

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 2022-067

Approval of the Mt. Hood Cable Regulatory Commission Fund Budget for Fiscal Year 2022-2023

The Multnomah County Board of Commissioners Finds:

- a. The Mt. Hood Cable Regulatory Commission (MHCRC) was formed by Multnomah County and the cities of Fairview, Gresham, Portland, Troutdale and Wood Village (Cities) to advocate for and protect the public interest in the regulation and development of cable communication systems.
- b. The MHCRC has approved a budget for Fiscal Year 2022-2023 and forwarded this budget to Multnomah County and the Cities for approval.

The Multnomah County Board of Commissioners Resolves:

1. The Mt. Hood Cable Regulatory Commission Fund Budget for Fiscal Year 2022-2023 is approved.

ADOPTED this 23rd day of June 2022.



BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Deborah Kafoury, Chair

REVIEWED:
JENNY M. MADKOUR, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By 

JENNY M. MADKOUR, County Attorney



Mt. Hood Cable Regulatory Commission

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

MHCRC FUND BUDGET FISCAL YEAR 2022-23

Members

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Elisabeth H. Perez, Director
Rebecca Gibbons, Strategic Initiatives Manager
Michael Wong, Finance Manager
503-823-5385
www.mhcrc.org



INTRODUCTION

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

- **Advocating for and protecting the public interest in the regulation and development of cable communication systems;**
- **Providing consumer protection and cable subscribers' complaint resolution; and,**
- **Facilitating the planning and implementation of community uses of cable communication technologies.**

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

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

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

The MHCRC contracts for staff and other support services through a services agreement with the City of Portland. The MHCRC funds an equivalent of 4.0 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 2012-22 Annual Report and website (www.mhcr.org) for more detail about MHCRC activities and accomplishments.

MHCRC FY 2022-23 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 2022-23 Fund Budget is presented on page 5.

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

Fund Resources

The amount of MHCRC resources from year to year largely depends on franchise fee and PEG/I-Net fee payments from cable companies for their private use of public right-of-way to provide cable TV services. Cable company payments are based on a percentage of the company's gross revenues derived from cable TV services. The FY 2022-23 Fund resources are projected based on cable company actual payments through 3rd Quarter FY 2021-22.

Detail on each Fund resource follows:

Franchise Fees: The MHCRC collects all cable services franchise fees, based 5% of the companies' gross revenues for cable TV service, for Gresham, Troutdale, Fairview, Wood Village and Multnomah County from Comcast and Ziplly Fiber cable franchises. The MHCRC uses historical trend data and actual payments through 3rd Quarter FY21-22 to project franchise fees.

Operating Budget Appropriation - Portland: The MHCRC collects funds from the City of Portland for its share of the MHCRC's operating budget. The other MHCRC Jurisdictions' appropriations are allocated from the cable services franchise fees collected by the MHCRC (detail contained in Appendix 1, page 7).

Interest Earned: The MHCRC collects interest on its Fund. Interest revenue is projected to have a slight increase, this remains consistent with prior years.

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

Fund Expenditures

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

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

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

The MHCRC has opted to carry-over unused budget funding to FY22-23 to facilitate one-time costs, including Comcast franchise renewal negotiations and a strategic planning process with the Jurisdictions to guide possible changes to the IGA and the MHCRC after FY22-23.

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

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

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

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

The Community Technology Grants provides funding, through an annual, competitive grant process, to nonprofits, libraries, and local governments to use technology resources to further their missions and services. Nearly 75% of grants made in the last five years (2016-2021) focus on supporting traditionally underserved, ethnically diverse, and special needs populations – such as communities of color, immigrants and refugees, low-income people, girls and women, youth, English language learners - in order to bridge the digital divide.

The TechSmart Initiative is an eight-year, \$16 million funding partnership with six school districts in Multnomah County to provide grants and evaluation resources for districts to identify effective classroom instruction that uses technology to foster improved outcomes for all students. Initiative grant projects with the districts will wrap up in school year 2021-22 and the final impact report is planned for publication by early 2023.

