

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 franchise fee as compensation for cable television providers locating in the public right-of-way. The City approved a franchise with Comcast in 2006, a second franchise operated by Wave Division I in 2007, and a third franchise with CenturyLink in 2015.

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; and
- Use of innovative and interactive technology, including television and the Web, to provide means for citizens to access City services.

Budget Snapshot

Department Support	2014 Actuals	2015 Adopted	2016 Endorsed	2016 Proposed
Other Funding - Operating	\$8,953,048	\$8,483,690	\$8,486,483	\$9,346,381
Total Operations	\$8,953,048	\$8,483,690	\$8,486,483	\$9,346,381
Total Appropriations	\$8,953,048	\$8,483,690	\$8,486,483	\$9,346,381
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 Human Resources Director actions outside of the budget process may not be detailed here.

Cable Television Franchise Subfund

Budget Overview

Cable Television Franchise Fund (Cable Fund) revenues are generated by franchise fees from cable television providers. These funds support activities that meet the funding eligibility requirements and are provided by the Department of Information Technology (DoIT) and the new Seattle Information Technology Department (Seattle IT). The 2016 Proposed 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 proposed budget also creates a new use of the Cable Fund to support the City's new privacy program. The privacy program will ensure compliance with privacy regulations and advance the goal of building public trust in how the City collects, uses and handles personal information. The privacy program is eligible for support from the Cable Fund as one of the key purposes of the fund is to support the costs associated with technology used to interact with and enhance the public's access to City government.

For the near future the Cable Fund continues to have strong revenue growth and can absorb inflationary growth as well as funding additional services. For additional detail regarding the use of Cable Fund, please refer to the DoIT budget.

Incremental Budget Changes

Cable Television Franchise Subfund

	2016 Budget	FTE
Total 2016 Endorsed Budget	\$ 8,486,483	0.00
Proposed Changes		
Align with Information Technology Fund	\$ 859,898	0.00
Total Incremental Changes	\$ 859,898	0.00
2016 Proposed Budget	\$ 9,346,381	0.00

Descriptions of Incremental Budget Changes

Proposed Changes

Align with Information Technology Fund - \$859,898

This adjustment aligns the Cable Fund with changes made in the Department of Information Technology (DoIT) budget for changes in usage of services that are supported with the Cable Fund and changes in cost allocation. This item includes \$144,000 to support the creation of a new privacy program as well as \$130,000 to launch an IT Security and Compliance program. A portion of DOIT's Summit Reimplementation project costs is also included in this item. This adjustment also reflects change in the allocation methodology of the Next Generation Data Center. Detail on these items can be found in the DoIT budget.

Cable Television Franchise Subfund

Expenditure Overview

Appropriations	Summit Code	2014 Actuals	2015 Adopted	2016 Endorsed	2016 Proposed
Cable Fee Support to Information Technology Fund Budget Control					
Business Office		-19,631	0	0	238,437
Cable Communications		775,333	935,373	895,050	903,081
Community Technology		1,429,722	1,429,342	1,449,014	1,462,247
Engineering and Operations		1,631,698	969,079	921,924	1,155,614
Leadership, Planning and Security		426,298	407,542	428,000	734,467
Seattle Channel/Democracy Portal		3,366,897	3,627,525	3,661,739	3,715,757
Web Site Support		1,152,731	924,829	940,756	946,778
Total	D160B	8,763,048	8,293,690	8,296,483	9,156,381
Cable Fee Support to Library Fund Budget Control Level	D160C	190,000	190,000	190,000	190,000
Department Total		8,953,048	8,483,690	8,486,483	9,346,381

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 Human Resources Director actions outside of the budget process may not be detailed here.*

