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# 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; expand and operate FiberNet to provide reliable voice, data, video and public safety communications to County government agencies; and to provide a reliable and expedient process for telecommunication carriers to establish transmission facilities in the county to speed deployment of services for residents while maintaining adequate public protection.

## BUDGET OVERVIEW

The Cable Communications Plan consists of three elements: the Cable & Broadband Office appropriation (\$12,296,340), transfers to the County General Fund (\$8,990,770), and transfers to the County Capital Improvements Program (CIP) (\$2,706,000) for a total use of fund resources of \$23,993,110. Within the Cable Office appropriation of \$12,296,340, Personnel Costs comprise 23.6 percent of the budget for seventeen full-time positions at 27.5 workyears. Operating Expenses account for the remaining 76.4 percent of the FY12 budget.

In FY12, there are several 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 \$1,230,000 represents a \$57,940 decrease from the FY11 amount of \$1,287,940.
- 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 \$1,425,000 represents a \$65,510 decrease from the FY11 amount of \$1,490,510.
- Other - Funds are transferred to the General Fund to cover the cost of certain administrative services provided by the County to the Cable Fund (\$368,990), costs related to Technology Modernization (\$33,670), and other contributions to the General Fund (\$5,937,110).

## 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***

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## 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 FY11 estimates incorporate the effect of the FY11 savings plan. FY12 and FY13 targets assume the recommended FY12 budget and FY13 funding for comparable service levels.

## ACCOMPLISHMENTS AND INITIATIVES

- ❖ *In FY10, the Cable & Broadband Communications Office (Cable Office) filed a total of 1,158 formal complaints, resulting in \$62,870 in refunds and credits for cable and broadband subscribers. The County's rate regulation efforts resulted in a total refund of \$537,580 for Comcast subscribers and additional equipment savings.*
- ❖ *In FY10, the Cable Office inspected over 6,000 miles of private cable facilities and issued 3,631 safety and construction violations. In FY11, the cable inspection program was restructured to focus on ensuring that current construction is code compliant and to provide cable operators with incentives to perform their own quality control instead of relying on the County to do so. As a result, in FY11, the County anticipates that the code compliance rate will improve from 78% in FY10 to 85% in FY11, the period of time to correct construction violations will be shortened and that both measures will improve in FY12.*
- ❖ *In FY10, the Cable Office-supported Transmission Facilities Coordinating Group provided engineering analysis and processed 226 applications to site wireless facilities within the County in an average of 45 days. Administrative procedures have been further streamlined and the processing time is anticipated to be shortened to 40 days in FY11.*
- ❖ *In FY10, the Cable Office provided consumer educational outreach to assist residents with the digital broadcast television transition and cable operator digital migrations. The County also acquired 2,389 digital transmission adapters from Comcast and distributed them to County, Montgomery County Public Schools, Montgomery College, and non-profit facilities to enable television viewers at those locations to view newly-digitally encrypted channels.*
- ❖ *In FY10, the County successfully applied with 10 central Maryland counties and the State of Maryland for a \$115 million American Recovery and Reinvestment Act broadband stimulus grant ("One Maryland Broadband Network"). This grant will permit the County to perform construction valued at approximately \$14 million to extend FiberNet in FY11 through FY13 to 90 elementary schools, 18 Housing Opportunities Commission Family Resource Centers, and 1 public library.*
- ❖ *In FY10, facilitated introduction of Maryland House Bill 1203 and a companion Senate bill to require cable operators to make cable converter boxes available for sale to cable subscribers.*
- ❖ *In FY10, filed three sets of comments with the Federal Communications Commission in the Video Competition, Navigation Device, and Broadband proceedings regarding rising cable prices, impact of service bundling, need to implement sale requirement to allow subscribers to purchase converter box equipment, use of County FiberNet to provide high bandwidth/low cost broadband, subscriber complaints related to broadband deployment and difficulties obtaining access to utility poles to deploy broadband services.*
- ❖ *In FY10, improvements were made to allow live video transmission from FiberNet locations, including seven television studios and seven performing arts locations including the AFI Silver Theatre, BlackRock, Strathmore, Bethesda Performing Arts and the Olney Theatre.*
- ❖ *In FY10, community media channel Montgomery Community Media (Montgomery Channel and Access 19), educational access channels Montgomery County Public Schools Instructional Television (ITV), Montgomery College Television (MC-ITV), University of Maryland University College (UMUC-TV), and the University of Maryland (UMTV), and government access channels County Cable Montgomery (CCM), Montgomery Municipal Channel (MMC), Rockville 11, and Takoma Park (City TV), collectively the "WatchLocalTV.org Network," provided 10,136 hours of programming over 10 cable channels on the Comcast, RCN and Verizon cable systems, including 2,772 hours of locally produced programming, 735 hours of closed captioned programming, and 4,911 hours of foreign language programming in Arabic, Cambodian, Chinese, Farsi, French, Italian, Korean, Portuguese, Punjabi, Spanish, Turkish, and Vietnamese.*
- ❖ *In FY10, WatchLocalTV.org Network facilitated the launch of "County Report This Week," a weekly 30-minute local news and events program containing contributions from five WatchLocalTV.org Network (formerly the PEG Network) members. This programming is closed captioned in English and Spanish and carried on six local cable channels.*
- ❖ *In FY10, CCM launched use of a third-party web-streaming and meeting management system, Granicus, which will now permit multi-year archiving of CCM programming (including Council sessions), simultaneous viewing of live*

