

Resolution No.:	<u>16-172</u>
Introduced:	<u>May 24, 2007</u>
Adopted:	<u>May 24, 2007</u>

COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND

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By: County Council

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Subject: Approval of the FY 2008 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 L.L.C. from Pepco Communications to RCN Telecom Services of Washington, D.C., Inc. Starpower is now doing business as RCN.
9. Section 3.3.6 of the 2006 Franchise Agreement with Verizon Maryland, Inc. provides that Verizon must pay \$200,000 within 30 days of the effective date of the Franchise Agreement and \$200,000 per year for four years on the anniversary of the effective date of the Franchise Agreement. In exchange, the County waived its ability to add more locations for cable service for public buildings above Verizon’s obligation to provide 100 connections at the County’s request.
10. 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.”
11. 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 2008, 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 2008. Resources appropriated in FY 2008 that are not encumbered by the County on or before June 30, 2008, 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 2008 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), 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 2008 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 2006 calendar year.
8. FY 2009-2014 Cable Plan: The Executive must submit a preliminary six-year Cable Communications Plan for FY 2009 through FY 2014 to the Council no later than January 15, 2008. The Executive submitted a preliminary six-year Cable Communications Plan for FY 2007 through FY 2012 to the Council on January 12, 2007. The Preliminary Cable Communications Plan included: (a) a list of known PEG activities and funding needs for FY 2007 through FY 2012; (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 2007 through FY 2012.

**FY 2008 Cable Communications Plan Description**

The FY 2008 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.); 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 2008:

**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.

For FY 2008, funds are allocated for a facilitator to assess the current organizational structure of Montgomery Community Television, Inc. and develop a strategic plan for public access in Montgomery County.

- 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 to produce Executive Branch programming for the County Government Channel. Funds are allocated for the Office of Public Information for contractors to provide the technical services needed to produce, tape, and transmit programs, and to improve the program guide for the channel.

Funds are allocated to the Council for contractors to provide cable-related services including the technical services needed 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 the technical 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 2008 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 2008, funds are allocated for PEG Equipment Replacement, for an Emergency Equipment Reserve to be used in case of imminent failure of major PEG video systems, 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 Network 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 Communications Services. Before spending any funds for this purpose, the PEG Network 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 Communications Services, and acquiring equipment that facilitates the sharing of resources with other PEG channels.

The Office of Cable and Communications Services must not spend funds from the Emergency Equipment Reserve until the PEG Network finds that additional replacement funds are needed to prevent interruption of programming on one or more 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 Network may spend funds allocated for PEG joint Programming/Promotion, the Network must report its general plans to the Council and the Executive.

For FY 2008, funds are allocated for additional county-wide initiatives focused on youth media projects.

For FY 2008, funds are allocated for a consultant to develop a strategy to assist the PEG Network in responding to issues associated with digital migration.

For FY 2008, funds are allocated to maintain County mobile production vehicles.

#### Other Expenditures

- K. For FY 2008, funds are allocated to the Village of Friendship Heights for cable programming and equipment expenses.

#### Institutional Telecommunications

- L. For FY 2008, 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 plans to expand the FiberNet network to meet the telecommunications needs of County agency facilities. The Department of Technology Services must develop 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.

For FY 2008, funds are allocated for partial funding to renovate the hearing room, conference room, and anteroom on the third floor of the Council Office Building. The renovations will improve disability access and upgrade the HVAC, lighting, and audio-visual systems.

For FY 2008, funds are allocated to the Montgomery County portion of the Maryland-National Capital Park and Planning Commission to fund Phase I of the Geographic Information System Strategic Plan.

General Fund Transfers and Repayment Schedule

- M. In FY 2004, \$2,636,000 was appropriated from the Cable TV Special Revenue Fund to the General Fund to finance general government operations. This was the first year that the Executive recommended transferring funds derived from franchise fees for unspecified general government operations.

In FY 2006, the Council allocated \$1,241,000 to fund the County's Automated Traffic Management System. These funds must be repaid according to the same terms and schedule as the General Fund transfers detailed below.

In FY 2007, the Council allocated \$284,000 to fund technology projects for the Montgomery County portion of the Maryland-National Capital Park and Planning Commission Operating Budget. These funds must be repaid according to the same terms and schedule as the FY 2006 General Fund transfer detailed below.

