

City of Blaine

Communications Fund

2019 Proposed Budget

October 18, 2018

2019 Proposed Communications Budget

Accounts for the operations of the City's Communications Fund

Funding Sources

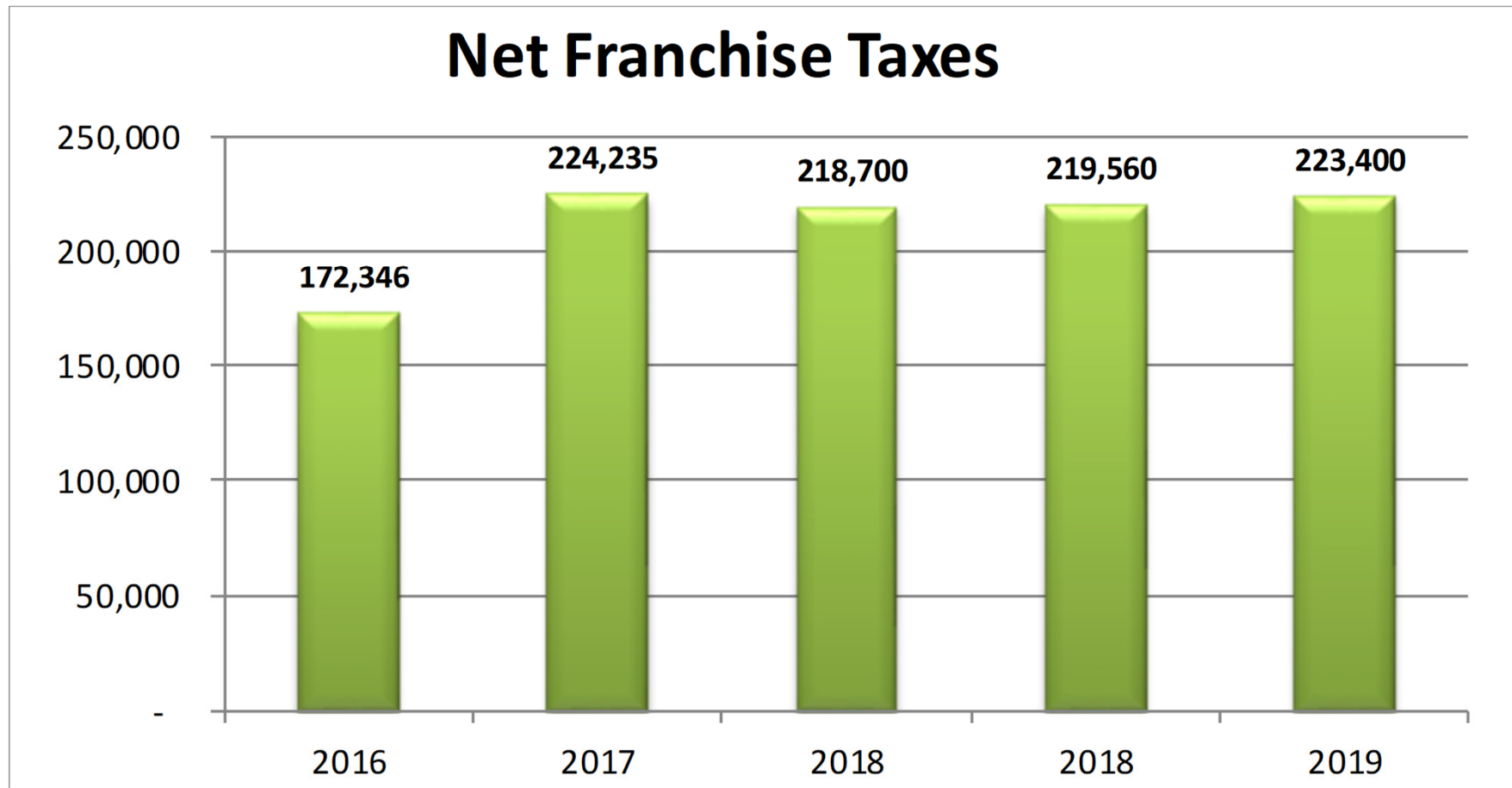
- Franchise Fees
 - Gross fees paid by subscribers used to fund NMTC operations
 - Net (amount remaining after NMTC is paid its share) distributed to member cities based on number of subscribers

2019 Proposed Communications Budget

Franchise Fees

- Cable Service Providers are Comcast and CenturyLink.
- North Metro Telecommunications Commission (NMTC):
 - Regulatory body that oversees the area franchise
 - City is one of seven members of NMTC
 - Franchise extended through 2020.