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**Internet streaming of CCM programming by an unlimited number of viewers, and a video indexing feature that will permit viewers to select topics on Council agendas and be automatically directed to the portion of the video that contains discussion of that agenda topic. Granicus will also enable viewers to clip customized portions of CCM video footage and distribute to blog sites, websites and through e-mail using free Microsoft Silverlight software. CCM also provided first-ever live television coverage of the County Executive's Community Budget Forums and live coverage of the first-ever Teen Town Hall Meeting with the County Council.**

❖ **Productivity Improvements**

- **Expanded FiberNet in FY10 to reach 330 total sites, including 160 public schools locations, thereby providing elementary schools with 65% more broadband capacity at 96% lower cost. Operated by the County's Department of Technology Services at an annual cost of \$1.5 million, FiberNet provides standard 100 Mbps symmetrical service valued at \$4.7 million annually and as much as 10 Gbps at critical locations.**
- **Negotiated settlement with RCN resulting in upgrade of RCN-provided Internet access to 200 Nbps using an Ethernet Port.**
- **In FY10, expanded production of public service announcements (PSAs) and leveraged existing resources by airing PSAs on local cable channels. In some cases, a 20% increase in program performance resulted from the increased public awareness campaign.**
- **In FY10 and FY11, MCPS-ITV's Homework Hotline! (HHL) added texting, Facebook, and webmail to phone calls and e-mails as a means for student to submit questions, redesigned its website so that students could watch HHL via the Internet as well on cable television, and promoted HHL at the MCPS "Back to School Night" and through the PTA. These efforts resulted in a 185% increase in student homework inquiries between FY09 and projected FY11.**

## **PROGRAM CONTACTS**

Contact Mitsuko R. Herrera of the Office of Cable and Communications Services at 240.777.2928 or John Cuff of the Office of Management and Budget at 240.777.2762 for more information regarding this department's operating budget.

## **PROGRAM DESCRIPTIONS**

### **Cable Franchise Administration**

The Office of Cable & Broadband Communication Services 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 negotiations with cable and telecommunications service providers, rate regulation, and franchise compliance matters. The primary use of outside legal and engineering support in FY12 will be to review and process transmission facilities applications in accordance with new federal time limits and to prepare for the upcoming Comcast and RCN cable franchise renewals.

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 contracts with and providing liaison and support service for the PEG channels;
- Preparing the annual Cable Communications Plan;
- Collecting and administering franchise fees, grants, and other payments to the County and participating municipalities;
- Administering federal broadband grant funding for FiberNet;
- Directing and coordinating the Transmission Facilities Coordinating Committee;
- Supporting the Cable and Communications Advisory Commission and the Cable Compliance Commission;
- Strategic planning for Montgomery County government cable and broadband communications technology;
- Monitoring and commenting on changes in State and Federal cable, broadband and telecommunications regulations and legislation;
- Encouraging entry of competitive providers of telecommunication services as well as negotiating and reviewing proposed

telecommunications franchises for use of the public rights-of-way.

<b>Program Performance Measures</b>	<b>Actual FY09</b>	<b>Actual FY10</b>	<b>Estimated FY11</b>	<b>Target FY12</b>	<b>Target FY13</b>
Percent of Customers Satisfied with Cable Office Complaint Handling	96	95	95	95	95
Average Days to Process Transmission Facilities Applications by Transmission Facilities Coordinating Group	45	45	40	38	30
Number of Transmission Facility Applications Processed	267	226	190	200	200

<b>FY12 Recommended Changes</b>	<b>Expenditures</b>	<b>WYs</b>
<b>FY11 Approved</b>	<b>1,607,870</b>	<b>8.2</b>
Increase Cost: Other Miscellaneous Adjustments	8,130	0.0
Reduce: Franchise Enforcement Costs by Reducing Use of Outside Engineering and Legal Services	-115,000	0.0
Miscellaneous adjustments, including restoration of employee furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	63,870	0.7
<b>FY12 CE Recommended</b>	<b>1,564,870</b>	<b>8.9</b>

### Community Access to Cable

The Cable and Broadband Communications Office administers a contract with Montgomery Community Television, d/b/a 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. In FY10, MCM provided over 14,000 hours of media and technology training to 1,232 residents and aired 1,486 hours of independent programming produced by volunteers and residents. Over 540,000 unique visitors viewed 3,900,000 webpages of content and 12,500 videos-on-demand from MCM's webpage. Funding reductions have resulted in workforce reductions.

<b>Program Performance Measures</b>	<b>Actual FY09</b>	<b>Actual FY10</b>	<b>Estimated FY11</b>	<b>Target FY12</b>	<b>Target FY13</b>
Hours of First Run Locally Produced, Block and Acquired MCM Programming	5,557	5,501	5,542	5,690	5,715
Hours of MCM Volunteer Effort in Creating Public Access Programming	9,526	9,540	14,000	15,000	16,000

<b>FY12 Recommended Changes</b>	<b>Expenditures</b>	<b>WYs</b>
<b>FY11 Approved</b>	<b>2,365,210</b>	<b>0.0</b>
Reduce: Montgomery Community Media Operating Costs	-126,490	0.0
Miscellaneous adjustments, including restoration of employee furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	6,280	0.0
<b>FY12 CE Recommended</b>	<b>2,245,000</b>	<b>0.0</b>

### County Cable Montgomery

The Cable Office manages CCM (County Cable Montgomery), the government access channel. CCM programming includes live Council 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. Highlights of programs are available on the County's YouTube channel, and all programming is web-streamed to the County's website. In FY10, over 30,000 unique visitors viewed 57,739 videos on the County's youtube channel. Funding reductions have resulted in reduced production of original programming.

