

Worksession

MEMORANDUM

May 12, 2015

TO: County Council

FROM: Dr. Costis Toregas, Council IT Adviser 

SUBJECT: Supplemental Appropriation to the County Government's FY15 Operating Budget, Department of Technology Services in the amount of \$349,000 for Montgomery Municipal Cable (Source: General Fund Undesignated Reserves)

On April 30, the Government Operations and Fiscal Policy (GO) Committee met to review the Executive's recommended supplemental appropriation to the FY15 Operating Budget, Department of Technology Services, in the amount of \$349,000 for Montgomery Municipal Cable (Source: General Fund Undesignated Reserves). The analytic packet with relevant information from the GO Committee discussion is on ©1-9. The Executive's request is on ©3-5.

Appropriation for this project will fund a one-time agreement with Montgomery Municipal Cable (MMC) and will, in effect, allow for a "swap" of \$769,000 in capital funds that the County will receive from MMC with \$349,000 in operating funds that the County will provide to MMC for operating expenses of its television station. This "swap" will change the source (but not the amount) of \$349,000 of FiberNet funding in FY15. The balance of \$420,000 accruing to the County will go to the General Fund and enable the County to partially offset snow removal and storm clean up expenditures the County incurred during FY15, as included in Supplemental Appropriation request #15-379.

This action impacts two other elements that the Committee has under its purview: the FY15 Cable Plan (©6-7), and the FiberNet CIP project (©8-9).

The FY15 Cable Plan on ©6-7 has been modified to show the decreased revenues available to the FiberNet project from Cable revenues (see line 22 on ©6), and the transfer to the General Fund is increased by an equivalent amount (see line 131 on ©7). Table 1 below summarizes these changes. No changes have been made to the FY16 Cable Plan.

FY15 Cable Plan	Location of Change	Prior Version of Cable Plan	Proposed Version of Cable plan	Difference
FiberNet CIP Funding	Line 22 on ©6	\$3,748,000	\$2,979,000	-\$769,000
Transfer to General Fund	Line 131 on ©7	\$4,266,000	\$5,035,000	+\$769,000

The FiberNet project is made whole in the FiberNet CIP element by shifting the source of the FY15 funding from the Cable Fund to Contributions on ©8.

This action mirrors an identical action approved by the Council during the FY15 budget discussions with the city of Takoma Park (which was implemented recently).

The Government Operations and Fiscal Policy (GO) Committee recommends approval of this supplemental appropriation as recommended by the Executive.

GO COMMITTEE #1
April 30, 2015

Worksession

MEMORANDUM

April 28, 2015

TO: Government Operations and Fiscal Policy Committee *CT*

FROM: Dr. Costis Toregas, Council IT Adviser

SUBJECT: Supplemental Appropriation to the County Government's FY15 Operating Budget, Department of Technology Services in the amount of \$349,000 for Montgomery Municipal Cable (Source: General Fund Undesignated Reserves)

Expected to attend:

Sonny Segal, Chief Information Officer, Department of Technology Services (DTS)
Phil Roter, Cable and Broadband Services Administrator
Dieter Klinger, Chief Operating Officer, DTS
Dennis Hetman, Office of Management and Budget

Staff recommendations:

- 1. Endorse the Executive's recommended supplemental appropriation of \$349,000 for the FY15 Operating Budget of the Department of Technology Services.**

The Executive has requested a supplemental appropriation to the County Government's FY15 Operating Budget, Department of Technology Services, in the amount of \$349,000. The source is General Fund Undesignated Reserves. The Executive's request is on ©1-3.

Appropriation for this project will fund a one-time agreement with Montgomery Municipal Cable (MMC) and will, in effect, allow for a "swap" of \$769,000 in capital funds that the County will receive from MMC with \$349,000 in operating funds that the County will provide to MMC for operating expenses of its television station. This "swap" will change the source (but not the amount) of \$349,000 of FiberNet funding in FY15. The balance of \$420,000 accruing to the County will go to the General Fund and enable the County to partially offset snow removal and storm clean up expenditures the County incurred during FY15, as included in Supplemental Appropriation request #15-379.

