

Cable Communications Plan

MISSION STATEMENT

The mission of the Cable Communications Plan is to manage the County's Cable Television Franchise Agreements and the Cable Special Revenue Fund to ensure that cable services in Montgomery County are of high quality; that applicable consumer protection is enforced; that quality Public, Educational, and Governmental (PEG) programming is provided; and that related telecommunication issues are coordinated and monitored.

BUDGET OVERVIEW

The Cable Communications Plan consists of three elements: the Cable Office appropriation (\$11,919,000), transfers to the County General Fund (\$3,435,000), and transfers to the County Capital Improvements Program (CIP) (\$2,389,000) for a total use of fund resources of \$17,743,000. Within the Cable Office appropriation of \$11,919,000, Personnel Costs comprise 16.5 percent of the budget for ten full-time positions at 16.9 workyears. Operating Expenses account for the remaining 83.5 percent of the FY09 budget.

In FY09, there are three transfers to the General Fund for the following:

- Montgomery College - Funds are transferred from the Cable Fund to the General Fund and then to the Montgomery College Cable Fund. This transfer of \$1,322,000 is an increase of \$103,000 or 8.4 percent over the FY08 amount of \$1,219,000.
- Montgomery County Public Schools - Funds are transferred from the Cable Fund to the General Fund and then to the Montgomery County Public Schools Cable Fund. This transfer of \$1,583,000 is an increase of \$62,000 or 4.1 percent over the FY08 amount of \$1,521,000.
- Indirect Costs - Funds are transferred to the General Fund to cover the cost of certain administrative services provided by the County to the Cable Fund. This transfer of \$280,000 is used to defray expenses incurred by departments providing services to special funds.

In addition, the department's budget includes Current Revenue funding for the Capital Improvements Program (CIP).

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**
- ❖ **Vital Living for All of Our Residents**

PERFORMANCE MEASURES

This table presents the department's performance data estimates and projections from FY08 through FY10 if there are no changes in funding.

Measure	Actual FY06	Actual FY07	Estimated FY08	Approved FY09	Projected FY10
Total Montgomery County Cable Office revenues	13,151	14,240	14,919	16,086	16,073
Montgomery County Cable non-franchise revenues (\$000)	4,083	4,677	4,973	5,743	5,316
Montgomery County Cable Franchise revenues (\$000)	9,068	9,563	9,946	10,343	10,757
Cable survey response rate	36	36	36	38	39
Percent of Cable customer complaints resolved satisfactorily	92	94	95	92	95

ACCOMPLISHMENTS AND INITIATIVES

- ❖ **Increase Cable TV programming and webcasting capabilities for the Maryland-National Capital Park and Planning Commission (M-NCPPC)**
- ❖ **The Cable office will provide additional televised County Council meetings and programs.**
- ❖ **Completed franchise negotiations with Verizon bringing much needed cable competition to County residents.**

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- ❖ ***In 2007, the Cable Office filed a total of 1,723 formal complaints, with fifty percent of those cases receiving a credit/refund from the provider. Of those complainants who received a credit/refund, \$110.50 was the average per case. The Cable Office secured a total \$95,804.46 in credits/refunds.***
 - ❖ ***Continued to increase and enhance PEG programming offerings. Many programs are closed captioned or produced in languages other than English.***
 - ❖ ***Continued partnerships with the Montgomery County Business Roundtable for Education (MCBRE), the Gilchrist Center for Cultural Diversity, and local television station WDCW resulted in increased programming and grants for the purchase of new equipment.***
 - ❖ ***Members of the PEG Network received numerous national awards for programming.***
 - ❖ ***In FY09 increased engineering support will be provided for County Cable Montgomery.***
 - ❖ ***Productivity Improvements***
 - ***Implemented a paperless complaint handling process resulting in increased effectiveness, and improved data management while reducing staff time and resources.***
 - ***Improved the look and functionality of the Cable Office's website pages, allowing increased accessibility to County information while reducing staff time and resources.***
 - ***Acquisition of the PEG Network mobile production vehicle has made it possible to increase coverage of community events, improve production capabilities, and reduce costs.***

