

# 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 (\$9,748,000), transfers to the County General Fund (\$2,928,000), and transfers to the County Capital Improvements Program (CIP) (\$1,970,000) for a total use of fund resources of \$14,646,000. Within the Cable Office appropriation of \$9,748,000, Personnel Costs comprise 15.6 percent of the budget for nine full time positions at 14.3 workyears. Operating Expenses account for the remaining 84.4 percent of the FY07 budget.

In FY07, 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 \$1,067,000 is an increase of \$128,000 or 13.6 percent over the FY06 amount of \$939,000.
- 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 \$1,383,000 is an increase of \$145,000 or 11.7 percent over the FY06 amount of \$1,238,000.
- 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 \$194,000 is used to defray expenses incurred by departments providing services to special funds.

In addition, the department's budget includes Current Revenue funding for the Capital Improvements Program (CIP).

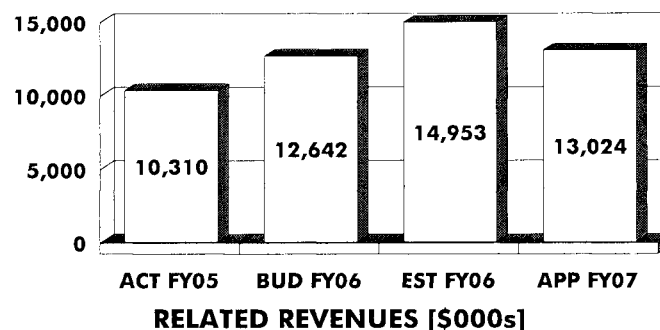
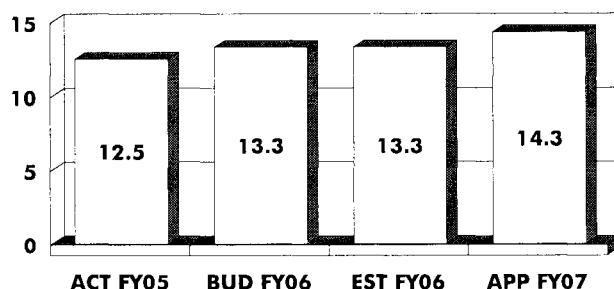
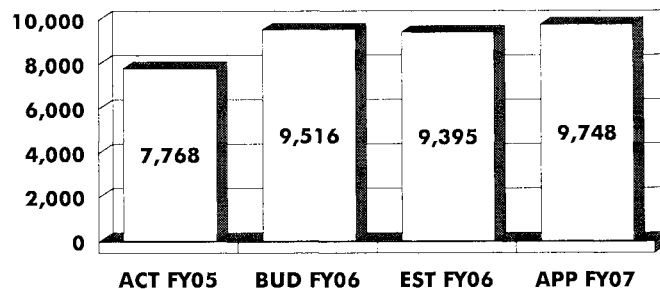
## HIGHLIGHTS

- ❖ **Enhance funding to Montgomery Community Television (MCT) for Personnel and Operating costs from \$2,274,000 to \$2,405,000.**
- ❖ **Provide funding to MCT to facilitate live programming capabilities from the Gilchrist Center for Cultural Diversity.**

## Program Summary

	Expenditures	WYs
Cable Franchise Administration & Consumer Protection	1,296,580	6.2
Cable Legal Representation - Outside Prof. Services	475,800	0.5
Community Access to Cable	2,405,000	0.0
County Cable Montgomery	1,801,050	5.2
Cable Programming for Public Schools	0	0.0
Cable Programming for Montgomery College	0	0.0
Municipal Cable Franchise Fee Sharing	643,000	0.0
Cable Support for Municipal Stations	336,000	0.0
PEG Equipment Replacement	835,500	0.0
FiberNet Operations	1,399,000	2.4
Other Cable Activities	555,900	0.0
<b>Totals</b>	<b>9,747,830</b>	<b>14.3</b>

## Trends



- ❖ **Enhance funding to Montgomery County Public Schools (MCPS) to provide additional foreign language versions of programs.**
- ❖ **Continue to provide support to the FiberNet CIP project for migration to the next generation of FiberNet and to enhance the County's institutional network.**
- ❖ **Provide funding for a new program that will be aired on County Cable Montgomery (CCM) quarterly to help educate new County residents on County programs and services.**
- ❖ **Productivity Enhancements**

