

# Cable Television Franchise Subfund

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## Department Overview

Beginning in 1996, the City of Seattle entered into cable franchise agreements that included a franchise fee as compensation for cable television providers locating in the public right-of-way. The City has approved franchises with CenturyLink, Comcast and Wave Division I.

The Cable Television Franchise Subfund (created by Ordinance 118196) shows the anticipated revenues from the franchise fee and related expenditures in the Seattle Information Technology Department (Seattle IT). Resolution 30379 establishes usage policies for the fund. The fund pays for the following services:

- administration of the Cable Customer Bill of Rights as well as 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 technology literacy and access, including related research, analysis, and evaluation; and
- use of innovative and interactive technology, including television and online content, to provide ways for residents to access City services.

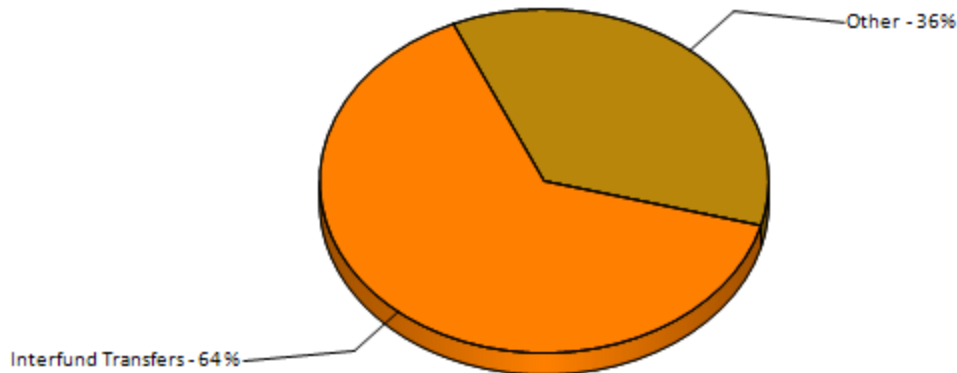
## Budget Snapshot

Department Support	2016 Actuals	2017 Adopted	2018 Endorsed	2018 Adopted
Other Funding - Operating	\$10,196,356	\$10,353,466	\$10,041,960	\$10,201,960
<b>Total Operations</b>	<b>\$10,196,356</b>	<b>\$10,353,466</b>	<b>\$10,041,960</b>	<b>\$10,201,960</b>
<b>Total Appropriations</b>	<b>\$10,196,356</b>	<b>\$10,353,466</b>	<b>\$10,041,960</b>	<b>\$10,201,960</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 Personnel Director actions outside of the budget process may not be detailed here.

# Cable Television Franchise Subfund

## 2018 Adopted Budget - Expenditure by Category



### Budget Overview

The Cable Television Franchise Fund (Cable Fund) receives revenues from cable television provider franchise fees. The 2018 Adopted Budget continues previous uses of the Cable Fund for programs such as the Seattle Channel, the Cable Customer Bill of Rights, initiatives that promote technology literacy and access, and technology that provides ways for residents to access City services.

In addition, the adopted budget increases funding to provide closed captioning services for live City Council and Council Committee video on the Seattle Channel. This change will improve the Channel's ability to provide inclusive content to all residents of the city.

In past years, the Cable Fund has had sufficient revenue growth to offset inflationary impacts on expenditures. While Cable franchise fee revenues increased by 2% from 2015 to 2016, they are projected to flatten or decline in future years as Seattle residents increasingly discontinue their cable television service from regulated providers in favor of internet-based streaming video services that are not subject to the City's regulatory structure. The Seattle Information Technology Department is closely monitoring quarterly franchise payments to determine if future reductions are necessary to some programming that has historically been supported by the Cable Fund.

#### City Council Changes to the Proposed Budget

The Council made no changes to the 2018 Proposed Budget.

# Cable Television Franchise Subfund

## Incremental Budget Changes

### Cable Television Franchise Subfund

	2018 Budget	FTE
<b>Total 2018 Endorsed Budget</b>	<b>\$ 10,041,960</b>	<b>0.00</b>
<b>Proposed Changes</b>		
Closed Captioning for Seattle Channel	\$ 160,000	0.00
<b>Total Incremental Changes</b>	<b>\$ 160,000</b>	<b>0.00</b>
<b>2018 Adopted Budget</b>	<b>\$ 10,201,960</b>	<b>0.00</b>

## Descriptions of Incremental Budget Changes

### Proposed Changes

#### **Closed Captioning for Seattle Channel - \$160,000**

The Seattle Channel strives to produce compelling content that informs residents about city issues, resources and services. The Channel also strives to be inclusive and to both represent and reach diverse audiences. Closed captioning is a process of displaying text on a television, video screen, or other visual display to provide additional or interpretive information of the video presented. To improve the Channel's ability to provide inclusive content to all residents of the City, this item funds closed captioning services for live City Council and Council Committee videos.

## City Council Provisos

There are no Council provisos.

