

Resolution No.:	<u>18-158</u>
Introduced:	<u>May 21, 2015</u>
Adopted:	<u>May 21, 2015</u>

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: County Council

SUBJECT: Approval of the FY 2016 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 2016, 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 2016. Resources appropriated in FY 2016 that are not encumbered by the County on or before June 30, 2016 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 2016 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 2016 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 2015 calendar year.
8. FY 2017-2022 Cable Plan: The Executive must submit a preliminary six-year Cable Communications Plan for FY 2017 through FY 2022 to the Council no later than January 15, 2016. The Executive submitted a preliminary six-year Cable Communications Plan for FY 2016 through FY 2021 to the Council on January 15, 2015. The Preliminary Cable Communications Plan must include: (a) a list of known PEG activities and funding needs for FY 2017 through FY 2022; (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 2017 through FY 2022.
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 2016 Cable Communications Plan Description

The FY 2016 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 2016:

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 2016 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 2016, 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 2016, funds are allocated to support a full-time community engagement contractor to produce multicultural and multi-lingual programming for 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.

Institutional Telecommunications

- K. For FY 2016, 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 2016, the Council approved a transfer of \$490,000 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)

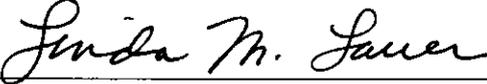
- M. In FY 2016, the Interagency Technology Fund will not receive any funding to support priority projects as approved by the ITPCC.

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 2016.

This is a correct copy of Council action.



Linda M. Lauer, Clerk of the Council

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

	App FY14	Actual FY14	App FY15	EST FY15	App 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 ¹	17,096	16,644	17,002	17,107	17,281	17,405	17,516	17,611	17,717	17,825
4 Gaithersburg PEG Contribution ³	189	178	175	172	168	165	162	161	161	161
5 PEG Operating Grant ^{1,2,3}	4,332	2,239	2,289	2,278	4,110	4,027	3,965	3,923	3,920	3,917
6 PEG Capital Grant ^{1,2,3}	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 ²	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 TOTAL ANNUAL REVENUES	27,583	27,044	27,663	27,999	28,019	28,193	28,378	28,537	28,716	28,888
11 TOTAL RESOURCES-CABLE FUND	28,606	27,862	27,241	28,135	29,250	28,492	29,782	29,951	30,138	30,318
12 EXPENDITURE OF RESTRICTED FUNDS²										
13 A. EXPENDITURE OF RESTRICTED CAPITAL FUNDS										
14 Municipal Capital Support³										
15 Rockville Equipment	836	855	894	916	946	968	986	1,001	1,012	1,024
16 Takoma Park Equipment	125	855	894	916	946	968	986	1,001	1,012	1,024
17 Municipal League Equipment	125	855	824	916	946	968	986	1,001	1,012	1,024
18 SUBTOTAL	1,086	2,565	2,611	2,747	2,837	2,905	2,959	3,004	3,035	3,071
