CITY OF ELLENSBURG

Minutes of Council Meeting, Special Session

Date of Meeting
March 24, 2008

Time of Meeting
7:00 p.m.

Place of Meeting
Council Chambers, 501 North Anderson Street

Councilmembers Present: Bassett, Bottcher, Miller, Niner, O’Brien, Tabb and Mayor Lillquist.

Others present were City Attorney Pidduck; City Clerk Reno; Executive Assistant Leader; Finance Director Ariwoola; and six other members of the audience including members of the Cable TV Commission and staff members of CWU - Ellensburg Community Television Channel 2.

The purpose of the special meeting is a joint meeting with the Ellensburg Cable TV Franchise Commission to discuss and consider options concerning the financing and operations of the Ellensburg Community Television (ECTV) Channel 2.

OPTIONS FOR FINANCING AND OPERATIONS OF THE ECTV CHANNEL 2

City Attorney Pidduck summarized the agenda report.

Both the Council and Cable Commission have expressed concerns regarding funding for operation of ECTV Channel 2. Other issues may exist and can be discussed, but the focus will be on financial issues surrounding ECTV and options available to the City Council to address the existing situation where expenditures exceed revenues in Fund 150, the Operations and Maintenance Fund.

ECTV was created by the City Council in 1984. At the same time, the City Council by ordinance created the Cable TV Franchise Commission (Chapter 1.52 of the Ellensburg Municipal Code). Current funding for ECTV comes from Charter Communications and is subject to the provisions of the Franchise Agreement between the City and Charter entered into in 1997. The City entered into an agreement with CWU for the operation of ECTV in 2000. The agreement runs through 2012 in line with the franchise agreement with Charter. Of particular note are sections 12 and 13 which deal with funding from the City. Section 12 provides that a minimum of 2% of the franchise fee shall be allocated to Fund 150 to reimburse CWU for operation and maintenance of ECTV. It also acknowledges that any funding for ECTV in addition to the 2% from the franchise fee shall be determined by the Council. Section 13 likewise establishes that the $0.50/customer/month fee collected from Charter will go to Fund 155 to support capital outlays for ECTV.

Council discussed the revenue that it receives from Charter. A detailed report of revenues and expenditures has not been received from Charter since 2003.

David Kaufman, CWU, stated that if the Council is uncertain of what revenue it receives from Charter, that this special meeting should be tabled until someone can contact Charter and they can tell the City how it is getting its money and where it is coming from.
Executive Assistant Leader stated that in 2002, the Cable TV Commission hired a consultant to check Charter’s numbers and produce a report and at that time they were reporting correctly.

Council and members of the Cable TV Commission discussed the options that are available to Council to increase funding.

The Council can choose to increase funding for ECTV in a variety of ways. Alternatively, Council could decide to limit annual expenditures to the level of annual revenues. Some specific options are identified below:

A. Increase the amount of the franchise fee that goes to Fund 150. No agreements would need to be modified but based on current estimates the General Fund would lose $10,000/yr.

B. Allocate money from Fund 155 to make up for the shortfall in Fund 150. The franchise agreement would allow this but Council would need to amend section 13 of the CWU agreement. This would resolve the short term funding problem but by itself will not resolve the issue in the long term (10+ years).

C. Take the steps outlined in Option B and in addition increase the $0.50/customer/month charge to Charter by the CPI amount allowed by the franchise agreement on an annual basis. Based on past CPI increases, the City could increase the fee to $0.62 in the first year and by the rate of inflation in future years. This would likely resolve the funding issue permanently.

D. Explore grants or other funding sources to supplement the fees from Charter. The Cable Commission initially identified this as an additional task to be accomplished with the additional .5 FTE staff time provided by CWU but ultimately the Cable Commission felt the technical expertise required by the CWU staff person in operating ECTV did not include grant writing skills. At times there has been discussion about hiring a grant writer at the City but to date no action has been taken. Depending on grants for long-term operation of ECTV is probably not realistic.

E. Allow ECTV staff to generate revenue by charging for services. On occasion individuals approach ECTV staff about filming a wedding or other private event. It would be hard to rely on revenue from such activity since it would likely not be a consistent revenue stream. In addition, there is the issue of a public entity competing with private business utilizing government funded equipment.

F. Reduce the activities of the ECTV staff to reduce expenditures to available revenues. Staff has included an executive summary of the 2007 ECTV Annual Report. The summary discusses the responsibilities of the CWU staff person responsible for operation of ECTV and an idea of the volume of such work during the year. The Cable Commission and the Council would need to identify which activities would no longer be performed if the FTE were to be reduced.

Council and staff discussed the Franchise Agreement and reporting requirements that are not currently being done as required by the Agreement. The City can contact Charter and inform them
that the City will enforce the requirements of the franchise.

Council and the Cable TV Commission discussed other issues as follows:

• The Cable TV Commission only has three members out of five members and sometimes has problems being able to have a quorum, so they would suggest Council consider changing the residency requirements to allow out of city members. Council indicated they just reviewed the boards and commissions residency requirements and they do not want to change the Cable TV Commission's requirements at this time.

• The Cable TV Commission has given information to staff regarding the upgrading of the cameras in the Council Chambers.

Kurt Newman, CWU reviewed the producer training information that was outlined on Page 21 of the agenda.

Motion to table any further discussion with the Cable TV Commission and CWU until Miller we receive the full reports from Charter for 2004-2007. Affirmed

Motion to direct staff to prepare for the Mayor’s signature, a letter to Charter formally Miller requesting all of the missing reports. Affirmed

**ADJOURN** Adjourn at 8:48 p.m. Miller

Affirmed

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Mayor

ATTEST: ____________________________

City Clerk