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

**MHCRC FUND BUDGET
FISCAL YEAR 2022-23**

	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Adopted	2022-23 Proposed
RESOURCES					
E. County Franch. Fees, Comcast	1,336,912	1,299,069	1,266,277	1,381,503	1,291,748
E. County Franch. Fees Mult West, Comcast	106,701	104,901	99,275	100,650	103,908
E. County Franch. Fees, Zply Fiber	226,288	183,626	157,411	98,940	83,576
Operating Budget Appropriation-Portland	304,998	314,826	294,418	348,545	344,396
Interest Earned	291,297	265,053	95,194	101,790	103,190
PEG / I-Net Capital Fee	4,791,334	4,488,041	5,881,515	4,233,010	4,273,849
Total Resources	7,057,530	6,655,517	7,794,090	6,264,438	6,200,667
Beginning Fund Balance	7,266,195	2,461,722	3,129,131	2,212,420	2,037,853
Unspent Comm Technology Grants	0	0	297,488	166,926	102,555
Unspent TechSmart Initiative Grants	0	4,866,984	6,913,886	1,663,489	542,812
Unallocated balance	0	980,968	0	2,293,913	5,280,618
Total	\$14,323,725	\$14,965,191	\$18,134,595	\$12,601,186	\$14,164,504
EXPENDITURES					
MHCRC Operating Budget	656,303	934,596	1,254,868	1,249,431	1,430,795
Franchise Fee Balance to Jurisdictions	503,730	469,490	450,652	444,760	439,024
Community Media Pmt, E. County (MetroEast)	937,920	889,618	855,967	888,638	854,653
Community Media Pmt, Mult. West (Open Signal)	64,021	62,940	57,812	60,019	62,456
Community Media Capital (MetroEast/OS)	1,469,042	1,504,299	2,083,120	1,566,576	2,610,600
I-Net Grants	568,179	838,279	0	0	0
Community Technology Grants	0	869,194	1,197,488	1,066,926	1,368,865
TechSmart Initiative Grants	0	4,866,984	6,913,886	1,663,489	542,812
Contingency	0	0	800,000	800,000	800,000
Total Expenditures	\$4,199,195	\$10,435,400	\$13,613,793	\$7,739,839	\$8,109,205
Net Change in Fund Balance	10,124,530	4,529,791	4,520,802	4,861,348	6,055,299
Total	\$14,323,725	\$14,965,191	\$18,134,595	\$12,601,186	\$14,164,504

APPENDIX ONE

FRANCHISE FEE REVENUE AND DISBURSEMENT DETAIL

MHCRC OPERATING BUDGET-LINE ITEM DETAIL

JURISDICTIONAL APPROPRIATIONS BY JURISDICTION

FRANCHISE FEE REVENUES AND DISBURSEMENTS
FY22-23 Estimate

Jurisdictions	Franchise Fee Revenues	MetroEast Appropriation	Open Signal Appropriation	MHCRC Budget Appropriation	Payments to Jurisdictions
Portland*	\$5,290,847		\$1,003,374	\$344,396	
MULTNOMAH CO., EAST	68,431	41,059		16,748	10,625
MULTNOMAH CO., WEST	94,301	N/A	62,456	N/A	31,846
GRESHAM	1,032,846	619,708		131,734	281,417
TROUTDALE	168,380	101,028		21,291	46,063
FAIRVIEW	99,121	59,473		11,851	27,798
WOOD VILLAGE	27,464	16,478		3,820	7,166
Total, East County	\$1,490,543	\$837,746	\$62,456	\$185,444	\$404,915
Grand Total	\$6,781,390	\$837,746	\$1,065,830	\$529,840	\$404,915

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

FRANCHISE FEE DISBURSEMENTS to EAST COUNTY JURISDICTIONS - Prior Years:

Jurisdictions	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Proposed	FY 2022-23 Proposed
MULTNOMAH CO., EAST	17,900	16,382	15,866	16,188	15,678	10,625
MULTNOMAH CO., WEST	43,632	42,098	40,014	41,674	39,611	31,846
GRESHAM	363,362	337,012	314,158	321,130	299,353	281,417
TROUTDALE	60,401	55,899	52,546	52,735	49,572	46,063
FAIRVIEW	35,620	33,667	32,279	32,570	31,227	27,798
WOOD VILLAGE	9,441	8,502	8,110	8,293	7,911	7,166
TOTAL	\$530,356	\$493,560	\$462,973	\$472,590	\$443,352	\$404,915