<b>Program Performance Measures</b>	<b>Actual FY09</b>	<b>Actual FY10</b>	<b>Estimated FY11</b>	<b>Target FY12</b>	<b>Target FY13</b>
Hours of First Run Locally Produced, Block and Acquired CCM Programming	2,901	2,617	2,637	2,646	2,666

<b>FY12 Recommended Changes</b>	<b>Expenditures</b>	<b>WYs</b>
<b>FY11 Approved</b>	<b>2,209,360</b>	<b>15.6</b>
Increase Cost: Restore Personnel Costs - Furloughs	18,080	1.0
Decrease Cost: Elimination of One-Time Items Approved in FY11	-18,000	0.0
Reduce: M-NCPPC Operating Costs	-77,800	0.0

	Expenditures	WYs
Miscellaneous adjustments, including restoration of employee furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-41,230	-0.7
<b>FY12 CE Recommended</b>	<b>2,090,410</b>	<b>15.9</b>

### **Cable Programming for Public Schools**

The Montgomery County Public Schools (MCPS) Department of Communications and Family Outreach (Instructional TV Unit) has the responsibility for producing and acquiring programming for one educational cable channel and producing training materials to air on a second educational cable channel. Funds are used for production of instructional, community-based, staff development, and training television programs, as well as for engineering, channel management, and programming acquisition. Additional funds are requested in the operating budget of the public schools. MCPS regular programming includes Board of Education meetings, Homework Hotline Live!, staff training and development, live call-in programs, in-class student programs, student-produced programs, technology training, and televised instruction in a variety of academic content areas. Many original television programs are locally produced by MCPS staff in as many as six foreign languages. In FY10, 7,898 unique visitors viewed 23,056 videos on MCPS I-TV's YouTube channel and over 86,000 people have visited the MCPS I-TV website in the current school year to view information about the channel's programs. Funding reductions have resulted in reductions in work force, program acquisition, foreign language programming and closed captioning.

<b>Program Performance Measures</b>	<b>Actual FY09</b>	<b>Actual FY10</b>	<b>Estimated FY11</b>	<b>Target FY12</b>	<b>Target FY13</b>
Hours of First Run Locally Produced, Block and Acquired MCPS ITV Programming	1,185	808	857	868	880

<b>FY12 Recommended Changes</b>	<b>Expenditures</b>	<b>WYs</b>
<b>FY11 Approved</b>	<b>0</b>	<b>0.0</b>
<b>FY12 CE Recommended</b>	<b>0</b>	<b>0.0</b>

### **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. Additional funds are requested in the Montgomery College operating budget. Funds are used to provide for staff, equipment, and operating expenses and provide digital media support services to support student success, academic excellence, and for the entire College community. The channel features acquired and originally produced educational, informational and instructional programming which directly supports the College's distance learning and instructional programs, and which provides professional and workforce development and self-enrichment opportunities for community subscribers. In FY10, MC-ITV provided over 6,500 hours of video media training to students and 91,542 of its YouTube channels videos were viewed by the public. Funding reductions have resulted in reductions in work force, program acquisition, closed captioning and student instruction.

<b>Program Performance Measures</b>	<b>Actual FY09</b>	<b>Actual FY10</b>	<b>Estimated FY11</b>	<b>Target FY12</b>	<b>Target FY13</b>
Hours of First Run Locally Produced and Acquired MC-ITV Programming <sup>1</sup>	711	750	730	700	700
Hours of Montgomery College Student-Assisted Original Programming	125	40	63	65	70

<sup>1</sup> Montgomery College does not carry block programming.

<b>FY12 Recommended Changes</b>	<b>Expenditures</b>	<b>WYs</b>
<b>FY11 Approved</b>	<b>0</b>	<b>0.0</b>
<b>FY12 CE Recommended</b>	<b>0</b>	<b>0.0</b>

### **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 PEG 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. In FY10, the Rockville and Takoma Park channels produced over 460 hours of first run locally produced programming. Information for MMC will be available in FY11.

<b>FY12 Recommended Changes</b>	<b>Expenditures</b>	<b>WYs</b>
<b>FY11 Approved</b>	<b>2,427,110</b>	<b>0.0</b>
Increase Cost: Municipal Franchise Fee Sharing, Capital Support and Operating Support	820,870	0.0
Miscellaneous adjustments, including restoration of employee furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	890	0.0
<b>FY12 CE Recommended</b>	<b>3,248,870</b>	<b>0.0</b>

### **WatchLocalTV.org Network**

The mission of the WatchLocalTV.org Network is to facilitate collaboration among the local 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. WatchLocalTV.org is collaboratively working to expand foreign language programming.

The budget for the WatchLocalTV.org 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 and outreach support to increase channel awareness and viewership; operational and maintenance support for the mobile production vehicle; closed captioning and foreign 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.

