

Resolution No.:	<u>17-451</u>
Introduced:	<u>May 24, 2012</u>
Adopted:	<u>May 24, 2012</u>

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: County Council

SUBJECT: Approval of the FY 2013 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 2013, 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 2013. Resources appropriated in FY 2013 that are not encumbered by the County on or before June 30, 2013 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 2013 reflects any commitment or decision by the Council, and any such estimate should not be taken as prejudging any decision regarding activities or allocations, either in absolute or relative amounts, of expenditures for future years.
5. Management of Funds: All equipment, personnel, and other resources approved in the Cable Communications Plan for funding from the Cable TV Special Revenue Fund must be managed so that the resources are reasonably available to all users of the cable system and provide benefits to the subscribing public and the franchisee.
6. Affirmative Action and MFD Procurement Procedures: The Board of Directors of Montgomery Community Television, Inc. (MCT) must adopt and follow an Affirmative Action Plan and procedures for procurements from minority-, female-, and disabled-owned businesses (MFD) that take into account both the requirements of the Franchise Agreements with Comcast, RCN, and Verizon and relevant provisions of the County Code.
7. Financial Disclosure: The County must not spend any FY 2013 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 2012 calendar year.
8. FY 2014-2019 Cable Plan: The Executive must submit a preliminary six-year Cable Communications Plan for FY 2014 through FY 2019 to the Council no later than January 15, 2013. The Executive submitted a preliminary six-year Cable Communications Plan for FY 2013 through FY 2018 to the Council on January 15, 2012. The Preliminary Cable Communications Plan included: (a) a list of known PEG activities and funding needs for FY 2013 through FY 2018; (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 2013 through FY 2018.

FY 2013 Cable Communications Plan Description

The FY 2013 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 a Legislative Branch Communications Outreach non-departmental account (NDA); 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 2013:

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 2013 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 2013, 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 2013, funds are allocated to support a part-time contractor to produce additional Spanish-language programming for the WatchLocalTV.org Network, and for a part-time contractor to provide Spanish-language public information and cable programming services for the Council.

Institutional Telecommunications

- K. For FY 2013, 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 2013 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 as well as approval by the Interagency Technology Policy and Coordination Committee. The County must complete a detailed implementation plan for the construction memorandum of understanding by October 1, 2012. If a construction memorandum of understanding is not agreed to by August 30, 2012, or if the implementation plan is not completed by October 1, Montgomery College may acquire fiber independently, subject to appropriation and approval by the Council.

Support of Legislative Branch Communications Outreach NDA

- L. In FY 2013, the Council has designated a transfer of \$580,000 to a Legislative Branch Communications Outreach NDA which will 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. Of the amount allocated, \$200,000 must be used for capital equipment and start up expenses consistent with 47.U.S.C. Sec. 542 and applicable cable franchise agreements.

General Fund Transfers and Repayment Schedule

- M. In FY 2004, \$2,636,000 was appropriated from the Cable TV Special Revenue Fund to the General Fund to finance general government operations. This was the first year that

the Executive recommended transferring funds derived from franchise fees for unspecified general government operations.

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

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

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

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

In FY2011, \$6,157,000 was approved to be transferred from the Cable TV Special Revenue Fund to the General Fund to finance general government operations. The Council intended that this transfer improve the technology infrastructure and productivity support for all County departments.

In FY 2012, \$8,086,000 was approved to be transferred from the Cable TV Special Revenue Fund to the General Fund to finance general government operations. The Council intended that this transfer improve the technology infrastructure and productivity support for all County departments.

The FY 2004 General Fund transfer, the FY 2006 funding for the Automated Traffic Management System, and the FY 2007 funding for technology projects for the Montgomery County portion of the Maryland-National Capital Park and Planning Commission must be repaid without interest according to the following schedule: \$432,000 was paid in FY 2008, \$0 was paid in FY 2009, FY 2010, FY 2011, and FY 2012, and \$0 will be paid in FY 2013.

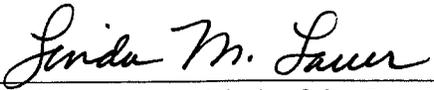
Action

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 2013.

This is a correct copy of Council action.



