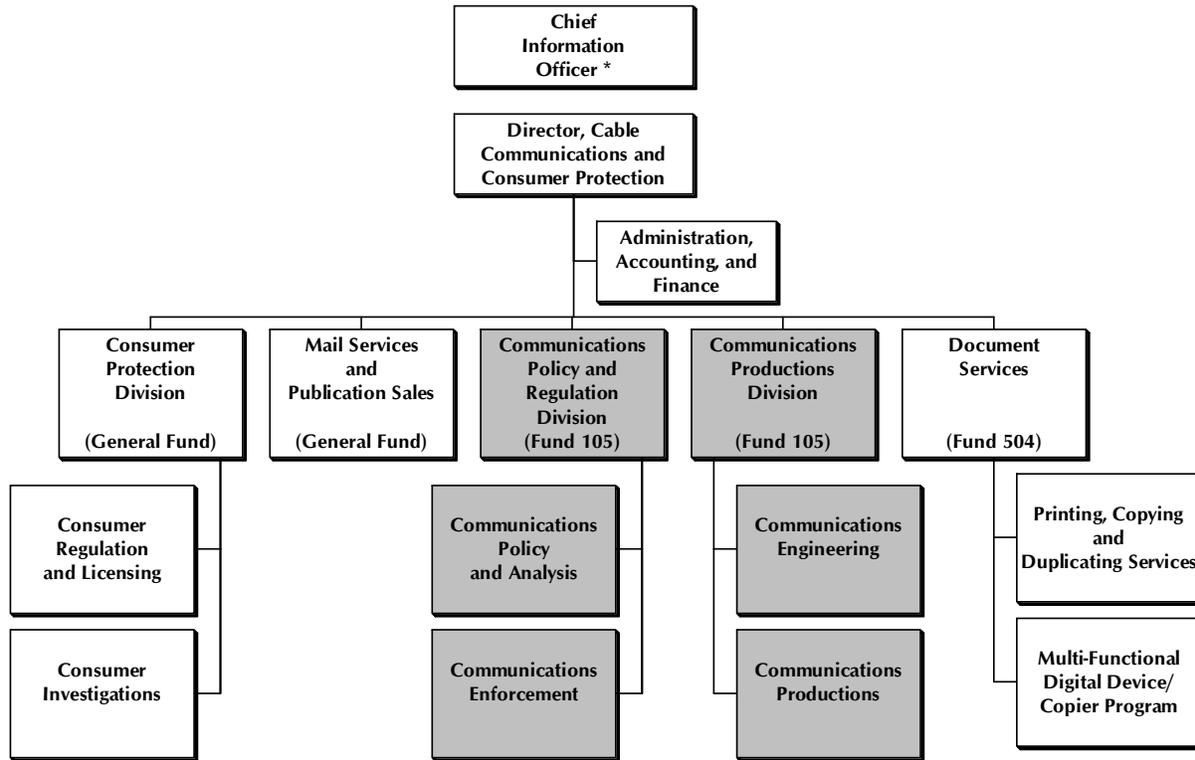


# Fund 105 Cable Communications



\*The Chief Information Officer has responsibility for strategic direction and oversight of this agency; however, for budget purposes, this position and associated funding are reflected within the Department of Information Technology.

The Department of Cable Communications and Consumer Protection is the umbrella agency for five distinct functions: Consumer Protection; Mail Services and Publication Sales; Communications and Policy Regulation; Communications Production; and Printing Copying and Duplicating Services. The total agency staff of 92/92.0 SYE positions and a \$17.8 million budget is dispersed over three funding sources. The Consumer Protection Division, which responds to consumer complaints and ensures business compliance with applicable laws, is presented within the Public Safety Program Area (Volume I) and is fully supported by the General Fund. Mail Services and Publication Sales are provided for County agencies and fully supported by the General Fund. These programs are presented in the Legislative/Executive Program Area in Volume 1. The Multi-functional Digital Device Program (Copier Program) in Fund 504 is funded by a General Fund transfer which supports the lease of digital multi-functional devices (copiers) throughout County agencies, and by revenue received from County agencies and is managed by the Department of Information Technology. Printing, Copying and Duplicating Services is funded by revenues received from County agencies and the Fairfax County Public Schools for printing, copying and duplicating services. The Cable Communications function, which is responsible for television programming and for communications regulation, is presented in Fund 105 (Volume 2). Fund 105 is supported principally by revenue received from local Cable operators through franchise agreements. While the functions of Cable Communications and Consumer Protection provide diverse services, they all provide quality customer service to the community and work collaboratively with County agencies, neighboring jurisdictions and professional organizations.

