
Cable Communications Plan

MISSION STATEMENT

The mission of the Cable Communications Plan is to effectively manage the County's cable television and telecommunications franchise agreements and the Cable Special Revenue Fund to ensure that: cable services in Montgomery County are of high quality; cable and telecommunications providers comply with applicable safety and construction codes; cable customer service requirements and applicable consumer protection provisions are enforced; quality Public, Educational, and Governmental (PEG) cable programming is provided; FiberNet is expanded and operated to provide reliable voice, data, video and public safety communications to County government agencies; and a reliable and expedient process is provided for telecommunication carriers to establish transmission facilities in the County to speed deployment of services for residents while maintaining adequate public protection.

BUDGET OVERVIEW

For FY15, the Cable Communications Plan consists of three elements: the Cable & Broadband Office appropriation (\$14,705,985), transfers to the County General Fund (\$8,389,026), and transfers to the County Capital Improvements Program (\$3,748,000) for a total use of fund resources of \$26,843,011. Within the Cable Office appropriation of \$14,705,985, Personnel Costs comprise 24.8 percent of the budget for sixteen full-time positions. A total of 30.5 FTEs includes these positions as well as any seasonal, temporary, and positions charged to or from other departments or funds. Operating Expenses account for the remaining 75.2 percent of the FY15 budget.

In FY15, there are several transfers to the General Fund for the following:

Montgomery College (MC): Funds are transferred from the Cable Fund to the General Fund, and then to MC. In FY15, total transfers to MC are \$1,430,000, representing an increase of \$84,200 (or 6.3%) over the FY14 transfer of \$1,345,800.

Montgomery County Public Schools (MCPS): Funds are transferred from the Cable Fund to the General Fund, and then to MCPS. In FY15, total transfers to MCPS are \$1,595,624, representing an increase of \$118,364 (or 8.0%) over the FY14 transfer of \$1,477,260.

Other: Funds are transferred from the Cable Fund to the General Fund to cover the cost of certain administrative services provided by the County to the Cable Fund (\$579,745), costs related to the Technology Modernization program (\$30,191), funding the workplan of the Legislative Branch Communications Outreach NDA (\$488,000), and other contributions (\$4,265,735).

LINKAGE TO COUNTY RESULT AREAS

While this program area supports all eight of the County Result Areas, the following are emphasized:

- ❖ ***A Responsive, Accountable County Government***
- ❖ ***An Effective and Efficient Transportation Network***
- ❖ ***Children Prepared to Live and Learn***
- ❖ ***Healthy and Sustainable Neighborhoods***
- ❖ ***Strong and Vibrant Economy***
- ❖ ***Vital Living for All of Our Residents***

DEPARTMENT PERFORMANCE MEASURES

Performance measures for this department are included below, with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY14 estimates reflect funding based on the FY14 approved budget. The FY15 and FY16 figures are performance targets based on the FY15 approved budget and funding for comparable service levels in FY16.