MHCRC FY22-23 OPERATING BUDGET - Line Item Detail

Title	FY 2018-19 Actual	FY 2019-20 Actual	FY20-21 Actual	FY21-22 Adopted	FY22-23 Proposed
Expenditures					
Personnel - MHCRC Admin	339,589	464,264	410,853	694,024	615,544
Indirect Personnel - Bureau Support	10,870	0	0	0	0
Total Personnel Services	\$350,459	\$464,264	\$410,853	\$694,024	\$615,544
External Fund Audit	10,060	12,432	12,024	15,000	15,300
Professional Services	177,044	262,887	372,923	216,810	205,078
Legal Services	N/A ⁽¹⁾	N/A ⁽¹⁾	N/A ⁽¹⁾	76,000	175,000
Miscellaneous Services	2,563	5,540	5,161	9,050	5,650
Office/Operating Supplies	2,123	2,719	2,894	2,634	4,485
Education	8,394	9,884	6,280	15,625	13,825
Local Travel	0	0	0	500	500
Out-of-Town Travel	2,743	2,496	0	4,200	5,700
Rent Columbia Square	41,744	31,635	0	0	0
Miscellaneous	1,440	989	2,980	700	2,700
Total External Materials & Services	\$246,111	\$328,582	\$402,263	\$340,519	\$428,238
Fleet Services	0	0	0	65	42
Print/Distribution	3,918	457	582	2,867	1,848
Facilities Services	310	313	37,439	47,172	44,797
EBS Services	8,548	0	0	0	0
Information Technology (IT)	21,022	17,642	17,113	11,514	22,980
Insurance/Workers Comp	6,876	6,276	4,296	5,685	8,160
Technical Accounting IA	5,575	9,000	9,000	9,000	9,000
Legal Services IA	N/A ⁽²⁾	N/A ⁽²⁾	N/A ⁽²⁾	N/A	N/A
Mgmt Services (Bus Ops) IA	8,333	8,062	0	0	0
Other	(9,780)	0	0	0	0
Total Internal Services	\$44,802	\$41,750	\$68,429	\$76,303	\$86,827
GF Overhead	0	100,000	9,609	25,000	25,000
Contingency - General	0	0	53,285	113,585	114,186
Encumbrance Carryover	80,000	0	21,041	0	161,000
Total Fund Level Expenditures	\$ 80,000	\$ 100,000	\$ 83,935	\$ 138,585	\$ 300,186
Total Expenditures	\$ 721,372	\$ 934,596	\$ 965,480	\$ 1,249,431	\$ 1,430,795
Franchise Admin. Program Expenses	410,971	582,432	614,299	683,020	622,426
Capital Fund Compliance Expenses	325,332	352,164	351,181	566,411	647,369
Resources					
Appropriation from Jurisdictions	469,228	480,347	472,590	536,223	529,840
Year-end Balance - Carry over	12,409	80,000	0	0	161,000
Interest Revenue Allocation		22,058	147,608	146,797	92,586
Appropriation from Fund Compliance	325,332	352,164	526,988	566,411	647,369
Total Resources	\$ 806,969	\$ 934,569	\$ 1,147,185	\$ 1,249,431	\$ 1,430,795
Year-End Operations Balance	\$ 85,597	\$ -	\$ 181,705	\$ -	\$ -

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

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

JURISDICTIONAL APPROPRIATION - PERCENTAGE BY JURISDICTION
MHCRC OPERATING BUDGET
FY 2022-23

City of Portland Appropriation	\$344,396	65.0%
East County Appropriations	\$185,444	35.0%
Operating Budget Total:	\$529,840	

JURISDICTION		FY 2022-23 Proposed	FY 2022-23 % Allocation
Portland		\$344,396	65.0%
	Subscriber Distribution		
<u>East County</u>	<u>No. Of Subs</u>	<u>Perc. Distr.</u>	
Gresham	17,597	71.03%	\$131,734 24.9%
Multnomah Co.	2,238	9.03%	\$16,748 3.2%
Troutdale	2,845	11.48%	\$21,291 4.0%
Fairview	1,583	6.39%	\$11,851 2.2%
Wood Village	510	2.06%	\$3,820 0.7%
East County Total	24,773	100.00%	\$185,444 35.0%
Total		\$529,840	100.0%

Budget Allocation Comparison

JURISDICTION	FY 2022-23 Proposed
Portland	\$344,396
<u>East County</u>	
Gresham	\$131,734
Multnomah Co.	\$16,748
Troutdale	\$21,291
Fairview	\$11,851
Wood Village	\$3,820
East County Total	185,444
Total	529,840

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. FY2022-23 draft budget summaries are included in this Appendix to provide more detail for the community media expenditures in the MHCRC Fund Budget.

