

---

# Cable Communications Plan

## MISSION STATEMENT

The mission of the Cable Communications Plan is to effectively manage the County's cable television and telecommunications franchise agreements and the Cable Special Revenue Fund to ensure that: cable services in Montgomery County are of high quality; cable and telecommunications providers comply with applicable safety and construction codes; cable customer service requirements and applicable consumer protection provisions are enforced; quality Public, Educational, and Governmental (PEG) cable programming is provided; expand and operate FiberNet to provide reliable voice, data, video and public safety communications to County government agencies; and to provide a reliable and expedient process for telecommunication carriers to establish transmission facilities in the county to speed deployment of services for residents while maintaining adequate public protection.

## BUDGET OVERVIEW

For FY13, the Cable Communications Plan consists of three elements: the Cable & Broadband Office appropriation (\$13,528,723), transfers to the County General Fund (\$10,185,961), and transfers to the County Capital Improvements Program (CIP) (\$1,813,000) for a total use of fund resources of \$25,527,684. Within the Cable Office appropriation of \$13,528,723, Personnel Costs comprise 23.6 percent of the budget for sixteen full-time positions at 29.5 workyears. Operating Expenses account for the remaining 76.4 percent of the FY13 budget.

In FY13, there are several transfers to the General Fund for the following:

Montgomery College (MC): Funds are transferred from the Cable Fund to the General Fund, and then to MC. In FY13, total transfers to MC are \$1,244,850, representing an increase of \$14,850 (or 1.2%) over the FY12 transfer of \$1,230,000.

Montgomery County Public Schools (MCPS): Funds are transferred from the Cable Fund to the General Fund, and then to MCPS. In FY13, total transfers to MCPS are \$1,457,591, representing an increase of \$32,591 (or 2.3%) over the FY12 transfer of \$1,425,000.

Other: Funds are transferred from the Cable Fund to the General Fund to cover the cost of certain administrative services provided by the County to the Cable Fund (\$387,980), costs related to the Technology Modernization program (\$31,540), and other contributions (\$7,064,000).

## LINKAGE TO COUNTY RESULT AREAS

While this program area supports all eight of the County Result Areas, the following are emphasized:

- ❖ ***A Responsive, Accountable County Government***
- ❖ ***An Effective and Efficient Transportation Network***
- ❖ ***Children Prepared to Live and Learn***
- ❖ ***Healthy and Sustainable Neighborhoods***
- ❖ ***Strong and Vibrant Economy***
- ❖ ***Vital Living for All of Our Residents***

---

## DEPARTMENT PERFORMANCE MEASURES

Performance measures for this department are included below, with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY12 estimates reflect funding based on the FY12 approved budget. The FY13 and FY14 figures are performance targets based on the FY13 recommended budget and funding for comparable service levels in FY14.

## ACCOMPLISHMENTS AND INITIATIVES

- ❖ ***In FY13, the Cable & Broadband Office will provide funding for youth and arts programming, including tuition assistance for attending summer media camps, internships at Montgomery County Public Schools Instructional Television, and a youth worker mobile media production work program that offers employment for youths who have completed media training and a means to expand media coverage of community events.***
- ❖ ***In FY13, the Cable & Broadband Office will provide an additional 412 hours of closed-caption content for Montgomery College and Montgomery County Public Schools. Supported programming includes Board of Education meetings, Homework Hotline Live!, special events, and programs for financial aid, student success, and math, science, and engineering guest lectures.***
- ❖ ***In FY12 and FY13, the Office of Cable and Broadband services will negotiate the renewal of the Comcast television franchise. The County will use focus groups, surveys, and follow-up interviews to examine the past performance of Comcast, determine what the community's future cable-related needs and interests are, and ascertain what future services residents, schools, community groups, businesses, and local municipalities would like to include in a new cable franchise agreement.***
- ❖ ***In FY12, the local television stations funded by the Cable Plan created the Public, Educational, and Government Governance Board to facilitate efficient use of shared resources, promote technological innovations, and increase cross-agency collaboration.***
- ❖ ***In FY11, the Cable & Broadband Office filed a total of 1,021 formal complaints, resulting in \$79,696 in refunds and credits for cable and broadband subscribers.***
- ❖ ***In FY11, the Cable & Broadband Office performed 9,869 inspections of private cable facilities throughout the County and inspected 23 percent of daily cable construction worksites within the County. This inspection work improved cable contractor and subcontractor compliance with applicable safety regulations from 85 percent in FY10 to 98 percent in FY11. However, cable inspectors also issued 3,249 safety and construction violations related to prior construction.***
- ❖ ***Productivity Improvements***
  - ***In FY13, FiberNet will complete construction funded by the American Recovery and Reinvestment Act and bring high-speed broadband service to all elementary schools and most public housing locations within the County. With the completion of this construction, all schools in the County will have 65 percent more broadband capacity at 96 percent lower cost and FiberNet will be providing cost-effective broadband data, voice, and voice services to 450 locations.***

