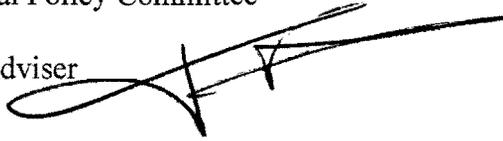


Worksession

MEMORANDUM

January 31, 2013

TO: Government Operations and Fiscal Policy Committee
FROM: Dr. Costis Toregas, Council IT Adviser
SUBJECT: Review – Preliminary Cable Plan



Expected to attend:

Sonny Segal, Chief Information Officer, Department of Technology Services
Mitsuko R. Herrera, Cable and Broadband Communications Administrator, Department of Technology Services
Naeem Mia, Office of Management and Budget
Merlyn Reineke, Chair, and members of the Public Education and Government (PEG) Network
Richard Wells, Chair of the Cable Communications Advisory Committee

Staff Recommendations:

1. Articulate direction for FY14 investment of Cable Fund revenues.
2. Review the PEG Strategic Plan and indicate areas of convergence with Council priorities for inclusion in the Cable Plan.
3. Consider priorities for the Legislative Branch Communications Outreach NDA in FY14.

Background

The FY13 Operating Budget includes the following paragraph in Cable Plan Resolution 17-451:

FY 2014-2019 Cable Plan: The Executive must submit a preliminary six-year Cable Communications Plan for FY 2014 through FY 2019 to the Council no later than January 15, 2013. The Executive submitted a preliminary six-year Cable Communications Plan for FY 2013 through FY 2018 to the Council on January 15, 2012. The Preliminary Cable Communications Plan included: (a) a list of known PEG activities and funding needs for FY 2013 through FY 2018; (b) a preliminary plan for prioritizing PEG funding needs within the context of the County's long-term vision for Cable television; (c) any capital project expenditures proposed to

be funded through the plan; (d) changes to approved multi-year expenditures; and (e) updated projections of plan revenues for FY 2013 through FY 2018.

Mitsuko R. Herrera, Cable and Broadband Communications Administrator, transmitted a document titled "FY14 Preliminary Cable Plan" to the Council President on January 15, 2013 (see © 1-6 for this submission). She also transmitted two charts regarding revenues (see © 7-8).

This worksession will enable the Committee and stakeholders to amplify on this information to provide early reactions and guidance before the Executive's final FY14 Cable Plan is developed and released on March 15, 2013.

1. What it means to have a Preliminary Plan

The FY14 Preliminary Cable Communications Plan provides a summary of expenditures to date compared to the approved Plan, but it should be noted that all figures regarding FY14 and beyond are simply the numbers from prior submissions and do not reflect the recommendations of OMB or the Executive for revenues and expenditures. However, if an allocation in FY14 appears out of place, now is a good time to ask for clarification.

2. The PEG Strategic Plan

See © 3-4 for the Public Education and Government (PEG) Governance Board Strategic Plan outlining the priorities that all PEG members have agreed to support in FY14. The manner in which these strategic priorities are integrated into the Cable Plan itself by March 15, 2013 is vital, and current information suggests that a dialogue is already underway between the PEG Board and the Executive Branch to organize the right balance of priorities and outcomes. The Committee is encouraged to review this Plan and ensure that the priority directions can be aligned with the Cable Plan.

3. Revenues

Line 13 of the Preliminary Cable Plan on © 5 provides an indication of received as well as expected revenues for financing the Cable Fund. Although it is difficult to project FY13 revenues until at least two quarters of revenue are received, it is clear from data in hand that revenues will continue to increase. The Plan shows estimated FY12 revenues to be \$23.8m, while it is expected that FY13 will provide \$26.3m, a 10.5% increase. The Cable Administrator has provided two historical charts that capture changes over a 5 year period on © 7-8, and will be able to provide more information on growth patterns and reasons why the growth may not all be available for distribution in the Plan.

4. Restricted Funds

Note 2 on © 6 defines the term "Restricted funds"; these are identified on lines 15-25 of the Plan. These restrictions relate to franchise wording and applicable laws, and usually involve restrictions on use solely for capital projects (rather than operating expenses). It is estimated that in FY13, \$6.8m of the \$26.3m revenues are "restricted", 25.8% of the total revenue amount. In FY14, it is forecast that \$10.8m (line 38) of \$26.5m will be restricted, 40.7% of total revenues. This significant increase in the percentage of restricted funds should be discussed now. If it persists in the final Cable Plan, it should give rise to a deeper discussion.

5. Expenditure allocations of special interest to the Council

- Line 70, “Multi-Language Production services”, which is estimated at \$46k in FY13, does not appear in FY14. Since this program is important to our multi-lingual community, it should be noted that the Committee expects its continuation in FY14 and beyond.
- Line 134, “Transfer to the General Fund - Legislative Branch NDA”, also does not appear in FY14. The Committee and the Council established the Legislative Branch Communications Outreach NDA last year. On September 20, 2012, Council Staff Director Steve Farber updated the Committee on implementation of the NDA (see © 9-11). He will work with the Committee on how best to structure the NDA in FY14 to continue the progress made to date.

