

Cable Television Franchise Subfund

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Department Overview

The City of Seattle entered into cable franchise agreements beginning in 1996 that included a new franchise fee as compensation for cable television providers locating in the public right-of-way. The City approved a new 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;
- Use of innovative and interactive technology, including television and the Web, to provide means for citizens to access City services.

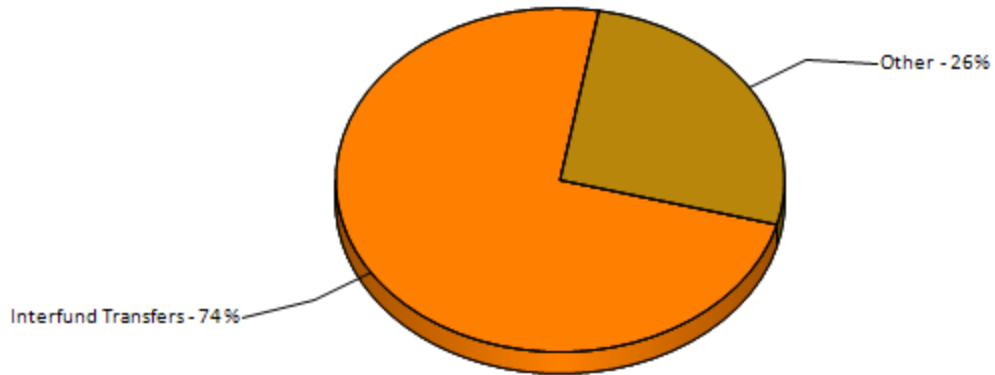
Budget Snapshot

Department Support	2012 Actuals	2013 Adopted	2014 Endorsed	2014 Proposed
Other Funding - Operating	\$8,180,656	\$8,636,894	\$8,859,198	\$8,899,786
Total Operations	\$8,180,656	\$8,636,894	\$8,859,198	\$8,899,786
Total Appropriations	\$8,180,656	\$8,636,894	\$8,859,198	\$8,899,786
Full-time Equivalent Total*	0.00	0.00	0.00	0.00

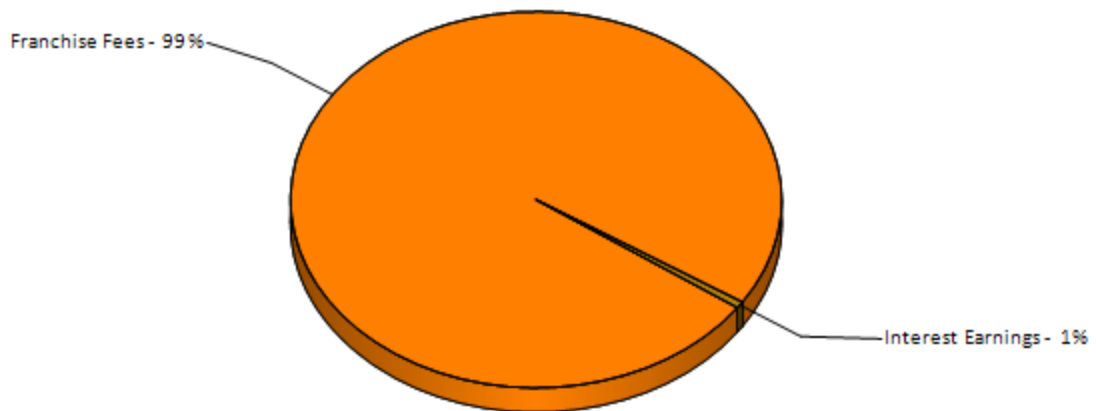
* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

Cable Television Franchise Subfund

2014 Proposed Budget - Expenditure by Category



2014 Proposed Budget - Revenue by Category



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 Proposed 2014 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.