SUMMARY OF COMMUNITY MEDIA DISBURSEMENTS

MetroEast Community Media:

Operations Funding: East County Franchise Fees	\$ 854,653
Capital Funding: MHCRC	<u>\$ 1,044,240</u>
Total	\$ 1,898,893

Open Signal:

Operations Funding: Portland General Fund	\$ 1,003,374
Operations Funding: West County Franchise Fees	\$ 62,456
Capital Funding: MHCRC	<u>\$ 1,566,360</u>
Total	\$ 2,632,190



TAKE CONTROL OF THE MEDIA

MetroEast Budget Summary

April 20, 2022

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

The MetroEast FY22-23 budget reflects the objectives and tactics identified during our 2020/2021 strategic planning process:

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

REVENUE

Grants

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

MetroEast is in the final year of an MHCRC Community Technology capital grant to develop a new Scheduling Tool, a software asset that will more efficiently manage playback and scheduling of content on our broadcast channels.

MetroEast has had considerable growth receipt of grants over the last couple years and is still expanding these efforts. Our contract grant writer has helped acquire several grants, including funds from multi-year grants such as the Miller Foundation, and ongoing support from the Oregon Arts Commission and the Oregon Cultural Trust, and we continue to approach new funders as opportunities arise.

Production Services

MetroEast's video production department sells services primarily to nonprofits and governments. Upcoming projects see us working with the Clean Rivers Coalition to produce two separate short series: the Connection Series and a series promoting pesticide free lawn care. While online fundraisers may be behind us, we will continue to engage with nonprofits to create video for their fundraising events. This is an election year, and we continue to partner with the League of Women Voters of Portland to produce Video Voters Guides (candidate interviews) and Voter Forums. This partnership supports our mission of civic engagement. Young Audiences and the Right Brain Initiative have been working with us this spring to produce teaching modules for artists in the classroom. We will continue to work with them this summer. We expect our recent investment in a marketing consultant to further grow our revenue and client base.

Sponsorships & Contributions

With the launch of the Mobile Media Innovation Lab, MetroEast hopes to secure sponsor support for that ongoing programming. MetroEast's Board of Directors has been recently reinvigorated with several new members and officers deeply committed to MetroEast's mission and vision. They will be instrumental in expanding private fundraising efforts and seeking the fiscal support of the local community.

EXPENSE

Payroll

Due to persistent revenue shortfalls and declining franchise funds, we do not expect to replace the three staff positions vacated in 2021, moving from 16.25 to 13.25 FTE. The roles of the Communications Coordinator and Director of People and Culture have been absorbed into other restructured positions. Compared to pre-pandemic staffing, expenses are down 14.7%.

Despite these adjustments, payroll remains the largest portion of MetroEast's budget. Our people are our strength, and our emphasis on individualized service and one-on-one education requires a certain level of staffing. The efficiency and professional development of current staff will be a key aspect of ongoing strategic planning.

MetroEast capitalizes payroll expenses directly attributed to capital projects and the installation of assets.

Leadership

Rather than embark on a search for a new Executive Director, MetroEast intends to develop a shared leadership model, akin to that of Open Signal. We will utilize and develop the skills of existing leadership team positions moving forward, and enter into a phase of renewed strategic planning in collaboration with the Board of Directors.

Professional Services

We have created a BIPOC production contractor program to provide training and experience to early-career filmmakers, and also support both internal and fee-for-service projects. We also will expand the role of Digital Media Navigators and provide childcare during community classes to advance our initiative of digital inclusion. Additional contracted services include grant-writing, marketing, legal support, financial audit and media education.

Other Operational Expenses

The remainder of MetroEast's operational expenses this fiscal year are projected in anticipation of a gradual and intentional return to a fully open status as the pandemic transitions. Currently operating by appointment only, we expect to continue to provide significant online services, while opening in-person classes. We also will host two community events in the coming year, to welcome patrons back to our space. Operational expenses, excluding payroll, reflect a deliberate attempt to reduce costs wherever possible, and are 23% lower than pre-pandemic costs.

