

Cable Communications Plan

MISSION STATEMENT

The mission of the Cable Communications Plan is to manage the County's Cable Television Franchise Agreements and the Cable Special Revenue Fund to ensure that cable services in Montgomery County are of high quality; that applicable consumer protection is enforced; that quality Public, Educational, and Governmental (PEG) programming is provided; and that related telecommunication issues are coordinated and monitored.

BUDGET OVERVIEW

The Cable Communications Plan consists of three elements: the Cable Office appropriation (\$9,516,420), transfers to the County General Fund (\$2,344,000), and transfers to the County Capital Improvements Program (CIP) (\$2,241,000) for a total use of fund resources of \$14,101,420. Within the Cable Office appropriation of \$9,516,420, personnel costs comprise 14.5 percent of the budget for eight full time positions for 13.3 workyears. Operating expenses account for the remaining 85.5 percent of the FY06 budget.

In FY06, there are three transfers to the General Fund for the following:

- **Montgomery College** - Funds are transferred from the Cable Fund to the General Fund and then to the Montgomery College Cable Fund. This transfer of \$939,000 is an increase of \$91,000 or 10.7 percent over the FY05 amount of \$848,000.
- **Montgomery County Public Schools** - Funds are transferred from the Cable Fund to the General Fund and then to the Montgomery County Public Schools Cable Fund. This transfer of \$1,238,000 is an increase of \$61,000 or 5.2 percent over the FY05 amount of \$1,177,000.
- **Indirect Costs** - Funds are transferred to the General Fund to cover the cost of certain administrative services provided by the County to the Cable Fund. This transfer of \$174,100 is used to defray expenses incurred by departments providing services to special funds.

In addition, this department's Capital Improvements Program (CIP) requires Current Revenue funding.

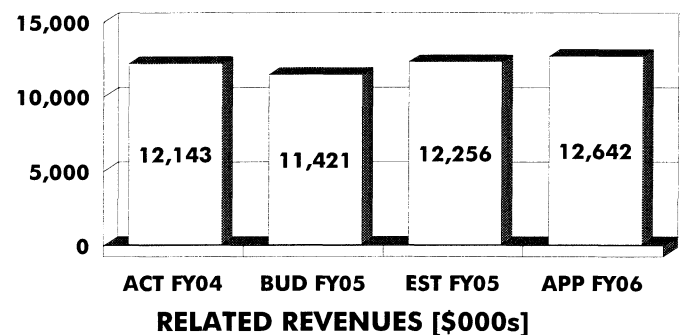
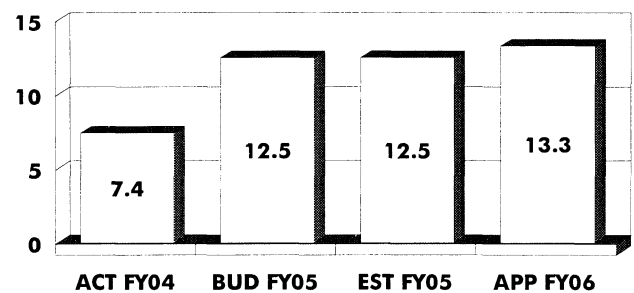
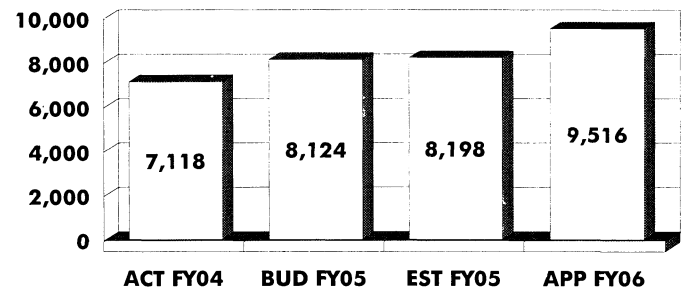
HIGHLIGHTS

