

BOARD OF SUPERVISORS WORK SESSION

GOVERNMENT CENTER BOARD ROOM

OCTOBER 26, 2010 - 4 P.M.

A. Call to Order

B. Roll Call

C. Board Discussions

1. Financial Trends (Presentation)
2. Cable Franchise Negotiations (Presentation)

D. Break

Financial Update

October 26, 2010

FY 2010 Results

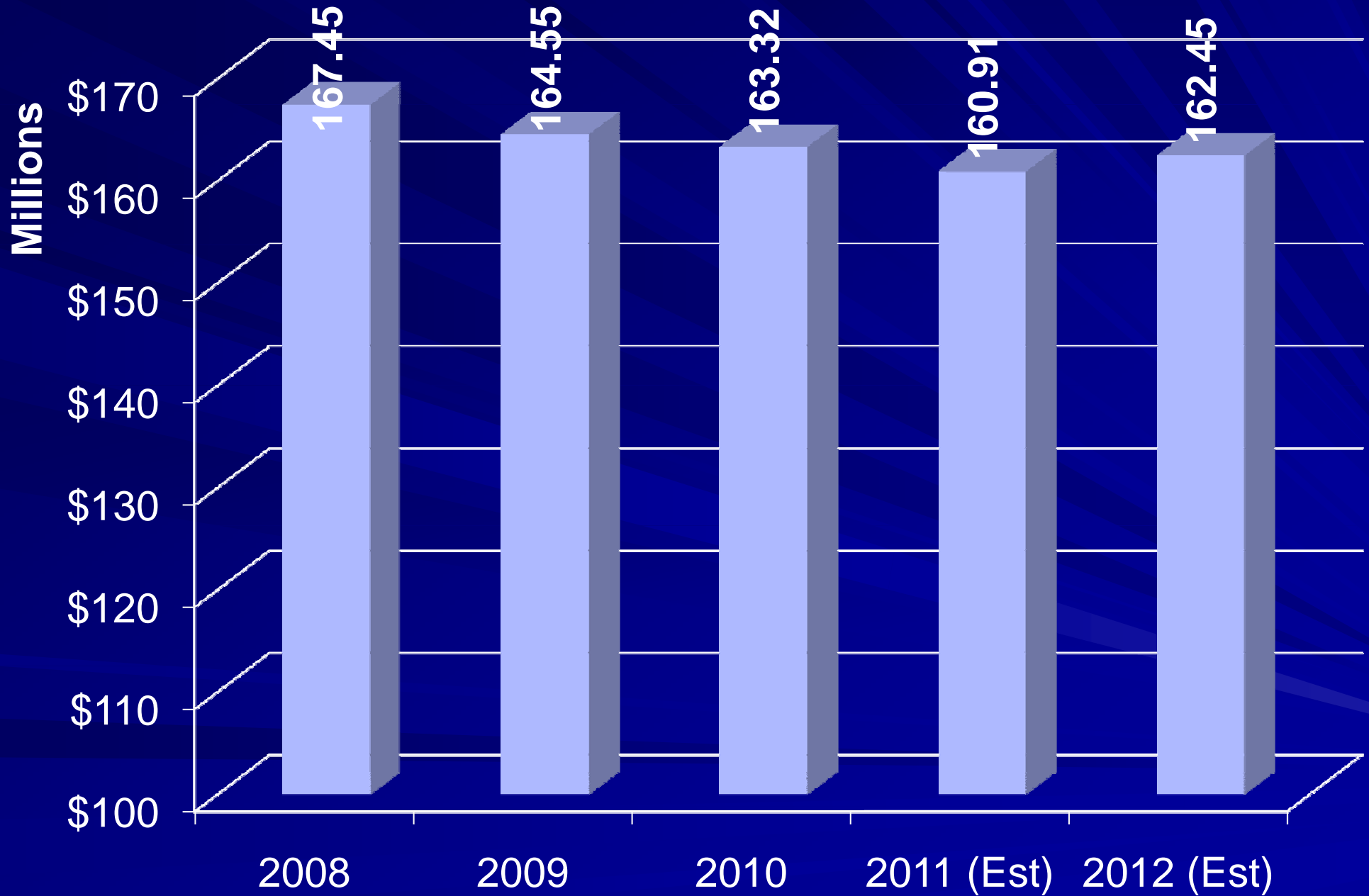
	FY10 General Fund Budget	FY10 Actual	Variance
Revenues	\$163,441,017	\$163,005,875	(\$435,142) .26%
Spending & Commitments	\$163,441,017	\$161,587,806	(\$1,853,211) 1.13%