19 PEG Capital ³	852	246	852	852	714	852	2,204	2,580	2,616	2,647
20 FiberNet - CIP	3,916	3,916	3,748	2,979	4,098	3,945	1,422	1,100	1,100	1,100
21 (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
22 B. EXPENDITURE OF OTHER RESTRICTED FUNDS										
23 Municipal Franchise Fee Distribution³										
24 City of Rockville	682	661	668	693	700	704	708	711	715	719
25 City of Takoma Park	248	245	240	245	245	246	246	247	248	249
26 Other Municipalities	262	263	266	267	271	274	276	278	280	282
27 SUBTOTAL	1,191	1,168	1,174	1,205	1,216	1,223	1,230	1,236	1,243	1,250
28 Municipal Operating Support³										
29 Rockville PEG Support	425	75	76	76	77	79	80	82	86	87
30 Takoma Park PEG Support	425	75	76	76	77	79	80	82	86	87
31 Muni. League PEG Support	425	75	146	76	77	79	80	82	86	87
32 SUBTOTAL	1,275	224	299	228	232	236	241	246	257	261
33 SUBTOTAL	2,466	1,392	1,473	1,433	1,448	1,460	1,471	1,483	1,499	1,511
34 TOTAL EXPENDITURES OF RESTRICTED FUNDS	8,321	8,119	8,684	8,011	9,097	9,161	8,055	8,166	8,250	8,329
35 NET TOTAL ANNUAL REVENUES	19,262	18,926	18,979	19,988	18,922	19,032	20,323	20,371	20,466	20,559
36 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
37 EXPENDITURES OF NON-RESTRICTED FUNDS										
38 A. Transmission Facilities Coordinating Group										
39 TFCG Application Review	175	163	175	175	190	194	198	202	207	211
40 SUBTOTAL	175	163	175	175	190	194	198	202	207	211
41 B. FRANCHISE ADMINISTRATION										
42 Personnel Costs - Cable Administration	834	805	840	840	885	919	956	997	1,040	1,085
43 Personnel Costs - DTS Administration	71	76	76	76	82	85	89	93	97	101
44 Personnel Costs - Charges for County Atty	103	110	110	110	119	123	128	134	139	146
45 Operating	80	74	81	81	75	51	52	53	55	56
46 Engineering & Inspection Services	88	70	88	88	98	99	101	104	106	108
47 Legal and Professional Services	275	174	268.161	268	168	171	175	179	183	187
48 SUBTOTAL	1,450	1,308	1,463	1,463	1,426	1,450	1,502	1,559	1,619	1,682
49 SUBTOTAL	1,625	1,471	1,638	1,638	1,616	1,644	1,700	1,761	1,826	1,894
50 C. MONTGOMERY COUNTY GOVERNMENT - CCM										
51 Media Production & Engineering										
52 Personnel Costs	856	867	907	877	647	673	700	729	761	794
53 Operating	31	10	31	41	31	32	33	33	34	35
54 Contracts - TV Production	86	42	87	77	87	89	91	93	95	97
55 New Media, Webstreaming & VOD Services	38	50	38	48	38	39	40	40	41	42
56 SUBTOTAL	1,012	969	1,064	1,044	804	832	863	896	931	968
57 Public Information Office										
58 Personnel Costs	733	740	774	774	796	828	861	897	936	976
59 Operating Expenses	12	9	12	12	12	12	13	13	13	14
60 Contracts - TV Production	83	98	0	0	0	0	0	0	0	0
61 SUBTOTAL	828	846	787	787	809	840	874	910	949	990
62 County Council										
63 Personnel Costs	169	170	179	179	485	504	525	547	571	595
64 Operating Expenses	13	41	13	13	13	13	14	14	14	14
65 Contracts - TV Production	140	148	152	152	152	154	158	161	165	169
66 General Sessions and Committee Meetings	101	101	101	101	101	103	105	107	110	113
67 Multi-Lingual/Cultural Production Services	91	49	91	91	91	93	95	97	99	101
68 SUBTOTAL	514	509	536	536	842	868	896	926	958	992
69 MNCPCC										
70 Contracts - TV Production	99	95	99	99	99	100	103	105	107	110
71 New Media, Webstreaming & VOD Services	24	23	24	24	24	25	25	26	26	27
72 SUBTOTAL	123	118	123	123	123	125	128	131	134	137
73 SUBTOTAL	2,477	2,442	2,509	2,489	2,578	2,666	2,760	2,863	2,973	3,087