- ❖ **Replace the aging Mobile Production Vehicle.**
- ❖ **Enhance funding to Montgomery Community Television (MCT) for personnel and operating costs from \$2,080,000 to \$2,211,000.**

Program Summary

	Expenditures	WYs
Cable Franchise Administration & Consumer Protection	1,228,420	6.2
Cable Legal Representation - Outside Prof. Services	447,000	0.5
Community Access to Cable	2,274,000	0.0
County Cable Montgomery	1,551,000	4.2
Cable Programming for Public Schools	0	0.0
Cable Programming for Montgomery College	0	0.0
Municipal Cable Franchise Fee Sharing	620,000	0.0
Cable Support for Municipal Stations	312,000	0.0
PEG Equipment Replacement	803,000	0.0
FiberNet Operations	1,399,000	2.4
Other Cable Activities	882,000	0.0
Totals	9,516,420	13.3

Trends



- ❖ **Enhance staffing to MCT for a downcounty Projects Manager to provide outreach, and training in the downcounty area.**
- ❖ **Enhance funding to MCT for a Public Service Announcement (PSA) Campaign that will address critical needs identified in the downcounty area. The PSA's will include Spanish language translations and open or closed captioning.**
- ❖ **Enhance funding to MCT for quarterly downcounty Town Hall meetings in order to bring downcounty leaders and residents together to discuss critical issues.**
- ❖ **Continue the PEG Network migration to digital technology.**
- ❖ **Implement closed captioning services for the PEG Network to assist County residents who face hearing challenges.**
- ❖ **Provide closed captioning in Spanish for some County Cable Montgomery programming.**
- ❖ **Expand the Montgomery College Limited English Proficiency programming to help educate non-English speaking adults with language, reading, and life skills.**
- ❖ **Provide support to the FiberNet CIP project for migration to the next generation of FiberNet and to enhance the County's institutional network.**
- ❖ **Provide support to the Advanced Transportation Management System (ATMS) CIP project for deployment of infrastructure to conduct real-time management and operations of the County's transportation system.**
- ❖ **Enhance staffing for County Cable Montgomery to provide video indexing, archiving, website maintenance and other technical services.**
- ❖ **Enhance Council production services to increase the number of televised Council worksessions, roundtable shows and some Planning Board meetings.**
- ❖ **Productivity Enhancements**

Cable Franchising:

- **Implemented online complaint form and database to monitor franchise compliance.**
- **Developed a process to recover re-inspection costs.**
- **Through compliance, enforcement and rate regulation, the cable office has obtained the following:**

- * **Fines for violations - \$18,000**
- * **Refunds to customers from the cable operators - \$83,000 (Overcharges for remotes); up to \$600,000 for loss of service due to hurricane Isabel.**
- * **Reduced cable rates for basic service, converter boxes, remotes, and other services.**
- * **Recovery of underpayment of franchise fees to**

the County (\$119,000).

PROGRAM CONTACTS

Contact Jane Lawton of the Cable Television Office at 240.777.3724 or Jennifer R. Bryant of the Office of Management and Budget at 240.777.2761 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Cable Franchise Administration & Consumer Protection

The Department of Technology Services is responsible for administering the Cable Television Agreements for the County and participating municipalities. The responsibilities associated with franchise administration include:

- Ensuring cable operator compliance with franchise financial, technical, and construction requirements and managing franchise renewal and transfer process;
- Investigating and resolving subscriber complaints;
- Administering the contracts to provide for public access to cable production services;
- Providing liaison, support, and record keeping on performance of the PEG channels;
- Preparing the annual Cable Communications Plan;
- Collecting franchise fees, grants, and other payments to the County;
- Distributing franchise fees, grants, and other payments to the participating municipal co-franchisors;
- Directing and coordinating the Telecom Facilities Siting Committee;
- Supporting the Cable Communications Advisory Committee;
- Resolving issues regarding cable and communications technology for Montgomery County government;
- Monitoring and commenting on changes in State and Federal telecom regulations, rate structure, and related legislative issues;
- Encouraging entry of competitive providers of telecommunication services and negotiating and reviewing proposed franchises for use of the public right-of-way; and
- Administering and managing contracts and programming for the County Government Channel.