FY 2010 Fund Balance

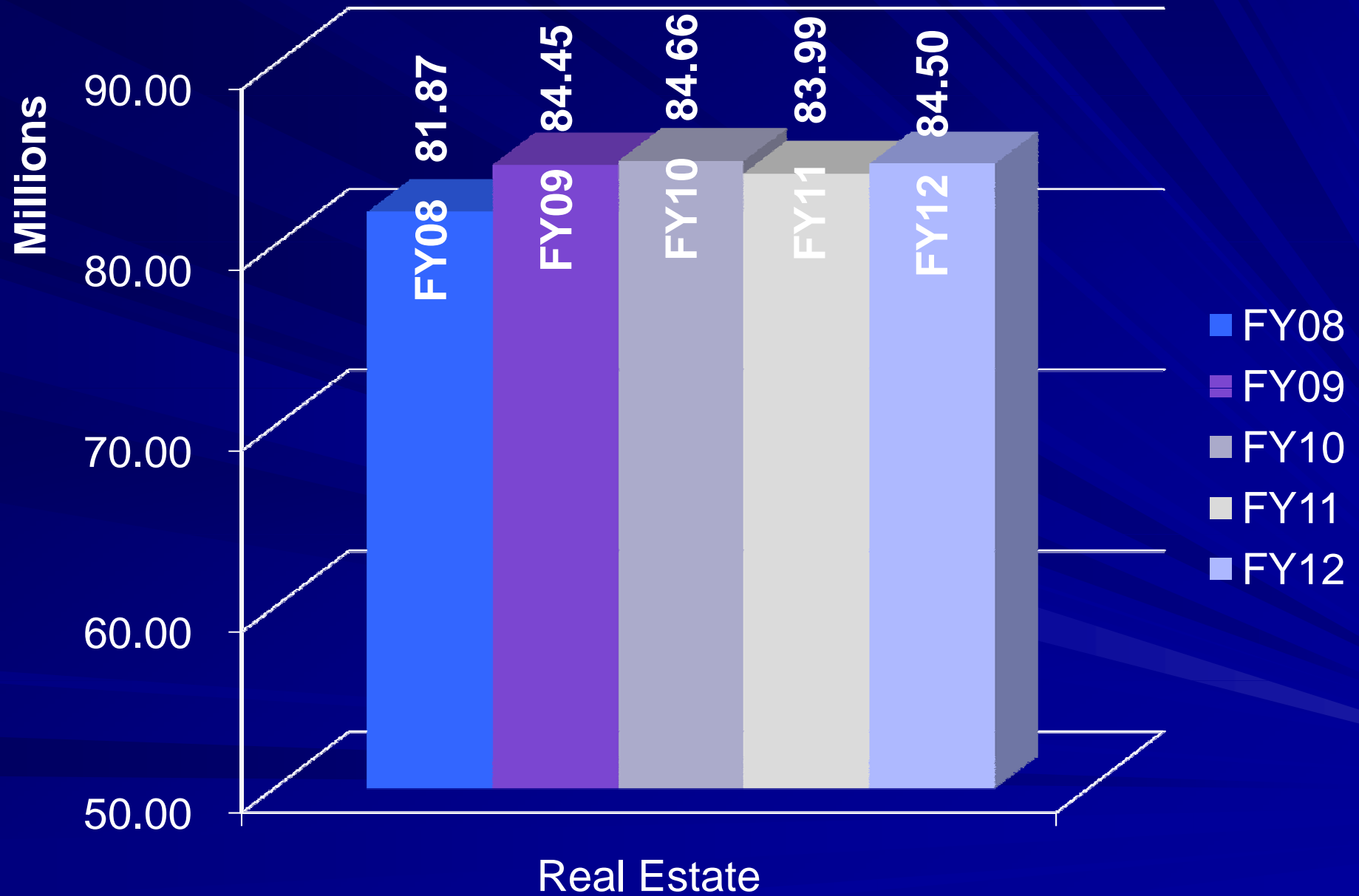
■ Increases to:

