

MEMORANDUM

March 2, 2020

TO: Government Operations and Fiscal Policy Committee

FROM: Dr. Costis Toregas, Council IT Adviser

SUBJECT: Preliminary Review – Cable Strategic Plan¹

PURPOSE: To renew Connect Montgomery (previously PEG) Governance Board Strategic Plan and Addendum and provide guidance as to desired outcomes, timing, and resourcing

Expected to attend:

Connect Montgomery (previously PEG) Governance Board:
Donna Keating (Cable Office, Department of Technology Services (DTS)), Co-Chair
Nannette Hobson, Montgomery Community Media (MCM), Co-Chair
Members of the Connect Montgomery Governance Board
Gail Roper, Chief Information Officer, DTS
Joe Webster, Chief Broadband Officer, DTS
Alison Dollar, Office of Management and Budget (OMB)

Preliminary Cable Communications Plan materials for Committee review:

- a. Strategic Plan, received January 17, 2020 (© 1-11)
- b. Strategic Plan Addendum, received February 28, 2020 (© 12-17)
- c. Cable Fund Revenue receipts, FY19 (© 18)
- d. Cable Fund Revenue receipts, YTD FY20 (© 19)

¹ Key words: #MoCoCablePlan, and search terms cable, plan, PEG, Connect Montgomery, franchise fees, FiberNet.

Summary of Recommendations:

1. The Strategic Plan submitted by the Connect Montgomery Governance Board requires **no decisions** by the Committee at this time. The intent is to encourage dialogue between Committee members and the Cable Plan stakeholders before the Plan and its strategies are finalized, so that the Executive's submission of the final Cable Plan on March 16, 2020 will better reflect Committee and Council priorities and direction.
2. The Connect Montgomery Governance Board submitted a Connect Montgomery FY21-22 Strategic Plan on January 17, 2020 and an Addendum on February 28, 2020. These two documents are guiding the development of the Cable Plan as well as the deployment of programs and activities in the upcoming fiscal year.
3. At the Council's request, revenues received from the Cable activities of operators in the County have been submitted quarterly. An overall review in this worksession will permit the Committee to make assessments as to the viability of this important revenue source as well as the accuracy of Executive staff estimates.
4. A major upcoming issue is the renegotiation effort with Verizon and Comcast for their new upcoming franchises (the current ones expire in 2021). This will be the first round of negotiations done with no Cable Administrator in place, as the position was eliminated last year.

Background

Resolution 19-136, adopted by the Council on May 23, 2019, states in the General Provision section, paragraph 8:

8. Future Cable Plan strategy: The Executive must submit to the Government Operations and Fiscal Policy Committee a Public Education Government (PEG) Governance Board Strategic Plan that will frame FY 2021 budget allocations no later than January 15, 2020.

The required plan submission was made by the Co-Chairs of the Governance Board on January 17, 2020 (see ©1-11). An Addendum was provided on February 29, 2020 (see ©12-17).

Strategic Plan and Addendum

The Addendum includes a number of clarifications that will help focus the worksession discussion. Among them are:

- A new Mission Statement:

The mission of the Connect Montgomery Alliance is to serve Montgomery County communities by utilizing multimedia that allows for informed residents through local news coverage, easy access to government and education, expanded community engagement and by supporting economic development.

- A SWOT analysis (Strengths, Weaknesses, Opportunities and Threats) which is a candid effort to define the potential of the Connect Montgomery resource:

Strengths	Weaknesses
<ul style="list-style-type: none"> • Quality Video Production (Live, Post-Production, and Studio Productions) • Talented Employees, Current Industry Knowledge • Deep Community Connections • Infused in Critical Government Departments • Hyper Local News Coverage • Supporting Host Institutions with Multimedia Supports • Multiple Online Distribution Channels, Including Social Media • Spanish Language Program Production Capabilities • Significant Numbers of email Addresses and Social Media Followers 	<ul style="list-style-type: none"> • Voluntary Individual Unit Participation in PEG Alliance • No Authoritative or Editorial Leadership Structure • Loss of Cable Administrator Position • No Alliance-wide Editorial Structure and Oversight • Minimal Alliance Marketing and Outreach Effort-Contractor Hired • Continued Uneven Levels of Connect Montgomery Member Participation • Residents' Level of Awareness of Connect Montgomery and its Programming and Services • Inability to Measure Cable Viewership
Opportunities	Threats
<ul style="list-style-type: none"> • Continuing Loss of Local News Outlets Creates Audience Opportunities • Robust Human Capital Talents and Infrastructure to Support Messaging to Residents • Ability to Support Business Development Through Cost-effective Promotional Programming • Eureka Study Confirms Audience Wants are In Line with Alliance Productions 	<ul style="list-style-type: none"> • Threats to Network Revenues from <ol style="list-style-type: none"> a) FCC Franchise Ruling Prohibiting Agreements b) Industry Streaming Services and Cord-Cutting Trends c) Countywide General Revenue Needs within Cable Fund • Competing Against Growing Disparate Media Landscape • Reduction of Cable Subscribers • Maintaining Relevance in Era of Crowdsourced Information

- A strong initiative to explore ways that the Connect Montgomery efforts can help support existing and future Economic Development opportunities of the County:

...The position will build on current economic development supportive content, such as MCM's monthly "Small Business Network", CCMC's, "Made in Montgomery" and "Montgomery Business Buzz" CEO interviews and current MCPS production relationship with MCDOT and Ride On with the intent to create enough content to support a robust channel about Montgomery County's economic development progress and vibrancy. In addition to serving

residents, such a channel would be used toward developing local business and corporate partnerships that lead to diverse and sustainable revenues streams...