# Fund 105

## Cable Communications

### Mission

To encourage telecommunication industry development throughout the County that offers the greatest diversity and highest quality service at the least cost to citizens and businesses; to develop goals for future telecommunications development and related legislation; to provide Regulation oversight and enforcement of telecommunications statutes; to provide production services for visual communication technologies and informational programming for County citizens; and to support internal communications and training programming for County employees.

### Focus

The Cable Communications Fund was established by the Board of Supervisors in 1982 to provide accurate accounting of costs and revenues associated with the administration of the County's Cable Communications Ordinance and Franchise Agreements (COFA). Revenue supporting this fund comes from an Institutional Network (I-Net) grant (part of the franchise agreement) and the franchise fees received from local cable operators based on their gross revenues. In FY 2006, revenue is estimated to be \$12.1 million, a 4.5 percent increase over FY 2004, based on the projected increase in the cable operators' gross revenues. The Communications Productions and the Communications Policy and Regulation Divisions will continue to administer all aspects of the County's COFA. The Communications Productions Division (CPD) is responsible for the production of television programming for Channel 16, the Public Information Channel, and the Fairfax County Training Network (FCTN). Channel 16 programming includes both Board of Supervisors-directed programming and the highest-rated program proposals submitted by County agencies. In FY 2006, Channel 16 will televise 360 live Board of Supervisors and Planning Commission meetings, County Executive projects, Board-directed special programming, town meetings and monthly video newsletters for Board of Supervisors' members. In addition, 194 programs and teleconferences which describe the services of County agencies also will be televised. Channel 16 reaches an estimated 600,000 residents with information programming about County programs and services that serve the community. The final number of programs produced in FY 2006 will be determined by the implementation of the County communications plan in FY 2005. In addition, all Channel 16 programming is now video streamed, reaching an even larger audience.

In addition to programming for the public, the CPD is responsible for programming on the closed-circuit FCTN. In FY 2006, the CPD will televise 87 training and internal communications productions which present the most critical programs for unmet County training needs, as well as national satellite conferences, telecommunication courses, video training, and lectures on areas such as leadership, team work, self improvement, and management issues. FCTN programming reaches approximately 25,000 combined County and Fairfax County Public School (FCPS) employees, with the latest training and professional development programming to improve services to citizens.

The Communications Productions Division will continue to operate an emergency message system for citizens, serve as a centralized resource for loan pool equipment for County agencies, manage a satellite downlink for County teleconferencing, and support the Video Magistrate System, County kiosk system, Internet video, video teleconferencing and video streaming of Channel 16 on the Internet to better serve County citizens.

### THINKING STRATEGICALLY

Strategic issues for the Department include:

- Providing quality educational and informational cable television programming that meets the needs of a diverse community;
- Utilizing new cost-effective technologies to convey information to the public;
- Maintaining a highly skilled and knowledgeable workforce that interacts with a dynamic communications industry;
- Investigating and resolving citizen complaints involving cable technical performance issues; and
- Ensuring the development, compliance and enforcement of federal, state and local communications standards in a rapidly changing industry and uncertain regulatory environment.

## Fund 105

### Cable Communications

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As a result of a comprehensive viewer survey, focus group input and benchmarking comparison to other jurisdictions, the CPD will be evaluating and redesigning Channel 16 and FCTN programming in FY 2006 to meet survey responses; developing an external/internal communications campaign to publicize County programs and initiatives; and enhancing current operations and customer service through technology changes. The CPD will continue to maintain a national presence, be a leader in the quality of programming produced and research new services to enhance operations such as interactive television.

The Communications Policy and Regulation Division (CPRD) is responsible for promoting an environment that encourages the development, implementation and promotion of competition in the telecommunications industry that offers the greatest diversity and highest quality service at the least cost to County citizens and businesses; developing goals for future telecommunications development and related legislation; and providing Regulation oversight and enforcement of telecommunications statutes.

CPRD will continue to represent Fairfax County citizens through leadership and position statements on state and national telecommunications issues. A significant role of CPRD is anticipating and identifying community needs for telecommunications services and to promote the optimum communications environment for Fairfax County citizens. Therefore, CPRD continues to conduct outreach initiatives to further facilitate communications with citizens through different media such as surveys, electronic mail, web, newspapers, public relations or other communications resources.

