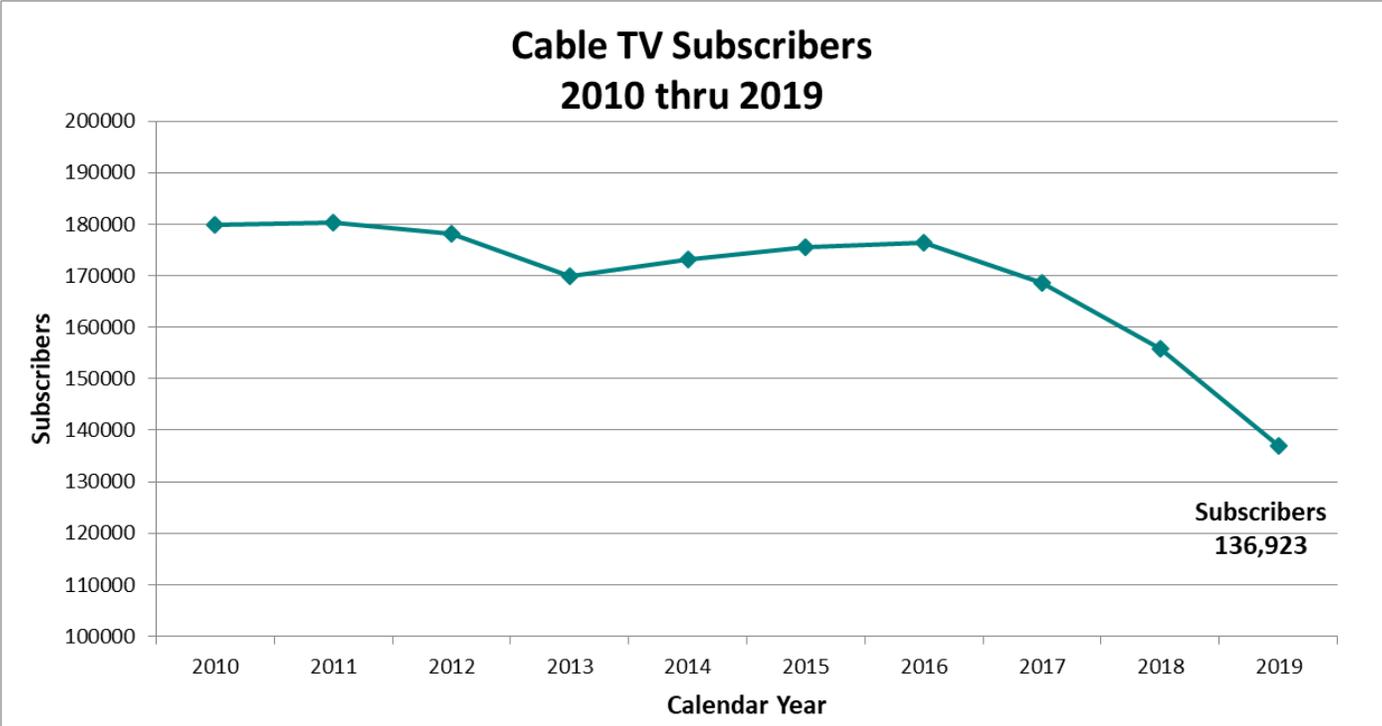
## Cable Franchise Fee Trend FY2010-11 thru FY2019-20



