

CITY COUNCIL/REDEVELOPMENT AGENCY
MINUTES OF AN ADJOURNED REGULAR MEETING

WESTMINSTER, CALIFORNIA
August 22, 2005

The City Council of the City of Westminster, California convened on August 22, 2005 at 6:20 p.m. in an Adjourned Regular Meeting in the Council Chambers, 8200 Westminster Boulevard, Westminster, California.

6:00 P.M.

CALL TO ORDER:

ROLL CALL

PRESENT: RICE, PARIS, FRY, MARSH, QUACH
ABSENT: NONE

SALUTE TO FLAG: Led by Council Member Quach

ORAL COMMUNICATIONS - None

1. Presentation from Public Cable Television Authority (PCTA) on the proposed regionalization of Channel 3. (502-16)

Mary Morales, PCTA Executive Director, stated that the purpose of this meeting is to provide an update on PCTA's activities regarding the renewal of the franchise agreement. She noted that this is the first time that the PCTA will be renewing the franchise since the formation of the PCTA in 1971. Ms. Morales introduced Dr. Gregory Robinson from Cal State Fullerton, Bill Marticorena, legal counsel for PCTA, and John Risk, Communications Support Group.

Dr. Gregory Robinson, Director of the Social Science Research Center, Cal State Fullerton, gave a PowerPoint presentation on the telephone subscriber survey conducted of cable and non-cable subscribers in the four cities included in the PCTA. (PowerPoint presentation on file in the City Clerk's office) He noted that Cal State Fullerton is a publicly funded university that works for the city, and not for the cable provider.

Bill Marticorena, partner with Rutan & Tucker, general counsel to the PCTA, stated that his role as general counsel is to spearhead the overall renewal effort on the part of the PCTA. The Time Warner franchise is one of the few cable television franchises that have never been renegotiated. He described the carrot and stick mentality of negotiating a cable franchise agreement. Mr. Marticorena said that the PCTA franchise is very old and imposes almost no financial obligations on Time Warner to contribute to the production and distribution of public educational governmental programming within our community. They are six to twelve months away from having a final product to bring back. He explained that there is a single franchise agreement between the PCTA and Time Warner. Mr. Marticorena said that the JPA has been amended numerous times but has no term; it has a simple opt out provision.

John Risk, Communications Support Group, said that the City of Westminster has a strong interest in this area. PCTA, as franchising authority, has an interest in doing what is right for all four cities. He explained that with the PCTA model, cities would have the contributions from Time Warner. The resources gained by 75,000 subscribers mix bring greater resources to the table than Westminster's 10,000 - 11,500 subscribers. He further commented on how the industry has changed, and how smaller cities working independently get less in renewal per capita than a group of cities operating as one. Mr. Risk explained how the regional model always has the ability to override the regional feed.

Council Member Marsh asked if there would be any cost savings by keeping our current staffing. He expressed no interest in a regionalization of the City's programming, and that larger cities will dominate if there is regionalization of the programming. Mayor Pro Tem Paris concurred that he also has no interest in regionalization or subsidizing other cities.

Council Member Marsh asked what the dollar value per year benefit is to the City from regionalization. Ms. Morales said approximately 25 cents to \$1.25 per subscriber. Mr. Marticorena said with 78,000 subscribers in the PCTA, it may be 55 cents to 75 cents. Council Member Marsh expressed concern with the City losing its autonomy for a few dollars. He said if the only benefit to regionalization is the cost savings, and for the City of Westminster to do things the way it likes, and keep its current staffing, the City doesn't get the cost savings, then it doesn't sound like the City will get anything out of regionalization.

Council Member Quach expressed concern that residents of Westminster will wonder what happened to Channel 3 and that the change would be too overwhelming for the citizens of Westminster.

Mayor Rice commented that if other cities vote for regionalization, the vote will be six to two. Council Member Marsh asked how this type of vote would impact the City's operation. Mr. Risk responded that of the four cities in the JPA, Westminster is in a unique position as it is the only city actively engaged in community media, with a rigorous commitment to local programming. However, there would be no reason for less programming, as the City could have what it has now, and more. Mr. Risk said if the City pulled out, it would have less power to negotiate with the four cities; would have to enter into negotiations independently; pay for legal counsel in that effort, and bears the costs of representation in negotiations with the cable company.

Mayor Pro Tem Paris left the meeting at 7:47 p.m.

Bill Marticorena reiterated that Time Warner has not made a contribution to this community for 30 years in this respect. There is a policy judgment on the part of some on the PCTA Board that this needs to be corrected on a going forward basis. By creating a product that Time Warner essentially funds, in whole or at least in significant part, gives the Council's of each community the ability, in their discretion, to offer new

programming of value to their citizens, or not offer it, based upon their determination. He said that the notion that the City will lose control over its channel is wrong. The City will not lose control over your channel, and will be able to preempt anything at any time it chooses and make a decision as to what it wants to offer. Some of the cost savings would be lost, but the City would not lose the Time Warner contribution and the City's ability to make a decision as to what is and what is not valuable to this community. The alternative would be for the City to go on the way it is and Time Warner makes no contribution.

Council Member Marsh asked why the four cities can't negotiate to have monies earmarked for each city. Mr. Marticorena suggested that the Mayor and Council look at examples of regional programming that has been produced by cities in Southern California. He thinks that perhaps they would realize there is value added over and above what the City currently does.

Council Member Fry said an agreement is needed, prior to negotiations, to safeguard the autonomy of each city. Mr. Marticorena said that if that is a concern, the PCTA agreement can be amended to provide the autonomy, which could be brought back to the board in October. He felt that staff would have no problem recommending a formal amendment to the PCTA agreement.

Vangie Schock, City Manager, asked if assuming the City could maintain and retain its autonomy, would the City have exclusivity over its facilities and its staffing. Mr. Marticorena responded that the City could choose to maintain its current staff. However, the more the City duplicates, the less the City will realize in terms of cost savings. The Time Warner contribution would never be lost, the City would just lose the cost savings, if it chooses to maintain its own staff and own facilities.

Mayor Rice stated there are two things that the City would like prepared: 1) A draft amendment to the JPA agreement relating to autonomy; and 2) Information and examples of specific programming that could be provided to the City.

Council Member Marsh asked why each city couldn't have the right to purchase a certain amount of programming? Mr. Marticorena said that in theory it could, but it would not create, under that model, the branded channel that Time Warner can also take credit for and thus be willing to fund. Time Warner wants something that looks like a real channel, just like ABC, NBC, or CBS, that Time Warner and PCTA can share some credit for.

Council Member Marsh asked to see the legal document for regionalization, as he said the City is going to have to find outside counsel to review it to get their thoughts on the City's concerns. Mr. Marticorena responded that the operative document is going to be whatever amendments are proposed to the JPA agreement. He asked for time to figure out what the legal landscape looks like. The proposed amendments will be brought back to the PCTA Board and then back to the individual Council's.

Council Member Marsh thanked Mayor Rice and Council Member Fry for the work they have done in bringing their concerns to the City's attention.

2. MATTERS FROM MAYOR AND CITY COUNCIL MEMBERS - None

COUNCIL ADJOURNMENT: At 8:08 p.m., Mayor Rice adjourned the meeting.



Marian Contreras, City Clerk/Agency Secretary