ACCOMPLISHMENTS AND INITIATIVES

- ❖ **County Report This Week (CRTW), the weekly award winning half-hour program produced collaboratively by members of the PEG Governance Board, produced its 200th episode in February 2014. The program will continue to highlight decisions that will impact residents including master plans, zoning issues, FY15 Capital and Operating Budgets, and the 2014 Primary and General Election polling places and results. The show airs on the public, education and government access channels and is available on-demand, via mobile devices and on YouTube in English and Spanish.**
- ❖ **In FY14, PEG Bytes, the bi-weekly newsletter produced by the PEG Governance Board, highlights the many hours of original, innovative content produced by the individual PEG channels. Each edition is distributed to a growing list of more than 485 people and includes an average of 9 stories generated exclusively by the PEG organizations.**
- ❖ **In FY14, the PEG Channels will collaborate to provide coverage of the June 2014 Primary Election including production and editorial expertise, videotaped statements from candidates for office, debates among candidates for contested seats, and live coverage of election results and expert analysis on television, Internet, and via mobile devices. During FY15, the PEGs will provide this same coverage for the General Election.**
- ❖ **In FY14, using a cutting-edge technology called LiveU, the PEGs collaborated on bringing high-profile events such as the O'Malley/Brown Administration announcing the \$630 Million Investment in the County's Transportation Network, an additional \$400 Million for construction of Purple Line for Montgomery and Prince George's Counties, and the Martin Luther King Celebration to cable and online audiences. LiveU allows video coverage anywhere in the county from locations where fiber is not available.**
- ❖ **All Montgomery County Public elementary schools will be on FiberNet by the end of the 2014 calendar year at speeds capable of supporting instructional video, telephony, high-speed Internet, and back office applications (12 sites remain to be completed); additionally 19 Housing Opportunities Commission properties are also scheduled. By the end of FY15, FiberNet expects to have 487 sites on the network; the Traffic Management network plans to add 200 pedestrian safety beacons; FiberNet is expected to have more than 1,750 sites on the network by the end of FY17 serving every conceivable end-point from a pedestrian beacon to a major campus network or building complex.**
- ❖ **Productivity Improvements**
 - **In FY13, the Cable Office franchising team launched new social media tools to notify Montgomery County residents of the many features, benefits, and press releases concerning the cable providers.**
 - **In FY13, in collaboration with MC311, the Cable Office developed an online form for consumers to submit questions and complaints about the cable, internet, and phone service provided by the three cable providers.**

PROGRAM CONTACTS

Contact Ivan Galic of the Cable and Broadband Office at 240.777.2898 or Dennis Hetman of the Office of Management and Budget at 240.777.2770 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Cable Franchise Administration

The Cable & Broadband Office in the Department of Technology Services is responsible for administering the cable television agreements for the County and participating municipalities. The budget for franchise administration includes funds for cable management and enforcement staff, including cable and broadband complaint investigation staff, cable inspection and facilities testing staff, and office operating expenses. Funds will be used for engineering consulting services which require special expertise, such as engineering review of tower and antenna siting applications, IP-based interconnection of public, educational, and government access (PEG) video signals and facilities, transmission facility digital and engineering upgrades, and the implementation of future technology and mobile video applications. Funds will also be used to pay legal and financial consultants for work which requires special expertise, such as preparation of filings on behalf of the County before the Federal Communications Commission, analysis of legislative proposals, and County representation in cable and telecommunications service negotiations, and rate regulation and

franchise compliance matters.

The responsibilities associated with franchise administration include:

- Ensuring cable operator compliance with franchise financial, technical, and construction requirements and managing the cable franchise renewal and transfer process;
- Investigating and resolving cable and broadband subscriber and residential complaints;
- Administering contracts with and providing liaison and support services for the PEG channels;
- Collecting and administering franchise fees, grants, and other payments to the County and participating municipalities;
- Encouraging entry of competitive providers of telecommunication services and negotiating and reviewing proposed telecommunications franchises for use of the public rights-of-way;
- Directing and coordinating the Transmission Facilities Coordinating Committee;
- Supporting the Cable and Communications Advisory Committee and Cable Compliance Commission;
- Strategic planning for Montgomery County government cable and communications technology;
- Preparing the annual Cable Communications Plan; and
- Monitoring and working with the Office of Intergovernmental Relations to advocate for effective and reasonable State and Federal cable, broadband and telecommunications regulations and legislation.

Program Performance Measures	Actual FY12	Actual FY13	Estimated FY14	Target FY15	Target FY16
Percent of Customers Satisfied with Cable Office Complaint Handling	97	96	95	95	95
Average Days to Process Transmission Facilities Applications by Transmission Facilities Coordinating Group	27	30	30	30	30
Number of Transmission Facility Applications Processed	209	71	120	120	120

FY15 Approved Changes	Expenditures	FTEs
FY14 Approved	1,625,073	8.90
Increase Cost: Printing and Mail	664	0.00
Decrease Cost: Outside Legal Costs	-6,747	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	18,798	0.00
FY15 Approved	1,637,788	8.90

Community Access to Cable

The Cable & Broadband Office administers a contract with Montgomery Community Television, doing business as Montgomery Community Media (MCM), through which MCM operates two community media cable television channels and provides media technology training to County residents and community organizations. MCM produces independent, diverse and informative cable programming for Montgomery County residents. MCM's mission is to provide media, television production and technology training that empowers residents and organizations and provides them with the opportunity to interact, engage and influence the County government and the community by using the powerful media of television and the Internet.