### Cable Franchise Fee Trend

#### Franchise Fee Revenue

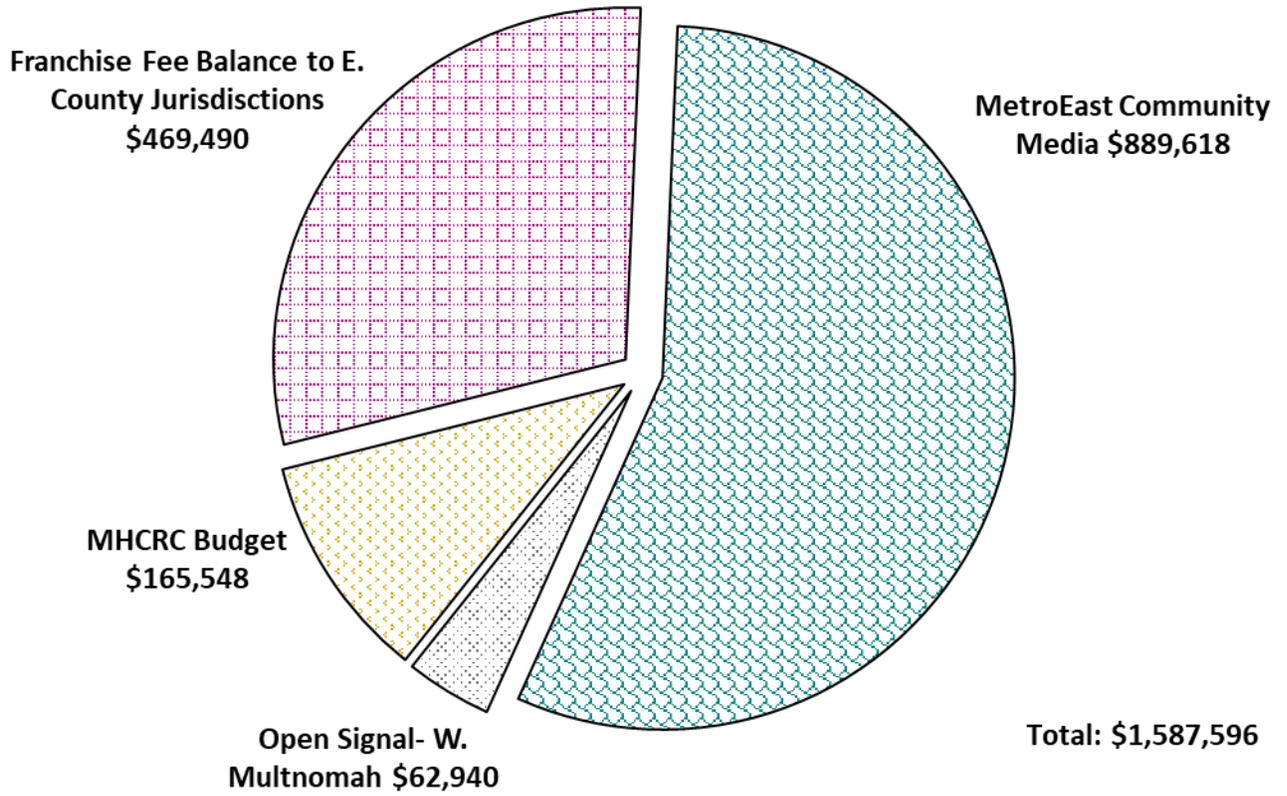
Portland	East County	Fiscal Year
\$6,170,000	\$1,580,000	10-11
\$6,232,244	\$1,586,137	11-12
\$6,548,700	\$1,654,359	12-13
\$6,719,325	\$1,685,059	13-14
\$6,944,159	\$1,696,654	14-15
\$7,270,259	\$1,718,578	15-16
\$7,439,910	\$1,793,829	16-17
\$6,937,752	\$1,724,113	17-18
\$6,389,707	\$1,643,235	18-19
\$5,892,358	\$1,587,597	19-20



