

# 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 Adopted
Other Funding - Operating	\$8,953,048	\$8,483,690	\$8,486,483	\$9,936,381
<b>Total Operations</b>	<b>\$8,953,048</b>	<b>\$8,483,690</b>	<b>\$8,486,483</b>	<b>\$9,936,381</b>
<b>Total Appropriations</b>	<b>\$8,953,048</b>	<b>\$8,483,690</b>	<b>\$8,486,483</b>	<b>\$9,936,381</b>
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 Adopted 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 adopted 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.

### City Council Changes to the Proposed Budget

The Council increased the use of Cable Fund to support the development of a strategy to secure Wi-Fi service for disadvantaged and underserved communities and to expand the Seattle Public Library's Wi-Fi Hot Spot program. Additional information can be found in the DoIT and Library budgets, respectively.

## Incremental Budget Changes

### Cable Television Franchise Subfund

	2016	
	Budget	FTE
<b>Total 2016 Endorsed Budget</b>	<b>\$ 8,486,483</b>	<b>0.00</b>
<b>Proposed Changes</b>		
Align with Information Technology Fund	\$ 859,898	0.00
<b>Council Changes</b>		
Fund the Development of a Public Wi-Fi Access Strategy	\$ 250,000	0.00
Increase Funding for Seattle Public Library Wi-Fi Hot Spots	\$ 340,000	0.00
<b>Total Incremental Changes</b>	<b>\$ 1,449,898</b>	<b>0.00</b>
<b>2016 Adopted Budget</b>	<b>\$ 9,936,381</b>	<b>0.00</b>

# Cable Television Franchise Subfund

## 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.

### Council Changes

#### **Fund the Development of a Public Wi-Fi Access Strategy - \$250,000**

The Council transferred funds from the Cable Fund to DOIT hire a consultant to identify areas of the city that are disadvantaged and underserved with Wi-Fi and to develop a strategy to secure Wi-Fi service for them.

#### **Increase Funding for Seattle Public Library Wi-Fi Hot Spots - \$340,000**

The Council increased the use of Cable Fund for the Seattle Public Library's Wi-Fi Hot Spot program, both by increasing the total amount and replacing the use of General Fund with Cable Fund. Wi-Fi Hot Spots are a small device that provide users with Wi-Fi connection and internet access. Internet access has become increasingly necessary for job seekers to find job information and submit job applications; for students to access curriculum materials and submit homework; and for individuals to find information about housing, social services and government benefits and general information. Library patrons can check out the Wi-Fi Hot Spots similar to other library materials. When the loan period is over, the devices shut off and no longer provide the internet connection.

## City Council Provisos

*There are no Council provisos.*

## Cable Television Franchise Subfund

### Expenditure Overview

Appropriations	Summit Code	2014 Actuals	2015 Adopted	2016 Endorsed	2016 Adopted
<b>Cable Fee Support to Information Technology Fund Budget Control</b>					
Business Office		-19,631	0	0	238,437
Cable Communications		775,333	935,373	895,050	907,842
Community Technology		1,429,722	1,429,342	1,449,014	1,715,774
Engineering and Operations		1,631,698	969,079	921,924	1,155,473
Leadership, Planning and Security		426,298	407,542	428,000	733,797
Seattle Channel/Democracy Portal		3,366,897	3,627,525	3,661,739	3,709,800
Web Site Support		1,152,731	924,829	940,756	945,258
<b>Total</b>	<b>D160B</b>	<b>8,763,048</b>	<b>8,293,690</b>	<b>8,296,483</b>	<b>9,406,381</b>
<b>Cable Fee Support to Library Fund Budget Control Level</b>	<b>D160C</b>	<b>190,000</b>	<b>190,000</b>	<b>190,000</b>	<b>530,000</b>
<b>Department Total</b>		<b>8,953,048</b>	<b>8,483,690</b>	<b>8,486,483</b>	<b>9,936,381</b>

**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 Adopted
421911	Franchise Fee Revenues, Licenses, Permits, and Fines	8,215,027	8,406,198	8,616,353	9,999,314
	<b>Total Franchise Fees, Licenses, Permits, and Fines</b>	<b>8,215,027</b>	<b>8,406,198</b>	<b>8,616,353</b>	<b>9,999,314</b>
461110	Arts Programming Interest Earnings	0	751	0	0
461110	Interest Earnings	35,589	26,786	27,894	49,006
	<b>Total Interest Earnings/Investment Earnings</b>	<b>35,589</b>	<b>27,537</b>	<b>27,894</b>	<b>49,006</b>
<b>Total Revenues</b>		<b>8,250,616</b>	<b>8,433,735</b>	<b>8,644,247</b>	<b>10,048,320</b>
379100	Use of (Contribution to) Fund Balance	702,432	49,956	-157,764	-111,939
	<b>Total Use of (Contribution to) Fund Balance</b>	<b>702,432</b>	<b>49,956</b>	<b>-157,764</b>	<b>-111,939</b>
<b>Total Resources</b>		<b>8,953,048</b>	<b>8,483,691</b>	<b>8,486,483</b>	<b>9,936,381</b>