The budget for franchise administration includes funds for cable management staff, engineering consulting services for ongoing inspection and testing of the cable system, engineering consulting services for the identification and provision of future

technologies, and other office operating expenses.

FY06 Changes

	Expenditures	WYs
FY05 Approved	1,307,440	7.4
FY06 Approved	1,228,420	6.2

Cable Legal Representation - Outside Prof. Services

Funds will be used to pay legal and financial consultants for work which requires special expertise. Activities include the preparation of filings on behalf of the County before the Federal Communications Commission, interpretation of legislative proposals, and County representation in negotiations with other providers.

FY06 Changes

	Expenditures	WYs
FY05 Approved	392,000	0.5
FY06 Approved	447,000	0.5

Community Access to Cable

The Office of Cable Communications administers a contract with Montgomery Community Television (MCT) through which MCT operates two channels on the cable television systems. MCT's primary mission is to provide public access training and equipment for County residents and community groups to create and sponsor programming of their choice. MCT also produces other public affairs programming and acquires programs of interest to particular groups in the County.

FY06 Changes

- Enhance staffing to MCT for a downcounty Projects Manager to provide outreach, and training in the downcounty area.*
- Enhance funding to MCT for quarterly downcounty Town Hall meetings in order to bring downcounty leaders and residents together to discuss critical issues.*
- Enhance funding to MCT for a Public Service Announcement (PSA) Campaign that will address critical needs identified in the downcounty area. The PSA's will include Spanish language translations and open or closed captioning.*

	Expenditures	WYs
FY05 Approved	2,080,000	0.0
FY06 Approved	2,274,000	0.0

County Cable Montgomery

The Office of Cable Communications in the Department of Technology Services manages County Cable Montgomery (CCM), the government access channel. CCM airs programming produced by the Executive and Legislative branches to keep viewers abreast of County programs and services for the citizens, residents, visitors, and businesses in the community. The Information Officer of the County Council develops programming for the Legislative branch. Broadcasts include live Council meetings, informational programs, documentaries, press conferences, and town hall meetings. The

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Office of Public Information develops Executive branch programming which includes special events, press conferences, and shows highlighting services and activities. CCM is also responsible for monitoring the video and audio signals for other Montgomery County Public, Education, and Government access channels.

FY06 Changes

- Enhance staffing for County Cable Montgomery to provide video indexing, archiving, website maintenance and other technical services.*
- Enhance Council production services to provide more televised committee worksessions, roundtable shows and some Planning Board meetings.*
- Enhance funding for corrected transcription services.*

	Expenditures	WYs
FY05 Approved	1,160,000	2.2
FY06 Approved	1,551,000	4.2

Cable Programming for Public Schools

The Montgomery County Public Schools (MCPS) Department of Communications and Public Information (Instructional TV Unit) has the responsibility for programming two cable channels. Cable TV funding from this special revenue fund partially provides for programming, channel management, and production of instructional, community, and training television programs. Additional funds are requested in the operating budget of the public schools. MCPS programming includes: Board of Education meetings, live call-in programs, in-class student programs, technology training, and televised instruction in a variety of academic areas.

FY06 Changes

- Funds for these services (\$1,238,000) are not appropriated in the Cable Office but are transferred from the Cable Fund to the General Fund and then to the Montgomery County Public Schools Cable Fund.*

	Expenditures	WYs
FY05 Approved	0	0.0
FY06 Approved	0	0.0

Cable Programming for Montgomery College

The Instructional Television Unit of Montgomery College (MC) is responsible for the cable programming available on the Montgomery College channel (both cable and College funds provide for staff, equipment, and operating expenses). The channel features acquired and originally produced instructional programming which directly supports the College's distance learning programs and provides professional development and self-enrichment opportunities for community subscribers.