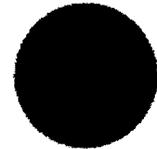
6. Line 133, “Transfer to the General Fund - Other”, appears to have declined from \$7m to \$2.6m. Given the last three years of transfers, it would seem that an adjustment to some higher level would be evident in the final Plan.

7. Line 22, “PEG Capital”, suggests a very large increase, from \$1.1m in FY13 to \$4.7m projected in FY14, a difference of \$3.6m. This item may foreshadow the appearance of a request for increased FiberNet allocations, a topic currently under discussion by the ITPCC.

8. The Cable Fund balance on line 126 appears to be slated for an increase to the policy level of 6% of annual expenditures in FY14; in FY13, it is estimated to be \$727k, or 2.8% of the total expected expenditures of \$25.9m.



071315



DEPARTMENT OF TECHNOLOGY SERVICES

Isiah Leggett
County Executive

Harash (Sonny) Segal
Chief Information Officer

MEMORANDUM

January 15, 2013

TO: Nancy Navarro, President, Montgomery County Council

FROM: Mitsuko R. Herrera, Cable & Broadband Communications Administrator,
Office of Cable and Broadband Services, Department of Technology Services

SUBJECT: FY14 Preliminary Cable Plan

RECEIVED
MONTGOMERY COUNTY
JAN 15 PM 4:21
Mitsuko R. Herrera

In accordance with General Provision 8 of Resolution 16-1381, I am pleased to submit to you the preliminary Cable Communications Plan for FY2014. The FY2014 Strategic Plan for Montgomery County's public, education and government (PEG) access channels was developed by the PEG Governance Board. The FY2014 Preliminary Cable Fund display was prepared by the Office of Cable and Broadband Services, following guidelines of the Office of Management and Budget.

The PEG Governance Board FY2014 Strategic Plan contains four strategic priorities:

- Open Government
- Collaboration
- Audience Measurement and Marketing
- Sustainability

The FY2014 Preliminary Cable Plan includes estimated FY2013 revenues, expenditures and beginning and ending fund balance developed using best available data. Updated revenue projections for FY2015-FY2019 will be developed as FY2013 Second Quarter revenue information become available and will be provided with the County Executive's FY2014 Recommended Budget on March 15, 2013. The Preliminary Plan strives to:

- Ensure that County residents are able to receive the highest quality cable and advanced broadband services;
- Ensure that cable operators provide quality customer service;

- Monitor and positively impact federal and state legislation and regulation;
- Improve communications between the County and its residents;
- Increase services and programming to diverse and underserved populations;
- Continuously improve the quality of PEG programming through the use of new technology and communication platforms;
- Facilitate cooperative efforts and resource sharing among the participating public, educational, and government programming providers;
- Foster a competitive market environment in the County by supporting competitive neutral regulation and by encouraging efficient regulatory processes to support the provision of cable and broadband services; and
- Provide funding for FiberNet expansion and operation.

For additional information, please contact Merlyn Reineke (PGB Chair) at 301-424-1730 x305, Mitsuko Herrera (Cable & Broadband Office) at 240-777-2928 or Naeem Mia (OMB) at 240-777-2782.

Attachments

cc: Councilmember Ervin
Councilmember Riemer
Costis Toregas, IT Analyst, County Council
Harash (Sonny) Segal, Chief Information Officer, DTS
Dieter Klinger, Chief Operating Officer, DTS
Jason Rundell, Fiscal Manager, Office of Cable & Broadband Services, DTS
Helen Ni, Fiscal Administrator, DTS
Alex Espinosa, Public Services Program Manager, Office of Management and Budget
Naeem Mia, Budget Analyst, OMB
Dennis Hetman, Budget Analyst, OMB
PEG Governance Board

FY2014 Strategic Plan
PEG Governance Board

FOUR STRATEGIC PRIORITIES—

1. Open Government:

- a. Working with County Executive's Office of Public Information, the PEGs will use their collective on-air and online resources to **drive audiences to Montgomery County's openMontgomery portal, enhancing government transparency, accessibility and efficiency.**
- b. Leveraging 'County Report This Week' and MCM's community engagement website and studios, **promote County Council's 'Digital Roadmap' initiatives** including promotion and hosting of Digital Hack-a-thons and outreach to Montgomery County-based businesses to encourage application development
- c. Working with the PEGs collective web teams, assist CCM in the implementation of **Search Engine Optimization capability for all Council meetings and worksessions**, allowing search of video content based on metadata
- d. To enhance County government's engagement with the community, the PEGs will **provide Social Media 'Brown Bag' training** for staff who wish to enhance their skills
- e. In a unique partnership, the PEGs will **provide multiplatform coverage around the June primaries for Election 2014** (as well as preparations for the Fall General Election), including video statements from candidates and debates, development of a Community Journalism core of more than 100 volunteers, and other New & Social Media activities including live election night coverage

PERFORMANCE MEASURE/OUTCOME: (TBD during Work Plan development)

