



MHCRC

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

MHCRC FUND BUDGET FISCAL YEAR 2023-24 ADOPTED

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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 two companies, serving the following areas:

Comcast: Portland, Gresham, Troutdale, Fairview, Wood Village and Multnomah County
Zply Fiber: Gresham, Troutdale, Fairview and Wood Village

The MHCRC contracts for staff and other support services through a services agreement with the City of Portland. The MHCRC funds an equivalent of 4.9 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 2021-22 Annual Report and website (www.mhcr.org) for more detail about MHCRC activities and accomplishments.

MHCRC FY 2023-24 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 2023-24 Fund Budget is presented on page 5.

Nearly all of 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 2023-24 Fund resources are projected based on cable company actual payments through 2nd Quarter FY 2022-23. FY2023-24 Fund resources are projected to be \$209,406 less than FY2022-23 (calculated with the combined total of franchise and PEG fees). This budget includes a beginning fund balance of \$1,947,977.

Detail on each Fund resource follows:

Franchise Fees: The MHCRC collects cable services franchise fees, based on 5% of the companies' gross revenues for cable TV service, for Gresham, Troutdale, Fairview, Wood Village and Multnomah County from Comcast and Zply Fiber cable franchises. The MHCRC uses historical trend data and actual payments through 2nd Quarter FY22-23 to project anticipated FY23-24 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 an increase when compared to the returns of the last 2 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.

Beginning Fund Balance: The FY23-24 beginning balance projection is attributable to the following:

- Interest cumulative balance: \$1,126,236
- Compliance Program carryover: \$821,741
- Community Grants carryover/encumbrances: \$171,594
- Community Grants/community media capital contingency: \$800,000

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 from FY22-23 to facilitate one-time costs, including personnel costs, Comcast franchise renewal negotiations and a strategic planning process with the Jurisdictions to guide possible changes to the IGA and the MHCRC after FY23-24.

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 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).

Community Grants: The MHCRC is the grant-making body for the Community Grants program on behalf of member jurisdictions. The Community Grants program supports an annual competitive grant process called the Community Technology Grants program and special funding initiatives. 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 program provides funds for technology projects to nonprofit organizations, libraries, educational institutions and local government agencies throughout Multnomah County to produce video content to be shared on the community media center channels in order to support project-related goals and objectives. Over 80% of grants made in the last five years (2017-2022) have focused on supporting grantees which are led by, informed by, and/or directly benefitting BIPOC communities facing current and historical policies and practices that have resulted in disparities. The grant-funded projects addressed barriers that limit or prevent individuals and communities from accessing services, information, communication tools and/or training.

The TechSmart Initiative, a Community Grants program funded through FY2019-20, used the last few years to conclude its compliance and evaluation reporting to close out the initiative. TechSmart was 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. The grant projects with the districts have wrapped up in school year 2021-22 and the final impact report was published in Winter 2023 and is available here: <https://www.mhcrc.org/wp-content/uploads/2023/04/TechSmart-Initiative-Final-Impact-Report-Pacific-Research-and-Evaluation.pdf>.

Fund Contingency: Separate from the Community Grants/community media capital contingency, the MHCRC annually budgets a fund contingency amount (about 10% of the total Fund Budget) to cover unanticipated community needs and opportunities, for FY23-24 this is set to be \$147,533.