## PROGRAM CONTACTS

Contact Mitsuko R. Herrera of the Office of Cable and Communications Services at 240.777.2928 or Naeem Mia of the Office of Management and Budget at 240.777.2782 for more information regarding this department's operating budget.

## PROGRAM DESCRIPTIONS

### ***Cable Franchise Administration***

The Office of Cable & Broadband Communication Services in the Department of Technology Services is responsible for administering the cable television agreements for the County and participating municipalities. The budget for franchise administration includes funds for cable management and enforcement staff, including cable and broadband complaint investigation staff, cable inspection and facilities testing staff, and office operating expenses. Funds will be used for engineering consulting services which require special expertise, such as engineering review of tower and antenna siting applications, IP-based interconnection of public, educational, and government access (PEG) video signals and facilities, transmission facility digital and engineering upgrades, and the implementation of future technology and mobile video applications." Funds will also be used to pay legal and financial consultants for work which requires special expertise, such as preparation of filings on behalf of the County before the Federal Communications Commission, analysis of legislative proposals, and County representation in negotiations with

cable and telecommunications service providers, rate regulation, and franchise compliance matters. The primary use of outside legal and engineering support in FY13 will be to review and process transmission facilities applications in accordance with new federal time limits and to assist with the Comcast and RCN cable franchise renewal process.

The responsibilities associated with franchise administration include:

- Ensuring cable operator compliance with franchise financial, technical, and construction requirements and managing the franchise renewal and transfer process;
- Investigating and resolving subscriber complaints;
- Administering contracts with and providing liaison and support service for the PEG channels;
- Preparing the annual Cable Communications Plan;
- Collecting and administering franchise fees, grants, and other payments to the County and participating municipalities;
- Administering federal broadband grant funding for FiberNet;
- Directing and coordinating the Transmission Facilities Coordinating Committee;
- Supporting the Cable and Communications Advisory Commission and the Cable Compliance Commission;
- Strategic planning for Montgomery County government cable and broadband communications technology;
- Monitoring and commenting on changes in State and Federal cable, broadband and telecommunications regulations and legislation; and
- Encouraging entry of competitive providers of telecommunication services as well as negotiating and reviewing proposed telecommunications franchises for use of the public rights-of-way.

| <b>Program Performance Measures</b>   | <b>Actual FY10</b> | <b>Actual FY11</b> | <b>Estimated FY12</b> | <b>Target FY13</b> | <b>Target FY14</b> |
|---|--------------------|--------------------|-----------------------|--------------------|--------------------|
| Percent of Customers Satisfied with Cable Office Complaint Handling   | 95                 | 96                 | 95                    | 95                 | 95                 |
| Average Days to Process Transmission Facilities Applications by Transmission Facilities Coordinating Group <sup>1</sup> | 45                 | 23                 | 30                    | 30                 | 30                 |
| Number of Transmission Facility Applications Processed <sup>2</sup>   | 226                | 155                | 145                   | 145                | 145                |

<sup>1</sup> Administrative changes implemented in FY11 resulted in the reduction of processing time.

<sup>2</sup> LightSquared did not receive regulatory approval to launch new wireless services, reducing the number of applications projected in 2011-2012.

| <b>FY13 Recommended Changes</b>   | <b>Expenditures</b> | <b>FTEs</b> |
|---|---------------------|-------------|
| <b>FY12 Approved</b>  | <b>1,564,870</b>    | <b>8.90</b> |
| Decrease Cost: Non-essential Legal and Professional Services related to Cable Franchise Renewal   | -5,092              | 0.00        |
| Decrease Cost: Decreased Cost of Wireless Facilities Application Review   | -10,000             | 0.00        |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion. | 30,531              | 0.00        |
| <b>FY13 CE Recommended</b>  | <b>1,580,309</b>    | <b>8.90</b> |

