

Resolution No.:	<u>17-1119</u>
Introduced:	<u>May 22, 2014</u>
Adopted:	<u>May 22, 2014</u>

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: County Council

SUBJECT: Approval of the FY 2015 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 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.”
10. 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 2015, 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 2015. Resources appropriated in FY 2015 that are not encumbered by the County on or before June 30, 2015 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 2015 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), doing business as Montgomery Community Media (MCM), 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 2015 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 2014 calendar year.
8. FY 2016-2021 Cable Plan: The Executive must submit a preliminary six-year Cable Communications Plan for FY 2016 through FY 2021 to the Council no later than January 15, 2015. The Executive submitted a preliminary six-year Cable Communications Plan for FY 2015 through FY 2020 to the Council on January 15, 2014. The Preliminary Cable Communications Plan must include: (a) a list of known PEG activities and funding needs for FY 2016 through FY 2021; (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 2016 through FY 2021.
9. Reporting Requirements: The Executive must submit a quarterly summary report to the Council detailing revenues received by source for the Cable Plan and the levels of the Cable Fund Balance at the close of the prior quarter. The intent is to ensure that all revenues beyond those foreseen in the approved Cable Plan are explicitly identified and allocated by the Government Operations and Fiscal Policy Committee.

FY 2015 Cable Communications Plan Description

The FY 2015 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 the Legislative Branch Communications Outreach non-departmental account (NDA); for the Interagency Technology Fund (ITF); 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 2015:

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 2015 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 2015, funds are allocated for PEG equipment replacement, 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 Governance Board 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 Broadband Services. Before spending any funds for this purpose, the PEG Governance Board 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 Broadband Services, and acquiring equipment that facilitates the sharing of resources with other 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 Governance Board may spend funds allocated for PEG joint Programming/Promotion, the Governance Board must report its general plans to the Council and the Executive.

In FY 2015, funds are allocated to support a full-time community engagement contractor to produce multicultural and multi-lingual programming for the all County PEG stations, and for a full-time contractor to provide public information and cable programming services for the Council in Spanish and other languages.

In FY 2015, \$150,000 is allocated to the Gandhi Brigade to support and expand its Youth and Arts Community Media efforts.

Institutional Telecommunications

- K. For FY 2015, 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 continues to expand the FiberNet network to meet the telecommunications needs of County agency facilities. The Department of Technology Services must develop and implement 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 signed on December 26, 2012, as well as approval by the Interagency Technology Policy and Coordination Committee.

Support of Legislative Branch Communications Outreach NDA

- L. In FY 2015, the Council approved a transfer of \$488,000 to the Legislative Branch Communications Outreach NDA to 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.

Support of the Interagency Technology Fund (ITF)

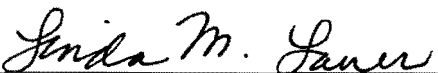
- M. In FY 2015, the Interagency Technology Fund will receive \$125,000 to fund priority projects as approved by the ITPCC.

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 2015.

This is a correct copy of Council action.


Linda M. Lauer, Clerk of the Council

FY15 APPROVED CABLE COMMUNICATIONS PLAN (in \$000's)