Dialogue with PEG members

The Public, Education, and Government (PEG) Governance Board has renamed and rebranded itself as the Connect Montgomery (CoMo) Governance Board; it oversees the development and deployment of shared communication and information programs that increase citizen participation and understanding of County issues. Leadership in the Governance Board is vested in co-chairs Ms. Donna Keating (DTS Cable Office) and Nannette Hobson (Montgomery Community Media).

The Committee can engage with the CoMo Governance Board members in reviewing the detailed strategies listed and indicate priorities that can strengthen this Plan and increase its chances of success. The Committee may consider the following questions:

- The proposed Connect Montgomery Alliance Manager is a practical way to ensure that the Alliance acts on its collaborative strategic plan. Is there support for the funding mechanism of shared support?
- Are there practical sharing mechanisms for hardware, for programming, and for staff expertise? How can such sharing mechanisms be strengthened to ensure that everyone brings to the table, as well as takes resources needed for, individual and collective projects?
- How would the revised Mission Statement impact current program priorities? What new activities might County residents see in the upcoming years?

Revenue discussion

Resolution 19-136, adopted by the Council on May 23, 2019, also states in the General Provision section, paragraph 8:

9. Reporting Requirements: The Executive must submit a separate quarterly fiscal report to the County Council detailing revenues received by source for the Cable Plan no later than 60 days after the end of each quarter. The Executive must transmit the second and third quarter budget analysis of the Office of Broadband Programs no later than 60 days after the end of the quarters previously referenced.

These fiscal statements have been submitted on a timely basis. A summary of the 2019 revenues and the first two quarters of FY20 are on ©19 and ©20. The FY19 final receipts are for \$26.6 million while the budget assumed a \$28.5 million number. This difference of \$1.9 million reflects a 6.6% error in the forecast. Two questions for the Committee to consider in reviewing these revenue numbers are:

1. Has the 6.6% error rate caused changes to the methodology in use to forecast revenues? The FY20 forecast numbers appear much closer to actual and annualized figures; doubling the current half-year figure gives a number of \$16.175 million, which is close to the \$16.235 million forecast (within .35% of the forecast).
2. If the forecast in FY20 for some reason is off by a larger margin, how will the difference be made up? When the Executive submits his FY21 Cable budget, the actual mechanism to absorb the FY19 shortfall will be known precisely.



MEMORANDUM

January 17, 2020

TO: Montgomery County Government Operations Committee
Council President Sidney Katz
Councilmember Nancy Navarro, Chair
Councilmember Andrew Friedson

FROM: Connect Montgomery:

- County Cable Montgomery – Barry Hudson (County Executive), Sonya Healy (County Council), Donna Keating (Office of Broadband Programs)
- Montgomery College – Melissa Pace
- Montgomery Community Media – Nannette Hobson
- Montgomery County Public Schools – Dr. Dick Lipsky
- City of Rockville – Kathy Dantzer
- City of Takoma Park – Alvaro Calabia
- Montgomery Municipal Cable – Melissa Aymold

SUBJECT: Connect Montgomery FY21-22 Strategic Plan

Per the Cable Plan Resolution 19-136, the Public Education Government (PEG) Governance Board presents the Strategic Plan FY 2021/2022.

Connect Montgomery, previously known as the PEG Governance Board (PGB), is pleased to share our Strategic Plan with the County Council's Government Operations Committee.

With appreciation for Dr. Costis Toregas' November 2019 guidance for our planning efforts, the PEG Governance Board researched strategies utilized by other PEG groups across the country. We also reviewed our current structure and goals in a changing landscape of county leadership, media evolution and audience needs.

Additionally, we worked with the County's Office of Management and Budget (OMB) to confirm our compliance with current budgeting standards and practices.

We are fortunate for the expertise of the Department of Technology Services (DTS) in the areas of cable franchise administration and renewals. Specifically, we rely on:

- **Joseph Webster** provides technology expertise for our goals concerning cloud-based video networking and shared use server technology and FiberNet 2/FiberNet 3 technology;
- **Donna Keating** is Chair of the Alliance for Community Media, the national organization that represents over 3,000 PEG institutions throughout the country. She provides the County with key information about the other jurisdictions facing similar challenges around the country;
- **Mitsuko Herrera and Marjorie Williams** lend their expertise in franchise administration and franchise renewals as we begin negotiations with Comcast and Verizon.

Our robust and award-winning programming will continue to provide critical value to the residents of our county while filling the voids created by the loss of local commercial media resources.

We present a new vision for our group that is based on innovation, consolidation and collaboration, in response to the media needs and expectations of our audiences and stakeholders.

This plan will enable us to meet our communication and engagement goals in FY21-22.

cc: Dr. Costis Toregas, Council IT Adviser
Joseph Webster, Chief Broadband Officer, Office of Broadband Programs
Susan Kenedy, Communications Specialist, Montgomery County Council
Tracy O'Connor, Cable Program Manager, Public Information Office
Jasmine White, Education & Community Engagement Director, MCM
Betty Francis, Technical Project and Planning Analyst, Montgomery College



STRATEGIC PLAN

FY2021-2022

Public Education & Government Channels



MISSION:

Connect Montgomery represents the collaborative content of Montgomery County's public, education and government media creators and distributors, providing hyperlocal news, information and programming for and about Montgomery County.