2. Collaboration:

- a. Building on the most collaborative PEG program in the country, 'County Report This Week' will **build a shared Assignment Desk and multiplatform content** to increase efficiencies as well as coverage of local news and events
- b. Expanding beyond its World War II Veterans project, the PEG Governing Board will leverage its multiplatform and production resources to **capture multi-generational veterans' stories and make them available on-air and online**
- c. Analyzing current needs and future requirements, the PGB will **recommend a shared video archival system** that will reduce capital expenses while increasing the ability for PEG members to share multiplatform content. It will also make a recommendation on the best approach for a potential shared PEG Master Control
- d. **The PEG Governing Board will recommend expense allocations for all PGB capital expenditures from the Cable Communications Plan budget.** This fully collaborative process will ensure the best use of shared technologies and allocation of capital funds.
- e. Allocate resources to **increase engagement with multi-cultural communities**, including those for whom English may not be a primary language with the goal to increase participation and awareness of government, school, community college and community-based services and programs

PERFORMANCE MEASURE/OUTCOME: (TBD during Work Plan development)

3. Audience Measurement & Marketing:

- a. Using a statistically-valid sampling of residents and focus groups, the PGB will annually measure the audience for the PEG channels and obtain additional feedback on programming to help guide collaborative productions
- b. With data from New & Social Media platforms, the PGB will measure its online and mobile audience engagement
- c. To increase audience awareness of PEG programming, PEG members will develop and implement a collective 'PEG Network' branding identity, and cross-promote key pop-out programs to grow interest and awareness

PERFORMANCE MEASURE/OUTCOME: (TBD during Work Plan development)

4. Sustainability:

- a. Using the Cable Plan's Youth line item as a beginning, the PGB will ensure the most effective use of funds by implementing a content-driven RFP process for Youth programs
- b. Focusing on four key areas (Youth, Veterans, Emergency Preparedness and Healthy Living), the PGB will develop projects that seek additional outside grant and/or corporate funding by leveraging the fundraising capability of Montgomery College, MCPS and MCM. These funds will be invested back in targeted-programming, developed by the collective PEG members
- c. Addressing budget opportunities and challenges, the PEG Governing Board will tackle them through a collaborative decision-making process

PERFORMANCE MEASURE/OUTCOME: (TBD during Work Plan development)

Vision for the PEG Governance Board:

Our vision is a community that is truly "The Digital County," where unique locally produced media reflecting the great diversity of Montgomery County is available to residents anytime, anywhere. Bound together by geography, the communities of Montgomery County (as identified by language, culture, and common interests, as well as by municipality, where applicable) will utilize content facilitated by the PEG organization that provides for open government, lifelong learning, respect for diversity, appreciation of the arts, programming to underserved audiences, and becomes a conduit for effective communication across all technological platforms.

The PEG organization will strive to facilitate resident training in the use of new media technologies, helping residents bridge the digital gap and understand how media can improve their families, homes and work places. Through content creation and distribution, the PEG organization will become part of the fabric of Montgomery County and serve as a key component of the best informed and best connected county in America.

Members:

County Cable Montgomery: Donna Bigler (County Executive), Neil Greenberger (County Council), Donna Keating (Media Services Office)

Montgomery College: Melissa Pace

Montgomery Community Media: Merlyn Reineke (Chair)

Montgomery County Public Schools: Dr. Dick Lipsky

Cable & Broadband Office: Mitsuko Herrera (non-voting)

FY14 PRELIMINARY CABLE COMMUNICATIONS PLAN (in \$000's)