**MHCRC FUND BUDGET
FISCAL YEAR 2023-24**

	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Adopted	2023-24 Proposed
RESOURCES						
E. County Franch. Fees, Comcast	1,336,912	1,299,069	1,337,257	1,337,459	1,291,748	1,328,435
E. County Franch. Fees Mult West, Comcast	106,701	104,901	104,185	103,957	103,908	93,059
E. County Franch. Fees, Zply Fiber	226,288	183,626	136,396	102,531	83,576	48,766
Operating Budget Appropriation-Portland	304,998	314,826	294,418	348,545	344,396	354,728
Interest Earned	291,297	265,053	95,194	58,380	103,190	146,122
PEG / I-Net Capital Fee	4,791,334	4,488,041	4,338,687	4,246,471	4,273,849	4,020,151
Total Resources	7,057,530	6,655,517	6,306,138	6,197,343	6,200,667	5,991,261
Beginning Fund Balance	7,266,195	2,461,722	3,129,131	2,212,420	2,037,853	1,947,977
Unspent Comm Technology Grants	0	0	297,488	166,926	102,555	171,594
Unspent TechSmart Initiative Grants	0	4,866,984	6,913,886	1,663,489	542,812	0
Unallocated balance	0	980,968	0	2,293,913	5,280,618	4,865,417
Total	\$14,323,725	\$14,965,191	\$16,646,643	\$12,534,091	\$14,164,504	\$12,976,249
EXPENDITURES						
MHCRC Operating Budget	656,303	934,596	1,254,868	1,249,431	1,430,795	1,520,797
Franchise Fee Balance to Jurisdictions	503,730	469,490	450,652	429,899	439,024	363,987
Community Media Pmt, E. County (MetroEast)	937,920	889,618	855,967	863,994	854,653	773,346
Community Media Pmt, Mult. West (Open Signal)	64,021	62,940	57,812	62,375	62,456	56,759
Community Media Capital (MetroEast/OS)	1,469,042	1,504,299	2,083,120	1,566,576	2,610,600	2,290,365
I-Net Grants	568,179	838,279	0	0	0	0
Community Technology Grants	0	869,194	1,197,488	1,066,926	1,368,865	2,000,000
TechSmart Initiative Grants	0	4,866,984	6,913,886	1,663,489	542,812	0
Contingency	0	0	0	0	800,000	800,000
Total Expenditures	\$4,199,195	\$10,435,400	\$12,813,793	\$6,902,690	\$8,109,205	\$7,805,254
Net Change in Fund Balance	10,124,530	4,529,791	3,832,850	5,631,401	6,055,299	5,170,995
Total	\$14,323,725	\$14,965,191	\$16,646,643	\$12,534,091	\$14,164,504	\$12,976,249

APPENDIX ONE

FRANCHISE FEE REVENUE AND DISBURSEMENT DETAIL

MHCRC OPERATING BUDGET-LINE ITEM DETAIL

JURISDICTIONAL APPROPRIATIONS BY JURISDICTION

FRANCHISE FEE REVENUES AND DISBURSEMENTS
FY23-24 Estimate

Jurisdictions	Franchise Fee Revenues	MetroEast Appropriation	Open Signal Appropriation	MHCRC Budget Appropriation	Payments to Jurisdictions
Portland*	\$5,249,127		\$1,053,543	\$354,728	
MULTNOMAH CO., EAST	65,428	39,257		19,542	6,630
MULTNOMAH CO., WEST	93,528	N/A	56,759	N/A	36,770
GRESHAM	954,773	572,864		133,317	248,605
TROUTDALE	155,801	93,481		21,586	40,736
FAIRVIEW	93,453	56,072		12,779	24,603
WOOD VILLAGE	26,062	15,637		3,782	6,643
Total, East County	\$1,389,045	\$777,311	\$56,759	\$191,006	\$363,987
Grand Total	\$6,638,172	\$777,311	\$1,110,302	\$545,734	\$363,987

*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 Actual	FY 2022-23 Projected	FY 2023-24 Proposed
MULTNOMAH CO., EAST	17,900	16,382	15,866	16,188	12,463	11,204	6,630
MULTNOMAH CO., WEST	43,632	42,098	40,014	41,674	41,582	41,053	36,770
GRESHAM	363,362	337,012	314,158	321,130	289,966	272,807	248,605
TROUTDALE	60,401	55,899	52,546	52,735	48,570	45,820	40,736
FAIRVIEW	35,620	33,667	32,279	32,570	29,523	28,082	24,603
WOOD VILLAGE	9,441	8,502	8,110	8,293	7,795	7,404	6,643
TOTAL	\$530,356	\$493,560	\$462,973	\$472,590	\$429,899	\$406,369	\$363,987