Linda M. Lauer, Clerk of the Council

FY13 APPROVED CABLE COMMUNICATIONS PLAN (in \$000's)

	App FY11	Act FY11	App FY12	Est. FY12	App FY13	Change fr S	FY12 App %	Proj. FY14	Proj. FY15	Proj. FY16	Proj. FY17	Proj. FY18
1 BEGINNING FUND BALANCE	114	2,735	1,129	2,000	645	(484)	-42.8%	388	1,131	1,165	1,195	1,232
2 REVENUES												
3 Franchise Fees ¹	12,533	13,961	14,997	15,106	15,986	988	6.6%	16,415	16,827	17,160	17,504	17,854
4 Gaithersburg PEG Contribution	164	139	197	198	200	3	1.4%	202	206	210	214	218
5 PEG Operating Support ^{1,2}	2,111	2,092	2,134	2,137	2,180	46	2.2%	0	0	0	0	0
6 PEG Capital Grant ^{1,2,3}	3,484	4,131	4,809	4,861	5,277	468	9.7%	9,753	10,000	10,200	10,406	10,616
7 Verizon - Facilities Grant ¹	200	200	0	-	-	0	n/a	0	0	0	0	0
8 FiberNet Operating & Equipment Grant ³	1,660	1,645	1,678	1,681	1,715	36	2.2%	0	0	0	0	0
9 Interest Earned	30	1	20	-	10	(10)	-50.0%	10	30	60	90	110
10 TFCG Application Review Fees ¹	203	143	246	120	120	(126)	-51.2%	120	120	120	120	120
11 Miscellaneous	0	0	0	-	-	0	n/a	0	0	0	0	0
12 Transfer from the General Fund	0	0	0	-	-	0	n/a	0	0	0	0	0
13 TOTAL ANNUAL REVENUES	20,385	22,312	24,081	24,102	25,487	1,405	5.8%	26,500	27,182	27,750	28,334	28,918
14 TOTAL RESOURCES-CABLE FUND	20,499	25,047	25,210	26,102	26,132	922	3.7%	26,888	28,313	28,915	29,528	30,150
15 EXPENDITURE OF RESTRICTED FUNDS⁴												
16 A. EXPENDITURE OF RESTRICTED CAPITAL FUNDS												
17 Municipal Capital Support												
18 Rockville Equipment	466	624	682	685	744	62	9.1%	944	964	979	997	1,017
19 Takoma Park Equipment	466	582	682	685	744	62	9.1%	829	852	869	887	905
20 Municipal League Equipment	396	582	612	615	674	62	10.2%	801	824	840	857	874
21 SUBTOTAL	1,328	1,788	1,976	1,985	2,163	187	9.5%	2,574	2,640	2,688	2,741	2,796
22 PEG Capital ²	40	76	955	955	1,083	128	13.4%	4,709	4,910	3,737	3,891	5,795
23 Council Community Communications Capital					200	200	n/a					
24 FiberNet - CIP	515	790	2,140	2,140	1,831	(309)	-14.4%	2,470	2,450	3,775	3,775	2,025
25 (Must be greater or equal to Line 6) SUBTOTAL	1,883	2,654	5,071	5,080	5,277	206	4%	9,753	10,000	10,200	10,406	10,616
26 B. EXPENDITURE OF OTHER RESTRICTED FUNDS												
27 Municipal Franchise Fee Distribution												
28 City of Rockville	464	538	559	580	608	49	8.8%	623	632	641	650	663
29 City of Takoma Park	196	216	195	232	235	40	20.8%	238	240	244	249	254
30 Other Municipalities	159	189	221	216	227	6	2.5%	232	236	239	243	248
31 SUBTOTAL	819	943	975	1,028	1,070	95	9.8%	1,093	1,108	1,124	1,143	1,166
32 Municipal Operating Support												
33 Rockville PEG Support	70	70	76	71	73	(3)	-4.2%	0	0	0	0	0
34 Takoma Park PEG Support	70	70	76	71	73	(3)	-4.2%	0	0	0	0	0
35 Muni. League PEG Support	140	70	146	141	143	(3)	-2.2%	0	0	0	0	0
36 SUBTOTAL	280	209	298	284	288	(10)	-3.2%	0	0	0	0	0