Program Performance Measures	Actual FY12	Actual FY13	Estimated FY14	Target FY15	Target FY16
Hours of First Run Locally Produced, Block and Acquired MCM Programming	6,848	5,900	6,000	6,000	6,000
Hours of MCM Volunteer Effort in Creating Public Access Programming	13,642	16,500	17,000	17,000	17,500

FY15 Approved Changes	Expenditures	FTEs
FY14 Approved	2,368,509	0.00
Increase Cost: Montgomery Community Television - Employee Salary and Benefits	50,122	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	10,811	0.00
FY15 Approved	2,429,442	0.00

County Cable Montgomery

The Cable Office manages CCM (County Cable Montgomery), the government access channel. CCM programming includes live Council general and committee meetings, press conferences, town hall meetings, special events, and programs highlighting County services and activities. Funding is provided to the Cable Office, County Council, Office of Public Information (PIO), and Maryland National Capital Park and Planning Commission (M-NCPPC) to develop programming for CCM. Funding to provide engineering personnel for the Mobile Production Vehicle for the PEG Network and other digital media services for the Executive and Legislative Branches is also included in the allocation to the Cable Office. Over 99 percent of all CCM programming is presented with closed captions. Highlights of programs are available on the County's YouTube channel. Spanish language programming is produced and all

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programming is web-streamed to the County's website.

Program Performance Measures	Actual FY12	Actual FY13	Estimated FY14	Target FY15	Target FY16
Hours of First Run Locally Produced, Block and Acquired CCM Programming	2,631	2,533	2,555	2,578	2,602

FY15 Approved Changes	Expenditures	FTEs
FY14 Approved	2,477,176	15.90
Increase Cost: Council Production Services Contract	12,600	0.00
Increase Cost: Community Access Facility - Rent and Utilities	10,811	0.00
Increase Cost: For Public Information Office Operating Expenses	5,440	0.00
Shift: TV Production Contractor Cost to Legislative Branch Communications Outreach	-88,000	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	91,307	0.00
FY15 Approved	2,509,334	15.90

Cable Programming for Public Schools

The Montgomery County Public Schools (MCPS) Office of Communications is responsible for producing television programming for its educational cable channel. Funds are used for production of instructional, community-based, staff development, and training television programs; for programs viewed via the Internet; as well as for engineering, channel management, and program acquisition. MCPS regular programming includes Board of Education meetings, Homework Hotline Live!, staff training and development, live call-in and interactive programs, in-class student programs, student-produced programs, technology training, and televised instruction in a variety of academic content areas. Many programs are translated and cablecast in multiple languages. Additional funds are requested and provided through the Public Schools' operating budget.

Program Performance Measures	Actual FY12	Actual FY13	Estimated FY14	Target FY15	Target FY16
Hours of First Run Locally Produced, Block and Acquired MCPS ITV Programming	954	974	775	814	854

FY15 Approved Changes	Expenditures	FTEs
FY14 Approved	0	0.00
FY15 Approved	0	0.00

Cable Programming for Montgomery College

The Instructional Television (ITV) and Media Production Services Unit of Montgomery College is responsible for creating cable programming available on the Montgomery College educational cable channel as well as video programming and learning materials available as on-line content. Funds are used for staff, equipment, and operating expenses to provide digital media services to support student success (i.e., course completion, retention, graduation, and academic excellence), produce Spanish language programming, and to advance the mission of the entire College community. The cable and video programming features acquired and originally produced educational, informational and instructional programming which directly supports the College's distance learning and instructional programs, and to provide professional and workforce development and self-enrichment opportunities for the community. Additional funds are provided through the Montgomery College operating budget.