MHCRC FY23-24 OPERATING BUDGET - Line Item Detail

Title	FY 2019-20 Actual	FY20-21 Actual	FY21-22 Actual	FY22-23 Adopted	FY23-24 Proposed
Expenditures					
Personnel - MHCRC Admin	464,264	410,853	694,024	615,544	786,554
Indirect Personnel - Bureau Support	0	0	0	0	0
Total Personnel Services	\$464,264	\$410,853	\$694,024	\$615,544	\$786,554
External Fund Audit	12,432	12,024	15,000	15,300	15,600
Professional Services	262,887	372,923	216,810	205,078	146,300
Legal Services	N/A ⁽¹⁾	N/A ⁽¹⁾	76,000	175,000	53,000
Miscellaneous Services	5,540	5,161	9,050	5,650	6,750
Office/Operating Supplies	2,719	2,894	2,634	4,485	5,905
Education	9,884	6,280	15,625	13,825	14,975
Local Travel	0	0	500	500	500
Out-of-Town Travel	2,496	0	4,200	5,700	2,700
Rent Columbia Square	31,635	0	0	0	0
Miscellaneous	989	2,980	700	2,700	20,700
Total External Materials & Services	\$328,582	\$402,263	\$340,519	\$428,238	\$266,430
Fleet Services	0	0	65	42	0
Print/Distribution	457	582	2,867	1,848	0
Facilities Services	313	37,439	47,172	44,797	64,187
EBS Services	0	0	0	0	0
Information Technology (IT)	17,642	17,113	11,514	22,980	34,845
Insurance/Workers Comp	6,276	4,296	5,685	8,160	11,248
Technical Accounting IA	9,000	9,000	9,000	9,000	15,000
Legal Services IA	N/A ⁽²⁾	N/A ⁽²⁾	N/A	N/A	N/A
Mgmt Services (Bus Ops) IA	8,062	0	0	0	0
Other	0	0	0	0	0
Total Internal Services	\$41,750	\$68,429	\$76,303	\$86,827	\$125,280
GF Overhead	100,000	9,609	25,000	25,000	25,000
Contingency - General	0	53,285	113,585	114,186	147,533
Encumbrance Carryover	0	21,041	0	161,000	170,000
Total Fund Level Expenditures	\$ 100,000	\$ 83,935	\$ 138,585	\$ 300,186	\$ 342,533
Total Expenditures	\$ 934,596	\$ 965,480	\$ 1,249,431	\$ 1,430,795	\$ 1,520,797
Franchise Admin. Program Expenses	582,432	614,299	683,020	622,426	958,376
Capital Fund Compliance Expenses	352,164	351,181	566,411	647,369	392,421
Encumbrance Carryover	0	0	0	161,000	170,000
Resources					
Appropriation from Jurisdictions	480,347	472,590	536,223	529,840	545,734
Year-end Balance - Carry over	80,000	0	0	161,000	170,000
Year-end Vacancy - Savings	0	0	0	0	114,598
Interest Revenue Allocation	22,058	147,608	146,797	92,586	298,044
Appropriation from Fund Compliance	352,164	526,988	566,411	647,369	392,421
Total Resources	\$ 934,569	\$ 1,147,185	\$ 1,249,431	\$ 1,430,795	\$ 1,520,797
Year-End Operations Balance	\$ -	\$ 181,705	\$ -	\$ -	\$ 0

⁽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

PERSONNEL ALLOCATIONS
MHCRC OPERATING BUDGET
FY 2023-24

Position	FY 2022-23 Adopted	FY 2023-24 Proposed
Strategic Initiatives Mgr	0.6	0.3
Administrative Spec	0.7	1.0
Community Grants Mgr	1.0	1.0
Community Engagement & Policy Spec	0.0	0.1
Finance Mgr	0.5	0.8
Policy Coordinator II	0.8	0.8
Program Coordinator - Compliance	0.0	0.3
Cable Utility Franchise Mgr - Compliance	0.0	0.3
Deputy Director	0.0	0.2
Director	0.4	0.1
FTE Total	4.0	4.9

**JURISDICTIONAL APPROPRIATION - PERCENTAGE BY JURISDICTION
MHCRC OPERATING BUDGET
FY 2023-24**

City of Portland Appropriation	\$354,728	65.0%
East County Appropriations	\$191,006	35.0%
Operating Budget Total:	\$545,734	

JURISDICTION		FY 2023-24 Proposed	FY 2023-24 % Allocation
Portland		\$354,728	65.0%
	Subscriber Distribution		
<u>East County</u>	<u>No. Of Subs</u>	<u>Perc. Distr.</u>	
Gresham	14,037	69.79%	\$133,316 24.4%
Multnomah Co.	2,058	10.23%	\$19,542 3.6%
Troutdale	2,274	11.31%	\$21,606 4.0%
Fairview	1,345	6.69%	\$12,779 2.3%
Wood Village	398	1.98%	\$3,782 0.7%
East County Total	20,112	100.01%	\$191,025 35.0%
Total		\$545,753	100.0%

Budget Allocation Comparison

JURISDICTION	FY 2022-23 Adopted	FY 2023-24 Proposed
Portland	\$344,396	\$354,728
<u>East County</u>		
Gresham	\$131,734	\$133,316
Multnomah Co.	\$16,748	\$19,542
Troutdale	\$21,291	\$21,606
Fairview	\$11,851	\$12,779
Wood Village	\$3,820	\$3,782
East County Total	185,444	191,025
Total	529,840	545,753

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. FY2023-24 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	\$ 773,346
Capital Funding: MHCRC	<u>\$ 916,146</u>
Total	\$ 1,713,642

Open Signal:

Operations Funding: Portland General Fund	\$ 1,053,543
Operations Funding: West County Franchise Fees	\$ 56,759
Capital Funding: MHCRC	<u>\$ 1,374,219</u>
Total	\$ 2,484,521



TAKE CONTROL OF THE MEDIA

About MetroEast

Our Mission

MetroEast provides access to media and technology to invigorate civic engagement, inspire diverse voices, and strengthen community life.

