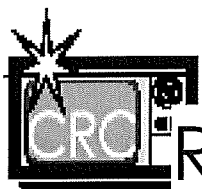


Budget Document

Fiscal Year 2010-2011

MID-WILLAMETTE
VALLEY



CABLE REGULATORY COMMISSION

MARION COUNTY - CITY OF SALEM

BUDGET MESSAGE

MID WILLAMETTE VALLEY CABLE REGULATORY COMMISSION

FOR FISCAL YEAR 2010-11

I am pleased to present the Mid Willamette Valley Cable Regulatory Commission's proposed budget for fiscal year 2010-11. The Commission is responsible for monitoring and enforcing the provisions of the Cable Ordinance and Franchise Agreement as it relates to Comcast Cable Services, the City of Salem and Marion County and for providing cable access for public, educational and governmental purposes (PEG) in the area served by Comcast Cable Services within the jurisdictions.

The estimated resources for the Commission will remain stable in 2010-11 with franchise fee revenue and Capital Funds up 7%. Higher than anticipated revenues in 2010 combined with lower than anticipated capital expenditures combine for a beginning fund balance approximately 20% higher than originally anticipated.

General operating expenses for the Commission will also remain stable in 2010-11. Expenses include the contractual services with Capital Community Television, with a requested increase of \$50,000 due to increased operational costs and conference fees for the NATOA annual conference being held in Washington, D.C. this year, which is \$3,000 less than budget last year.

Capital expenditures will increase over the prior fiscal year. In addition to some purchases planned for this current year, but not made, there are several equipment issues that have been discussed over the past year that CCTV plans to move forward on purchasing in FY 10-11 in continuing the switch to digital and HD programming.

In fiscal 2010-11 debt service will continue on the loan with a payment of \$379,300 with \$343,026 going to principal and \$36,274 going to interest.

In summary, this budget reflects our best efforts to balance revenues with expected services in fiscal 2011 and beyond. Sufficient funds will be carried forward to meet our obligations and cash flow for the upcoming year. The budget has been prepared in accordance with Oregon municipal budget law.

Alan M. Haley
Budget Officer
Mid Willamette Valley CRC

**SPECIAL FUND
RESOURCES AND REQUIREMENTS**

General Fund

Mid Willamette Valley Cable Regulatory Comm.

Line Item	Historical Data			DESCRIPTION RESOURCES AND REQUIREMENTS	Budget for Next Year: 2010-2011		
	Actual		Adopted Budget This Year 2009-10		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
	Second Preceding Year 2007-08	First Preceding Year 2008-09					
RESOURCES							
1	623,523	667,988	657,734	1. Intergovernmental- Franchise Fees	705,116	705,116	705,116
2	467,642	501,106	491,270	2. Fees & Charges	525,587	525,587	525,587
3	116,346	40,848	2,300	3. Other-Interest	4,000	4,000	4,000
4				4. Other- Miscellaneous			
5	1,700,000			5. Other- Financing Proceeds			
6	2,250,950	3,383,686	1,184,204	6. Net Working Capital	1,192,632	1,192,632	1,192,632
7				7			
8				8			
9	5,158,461	4,593,628	2,335,508	9. Total Resources, except taxes to be levied	2,427,335	2,427,335	2,427,335
10				10. Taxes estimated to be received			
11				11. Taxes collected in year levied			
12	5,158,461	4,593,628	2,335,508	12. TOTAL RESOURCES	2,427,335	2,427,335	2,427,335
REQUIREMENTS							
1	577,928	630,788	690,550	1. Materials & Services	737,140	737,140	737,140
2	1,196,847	2,376,596	400,000	2. Capital Outlay	470,000	470,000	470,000
3		379,300	379,300	3. Debt Service	379,300	379,300	379,300
4			450,000	4. Contingency	158,644	158,644	158,644
5			220,227	5. Unappropriated Reserves	220,227	220,227	220,227
6				6			
7				7			
8				8			
9				9			
10				10			
11				11			
12				12			
13				13			
14				14			
15	3,383,686	1,206,944		15. Ending balance (prior years)			
16			195,431	16. UNAPPROPRIATED ENDING FUND BALANCE	462,024	462,024	462,024
17	5,158,461	4,593,628	2,335,508	17. TOTAL REQUIREMENTS	2,427,335	2,427,335	2,427,335

