
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; FiberNet is expanded and operated to provide reliable voice, data, video and public safety communications to County government agencies; and a reliable and expedient process is provided 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 FY14, the Cable Communications Plan consists of three elements: the Cable & Broadband Office appropriation (\$13,622,905), transfers to the County General Fund (\$10,962,038), and transfers to the County Capital Improvements Program (\$3,916,428) for a total use of fund resources of \$28,501,371. Within the Cable Office appropriation of \$13,622,905, Personnel Costs comprise 25.2 percent of the budget for sixteen full-time position. A total of 30.5 FTEs includes these positions as well as any seasonal, temporary, and positions charged to or from other departments or funds. Operating Expenses account for the remaining 74.8 percent of the FY14 budget.

In FY14, 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 FY14, total transfers to MC are \$1,345,800, representing an increase of \$100,950 (or 8.1%) over the FY13 transfer of \$1,244,850.

Montgomery County Public Schools (MCPS): Funds are transferred from the Cable Fund to the General Fund, and then to MCPS. In FY14, total transfers to MCPS are \$1,477,260, representing an increase of \$19,669 (or 1.3%) over the FY13 transfer of \$1,457,591.

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 (\$538,853), costs related to the Technology Modernization program (\$25,125), funding the workplan of the Legislative Branch Communications Outreach NDA (\$400,000), and other contributions (\$7,175,000).

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 FY13 estimates reflect funding based on the FY13 approved budget. The FY14 and FY15 figures are performance targets based on the FY14 approved budget and funding for comparable service levels in FY15.

ACCOMPLISHMENTS AND INITIATIVES

- ❖ *In FY14, the Cable and Broadband Office will lead an Innovative Media pilot to expand the use of video as an interactive presentation tool. This initiative will build upon FY13 accomplishments of creating the openMontgomery promotional video, Human Rights Hall of Fame video award presentations, and the Montgomery County Public Libraries' Teen Advisory Group library promotion video series.*
- ❖ *In FY13, the County's Youth media initiatives resulted in hundreds of teenagers receiving digital media training, creating monthly programming by teens, expanding the Mymcmedia.org/youth web page, creating new teen blogs, internships and live events. In FY14, additional funding will support expansion of teen-produced programming, digital media internships and training, and create a teen-led youth-centric on-line community trans-media space.*
- ❖ *In FY13, the Public, Educational, and Government (PEG) Governance Board used technological innovations and cross-agency collaboration to increase its collaboratively produced first-run original programming by 26 percent and to expand Spanish language programming. In FY14, a new Community Engagement initiative will expand outreach and programming about underrepresented immigrant communities and Spanish-speaking communities.*
- ❖ *In FY13, the Cable Office's technical support and funding from the Legislative Non-Departmental Account was used to install equipment necessary to enable live transmission and recording of all Council general and committee meetings. This equipment, in addition to a three percent increase in the FY14 County Cable Montgomery (CCM) budget, will enable CCM to increase its overall original programming hours by 50 percent.*
- ❖ *Productivity Improvements*
 - *In FY13, FiberNet construction funded by the American Recovery and Reinvestment Act will be completed. The number of locations serviced by the County's high-speed communications network will increase by 32 percent. This expansion along with consistent efficiencies in network operations by the Department of Technology Services management team will lower the FiberNet per site operating costs by one percent.*

PROGRAM CONTACTS

Contact Mitsuko R. Herrera of the Cable and Broadband Office at 240.777.2928 or Dennis Hetman of the Office of Management and Budget at 240.777.2770 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Cable Franchise Administration

The Cable & Broadband Office 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 cable and telecommunications service negotiations, and rate regulation and franchise compliance matters.

The responsibilities associated with franchise administration include:

- Ensuring cable operator compliance with franchise financial, technical, and construction requirements and managing the cable franchise renewal and transfer process;
- Investigating and resolving cable and broadband subscriber and residential complaints;
- Administering contracts with and providing liaison and support services for the PEG channels;
- Collecting and administering franchise fees, grants, and other payments to the County and participating municipalities;
- Encouraging entry of competitive providers of telecommunication services and negotiating and reviewing proposed

telecommunications franchises for use of the public rights-of-way;

- Directing and coordinating the Transmission Facilities Coordinating Committee;
- Supporting the Cable and Communications Advisory Committee and Cable Compliance Commission;
- Strategic planning for Montgomery County government cable and communications technology;
- Preparing the annual Cable Communications Plan; and
- Monitoring and working with the Office of Intergovernmental Relations to advocate for effective and reasonable State and Federal cable, broadband and telecommunications regulations and legislation.

