

Clerk's Note: Correction made to heading in attachment to read "Approved FY11".

#18 – Cable Communications Plan

CORRECTED COPY

| | |
|-----------------|---------------------|
| Resolution No.: | <u>16-1381</u> |
| Introduced: | <u>May 27, 2010</u> |
| Adopted: | <u>May 27, 2010</u> |

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: County Council

SUBJECT: Approval of the FY 2011 Cable Communications Plan

Background

1. Section 8A-27(a) of the County Code provides that “All access grants, franchise fees, and other moneys received by the County from any franchisee may be spent only under a budget approved by the Council and in accordance with the County Cable Communications Plan.”
2. Section 8A-27(b) of the County Code provides that “The Cable Communications Plan must be proposed by the County Executive to the Council annually and may be amended at any time.”
3. Section 2.2 of the 2002 AT&T Comcast Transfer Agreement provides that “. . . all provisions of the Franchise Documents remain in full force and effect and are enforceable in accordance with their terms and with applicable law.”
4. Section 7(b) of the 1998 Cable Franchise Agreement, assumed by Comcast from Prime Communications – Potomac, LLC, between the County and SBC Media Ventures, Inc. provides that Comcast must pay a capital grant to the County of “\$200,000 per year . . . to be used by the County, in its sole discretion, for PEG equipment . . . or for PEG-related facilities renovation, or construction.”
5. Section 7(h)(1) of the 1998 Cable Franchise Agreement, assumed by Comcast from Prime Communications – Potomac, LLC, between the County and SBC Media Ventures, Inc. provides that Comcast must pay an annual capital grant to the County of \$1.2 million, adjusted annually by the Consumer Price Index, “to support installation, construction, operations, and maintenance of the County’s FiberNet and associated network equipment, and the Institutional Network . . . ”

6. Section 4.1 of the 1998 Cable Franchise Transfer Settlement Agreement, assumed by Comcast from Prime Communications – Potomac, LLC between the County, Prime Communications, and SBC Media Ventures, Inc. provides that Comcast must pay \$1.5 million, adjusted annually by the Consumer Price Index, for PEG support.
7. Section 7(b) of the 1999 Franchise Agreement with Starpower provides that Starpower must pay a capital grant to the County of “3% of Gross Revenues per year . . . excluding revenues arising from Internet Access . . . to be used by the County . . . for PEG access and institutional network purposes, including PEG access equipment, institutional network equipment or for renovation or construction of PEG access or institutional network facilities.”
8. On February 8, 2005 the County Council approved Resolution 15-889, supporting the transfer of interest in Starpower Communications LLC from Pepco Communications to RCN Telecom Services of Washington, D.C., Inc. Starpower is now doing business as RCN.
9. Section 3.3.6 of the 2006 Franchise Agreement with Verizon Maryland, Inc. provides that Verizon must pay \$200,000 within 30 days of the effective date of the Franchise Agreement and \$200,000 per year for four years on the anniversary of the effective date of the Franchise Agreement. In exchange, the County waived its ability to add more locations for cable service for public buildings above Verizon’s obligation to provide 100 connections at the County’s request.
10. Section 6.2 of the 2006 Franchise Agreement with Verizon provides that Verizon must pay a grant to the County of 3 percent of Gross Revenues each quarter to be used “for PEG and institutional network purposes.”
11. Section 8 of the Franchise Agreements with Comcast and RCN and Section 7 of the Franchise Agreement with Verizon provides that each franchisee must pay, for the life of the franchise, a franchise fee of 5 percent of annual gross revenues.

General Provisions

1. **Purpose and Effect:** This Cable Communications Plan constitutes the County’s formal direction for the use of resources required to be provided under Sections 7 and 8 of the Franchise Agreements with Comcast and RCN; Section 4.1 of the 1998 Cable Franchise Transfer Settlement Agreement, assumed by Comcast from Prime Communications – Potomac, LLC between the County, Prime Communications, and SBC Media Ventures, Inc.; and Sections 3, 6, and 7 of the Franchise Agreement with Verizon.

In FY 2011, these resources must be deposited by the County in its Cable TV Special Revenue Fund, and this Cable Communications Plan directs the use of the revenues in this Fund.