## Community Access to Cable

The Cable and Broadband Communications Office administers a contract with Montgomery Community Television, doing business as Montgomery Community Media (MCM), through which MCM operates two community media cable television channels and provides media technology training to County residents and community organizations. MCM produces independent, diverse and informative cable programming for Montgomery County residents. MCM's mission is to provide media, television production and technology training that empowers residents and organizations and provides them with the opportunity to interact, engage and influence the County government and the community by using the powerful media of television and the Internet.

| <b>Program Performance Measures</b>  | <b>Actual FY10</b> | <b>Actual FY11</b> | <b>Estimated FY12</b> | <b>Target FY13</b> | <b>Target FY14</b> |
|--|--------------------|--------------------|-----------------------|--------------------|--------------------|
| Hours of First Run Locally Produced, Block and Acquired MCM Programming          | 5,501              | 5,542              | 5,690                 | 5,715              | 5,715              |
| Hours of MCM Volunteer Effort in Creating Public Access Programming <sup>1</sup> | 9,540              | 12,402             | 13,642                | 16,500             | 17,000             |

<sup>1</sup> Overall increases in class attendance and the addition of a new Green Screen at MCM resulted in additional volunteer contributions and hours starting in FY11.

| <b>FY13 Recommended Changes</b>   | <b>Expenditures</b> | <b>FTEs</b> |
|---|---------------------|-------------|
| <b>FY12 Approved</b>  | <b>2,245,000</b>    | <b>0.00</b> |
| Increase Cost: Contractually Required Benefit Increases for Montgomery County Media Employees | 25,120              | 0.00        |
| <b>FY13 CE Recommended</b>  | <b>2,270,120</b>    | <b>0.00</b> |

## County Cable Montgomery

The Cable Office manages CCM (County Cable Montgomery), the government access channel. CCM programming includes live Council meetings, press conferences, town hall meetings, special events, and programs highlighting County services and activities.

Funding is provided to the Cable Office, County Council, Office of Public Information (PIO), and Maryland National Capital Park and Planning Commission (M-NCPPC) to develop programming for CCM. Funding to provide engineering personnel for the Mobile Production Vehicle for the PEG Network and other digital media services for the Executive and Legislative Branches is also included in the allocation to the Cable Office. Highlights of programs are available on the County's YouTube channel, and all programming is web-streamed to the County's website.

| <b>Program Performance Measures</b>                                     | <b>Actual<br/>FY10</b> | <b>Actual<br/>FY11</b> | <b>Estimated<br/>FY12</b> | <b>Target<br/>FY13</b> | <b>Target<br/>FY14</b> |
|---|------------------------|------------------------|---------------------------|------------------------|------------------------|
| Hours of First Run Locally Produced, Block and Acquired CCM Programming | 2,617                  | 2,603                  | 2,631                     | 2,656                  | 2,676                  |

| <b>FY13 Recommended Changes</b>   | <b>Expenditures</b> | <b>FTEs</b>  |
|---|---------------------|--------------|
| <b>FY12 Approved</b>  | <b>2,090,410</b>    | <b>15.90</b> |
| Increase Cost: CCM Production Contracts to Support Upgraded Technical Requirements  | 63,000              | 0.00         |
| Increase Cost: Annualization of FY12 Personnel Costs  | 15,092              | 0.00         |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion. | 43,804              | 0.00         |
| <b>FY13 CE Recommended</b>  | <b>2,212,306</b>    | <b>15.90</b> |

### **Cable Programming for Public Schools**

The Montgomery County Public Schools (MCPS) Department of Communications and Family Outreach (Instructional TV Unit) has the responsibility for producing and acquiring programming for one educational cable channel and producing training materials to air on a second educational cable channel. Funds are used for production of instructional, community-based, staff development, and training television programs, as well as for engineering, channel management, and programming acquisition. Additional funds are requested in the operating budget of the public schools. MCPS regular programming includes Board of Education meetings, Homework Hotline Live!, staff training and development, live call-in programs, in-class student programs, student-produced programs, technology training, and televised instruction in a variety of academic content areas. Many original television programs are locally produced by MCPS staff in as many as six foreign languages.

| <b>Program Performance Measures</b>   | <b>Actual<br/>FY10</b> | <b>Actual<br/>FY11</b> | <b>Estimated<br/>FY12</b> | <b>Target<br/>FY13</b> | <b>Target<br/>FY14</b> |
|---|------------------------|------------------------|---------------------------|------------------------|------------------------|
| Hours of First Run Locally Produced, Block and Acquired MCPS ITV Programming <sup>1</sup> | 808                    | 914                    | 838                       | 880                    | 924                    |

