

# **‘Ōlelo Community Television**

## **2004 Operating Budget**

### **Narrative Summary**

The goals we created for 2003 have largely been met. We opened a new satellite center at Palolo and upgraded our LCC center in lieu of opening a second center. We exceeded our goals for increasing diversity of voice, number of programs completed, number of new clients, etc. The number of individuals and nonprofit representatives who came to speak on behalf of ‘Ōlelo at the DCCA hearing in August speak most directly to the positive impact we are beginning to have in the community.

The business plan on which the 2004 budget is based is a continuation of strategic plan implementation. The notable areas of growth continue to be in the development of new satellite centers, where we are planning to open three new centers. These new costs are reflected throughout the budget as one time start up costs as well as ongoing expenses. Additionally, we are planning for a full time position in the nature of a community developer specialist, an outcome of our board retreats this past year that focused on ‘Ōlelo’s as a “community convener”. Finally, because 2004 is an election year, we plan do a Vote!2004 campaign that will primarily include debates and our regular Candidates-In-Focus profiles.

Besides personnel and outside labor (contractors), most of the increased budget allocations for next year are in fixed costs, including utilities (electricity prices have increased), insurance (our current carrier no longer carries broadcaster/professional liability insurance, forcing us to pay significantly increased costs for coverage) and depreciation.

**Personnel****\$2,279,055.37**

In 2003 we requested an increase of seven full time and two part time staff positions. These positions were primarily to staff our two new satellites (4) and increase staff at Mapunapuna to implement strategic plan initiatives, including night time receptionists (3), a facilities coordinator and a client services director.

In 2004 we are requesting ten and a half positions. They are for a satellite director, who will manage up to 7 satellites, a community developer, 3 new satellite managers, 3 new satellite resource assistants, a special projects manager to assist with facilitated productions, a technical engineer to assist with the increasing amount of equipment in the satellites that must be serviced, and moving a half time satellite resource assistant to full time. Also included is a 3% merit increase, based on performance review and in conformity with our 2002 compensation review study.

**Payroll Taxes & Fringe Expenses****\$676,195.73**

Includes the new full and part time staff positions. Is 29% of compensation costs, made up primarily of health care costs.

**Employee Relations****\$ 18,016.00**

Provides for morale-building activities, including department meetings, inter-departmental planning and organization-wide events. Has substantially increased due to expanded number of staff and staff events.

**Employee Development****\$18,580.00**

These funds allow staff to increase technical skill, attend seminars to be updated on the constant changes in personnel law, and continued effective management training which are critical to the development of an effective operation and ability to serve clients. There are also funds to send staff to conferences in the mainland, which may include the Regional and National Alliance Conferences, NAB, MacWorld and Telecon.

**Outside Labor****\$44,450**

Includes maintenance and support for office machines and alarm installation of new satellites and a contractor to produce Vote!2004.

**Auto Expenses****\$12,673.50**

Includes primarily transportation costs between Mapunapuna and satellites.

**Repairs and Maintenance****\$156,738.10**

Includes repair and maintenance of the building, computer and production equipment, specifically pest control service, upkeep and maintenance of AC equipment, preventive maintenance including painting the inside, outside, and garage areas, as well as monthly maintenance services for alarm, trash, elevator and landscaping.

**Advertising and Promotion****\$87,640.00**

'Ōlelo's organizational and programming promotional advertising expenses, include working with an outside consultant and a public relations coordinator. Will be used to promote special events and outreach efforts. Also includes a 54% increase for recruitment advertisements due to the needs required in strategic planning.

**Client Relations****\$24,534.00**

Includes volunteer activities, such as Sneak Preview and Crew Call, as well as 'Ōlelo facilitated productions and Easy Access Services, such as Giving Aloha, Counterpoint,

and Halia Aloha. Also includes an annual year-end volunteer awards party, which gets larger each year with the increased number of volunteers. This also reflects continued client relations' budgets for the satellite centers to host their own activities.