		App FY12	EST FY12	App FY13	EST FY13	Proj. FY14	Proj. FY15	Proj. FY16	Proj. FY17	Proj. FY18	Proj. FY19
1	BEGINNING FUND BALANCE	1,129	1,782	645	467	727	1,517	1,551	1,580	1,617	1,409
2	REVENUES										
3	Franchise Fees ¹	14,997	14,829	15,986	15,856	16,415	16,827	17,160	17,504	17,854	17,114
4	Gaithersburg PEG Contribution	197	194	200	174	202	206	210	214	218	193
5	PEG Operating Support ²	2,134	2,137	2,180	2,201	0	0	0	0	0	0
6	PEG Capital Grant ^{2,3}	4,809	4,850	5,277	5,555	9,755	10,000	10,200	10,405	10,616	10,201
7	Verizon - Facilities Grant ⁴	0	0	-	-	0	0	0	0	0	0
8	FiberNet Operating & Equipment Grant ⁵	1,678	1,681	1,715	1,731	0	0	0	0	0	0
9	Interest Earned	20	(0)	10	10	10	30	60	90	110	110
10	TFCG Application Review Fees ⁶	246	140	120	80	120	120	120	120	120	120
11	Miscellaneous	0	23	-	687	0	0	0	0	0	0
12	Transfer from the General Fund	0	0	-	-	0	0	0	0	0	0
13	TOTAL ANNUAL REVENUES	24,081	23,844	25,487	26,304	26,500	27,182	27,750	28,334	28,918	27,738
14	TOTAL RESOURCES-CABLE FUND	25,210	25,606	26,132	26,771	27,227	28,699	29,361	29,914	30,536	29,147
15	EXPENDITURE OF RESTRICTED FUNDS										
16	A. EXPENDITURE OF RESTRICTED CAPITAL FUNDS										
17	Municipal Capital Support										
18	Rockville Equipment	682	686	744	794	944	964	979	997	1,017	1,038
19	Takoma Park Equipment	582	686	744	794	829	852	869	887	905	915
20	Municipal League Equipment	512	616	674	724	801	824	840	857	874	885
21	SUBTOTAL	1,976	1,989	2,163	2,311	2,574	2,640	2,688	2,741	2,796	2,839
22	PEG Capital ³	955	1,166	1,083	1,143	4,709	4,910	3,737	3,891	5,785	5,337
23	Council Community Communications Capital			200	200						
24	FiberNet - CIP	2,140	2,140	1,831	1,831	2,470	2,450	3,775	3,775	2,025	2,025
25	(Must be greater or equal to Line 6) SUBTOTAL	5,071	5,294	5,277	5,485	9,753	10,000	10,200	10,405	10,616	10,201
26	B. EXPENDITURE OF OTHER RESTRICTED FUNDS										
27	Municipal Franchise Fee Distribution										
28	City of Rockville	559	601	608	620	823	632	641	650	663	680
29	City of Takoma Park	195	234	235	243	238	240	244	249	254	257
30	Other Municipalities	221	220	227	231	232	236	239	243	248	250
31	SUBTOTAL	975	1,055	1,070	1,091	1,093	1,108	1,124	1,143	1,166	1,187
32	Municipal Operating Support										
33	Rockville PEG Support	76	71	73	73	0	0	0	0	0	0
34	Takoma Park PEG Support	76	71	73	73	0	0	0	0	0	0
35	Muni. League PEG Support	146	141	143	143	0	0	0	0	0	0
36	SUBTOTAL	298	284	288	288	0	0	0	0	0	0
37	SUBTOTAL	1,272	1,339	1,358	1,379	1,093	1,108	1,124	1,143	1,166	1,187
38	TOTAL EXPENDITURES OF RESTRICTED FUNDS	6,343	6,634	6,635	6,864	10,846	11,108	11,324	11,549	11,782	11,388
39	NET TOTAL ANNUAL REVENUES	17,738	17,211	18,862	19,440	15,654	16,074	16,427	16,785	17,138	16,350
40	NET TOTAL RESOURCES-CABLE FUND	18,867	18,972	19,497	19,907	16,381	17,581	17,877	18,365	18,754	17,759
41	EXPENDITURES OF NON-RESTRICTED FUNDS										
42	A. Transmission Facilities Coordinating Group										
43	TFCG Application Review	225	212	175	175	180	185	190	195	200	200
44	SUBTOTAL	225	212	175	175	180	185	190	195	200	200
45	B. FRANCHISE ADMINISTRATION										
46	Personnel Costs - Cable Administration	794	832	819	799	847	885	930	973	1,019	1,019
47	Personnel Costs - DTS Administration	69	66	72	72	75	78	82	86	90	90
48	Personnel Costs - Charges for County Atty	98	90	98	98	103	108	113	118	123	123
49	Operating	70	72	70	91	72	74	76	78	80	80
50	Engineering & Inspection Services	30	71	70	70	72	74	76	78	80	80
51	Legal & Other Professional Services	280	272	275	275	283	291	299	307	315	315
52	SUBTOTAL	1,340	1,403	1,404	1,405	1,451	1,513	1,574	1,639	1,706	1,706
53	SUBTOTAL	1,565	1,615	1,579	1,680	1,631	1,698	1,765	1,834	1,907	1,907
54	D. MONTGOMERY COUNTY GOVERNMENT - CCM										
55	Media Production & Engineering										
56	Personnel Costs	760	594	818	769	845	886	927	970	1,016	1,016
57	Operating	35	128	31	61	32	33	34	35	36	36
58	Contracts - TV Production	32	32	61	62	63	65	67	69	70	70
59	New Media, Webstreaming & VOD Services	38	34	38	41	39	40	41	42	44	44
60	SUBTOTAL	865	787	949	933	979	1,024	1,069	1,116	1,166	1,166
61	Public Information Office										
62	Personnel Costs	704	642	708	708	743	779	815	853	893	893
63	Operating Expenses	0	0	-	-	0	0	0	0	0	0
64	Contracts - TV Production	83	25	83	84	85	88	90	93	95	95
65	SUBTOTAL	787	667	791	792	829	867	906	946	988	988
66	County Council										
67	Personnel Costs	157	157	157	157	164	172	180	189	198	198
68	Operating Expenses	13	11	13	13	13	14	14	14	15	15
69	Contracts - TV Production	164	159	179	179	184	190	196	200	205	205
70	Multi-Language Production Services	46	46	46	46	48	48	49	51	52	0
71	SUBTOTAL	380	372	394	394	362	424	438	454	470	470
72	MNCPPC										
73	Personnel Costs	0	0	-	-	0	0	0	0	0	0
74	Operating Expenses	0	0	-	-	0	0	0	0	0	0
75	Contracts - TV Production	81	85	89	99	101	104	107	110	113	113
76	New Media, Webstreaming & VOD Services	24	24	24	24	25	26	26	27	28	28
77	SUBTOTAL	105	109	123	123	126	130	134	137	141	141
78	SUBTOTAL	2,137	1,935	2,258	2,243	2,297	2,445	2,547	2,653	2,765	2,712