37 SUBTOTAL	1,099	1,152	1,272	1,312	1,358	86	6.7%	1,093	1,108	1,124	1,143	1,166
38 TOTAL EXPENDITURES OF RESTRICTED FUNDS	2,982	3,805	6,343	6,392	6,635	292	4.6%	10,846	11,108	11,324	11,549	11,782
39 NET TOTAL ANNUAL REVENUES	17,403	18,507	17,738	17,710	18,852	1,113	6.3%	15,654	16,074	16,427	16,785	17,136
40 NET TOTAL RESOURCES-CABLE FUND	17,517	21,242	18,867	19,710	19,497	630	3.3%	16,042	17,205	17,592	17,979	18,368
41 EXPENDITURES OF NON-RESTRICTED FUNDS												
42 A. Transmission Facilities Coordinating Group												
43 TFCG Application Review	275	275	225	173	175	(50)	-22.2%	180	185	190	195	200
44 SUBTOTAL	275	275	225	173	175	(50)	-22.2%	180	185	190	195	200
45 B. FRANCHISE ADMINISTRATION												
46 Personnel Costs - Cable Administration	794	709	794	799	819	25	3.2%	847	888	930	973	1,019
47 Personnel Costs - DTS Administration	69	56	69	69	72	4	5.3%	75	78	82	86	90
48 Personnel Costs - Charges for County Atty	95	80	98	98	98	0	0.0%	103	108	113	118	123
49 Operating	80	46	70	70	70	(0)	-0.4%	72	74	76	78	80
50 Engineering Services	50	60	30	50	70	40	133.3%	72	74	76	78	80
51 Inspection Services	10	11	0	-	-	0	n/a	0	0	0	0	0
52 Legal and Professional Services	300	299	280	280	275	(5)	-1.8%	283	291	299	307	315
53 SUBTOTAL	1,398	1,261	1,340	1,365	1,404	64	4.7%	1,451	1,513	1,574	1,639	1,706
54 SUBTOTAL	1,673	1,536	1,565	1,538	1,579	14	0.9%	1,631	1,698	1,765	1,834	1,907
55 D. MONTGOMERY COUNTY GOVERNMENT - CCM												
56 Media Production & Engineering												
57 Personnel Costs	781	558	760	688	818	58	7.6%	845	886	927	970	1,016
58 Operating	40	77	35	113	31	(4)	-10.1%	32	33	34	35	36
59 Contracts - TV Production	40	41	32	32	61	29	92.1%	63	65	67	69	70
60 New Media, Webstreaming & VOD Services	38	63	38	38	38	0	0.0%	39	40	41	42	44
61 SUBTOTAL	899	739	865	871	949	84	9.7%	979	1,024	1,069	1,116	1,166
62 Public Information Office												
63 Personnel Costs	705	631	704	656	708	4	0.6%	743	779	815	853	893
64 Operating Expenses	0	1	0	-	-	0	n/a	0	0	0	0	0
65 Contracts - TV Production	83	144	83	83	83	0	0.0%	85	88	90	93	95
66 SUBTOTAL	788	775	787	739	791	4	0.6%	829	867	906	946	988
67 County Council												
68 Personnel Costs	154	154	157	161	157	(0)	-0.2%	164	172	180	189	198
69 Operating Expenses	18	18	13	13	13	0	0.0%	13	14	14	14	15
70 Contracts - TV Production	164	162	164	164	179	15	9.2%	184	190	195	200	205
71 SUBTOTAL	336	334	334	338	349	15	4.4%	362	376	389	403	418
72 MNCPPC												
73 Personnel Costs	83	66	0	-	-	0	n/a	0	0	0	0	0
74 Operating Expenses	0	0	0	-	-	0	n/a	0	0	0	0	0
75 Contracts - TV Production	81	87	81	81	99	18	21.7%	101	104	107	110	113
76 New Media, Webstreaming & VOD Services	24	24	24	24	24	0	1.4%	25	26	26	27	28
77 SUBTOTAL	188	176	105	105	123	18	17.0%	126	130	134	137	141
78 SUBTOTAL	2,211	2,025	2,091	2,053	2,212	121	5.8%	2,297	2,397	2,497	2,602	2,712