<sup>1</sup> Decrease in FY12 is due to budget reductions and production of shorter content suitable for Internet viewing (i.e., YouTube).

| <b>FY13 Recommended Changes</b> | <b>Expenditures</b> | <b>FTEs</b> |
|---------------------------------|---------------------|-------------|
| <b>FY12 Approved</b>            | <b>0</b>            | <b>0.00</b> |
| <b>FY13 CE Recommended</b>      | <b>0</b>            | <b>0.00</b> |

### **Cable Programming for Montgomery College**

The Instructional Television and Media Production Services Unit of Montgomery College is responsible for the cable programming available on the Montgomery College (MC) channel. Funding provides for staff, equipment, and operating expenses, as well as for digital media support services to support student success, academic excellence, and for the entire College community. The channel features acquired and originally produced educational, informational and instructional programming which directly supports the College's distance learning and instructional programs, and which provides professional and workforce development and self-enrichment opportunities for community subscribers.

| <b>Program Performance Measures</b>  | <b>Actual<br/>FY10</b> | <b>Actual<br/>FY11</b> | <b>Estimated<br/>FY12</b> | <b>Target<br/>FY13</b> | <b>Target<br/>FY14</b> |
|--|------------------------|------------------------|---------------------------|------------------------|------------------------|
| Hours of First Run Locally Produced and Acquired MC-ITV Programming <sup>1</sup> | 750                    | 471                    | 290                       | 410                    | 420                    |
| Hours of Montgomery College Student-Assisted Original Programming <sup>2</sup>   | 40                     | 79                     | 85                        | 85                     | 90                     |

<sup>1</sup> Montgomery College does not carry block programming. Decreases in FY11 are the result of budget reductions; projected increases in FY13 and FY14 are due to greater use of free and low-cost programming.

<sup>2</sup> In FY11, MC-ITV launched a training program for students to increase MC programming.

| <b>FY13 Recommended Changes</b> | <b>Expenditures</b> | <b>FTEs</b> |
|---------------------------------|---------------------|-------------|
| <b>FY12 Approved</b>            | <b>0</b>            | <b>0.00</b> |
| <b>FY13 CE Recommended</b>      | <b>0</b>            | <b>0.00</b> |

## Municipal Support

Franchise and PEG fees owed by cable operators to participating municipalities within Montgomery County are paid by cable operators to the County for administrative convenience and then redistributed by the County to the City of Rockville, the City of Takoma Park, and the Montgomery County Chapter of the Maryland Municipal League (MML). The County has a contractual obligation to pass through fees owed to municipalities and no discretion to alter these payments. Municipalities may use franchise fees for any purpose. Under the terms of the franchise agreements, participating municipalities must use PEG Operating Support funding to support PEG programming operations and PEG capital support must be used for PEG and institutional network equipment, facilities and related capital expenditures.

| <b>FY13 Recommended Changes</b>   | <b>Expenditures</b> | <b>FTEs</b> |
|---|---------------------|-------------|
| <b>FY12 Approved</b>  | <b>3,248,870</b>    | <b>0.00</b> |
| Increase Cost: Mandatory Municipal Capital Equipment Payments to Support Public, Educational, and Government (PEG) Programming  | 187,300             | 0.00        |
| Increase Cost: Mandatory Municipal Franchise Fee Sharing  | 95,080              | 0.00        |
| Decrease Cost: Municipal Operating Support  | -9,950              | 0.00        |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion. | -226                | 0.00        |
| <b>FY13 CE Recommended</b>  | <b>3,521,074</b>    | <b>0.00</b> |

## WatchLocalTV.org Network

The mission of the WatchLocalTV.org Network is to facilitate collaboration among the local access operators in providing and promoting the most effective public access, educational and government programming and media services to the Montgomery County community using current and emerging technologies. WatchLocalTV.org is collaboratively working to expand foreign language programming.