		App FY13	Act FY13	App FY14	3q Est FY14	App FY15	Proj. FY16	Proj. FY17	Proj. FY18	Proj. FY19	Proj. FY20
1	BEGINNING FUND BALANCE	645	467	1,023	817	(422)	398	914	1,419	1,439	1,463
2	REVENUES										
3	Franchise Fees ¹	15,986	15,996	17,096	16,629	17,002	17,239	17,438	17,711	17,992	18,278
4	Gaithersburg PEG Contribution ²	200	187	189	178	175	174	174	176	178	179
5	PEG Operating Grant ^{1,2,3}	2,180	2,200	4,332	2,239	2,289	2,339	2,391	2,443	2,497	2,552
6	PEG Capital Grant ^{1,2,3}	5,277	5,544	5,855	5,983	6,277	6,446	6,572	6,701	6,835	7,037
7	FiberNet Operating & Equipment Grant ⁴	1,715	1,731	0	1,762	1,800	1,840	1,880	1,922	1,964	2,007
8	Interest Earned	10	0	10	0	0	0	0	0	0	0
9	TFCG Application Review Fees	120	59	100	100	120	120	120	120	120	120
10	Miscellaneous	-	687	-	-	0	0	0	0	0	0
12	TOTAL ANNUAL REVENUES	25,487	26,405	27,583	26,891	27,663	28,158	28,575	29,073	29,585	30,174
13	TOTAL RESOURCES-CABLE FUND	26,132	26,872	28,606	27,708	27,241	28,556	29,489	30,491	31,025	31,636
14	EXPENDITURE OF RESTRICTED FUNDS⁵										
15	A. EXPENDITURE OF RESTRICTED CAPITAL FUNDS										
16	Municipal Capital Support⁶										
17	Rockville Equipment	744	789	836	850	894	918	936	954	973	993
18	Takoma Park Equipment	744	794	125	850	894	918	936	954	973	993
19	Municipal League Equipment	674	719	125	850	824	848	866	884	903	923
20	SUBTOTAL	2,163	2,303	1,086	2,551	2,611	2,683	2,737	2,792	2,850	2,909
21	PEG Capital⁶	1,083	1,086	852	237	852	852	852	2,487	2,885	3,028
22	Council Community Communications Capital	200	200	-	-	-	-	-	-	-	-
23	FiberNet - CIP	1,831	1,002	3,916	3,916	3,748	4,098	3,945	1,422	1,100	1,100
24	(Must be greater or equal to Line 6) SUBTOTAL	5,277	4,591	5,855	6,705	7,211	7,633	7,534	6,701	6,835	7,037
25	B. EXPENDITURE OF OTHER RESTRICTED FUNDS										
26	Municipal Franchise Fee Distribution⁶										
27	City of Rockville	608	636	682	658	668	675	682	692	703	713
28	City of Takoma Park	235	253	248	243	240	241	242	245	249	252
29	Other Municipalities	227	241	262	259	266	271	275	279	284	289
30	SUBTOTAL	1,070	1,130	1,191	1,161	1,174	1,187	1,199	1,217	1,235	1,254
31	Municipal Operating Support⁶										
32	Rockville PEG Support	73	73	425	75	76	78	80	83	86	90
33	Takoma Park PEG Support	73	73	425	75	76	78	80	83	86	90
34	Muni. League PEG Support	143	143	425	75	146	148	150	153	156	160
35	SUBTOTAL	288	290	1,275	224	299	305	311	319	329	339
36	SUBTOTAL	1,358	1,420	2,466	1,384	1,473	1,492	1,510	1,536	1,564	1,593
