

MEMORANDUM

April 16, 2015

TO: Government Operations and Fiscal Policy Committee
FROM: Dr. Costis Toregas, Council IT Adviser
SUBJECT: Cable Television and Communications Plan

Expected to attend:

Sonny Segal, Chief Information Officer, Department of Technology Services
Phil Roter, Cable and Broadband Services Administrator, Department of Technology Services
Merlyn Reineke, Chair, PEG Governance Board
Representative from the Office of Management and Budget
Members of the Public Education and Government (PEG) Network

Summary of Staff Recommendations:

1. Place \$50,000 on the reconciliation list to fully fund the Youth programming element at FY15 levels of \$150,000.
2. Approve the Cable Plan of \$28,950,872 for FY16 with the following adjustments:
 - a. Establish a full funding level of \$910,000 for the FiberNet NOC in the out years 2017-2021 of the Cable Plan; FY16 will have resources equaling or exceeding this amount due to underspending of the FY15 allocation to the NOC effort.
 - b. Ensure that FiberNet priorities are not ignored as Ultra Montgomery begins to be funded by requesting quarterly reports on Ultra Montgomery fund expenditures and progress until there is a standalone project with its own funding and governance. The expectation for funding in FY16 is totally within the DTS core budget and elements from the FiberNet NOC budget (see ©26).

INTRODUCTION

The Cable Communications Plan (on ©1-11) is a unique instrument not found in many other local governments. It allows Montgomery County to develop structured and thoughtful solutions to community engagement and communications; and target the expenditure of the 5% franchise fee arising from active franchise holders, as well as additional associated revenues, including a 3% fee that is restricted to capital projects only. The sum total of these revenues is projected to be \$28,019,000 in FY16.

The amount of revenues garnered from the cable franchise fee continues to grow, albeit at a much slower pace than in prior years. In FY14, the last year for which definitive information is known, the total revenues that came into the Cable Fund were \$27,044,000. The historical trend is made more evident in the table below:

Table 1: Actual Total Annual Revenues, Cable Plan (in \$000s)

	FY16 (Rec)	FY15 (Est)	FY14	FY13	FY12	FY11	FY10	FY09	FY08
Total Revenues	28,019	27,999	27,044	26,405	23,844	22,312	19,830	17,608	16,635
% increase	+0.07%	+3.53%	+2.4%	+10.7	+6.8%	+12.5%	+12.6%	+5.8%	

As noted above, the revenue number for FY15 and the recommended revenue figure for FY16 are both estimates; all other years are actual figures.

ENTITIES OTHER THAN MONTGOMERY COUNTY

These cable revenues include fees collected on behalf of municipalities (Rockville, Takoma Park, and Maryland Municipal League (MML) representing smaller municipalities) that are considered “restricted”, as they cannot be appropriated by the County but must be distributed to the municipalities. These municipal restricted funds total \$4,084,000 and are distributed as follows:

Table 2: Restricted revenues collected by the County on behalf of municipalities (in \$000s)

	Rockville	Takoma Park	MML
Capital Support	946	946	946
Franchise fees	700	245	271
PEG support	77	77	77
Totals	1,723	1,268	1,294

PEG (PUBLIC, EDUCATION AND GOVERNMENT) CHANNELS

Beyond funding operations of the Cable Office and providing essential support to the FiberNet effort, the Cable Plan provides almost a third of its revenues to support programming, communications, and information services throughout the County. These allocations are made through the recommendation of a Governing Board for the Public Education and Government channels (PEG Board) and are implemented by the PEG entities. The work program developed by the PEG Board for 2016 was reviewed by the Committee on February 5, 2015 and is on ©12-13.

The allocation of the fund revenues to the PEG entities last year and the recommended distribution for this year are as follows:

Table 3: Allocation of support among organizations (in \$000s)

Organization	FY16 Recommended	FY15 Approved
Media Production & Engineering	\$804	\$1,044
PIO	\$809	\$787
County Council	\$842	\$536
M-NCPPC	\$2,578	\$2,489
MC	\$1,542	\$1,430
MCPS	\$1,654	\$1,596
Community Access Programming	\$2,528	\$2,429
PEG Operating	\$590	\$518
Total	\$11,347	\$10,829

QUESTIONS RAISED BY COUNCIL STAFF

Council staff provided a series of questions to ensure that the FY16 recommended Plan is in alignment with Committee and Council priorities; the questions, responses provided by DTS and, where relevant, Council Staff comments, are as follows:

POLICY

1. Could the outcomes of the current Comcast franchise negotiations have an adverse effect on the proposed Cable Plan? If so, what are backup plans?

The revenues from a new franchise are already assumed in the current Cable Plan.

2. Statements were made at a recent GO meeting regarding the diminishing revenues from the Cable Fund. Contrast those statements with the fact that the proposed Cable Plan is documenting a \$300,000 rise in estimated FY15 revenues and an upward trend in the out years.

While revenues are not diminishing in the absolute, the rate of growth is diminishing in the Cable Plan. Franchise Fee revenue increased by 7.9% in FY13, 4.1% in FY14, and we project it to grow 2.8% in FY15 and 1% in FY16.

3. There is a statement regarding the division of costs between MCG and MCPS (on page 65-1). Please indicate the source of this split in detail, as well as the place where the MCPS budget is in fact being proposed for reduction. Lacking this information, and given the lack of inclusion of the FiberNet governance mechanism in such a decision, the presumption is that the statement is an aspirational one for implementation in a future year.

The source of this split is from the proposed FiberNet memorandum of understanding among the ITPCC participating agencies drafted by DTS for the FY15 supplemental request that allocates costs bases on bandwidth usage.

The FY16 Recommended Operating Budget does not assume a reduction to the MCPS operating budget for funding the Fibernet NOC.

Council Staff Comment: It is important to note that the entire FY16 FiberNet cost is absorbed (through the Cable Plan) by the County and no costs are expected to be borne by other stakeholders. The proposed “Split cost” memorandum has not been ratified by the CIO Subcommittee of ITPCC, nor by the ITPCC principals. There is agreement that within FY16, the ITPCC and other cognizant organizations will explore both organizational and financial support models for FiberNet and its NOC in time to include recommendations for the FY17 budget formulation.

4. The governance of FiberNet was the topic of a recent ITPCC CIO Subcommittee meeting. Please affirm that the governance mechanism established more than ten years ago is still in place, and state how new innovative programs such as Ultra Montgomery align with the governance mandates of the FiberNet structures.

The ITPCC Charter remains in place. The ITPCC Charter states: “FiberNet is not an exclusive solution to all networking requirements, but it an important component to be deployed as appropriate in support of agency missions.” The Charter further states: “It is the intent of this agreement to preserve day-to-day operational control regarding FiberNet use within the agencies while jointly overseeing the operation and strategic directions of FiberNet itself within the Governance Group.”

The mission of Ultra Montgomery is to use ultra-high speed broadband as a means to promote economic development within the County. As briefed to the ITPCC CIOs on March 23, 2015, DTS and DED are currently meeting with business groups to gather information regarding specific policies and actions the County could take to facilitate the growth of broadband networks and the knowledge-based jobs that use such networks. The County intends to use the findings obtained from these meetings to create strategic recommendations to present to the ITPCC Fiber Governance Group or the ITPCC CIO Group. However, as contemplated by the ITPCC Charter, FiberNet is an important but not an exclusive component of Ultra Montgomery. Policy recommendations, such as improving access to commercial buildings for ultra high speed broadband and including broadband conduit in road and transit projects, are examples of issues that would be addressed through executive and legislative processes, rather than being brought to the ITPCC Governance Group. The latter will be kept informed.

In an effort to limit budget growth, the County Executive’s Recommended FY16 Budget did not provide additional capital funding to expand FiberNet, but does contemplate that it is possible that the growth priorities for FiberNet could align with smart growth priorities and the Ultra Montgomery initiative. Priorities for expansion of FiberNet will continued to be reviewed by the ITPCC CIOs and any recommendations to expand FiberNet to support the goals of Ultra Montgomery will be reviewed by the County Executive and the ITPCCC. In addition, DTS and DOT provide day-to-day operational support for FiberNet. The County Executive, ITPCC members, and the County Council agree that this function should be supported by a full-time Network Operations Center (NOC). The County Executive has provided funding for ramping up a full-time NOC in his FY16 Recommended Budget.

Council Staff Comment: There are three levels for NOC funding reviewed by the Executive and shown on ©14: outsourced, lower staffing level, and higher staffing level. The Committee and full Council in January 2015 indicated their support for a “full funding” for the NOC at the

\$910,000 level (approximately the level of the Executive's "higher staffing level"), given its vital importance to the County. The Executive has opted to recommend a lower option at \$728,000 for FY16. Council staff continues to support the full funding option. Note that the NOC description as "full time" should not be confused with "full funding" as there has never been an option under consideration for "part time" operation of an NOC.