**Cable TV Subscribers  
2010 thru 2019**

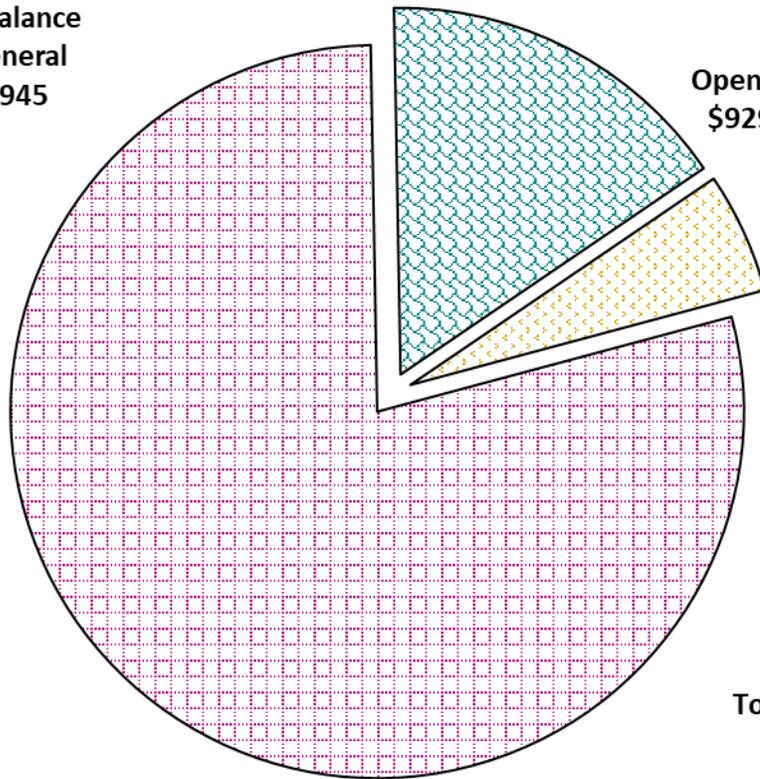
Subscribers	Year
179,884	2010
180,204	2011
178,032	2012
169,997	2013
173,206	2014
175,616	2015
176,396	2016
168,575	2017
155,782	2018
136,923	2019