2. Spending Authority under the Time Period Governed by This Plan: This Cable Communications Plan provides spending authority for FY 2011. Resources appropriated in FY 2011 that are not encumbered by the County on or before June 30, 2011 must remain in the Cable TV Special Revenue Fund and be available for spending in future years.
3. Carryover: Resources provided to the County as a result of the requirements of the Franchise Agreements with Comcast, RCN, and Verizon, but not specifically allocated in the Cable Communications Plan to the General Fund, must remain in the Cable TV Special Revenue Fund and be available to be allocated in future years.
4. Future Fiscal Years: No estimate shown for any fiscal year after FY 2011 reflects any commitment or decision by the Council, and any such estimate should not be taken as prejudging any decision regarding activities or allocations, either in absolute or relative amounts, of expenditures for future years.
5. Management of Funds: All equipment, personnel, and other resources approved in the Cable Communications Plan for funding from the Cable TV Special Revenue Fund must be managed so that the resources are reasonably available to all users of the cable system and provide benefits to the subscribing public and the franchisee.
6. Affirmative Action and MFD Procurement Procedures: The Board of Directors of Montgomery Community Television, Inc. (MCT) must adopt and follow an Affirmative Action Plan and procedures for procurements from minority-, female-, and disabled-owned businesses (MFD) that take into account both the requirements of the Franchise Agreements with Comcast, RCN, and Verizon and relevant provisions of the County Code.
7. Financial Disclosure: The County must not spend any FY 2011 funds allocated to MCT until all members of the Board of Directors and the Executive Director of MCT have filed a financial disclosure statement with the Ethics Commission for the 2009 calendar year.
8. FY 2012-2017 Cable Plan: The Executive must submit a preliminary six-year Cable Communications Plan for FY 2012 through FY 2017 to the Council no later than January 15, 2011. The Executive submitted a preliminary six-year Cable Communications Plan for FY 2011 through FY 2016 to the Council on January 15, 2010. The Preliminary Cable Communications Plan included: (a) a list of known PEG activities and funding needs for FY 2011 through FY 2016; (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 2011 through FY 2016.

FY 2011 Cable Communications Plan Description

The FY 2011 Cable Communications Plan provides funding for cable franchise administration (Department of Technology Services, County Attorney's Office, and outside professional services); for municipal equipment and support; for public, educational, and government access programming (Office of Public Information, Council, Montgomery College, Montgomery County Public Schools, and Montgomery Community Television, Inc.); and for other miscellaneous cable-related activities.

The attached table details the approved expenditures from the Cable TV Special Revenue Fund for the following purposes in FY 2011:

Franchise Administration

- A. Funds are allocated to the Department of Technology Services to administer the Franchise Agreements with Comcast, RCN, and Verizon, including inspecting construction, testing signal quality, responding to residents' complaints, budgeting franchise fee and grant funds received from the cable operator, managing the contract to provide public access services, supporting an advisory committee, administering Federal Communications Commission rules and regulations, preparing for and negotiating franchise agreements, and advising elected officials on related policy matters.
- B. Funds are allocated to the County Attorney's Office to support the in-house staff costs associated with advising the Department of Technology Services and elected officials on related matters.
- C. Funds are allocated to hire outside professional services to advise or represent the County in areas of specialized telecommunications needs.

Municipal Support

- D. Funds are allocated for sharing franchise fee revenue with the municipal co-franchisors in accordance with the formula in Section 8A-29 of the County Code.
- E. Funds are allocated to support the 3 PEG channels allocated to (1) the City of Rockville; (2) the City of Takoma Park; and (3) the Montgomery County Chapter of the Maryland Municipal League. Funds are allocated from the Capital Equipment Support Grants, according to the requirements of Section 7(b)(1)(B) of the Franchise Agreement with RCN, the requirements of Section 7(b)(2) of the Franchise Agreement with Comcast, and from the PEG Support Fund according to the requirements of Section 4.1 of the 1998 Cable Franchise Transfer Settlement Agreement assumed by Comcast from Prime Communications. Funds are allocated from the PEG Support Fund to the extent that the Participating Municipalities meet all applicable matching-fund requirements in the Settlement Agreement.

County Government Access Programming

- F. Funds are allocated for managing the County Government Channel, maintaining County Government Channel video equipment, closed captioning of County Government programming, and for the operation of the Technical Operations Center to monitor and adjust technical quality of PEG Programming.

Funds are allocated to the Office of Public Information for in-house staff and contractors to produce Executive Branch programming for the County Government Channel.

Funds are allocated to the Council for in-house staff and contractors to produce programming for the Council and Legislative Branch agencies.

Funds are allocated to the Montgomery County portion of the Maryland-National Capital Park and Planning Commission for contractors to provide cable-related services, including webcasting and services needed to produce programming for the Planning Board and the Parks Department.