Program Performance Measures	Actual FY11	Actual FY12	Estimated FY13	Target FY14	Target FY15
Percent of Customers Satisfied with Cable Office Complaint Handling	96	97	95	95	95
Average Days to Process Transmission Facilities Applications by Transmission Facilities Coordinating Group	23	27	30	30	30
Number of Transmission Facility Applications Processed	155	209	100	120	120

FY14 Approved Changes	Expenditures	FTEs
FY13 Approved	1,578,537	8.90
Increase Cost: Contract Increase for Engineering & Inspections Services	18,000	0.00
Enhance: Technology Support/Training for Customer Service Operations	10,000	0.00
Increase Cost: Printing and Mail Adjustment	181	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.	18,355	0.00
FY14 Approved	1,625,073	8.90

Community Access to Cable

The Cable & Broadband 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.

Program Performance Measures	Actual FY11	Actual FY12	Estimated FY13	Target FY14	Target FY15
Hours of First Run Locally Produced, Block and Acquired MCM Programming	5,542	6,848	7,000	7,050	7,100
Hours of MCM Volunteer Effort in Creating Public Access Programming	12,402	13,642	16,500	17,000	17,500

FY14 Approved Changes	Expenditures	FTEs
FY13 Approved	2,250,120	0.00
Add: New Community Media Videographer position	65,000	0.00
Increase Cost: Contract Funding for Community Media Center Employees	40,648	0.00
Increase Cost: Rent and Utilities for Community Access Facility	7,759	0.00
Increase Cost: Benefits for Montgomery County Media (MCM)	4,982	0.00
FY14 Approved	2,368,509	0.00

County Cable Montgomery

The Cable Office manages CCM (County Cable Montgomery), the government access channel. CCM programming includes live Council general and committee 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. Over 99 percent of all CCM programming is presented with closed captions. Highlights of programs are available on the County's YouTube channel. Spanish language programming is produced and all programming is web-streamed to the County's website.

Program Performance Measures	Actual FY11	Actual FY12	Estimated FY13	Target FY14	Target FY15
Hours of First Run Locally Produced, Block and Acquired CCM Programming	2,603	2,631	2,653	2,816	2,838

FY14 Approved Changes	Expenditures	FTEs
FY13 Approved	2,212,306	15.90
Add: Production Services to Expand Council Coverage	62,000	0.00
Enhance: County Council Community Engagement Contractor from PT to FT	45,500	0.00
Increase Cost: Audio/Video Supplies for Public Information Office	12,000	0.00
Reduce: PEG Operating maintenance	-20,000	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.	165,370	0.00
FY14 Approved	2,477,176	15.90

Cable Programming for Public Schools

The Montgomery County Public Schools (MCPS) Office of Communications is responsible for producing television programming for its educational cable channel. Funds are used for production of instructional, community-based, staff development, and training television programs; for programs viewed via the Internet; as well as for engineering, channel management, and program acquisition. MCPS regular programming includes Board of Education meetings, Homework Hotline Live!, staff training and development, live call-in and interactive programs, in-class student programs, student-produced programs, technology training, and televised instruction in a variety of academic content areas. Many programs are translated and cablecast in multiple languages. Additional funds are requested and provided through the Public Schools' operating budget.

Program Performance Measures	Actual FY11	Actual FY12	Estimated FY13	Target FY14	Target FY15
Hours of First Run Locally Produced, Block and Acquired MCPS ITV Programming	914	954	960	1,277	1,340

FY14 Approved Changes	Expenditures	FTEs
FY13 Approved	0	0.00
FY14 Approved	0	0.00

Cable Programming for Montgomery College

The Instructional Television (ITV) and Media Production Services Unit of Montgomery College is responsible for creating cable programming available on the Montgomery College educational cable channel as well as video programming and learning materials available as on-line content. Funds are used for staff, equipment, and operating expenses to provide digital media services to support student success (i.e., course completion, retention, graduation, and academic excellence), produce Spanish language programming, and to advance the mission of the entire College community. The cable and video programming features acquired and originally produced educational, informational and instructional programming which directly supports the College's distance learning and instructional programs, and to provide professional and workforce development and self-enrichment opportunities for the community. Additional funds are provided through the Montgomery College operating budget.