# Cable Franchise Fee Disbursements FY 2019-20 East County



# Cable Franchise Fee Disbursements FY2019-20 Portland

Franchise Fee Balance  
to Portland General  
Fund \$4,647,945

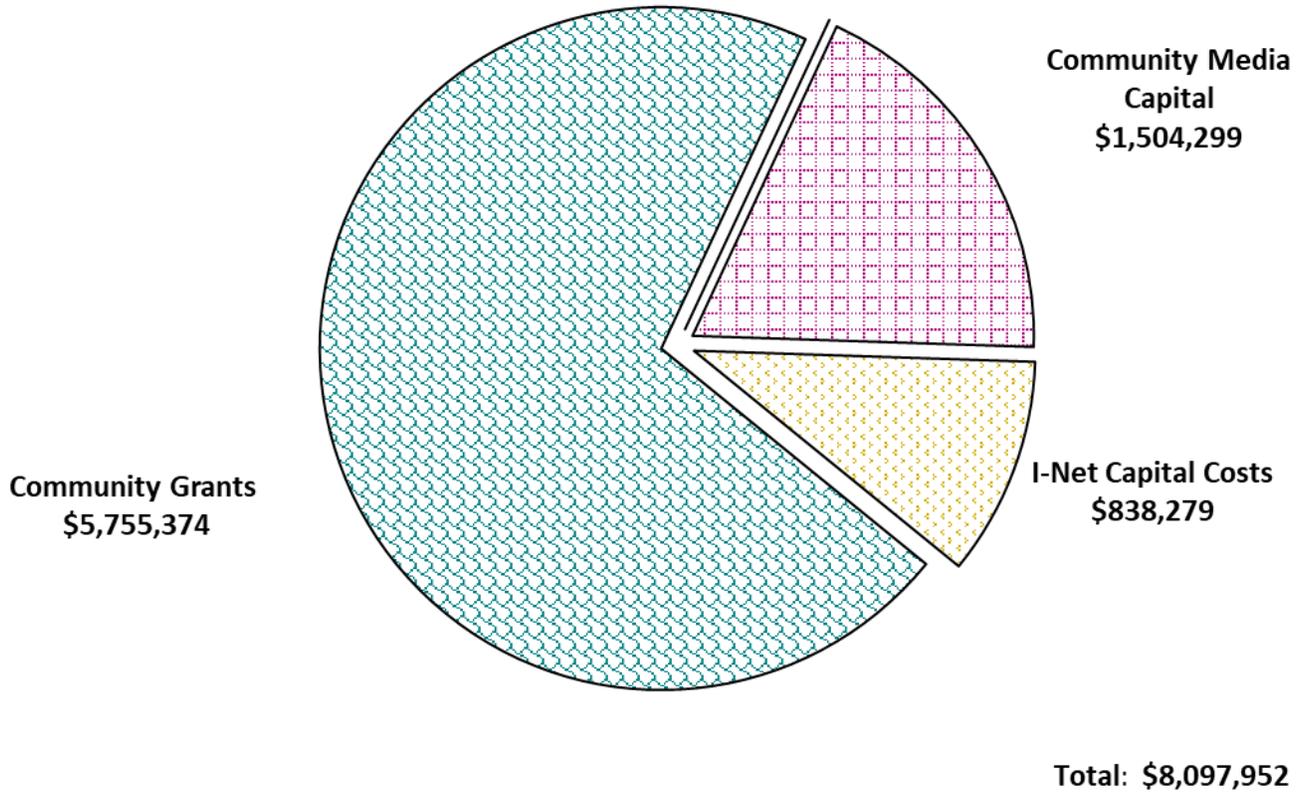


Open Signal  
\$929,587

MHCRC Budget  
\$314,826

Total: \$5,892,358

# Funding Support for Community Media & Grants FY2019-20



<b>MHCRC Operations Budget to Actual - Revenues and Expenditures</b>					
<b>FY2019-20</b>					
<b>MHCRC Administrative / Regulatory Program</b>					
<b>Revenues</b>			<b>Budget</b>	<b>Actual</b>	
City of Portland Appropriation			\$314,826	\$314,826	
East County Appropriations			169,522	165,548	
FY18-19 Carryover				80,000	
Interest Revenue Allocation			102,201	22,058	
		<b>Total Revenues</b>	<b>\$586,549</b>	<b>\$582,432</b>	
<b>Expenditures</b>					
Personnel			\$303,847	\$257,977	
Professional Services			152,000	170,214	
External Materials & Services			26,025	19,565	
External Fund Audit			3,750	3,018	
Rent			18,026	16,608	
Internal Materials & Services			29,601	22,050	
GF Overhead (annual)				19,500	
GF Overhead (prior 3 years)				73,500	
Contingency			53,300		
		<b>Total Expenditures</b>	<b>\$586,549</b>	<b>\$582,432</b>	
		<b>Net Unspent Juris Appropriations</b>	<b>\$0</b>	<b>\$0</b>	
<b>MHCRC Capital Fund Compliance Program</b>					
<b>Revenues</b>			<b>Budget</b>	<b>Actual</b>	
Fund Compliance Admin			\$530,232	\$448,804	
		<b>Total Revenues</b>	<b>\$530,232</b>	<b>\$448,804</b>	
<b>Expenditures</b>					
Personnel Services			\$276,706	\$206,287	
Professional Services			132,000	92,673	
External Materials & Services			11,950	2,092	
External Fund Audit			11,250	9,414	
Rent			20,050	15,027	
Internal Materials & Services			30,076	19,671	
GF Overhead				7,000	
Contingency			48,200		
		<b>Total Expenditures</b>	<b>\$530,232</b>	<b>\$352,164</b>	
		<b>Net Compliance Program</b>	<b>\$0</b>	<b>\$96,640</b>	

<b>Interest Fund Balance history</b>					
<b>FY 2005-06 through FY 2019-20</b>					<i>A=Actual</i>
<b>Fiscal Year</b>	<b>Interest Earned</b>	<b>Net Admin. Program</b>	<b>Change</b>	<b>Cumulative Balance</b>	<b>A</b>
			Beg. Balance	\$196,968	A
FY2005-06	\$100,333	(\$99,294)	\$1,039	\$198,007	A
FY2006-07	\$171,764	(\$92,312)	\$79,452	\$277,458	A
FY2007-08	\$181,699	(\$92,771)	\$88,928	\$366,386	A
FY2008-09	\$126,158	(\$109,703)	\$16,455	\$382,841	A
FY2009-10	\$71,976	(\$98,233)	(\$26,257)	\$356,584	A
FY2010-11	\$32,395	(\$109,045)	(\$76,650)	\$279,934	A
FY2011-12	\$34,324	(\$129,708)	(\$95,384)	\$184,550	A
FY2012-13	\$30,329	(\$66,281)	(\$35,952)	\$148,598	A
FY2013-14	\$43,567	\$0	\$43,567	\$192,165	A
FY2014-15	\$57,577	\$0	\$57,577	\$249,742	A
FY2015-16	\$91,898	(\$4,949)	\$86,949	\$336,691	A
FY2016-17	\$136,434	\$0	\$136,434	\$473,125	A
FY2017-18	\$184,274	\$0	\$184,274	\$657,399	A
FY2018-19	\$291,297	\$0	\$291,297	\$948,696	A
FY2019-20	\$265,053	(\$22,058)	\$242,995	\$1,191,691	A