CPRD provides regulatory oversight of existing cable operations and facilities, and accommodates new and developing cable and telecommunications technologies. The County currently has two franchised cable operators to serve a combined total of over 257,000 subscribers. Each of these franchises establishes operational and engineering requirements for the provision of cable service that must be continually developed to keep pace with advanced technologies, and actively inspected and enforced by the franchising authority. CPRD provides this function through its regulatory, inspection, enforcement and engineering programs. The County's regulatory program ensures the legal, regulatory, and service performance compliance of cable operators with the franchise agreements, the Fairfax County Code (Chapter 9.1, Communications), and Federal Communications Commission (FCC) and other federal regulations. CPRD's engineering and field inspection program includes the enforcement of all federal, state and County codes that pertain to the telecommunications engineering, technical performance, and construction standards. This includes investigation and resolution of subscriber complaints resulting from cable technical performance issues. As the enforcement agent for the Virginia Department of Transportation, CPRD inspects all cable facilities located in the public right-of-way.

Additionally, CPRD provides financial support of video and data communications projects associated with connecting County and Fairfax County Public Schools (FCPS) sites to the County's Institutional Network (I-Net). The I-Net is a fiber optic cable network that interconnects approximately 390 County and FCPS facilities and will transport video, voice and data services. Currently the County supports these services over more expensive commercial telecommunications carriers. In FY 2006 funding is identified to implement the migration of County and FCPS video training channels located on the home subscriber system (but are scrambled and only available to County and FCPS viewers) and relocate those channels to the I-Net, thus allowing additional channels to be available for home subscriber programming. Additional FY 2006 funding will be used to continue the implementation of the I-Net as the primary carrier of County and FCPS voice and data transmissions.

## Fund 105 Cable Communications

### New Initiatives and Recent Accomplishments in Support of the Fairfax County Vision

 <b>Maintaining Safe and Caring Communities</b>	<b>Recent Success</b>	<b>FY 2006 Initiative</b>	<b>Cost Center</b>
Implemented automated voice component of Emergency Message System enabling persons with visual impairments to hear emergency messages as they are displayed on Channel 16.	<input checked="" type="checkbox"/>		Communications Productions Division
Provide technical training for engineering staff in the use of state-of-the-art field testing equipment for analog and digital channels on the Hybrid Fiber/Coaxial (HFC) cable network in order to keep current with evolving technological advances.		<input checked="" type="checkbox"/>	Communications Policy and Regulation Division
 <b>Connecting People and Places</b>	<b>Recent Success</b>	<b>FY 2006 Initiative</b>	<b>Cost Center</b>
Continue to enhance department Web site to include public access to the County's cable franchise agreements and links to the <u>Fairfax County Code</u> as well as provided option for citizens to submit construction complaints electronically.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Communications Policy and Regulation Division
Work with the National Association of Telecommunications Officers and Advisors and the Society for Cable Telecommunications Engineers to develop and issue a handbook supporting the National Electrical Code as it relates to cable television services.		<input checked="" type="checkbox"/>	Communications Policy and Regulation Division
Produced General District Court program and park public service announcements in Spanish. Produced election machine instruction public service announcement in Korean, Spanish and Vietnamese.	<input checked="" type="checkbox"/>		Communications Productions Division
Initiated a pilot test of open captions on archived video on demand programming to expand reach of caption programming to Internet viewers of Channel 16.	<input checked="" type="checkbox"/>		Communications Productions Division
Introduce new on-air graphics look for Channel 16 as a result of strategic planning effort and long term study of on-air promotion.		<input checked="" type="checkbox"/>	Communications Productions Division
Implement DVD replication of Channel 16 programming including DVD archives of Board of Supervisors meetings for the Clerk to the Board.		<input checked="" type="checkbox"/>	Communications Productions Division
Continue to research a pilot program on interactive television to provide additional e-government services via cable television for greater community access.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Communications Productions Division