Equipment

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

- Production Lighting, Microphones, Cameras and Lenses (\$36k)
- Staff and Edit Room computer replacements/upgrade (\$135k)
- Expanded gear for the Mobile Innovation Lab & Remote Services (\$36K)
- Studio A system core replacement to fully support 4k content creation (\$80k)
- Equipment Room & Audio Booth gear for member use and check-out (\$48k)

Building Improvements

The HVAC system will undergo a thorough review and upgrade. In response to COVID we have increased the amount of air we are pulling in from outside the building. During this process we realized that our system is not operating as efficiently as it should. Our overall goal is to increase air circulation and eliminate any hot and cold spots throughout the building.

We expect that we will need to install an appropriate foundation drainage system on the west wall of the building. We've noted an increase in mineral efflorescence requiring investigation which may indicate that ideal mold conditions are present in the building putting structure and equipment as well as health and safety at risk.

Mortgage and Capital Leases

The multi-year capital lease on the Tricaster has now been paid in full. With the additional capital funds made available to MetroEast in FY23, we plan to pay off the mortgage loan on our building in June 2023.

Software Development & Licensing

MetroEast has multiple annual IT support and internal software contracts that make up the majority of this category, including CRM, equipment management, media automation, security, communications, networking, and others. Additional funds will be used to complete the development of the Scheduling Tool.

Vehicles

No new vehicles will be purchased this year.

RESERVES

MetroEast is prepared to draw from reserves to cover any budget shortfall. The investment fund stands at \$995,474, of which a minimum of \$398,273 is available for operational spending as of 3/31/22.

MetroEast Community Media FY 22/23 Budget*

	18/19	19/20	20/21	21/22	21/22	22/23
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Approved Budget v2</i>	<i>Forecast</i>	<i>Budget v2</i>
OPERATIONS BUDGET						
INCOME						
Franchise Fees	924,626	891,683	882,425	850,177	878,330	854,653
Sponsorships	6,500	1,500	3,450	20,004	0	20,004
Operating Grants	58,500	15,000	95,327	222,500	140,938	108,000
Contributions	4,447	6,975	4,323	27,500	6,126	8,500
Education Services			13,890	20,000	8,000	9,000
Production	122,797	62,589	118,524	200,000	112,781	150,000
Memberships	7,901	6,913	3,090	7,200	4,085	4,200
Other	61,830	26,190	125,127	67,200	121,603	19,270
Interest	1,222	1,445	471	560	441	0
Total Operating Income	1,187,823	1,012,295	1,246,627	1,415,141	1,272,303	1,173,627
EXPENSE						
Payroll & Benefits	1,342,485	1,184,665	1,163,469	1,300,941	1,286,690	1,145,500
Less: Capitalized Wages	(150,882)	(69,783)	(63,808)	(102,000)	(45,880)	(36,000)
Adjusted Total Personnel	1,191,603	1,114,882	1,099,661	1,198,941	1,240,810	1,109,500
Communications, Utilities Maint & Misc	70,428	59,040	64,841	73,928	52,920	77,138
Dues & Subscriptions	18,671	10,577	14,088	12,000	8,105	7,570
Education & Training	4,962	7,499	7,856	10,500	6,626	13,200
Food, Production & Business Expenses	44,915	68,128	28,998	40,650	26,865	28,910
Insurance	39,757	77,853	72,921	67,900	85,306	63,500
Marketing, Media, Printing & Shipping	30,527	6,073	1,319	23,690	1,328	10,190
Office & Operating Supplies	40,712	14,697	6,936	21,600	8,578	9,960
Professional Services	208,671	83,495	90,909	142,200	91,115	172,435
Software		11,349	9,765	7,650	8,573	9,600
Travel & Transportation	37,303	4,765	1,749	6,010	1,688	13,020
Other Expenses	32,613	1,367	206	1,200	0	1,200
Total Operating Expenses	1,720,162	1,459,724	1,399,248	1,606,269	1,531,914	1,516,223
Operating Income (Loss)/covered by reserves	(532,339)	(447,429)	(152,622)	(191,128)	(259,611)	(342,596)
CAPITAL BUDGET						
INCOME						
MHCRC Capital Funding	858,734	507,603	833,248	626,630	626,630	1,044,240
Other Capital Grants		64,987	192,999	40,000	32,000	24,000
Total Capital Funds Received	858,734	572,590	1,026,247	666,630	658,630	1,068,240
EXPENDITURE						
Capitalized Wages & Benefits	131,975	69,783	63,808	102,000	45,880	36,000
Contractor & Installation	35,053	41,982	17,812	49,000	3,742	0
Equipment	267,117	105,132	369,481	173,190	103,647	342,204
Furniture	42,366	7,094	2,181	5,040	1,089	5,004
Building Improvements	184,899	13,850	21,991	110,000	120,664	30,000
Mortgage and Capital Leases	85,411	101,914	101,914	97,297	97,297	715,447
Other Expenses	34,962					
Vehicles		31,897	57,603	10,000	10,000	0
Software Development & Licensing	76,951	91,691	239,013	125,600	119,667	142,052
Total Capital Expenditures	858,734	463,342	873,803	672,127	501,985	1,270,707
Capital and Grant Gain ~Increase (decrease) in grant liability acct	0	109,248	152,444	(5,497)	156,645	(202,467)
TOTAL INCOME	2,046,557	1,584,885	2,272,873	2,081,771	1,930,933	2,241,867
TOTAL EXPENSES/EXPENDITURES	2,578,896	1,923,066	2,273,051	2,278,396	2,033,899	2,786,930
TOTAL GAIN (LOSS)	(532,339)	(338,181)	(178)	(196,625)	(102,966)	(545,063)
					[w/\$104k ERTC]	