37	TOTAL EXPENDITURES OF RESTRICTED FUNDS	6,635	6,011	8,321	8,089	8,684	9,124	9,044	8,237	8,398	8,630
38	NET TOTAL ANNUAL REVENUES	18,852	20,394	19,262	18,802	18,979	19,033	19,531	20,836	21,187	21,543
39	NET TOTAL RESOURCES-CABLE FUND	19,497	20,861	20,285	19,619	18,557	19,431	20,445	22,254	22,626	23,006
40	EXPENDITURES OF NON-RESTRICTED FUNDS										
41	A. Transmission Facilities Coordinating Group										
42	TFCG Application Review	175	175	175	175	175	179	185	191	198	206
43	SUBTOTAL	175	175	175	175	175	179	185	191	198	206
44	B. FRANCHISE ADMINISTRATION										
45	Personnel Costs - Cable Administration	819	773	834	834	840	878	921	970	1,025	1,088
46	Personnel Costs - DTS Administration	72	72	71	71	76	79	83	88	93	98
47	Personnel Costs - Charges for County Atty	98	98	103	103	110	115	120	127	134	142
48	Operating	70	141	80	72	81	83	85	88	91	95
49	Engineering & Inspection Services	70	86	88	76	88	90	93	96	99	104
50	Legal and Professional Services	275	289	275	200	268	275	283	292	303	315
51	SUBTOTAL	1,404	1,458	1,450	1,356	1,463	1,520	1,585	1,660	1,745	1,842
52	SUBTOTAL	1,579	1,633	1,625	1,531	1,638	1,699	1,770	1,851	1,943	2,048
53	C. MONTGOMERY COUNTY GOVERNMENT - CCM										
54	Media Production & Engineering										
55	Personnel Costs	818	688	856	856	907	948	994	1,047	1,106	1,174
56	Operating	31	54	31	28	31	32	33	34	36	37
57	Contracts - TV Production	61	63	86	86	87	90	92	95	99	103
58	New Media, Webstreaming & VOD Services	38	41	38	38	38	39	40	41	43	45
59	SUBTOTAL	949	845	1,012	1,009	1,064	1,108	1,160	1,218	1,284	1,358
60	Public Information Office										
61	Personnel Costs	708	717	733	733	774	809	849	894	945	1,003
62	Operating Expenses	-	-	12	11	12	13	13	13	14	14
63	Contracts - TV Production	83	84	83	83	0	0	0	0	0	0
64	SUBTOTAL	791	801	828	827	787	822	862	907	959	1,017
65	County Council										
66	Personnel Costs	157	160	169	169	179	187	197	207	219	232
67	Operating Expenses	13	12	13	12	13	13	14	14	15	15
68	Contracts - TV Production	136	136	140	140	152	155	160	165	171	178
69	General Sessions and Committee Meetings	43	43	101	101	101	104	107	110	114	119
70	Multi-Lingual/Cultural Production Services	46	46	91	91	91	93	96	99	103	107
71	SUBTOTAL	394	397	514	513	536	553	573	596	622	652
72	MNCPPC										
73	Contracts - TV Production	99	99	99	99	99	101	104	107	111	116
74	New Media, Webstreaming & VOD Services	24	17	24	24	24	25	26	27	27	29
75	SUBTOTAL	123	116	123	123	123	126	130	134	139	145
76	SUBTOTAL	2,258	2,159	2,477	2,472	2,509	2,609	2,724	2,855	3,003	3,172