The budget for the WatchLocalTV.org Network includes funds for the purchase of equipment and an emergency reserve to be used in the event of imminent system failure for certain PEG operations; PEG engineering support; promotion and outreach support to increase channel awareness and viewership; operational and maintenance support for the mobile production vehicle; closed captioning and foreign language support; and general operating and administrative expenses. Federal law and cable franchise agreements restrict use of some funds to PEG and Institutional Network capital expenditures. These funds may be used to purchase PEG equipment and renovate or construct PEG studio and mobile facilities.

| <b>FY13 Recommended Changes</b>   | <b>Expenditures</b> | <b>FTEs</b> |
|---|---------------------|-------------|
| <b>FY12 Approved</b>  | <b>1,247,790</b>    | <b>0.00</b> |
| Increase Cost: Mandatory Increase in PEG Equipment Funding  | 328,320             | 0.00        |
| Add: Funding for Youth Media to Support Tuition Assistance, Video Programming, and Media Training   | 50,000              | 0.00        |
| Enhance: Closed Captioning Additional 412 Hours of Montgomery College and Montgomery County Public Schools Programming  | 35,000              | 0.00        |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion. | -2                  | 0.00        |
| <b>FY13 CE Recommended</b>  | <b>1,661,108</b>    | <b>0.00</b> |

## FiberNet

Funding from the Cable Special Revenue Fund are used to support Montgomery County's private communications network – FiberNet. FiberNet is a critical infrastructure asset that provides carrier class voice, video, Internet access and data network services for Montgomery County Government and Public Schools, Montgomery College, Housing Opportunities Commission (HOC), the Maryland-National Capital Park and Planning Commission (M-NCPPC) and the Washington Suburban Sanitary Commission (WSSC). Additionally, FiberNet provides public safety radio communications and private network access to the State of Maryland and surrounding counties, municipalities and the District of Columbia. Expenditures cover the cost of network expansion, monitoring, management, and maintenance services. FiberNet is a countywide multi-million dollar investment that is crucial to the daily operation of local government within Montgomery County and with its citizens, neighboring governments and business partners. The Department of Transportation (DOT) provides maintenance and repair of the physical fiberoptic cabling for FiberNet.

| <b>Program Performance Measures</b>      | <b>Actual FY10</b> | <b>Actual FY11</b> | <b>Estimated FY12</b> | <b>Target FY13</b> | <b>Target FY14</b> |
|--|--------------------|--------------------|-----------------------|--------------------|--------------------|
| New Sites Added to FiberNet <sup>1</sup> | 27                 | 24                 | 67                    | 67                 | 15                 |

<sup>1</sup> An American Recovery and Reinvestment Act (ARRA) grant will fund the FiberNet expansion to elementary schools and public housing sites in FY12 and FY13.

| <b>FY13 Recommended Changes</b>   | <b>Expenditures</b> | <b>FTEs</b> |
|---|---------------------|-------------|
| <b>FY12 Approved</b>  | <b>1,416,400</b>    | <b>1.70</b> |
| Add: Operating Expenses for Miss Utility Compliance   | 370,100             | 0.00        |
| Enhance: FiberNet Operations to support Increased Number of FiberNet Sites  | 298,530             | 1.00        |
| Enhance: Two New DTS Personnel for FiberNet Operations  | 182,840             | 2.00        |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion. | 15,936              | 0.00        |
| <b>FY13 CE Recommended</b>  | <b>2,283,806</b>    | <b>4.70</b> |