<b>FY12 Recommended Changes</b>	<b>Expenditures</b>	<b>WYs</b>
<b>FY11 Approved</b>	<b>506,580</b>	<b>0.0</b>
Increase Cost: Restoration of County PEG Equipment Replacement Funding	1,398,000	0.0
Add: Bilingual Producer (Spanish Language Fluent)	91,000	1.0
Reduce: WatchLocalTV.org Operating Costs	-198,260	0.0
Miscellaneous adjustments, including restoration of employee furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-66,530	0.0
<b>FY12 CE Recommended</b>	<b>1,730,790</b>	<b>1.0</b>

### **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 Capital Park and Planning Commission (M-NCPPC) and the Washington Suburban Sanitary Commission (WSSC). Additionally, FiberNet provides public safety radio communications and private network access to the State of Maryland and surrounding 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. The Department of Transportation (DOT) provides maintenance and repair of the physical fiberoptic cabling for FiberNet. This maintenance support was last adjusted in 2006 and the number of FiberNet sites has grown by 200% since then.

<b>Program Performance Measures</b>	<b>Actual FY09</b>	<b>Actual FY10</b>	<b>Estimated FY11</b>	<b>Target FY12</b>	<b>Target FY13</b>
New Sites Added to FiberNet	16	27	24	45	69

<b>FY12 Recommended Changes</b>	<b>Expenditures</b>	<b>WYs</b>
<b>FY11 Approved</b>	<b>1,337,030</b>	<b>1.7</b>
Increase Cost: Department of Transportation FiberNet Fiber Maintenance and Repair	91,000	0.0
Miscellaneous adjustments, including restoration of employee furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-11,630	0.0
<b>FY12 CE Recommended</b>	<b>1,416,400</b>	<b>1.7</b>

### **Other Cable Activities**

Grants are provided to outside organizations for cable programming and equipment. Friendship Heights previously passed through a cable programming grant provided by the County to the Maryland Municipal Channel. Growth in the Municipal Support program is anticipated to offset the reduction in the Friendship Heights cable programming grant.

<b>FY12 Recommended Changes</b>	<b>Expenditures</b>	<b>WYs</b>
<b>FY11 Approved</b>	<b>39,000</b>	<b>0.0</b>
Eliminate: Friendship Heights Cable Programming Grant	-39,000	0.0
<b>FY12 CE Recommended</b>	<b>0</b>	<b>0.0</b>

## BUDGET SUMMARY

	<b>Actual FY10</b>	<b>Budget FY11</b>	<b>Estimated FY11</b>	<b>Recommended FY12</b>	<b>% Chg Bud/Rec</b>
<b>CABLE TELEVISION</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	1,549,992	2,177,040	1,876,900	2,222,770	2.1%
Employee Benefits	467,576	661,650	596,590	676,270	2.2%
<b>Cable Television Personnel Costs</b>	<b>2,017,568</b>	<b>2,838,690</b>	<b>2,473,490</b>	<b>2,899,040</b>	<b>2.1%</b>
Operating Expenses	8,876,276	7,653,470	8,575,000	9,397,300	22.8%
Capital Outlay	0	0	0	0	—
<b>Cable Television Expenditures</b>	<b>10,893,844</b>	<b>10,492,160</b>	<b>11,048,490</b>	<b>12,296,340</b>	<b>17.2%</b>
<b>PERSONNEL</b>					
Full-Time	11	16	16	17	6.3%
Part-Time	0	0	0	0	—
Workyears	19.2	25.5	25.5	27.5	7.8%
<b>REVENUES</b>					
Franchise Fees 5%	12,434,996	12,533,000	13,939,000	14,997,000	19.7%
Gaithersburg PEG Contribution	140,279	164,000	197,000	197,000	20.1%
PEG Capital Revenue	264,400	3,484,000	4,169,000	4,809,000	38.0%
PEG Operating Revenue	4,951,015	2,111,000	2,092,000	2,134,000	1.1%
I-Net Operating Revenue	1,627,624	1,660,000	1,646,000	1,678,000	1.1%
Tower Application Fees	193,031	203,000	172,000	246,000	21.2%
Investment Income	9,264	30,000	10,000	20,000	-33.3%
Verizon-Grant	200,000	200,000	200,000	0	—
Miscellaneous Charges for Services	10,000	0	23,000	0	—
<b>Cable Television Revenues</b>	<b>19,830,609</b>	<b>20,385,000</b>	<b>22,448,000</b>	<b>24,081,000</b>	<b>18.1%</b>

## FY12 RECOMMENDED CHANGES

	<b>Expenditures</b>	<b>WYs</b>
<b>CABLE TELEVISION</b>		
<b>FY11 ORIGINAL APPROPRIATION</b>	<b>10,492,160</b>	<b>25.5</b>
<b>Changes (with service impacts)</b>		
Add: Bilingual Producer (Spanish Language Fluent) [WatchLocalTV.org Network]	91,000	1.0
Eliminate: Friendship Heights Cable Programming Grant [Other Cable Activities]	-39,000	0.0
Reduce: M-NCPPC Operating Costs [County Cable Montgomery]	-77,800	0.0
Reduce: Franchise Enforcement Costs by Reducing Use of Outside Engineering and Legal Services [Cable Franchise Administration]	-115,000	0.0
Reduce: Montgomery Community Media Operating Costs [Community Access to Cable]	-126,490	0.0
Reduce: WatchLocalTV.org Operating Costs [WatchLocalTV.org Network]	-198,260	0.0
<b>Other Adjustments (with no service impacts)</b>		
Increase Cost: Restoration of County PEG Equipment Replacement Funding [WatchLocalTV.org Network]	1,398,000	0.0
Increase Cost: Municipal Franchise Fee Sharing, Capital Support and Operating Support [Municipal Support]	820,870	0.0
Increase Cost: Department of Transportation FiberNet Fiber Maintenance and Repair [FiberNet]	91,000	0.0
Increase Cost: Restore Personnel Costs - Furloughs [County Cable Montgomery]	18,080	1.0
Increase Cost: Other Miscellaneous Adjustments [Cable Franchise Administration]	8,130	0.0
Increase Cost: Printing and Mail Adjustment	640	0.0
Decrease Cost: Retirement Adjustment	-13,620	0.0
Decrease Cost: Elimination of One-Time Items Approved in FY11 [County Cable Montgomery]	-18,000	0.0
Decrease Cost: Group Insurance Adjustment	-35,370	0.0
<b>FY12 RECOMMENDED:</b>	<b>12,296,340</b>	<b>27.5</b>