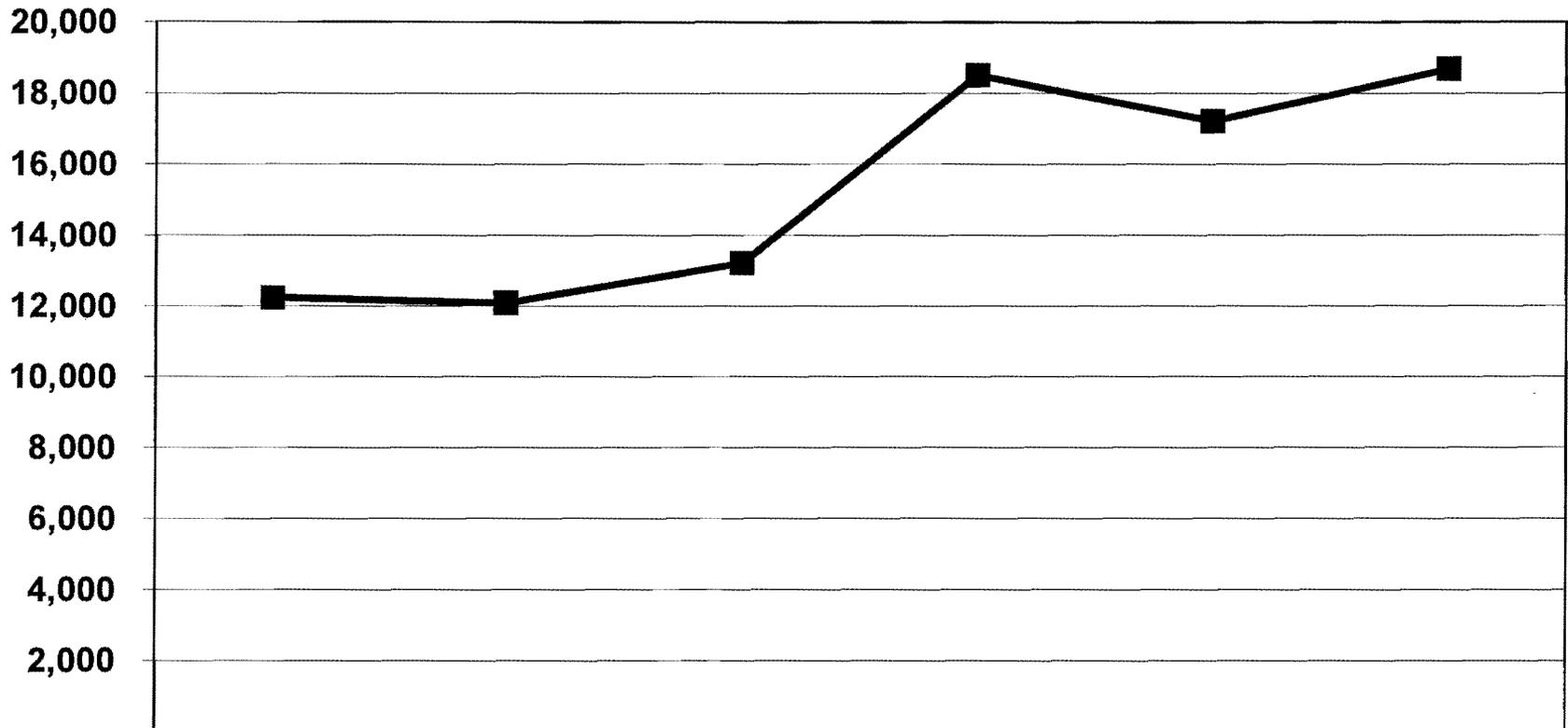
FY14 PRELIMINARY CABLE COMMUNICATIONS PLAN (in \$000's)