This action impacts two other elements that the Committee has under its purview: the FY15 Cable Plan (©4-5), and the FiberNet CIP project (©6-7).

The FY15 Cable Plan on ©4-5 has been modified to show the decreased revenues available to the FiberNet project from Cable revenues (see line 22 on ©4), and the transfer to the General Fund is increased by an equivalent amount (see line 131 on ©5). Table 1 below summarizes these changes. No changes have been made to the FY16 Cable Plan.

FY15 Cable Plan	Location of Change	Prior Version of Cable Plan	Proposed Version of Cable plan	Difference
FiberNet CIP Funding	Line 22 on ©4	\$3,748,000	\$2,979,000	-\$769,000
Transfer to General Fund	Line 131 on ©5	\$4,266,000	\$5,035,000	+\$769,000

The FiberNet project is made whole in the FiberNet CIP element by shifting the source of the FY15 funding from the Cable Fund to Contributions on ©6.

This action mirrors an identical action approved by the Council during the FY15 budget discussions with the city of Takoma Park (which was implemented recently).

A public hearing is scheduled for May 5, 2015 at 1:30 p.m.

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OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

MEMORANDUM

April 24, 2015

TO: George Leventhal, President, County Council
FROM: Isiah Leggett, County Executive *[Signature]*
SUBJECT: Supplemental Appropriation #15-380 to the FY15 Operating Budget
Montgomery County Government
Department of Technology Services
Montgomery Municipal Cable (MMC), \$349,000

RECEIVED
MONTGOMERY COUNTY
COUNCIL

2015 APR 24 PM 12:39

I am recommending a supplemental appropriation to the FY15 Operating Budget of the Department of Technology Services in the amount of \$349,000 to implement an agreement with Montgomery Municipal Cable (MMC). This appropriation will fund the payment of \$349,000 to MMC for operating support in exchange for receiving \$769,000 in PEG capital funding from MMC.

This increase is needed to take advantage of a one-time opportunity to provide operating funding to MMC for its television station in exchange for the County receiving PEG capital funding from MMC. I have also transmitted a recommended amendment to the Fibernet CIP project to include the additional PEG capital funding of \$769,000. This agreement will result in a net increase of \$420,000 to the County. These funds are necessary to partially offset snow removal and storm cleanup expenditures the County incurred during FY15 as included in Supplemental Appropriation request #15-379.

I recommend that the County Council approve this supplemental appropriation in the amount of \$349,000 and specify the source of funds as General Fund Undesignated Reserves.

I appreciate your prompt consideration of this action.

IL:dlm

Attachment: Supplemental Appropriation #15-380

cc: H.N. Segal, Director Department of Technology Services
Jennifer A. Hughes, Director, Office of Management and Budget

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Resolution No: _____

Introduced: _____

Adopted: _____

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: Council President at the Request of the County Executive

**SUBJECT: Supplemental Appropriation #15-380 to the FY15 Operating Budget
Montgomery County Government
Department of Technology Services
Montgomery Municipal Cable (MMC), \$349,000**

Background

1. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week's notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of five Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of six Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.
2. The County Executive has requested the following FY15 Operating Budget appropriation increase for the Department of Technology Services:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Capital Outlay</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$349,000	\$0	\$349,000	General Fund Undesignated Reserves

3. This increase is needed to take advantage of a one-time opportunity to provide operating funding to Montgomery Municipal Cable (MMC) for its television station in exchange for the County receiving \$769,000 of PEG Capital funding from MMC.
4. The County Executive recommends a supplemental appropriation to the FY15 Operating Budget in the amount of \$349,000 for Montgomery Municipal Cable (MMC) operating funds and specifies that the source of funds will be General Fund Undesignated Reserves.
5. Notice of public hearing was given, and a public hearing was held.