## PROGRAM SUMMARY

Program Name	FY11 Approved		FY12 Recommended	
	Expenditures	WYs	Expenditures	WYs
Cable Franchise Administration	1,607,870	8.2	1,564,870	8.9
Community Access to Cable	2,365,210	0.0	2,245,000	0.0
County Cable Montgomery	2,209,360	15.6	2,090,410	15.9
Cable Programming for Public Schools	0	0.0	0	0.0
Cable Programming for Montgomery College	0	0.0	0	0.0
Municipal Support	2,427,110	0.0	3,248,870	0.0
WatchLocalTV.org Network	506,580	0.0	1,730,790	1.0
FiberNet	1,337,030	1.7	1,416,400	1.7
Other Cable Activities	39,000	0.0	0	0.0
<b>Total</b>	<b>10,492,160</b>	<b>25.5</b>	<b>12,296,340</b>	<b>27.5</b>

## FUTURE FISCAL IMPACTS

Title	CE REC.					
	FY12	FY13	FY14	FY15	FY16	FY17
( \$000's )						
This table is intended to present significant future fiscal impacts of the department's programs.						
<b>CABLE TELEVISION</b>						
<b>Expenditures</b>						
<b>FY12 Recommended</b>	<b>12,296</b>	<b>12,296</b>	<b>12,296</b>	<b>12,296</b>	<b>12,296</b>	<b>12,296</b>
No inflation or compensation change is included in outyear projections.						
<b>Subtotal Expenditures</b>	<b>12,296</b>	<b>12,296</b>	<b>12,296</b>	<b>12,296</b>	<b>12,296</b>	<b>12,296</b>