## Fund 105 Cable Communications

 <b>Creating a Culture of Engagement</b>	<b>Recent Success</b>	<b>FY 2006 Initiative</b>	<b>Cost Center</b>
Develop a document that summarizes the current telecommunications resources in Fairfax County and looks at future telecommunications initiatives.		<input checked="" type="checkbox"/>	Communications Policy and Regulation Division
Continue operation of a new channel activated in FY 2005 dedicated to Board of Supervisors meeting replays, Planning Commission and Board of Zoning Appeals meeting live cablecasts, and additional programming.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Communications Productions Division
In conjunction with the countywide communications plan, initiate pilot test of One-Stop shopping for County agency access to Department of Cable Communications and Consumer Protection and Department of Information Technology communication tools including Channel 16, mail, printing, and e-government options.		<input checked="" type="checkbox"/>	Communications Productions Division
 <b>Exercising Corporate Stewardship</b>	<b>Recent Success</b>	<b>FY 2006 Initiative</b>	<b>Cost Center</b>
Design and begin activation of the fiber optic Institutional Network (I-Net) thereby establishing the infrastructure for cost effective fiber optic transport of video, voice and data transmissions among 390 County and FCPS sites.		<input checked="" type="checkbox"/>	Communications Policy and Regulation Division
Negotiate a cable franchise renewal agreement for cable communications that best serves the Reston cable television franchise area.		<input checked="" type="checkbox"/>	Communications Policy and Regulation Division
Provided oversight to the construction process of the cable operators' rebuild and upgrade of cable plant in order to provide improved performance and enhanced services for Fairfax County residents.	<input checked="" type="checkbox"/>		Communications Policy and Regulation Division
Prepare an analytical study of franchise agreements and PEG support obtained throughout the Washington Metropolitan DC area in order to identify areas for improvement of County cable television services.		<input checked="" type="checkbox"/>	Communications Policy and Regulation Division

## Fund 105 Cable Communications

 Exercising Corporate Stewardship	Recent Success	FY 2006 Initiative	Cost Center
Continue to maintain a national presence in the creation of high quality award winning informational programming for citizens and employees, resulting in the receipt of several national awards, including the Government Video Promotional Video Star Award, as well as receiving awards from organizations such as the Alliance for Community Media, and the National Association of Telecommunications Officers and Advisors for programming excellence and professional quality.	☑	☑	Communications Productions Division
Celebrated the 20 <sup>th</sup> Anniversary of Channel 16 by producing a 20 <sup>th</sup> Anniversary highlight special and anniversary related promotional activities designed to increase awareness of Channel 16.	☑		Communications Productions Division
Received 12 total awards from national organizations including four from the Alliance for Community Media and eight from the National Association of Telecommunications Officers and Advisors for programming excellence and professional quality.	☑		Communications Productions Division

### Budget and Staff Resources

Agency Summary					
Category	FY 2004 Actual	FY 2005 Adopted Budget Plan	FY 2005 Revised Budget Plan	FY 2006 Advertised Budget Plan	FY 2006 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	39/ 39	39/ 39	39/ 39	39/ 39	39/ 39
Expenditures:					
Personnel Services	\$3,337,001	\$3,697,908	\$3,592,405	\$3,763,589	\$3,763,589
Operating Expenses	5,849,083	9,012,898	12,976,731	3,693,513	3,693,513
Capital Equipment	0	250,000	6,608,594	750,000	750,000
<b>Total Expenditures</b>	<b>\$9,186,084</b>	<b>\$12,960,806</b>	<b>\$23,177,730</b>	<b>\$8,207,102</b>	<b>\$8,207,102</b>

### FY 2006 Funding Adjustments

The following funding adjustments from the FY 2005 Revised Budget Plan are necessary to support the FY 2006 program:

- ◆ **Employee Compensation** **\$65,681**  
An increase of \$65,681 in Personnel Services associated with salary adjustments necessary to support the County's compensation program.
  
- ◆ **Intergovernmental Charges** **\$6,235**  
An increase of \$6,235 for Department of Vehicle Services charges based on anticipated charges for fuel, vehicle replacement, and maintenance costs.

# Fund 105

## Cable Communications

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- ◆ **One-Time FY 2005 Appropriation** **(\$5.4 million)**  
A decrease of \$5.4 million, due to the one-time FY 2005 appropriation of I-Net Grant funding received since FY 1999 and held in fund balance, to support the implementation of the I-Net at County and FCPS sites. This funding, held in reserve until Cox Communications completed the construction of the I-Net, is anticipated to be used over the next several years to provide software and infrastructure enabling current video, voice and data services to run over the I-Net.
  
- ◆ **Carryover Adjustments** **(\$10.2 million)**  
A decrease of \$10.2 million including \$6.0 million in Operating Expenses and \$4.2 million in Capital Equipment due to the carryover from FY 2004 for costs associated with both encumbered carryover and implementing the I-Net. Delays in the Cox Communication schedule for construction of the I-Net has delayed the expenditure of funds for implementation.
  
- ◆ **Capital Equipment** **\$750,000**  
Capital Equipment of \$750,000 is funded to support the replacement of equipment in the Board Auditorium and Production Studio, as well as required equipment to operate the I-Net.