Connect Montgomery provides equitable media access to all who live, work and/or engage in Montgomery County.

VALUE:

Connect Montgomery is:

- ***Connecting Communities:*** Our collaboration promotes understanding through media.
- ***Advancing Racial and Digital Equity:*** We provide robust and vital media access to our diverse communities.
- ***Responsive:*** We use innovation, adaptability and agility to meet the evolving needs of our audiences.

VISION:

Connect Montgomery collaboratively consolidates public, education and government created content under the Connect Montgomery brand, building robust, shared digital media platforms for content distribution, marketing strategies and connectivity to better serve the residents, businesses and visitors of Montgomery County.

The collaboration and consolidation of collective content under the Connect Montgomery brand allows the members of the group to, together, increase audience reach and serve county residents in the following ways:

- One brand delivers access to the hyperlocal information, programming and news created by the county's public, education and government media organizations, creating a unique model of hyperlocal media content distribution and collaboration that can scale and evolve with the needs of its audience.
- With centralized media content, Connect Montgomery enhances access to open government, lifelong learning, multicultural programming and youth communications development for our diverse audiences and underserved communities.
- Connect Montgomery also facilitates media training and education to help all residents achieve digital equity and the media literacy needed to succeed as communication technologies evolve.
- Connect Montgomery will be a staple of Montgomery County life and serve as a key component of the best-informed and best-connected county in America.

NEW STRUCTURE:

- Connect Montgomery and “#CoMo” are the brands for our collective content, distributed through current and evolving digital platforms, including online, social media and mobile applications.
- Each Connect Montgomery member is responsible for contributing content to the platforms in a coordinated effort, creating a centric and robust digital platform for hyperlocal video information, programming and news.
- Consolidation of content under the common brand creates efficiencies because responsibilities for creating, posting and distributing content are shared among member organizations.
- Content consolidation also provides opportunities to use the best content from the members on related subjects, creating bodies of work that include the perspective each member represents, better serving communities.
- Connect Montgomery will be the brand for a shared cloud-based database of video, programming and information, strengthening the ability of all members to produce high quality content more efficiently and with more immediacy and connectivity.
- Connect Montgomery will contribute daily to a centralized cloud-based video on-demand and archiving database, creating a valuable resource for county government and residents.
- Each member’s mission and values are represented as part of a robust and centrally distributed curation of content to the county’s designated initiatives and priorities.
- Connect Montgomery is a consolidated point of focus for marketing, audience growth and analysis through which future successes can be measured.
- Working collaboratively on one content brand, Connect Montgomery delivers high quality, comprehensive local content with greater reach and value than the sum of our parts.

FY21-22 STRATEGIC GOALS & ACTION PLAN

The diverse communities of Montgomery County - identified by geography, language, culture, common interests, and/or municipality, will rely on Connect Montgomery as a trusted source for hyperlocal news, information, programming and entertainment across multiple digital platforms. Below are our specific goals and strategies:

GOAL #1:

Build robust digital media content platforms under Connect Montgomery and #MoCo brands.

Strategies:

1. FY21 - Expand current collaborative effort to post content daily on Connect Montgomery website and social media platforms including Facebook and Twitter.
2. FY21/22 - Increase reach with Spanish language programs, information and social media messaging;
3. FY21/22 - Grow value as trusted resource for relevant hyperlocal content.
4. FY21 - Expand content posting to current social media platforms (Instagram and LinkedIn) and explore emerging platforms.

5. FY21 - Develop strategies for content distribution and promotion using newsletters, text messages, Nextdoor and email.
6. FY21 - Launch #CoMo in Spanish to create content awareness.
7. FY22 - Consider use of a project management tool to enhance collaborative planning/reporting and access to County and Connect Montgomery information.

GOAL #2:

Increase Connect Montgomery Engagement and Awareness with Digital Marketing.

Strategies:

1. FY21 - Build on successfully outcomes of FY20 marketing contract with SALTA WITH US, a culturally diverse Silver Spring Based creative agency with expertise in digital content marketing.
2. FY21/22 - Grow audience with continued use of goals and practices employed by SALTA, including:
 - Strategies to increase viewership, apply identified strategy to increase knowledge of the County's media presents and drive traffic to, the cable channels, online websites and social media of each outlet for the purpose of promoting and raising the County's present.
 - Outreach services and create promotion materials such as digital content as well as an option for physical marketing material. Media materials required may be requested in both English and in Spanish.
 - Achieve increase in viewer acknowledgement and engagement.

GOAL #3:

Build Connect Montgomery Digital Video Network for video sharing, networking and archiving, including budget and management processes to increase the use of broadband technology for the improvement production values, sharing and distribution of content.

Strategies:

1. FY21 - Research the potential costs and efficiencies of using broadband technology.
 - Our engineering staffs will work with the County's Department of Technology Services (DTS) to explore archiving/central storage/searchable database efficiencies that will streamline workflows and manage the movement of content between projects, sites and organizations.
2. FY21- Examine cloud-based opportunities; examine server-based opportunities (explore possibilities offered through FiberNet 2 & FiberNet 3); research training opportunities.
3. FY21 - Leverage the opportunities new technology offers to enhance Technical Operations Center capabilities.
4. FY21- Partner with DTS to explore technologies for secure remote access.
5. FY22 – As feasible, use PEG equipment funding to implement.
6. Examine costs/benefits of OTT technology for Connect Montgomery (examples: steaming apps; ROKU, HULU, SLING).
7. FY22 – As feasible, implement outcome as funding allows.