*Includes ending balance from prior year

MID WILLAMETTE VALLEY CABLE REGULATORY COMMISSION

Fiscal Year 10-11

BUDGET REPORT

<u>ACCOUNT</u>	<u>08-09 BUDGET</u>	<u>09-10 BUDGET</u>	<u>Proposed BUDGET</u>
RESOURCES			
Franchise Fees- City of Salem	516,700.00	541,654.00	579,286.00
Franchise Fees- Marion County	102,500.00	116,080.00	125,830.00
PEG Fees (Capital)	466,000.00	491,270.00	525,587.00
Investment Interest (Capital)	23,000.00	2,300.00	1,760.00
Investment Interest	5,900.00	0.00	2,240.00
Interest on Advance Account	4,600.00	0.00	0.00
Beginning Fund Balance	3,512,447.00	1,184,204.00	1,192,632.00
TOTAL RESOURCES	4,631,147.00	2,335,508.00	2,427,335.00
REQUIREMENTS			
<u>MATERIALS & SERVICES</u>			
Dues & Subscriptions	2,000.00	2,000.00	2,200.00
Contractual Services-City of Salem	10,000.00	10,000.00	10,000.00
Contractual Services-Marion County	14,000.00	14,000.00	14,000.00
Contractual Services-CCTV	595,000.00	624,000.00	674,000.00
Contractual Services-BEH	0.00	0.00	14,000.00
Contractual Services Other	20,000.00	20,000.00	6,000.00
Audit Services	2,750.00	2,000.00	2,300.00
Insurance	1,750.00	1,550.00	1,500.00
Meetings and Conferences	15,000.00	15,000.00	12,000.00
Bank Charges	0.00	1,000.00	140.00
Other Expense Reimbursement	1,000.00	1,000.00	1,000.00
Subtotal Materials & Services	661,500.00	690,550.00	737,140.00
<u>CAPITAL OUTLAY</u>			
Cable Access Equipment	73,000.00	400,000.00	470,000.00
Building Development	2,500,000.00	0.00	0.00
Subtotal Capital Outlay	2,573,000.00	400,000.00	470,000.00
<u>DEBT SERVICE</u>			
Principal Payments	300,074.00	330,131.00	343,026.00
Interest Payments	79,226.00	49,169.00	36,274.00
Subtotal Debt Service	379,300.00	379,300.00	379,300.00
<u>CONTINGENCY</u>			
Contingency	450,000.00	450,000.00	158,644.00
<u>RESERVES</u>			
@Home Funds	220,227.00	220,227.00	220,227.00
Unappropriated Fund Balance	347,120.00	195,431.00	462,024.00
Subtotal Reserves	567,347.00	415,658.00	682,251.00
TOTAL REQUIREMENTS	4,631,147.00	2,335,508.00	2,427,335.00

