

### **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 2015 will total \$169,860. By comparison, net 2014 franchise fee revenues totaled just over \$170,500.

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 2015 Cable Fund operating budget is \$123,290. The largest budget items include \$79,000 in administrative charges to the general fund, \$14,290 in staffing costs to produce the meetings that the City shows live, and \$29,000 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 2015 include an estimated \$100,000 to redesign the control room and install new audio/video equipment in the control room and Council Chambers, and \$7,500 to install new AV projection equipment in the Sanctuary room.

The 2015 Cable Television Fund Budget, including the capital expenditures listed above, totals \$230,790, and will necessitate a reserve draw of \$53,330. The fund is expected to end 2015 with a still healthy fund balance reserve of just over \$249,000.

Staff has developed a model for future budget years through 2019 based on the assumption that the current franchise agreement, set to expire in 2017, will essentially be renewed. 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 produce a healthy fund balance each year.

The 2015 Cable Television Fund Budget is presented on the next page for Council's review.

# CITY OF BLAINE, MINNESOTA

## 2015 FUND SUMMARY CABLE TELEVISION FUND

CABLE TELEVISION FUND - 230	2013 Actual	2014 Projected	2015 Proposed	2016 Estimate	2017 Estimate	2018 Estimate	2019 Estimate
<b>FUND RESERVE AT BEGINNING OF YEAR</b>	\$ 274,502	\$ 281,320	\$ 302,445	\$ 249,115	\$ 268,125	\$ 308,545	\$ 350,655
<b><u>REVENUES AND OTHER SOURCES</u></b>							
Franchise taxes - Gross	\$ 533,296	\$ 567,390	\$ 582,160	\$ 596,710	\$ 611,630	\$ 626,920	\$ 642,590
Retained by the Commission	(382,753)	(396,875)	(412,300)	(422,610)	(433,180)	(444,010)	(455,110)
<b>Net Franchise Taxes</b>	<b>150,543</b>	<b>170,515</b>	<b>169,860</b>	<b>174,100</b>	<b>178,450</b>	<b>182,910</b>	<b>187,480</b>
Interest	(3,685)	7,000	7,600	6,500	6,900	8,000	9,100
<b>Total revenues and other sources</b>	<b>146,858</b>	<b>177,515</b>	<b>177,460</b>	<b>180,600</b>	<b>185,350</b>	<b>190,910</b>	<b>196,580</b>
<b><u>OPERATING EXPENDITURES</u></b>							
General government:							
Personal services	11,520	13,840	14,290	14,720	15,160	15,610	16,080
Supplies	515	1,170	1,000	1,000	1,000	1,000	1,000
Contractual services	20,043	28,180	29,000	29,870	30,770	31,690	32,640
Other services and charges	97,500	78,200	79,000	81,000	83,000	85,500	88,100
<b>Total operating expenditures</b>	<b>129,578</b>	<b>121,390</b>	<b>123,290</b>	<b>126,590</b>	<b>129,930</b>	<b>133,800</b>	<b>137,820</b>
<b>Capital Program:</b>							
Council, Cloverleaf Technology Updates	10,462	5,000	-	-	-	-	-
AV upgrades to Cloverleaf A	-	22,500	-	-	-	-	-
AV projection installation in Sanctuary	-	-	7,500	-	-	-	-
AV upgrades to Manager's Conf. Room	-	7,500	-	-	-	-	-
Council Chambers & Control Room	-	-	100,000	-	-	-	-
Third Floor AV Design	-	-	-	35,000	-	-	-
Automated Agenda Mgmt System	-	-	-	-	-	-	-
Replacement of Scala System	-	-	-	-	-	-	-
Wireless upgrades	-	-	-	-	-	-	-
<b>Total Capital</b>	<b>10,462</b>	<b>35,000</b>	<b>107,500</b>	<b>35,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>
<b>Total expenditures and other uses</b>	<b>140,040</b>	<b>156,390</b>	<b>230,790</b>	<b>161,590</b>	<b>144,930</b>	<b>148,800</b>	<b>152,820</b>
<b>Increase (decrease) in fund balance</b>	<b>6,818</b>	<b>21,125</b>	<b>(53,330)</b>	<b>19,010</b>	<b>40,420</b>	<b>42,110</b>	<b>43,760</b>
<b>FUND RESERVE AT END OF YEAR</b>	<b>\$ 281,320</b>	<b>\$ 302,445</b>	<b>\$ 249,115</b>	<b>\$ 268,125</b>	<b>\$ 308,545</b>	<b>\$ 350,655</b>	<b>\$ 394,415</b>
<b>FUND RESERVE TARGET</b>							
Cash Flow Reserve	25,000	25,000	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	15,000	15,000
<b>Unrestricted Fund Balance</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>
	<b>241,320</b>	<b>262,445</b>	<b>209,115</b>	<b>228,125</b>	<b>268,545</b>	<b>310,655</b>	<b>354,415</b>