

Portland, Oregon

FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator David C. Olson		2. Telephone No. 3-5290	3. Bureau/Office/Dept. Office for Community Technology
4a. To be filed (date): Dec. 1, 2011	4b. Calendar (Check One) Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to Commissioner's office and FPD Budget Analyst: Nov. 29, 2011
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

1) Legislation Title:

*Amend grant agreement with Portland Community Media (Ordinance; amend Grant Agreement No. 52904)

2) Purpose of the Proposed Legislation:

To address current Portland Community Media (PCM) financial and accounting issues, including an outside analysis of current Portland Community Media financial systems and practices; implementation of recommendations related to audit and financial analysis findings; and to sequester restricted capital funds until any necessary recommendations are implemented by PCM.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|--|------------------------------------|------------------------------------|--------------------------------|
| <input checked="" type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input type="checkbox"/> Central City | | | |
| <input type="checkbox"/> Internal City Government Services | | | |

FINANCIAL IMPACT

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

No revenue impact.

5) Expense: What are the costs to the City related to this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the *level of confidence*.)

No expense impact to the City.

6) Staffing Requirements:

- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)*
No.
- **Will positions be created or eliminated in future years as a result of this legislation?**
No.

(Complete the following section only if an amendment to the budget is proposed.)

7) Change in Appropriations *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

☐ **YES:** Please proceed to Question #9.

☒ **NO:** Please, explain why below; and proceed to Question #10.

The MHCRC publicly deliberated and took action on PCM financial matters based on PCM's FY09-10 financial reports and internal reorganizations. The disclosure of potential continuing financial issues, including the lack of completed audits, along with press reports, have ensured close attention to these matters by citizens as well as the responsible oversight entities, and underline the need for prompt action without additional delay. The PCM Board of Directors met on November 15, 2011, and agreed to the conditions embodied in the proposed grant agreement amendment. The PCM Board Chair sent a letter to Commissioner Saltzman, OCT staff and the MHCRC which outlined the Board's commitment to these conditions to promptly address any issues of compliance with the grant agreement. The MHCRC has scheduled follow up on these actions and commitments at upcoming public MHCRC meetings, where additional opportunities for public involvement and citizen participation will be available and encouraged.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

c) How did public involvement shape the outcome of this Council item?

d) Who designed and implemented the public involvement related to this Council item?

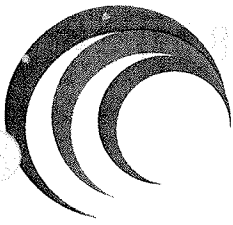
e) Primary contact for more information on this public involvement process (name, title, phone, email):

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

The MHCRC has scheduled follow up on these actions and commitments at upcoming public MHCRC meetings, where additional opportunities for public involvement and citizen participation will be available and encouraged.



BUREAU DIRECTOR (Typed name and signature)



City of Portland

Office for Community Technology

Broadband & Communications Technology Policy | Cable Regulation & Consumer Protection | Utility Franchises, Licenses & Wireless


Dan Saltzman, Commissioner
David C. Olson, Director
1120 SW 5th Avenue, Room 1305
Portland, OR 97204

185058

City Council
Agenda Item
Staff Supplemental Report

TO: Commissioner Dan Saltzman

THROUGH: Office for Community Technology

FROM: David C. Olson, Director 

DATE: November 23, 2011

RE: *Amend grant agreement with Portland Community Media (Ordinance; amend Grant Agreement No. 52904)

Requested Placement Date: December 7, 2011

I. RECOMMENDATION.

Office for Community Technology (OCT) staff recommend, in consultation with the Commissioner-in-Charge of the OCT and the Chair of the Mt. Hood Cable Regulatory Commission (MHCRC), that Council amend the grant agreement with Portland Community Media (PCM).

II. BACKGROUND.

The MHCRC and OCT are charged with monitoring the performance of PCM under the current PCM/City contract (Grant Agreement No. 52904). Among other things, PCM has not yet submitted audited financial statements for FY 09-10 and FY 10-11 as otherwise required by the contract. Unaudited financial statements for FY09-10 and information disclosed by PCM indicate the possible application of restricted capital funds to operations, contrary to contract provisions. After consultation between and among the MHCRC, the Commissioner-in-Charge, OCT, and PCM Board and staff, all parties are in agreement that prompt, remedial action is warranted, including but not limited to amendments to the current PCM/City contract to conduct a thorough analysis of PCM financial and accounting systems, to implement necessary remedial measures, and sequester capital funds pending implementation of recommendations.

III. FINANCIAL IMPACT.

None.



IV. LEGAL ISSUES.

The City Attorney's office has reviewed and approved the proposed amendments. All other terms and conditions of the PCM/City contract remain unchanged and in full force and effect.

V. CONTROVERSIAL ISSUES.

See Background and Citizen Participation statements.

VI. LINK TO CURRENT CITY POLICIES:

Section 7.1 of the East and West Portland Cable Services Franchise Agreements authorize the City to designate Non-commercial Public, Educational and Government ("PEG") Access providers to control and manage the use of any or all PEG Access facilities and resources provided by the cable services franchisees:

<http://www.mhcr.org/docs/FranchAgree-EastPortlandFran.pdf>

<http://www.mhcr.org/docs/FranchAgree-WestPortlandFran.pdf>

Section 3 of the MHCRC Intergovernmental agreement, of which the City is a party, delegates responsibility to the Mt. Hood Cable Regulatory Commission ("MHCRC") for ensuring franchisee compliance with PEG Access provisions and allocating PEG Access capital funds:

http://www.mhcr.org/docs/about_intergovernmental_agreement.pdf

VII. CITIZEN PARTICIPATION.

The MHCRC publicly deliberated and took action on PCM financial matters based on PCM's FY09-10 financial reports and internal reorganizations. The disclosure of potential continuing financial issues, including the lack of completed audits, along with press reports, have ensured close attention to these matters by citizens as well as the responsible oversight entities, and underline the need for prompt action without additional delay. The PCM Board of Directors met on November 15, 2011, and agreed to the conditions embodied in the proposed grant agreement amendment. The PCM Board Chair sent a letter to Commissioner Saltzman, OCT staff and the MHCRC which outlined the Board's commitment to these conditions to promptly address any issues of compliance with the grant agreement. The MHCRC stands ready to follow up on these actions and commitments at upcoming scheduled public meetings, where additional opportunities for citizen participation will be available and encouraged.

VIII. OTHER GOVERNMENT PARTICIPATION.

None.

IX. IF THIS IS A CONTRACT, DOES CONTRACTOR HAVE A CURRENT BUSINESS LICENSE? YES

WHAT IS THEIR BUSINESS LICENSE NUMBER? 991783

IS THEIR ACCOUNT WITH THE CITY CURRENT? YES

IF NOT, HOW MUCH IS OWING? _____