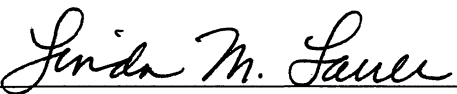
The FY 2004 General Fund transfer, the FY 2006 funding for the Automated Traffic Management System, and the FY 2007 funding for technology projects for the Montgomery County portion of the Maryland-National Capital Park and Planning Commission must be repaid without interest according to the following schedule: \$432,000 in FY 2008, \$1,232,000 in FY09, and \$832,000 annually beginning in FY 2010 and continuing through FY 2012, for a total of \$4,160,000.

**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 2008.

This is a correct copy of Council action.

  
Linda M. Lauer, Clerk of the Council



**FY08 CABLE COMMUNICATIONS PLAN (\$000's)**

SCHEDULED EXPENDITURES	Actual FY06	Approved FY07	Estimated FY07	Approved FY08	% Chg					
					From '07 Plan	FY09	FY10	FY11	FY12	FY13
<b>BEGINNING FUND BALANCE</b>	<b>1,607</b>	<b>2,573</b>	<b>2,642</b>	<b>1,281</b>	<b>-50.2%</b>	<b>813</b>	<b>1,227</b>	<b>2,098</b>	<b>2,976</b>	<b>3,688</b>
<b>REVENUES</b>										
5% Franchise Fee	11,263	8,936	9,470	9,849	10.2%	10,105	10,368	10,638	10,915	11,199
G'Burg PEG Contribution	203	152	185	192	26.6%	197	202	207	212	218
PEG Operating	1,984	2,014	2,122	2,207	9.6%	2,264	2,323	2,383	2,445	2,509
PEG Capital/Equipment	230	236	239	246	4.3%	253	260	267	274	281
Verizon-Grant	0	0	250	200	0.0%	200	200	200	0	0
FiberNet Operating	1,417	1,453	1,474	1,518	4.5%	1,558	1,599	1,641	1,684	1,728
Interest Earned	154	178	200	200	12.4%	200	210	220	230	240
Tower Review Fees	122	55	130	75	36.4%	77	79	81	83	85
Miscellaneous	0	0	25	0	0.0%	0	0	0	0	0
Transfer from the General Fund	0	0	0	432	0.0%	1,232	832	832	832	0
<b>TOTAL ANNUAL REVENUES</b>	<b>15,373</b>	<b>13,024</b>	<b>14,095</b>	<b>14,919</b>	<b>14.6%</b>	<b>16,086</b>	<b>16,073</b>	<b>16,469</b>	<b>16,675</b>	<b>16,260</b>
<b>TOTAL RESOURCES-CABLE FUND</b>	<b>16,980</b>	<b>15,597</b>	<b>16,737</b>	<b>16,201</b>	<b>3.9%</b>	<b>16,899</b>	<b>17,300</b>	<b>18,567</b>	<b>19,651</b>	<b>19,948</b>
<b>EXPENDITURES</b>										
<b>A. FRANCHISE ADMINISTRATION</b>										
Personnel Costs	549	698	576	721 +	3.3%	740	759	779	799	820
Oper. Exp. & Cap. Outlay	76	71	71	123 +	73.2%	75	77	79	81	83
Engineering/Inspection	485	510	510	510 +	0.0%	523	537	551	565	580
Indirect costs trans to Gen Fund	174	194	194	202 <sup>1</sup>	4.1%	208	214	214	214	214
<b>SUBTOTAL</b>	<b>1,284</b>	<b>1,473</b>	<b>1,351</b>	<b>1,556</b>	<b>5.6%</b>	<b>1,546</b>	<b>1,587</b>	<b>1,623</b>	<b>1,659</b>	<b>1,697</b>