	App FY12	EST FY12	App FY13	EST FY13	Proj. FY14	Proj. FY15	Proj. FY16	Proj. FY17	Proj. FY18	Proj. FY19
79 E. MONTGOMERY COLLEGE - MC ITV										
80 Personnel Costs	1,144	1,144	1,159	1,159	1,216	1,275	1,334	1,396	1,461	1,461
81 Operating Expenses	86	86	86	86	88	91	93	96	98	98
82 SUBTOTAL	1,230	1,230	1,245	1,245	1,304	1,366	1,427	1,492	1,560	1,560
83 F. PUBLIC SCHOOLS - MCPS ITV										
84 Personnel Costs	1,308	1,308	1,341	1,341	1,406	1,474	1,543	1,615	1,691	1,691
85 Operating Expenses	117	117	117	117	120	124	127	130	134	134
86 SUBTOTAL	1,425	1,425	1,458	1,458	1,527	1,598	1,670	1,745	1,825	1,825
87 G. COMMUNITY ACCESS PROGRAMMING^d										
88 Personnel Costs	1,708	1,708	1,713	1,713	1,818	1,906	1,995	2,088	2,186	2,186
89 Operating Expenses	124	124	124	124	128	131	135	138	142	142
90 Rent & Utilities	407	407	407	407	419	431	442	454	466	466
91 New Media, Webstreaming & VOD Services	6	6	6	6	6	6	7	7	7	7
92 SUBTOTAL	2,245	2,245	2,250	2,250	2,371	2,475	2,578	2,686	2,801	2,801
93 H. PEG GOVERNANCE										
94 Operating Expenses	46	113	46	88	47	48	50	51	52	52
95 Youth and Arts Community Media	0	18	25	25	51	53	54	56	57	57
96 Community Engagement Production Services	46	0	46	46	47	48	49	51	52	52
97 Closed Captioning	130	133	130	130	170	175	179	184	189	189
98 Technical Operations Center (TOC)	10	10	10	10	10	11	11	11	11	11
99 Mobile Production Vehicle	16	16	16	19	16	17	17	18	18	18
100 SUBTOTAL	248	291	272	317	341	352	360	371	381	381
101 I. FIBERNET OPERATING										
102 FiberNet - Personnel Charges for DTS	181	178	456	360	471	494	517	541	566	566
103 FiberNet - Operations & Maintenance DTS	931	932	1,131	1,131	1,164	1,197	1,229	1,261	1,295	1,295
104 FiberNet - Personnel Charges for DOT	46	47	68	68	71	75	78	82	86	86
105 FiberNet - Operations & Maintenance DOT	258	258	258	258	263	271	278	286	293	293
106 SUBTOTAL	1,416	1,415	1,914	1,817	1,970	2,037	2,102	2,170	2,241	2,241
107 J. MISS UTILITY COMPLIANCE										
108 Miss Utility Compliance	0	0	270	270	381	392	402	413	424	424
109 SUBTOTAL	0	0	270	270	381	392	402	413	424	424
110 TOTAL EXPENDITURE OF UNRESTRICTED FUNDS	10,265	10,156	11,245	11,179	11,821	12,362	12,852	13,363	13,902	13,850
111 TOTAL EXPENDITURE OF RESTRICTED FUNDS	6,343	6,634	6,635	6,864	10,846	11,108	11,324	11,549	11,782	11,388
112 TOTAL EXPENDITURES - PROGRAMS	16,608	16,790	17,880	18,043	22,667	23,470	24,175	24,912	25,684	25,238
113 K. OTHER										
114 Indirect Costs Transfer to Gen Fund	369	369	388	388	403	422	442	462	484	484
115 Indirect Costs Transfer to Gen Fund (ERP & MCTime)	34	34	32	32	23	19	19	19	19	19
116 Transfer to the General Fund	8,086	8,086	7,064	7,064	2,618	3,237	3,085	2,903	2,700	2,000
117 Grants to Organizations (Friendship Hts)	0	0	-	-	0	0	0	0	0	0
118 County Council Community Communications			380	380						
119 SUBTOTAL	8,489	8,489	7,864	7,864	3,043	3,678	3,546	3,384	3,203	2,503
120 TOTAL EXPENDITURES	25,097	25,279	25,744	25,907	25,710	27,148	27,721	28,296	28,887	27,741
121 L. ADJUSTMENTS										
122 Prior Year Adjustments	0	0	-	-	0	0	0	0	0	0
123 Encumbrance Adjustment	0	140		(138)	0	0	0	0	0	0
124 TOTAL ADJUSTMENTS	0	140	-	(138)	0	0	0	0	0	0
FUND BALANCE	113	467	388	727	1,517	1,551	1,580	1,617	1,649	1,607
125 FUND BALANCE PER POLICY GUIDANCE^d	1,221	1,198	1,289	1,276	1,324	1,358	1,387	1,417	1,447	1,387
127										
128 M. SUMMARY - EXPENDITURES BY FUNDING SOURCE										
129 Transfer to Gen Fund-Indirect Costs	403	403	420	420	426	441	461	481	503	503
130 Transfer to Gen Fund-Mont Coll Cable Fund ^d	1,230	1,230	1,245	1,245	1,304	1,366	1,427	1,492	1,560	1,560
131 Transfer to Gen Fund-Public Sch Cable Fund ^d	1,425	1,425	1,458	1,458	1,527	1,598	1,670	1,745	1,825	1,825
132 Transfer to CIP Fund	2,140	2,140	1,831	1,831	2,470	2,450	3,775	3,775	2,025	2,025
133 Transfer to the General Fund-Other	8,086	8,086	7,064	7,064	2,618	3,237	3,085	2,903	2,700	2,000
134 Transfer to the General Fund-Legislative Branch NDA	0	0	580	580	0	0	0	0	0	0
135 FUND TRANSFERS SUBTOTAL	13,284	13,284	12,597	12,597	8,344	9,092	10,418	10,396	8,612	7,913
136 Cable Fund Expenditure of Unrestricted Funds	7,610	7,501	8,543	8,477	8,990	9,398	9,754	10,126	10,518	10,466
137 Cable Fund Direct Expenditures	11,813	11,995	13,147	13,310	17,366	18,056	17,303	17,900	20,275	19,828

Notes: FY14 preliminary projections are based on FY13 1st Quarter revenues and FY13 2nd Quarter expenditures. Revenue projections for FY14-FY19 will be updated as part of the Executive's Recommended budget after receipt of FY13 2nd Quarter revenues and will include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors.