Who We Are/What We Do

We are a premier digital media and video production nonprofit known for our state of the art technology, our award-winning productions team, and our versatile facility.

We are mobile; we provide media education designed by and for our communities and at local partner locations, delivering access to relevant technology and training that helps our community tell their stories.

We are committed to digital inclusion; we focus on ensuring that traditionally underserved communities have access to digital content, training, and tools.

We provide a welcoming space where our community can celebrate the media arts and the diverse voices of those we serve.

Local schools, nonprofits and governments rely on us as an essential service provider and partner for digital literacy training, access to technology, and video production needs.

Equity Commitment

We address inequities to media and technology access by embracing an inclusive understanding of barriers to media, digital literacy, and technology - both external and internal to our organization - experienced by many communities, especially Black, indigenous, and people of color and low-income residents. In partnership with multiple communities, we co-create solutions that remove these barriers while we work to change our own organization's operations and culture.

Strategic Priorities - FY 2024-2027

To uphold our vision while honoring our values and commitment to equity, MetroEast will pursue four broad strategic priorities over the next three years. To focus our resources and impact, MetroEast's "Priority Communities" are BIPOC and low-income residents as these people have historically been underserved by media and faced significant barriers to using and accessing technology.

- Focus offerings on digital access driven by interests of priority communities.
- Increase visibility and engagement with priority communities
- Grow and diversify income
- Develop a culture of shared leadership and responsibility

FY23-24 Budget Overview

The MetroEast Board and staff developed the FY23-24 budget guided by the following key factors in our operating environment:

- **Staffing**

Our people are our strength. Our emphasis on technology and media services and culturally-responsive education requires retaining and hiring staff with unique expertise and experience. The support and professional development of staff is key to our success. The Board believes to retain high quality staff, we must provide reasonable pay and work loads. Although operations revenues from franchise fees have continued to decline, the budget supports staff in several ways:

- The budget includes a 5% annual increase in pay for all staff, retains medical and other benefits, and provides professional development resources. We will also undertake a pay equity assessment of all staff positions and have included consulting dollars to support this work.
- Payroll is the largest portion of MetroEast's operations budget. To continue to financially accomplish the above staff supports, the budget reduces the staff FTE from 12 to 11. The Board and Staff Leadership Team developed our three-year strategic plan to focus services on our priority communities and our local municipalities. We are working on tweaking all aspects of the organization and services, while honoring our commitment to not further stress the capacity of staff.
- Our revised Financial Policies capture the full cost of staff resources dedicated to capital projects and therefore allowable as capital costs from the PEG/I-Net Fee (capital funds) received from the MHCRC. You'll see this reflected as "capitalized wages" in the budget.

- **Shared Leadership Team Structure**

Rather than fill the Executive Director position vacated in early-2022, the Board adopted an Leadership Team (LT) structure and plan. The current LT consists of four executive level staff positions. At this point, the Board intends to continue this staff leadership model and the

budget reflects this approach.

- **Building Mortgage Payoff - June 2023**

We are on-track to fully pay off our building mortgage in June 2023. The MHCRC provided a bump in capital funds for the current fiscal year (FY22-23) to assist in this accomplishment. We also are using a portion of our reserve contingency amount of capital funds from previous fiscal years.

OPERATIONS BUDGET

Income Highlights

Projected revenues are slightly lower than our current fiscal year-end estimate, mostly due to declining franchise fee revenue (about \$60,000 less than current fiscal year). The other income streams are based mostly on known resources for the upcoming year (ie. either commitments or ongoing revenue sources). Ongoing revenue sources include, but are not limited to, sponsorships, grants, education fees, and production services. One of our strategic priorities for 2023-27 is to grow and diversify revenue but this takes capacity-building for both staff and the Board. The budget retains the ongoing services of a contracted grant writer. Although some of our efforts may enhance income in the upcoming year, we chose to take a conservative approach to our projections.