GOAL #4:

Youth media development: *Connect Montgomery provides training for future media creators and professionals while creating content for and about young residents and audiences.*

Strategies:

1. FY21 - Each member establishes youth media programs within their organization (such as internships, Summer Rise, Summer Fellows, etc.) that contribute youth centric content to content Connect Montgomery to expand our reach with young audiences and provide media literacy education and skills training.
2. FY21 - Each member of Connect Montgomery will facilitate media education and training for the use of new media technologies to help residents bridge the digital divide.
3. FY21- Explore youth/student internship program opportunities and requirements. Develop connections:
4. FY21 - Implement program with the goal of 5-10 culturally diverse youth/students' involvement.
5. FY22 - Create a "toolkit" for internship program participants that includes content produced by previous interns.
6. FY22 - Increase internships to 15-20 students.

GOAL #5:

Develop a responsive FY23-24 Strategic Plan adapted to the ever-changing media landscape.

Strategies:

1. FY22 - The Plan for FY23-FY24 will be developed.
 - Continue ongoing research for opportunities to secure outside funding to increase sustainability and offset forecasted deficits.
 - Continue to analyze the potential costs and efficiencies over a 3-5 year period for Connect Montgomery to adopt shared use facilities and IP-based broadcasting technology to streamline workflows.

FY20 INITIATIVES, ACCOMPLISHMENTS & PERFORMANCE MEASURES

Recognizing that County government alone cannot achieve large priority outcomes, Connect Montgomery is determined to add the resources of their established platforms and targeted use of social media to garner more resident engagement and participation in County matters in FY20:

FY20 Connect Montgomery Resources Support Both Countywide and Parent Organizational Goals				
County Executive's PIO		County Council's PIO		
<p>Barry Hudson and/or designee Tracy O'Connor to provide a weekly update to fellow Connect Montgomery operations; the weekly update will identify three topics to promote</p>		<p>Sonya Healy and/or designee Susan Kenedy to provide a weekly update to fellow Connect Montgomery operations; the weekly update will identify three topics to promote</p>		
CONNECT MONTGOMERY PARTNERS				
County Cable Montgomery	Montgomery County Public Schools	Montgomery College	Montgomery Community Media	Municipalities: MMC, Takoma Park, Rockville
<p>Live work sessions, Council and committee meetings, press events. Interviews, town halls, listening sessions, forums, traffic, interviews, news and other programming</p>	<p>Live Board / Committee meetings, Instructional and Informational video programs, Live web streaming community events, instruction in multiple languages, teacher training, MCPS Operating Budget, High School graduations, Pre-K-12 ed.</p>	<p>Town halls, programs for underserved populations, live student newscasts, commencement, career exploration, State of the College Address, post-secondary continuing education, etc.</p>	<p>Daily hyperlocal news coverage, www.mymcmedia.org, podcasts, topical news discussion programs and events, election coverage, community content, media training, volunteer & contributed programs, production services for government, nonprofit and civic organizations.</p>	<p>Mayor and Council sessions, live meetings, interviews, arts, parades, city news, information, events, documentaries, etc.</p>

Additionally, Connect Montgomery has prioritized promotion and coverage of events and topics on their platforms to reflect the County's stated priorities by focusing on Economic Development, Racial Equity & Social Justice, Early Childhood and Education, Environmental Sustainability, and Pedestrian Safety (Vision Zero).

County audiences now have a multitude of new options from which they can download information at any time with their tablets and smart phones. This strategy increases the reach of government information to the viewers and social media subscribers of all the County-based Connect Montgomery platforms:

- <http://www.ConnectMontgomerymd.com/>
- <https://www.facebook.com/ConnectMontgomery/>
- <https://twitter.com/connectmoco>

Our new collaborative Connect Montgomery launched on September 2, 2019. Connect Montgomery is on Social Media platforms, online and on TV to keep us connected to the communities we serve.

