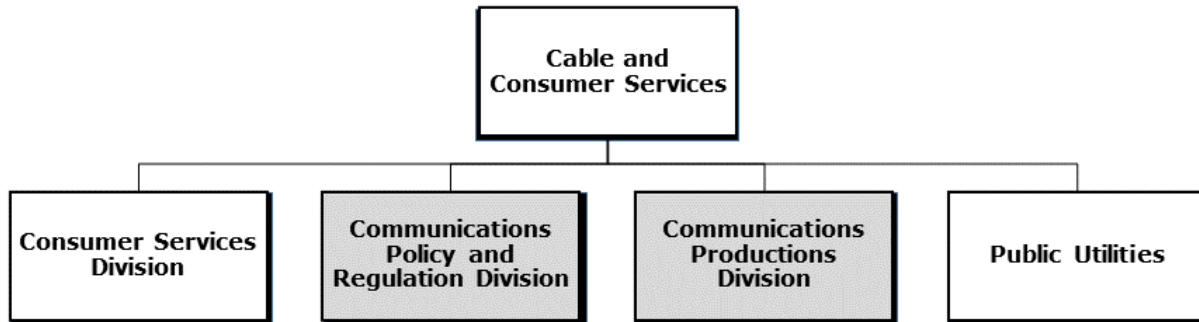


Fund 40030 Cable Communications



The Department of Cable and Consumer Services is the umbrella agency for four distinct functions: Consumer Services, Communications Policy and Regulation, Communications Productions, and Public Utilities. The total agency staff is dispersed 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. Consumer Services and Public Utilities are presented within the Public Safety Program Area of the General Fund (Volume 1). While the functions of the Department of Cable and Consumer Services provide diverse services, they all provide quality customer service to the community and work collaboratively with County agencies, neighboring jurisdictions, and professional organizations.



It is important to note that as part of the FY 2017 Adopted Budget Plan, the Mail Services section of the General Fund, which manages outgoing and incoming U.S. mail as well as inter-office mail and distribution, was transferred to Fund 60020, Document Services, managed by the Department of Information Technology, as a result of a reorganization designed to generate efficiencies and facilitate the increased use of technology to perform mail services-related tasks. In addition, the Accounting and Finance section, which is responsible for the development and oversight of the Department's budget and other related work, was transferred to Fund 40030.

Fairfax County Government Channel 16 is one of the best government access cable television stations in the nation.

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 and the Fairfax County Training Network.

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

Fund 40030 Cable Communications

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.

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 received from local cable operators based on the operators' gross revenues.

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 285,000 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 2016, more than 93 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 will continue to administer 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. It 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. Channel 16 reaches an estimated 788,000 residents via cable television and reaches an even larger audience through live video-streaming and video-on-demand. 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.

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During the period from FY 2012 – FY 2018, approximately \$23.0 million of the Fund 40030 balance has been used to support critical IT projects funded out of Fund 10040, IT Projects, including the Tax System Modernization Project, the Police In-Car Video Project, and several other IT-related projects.

Budget and Staff Resources

Category	FY 2016 Actual	FY 2017 Adopted	FY 2017 Revised	FY 2018 Advertised	FY 2018 Adopted
FUNDING					
Expenditures:					
Personnel Services	\$5,690,480	\$6,449,459	\$6,449,459	\$6,544,102	\$6,544,102
Operating Expenses	3,930,058	6,588,712	12,719,671	7,406,139	7,406,139
Capital Equipment	800,199	450,000	2,785,907	550,000	550,000
Total Expenditures	\$10,420,737	\$13,488,171	\$21,955,037	\$14,500,241	\$14,500,241
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)					
Regular	52 / 52	54 / 54	54 / 54	54 / 54	54 / 54

FY 2018 Funding Adjustments

The following funding adjustments from the FY 2017 Adopted Budget Plan are necessary to support the FY 2018 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 2, 2017.

- ◆ **Employee Compensation** **\$89,732**
 An increase of \$89,732 in Personnel Services includes \$76,291 for performance-based and longevity increases for non-uniformed merit employees effective July 2017, and \$13,441 for employee pay increases for specific job classes identified in the County's benchmark class survey of comparator jurisdictions.
- ◆ **Other Post-Employment Benefits** **\$4,911**
 An increase of \$4,911 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 Fund, in Volume 2 of the FY 2018 Adopted Budget Plan.
- ◆ **Operating Expenses Adjustment** **\$817,427**
 An increase of \$817,427 in Operating Expenses is associated with I-Net equipment costs fully supported by available I-Net revenue in FY 2017.
- ◆ **Capital Equipment** **\$550,000**
 Capital Equipment funding of \$550,000 includes \$400,000 for video replacement equipment in the Communications Productions Division due to specific equipment being past its useful lifespan. In addition, \$150,000 is included for I-Net data and video network equipment.