Educational Access Programming

- G. Funds are allocated to Montgomery College to produce educational programs and operate a cable channel with in-house staff.
- H. Funds are allocated to Montgomery County Public Schools to produce educational programs for children, parents, and teachers; carry Board of Education meetings; and run other educational programming of interest to County residents. MCPS currently operates two educational access channels on the cable system.

Public Access Programming

- I. Funds are allocated for Montgomery Community Television, Inc., to perform services in FY 2011 specified in its contract with the County, including the following:
- (1) produce and schedule two public access channels, including disseminating information on the daily program schedule;
 - (2) train community producers and technicians in program production and assist residents and community organizations in developing locally produced or locally sponsored programming;
 - (3) provide and maintain a central access studio, field production equipment, and editing facilities for use by community producers in program production;
 - (4) maintain all video equipment provided to MCT or purchased by MCT with cable company or County funds;
 - (5) produce local interest and public affairs programming;

- (6) promote and encourage programming representing a diversity of community interests and needs; and
- (7) perform outreach and create programming in the down-county area.

PEG Network

- J. For FY 2011, funds are allocated for PEG equipment replacement, for an emergency equipment reserve to be used in case of imminent failure of major PEG video systems, for joint PEG programming/promotion, PEG network engineering and administration, closed captioning of select PEG programming, and for PEG programming to provide access to cable by community organizations.

The Council wishes to encourage the most cost-effective operations of the PEG Channels and has directed the PEG Network to enhance the sharing of equipment, facilities, and personnel. All funds appropriated for PEG equipment replacement must be administered by the Office of Cable and Communications Services. Before spending any funds for this purpose, the PEG Network must report to the Council and the Executive on their plans for the purchase and allocation of replacement equipment. The Council intends that preference be given to purchases of equipment and facilities that can be shared by more than one PEG Channel.

The Council encourages the municipal co-franchisors to develop plans for purchasing equipment, using engineering expertise available from the other PEG Channels and the Office of Cable and Communications Services, and acquiring equipment that facilitates the sharing of resources with other PEG channels.

The Office of Cable and Communications Services must not spend funds from the Emergency Equipment Reserve until the PEG Network finds that additional replacement funds are needed to prevent interruption of programming on one or more PEG Channels.

All equipment purchased with Cable Funds, except equipment purchased with Municipal Grant funds or funds allocated to the Village of Friendship Heights under this Plan, must be titled to the Montgomery County Government, which may, under appropriate controls, allocate some of the equipment for use to individual PEG Channels.

Before the PEG Network may spend funds allocated for PEG joint Programming/Promotion, the Network must report its general plans to the Council and the Executive.

Other Expenditures

- K. For FY 2011, funds are allocated to the Village of Friendship Heights for cable programming and equipment expenses.

Institutional Telecommunications

- L. For FY 2011, funds are allocated for Institutional Telecommunications for FiberNet capital improvements and operations. The County's Franchise Agreement with Comcast, assumed from Prime Communications, provides that Comcast must pay grants to support operations, maintenance, and the installation of cables and electronic equipment for the County's FiberNet.

The County plans to expand the FiberNet network to meet the telecommunications needs of County agency facilities. The Department of Technology Services must develop a FiberNet buildout plan that identifies facilities with the greatest need for high-speed voice, data, and video transmissions and for which FiberNet offers lower cost service than private sector telecommunications providers. User agencies must notify the Council before paying any fee to or entering into any agreement with any private provider, if using FiberNet to serve specific facilities is more advantageous to the County. The Council will then consider if adjustments to the funded FiberNet buildout schedule are warranted to avoid paying excessive fees to private providers for telecommunications service to any specific facility.

General Fund Transfers and Repayment Schedule

- M. In FY 2004, \$2,636,000 was appropriated from the Cable TV Special Revenue Fund to the General Fund to finance general government operations. This was the first year that the Executive recommended transferring funds derived from franchise fees for unspecified general government operations.

In FY 2006, the Council allocated \$1,241,000 to fund the County's Automated Traffic Management System.

In FY 2007, the Council allocated \$284,000 to fund technology projects for the Montgomery County portion of the Maryland-National Capital Park and Planning Commission Operating Budget.

In FY 2009, the Council transferred \$250,000 to the General Fund in order to support County operating expenses, and indicated their desire to ensure that this transfer will improve the technology infrastructure and productivity support for all County departments.

In FY 2010, \$3,235,830 was transferred from the Cable TV Special Revenue Fund to the General Fund to finance general government operations. The Council intended that this transfer improve the technology infrastructure and productivity support for all County departments.