FY15 APPROVED CABLE COMMUNICATIONS PLAN (in \$000's)

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77	D. MONTGOMERY COLLEGE - MC ITV										
78	Personnel Costs	1,159	1,159	1,260	1,260	1,344	1,404	1,473	1,551	1,640	1,740
79	Operating Expenses	86	86	86	86	86	88	91	94	97	101
80	SUBTOTAL	1,245	1,245	1,346	1,346	1,430	1,427	1,492	1,560	1,560	1,560
81	E. PUBLIC SCHOOLS - MCPS ITV										
82	Personnel Costs	1,341	1,352	1,371	1,380	1,490	1,557	1,633	1,720	1,818	1,929
83	Operating Expenses	117	106	106	97	106	108	112	115	119	124
84	SUBTOTAL	1,458	1,458	1,477	1,477	1,596	1,665	1,745	1,835	1,937	2,053
85	F. COMMUNITY ACCESS PROGRAMMING*										
86	Personnel Costs	1,713	1,793	1,904	1,904	1,954	2,042	2,142	2,255	2,384	2,529
87	Operating Expenses	124	67	67	67	67	69	71	73	76	79
88	Rent & Utilities	407	367	374	374	385	395	406	420	435	453
89	New Media, Webstreaming & VOD Services	6	23	23	23	23	24	25	25	26	27
90	SUBTOTAL	2,250	2,250	2,369	2,369	2,429	2,529	2,643	2,774	2,921	3,089
91	G. PEG OPERATING										
92	Operating Expenses	46	57	107	102	116	119	122	126	131	136
93	Youth and Arts Community Media	25	26	50	50	150	154	158	163	169	176
94	Community Engagement	46	30	91	91	91	93	96	99	103	107
95	Closed Captioning	130	130	130	130	130	133	137	142	147	189
96	Technical Operations Center (TOC)	10	8	10	9	10	10	11	11	11	11
97	Mobile Production Vehicle	16	10	22	21	22	22	23	23	24	25
98	SUBTOTAL	272	260	409	403	518	531	547	565	586	645
99	H. FIBERNET OPERATING										
100	FiberNet - Personnel Charges for DTS	456	330	595	518	689	720	755	795	840	892
101	FiberNet - Operations & Maintenance DTS	1,131	1,110	1,131	1,175	1,131	1,159	1,193	1,232	1,278	1,330
102	FiberNet - Personnel Charges for DOT	68	68	74	74	76	80	84	88	93	99
103	FiberNet - Operations & Maintenance DOT	258	258	238	238	359	368	379	391	406	423
104	SUBTOTAL	1,914	1,767	2,038	2,005	2,255	2,327	2,410	2,507	2,617	2,743
105	I. MISS UTILITY COMPLIANCE										
106	Miss Utility Compliance	270	572	300	300	420	431	443	458	475	494
107	SUBTOTAL	270	572	300	300	420	431	443	458	475	494
108	TOTAL EXPENDITURE OF UNRESTRICTED FUNDS	11,245	11,344	12,041	11,902	12,796	13,219	13,774	14,403	15,042	15,804
109	TOTAL EXPENDITURE OF RESTRICTED FUNDS	6,635	6,011	8,321	8,089	8,684	9,124	9,044	8,237	8,398	8,630
110	TOTAL EXPENDITURES - PROGRAMS	17,880	17,355	20,362	19,991	21,480	22,343	22,818	22,640	23,440	24,434
111	J. OTHER										
112	Indirect Costs Transfer to Gen Fund	388	388	539	539	579	606	635	669	707	750
113	Indirect Costs Transfer to Gen Fund (ERP & MCITV)	32	32	25	25	30	0	0	0	0	0
114	Transfer to the General Fund	7,064	7,064	7,175	7,175	4,266	4,203	4,125	5,247	4,915	4,463
116	Legislative Community Communications NDA	380	380	400	400	488	490	493	496	500	504
117	Interagency Technology Fund ⁷					0					
118	SUBTOTAL	7,864	7,864	8,139	8,139	5,363	5,299	5,253	6,412	6,122	5,717
119	TOTAL EXPENDITURES	25,744	25,218	28,501	28,130	26,843	27,642	28,071	29,052	29,562	30,151
120	K. ADJUSTMENTS										
121	Prior Year Adjustments	-	-	-	0	0	0	0	0	0	0
122	Encumbrance Adjustment	-	837	-	0	0	0	0	0	0	0
123	CIP - Designated Claim on Fund	-	-	-	0	0	0	0	0	0	0
124	TOTAL ADJUSTMENTS	-	837	-	0	0	0	0	0	0	0
125	FUND BALANCE	388	817	105	(422)	398	914	1,419	1,439	1,463	1,486
126	FUND BALANCE PER POLICY GUIDANCE⁵	1,289	1,284	1,377	1,338	1,370	1,389	1,405	1,426	1,449	1,472
127	L. SUMMARY - EXPENDITURES BY FUNDING SOURCE										
128	Transfer to Gen Fund-Indirect Costs	420	420	564	564	610	606	635	669	707	750
129	Transfer to Gen Fund-Mont Coll Cable Fund ⁶	1,245	1,245	1,346	1,346	1,430	1,427	1,492	1,560	1,560	1,560
130	Transfer to Gen Fund-Public Sch Cable Fund ⁶	1,458	1,458	1,477	1,477	1,596	1,665	1,745	1,835	1,937	2,053
131	Transfer to CIP Fund	1,831	1,002	3,916	3,916	3,748	4,098	3,945	1,422	1,100	1,100
132	Transfer to the General Fund-Other	7,064	7,064	7,175	7,175	4,266	4,203	4,125	5,247	4,915	4,463
133	Transfer to the General Fund-Legislative Branch NDA	580	580	400	400	488	490	493	496	500	504
134	FUND TRANSFERS SUBTOTAL	12,597	11,768	14,878	14,878	12,137	12,489	12,434	11,229	10,719	10,430
135	Cable Fund Expenditure of Unrestricted Funds	8,543	8,641	9,218	9,078	9,770	10,126	10,537	11,008	11,545	12,190
136	Cable Fund Direct Expenditures	13,147	13,450	13,623	13,251	14,706	15,153	15,636	17,823	18,843	19,721
137	Cable Fund Personnel	3,197	2,906	3,434	3,357	3,651	3,816	4,003	4,215	4,455	4,727
138	Cable Fund Operating	9,950	10,544	10,189	9,894	11,055	11,337	11,634	13,608	14,388	14,994

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 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.
- 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 dependant 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. FY15-FY18 assumes that the County will receive payments from Comcast calculated at the same rate as the previous franchise agreement.
- Montgomery Community Television, Inc., d/b/a 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.
- There is no transfer to the ITF this year, however Council has designated \$97,000 for DTS for ITPCC projects in DTS and \$125,000 for ITPCC use this year.