5. Ultra Montgomery is a high priority for the Executive, but there is no funding visible in the proposed budget. Please identify the scope of effort in Ultra Montgomery, its FY16 desired outcomes, and the financial requirements to execute it. If the funds do not come from the Cable Plan, indicate this new source and dollar level.

Please see Slides 11 and 12 on ©20 in the Ultra Montgomery PowerPoint presentation ©15-26. The desired outcomes include:

- *Creation of a full-time NOC*
- *Expansion of fiber or application test beds*
- *Ultra Montgomery Broadband SmartMap*
- *Policy Recommendations for improving building access*
- *Policy Recommendations for conduit in road and transit projects*
- *Fiber Lease and Service Level Agreement*
- *Entrepreneur Centers in Libraries*

6. The fund balance is recommended to decrease from \$1.2 million to \$299,000. At a time when the Executive is transferring \$4.8 million to the General Fund, why is such a move prudent?

With the financial situation that the County was in, all budgets were asked to make cuts, which for the Cable Office included increasing the GF transfer to the maximum amount that would be prudent. With the inclusion of the NOC in the Cable Office Budget, and the minimal increases approved, the budgeted end fund balance was reduced for FY16 to 299K, from an approved FY15 budget fund balance of \$398k. The fund balance remaining is approximately 1% of total resources for the Cable Fund, which is approximately the average change in revenue for the last three years. Any reduction in the Fund Balance leaves the Cable Fund exposed to marketplace changes.

MANAGEMENT

1. The Network Operating Center (NOC) is shown to be funded at the "full funding" level of \$729,000; this is at variance with the \$910,000 number first developed by DTS six months ago and since then endorsed by the CIO Subcommittee of the ITPCC and the Committee and full Council in their January sessions regarding NOC funding. Explain the variance.

The NOC funding in the CE recommended budget is in alignment with the previous estimates. It reflects that the NOC will be ramping up in FY16. DTS is also exploring shifting existing resources to support the NOC. OMB and DTS will be working closely to monitor the NOC resource requirements in FY16 and make adjustments, if needed.

DTS is in the process of encumbering the full \$360,000 appropriated for FY15 for the startup of the NOC. The encumbrances will be for both initiation activities, as well as NOC staffing. Given the timing of the encumbrances, the work activities (activation and staffing) will extend well into

FY16. Thereby, expenditures for work performed in FY16 are expected to equal or exceed the \$910,000 estimate.

Council Staff Comment: Note that the FY16 allocation for NOC will exceed the Committee target of \$910k. However, this number is not foreseen in the out years of the Cable Plan (line 101 on ©10). Therefore this adjustment is indicated on ©10; the final totals in the out years will have to be adjusted by OMB before final Council action takes place on the Cable Plan.

2. Please explain the rise in Compensation Adjustment for Cable Franchise Administration at the level of \$122,971. If we are in-sourcing this function, please explain the logic behind such a decision.

This number is the total increase in salary and benefits for all of the positions funded out of the Cable Plan, including the Cable Office Franchise Administration, Cable Office Media Productions, County Council, PIO, DTS Admin, DOT and County Attorney's office positions. This amount was set in part by the labor agreements and was not at the discretion of the Cable Office.

3. Miss Utility has been funded at the \$300,000 level in years past. Explain what the County gains by funding it at the recommended level of \$420,000.

When the amount was funded at \$300,000, the Cable Office was in the process of transitioning the legal requirement of running Miss Utility calls from being funded by the ARRA grant to being funded by the County. Starting in FY15, and continuing in FY16, the budget is funded at \$420,000, and the Cable Fund is the source of funding for the response to all Montgomery County Miss Utility tickets for ARRA Grant fiber, in addition to any other fiber that has been registered with Miss Utility. Once fiber is registered with Miss Utility, locates are required to be run on all tickets for those locations by Miss Utility and failure to do so will result in fines for the County. The Cable installed under the ARRA contract is only about 40 miles which represents 25% of the total underground facilities. We are in the process of registering additional underground facilities with Miss Utility and once this is done it is likely that an increase in funding will be required to meet our legal obligation. Reducing the funding in this item will make the County unable to fulfill its legally required locating mandate, and will result in fines to the County for lack of compliance, and unresponsive ticket response.

TECHNOLOGY

1. Give an update on the migration to high definition equipment and support systems by participating agency.

Currently all County channels are in the process of transitioning to full HD broadcasting capabilities. The transition is expected to be fulfilled in the following years:

- *County Cable Montgomery: FY15/16*
- *Montgomery College: FY15/16*
- *Montgomery Community Media: FY15/16*
- *Montgomery County Public Schools: FY17*

2. Provide the current location of public Wi-Fi spots and a plan that addresses future coverage under the proposed budget.

Please see attached list of WiFi locations on ©27.

Under the plan, WiFi will be expanded in the following locations:

- *Bethesda/Chevy Chase Regional Service Center*
- *MidCounty Regional Service Center*
- *Sidney Kramer Upcounty Regional Service Center*
- *Silver Spring Regional Service Center*
- *Silver Spring Civic Building & Veteran's Plaza*
- *East County Regional Service Center*
- *51 Monroe, ERP*
- *225 Rockville Pike, DPS 3rd Floor public area*

WiFi will be added in the following locations:

- *Bauer Drive Recreation Center*
- *Gwendolyn E Coffield Recreation Center*
- *Damascus Community Recreation Center*
- *East County Community Recreation Center*
- *Germantown Recreation Center (& Outdoor Pool if feasible)*
- *Long Branch Community Recreation & Senior Center (& Outdoor Pool if feasible)*
- *Mid County Community Center*
- *Kennedy Shriver Aquatic Center*

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 FY16, the Cable Communications Plan consists of three elements: the Cable & Broadband Office appropriation (\$15,764,947), transfers to the County General Fund (\$9,087,925), and transfers to the County Capital Improvements Program (\$4,098,000) for a total use of fund resources of \$28,950,872. Within the Cable Office appropriation of \$15,764,947, Personnel Costs comprise 24.4 percent of the budget for thirteen full-time positions. 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 75.6 percent of the FY16 budget.

In FY16, 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 FY16, total transfers to MC are \$1,542,300, representing an increase of \$112,300 (or 7.85%) over the FY15 transfer of \$1,430,000.

Montgomery County Public Schools (MCPS): Funds are transferred from the Cable Fund to the General Fund, and then to MCPS. In FY16, total transfers to MCPS are \$1,654,209 representing an increase of \$58,585 (or 3.67%) over the FY15 transfer of \$1,595,624.

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 (\$614,091), costs related to funding the workplan of the Legislative Branch Communications Outreach NDA (\$490,000), and other contributions (\$4,787,325).

The County Executive has recommended \$728,900 for full funding of a Network Operations Center for the FiberNet network in FY16. Costs will be shared according to proportional bandwidth usage; resulting in an allocation of 52% for Montgomery County Government (or \$379,028) and 48% for Montgomery County Public Schools (or \$349,872).

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 FY15 estimates reflect funding based on the FY15 approved budget. The FY16 and FY17 figures are performance targets based on the FY16 recommended budget and funding for comparable service levels in FY17.