Action

The County Council for Montgomery County, Maryland, approves the following action:

A supplemental appropriation to the FY15 Operating Budget of the Department of Technology Services is approved as follows:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Capital Outlay</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$349,000	\$0	\$349,000	General Fund Undesignated Reserves

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council

FY16 CE RECOMMENDED CABLE COMMUNICATIONS PLAN (in \$000's)

	App FY14	Actual FY14	App FY15	EST FY15	CE REC FY16	Proj. FY17	Proj. FY18	Proj. FY19	Proj. FY20	Proj. FY21
1 BEGINNING FUND BALANCE	1,023	817	(422)	136	1,231	299	1,404	1,413	1,422	1,431
2 REVENUES										
3 Franchise Fees ⁴	17,096	16,644	17,002	17,107	17,281	17,405	17,516	17,611	17,717	17,825
4 Gaithersburg PEG Contribution*	189	178	175	172	168	165	162	161	161	161
5 PEG Operating Grant ^{1,4,6}	4,332	2,239	2,289	2,278	4,110	4,027	3,965	3,923	3,920	3,917
6 PEG Capital Grant ^{1,4,6}	5,855	6,064	6,277	6,497	6,298	6,456	6,585	6,683	6,751	6,818
7 FiberNet Operating & Equipment Grant ⁴	0	1,762	1,800	1,792	0	0	0	0	0	0
8 Interest Earned	10	2	0	3	11	22	30	39	48	48
9 TFCG Application Review Fees	100	156	120	150	150	120	120	120	120	120
10 Miscellaneous										
11 TOTAL ANNUAL REVENUES	27,583	27,044	27,663	27,999	28,019	28,193	28,378	28,537	28,716	28,888
12 TOTAL RESOURCES-CABLE FUND	28,606	27,862	27,241	28,135	29,250	28,492	29,782	29,951	30,138	30,318
14 EXPENDITURE OF RESTRICTED FUNDS*										
15 A. EXPENDITURE OF RESTRICTED CAPITAL FUNDS										
16 Municipal Capital Support*										
17 Rockville Equipment	836	855	894	916	946	968	986	1,001	1,012	1,024
18 Takoma Park Equipment	125	855	894	916	946	968	986	1,001	1,012	1,024
19 Municipal League Equipment	125	855	824	916	946	968	986	1,001	1,012	1,024
20 SUBTOTAL	1,086	2,565	2,611	2,747	2,837	2,905	2,959	3,004	3,035	3,071
21 PEG Capital*	852	246	852	852	714	852	2,204	2,580	2,616	2,647
22 FiberNet - CIP	3,916	3,916	3,748	2,979	4,098	3,945	1,422	1,100	1,100	1,100
23 (Must be greater or equal to Line 6) SUBTOTAL	5,855	6,727	7,211	6,578	7,649	7,702	6,585	6,683	6,751	6,818
24 B. EXPENDITURE OF OTHER RESTRICTED FUNDS										
25 Municipal Franchise Fee Distribution*										
26 City of Rockville	682	661	668	693	700	704	708	711	715	719
27 City of Takoma Park	248	245	240	245	245	246	246	247	248	249
28 Other Municipalities	262	263	266	267	271	274	276	278	280	282
29 SUBTOTAL	1,191	1,168	1,174	1,205	1,216	1,223	1,230	1,236	1,243	1,250
30 Municipal Operating Support*										
31 Rockville PEG Support	425	75	76	76	77	79	80	82	86	87
32 Takoma Park PEG Support	425	75	76	76	77	79	80	82	86	87