### Board of Supervisors' Adjustments

*The following funding adjustments reflect all changes to the FY 2006 Advertised Budget Plan, as approved by the Board of Supervisors on April 25, 2005:*

- ◆ The Board of Supervisors made no adjustments to this fund.

### **Changes to FY 2005 Adopted Budget Plan**

*The following funding adjustments reflect all approved changes in the FY 2005 Revised Budget Plan since passage of the FY 2005 Adopted Budget Plan. Included are all adjustments made as part of the FY 2004 Carryover Review and all other approved changes through December 31, 2004:*

- ◆ **Unencumbered Carryover Adjustment** **\$9,518,662**  
As part of the *FY 2004 Carryover Review*, \$9,518,662 in unencumbered carryover was added primarily for I-Net related expenses that were not made in FY 2004 due to delays in the Cox Communications construction and implementation schedule. The implementation of the I-Net is contingent on completion of the overall cable system upgrade.
  
- ◆ **Encumbered Carryover Adjustment** **\$698,262**  
As part of the *FY 2004 Carryover Review*, \$698,262 in encumbered carryover was added.

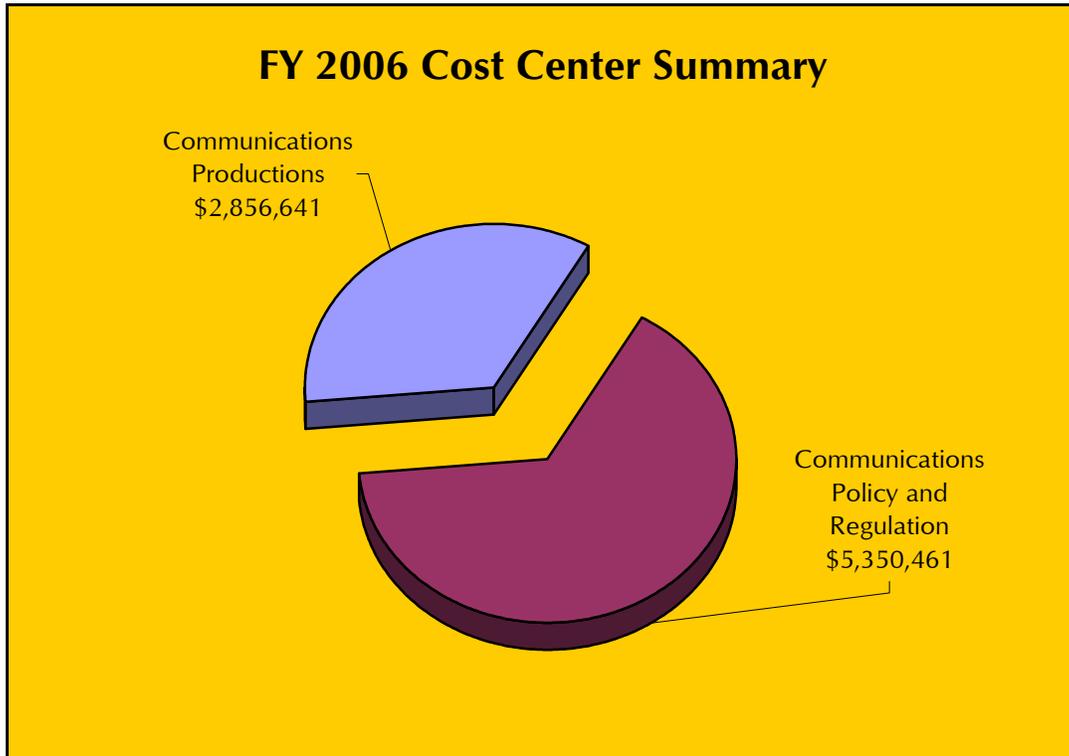
*The following funding adjustments reflect all approved changes to the FY 2005 Revised Budget Plan from January 1, 2005 through April 18, 2005. Included are all adjustments made as part of the FY 2005 Third Quarter Review:*

- ◆ The Board of Supervisors made no adjustments to this fund.

# Fund 105 Cable Communications

## Cost Centers

The two cost centers within Fund 105, Cable Communications that work together to achieve the mission of the Fund are the Communications Productions Division and the Communications Policy and Regulation Division. In FY 2006, approximately \$3.4 million of the \$5.4 million in the Communications and Policy Regulation Division is dedicated for I-Net initiatives.