FY20 CABLE COMMUNICATIONS PLAN (in \$000's)										
	Act	APP	Est	CC Approved	Proj.	Proj.	Proj.	Proj.	Proj.	
	FY18	FY19	FY19	FY20	FY21	FY22	FY23	FY24	FY25	
1	BEGINNING FUND BALANCE									
	6,031	1,960	443	90	1,316	2,137	2,781	2,979	2,496	
2	REVENUES									
3	16,999	17,868	16,631	16,235	15,944	15,692	15,455	15,245	14,997	
4	159	165	151	144	138	137	135	133	133	
5	3,987	4,013	3,946	3,848	3,809	3,793	3,786	3,784	3,782	
6	6,273	6,644	6,018	5,932	5,797	5,682	5,526	5,391	5,255	
8	125	107	107	283	283	283	263	263	263	
9	139	150	150	150	243	250	250	250	251	
10	0	0	0	0	0	0	0	0	0	
11	27,942	28,947	27,003	26,872	26,194	26,797	26,418	26,066	24,881	
12	33,693	30,907	27,446	26,862	27,809	27,934	28,208	28,046	27,176	
13	EXPENDITURE OF RESTRICTED FUNDS									
14	A. EXPENDITURE OF RESTRICTED CAPITAL FUNDS									
15	Municipal Capital Support									
16	868	831	860	847	828	368	359	350	342	
17	203	217	201	198	193	189	184	180	175	
18	203	217	201	188	193	189	184	180	175	
19	1,274	1,365	1,261	1,243	1,216	748	737	709	693	
20	724	759	759	759	759	759	759	759	759	
21	680	680	680	680	680	680	680	680	680	
22	3,890	3,840	3,840	3,750	3,569	3,498	3,498	3,498	3,497	
24	6,968	6,644	6,638	6,431	6,223	5,660	5,582	5,644	6,626	
25	B. EXPENDITURE OF OTHER RESTRICTED FUNDS									
26	Municipal Franchise Fee Distribution									
27	757	757	757	739	725	714	703	694	682	
28	233	266	233	227	223	220	216	213	210	
29	246	243	256	250	246	242	238	235	231	
30	1,236	1,266	1,246	1,216	1,194	1,178	1,168	1,142	1,123	
31	Municipal Operating Support									
32	270	300	256	250	248	247	246	246	246	
33	447	458	436	428	423	421	421	420	420	
34	447	458	436	428	423	421	421	420	420	
35	1,164	1,216	1,133	1,106	1,084	1,088	1,087	1,087	1,086	
36	2,402	2,403	2,379	2,321	2,288	2,268	2,246	2,229	2,210	
37	8,970	9,127	8,919	8,763	8,611	7,946	7,907	7,873	7,838	
38	16,692	19,820	18,094	17,819	17,669	17,662	17,608	17,193	16,843	
39	24,723	21,780	19,827	17,909	18,998	19,969	20,299	20,172	19,338	
40	EXPENDITURES OF NON-RESTRICTED FUNDS									
41	A. Transmission Facilities Coordinating Group									
42	341	230	230	230	250	250	250	250	250	
43	341	230	230	230	260	260	260	260	260	
44	B. FRANCHISE ADMINISTRATION									
45	873	649	641	1,098	1,131	1,165	1,200	1,236	1,273	
46	20	0	0	0	0	0	0	0	0	
47	123	118	118	121	125	128	132	136	140	
48	137	68	68	68	68	68	68	68	68	
49	108	78	78	78	78	78	78	78	78	
50	21	100	300	475	475	475	250	250	250	
51	1,283	1,212	1,204	1,839	1,876	1,913	1,727	1,767	1,808	
52	1,624	1,442	1,434	2,069	2,126	2,163	1,977	2,017	2,066	
53	C. MONTGOMERY COUNTY GOVERNMENT - CCM									
54	Media Production & Engineering									
55	694	707	707	882	908	936	964	993	1,022	
56	24	31	31	31	31	31	31	31	31	
57	48	87	87	87	87	87	87	87	87	
58	44	58	58	58	58	58	58	58	58	
59	810	884	884	1,069	1,088	1,113	1,141	1,170	1,199	
60	Public Information Office									
61	669	799	799	842	887	893	920	948	976	
62	11	11	11	11	11	11	11	11	11	
64	700	811	811	863	879	906	931	969	987	
65	County Council									
66	577	620	620	641	660	680	700	721	743	
67	12	11	11	11	11	11	11	11	11	
68	89	153	153	153	153	153	153	153	153	
69	48	100	100	100	100	100	100	100	100	
71	726	884	884	904	924	943	964	986	1,006	
72	MNCPPC									
73	99	99	99	99	99	99	99	99	99	
74	24	24	24	24	24	24	24	24	24	
75	123	123	123	123	123	123	123	123	123	
76	2,358	2,702	2,702	2,839	3,010	3,083	3,169	3,238	3,316	

FY20 CABLE COMMUNICATIONS PLAN (in \$000's)