ACCOMPLISHMENTS AND INITIATIVES

- ❖ **Implement a Network Operations Center (NOC) for the County's FiberNet network. The NOC will provide situational awareness of FiberNet on a 24x7 basis, respond to faults in the network in order to restore services in a timely manner, participate in service provisioning activities with participating agencies and Montgomery County Government's Department of Technology Services (DTS) associates, and develop utilization reports and capacity planning studies showing FiberNet's ability to satisfy participating agency bandwidth and service requirements.**
- ❖ **In FY15 the Cable Office worked with their Legislative Information Office to support the fifth annual Youth Town Hall Meeting for students held in the Council Office Building. For the first time, the department inserted live Twitter comments and used Google Hangout to take questions from the Long Branch Library in Silver Spring; Council members interacted with students and answered questions during the live broadcast. The program was available on cable TV, online, and on mobile devices.**
- ❖ **The Cable Office is leading the development of a mobile app that will provide access to content produced by the County's PEG channels. Content will include information about programs and services, healthy living, recreation, entertainment, and educational opportunities. Features of the app will include individual programming schedules; the ability to search content by title, date, and channel; and the ability to share content on social media sites.**
- ❖ **The department provided unique local coverage of the 2014 Gubernatorial and Montgomery County General Election results including production support and editorial expertise, videotaped candidate statements, and live coverage with expert analysis, up to the minute results for statewide and local county races, and live updates from the Montgomery County Board of Elections and the Maryland State Board of Elections.**
- ❖ **The Cable Office highlighted programming based on trends, popularity and timeliness. This included live social media posting during Council Sessions, meetings, hearings and special events to provide multi-channel (cable, web, social) access to information by residents; strategic use of hashtags such as #banthebox, #MoCoVote; creating focused topic pages that highlight subjects of importance to residents; as well as pertinent videos. These pages receive an additional boost via the use of title and keyword metadata, as well as the inclusion of links and bold type within the content; revising metadata on all pages of the website to ensure proper presentation when shared on social media sites such as Facebook; and creating custom links via bitly.com.**
- ❖ **For the first time County PEG channels' content has generated over 1 million views on YouTube and other Video-on-Demand sites. This is an increase of 14% over FY14, and 98% over FY13.**
- ❖ **In FY16, the PEG channels plan to create programming to honor Montgomery County Vietnam Veterans. As the 40th anniversary of the end of the war is commemorated, programming is intended to thank and honor Vietnam War Veterans for their service and sacrifice; to thank and honor the families of these veterans; and to pay tribute to the contributions made on the home front by the people of Montgomery County during the Vietnam War.**
- ❖ **Montgomery County's PEG Channels received the following awards in 2014:**
 - **"County Report This Week" (collaborative PEG Network weekly cable television show) – prestigious national "Telly" award**
 - **"Capsula Informativa Spanish Language News" (weekly 15 minute Spanish language local County news and information) – NACO Achievement Award**
 - **"Library Teen Advisory Public Service Announcement" – National Association of Telecommunications Officers and Advisors (NATOA) 1st Place Government Programming Award, Library Category, and Alliance for Community Media (ACM) Honorable Mention Hometown Media Award**
 - **"Parks Rec n' Roll" – ACM 1st Place Hometown Media Award**
 - **Government Access Station Website – Honorable Mention, NATOA Government Programming Award**
 - **Use of Social Media – Honorable Mention, NATOA Government Programming Award**
 - **"State of the College" – ACM 1st Place Hometown Media Award, Live Format**
 - **"Campus Conversations" – ACM 1st Place Hometown Media Award, Website for Producers**
 - **Use of Social Media – 1st Place, NATOA Government Programming Award**
- ❖ **In FY15, the County expanded FiberNet to 42 new locations and completed replacement of three FiberNet hub sites.**

❖ **Productivity Improvements**

- **Montgomery County Public Schools internet and cloud computing capacity was increased by 300 percent, representing an annual cost savings of \$120,000. This FiberNet upgrade enabled 40,000 new Chromebooks for MCPS students to be used effectively with WiFi in the classroom.**
- **Upgraded and expanded wireless access points in County facilities as the department continues to expand access to mobile devices and business productivity both for employees and visitors.**

PROGRAM CONTACTS

Contact Phil Roter of the Cable and Broadband Office at 240.777.2886 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 FY13	Actual FY14	Estimated FY15	Target FY16	Target FY17
Average Days to Process Transmission Facilities Applications by Transmission Facilities Coordinating Group	30	30	30	30	30
Number of Transmission Facility Applications Processed	71	144	180	150	150
Percent of Customers Satisfied with Cable Office Complaint Handling	96	97	97	97	97

FY16 Recommended Changes	Expenditures	FTEs
FY15 Approved	1,637,788	8.90
Increase Cost: FY16 Compensation Adjustment	122,971	0.00
Increase Cost: Retirement Adjustment	32,595	0.00
Increase Cost: Annualization of FY15 Personnel Costs	27,039	0.00
Increase Cost: Tower Facilities Coordinating Group & Engineering Contract cost	24,500	0.00
Increase Cost: Group Insurance Adjustment	8,875	0.00
Decrease Cost: Printing and Mail	-1,588	0.00
Decrease Cost: Franchise Administration	-4,000	0.00
Decrease Cost: Legal Expenditures	-100,000	0.00

	Expenditures	FTEs
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	-131,785	0.00
FY16 CE Recommended	1,616,395	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 FY13	Actual FY14	Estimated FY15	Target FY16	Target FY17
Hours of First Run Locally Produced, Block and Acquired MCM Programming	5,900	6,862	6,940	6,940	6,940
Hours of MCM Volunteer Effort in Creating Public Access Programming	16,500	17,000	17,000	17,500	17,500

FY16 Recommended Changes	Expenditures	FTEs
FY15 Approved	2,429,442	0.00
Increase Cost: Montgomery Community Media salary and benefit increases	87,926	0.00
Increase Cost: Montgomery Community Media Rent and Utilities	11,067	0.00
FY16 CE Recommended	2,528,435	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 FY13	Actual FY14	Estimated FY15	Target FY16	Target FY17
Hours of First Run Locally Produced, Block and Acquired CCM Programming	2,533	2,790	2,810	2,830	2,851

FY16 Recommended Changes	Expenditures	FTEs
FY15 Approved	2,509,334	15.90
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	68,587	0.00
FY16 CE Recommended	2,577,921	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 FY13	Actual FY14	Estimated FY15	Target FY16	Target FY17
Hours of First Run Locally Produced, Block and Acquired MCPS ITV Programming	974	662	615	646	678

FY16 Recommended Changes	Expenditures	FTEs
FY15 Approved	0	0.00
FY16 CE Recommended	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 FY13	Actual FY14	Estimated FY15	Target FY16	Target FY17
Hours of First Run Locally Produced and Acquired MC-ITV Programming	245	229	230	230	230
Hours of Montgomery College Student-Assisted Original Programming	115	137	140	140	140

FY16 Recommended Changes	Expenditures	FTEs
FY15 Approved	0	0.00
FY16 CE Recommended	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.

FY16 Recommended Changes	Expenditures	FTEs
FY15 Approved	4,083,777	0.00
Increase Cost: Municipal Pass-through Payments	201,307	0.00
FY16 CE Recommended	4,285,084	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.

FY16 Recommended Changes	Expenditures	FTEs
FY15 Approved	1,370,371	0.00
Increase Cost: PEG Equipment Warranty Support	90,651	0.00
Increase Cost: Closed Captioning	33,165	0.00
Add: PEG Audience Measurement Initiative	25,000	0.00
Decrease Cost: Mobile Production Vehicle Operating	-2,500	0.00
Decrease Cost: PEG Training	-25,000	0.00
Decrease Cost: Youth Media	-50,000	0.00
Decrease Cost: PEG Capital equipment	-138,342	0.00
FY16 CE Recommended	1,303,345	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 FY13	Actual FY14	Estimated FY15	Target FY16	Target FY17
New Sites Added to FiberNet	2	42	80	20	25

FY16 Recommended Changes	Expenditures	FTEs
FY15 Approved	2,675,273	5.70
Add: Implement new FiberNet Network Operating Center	728,900	0.00
Decrease Cost: FiberNet Operating	-13,604	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.	63,198	0.00
FY16 CE Recommended	3,453,767	5.70

BUDGET SUMMARY

	Actual FY14	Budget FY15	Estimated FY15	Recommended FY16	% Chg Bud/Rec
CABLE TELEVISION					
EXPENDITURES					
Salaries and Wages	2,443,441	2,691,270	2,604,323	2,813,670	4.5%
Employee Benefits	886,682	960,120	930,218	1,029,200	7.2%
Cable Television Personnel Costs	3,330,123	3,651,390	3,534,541	3,842,870	5.2%
Operating Expenses	9,788,262	11,054,595	11,232,219	11,922,077	7.8%
Capital Outlay	0	0	0	0	—
Cable Television Expenditures	13,118,385	14,705,985	14,766,760	15,764,947	7.2%
PERSONNEL					
Full-Time	16	16	16	13	-18.8%
Part-Time	0	0	0	0	—
FTEs	30.50	30.50	30.50	30.50	—
REVENUES					
Franchise Fees	16,644,317	17,002,130	17,106,891	17,281,070	1.6%
Gaithersburg PEG Contribution	177,629	174,950	172,438	168,127	-3.9%
I-Net Operating Revenue	1,761,616	1,800,372	1,792,092	0	—
Investment Income	1,574	0	2,890	11,240	—
PEG Capital Revenue	6,064,376	6,276,638	6,496,654	6,298,151	0.3%
PEG Operating Revenue	2,239,456	2,288,724	2,278,196	4,110,091	79.6%
Tower Application Fees	155,500	120,000	150,000	150,000	25.0%
Cable Television Revenues	27,044,468	27,662,814	27,999,161	28,018,679	1.3%