Revenue Overview

2016 Estimated Revenues

Summit Code	Source	2014 Actuals	2015 Adopted	2016 Endorsed	2016 Proposed
421911	Franchise Fee Revenues, Licenses, Permits, and Fines	8,215,027	8,406,198	8,616,353	9,999,314
	Total Franchise Fees, Licenses, Permits, and Fines	8,215,027	8,406,198	8,616,353	9,999,314
461110	Arts Programming Interest Earnings	0	751	0	0
461110	Interest Earnings	35,589	26,786	27,894	49,006
	Total Interest Earnings/Investment Earnings	35,589	27,537	27,894	49,006
Total Revenues		8,250,616	8,433,735	8,644,247	10,048,320
379100	Use of (Contribution to) Fund Balance	702,432	49,956	-157,764	-701,939
	Total Use of (Contribution to) Fund Balance	702,432	49,956	-157,764	-701,939
Total Resources		8,953,048	8,483,691	8,486,483	9,346,381

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.

	2014	2015	2016	2016
Program Expenditures	Actuals	Adopted	Endorsed	Proposed
Business Office	-19,631	0	0	238,437
Cable Communications	775,333	935,373	895,050	903,081
Community Technology	1,429,722	1,429,342	1,449,014	1,462,247
Engineering and Operations	1,631,698	969,079	921,924	1,155,614
Leadership, Planning and Security	426,298	407,542	428,000	734,467
Seattle Channel/Democracy Portal	3,366,897	3,627,525	3,661,739	3,715,757
Web Site Support	1,152,731	924,829	940,756	946,778
Total	8,763,048	8,293,690	8,296,483	9,156,381

The following information summarizes the programs in Cable Fee Support to Information Technology Fund Budget Control Level:

Business Office Program

Business Office

	2014	2015	2016	2016
Expenditures	Actuals	Adopted	Endorsed	Proposed
Business Office	-19,631	0	0	238,437

Cable Communications Program

Cable Communications

	2014	2015	2016	2016
Expenditures	Actuals	Adopted	Endorsed	Proposed
Cable Communications	775,333	935,373	895,050	903,081

Community Technology Program

Community Technology

	2014	2015	2016	2016
Expenditures	Actuals	Adopted	Endorsed	Proposed
Community Technology	1,429,722	1,429,342	1,449,014	1,462,247

Engineering and Operations Program

Engineering and Operations

Cable Television Franchise Subfund

Expenditures	2014 Actuals	2015 Adopted	2016 Endorsed	2016 Proposed
Engineering and Operations	1,631,698	969,079	921,924	1,155,614

Leadership, Planning and Security Program

Leadership, Planning and Security

Expenditures	2014 Actuals	2015 Adopted	2016 Endorsed	2016 Proposed
Leadership, Planning and Security	426,298	407,542	428,000	734,467

Seattle Channel/Democracy Portal Program

Seattle Channel/Democracy Portal

Expenditures	2014 Actuals	2015 Adopted	2016 Endorsed	2016 Proposed
Seattle Channel/Democracy Portal	3,366,897	3,627,525	3,661,739	3,715,757

Web Site Support Program

Web Site Support

Expenditures	2014 Actuals	2015 Adopted	2016 Endorsed	2016 Proposed
Web Site Support	1,152,731	924,829	940,756	946,778

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	2014 Actuals	2015 Adopted	2016 Endorsed	2016 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

Cable Television Franchise Subfund (00160)

	2014 Actuals	2015 Adopted	2015 Revised	2016 Endorsed	2016 Proposed
Beginning Fund Balance	4,820,889	4,181,685	4,118,457	4,131,730	3,886,569
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenues	8,250,616	8,433,735	8,538,620	8,644,247	10,048,320
Less: Actual and Budgeted Expenditures	8,953,048	8,483,690	8,770,508	8,486,483	9,346,381
Ending Fund Balance	4,118,457	4,131,730	3,886,569	4,289,494	4,588,508
Designation for Cable Programs	225,740				
Reserves Against Fund Balance	1,942,957	1,872,554	1,915,576	1,872,972	2,803,408
Total Reserves	2,168,697	1,872,554	1,915,576	1,872,972	2,803,408
Ending Unreserved Fund Balance	1,949,760	2,259,176	1,970,993	2,416,522	1,785,100