**FY12 CE RECOMMENDED CABLE COMMUNICATIONS PLAN (\$000's)**

	Actual FY10	Approved FY11	Est'd FY11	REC FY12	Change fr FY11	App %	FY13	FY14	FY15	FY16	FY17
<b>BEGINNING FUND BALANCE</b>	<b>4,809</b>	<b>114</b>	<b>2,736</b>	<b>1,129</b>	<b>1,015</b>	<b>890%</b>	<b>1,213</b>	<b>4,552</b>	<b>3,512</b>	<b>3,501</b>	<b>2,811</b>
<b>REVENUES</b>											
5% Franchise Fee	12,435	12,533	13,939	14,997	2,464	20%	15,629	16,261	16,667	16,998	17,338
Gaithersburg PEG Contribution	140	164	197	197	33	20%	199	203	207	211	215
PEG Operating Support	2,069	2,111	2,092	2,134	23	1%	2,176	0	0	0	0
PEG Capital Equipment Grant	3,146	3,484	4,169	4,809	1,325	38%	5,149	9,757	10,000	10,199	10,403
Verizon - Facilities Grant	200	200	200	0	(200)	-100%	0	0	0	0	0
FiberNet Operating & Equipment Grant	1,628	1,660	1,646	1,678	18	1%	1,712	0	0	0	0
Interest Earned	9	30	10	20	(10)	-33%	50	120	170	230	270
TFCG Application Review Fees	194	203	172	246	43	21%	150	140	140	140	140
Miscellaneous	9	0	23	0	0	0%	0	0	0	0	0
Transfer from the General Fund	0	0	0	0	0	0%	0	0	0	0	0
<b>TOTAL ANNUAL REVENUES</b>	<b>19,830</b>	<b>20,385</b>	<b>22,448</b>	<b>24,081</b>	<b>3,696</b>	<b>18%</b>	<b>25,065</b>	<b>26,481</b>	<b>27,184</b>	<b>27,778</b>	<b>28,366</b>
<b>TOTAL RESOURCES-CABLE FUND</b>	<b>24,639</b>	<b>20,499</b>	<b>25,184</b>	<b>25,210</b>	<b>4,711</b>	<b>23%</b>	<b>26,278</b>	<b>31,033</b>	<b>30,696</b>	<b>31,279</b>	<b>31,177</b>
<b>NON-DISCRETIONARY EXPENDITURES (a)</b>											
<b>A. MUNICIPAL EQUIPMENT &amp; OPERATIONS</b>											
<b>Municipal Franchise Fee Distribution</b>											
City of Rockville	459	464	543	559	95	21%	590	619	649	682	717
City of Takoma Park	192	196	216	195	(1)	-1%	198	202	206	209	213
Other Municipalities	157	159	189	221	62	39%	236	245	254	264	274
<b>SUBTOTAL</b>	<b>808</b>	<b>819</b>	<b>948</b>	<b>975</b>	<b>156</b>	<b>19%</b>	<b>1,024</b>	<b>1,065</b>	<b>1,109</b>	<b>1,156</b>	<b>1,205</b>
<b>Municipal Capital Support</b>											
Rockville Equipment	487	466	586	682	216	46%	732	787	846	910	978
Takoma Park Equipment	487	466	586	682	216	46%	732	787	846	910	978
Municipal League Equipment	487	396	516	612	216	55%	662	787	846	910	978
<b>SUBTOTAL</b>	<b>1,461</b>	<b>1,328</b>	<b>1,689</b>	<b>1,976</b>	<b>648</b>	<b>49%</b>	<b>2,127</b>	<b>2,361</b>	<b>2,538</b>	<b>2,729</b>	<b>2,935</b>
<b>Municipal Operating Support</b>											
Rockville PEG Support	26	70	74	76	6	8%	77	80	84	88	92
Takoma Park PEG Support	26	70	74	76	6	8%	77	80	84	88	92
Muni. League PEG Support	26	140	144	146	6	4%	147	80	84	88	92
<b>SUBTOTAL</b>	<b>78</b>	<b>280</b>	<b>293</b>	<b>298</b>	<b>18</b>	<b>6%</b>	<b>302</b>	<b>240</b>	<b>252</b>	<b>264</b>	<b>276</b>
<b>SUBTOTAL</b>	<b>2,347</b>	<b>2,427</b>	<b>2,930</b>	<b>3,248</b>	<b>821</b>	<b>34%</b>	<b>3,454</b>	<b>3,667</b>	<b>3,899</b>	<b>4,148</b>	<b>4,416</b>
<b>NET TOTAL ANNUAL REVENUES</b>	<b>17,483</b>	<b>17,958</b>	<b>19,518</b>	<b>20,833</b>	<b>2,875</b>	<b>16%</b>	<b>21,611</b>	<b>22,814</b>	<b>23,285</b>	<b>23,630</b>	<b>23,950</b>
<b>NET TOTAL RESOURCES-CABLE FUND</b>	<b>22,292</b>	<b>18,072</b>	<b>22,254</b>	<b>21,962</b>	<b>3,890</b>	<b>22%</b>	<b>22,824</b>	<b>27,366</b>	<b>26,797</b>	<b>27,131</b>	<b>26,761</b>
<b>EXPENDITURES</b>											
<b>A. Transmission Facilities Coordinating Group</b>											
TFCG Application Review	43	275	141	225	(50)	-18%	225	225	225	225	225
<b>SUBTOTAL</b>	<b>43</b>	<b>275</b>	<b>141</b>	<b>225</b>	<b>(50)</b>	<b>-18%</b>	<b>225</b>	<b>225</b>	<b>225</b>	<b>225</b>	<b>225</b>
<b>B. FRANCHISE ADMINISTRATION</b>											
Personnel Costs - Cable Administration	562	794	794	794	(0)	0%	833	980	1,029	1,080	1,134
Personnel Costs - DTS Administration	60	69	69	69	(0)	-1%	71	71	71	73	73
Personnel Costs - Charges for County Atty	74	95	95	98	3	3%	100	100	102	102	105
Operating	79	80	80	70	(10)	-13%	100	100	70	70	70
Engineering Services	10	50	50	30	(20)	-40%	70	70	50	50	50
Inspection Services	40	10	10	0	(10)	-100%	10	10	10	10	10
Legal and Professional Services	227	300	300	280	(20)	-7%	450	350	300	300	300
<b>SUBTOTAL</b>	<b>1,053</b>	<b>1,398</b>	<b>1,398</b>	<b>1,340</b>	<b>(58)</b>	<b>-4%</b>	<b>1,634</b>	<b>1,682</b>	<b>1,633</b>	<b>1,686</b>	<b>1,743</b>
<b>SUBTOTAL</b>	<b>1,096</b>	<b>1,673</b>	<b>1,539</b>	<b>1,565</b>	<b>(108)</b>	<b>-6%</b>	<b>1,859</b>	<b>1,907</b>	<b>1,858</b>	<b>1,911</b>	<b>1,968</b>
<b>C. MONTGOMERY COUNTY GOVERNMENT - CCM</b>											
<b>Media Production &amp; Engineering</b>											
Personnel Costs	461	781	781	760	(21)	-3%	798	998	1,048	1,100	1,155
Operating	11	40	40	35	(5)	-13%	35	35	35	35	35
Contracts - TV Production	18	40	40	32	(8)	-20%	32	32	32	32	32
New Media, Webstreaming & VOD Services	30	38	38	38	0	0%	38	38	38	38	38
<b>SUBTOTAL</b>	<b>520</b>	<b>899</b>	<b>899</b>	<b>865</b>	<b>(34)</b>	<b>-4%</b>	<b>903</b>	<b>1,103</b>	<b>1,153</b>	<b>1,205</b>	<b>1,260</b>
<b>Public Information Office</b>											
Personnel Costs	551	705	705	704	(1)	0%	529	556	583	613	643
Operating Expenses	13	0	0	0	0	0%	40	40	40	40	40
Contracts - TV Production	128	83	83	83	0	0%	83	83	83	83	83
<b>SUBTOTAL</b>	<b>692</b>	<b>788</b>	<b>788</b>	<b>787</b>	<b>(1)</b>	<b>0%</b>	<b>652</b>	<b>679</b>	<b>706</b>	<b>736</b>	<b>766</b>
<b>County Council</b>											
Personnel Costs	64	154	154	157	3	2%	195	205	215	226	237
Operating Expenses	11	18	18	13	(5)	-28%	40	40	40	40	40
Contracts - TV Production	486	164	164	164	0	0%	164	164	164	164	164
<b>SUBTOTAL</b>	<b>561</b>	<b>336</b>	<b>336</b>	<b>334</b>	<b>(2)</b>	<b>-1%</b>	<b>399</b>	<b>409</b>	<b>419</b>	<b>430</b>	<b>441</b>
<b>MNCPPC</b>											
Personnel Costs	141	83	78	0	(83)	-100%	0	0	0	0	0
Operating Expenses	0	0	0	0	0	0%	0	0	0	0	0
Contracts - TV Production	97	81	81	81	0	0%	81	81	81	81	81
New Media, Webstreaming & VOD Services	0	24	24	24	0	0%	24	24	24	24	24
<b>SUBTOTAL</b>	<b>238</b>	<b>188</b>	<b>183</b>	<b>105</b>	<b>(83)</b>	<b>-44%</b>	<b>105</b>	<b>105</b>	<b>105</b>	<b>105</b>	<b>105</b>
<b>SUBTOTAL</b>	<b>2,011</b>	<b>2,211</b>	<b>2,206</b>	<b>2,091</b>	<b>(120)</b>	<b>-5%</b>	<b>2,059</b>	<b>2,295</b>	<b>2,383</b>	<b>2,476</b>	<b>2,573</b>