FY13 APPROVED CABLE COMMUNICATIONS PLAN (in \$000's)

	App FY11	Act FY11	App FY12	Est. FY12	App FY13	Change fr \$	FY12 App %	Proj. FY14	Proj. FY15	Proj. FY16	Proj. FY17	Proj. FY18
79 E. MONTGOMERY COLLEGE - MC ITV												
80 Personnel Costs	1,174	1,174	1,144	1,144	1,159	15	1.3%	1,216	1,275	1,334	1,396	1,461
81 Operating Expenses	108	108	86	86	86	0	0.0%	88	91	93	96	98
82 New Media, Webstreaming & VOD Services	6	6	0	-	-	0	n/a	0	0	0	0	0
83 SUBTOTAL	1,288	1,288	1,230	1,230	1,245	15	1.2%	1,304	1,366	1,427	1,492	1,560
84 F. PUBLIC SCHOOLS - MCPS ITV												
85 Personnel Costs	1,393	1,393	1,308	1,308	1,341	32	2.5%	1,406	1,474	1,543	1,615	1,691
86 Operating Expenses	98	98	117	117	117	0	0.0%	120	124	127	130	134
87 New Media, Webstreaming & VOD Services	0	0	0	-	-	0	n/a	0	0	0	0	0
88 SUBTOTAL	1,491	1,491	1,425	1,425	1,458	32	2.3%	1,527	1,598	1,670	1,745	1,825
89 G. COMMUNITY ACCESS PROGRAMMING⁴												
90 Personnel Costs	1,869	1,869	1,708	1,708	1,713	5	0.3%	1,818	1,906	1,995	2,088	2,186
91 Operating Expenses	33	33	124	124	124	0	0.2%	128	131	135	138	142
92 Rent & Utilities	457	457	407	407	407	0	0.0%	419	431	442	454	466
93 New Media, Webstreaming & VOD Services	6	6	6	6	6	0	0.0%	6	6	7	7	7
94 SUBTOTAL	2,365	2,365	2,245	2,245	2,250	5	0.2%	2,371	2,475	2,578	2,686	2,801
95 H. WATCHLOCALTV.ORG												
96 Operating Expenses	80	94	46	46	46	(0)	-0.5%	47	48	50	51	52
97 Youth and Arts Community Media	50	41	0	-	25	25	n/a	51	53	54	56	57
98 Multi-Language Production Services (WatchLocalTV.org)	0	0	46	16	46	0	0.0%	47	48	49	51	52
101 Multi-Language Production Services (County Council)			46	46	46	0	0.0%	47	48	49	51	52
102 Closed Captioning	225	179	130	130	130	0	0.0%	170	175	179	184	189
103 Technical Operations Center (TOC)	13	7	10	10	10	0	0.0%	10	11	11	11	11
104 Mobile Production Vehicle	32	17	16	16	16	0	0.0%	16	17	17	18	18
105 SUBTOTAL	400	338	293	263	318	25	8.5%	388	400	410	421	433
106 I. FIBERNET OPERATING												
107 FiberNet - Personnel Charges for DTS	193	172	181	293	456	276	152.4%	471	494	517	541	566
108 FiberNet - Operations & Maintenance DTS	900	778	931	931	1,131	200	21.5%	1,164	1,197	1,229	1,261	1,295
109 FiberNet - Personnel Charges for DOT	46	46	46	46	68	22	48.1%	71	75	78	82	86
110 FiberNet - Operations & Maintenance DOT	198	198	258	258	258	0	0.1%	263	271	278	286	293
111 SUBTOTAL	1,337	1,195	1,416	1,528	1,914	498	35.2%	1,970	2,037	2,102	2,170	2,241
112 J. MISS UTILITY COMPLIANCE												
113 Miss Utility Compliance	0	0	0	-	270	270	n/a	381	392	402	413	424
114 SUBTOTAL	0	0	0	-	270	270	n/a	381	392	402	413	424
115 TOTAL EXPENDITURE OF UNRESTRICTED FUNDS	10,765	10,238	10,265	10,281	11,245	980	9.5%	11,868	12,362	12,852	13,363	13,902
116 TOTAL EXPENDITURE OF RESTRICTED FUNDS	2,982	3,805	6,343	6,392	6,635	292	4.6%	10,846	11,108	11,324	11,549	11,782