74	D. MONTGOMERY COLLEGE - MC ITV										
75	Personnel Costs	1,260	1,260	1,344	1,344	1,456	1,513	1,575	1,641	1,712	1,785
76	Operating Expenses	86	86	86	86	86	88	89	91	94	96
77	SUBTOTAL	1,346	1,346	1,430	1,430	1,542	1,492	1,560	1,560	1,560	1,560
78	E. PUBLIC SCHOOLS - MCPS ITV										
79	Personnel Costs	1,371	1,380	1,490	1,490	1,548	1,609	1,674	1,744	1,820	1,898
80	Operating Expenses	106	97	106	106	106	108	110	112	115	118
81	SUBTOTAL	1,477	1,477	1,596	1,596	1,654	1,717	1,784	1,857	1,935	2,016
82	F. COMMUNITY ACCESS PROGRAMMING⁴										
83	Personnel Costs	1,904	1,904	1,954	1,954	2,042	2,122	2,208	2,300	2,400	2,503
84	Operating Expenses	67	67	67	67	67	68	70	71	73	75
85	Rent & Utilities	374	374	385	385	396	404	412	421	431	441
86	New Media, Webstreaming & VOD Services	23	23	23	23	23	24	24	25	25	26
87	SUBTOTAL	2,369	2,369	2,429	2,429	2,528	2,618	2,714	2,818	2,929	3,045
88	G. PEG OPERATING										
89	Operating Expenses	107	77	116	116	206	185	189	193	197	202
90	Youth and Arts Community Media	50	50	150	150	100	102	104	106	109	111
91	Community Engagement	91	92	91	91	91	93	95	97	99	101
92	Closed Captioning	130	130	130	130	163	166	170	173	189	189
93	Technical Operations Center (TOC)	10	11	10	10	10	10	10	11	11	11
94	Mobile Production Vehicle	22	13	22	22	19	19	20	20	21	21
95	SUBTOTAL	409	372	518,288	518	590	575	587	600	626	636
96	H. FIBERNET OPERATING										
97	FiberNet - Personnel Charges for DTS	595	490	689	602	727	756	786	819	855	892
98	FiberNet - Operations & Maintenance DTS	1,131	1,143	1,131	1,202	1,126	1,147	1,171	1,197	1,224	1,253
99	FiberNet - Network Operations Center					729	910	910	910	910	910
100	FiberNet - Personnel Charges for DOT	74	74	76	76	101	105	109	114	118	124
101	FiberNet - Operations & Maintenance DOT	238	238	359	359	351	357	365	373	381	390
102	SUBTOTAL	2,038	1,945	2,255	2,240	3,034	3,275	3,341	3,412	3,489	3,568
103	I. MISS UTILITY COMPLIANCE										
104	Miss Utility Compliance	300	305	420	420	420	428	437	447	457	467
105	SUBTOTAL	300	305	420	420	420	428	437	447	457	467
106	TOTAL EXPENDITURE OF UNRESTRICTED FUNDS	12,041	11,727	12,796	12,760	13,963	14,414	14,883	15,317	15,795	16,274
107	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
108	TOTAL EXPENDITURES - PROGRAMS	20,362	19,846	21,480	20,771	23,059	23,576	22,938	23,483	24,045	24,602
109	J. OTHER										
110	Indirect Costs Transfer to Gen Fund	539	539	579	579	614	638	664	692	722	753
111	Indirect Costs Transfer to Gen Fund (ERP & MCTime)	25	25	30	30	-	0	0	0	0	0
112	Transfer to the General Fund	7,175	7,175	4,266	5,035	4,787	2,385	4,276	3,864	3,450	3,034
113	Legislative Community Communications NDA	400	400	488	488	490	490	490	490	490	490
114	SUBTOTAL	8,139	8,139	5,363	6,132	5,891	3,513	5,430	5,046	4,662	4,277
115	TOTAL EXPENDITURES	28,501	27,985	26,843	26,904	28,951	27,089	28,369	28,529	28,707	28,879
116	K. ADJUSTMENTS										
117	Prior Year Adjustments	0	0	0	0	0	0	0	0	0	0
118	Encumbrance Adjustment	0	(271)	0	0	0	0	0	0	0	0
119	Transfer for Vehicle	0	12	0	0	0	0	0	0	0	0
120	TOTAL ADJUSTMENTS	0	(259)	0	0	0	0	0	0	0	0
121	FUND BALANCE	105	136	398	1,231	299	1,404	1,413	1,422	1,431	1,439
122	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
123	L. SUMMARY - EXPENDITURES BY FUNDING SOURCE										
124	Transfer to Gen Fund-Indirect Costs	564	564	610	610	614	638	664	692	722	753
125	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
126	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
127	Transfer to CIP Fund	3,916	3,916	3,748	2,979	4,098	3,945	1,422	1,100	1,100	1,100
128	Transfer to the General Fund-Other	7,175	7,175	4,266	5,035	4,787	2,385	4,276	3,864	3,450	3,034
129	Transfer to the General Fund-Legislative Branch NDA	400	400	488	488	490	490	490	490	490	490
130	FUND TRANSFERS SUBTOTAL	14,878	14,878	12,137	12,137	13,186	10,666	10,196	9,563	9,257	8,953
131	Cable Fund Expenditure of Unrestricted Funds	9,218	8,904	9,770	9,735	10,766	11,206	11,539	11,900	12,300	12,698
132	Cable Fund Direct Expenditures	13,623	13,107	14,706	14,767	15,765	16,422	18,172	18,966	19,450	19,926
133	Cable Fund Personnel	3,434	3,330	3,651	3,535	3,843	3,993	4,155	4,329	4,516	4,711
134	Cable Fund Operating	10,189	9,777	11,055	11,232	11,922	12,429	14,018	14,637	14,933	15,215

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.

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 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. 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.

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. Fund balance per policy guidance s is calculated as 8% of total non-restricted revenues (franchise fees, tower fees, and investment income).

6. The Cable Fund makes a fund transfer to Montgomery College and MCPS to support MCPS ITV and MC ITV.