## Communications Productions Division

Funding Summary					
Category	FY 2004 Actual	FY 2005 Adopted Budget Plan	FY 2005 Revised Budget Plan	FY 2006 Advertised Budget Plan	FY 2006 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	22/ 22	22/ 22	22/ 22	22/ 22	22/22
<b>Total Expenditures</b>	\$2,261,332	\$2,821,066	\$3,287,270	\$2,856,641	\$2,856,641

Position Summary					
<u>Communications Productions Division</u>		<u>Communications Engineering</u>		<u>Communications Productions</u>	
1	Director, Comm. Productions	1	Engineer III	1	Instructional Cable TV Specialist
2	Administrative Assistants II	1	Engineer II	5	Producers/Directors
		1	Video Engineer	4	Assistant Producers
				4	Media Technicians
2	<u>Administration, Accounting and Finance</u> Administrative Assistants II				
<b>TOTAL POSITIONS</b>					
22 Positions / 22.0 Staff Years					

# Fund 105

## Cable Communications

### Key Performance Measures

#### Goal

To provide a centralized video production center and satellite conferencing facility for the Board of Supervisors, County Executive, and all County agencies in order to communicate critical County information to citizens and training for employees, and to provide related production services in new technologies to benefit the public and County operations.

#### Objectives

- ◆ To serve the public information needs of the County by completing 98 percent of Channel 16 public information television programs requested on the FY 2006 production plan, while maintaining cost, quality and work hour efficiencies.
- ◆ To train and educate the County workforce in the most cost effective manner possible by increasing the number of purchased programs and satellite telecourses and completing 98 percent of FCTN training programs on the FY 2006 production plan, while reducing the work hours needed for original programming.

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2002 Actual	FY 2003 Actual	FY 2004 Estimate/Actual	FY 2005	FY 2006
<b>Output:</b>					
Original live program hours	792.0	698.0	714.0 / 685.5	717.0	717.0
Original studio program hours	46.0	54.6	67.0 / 43.5	68.0	68.0
Original field program hours	101.0	101.5	149.7 / 110.0	154.6	154.6
<b>Efficiency:</b>					
Live program work hours per program hour	5.6	5.6	5.2 / 5.1	5.2	5.2
Studio program work hours per program hour	40.8	40.3	46.4 / 40.2	50.0	50.0
Field program work hours per program hour	167.2	159.7	157.3 / 160.9	163.3	163.3
<b>Service Quality:</b>					
Percent of clients satisfied with Channel 16 programs	97%	97%	97% / 97%	97%	97%
Percent of clients satisfied with Channel 41 programs	97%	97%	97% / 97%	97%	97%
Percent of clients satisfied with technology support projects	97%	97%	97% / 97%	97%	97%
<b>Outcome:</b>					
Percent of requested programs completed on Channel 16	100%	100%	98% / 100%	98%	98%
Percent of requested programs completed on FCTN	100%	100%	98% / 100%	98%	98%

# Fund 105 Cable Communications

## Performance Measurement Results

While the original live program hours per year remains fairly constant from year to year, original studio and original field programs on Channels 16 and FCTN vary from year to year as requested by the Board of Supervisors, the County Executive and as prioritized by advisory committees. The three efficiency calculations combine data for Channel 16 and FCTN original programs. To further measure service quality, a client questionnaire is used to determine customer satisfaction and supplements results developed from citizens and County staff focus groups conducted in FY 2004. The implementation of the new County communications plan and the activation of the meeting channel in FY 2005 may impact the performance measures for the Communications Productions Division as staff will need to continue to support these initiatives as well.

## Communications Policy and Regulation Division

Funding Summary					
Category	FY 2004 Actual	FY 2005 Adopted Budget Plan	FY 2005 Revised Budget Plan	FY 2006 Advertised Budget Plan	FY 2006 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	17/17	17/17	17/17	17/17	17/17
<b>Total Expenditures</b>	<b>\$6,924,752</b>	<b>\$10,139,740</b>	<b>\$19,890,460</b>	<b>\$5,350,461</b>	<b>\$5,350,461</b>

Position Summary		
<u>Communications Policy and Regulation Division</u> 1 Director, Policy and Regulation 1 Administrative Assistant III	<u>Communications Policy and Analysis</u> 2 Management Analysts III  <u>Administration, Accounting and Finance</u> 1 Director 1 Administrative Assistant V 1 Administrative Assistant IV 1 Administrative Assistant II	<u>Communications Regulation and Enforcement</u> 1 Management Analyst III 1 Engineer III 1 Engineering Technician III 1 Communications Engineer 4 Senior Electrical Inspectors  <u>Consumer Protection Division</u> 1 Consumer Specialist I
<b>TOTAL POSITIONS</b> 17 Positions / 17.0 Staff Years		

## Key Performance Measures

### Goal

To encourage telecommunication industry development throughout the County that offers the greatest diversity and highest quality service at the least cost to citizens and businesses; to develop goals for future telecommunications development and related legislation; and to provide regulatory oversight and enforcement of telecommunications statutes.