PROGRAM CONTACTS

Contact Amy Wilson of the Cable Television Office at 240.777.3684 or Jennifer R. Bryant of the Office of Management and Budget at 240.777.2761 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Cable Franchise Administration & Consumer Protection

The Department of Technology Services is responsible for administering the Cable Television Agreements for the County and participating municipalities. The responsibilities associated with franchise administration include:

- Ensuring cable operator compliance with franchise financial, technical, and construction requirements and managing the franchise renewal and transfer process;
- Investigating and resolving subscriber complaints;
- Administering the contracts to provide for public access to cable production services;
- Providing liaison, support, and record keeping on performance of the PEG channels;
- Preparing the annual Cable Communications Plan;
- Collecting franchise fees, grants, and other payments to the County;
- Distributing franchise fees, grants, and other payments to the participating municipal co-franchisors;
- Directing and coordinating the Telecom Facilities Siting Committee;
- Supporting the Cable and Communications Advisory Committee;
- Resolving issues regarding cable and communications technology for Montgomery County government;
- Monitoring and commenting on changes in State and Federal telecom regulations, rate structure, and related legislative issues;
- Encouraging entry of competitive providers of telecommunication services and negotiating and reviewing proposed franchises for use of the public right-of-way.

The budget for franchise administration includes funds for cable management staff, office operating expenses and engineering consulting services for ongoing inspection and testing of the cable systems, and the identification and provision of future technologies.

FY09 Changes

	Expenditures	WYs
FY08 Approved	1,374,330	6.2
Shift: Columbia Telecommunications (CTC) Contract Cost	195,000	0.0
Increase Cost: Columbia Telecommunications Contract Rate Increase	15,300	0.0
Increase Cost: Central Duplicating Deficit Recovery Charge	130	0.0
Decrease Cost: Elimination of One-Time Items Approved in FY08	-50,000	0.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	48,230	0.0
FY09 Approved	1,582,990	6.2

Cable Legal Representation - Outside Prof. Services

Funds will be used to pay legal and financial consultants for work which requires special expertise. Activities include the preparation of filings on behalf of the County before the Federal Communications Commission, interpretation of legislative proposals, and County representation in negotiations with cable and telecommunications service providers, rate regulation, and franchise compliance.

FY09 Changes

	Expenditures	WYs
FY08 Approved	486,000	0.5
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	16,000	0.0
FY09 Approved	502,000	0.5

Community Access to Cable

The Office of Cable Communications administers a contract with Montgomery Community Television (MCT) through which MCT operates two channels on the cable television systems. MCT's primary mission is to encourage and sponsor television programming and broadband media that meet community needs and offer forums for free expression. MCT's programmatic services include public access training, volunteer services, and access to production equipment and facilities for County residents and community groups to create programming of their choice. MCT staff also produces local community programming designed to address community needs.

FY09 Changes

	Expenditures	WYs
FY08 Approved	2,534,000	0.0
Increase Cost: Montgomery Community TV - Negotiated Personnel Cost Increases	92,000	0.0
Increase Cost: Montgomery Community TV - Inflationary Operating Expenses	26,000	0.0
FY09 Approved	2,652,000	0.0

County Cable Montgomery

The Office of Cable Communications in the Department of Technology Services manages County Cable Montgomery (CCM), the government access channel. CCM airs programming produced by the Executive and Legislative branches to keep viewers abreast of County programs and services for the residents, visitors, and businesses in the community. The County Council's Information Officer develops programming for the Legislative Branch. Broadcasts include live Council meetings, informational programs, documentaries, press conferences, and town hall meetings. The Office of Public Information develops Executive Branch programming which includes special events, press conferences, and programs highlighting County services and activities. CCM is also responsible for monitoring the cablecast signals for the Montgomery County Public, Education, and Government access channels.