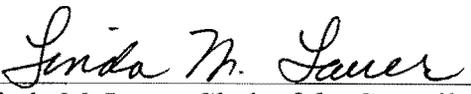
The FY 2004 General Fund transfer, the FY 2006 funding for the Automated Traffic Management System, and the FY 2007 funding for technology projects for the Montgomery County portion of the Maryland-National Capital Park and Planning Commission must be repaid without interest according to the following schedule: \$432,000 was paid in FY 2008, \$0 was paid in FY 2009 and FY 2010, and \$0 will be paid in FY 2011. As a part of the FY 2012 Recommended budget, the Executive must propose an amended repayment schedule.

Action

The County Council for Montgomery County, Maryland approves the following resolution:

The Council approves the attached Cable Communications Plan as described in this resolution and appropriates cable communications grant resources and settlement funds as provided in the Cable Communications Plan and this resolution and any amendments to either that the Council adopts for FY 2011.

This is a correct copy of Council action.



Linda M. Lauer, Clerk of the Council

| FY11 CABLE COMMUNICATIONS PLAN (\$000's) | | | | | | | | | | | | |
|---|--|----------------|------------------|---------------|------------------|------------------------------|---------|--------|--------|--------|--------|--------|
| | | Actual FY09 | Approved FY10 | Est'd FY10 | Approved FY11 | Change fr FY10 App \$\$ % | | FY12 | FY13 | FY14 | FY15 | FY16 |
| 1 | BEGINNING FUND BALANCE | 3,949 | 2,069 | 4,809 | 114 | (1,955) | -94.5% | 164 | 605 | 23 | 150 | 550 |
| 2 | REVENUES | | | | | | | | | | | |
| 3 | 5% Franchise Fee | 11,282 | 11,280 | 12,015 | 12,533 | 1,253 | 11.1% | 12,784 | 13,039 | 13,300 | 13,566 | 13,837 |
| 4 | Gaithersburg PEG Contribution | 183 | 187 | 182 | 164 | (23) | -12.3% | 152 | 155 | 158 | 160 | 162 |
| 5 | PEG Operating Support | 2,020 | 2,080 | 2,069 | 2,111 | 31 | 1.5% | 2,174 | 2,240 | 0 | 0 | 0 |
| 6 | PEG Capital Equipment | 2,082 | 1,990 | 2,892 | 3,484 | 1,494 | 75.1% | 3,589 | 3,660 | 6,260 | 6,385 | 6,513 |
| 7 | Verizon - Facilities Grant | 200 | 200 | 200 | 200 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0 |
| 8 | FiberNet Operating & Equipment Support | 1,589 | 1,637 | 1,628 | 1,660 | 23 | 1.4% | 1,710 | 1,761 | 0 | 0 | 0 |
| 9 | Interest Earned | 68 | 30 | 10 | 30 | 0 | 0.0% | 70 | 130 | 170 | 200 | 220 |
| 10 | TFCG Application Review Fees | 182 | 80 | 203 | 203 | 123 | 153.8% | 180 | 150 | 140 | 140 | 140 |
| 11 | Miscellaneous | 2 | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0 |
| 12 | Transfer from the General Fund | 0 | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0 |