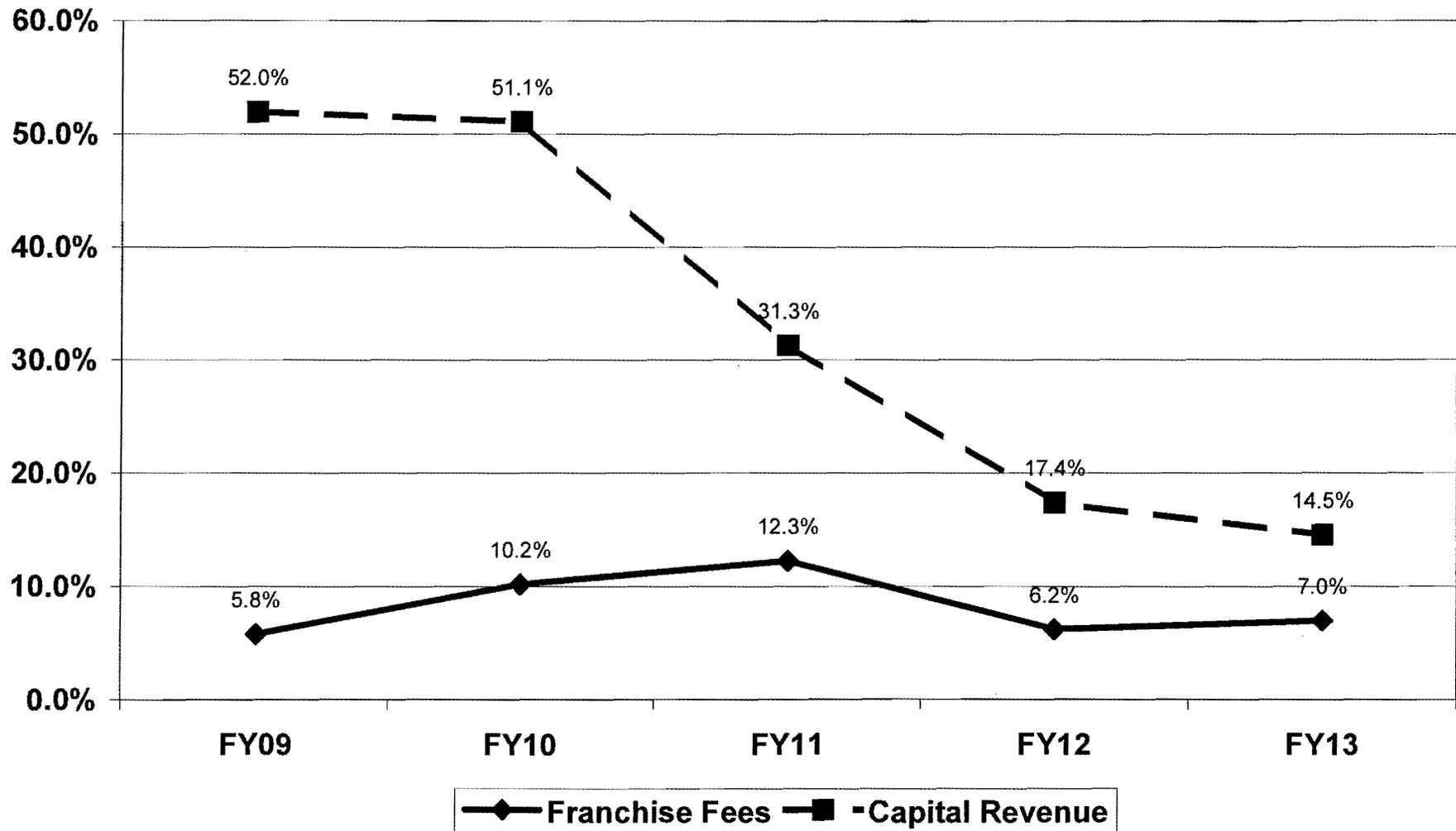
1. Subject to municipal pass-through payment
2. Restricted revenue and expenditures: Certain Cable Fund revenues, required in excess of the federal limit on franchise fees, and coresponding expenditures (Municipal Franchise Fees/Pass-throughs, PEG Capital/Equipment Grants, and PEG Operating Revenue) are contractually required by franchise, municipal, and settlement agreements, and by the County Code and may only be used for permissible federal purposes and in a manner consistent with applicable agreements.
3. The Comcast franchise renewal process is underway and specific elements of a final agreement are uncertain. Restricted categories such as FiberNet Operating revenue, PEG Operating revenue, and Municipal Operating Support expenditures may be impacted in the outyears. The County may require Capital Grants based on community needs. The County may negotiate, but may not require Operating Grants in addition to Franchise Fees. FY14-FY19 assumes that the County will require Capital Grants from Comcast calculated at the same rate as negotiated in the Verizon and RCN Franchises.
4. Montgomery Community Television, Inc., d/b/a Montgomery Community Media, is designated as a sole source contractor to provide community access media services. 6
5. End-of-year reserves is targeted at 8% of total non-restricted revenues (franchise fees, tower fees, and investment income) per policy guidance.
6. The Cable Fund makes a fund transfer to Montgomery College and MCPS to support MCPS ITV and MC ITV.