### Objectives

- ◆ To enforce strict compliance with all federal, state, and County codes and standards pertaining to telecommunications construction in the County and to ensure 100 percent compliance of violations issued.
- ◆ To activate 100 percent of the total number of Institutional Network (I-Net) hub locations for video transport.
- ◆ To maintain the level of complaints made to the County against cable operators equal to or less than 5 per 1,000 subscribers, as a result of enforcement activity by the County

## Fund 105 Cable Communications

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2002 Actual	FY 2003 Actual	FY 2004 Estimate/Actual	FY 2005	FY 2006
<b>Output:</b>					
Yearly work locates received	NA	46,056	31,000 / 45,899	31,000	17,000
Institutional Network signal checks, inspections or repairs (1)	NA	280	190 / 390	NA	NA
I-Net locations activated for video transport	NA	NA	NA / NA	NA	390
Complaints against cable operators reviewed for enforcement actions (customer service and construction)	NA	79	80 / 24	20	20
<b>Efficiency:</b>					
Staff hours per field inspection, re-inspection, signal check, equipment installation, and technical investigation	NA	0.60	0.93 / 0.74	0.93	0.93
Staff hours per Institutional Network signal check, inspection or repair	NA	1.30	1.50 / 2.00	NA	NA
Staff hours per I-Net location activated	NA	NA	NA / NA	NA	80
Staff hours per complaints received	NA	NA	24.0 / 22.7	24.0	24.0
<b>Service Quality:</b>					
Percent of sites inspected	NA	27.3%	18.9% / 20.5%	18.9%	18.9%
Percent of I-Net on-time activations	NA	NA	NA / NA	NA	100%
Percent of reviewed complaints against cable operators resulting in enforcement action.	NA	NA	80% / 10%	5%	5%
<b>Outcome:</b>					
Percent of violations corrected	NA	100%	100% / 100%	100%	100%
Percent of total I-Net network locations activated - video	NA	NA	NA / NA	NA	100%
Complaints against cable operators per 1,000 subscribers	NA	9	10 / 5	5	5

(1) I-Net construction was completed in FY 2004. Activation for video is anticipated in FY 2006.

## Fund 105

### Cable Communications

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#### **Performance Measurement Results**

The Cable Franchise Agreement between the County and Cox Communications of Northern Virginia (CCNV) required CCNV to complete cable upgrade by May 31, 2002. CCNV did not complete its upgrade according to its Cable Franchise Agreement. As a result, the County and CCNV entered into an agreement that included a one-year extension to complete 95 percent of its cable system upgrade by September 30, 2003. In order to meet this schedule, CCNV increased its workforce from about 300 to over 1,700, resulting in a dramatic increase in construction activities in the County. This increase in construction activities resulted in an increase in daily work locates received from CCNV to 45,899 in FY 2004. The County's inspectors encountered higher levels of construction deficiencies and violations within each subdivision due to the increased activity. However, the reduced travel time has improved the efficiency to 0.74 hour per inspection. It is anticipated that CCNV construction activity will return to normal rates in FY 2005 and staff efficiency will return to the forecasted level.

The rate of complaints made to the County against cable operators dropped significantly from 9 complaints per 1,000 subscribers in FY 2003 to 5 complaints per 1,000 subscribers during FY 2004. The reduction in complaints is due to several factors including the end of CCNV's upgrade construction activity, enforcement activity and other efforts by the County to improve service from cable operators. County actions resulted in cable operators modifying their business practices such as: adding new service and installation appointment times to provide more convenient times for subscribers; reducing customer service appointment windows to two hours (instead of four); adding new customer care associates; answering technical calls locally; retraining call center employees; adjusting work shifts to accommodate seasonal changes in call volume; and increasing call monitoring to promote a higher level of service by managers, supervisors and leads.