Program Performance Measures	Actual FY11	Actual FY12	Estimated FY13	Target FY14	Target FY15
Hours of First Run Locally Produced and Acquired MC-ITV Programming	471	336	230	250	250
Hours of Montgomery College Student-Assisted Original Programming	79	143	100	110	110

FY14 Approved Changes	Expenditures	FTEs
FY13 Approved	0	0.00
FY14 Approved	0	0.00

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 Public, Education, and Government (PEG) Access 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.

FY14 Approved Changes	Expenditures	FTEs
FY13 Approved	3,521,074	0.00
Increase Cost: Increase in Municipal PEG Operating Support Payments	986,951	0.00
Increase Cost: Increase in Municipal Franchise Fee Distributions	121,389	0.00
Decrease Cost: Decrease in Municipal PEG Capital Support Payments	-1,076,527	0.00
FY14 Approved	3,552,887	0.00

Public Education Government Access (PEG) Operations

The mission of the Public, Education, and Government (PEG) Governance Board is to facilitate collaboration among the local television 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. PEG is collaboratively working to expand community engagement programming, programming in languages other than English, and youth media programming.

The budget for PEG includes funds for the purchase of equipment; engineering support; promotion and outreach support to increase channel awareness and viewership; operational and maintenance support for the mobile production vehicle; closed captioning and Spanish 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.

FY14 Approved Changes	Expenditures	FTEs
FY13 Approved	1,401,108	0.00
Increase Cost: Equipment Maintenance and Operating Support	81,000	0.00
Enhance: Community Engagement Contractor from PT to FT	45,500	0.00
Add: Video Innovation Initiative	25,000	0.00
Enhance: Youth Media (Positive Youth Development)	25,000	0.00
Increase Cost: Mobile Production Vehicle Maintenance	5,500	0.00
Decrease Cost: Decrease in PEG Capital Equipment	-231,237	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.	-90,500	0.00
FY14 Approved	1,261,371	0.00

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 Park and Planning Commission (M-NCPPC) and the Washington Suburban Sanitary Commission (WSSC). The County's public safety communications are also provided via FiberNet infrastructure. Additionally, FiberNet provides private network access to the State of Maryland and all of the local 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.

Program Performance Measures	Actual FY11	Actual FY12	Estimated FY13	Target FY14	Target FY15
New Sites Added to FiberNet ¹	24	8	109	19	27

¹ ARRA-funded FiberNet site work will be completed by August 2013.

FY14 Approved Changes	Expenditures	FTEs
FY13 Approved	2,183,806	4.70
Add: FiberNet - Senior Information Technology Specialist Position	96,493	1.00
Increase Cost: Miss Utility Compliance	30,000	0.00
Reduce: FiberNet maintenance	-20,282	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.	47,872	0.00
FY14 Approved	2,337,889	5.70

BUDGET SUMMARY

	Actual FY12	Budget FY13	Estimated FY13	Approved FY14	% Chg Bud/App
CABLE TELEVISION					
EXPENDITURES					
Salaries and Wages	1,988,419	2,412,416	2,328,125	2,558,103	6.0%
Employee Benefits	617,179	784,364	774,415	876,267	11.7%
Cable Television Personnel Costs	2,605,598	3,196,780	3,102,540	3,434,370	7.4%
Operating Expenses	9,389,173	9,950,171	10,197,542	10,188,535	2.4%
Capital Outlay	0	0	0	0	—
Cable Television Expenditures	11,994,771	13,146,951	13,300,082	13,622,905	3.6%
PERSONNEL					
Full-Time	16	16	16	16	—
Part-Time	0	0	0	0	—
FTEs	26.50	29.50	29.50	30.50	3.4%
REVENUES					
Franchise Fees	14,829,164	15,985,851	16,050,456	17,096,369	6.9%
Gaithersburg PEG Contribution	183,750	199,721	188,839	189,162	-5.3%
I-Net Operating Revenue	1,681,406	1,714,530	1,731,004	0	—
Investment Income	14	10,000	10,000	10,000	—
Miscellaneous Revenues	23,040	0	686,871	0	—
PEG Capital Revenue	4,849,979	5,277,254	5,504,971	5,854,929	10.9%
PEG Operating Revenue	2,136,860	2,179,597	2,200,536	4,332,490	98.8%
Tower Application Fees	140,006	120,000	80,000	100,000	-16.7%
Cable Television Revenues	23,844,219	25,486,953	26,452,677	27,582,950	8.2%

