

Budget Document

Fiscal Year 2020-2021

BUDGET MESSAGE

Mid-Willamette Valley Cable Regulatory Commission FOR FISCAL YEAR 2020-21

This is the Mid-Willamette Valley Cable Regulatory Commission's proposed budget for fiscal year 2020-21. 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 attached budget document provides for the resources and requirements necessary to continue to carry out the Commission's stated policy direction.

The proposed budgeted resources are 24% from Comcast franchise fees from the City of Salem and Marion County, 18% additional resources from Comcast on a 1.5% PEG fee, and 58% from Net Working Capital. The franchise and PEG fees have continued to follow a multi-year declining trend and have decreased by over \$47,000 compared to the previous fiscal year. There is also \$14,650 budgeted in interest income.

In the requirements section of the budget, under the Materials and Services section, there is a continuation of a proposed \$26,000 in miscellaneous contractual services in anticipation of additional legal and consulting services regarding potential legislation that may reduce or eliminate PEG fees. Without those fees paid by the franchised cable companies, CCTV would not have the necessary revenues to fully operate and provide those services to the county, city and citizens of Marion County. There is no change in cable access services expenditures account. With declining revenues projected in both cable franchise fees and related PEG fees, CCTV has maintained its operating budget request from the Cable Regulatory Commission at the same level as FY 19-20, which has resulted in a lower Ending Fund Balance for the upcoming budget year. Changes to the Materials and Services category will be discussed in further detail during the budget presentation.

The proposed Capital Outlay budget of \$1,360,000 has increased over the FY 2019-20 budget by \$290,000. This budget includes two projects that were planned for FY 2019-20, but were not completed – a significant building remodel (including related equipment) and a production truck upgrade. These items will be discussed in further detail during the budget presentation.

In summary, the total proposed budget is \$3,535,750, which reflects a \$184,765 increase from the previous year. This proposed budget reflects the resources and requirements necessary to meet ongoing obligations and provides sufficient cash flow for fiscal 2020-21. The FY 2020-21 proposed budget has been prepared in accordance with Oregon municipal budget law and uses the same basis of accounting as the FY 2019-20 adopted budget.

Jeff White
Budget Officer
Mid-Willamette Valley Cable Regulatory Commission

**FORM
LB-10**

**SPECIAL FUND
RESOURCES AND REQUIREMENTS**

General Fund

Mid Willamette Valley Cable Regulatory Comm.

	Historical Data			DESCRIPTION RESOURCES AND REQUIREMENTS	Budget for Next Year: 2020-2021			
	Actual		Adopted Budget This Year 2019-20		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2017-18	First Preceding Year 2018-19						
				RESOURCES				
1	1,556,272	1,496,654	1,504,846	1. Intergovernmental- Franchise Fees	1,457,400	1,457,400	1,457,400	1
2	17,791	26,455	20,000	2. Other- Interest	14,650	14,650	14,650	2
3	15,266	9,707	0	3. Other- Miscellaneous	0	0	0	3
4	1,589,453	1,754,682	1,826,139	4. Net Working Capital	2,063,700	2,063,700	2,063,700	4
5				5				5
6				6				6
7	3,178,782	3,287,498	3,350,985	7. Total Resources, except taxes to be levied	3,535,750	3,535,750	3,535,750	7
8			0	8. Taxes estimated to be received	0	0	0	8
9				9. Taxes collected in year levied				9
12	3,178,782	3,287,498	3,350,985	12. TOTAL RESOURCES	3,535,750	3,535,750	3,535,750	12
				REQUIREMENTS				
1	876,899	905,381	913,120	1 Materials & Services	904,820	904,820	904,820	1
2	547,201	582,318	1,070,000	2 Capital Outlay	1,360,000	1,360,000	1,360,000	2
3	0	0	200,000	3 Contingency	200,000	200,000	200,000	3
4				4				4
5				5				5
6				6				6
7				7				7
8				8				8
9				9				9
10				10				10
11				11				11
12				12				12
13				13				13
14	1,754,682	1,799,799		14. Ending balance (prior years)				14
15			1,167,865	15. UNAPPROPRIATED ENDING FUND BALANCE	1,070,930	1,070,930	1,070,930	15
16	3,178,782	3,287,498	3,350,985	16. TOTAL REQUIREMENTS	3,535,750	3,535,750	3,535,750	16

*Includes ending balance from prior year

RESOURCES
General Fund

Mid Willamette Valley Cable Regulatory Comm.

