

Resolution No.:	<u>17-770</u>
Introduced:	<u>May 23, 2013</u>
Adopted:	<u>May 23, 2013</u>

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: County Council

SUBJECT: Approval of the FY 2014 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 2014, 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 2014. Resources appropriated in FY 2014 that are not encumbered by the County on or before June 30, 2014 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 2014 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), doing business as Montgomery Community Media (MCM), 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 2014 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 2013 calendar year.
8. FY 2015-2020 Cable Plan: The Executive must submit a preliminary six-year Cable Communications Plan for FY 2015 through FY 2020 to the Council no later than January 15, 2014. The Executive submitted a preliminary six-year Cable Communications Plan for FY 2014 through FY 2019 to the Council on January 15, 2013. The Preliminary Cable Communications Plan must include: (a) a list of known PEG activities and funding needs for FY 2015 through FY 2020; (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 2015 through FY 2020.

9. Reporting Requirements: The Executive must submit a quarterly summary report to the Council detailing revenues received by source for the Cable Plan and the levels of the Cable Fund Balance at the close of the prior quarter. The intent is to ensure that all revenues beyond those foreseen in the approved Cable Plan are explicitly identified and allocated by the Government Operations and Fiscal Policy Committee.

FY 2014 Cable Communications Plan Description

The FY 2014 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.); for the Legislative Branch Communications Outreach non-departmental account (NDA); for the Interagency Technology Fund (ITF); 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 2014:

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 2014 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 2014, 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.

In FY 2014, funds are allocated to support a full-time community engagement contractor to produce multicultural and multi-lingual programming for the all County PEG stations, and for a full-time contractor to provide public information and cable programming services for the Council in Spanish and other languages.

Institutional Telecommunications

- K. For FY 2014, 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. FiberNet will be expanded using funding provided under the American Recovery and Reinvestment Act and matching funds will be provided in FY 2014 to meet the requirements of this grant. 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.

Allocation of FiberNet fibers to Montgomery College from the County FiberNet is subject to a construction memorandum of understanding between the College and the County signed on December 26, 2012, as well as approval by the Interagency Technology Policy and Coordination Committee.

Support of Legislative Branch Communications Outreach NDA

- L. In FY 2014, the Council approved a transfer of \$400,000 to the Legislative Branch Communications Outreach NDA to strengthen the capacity of the Legislative Branch offices to inform constituent communities of issues that directly affect them and to ensure that these communities' concerns are effectively taken into account.

Support of the Interagency Technology Fund (ITF)

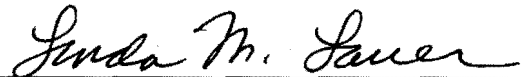
- M. In FY 2014, the Council has designated a transfer of \$70,000 to the Interagency Technology Fund (ITF) in order to support the work of the Interagency Technology Policy and Coordination Committee (ITPCC).

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 2014.

This is a correct copy of Council action.