Expense Highlights

As discussed in our Budget Overview above, personnel is the largest expense in the operations budget. The budget includes a reduction in one FTE, a 5% increase in staff salaries, and status quo employee benefits. Other expenses mostly support either operational needs (ie. utilities, legal expertise, financial audit, etc.) or our cohort-model education services (food, translation services, childcare, gas, etc.).

CAPITAL BUDGET

Income Highlights

Capital income is the baseline amount provided for in the MetroEast/MHCRC grant agreement for the upcoming fiscal year. No additional capital funds are requested.

Expense Highlights

One of the most significant expenses (\$200,000 of the Equipment line item) will be the upgrade of operating systems at the Gresham, Troutdale, Fairview and Wood Village city halls and the Multnomah County Commission chambers. This will be completed in tandem at each site so that staff doesn't have to switch between two operating systems. Other capital projects include: A new mobile unit dedicated to staff productions to ensure availability when needed (this will not be checked out to the public); new archiving capabilities for video; and increased speed for the fiber channel. Capital expenses will also cover general building upkeep, annual IT support and internal software contract, and equipment replacements and upgrades.

MetroEast Community Media FY 23/24 Budget Draft

	21/22	22/23	23/24
	<i>Actual</i>	<i>Budget</i>	<i>Proposed</i>
OPERATIONS BUDGET			
INCOME			
Franchise Fees	866,213	854,652	773,346
Sponsorships	0	20,004	10,020
Operating Grants	127,922	132,000	99,600
Contributions	5,439	6,000	3,995
In-Kind	23,200	0	18,000
Education Services	9,800	9,000	12,000
Production	142,733	150,000	96,000
Memberships	3,757	4,200	3,000
Other	4,000	19,270	19,305
Interest	724	0	138
Total Operating Income	1,183,788	1,173,627	1,035,404
EXPENSES			
Payroll & Benefits	1,210,174	1,145,500	958,883
<i>Less: Capitalized Wages</i>	<i>(60,645)</i>	<i>(36,000)</i>	<i>(199,508)</i>
Adjusted Total Personnel	1,149,529	1,109,500	759,375
Communications, Utilities & Maintenance	72,743	77,138	78,936
Dues & Subscriptions	7,810	7,570	4,939
Professional Development	812	15,200	6,600
Business Expenses, Taxes and Licenses, Bank Charges and Fees	12,532	28,910	4,926
Insurance	67,578	63,500	75,761
Marketing and Events	5,714	10,190	7,950
Office and Production Supplies, HQ Printing, Shipping and Postage	10,998	9,960	11,576
Professional Services (Contractors)	161,546	172,435	147,700
SaaS (Software as a Service)	8,915	9,600	10,515
Travel & Transportation	5,539	11,000	9,060
Meals and Entertainment	31,195	1,200	8,250
<i>Less: Capitalized Overhead</i>	<i>(47,758)</i>	<i>-</i>	<i>(91,614)</i>
Total Operating Expenses	1,487,152	1,516,203	1,033,974
Operating Income (Loss)/covered by reserves	<i>(303,364)</i>	<i>(342,576)</i>	1,430
CAPITAL BUDGET			
INCOME			
MHCRC Capital Funding	510,507	1,044,240	916,146
Other Capital Grants	0	0	0

Total Capital Funds Received	510,507	1,044,240	916,146
EXPENDITURE			
Capitalized Wages & Benefits	60,645	36,000	199,508
Contractor & Installation	1,460	0	21,195
Equipment	67,953	342,204	376,734
Furniture	1,089	5,004	5,004
Building Improvements	888	30,000	46,000
Mortgage and Capital Leases	34,888	715,447	0
Micro Mobile Production Unit	-	-	70,000
Vehicles	0	0	3,000
Software Development & Licensing	102,561	142,052	103,091
Overhead	47,758	-	91,614
Total Capital Expenditures	317,242	1,270,707	916,146
Capital and Grant Gain ~Increase (decrease) in grant liability acct	193,265	(226,467)	0
TOTAL INCOME	1,694,295	2,217,867	1,951,550
TOTAL EXPENSES/EXPENDITURES	1,804,395	2,786,910	1,950,120
TOTAL GAIN (LOSS)	(110,099)	(569,043)	1,430