MID WILLAMETTE VALLEY CABLE REGULATORY COMMISSION

Fiscal Year 10-11

QUARTERLY BUDGET

<u>ACCOUNT</u>	<u>Proposed BUDGET</u>	<u>First QUARTER</u>	<u>Second QUARTER</u>	<u>Third QUARTER</u>	<u>Fourth QUARTER</u>
RESOURCES					
Franchise Fees- City of Salem	579,286.00	96,548.00	144,822.00	144,822.00	193,094.00
Franchise fees- Marion county	125,830.00	20,972.00	31,458.00	31,458.00	41,942.00
PEG Fees (Capital)	525,587.00	0.00	131,397.00	131,397.00	262,793.00
Investment Interest (Capital)	1,760.00	540.00	457.00	435.00	328.00
Investment Interest	2,240.00	687.00	581.00	553.00	419.00
Beginning Fund Balance	1,192,632.00	1,192,632.00	0.00	0.00	0.00
TOTAL RESOURCES	2,427,335.00	1,311,379.00	308,715.00	308,665.00	498,576.00
REQUIREMENTS					
<u>MATERIALS & SERVICES</u>					
Dues & Subscriptions	2,200.00	0.00	2,200.00	0.00	0.00
Contractual Services-City of Salem	10,000.00	0.00	0.00	0.00	10,000.00
Contractual Services-Marion County	14,000.00	0.00	0.00	0.00	14,000.00
Contractual Services-CCTV	674,000.00	168,500.00	168,500.00	168,500.00	168,500.00
Contractual Services-BEH	14,000.00	10,000.00	4,000.00	0.00	0.00
Contractual Services-Other	6,000.00	1,500.00	1,500.00	1,500.00	1,500.00
Audit Services	2,300.00	0.00	0.00	2,300.00	0.00
Insurance	1,500.00	1,500.00	0.00	0.00	0.00
Meetings and Conferences	12,000.00	6,000.00	6,000.00	0.00	0.00
Bank Charges	140.00	35.00	35.00	35.00	35.00
Other Expense Reimbursement	1,000.00	250.00	250.00	250.00	250.00
Subtotal Materials & Services	737,140.00	187,785.00	182,485.00	172,585.00	194,285.00
<u>CAPITAL OUTLAY</u>					
Cable Access Equipment	470,000.00	270,000.00	100,000.00	50,000.00	50,000.00
Subtotal Capital Outlay	470,000.00	270,000.00	100,000.00	50,000.00	50,000.00
<u>DEBT SERVICE</u>					
Principal Payments	343,026.00	84,528.00	85,342.00	86,163.00	86,993.00
Interest Payments	36,274.00	10,297.00	9,483.00	8,662.00	7,832.00
Subtotal Debt Service	379,300.00	94,825.00	94,825.00	94,825.00	94,825.00
<u>CONTINGENCY</u>					
Contingency	158,644.00	0.00	0.00	0.00	0.00
<u>RESERVES</u>					
@Home Funds	220,227.00	0.00	0.00	0.00	0.00
Unappropriated Fund Balance	462,024.00	0.00	0.00	0.00	0.00
Subtotal Reserves	682,251.00	0.00	0.00	0.00	0.00
TOTAL REQUIREMENTS	2,427,335.00	552,610.00	377,310.00	317,410.00	339,110.00

MID WILLAMETTE VALLEY CABLE
REGULATORY COMMISSION
FISCAL YEAR 2010-2011 BUDGET

	<u>Operating Budget</u>	<u>PEG Access Budget</u>	<u>@Home Budget</u>	<u>Total Budget</u>
REVENUES				
Franchise Fees- City of Salem	579,286	-	-	579,286
Franchise Fees- Marion County	125,830	-	-	125,830
PEG Fees (Capital)	-	525,587	-	525,587
Investment Interest	2,240	1,760	-	4,000
Beginning Fund Balance	465,757	506,648	220,227	1,192,632
TOTAL REVENUE	<u>1,173,113</u>	<u>1,033,995</u>	<u>220,227</u>	<u>2,427,335</u>
EXPENDITURES				
<u>Materials & Services</u>				
Dues & Subscriptions	2,200	-	-	2,200
Contractual Services-City of Salem	10,000	-	-	10,000
Contractual Services-Marion County	14,000	-	-	14,000
Contractual Services-CCTV	674,000	-	-	674,000
Contractual Services-BEH	14,000	-	-	14,000
Contractual Services-Other	6,000	-	-	6,000
Audit Services	2,300	-	-	2,300
Insurance	1,500	-	-	1,500
Meetings and Conferences	12,000	-	-	12,000
Bank Charges	140	-	-	140
Other Expense Reimbursement	1,000	-	-	1,000
Total Materials & Services	<u>737,140</u>	<u>-</u>	<u>-</u>	<u>737,140</u>
<u>Capital Outlay</u>				
Cable Access Equipment	-	470,000	-	470,000
Total Capital Outlay	<u>-</u>	<u>470,000</u>	<u>-</u>	<u>470,000</u>
<u>Debt Service</u>				
Principal Payments	-	343,026	-	343,026
Interest Payments	-	36,274	-	36,274
Total Debt Service	<u>-</u>	<u>379,300</u>	<u>-</u>	<u>379,300</u>
<u>Reserves</u>				
@Home Funds - Operating	-	-	131,538	131,538
@Home Funds - Capital	-	-	88,689	88,689
Total Reserves	<u>-</u>	<u>-</u>	<u>220,227</u>	<u>220,227</u>
<u>Contingency</u>				
Contingency	73,714	84,930	-	158,644
Total Contingency	<u>73,714</u>	<u>84,930</u>	<u>-</u>	<u>158,644</u>
Unappropriated Fund Balance	362,259	99,765	-	462,024
TOTAL EXPENDITURES	<u>1,173,113</u>	<u>1,033,995</u>	<u>220,227</u>	<u>2,427,335</u>
SURPLUS (DEFICIT)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