FY09 Changes

	Expenditures	WYs
FY08 Approved	2,051,100	5.4
Increase Cost: Webcasting (M-NCPPC)	117,500	0.0
Increase Cost: Additional Televised Council Meetings and Programs	111,360	0.0
Increase Cost: New Engineer Position	69,000	0.8
Increase Cost: PIO - Increase to Production Services contract	34,420	0.0
Increase Cost: Restore funds shifted from operating to personnel	25,680	0.0
Increase Cost: Cable TV Programming (M-NCPPC)	20,000	0.0
Shift: Increase charges from PIO	18,830	0.2
Shift: Increase charges from County Council	18,550	0.2
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	55,210	1.2
FY09 Approved	2,521,650	7.8

Cable Programming for Public Schools

The Montgomery County Public Schools (MCPS) Department of Communications (Instructional TV Unit) has the responsibility for programming two cable channels. Cable TV funding from this special revenue fund partially provides for programming, channel management, and production of instructional, community-based, staff development, and training television programs. Additional funds are requested in the operating budget of the public schools. MCPS regular programming includes Board of Education meetings, Homework Hotline Live!, live call-in programs, in-class student programs, student-produced programs, technology training, and televised instruction in a variety of academic content areas which are often produced utilizing a multi-language approach, including the use of closed captioning.

FY09 Changes

	Expenditures	WYs
FY08 Approved	0	0.0
FY09 Approved	0	0.0

Notes: Funds for these services (\$1,583,000) are not appropriated in the Cable Office, but are transferred from the Cable Fund to the General Fund and then to the Montgomery County Public Schools Fund.

Cable Programming for Montgomery College

The Instructional Television and Media Production Services Unit of Montgomery College is responsible for the cable programming available on the Montgomery College channel (both cable and College funds provide for staff, equipment, and operating expenses) and provides digital media support services for the College community. The channel features acquired and originally produced instructional programming which directly supports the College's distance learning and instructional programs and provides professional development and self-enrichment opportunities for community subscribers.

FY09 Changes

	Expenditures	WYs
FY08 Approved	0	0.0
FY09 Approved	0	0.0

Notes: Funds for these services (\$1,322,000) are not appropriated in the Cable Office, but are transferred from the Cable Fund to the General Fund and then to the Montgomery College Cable Fund.

Municipal Cable Franchise Fee Sharing

These expenditures represent the quarterly distribution of franchise fees in accordance with current Municipal Franchise Agreements and Municipal/County Agreements.

FY09 Changes

	Expenditures	WYs
FY08 Approved	705,000	0.0
Increase Cost: Municipal Franchise Fee Sharing	53,000	0.0
FY09 Approved	758,000	0.0

Cable Support for Municipal Stations

Expenditures provide for equipment acquisition, equipment maintenance, engineering consultation, and operating support for cable television programming services provided by the City of Rockville, the City of Takoma Park, and the Montgomery County Chapter of the Maryland Municipal League (MML) as required by the franchise agreements. Totals approved for each entity are shown in the

FY09 Changes

	Expenditures	WYs
FY08 Approved	352,000	0.0
Increase Cost: Municipal Equipment & Operations (CPI% increase)	140,000	0.0
FY09 Approved	492,000	0.0

PEG Network

The mission of the PEG Network is to facilitate collaboration among the local access channel operators in delivering and promoting the most effective public access media services, as well as educational and government programming, to the Montgomery County community using current and emerging technologies.

The budget for the PEG Network includes funds for the purchase of equipment and an emergency reserve to be used in the event of imminent system failure for certain PEG operations; PEG engineering support; promotion/outreach support to increase channel awareness and viewership; operational and maintenance support for the mobile production vehicle; and general operating and administrative expenses.