33 Muni. League PEG Support	425	75	146	76	77	79	80	82	86	87
34 SUBTOTAL	1,275	224	299	228	232	236	241	246	257	261
35 SUBTOTAL	2,466	1,392	1,473	1,433	1,448	1,460	1,471	1,483	1,499	1,511
36 TOTAL EXPENDITURES OF RESTRICTED FUNDS	8,321	8,119	8,684	8,011	9,087	9,161	8,055	8,166	8,250	8,329
37 NET TOTAL ANNUAL REVENUES	19,262	18,926	18,979	19,988	18,922	19,032	20,323	20,371	20,466	20,559
38 NET TOTAL RESOURCES-CABLE FUND	20,285	19,743	18,557	20,124	20,153	19,331	21,727	21,784	21,888	21,990
39 EXPENDITURES OF NON-RESTRICTED FUNDS										
40 A. Transmission Facilities Coordinating Group										
41 TFCG Application Review	175	163	175	175	190	194	198	202	207	211
42 SUBTOTAL	175	163	175	175	190	194	198	202	207	211
43 B. FRANCHISE ADMINISTRATION										
44 Personnel Costs - Cable Administration	834	805	840	840	885	919	956	997	1,040	1,085
45 Personnel Costs - DTS Administration	71	76	76	76	82	85	89	93	97	101
46 Personnel Costs - Charges for County Atty	103	110	110	110	119	123	128	134	139	146
47 Operating	80	74	81	81	75	51	52	53	55	56
48 Engineering & Inspection Services	88	70	88	88	98	99	101	104	106	108
49 Legal and Professional Services	275	174	268.161	268	168	171	175	179	183	187
50 SUBTOTAL	1,450	1,308	1,463	1,463	1,426	1,450	1,502	1,559	1,619	1,682
51 SUBTOTAL	1,625	1,471	1,638	1,638	1,616	1,644	1,700	1,761	1,826	1,894
52 C. MONTGOMERY COUNTY GOVERNMENT - CCM										
53 Media Production & Engineering										
54 Personnel Costs	856	867	907	877	647	673	700	729	761	794
55 Operating	31	10	31	41	31	32	33	33	34	35
56 Contracts - TV Production	86	42	87	77	87	89	91	93	95	97
57 New Media, Webstreaming & VOD Services	38	50	38	48	38	39	40	40	41	42
58 SUBTOTAL	1,012	969	1,064	1,044	804	832	863	896	931	968
59 Public Information Office										
60 Personnel Costs	733	740	774	774	796	828	861	897	936	976
61 Operating Expenses	12	9	12	12	12	12	13	13	13	14
62 Contracts - TV Production	83	98	0	0	0	0	0	0	0	0
63 SUBTOTAL	828	846	787	787	809	840	874	910	949	990
64 County Council										
65 Personnel Costs	169	170	179	179	485	504	525	547	571	595
66 Operating Expenses	13	41	13	13	13	13	14	14	14	14
67 Contracts - TV Production	140	148	152	152	152	154	158	161	165	169
68 General Sessions and Committee Meetings	101	101	101	101	101	103	105	107	110	113
69 Multi-Lingual/Cultural Production Services	91	49	91	91	91	93	95	97	99	101
70 SUBTOTAL	514	509	536	536	842	868	896	926	958	992
71 MNCPPC										
72 Contracts - TV Production	99	95	99	99	99	100	103	105	107	110
73 New Media, Webstreaming & VOD Services	24	23	24	24	24	25	25	26	26	27
74 SUBTOTAL	123	118	123	123	123	125	128	131	134	137
75 SUBTOTAL	2,477	2,442	2,509	2,489	2,578	2,666	2,760	2,863	2,973	3,087