**Cable Office Administration:**

- **Reduced cable rates for converter boxes, which resulted in a subscriber refund of approximately \$500,000.**

**PEG Network:**

- **County Cable Montgomery (CCM) facilitated a live teleconference between Montgomery and Prince Georges Counties reducing Councilmembers and staff time away from the office and travel expenses.**
- **Use of the mobile production vehicle has increased community event coverage by 8 percent, reduced staff hours by 25 percent per shoot and reduced wear and tear on portable production equipment.**

- 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 Telecommunications 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; and
- Encouraging entry of competitive providers of telecommunication services and negotiating and reviewing proposed franchises for use of the public right-of-way.

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.

**FY07 Changes**

	<b>Expenditures</b>	<b>WYs</b>
<b>FY06 Approved</b>	<b>1,228,420</b>	<b>6.2</b>
<b>FY07 Approved</b>	<b>1,296,580</b>	<b>6.2</b>

**PROGRAM CONTACTS**

Contact Jane E. 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;

**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 cable and telecommunications service providers, rate regulation, and franchise compliance.

**FY07 Changes**

	<b>Expenditures</b>	<b>WYs</b>
<b>FY06 Approved</b>	<b>447,000</b>	<b>0.5</b>
<b>FY07 Approved</b>	<b>475,800</b>	<b>0.5</b>

**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 encourage and sponsor television programming and broadband media that meets community needs and offers forums for free expression. MCT's programmatic services include public access training and access to production equipment and facilities for County residents and community groups to create programming of their choice. MCT also produces local programming designed to address community

needs.

**FY07 Changes**

- Enhance funding to Montgomery Community Television (MCT) for Personnel and Operating costs from \$2,274,000 to \$2,405,000.
- Enhance staffing for MCT by converting the Down County Program Manager position from part-time to full-time. MCT is in the process of implementing key recommendations of the Down-County Multimedia Facility Study.

	Expenditures	WYs
FY06 Approved	2,274,000	0.0
FY07 Approved	2,405,000	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 residents, visitors, and businesses in the community. The County Council's information Officer develops programming for the Legislative branch. Broadcasts include live Council meetings, informational programs, documentaries, press conferences, and town hall meetings. The Office of Public Information develops Executive branch programming which includes special events, press conferences, and programs highlighting our services and activities. CCM is also responsible for monitoring the video and audio signals for all the Montgomery County Public, Education, and Government access channels.

**FY07 Changes**

- Continue to provide closed captioning in Spanish for some County Cable Montgomery (CCM) programming.
- Convert contractual funds to a full-time Engineer position.
- Provide funding for new programming and coverage of Maryland-National Capital Park and Planning Commission (M-NCPPC) meetings.
- Provide funding for repair of the Council microphone system.

	Expenditures	WYs
FY06 Approved	1,551,000	4.2
FY07 Approved	1,801,050	5.2

**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.

**FY07 Changes**

- Funds for these services (\$1,383,000) 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.
- Enhance funding to Montgomery County Public Schools (MCPS) to provide additional foreign language versions of programs.
- Provide funding for replacement of the Board of Education (BOE) microphone system, which is included in the Public Education and Government (PEG) Equipment Replacement portion of the Cable Communications Plan.

	Expenditures	WYs
FY06 Approved	0	0.0
FY07 Approved	0	0.0

**Cable Programming for Montgomery College**

The Instructional Television and Media Production Services 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 and instructional programs and provides professional development and self-enrichment opportunities for community subscribers.

**FY07 Changes**

- Funds for these services (\$1,067,000) 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.
- Enhance funding to Montgomery College (MC) for a full-time Production Assistant position to support the increased demands for instructional support.

	Expenditures	WYs
FY06 Approved	0	0.0
FY07 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.

**FY07 Changes**

	Expenditures	WYs
FY06 Approved	620,000	0.0
FY07 Approved	643,000	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.