- Debt Service Reserve
+ \$1 million
- Reserve for Health Insurance
+ \$700,000

Total General Fund Revenues



Property Taxes



Property Taxes



Other Property Taxes

- Positive trends in:

- Machinery and Tools

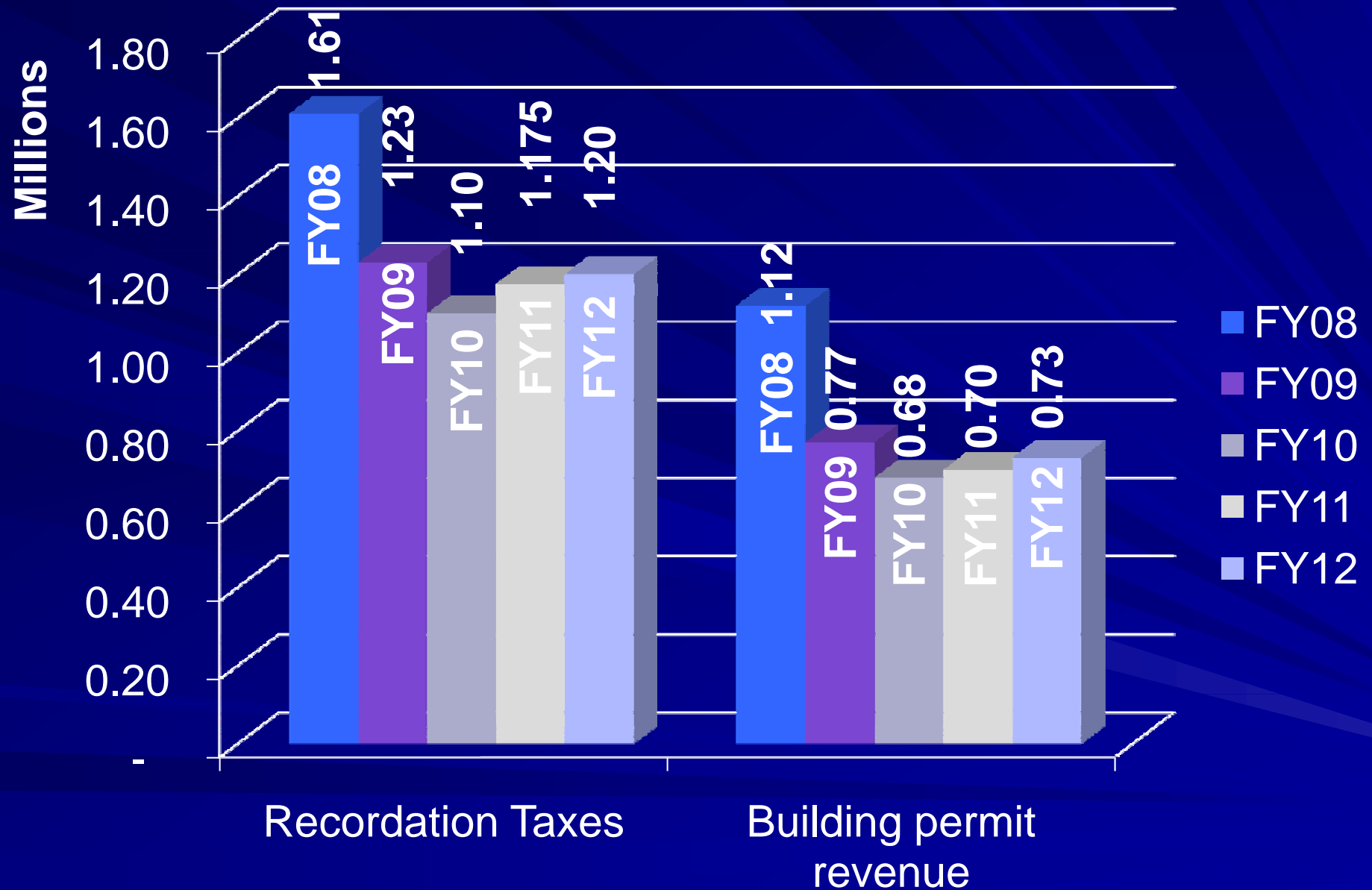
- Expansions

- Investments in equipment

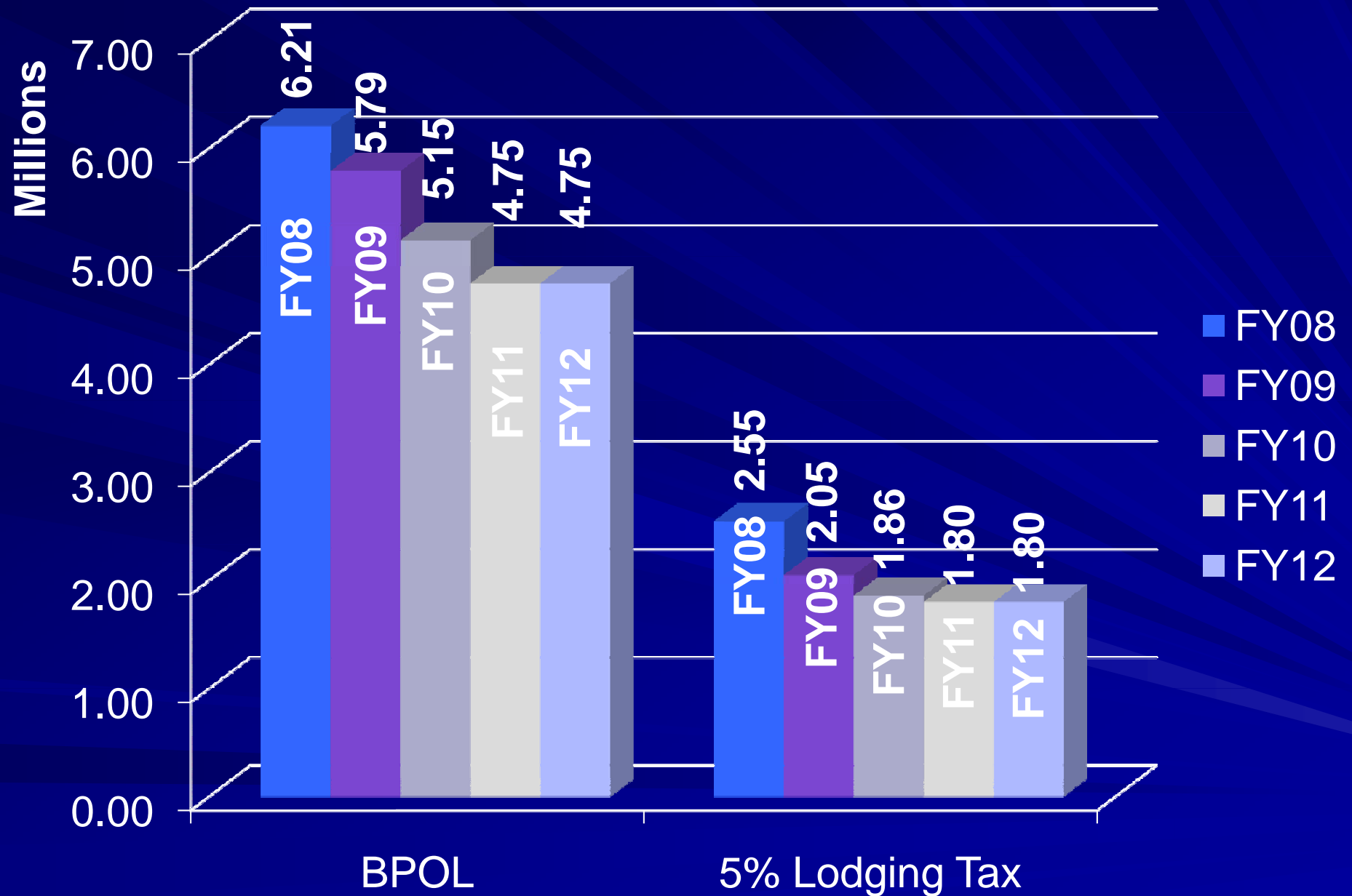
- Public Service

- Effective True Tax Rate

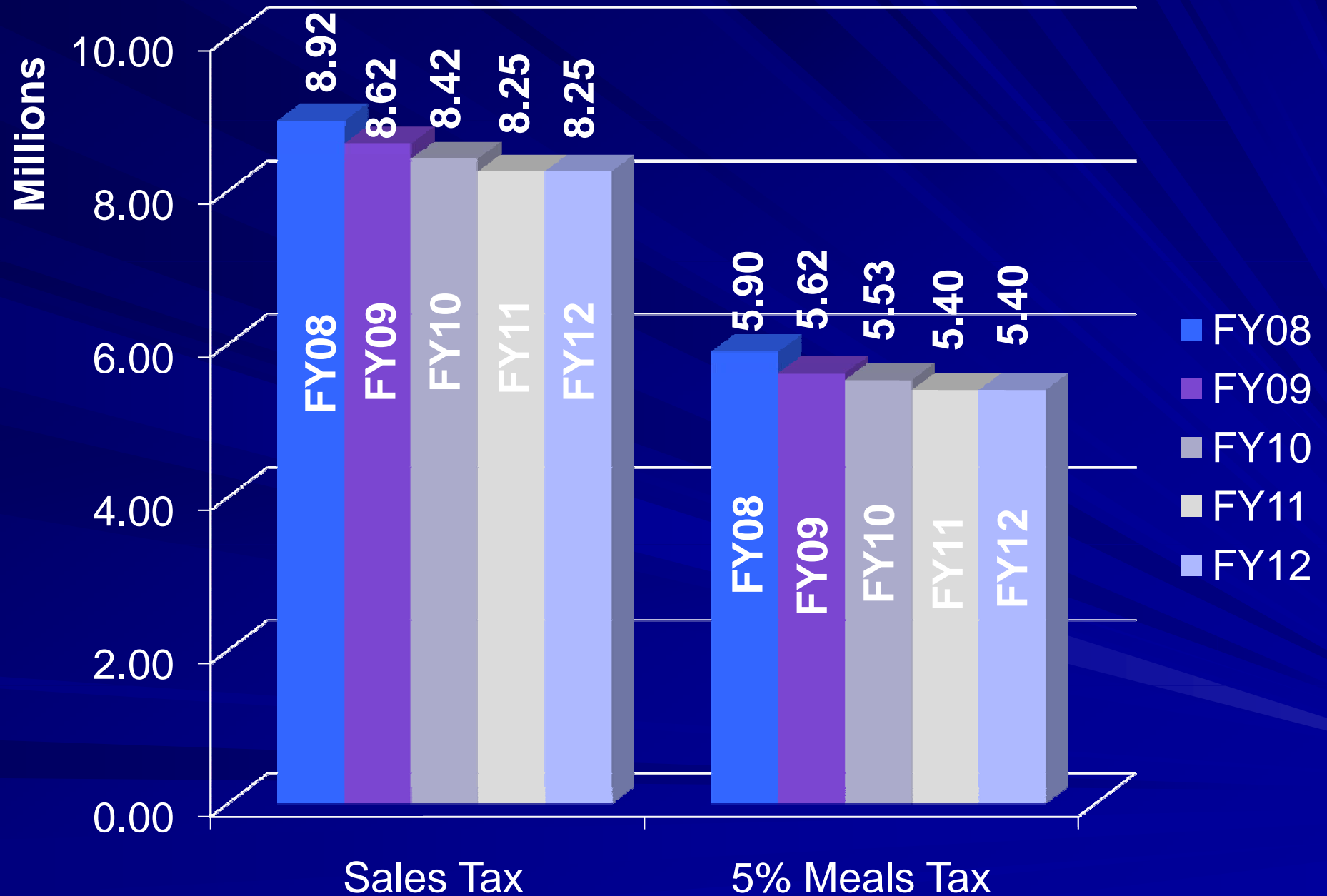
Building Related Revenues



Consumer Driven Revenues



Consumer Driven Revenues



Revenues to Watch in FY 11

- BPOL
- Sales/Meals/Lodging
- Recreation Revenues
- State Revenues

Current Revenue Estimates

■ FY11

- Anticipate revenues exceeding budget by about \$1 million.