| 13 | TOTAL ANNUAL REVENUES | 17,608 | 17,484 | 19,199 | 20,385 | 2,901 | 16.6% | 20,658 | 21,135 | 20,028 | 20,452 | 20,873 |
| 14 | TOTAL RESOURCES-CABLE FUND | 21,557 | 19,553 | 24,008 | 20,499 | 946 | 4.8% | 20,822 | 21,741 | 20,051 | 20,602 | 21,422 |
| 15 | NON-DISCRETIONARY EXPENDITURES (a) | | | | | | | | | | | |
| 16 | A. MUNICIPAL EQUIPMENT & OPERATIONS | | | | | | | | | | | |
| 17 | Municipal Franchise Fee Sharing | | | | | | | | | | | |
| 18 | City of Rockville | 437 | 460 | 451 | 464 | 4 | 0.8% | 473 | 483 | 492 | 502 | 512 |
| 19 | City of Takoma Park | 189 | 199 | 191 | 196 | (3) | -1.7% | 200 | 204 | 208 | 212 | 216 |
| 20 | Other Municipalities | 145 | 152 | 155 | 159 | 7 | 4.4% | 162 | 165 | 169 | 172 | 176 |
| 21 | SUBTOTAL | 771 | 812 | 797 | 819 | 7 | 0.9% | 835 | 852 | 869 | 887 | 904 |
| 22 | Municipal Capital Support | | | | | | | | | | | |
| 23 | Rockville Equipment | 296 | 276 | 402 | 466 | 190 | 68.8% | 475 | 562 | 574 | 585 | 597 |
| 24 | Takoma Park Equipment | 348 | 276 | 402 | 466 | 190 | 68.8% | 475 | 562 | 574 | 585 | 597 |
| 25 | Municipal League Equipment | 348 | 276 | 402 | 396 | 120 | 43.5% | 404 | 412 | 420 | 429 | 437 |
| 26 | SUBTOTAL | 992 | 828 | 1,206 | 1,328 | 500 | 60.4% | 1,355 | 1,537 | 1,567 | 1,599 | 1,631 |
| 27 | Municipal Operating Support | | | | | | | | | | | |
| 28 | Rockville PEG Support | 67 | 70 | 69 | 70 | 0 | 0.0% | 71 | 73 | 0 | 0 | 0 |
| 29 | Takoma Park PEG Support | 67 | 70 | 69 | 70 | 0 | 0.0% | 71 | 73 | 0 | 0 | 0 |
| 30 | Muni. League PEG Support | 67 | 70 | 69 | 140 | 70 | 100.0% | 143 | 146 | 0 | 0 | 0 |
| 31 | SUBTOTAL | 201 | 211 | 207 | 280 | 69 | 32.7% | 286 | 291 | 0 | 0 | 0 |
| 32 | SUBTOTAL | 1,964 | 1,851 | 2,210 | 2,427 | 576 | 31.1% | 2,476 | 2,680 | 2,437 | 2,485 | 2,535 |
| 33 | NET TOTAL ANNUAL REVENUES | 15,644 | 15,633 | 16,989 | 17,958 | 2,325 | 14.9% | 18,183 | 18,455 | 17,592 | 17,966 | 18,338 |
| 34 | NET TOTAL RESOURCES-CABLE FUND | 19,593 | 17,702 | 21,798 | 18,072 | 370 | 2.1% | 18,346 | 19,060 | 17,615 | 18,116 | 18,887 |
| 35 | EXPENDITURES | | | | | | | | | | | |
| 36 | A. Transmission Facilities Coordinating Group | | | | | | | | | | | |
| 37 | TFCG Application Review | 244 | 180 | 293 | 275 | 95 | 52.8% | 293 | 280 | 270 | 270 | 270 |
| 38 | SUBTOTAL | 244 | 180 | 293 | 275 | 95 | 52.8% | 293 | 280 | 270 | 270 | 270 |
| 39 | B. FRANCHISE ADMINISTRATION | | | | | | | | | | | |
| 40 | Personnel Costs - Cable Administration | 550 | 705 | 623 | 794 | 89 | 12.6% | 844 | 870 | 887 | 905 | 923 |
| 41 | Personnel Costs - DTS Administration | 52 | 69 | 69 | 69 | 0 | 0.0% | 69 | 72 | 73 | 75 | 75 |
| 42 | Personnel Costs - Charges for County Atty | 76 | 95 | 95 | 95 | 0 | 0.0% | 97 | 99 | 101 | 103 | 103 |