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FY16 CE RECOMMENDED CABLE COMMUNICATIONS PLAN (in \$000's)

		App FY14	Actual FY14	App FY15	EST FY15	CE REC FY16	Proj. FY17	Proj. FY18	Proj. FY19	Proj. FY20	Proj. FY21
76	D. MONTGOMERY COLLEGE - MC ITV										
77	Personnel Costs	1,260	1,260	1,344	1,344	1,456	1,513	1,575	1,641	1,712	1,785
78	Operating Expenses	86	86	86	86	86	88	89	91	94	96
79	SUBTOTAL	1,346	1,346	1,430	1,430	1,542	1,492	1,560	1,560	1,560	1,560
80	E. PUBLIC SCHOOLS - MCPS ITV										
81	Personnel Costs	1,371	1,380	1,490	1,490	1,548	1,609	1,674	1,744	1,820	1,898
82	Operating Expenses	106	97	106	106	106	108	110	112	115	118
83	SUBTOTAL	1,477	1,477	1,596	1,596	1,654	1,717	1,784	1,857	1,935	2,016
84	F. COMMUNITY ACCESS PROGRAMMING*										
85	Personnel Costs	1,904	1,904	1,954	1,954	2,042	2,122	2,208	2,300	2,400	2,503
86	Operating Expenses	67	67	67	67	67	68	71	73	73	75
87	Rent & Utilities	374	374	385	385	396	404	412	421	431	441
88	New Media, Webstreaming & VOD Services	23	23	23	23	23	24	24	25	25	26
89	SUBTOTAL	2,368	2,368	2,429	2,429	2,528	2,618	2,714	2,818	2,929	3,045
90	G. PEG OPERATING										
91	Operating Expenses	107	77	116	116	206	185	189	193	197	202
92	Youth and Arts Community Media	50	50	150	150	100	102	104	106	109	111
93	Community Engagement	91	92	91	91	91	93	95	97	99	101
94	Closed Captioning	130	130	130	130	163	166	170	173	189	189
95	Technical Operations Center (TOC)	10	11	10	10	10	10	10	11	11	11
96	Mobile Production Vehicle	22	13	22	22	19	19	20	20	21	21
97	SUBTOTAL	409	372	518,288	518	590	575	587	600	626	636
98	H. FIBERNET OPERATING										
99	FiberNet - Personnel Charges for DTS	595	490	689	602	727	756	786	819	855	892
100	FiberNet - Operations & Maintenance DTS	1,131	1,143	1,131	1,202	1,126	1,147	1,171	1,197	1,224	1,253
101	FiberNet - Network Operations Center					729	743	758	775	793	811
102	FiberNet - Personnel Charges for DOT	74	74	76	76	101	105	109	114	118	124
103	FiberNet - Operations & Maintenance DOT	238	238	359	359	351	357	365	373	381	390
104	SUBTOTAL	2,038	1,945	2,255	2,240	3,034	3,108	3,189	3,277	3,372	3,470
105	I. MISS UTILITY COMPLIANCE										
106	Miss Utility Compliance	300	305	420	420	420	428	437	447	457	467
107	SUBTOTAL	300	305	420	420	420	428	437	447	457	467
108	TOTAL EXPENDITURE OF UNRESTRICTED FUNDS	12,041	11,727	12,796	12,760	13,963	14,247	14,731	15,182	15,677	16,175