<b>MHCRC Fund - Revenues and Disbursements by Major Categories</b>			
<b>FY2019-20</b>			
<b>Cable Franchise Fee Revenues and Expenditures - MHCRC Fund</b>			
<b>Revenues</b>			
Comcast		\$1,403,971	
Frontier/Zply		183,626	
		<b>Total Revenues</b>	<b>\$1,587,597</b>
<b>Expenditures</b>			
Franchise Fee Balance to East County Jurisdictions		\$469,490	
MetroEast - Franchise Fees, East County		889,618	
PCM - Franchise Fees, Multnomah West		62,940	
MHCRC Admin. Budget, East County Share		165,548	
		<b>Total Expenditures</b>	<b>\$1,587,597</b>
<b>MHCRC PEG-I-Net Fee Revenues - Capital Expenditures/Allocations</b>			
		<b>Beginning Balance</b>	<b>\$8,670,838</b>
<b>Revenues</b>			
PEG/I-Net Fee		<b>Total Revenues</b>	<b>\$ 4,488,043</b>
<b>Expenditures</b>			
Capital Fund Compliance Program		352,164	
Community Media Capital		1,504,299	
		<b>Total Expenditures</b>	<b>\$1,856,463</b>
<b>Grants Awarded</b>			
I-Net Capital Grants		838,279	
Community Technology Grants		888,390	
TechSmart Grants		4,866,984	
		<b>Total Grants Awarded</b>	<b>\$6,593,653</b>
		<b>*Available Balance</b>	<b>\$4,708,765</b>
<b>* Available Balance - Detail</b>			
Fund Compliance Program	\$	1,167,709	
Unobligated PEG/I-Net fee rev		3,541,055	
		<b>Available Balance</b>	<b>\$4,708,764</b>

**Revenues - Actuals Comparison**

**Fiscal Year 2018-19 vs 2019-20**

<b>Cable Franchise Fees</b>	<b>FY2018-19</b>	<b>FY2019-20</b>	<b>Change</b>	<b>% change</b>
Portland	\$ 6,389,707	\$ 5,892,358	\$ (497,349)	-7.8%
East County, Comcast	\$ 1,425,934	\$ 1,403,971	\$ (21,963)	-1.5%
East County, Frontier & Cascade*	\$ 216,979	\$ 183,626	\$ (33,353)	-15.4%
<b>Franchise Fees Total</b>	<b>\$ 8,032,620</b>	<b>\$ 7,479,955</b>	<b>\$ (552,665)</b>	<b>-6.9%</b>
PEG/I-Net Fees	\$ 4,795,297	\$ 4,488,043	\$ (307,254)	-6.4%
Fund Interest	\$ 291,297	\$ 242,995	\$ (48,302)	-16.6%

\*Cascade Access ended cable TV service in FY18-19

**Access Organizations Payments - Actuals Comparison**

**Fiscal Year 2018-19 vs 2019-20**

<b>Portland Community Media</b>	<b>FY2018-19</b>	<b>FY2019-20</b>	<b>Change</b>	<b>% change</b>
Portland General Fund	912,514	929,587	\$ 17,073	1.9%
Multnomah West Franchise Fees	63,149	62,940	\$ (209)	-0.3%
Community Media Capital	881,426	902,580	\$ 21,154	2.4%
<b>Total</b>	<b>1,857,089</b>	<b>1,895,107</b>	<b>\$ 38,018</b>	<b>2.0%</b>

<b>MetroEast Community Media</b>	<b>FY2018-19</b>	<b>FY2019-20</b>	<b>Change</b>	<b>% change</b>
East County Franchise Fees	923,540	889,618	\$ (33,922)	-3.7%
Community Media Capital	587,616	601,719	\$ 14,103	2.4%
<b>Total</b>	<b>1,511,156</b>	<b>1,491,337</b>	<b>\$ (19,819)</b>	<b>-1.3%</b>