## BUDGET SUMMARY

|   | <b>Actual<br/>FY11</b> | <b>Budget<br/>FY12</b> | <b>Estimated<br/>FY12</b> | <b>Recommended<br/>FY13</b> | <b>% Chg<br/>Bud/Rec</b> |
|---|------------------------|------------------------|---------------------------|-----------------------------|--------------------------|
| <b>CABLE TELEVISION</b>                 |                        |                        |                           |                             |                          |
| <b>EXPENDITURES</b>                     |                        |                        |                           |                             |                          |
| Salaries and Wages                      | 1,826,414              | 2,152,670              | 2,149,429                 | 2,414,188                   | 12.1%                    |
| Employee Benefits                       | 579,921                | 655,370                | 659,366                   | 784,364                     | 19.7%                    |
| <b>Cable Television Personnel Costs</b> | <b>2,406,335</b>       | <b>2,808,040</b>       | <b>2,808,795</b>          | <b>3,198,552</b>            | <b>13.9%</b>             |
| Operating Expenses                      | 8,129,207              | 9,005,300              | 9,069,450                 | 10,330,171                  | 14.7%                    |
| Capital Outlay                          | 0                      | 0                      | 0                         | 0                           | —                        |
| <b>Cable Television Expenditures</b>    | <b>10,535,542</b>      | <b>11,813,340</b>      | <b>11,878,245</b>         | <b>13,528,723</b>           | <b>14.5%</b>             |
| <b>PERSONNEL</b>                        |                        |                        |                           |                             |                          |
| Full-Time                               | 16                     | 16                     | 16                        | 16                          | —                        |
| Part-Time                               | 0                      | 0                      | 0                         | 0                           | —                        |
| FTEs                                    | 25.50                  | 26.50                  | 26.50                     | 29.50                       | 11.3%                    |
| <b>REVENUES</b>                         |                        |                        |                           |                             |                          |
| Franchise Fees                          | 13,960,747             | 14,997,000             | 15,106,188                | 15,985,851                  | 6.6%                     |
| Gaithersburg PEG Contribution           | 97,488                 | 197,000                | 197,743                   | 199,721                     | 1.4%                     |
| I-Net Operating Revenue                 | 822,722                | 1,678,000              | 1,680,912                 | 1,714,530                   | 2.2%                     |
| Investment Income                       | 571                    | 20,000                 | 0                         | 10,000                      | -50.0%                   |
| Miscellaneous Revenues                  | 18,000                 | 0                      | 0                         | 0                           | —                        |
| PEG Capital Revenue                     | 4,954,500              | 4,809,000              | 4,860,517                 | 5,277,254                   | 9.7%                     |
| PEG Operating Revenue                   | 2,091,772              | 2,134,000              | 2,136,860                 | 2,179,597                   | 2.1%                     |
| Tower Application Fees                  | 142,689                | 246,000                | 120,000                   | 120,000                     | -51.2%                   |
| Other Charges/Fees                      | 223,335                | 0                      | 0                         | 0                           | —                        |
| <b>Cable Television Revenues</b>        | <b>22,311,824</b>      | <b>24,081,000</b>      | <b>24,102,220</b>         | <b>25,486,953</b>           | <b>5.8%</b>              |

## FY13 RECOMMENDED CHANGES

|  | <b>Expenditures</b> | <b>FTEs</b>  |
|--|---------------------|--------------|
| <b>CABLE TELEVISION</b>  |                     |              |
| <b>FY12 ORIGINAL APPROPRIATION</b>   | <b>11,813,340</b>   | <b>26.50</b> |
| <b>Changes (with service impacts)</b>  |                     |              |
| Add: Operating Expenses for Miss Utility Compliance [FiberNet]   | 370,100             | 0.00         |
| Enhance: FiberNet Operations to support Increased Number of FiberNet Sites [FiberNet]  | 298,530             | 1.00         |
| Enhance: Two New DTS Personnel for FiberNet Operations [FiberNet]  | 182,840             | 2.00         |
| Add: Funding for Youth Media to Support Tuition Assistance, Video Programming, and Media Training [WatchLocalTV.org Network]                       | 50,000              | 0.00         |
| Enhance: Closed Captioning Additional 412 Hours of Montgomery College and Montgomery County Public Schools Programming [WatchLocalTV.org Network]  | 35,000              | 0.00         |
| <b>Other Adjustments (with no service impacts)</b>   |                     |              |
| Increase Cost: Mandatory Increase in PEG Equipment Funding [WatchLocalTV.org Network]  | 328,320             | 0.00         |
| Increase Cost: Mandatory Municipal Capital Equipment Payments to Support Public, Educational, and Government (PEG) Programming [Municipal Support] | 187,300             | 0.00         |
| Increase Cost: Mandatory Municipal Franchise Fee Sharing [Municipal Support]   | 95,080              | 0.00         |
| Increase Cost: CCM Production Contracts to Support Upgraded Technical Requirements [County Cable Montgomery]                                       | 63,000              | 0.00         |
| Increase Cost: Lump Sum Wage Adjustment  | 35,756              | 0.00         |

|   | Expenditures      | FTEs         |
|---|-------------------|--------------|
| Increase Cost: Retirement Adjustment  | 31,084            | 0.00         |
| Increase Cost: Contractually Required Benefit Increases for Montgomery County Media Employees<br>[Community Access to Cable]        | 25,120            | 0.00         |
| Increase Cost: Group Insurance Adjustment   | 20,769            | 0.00         |
| Increase Cost: Annualization of FY12 Personnel Costs [County Cable Montgomery]  | 15,092            | 0.00         |
| Increase Cost: Longevity Adjustment   | 2,574             | 0.00         |
| Decrease Cost: Printing and Mail Adjustment   | -140              | 0.00         |
| Decrease Cost: Non-essential Legal and Professional Services related to Cable Franchise Renewal [Cable<br>Franchise Administration] | -5,092            | 0.00         |
| Decrease Cost: Municipal Operating Support [Municipal Support]  | -9,950            | 0.00         |
| Decrease Cost: Decreased Cost of Wireless Facilities Application Review [Cable Franchise Administration]                            | -10,000           | 0.00         |
| <b>FY13 RECOMMENDED:</b>  | <b>13,528,723</b> | <b>29.50</b> |