*This budget divided by Operations and Capital; it excludes Investment Income & Depreciation



FY 2022-23 Operating Budget Narrative

Summary

The budget is prepared with the anticipation that Open Signal will continue to expand in-person services post-pandemic. In alignment with our grant agreement with the City of Portland, their goals and the goals of Foundation Funders, services will continue to focus on equity and those typically marginalized and underserved in the community.

Revenue

Revenue will increase in FY22-33 compared to FY21-22. We will not be receiving the same employee retention tax credit but both our operational and capital funding from the MHCRC will increase. We expect to see a slight increase in individual contributions with our new membership benefits.

Personnel Expenses

Personnel expenses are expected to increase. We have adjusted for a 7% cost of living increase, keeping in line with current inflation estimates. We will also be adding a Finance Director position.

Operating Expenses

Operational expenses are expected to remain similar to last fiscal year. Some slight adjustments were made for utility and supply cost increases in line with current inflation. There is a planned surplus that may be allocated to operational expenses or personnel expenses during a later reforecast. We opted to keep these funds set aside so we can adapt as we need to throughout the year considering the uncertainty of how the pandemic will progress.

Open Signal

Fiscal Year 22-23

Budget Workbook

New COA #	REVENUE	21-22 Q2	22-23 Budget	Change from
		REFORECAST	Proposal	
		Total All Depts	Total All Depts	
4000	Individual Contributions	\$ 23,500	\$ 45,000	\$ 21,500
4100	Corporate Contributions	\$ 10,000	\$ 10,000	\$ -
4150	Pass-Through Contributions	\$ -	\$ -	\$ -
4200	Foundation Grants - Without Restrictions	\$ 145,000	\$ 145,000	\$ -
4201	Foundation Grants - With Restrictions	\$ 495,000	\$ 360,000	\$ (135,000)
4300	Government Grants	\$ 2,006,463	\$ 2,658,190	\$ 651,727
4400	Services Revenue:Production Services	\$ 96,000	\$ 96,000	\$ -
4410	Services Revenue:Studio Rentals	\$ 5,000	\$ 10,000	\$ 5,000
4420	Services Revenue: Other Service Revenue	\$ -	\$ -	\$ -
4700	Merchandise Sales	\$ -	\$ -	\$ -
4800	Interest Income	\$ -	\$ -	\$ -
4880	Gain/Loss on Sale of Fixed Assets	\$ 24,000	\$ 24,000	\$ -
4900	Other Revenue	\$ 345,342	\$ -	\$ (345,342)
	Total Revenue	\$ 3,150,305	\$ 3,348,190	\$ 197,885
EXPENSES				
5000	Salaries & Wages	\$ 969,736	\$ 1,166,300	\$ 196,564
5050	Salaries & Wages - On Call Staff	\$ 24,425	\$ 32,000	\$ 7,575
5100	Payroll Taxes	\$ 103,890	\$ 125,222	\$ 21,332