109	TOTAL EXPENDITURE OF RESTRICTED FUNDS	8,321	8,119	8,684	8,011	9,097	9,161	8,055	8,166	8,250	8,329
110	TOTAL EXPENDITURES - PROGRAMS	20,362	19,846	21,480	20,771	23,059	23,408	22,787	23,348	23,927	24,504
111	J. OTHER										
112	Indirect Costs Transfer to Gen Fund	539	539	579	579	614	638	664	692	722	753
113	Indirect Costs Transfer to Gen Fund (ERP & MCTime)	25	25	30	30	-	0	0	0	0	0
114	Transfer to the General Fund	7,175	7,175	4,266	5,035	4,787	2,552	4,428	3,999	3,568	3,133
115	Legislative Community Communications NDA	400	400	488	488	490	490	490	490	490	490
116	SUBTOTAL	8,139	8,139	5,363	6,132	5,891	3,680	5,582	5,181	4,779	4,376
117	TOTAL EXPENDITURES	28,501	27,985	26,843	26,904	28,951	27,089	28,369	28,529	28,707	28,879
118	K. ADJUSTMENTS										
119	Prior Year Adjustments	-	-	0	0	0	0	0	0	0	0
120	Encumbrance Adjustment	-	(271)	0	0	0	0	0	0	0	0
121	Transfer for Vehicle		12	0	0	0	0	0	0	0	0
122	CIP - Designated Claim on Fund			0	0	0	0	0	0	0	0
123	TOTAL ADJUSTMENTS	-	(259)	0	0	0	0	0	0	0	0
124	FUND BALANCE	105	136	398	1,231	299	1,404	1,413	1,422	1,431	1,439
125	FUND BALANCE PER POLICY GUIDANCE⁵	1,377	1,344	1,370	1,381	1,395	1,404	1,413	1,422	1,431	1,439
126	L. SUMMARY - EXPENDITURES BY FUNDING SOURCE										
127	Transfer to Gen Fund-Indirect Costs	564	564	610	610	614	638	664	692	722	753
128	Transfer to Gen Fund-Mont Coll Cable Fund ⁶	1,346	1,346	1,430	1,430	1,542	1,492	1,560	1,560	1,560	1,560
129	Transfer to Gen Fund-Public Sch Cable Fund ⁶	1,477	1,477	1,596	1,596	1,654	1,717	1,784	1,857	1,935	2,016
130	Transfer to CIP Fund	3,916	3,916	3,748	2,979	4,098	3,945	4,422	1,100	1,100	1,100
131	Transfer to the General Fund-Other	7,175	7,175	4,266	5,035	4,787	2,552	4,428	3,999	3,568	3,133
132	Transfer to the General Fund-Legislative Branch NDA	400	400	488	488	490	490	490	490	490	490
133	FUND TRANSFERS SUBTOTAL	14,878	14,878	12,137	12,137	13,186	10,834	10,348	9,698	9,374	9,052
134	Cable Fund Expenditure of Unrestricted Funds	9,218	8,904	9,770	9,735	10,766	11,038	11,387	11,765	12,182	12,599
135	Cable Fund Direct Expenditures	13,623	13,107	14,706	14,767	15,765	16,255	18,020	18,831	19,333	19,827
136	Cable Fund Personnel	3,434	3,330	3,651	3,535	3,843	3,993	4,155	4,329	4,516	4,711
137	Cable Fund Operating	10,189	9,777	11,055	11,232	11,922	12,262	13,866	14,502	14,816	15,116