Linda M. Lauer, Clerk of the Council

FY14 APPROVED CABLE COMMUNICATIONS PLAN (in \$000's)											
		App FY12	Act FY12	App FY13	Est FY13	App FY14	Proj. FY15	Proj. FY16	Proj. FY17	Proj. FY18	Proj. FY19
1	BEGINNING FUND BALANCE	1,129	1,762	645	1,702	1,023	105	1,715	2,021	2,309	2,536
2	REVENUES										
3	Franchise Fees ¹	14,997	14,829	15,986	16,050	17,096	17,742	18,117	18,474	18,384	19,214
4	Gaithersburg PEG Contribution ²	197	184	200	189	189	191	194	197	201	205
5	PEG Operating and Equipment Grant ^{1,4,5}	2,134	2,137	2,180	2,201	4,332	4,376	4,420	4,508	4,598	4,690
6	PEG Capital Grant ^{1,4,5}	4,809	4,850	5,277	5,505	5,855	6,198	6,383	6,509	6,707	6,775
7	FiberNet Operating & Equipment Grant ⁴	1,678	1,681	1,715	1,731	0	0	0	0	0	0
8	Interest Earned	20	(0)	10	10	10	10	10	10	10	10
9	TFCG Application Review Fees	246	140	120	80	100	120	120	120	120	120
10	Miscellaneous	0	23	-	687		0	0	0	0	0
11	Transfer from the General Fund	0		-			0	0	0	0	0
12	TOTAL ANNUAL REVENUES	24,081	23,844	25,487	26,453	27,583	28,637	29,244	29,817	30,019	31,013
13	TOTAL RESOURCES-CABLE FUND	25,210	25,606	26,132	28,155	28,606	28,742	30,958	31,838	32,328	33,549
14	EXPENDITURE OF RESTRICTED FUNDS ⁶										
15	A. EXPENDITURE OF RESTRICTED CAPITAL FUNDS										
16	Municipal Capital Support ⁷										
17	Rockville Equipment	682	686	744	781	836	877	903	921	940	958
18	Takoma Park Equipment	682	686	744	781	125	125	125	125	125	125
19	Municipal League Equipment	612	616	674	781	125	125	125	125	125	125
20	SUBTOTAL	1,976	1,989	2,163	2,344	1,086	1,127	1,153	1,171	1,190	1,208
21	PEG Capital ⁸	955	1,166	1,083	1,083	852	1,324	1,454	1,563	3,492	1,566
22	Council Community Communications Capital			200	200	-	0				
23	FiberNet - CIP	2,140	1,200	1,831	1,831	3,916	3,748	3,775	3,775	2,025	4,000
24	(Must be greater or equal to Line 6) SUBTOTAL	5,071	4,355	5,277	5,459	5,855	6,198	6,383	6,509	6,707	6,775
25	B. EXPENDITURE OF OTHER RESTRICTED FUNDS										
26	Municipal Franchise Fee Distribution ⁹										
27	City of Rockville	559	601	608	628	682	718	741	752	767	783
28	City of Takoma Park	195	234	235	239	248	253	259	264	269	274
29	Other Municipalities	221	220	227	244	262	282	294	300	306	312
30	SUBTOTAL	975	1,055	1,070	1,111	1,191	1,254	1,293	1,315	1,341	1,368
31	Municipal Operating Support ⁹										
32	Rockville PEG Support	76	71	73	73	425	206	206	208	212	217
33	Takoma Park PEG Support	76	71	73	73	425	435	447	461	477	495
34	Muni. League PEG Support	146	141	143	73	425	450	435	450	435	450
35	SUBTOTAL	298	284	288	220	1,275	1,091	1,088	1,119	1,124	1,161
