

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 2014 will total \$169,810. By comparison, net 2013 franchise fee revenues totaled just over \$150,540.

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 2014 Cable Fund operating budget is \$120,980. The largest budget items include \$78,200 in administrative charges to the general fund, \$13,770 in staffing costs to produce the meetings that the City shows live, and \$28,000 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 2014 include \$35,000 to continue the implementation of technology related improvements in Cloverleaf Farm, Sanctuary and City Manager's conference rooms.

The 2014 Cable Television Fund Budget, including the capital expenditures listed above, totals \$155,980. The fund is expected to end 2014 with a healthy fund balance reserve of \$321,200.

Staff has developed a conservative model for future budget years through 2018. It is anticipated Blaine's net franchise fee revenue will remain consistent at \$152,000. A growth rate of 2.5-3% 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 2014 Cable Television Fund Budget is presented on the next page for Council's review.

CITY OF BLAINE, MINNESOTA

2014 FUND SUMMARY CABLE TELEVISION FUND

CABLE TELEVISION FUND - 230	2011 Actual	2012 Actual	2013 Projected	2014 Proposed
FUND RESERVE AT BEGINNING OF YEAR	\$ 203,140	\$ 235,175	\$ 270,654	\$ 299,567
<u>REVENUES AND OTHER SOURCES</u>				
Franchise taxes - Gross	\$ 507,790	\$ 503,339	\$ 533,296	\$ 538,610
Retained by the Commission	(328,683)	(353,795)	(382,753)	(368,800)
Net Franchise Taxes	179,107	149,544	150,543	169,810
Interest	6,975	6,092	7,000	7,800
Total revenues and other sources	186,082	155,636	157,543	177,610
<u>OPERATING EXPENDITURES</u>				
General government:				
Personal services	11,487	12,663	13,500	13,770
Supplies	743	58	900	1,000
Contractual services	24,505	24,130	27,200	28,010
Other services and charges	76,200	76,500	76,530	78,200
Total operating expenditures	112,935	113,351	118,130	120,980
Capital Program:				
Council, Cloverleaf Technology Updates	-	6,806	10,500	-
AV upgrades to Cloverleaf A	-	-	-	20,000
AV projection installation in Sanctuary	-	-	-	7,500
AV upgrades to Manager's Conf. Room	-	-	-	7,500
Dais monitors in Council Chambers	-	-	-	-
Third Floor AV Design	-	-	-	-
Automated Agenda Mgmt System	26,500	-	-	-
Replacement of Scala System	13,452	-	-	-
Wireless upgrades	1,160	-	-	-
Total Capital	41,112	6,806	10,500	35,000
Total expenditures and other uses	154,047	120,157	128,630	155,980
Increase (decrease) in fund balance	32,035	35,479	28,913	21,630
FUND RESERVE AT END OF YEAR	\$ 235,175	\$ 270,654	\$ 299,567	\$ 321,197
FUND RESERVE TARGET				
Cash Flow Reserve	25,000	25,000	25,000	25,000
Reserved for Major System Component Re	15,000	15,000	15,000	15,000
Unrestricted Fund Balance	40,000	40,000	40,000	40,000
	195,175	230,654	259,567	281,197