

# Cable Television Franchise Subfund

Michael Mattmiller, Director & Chief Technology Officer

(206)684-0600

<http://www.seattle.gov/doi>

## Department Overview

The City of Seattle entered into cable franchise agreements beginning in 1996 that included a franchise fee as compensation for cable television providers locating in the public right-of-way. The City approved a franchise with Comcast in 2006, and a second franchise, currently operated by Wave Division I, in 2007.

The Cable Television Franchise Subfund (created by Ordinance 118196) shows the anticipated revenues from the franchise fee and related expenditures in the Department of Information Technology (DoIT). Resolution 30379 establishes usage policies for the fund. The fund pays for the following services:

- Administration of the Cable Customer Bill of Rights and the Public, Education, and Government access costs the City is obligated to fund under the terms of its cable franchise agreements;
- Support of the Seattle Channel, including both operations and capital equipment;
- Programs and projects promoting citizen technology literacy and access, including related research, analysis, and evaluation; and
- Use of innovative and interactive technology, including television and the Web, to provide means for citizens to access City services.

## Budget Snapshot

Department Support	2013 Actual	2014 Adopted	2015 Proposed	2016 Proposed
Other Funding - Operating	\$8,636,884	\$8,899,785	\$8,389,394	\$8,417,829
<b>Total Operations</b>	<b>\$8,636,884</b>	<b>\$8,899,785</b>	<b>\$8,389,394</b>	<b>\$8,417,829</b>
<b>Total Appropriations</b>	<b>\$8,636,884</b>	<b>\$8,899,785</b>	<b>\$8,389,394</b>	<b>\$8,417,829</b>
Full-time Equivalent Total*	0.00	0.00	0.00	0.00

\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Human Resources Director actions outside of the budget process may not be detailed here.

# Cable Television Franchise Subfund

## Budget Overview

Cable Television Franchise Fund (Cable Fund) revenues are generated by franchise fees from cable television providers and these funds support limited activities provided by the Department of Information Technology (DoIT). Over the last several years, the department has used Cable Fund revenues to support additional, qualified technology access programs such as the portion of email support previously funded by the General Fund. The 2015 Proposed and 2016 Endorsed Budget continues previous uses of the Cable Fund for project management for the web team, web application support service to City departments, and administrative support for community outreach.

For the near future, the Cable Fund continues to have enough revenue growth to offset inflationary impacts on expenditures. DoIT will know more about future revenue projections after the current franchise agreements are renegotiated in 2015-2017.

For further details regarding the use of Cable Television Franchise Subfund, please refer to the DoIT budget.

## Incremental Budget Changes

### Cable Television Franchise Subfund

	2015		2016	
	Budget	FTE	Budget	FTE
<b>Total 2014 Adopted Budget</b>	<b>\$ 8,899,785</b>	<b>0.00</b>	<b>\$ 8,899,785</b>	<b>0.00</b>
<b>Proposed Changes</b>				
Align with Information Technology Fund	-\$ 510,391	0.00	-\$ 481,956	0.00
<b>Total Incremental Changes</b>	<b>-\$ 510,391</b>	<b>0.00</b>	<b>-\$ 481,956</b>	<b>0.00</b>
<b>2015 - 2016 Proposed Budget</b>	<b>\$ 8,389,394</b>	<b>0.00</b>	<b>\$ 8,417,829</b>	<b>0.00</b>

## Descriptions of Incremental Budget Changes

### Proposed Changes

#### **Align with Information Technology Fund - (\$510,391)**

Appropriation adjustments align the Cable Fund with changes in the DoIT budget for changes in usage of services that can be paid for with the Cable Fund and changes in cost allocation.

This item includes a \$36,000 increase in the annual contract with the Seattle Community Colleges District (SCCtv) to manage the Seattle Public Access Channel due to inflation and additional one-time funding for capital items. In addition, \$78,000 of funding is for DoIT to expand its efforts to ensure that programming for both the Seattle Channel and the Public Access Channel reflects the full diversity of Seattle. DoIT will work with the Office of Immigrant and Refugee Affairs and the Seattle Office of Civil Rights to explore options to reach all communities for representation in this venue.

# Cable Television Franchise Subfund

Please refer to the DoIT budget pages for more detailed information.

## Expenditure Overview

Appropriations	Summit Code	2013 Actual	2014 Adopted	2015 Proposed	2016 Proposed
<b>Cable Fee Support to Information Technology Fund Budget Control</b>					
Cable Communications		745,236	776,904	841,077	826,396
Community Technology		1,333,344	1,431,718	1,429,342	1,449,014
Finance and Administration		373,752	0	0	0
Seattle Channel/Democracy Portal		3,149,916	3,374,246	3,627,525	3,661,739
Technology Infrastructure		1,571,412	1,632,943	969,079	921,924
Technology Leadership		314,160	427,054	407,542	428,000
Web Site Support		959,064	1,066,920	924,829	940,756
<b>Total</b>	<b>D160B</b>	<b>8,446,884</b>	<b>8,709,785</b>	<b>8,199,394</b>	<b>8,227,829</b>
<b>Cable Fee Support to Library Fund Budget Control Level</b>	<b>D160C</b>	<b>190,000</b>	<b>190,000</b>	<b>190,000</b>	<b>190,000</b>
<b>Department Total</b>		<b>8,636,884</b>	<b>8,899,785</b>	<b>8,389,394</b>	<b>8,417,829</b>
<b>Department Full-time Equivalent Total*</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Human Resources Director actions outside of the budget process may not be detailed here.