FY06 Changes

- Funds for these services (\$939,000) are not appropriated in the Cable Office but are transferred from the Cable Fund to the General Fund and then to the Montgomery College Cable Fund.*

	Expenditures	WYs
FY05 Approved	0	0.0
FY06 Approved	0	0.0

Municipal Cable Franchise Fee Sharing

These expenditures represent the quarterly distribution of franchise fees in accordance with current Municipal Franchise Agreements and Municipal/County Agreements.

FY06 Changes

	Expenditures	WYs
FY05 Approved	540,000	0.0
FY06 Approved	620,000	0.0

Cable Support for Municipal Stations

Expenditures provide for equipment acquisition, equipment maintenance, engineering consultation, and operating support for cable television programming services provided by the City of Rockville, the City of Takoma Park, and by the Montgomery County Chapter of the Maryland Municipal League (MML) as required by the franchise agreements. Totals approved for each entity are shown in the Cable Communications Plan.

FY06 Changes

	Expenditures	WYs
FY05 Approved	300,000	0.0
FY06 Approved	312,000	0.0

PEG Equipment Replacement

Expenditures provide for the purchase of replacement equipment for certain PEG channel operators. Funds appropriated for PEG equipment replacement will be administered by the Cable Office. Purchases will be based on recommendations offered by the PEG Network and will be titled to Montgomery County Government which may, under appropriate controls, allocate the equipment for use to individual PEG channels.

FY06 Changes

	Expenditures	WYs
FY05 Approved	700,000	0.0
FY06 Approved	803,000	0.0

FiberNet Operations

Expenditures help offset the costs of maintaining the FiberNet system.

FY06 Changes

	Expenditures	WYs
FY05 Approved	1,363,000	2.4
FY06 Approved	1,399,000	2.4

Other Cable Activities

The expenditures for miscellaneous other cable activities include: an emergency replacement reserve to address imminent

system failure for certain PEG operations; PEG Network engineering and administrative support to provide PEG members with specialized assistance; PEG promotion to assist PEG channels to increase viewership; and grants to outside organizations.

FY06 Changes

- Implement closed captioning services for the PEG Network to assist County residents who face hearing challenges.*
- Replace the aging Mobile Production Vehicle.*

	Expenditures	WYs
FY05 Approved	282,000	0.0
FY06 Approved	882,000	0.0

BUDGET SUMMARY

	Actual FY04	Budget FY05	Estimated FY05	Approved FY06	% Chg Bud/App
CABLE TELEVISION					
EXPENDITURES					
Salaries and Wages	529,803	937,660	899,400	1,027,010	9.5%
Employee Benefits	162,126	308,780	295,760	354,710	14.9%
Cable Television Personnel Costs	691,929	1,246,440	1,195,160	1,381,720	10.9%
Operating Expenses	6,296,183	6,878,000	7,002,840	7,584,700	10.3%
Capital Outlay	129,420	0	0	550,000	—
Cable Television Expenditures	7,117,532	8,124,440	8,198,000	9,516,420	17.1%
PERSONNEL					
Full-Time	7	7	7	8	14.3%
Part-Time	0	0	0	0	—
Workyears	7.4	12.5	12.5	13.3	6.4%
REVENUES					
Franchise Fees 5%	8,034,142	7,750,000	8,452,000	8,696,000	12.2%
Gaithersburg PEG	0	150,000	0	0	—
Gaithersburg PEG Contribution	153,466	0	156,000	159,000	—
PEG Capital Revenue	269,673	221,000	222,000	227,000	2.7%
PEG Operating Revenue	1,697,512	1,854,000	1,894,000	1,949,000	5.1%
I-Net Operating Revenue	1,785,658	1,362,000	1,368,000	1,399,000	2.7%
Tower Application Fees	82,000	49,000	48,000	42,000	-14.3%
Investment Income	73,034	35,000	112,090	170,000	385.7%
Miscellaneous	47,480	0	4,000	0	—
Cable Television Revenues	12,142,965	11,421,000	12,256,090	12,642,000	10.7%