36	SUBTOTAL	1,272	1,339	1,358	1,331	2,466	2,345	2,381	2,435	2,466	2,529
37	TOTAL EXPENDITURES OF RESTRICTED FUNDS	6,343	5,694	6,635	6,789	8,321	8,543	8,764	8,944	9,172	9,304
38	NET TOTAL ANNUAL REVENUES	17,738	18,150	18,852	19,663	19,262	20,094	20,480	20,874	20,847	21,709
39	NET TOTAL RESOURCES-CABLE FUND	18,867	19,912	19,497	21,365	20,285	20,198	22,194	22,894	23,156	24,245
40	EXPENDITURES OF NON-RESTRICTED FUNDS										
41	A. Transmission Facilities Coordinating Group										
42	TFCG Application Review	225	237	175	175	175	179	184	190	196	204
43	SUBTOTAL	225	237	175	175	175	179	184	190	196	204
44	B. FRANCHISE ADMINISTRATION										
45	Personnel Costs - Cable Administration	794	832	819	789	834	874	915	958	1,003	1,050
46	Personnel Costs - DTS Administration	69	66	72	72	71	74	78	81	85	89
47	Personnel Costs - Charges for County Atty	98	90	98	98	103	108	113	118	123	129
48	Operating	70	72	70	102	80	82	84	87	90	93
49	Engineering & Inspection Services	30	46	70	70	88	90	93	95	99	102
50	Legal and Professional Services	280	272	275	275	275	282	289	298	309	320
51	SUBTOTAL	1,340	1,378	1,404	1,406	1,450	1,510	1,571	1,637	1,708	1,784
52	SUBTOTAL	1,565	1,615	1,579	1,581	1,625	1,689	1,755	1,827	1,904	1,987
53	C. MONTGOMERY COUNTY GOVERNMENT - CCM										
54	Media Production & Engineering										
55	Personnel Costs	760	594	818	754	856	897	939	983	1,029	1,077
56	Operating	35	128	31	37	31	32	33	34	35	37
57	Contracts - TV Production	32	32	61	62	86	89	91	94	97	101
58	New Media, Webstreaming & VOD Services	38	34	38	41	38	39	40	41	43	44
59	SUBTOTAL	865	787	949	894	1,012	1,057	1,103	1,152	1,204	1,259
60	Public Information Office										
61	Personnel Costs	704	642	708	708	733	769	805	842	882	923
62	Operating Expenses	0	0	-	-	12	12	13	13	13	14
63	Contracts - TV Production	83	25	83	84	83	85	87	90	93	97
64	SUBTOTAL	787	667	791	792	828	866	905	945	988	1,034
65	County Council										
66	Personnel Costs	157	157	157	157	169	177	185	194	203	213
67	Operating Expenses	13	11	13	13	13	13	14	14	15	15
68	Contracts - TV Production	164	159	136	136	140	143	147	152	157	163
69	General Sessions and Committee Meetings			43	43	101	104	106	110	113	118
70	Multi-Lingual/Cultural Production Services	46	46	46	46	91	93	96	99	102	106
71	SUBTOTAL	380	372	394	394	514	531	548	569	591	615
72	MNCPPC										
73	Contracts - TV Production	81	85	99	99	99	101	104	107	111	115
74	New Media, Webstreaming & VOD Services	24	24	24	24	24	25	26	26	27	28
75	SUBTOTAL	105	109	123	123	123	126	129	133	138	143
76	SUBTOTAL	2,137	1,935	2,258	2,203	2,477	2,580	2,686	2,799	2,921	3,050