### **FY07 Changes**

	<b>Expenditures</b>	<b>WYs</b>
<b>FY06 Approved</b>	<b>312,000</b>	<b>0.0</b>
<b>FY07 Approved</b>	<b>336,000</b>	<b>0.0</b>

### **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.

### **FY07 Changes**

- Enhance the Conference Center audio system and replace the Board of Education (BOE) microphone system.*

	<b>Expenditures</b>	<b>WYs</b>
<b>FY06 Approved</b>	<b>803,000</b>	<b>0.0</b>
<b>FY07 Approved</b>	<b>835,500</b>	<b>0.0</b>

### **FiberNet Operations**

Expenditures help offset the costs of maintaining the FiberNet system.

### **FY07 Changes**

	<b>Expenditures</b>	<b>WYs</b>
<b>FY06 Approved</b>	<b>1,399,000</b>	<b>2.4</b>
<b>FY07 Approved</b>	<b>1,399,000</b>	<b>2.4</b>

### **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.

### **FY07 Changes**

- Continue to provide closed captioning services for the Public Education and Government (PEG) Network including Board of Education (BOE) meetings to assist County residents who face hearing challenges.*
- Provide funding for FiberNet equipment, connectivity, and activation to the Conference Center, Strathmore Hall, Imagination Stage, Olney Theater, the Robert E. Parilla Performing Arts Center and BlackRock Arts Center to facilitate PEG network programming from remote sites.*

	<b>Expenditures</b>	<b>WYs</b>
<b>FY06 Approved</b>	<b>882,000</b>	<b>0.0</b>
<b>FY07 Approved</b>	<b>555,900</b>	<b>0.0</b>

## BUDGET SUMMARY

	Actual FY05	Budget FY06	Estimated FY06	Approved FY07	% Chg Bud/App
<b>CABLE TELEVISION</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	922,335	1,027,010	944,840	1,152,010	12.2%
Employee Benefits	291,170	354,710	314,940	367,700	3.7%
<b>Cable Television Personnel Costs</b>	<b>1,213,505</b>	<b>1,381,720</b>	<b>1,259,780</b>	<b>1,519,710</b>	<b>10.0%</b>
Operating Expenses	6,554,854	7,584,700	7,509,700	8,228,120	8.5%
Capital Outlay	0	550,000	625,030	0	—
<b>Cable Television Expenditures</b>	<b>7,768,359</b>	<b>9,516,420</b>	<b>9,394,510</b>	<b>9,747,830</b>	<b>2.4%</b>
<b>PERSONNEL</b>					
Full-Time	7	8	8	9	12.5%
Part-Time	0	0	0	0	—
Workyears	12.5	13.3	13.3	14.3	7.5%
<b>REVENUES</b>					
Franchise Fees 5%	6,503,412	8,696,000	10,906,000	8,936,000	2.8%
Gaithersburg PEG Contribution	111,770	159,000	192,000	152,000	-4.4%
PEG Capital Revenue	222,336	227,000	230,000	236,000	4.0%
PEG Operating Revenue	1,739,948	1,949,000	1,978,000	2,014,000	3.3%
I-Net Operating Revenue	1,523,767	1,399,000	1,417,000	1,453,000	3.9%
Tower Application Fees	98,500	42,000	60,000	55,000	31.0%
Investment Income	109,847	170,000	170,000	177,740	4.6%
Miscellaneous	422	0	0	0	—
<b>Cable Television Revenues</b>	<b>10,310,002</b>	<b>12,642,000</b>	<b>14,953,000</b>	<b>13,023,740</b>	<b>3.0%</b>