## Expenditure Overview

Appropriations	Summit Code	2016 Actuals	2017 Adopted	2018 Endorsed	2018 Adopted
<b>Cable Fee Support to Information Technology Fund Budget Control</b>					
Applications		0	742,062	430,062	430,062
Business Office		238,440	456,822	386,145	386,145
Citywide Web Team		1,105,252	1,122,959	1,135,302	1,135,302
Community Technology		1,815,772	1,701,104	1,687,396	1,687,396

## Cable Television Franchise Subfund

Engineering and Operations		1,155,468	762,585	770,763	770,763
Office of Cable Communications		907,836	811,121	821,776	821,776
Open Data		0	307,153	312,935	312,935
Seattle Channel		3,709,800	3,306,378	3,343,070	3,503,070
Security, Risk and Compliance		0	435,097	442,581	442,581
Strategy and Planning		733,788	68,185	69,930	69,930
<b>Total</b>	<b>D160B</b>	<b>9,666,356</b>	<b>9,713,466</b>	<b>9,399,960</b>	<b>9,559,960</b>
<b>Cable Fee Support to Library Fund Budget Control Level</b>	<b>D160C</b>	<b>530,000</b>	<b>640,000</b>	<b>642,000</b>	<b>642,000</b>
<b>Department Total</b>		<b>10,196,356</b>	<b>10,353,466</b>	<b>10,041,960</b>	<b>10,201,960</b>

<b>Department Full-time Equivalents Total*</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
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## Revenue Overview

### 2018 Estimated Revenues

Summit Code	Source	2016 Actuals	2017 Adopted	2018 Endorsed	2018 Adopted
421911	Franchise Fee Revenues, Licenses, Permits, and Fines	9,458,367	9,356,315	9,356,315	9,351,090
	<b>Total Franchise Fees, Licenses, Permits, and Fines</b>	<b>9,458,367</b>	<b>9,356,315</b>	<b>9,356,315</b>	<b>9,351,090</b>
461110	Interest Earnings	30,784	36,818	27,453	57,024
	<b>Total Interest Earnings/Investment Earnings</b>	<b>30,784</b>	<b>36,818</b>	<b>27,453</b>	<b>57,024</b>
	<b>Total Revenues</b>	<b>9,489,151</b>	<b>9,393,133</b>	<b>9,383,768</b>	<b>9,408,114</b>
379100	Use of (Contributions to) Fund Balance	707,205	960,333	658,192	793,846
	<b>Total Use of (Contributions to) Fund Balance</b>	<b>707,205</b>	<b>960,333</b>	<b>658,192</b>	<b>793,846</b>
	<b>Total Resources</b>	<b>10,196,356</b>	<b>10,353,466</b>	<b>10,041,960</b>	<b>10,201,960</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 Seattle Information Technology Department's Information Technology Fund. These resources are used by the department for a variety of programs consistent with Resolution 30379.

<b>Program Expenditures</b>	<b>2016 Actuals</b>	<b>2017 Adopted</b>	<b>2018 Endorsed</b>	<b>2018 Adopted</b>
Applications	0	742,062	430,062	430,062
Business Office	238,440	456,822	386,145	386,145
Citywide Web Team	1,105,252	1,122,959	1,135,302	1,135,302
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Security, Risk and Compliance	0	435,097	442,581	442,581
Strategy and Planning	733,788	68,185	69,930	69,930
<b>Total</b>	<b>9,666,356</b>	<b>9,713,466</b>	<b>9,399,960</b>	<b>9,559,960</b>

#### **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.

<b>Program Expenditures</b>	<b>2016 Actuals</b>	<b>2017 Adopted</b>	<b>2018 Endorsed</b>	<b>2018 Adopted</b>
Citizen Literacy/Access	530,000	640,000	642,000	642,000
<b>Total</b>	<b>530,000</b>	<b>640,000</b>	<b>642,000</b>	<b>642,000</b>

## Cable Television Franchise Subfund

### Cable TV Fund Table

#### Cable Television Franchise Subfund (00160)

	2016 Actuals	2017 Adopted	2017 Revised	2018 Endorsed	2018 Adopted
<b>Beginning Fund Balance</b>	<b>4,457,697</b>	<b>3,658,061</b>	<b>3,750,492</b>	<b>2,697,728</b>	<b>2,802,370</b>
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenues	9,489,151	9,393,133	9,405,344	9,383,768	9,408,114
Less: Actual and Budgeted Expenditures	10,196,356	10,353,466	10,353,466	10,041,960	10,201,960
<b>Ending Fund Balance</b>	<b>3,750,492</b>	<b>2,697,728</b>	<b>2,802,370</b>	<b>2,039,536</b>	<b>2,008,524</b>
Ongoing Reserve	2,129,453	2,153,020	2,153,020	2,106,294	2,105,294
Planning Reserve	500,000	283,754	283,754	97,699	97,699
<b>Total Reserves</b>	<b>2,629,453</b>	<b>2,436,774</b>	<b>2,436,774</b>	<b>2,203,993</b>	<b>2,202,993</b>
<b>Ending Unreserved Fund Balance</b>	<b>1,121,039</b>	<b>260,954</b>	<b>365,596</b>	<b>-164,457</b>	<b>-194,469</b>