<b>B. COUNTY ATTORNEY</b>										
Personnel Costs	67	76	76	81	6.6%	85	89	93	97	101
<b>SUBTOTAL</b>	<b>67</b>	<b>76</b>	<b>76</b>	<b>81 <sup>2</sup> +</b>	<b>6.6%</b>	<b>85</b>	<b>89</b>	<b>93</b>	<b>97</b>	<b>101</b>
<b>C. OUTSIDE PROFESSIONAL SERVICES</b>										
Legal and other	389	400	550	405	1.3%	416	427	438	449	461
<b>SUBTOTAL</b>	<b>389</b>	<b>400</b>	<b>550</b>	<b>405 +</b>	<b>1.3%</b>	<b>416</b>	<b>427</b>	<b>438</b>	<b>449</b>	<b>461</b>
<b>D. MUNI. FRANCHISE FEE SHARING</b>										
Revenues to municipalities	636	643	682	709	10.3%	728	746	766	786	806
<b>SUBTOTAL</b>	<b>636</b>	<b>643</b>	<b>682</b>	<b>709 +</b>	<b>10.3%</b>	<b>728</b>	<b>746</b>	<b>766</b>	<b>786</b>	<b>806</b>
<b>E. MUNICIPAL EQUIPMENT &amp; OPERATIONS</b>										
Rockville Equipment (a)	43	50	52	54	8.0%	55	56	57	58	60
Rockville PEG Operating Support (a)	60	62	62	64	3.2%	66	68	70	72	74
Takoma Park Equipment (a)	43	50	52	54	8.0%	55	56	57	58	60
Takoma Park PEG Oper. Support (a)	60	62	62	64	3.2%	66	68	70	72	74
Municipal League Eqp. (a)	43	50	52	54	8.0%	55	56	57	58	60
Muni. League PEG Oper. Support (a)	60	62	62	64	3.2%	66	68	70	72	74
<b>SUBTOTAL</b>	<b>309</b>	<b>336</b>	<b>342</b>	<b>354 +</b>	<b>5.4%</b>	<b>363</b>	<b>372</b>	<b>381</b>	<b>390</b>	<b>402</b>
<b>F. COUNTY CABLE MONTGOMERY</b>										
<b>Administration</b>										
Personnel Costs	166	264	176	304 +	15.2%	316	329	342	355	355
Operating	18	24	24	25 +	4.2%	25	26	27	28	29
Closed Captioning	187	248	248	319 +	28.6%	327	336	345	354	363
Technical Operations Center (TOC)	143	52	100	23 +	-55.8%	27	28	29	30	31
Arts PEG - AFI	0	0	0	0 +	0.0%	0	0	0	0	0
VOD, Community BB, web services	30	48	48	48 +	0.0%	49	50	51	52	53
<b>Public Information Office</b>										
Personnel Costs	182	175	175	185 <sup>2</sup> +	5.7%	194	203	212	222	232
Operating Expenses	8	10	10	12 <sup>2</sup> +	20.0%	12	12	13	14	15
Contracts - TV Production	385	414	414	414 +	0.0%	425	436	447	459	471
<b>County Council</b>										
Personnel Costs	30	32	32	36 <sup>2</sup> +	12.5%	38	40	42	44	46
Operating Expenses	39	86	86	48 +	-44.2%	48	50	52	54	55
Contracts - TV Production	370	440	440	404 +	-8.2%	415	426	437	448	460
<b>MNCPPC</b>										
Personnel Costs	0	0	0	81 +	0.0%	81	81	81	81	81
Operating Expenses	0	0	0	21 +	0.0%	22	23	24	25	26
Contracts - TV Production	0	0	0	124 +	0.0%	127	130	133	136	140
<b>SUBTOTAL</b>	<b>1,558</b>	<b>1,793</b>	<b>1,753</b>	<b>2,044</b>	<b>14.0%</b>	<b>2,106</b>	<b>2,170</b>	<b>2,235</b>	<b>2,302</b>	<b>2,357</b>