# Fund 105 Cable Communications

## FUND STATEMENT

### Fund Type G10, Special Revenue Funds

### Fund 105, Cable Communications

	FY 2004 Actual	FY 2005 Adopted Budget Plan	FY 2005 Revised Budget Plan	FY 2006 Advertised Budget Plan	FY 2006 Adopted Budget Plan
<b>Beginning Balance</b>	<b>\$21,322,361</b>	<b>\$8,559,310</b>	<b>\$20,755,264</b>	<b>\$5,510,944</b>	<b>\$5,510,944</b>
Revenue:					
Miscellaneous Revenue	\$1,871	\$2,800	\$2,800	\$2,800	\$2,800
Fines and Penalties	27,400	0	0	0	0
I-Net and Equipment Grant	3,244,975	2,986,630	2,986,630	3,183,430	3,183,430
Franchise Operating Fees	8,344,220	8,394,564	8,394,564	8,956,204	8,956,204
<b>Total Revenue</b>	<b>\$11,618,466</b>	<b>\$11,383,994</b>	<b>\$11,383,994</b>	<b>\$12,142,434</b>	<b>\$12,142,434</b>
<b>Total Available</b>	<b>\$32,940,827</b>	<b>\$19,943,304</b>	<b>\$32,139,258</b>	<b>\$17,653,378</b>	<b>\$17,653,378</b>
Expenditures:					
Personnel Services	\$3,337,001	\$3,697,908	\$3,592,405	\$3,763,589	\$3,763,589
Operating Expenses	1,767,486	9,012,898	9,428,328	1,229,782	1,229,782
I-Net Contribution <sup>1</sup>	4,081,597	0	3,548,403	2,463,731	2,463,731
Capital Equipment	0	250,000	6,608,594	750,000	750,000
<b>Subtotal Expenditures</b>	<b>\$9,186,084</b>	<b>\$12,960,806</b>	<b>\$23,177,730</b>	<b>\$8,207,102</b>	<b>\$8,207,102</b>
Transfers Out:					
General Fund (001) <sup>2</sup>	\$1,396,150	\$1,666,444	\$1,666,444	\$2,104,307	\$2,104,307
Schools Grants and Self Supporting Programs (192) <sup>3</sup>	1,353,329	1,534,140	1,534,140	1,868,159	1,868,159
Schools Grants and Self Supporting Programs (192) <sup>4</sup>	250,000	250,000	250,000	250,000	250,000
<b>Total Transfers Out</b>	<b>\$2,999,479</b>	<b>\$3,450,584</b>	<b>\$3,450,584</b>	<b>\$4,222,466</b>	<b>\$4,222,466</b>
<b>Total Disbursements</b>	<b>\$12,185,563</b>	<b>\$16,411,390</b>	<b>\$26,628,314</b>	<b>\$12,429,568</b>	<b>\$12,429,568</b>
<b>Ending Balance<sup>5</sup></b>	<b>\$20,755,264</b>	<b>\$3,531,914</b>	<b>\$5,510,944</b>	<b>\$5,223,810</b>	<b>\$5,223,810</b>
Reserve for PC Replacement	\$72,600	\$19,800	\$19,800	\$24,600	\$24,600
<b>Unreserved Ending Balance</b>	<b>\$20,682,664</b>	<b>\$3,512,114</b>	<b>\$5,491,144</b>	<b>\$5,199,210</b>	<b>\$5,199,210</b>

<sup>1</sup> In FY 2004, \$7.6 million was estimated for the remaining cost of the I-Net construction. As a result of an agreement between the County and Cox Communications, credits of \$2,988,403 were applied to the balance due, and in FY 2004 a payment of \$4,081,597 was made that fulfilled the County's I-Net construction obligations. These expenditures are only for the construction of the I-Net as provided for in the franchise agreement with Cox Communications and does not include equipment and other operating funding.

<sup>2</sup> The Transfer Out to the General Fund represents compensation to the General Fund for rent on property and public "rights-of-way" used by the cable companies serving Fairfax County. The amount represents approximately one percent of the gross revenues of the cable operators in the County (20 percent of franchise fees).

<sup>3</sup> This funding reflects a direct transfer to Fairfax County Public Schools (FCPS) to support the educational access grant. The amount is calculated as one percent of the gross revenues of Cox Communications. The actual amount to be transferred to the FCPS on an annual basis is based on actual gross receipts. Annual reconciliation of the revenue and subsequent transfer will be conducted and adjustments to the transfer level will be incorporated in next year's budget.

<sup>4</sup> This funding reflects a direct transfer to FCPS to support a replacement equipment grant of \$250,000.

<sup>5</sup> Ending balances have significantly decreased since FY 2004 as major delays by Cox Communications on the I-Net construction schedule up until this point have resulted in lower than anticipated expenditures on the equipment and services required to make the I-Net fully operational. However, equipment and services expenditures are projected to significantly increase now that the I-Net construction is complete.