■ FY12

- Anticipate revenues exceeding the Plan by about \$1.5 million.

FY 2012 Uncertainties

- State Revenues
 - Further Cuts??
- Regional Issues
- Stormwater
- Schools

Questions?

James City County Cox Franchise Renewal

Board of Supervisors Work Session
October 26, 2010

James City County Cox Franchise Renewal Process

2009/Jan.
2010

- County enters in to franchise negotiations.
- Community Survey and Public Hearing conducted.
- Survey results presented to BOS and public.

Jan.- Feb.
2010

- Current franchise extended to December 31, 2010 to coordinate franchise and fiber agreement expiration dates.
- First draft franchise proposal submitted by Cox.

Mar.-Oct.
2010

- First round of negotiations with Cox .
- Cable Committee reviews franchise draft and submits comments and questions.
- Cox requesting 60-day extension to March 1, 2011.

James City County Cox Franchise Renewal

2009 Cox Survey by Cable Committee

Overall Satisfaction:

57% satisfied

40% Somewhat
dissatisfied to
dissatisfied

Customer Service:

65% Satisfied to
somewhat
satisfied

20% Somewhat
dissatisfied to
dissatisfied

Public, Education and Government (PEG) Channels:

62% watch daily,
weekly or monthly

James City County Cox Franchise Renewal

What's Changed Since the Last Franchise

FCC takes more control;
localities have less

Commonwealth of Virginia adopts State Franchise Model;
franchise fees go to State bypassing localities

Cable industry expands services to include internet and phone;
Local franchises remain for cable TV only

James City County Cox Franchise Renewal

What we can negotiate
as allowed by State and Federal Law

Customer Service
Standards
(based on FCC
guidelines)

PEG/Inet
Capital Fee

Some Technical
Standards i.e.
distance to
homes, drops to
public buildings

James City County Cox Franchise Renewal

What we CAN'T negotiate
as allowed by State and Federal Law

Rates

Programming

Tier Structure

James City County Cox Franchise Renewal

Negotiation Update

**Customer
Service
Standards**
(based on FCC
guidelines)

1. Outages and refunds
2. Billing disputes
3. Compliance/monitoring
4. Discounted basic tier rate for low income & elderly*
5. No disconnect fee for cable TV service*

*Negotiate beyond FCC guidelines

James City County Cox Franchise Renewal

PEG Fee Supports...

PEG/Inet Capital Fee

1. Community Video Center as TV/fiber equipment hub for access Channels 46, 47, & 48 (JCC, WJCC Schools & City)
2. DTV transition upgrades
3. Board Room TV equipment replacement
4. Playback equipment for public meetings & streaming
5. Camera and editing equipment

James City County Cox Franchise Renewal

Inet – Current



PEG/Inet Capital Fee

1. Metropolitan Area Network (M.A.N.) connects public facilities – County, JCSA, Regional & Schools
 - Fiber runs Regional Jail to James River Elem. to Stonehouse Elem.
2. Fiber strands owned by Cox – leased by County
 - Voice, data, video – high speed/reliable

James City County Cox Franchise Renewal

Inet – Future



PEG/Inet Capital Fee

1. Complementary County fiber backbone under contract
2. New connections to Police Building, Freedom Park & JCSA Operations Center
3. Electronics upgrade at each facility – expanded use of existing and future fiber strands
4. Connectivity possible with Newport News/York Co./City of Williamsburg

James City County Cox Franchise Renewal

Negotiation Update

PEG/Inet Capital Fee

1. Current franchise provides about \$38,000/annually for PEG operations
2. Current fee not on customer bill
3. FCC allows capital fee/grant only
4. Negotiated fee of ## cents (tbd) per subscriber per month on customer bill