2019 Proposed Communications Budget

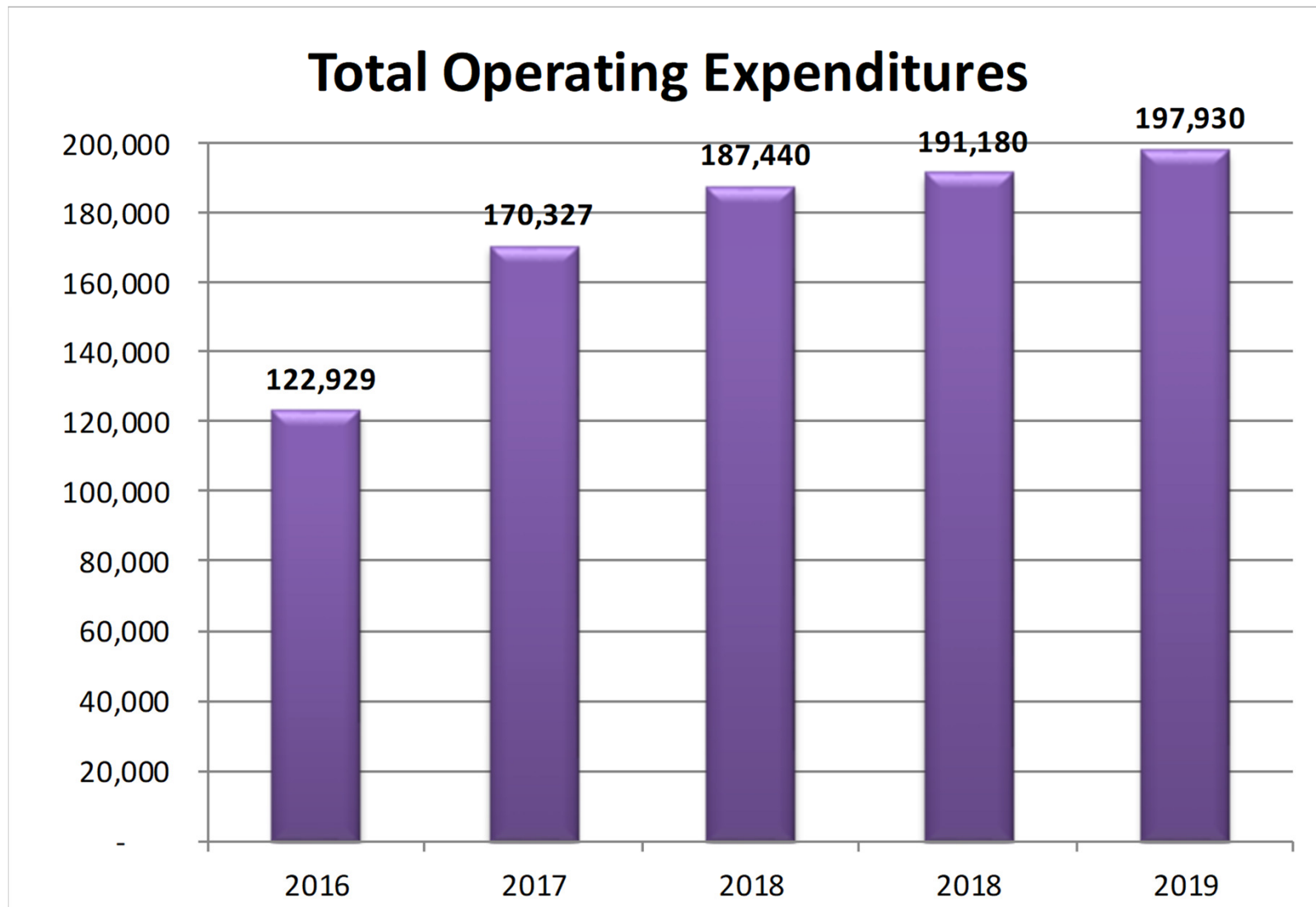


2019 Proposed Communications Budget - Revenue

COMMUNICATIONS FUND - 230	2016 Actual	2017 Actual	2018 Adopted	2018 Projected	2019 Proposed
<u>REVENUES AND OTHER SOURCES</u>					
Net Franchise Taxes	172,346	224,235	218,700	219,560	223,400
Interest	3,251	4,203	4,500	4,500	4,500
Total revenues and other sources	175,597	228,438	223,200	224,060	227,900

- Cities' share of total Franchise Tax increases ~\$4,000
- Blaine's share roughly 55%

2019 Proposed Communications Budget



2019 Proposed Communications Budget - Operating Expenditures

COMMUNICATIONS FUND - 230	2016 Actual	2017 Actual	2018 Adopted	2018 Projected	2019 Proposed
<u>OPERATING EXPENDITURES</u>					
General government:					
Personal services	12,739	14,708	14,340	16,340	16,830
Supplies	400	162	1,000	500	500
Contractual services	25,490	90,157	90,400	92,640	90,600
Other services and charges	84,300	65,300	81,700	81,700	90,000
Total operating expenditures	122,929	170,327	187,440	191,180	197,930

Adjustments:

- Administrative charge payment to General Fund increased to compensate for more digital communications activity.
- Inflation factor built into newsletter and Legistar expenses.
- Development of comprehensive communications plan.