FY16 RECOMMENDED CHANGES

	Expenditures	FTEs
CABLE TELEVISION		
FY15 ORIGINAL APPROPRIATION	14,705,985	30.50
Changes (with service impacts)		
Add: Implement new FiberNet Network Operating Center [FiberNet]	728,900	0.00
Add: PEG Audience Measurement Initiative [Public Education Government Access (PEG) Operations]	25,000	0.00
Other Adjustments (with no service impacts)		
Increase Cost: Municipal Pass-through Payments [Municipal Support]	201,307	0.00
Increase Cost: FY16 Compensation Adjustment [Cable Franchise Administration]	122,971	0.00
Increase Cost: PEG Equipment Warranty Support [Public Education Government Access (PEG) Operations]	90,651	0.00
Increase Cost: Montgomery Community Media salary and benefit increases [Community Access to Cable]	87,926	0.00
Increase Cost: Closed Captioning [Public Education Government Access (PEG) Operations]	33,165	0.00
Increase Cost: Retirement Adjustment [Cable Franchise Administration]	32,595	0.00
Increase Cost: Annualization of FY15 Personnel Costs [Cable Franchise Administration]	27,039	0.00
Increase Cost: Tower Facilities Coordinating Group & Engineering Contract cost [Cable Franchise Administration]	24,500	0.00
Increase Cost: Montgomery Community Media Rent and Utilities [Community Access to Cable]	11,067	0.00
Increase Cost: Group Insurance Adjustment [Cable Franchise Administration]	8,875	0.00
Decrease Cost: Printing and Mail [Cable Franchise Administration]	-1,588	0.00
Decrease Cost: Mobile Production Vehicle Operating [Public Education Government Access (PEG) Operations]	-2,500	0.00
Decrease Cost: Franchise Administration [Cable Franchise Administration]	-4,000	0.00
Decrease Cost: FiberNet Operating [FiberNet]	-13,604	0.00
Decrease Cost: PEG Training [Public Education Government Access (PEG) Operations]	-25,000	0.00
Decrease Cost: Youth Media [Public Education Government Access (PEG) Operations]	-50,000	0.00
Decrease Cost: Legal Expenditures [Cable Franchise Administration]	-100,000	0.00
Decrease Cost: PEG Capital equipment [Public Education Government Access (PEG) Operations]	-138,342	0.00
FY16 RECOMMENDED:	15,764,947	30.50

PROGRAM SUMMARY

Program Name	FY15 Approved		FY16 Recommended	
	Expenditures	FTEs	Expenditures	FTEs
Cable Franchise Administration	1,637,788	8.90	1,616,395	8.90
Community Access to Cable	2,429,442	0.00	2,528,435	0.00
County Cable Montgomery	2,509,334	15.90	2,577,921	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	4,083,777	0.00	4,285,084	0.00
Public Education Government Access (PEG) Operations	1,370,371	0.00	1,303,345	0.00
FiberNet	2,675,273	5.70	3,453,767	5.70
Total	14,705,985	30.50	15,764,947	30.50

FUTURE FISCAL IMPACTS

Title	CE REC.					
	FY16	FY17	FY18	(5000's)		
	FY19	FY20	FY21			
This table is intended to present significant future fiscal impacts of the department's programs.						
CABLE TELEVISION						
Expenditures						
FY16 Recommended	15,765	15,765	15,765	15,765	15,765	15,765
No inflation or compensation change is included in outyear projections.						
Elimination of One-Time Items Recommended in FY16	0	-25	-25	-25	-25	-25
Items approved for one-time funding in FY16, including the PEG Audience Measurement Initiative, will be eliminated from the base in the outyears.						
Labor Contracts	0	22	22	22	22	22
These figures represent the estimated annualized cost of general wage adjustments, service increments, and associated benefits.						
Subtotal Expenditures	15,765	15,762	15,762	15,762	15,762	15,762

FY16 CE RECOMMENDED CABLE COMMUNICATIONS PLAN (in \$000's)

	App FY14	Actual FY14	App FY15	Est FY15	CE REC FY16	Proj. FY17	Proj. FY18	Proj. FY19	Proj. FY20	Proj. FY21
1 BEGINNING FUND BALANCE	1,023	817	(422)	136	1,231	299	1,404	1,413	1,422	1,431
2 REVENUES										
3 Franchise Fees ⁴	17,096	16,644	17,002	17,107	17,281	17,405	17,516	17,611	17,717	17,825
4 Gaithersburg PEG Contribution ⁵	189	178	175	172	168	165	162	161	161	161
5 PEG Operating Grant ^{1,4,3}	4,332	2,239	2,289	2,278	4,110	4,027	3,965	3,923	3,920	3,917
6 PEG Capital Grant ^{2,2,3}	5,855	6,064	6,277	6,497	6,298	6,456	6,585	6,683	6,751	6,818
7 FiberNet Operating & Equipment Grant ⁴	0	1,762	1,800	1,792	0	0	0	0	0	0
8 Interest Earned	10	2	0	3	11	22	30	39	48	48
9 TFCG Application Review Fees	100	156	120	150	150	120	120	120	120	120
10 Miscellaneous										
12 TOTAL ANNUAL REVENUES	27,583	27,044	27,663	27,999	28,019	28,193	28,378	28,537	28,716	28,888
13 TOTAL RESOURCES-CABLE FUND	28,606	27,862	27,241	28,135	29,250	28,492	29,782	29,951	30,138	30,318
14 EXPENDITURE OF RESTRICTED FUNDS⁴										
15 A. EXPENDITURE OF RESTRICTED CAPITAL FUNDS										
16 Municipal Capital Support³										
17 Rockville Equipment	836	855	894	916	946	968	986	1,001	1,012	1,024
18 Takoma Park Equipment	125	855	894	916	946	968	986	1,001	1,012	1,024
19 Municipal League Equipment	125	855	824	916	946	968	986	1,001	1,012	1,024
20 SUBTOTAL	1,086	2,565	2,611	2,747	2,837	2,905	2,959	3,004	3,035	3,071
21 PEG Capital ⁵	852	246	852	852	714	852	2,204	2,580	2,616	2,647
22 FiberNet - CIP	3,916	3,916	3,748	3,748	4,098	3,945	1,422	1,100	1,100	1,100
23 (Must be greater or equal to Line 6) SUBTOTAL	5,855	6,727	7,211	7,347	7,649	7,702	6,585	6,683	6,751	6,818
24 B. EXPENDITURE OF OTHER RESTRICTED FUNDS										
25 Municipal Franchise Fee Distribution³										
26 City of Rockville	682	661	668	693	700	704	708	711	715	719
27 City of Takoma Park	248	245	240	245	245	246	246	247	248	249
28 Other Municipalities	262	263	266	267	271	274	276	278	280	282
29 SUBTOTAL	1,191	1,168	1,174	1,205	1,216	1,223	1,230	1,236	1,243	1,250
30 Municipal Operating Support³										
31 Rockville PEG Support	425	75	76	76	77	79	80	82	86	87
32 Takoma Park PEG Support	425	75	76	76	77	79	80	82	86	87
33 Muni. League PEG Support	425	75	146	76	77	79	80	82	86	87
34 SUBTOTAL	1,275	224	299	228	232	236	241	246	257	261
35 SUBTOTAL	2,466	1,392	1,473	1,433	1,448	1,460	1,471	1,483	1,499	1,511
36 TOTAL EXPENDITURES OF RESTRICTED FUNDS	8,321	8,119	8,684	8,780	9,097	9,161	8,055	8,166	8,250	8,329
37 NET TOTAL ANNUAL REVENUES	19,262	18,926	18,979	19,219	18,922	19,032	20,323	20,371	20,466	20,559
38 NET TOTAL RESOURCES-CABLE FUND	20,285	19,743	18,557	19,355	20,153	19,331	21,727	21,784	21,888	21,990
39 EXPENDITURES OF NON-RESTRICTED FUNDS										
40 A. Transmission Facilities Coordinating Group										
41 TFCG Application Review	175	163	175	175	190	194	198	202	207	211
42 SUBTOTAL	175	163	175	175	190	194	198	202	207	211
43 B. FRANCHISE ADMINISTRATION										
44 Personnel Costs - Cable Administration	834	805	840	840	885	919	956	997	1,040	1,085
45 Personnel Costs - DTS Administration	71	76	76	76	82	85	89	93	97	101
46 Personnel Costs - Charges for County Atty	103	110	110	110	119	123	128	134	139	146
47 Operating	80	74	81	81	75	51	52	53	55	56
48 Engineering & Inspection Services	88	70	88	88	98	99	101	104	106	108
49 Legal and Professional Services	275	174	268.161	268	168	171	175	179	183	187
50 SUBTOTAL	1,450	1,308	1,463	1,463	1,426	1,450	1,502	1,559	1,619	1,682
51 SUBTOTAL	1,625	1,471	1,638	1,638	1,616	1,644	1,700	1,761	1,826	1,894
52 C. MONTGOMERY COUNTY GOVERNMENT - CCM										
53 Media Production & Engineering										
54 Personnel Costs	856	867	907	877	647	673	700	729	761	794
55 Operating	31	10	31	41	31	32	33	33	34	35
56 Contracts - TV Production	86	42	87	77	87	89	91	93	95	97
57 New Media, Webstreaming & VOD Services	38	50	38	48	38	39	40	40	41	42
58 SUBTOTAL	1,012	969	1,064	1,044	804	832	863	896	931	968
59 Public Information Office										
60 Personnel Costs	733	740	774	774	796	828	861	897	936	976
61 Operating Expenses	12	9	12	12	12	12	13	13	13	14
62 Contracts - TV Production	83	98	0	0	0	0	0	0	0	0
63 SUBTOTAL	828	846	787	787	809	840	874	910	949	990
64 County Council										
65 Personnel Costs	169	170	179	179	485	504	525	547	571	595
66 Operating Expenses	13	41	13	13	13	13	14	14	14	14
67 Contracts - TV Production	140	148	152	152	152	154	158	161	165	169
68 General Sessions and Committee Meetings	101	101	101	101	101	103	105	107	110	113
69 Multi-Lingual/Cultural Production Services	91	49	91	91	91	93	95	97	99	101
70 SUBTOTAL	514	509	536	536	842	868	896	926	958	992