**FY12 CE RECOMMENDED CABLE COMMUNICATIONS PLAN (\$000's)**

	Actual FY10	Approved FY11	Est'd FY11	REC FY12	Change fr FY11 App \$%	FY13	FY14	FY15	FY16	FY17
<b>D. MONTGOMERY COLLEGE - MC ITV</b>										
Personnel Costs	1,141	1,174	1,174	1,144	(30) -3%	1,271	1,410	1,481	1,555	1,632
Operating Expenses	179	108	108	86	(22) -20%	129	194	197	201	205
New Media, Webstreaming & VOD Services	0	6	6	0	(6) -100%	6	6	6	6	6
<b>SUBTOTAL</b>	<b>1,320</b>	<b>1,288</b>	<b>1,288</b>	<b>1,230</b>	<b>(58) -4%</b>	<b>1,406</b>	<b>1,610</b>	<b>1,684</b>	<b>1,762</b>	<b>1,844</b>
<b>E. PUBLIC SCHOOLS - MCPS ITV</b>										
Personnel Costs	1,385	1,393	1,364	1,308	(85) -6%	1,464	1,627	1,708	1,793	1,883
Operating Expenses	197	98	127	117	19 19%	176	263	269	274	279
New Media, Webstreaming & VOD Services						0	0	0	0	0
<b>SUBTOTAL</b>	<b>1,582</b>	<b>1,491</b>	<b>1,491</b>	<b>1,425</b>	<b>(66) -4%</b>	<b>1,639</b>	<b>1,890</b>	<b>1,977</b>	<b>2,067</b>	<b>2,163</b>
<b>F. COMMUNITY ACCESS PROGRAMMING (b)</b>										
Personnel Costs	1,871	1,869	1,869	1,708	(161) -9%	1,793	1,883	1,977	2,076	2,180
Operating Expenses	195	33	33	124	91 275%	149	152	155	158	161
Rent & Utilities	496	457	457	407	(50) -11%	427	449	471	495	519
New Media, Webstreaming & VOD Services		6	6	6	0 0%	6	6	6	6	6
<b>SUBTOTAL</b>	<b>2,562</b>	<b>2,365</b>	<b>2,365</b>	<b>2,245</b>	<b>(120) -5%</b>	<b>2,375</b>	<b>2,489</b>	<b>2,609</b>	<b>2,734</b>	<b>2,866</b>
<b>G. WATCHLOCALTV.ORG</b>										
PEG Equipment Replacement	1,093	40	32	1,438	1,398 3495%	938	2,000	2,000	2,000	2,000
PEG Network Operating	57	80	80	46	(34) -43%	80	82	84	86	88
Youth and Arts Community Media	50	50	50	0	(50) -100%	75	95	125	125	125
Foreign Language Production Services				91	91	96	100	105	111	116
Closed Captioning	109	225	225	130	(95) -42%	225	275	325	325	325
Technical Operations Center (TOC)	8	13	13	10	(3) -23%	20	20	25	25	28
PEG Network Mobile Production Vehicle	15	32	32	16	(16) -50%	24	28	32	32	36
Emergency Equipment Reserve	0	0	0	0	0 0%	0	0	0	0	0
<b>SUBTOTAL</b>	<b>1,331</b>	<b>440</b>	<b>432</b>	<b>1,731</b>	<b>1,291 293%</b>	<b>1,458</b>	<b>2,600</b>	<b>2,696</b>	<b>2,704</b>	<b>2,718</b>
<b>H. FIBERNET</b>										
FiberNet - Personnel Charges for DTS	198	193	193	181	(12) -6%	400	420	441	463	486
FiberNet - Operations & Maintenance DTS	1,065	900	900	931	31 3%	950	969	988	1,008	1,028
FiberNet - Personnel Charges for DOT	46	46	46	46	0 0%	47	48	49	50	51
FiberNet - Operations & Maintenance DOT	198	198	398	258	60 30%	308	358	365	372	380
<b>OPERATING SUBTOTAL</b>	<b>1,507</b>	<b>1,337</b>	<b>1,537</b>	<b>1,416</b>	<b>79 6%</b>	<b>1,704</b>	<b>1,794</b>	<b>1,843</b>	<b>1,893</b>	<b>1,945</b>
FiberNet - CIP	1,715	515	515	2,706	2,191 425%	2,084	4,646	4,212	4,220	4,768
<b>SUBTOTAL</b>	<b>3,222</b>	<b>1,852</b>	<b>2,052</b>	<b>4,122</b>	<b>2,270 123%</b>	<b>3,788</b>	<b>6,440</b>	<b>6,055</b>	<b>6,113</b>	<b>6,712</b>
<b>TOTAL EXPENDITURES - PROGRAMS</b>	<b>15,471</b>	<b>13,747</b>	<b>14,302</b>	<b>17,657</b>	<b>3,910 28%</b>	<b>18,039</b>	<b>22,898</b>	<b>23,161</b>	<b>23,915</b>	<b>25,259</b>