## Revenue Overview

### 2015 Estimated Revenues

Summit Code	Source	2013 Actual	2014 Adopted	2015 Proposed	2016 Proposed
421911	Franchise Fee Revenues, Licenses, Permits, and Fines	8,764,264	8,070,384	8,406,198	8,616,353
	<b>Total Franchise Fees</b>	<b>8,764,264</b>	<b>8,070,384</b>	<b>8,406,198</b>	<b>8,616,353</b>
461110	Arts Programming Interest Earnings	6,364	4,727	751	0
461110	Interest Earnings	18,293	41,498	27,100	28,751
	<b>Total Interest Earnings</b>	<b>24,657</b>	<b>46,225</b>	<b>27,851</b>	<b>28,751</b>
	<b>Total Revenues</b>	<b>8,788,921</b>	<b>8,116,609</b>	<b>8,434,049</b>	<b>8,645,104</b>
379100	Use of (Contributions to) Fund Balance	-152,038	783,176	-44,654	-227,275
	<b>Total Use of (Contributions to) Fund Balance</b>	<b>-152,038</b>	<b>783,176</b>	<b>-44,654</b>	<b>-227,275</b>
	<b>Total Resources</b>	<b>8,636,883</b>	<b>8,899,785</b>	<b>8,389,395</b>	<b>8,417,829</b>

# Cable Television Franchise Subfund

## Appropriations By Budget Control Level (BCL) and Program

### **Cable Fee Support to Information Technology Fund Budget Control Level**

The purpose of the Cable Fee Support to Information Technology Fund Budget Control Level is to authorize the transfer of resources from the Cable Television Franchise Subfund to the Department of Information Technology's Information Technology Fund. These resources are used by the Department for a variety of programs consistent with Resolution 30379.

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Program Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Proposed</b>	<b>Proposed</b>
Cable Communications	745,236	776,904	841,077	826,396
Community Technology	1,333,344	1,431,718	1,429,342	1,449,014
Finance and Administration	373,752	0	0	0
Seattle Channel/Democracy Portal	3,149,916	3,374,246	3,627,525	3,661,739
Technology Infrastructure	1,571,412	1,632,943	969,079	921,924
Technology Leadership	314,160	427,054	407,542	428,000
Web Site Support	959,064	1,066,920	924,829	940,756
<b>Total</b>	<b>8,446,884</b>	<b>8,709,785</b>	<b>8,199,394</b>	<b>8,227,829</b>

### **Cable Fee Support to Library Fund Budget Control Level**

The purpose of the Cable Fee Support to Library Fund Budget Control Level is to authorize the transfer of resources from the Cable Television Franchise Subfund to the Seattle Public Library's Operating Fund. The Library uses these resources to pay for and maintain computers available to the public.

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Program Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Proposed</b>	<b>Proposed</b>
Citizen Literacy/Access	190,000	190,000	190,000	190,000
<b>Total</b>	<b>190,000</b>	<b>190,000</b>	<b>190,000</b>	<b>190,000</b>

## Cable Television Franchise Subfund

### Cable TV Fund Table

#### Cable Television Franchise Subfund (00160)

	2013 Actuals	2014 Adopted	2014 Revised	2015 Proposed	2016 Proposed
<b>Beginning Fund Balance</b>	4,668,852	4,876,692	4,849,442	4,181,683	4,226,338
Accounting and Technical Adjustments	28,553	0	0	0	0
Plus: Actual and Estimated Revenues	8,788,921	8,116,609	8,232,027	8,434,049	8,645,104
Less: Actual and Budgeted Expenditures	8,636,884	8,899,785	8,899,786	8,389,394	8,417,829
<b>Ending Fund Balance</b>	<b>4,849,442</b>	<b>4,093,516</b>	<b>4,181,683</b>	<b>4,226,338</b>	<b>4,453,613</b>
Designation for Cable Programs	864,496	230,551	225,740		
Reserves Against Fund Balance	1,895,533	1,934,968	1,934,968	1,858,409	1,862,674
<b>Total Reserves</b>	<b>2,760,029</b>	<b>2,165,519</b>	<b>2,160,708</b>	<b>1,858,409</b>	<b>1,862,674</b>
<b>Ending Unreserved Fund Balance</b>	<b>2,089,413</b>	<b>1,927,997</b>	<b>2,020,975</b>	<b>2,367,929</b>	<b>2,590,939</b>