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

		App FY12	Act FY12	App FY13	Est FY13	App FY14	Proj. FY15	Proj. FY16	Proj. FY17	Proj. FY18	Proj. FY19
77	D. MONTGOMERY COLLEGE - MC ITV										
78	Personnel Costs	1,144	1,144	1,159	1,159	1,260	1,321	1,382	1,447	1,515	1,586
79	Operating Expenses	86	86	86	86	86	91	93	96	98	98
80	SUBTOTAL	1,230	1,230	1,245	1,245	1,346	1,366	1,427	1,492	1,560	1,560
81	E. PUBLIC SCHOOLS - MCPS ITV										
82	Personnel Costs	1,308	1,308	1,341	1,352	1,371	1,474	1,543	1,615	1,691	1,691
83	Operating Expenses	117	117	117	106	106	124	127	130	134	134
84	SUBTOTAL	1,425	1,425	1,458	1,458	1,477	1,598	1,670	1,745	1,825	1,825
85	F. COMMUNITY ACCESS PROGRAMMING⁴										
86	Personnel Costs	1,708	1,708	1,713	1,793	1,904	1,996	2,089	2,186	2,289	2,396
87	Operating Expenses	124	124	124	67	67	69	71	73	75	78
88	Rent & Utilities	407	407	407	367	374	383	394	406	420	436
89	New Media, Webstreaming & VOD Services	6	6	6	23	23	24	25	25	26	27
90	SUBTOTAL	2,245	2,245	2,250	2,250	2,369	2,472	2,578	2,690	2,810	2,938
91	G. PEG OPERATING										
92	Operating Expenses	46	113	46	98	107	109	112	116	120	124
93	Youth and Arts Community Media	0	18	25	25	50	51	53	54	56	58
94	Community Engagement	46	0	46	46	91	93	96	99	102	106
95	Closed Captioning	130	133	130	130	130	175	179	184	189	189
96	Technical Operations Center (TOC)	10	10	10	10	10	11	11	11	11	11
97	Mobile Production Vehicle	16	16	16	16	22	22	23	23	24	25
98	SUBTOTAL	248	291	272	324	409	461	473	487	503	514
99	H. FIBERNET OPERATING										
100	FiberNet - Personnel Charges for DTS	181	178	456	456	595	624	653	683	715	749
101	FiberNet - Operations & Maintenance DTS	931	932	1,131	1,131	1,131	1,197	1,230	1,268	1,312	1,361
102	FiberNet - Personnel Charges for DOT	46	47	68	68	74	78	81	85	89	93
103	FiberNet - Operations & Maintenance DOT	258	258	258	258	238	244	250	258	267	277
104	SUBTOTAL	1,416	1,415	1,914	1,914	2,038	2,142	2,214	2,295	2,383	2,480
105	I. MISS UTILITY COMPLIANCE										
106	Miss Utility Compliance	0	0	270	270	300	307	316	326	337	349
107	SUBTOTAL	0	0	270	270	300	307	316	326	337	349
108	TOTAL EXPENDITURE OF UNRESTRICTED FUNDS	10,265	10,156	11,245	11,244	12,041	12,615	13,119	13,661	14,243	14,703
109	TOTAL EXPENDITURE OF RESTRICTED FUNDS	6,343	5,694	6,635	6,789	8,321	8,543	8,764	8,944	9,172	9,304
110	TOTAL EXPENDITURES - PROGRAMS	16,608	15,850	17,880	18,034	20,362	21,158	21,883	22,605	23,416	24,007
111	J. OTHER										
112	Indirect Costs Transfer to Gen Fund	369	369	388	388	539	422	442	462	484	484
113	Indirect Costs Transfer to Gen Fund (ERP & MCTime)	34	34	32	32	25	19	19	19	19	19
114	Transfer to the General Fund	8,086	8,086	7,064	7,064	7,175	5,028	6,194	6,043	5,474	5,846
115	Legislative Community Communications NDA			380	380	400	400	400	400	400	400
116	SUBTOTAL	8,489	8,489	7,864	7,864	8,139	5,869	7,055	6,924	6,377	6,749
117	TOTAL EXPENDITURES	25,097	24,339	25,744	25,897	28,501	27,027	28,938	29,529	29,793	30,756
118	K. ADJUSTMENTS										
119	Prior Year Adjustments	0	0	-	-	-	0	0	0	0	0
120	Encumbrance Adjustment	0	(435)	-	-	-	0	0	0	0	0
121	CIP - Designated Claim on Fund	0	0	-	1,234	-	0	0	0	0	0
122	TOTAL ADJUSTMENTS	0	(435)	-	1,234	-	0	0	0	0	0
123	FUND BALANCE	113	1,702	388	1,023	105	1,715	2,021	2,309	2,536	2,793
124	FUND BALANCE PER POLICY GUIDANCE⁵	1,221	1,198	1,289	1,291	1,377	1,430	1,460	1,488	1,481	1,547
125	L. SUMMARY - EXPENDITURES BY FUNDING SOURCE										
126	Transfer to Gen Fund-Indirect Costs	403	403	420	420	564	441	461	481	503	503
127	Transfer to Gen Fund-Mont Coll Cable Fund ⁶	1,230	1,230	1,245	1,245	1,346	1,366	1,427	1,492	1,560	1,560
128	Transfer to Gen Fund-Public 5ch Cable Fund ⁶	1,425	1,425	1,458	1,458	1,477	1,598	1,670	1,745	1,825	1,825
129	Transfer to CIP Fund	2,140	1,200	1,831	1,831	3,916	3,748	3,775	3,775	2,025	4,000
130	Transfer to the General Fund-Other	8,086	8,200	7,064	7,064	7,175	5,028	6,194	6,043	5,474	5,846
131	Transfer to the General Fund-Legislative Branch NDA	0	0	580	580	400	400	400	400	400	400
132	FUND TRANSFERS SUBTOTAL	13,284	12,458	12,597	12,597	14,878	12,581	13,927	13,936	11,787	14,134
133	Cable Fund Expenditure of Unrestricted Funds	7,610	7,501	8,543	8,542	9,218	9,651	10,021	10,424	10,859	11,319
134	Cable Fund Direct Expenditures	11,813	11,881	13,147	13,300	13,623	14,446	15,010	15,593	18,006	16,623

Notes: These projections are based on the Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, transfers, 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 corresponding 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 has been recently initiated and specific elements of a final agreement are uncertain. Restricted categories such as PEG Capital and Operating support revenues, as well as Municipal Capital and Operating Support expenditures, will be affected. Municipal cost sharing is dependant on final negotiation of agreements between the County and municipalities. 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-FY18 assumes that the County will require 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.

5. Fund balance per policy guidance is calculated as 8% of total non-restricted revenues (franchise fees, tower fees, and investment income).

6. The Cable Fund makes a fund transfer to Montgomery College and MCPS to support MCPS ITV and MC ITV.

FY13 Revenues and Restricted Expenditures Updated as of 5-17-2013