FY09 Changes

	Expenditures	WYs
FY08 Approved	1,360,900	0.0
Decrease Cost: Elimination of One-Time Items Approved in FY08	-25,000	0.0
FY09 Approved	1,335,900	0.0

FiberNet Operations

Monies from the Cable Special Revenue Fund are used to support Montgomery County's private communications network – FiberNet. FiberNet is a carrier class voice, video and data network that is used by the Montgomery County Government, Public Schools, Montgomery College, Housing Opportunities Commission (HOC), the Maryland-National Park and Planning Commission (M-NCPPC) and the Washington Suburban Sanitary Commission (WSSC). Expenditures cover the cost of network 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.

FY09 Changes

	Expenditures	WYs
FY08 Approved	1,410,870	2.4
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	25,320	0.0
FY09 Approved	1,436,190	2.4

Other Cable Activities

Grants are provided to outside organizations for cable programming and equipment.

FY09 Changes

	Expenditures	WYs
FY08 Approved	114,000	0.0
Increase Cost: Purchase of IT Equipment (M-NCPPC)	250,000	0.0
Increase Cost: Document Management (M-NCPPC)	200,000	0.0
Increase Cost: Growth Study Traffic Analysis (M-NCPPC)	150,000	0.0
Decrease Cost: Elimination of One-Time Items Approved in FY08	-75,000	0.0
FY09 Approved	639,000	0.0

BUDGET SUMMARY

	Actual FY07	Budget FY08	Estimated FY08	Approved FY09	% Chg Bud/App
CABLE TELEVISION					
EXPENDITURES					
Salaries and Wages	1,036,950	1,238,790	1,282,660	1,506,710	21.6%
Employee Benefits	337,189	370,950	384,090	461,600	24.4%
Cable Television Personnel Costs	1,374,139	1,609,740	1,666,750	1,968,310	22.3%
Operating Expenses	7,544,800	8,778,460	9,090,530	9,951,420	13.4%
Capital Outlay	43,680	0	0	0	—
Cable Television Expenditures	8,962,619	10,388,200	10,757,280	11,919,730	14.7%
PERSONNEL					
Full-Time	9	9	9	10	11.1%
Part-Time	0	0	0	0	—
Workyears	14.3	14.5	14.5	16.9	16.6%
REVENUES					
Franchise Fees 5%	9,780,860	9,849,000	10,296,000	10,584,000	7.5%
Gaithersburg PEG Contribution	94,012	192,000	196,000	201,000	4.7%
PEG Capital Revenue	239,416	246,000	248,000	255,000	3.7%
PEG Operating Revenue	2,216,163	2,207,000	2,734,000	2,811,000	27.4%
I-Net Operating Revenue	1,473,824	1,518,000	1,525,000	1,568,000	3.3%
Tower Application Fees	185,500	75,000	75,000	80,000	6.7%
Investment Income	151,200	200,000	120,000	80,000	-60.0%
Verizon-Grant	250,000	200,000	200,000	200,000	—
Miscellaneous	25,000	0	25,000	0	—
Cable Television Revenues	14,415,975	14,487,000	15,419,000	15,779,000	8.9%