FY16 CE RECOMMENDED CABLE COMMUNICATIONS PLAN (in \$000's)

71	MNCPPC										
72	Contracts - TV Production	99	95	99	99	99	100	103	105	107	110
73	New Media, Webstreaming & VOD Services	24	23	24	24	24	25	25	26	26	27
74		123	118	123	123	123	125	128	131	134	137
75	SUBTOTAL	2,477	2,442	2,509	2,489	2,578	2,666	2,760	2,863	2,973	3,087
76	D. MONTGOMERY COLLEGE - MCITV										
77	Personnel Costs	1,260	1,260	1,344	1,344	1,456	1,513	1,575	1,641	1,712	1,785
78	Operating Expenses	86	86	86	86	86	88	89	91	94	96
79	SUBTOTAL	1,346	1,346	1,430	1,430	1,542	1,492	1,560	1,560	1,560	1,560
80	E. PUBLIC SCHOOLS - MCPS ITV										
81	Personnel Costs	1,371	1,380	1,490	1,490	1,548	1,609	1,674	1,744	1,820	1,898
82	Operating Expenses	106	97	106	106	106	108	110	112	115	118
83	SUBTOTAL	1,477	1,477	1,596	1,596	1,654	1,717	1,784	1,857	1,935	2,016
84	F. COMMUNITY ACCESS PROGRAMMING*										
85	Personnel Costs	1,904	1,904	1,954	1,954	2,042	2,122	2,208	2,300	2,400	2,503
86	Operating Expenses	67	67	67	67	67	68	70	71	73	75
87	Rent & Utilities	374	374	385	385	396	404	412	421	431	441
88	New Media, Webstreaming & VOD Services	23	23	23	23	23	24	24	25	25	26
89	SUBTOTAL	2,369	2,369	2,429	2,429	2,528	2,618	2,714	2,818	2,929	3,045
90	G. PEG OPERATING										
91	Operating Expenses	107	77	116	116	206	185	189	193	197	202
92	Youth and Arts Community Media	50	50	150	150	100	102	104	106	109	111
93	Community Engagement	91	92	91	91	91	93	95	97	99	101
94	Closed Captioning	130	130	130	130	163	166	170	173	189	189
95	Technical Operations Center (TOC)	10	11	10	10	10	10	10	11	11	11
96	Mobile Production Vehicle	22	13	22	22	19	19	20	20	21	21
97	SUBTOTAL	409	372	518,288	518	590	575	587	600	626	636
98	H. FIBERNET OPERATING										
99	FiberNet - Personnel Charges for DTS	595	490	689	602	727	756	786	819	855	892
100	FiberNet - Operations & Maintenance DTS	1,131	1,143	1,131	1,202	1,126	1,147	1,171	1,197	1,224	1,253
101	FiberNet - Network Operations Center					729	410,743	410,758	410,775	410,793	410,811
102	FiberNet - Personnel Charges for DOT	74	74	76	76	101	105	109	114	118	124
103	FiberNet - Operations & Maintenance DOT	238	238	359	359	351	357	365	373	381	390
104	SUBTOTAL	2,038	1,945	2,255	2,240	3,034	3,108	3,189	3,277	3,372	3,470
105	I. MISS UTILITY COMPLIANCE										
106	Miss Utility Compliance	300	305	420	420	420	428	437	447	457	467
107	SUBTOTAL	300	305	420	420	420	428	437	447	457	467
108	TOTAL EXPENDITURE OF UNRESTRICTED FUNDS	12,041	11,727	12,796	12,760	13,963	14,247	14,731	15,182	15,677	16,175
109	TOTAL EXPENDITURE OF RESTRICTED FUNDS	8,321	8,119	8,684	8,780	9,097	9,161	8,055	8,166	8,250	8,329
110	TOTAL EXPENDITURES - PROGRAMS	20,362	19,846	21,480	21,540	23,059	23,408	22,787	23,348	23,927	24,504
111	J. OTHER										
112	Indirect Costs Transfer to Gen Fund	539	539	579	579	614	638	664	692	722	753
113	Indirect Costs Transfer to Gen Fund (ERP & MCTime)	25	25	30	30	-	0	0	0	0	0
114	Transfer to the General Fund	7,175	7,175	4,266	4,266	4,787	2,552	4,428	3,999	3,568	3,133
115	Legislative Community Communications NDA	400	400	488	488	490	490	490	490	490	490
116	SUBTOTAL	8,139	8,139	5,363	5,363	5,891	3,680	5,582	5,181	4,779	4,376
117	TOTAL EXPENDITURES	28,501	27,985	26,843	26,904	28,951	27,089	28,369	28,529	28,707	28,879
118	K. ADJUSTMENTS										
119	Prior Year Adjustments	-		0	0	0	0	0	0	0	0
120	Encumbrance Adjustment	-	(271)	0	0	0	0	0	0	0	0
121	Transfer for Vehicle		12	0	0	0	0	0	0	0	0
122	CIP - Designated Claim on Fund			0	0	0	0	0	0	0	0
123	TOTAL ADJUSTMENTS	-	(259)	0	0	0	0	0	0	0	0
124	FUND BALANCE	105	136	398	1,231	299	1,404	1,413	1,422	1,431	1,439
125	FUND BALANCE PER POLICY GUIDANCE⁵	1,377	1,344	1,370	1,381	1,395	1,404	1,413	1,422	1,431	1,439
126	L. SUMMARY - EXPENDITURES BY FUNDING SOURCE										
127	Transfer to Gen Fund-Indirect Costs	564	564	610	610	614	638	664	692	722	753
128	Transfer to Gen Fund-Mont Coll Cable Fund ⁶	1,346	1,346	1,430	1,430	1,542	1,492	1,560	1,560	1,560	1,560
129	Transfer to Gen Fund-Public Sch Cable Fund ⁶	1,477	1,477	1,596	1,596	1,654	1,717	1,784	1,857	1,935	2,016
130	Transfer to CIP Fund	3,916	3,916	3,748	3,748	4,098	3,945	4,422	4,100	4,100	4,100
131	Transfer to the General Fund-Other	7,175	7,175	4,266	4,266	4,787	2,552	4,428	3,999	3,568	3,133
132	Transfer to the General Fund-Legislative Branch NDA	400	400	488	488	490	490	490	490	490	490
133	FUND TRANSFERS SUBTOTAL	14,878	14,878	12,137	12,137	13,186	10,834	10,348	9,698	9,374	9,052
134	Cable Fund Expenditure of Unrestricted Funds	9,218	8,904	9,770	9,735	10,766	11,038	11,387	11,765	12,182	12,599
135	Cable Fund Direct Expenditures	13,623	13,107	14,706	14,767	15,765	16,255	18,020	18,831	19,333	19,827
136	Cable Fund Personnel	3,434	3,330	3,651	3,535	3,843	3,993	4,155	4,329	4,516	4,711
137	Cable Fund Operating	10,189	9,777	11,055	11,232	11,922	12,262	13,866	14,502	14,816	15,116

Notes: 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, transfers, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors.

1. Subject to municipal pass-through payment.
2. Restricted revenue and expenditures: Certain Cable Fund revenues, required in excess of the federal limit on franchise fees, and corresponding expenditures (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, and may only be used for permissible federal purposes and in a manner consistent with applicable agreements.
3. The Comcast franchise renewal process is ongoing and specific elements of a final agreement are uncertain. Restricted categories such as PEG Capital and Operating support revenues, as well as Municipal Capital and Operating Support expenditures, will be affected. Municipal cost sharing is dependant on final negotiation of agreements between the County and municipalities. The County may require Capital Grants based on community needs. The County may negotiate, but may not require Operating Grants in addition to Franchise Fees. FY16-FY21 assumes that the County will receive payments from Comcast calculated at a new franchise agreement, but assumes Municipal payments as similar to the previous franchise agreement.
4. Montgomery Community Television, Inc., d/b/a Montgomery Community Media, is designated as a sole source contractor to provide community access media services.
5. The fund balance policy for the Cable Communications Plan is calculated as 8% of total non-restricted revenues (franchise fees, tower fees, and investment income).
6. The Cable Fund makes a fund transfer to Montgomery College and MCP5 to support MCPS ITV and MC ITV.

FY2016 Strategic Plan
PEG Governance Board

FOUR STRATEGIC PRIORITIES--

1. *Open Government:*

- a. Continue to find new ways to partner with the county Executive and Council agencies to focus on Open Government initiatives and transparency.
- b. Leveraging 'County Report This Week' and MCM's community engagement website and studios, **promote Open Data Sets Initiative** outreach efforts to Montgomery County-based businesses to encourage application development, and promote demand for data set usage by the public. Help residents to understand what Open Data is and what it can do.
- c. Working with the PEGs collective web teams, piggyback on the ITPCC's searchability initiative to assist with the implementation of **Search Engine Optimization capability**, allowing search of video content based on standardized metadata access across all PEG organizations.
- d. Using their collaborative media resources, the PEGs will **support Montgomery County government and educational institutions efforts in addressing the youth Achievement Gap.**
- e. Working with County Executive's and Council's offices of Public Information, the Department of Economic Development at the Convention & Visitors Bureau, the PEGs play a **key supporting role in the new Montgomery County Marketing & Branding Initiative.**

2. *Collaboration:*

- a. Continue to allocate resources to increase engagement with youth and multi-cultural communities, including those for who English may not be a primary language, with the goal to **increase participation and awareness of government, school, college and community-based services and programs.**
- b. Building on the most collaborative PEG cablecast program in the country, (the award-winning 'County Report This Week'), the PEGs will enhance their use of a shared '**story assignment desk**' and **multiplatform content strategies** to increase efficiencies and engagement in local news and events coverage.
- c. The PGB will continue to recommend allocations for the all PEG capital expenditures from the **Cable Communications Plan budget.** This fully collaborative process, involving the Technical Staff expertise of all PEG organizations, will ensure the best use of shared technologies and allocation of capital funds.
- d. To commemorate the 40th anniversary of the end of the Vietnam War, the PEGs will combine resources to produce a **multiplatform event and video production to honor the county's Vietnam Veterans.**

3. *Audience & Marketing:*

- a. PGB will continue to **measure perspectives and reach of the PEG programming audience** and obtain additional feedback on programming to help guide collaborative productions.
- b. With data from Internet & Social Media platforms, the PGB will continue to **measure its rapidly growing online, broadband and mobile audience engagement.**
- c. To drive interest and awareness of the PEGs, a **shared PEG logo and slogan will be developed.** This will be leveraged on-air, online and during all PEG events in the coming year.
- d. To increase audience awareness of PEG content offerings, PEG members will **develop and implement a cross-promotion campaign** of key programs to grow interest, awareness and sampling of PEG programming and services.

5

- e. Each PEG will strive for compliance in including **Closed Captioning for on-air and online content.**
- f. The Cable Office and PEG Governance Board will work together to explore the possibility of developing **an app to promote PEG content and enhance resident engagement.**

4. **Sustainability:**

- a. Identify partners to solve problems within our community, such as the Achievement Gap, by utilizing the PEGs collective multiplatform promotional and engagement platforms.
- b. Develop a FY16 Training Plan that implements vital professional development support for all PEG staff, with **emphasis on social media and video production 'best practices'.**
- c. The PEG Governance Board will explore **responsive design components to develop mobile friendly websites, apps and other emerging platforms** for their content. Describe and promote PEG content especially in the current absence of interactive guide on Verizon.
- d. Through MCM leadership, the PGB will **develop projects that seek additional outside grant and/or corporate funding** by leveraging the fundraising capability of Montgomery College, MCPS and MCM. These funds will be invested back in targeted-programming, developed by the collective PEG members.
- e. Analyzing current needs and future requirements, the PGB will make **cost/benefit recommendations for new technologies** that will reduce capital expenses while increasing the ability for PEG members to share multiplatform content.
- f. To ensure that the member organizations are kept abreast of the latest technologies, **the PEGs will form an Innovation Committee that will research new content creation and distribution opportunities** and share those with the PEGs and other county agencies.

Vision for the PEG Governance Board:

Our vision is a community that is truly "The Digital County," where unique locally produced media reflecting the great diversity of Montgomery County is available to residents with focus on locally produced media anytime, anywhere. Bound together by geography, the communities of Montgomery County (as identified by language, culture, and common interests, as well as by municipality, where applicable) will utilize content facilitated by the PEG organizations that provides for open government, lifelong learning, respect for diversity, appreciation of the arts, programming to underserved audiences, and becomes a conduit for effective communication across all technological platforms.

The PEG organizations will strive to facilitate resident training in the use of new media technologies, helping residents bridge the digital gap and understand how media can improve their families, homes and work places. Through content creation and distribution, the PEG organizations will become part of the fabric of Montgomery County and serve as a key component of the best informed and best connected county in America.

Members:

County Cable Montgomery:	Patrick Lacefield (County Executive)
	Neil Greenberger (County Council)
	Donna Keating (Media Services Branch)
Montgomery College:	Melissa Pace
Montgomery Community Media:	Merlyn Reineke (Chair)
Montgomery County Public Schools:	Dr. Dick Lipsky
Cable Office:	Phil Roter (non-voting)

FiberNet NOC - Funding Scenarios and Options

<u>Items</u>	<u>A - Outsourced to Private Entity</u>	<u>B - Establish County</u>	<u>C - Establish County</u>
		<u>NOC at Lower- Staffing Level - Contractors</u>	<u>NOC at Higher- Staffing Level - Contractors</u>
1.0 FTE - Field technician/engineering response	\$125,000	\$186,200	\$186,200
Private third-party call-taking function	\$325,000	-	-
1.0 FTE - NOC supervisor	-	\$186,200	\$186,200
2.5 to 5.0 FTE - NOC engineering support	-	\$294,000	\$535,080
1.0 FTE - Customer service Support	\$62,500	\$62,500	\$62,500
Total Costs:	\$512,500	\$728,900	\$969,980
Total FTEs:	2.00	4.50	8.00
Cost-sharing - MCG (52%):	\$266,500	\$379,028	\$504,390
Cost-sharing - MCPS (48%):	\$246,000	\$349,872	\$465,590

Ultra Montgomery

Department of Technology Services
Department of Economic Development

April 20, 2015



CE's Six-Point Economic Plan

- Move/Build (Businesses into County)
- MC Squared (Nurture Start-ups)
- Independent Transit Authority (Fund Projects)
- Streamline Development (30-day Permitting)
- **Ultra Montgomery** (broadband networks)
- Workforce Development Coalition
(Vocational Apprenticeships)



15

Ultra Montgomery Launch

We live at a time when Internet connectivity and network infrastructure is just as fundamental to our economic future as are transportation systems, which requires us to have robust fiber networks to connect people with opportunities, and move our economy at the speed of our ideas.

I am, therefore, launching Ultra Montgomery, a high-speed fiber network that will connect our business, academic and federal institutions along major corridors and transit-oriented smart-growth communities.



County Executive Isiah Leggett
Inaugural Address, December 5, 2014



Gigabit Networks White Paper

To drive the next generation of economic success and improvements in our quality of life, Montgomery County should create ultra high-speed (100+ gigabits per second), ultra reliable, and ultra secure networks that connect our own centers of research and economic activity – our innovation districts – with similar centers around the region and globe. The networks, located in places such as White Oak, the Great Seneca Science Corridor, Bethesda and Silver Spring, will attract new entrepreneurs and employers to create data-intensive jobs in our community as well as enable our residents to enjoy the benefits of a lifestyle powered by emerging technology.



County Councilmember Han Riemer, August 7, 2014
"Moving Montgomery Forward with Gigabit Speed Networks"



Ultra Montgomery Focus

1. **Create Effective Policy Recommendations**
Promote Last Mile Fiber & Competitive Access to Buildings
2. **Enhance Fiber Network Partnerships**
Enable Leasing of FiberNet Capacity & Build Fiber Partnerships
3. **Build a 100 Gigabit Community**
Grow Public Awareness & Sector Networking by Using Events, Website, Test Beds, & Demonstration Projects

April 20, 2015

5



Work Plan

- **Broadband Report**
 - I. Current market for high speed broadband
 - II. Demand and interest in gigabit services
 - III. Gigabit broadband & economic development case studies
- Hold individual meetings & business roundtables
- Host Broadband Summit
- Support public WiFi
- Engage Libraries & Business Incubators
- Facilitate civilian cybersecurity campus site selection
- Facilitate construction of direct fiber route to Ashburn, VA
- Launch "Ultra Gig," a wireless demonstration project

April 20, 2015

6



Initial Meetings



Initial Findings – State of Market

- Businesses agree that 100G is the future and we are on the right track to position ourselves for 100G
 - But today, most business use less than 100M (0.1G)
 - Cost and What would we do with it?
- Demand will grow
 - Usage generally doubles every 18 months
 - Cost decreases at about the same rate
- The Cloud is changing everything
 - Greater demand for dedicated connectivity and fiber – controlling fiber (ownership or SLAs) to move away from best effort IP, and eliminate best effort middlemen



Initial Findings (continued)

- Building owners are slow to respond to request to install fiber in building
 - Fiber is available in GSSC/WOSG roads but not buildings
 - General support for requiring conduit to new buildings
 - Unclear whether to create requirements or fund incentives to improve competitive access to existing buildings
- Strong interest in County conduit in transit/road projects
- Positive feedback on Ultra Montgomery Broadband Smart Map
 - Open Data group should review need for making FiberNet routes public

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9



Initial Findings (continued)

- General lack of awareness between fiber networks and potential customers
 - Strong support for convenings and education campaign
- Limited awareness of library business resources
- FiberNet can be used to support  thingststitute
- Interest in more direct fiber route to Ashburn, VA
 - Commercial/non-profit networks, NIST, Bytegrid
 - One fiber provider is working to build similar route
 - Not interested in joint build with other competitors

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10



19

Ultra Montgomery FY16 Budget

- FY16 CE Recommended Budget includes:
 - \$729k Network Operations Center (NOC) (necessary to enable monitoring & repairs to enable fiber partnerships)
 - \$439k Reallocate FiberNet CIP funding to support fiber system engineering design and construction. No specific recommendations, potential projects include:
 - FiberNet-to-NIST fiber connection
 - White Oak/East County fiber connections
 - WiFi in County Bldgs (incl. East Co. RSC, SSCB & Veteran's Plaza)
 - \$97k REC Center WiFi (8 locations)



Additional FY15-16 Work Items

- Initiatives that will use existing resources:
 - UltraMontgomery Broadband SmartMap (DTS-GIS)
 - Potential Legislative/Policy Implementations (DED, DOT, DTS, DPS, LIB, OCA, OMB)
 - Conduit requirements in transit and road projects
 - Conduit requirements in new buildings
 - Incentives for making existing buildings gigabit-ready
 - Broadband-ready building certification
 - Fiber leasing (leasing form, service level agreement)
 - RFI – sponsored WiFi in outdoor spaces
 - Entrepreneur Centers in libraries



Roundtable & Summit Timeline

- Roundtables – April & May 2015
 - Developers & Building Owners/Managers
 - Lifesciences & BioTech
 - Cybersecurity & Managed IT
 - Next Generation Internet Services, Applications & Devices
 - Federal Agencies
 - Healthcare
 - Fiber Providers & Data Centers
- Broadband Summit – Early Summer 2015



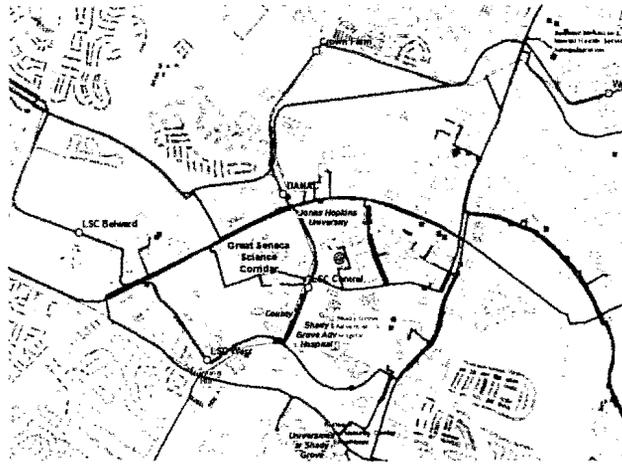
Roundtable Goals

- Get business community feedback
 - Specific conduit requirements & building rating options
 - Incentives to promote access in existing buildings
 - Dark fiber vs lit services interest
 - Map attributes and information
 - Who are the businesses in federal agencies ecosystem?
 - Needs of research & development divisions of large entities
 - Who are the up and coming broadband-depend businesses and what else can the County to do nurture?



(21)

Ultra Montgomery Broadband Smart Map

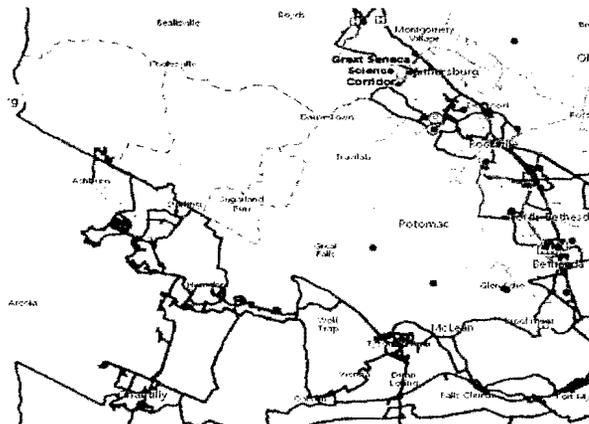


- Potential Uses:
- Enable tenants to find broadband fiber and fiber-ready buildings
 - Promote broadband-ready buildings
 - Incentivize building owners to be broadband-friendly
 - Promote broadband-readiness of Montgomery County
 - Ultra high-speed fiber planning tool

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Ashburn Fiber Route

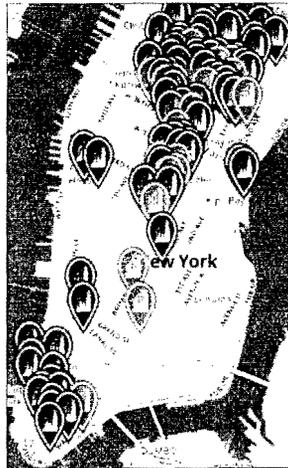


- Shorter route reduces latency and creates ability to keep traffic within own network
- Diverse route increases security
- Ashburn connectivity increases value of all fiber infrastructure within County (public & private)
- \$8-\$10 million
- Seeking private and federal partners

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Building Certification & Mapping



Category	Count	Notes
Commercial	700	Includes residential
Residential	100	Includes commercial
Public	50	Includes commercial
Industrial	20	Includes commercial
Government	10	Includes commercial
Healthcare	5	Includes commercial
Education	5	Includes commercial
Religious	5	Includes commercial
Other	5	Includes commercial

Need to determine whether to create a Montgomery County-specific rating system for Broadband-Ready Buildings or use a commercial product.

For example: WiredScore.com

- Self-reported data not certified
- \$5k to \$10k engineering survey per building
- Repeat every 2 years at 50% of initial cost
- 700 surveys submitted (260 million sq ft of commercial office space)
- 400 opted to make data public
- 300 certified bldgs
- 200 in NYC



Entrepreneur Centers in Libraries

- Leverages WiFi and technology upgrades
- Working to create a cool name for program
- Will support start-ups, entrepreneurs & pre-business plan cos.
- Map small business locations to determine EC locations
 - Working list: **Germantown, Gaithersburg, Rockville, Silver Spring, Wheaton, Long Branch**
 - May also include: **Praisner, Olney, Damascus, Poolesville**
- Collecting common questions asked by new businesses
 - DED will use questions to create a survey of needed services
- MCPL is drafting a resource guide (services for businesses offered in libraries) and chart of amenities offered at sites



Gigabit Innovation Community

- The County is working to build partnerships with other broadband innovation ecosystems to:
 - Support Advanced Research businesses
 - Promote next-generation Internet innovation
 - Identify and nurture forward-looking businesses

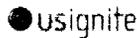


Welcome to Kansas City
Home of Google Fiber



thingstutute

NEXT CENTURY
CITIES



Tech Council of MD
LEARNING LIFE LEADERSHIP LEARNING



Innovation Partnerships

- **1776** is a global incubator and seed fund helping startups transform industries that impact lives

"Our agreement with startup incubator 1776 again shows our dedication to the start-up culture, which we see as a crucial element in the economic growth of Montgomery County. The ideas, services and products that are developed as a result of the partnership will lead to the growth of small businesses and provide new workforce opportunities for our residents."

