

### **Cable Television Fund**

The City's Cable Television Fund accounts for revenue received from cable franchise fees paid by cable television customers. The current cable service provider is Comcast. Cable fees are passed through to the North Metro Telecommunications Commission, which is the regulatory body that oversees the cable franchise in our area. The Commission is made up of elected officials from each of its seven member cities. The commission adopts an annual budget. Staff anticipates that net franchise fee revenue distributed to Blaine in 2013 will total \$149,625. By comparison, net 2012 franchise fee revenues totaled just over \$149,544.

Blaine's current practice has been to use its funding for municipal cable (Cable Channel 16) related expenses. In 2005, programming on the municipal cable channel began originating from the master control center at the new North Metro 15 facility on the corner of Polk Street and Main Street. This has allowed the City to offer more variety in its programming, and to generate more City-specific programming.

The proposed 2013 Cable Fund operating budget is \$118,510. The largest budget items include \$76,530 in administrative charges to the general fund, \$13,860 in staffing costs to produce the meetings that the City shows live, and \$25,800 in contractual services to maintain website video-on-demand of Council meetings and other city programming and for maintenance of the Legistar® System.

City capital expenditures in 2013 include \$15,000 to continue the implementation of technology related improvements in both the Council chambers and the Cloverleaf Farm conference room, and \$10,000 to plan for audio/video needs associated with future expansion to the third floor.

The 2013 Cable Television Fund Budget, including the capital expenditures listed above, totals \$143,510. The fund is expected to end 2013 with a healthy fund balance reserve of \$285,170.

Staff has developed a conservative model for future budget years through 2017. It is anticipated that capital expenditures by the Cable Commission will return to 2009 levels, returning Blaine's net franchise fee revenue to \$110,000. A growth rate of 3% is built into expenditure estimates. As it stands now, the model will result in small decreases in fund balance each year, but overall the fund balance will remain healthy.

The 2013 Cable Television Fund Budget is presented on the next page for Council's review.

# CITY OF BLAINE, MINNESOTA

## 2013 FUND SUMMARY CABLE TELEVISION FUND

CABLE TELEVISION FUND - 230	2010 Actual	2011 Actual	2012 Budget	2012 Projected	2013 Proposed
<b>FUND RESERVE AT BEGINNING OF YEAR</b>	\$ 132,431	\$ 203,140	\$ 235,175	\$ 235,175	\$ 272,059
<b><u>REVENUES AND OTHER SOURCES</u></b>					
Franchise taxes - Gross	\$ 494,157	\$ 507,790	\$ 487,400	\$ 503,339	\$ 488,250
Retained by the Commission	(316,029)	(328,683)	(336,700)	(353,795)	(338,625)
<b>Net Franchise Taxes</b>	<b>178,128</b>	<b>179,107</b>	<b>150,700</b>	<b>149,544</b>	<b>149,625</b>
Interest	4,411	6,975	4,000	7,170	7,000
<b>Total revenues and other sources</b>	<b>182,539</b>	<b>186,082</b>	<b>154,700</b>	<b>156,714</b>	<b>156,625</b>
<b><u>OPERATING EXPENDITURES</u></b>					
General government:					
Personal services	10,226	11,487	13,860	12,500	13,860
Supplies	37	743	1,050	960	1,000
Contractual services	9,991	24,505	25,200	24,670	27,120
Other services and charges	87,700	76,200	76,500	76,500	76,530
<b>Total operating expenditures</b>	<b>107,954</b>	<b>112,935</b>	<b>116,610</b>	<b>114,630</b>	<b>118,510</b>
<b>Capital Program:</b>					
Council, Cloverleaf Technology Updates	-	-	20,000	5,200	15,000
Cameras in Cloverleaf room	3,876	-	-	-	-
Third Floor AV Design	-	-	10,000	-	10,000
Automated Agenda Mgmt System	-	26,500	-	-	-
Replacement of Scala System	-	13,452	-	-	-
Wireless upgrades	-	1,160	-	-	-
<b>Total Capital</b>	<b>3,876</b>	<b>41,112</b>	<b>30,000</b>	<b>5,200</b>	<b>25,000</b>
<b>Other Financing Uses:</b>					
<b>Total expenditures and other uses</b>	<b>111,830</b>	<b>154,047</b>	<b>146,610</b>	<b>119,830</b>	<b>143,510</b>
<b>Increase (decrease) in fund balance</b>	<b>70,709</b>	<b>32,035</b>	<b>8,090</b>	<b>36,884</b>	<b>13,115</b>
<b>FUND RESERVE AT END OF YEAR</b>	<b>\$ 203,140</b>	<b>\$ 235,175</b>	<b>\$ 243,265</b>	<b>\$ 272,059</b>	<b>\$ 285,174</b>
<b>FUND RESERVE TARGET</b>					
Cash Flow Reserve	25,000	25,000	25,000	25,000	25,000
Reserved for Major System Component Re	15,000	15,000	15,000	15,000	15,000
	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>
Unreserved Fund Balance	<b>163,140</b>	<b>195,175</b>	<b>203,265</b>	<b>232,059</b>	<b>245,174</b>