	Act	APP	Est	CC Approved	Proj.	Proj.	Proj.	Proj.	Proj.
	FY18	FY19	FY19	FY20	FY21	FY22	FY23	FY24	FY26
77 D. MONTGOMERY COLLEGE - MCITY									
78 Personnel Costs	1,463	1,506	1,506	1,555	1,602	1,650	1,698	1,750	1,803
79 Operating Expenses	221	221	221	209	209	209	209	209	209
80 SUBTOTAL	1,684	1,727	1,727	1,764	1,811	1,859	1,908	1,959	2,012
81 E. PUBLIC SCHOOLS - MCPS ITV									
82 Personnel Costs	1,564	1,656	1,656	1,679	1,729	1,781	1,835	1,890	1,948
83 Operating Expenses	133	133	133	121	121	121	121	121	121
84 SUBTOTAL	1,697	1,790	1,789	1,800	1,851	1,903	1,956	2,011	2,069
85 F. COMMUNITY ACCESS PROGRAMMING									
86 Personnel Costs	2,095	2,096	2,096	2,186	2,231	2,296	2,367	2,438	2,511
87 Operating Expenses	65	65	65	54	54	54	54	54	54
88 Rent & Utilities	425	459	459	493	502	513	523	533	544
89 New Media, Webstreaming & VOD Services	23	23	23	23	23	23	23	23	23
90 SUBTOTAL	2,608	2,644	2,643	2,756	2,811	2,886	2,967	3,048	3,132
91 G. PEG OPERATING									
92 Operating Expenses	169	161	161	181	181	181	181	181	181
93 Youth and Arts Community Media	100	100	100	100	100	100	100	100	100
94 Community Engagement	91	91	91	91	91	91	91	91	91
95 Closed Captioning	151	163	163	163	163	163	163	163	163
96 Technical Operations Center (TOC)	5	9	9	9	9	9	9	9	9
98 SUBTOTAL	616	626	624	644	644	644	644	644	644
99 H. OPB FIBERNET OPERATING									
100 FiberNet - Personnel Charges for DTS	361	949	949	659	627	646	665	685	708
101 FiberNet - Operations & Maintenance DTS	1,276	1,329	1,329	1,374	1,374	1,374	1,374	1,374	1,374
102 FiberNet - Network Operations Center	658	910	910	910	910	910	910	910	910
103 FiberNet - Personnel Charges for DOT	116	106	106	109	112	116	119	123	126
104 FiberNet - Operations & Maintenance DOT	90	291	300	291	291	291	291	291	291
105 FiberNet - Miss Utility (DOT)	285	688	622	489	488	488	488	488	488
109 SUBTOTAL	2,386	4,273	4,216	3,782	3,803	3,826	3,848	3,871	3,895
110 I. COMPENSATION ADJUSTMENT									
111 FY20 Collective Bargaining Agreement				(21)					
112 TOTAL EXPENDITURE OF UNRESTRICTED FUNDS	13,474	15,102	16,036	16,614	16,956	16,266	16,369	16,667	17,026
113 TOTAL EXPENDITURE OF RESTRICTED FUNDS	8,970	9,127	8,919	8,763	8,811	7,846	7,907	7,873	7,838
114 TOTAL EXPENDITURES - PROGRAMS	22,444	24,230	23,953	24,367	24,466	24,210	24,266	24,560	24,863
115 J. OTHER									
116 Indirect Costs Transfer to Gen Fund	725	756	756	880	906	933	961	990	1,020
117 Telecom Transfer to the Gen Fund	5	5	5	0	0	0	0	0	0
118 Transfer to the General Fund	9,021	5,208	1,906	0	0	0	0	0	0
119 Legislative Community Communications NDA	1,290	540	636	0	0	0	0	0	0
120 Transfer to the Gen Fund-M-NCPPC	100	100	100	100	0	0	0	0	0
121 SUBTOTAL	11,141	6,609	3,403	980	906	933	961	990	1,020
122 TOTAL EXPENDITURES	33,686	30,839	27,366	26,347	26,372	26,143	26,227	26,660	26,883
123 K. ADJUSTMENTS									
124 Prior Year Adjustments	(335)	0	0	0	0	0	0	0	0
125 TOTAL ADJUSTMENTS	(335)	0	0	0	0	0	0	0	0
126 FUND BALANCE	443	68	90	1,316	2,137	2,791	2,979	2,495	1,293
127 FUND BALANCE PER POLICY GUIDANCE	1,381	1,460	1,361	1,332	1,316	1,296	1,277	1,261	1,241
128 L. SUMMARY - EXPENDITURES BY FUNDING SOURCE									
129 Transfer to Gen Fund-Indirect Costs	725	756	756	880	906	933	961	990	1,020
130 Transfer to Gen Fund-Mont Coll Cable Fund	1,664	1,727	1,727	1,764	1,811	1,859	1,908	1,959	2,012
131 Transfer to Gen Fund-Public Sch Cable Fund	1,697	1,790	1,789	1,800	1,851	1,903	1,956	2,011	2,068
132 Transfer to CIP Fund	4,570	4,520	4,520	4,430	4,249	4,176	4,176	4,178	4,177
133 Transfer to Gen Fund-Other	9,021	5,208	1,906	0	0	0	0	0	0
134 Transfer to Gen Fund-Telecom	5	5	5	0	0	0	0	0	0
135 Transfer to the General Fund-Legislative Branch NDA	1,290	540	636	0	0	0	0	0	0
136 Transfer to the Gen Fund-M-NCPPC	100	100	100	100	0	0	0	0	0
137 FUND TRANSFERS SUBTOTAL	19,092	14,648	11,439	8,974	8,816	8,870	9,001	8,136	6,276
138 Cable Fund Expenditure of Unrestricted Funds	10,093	11,656	11,679	12,060	12,294	12,603	12,496	12,717	12,946
139 Cable Fund Direct Expenditures	14,493	16,183	16,917	16,372	16,666	16,273	16,226	16,414	16,607
140 Cable Fund Personnel	3,463	4,180	3,941	4,281	4,431	4,664	4,701	4,842	4,987
141 Cable Fund Operating	11,040	12,044	11,976	12,092	12,126	11,709	11,626	11,673	11,620

- Notes:**
- These revenues and expenditures reflect the FY20 Approved 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.
 - Franchise Fee revenue projections are based on a forecast developed by the Department of Finance.
 - Transfers to the General Fund Other and the Legislative Branch NDA have been eliminated in FY20 due to declining revenues and fund balance policy guidelines.
 - Franchise fees and PEG revenues are subject to municipal pass-through payment.
 - 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.
 - Municipal payments are estimates. Actual payments will be calculated based upon actual revenue received, subscriber numbers and formulas specified within the Municipal MOU's.
 - Montgomery Community Television, Inc., d/b/a Montgomery Community Media, is designated as a sole source contractor to provide community access media services.
 - Fund balance per policy guidance is calculated as 8% of total non-restricted revenues (franchise fees, tower fees, and investment income).
 - The Cable Fund makes a fund transfer to Montgomery College and MCPS to support MCPS ITV and MC ITV.
 - Subtotals may be adjusted due to rounding.