| 43 | Operating | 94 | 73 | 73 | 80 | 7 | 9.6% | 84 | 88 | 93 | 97 | 102 |
| 44 | Engineering Services | 92 | 50 | 20 | 50 | 0 | 0.0% | 75 | 75 | 50 | 50 | 50 |
| 45 | Inspection Services | 385 | 270 | 187 | 10 | (260) | -96.3% | 25 | 26 | 27 | 27 | 20 |
| 46 | Legal and Professional Services | 254 | 310 | 310 | 300 | (10) | -3.2% | 500 | 400 | 416 | 429 | 429 |
| 47 | SUBTOTAL | 1,503 | 1,572 | 1,377 | 1,398 | (174) | -11.1% | 1,694 | 1,630 | 1,646 | 1,686 | 1,701 |
| 48 | SUBTOTAL | 1,747 | 1,752 | 1,670 | 1,673 | (79) | -4.5% | 1,987 | 1,910 | 1,916 | 1,956 | 1,971 |
| 49 | C. MONTGOMERY COUNTY GOVERNMENT - CCM | | | | | | | | | | | |
| 50 | Media Production & Engineering | | | | | | | | | | | |
| 51 | Personnel Costs | 399 | 533 | 483 | 781 | 248 | 46.5% | 805 | 821 | 837 | 854 | 871 |
| 52 | Operating | 19 | 25 | 25 | 40 | 15 | 60.0% | 40 | 43 | 48 | 52 | 56 |
| 53 | Contracts - TV Production | 0 | 63 | 63 | 40 | (23) | -36.5% | 78 | 90 | 120 | 150 | 180 |
| 56 | New Media, Webstreaming & VOD Services | 40 | 48 | 94 | 38 | (10) | -20.8% | 39 | 40 | 42 | 43 | 44 |
| 57 | SUBTOTAL | 458 | 669 | 665 | 899 | 230 | 34.4% | 962 | 994 | 1,047 | 1,099 | 1,151 |
| 58 | Public Information Office | | | | | | | | | | | |
| 59 | Personnel Costs | 389 | 560 | 563 | 705 | 145 | 25.9% | 719 | 529 | 510 | 500 | 510 |
| 60 | Operating Expenses | 1 | 12 | 12 | 0 | (12) | -100.0% | 30 | 31 | 32 | 32 | 32 |
| 61 | Contracts - TV Production | 263 | 210 | 210 | 83 | (127) | -60.5% | 99 | 110 | 124 | 138 | 155 |
| 62 | SUBTOTAL | 653 | 782 | 785 | 788 | 6 | 0.8% | 848 | 671 | 666 | 671 | 697 |
| 63 | County Council | | | | | | | | | | | |
| 64 | Personnel Costs | 53 | 74 | 74 | 154 | 80 | 108.1% | 188 | 203 | 219 | 237 | 241 |
| 65 | Operating Expenses | 63 | 28 | 28 | 18 | (10) | -35.7% | 30 | 31 | 32 | 32 | 32 |
| 66 | Contracts - TV Production | 448 | 516 | 516 | 164 | (352) | -68.2% | 193 | 198 | 204 | 210 | 220 |
| 67 | SUBTOTAL | 564 | 618 | 618 | 336 | (282) | -45.6% | 410 | 432 | 455 | 480 | 494 |
| 68 | MNCPPC | | | | | | | | | | | |
| 69 | Personnel Costs | 101 | 101 | 78 | 83 | (18) | -17.8% | 90 | 97 | 100 | 108 | 110 |
| 70 | Operating Expenses | 0 | 21 | 21 | 0 | (21) | -100.0% | 0 | 0 | 0 | 0 | 0 |
| 71 | Contracts - TV Production | 127 | 117 | 117 | 81 | (36) | -30.8% | 111 | 114 | 118 | 121 | 125 |
| 72 | New Media, Webstreaming & VOD Services | 117 | 47 | 24 | 24 | (23) | 0.0% | 25 | 25 | 26 | 27 | 28 |
| 73 | SUBTOTAL | 345 | 286 | 240 | 188 | (98) | -34.3% | 225 | 237 | 244 | 256 | 263 |
| 74 | SUBTOTAL | 2,020 | 2,355 | 2,308 | 2,211 | (144) | -6.1% | 2,445 | 2,334 | 2,411 | 2,505 | 2,605 |