2019 Proposed Communications Budget - Capital/Equipment Upgrade Plan

Established in 2007

To Replace Aging Equipment

- Most equipment in use for 5 to 10 years
- Replace/upgrade prior to failure

Funding Source

- Franchise fees collected and held in reserve

2019 Proposed Communications Budget - Capital/Equipment Upgrade Plan

COMMUNICATIONS FUND - 230	2016 Actual	2017 Actual	2018 Adopted	2018 Projected	2019 Proposed
Capital Program:					
Computers and Printers	-	3,784	-	2,400	1,000
Council Chambers & Control Room	5,288	176,065	-	-	-
Sanctuary and Atrium Monitors	-	-	25,000	15,000	10,000
Third Floor AV Design	-	-	35,000	-	-
Other Audio/Video upgrades	-	-	-	-	-
Total Capital	5,288	179,849	60,000	17,400	11,000

- Update equipment in Sanctuary Conf. Room/1st floor
- Annual fund reserve target includes \$15,000 in case of component failure.

2019-23 Communications Fund Projection

COMMUNICATIONS FUND - 230	2018 Adopted	2018 Projected	2019 Proposed	2020 Estimate	2021 Estimate	2022 Estimate	2023 Estimate
FUND RESERVE AT BEGINNING OF YEAR	\$ 293,682	\$ 293,682	\$ 309,162	\$ 328,132	\$ 329,092	\$ 327,522	\$ 325,032
<u>REVENUES AND OTHER SOURCES</u>							
Franchise taxes - Gross	\$ 736,200	\$ 726,700	\$ 739,400	\$ 752,300	\$ 765,500	\$ 778,900	\$ 792,500
Retained by the Commission	(517,500)	(507,140)	(516,010)	(525,040)	(534,230)	(543,580)	(553,090)
Net Franchise Taxes	218,700	219,560	223,400	227,300	231,300	235,300	239,400
Interest	4,500	4,500	4,500	3,100	3,300	3,300	3,300
Total revenues and other sources	223,200	224,060	227,900	230,400	234,600	238,600	242,700
<u>OPERATING EXPENDITURES</u>							
General government:							
Personal services	14,340	16,340	16,830	17,340	17,870	18,390	18,950
Supplies	1,000	500	500	500	500	500	500
Contractual services	90,400	92,640	90,600	92,900	95,300	97,800	100,300
Other services and charges	81,700	81,700	90,000	92,700	95,500	98,400	101,400
Total operating expenditures	187,440	191,180	197,930	203,440	209,170	215,090	221,150
Capital Program:							
Computers and Printers	-	2,400	1,000	1,000	2,000	1,000	1,000
Council Chambers & Control Room	-	-	-	-	-	-	-
Sanctuary and Atrium Monitors	25,000	15,000	10,000	-	-	-	-
Third Floor AV Design	35,000	-	-	-	-	-	-
Automated Agenda Mgmt System	-	-	-	-	-	-	-
Replacement of Scala System	-	-	-	-	-	-	-
Other Audio/Video upgrades	-	-	-	25,000	25,000	25,000	25,000
Total Capital	60,000	17,400	11,000	26,000	27,000	26,000	26,000
Other Financing Uses:							
Total expenditures and other uses	247,440	208,580	208,930	229,440	236,170	241,090	247,150
Increase (decrease) in fund balance	(24,240)	15,480	18,970	960	(1,570)	(2,490)	(4,450)
FUND RESERVE AT END OF YEAR	\$ 269,442	\$ 309,162	\$ 328,132	\$ 329,092	\$ 327,522	\$ 325,032	\$ 320,582
FUND RESERVE TARGET							
Cash Flow Reserve	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Major System Component Replacement	15,000	15,000	15,000	15,000	15,000	15,000	15,000
	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Unrestricted Fund Balance	229,442	269,162	288,132	289,092	287,522	285,032	280,582



2019 Proposed Communications Budget

- ◆ 10/18 Workshop – Council Review;
Conceptual Approval
- ◆ 11/1 CC Meeting – Council Adoption