MetroEast Community Media FY 23/24 Budget Draft						
	20/21	21/22	21/22	22/23	22/23	23/24
	Actual	Budget	Actual	Budget	Forecast	Budget
OPERATIONS BUDGET						
INCOME						
Franchise Fees	882,425	850,177	866,213	854,652	831,302	773,346
Sponsorships	3,450	20,004	0	20,004	0	10,020
Operating Grants	95,327	222,500	127,922	132,000	98,801	99,600
Contributions	4,323	27,500	5,439	6,000	6,000	3,995
In-Kind	18,000	0	23,200	0	18,000	18,000
Education Services	13,890	20,000	9,800	9,000	8,500	12,000
Production	118,524	200,000	142,733	150,000	61,000	96,000
Memberships	3,090	7,200	3,757	4,200	4,200	3,000
Other	125,127	67,200	4,000	19,270	19,270	19,305
Interest	471	560	724	0	138	138
Total Operating Income	1,264,627	1,415,141	1,183,788	1,173,627	1,047,211	1,035,404
EXPENSES						
Payroll & Benefits	1,163,469	1,300,941	1,210,174	1,145,500	1,004,000	958,883
Less: Capitalized Wages	(63,808)	(102,000)	(60,645)	(36,000)	(124,135)	(199,508)
Adjusted Total Personnel	1,099,661	1,198,941	1,149,529	1,109,500	879,865	759,375
Communications, Utilities & Maintenance	64,841	73,928	72,743	77,138	77,138	78,936
Dues & Subscriptions	14,088	12,000	7,810	7,570	7,570	4,939
Education & Training (Professional Development)	7,856	10,500	812	15,200	7,600	6,600
Business Expenses, Taxes and Licenses, Bank Charge	28,998	40,650	12,532	28,910	4,000	4,926
Insurance	72,921	67,900	67,578	63,500	63,500	75,761
Marketing and Events	1,319	23,690	5,714	10,190	10,190	9,850
Office and Production Supplies, HQ Print, Shipping	6,936	21,600	10,998	9,960	10,000	12,676
Professional Services (Contractors)	90,909	142,200	161,546	172,435	172,435	147,700
SaaS (Software as a Service)	9,765	7,650	8,915	9,600	9,600	10,515
Travel & Transportation	1,749	6,010	5,539	11,000	3,000	6,060
Meals and Entertainment	206	1,200	31,195	1,200	6,000	8,250
Less: Capitalized Overhead	(66,247)	-	(47,758)	-	(104,424)	(91,614)
Total Operating Expenses	1,333,001	1,606,269	1,487,152	1,516,203	1,146,474	1,033,974
Operating Income (Loss)/covered by reserves	(68,375)	(191,128)	(303,364)	(342,576)	(99,263)	1,430
CAPITAL BUDGET						
INCOME						
MHCRC Capital Funding	833,248	626,630	510,507	1,044,240	1,044,240	916,146
Other Capital Grants	192,999	40,000	0	0	0	0
Total Capital Funds Received	1,026,247	666,630	510,507	1,044,240	1,044,240	916,146
EXPENDITURE						
Capitalized Wages & Benefits	63,808	102,000	60,645	36,000	124,135	199,508
Contractor & Installation	17,812	49,000	1,460	0	12,000	21,195
Equipment	369,481	173,190	67,953	342,204	240,000	379,734
Furniture	2,181	5,040	1,089	5,004	1,000	5,004
Building Improvements	21,991	110,000	888	30,000	30,000	46,000
Mortgage and Capital Leases	101,914	97,297	34,888	715,447	722,485	0
Micro Mobile Production Unit	-	-	-	-	-	70,000
Vehicles	57,603	10,000	0	0	324	0
Software Development & Licensing	239,013	125,600	102,561	142,052	115,000	103,091
Overhead	66,247	-	47,758	-	104,424	91,614
Total Capital Expenditures	940,050	672,127	317,242	1,270,707	1,349,368	916,146
Capital and Grant Gain ~Increase (decrease) in grant liability acct	86,197	(5,497)	193,265	(226,467)	(305,128)	0
TOTAL INCOME	2,290,873	2,081,771	1,694,295	2,217,867	2,091,451	1,951,550
TOTAL EXPENSES/EXPENDITURES	2,273,051	2,278,396	1,804,395	2,786,910	2,495,842	1,950,120
TOTAL GAIN (LOSS)	17,822	(196,625)	(110,099)	(569,043)	(404,391)	1,430



FY 2023-24 Draft Operating Budget Narrative

April 1, 2023

Summary

The budget is prepared with the anticipation that Open Signal will continue to expand in-person services. 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 FY23-24 compared to FY22-23. Both our operational and capital funding from the MHCRC will increase and we expect to see ongoing increases in individual contributions with our new membership benefits and the vacancy in our Director of Growth position now filled.