These projections for the Cable TV Fund incorporate assumptions of annual resources and resource usage as well as projected end-of-year reserves available based on these assumptions. This scenario assumes that operating expenditures will experience net increases as a trend. Factors contributing to the assumed rate of increase include compensation adjustments, program and productivity improvements, and cost increases driven by inflation. This scenario represents one possible fiscal future based on the incorporated set of expenditure and resource assumptions. Other scenarios would occur if the County Executive and County Council adopted a different program plan or if the future brings different trends than presumed in the incorporated assumptions. The County Executive presents these fiscal projections as a tool for thinking about the future fiscal policy implications of the recommended program of expenditures and resources.

**FY08 CABLE COMMUNICATIONS PLAN (\$000's)**

SCHEDULED EXPENDITURES	Actual	Approved	Estimated	Approved	% Chg					
	FY06	FY07	FY07	FY08	From '07 Plan	FY09	FY10	FY11	FY12	FY13
<b>G. MONTGOMERY COLLEGE</b>										
Personnel Costs	752	868	868	1000 <sup>3</sup>	15.2%	1026	1053	1080	1108	1137
Operating Expenses	187	199	199	219 <sup>3</sup>	10.1%	225	231	237	243	249
<b>SUBTOTAL</b>	<b>939</b>	<b>1,067</b>	<b>1,067</b>	<b>1,219</b>	<b>14.2%</b>	<b>1,251</b>	<b>1,284</b>	<b>1,317</b>	<b>1,351</b>	<b>1,386</b>
<b>H. PUBLIC SCHOOLS</b>										
Personnel Costs	1080	1173	1196	1234 <sup>4</sup>	5.2%	1,266	1,299	1,333	1,368	1,404
Operating Expenses	158	210	187	287 <sup>4</sup>	36.7%	294	302	310	318	326
<b>SUBTOTAL</b>	<b>1,238</b>	<b>1,383</b>	<b>1,383</b>	<b>1,521</b>	<b>10.0%</b>	<b>1,560</b>	<b>1,601</b>	<b>1,643</b>	<b>1,686</b>	<b>1,730</b>
<b>I. COMMUNITY ACCESS ORGANIZATIONS (b)</b>										
Personnel Costs	1,548	1,685	1,685	1,779	5.6%	1,825	1,872	1,921	1,971	2,022
Operating Expenses	726	720	720	755	4.9%	775	795	816	837	859
<b>SUBTOTAL</b>	<b>2,274</b>	<b>2,405</b>	<b>2,405</b>	<b>2,534 +</b>	<b>5.4%</b>	<b>2,600</b>	<b>2,667</b>	<b>2,737</b>	<b>2,808</b>	<b>2,881</b>
<b>J. PEG NETWORK</b>										
PEG Equipment Replacement	783	879	879	900 +	2.4%	843	885	930	976	1025
Emergency Equipment Reserve	0	80	80	80 +	0.0%	82	84	86	88	90
PEG Network Engineering & Admin	40	142	142	40 +	-71.8%	44	46	49	51	54
Community Programming	35	46	46	100 +	117.4%	102	104	106	108	110
PEG Promotion	30	34	34	35 +	2.9%	36	37	38	40	42
PEG Network Operating	55	90	90	125 +	38.9%	128	131	134	137	141
Mobile Production Vehicle	593	82	82	82 +	0.0%	86	90	95	100	105
<b>SUBTOTAL</b>	<b>1,536</b>	<b>1,353</b>	<b>1,353</b>	<b>1,362</b>	<b>0.7%</b>	<b>1,321</b>	<b>1,377</b>	<b>1,438</b>	<b>1,500</b>	<b>1,567</b>
<b>K. OTHER</b>										
Down County Comm. Media Facility	12	0	0	0 +	0.0%	0	0	0	0	0
Grants to Organizations	39	39	39	39 +	0.0%	39	39	39	39	39
<b>SUBTOTAL</b>	<b>51</b>	<b>39</b>	<b>39</b>	<b>39</b>	<b>0.0%</b>	<b>39</b>	<b>39</b>	<b>39</b>	<b>39</b>	<b>39</b>
<b>PEG + ADMIN. SUBTOTAL</b>	<b>10,281</b>	<b>10,968</b>	<b>11,001</b>	<b>11,824</b>	<b>7.8%</b>	<b>12,015</b>	<b>12,359</b>	<b>12,710</b>	<b>13,067</b>	<b>13,427</b>
<b>L. INSTITUTIONAL TELECOMMUNICATIONS</b>										