	Historical Data			RESOURCE DESCRIPTION	Budget for Next Year 2020-2021			
	Actual		Adopted Budget This Year 2019-20		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2017-18	First Preceding Year 2018-19						
1				FRANCHISE FEES				1
2	891,871	854,958	859,536	2. 312200 Franchise Fees Cable TV	832,800	832,800	832,800	2
3	664,401	641,696	645,310	3. 312201 PEG Fees	624,600	624,600	624,600	3
4								4
5	1,556,272	1,496,654	1,504,846	TOTAL FRANCHISE FEES	1,457,400	1,457,400	1,457,400	5
6								6
7				INTEREST				7
8	17,791	26,455	20,000	8. 361000 Investment Earnings	14,650	14,650	14,650	8
9								9
10	17,791	26,455	20,000	TOTAL INTEREST	14,650	14,650	14,650	10
11								11
12				OTHER REVENUES				12
13	0	9,707	0	13. 371000 Miscellaneous Income	0	0	0	13
14	15,266	0	0	14. 382100 Settlements				14
15								15
16	15,266	9,707	0	TOTAL OTHER REVENUES	0	0	0	16
17								17
18	1,589,453	1,754,682	1,826,139	18. 392000 Net Working Capital	2,063,700	2,063,700	2,063,700	18
19								19
20								20
21								21
22								22
23								23
24								24
25								25
26								26
27								27
28								28
29	3,178,782	3,287,498	3,350,985	29. Total resources, except taxes to be levied	3,535,750	3,535,750	3,535,750	29
30				30. Taxes estimated to be received				30
31				31. Taxes collected in year levied				31
32	3,178,782	3,287,498	3,350,985	32. TOTAL RESOURCES	3,535,750	3,535,750	3,535,750	32

*Includes ending balance from prior year

DETAILED REQUIREMENTS
GENERAL FUND

	Historical Data			REQUIREMENTS DESCRIPTION	Number of Employees	Range*	Budget for Next Year 2020-2021			
	Actual		Adopted Budget This Year 2019-20				Proposed by Budget Officer	Approved by Budget Committee	Adopted by Governing Body	
	Second Preceding Year 2017-18	First Preceding Year 2018-19								
1				MATERIALS & SERVICES						1
2	2,760	2,850	4,250	2 525150 Audit Services			4,370	4,370	4,370	2
3	212	0	100	3 525156 Bank Services			100	100	100	3
4	829,000	859,000	839,000	4 525415 Cable Access Services			839,000	839,000	839,000	4
5	0	451	2,000	5 525715 Advertising			500	500	500	5
6	10,000	10,000	10,000	6 525999 Contractual Services-City of Salem			10,000	10,000	10,000	6
7	14,000	14,000	14,000	7 525999 Contractual Services-Marion County			14,000	14,000	14,000	7
8	750	0	0	8 525999 Contractual Services-Beery, Elsner & Hammond			0	0	0	8
9	0	0	26,000	9 525999 Contractual Services-Miscellaneous			26,000	26,000	26,000	9
10	2,067	2,065	2,070	10 528110 Liability Insurance Premiums			2,150	2,150	2,150	10
11	14,143	13,370	12,000	11 529220 Travel & Conferences			5,000	5,000	5,000	11
12	3,170	3,170	3,700	12 529300 Dues & Subscriptions			3,700	3,700	3,700	12
13	797	475	0	13 529999 Expense Reimbursements-Other			0	0	0	13
14										14
15	876,899	905,381	913,120	TOTAL MATERIALS & SERVICES			904,820	904,820	904,820	15
16										16
17				CAPITAL OUTLAY						17
18	417,413	132,499	770,000	18 531300 Capital Outlay-Equipment			710,000	710,000	710,000	18
19	129,788	449,819	300,000	19 534100 Capital Outlay-Building			650,000	650,000	650,000	19
20										20
21										21
22	547,201	582,318	1,070,000	TOTAL CAPITAL OUTLAY			1,360,000	1,360,000	1,360,000	22
23										23
24										24
25	0	0	200,000	25 571010 Contingency			200,000	200,000	200,000	25
26										26
27										27
28	1,754,682	1,799,799		28 Ending balance (prior years)						28
29			1,167,865	29 UNAPPROPRIATED ENDING FUND BALANCE			1,070,930	1,070,930	1,070,930	29
30	3,178,782	3,287,498	3,350,985	30 TOTAL REQUIREMENTS			3,535,750	3,535,750	3,535,750	30

PROGRAM DESCRIPTION

Fiscal Year 2020-21

A. AUTHORITY & POLICY DIRECTION

The Salem City Council and the Marion County Board of Commissioners created the Mid Willamette Valley Cable Regulatory Commission (CRC) by an intergovernmental agreement pursuant to ORS 190 on November 23, 1988. 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 the general public, educational and governmental entities.