## PROGRAM SUMMARY

| Program Name                             | FY12 Approved     |              | FY13 Recommended  |              |
|--|-------------------|--------------|-------------------|--------------|
|  | Expenditures      | FTEs         | Expenditures      | FTEs         |
| Cable Franchise Administration           | 1,564,870         | 8.90         | 1,580,309         | 8.90         |
| Community Access to Cable                | 2,245,000         | 0.00         | 2,270,120         | 0.00         |
| County Cable Montgomery                  | 2,090,410         | 15.90        | 2,212,306         | 15.90        |
| Cable Programming for Public Schools     | 0                 | 0.00         | 0                 | 0.00         |
| Cable Programming for Montgomery College | 0                 | 0.00         | 0                 | 0.00         |
| Municipal Support                        | 3,248,870         | 0.00         | 3,521,074         | 0.00         |
| WatchLocalTV.org Network                 | 1,247,790         | 0.00         | 1,661,108         | 0.00         |
| FiberNet                                 | 1,416,400         | 1.70         | 2,283,806         | 4.70         |
| <b>Total</b>                             | <b>11,813,340</b> | <b>26.50</b> | <b>13,528,723</b> | <b>29.50</b> |

## FUTURE FISCAL IMPACTS

| Title  | CE REC.       |               |               | (\$000's)     |               |               |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
|  | FY13          | FY14          | FY15          | FY16          | FY17          | FY18          |
| <b>This table is intended to present significant future fiscal impacts of the department's programs.</b> |               |               |               |               |               |               |
| <b>CABLE TELEVISION</b>  |               |               |               |               |               |               |
| <b>Expenditures</b>  |               |               |               |               |               |               |
| <b>FY13 Recommended</b>  | <b>13,529</b> | <b>13,529</b> | <b>13,529</b> | <b>13,529</b> | <b>13,529</b> | <b>13,529</b> |
| No inflation or compensation change is included in outyear projections.                                  |               |               |               |               |               |               |
| <b>Elimination of One-Time Lump Sum Wage Adjustment</b>  | <b>0</b>      | <b>-36</b>    | <b>-36</b>    | <b>-36</b>    | <b>-36</b>    | <b>-36</b>    |
| This represents the elimination of the one-time lump sum wage increases paid in FY13.                    |               |               |               |               |               |               |
| <b>Subtotal Expenditures</b>   | <b>13,529</b> | <b>13,493</b> | <b>13,493</b> | <b>13,493</b> | <b>13,493</b> | <b>13,493</b> |