## FY07 APPROVED CHANGES

	Expenditures	WYs
<b>CABLE TELEVISION</b>		
<b>FY06 ORIGINAL APPROPRIATION</b>	<b>9,516,420</b>	<b>13.3</b>
<b>Changes (with service impacts)</b>		
Enhance: PEG Connections for live programming (8 sites) [PEG Equipment Replacement]	77,000	0.0
Add: New Programming [County Cable Montgomery]	40,000	0.0
Enhance: Repair Microphone System for Council [County Cable Montgomery]	40,000	0.0
Enhance: Coverage of Maryland-National Capital Park and Planning (M-NCPPC) Meetings [County Cable Montgomery]	37,800	0.0
Enhance: PEG Equipment Replacement [PEG Equipment Replacement]	30,000	0.0
Enhance: Spanish Captioning (4 Programs of County Cable Montgomery) [County Cable Montgomery]	25,370	0.0
Enhance: Closed captioning Board of Education (BOE) meetings [PEG Equipment Replacement]	25,000	0.0
Enhance: Funding to provide hardware and labor necessary to facilitate live programming capability from select sites.	25,000	0.0
Enhance: Professional Services (legal and others) [Cable Support for Municipal Stations]	25,000	0.0
Add: Additional funds for County Cable Montgomery new programming - Public Information Office (PIO) Quarterly Program to educate new residents about County services.	20,000	0.0
Enhance: Additional Funding to Support Montgomery Community TV (MCT) Personnel - Program Manager Part-time to Full-time	20,000	0.0
Enhance: MCT (Down county staff to full-time and staffed playback hours) [Community Access to Cable]	20,000	0.0
Enhance: School Board Microphone System [PEG Equipment Replacement]	20,000	0.0
Add: Audio Equipment for the Conference Center [PEG Equipment Replacement]	12,500	0.0
Add: County Cable Montgomery (CCM) administration to support joint programming initiative - Local and State Government Public Meetings held in Montgomery County	10,000	0.0
Enhance: Spanish to English Captioning (Tertulia) [County Cable Montgomery]	5,160	0.0
Eliminate: Down County Multimedia Facility Study [Other Cable Activities]	-27,000	0.0
Add: Full-time Engineering position to support County Cable Montgomery offset with a reduction in contractual Operating Expenses.	-28,180	0.8
<b>Other Adjustments (with no service impacts)</b>		
Increase Cost: Montgomery Community TV (MCT) Personnel cost adjustment [Community Access to Cable]	61,920	0.0
Increase Cost: Additional Funding Required to support County Cable Montgomery Contract and Operating Adjustments [County Cable Montgomery]	45,230	0.0
Increase Cost: FY07 Compensation	29,630	0.0

	Expenditures	WYs
Increase Cost: Additional Funding Required to Support Montgomery Community TV (MCT) Operating Contractual Cost Adjustment - 4 percent Increase in Operating Expenses	29,080	0.0
Increase Cost: Additional funding required to support Engineering and Inspection Services contract cost adjustments within Franchise Administration [Cable Franchise Administration & Consumer Protection]	25,000	0.0
Increase Cost: Municipal Equipment and Operations [Cable Support for Municipal Stations]	25,000	0.0
Increase Cost: County Cable Montgomery Contract Cost Increases [County Cable Montgomery]	23,250	0.0
Increase Cost: Municipal Franchise Fee Sharing [Municipal Cable Franchise Fee Sharing]	23,000	0.0
Increase Cost: Annualization of FY06 Lapsed Positions [County Cable Montgomery]	12,070	0.2
Increase Cost: Annualization of FY06 Personnel Costs	7,630	0.0
Increase Cost: Group Insurance Adjustment	6,620	0.0
Increase Cost: Increase in contract cost for Sign Language Interpreter	6,000	0.0
Increase Cost: County Cable Montgomery for charges from PIO and Council [County Cable Montgomery]	5,000	0.0
Increase Cost: Retirement Adjustment	4,940	0.0
Increase Cost: County Attorney [Other Cable Activities]	3,800	0.0
Increase Cost: Miscellaneous increase to Cable Office Operating Expenses [Cable Franchise Administration & Consumer Protection]	2,890	0.0
Increase Cost: Additional funding required to support PEG Network contractual and operating [Other Cable Activities]	2,770	0.0
Increase Cost: Other - PEG Engineering [Other Cable Activities]	1,130	0.0
Increase Cost: Records Management [Cable Franchise Administration & Consumer Protection]	180	0.0
Decrease Cost: Municipal Equipment and Operations [Cable Support for Municipal Stations]	-1,000	0.0
Decrease Cost: Elimination of One-Time Items Approved in FY06 [Other Cable Activities]	-460,380	0.0
<b>FY07 APPROVED:</b>	<b>9,747,830</b>	<b>14.3</b>