FiberNet-Operations (DTS)	975	1,175	1,175	1,182 +	0.6%	1,213	1,245	1,277	1,310	1,344
FiberNet-Operations (DPWT)	240	249	249	249 +	0.0%	255	262	269	276	283
FiberNet-CIP	1,000	1,970	1,970	1,735 <sup>6</sup>	-11.9%	1,560	1,335	1,335	1,310	0
Verizon-Cable Service to Public Buildings	0	0	0	0 +	0.0%	0	0	0	0	0
COB Renovations - CIP	0	0	0	323 <sup>6</sup>	0.0%	629	0	0	0	0
Advanced Transportation Management System (ATMS) - CIP	1,241	0	0	0	0.0%	0	0	0	0	0
Park & Planning Technology Projects	0	284	284	75	-73.6%	0	0	0	0	0
<b>SUBTOTAL</b>	<b>3,456</b>	<b>3,678</b>	<b>3,678</b>	<b>3,564</b>	<b>-3.1%</b>	<b>3,657</b>	<b>2,842</b>	<b>2,881</b>	<b>2,896</b>	<b>1,627</b>
<b>TOTAL EXPEND-PROGRAMS</b>	<b>13,136</b>	<b>14,646</b>	<b>14,679</b>	<b>15,388</b>	<b>5.1%</b>	<b>15,672</b>	<b>15,201</b>	<b>15,591</b>	<b>15,963</b>	<b>15,054</b>
<b>OTHER USES OF CATV FUNDS -</b>										
Prior Year Adjustments	(601)	0	0	0	0.0%	0	0	0	0	0
CIP-Designated Claim on Fund	0	0	777	0	0.0%	0	0	0	0	0
Transfer to the General Fund	0	284	284	0	-100.0%	0	0	0	0	0
<b>TOTAL OTHER USES &amp; ADJ. -</b>	<b>(601)</b>	<b>284</b>	<b>1,061</b>	<b>0</b>	<b>-100.0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>SURPLUS (DEFICIT)</b>	<b>1,035</b>	<b>(1,622)</b>	<b>(584)</b>	<b>(469)</b>	<b>-71.1%</b>	<b>414</b>	<b>872</b>	<b>878</b>	<b>712</b>	<b>1,206</b>
<b>FUND BALANCE</b>	<b>2,642</b>	<b>951</b>	<b>1,281</b>	<b>813</b>	<b>-14.6%</b>	<b>1,227</b>	<b>2,098</b>	<b>2,976</b>	<b>3,688</b>	<b>4,894</b>
<b>FUND BALANCE per Policy Guidance</b>		<b>734</b>	<b>784</b>	<b>810</b>		<b>831</b>	<b>853</b>	<b>875</b>	<b>898</b>	<b>922</b>
<b>EXPENDITURES BY FUNDING SOURCE</b>										
Transfer to Gen Fund-Indirect Costs	174	194	194	202 <sup>1</sup>	4.1%	208	214	214	214	214
Transfer to Gen Fund-Cable Opns	0	0	0	0 <sup>2</sup>	0.0%	0	0	0	0	0
Trans to Gen Fund-Mont Coll Cable Fd	939	1,067	1,067	1,219 <sup>3</sup>	14.2%	1,251	1,284	1,317	1,351	1,386
Trans to Gen Fund-Public Sch Cable Fd	1,238	1,383	1,383	1,521 <sup>4</sup>	10.0%	1,560	1,601	1,643	1,686	1,730
Trans to Gen Fund-FIBERNET Operations	0	0	0	0 <sup>5</sup>	0.0%	0	0	0	0	0
Transfer to CIP Fund	2,241	1,970	1,970	2,058 <sup>6</sup>	4.5%	2,189	1,335	1,335	1,310	0
Transfer to the General Fund-Other	0	284	284	0 <sup>7</sup>	-100.0%	0	0	0	0	0
CATV Fund Direct Expenditures	9,145	9,748	9,781	10,388 +	6.6%	10,464	10,767	11,082	11,402	11,724
<b>TOTAL EXPEND-FUNDING SOURCE</b>	<b>13,737</b>	<b>14,646</b>	<b>14,679</b>	<b>15,388</b>	<b>5.1%</b>	<b>15,672</b>	<b>15,201</b>	<b>15,591</b>	<b>15,963</b>	<b>15,054</b>

NOTES:  
<sup>1</sup> Transferred from the Cable Television Special Revenue Fund to the General Fund-Indirect Costs.  
<sup>2</sup> Transferred to General Fund for Cable Operations in prior years.  
<sup>3</sup> Transferred to General Fund for Montgomery College Cable Fund.  
<sup>4</sup> Transferred to General Fund for Montgomery County Public Schools Cable Fund.  
<sup>5</sup> Transferred to General Fund for FIBERNET Operations in prior years.  
<sup>6</sup> Transferred to CIP Fund  
<sup>7</sup> Transferred to General Fund for Other Technology Related Use  
(+ ) Funded directly from the Cable Television Special Revenue Fund.  
(a) Maximum cable company contribution to fund municipal equipment  
(b) Currently Montgomery Community Television, Inc.