**Rent** **\$447,150.00**  
End of 3<sup>rd</sup> 3-year period October 1, 2001 through September 30, 2004 at \$3.90 per square foot per annum. October 1, 2004 will begin the first year of a 4-year period at \$4.20 per square foot. Also includes rent expenses for the satellite centers and rental of postage meter and scale.

**Computer Services and Supplies** **\$4,360.00**  
Software upgrades and maintenance of our nonlinear edit equipment, as well as anticipated computer user growth. Also includes miscellaneous supplies, hardware components, and ergonomic needs.

**Accounting and Auditing Fees** **\$18,100**  
Includes a 3% increase in auditing fees, maintenance and support of MIP accounting software and fees for CR5500 tax filings.

**Bank and Trust Charges** **\$28,296.00**  
3% increase, which includes trust fees for First Hawaiian Bank based on balance of investment account and credit card annual fees.

**Depreciation** **\$900,000**  
Depreciation costs are based on general methods of accounting. They include equipment and building depreciation costs.

**Dues and Subscriptions** **\$12,594.06**  
Includes newspaper subscriptions, periodicals and membership fees to Hawaii Employers Council and other trade/professional associations, such as ACM, NATOA, and Hawaii Consortium of the Arts. Roadrunner and cable service at Kahuku and Wai'anae centers to allow remote access to main facility network database.

**Insurance** **\$100,606.00**  
'Ōlelo's general liability, auto, directors and building insurance as well as satellites are included in this line item. The increase is due primarily from an increase in our broadcasters/professional liability insurance.

**Admin Service Fee** **\$4,540.00**  
Administrative fees for cafeteria and pension plans.

**Legal and Professional Fees** **\$157,750.04**  
Covers primarily 'Ōlelo's legal and human resource consulting. Also includes Ceredian's payroll services fees.

**License Fees and Permits** **\$1,130.00**  
Registration fees for annual filing. Also includes DeWolfe Music Library annual license renewal.

**Video Tape** **\$27,404.00**

Used for 'Ōlelo's facilitated production, training classes, and facilities security recording system. A substantial amount of tape is used for training, which is later reimbursed through training fees.

**Training Materials**

**\$2,100.00**

Printed or video materials needed for training department.

**Office Supplies**

**\$36,500**

Includes all office and janitorial supplies for main facility and the satellites. Increase due to start up costs at three potentially new satellites.

**Postage and Shipping**

**\$11,000.00**

No change from 2003. Routine business postage for correspondence, information, newsletters, flyers, etc.

**Printing and Reproduction**

**\$21,370.00**

Includes newsletter, stationery, brochures, special events' flyers, etc.

**Public/Board Relations**

**\$15,100.00**

These funds are used to develop external relationships within the community, including board activities.

**Production Supplies**

**\$22,795.00**

Covers all supplies other than videotape stock used for production, such as batteries, desks, software, VCRs, monitors, cables, etc.

**Taxes**

**\$46,500.00**

Includes property tax and general excise taxes on rental income, use tax and miscellaneous commission on vending machine sales.

**Telephone**

**\$18,485.00**

Basic phone service for main facility, satellite centers, and three new satellites.

**Travel**

**\$16,000.00**

Includes travel to such events as the National and Regional Alliance Conferences, technical conferences/trade shows and training trips, such as NAB, MacWorld, and Telecon.

**Utilities**

**\$190,590.00**

Includes electricity and water expenses. Substantial increase in electricity prices have caused the increase. Tenants share cost of these items.

**Public Contracts and Grants**

**\$35,311.00**

Covers two employees at LCC.

**Education Contracts and Grants**

**\$975,000**

25% of 'Ōlelo's revenues at \$3,700,000 per the HENC agreement plus CIPUC adjustment.

**Government Contracts and Grants**

**\$86,779.00**

City Council and City Administration grants.

