

## ORDINANCE No.

\* Approve the Mt. Hood Cable Regulatory Commission FY 2019-20 Fund Budget. (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. The City is a party to an intergovernmental agreement with Multnomah County and the cities of Gresham, Fairview, Troutdale, and Wood Village dated December 24, 1992, as modified by subsequent amendments, creating the Mt. Hood Cable Regulatory Commission ("Commission"). The Intergovernmental Agreement (the "IGA") establishes the responsibilities and powers of the Commission, as delegated by the participating jurisdictions. The City Council approved the City of Portland's participation in the Commission by Ordinance No. 166168, enacted on January 20, 1993.
2. Under the terms of the IGA, after adopting its annual budget, the Commission transmits the budget to the jurisdictions. The Commission's adopted budget becomes effective after approval by the jurisdictions.
3. Under the terms of the IGA, each participating jurisdiction contributes funding to the operations of the Commission as determined during the annual budget process through a cost allocation methodology.
4. The Commission adopted the FY 2019-20 Fund Budget at its June 3, 2019, meeting and has transmitted the adopted budget to the jurisdictions for approval.
5. The City has appropriated sufficient funds in its adopted FY 2019-20 budget for the City's cost allocation identified in the Commission adopted FY 2019-20 budget.

NOW, THEREFORE, the Council directs:

- a. As provided under the City's intergovernmental agreement with Multnomah County and the cities of Gresham, Fairview, Troutdale, and Wood Village dated December 24, 1992, as modified by subsequent amendments, creating the Mt. Hood Cable Regulatory Commission, the City of Portland approves the Commission adopted FY18-19 Fund Budget as attached as Exhibit A to this ordinance.
- b. The City's Special Appropriation for the Commission FY 2019-20 Fund Budget is \$314,826.

Section 2. The Council declares that an emergency exists because it is necessary to approve the budget without delay in order to provide authority to transact the financial affairs of the Commission for FY 2019-20; therefore, this ordinance shall be in full force and effect from and after its passage by the Council.

Passed by the Council:

Mayor Ted Wheeler  
Prepared by: JOMelchuck  
Date Prepared: May 29, 2019

**Mary Hull Caballero**  
Auditor of the City of Portland  
By:

Deputy

ORDINANCE EXHIBIT A

MHCRC FUND BUDGET  
FISCAL YEAR 2019-20

	2017-18 Actual	2018-19 Adopted	2019-20 Proposed
<b>RESOURCES</b>			
E. County Franch. Fees, Comcast	1,390,189	1,336,912	1,250,329
E. County Franch. Fees Mult West, Comcast	109,078	106,701	102,428
E. County Franch. Fees, Frontier	224,846	226,288	228,441
Operating Budget Appropriation-Portland	281,036	304,998	314,826
Interest Earned	184,274	130,000	238,842
PEG/ I-Net Capital Fee	5,196,878	4,896,810	4,269,431
Compliance Revenue	0	0	0
<b>Total Resources</b>	<b>7,386,301</b>	<b>7,001,709</b>	<b>6,404,297</b>
Beginning Fund Balance	6,737,897	5,963,972	3,232,096
Unspent FY19 Comm Technology Grants	0	0	800,000
Unspent FY19 TechSmart Initiative Grants	0	0	3,440,426
Unspent FY19 Comm Grants Contingency	0	0	800,000
<b>Total</b>	<b>\$14,124,198</b>	<b>\$12,965,681</b>	<b>\$14,676,820</b>
<b>EXPENDITURES</b>			
MHCRC Operating Budget	915,596	1,105,046	1,116,781
Franchise Fee Balance to Jurisdictions	530,356	503,730	462,973
Community Media Pmt, E. County (MetroEast)	969,020	937,920	888,698
Community Media Pmts, Mult. West (Open Signal)	65,446	64,021	60,022
Community Media Capital (MetroEast/OS)	1,726,301	1,469,042	1,504,299
I-Net Grants	189,884	613,400	960,000
Community Technology Grants	1,314,370	800,000	1,600,000
TechSmart Initiative Grants	2,449,252	3,440,426	5,298,617
Community Grants Contingency	0	800,000	800,000
<b>Total Expenditures</b>	<b>\$8,160,225</b>	<b>\$9,733,585</b>	<b>\$12,691,390</b>
Net Change in Fund Balance	5,963,972	3,232,096	1,985,430
<b>Total</b>	<b>\$14,124,198</b>	<b>\$12,965,681</b>	<b>\$14,676,820</b>

