



MARION COUNTY – CITY OF SALEM

Budget Document

Fiscal Year 2018-2019

BUDGET MESSAGE

Mid-Willamette Valley Cable Regulatory Commission

FOR FISCAL YEAR 2018-19

This is the Mid-Willamette Valley Cable Regulatory Commission's proposed budget for fiscal year 2018-19. 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 budgeted resources are 27% from franchise fees from the City of Salem and Marion County, 20% capital funds based on a 1.5% PEG fee, and 52% from Net Working Capital. There is also \$12,000 budgeted in interest income.

The requirements are generally in line with previous years with the only real change from FY 17-18 is a 23% increase in Capital Outlay. All the requirements will be discussed in more detail as part of the budget presentation.

In summary, the total budget is \$3,372,020 and represents the required resources and requirements needed to provide the services in fiscal 2018-19. It shows funds to meet on-going obligations and sufficient 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 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: 2018-2019			
	Actual		Adopted Budget This Year 2017-18		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2015-16	First Preceding Year 2016-17						
				RESOURCES				
1	1,513,129	1,612,427	1,583,240	1. Intergovernmental- Franchise Fees	1,583,270	1,583,270	1,583,270	1
2	5,876	11,446	9,000	2. Other- Interest	12,000	12,000	12,000	2
3	22,417	8,046	0	3. Other- Miscellaneous	0	0	0	3
4	1,166,763	1,552,207	1,499,734	4. Net Working Capital	1,776,750	1,776,750	1,776,750	4
5				5				5
6				6				6
7	2,708,185	3,184,126	3,091,974	7. Total Resources, except taxes to be levied	3,372,020	3,372,020	3,372,020	7
8			0	8. Taxes estimated to be received	0	0	0	8
9				9. Taxes collected in year levied				9
12	2,708,185	3,184,126	3,091,974	12. TOTAL RESOURCES	3,372,020	3,372,020	3,372,020	12
				REQUIREMENTS				
1	823,252	846,423	884,807	1 Materials & Services	915,070	915,070	915,070	1
2	332,726	748,250	800,000	2 Capital Outlay	980,000	980,000	980,000	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	1,552,207	1,589,453		14. Ending balance (prior years)				14
15			1,207,167	15. UNAPPROPRIATED ENDING FUND BALANCE	1,276,950	1,276,950	1,276,950	15
16	2,708,185	3,184,126	3,091,974	16. TOTAL REQUIREMENTS	3,372,020	3,372,020	3,372,020	16

*Includes ending balance from prior year

**FORM
LB-20**

**RESOURCES
General Fund**

Mid Willamette Valley Cable Regulatory Comm.

	Historical Data			RESOURCE DESCRIPTION	Budget for Next Year 2018-2019			
	Actual		Adopted Budget This Year 2017-18		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2015-16	First Preceding Year 2016-17						
1				FRANCHISE FEES				1
2	864,058	921,987	905,660	2. 312200 Franchise Fees Cable TV	905,670	905,670	905,670	2
3	649,071	690,440	677,580	3. 312201 PEG Fees	677,600	677,600	677,600	3
4								4
5	1,513,129	1,612,427	1,583,240	TOTAL FRANCHISE FEES	1,583,270	1,583,270	1,583,270	5
6								6
7				INTEREST				7
8	5,876	11,446	9,000	8. 361000 Investment Earnings	12,000	12,000	12,000	8
9								9
10	5,876	11,446	9,000	TOTAL INTEREST	12,000	12,000	12,000	10
11								11
12				OTHER REVENUES				12
13	22,417	8,046	0	13. 371000 Miscellaneous Income	0	0	0	13
14								14
15								15
16	22,417	8,046	0	TOTAL OTHER REVENUES	0	0	0	16
17								17
18	1,166,763	1,552,207	1,499,734	18. 392000 Net Working Capital	1,776,750	1,776,750	1,776,750	18
19								19
20								20
21								21
22								22
23								23
24								24
25								25
26								26
27								27
28								28
29	2,708,185	3,184,126	3,091,974	29. Total resources, except taxes to be levied	3,372,020	3,372,020	3,372,020	29
30				30. Taxes estimated to be received				30
31				31. Taxes collected in year levied				31
32	2,708,185	3,184,126	3,091,974	32. TOTAL RESOURCES	3,372,020	3,372,020	3,372,020	32

*Includes ending balance from prior year

DETAILED REQUIREMENTS
GENERAL FUND

	Historical Data			REQUIREMENTS DESCRIPTION	Number of Employees	Range*	Budget for Next Year 2018-19			
	Actual		Adopted Budget This Year 2017-18				Proposed by Budget Officer	Approved by Budget Committee	Adopted by Governing Body	
	Second Preceding Year 2015-16	First Preceding Year 2016-17								
1				MATERIALS & SERVICES						1
2	2,685	2,690	2,800	2 525150 Audit Services			2,900	2,900	2,900	2
3	120	183	140	3 525156 Bank Services			100	100	100	3
4	779,000	799,000	829,000	4 525415 Cable Access Services			859,000	859,000	859,000	4
5	10,000	10,000	10,000	5 525999 Contractual Services-City of Salem			10,000	10,000	10,000	5
6	14,000	14,000	14,000	6 525999 Contractual Services-Marion County			14,000	14,000	14,000	6
7	922	3,400	0	7 525999 Contractual Services-Beery, Elsner & Hammond			0	0	0	7
8	0	0	6,000	8 525999 Contractual Services-Miscellaneous			6,000	6,000	6,000	8
9	1,776	1,986	2,067	9 528110 Liability Insurance Premiums			2,070	2,070	2,070	9
10	10,830	11,380	16,500	10 529220 Travel & Conferences			16,500	16,500	16,500	10
11	3,160	3,115	3,300	11 529300 Dues & Subscriptions			3,500	3,500	3,500	11
12	759	669	1,000	12 529999 Expense Reimbursements-Other			1,000	1,000	1,000	12
13										13
14	823,252	846,423	884,807	TOTAL MATERIALS & SERVICES			915,070	915,070	915,070	14
15										15
16				CAPITAL OUTLAY						16
17	332,726	193,262	770,000	17 531300 Capital Outlay-Equipment			980,000	980,000	980,000	17
18	0	554,988	30,000	18 534100 Capital Outlay-Building			0	0	0	18
19										19
20										20
21	332,726	748,250	800,000	TOTAL CAPITAL OUTLAY			980,000	980,000	980,000	21
22										22
23										23
24	0	0	200,000	24 571010 Contingency			200,000	200,000	200,000	24
25										25
26										26
27	1,552,207	1,589,453		27 Ending balance (prior years)						27
28			1,207,167	28 UNAPPROPRIATED ENDING FUND BALANCE			1,276,950	1,276,950	1,276,950	28
29	2,708,185	3,184,126	3,091,974	29 TOTAL REQUIREMENTS			3,372,020	3,372,020	3,372,020	29

PROGRAM DESCRIPTION
Fiscal Year 2018-19

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 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

\$2,600 for the audit of fiscal year ending June 30, 2018 by an independent auditing firm and \$300 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. \$859,000 to Capital Community Television (CCTV) for PEG access operations through June 2019. This will allow CCTV to continue its streaming and work on digital media. This is a \$30,000 increase over the amount budgeted for the previous fiscal year.
2. \$10,000 to the City of Salem for staff work regarding consumer complaints, rate regulation, enacting telecommunications law, etc.
3. \$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.
4. Up to \$6,000 for consultation on matters related to franchise fees, rate regulation, telecommunications law, etc.

Insurance

Up to \$2,070 for purchase of insurance for comprehensive general liability and non-owned auto and property coverage.

Travel and Conferences

Up to \$16,500 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. 2018 annual NATOA conference will be held in Philadelphia, PA.

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) \$3,000 and additional funds to purchase informative publications and tapes as needed by commissioners and staff. \$500 for an associate membership in the Oregon Association of Counties.

Other Expense Reimbursement

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

Capital Outlay

\$980,000 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 an Emergency Information/ Live Studio Project 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.



CABLE REGULATORY COMMISSION

MARION COUNTY - CITY OF SALEM

Capital Requirements:

CCTV's proposed 2018-2019 Capital Budget of \$980,000 is based on \$680,000 in projected PEG fees received in the 2018-2019 as well as \$300,000 carried forward from 2017-2018

The two primary purchases will be to establish an Emergency Information/Live Studio to assist with local area emergencies and to upgrade the existing vehicle used for mobile productions. There will also be a focus on upgrading lighting and the Salem City Council for broadcasts as well as other system improvements as they become necessary.

Emergency Info/Live Studio:	\$500,000
Production Truck Upgrade:	\$200,000
Studio Switchers:	\$100,000
Other System Improvements:	\$75,000
Wireless Intercom:	\$55,000
Salem City Council:	<u>\$50,000</u>
Total request:	\$980,000