FY09 APPROVED CHANGES

	Expenditures	WYs
CABLE TELEVISION		
FY08 ORIGINAL APPROPRIATION	10,388,200	14.5
Other Adjustments (with no service impacts)		
Increase Cost: Purchase of IT Equipment (M-NCPPC) [Other Cable Activities]	250,000	0.0
Increase Cost: Document Management (M-NCPPC) [Other Cable Activities]	200,000	0.0
Shift: Columbia Telecommunications (CTC) Contract Cost [Cable Franchise Administration & Consumer Protection]	195,000	0.0
Increase Cost: Growth Study Traffic Analysis (M-NCPPC) [Other Cable Activities]	150,000	0.0
Increase Cost: Municipal Equipment & Operations (CPI% increase) [Cable Support for Municipal Stations]	140,000	0.0
Increase Cost: Webcasting (M-NCPPC) [County Cable Montgomery]	117,500	0.0
Increase Cost: Additional Televised Council Meetings and Programs [County Cable Montgomery]	111,360	0.0
Increase Cost: Montgomery Community TV - Negotiated Personnel Cost Increases [Community Access to Cable]	92,000	0.0
Increase Cost: Chargeback Record Adjustment	71,080	0.0
Increase Cost: New Engineer Position [County Cable Montgomery]	69,000	0.8
Increase Cost: Municipal Franchise Fee Sharing [Municipal Cable Franchise Fee Sharing]	53,000	0.0
Increase Cost: General Wage and Service Increment Adjustments	45,200	0.0
Increase Cost: PIO - Increase to Production Services contract [County Cable Montgomery]	34,420	0.0
Increase Cost: Montgomery Community TV - Inflationary Operating Expenses [Community Access to Cable]	26,000	0.0
Increase Cost: Restore funds shifted from operating to personnel [County Cable Montgomery]	25,680	0.0
Increase Cost: Cable TV Programming (M-NCPPC) [County Cable Montgomery]	20,000	0.0
Shift: Increase charges from PIO [County Cable Montgomery]	18,830	0.2
Shift: Increase charges from County Council [County Cable Montgomery]	18,550	0.2
Increase Cost: Columbia Telecommunications Contract Rate Increase [Cable Franchise Administration & Consumer Protection]	15,300	0.0
Increase Cost: Group Insurance Adjustment	11,290	0.0
Increase Cost: Retirement Adjustment	10,070	0.0
Increase Cost: MLS Adjustment	3,510	0.0
Increase Cost: Annualization of FY08 Service Increment	2,430	0.0
Increase Cost: Printing and Mail Adjustments	1,180	0.0
Increase Cost: Central Duplicating Deficit Recovery Charge [Cable Franchise Administration & Consumer Protection]	130	0.0
Shift: Technical adjustment to the Cable Fund from PIO	0	1.2
Decrease Cost: Elimination of One-Time Items Approved in FY08 [PEG Network]	-25,000	0.0

	Expenditures	WYs
Decrease Cost: Elimination of One-Time Items Approved in FY08 [Cable Franchise Administration & Consumer Protection]	-50,000	0.0
Decrease Cost: Elimination of One-Time Items Approved in FY08 [Other Cable Activities]	-75,000	0.0
FY09 APPROVED:	11,919,730	16.9

PROGRAM SUMMARY

	FY08 Approved		FY09 Approved	
	Expenditures	WYs	Expenditures	WYs
Cable Franchise Administration & Consumer Protection	1,374,330	6.2	1,582,990	6.2
Cable Legal Representation - Outside Prof. Services	486,000	0.5	502,000	0.5
Community Access to Cable	2,534,000	0.0	2,652,000	0.0
County Cable Montgomery	2,051,100	5.4	2,521,650	7.8
Cable Programming for Public Schools	0	0.0	0	0.0
Cable Programming for Montgomery College	0	0.0	0	0.0
Municipal Cable Franchise Fee Sharing	705,000	0.0	758,000	0.0
Cable Support for Municipal Stations	352,000	0.0	492,000	0.0
PEG Network	1,360,900	0.0	1,335,900	0.0
FiberNet Operations	1,410,870	2.4	1,436,190	2.4
Other Cable Activities	114,000	0.0	639,000	0.0
Totals	10,388,200	14.5	11,919,730	16.9

ANNUALIZATION OF PERSONNEL COSTS AND WORKYEARS

	FY09 Approved		FY10 Annualized	
	Expenditures	WYs	Expenditures	WYs
Increase Cost: New Engineer Position [County Cable Montgomery]	63,000	0.8	76,420	1.0
Total	63,000	0.8	76,420	1.0