<b>I. OTHER</b>										
Indirect Costs Transfer to Gen Fund	302	359	359	369	10 3%	370	375	378	390	395
Indirect Costs Transfer to Gen Fund (ERP & MCTime)	36	34	34	34	(0) -1%	36	36	38	38	40
Transfer to the General Fund	6,786	6,157	8,750	5,937	(220) -4%	3,242	3,422	2,329	2,836	2,874
Grants to Organizations (Friendship Hts)	39	39	39	0	(39) -100%	40	40	40	40	40
Digital Media Technology Center	0	0	0	0	0 0%	0	250	750	750	200
Alternate Data Center	0	0	0	0	0 0%	0	500	500	500	500
<b>SUBTOTAL</b>	<b>7,163</b>	<b>6,589</b>	<b>9,182</b>	<b>6,340</b>	<b>(249) -4%</b>	<b>3,688</b>	<b>4,623</b>	<b>4,035</b>	<b>4,554</b>	<b>4,049</b>
<b>TOTAL EXPENDITURES</b>	<b>22,634</b>	<b>20,336</b>	<b>23,484</b>	<b>23,997</b>	<b>3,661 18%</b>	<b>21,726</b>	<b>27,521</b>	<b>27,196</b>	<b>28,469</b>	<b>29,308</b>
<b>J. ADJUSTMENTS</b>										
Prior Year Adjustments	1	0	0	0	0 0%	0	0	0	0	0
Encumbrance Adjustment	730	0	0	0	0 0%	0	0	0	0	0
CIP - Designated Claim on Fund	0	0	(570)	0	0 0%	0	0	0	0	0
<b>TOTAL ADJUSTMENTS</b>	<b>731</b>	<b>0</b>	<b>(570)</b>	<b>0</b>	<b>0 0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FUND BALANCE</b>	<b>2,736</b>	<b>164</b>	<b>1,129</b>	<b>1,213</b>	<b>1,049 638%</b>	<b>4,552</b>	<b>3,512</b>	<b>3,501</b>	<b>2,811</b>	<b>1,869</b>
<b>FUND BALANCE PER POLICY GUIDANCE</b>	<b>1,011</b>	<b>1,021</b>	<b>1,130</b>	<b>1,221</b>	<b>200 20%</b>	<b>1,266</b>	<b>1,322</b>	<b>1,358</b>	<b>1,389</b>	<b>1,420</b>
<b>K. SUMMARY - EXPENDITURES BY FUNDING SOURCE</b>										
Transfer to Gen Fund-Indirect Costs	338	393	393	403	10 3%	406	411	416	428	435
Transfer to Gen Fund-Mont Coll Cable Fund	1,320	1,288	1,288	1,230	(58) -4%	1,406	1,610	1,684	1,762	1,844
Transfer to Gen Fund-Public Sch Cable Fund	1,582	1,491	1,491	1,425	(66) -4%	1,639	1,890	1,977	2,067	2,163
Transfer to CIP Fund	1,715	515	515	2,706	2,191 425%	2,084	4,646	4,212	4,220	4,768
Transfer to the General Fund-Other	6,786	6,157	8,750	5,937	(220) -4%	3,242	3,422	2,329	2,836	2,874
<b>FUND TRANSFERS SUBTOTAL</b>	<b>11,741</b>	<b>9,844</b>	<b>12,436</b>	<b>11,701</b>	<b>1,857 19%</b>	<b>8,777</b>	<b>11,978</b>	<b>10,617</b>	<b>11,313</b>	<b>12,083</b>
<b>Municipal Franchise &amp; PEG Payments</b>	<b>2,347</b>	<b>2,427</b>	<b>2,930</b>	<b>3,248</b>	<b>821 34%</b>	<b>3,454</b>	<b>3,667</b>	<b>3,899</b>	<b>4,148</b>	<b>4,416</b>
<b>Fran Admin, PEG &amp; FiberNet Op (excl Muni, GF, CIP)</b>	<b>11,786</b>	<b>11,237</b>	<b>11,289</b>	<b>12,106</b>	<b>869 8%</b>	<b>12,947</b>	<b>15,786</b>	<b>16,755</b>	<b>17,264</b>	<b>17,250</b>
<b>Fran Admin, PEG &amp; FiberNet Op (excl Muni, GF, CIP, PEG Eq)</b>	<b>10,693</b>	<b>11,197</b>	<b>11,257</b>	<b>10,668</b>	<b>(529) -5%</b>	<b>12,009</b>	<b>13,786</b>	<b>14,755</b>	<b>15,264</b>	<b>15,250</b>
<b>Cable Fund Direct Expenditures</b>	<b>10,893</b>	<b>10,492</b>	<b>11,048</b>	<b>12,296</b>	<b>1,804 17%</b>	<b>12,949</b>	<b>15,542</b>	<b>16,577</b>	<b>17,155</b>	<b>17,224</b>

**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 Montgomery Community Media.

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.