FY06 APPROVED CHANGES CROSSWALK

	Expenditures	WYs
CABLE TELEVISION		
FY05 ORIGINAL APPROPRIATION	8,124,440	12.5
<u>Changes (with service impacts)</u>		
Enhance: Mobile Production Media Van Replacement [Other Cable Activities]	550,000	0.0
Enhance: Public, Education, and Government (PEG) Network Replacement and Digital Transition Equipment [PEG Equipment Replacement]	103,000	0.0
Enhance: Production Level of Service Increases for MC, MCPS, and MCT	64,000	0.0
Enhance: CCM - Council Production Services [County Cable Montgomery]	58,500	0.0
Enhance: CCM - Staff for Cable Office [County Cable Montgomery]	58,200	0.8
Enhance: Public Information Office (PIO) Expanded Bilingual Program [County Cable Montgomery]	57,000	0.0
Enhance: CCM - Corrected Transcript Services (Pictron) [County Cable Montgomery]	45,000	0.0
Add: Closed-Captioning for PEG Network [Other Cable Activities]	37,000	0.0
Enhance: MCT - Down County Projects Manager [Community Access to Cable]	25,000	0.0
Enhance: MCT - Public Service Announcement Campaign [Community Access to Cable]	20,000	0.0
Enhance: MCT - Quarterly Down-County Community Forums [Community Access to Cable]	18,000	0.0
Enhance: County Cable Montgomery (CCM) - Information Office Public Service Announcements (PSA's) [County Cable Montgomery]	10,300	0.0
Enhance: County Cable Montgomery (CCM) Closed Captioning and Joint CE & CC Programming [County Cable Montgomery]	10,000	0.0
Enhance: CCM - Council OE [County Cable Montgomery]	4,000	0.0
Enhance: Limited Down County PEG Program - Training, equipment, outreach [Other Cable Activities]	4,000	0.0
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: Municipal Franchise Fee Sharing - Operating [Municipal Cable Franchise Fee Sharing]	80,000	0.0
Increase Cost: Outside Professional Services - Legal [Cable Legal Representation - Outside Prof. Services]	50,000	0.0
Increase Cost: Montgomery Community Television (MCT) - Union Contract Cost [Community Access to Cable]	35,000	0.0
Increase Cost: Montgomery Community Television (MCT) Partial Funding to Maintain Current Level of Services [Community Access to Cable]	32,000	0.0
Shift: General Fund Transfer to Cable Fund via Net/Gross	28,500	0.0
Increase Cost: FY06 Compensation	22,070	0.0
Increase Cost: County Cable Montgomery (CCM) Closed Captioning and Joint County Executive & County Council Programming - Closed Captioning [County Cable Montgomery]	21,000	0.0

	Expenditures	WYs
Increase Cost: Department of Technology Services (DTS) FiberNet/WAN Chargeback Operations [FiberNet Operations]	17,500	0.0
Increase Cost: Municipal Equipment and Operations [Cable Support for Municipal Stations]	15,000	0.0
Increase Cost: FY06 Retirement Rate Adjustments	11,720	0.0
Increase Cost: Annualization of FY05 Personnel Costs	9,450	0.0
Increase Cost: FY06 Group Insurance Rate Adjustments	5,340	0.0
Increase Cost: Department of Public Works and Transportation (DPWT) FiberNet Chargeback Operations [FiberNet Operations]	2,680	0.0
Increase Cost: Records Management	760	0.0
Decrease Cost: Miscellaneous Operating Expenditures [FiberNet Operations]	-3,040	0.0
FY06 APPROVED:	9,516,420	13.3