11



Connect Montgomery Alliance
FY21-FY22 Strategic Plan

ADDENDUM

February 28, 2020

Purpose of Addendum

This addendum to the previously submitted Connect Montgomery Alliance Strategic Plan for FY 21-FY22 provides expanded information, explanation and a deeper look at challenges and opportunities facing the Connect Montgomery Alliance now and in the future. The addendum also features updated goals that will substantially change the organizational structure for operations and editorial priorities within the alliance allowing for increased collaborative work and for future fiscal efficiencies.

For continuity purposes headings from the Connect Montgomery Alliance Strategic Plan are repeated here and will indicate if there are changes so the reader can make direct comparisons.

By Category--

Introduction

- No additional information provided in this addendum

Mission

(NEW) The mission of the Connect Montgomery Alliance is to serve Montgomery County communities by utilizing multimedia that allows for informed residents through local news coverage, easy access to government and education, expanded community engagement and by supporting economic development.

Vision

- No additional information provided in this addendum

Values

- No additional information provided in this addendum

Organization and Governance

The Connect Montgomery Alliance (as the PEG Governance Board) was established in March 2012. Organizational members and managers:

- County Cable Montgomery – Barry Hudson (County Executive), Sonya Healy (County Council), Donna Keating (Office of Broadband Programs)
- Montgomery College – Melissa Pace
- Montgomery Community Media – Nannette Hobson
- Montgomery County Public Schools – Dr. Dick Lipsky
- Montgomery Municipal Cable – Melissa Aymold
- City of Rockville – Kathy Dantzler
- City of Takoma Park – Alvaro Calabia

Governance currently is a shared responsibility: all members are expected to serve in a management role (chair, co-chair, project lead) on a fiscal year basis. The Connect Montgomery Alliance chair (or co-chairs) are elected by majority vote each May, for a term of office not to exceed two years. The managers meet on a regular basis to plan and coordinate our collective work on priorities, coordinate use of the PEG Equipment and PEG Operating allocations, coordinate use of the Youth Media allocation, explore solutions to technology and policy challenges, and collaborate on projects and goals. Standing committees and project work teams of Connect Montgomery Alliance staff are established as needed.

While this structure has maintained positive relationships and allowed for work on collaborative projects, a new goal presented later in this addendum, proposes changes to organizational authority structures and operations to manage for future financial realities and to ensure deeper commitment to collaboration.

The budget for the Connect Montgomery Alliance includes funds for the purchase of shared and replacement equipment; shared engineering support; cross-platform promotion and outreach support to increase Connect Montgomery Alliance programming awareness and viewership; collaborative strategic planning; shared contracts for closed captioning, and Spanish language support; as well as general operating and administrative expenses.

FY20 Initiatives, Accomplishments & Performance Measures

- No additional information provided in this addendum

The Connect Montgomery Alliance is on TV, Online and On Social

- No additional information provided in this addendum

(NEW) Connect Montgomery Alliance SWOT Analysis

SWOT (strengths, weaknesses, opportunities, and threats) analysis is a framework used here to evaluate and assess the Connect Montgomery Alliance effectiveness and to develop strategic planning. This analysis will consider internal and external factors, as well as current and future potential. It is designed to facilitate a realistic and fact-based look at the Alliance’s strengths and weaknesses, its initiatives, or with an honest reflection on the media industry.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Quality Video Production (Live, Post Production and Studio Productions) • Talented Employees, Current Industry Knowledge • Deep Community Connections • Infused in Critical Government Departments • Hyper Local News Coverage • Supporting Host Institutions with Multimedia Supports • Multiple Online Distribution Channels Including Social Media • Spanish Language Program Production Capabilities • Significant numbers of email addresses and social media followers 	<ul style="list-style-type: none"> • Voluntary Individual Unit Participation in PEG Alliance. • No Authoritative or Editorial Leadership Structure. • Loss of Cable Administrator Position • No Alliance Wide Editorial Structure and Oversight • Minimal Alliance Marketing and Outreach Effort-Contractor Hired • Continued Uneven Levels of ConnectMontgomery Member Participation • Residents’ Level of Awareness of ConnectMontgomery and its Programming and Services • Inability to measure cable viewership
Opportunities	Threats
<ul style="list-style-type: none"> • Continuing Loss of Local News Outlets Creates Audience Opportunities • Robust Human Capital Talents and Infrastructure to Support Messaging to Residents. • Ability to Support Business Development Through Cost Effective Promotional Programming • Eureka Study Confirms Audience Wants are In Line with Alliance Productions 	<ul style="list-style-type: none"> • Threats to Network Revenues from <ul style="list-style-type: none"> a) FCC Franchise Ruling Prohibiting Agreements b) Industry Streaming Services and Cord-Cutting Trends c) County Wide General Revenue Needs within Cable Fund • Competing Against Growing Disparate Media Landscape • Reduction of Cable subscribers • Maintaining Relevance in Era of Crowd Sourced Information

FY21-FY22 Strategic Goals & Action Plan

Goal #1

Establish a Management Level Position with authority to execute the strategic plan and make decisions for the alliance.

In year one of the Connect Montgomery Alliance Strategic Plan a position will be established to provide Authoritative Leadership to the alliance. The position will be called the Connect Montgomery Alliance Manager.