The Cable Fund recently received a small increase in revenues as Comcast raised its rates on home television service. In 2013, the Cable Fund also received one-time revenue from selling property previously used for production of public access television by the now defunct Seattle Community Access Network. Slow future revenue growth at current franchise rates, coupled with inflationary increases to expenditures, will lead to financial pressures going forward. Based on current projections, the fund will encounter a shortfall beginning in 2017. 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

	2014	
	Budget	FTE
Total 2014 Endorsed Budget	\$ 8,859,198	0.00
Proposed Technical Changes		
Align with Information Technology Fund	\$ 40,588	0.00
Total Incremental Changes	\$ 40,588	0.00
2014 Proposed Budget	\$ 8,899,786	0.00

Descriptions of Incremental Budget Changes

Proposed Technical Changes

Align with Information Technology Fund - \$40,588

Appropriation adjustments align the Cable Fund with changes in the DoIT budget. Please refer to the DoIT budget pages for more detailed information.

Cable Television Franchise Subfund

Expenditure Overview

Appropriations	Summit Code	2012 Actuals	2013 Adopted	2014 Endorsed	2014 Proposed
Cable Fee Support to Information Technology Fund Budget Control					
Cable Communications		723,252	745,244	766,477	776,904
Community Technology		1,317,216	1,333,350	1,367,133	1,431,718
Finance and Administration		299,688	373,754	386,050	0
Seattle Channel/Democracy Portal		2,747,004	3,149,911	3,199,017	3,374,246
Technology Infrastructure		1,412,148	1,571,415	1,662,290	1,632,943
Technology Leadership		264,984	314,158	321,271	427,054
Web Site Support		1,226,364	959,061	966,959	1,066,920
Total	D160B	7,990,656	8,446,894	8,669,198	8,709,786
Cable Fee Support to Library Fund Budget Control Level	D160C	190,000	190,000	190,000	190,000
Department Total		8,180,656	8,636,894	8,859,198	8,899,786

Department Full-time Equivalents 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 Personnel Director actions outside of the budget process may not be detailed here.*

Revenue Overview

2014 Estimated Revenues

Summit Code	Source	2012 Actuals	2013 Adopted	2014 Endorsed	2014 Proposed
421911	Franchise Fee Revenues, Licenses, Permits, and Fines	8,031,931	7,629,796	7,761,791	8,070,384
	Total Franchise Fees	8,031,931	7,629,796	7,761,791	8,070,384
461110	Arts Programming Interest Earnings	10,661	9,608	4,765	4,727
461110	Interest Earnings	39,098	30,614	26,286	41,498
	Total Interest Earnings	49,759	40,222	31,051	46,225
Total Revenues		8,081,690	7,670,018	7,792,842	8,116,609
379100	Use of (Contributions to) Fund Balance	98,966	966,877	1,066,356	783,176
	Total Use of (Contributions to) Fund Balance	98,966	966,877	1,066,356	783,176
Total Resources		8,180,656	8,636,895	8,859,198	8,899,785

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.

Program Expenditures	2012 Actuals	2013 Adopted	2014 Endorsed	2014 Proposed
Cable Communications	723,252	745,244	766,477	776,904
Community Technology	1,317,216	1,333,350	1,367,133	1,431,718
Finance and Administration	299,688	373,754	386,050	0
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Total	7,990,656	8,446,894	8,669,198	8,709,786

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.

Program Expenditures	2012 Actuals	2013 Adopted	2014 Endorsed	2014 Proposed
Citizen Literacy/Access	190,000	190,000	190,000	190,000
Total	190,000	190,000	190,000	190,000

Cable Television Franchise Subfund

Cable TV Fund Table					
<u>Cable Television Franchise Subfund (00160)</u>					
	2012 Actuals	2013 Adopted	2013 Revised	2014 Endorsed	2014 Proposed
Beginning Fund Balance	4,767,818	4,481,046	4,653,380	3,514,170	4,876,692
Accounting and Technical Adjustments	-15,472	0	0	0	0
Plus: Actual and Estimated Revenues	8,081,690	7,670,018	8,860,206	7,792,842	8,116,609
Less: Actual and Budgeted Expenditures	8,180,656	8,636,894	8,636,894	8,859,198	8,899,786
Ending Fund Balance	4,653,380	3,514,170	4,876,692	2,447,813	4,093,514
Designation for Cable Programs	1,578,955	873,453	869,674	234,368	230,551
Reserves Against Fund Balance	1,827,098	1,895,534	1,895,534	1,928,880	1,934,968
Total Reserves	3,406,053	2,768,987	2,765,208	2,163,248	2,165,519
Ending Unreserved Fund Balance	1,247,327	745,183	2,111,484	284,565	1,927,995