5200	Employee Benefits	\$ 186,600	\$ 200,845	\$ 14,245
5300	Workers' Comp	\$ 8,040	\$ 8,040	\$ -
6000	Contract Services	\$ 87,745	\$ 15,000	\$ (72,745)
6100	CPA Services	\$ 25,000	\$ 25,000	\$ -
6200	Bookkeeping Services	\$ 66,448	\$ 42,600	\$ (23,848)
6300	Payroll & HR Services	\$ 26,413	\$ 16,755	\$ (9,658)
6400	Legal Services	\$ 10,000	\$ 10,000	\$ -
6500	Disability Accommodations/Accessibility	\$ 10,000	\$ 7,500	\$ (2,500)
6600	Production/Crew	\$ 407,325	\$ 316,250	\$ (91,075)
6700	Stipends	\$ 15,100	\$ 5,000	\$ (10,100)
6800	Marketing	\$ 11,000	\$ 8,000	\$ (3,000)
7000	Travel & Meals	\$ 9,815	\$ 14,000	\$ 4,185
7100	Parking & Mileage	\$ 1,600	\$ 1,600	\$ -
7200	Professional Development	\$ 11,207	\$ 30,750	\$ 19,543
7300	Small Tools & Equipment	\$ 165,000	\$ 165,000	\$ -
7325	Software Expense	\$ 54,830	\$ 54,830	\$ -
7350	Supplies	\$ 6,200	\$ 12,400	\$ 6,200
7400	Equipment Lease	\$ -	\$ -	\$ -
7500	Facility Repairs & Maintenance	\$ 25,000	\$ 17,500	\$ (7,500)
7550	Equipment Repairs & Maintenance	\$ 5,000	\$ 5,000	\$ -
7600	Utilities	\$ 39,422	\$ 40,999	\$ 1,577
7650	Vehicle Repairs, Gas, & Maintenance	\$ 5,000	\$ 5,000	\$ -
7700	Meetings Expense	\$ 10,800	\$ 5,800	\$ (5,000)
7800	Telecommunications	\$ 40,000	\$ 41,600	\$ 1,600
7900	Printing & Copying	\$ 1,833	\$ 1,833	\$ -
8000	Postage & Delivery	\$ 6,000	\$ 6,000	\$ -
8100	Recruitment	\$ 1,500	\$ 1,500	\$ -
8200	Event Expense	\$ 12,000	\$ 7,000	\$ (5,000)
8400	Bank Charges & Merchant Fees	\$ 3,900	\$ 4,000	\$ 100
8500	Board of Directors' Expense	\$ 3,500	\$ 3,500	\$ -
8600	Licenses & Fees	\$ 2,000	\$ 3,000	\$ 1,000
8700	Insurance	\$ 37,000	\$ 38,480	\$ 1,480
8750	Dues & Subscriptions	\$ 1,450	\$ 6,500	\$ 5,050
8800	Depreciation Expense	\$ 766,668	\$ 766,668	\$ -
8900	Miscellaneous Expenses	\$ 1,600	\$ 1,600	\$ -
	TOTAL EXPENSE	\$ 3,163,047	\$ 3,213,072	\$ 50,025
	CHANGE IN NET ASSETS	\$ (12,742)	\$ 135,118	\$ 147,860
ADJUSTMENTS				
	Allocate 2% of Operating Revenue to Reserve	\$ (44,207)	\$ (48,165)	
	Cash Carried Forward from Prior Year	\$ 629,735	\$ 975,439	
	Reserved for Fixed Asset Purchases	\$ (364,015)	\$ (852,153)	
	PROJECTED ACTUAL SURPLUS/(DEFICIT) AT YEAR END	\$ 208,771	\$ 210,239	\$ 1,468
CAPITAL BUDGET				
	21-22 Capital Grant Amount	\$ 939,946	\$ 1,566,360	
	Less 15% OH Fee	\$ (140,992)	\$ (234,954)	
	Budgeted for non-capitalized expenses	\$ (219,830)	\$ (219,830)	
	21-22 Payroll Costs	\$ (215,109)	\$ (259,423)	
	Balance 21-22 Capital Funds	\$ 364,015	\$ 852,153	
	20-21 Balance Carried Forward	\$ 668,491		
	Total Available for Fixed Asset Purchases	\$ 1,032,506	\$ 852,153	