| FY13-18 PUBLIC SERVICES PROGRAM: FISCAL PLAN  |                     | Cable TV Fund       |                     |                     |                     |                     |                     |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| FISCAL PROJECTIONS  | FY12 ESTIMATE       | FY13 REC            | FY14 PROJECTION     | FY15 PROJECTION     | FY16 PROJECTION     | FY17 PROJECTION     | FY18 PROJECTION     |
| <b>ASSUMPTIONS</b>  |                     |                     |                     |                     |                     |                     |                     |
| Indirect Cost Rate  | 12.59%              | 12.13%              | 12.13%              | 12.13%              | 12.13%              | 12.13%              | 12.13%              |
| CPI (Fiscal Year)   | 3.1%                | 2.7%                | 2.9%                | 2.9%                | 2.7%                | 2.7%                | 2.7%                |
| Investment Income Yield   | 0.0015              | 0.0025              | 0.0035              | 0.0085              | 0.016               | 0.0235              | 0.0285              |
| <b>BEGINNING FUND BALANCE</b>   | <b>1,999,770</b>    | <b>645,060</b>      | <b>586,330</b>      | <b>1,328,690</b>    | <b>1,361,600</b>    | <b>1,389,370</b>    | <b>1,426,890</b>    |
| <b>REVENUES</b>   |                     |                     |                     |                     |                     |                     |                     |
| Revenues  | 24,102,220          | 25,476,953          | 26,490,097          | 27,152,248          | 27,690,419          | 28,243,748          | 28,808,143          |
| Miscellaneous   | 0                   | 10,000              | 10,000              | 30,000              | 60,000              | 90,000              | 110,000             |
| <b>Subtotal Revenues</b>  | <b>24,102,220</b>   | <b>25,486,953</b>   | <b>26,500,097</b>   | <b>27,182,248</b>   | <b>27,750,419</b>   | <b>28,333,748</b>   | <b>28,918,143</b>   |
| <b>INTERFUND TRANSFERS (Net Non-CIP)</b>  |                     |                     |                     |                     |                     |                     |                     |
| To Tax-Supported Funds  |                     |                     |                     |                     |                     |                     |                     |
| To General Fund: MCPS Instructional TV Fund   | (1,425,000)         | (1,457,591)         | (1,457,591)         | (1,457,591)         | (1,457,591)         | (1,457,591)         | (1,457,591)         |
| To General Fund: MC Cable Fund  | (1,230,000)         | (1,244,850)         | (1,244,850)         | (1,244,850)         | (1,244,850)         | (1,244,850)         | (1,244,850)         |
| To General Fund: Indirect Costs   | (368,990)           | (387,980)           | (387,980)           | (387,980)           | (387,980)           | (387,980)           | (387,980)           |
| To General Fund: Technology Modernization   | (33,670)            | (31,540)            | (23,050)            | (18,970)            | (18,970)            | (18,970)            | (18,970)            |
| Transfer to General Fund as Resource  | (8,086,110)         | (7,064,000)         | (6,225,000)         | (7,175,000)         | (5,970,000)         | (6,075,000)         | (7,925,000)         |
| <b>TOTAL RESOURCES</b>  | <b>14,958,220</b>   | <b>15,946,052</b>   | <b>17,747,956</b>   | <b>18,226,547</b>   | <b>20,032,628</b>   | <b>20,538,727</b>   | <b>19,310,642</b>   |
| <b>CIP CURRENT REVENUE APPROP. PSP OPER. BUDGET APPROP/ EXP'S.</b>  |                     |                     |                     |                     |                     |                     |                     |
| Operating Budget  | (11,878,250)        | (13,528,723)        | (13,985,023)        | (14,450,703)        | (14,904,013)        | (15,372,593)        | (15,864,703)        |
| FFI: Eliminate one-time lump sum wage increase  | 0                   | 0                   | 35,756              | 35,756              | 35,756              | 35,756              | 35,756              |
| <b>Subtotal PSP Oper Budget Approp / Exp's</b>  | <b>(11,878,250)</b> | <b>(13,528,723)</b> | <b>(13,949,267)</b> | <b>(14,414,947)</b> | <b>(14,868,257)</b> | <b>(15,336,837)</b> | <b>(15,828,947)</b> |
| OTHER CLAIMS ON FUND BALANCE  | (294,912)           | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| <b>TOTAL USE OF RESOURCES</b>   | <b>(14,313,162)</b> | <b>(15,359,723)</b> | <b>(16,419,267)</b> | <b>(16,864,947)</b> | <b>(18,643,257)</b> | <b>(19,111,837)</b> | <b>(17,853,947)</b> |
| <b>YEAR END FUND BALANCE</b>  | <b>645,060</b>      | <b>586,330</b>      | <b>1,328,690</b>    | <b>1,361,600</b>    | <b>1,389,370</b>    | <b>1,426,890</b>    | <b>1,456,700</b>    |
| <b>END-OF-YEAR RESERVES AS A PERCENT OF TOTAL NON-RESTRICTED RESOURCES (8% per policy guidance)</b>   | <b>4.2%</b>         | <b>3.6%</b>         | <b>8.0%</b>         | <b>8.0%</b>         | <b>8.0%</b>         | <b>8.1%</b>         | <b>8.1%</b>         |
| <b>Notes:</b>   |                     |                     |                     |                     |                     |                     |                     |
| 1. 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, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here. |                     |                     |                     |                     |                     |                     |                     |
| 2. Certain Cable Fund revenues (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.   |                     |                     |                     |                     |                     |                     |                     |
| 3. End-of-year reserves is targeted at 8% of total non-restricted revenues (franchise fees, tower fees, and investment income) per policy guidance.   |                     |                     |                     |                     |                     |                     |                     |
| 4. The Comcast franchise renewal process has been recently initiated and specific elements of a final agreement are uncertain. Restricted categories such as FiberNet Operating revenue and PEG Operating revenue may be impacted in the outyears.  |                     |                     |                     |                     |                     |                     |                     |