Personnel Expenses

We have adjusted our salaries upward, keeping in line with the current market analysis. We plan to invest in additional support staff in our Community Media department.

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 deficit to allow for the implementation of equitable wages in alignment with the pay equity study. We anticipate that we can recover this deficit in the next two budget cycles with compensation from partners to adjust to better reflect the cost of services we provide.



Budget Workbook - OS

3 Year Summary

	FY 23-24 Budget	FY 24-25 Budget	FY 25-26 Budget
Revenue			
4000 Individual Contributions	\$ 40,000	\$ 57,500	\$ 77,500
4100 Corporate Contributions	\$ 12,500	\$ 15,000	\$ 17,500
4150 Pass-Through Contributions	\$ -	\$ -	\$ -
4200 Foundation Grants - Without Restrictions	\$ 317,500	\$ 300,000	\$ 325,000
4201 Foundation Grants - With Restrictions	\$ -	\$ -	\$ -
4300 Government Grants	\$ 2,483,762	\$ 2,510,315	\$ 2,537,754
4400 Services Revenue:Production Services	\$ 150,000	\$ 150,000	\$ 150,000
4410 Services Revenue:Studio Rentals	\$ 5,000	\$ 5,000	\$ 5,000
4420 Services Revenue: Other Service Revenue	\$ -	\$ -	\$ -
4700 Merchandise Sales	\$ -	\$ -	\$ -
4800 Interest Income	\$ -	\$ -	\$ -
4880 Gain/Loss on Sale of Fixed Assets	\$ 82,000	\$ 82,000	\$ 52,000
4900 Other Revenue	\$ -	\$ -	\$ -
Total Revenue:	\$ 3,090,762	\$ 3,119,815	\$ 3,164,754

Expenses			
5000 Salaries & Wages	\$ 1,292,479	\$ 1,215,231	\$ 1,287,947
5050 Salaries & Wages - On Call Staff	\$ 50,000	\$ 50,000	\$ 50,000
5100 Payroll Taxes	\$ 140,289	\$ 132,217	\$ 139,816
5200 Employee Benefits	\$ 195,794	\$ 184,111	\$ 189,635
5300 Workers' Comp	\$ 8,549	\$ 8,805	\$ 9,070
6000 Contract Services	\$ 146,281	\$ 50,000	\$ 50,000
6100 CPA Services	\$ 25,750	\$ 26,523	\$ 27,318
6200 Bookkeeping Services	\$ 40,152	\$ 41,339	\$ 42,561
6300 Payroll & HR Services	\$ 27,075	\$ 27,827	\$ 28,602
6400 Legal Services	\$ 10,000	\$ 10,000	\$ 10,000
6500 Disability Accommodations/Accessibility	\$ 13,905	\$ 13,983	\$ 14,062
6600 Production/Crew	\$ 42,500	\$ -	\$ -
6700 Stipends	\$ 9,400	\$ 9,400	\$ 9,400
6800 Marketing	\$ 12,200	\$ 12,200	\$ 12,200
7000 Travel & Meals	\$ 16,300	\$ 16,300	\$ 16,300
7100 Parking & Mileage	\$ 8,844	\$ 8,844	\$ 8,844
7200 Professional Development	\$ 31,000	\$ 31,000	\$ 31,000
7300 Small Tools & Equipment	\$ 100,000	\$ 100,000	\$ 100,000
7325 Software Expense	\$ 54,830	\$ 54,830	\$ 54,830
7350 Supplies	\$ 7,000	\$ 7,000	\$ 7,000
7400 Equipment Lease	\$ -	\$ -	\$ -
7500 Facility Repairs & Maintenance	\$ 20,456	\$ 21,069	\$ 21,702
7550 Equipment Repairs & Maintenance	\$ 4,000	\$ 4,120	\$ 4,244
7600 Utilities	\$ 45,720	\$ 47,092	\$ 48,504
7650 Vehicle Repairs, Gas, & Maintenance	\$ 7,100	\$ 7,100	\$ 7,100
7700 Meetings Expense	\$ 7,950	\$ 7,950	\$ 7,950
7800 Telecommunications	\$ 41,777	\$ 43,030	\$ 44,321
7900 Printing & Copying	\$ 7,000	\$ 7,000	\$ 7,000
8000 Postage & Delivery	\$ 4,000	\$ 4,000	\$ 4,000
8100 Recruitment	\$ 200	\$ 200	\$ 1,500
8200 Event Expense	\$ 7,000	\$ 7,000	\$ 7,000
8400 Bank Charges & Merchant Fees	\$ 6,180	\$ 6,365	\$ 6,556
8500 Board of Directors' Expense	\$ 5,000	\$ 5,000	\$ 5,000
8600 Licenses & Fees	\$ 4,375	\$ 4,375	\$ 4,375
8700 Insurance	\$ 43,466	\$ 44,770	\$ 46,113
8750 Dues & Subscriptions	\$ 2,280	\$ 2,280	\$ 2,280
8800 Depreciation Expense	\$ 650,000	\$ 650,000	\$ 650,000
8900 Miscellaneous Expenses	\$ 6,050	\$ 6,050	\$ 6,050
Total Expense:	\$ 3,094,902	\$ 2,867,011	\$ 2,962,280