Notes: These projections are based on the Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, transfers, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors.

- Subject to municipal pass-through payment.
- 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 Revenues) 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.
- The Comcast franchise renewal process is ongoing and specific elements of a final agreement are uncertain. Restricted categories such as PEG Capital and Operating support revenues, as well as Municipal Capital and Operating Support expenditures, will be affected. Municipal cost sharing is dependent on final negotiation of agreements between the County and municipalities. The County may require Capital Grants based on community needs. The County may negotiate, but may not require Operating Grants in addition to Franchise Fees. FY16-FY21 assumes that the County will receive payments from Comcast calculated at a new franchise agreement, but assumes Municipal payments as similar to the previous franchise agreement.
- Montgomery Community Television, Inc., d/b/s Montgomery Community Media, is designated as a sole source contractor to provide community access media services.
- Fund balance per policy guidance is calculated as 8% of total non-restricted revenues (franchise fees, tower fees, and investment income).
- The Cable Fund makes a fund transfer to Montgomery College and MCPS to support MCPS ITV and MC ITV.

Category General Government
 Sub Category Technology Services
 Administering Agency Technology Services (AAGE05)
 Planning Area Countywide

Date Last Modified 11/17/14
 Required Adequate Public Facility No
 Relocation Impact None
 Status Ongoing

Total	Thru FY14	Rem FY14	Total 6 Years	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	Beyond 6 Yrs
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EXPENDITURE SCHEDULE (\$000s)

Planning, Design and Supervision	3,046	1,651	1,395	0	0	0	0	0	0	0
Land	4	4	0	0	0	0	0	0	0	0
Site Improvements and Utilities	13,568	13,393	0	175	175	0	0	0	0	0
Construction	16,881	1,487	3,112	12,282	4,240	2,375	2,345	1,322	1,000	1,000
Other	27,833	24,108	0	3,725	102	1,723	1,600	100	100	100
Total	61,332	40,643	4,507	16,182	4,517	4,098	3,945	1,422	1,100	1,100

FUNDING SCHEDULE (\$000s)

Cable TV	48,452	29,557	4,251	14,644	2,979	4,098	3,945	1,422	1,100	1,100	0
Contributions	1,624	86	0	1,538	1,538	0	0	0	0	0	0
Current Revenue: General	256	0	256	0	0	0	0	0	0	0	0
G.O. Bonds	4,074	4,074	0	0	0	0	0	0	0	0	0
PAYGO	6,926	6,926	0	0	0	0	0	0	0	0	0
Total	61,332	40,643	4,507	16,182	4,517	4,098	3,945	1,422	1,100	1,100	0

OPERATING BUDGET IMPACT (\$000s)

Maintenance				864	580	27	37	62	70	88
Net Impact				864	580	27	37	62	70	88

APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 16	4,098
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		49,667
Expenditure / Encumbrances		40,643
Unencumbered Balance		9,024

Date First Appropriation	FY 96
First Cost Estimate	
Current Scope	FY 15 61,332
Last FY's Cost Estimate	61,332

Description

This project provides for the planning, design, and installation of a County wide fiber optic cable-based communication network with the capacity to support voice, public-safety, traffic management, data, Internet access, wireless networking and video transmissions among Montgomery County Government (MCG), Montgomery County Public Schools (MCPS), Montgomery College (MC), Maryland National Capital Park and Planning Commission (M-NCPCC), Housing Opportunities Commission (HOC) and Washington Suburban Sanitary Commission (WSSC) facilities. FiberNet is also the communications backbone for the Public Safety Radio and Public Safety Mobile Data Systems (collectively, Public Safety Communications System PSCS), and future technology implementations. FiberNet has an estimated useful life of at least 20 years. Upgrades and replacements to electronic components in the core and at user sites will be required periodically throughout the service life.

Capacity

FiberNet II is a state-of-the-art multiservice wide area network (WAN) platform with the capacity to deliver 100 megabit/second, one and ten gigbit per second WAN links to ITPCC participating agencies. These links make possible thousands of Internet sessions, data transfers, voice calls and most importantly critical Montgomery County Government public safety, traffic management and resident facing services.

Estimated Schedule

At the end of FY13, FiberNet reached 340 locations. Based on the current funding schedule, FiberNet is scheduled to reach 467 locations by the end of FY14; 487 locations by the end of FY15; 507 locations by the end of FY16; and 523 locations by the end of FY17. Today, the Traffic Management network reaches over 200 traffic cameras and 830 traffic signals with plans to add 200 pedestrian safety beacons. By the end of FY17, FiberNet is expected to have a total of more than 1,750 sites on the network serving a wide variety of facilities from pedestrian beacons to major campus networks or building complexes.