PROGRAM DESCRIPTION

Fiscal Year 2010-11

A. AUTHORITY & POLICY DIRECTION

The Salem City Council and the Marion County board of Commissioners created the Mid Willamette Valley Cable Regulatory Commission by an intergovernmental agreement pursuant to ORS 190 on November 23, 1988. The City of Keizer became a member by an intergovernmental agreement in July 1998 and later withdrew from the Commission effective July 1, 2000. The Commission is responsible for monitoring and enforcing the provisions of the Cable Ordinance and Franchise Agreement as it relates to Comcast Cable Services, the City of Salem and Marion County and for providing cable access for public, educational and governmental purposes (PEG) in the area served by Comcast Cable Services within the jurisdictions.

B. OBJECTIVES

1. To provide for the regulation of the current franchise agreements and for complaint resolution on topics for which the Commission is empowered.
2. To provide cable access opportunities for educational, governmental and general public purposes.

C. REVENUE DETAIL

Franchise Fees

Each jurisdiction imposes a franchising fee equal to 5 percent of gross annual revenue. 40 percent of the collected franchise fee is remitted to the cable regulatory commission to support equipment purchases and operations in accordance to the objectives listed in section B.

PEG Fee

A fee of not more than 1.5 percent of gross annual revenue from the jurisdiction covered by franchising agreement will be remitted for PEG access. The fee will be used to purchase equipment, facilities, and fund operations to provide access for public, educational, and governmental programming.

Interest on Investments

Interest earned on the CRC main account at Umpqua Bank and the LGIP account. The interest is allocated between capital funds (PEG amounts reserved for spending on capital projects) and other.

D. EXPENDITURE DETAIL

Dues and Subscriptions

Provides for the Commission's membership in an information sharing organization concerning cable access and telecommunications which is the National Association of Telecommunications Officers and Advisors (NATOA) \$2,200 and additional funds to purchase informative publications and tapes as needed by commissioners and staff.

Contractual Services

Provides for the following contractual services:

1. \$10,000 to the City of Salem for staff work regarding consumer complaints, rate regulation, enacting telecommunications law, etc.
2. \$14,000 to Marion County to provide fiscal, administrative and legal staff support to the Commission, its Technical Advisory Committee and its Budget committee; additionally handle consumer complaints, rate regulation, enacting telecommunication law, etc.
3. \$674,000 to Capital Community Television (CCTV) for PEG access operations through June 2011. This will allow CCTV to continue its streaming and work on digital media. Increase over the previous year due to operational costs of new building and increases in personnel expenses due to modest wage increase.
4. \$14,000 to Beery, Elsner & Hammond, LLP for consultation services related to negotiating new franchising agreements with Comcast on behalf of the member jurisdictions.
5. Up to \$6,000 for consultation on matters related to audit fees, rate regulation, telecommunications law, etc.

Audit Services

\$200 for audit filing fee with the Secretary of State and \$2,100 for the audit of fiscal year ending June 30, 2010 by an independent auditing firm.

Insurance

Up to \$1,500 for purchase of insurance for comprehensive general liability and non-owned auto, property and workers' compensation coverage.

Meetings and Conferences

Up to \$12,000 for the Commission, its staff or representatives to travel to other communities to observe methods of operation and to participate in information sharing conferences, training sessions and meetings. FY10-11 annual NATOA conference will be held in Washington D.C.

Bank Charges

Up to \$35 per quarter for bank charges related to LGIP account. No bank charges are anticipated for new Umpqua deposit account.

Other Expense Reimbursement

Up to \$1,000 for miscellaneous expenses for meetings, hearings and other commission work.

Capital Outlay

\$470,000 included for capital purchases for CCTV to replace aging inventory of critical equipment and facilitate movement towards high definition.

Debt Service

\$379,300 debt service payments towards \$1,700,000 obligation with City of Salem.

Reserves

The @Home funds are reserves collected as franchise fees from Comcast on wireless services. It has now been determined that these funds- \$220,227- were not subject to the franchising agreement. A decision needs to be made as to what should happen with these funds.

Contingency

An appropriation for unanticipated needs, emergency expenditures and planning for future concerns. Funds will not be expended from this account, but instead transferred to other accounts if necessary with the approval of the Commission at a business meeting.

Unappropriated Fund Balance

The remaining Fund balance that has not been appropriated to a specific expense line item.