## IMPACT STATEMENT

**Legislation title:** \*Approve the Mt. Hood Cable Regulatory Commission FY 2019-20 Fund Budget. (Ordinance)

**Contact name:** Julie Omelchuck, Community Technology Program Manager

**Contact phone:** 3-4188

**Presenter name:** Leif Hansen, Portland appointee, Commission Chair  
Sue Dicile, Portland appointee  
Julie Omelchuck, Community Technology Program Manager

**Purpose of proposed legislation and background information:**

To approve the Mt. Hood Cable Regulatory Commission's FY 2019-20 Fund Budget.

The City of Portland is a party to an intergovernmental agreement with Multnomah County and the cities of Gresham, Fairview, Troutdale, and Wood Village, dated December 24, 1992, as modified by subsequent amendments, creating the Mt. Hood Cable Regulatory Commission ("MHCRC") for the purposes of:

- Advocating for and protecting the public interest in the regulation and development of cable communication systems;
- Monitoring and helping resolve cable subscribers' concerns; and,
- Facilitating the planning and implementation of community uses of cable communication technologies.

The MHCRC contracts for staff and other support services through a services agreement with the City of Portland. The MHCRC funds an equivalent of four full-time (4 FTE) staff positions in the City's Office for Community Technology, plus related materials, services, financial and administrative costs.

The Intergovernmental Agreement ("IGA") establishes the responsibilities and powers of the MHCRC, including the process for member jurisdictions' approval of the MHCRC's annual budget. Under the terms of the IGA:

- The MHCRC transmits its adopted fiscal year budget to the jurisdictions for approval; and,
- Each jurisdiction annually contributes funding to the operations of the MHCRC as determined during the annual budget process through a cost allocation methodology.

The MHCRC adopted its FY 2019-20 Fund Budget at its June 3, 2019, meeting. About half the MHCRC's operating budget is funded by the jurisdictions' allocations and half by other MHCRC resources. The FY 2019-20 Fund Budget includes an operations cost allocation for the City of Portland in the amount of \$314,826, which represents 65% of the total jurisdictional allocations to the budget.

Nearly all the MHCRC's resources are funds collected from the cable companies in the form of franchise fees for the East County Jurisdictions and the PEG/I-Net fees county-wide. The

expenditures are disbursements, governed by the IGA and restricted for certain purposes under the cable services franchise agreements, to:

- East County Jurisdictions (franchise fee balance);
- Community media providers (MetroEast Community Media for both operating and capital funds; and Open Signal for capital funds);
- I-Net grants for public agencies' network connectivity;
- Community Technology Grants to support nonprofits, libraries, and local governments community technology needs; and,
- TechSmart Initiative for Student Success grants to school districts throughout Multnomah County.

**Financial and budgetary impacts:**

The City of Portland's cost allocation to the MHCRC FY 2019-20 budget, as outlined in this ordinance, is included in the City's adopted FY 2019-20 as a Special Appropriation. No additional resource is anticipated.

**Community impacts and community involvement:**

The MHCRC has a Finance Committee, which developed the draft FY 2019-20 budget and the full Commission adopted the budget at its June 3 meeting. Each member jurisdiction considers budget approval at a city council or County Commission meeting. Please see the MHCRC 2018-19 Annual Report for detail about Commission activities and County-wide impact.

**Budgetary Impact Worksheet**

**Does this action change appropriations?**

- YES: Please complete the information below.  
 NO: Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount