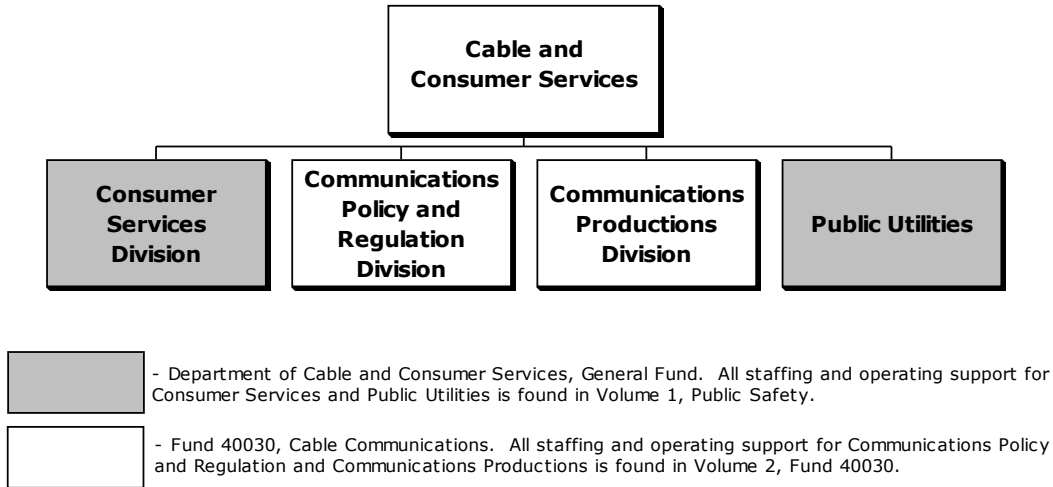


# Fund 40030 Cable Communications



The Department of Cable and Consumer Services is the umbrella agency for four distinct functions: Communications Policy and Regulation, Communications Productions, Consumer Services, and Public Utilities. The total agency staff is distributed over two funding sources, the Cable Communications Fund and the General Fund. Communications Policy and Regulation and Communications Productions are presented in Fund 40030 (Volume 2). Fund 40030 is supported principally by revenue received from local cable operators through franchise agreements and the Communications Sales and Use Tax. Consumer Services and Public Utilities are presented within the General Fund (Volume 1). The diverse functions of the Department of Cable and Consumer Services provide quality customer service to the community and work collaboratively with County agencies, neighboring jurisdictions, and professional organizations.

## Mission

To promote the County’s cable communications policy; to enforce public safety, customer service, and regulatory requirements among the County’s franchised cable operators; and to produce television programming for Fairfax County Government Channel 16, the Fairfax County Training Network, and streaming.



To accomplish the mission, Communications Policy and Regulation and Communications Productions encourage competition, innovation, and inclusion of local community interests in the countywide deployment of cable communications services; negotiate, draft, and provide regulatory oversight and enforcement of cable communications contracts, ordinances, statutes, and customer service policies; protect the health, safety, and welfare of the public by enforcing safety codes and construction standards; ensure community access to public, educational, and governmental programming; maintain a reliable means of mass communication of official information during emergencies; provide digital media production services to create informational programming for County residents accessible through a variety of distribution channels; and support internal communications, including remote origination and viewing of training programs for County employees and emergency first-responders.

# Fund 40030

## Cable Communications

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### Focus

The Cable Communications Fund (CCF) was established by the Board of Supervisors in 1982 to provide accurate and auditable accounting of revenues and expenses associated with the administration of the County's cable communications ordinance and franchise agreements, communications productions, and cable-related consumer and policy services. CCF revenue supporting this fund comes from Public, Educational, and Governmental (PEG) access capital grants and state communications sales and use taxes.

Communications Policy and Regulation negotiates cable franchise agreements and is responsible for regulatory oversight of the County's three franchised cable television providers, serving over 266,000 cable subscribers. Communications Policy and Regulation ensures that cable operators provide high-quality customer service, safe cable system construction and operation, and access to PEG programming and emergency information.

Communications Policy and Regulation enforces construction codes and standards on a competitively neutral basis. In FY 2018, 89 percent of inspected work sites were in compliance with applicable codes.

Communications Policy and Regulation consults with the Department of Information Technology and monitors new developments in cable and broadband legislation, regulation, and technology; tracking cable and broadband regulatory matters before the Federal Communications Commission.

Communications Policy and Regulation administers financial support for the I-Net fiber optic network serving County and Fairfax County Public Schools (FCPS) locations. These locations are provided video, high-speed data, and voice services via the I-Net. The I-Net is the backbone of the County Enterprise-Wide Network and its operational management is the responsibility of the Department of Information Technology. The I-Net is composed of more than 4,000 kilometers of fiber linking over 400 County and FCPS locations.

Communications Productions operates Fairfax County Government Channel 16, and the Fairfax County Training Network. Channel 16 televises meetings of the Board of Supervisors, Planning Commission, and Board of Zoning Appeals; County Executive projects; Board-directed special programming; town meetings; monthly Board of Supervisors video newsletters; and programs highlighting the services of County agencies. In February 2017, Channel 16 began televising and streaming Board of Supervisors Committee meetings. Channel 16 reaches an estimated 741,000 residents via cable television and reaches an even larger audience through Channel 16's streaming and video-on-demand services. Channel 16 reaches an increasingly diverse community by offering programs translated into Spanish, Korean, and Vietnamese, as requested by County agencies. All Channel 16 programming is closed captioned.

Communications Productions televises training and internal communication programming on the Fairfax County Training Network through the Fairfax County I-Net, reaching approximately 30,000 Fairfax County Government and FCPS employees. Communications Productions operates an emergency message system, serves as the centralized resource for loan pool equipment, and supports video teleconferencing.

During the period from FY 2012 – FY 2019, approximately \$23.0 million of the Fund 40030 balance has been used to support critical IT projects funded out of Fund 10040, Information Technology Projects, including the Tax System Modernization Project, the Police In-Car Video Project, and several other IT-related projects.

# Fund 40030 Cable Communications

## Budget and Staff Resources

| Category   | FY 2018<br>Actual   | FY 2019<br>Adopted  | FY 2019<br>Revised  | FY 2020<br>Advertised | FY 2020<br>Adopted  |
|--|---------------------|---------------------|---------------------|-----------------------|---------------------|
| <b>FUNDING</b>   |                     |                     |                     |                       |                     |
| <b>Expenditures:</b>                                   |                     |                     |                     |                       |                     |
| Personnel Services                                     | \$5,966,719         | \$6,576,766         | \$6,576,766         | \$6,746,781           | \$6,746,781         |
| Operating Expenses                                     | 5,311,831           | 7,941,235           | 11,053,397          | 3,917,813             | 3,917,813           |
| Capital Equipment                                      | 177,511             | 550,000             | 5,030,199           | 1,306,433             | 1,306,433           |
| <b>Total Expenditures</b>                              | <b>\$11,456,061</b> | <b>\$15,068,001</b> | <b>\$22,660,362</b> | <b>\$11,971,027</b>   | <b>\$11,971,027</b> |
| <b>AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)</b> |                     |                     |                     |                       |                     |
| Regular  | 54 / 54             | 55 / 55             | 55 / 55             | 53 / 53               | 53 / 53             |

## FY 2020 Funding Adjustments

The following funding adjustments from the FY 2019 Adopted Budget Plan are necessary to support the FY 2020 program. Included are all adjustments recommended by the County Executive that were approved by the Board of Supervisors, as well as any additional Board of Supervisors' actions, as approved in the adoption of the Budget on May 7, 2019.

- ◆ **Employee Compensation** **\$153,253**  
 An increase of \$153,253 in Personnel Services includes \$60,302 for a 2.10 percent market rate adjustment (MRA) for all employees and \$92,951 for performance-based and longevity increases for non-uniformed merit employees, both effective July 2019.
- ◆ **Other Post-Employment Benefits** **\$16,762**  
 An increase of \$16,762 in Personnel Services reflects required adjustments associated with providing Other Post-Employment Benefits (OPEBs) to retirees, including the Retiree Health Benefits Subsidy. For more information on Other Post-Employment Benefits, please refer to Fund 73030, OPEB Trust, in Volume 2 of the FY 2020 Adopted Budget Plan.
- ◆ **Office of Environmental Energy and Coordination** **\$0**  
 A decrease of 2/2.0 FTE positions is associated with the transfer of positions to the new Office of Environmental Energy and Coordination. The office will support environmental policy and legislative issues, organization-wide energy use and community engagement, and education about environmental and sustainability issues.
- ◆ **Operating Expenses Adjustment** **(\$4,023,422)**  
 A decrease of \$4,023,422 in Operating Expenses reflects a change in how the fund accounts for I-Net and video operating expenses.
- ◆ **Capital Equipment** **\$1,306,433**  
 Capital Equipment funding of \$1,306,443 includes \$350,000 for video replacement equipment and upgrades in the Communications Productions Division, and \$50,000 for audio-visual systems in the Consumer Services Division, due to specific equipment being past its useful life span. In addition, \$906,433 is included for I-Net data and video network equipment.

# Fund 40030 Cable Communications

## Changes to FY 2019 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2019 Revised Budget Plan since passage of the FY 2019 Adopted Budget Plan. Included are all adjustments made as part of the FY 2018 Carryover Review, FY 2019 Third Quarter Review, and all other approved changes through April 30, 2019.

- ◆ **Carryover Adjustments** \$7,592,361  
As part of the FY 2018 Carryover Review, the Board of Supervisors approved funding of \$7,592,361, including \$1,659,836 in encumbered funding in Operating Expenses and \$5,932,525 in unencumbered carryover in Operating Expenses to support I-Net for the Department of Information Technology.

## Cost Centers

The three divisions within Fund 40030, Cable Communications, are the Communications Policy and Regulation Division, the Communications Productions Division, and the Institutional Network. They work together to achieve the mission of the Fund.

### Communications Policy and Regulation Division

The Communications Policy and Regulation Division (CPRD) negotiates cable franchise agreements and is responsible for regulatory oversight of the County's three franchised cable television providers.

| Category  | FY 2018<br>Actual   | FY 2019<br>Adopted   | FY 2019<br>Revised | FY 2020<br>Advertised | FY 2020<br>Adopted |
|---|---|--|--------------------|-----------------------|--------------------|
| <b>EXPENDITURES</b>   |   |  |                    |                       |                    |
| Total Expenditures  | \$3,421,997   | \$3,522,405  | \$3,873,241        | \$3,594,303           | \$3,594,303        |
| <b>AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)</b>  |   |  |                    |                       |                    |
| Regular   | 25 / 25   | 25 / 25  | 25 / 25            | 23 / 23               | 23 / 23            |
| <hr/>   |   |  |                    |                       |                    |
| <b><u>Office of the Director</u></b><br>1 Director, DCCS<br>1 Administrative Assistant V<br><br><b><u>Consumer Services Division</u></b><br>1 Director, Consumer Services Division<br>1 Administrative Assistant IV<br><br><b><u>Administrative Services</u></b><br>1 Financial Specialist III<br>1 Financial Specialist II | <b><u>Communications Policy and Regulation Division</u></b><br>1 Director, Policy and Regulation<br>1 Administrative Assistant IV<br><br><b><u>Policy and Regulation</u></b><br>2 Management Analysts III<br><br><b><u>Public Utilities</u></b><br>0 Utilities Analysts (-2T)<br><br><b><u>Regulation and Licensing</u></b><br>1 Administrative Assistant III | <b><u>Inspections and Enforcement</u></b><br>1 Engineer III<br>1 Engineering Technician III<br>1 Communications Engineer<br>6 Senior Electrical Inspectors<br><br><b><u>Consumer Affairs</u></b><br>1 Consumer Specialist II<br>1 Consumer Specialist I<br>1 Administrative Assistant II |                    |                       |                    |
| <hr/>   |   |  |                    |                       |                    |
| <b>TOTAL POSITIONS</b>  |   |  |                    |                       |                    |
| <b>23 Positions (-2T) / 23.0 FTE (-2.0T)</b>  |   |  |                    |                       |                    |
| <b>T Denotes Transferred Positions</b>  |   |  |                    |                       |                    |

# Fund 40030 Cable Communications

## Communications Productions Division

The Communications Productions Division (CPD) produces programming for Fairfax County Government Channel 16, the Fairfax County Training Network, and streaming.

| Category   | FY 2018<br>Actual | FY 2019<br>Adopted | FY 2019<br>Revised | FY 2020<br>Advertised | FY 2020<br>Adopted |
|--|-------------------|--------------------|--------------------|-----------------------|--------------------|
| <b>EXPENDITURES</b>                                    |                   |                    |                    |                       |                    |
| Total Expenditures                                     | \$4,165,742       | \$4,929,461        | \$5,538,167        | \$5,013,582           | \$5,013,582        |
| <b>AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)</b> |                   |                    |                    |                       |                    |
| Regular  | 29 / 29           | 30 / 30            | 30 / 30            | 30 / 30               | 30 / 30            |

| <u>Communications Productions Division</u> |                                      | <u>Communications Engineering</u> |                             | <u>Conference Center</u>        |                              |
|--|--------------------------------------|-----------------------------------|-----------------------------|---------------------------------|------------------------------|
| 1  | Director, Comm. Productions Division | 1                                 | Network/Telecom Analyst III | 1                               | Administrative Associate     |
| 1  | Administrative Assistant IV          | 2                                 | Network/Telecom Analysts II | 1                               | Video Engineer               |
| 1  | Administrative Assistant II          | 1                                 | Network/Telecom Analyst I   | 1                               | Administrative Assistant III |
|  |                                      |                                   |                             | 1                               | Administrative Assistant II  |
| <u>Communications Productions</u>          |                                      | <u>Consumer Affairs</u>           |                             | <u>Regulation and Licensing</u> |                              |
| 1  | Instructional Cable TV Specialist    | 1                                 | Administrative Assistant II | 1                               | Administrative Assistant III |
| 6  | Producers/Directors                  |                                   |                             |                                 |                              |
| 5  | Assistant Producers                  |                                   |                             |                                 |                              |
| 1  | Graphic Artist IV                    |                                   |                             |                                 |                              |
| 4  | Media Technicians                    |                                   |                             |                                 |                              |
| <b>TOTAL POSITIONS</b>                     |                                      |                                   |                             |                                 |                              |
| <b>30 Positions / 30.0 FTE</b>             |                                      |                                   |                             |                                 |                              |

## Institutional Network

The Institutional Network cost center is responsible for the County Enterprise-Wide Network Services and is managed by the Department of Information Technology.

| Category   | FY 2018<br>Actual | FY 2019<br>Adopted | FY 2019<br>Revised | FY 2020<br>Advertised | FY 2020<br>Adopted |
|--|-------------------|--------------------|--------------------|-----------------------|--------------------|
| <b>EXPENDITURES</b>                                    |                   |                    |                    |                       |                    |
| Total Expenditures                                     | \$3,868,322       | \$6,616,135        | \$13,248,954       | \$3,363,142           | \$3,363,142        |
| <b>AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)</b> |                   |                    |                    |                       |                    |
| Regular  | 0 / 0             | 0 / 0              | 0 / 0              | 0 / 0                 | 0 / 0              |

# Fund 40030 Cable Communications

## Key Performance Measures

| Indicator   | Prior Year Actuals |                |                         | Current Estimate | Future Estimate |
|---|--------------------|----------------|-------------------------|------------------|-----------------|
|   | FY 2016 Actual     | FY 2017 Actual | FY 2018 Estimate/Actual | FY 2019          | FY 2020         |
| <b>Communications Policy and Regulation Division</b>                            |                    |                |                         |                  |                 |
| Percent of homeowner cable construction complaints completed                    | 92%                | 89%            | 90%/91%                 | 90%              | 90%             |
| Percent of inquiries completed  | 97%                | 98%            | 97%/113%                | 97%              | 97%             |
| Percent of inspected work sites in compliance with applicable codes             | 93%                | 93%            | 92%/89%                 | 92%              | 89%             |
| <b>Communications Productions Division</b>                                      |                    |                |                         |                  |                 |
| Percent of requested programs completed   | 100%               | 97%            | 98%/100%                | 98%              | 98%             |
| Percent of program transmission uptime  | 99.8%              | 100%           | 99.5%/99.6%             | 99.5%            | 99.5%           |
| Percent of duplication requests completed within required deadline <sup>1</sup> | 100%               | NA             | NA/ NA                  | NA               | NA              |
| <b>Institutional Network</b>  |                    |                |                         |                  |                 |
| Percent of I-Net locations constructed  | 90%                | 90%            | 90%/107%                | 90%              | 90%             |
| Percent of I-Net locations activated for video                                  | 100%               | 75%            | 90%/100%                | 90%              | 90%             |
| Percent of I-Net overall uptime   | 99.9%              | 99.9%          | 99.9%/99.9%             | 99.9%            | 99.9%           |

<sup>1</sup> Beginning in FY 2017, Communications Productions no longer tracks this performance measure due to increased access to video programming on the Fairfax County website.

A complete list of performance measures can be viewed at  
<https://www.fairfaxcounty.gov/budget/fy-2020-adopted-performance-measures-pm>

## Performance Measurement Results

In FY 2018, Communications Inspections and Enforcement staff inspected 15,247 cable communications construction work sites, a 74 percent increase from FY 2017. The increase was due to implementation of an extended program for periodic inspection of existing cable plants to identify and resolve violations not previously reported by homeowners or through construction locates. In FY 2018, 89 percent of cable communications construction work sites inspected were in compliance with applicable codes.

In FY 2018, the Communications Productions Division produced 943 hours of original programming, a nine percent increase from FY 2017 and maintained a 99.6 percent successful transmission rate. The increase of 79 hours from FY 2017 is due in part to the first full year of BOS Committee Meeting coverage and video production services provided to the Fairfax 275 campaign.

In FY 2018, 29 I-Net locations were constructed and 12 I-Net locations were activated for video transport, surpassing the estimated totals for each. In addition, 190 I-Net incidents were repaired which was lower than previous year experience. However, this amount fluctuates from year to year based on the amount of construction and road repair activity within the County.

# Fund 40030 Cable Communications

## FUND STATEMENT

### Fund 40030, Cable Communications

|  | FY 2018<br>Actual   | FY 2019<br>Adopted<br>Budget Plan | FY 2019<br>Revised<br>Budget Plan | FY 2020<br>Advertised<br>Budget Plan | FY 2020<br>Adopted<br>Budget Plan |
|--|---------------------|-----------------------------------|-----------------------------------|--------------------------------------|-----------------------------------|
| <b>Beginning Balance</b>                               | <b>\$11,757,235</b> | <b>\$2,227,613</b>                | <b>\$12,089,759</b>               | <b>\$106,748</b>                     | <b>\$106,748</b>                  |
| Revenue:   |                     |                                   |                                   |                                      |                                   |
| Franchise Operating Fees                               | \$17,146,263        | \$18,718,835                      | \$16,631,875                      | \$15,599,422                         | \$15,599,422                      |
| I-Net and Equipment Grant                              | 7,334,243           | 7,297,041                         | 7,114,216                         | 7,149,787                            | 7,149,787                         |
| Fines and Penalties                                    | 9,450               | 0                                 | 0                                 | 0                                    | 0                                 |
| Miscellaneous Revenue                                  | 374                 | 0                                 | 0                                 | 0                                    | 0                                 |
| <b>Total Revenue</b>                                   | <b>\$24,490,330</b> | <b>\$26,015,876</b>               | <b>\$23,746,091</b>               | <b>\$22,749,209</b>                  | <b>\$22,749,209</b>               |
| <b>Total Available</b>                                 | <b>\$36,247,565</b> | <b>\$28,243,489</b>               | <b>\$35,835,850</b>               | <b>\$22,855,957</b>                  | <b>\$22,855,957</b>               |
| Expenditures:  |                     |                                   |                                   |                                      |                                   |
| Personnel Services                                     | \$5,966,719         | \$6,576,766                       | \$6,576,766                       | \$6,746,781                          | \$6,746,781                       |
| Operating Expenses                                     | 5,311,831           | 7,941,235                         | 11,053,397                        | 3,917,813                            | 3,917,813                         |
| Capital Equipment                                      | 177,511             | 550,000                           | 5,030,199                         | 1,306,433                            | 1,306,433                         |
| <b>Total Expenditures</b>                              | <b>\$11,456,061</b> | <b>\$15,068,001</b>               | <b>\$22,660,362</b>               | <b>\$11,971,027</b>                  | <b>\$11,971,027</b>               |
| Transfers Out:   |                     |                                   |                                   |                                      |                                   |
| General Fund (10001) <sup>1</sup>                      | \$3,772,651         | \$3,877,319                       | \$3,877,319                       | \$2,785,414                          | \$2,785,414                       |
| Information Technology (10040) <sup>2</sup>            | 2,300,000           | 250,000                           | 250,000                           | 250,000                              | 250,000                           |
| Tech. Infrastructure Services (60030) <sup>3</sup>     | 2,506,443           | 4,714,102                         | 4,714,102                         | 4,714,102                            | 4,714,102                         |
| Schools Operating Fund (S10000) <sup>4</sup>           | 875,000             | 875,000                           | 875,000                           | 875,000                              | 875,000                           |
| Schools Grants & Self Supporting (S50000) <sup>4</sup> | 2,897,651           | 3,002,319                         | 3,002,319                         | 1,910,414                            | 1,910,414                         |
| Schools Grants & Self Supporting (S50000) <sup>5</sup> | 350,000             | 350,000                           | 350,000                           | 350,000                              | 350,000                           |
| <b>Total Transfers Out</b>                             | <b>\$12,701,745</b> | <b>\$13,068,740</b>               | <b>\$13,068,740</b>               | <b>\$10,884,930</b>                  | <b>\$10,884,930</b>               |
| <b>Total Disbursements</b>                             | <b>\$24,157,806</b> | <b>\$28,136,741</b>               | <b>\$35,729,102</b>               | <b>\$22,855,957</b>                  | <b>\$22,855,957</b>               |
| <b>Ending Balance<sup>6</sup></b>                      | <b>\$12,089,759</b> | <b>\$106,748</b>                  | <b>\$106,748</b>                  | <b>\$0</b>                           | <b>\$0</b>                        |

<sup>1</sup> The base Transfer Out to the General Fund represents compensation for staff and services provided by the County primarily for cable-related activities and is calculated as 20 percent of the franchise operating fees. In addition, annual reconciliation of the revenue and subsequent transfer is conducted and necessary adjustments have been incorporated in the FY 2020 budget.

<sup>2</sup> In FY 2020, this funding reflects a direct transfer of \$250,000 to Fund 10040, Information Technology, to support multiple IT project requirements.

<sup>3</sup> FY 2020 funding of \$4,714,102 reflects a direct transfer to Fund 60030, Technology Infrastructure Services, to support staff and equipment costs related to construction of the I-Net.

<sup>4</sup> The base Transfer Out to the Schools funds reflects compensation for staff and services provided by the Fairfax County Public Schools (FCPS) and is calculated as 20 percent of the franchise operating fees. Of this total, FCPS directs \$875,000 to Fund S10000, School Operating Fund, with the remaining total directed to Fund S50000, Schools Grants & Self Supporting. Annual reconciliation of the revenue and subsequent transfer is conducted and necessary adjustments have been incorporated in the FY 2020 budget.

<sup>5</sup> This funding reflects a direct transfer of \$350,000 to FCPS to support a replacement equipment grant.

<sup>6</sup> Actual ending balances fluctuate year to year, as ending balances are reappropriated within Fund 40030. Equipment and services expenditure requirements fluctuate year to year based on I-Net construction and maintenance schedule.