Net Annual Cable Revenue FY08 - FY13 (in \$000's)



	FY08	FY09	FY10	FY11	FY12	FY13
Net Revenue	12,246	12,087	13,214	18,507	17,211	18,681

Percent Change in Cable Franchise and Capital Revenue FY09-FY13



MEMORANDUM

September 18, 2012

TO: Government Operations and Fiscal Policy Committee

FROM: Stephen B. Farber, Council Staff Director *SBF*

SUBJECT: Update – Legislative Branch Communications Outreach NDA

This meeting is to provide an update on implementation of the new Legislative Branch Communications Outreach Non-Departmental Account.

Background

As recommended by the GO Committee, the FY13 operating budget includes \$580,000 transferred from the Cable Fund to establish the new NDA. It is described as follows:

This NDA provides funds to strengthen the capacity of five Legislative Branch offices – the Council Office, the Office of Legislative Oversight, the Board of Appeals, the Office of Zoning and Administrative Hearings, and the Office of the Inspector General – to inform constituent communities of issues that directly affect them and to ensure that these communities' concerns are effectively taken into account.¹ Communications efforts supported by this NDA include expanded outreach to Spanish and other language communities, greater use of web and social media resources, Open Government initiatives,² and improved management of constituent requests.

Of the \$580,000 total, \$200,000 is restricted to capital equipment and start-up expenses, consistent with federal law and cable franchise agreements.

In order to understand the priorities of all Councilmembers for implementation of the NDA, we have worked closely with their Confidential Aides. In meetings on June 20, July 19, and September 5, we have reviewed extensive background information, weighed a range of options, and identified areas of primary importance.

¹ Assistance will also be provided to the Merit System Protection Board, which is located in the Legislative Branch.

² One such initiative is Bill 23-12, Administration – Open Government, sponsored by Councilmembers Riemer and Andrews, Council President Berliner, and Councilmembers Leventhal and Floreen. The bill was introduced on July 31. A public hearing is tentatively scheduled for September 18. A GO Committee worksession is tentatively scheduled for October 29.

Update

Our work to date on implementing the new NDA has led to the following conclusions:

1. Recruit a Legislative Branch webmaster

A full-time webmaster for the offices of the Legislative Branch, in place of the part-time contract assistance we have had to date, is essential to strengthening our communications outreach. We worked with the Office of Human Resources to create the position, and on July 9 we advertised it. The response was excellent, and we had a number of very strong candidates. Our webmaster will start on October 8.

2. Acquire a Constituent Relationship Management system

A CRM solution that will strengthen the capacity of Councilmember offices and the Council as a whole to handle the intake, tracking, storage, reporting, and response processes for constituent data is a top priority. Starting in May, Senior IT Specialist Michelle Parsons convened a work group with representatives from Councilmember offices and Legislative Information Services (LIS). The group has focused on defining system specifications so that the procurement process can move forward promptly. An RFP that reflects the group's extensive work will be issued within the next several weeks.

3. Expand the number of Committee meetings televised on County Cable Montgomery (CCM)

Although some of the Council's most important work is done in Committee worksessions, only a third of the projected 180 Committee meetings in FY13 are scheduled to be televised. In the interest of open and transparent government, the ultimate objectives are (a) to have video recordings of all Committee meetings and to make them available on demand on the Council website and on CCM, and (b) to expand coverage of town hall meetings and special events and programs as well. We are working with the Cable Office on the logistics of how best to achieve these objectives.

4. Provide additional IT staff support

The IT workload on behalf of the entire Legislative Branch, now handled by our Senior IT Specialist, is highly demanding, and it will increase further as the Council expands its communications outreach via the CRM system and other technologies. The addition of an entry level IT Specialist I would be of great benefit to our operations. We worked with the Office of Human Resources to create the position, and on August 13 we advertised it. Applications closed on August 27. The response was excellent, and we will complete the selection process within the next several weeks.

5. Expanded communications outreach to Spanish and other language communities

For FY12 the Council authorized the creation of a half-time Spanish-language broadband communications contractor position. Based on the first year's experience, there is support for expanding the position to two-thirds time in FY13, with the possibility of further expansion in FY14. There is also support for increasing Council participation in the weekly half-hour program on Radio America for Montgomery County Government. We have also discussed options to strengthen our translation and interpretation capacity for other language communities and will continue this review.

6. Provide additional equipment for communications outreach

We have discussed a number of one-time, low-cost equipment options to enhance our communications outreach capacity both internally and externally. These options require further research. We will develop a process to assess needs and set priorities for items of this kind.

We welcome the Committee's views on the progress we have made to date and on other options to consider as we implement the new NDA.

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