117 TOTAL EXPENDITURES - PROGRAMS	13,747	14,043	16,608	16,673	17,880	1,272	7.7%	22,714	23,470	24,175	24,912	25,684
118 K. OTHER												
119 Indirect Costs Transfer to Gen Fund	359	359	369	369	388	19	5.1%	403	422	442	462	484
120 Indirect Costs Transfer to Gen Fund (ERP & MCTime)	34	34	34	34	32	(2)	-6.3%	23	19	19	19	19
121 Transfer to the General Fund	6,157	8,749	8,086	8,086	7,064	(1,022)	-12.6%	2,618	3,237	3,085	2,903	2,700
122 Grants to Organizations (Friendship Hts)	39	39	0	-	-	0	n/a	0	0	0	0	0
123 County Council Community Communications					380	380	n/a					
124 SUBTOTAL	6,589	9,181	8,489	8,489	7,864	(625)	-7.4%	3,043	3,678	3,546	3,384	3,203
125 TOTAL EXPENDITURES	20,336	23,224	25,097	25,162	25,744	647	2.6%	25,757	27,148	27,721	28,296	28,887
126 L. ADJUSTMENTS												
127 Prior Year Adjustments	0	22	0	-	-	0	n/a	0	0	0	0	0
128 Encumbrance Adjustment	0	(199)	0	-	-	0	n/a	0	0	0	0	0
129 CIP - Designated Claim on Fund	0	0	0	295	-	0	n/a	0	0	0	0	0
130 TOTAL ADJUSTMENTS	0	(177)	0	295	-	0	n/a	0	0	0	0	0
131 FUND BALANCE	163	2,900	113	645	388	275	242.5%	1,131	1,165	1,195	1,232	1,263
132 FUND BALANCE PER POLICY GUIDANCE⁵	1,021	1,128	1,221	1,218	1,289	68	5.6%	1,324	1,358	1,387	1,417	1,447
133												
134 M. SUMMARY - EXPENDITURES BY FUNDING SOURCE												
135 Transfer to Gen Fund-Indirect Costs	393	393	403	403	420	17	4.2%	426	441	461	481	503
136 Transfer to Gen Fund-Mont Coll Cable Fund ⁶	1,288	1,288	1,230	1,230	1,245	15	1.2%	1,304	1,366	1,427	1,492	1,560
137 Transfer to Gen Fund-Public Sch Cable Fund ⁶	1,491	1,491	1,425	1,425	1,458	32	2.3%	1,527	1,598	1,670	1,745	1,825
138 Transfer to CIP Fund	515	790	2,140	2,140	1,831	(309)	-14.4%	2,470	2,450	3,775	3,775	2,025
139 Transfer to the General Fund-Other	6,157	8,749	8,086	8,086	7,064	(1,022)	-12.6%	2,618	3,237	3,085	2,903	2,700
140 Transfer to the General Fund-Legislative Branch NDA	0	0	0	-	580	580	n/a	0	0	0	0	0
141 FUND TRANSFERS SUBTOTAL	9,844	12,711	13,284	13,284	12,597	(687)	-5.2%	8,344	9,092	10,418	10,396	8,612
142 Cable Fund Expenditure of Unrestricted Funds	7,986	7,459	7,610	7,626	8,543	933	12.3%	9,037	9,398	9,754	10,126	10,518
143 Cable Fund Direct Expenditures	10,492	10,514	11,813	11,878	13,147	1,334	11.3%	17,413	18,056	17,303	17,900	20,275

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, 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 FiberNet Operating revenue, PEG Operating revenue, and Municipal Operating Support expenditures may be impacted in the outyears. 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 Capital 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. End-of-year reserves is targeted at 8% of total non-restricted revenues (franchise fees, tower fees, and investment income) per policy guidance.
6. The Cable Fund makes a fund transfer to Montgomery College and MCPS to support MCPS ITV and MC ITV.