



<b>AGENCY:</b>	City Council
<b>MEETING DATE:</b>	January 26, 2015
<b>DEPARTMENT:</b>	Administration
<b>PREPARED BY:</b>	L. Ruffing
<b>PRESENTED BY:</b>	L. Ruffing/Ad Hoc Committee

## AGENDA ITEM SUMMARY

**TITLE:**

**RECEIVE REPORT FROM PUBLIC, EDUCATION & GOVERNMENT (PEG) ACCESS AD HOC COMMITTEE REGARDING STATUS OF PROCUREMENT PROCESS FOR VENDOR SERVICES**

**ISSUE:**

The City of Fort Bragg is working to reestablish Public, Education & Government (PEG) access television services in the coastal region. The City Council appointed an ad hoc committee to review proposals received in response to a Request for Proposals that was issued in November, 2014. This matter is agendized as a status report from the ad hoc committee. It is an opportunity for the City Council to receive input from the public and to discuss priorities and options for the PEG.

**RECOMMENDED ACTION:**

Receive status update from PEG ad hoc committee.

**ALTERNATIVE ACTION(S):**

None necessary. This is not an action item.

**ANALYSIS:**

In July 2013, in response to an adverse judgment in litigation between Mendocino Coast Television (MCTV) and the Footlighters, the MCTV Board of Directors decided to dissolve MCTV, the 501(c)(3) non-profit corporation providing Public, Education, Governmental Access (PEG) services to the Mendocino coast since 2006. MCTV vacated the premises it had occupied at 248 E. Laurel Street (i.e., the Footlighters Building) leaving behind all of its media equipment and archival materials. Since then, the Mendocino coastal community has been without local programming on the three PEG channels provided by Comcast.

Following the dissolution of MCTV, there was a great deal of uncertainty about the status of the equipment left behind, particularly with regard to the modulator which is owned by Comcast and is the "head end" that pushes digital programming out to the three public access television channels. Comcast agreed to provide a new modulator to the City to be installed at Town Hall in conjunction with the Town Hall Remodel project. In October 2014, Comcast disconnected the fiber cables from the Footlighters building and re-routed them to the new IT room at Town Hall.

In November 2014, the City of Fort Bragg issued a Request for Proposals (RFP) for PEG Access Television Services. One proposal was received from an entity to be known as North Coast Television & Theater (NCT&T). The City Council's PEG ad hoc committee, comprised of Councilmember Doug Hammerstrom and Councilmember Mike Cimolino, met on December 15 to review the proposal, and then again on December 18 to discuss the proposal with Eric Dwyer of NCT&T.

The PEG ad hoc committee's initial review of the NCT&T proposal determined that it did not address many of the specific questions posed in the RFP regarding the organization, financing,

and programming for the PEG. The committee met with the NCT&T representative and received clarification on the financial proposal as follows:

- NCT&T would need about \$28,000 in “start-up” funds for the proposed new non-profit organization, including a \$10,000 “lease option” payment for the Footlighters’ equipment, \$8,500 for computer equipment and software, and \$6,000 in legal fees and insurance.
- NCT&T would need about \$89,500 for its first year operating costs, including a \$12,000/year lease payment for Footlighters’ space and equipment, \$9,000/year for payment of utilities, \$12,500/year for insurance, licensing, fees and expenses, and staff and employee costs of \$56,000/year.
- NCT&T’s proposal requests that the City of Fort Bragg and Mendocino County disburse an estimated \$62,500 of general funds that were budgeted for PEG operations but not expended in prior budget years. It also requests that the City and County allocate 70% of the Comcast franchise fees to the PEG rather than the 50% share that is currently allocated.
- NCT&T’s proposal also rejects the RFP’s requirement that PEG equipment purchased with City revenues shall remain property of the City.

Regarding programming, the NCT&T representative provided the following clarification:

- NCT&T’s primary goal would be to get high school students involved in the PEG and that will require participation by a teacher who would receive a stipend. This is described as Phase 3 in the proposal
- The Footlighters would also be a stakeholder and make TV shows and vaudeville skits that could be broadcast on channel 3.
- NCT&T would not provide videography services for public meetings until high school and college students are available in Phase 3.

The Council ad hoc committee pressed the NCT&T representative for more specificity about deliverables, milestones, and performance standards that could be incorporated into a contract. No specifics were provided.