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Cable Communications

Changes to FY 2017 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2017 Revised Budget Plan since passage of the FY 2017 Adopted Budget Plan. Included are all adjustments made as part of the FY 2016 Carryover Review, FY 2017 Third Quarter Review, and all other approved changes through April 30, 2017.

- ◆ **Carryover Adjustments** **\$8,466,866**
 As part of the FY 2016 Carryover Review, the Board of Supervisors approved encumbered funding of \$1,538,101, an increase of \$150,000 to cover phase one costs associated with the Arts Council of Fairfax County conducting a survey related to residents arts and entertainment needs, and an amount of \$6,778,765 in unencumbered carryover primarily attributable to unexpended funds related to the design and operation of the I-Net.

Cost Centers

The three cost centers 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 2016 Actual	FY 2017 Adopted	FY 2017 Revised	FY 2018 Advertised	FY 2018 Adopted
EXPENDITURES					
Total Expenditures	\$2,609,372	\$3,483,173	\$3,536,659	\$3,533,167	\$3,533,167
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)					
Regular	23 / 23	25 / 25	25 / 25	25 / 25	25 / 25
<hr/>					
<u>Office of the Director</u> 1 Director, DCCS 1 Administrative Assistant V <u>Consumer Services Division</u> 1 Director, Consumer Services Division 1 Administrative Assistant IV <u>Administrative Services</u> 1 Financial Specialist III 1 Financial Specialist II	<u>Communications Policy and Regulation Division</u> 1 Director, Policy and Regulation 1 Administrative Assistant IV <u>Policy and Regulation</u> 2 Management Analysts III <u>Public Utilities</u> 2 Utilities Analysts <u>Regulation and Licensing</u> 1 Administrative Assistant III		<u>Inspections and Enforcement</u> 1 Consumer Specialist III 1 Engineering Technician III 1 Communications Engineer 6 Senior Electrical Inspectors <u>Consumer Affairs</u> 1 Consumer Specialist II 1 Consumer Specialist I 1 Administrative Assistant II		
<hr/>					
TOTAL POSITIONS					
25 Positions / 25.0 FTE					

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Cable Communications

Communications Productions Division

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

Category	FY 2016 Actual	FY 2017 Adopted	FY 2017 Revised	FY 2018 Advertised	FY 2018 Adopted
EXPENDITURES					
Total Expenditures	\$4,509,791	\$4,899,926	\$5,291,340	\$4,937,793	\$4,937,793
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)					
Regular	29 / 29	29 / 29	29 / 29	29 / 29	29 / 29

<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
5	Producers/Directors				
5	Assistant Producers				
1	Graphic Artist IV				
4	Media Technicians				
TOTAL POSITIONS					
29 Positions / 29.0 FTE					

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 2016 Actual	FY 2017 Adopted	FY 2017 Revised	FY 2018 Advertised	FY 2018 Adopted
EXPENDITURES					
Total Expenditures	\$3,301,574	\$5,105,072	\$13,127,038	\$6,029,281	\$6,029,281
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)					
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 2014 Actual	FY 2015 Actual	FY 2016 Estimate/Actual	FY 2017	FY 2018
Communications Policy and Regulation Division					
Percent of homeowner cable construction complaints completed	100%	100%	100%/92%	90%	90%
Percent of inquiries completed	100%	100%	99%/97%	97%	97%
Percent of inspected work sites in compliance with applicable codes	91%	94%	93%/93%	93%	93%
Communications Productions Division					
Percent of requested programs completed	100%	99%	98%/100%	98%	98%
Percent of program transmission uptime	98.8%	99.7%	99.5%/99.8%	99.5%	99.5%
Percent of duplication requests completed within required deadline	100%	100%	100%/100%	NA	NA
Institutional Network					
Percent of I-Net locations constructed	88%	100%	90%/90%	90%	90%
Percent of I-Net locations activated for video	100%	100%	80%/100%	90%	90%
Percent of I-Net overall uptime	99.9%	99.9%	99.9%/99.9%	99.9%	99.9%

A complete list of performance measures can be viewed at www.fairfaxcounty.gov/dmb/fy2018/adopted/pm/40030.pdf

Performance Measurement Results

The Communications Inspections and Enforcement service area's output indicator has been updated to reflect cable communications construction work sites inspected by staff. In FY 2016, staff inspected 6,619 cable communications construction work sites. The service quality indicator has been updated to note the percentage of noncompliance notices issued within one business day after inspection. The outcome indicator has been updated to report the objective of the measure. In FY 2016, 93 percent of cable communications construction work sites inspected were in compliance with applicable codes.