C. REVENUE DETAIL

Franchise Fees

Each jurisdiction imposes a franchising fee equal to 5 percent of the gross annual Comcast revenue generated within the jurisdiction's service area. 40 percent of the collected franchise fee is remitted to the cable regulatory commission to support operations in accordance to the objectives listed in section B.

PEG Fee

Each jurisdiction may impose a fee of not more than 1.5 percent of the gross annual Comcast revenue generated within the jurisdiction's service area to be used for PEG access. The fee will be used to purchase equipment, facilities, and infrastructure to provide access for public, educational, and governmental programming.

Interest on Investments

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

D. EXPENDITURE DETAIL

Audit Services

\$4,120 for the audit of fiscal year ending June 30, 2020 by an independent auditing firm and \$250 for audit filing fee with the Secretary of State.

Bank Charges

Miscellaneous bank charges from Umpqua Bank such as reorder fees for checks and deposit slips.

Contractual Services

Provides for the following contractual services:

1. \$839,000 to Capital Community Television (CCTV) for PEG access operations through June 2021. This will allow CCTV to continue its streaming and work on digital media. This is the same amount budgeted for the previous fiscal year.
2. \$500 to Advertising for publishing public notices of meetings, hearings and other commission work.
3. \$10,000 to the City of Salem for staff work regarding consumer complaints, rate regulation, enacting telecommunications law, etc.
4. \$14,000 to Marion County to provide fiscal, administrative and legal staff support to the Commission and its Budget committee; additionally handle consumer complaints, rate regulation, enacting telecommunication law, etc.
5. Up to \$26,000 for consultation on matters related to franchise fees, rate regulation, telecommunications law, etc.

Insurance

Up to \$2,150 for purchase of insurance for comprehensive general liability and non-owned auto and property coverage.

Travel and Conferences

Up to \$5,000 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. Due to COVID-19 the National Association of Telecommunications Officers and Advisors will not be holding an annual conference. Instead conference topics may be presented as webinars available to members.

Dues and Subscriptions

\$2,700 for the Commission's membership in the National Association of Telecommunications Officers & Advisors (NATOA); an information sharing organization concerning cable access and telecommunications. \$500 for an associate membership in the Oregon Association of

Counties. \$500 for annual fees to Oregon Government Ethics Commission.

Other Expense Reimbursement

No costs for the current fiscal year.

Capital Outlay

\$1,360,000 included for capital purchases for CCTV to replace aging inventory of critical equipment and facilitate movement towards high definition. The most significant projects for the upcoming year include the renovation of the CCTV Multimedia Wing, an Emergency Information/ Live Studio for assisting local area emergencies and disaster recovery; as well as a rebuild of the truck currently used for mobile productions.

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.

MID-WILLAMETTE
VALLEY



CABLE REGULATORY COMMISSION

MARION COUNTY - CITY OF SALEM

Capital Requirements:

CCTV's proposed 2020-2021 Capital Budget of \$1,360,000 is based on \$600,000 in projected PEG fees received in the 2020-2021 as well as \$760,000 carried forward from 2019-2020.

The capital purchases for 2020-2021 reflect the priorities of the previous fiscal year. The scheduled renovation of the east end of the CCTV studio into a Multimedia Wing with a live studio and joint information center for emergencies was delayed due to COVID-19 and other unforeseen obstacles. The production truck remodel was postponed in turn and neither project was completed as anticipated. FY20-21 will focus on completing those two critical projects as well as CCTV's continued mission to provide High Definition content to the community

Multimedia Wing Remodel:	\$650,000
Multimedia Wing Equipment:	\$300,000
Prod Truck Remodel Ph One:	\$300,000
Other Improvements:	<u>\$110,000</u>
Total request:	\$1,360,000