Adjustments			
Allocate 2% of Operating Revenue to	\$ (34,331)	\$ (34,912)	\$ (35,811)
Cash Carried Forward from Prior Year	\$ 657,939	\$ 500,331	\$ 601,995
Ops Reserved for Capital Expenditures	\$ (769,137)	\$ (766,228)	\$ (758,817)
Surplus (Deficit):	\$ (149,669)	\$ (48,005)	\$ 9,841

Capital Budget			
23-24 Capital Grant Amount	\$ 1,374,219	\$ 1,374,219	\$ 1,374,219
Less 15% OH Fee	\$ (206,133)	\$ (206,133)	\$ (206,133)
Non-Amortized Capital Expense	\$ (154,830)	\$ (154,830)	\$ (154,830)
23-24 Capital Payroll Costs - On-call	\$ -	\$ -	\$ -
23-24 Capital Payroll Costs	\$ (244,119)	\$ (247,028)	\$ (254,439)
Balance 23-24 Capital Funds	\$ 769,137	\$ 766,228	\$ 758,817
Available for Fixed Asset Purchases:	\$ 769,137	\$ 766,228	\$ 758,817



FY 2023-24 Draft Capital Budget Narrative

Overview

Open Signal's capital spending this year is focused on the expansion of community services. As we begin to develop new public and partnership programs we will need to purchase additional production equipment. There will be significant funding put toward new vehicles in order to provide our services in remote locations. We will also begin saving towards a new building.

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: \$300,000.00

There are no expected building improvements in this fiscal year. A small budget was set aside for any unexpected expenses. A large portion of the funding will be set aside for future use towards a new building.

Production Equipment

Budget: \$115,000.00

We will be purchasing additional equipment to support partner programs and the expansion of our cohort and studio workshops.

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: \$250,000.00



We plan to build out two new production vans to replace our older, depreciated vans that are beginning to have mechanical issues. We will also purchase a smaller transport vehicle for our Community Media department.

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: \$106,071.00

There are no plans to add additional software in this fiscal year. We have set aside a budget for our anticipated software contract renewal costs.



FY23-24 Draft Capital Budget

	Actual Capital Expense FY21-22	Adopted Total Budget FY 22-23	Proposed Total Budget FY23-24
Capital Revenue			
MHCRC Capital Funding	\$939,946.00	\$1,566,360.00 [1]	\$1,374,219
Carry Forward Amount	\$674,859.52	\$734,294.08	\$8,514
Audit Difference Adjustment	-\$6,368.90	\$35,537.57 [2]	
Total Capital Resources Available	\$1,608,436.62	\$2,336,191.65	\$1,382,733
Capital Expenses			
Land & Land Improvement	\$0.00	\$2,000.00	\$2,000
Building & Building Improvement	\$163,645.97	\$373,000.00	\$300,000
Production Equipment	\$171,560.42	\$515,541.19 [3]	\$115,000
Computer	\$65,189.94	\$204,453.00	\$6,000
Vehicles	\$0.00	\$800.00	\$250,500
Office Equipment & Furniture	\$1,494.40	\$1,000.00	\$1,000
Software & Other Intangibles	\$113,873.80	\$669,690.50	\$106,071
Capitalized Wages	\$182,138.17	\$264,889.95	\$395,337
Capital Overhead	\$176,239.84	\$296,303.41	\$206,133
Total Capital Expense	\$874,142.54	\$2,327,678.05	\$1,382,041
Net Capital Surplus	\$734,294.08	\$8,513.60	\$692

[1] Doesn't include \$199,573.00 in additional community tech funds for studio improvements

[2] Includes correction for ERTC wages

[3] Doesn't include \$199,573.00 in additional community tech funds for studio improvements