In FY 2016, the Communications Productions Division (CPD) produced 849 hours of original programming, a decrease of approximately 87 hours from FY 2015. This was due to a reduction in the number of televised government meetings and a preference by County agencies for shorter program lengths. Due to the increased access to video programming on the Fairfax County website, FY 2016 will be the final year Communications Productions tracks performance measures related to duplication requests.

In FY 2016, 15 I-Net locations were constructed and five I-Net locations were activated for video transport. In addition, 132 I-Net incidents were repaired which was consistent with the estimate, and higher than previous year experience, due to increased construction and road repair activity within the County.

Fund 40030 Cable Communications

FUND STATEMENT

Fund 40030, Cable Communications

	FY 2016 Actual	FY 2017 Adopted Budget Plan	FY 2017 Revised Budget Plan	FY 2018 Advertised Budget Plan	FY 2018 Adopted Budget Plan
Beginning Balance	\$11,938,592	\$1,681,053	\$11,446,566	\$1,870,255	\$1,870,255
Revenue:					
Miscellaneous Revenue	\$434	\$1,000	\$151,000	\$1,000	\$1,000
Fines and Penalties	10,150	0	0	0	0
I-Net and Equipment Grant	7,320,969	7,562,861	7,562,861	7,468,120	7,468,120
Franchise Operating Fees	18,313,257	18,300,000	18,300,000	18,350,000	18,350,000
Total Revenue	\$25,644,810	\$25,863,861	\$26,013,861	\$25,819,120	\$25,819,120
Total Available	\$37,583,402	\$27,544,914	\$37,460,427	\$27,689,375	\$27,689,375
Expenditures:					
Personnel Services	\$5,690,480	\$6,449,459	\$6,449,459	\$6,544,102	\$6,544,102
Operating Expenses	3,930,058	6,588,712	12,719,671	7,406,139	7,406,139
Capital Equipment	800,199	450,000	2,785,907	550,000	550,000
Total Expenditures	\$10,420,737	\$13,488,171	\$21,955,037	\$14,500,241	\$14,500,241
Transfers Out:					
General Fund (10001) ¹	\$3,532,217	\$3,869,872	\$3,869,872	\$3,772,651	\$3,772,651
Information Technology (10040) ²	3,680,240	2,000,000	2,000,000	2,300,000	2,300,000
Tech. Infrastructure Services (60030) ³	4,621,425	3,545,391	3,545,391	2,506,443	2,506,443
Schools Operating Fund (S10000) ⁴	600,000	600,000	600,000	600,000	600,000
Schools Grants & Self Supporting (S50000) ⁴	2,932,217	3,269,872	3,269,872	3,172,651	3,172,651
Schools Grants & Self Supporting (S50000) ⁵	350,000	350,000	350,000	350,000	350,000
Total Transfers Out	\$15,716,099	\$13,635,135	\$13,635,135	\$12,701,745	\$12,701,745
Total Disbursements	\$26,136,836	\$27,123,306	\$35,590,172	\$27,201,986	\$27,201,986
Ending Balance⁶	\$11,446,566	\$421,608	\$1,870,255	\$487,389	\$487,389

¹ 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 2018 budget.

² In FY 2018, this funding reflects a direct transfer of \$2.3 million to Fund 10040, Information Technology, to support multiple IT project requirements.

³ FY 2018 funding of \$1,814,103 reflects a direct transfer to Fund 60030, Technology Infrastructure Services, to support staff and equipment costs related to construction of the I-Net. In addition, in FY 2018 an amount of \$692,340 is included reflecting the final year of a multi-year commitment to replace and refresh core elements of the I-Net. A new refresh cycle will begin in FY 2019 to ensure the I-Net continues to operate effectively.

⁴ The base Transfer Out to the Schools funding 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 \$600,000 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 2018 budget.

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

⁶ 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.