James City County Cox Franchise Renewal

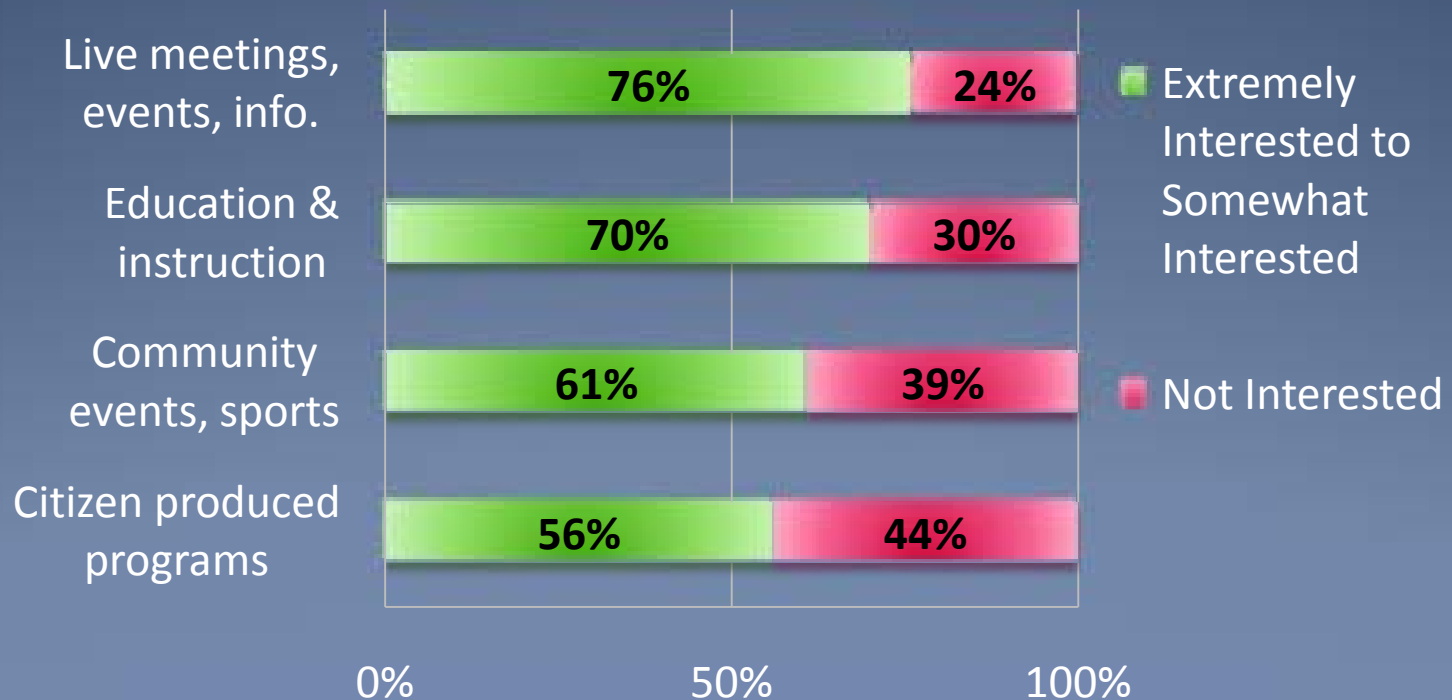
**PEG/Inet
Capital Fee**

Other VA Locality Fees

- Chesterfield County - \$0.93 per mo.
- Newport News- \$0.63 per mo.
- Arlington County - \$1.38 per mo.
- City of Charlottesville - \$0.40 per mo.
- City of Hampton - \$0.45 per mo.

James City County Cox Franchise Renewal

Interest in PEG programming.



James City County Cox Franchise Renewal

Negotiation Update

**Technical
Standards –
cable TV only**

1. Cable buried within 45 days (NEC guidelines)
2. Drops to public buildings
3. PEG signal quality

James City County Cox Franchise Renewal

Future Trends

Over The Top TV (OTT TV)

- Netflix
- Hulu
- You Tube

- 25 percent of U.S. households watched some TV online*
- Consumers ages 18-24 are watching more than five hours of video per month online**
- OTT TV will bypass traditional broadcasters, cable and satellite providers
- Traditional Cable TV subscribers might decline as internet speed increases.

*Conference Board / TNS Compete

**Nielsen

James City County Cox Franchise Renewal

Next Steps

James City County Cox Franchise Renewal

Feedback, comments,
questions.

jccEgov.com/cable