| FY11 CABLE COMMUNICATIONS PLAN (\$000's) | | | | | | | | | | | | |
|--|--|----------------|------------------|---------------|------------------|-------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | Actual FY09 | Approved FY10 | Est'd FY10 | Approved FY11 | Change fr FY10 | App % | FY12 | FY13 | FY14 | FY15 | FY16 |
| 75 | D. MONTGOMERY COLLEGE - MC ITV | | | | | | | | | | | |
| 76 | Personnel Costs | 1,103 | 1,141 | 1,141 | 1,174 | 33 | 2.9% | 1,315 | 1,473 | 1,561 | 1,655 | 1,853 |
| 77 | Operating Expenses | 219 | 179 | 179 | 108 | (71) | -39.7% | 241 | 248 | 256 | 263 | 271 |
| 78 | New Media, Webstreaming & VOD Services | | | | 6 | 6 | 100.0% | 7 | 7 | 8 | 8 | 9 |
| 79 | SUBTOTAL | 1,322 | 1,320 | 1,320 | 1,288 | (32) | -2.4% | 1,563 | 1,728 | 1,825 | 1,926 | 2,133 |
| 80 | E. PUBLIC SCHOOLS - MCPS ITV | | | | | | | | | | | |
| 81 | Personnel Costs | 1,309 | 1,385 | 1,385 | 1,393 | 8 | 0.6% | 1,610 | 1,803 | 1,912 | 2,026 | 2,269 |
| 82 | Operating Expenses | 274 | 197 | 197 | 98 | (99) | -50.3% | 301 | 310 | 320 | 329 | 339 |
| 83 | New Media, Webstreaming & VOD Services | | | | | | 100.0% | | | | | |
| 84 | SUBTOTAL | 1,583 | 1,582 | 1,582 | 1,491 | (91) | -5.8% | 1,912 | 2,114 | 2,231 | 2,356 | 2,609 |
| 85 | F. COMMUNITY ACCESS PROGRAMMING (b) | | | | | | | | | | | |
| 86 | Personnel Costs | 2,004 | 1,871 | 1,871 | 1,869 | (2) | -0.1% | 2,056 | 2,097 | 2,139 | 2,182 | 2,225 |
| 87 | Operating Expenses | 146 | 195 | 189 | 33 | (162) | -83.1% | 250 | 250 | 260 | 260 | 270 |
| 88 | Rent & Utilities | 496 | 496 | 496 | 457 | (39) | -7.9% | 507 | 522 | 538 | 554 | 571 |
| 89 | New Media, Webstreaming & VOD Services | 6 | | 6 | 6 | 6 | 100.0% | 7 | 8 | 9 | 9 | 10 |
| 90 | SUBTOTAL | 2,652 | 2,562 | 2,562 | 2,365 | (197) | -7.7% | 2,820 | 2,877 | 2,946 | 3,005 | 3,076 |
| 91 | G. PEG NETWORK | | | | | | | | | | | |
| 92 | PEG Equipment Replacement | 925 | 940 | 890 | 40 | (900) | -95.7% | 1,200 | 1,000 | 1,000 | 1,000 | 1,000 |
| 93 | PEG Network Operating | 82 | 125 | 100 | 80 | (45) | -36.0% | 215 | 240 | 250 | 270 | 270 |
| 94 | Youth and Arts Community Media | 76 | 90 | 64 | 50 | (40) | -44.4% | 100 | 100 | 100 | 110 | 110 |
| 95 | Closed Captioning | 237 | 291 | 267 | 225 | (66) | -22.7% | 361 | 422 | 430 | 439 | 452 |
| 96 | Technical Operations Center (TOC) | 14 | 23 | 23 | 13 | (10) | -43.5% | 24 | 25 | 26 | 27 | 27 |
| 97 | PEG Network Mobile Production Vehicle | 25 | 32 | 32 | 32 | 0 | 0.0% | 35 | 37 | 39 | 41 | 41 |
| 98 | Emergency Equipment Reserve | 3 | 80 | 0 | 0 | (80) | -100.0% | 80 | 80 | 80 | 80 | 80 |
| 99 | SUBTOTAL | 1,367 | 1,581 | 1,376 | 440 | (1,141) | -72.2% | 2,016 | 1,904 | 1,925 | 1,966 | 1,980 |
| 100 | H. FIBERNET | | | | | | | | | | | |
| 101 | FiberNet - Personnel Charges for DTS | 183 | 177 | 177 | 193 | 16 | 9.0% | 197 | 201 | 205 | 209 | 213 |
| 102 | FiberNet - Operations & Maintenance DTS | 852 | 1,013 | 1,013 | 900 | (113) | -11.2% | 907 | 935 | 963 | 992 | 1,021 |
| 103 | FiberNet - Personnel Charges for DOT | 46 | 46 | 46 | 46 | 0 | 0.0% | 46 | 46 | 46 | 46 | 46 |
| 104 | FiberNet - Operations & Maintenance DOT | 198 | 198 | 198 | 198 | 0 | 0.0% | 203 | 210 | 215 | 220 | 273 |
| 105 | OPERATING SUBTOTAL | 1,279 | 1,434 | 1,434 | 1,337 | (97) | -6.8% | 1,353 | 1,392 | 1,429 | 1,467 | 1,553 |
| 106 | FiberNet - CIP | 1,641 | 1,041 | 1,041 | 515 | (526) | -50.5% | 2,706 | 4,378 | 2,375 | 1,973 | 1,974 |
| 107 | SUBTOTAL | 2,920 | 2,475 | 2,475 | 1,852 | (623) | -25.2% | 4,059 | 5,770 | 3,804 | 3,440 | 3,527 |
| 108 | TOTAL EXPENDITURES - PROGRAMS | 15,575 | 15,477 | 15,503 | 13,747 | (1,730) | -11.2% | 19,278 | 21,317 | 19,494 | 19,639 | 20,437 |
| 109 | I. OTHER | | | | | | | | | | | |
| 110 | Indirect Costs Transfer to Gen Fund | 254 | 302 | 302 | 359 | 57 | 18.7% | 379 | 363 | 368 | 374 | 381 |
| 111 | Indirect Costs Transfer to Gen Fund (ERP & MCTime) | 27 | 36 | 36 | 34 | (2) | -6.6% | 21 | 0 | 0 | 0 | 0 |