Justification

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FiberNet is a critical infrastructure asset serving every agency in Montgomery County. As of June 30, 2013, 340 sites are on-net and receiving critical services over FiberNet. In FY07, the Department of Technology Services (DTS) completed the re-engineering of FiberNet (now referred to as FiberNet II) to directly support high speed connections. This provides a core network that is technologically more robust and less expensive to operate on a per-site basis than any commercial service or its predecessor FiberNet I. The Interagency Technology Policy Coordination Committee (ITPCC) focus remains to be completing the MCPS and HOC sites targeted in the ARRA grant, performing hubsite upgrades, adding new sites and constructing inter-jurisdictional connections to enable cost-effective future technology partnerships. MCG, MCPS, MC, M-NCPPC, HOC and WSSC require substantially increased communication services and bandwidth in order to deliver services to their clients, students and staff. As locations are connected to FiberNet, the County will be able to provide communications services to those facilities more cost-effectively by using FiberNet than by using leased telecommunications services. Studies include: FiberNet Master Plan; RAM Comm. Mar 1995; FiberNet Eval. Rpt., TRW, Sept 1997; FiberNet Proj. Cost Est., ARINC, Apr 1998; FiberNet Proj. Cost-Benefit Analysis, ARINC, Oct 1998; FiberNet Strategic Plan, PrimeNet, June 2002; FiberNet Strategic Direction, Interagency Telecommunications Advisory Group (ITAG), Nov 2003; and the FiberNet service level agreement, Jan 2005.

Other

DTS is responsible for project management, network operations, and maintenance of electronics, while the Department of Transportation (DOT) is responsible for installation and maintenance of the fiber optic cable. Comcast, at DTS's direction, provides dark fiber used to connect several locations to FiberNet. On-net sites include MCG departments/offices, public safety sites, Montgomery College campuses, MCPS elementary, middle, and high schools plus several administrative facilities, M-NCPPC sites, HOC sites and WSSC sites including the headquarters building in Prince Georges County. The municipalities of Takoma Park, Gaithersburg and Rockville are on FiberNet as well as several cultural centers including the American Film Institute (AFI), the Fillmore, Strathmore, Bethesda Performing Arts, the Convention Center, Olney Theatre, and Black Rock. Currently FiberNet is focused on completing the ARRA Grant-funded sites, which includes the remaining MCPS elementary schools and 21 HOC properties. Funding for these projects is included in the FY15-FY20 CIP. In June 2012, the ITPCC approved a Policy Guideline for Special Allocation of FiberNet Resources. This proposed policy governs special fiber resource allocation decisions for FiberNet for all participating ITPCC agencies. ITPCC has approved a special allocation request by Montgomery College for creation of a College Fiber Network that would permit MC communications traffic to be routed over dedicated optical fibers within FiberNet's physical plant on electronics owned and operated by the College. In December 2012, the County and MC entered into a separate Memorandum of Understanding (MOU) to address the use and expansion of FiberNet by the College. Agency FiberNet MOUs and Service Level Agreements (SLAs) will be updated and revised as needed to reflect the ongoing FiberNet operating network.

Fiscal Note

The ARRA Grant terminated on August 31, 2013. This grant represented a tremendous cost savings to Montgomery County. The County has received the benefit of over \$11.1 million dollars in fiber construction and networking equipment for a matching contribution of \$2.6 million. The matching contribution was funded as part of the FY12 and FY13 FiberNet CIP and was composed of cash and in-kind matches. FiberNet maintenance is supported by a grant contained in the Comcast franchise agreement, one of the County's cable service providers. The original grant amount of \$1.2 million/yr is increased by the CPI each year. In the renewed Comcast franchise, the County expects to receive operating support and franchise fee revenues which can be used to support FiberNet maintenance and operations. Capital support received from the Verizon and RCN franchises can be used to support construction of FiberNet through the FiberNet CIP. In FY14 Current Revenue General funding was shifted from the Information Technology: College (P856509) project to complete FiberNet expansion to College sites in accordance with the terms of the MOU. The City of Takoma Park and the Maryland Municipal League will each be contributing \$769,000 in FY15 for FiberNet projects in the County.

Coordination

DTS, Department of Transportation, Advanced Transportation Management System Project, Montgomery County Public Schools, M-NCPPC, MC, HOC, WSSC, Comcast, Public Safety Radio System, Information Technology Policy Coordination Committee (ITPCC), ITPCC CIO Subcommittee, Interagency Technology Advisory Group (ITAG), CIO Howard County, Inter-County Broadband Network Program Office

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