FY 2022-23 Capital Budget Narrative

Overview

Open Signal's capital spending this year is focused on infrastructure. As we begin to incorporate more and more in-person services, there are several areas that require upgrades and replacements. There is also a lot of work and updating to be done in streamlining our back-end systems that support our distribution on the cable channels.

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: \$5,000.00

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

Production Equipment

Budget: \$475,000.00

A large portion of our equipment budget will be outfitting our two studios with new control room equipment. The current equipment is 10 years old and has begun failing so it is due for replacements.

In our last fiscal year, we launched new equity and non-profit focused media education programs. We have spent the past year analyzing and adjusting these programs to best meet the needs of the community. A portion of this budget will be reserved to purchase additional equipment in order to expand these programs

We will be purchasing additional equipment for supporting the new hybrid live and virtual meeting environment for clients. We will also be focusing on more automation and closed captioning integrations with all of our operator stations. We will be expanding our capabilities from 3 to 5 mobile production systems to increase our capabilities to run simultaneous productions. We will be adding new capabilities using remote broadcasting equipment to allow for better flexibility for on-location live productions.



In anticipation of a significantly increased Open Signal LABS production schedule with multiple, simultaneous projects filming at once, supplemental equipment purchases in the areas of lighting and grip are critical to increase creative and functional capabilities.

Ongoing functional capacity building remains a focus, with the procurement of tripods, and other sophisticated camera stabilization such as dollies, and gimbals are necessary in the pursuit of higher creative and technical capacity. In addition to stabilization, the purchase of an Anamorphic lens set not only meets the creative threshold of feature film production, it also provides an experiential and technical platform for training at the industry level.

Computers

Budget: \$5,000.00

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

Vehicles

Budget: \$0.00

There are no planned vehicle purchases in this fiscal year.

Office Equipment and Furniture

Budget: \$1,000.00

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

Software and Other Intangibles

Budget: \$692,200.00

There are no plans to add additional software in this fiscal year. We will be launching a large project, Project Ficus, that will correct issues in our back-end systems which deliver content to our distribution channels and improve the interface with which the public interacts. These improvements will streamline our systems, saving us the need for additional staffing and will create more opportunities for partnership with local non-profits and other access centers.

Project Ficus is intended to bring our core ingest, transcoding, live-streaming, metadata collection and integrated broadcast automation up to current web technology standards. We will be incorporating new services to our Public Access producers to enable them to upload their

open signal

content remotely as well as providing new services to integrate their content with their own online video presence. Additionally, we will be building a robust system to expand our current online offerings, including live streaming and internet video-on-demand capacity. This project will also result in a new website asset that will combine our existing organizational website, currently on failing infrastructure, with our online live streaming site.



FY22-23 Capital Budget

	Actual Capital Expense FY 20-21	Adopted Total Budget FY 21-22	Approved Total Budget FY22-23
Capital Revenue			
MHCRC Capital Funding	\$924,144	\$939,946	\$1,566,360
Carry Forward Amount	\$242,374	\$349,132	\$100,592
Audit Difference Adjustment	-\$14,811	-\$6,369	
Total Capital Resources Available	\$1,151,707	\$1,282,709	\$1,666,952
Capital Expenses			
Land & Land Improvement	\$0	\$2,000	\$2,000
Building & Building Improvement	\$26,553	\$170,000	\$5,000
Production Equipment	\$234,862	\$325,000	\$475,500
Computer	\$47,682	\$130,016	\$5,000
Vehicles	\$0	\$0	\$0
Office Equipment & Furniture	\$1,873	\$1,000	\$1,000
Software & Other Intangibles	\$197,604	\$198,000	\$692,200
Capitalized Wages	\$106,521	\$215,109	\$247,841
Capital Overhead	\$187,481	\$140,992	\$234,954
Total Capital Expense	\$802,575	\$1,182,117	\$1,663,495
Net Capital Surplus	\$349,132	\$100,592	\$3,457