| 112 | Transfer to the General Fund | 250 | 3,236 | 6,729 | 6,157 | 2,921 | 90.3% | 500 | 0 | 0 | 0 | 0 |
| 113 | Grants to Organizations (Friendship Hts) | 39 | 39 | 39 | 39 | 0 | 0.0% | 39 | 39 | 39 | 39 | 39 |
| 114 | Consolidated Multiuse Technology Facility | 0 | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0 |
| 115 | Advanced Traffic Management over FiberNet - CIP | 45 | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0 |
| 116 | COB Renovations - CIP | 109 | 0 | 843 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0 |
| 117 | Park & Planning Technology Projects | 600 | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0 |
| 118 | SUBTOTAL | 1,324 | 3,613 | 7,949 | 6,589 | 2,975 | 82.3% | 939 | 402 | 407 | 413 | 420 |
| 119 | TOTAL EXPENDITURES | 16,899 | 19,091 | 23,452 | 20,336 | 1,245 | 6.5% | 20,216 | 21,719 | 19,901 | 20,052 | 20,857 |
| 120 | J. ADJUSTMENTS | | | | | | | | | | | |
| 121 | Prior Year Adjustments | (144) | 0 | (41) | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0 |
| 122 | Encumbrance Adjustment | 295 | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0 |
| 123 | CIP - Designated Claim on Fund | 0 | 0 | (401) | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0 |
| 124 | TOTAL ADJUSTMENTS | 151 | 0 | (442) | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0 |
| 125 | FUND BALANCE | 4,809 | 462 | 114 | 164 | (298) | -64.6% | 605 | 23 | 150 | 550 | 565 |
| 126 | FUND BALANCE PER POLICY GUIDANCE | 923 | 911 | 978 | 1,021 | 110 | 112.1% | 1,043 | 1,066 | 1,089 | 1,112 | 1,136 |
| 127 | K. SUMMARY - EXPENDITURES BY FUNDING SOURCE | | | | | | | | | | | |
| 128 | Transfer to Gen Fund-Indirect Costs | 281 | 338 | 338 | 393 | 54 | 16.0% | 400 | 363 | 368 | 374 | 381 |
| 129 | Transfer to Gen Fund-Mont Coll Cable Fund | 1,322 | 1,320 | 1,320 | 1,288 | (32) | -2.4% | 1,563 | 1,728 | 1,825 | 1,926 | 2,133 |
| 130 | Transfer to Gen Fund-Public Sch Cable Fund | 1,583 | 1,582 | 1,582 | 1,491 | (91) | -5.8% | 1,912 | 2,114 | 2,231 | 2,356 | 2,609 |
| 131 | Transfer to CIP Fund | 1,795 | 1,041 | 1,884 | 515 | (526) | -50.5% | 2,706 | 4,378 | 2,375 | 1,973 | 1,974 |
| 132 | Transfer to the General Fund-Other | 250 | 3,236 | 6,729 | 6,157 | 2,921 | 90.3% | 500 | 0 | 0 | 0 | 0 |
| 133 | FUND TRANSFERS SUBTOTAL | 5,231 | 7,517 | 11,853 | 9,844 | 2,327 | 31.0% | 7,080 | 8,583 | 6,799 | 6,629 | 7,097 |
| 134 | Municipal Franchise & PEG Payments | 1,964 | 1,851 | 2,210 | 2,427 | 576 | 31.1% | 2,476 | 2,680 | 2,437 | 2,485 | 2,535 |
| 135 | Fran Admin, PEG & FiberNet Op (excl Muni, GF, CIP) | 12,890 | 12,963 | 12,629 | 11,237 | (1,726) | -13.3% | 14,534 | 14,659 | 15,090 | 15,594 | 16,348 |
| 136 | Cable Fund Direct Expenditures | 11,812 | 11,574 | 11,599 | 10,492 | (1,082) | -9.3% | 13,135 | 13,135 | 13,104 | 13,424 | 13,760 |

NOTES:

(a) Municipal Franchise Fee, PEG Capital and PEG Operating payments are contractually required by franchise, municipal, and settlement agreements, and by the County Code.

(b) Currently Montgomery Community Television, Inc., d/b/a Access Montgomery

These projections for the Cable TV Fund incorporate assumptions of annual resources and resource usage as well as projected end-of-year reserves available based on these assumptions. This scenario assumes that operating expenditures will experience net increases as a trend. Factors contributing to the assumed rate of increase include compensation adjustments, program and productivity improvements, and cost increases driven by inflation. The County Executive presents these fiscal projections as a tool for thinking about the future fiscal policy implications of the recommended program of expenditures and resources. Other scenarios would occur if the County Executive and County Council adopted a different program plan or if the future brings different trends than presumed in the incorporated assumptions.