County Executive Isiah Leggett

- **Kansas City Partnership**
Kansas City and the County are proud to enter into a partnership agreement to further explore the benefits of the cyber physical systems and the internet of things (IoT) for the public sector. The partnership envisions:
 - Extended Test Facilities
 - Local Partners
 - Establish an IoT Council
 - Awareness Events
 - "Make-a-thons"



Wireless "Ultra Gig" Demo

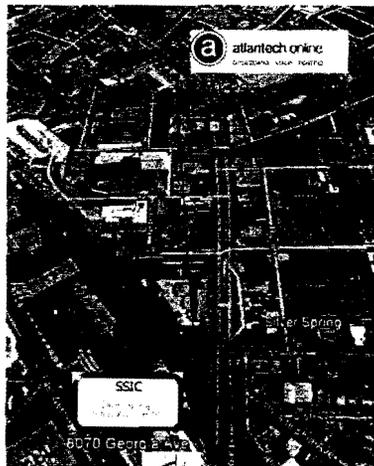
- DTS promoted Montgomery County as a test bed for FiberTower at 2014 SHLB conference (Schools, Libraries and Healthcare for Broadband coalition).
- FiberTower became an SSIC tenant in 2015.
- DTS/DED brokered a meeting between FiberTower and local company Atlantech Online, resulting a wireless gigabit demonstration project at SSIC (1st in the region)
 - FiberTower holds exclusive wireless spectrum licenses
 - Atlantech has data center, offers broadband/telco services
- Mid to late May event to launch demonstration project

April 20, 2015

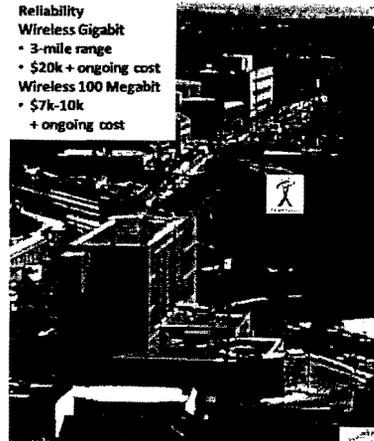
21



Ultra Gig – May 2015



- 5 9's (.99999%) Reliability
- Wireless Gigabit
 - 3-mile range
 - \$20k + ongoing cost
- Wireless 100 Megabit
 - \$7k-10k
 - + ongoing cost



April 20, 2015

22

 Atlantech Data Center



Ultra Montgomery – Proposed Multi-Year Strategy

	FY2015	FY2016	FY2017	FY2018
POLICY REGULATION & BUSINESS OUTREACH	Creating a Broadband Report – Current pricing – Federal and business demand and requirements for better broadband – Case Studies, economic development in gigabit communities	Create Legal Structure for Leasing Fiber or Service – Determine assets and services that can be offered – Create Service Level Agreement (SLAs) – Establish pricing – Determine where funds go Offer leasing on an ad hoc basis	Promote Leasing Program	
	Creating Ultra Montgomery Smart Map prototype – Gather commercial data – Fiber routes – Data centers – Gigabit-wired buildings – Get buy-in from real estate industry	Promote Use of Map Create Wired for Broadband Bldg certification program Create Building Access Educational Materials & Incentive Program Create Fiber-Conduit Requirements for Transit & Road Projects	Update Map Revise Building Access & Transit Programs Requirements As Necessary	Update Map Revise Building Access & Transit Programs Requirements As Necessary
LEASING & PUBLIC PRIVATE PARTNER- SHIPS	Create Network Operations Center (NOC) (\$) <ul style="list-style-type: none"> – Hire initial staff – Recruit staff for July 1 start date 	NOC (\$) <ul style="list-style-type: none"> – Evaluate staffing level – Support SLAs – Evaluate SLA revenue vs expenditures 	NOC (\$) <ul style="list-style-type: none"> – Adjust staffing levels as necessary 	
	Develop P3 Fiber Test Bed Partnerships	Evaluate Interest and Engineer fiber test beds (\$)	Construct Fiber Test Beds (\$)	
	Kick start development of 100G applications (\$) Support  thingststitute	Evaluate, engineer & construct NIST to FiberNet connection (\$)	Create additional federal fiber partnerships	
100G COMMUNITY	Review FiberNet Support for BIN Launch Ultra Gig (Gigabit Demonstration at Silver Spring Innovation Center)	Continue to build 100G community and identify applications		
	Upgrade Library WiFi Model Library Entrepreneur Centers (EC)	Revise BIN Business Model as Necessary Launch Library ECs		
		REC WiFi (Phase 1) (\$) Upgrade RSC, 255/51, SSCB/VP WiFi (\$)	REC WiFi (Phase 2) (\$)	REC WiFi (Phase 3) (\$)
One Time	\$ 50,000	\$ 439,000		
Annual	\$ 360,000	\$ 729,000		

Montgomery County Facility Public WIFI Locations

Upgraded WiFi (2014 Standard)	FY16 Funding Request	Needs Additional WAPs (Evaluate Need for Public WiFi)
	Within DTS Budget	
Council Office Building	Bethesda/Chevy Chase Regional Service Center	Agricultural Services
Damascus Senior Center	East County Regional Service Center	Bethesda Outdoor Pool
David F. Bone Equipment Maintenance and Transit Operations Center (EMTOC)	MidCounty Regional Service Center	Betty Ann Krahnke Center
Department of Economic Development	Sidney Kramer Upcounty Regional Service Center	Board of Elections
Department of Liquor Control	Silver Spring Civic Building & Veteran's Plaza	Children's Resource Center (Broome Holding Sch)
Executive Office Building	Silver Spring Regional Service Center	Dennis Avenue Health Center
	Within Recreation Budget	DHHS Adult Behavior Health Services
Gaithersburg Library	Bauer Drive Recreation Center	DHHS Colesville Center
Judicial Center	Gwendolyn E Coffield Recreation Center	DHHS Offices
MC Animal Shelter	Damascus Community Recreation Center	DHHS Silver Spring Center
MC Correctional Facility (2d floor & roll call areas)	East County Community Recreation Center	Germantown Health Center
MC Detention Center	Germantown Recreation Ctr (& Outdoor Pool)	Germantown Innovation Center
MCG Multi-Agency - 225 Rck Pk (CUPF, PRO, DPS)	Long Branch Community Recreation & Senior Center (& Outdoor Pool)	Health and Human Services
MCG Multi-Agency - 51 Monroe (MC311, ERP)	Mid County Community Center	Juvenile Assessment Center
Olney Library	Kennedy Shriver Aquatic Center	Leonard D Jackson Ken Gar Center
Public Safety Headquarters	WiFi Included as Part of Other CIPs or Budgets	MC Correctional Facility (process innovation)
Rockville Police Station	MC 311 New Location	Mid-County DHHS Building
Scotland Neighborhood Recreation Center	Wheaton Library & Recreation Center	Montgomery Works
Silver Spring Police Station	North Potomac Recreation Center	Old Silver Spring Library
Solid Waste Transfer Station (for staff)	Bethesda	Olney Swim Center
White Oak Community Recreation & Senior Center	Germantown Police Station	Piccard Drive Health Center
	Gaithersburg Police Station	Rockville Innovation Center
	Wheaton Police Station	Silver Spring Health Center
	Needs Additional WAPs (Determine Prioritization)	Silver Spring Innovation Center
Aspen Hill Library		Solid Waste Transfer Station
Bethesda Library		Takoma East Silver Spring (TESS) Center
Chevy Chase Library	FiberNet Locations	Upper County Outdoor Pool
Damascus Library & Senior Center	Holiday Park Senior Center	Western County Outdoor Pool
Davis Library	Plum Gar Neighborhood Recreation Center	Wheaton Innovation Center
Germantown Library	Potomac Community Recreation Center	
Kensington Park Library	Germantown Indoor Swim Center	
Little Falls Library	Martin Luther King, Jr. Outdoor Pool	
Long Branch Library	Martin Luther King, Jr. Swim Center	
Marilyn J Praisner Library	Non-FiberNet Locations	
Noyes Library	Clara Barton Recreation Center	
Poolesville Library	Good Hope Neighborhood Recreation Center	
Potomac Library	Jane E Lawton Center	
Quince Orchard Library	Longwood Community Recreation Center	
Rockville Memorial Library	Marilyn J Praisner Community Recreation Ctr	
Silver Spring (New)	Ross Boddy Recreation Center	
Twinbrook Library	Upper County Neighborhood Recreation Center	
White Oak Library	Wisconsin Place Community Center	

WiFi means Wireless Internet access

WAPs means Wireless Access Point, i.e., an antenna used to provide WiFi