FY14 APPROVED CHANGES

	Expenditures	FTEs
CABLE TELEVISION		
FY13 ORIGINAL APPROPRIATION	13,146,951	29.50
<u>Changes (with service impacts)</u>		
Add: FiberNet - Senior Information Technology Specialist Position [FiberNet]	96,493	1.00
Add: New Community Media Videographer position [Community Access to Cable]	65,000	0.00
Add: Production Services to Expand Council Coverage [County Cable Montgomery]	62,000	0.00
Enhance: Community Engagement Contractor from PT to FT [Public Education Government Access (PEG) Operations]	45,500	0.00
Enhance: County Council Community Engagement Contractor from PT to FT [County Cable Montgomery]	45,500	0.00
Add: Video Innovation Initiative [Public Education Government Access (PEG) Operations]	25,000	0.00
Enhance: Youth Media (Positive Youth Development) [Public Education Government Access (PEG) Operations]	25,000	0.00
Enhance: Technology Support/Training for Customer Service Operations [Cable Franchise Administration]	10,000	0.00
Reduce: PEG Operating maintenance [County Cable Montgomery]	-20,000	0.00
Reduce: FiberNet maintenance [FiberNet]	-20,282	0.00
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: Increase in Municipal PEG Operating Support Payments [Municipal Support]	986,951	0.00
Increase Cost: Increase in Municipal Franchise Fee Distributions [Municipal Support]	121,389	0.00
Increase Cost: FY14 Compensation Adjustment	101,085	0.00
Increase Cost: Equipment Maintenance and Operating Support [Public Education Government Access (PEG) Operations]	81,000	0.00
Increase Cost: Group Insurance Adjustment	43,340	0.00
Increase Cost: Contract Funding for Community Media Center Employees [Community Access to Cable]	40,648	0.00
Increase Cost: Miss Utility Compliance [FiberNet]	30,000	0.00
Increase Cost: Contract Increase for Engineering & Inspections Services [Cable Franchise Administration]	18,000	0.00
Increase Cost: Annualization of FY13 Personnel Costs	14,397	0.00
Increase Cost: Audio/Video Supplies for Public Information Office [County Cable Montgomery]	12,000	0.00
Increase Cost: Retirement Adjustment	10,359	0.00
Increase Cost: Rent and Utilities for Community Access Facility [Community Access to Cable]	7,759	0.00
Increase Cost: Other Labor Contract Costs	5,900	0.00
Increase Cost: Mobile Production Vehicle Maintenance [Public Education Government Access (PEG) Operations]	5,500	0.00
Increase Cost: Benefits for Montgomery County Media (MCM) [Community Access to Cable]	4,982	0.00
Increase Cost: Printing and Mail Adjustment [Cable Franchise Administration]	181	0.00
Decrease Cost: Elimination of FY13 \$2,000 Lump Sum	-33,984	0.00

	Expenditures	FTEs
Decrease Cost: Decrease in PEG Capital Equipment [Public Education Government Access (PEG) Operations]	-231,237	0.00
Decrease Cost: Decrease in Municipal PEG Capital Support Payments [Municipal Support]	-1,076,527	0.00
FY14 APPROVED:	13,622,905	30.50

PROGRAM SUMMARY

Program Name	FY13 Approved		FY14 Approved	
	Expenditures	FTEs	Expenditures	FTEs
Cable Franchise Administration	1,578,537	8.90	1,625,073	8.90
Community Access to Cable	2,250,120	0.00	2,368,509	0.00
County Cable Montgomery	2,212,306	15.90	2,477,176	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	3,521,074	0.00	3,552,887	0.00
Public Education Government Access (PEG) Operations	1,401,108	0.00	1,261,371	0.00
FiberNet	2,183,806	4.70	2,337,889	5.70
Total	13,146,951	29.50	13,622,905	30.50

ANNUALIZATION OF PERSONNEL COSTS AND FTES

	FY14 Approved		FY15 Annualized	
	Expenditures	FTEs	Expenditures	FTEs
Add: FiberNet - Senior Information Technology Specialist Position [FiberNet]	96,493	1.00	128,000	1.00
Total	96,493	1.00	128,000	1.00