The position funding will be reallocated through shared cost from the Alliance units.

Strategy

This position will provide the oversight, guidance and leadership to ensure the collaborative efforts outlined in the alliance strategic plan are implemented and online engagement goals are met. This position will work to determine other alliance wide efficiencies in equipment purchase and operations with a goal to establish future capabilities for shared resources as individual unit members continue to serve their respective institutions. This position will identify ways and efficiencies to help realize cost savings in a challenging economic environment

Further this position will work to establish relationships with businesses, county business groups and local chambers of commerce to develop a revenue stream realized through team approach to production services to local businesses to support outreach and resident awareness. This revenue stream will be used to offset revenue losses from cable franchise fees.

The manager will coordinate those production services by utilizing personnel and expertise drawn from alliance units.

Strategy: Supporting Economic Development

The position will build on current economic development supportive content, such as MCM's monthly "Small Business Network," CCMC's, "Made in Montgomery" and "Montgomery Business Buzz" CEO interviews and current MCPS production relationship with MCDOT and RideOn with the intent to create enough content to support a robust channel about Montgomery County's economic development progress and vibrancy. In addition to serving residents, such a channel would be used toward developing local business and corporate partnerships that lead to diverse and sustainable revenues streams.

Outcomes:

- a. The Alliance Manager will conduct a needs-assessment to determine future outcomes setting.
- b. Increased views and subscribers via online platforms determined by a percentage of growth of at least 10% across online distribution platforms to be reviewed quarterly as the plan is implemented.

- c. Expanded outreach to other language communities via multi-language program production.

Goal #2 (Previously Goal #1)

Continue collaborative effort for the increased and efficient dissemination of countywide priorities to expand social media, pre-promotion, engagement and coverage of key countywide priorities in a “digital first” model raising the level of awareness of the organization and its services.

Strategy #1

- No additional information provided in this addendum

Strategy #2

- No additional information provided in this addendum

GOAL #3: New Goal (Previously Goal #2)

Develop enhanced Connect Montgomery Alliance efficiencies and capabilities through technology and technology training.

- No additional information provided in this addendum

GOAL #4: New Goal (Previously Goal #3)

Create and implement County Executive and County Council-approved processes that will increase the level of awareness and support of the Connect Montgomery Alliance through collaboration with County offices and community organizations; build a stronger, more engaged Connect Montgomery Alliance organization/membership.

- No additional information provided in this addendum

GOAL 5: On-Going Goal (Previously Goal #4)

Develop a FY23-24 Strategic Plan, with associated budget and management processes, to adapt to the ever-changing media landscape and leverage the opportunities new technology, emerging technology trends and social media platforms offer to communicate and disseminate information.

- No additional information provided in this addendum

Impact Statement:

Impact on the Alliance Members’ Operations and Goals

The Connect Montgomery Alliance maintains that an engaged and informed resident is “communications in the public good” and while alliance members have performed exceptionally well in supporting their individual missions and institutions changes must

be made that reflect a fast developing multimedia industry and an unstable local media landscape. During a period of expected diminished revenues to the county and the Annual Cable Communications Plan other revenue streams must be determined in order to preserve these valuable communications resources.

Impact on the County Executive and Council's Goals

Developing an editorial calendar to connect residents to County Executive and County Council key initiatives. Ensuring production (coverage) so that residents can interact and engage with their government with "just in time" multimedia programming supporting transparency and government outreach efforts.

Impact on the Montgomery County Community

Utilizing the exceptional talent base in the Connect Montgomery Alliance to directly support business development through communications activities seems the next best step to ensure a community that thrives. This document and its goals represent a refined focus for the future of PEG resources in Montgomery County and a commitment to engaged and informed residents.

###

Cable Plan Revenues

	FY19					
	Qtr ending 9/30/18	Qtr ending 12/30/18	Qtr ending 3/30/19	Qtr ending 6/30/19	FY19 TOTAL (YTD)	FY19 Budgeted Amount
Franchise fees	\$ 4,194,986	\$ 4,184,267	\$ 4,085,533	\$ 4,149,769	\$ 16,614,554	\$17,868
PEG Capital	\$ 1,555,927	\$ 1,554,113	\$ 1,523,061	\$ 1,542,959	\$ 6,176,060	\$6,644
PEG Operating	\$ 970,965	\$ 966,347	\$ 938,159	\$ 956,802	\$ 3,832,273	\$4,013

Cable Revenues continue to decline as consumers look at alternatives to traditional cable and satellite TV services. The forecasted totals that the Department of Finance has been providing are within 1.45% of the budgeted numbers to date.

Cable Plan Revenues

	FY20					
	Qtr ending 9/30/19	Qtr ending 12/30/19	Qtr ending 3/30/20	Qtr ending 6/30/20	FY20 TOTAL (YTD)	FY20 Budgeted Amount
Franchise fees	\$ 4,037,270	\$ 4,050,192			\$ 8,087,463	\$16,235,000
PEG Capital	\$ 1,488,474	\$ 1,493,975			\$ 2,982,448	\$5,932,000
PEG Operating	\$ 933,230	\$ 936,141			\$ 1,869,371	\$3,848,000

Cable revenues for the period ending December 30, 2019 remain flat for the quarter. The Monte Carlo forecasting model that the Department of Finance is utilizing to help us forecast our budgeted revenues continues to work within 2.2% accuracy.