Program Performance Measures	Actual FY12	Actual FY13	Estimated FY14	Target FY15	Target FY16
Hours of First Run Locally Produced and Acquired MC-ITV Programming	336	245	225	235	235
Hours of Montgomery College Student-Assisted Original Programming	143	115	115	115	115

FY15 Approved Changes	Expenditures	FTEs
FY14 Approved	0	0.00
FY15 Approved	0	0.00

Municipal Support

Franchise and PEG fees owed by cable operators to participating municipalities within Montgomery County are paid by cable operators to the County for administrative convenience and then redistributed by the County to the City of Rockville, the City of Takoma Park, and the Montgomery County Chapter of the Maryland Municipal League (MML). The County has a contractual obligation to pass through fees owed to municipalities and no discretion to alter these payments. Municipalities may use franchise fees for any purpose. Under the terms of the franchise agreements, participating municipalities must use Public, Education, and

Government (PEG) Access Operating Support funding to support PEG programming operations and PEG capital support must be used for PEG and institutional network equipment, facilities and related capital expenditures.

FY15 Approved Changes	Expenditures	FTEs
FY14 Approved	3,552,887	0.00
Increase Cost: Municipal Pass-through Payments	530,890	0.00
FY15 Approved	4,083,777	0.00

Public Education Government Access (PEG) Operations

The mission of the Public, Education, and Government (PEG) Governance Board is to facilitate collaboration among the local television access operators in providing and promoting the most effective public access, educational and government programming and media services to the Montgomery County community using current and emerging technologies. PEG is collaboratively working to expand community engagement programming, programming in languages other than English, and youth media programming.

The budget for PEG includes funds for the purchase of equipment; engineering support; promotion and outreach support to increase channel awareness and viewership; operational and maintenance support for the mobile production vehicle; closed captioning and Spanish language support; and general operating and administrative expenses. Federal law and cable franchise agreements restrict use of some funds to PEG and Institutional Network capital expenditures. These funds may be used to purchase PEG equipment and renovate or construct PEG studio and mobile facilities.

FY15 Approved Changes	Expenditures	FTEs
FY14 Approved	1,261,371	0.00
Increase Cost: Public, Educational, and Governance (PEG) Equipment Maintenance Contracts	9,000	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	100,000	0.00
FY15 Approved	1,370,371	0.00

FiberNet

Funding from the Cable Special Revenue Fund are used to support Montgomery County’s private communications network – FiberNet. FiberNet is a critical infrastructure asset that provides carrier class voice, video, Internet access and data network services for Montgomery County Government and Public Schools, Montgomery College, Housing Opportunities Commission (HOC), the Maryland-National Park and Planning Commission (M-NCPPC) and the Washington Suburban Sanitary Commission (WSSC). The County’s public safety communications are also provided via FiberNet infrastructure. Additionally, FiberNet provides private network access to the State of Maryland and all of the local counties, municipalities and the District of Columbia. Expenditures cover the cost of network expansion, monitoring, management, and maintenance services. FiberNet is a countywide multi-million dollar investment that is crucial to the daily operation of local government within Montgomery County and with its citizens, neighboring governments and business partners.

Program Performance Measures	Actual FY12	Actual FY13	Estimated FY14	Target FY15	Target FY16
New Sites Added to FiberNet	8	2	127	20	20

FY15 Approved Changes	Expenditures	FTEs
FY14 Approved	2,337,889	5.70
Increase Cost: Charges from Department of Transportation (DOT) for FiberNet Maintenance	121,280	0.00
Increase Cost: Miss Utility Compliance	120,000	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	96,104	0.00
FY15 Approved	2,675,273	5.70

BUDGET SUMMARY

	Actual FY13	Budget FY14	Estimated FY14	Approved FY15	% Chg Bud/App
CABLE TELEVISION					
EXPENDITURES					
Salaries and Wages	2,189,659	2,558,103	2,462,169	2,691,270	5.2%
Employee Benefits	715,361	876,267	895,209	960,120	9.6%
Cable Television Personnel Costs	2,905,020	3,434,370	3,357,378	3,651,390	6.3%
Operating Expenses	10,544,109	10,188,535	9,893,666	11,054,595	8.5%
Capital Outlay	0	0	0	0	—
Cable Television Expenditures	13,449,129	13,622,905	13,251,044	14,705,985	8.0%
PERSONNEL					
Full-Time	16	16	16	16	—
Part-Time	0	0	0	0	—
FTEs	29.50	30.50	30.50	30.50	—
REVENUES					
Franchise Fees	15,995,736	17,096,369	16,628,866	17,002,130	-0.6%
Gaithersburg PEG Contribution	187,426	189,162	177,614	174,950	-7.5%
I-Net Operating Revenue	1,965,770	0	1,761,616	1,800,372	—
Investment Income	0	10,000	0	0	—
PEG Capital Revenue	6,409,873	5,854,929	5,983,169	6,276,638	7.2%
PEG Operating Revenue	1,100,268	4,332,490	2,239,456	2,288,724	-47.2%
Tower Application Fees	58,580	100,000	100,000	120,000	20.0%
Other Charges/Fees	686,871	0	0	0	—
Cable Television Revenues	26,404,524	27,582,950	26,890,721	27,662,814	0.3%