At the conclusion of the meeting, the Council ad hoc committee set another meeting for December 29 at which time it would consider other options for reestablishing PEG services, including possible issuance of a new RFP, negotiating with local contractors, and/or establishing a new part-time City staff position. The committee met again on December 29 and decided to meet with Terry Vaughn and representatives of Mendocino TV, a for-profit business, to discuss the possibility of establishing a public-private partnership and/or contracting out specific services for the PEG.

The Council ad hoc committee met with Terry Vaughn and Amy Katz of Mendocino TV on January 6, 2015 and had a broad-ranging conversation about the future of PEG, opportunities for PEG programming, technical requirements, equipment needs for downloading content to a playout server, etc. At the conclusion of that meeting, the ad hoc committee directed staff to continue the discussion with Mendocino TV representatives and to try to formulate a proposal. Staff met with the Mendocino TV representatives on January 8 and January 13, 2015 to discuss options for structuring an agreement. Discussions focused on the need to provide clarity and, in some instances, boundaries relating to the public services that Mendocino TV would provide for PEG access and the activities that the company would continue to undertake as a private, for-profit business. As Mendocino TV representatives analyzed their options and the costs of providing services, they concluded that it would cost them nearly \$200,000 per year to engineer, operate and maintain a full-service PEG as discussed with the ad hoc committee. Upon further deliberation,

Mendocino TV concluded that providing a smaller bundle of PEG services would undermine their efforts to grow Mendocino TV as a for-profit business and they withdrew from negotiations.

The Council's PEG ad hoc committee met again on January 13, 2015 to re-evaluate the options. The committee identified the top priorities as follows:

1. Providing access to governmental meetings.
2. Broadcasting other programming on the PEG channels.
3. Pursuing educational opportunities for video production and programming with local schools

After much discussion, the Council's ad hoc committee is leaning towards a recommendation as follows:

- The City should purchase a play-back server (cost is approximately \$11k) and set up the necessary hardware at Town Hall to allow continuous content to be broadcast over the PEG channels.
- The City actively recruit a volunteer "PEG committee" comprised of interested community members who will assemble non-copyrighted content for rebroadcast over the PEG.
- The City should consider the possibility of either hiring a contractor or creating a part-time IT staff position to film City meetings at Town Hall and to push the video (and video provided by other governmental entities) out over the PEG and to coordinate the PEG programming calendar (using content assembled by the volunteers).

The PEG ad hoc committee is seeking input from the Council and public regarding priorities for PEG services, possible service delivery models, and any other issues. They will return to the Council with a more solid recommendation on a future agenda.

**FISCAL IMPACT:**

Since the Comcast franchise agreement went into effect in 2005, the City of Fort Bragg allocated \$151,364 of franchise fees and \$131,840 in capital grants to MCCET/MCTV. Initially, the City only allocated 20% of its franchise fees to MCCET/MCTV, but in FY 2007/08 the City began allocating 50% of its franchise fees to MCTV. The full amount of the capital grants received from Comcast were passed through to MCTV.

During the term of the Comcast franchise agreement, franchise fee revenues peaked in 2007/08 at \$53,700. They have been steadily declining since and in 2012/13, the City received a total of \$39,685 in franchise fees. The City budgeted \$20,000 for PEG services in the FY 2014/15 Budget. Mendocino County has allocated funds for operation of the coastal PEG in the past. The County committed \$31,000 to the coastal PEG in its FY 2014/15 Budget. The County has not participated in the screening of proposals, but has been kept apprised of the City's efforts to revive the PEG.

**IMPLEMENTATION/TIMEFRAMES:**

It is not known when the PEG channels will be "lit up."

**ATTACHMENTS:**

None.

**NOTIFICATION:**

1. Eric Dwyer
2. Terry Vaughn, Mendocino TV
3. Carmel Angelo, Mendocino County CEO
4. Kristen McMenomy, Mendocino County, Director of General Services

- 5. Erica Cooperrider, Mendocino Access TV
- 6. Ann Rennaker
- 7. Richard Karch
- 8. Kathy Silva

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Agency Action <input type="checkbox"/> Approved <input type="checkbox"/> Denied <input type="checkbox"/> Approved as Amended
Resolution No.: _____    Ordinance No.: _____
Moved by: _____    Seconded by: _____
Vote: _____
<input type="checkbox"/> Deferred/Continued to meeting of: _____
<input type="checkbox"/> Referred to: _____