## 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
<b>Program Expenditures</b>	<b>Actuals</b>	<b>Adopted</b>	<b>Endorsed</b>	<b>Adopted</b>
Business Office	-19,631	0	0	238,437
Cable Communications	775,333	935,373	895,050	907,842
Community Technology	1,429,722	1,429,342	1,449,014	1,715,774
Engineering and Operations	1,631,698	969,079	921,924	1,155,473
Leadership, Planning and Security	426,298	407,542	428,000	733,797
Seattle Channel/Democracy Portal	3,366,897	3,627,525	3,661,739	3,709,800
Web Site Support	1,152,731	924,829	940,756	945,258
<b>Total</b>	<b>8,763,048</b>	<b>8,293,690</b>	<b>8,296,483</b>	<b>9,406,381</b>

*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
<b>Expenditures</b>	<b>Actuals</b>	<b>Adopted</b>	<b>Endorsed</b>	<b>Adopted</b>
Business Office	-19,631	0	0	238,437

#### **Cable Communications Program**

Cable Communications

	2014	2015	2016	2016
<b>Expenditures</b>	<b>Actuals</b>	<b>Adopted</b>	<b>Endorsed</b>	<b>Adopted</b>
Cable Communications	775,333	935,373	895,050	907,842

#### **Community Technology Program**

Community Technology

	2014	2015	2016	2016
<b>Expenditures</b>	<b>Actuals</b>	<b>Adopted</b>	<b>Endorsed</b>	<b>Adopted</b>
Community Technology	1,429,722	1,429,342	1,449,014	1,715,774

## Cable Television Franchise Subfund

### Engineering and Operations Program

Engineering and Operations

	2014 Actuals	2015 Adopted	2016 Endorsed	2016 Adopted
<b>Expenditures</b>				
Engineering and Operations	1,631,698	969,079	921,924	1,155,473

### Leadership, Planning and Security Program

Leadership, Planning and Security

	2014 Actuals	2015 Adopted	2016 Endorsed	2016 Adopted
<b>Expenditures</b>				
Leadership, Planning and Security	426,298	407,542	428,000	733,797

### Seattle Channel/Democracy Portal Program

Seattle Channel/Democracy Portal

	2014 Actuals	2015 Adopted	2016 Endorsed	2016 Adopted
<b>Expenditures</b>				
Seattle Channel/Democracy Portal	3,366,897	3,627,525	3,661,739	3,709,800

### Web Site Support Program

Web Site Support

	2014 Actuals	2015 Adopted	2016 Endorsed	2016 Adopted
<b>Expenditures</b>				
Web Site Support	1,152,731	924,829	940,756	945,258

### **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.

	2014 Actuals	2015 Adopted	2016 Endorsed	2016 Adopted
<b>Program Expenditures</b>				
Citizen Literacy/Access	190,000	190,000	190,000	530,000
<b>Total</b>	<b>190,000</b>	<b>190,000</b>	<b>190,000</b>	<b>530,000</b>

## Cable Television Franchise Subfund

### Cable TV Fund Table

#### Cable Television Franchise Subfund (00160)

	2014 Actuals	2015 Adopted	2015 Revised	2016 Endorsed	2016 Adopted
<b>Beginning Fund Balance</b>	<b>4,820,889</b>	<b>4,181,685</b>	<b>4,118,362</b>	<b>4,131,730</b>	<b>3,886,474</b>
Accounting and Technical Adjustments	-95	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	9,936,381
<b>Ending Fund Balance</b>	<b>4,118,362</b>	<b>4,131,730</b>	<b>3,886,474</b>	<b>4,289,494</b>	<b>3,998,413</b>
Designation for Cable Programs	225,740				
Reserves Against Fund Balance	1,942,957	1,872,554	1,915,576	1,872,972	2,891,907
<b>Total Reserves</b>	<b>2,168,697</b>	<b>1,872,554</b>	<b>1,915,576</b>	<b>1,872,972</b>	<b>2,891,907</b>
<b>Ending Unreserved Fund Balance</b>	<b>1,949,665</b>	<b>2,259,176</b>	<b>1,970,898</b>	<b>2,416,522</b>	<b>1,106,506</b>