FY15 APPROVED CHANGES

	Expenditures	FTEs
CABLE TELEVISION		
FY14 ORIGINAL APPROPRIATION	13,622,905	30.50
<u>Changes (with service impacts)</u>		
Enhance: Youth Media Content	100,000	0.00
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: Municipal Pass-through Payments [Municipal Support]	530,890	0.00
Increase Cost: FY15 Compensation Adjustment	147,332	0.00
Increase Cost: Charges from Department of Transportation (DOT) for FiberNet Maintenance [FiberNet]	121,280	0.00
Increase Cost: Miss Utility Compliance [FiberNet]	120,000	0.00
Increase Cost: Annualization of FY14 Personnel Costs	53,665	0.00
Increase Cost: Montgomery Community Television - Employee Salary and Benefits [Community Access to Cable]	50,122	0.00
Increase Cost: Council Production Services Contract [County Cable Montgomery]	12,600	0.00
Increase Cost: Community Access Facility - Rent and Utilities [County Cable Montgomery]	10,811	0.00
Increase Cost: Retirement Adjustment	10,228	0.00
Increase Cost: Public, Educational, and Governance (PEG) Equipment Maintenance Contracts [Public Education Government Access (PEG) Operations]	9,000	0.00
Increase Cost: Group Insurance Adjustment	5,795	0.00
Increase Cost: For Public Information Office Operating Expenses [County Cable Montgomery]	5,440	0.00
Increase Cost: Printing and Mail [Cable Franchise Administration]	664	0.00
Decrease Cost: Outside Legal Costs [Cable Franchise Administration]	-6,747	0.00
Shift: TV Production Contractor Cost to Legislative Branch Communications Outreach [County Cable Montgomery]	-88,000	0.00
FY15 APPROVED:	14,705,985	30.50

PROGRAM SUMMARY

Program Name	FY14 Approved		FY15 Approved	
	Expenditures	FTEs	Expenditures	FTEs
Cable Franchise Administration	1,625,073	8.90	1,637,788	8.90
Community Access to Cable	2,368,509	0.00	2,429,442	0.00
County Cable Montgomery	2,477,176	15.90	2,509,334	15.90
Cable Programming for Public Schools	0	0.00	0	0.00
Cable Programming for Montgomery College	0	0.00	0	0.00
Municipal Support	3,552,887	0.00	4,083,777	0.00
Public Education Government Access (PEG) Operations	1,261,371	0.00	1,370,371	0.00
FiberNet	2,337,889	5.70	2,675,273	5.70
Total	13,622,905	30.50	14,705,985	30.50

FUTURE FISCAL IMPACTS

Title	APPR. (\$000's)					
	FY15	FY16	FY17	FY18	FY19	FY20
This table is intended to present significant future fiscal impacts of the department's programs.						
CABLE TELEVISION						
Expenditures						
FY15 Approved	14,706	14,706	14,706	14,706	14,706	14,706
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	37	37	37	37	37
These figures represent the estimated annualized cost of general wage adjustments, service increments, and associated benefits.						
Labor Contracts - Other	0	-6	-6	-6	-6	-6
These figures represent other negotiated items included in the labor agreements.						
FiberNet - Increased Maintenance to Maintain Current Service Levels	0	72	155	252	362	488
Increase in maintenance costs as the number of FiberNet sites expand.						
Miss Utility Compliance	0	11	23	38	55	74
Utilize contract support to ensure compliance with the state Miss Utility identification and notification system for underground County-owned property.						
Subtotal Expenditures	14,706	14,820	14,915	15,027	15,154	15,299

