

BOARD OF ALDERMEN

ITEM NO. E(1)

AGENDA ITEM ABSTRACT MEETING DATE: September 2, 2003

TITLE: Worksession on Cablecasting Equipment Upgrades and Enhancements

DEPARTMENT: Public Works	PUBLIC HEARING: No
ATTACHMENTS: A. Resolution B. Vendor Proposals C. Section 13 of the Franchise Agreement	FOR INFORMATION CONTACT: Chris Peterson, 918-7427 Richard White, 918-7314

PURPOSE

Over the past four years, there has been concern about the sound quality of Board of Aldermen meetings. In May 2003, staff issued an RFP to solicit bids to upgrade boardroom equipment including audio and video improvements, adding rebroadcast equipment, and resolving other technical concerns. The purpose of this agenda item is to provide staff with an opportunity to report on needed cablecasting equipment upgrades and enhancements and to provide the Board with an opportunity to discuss how it would like to proceed.

INFORMATION

In 1996, Time Warner Cable agreed to pay the Town \$60,000 in lieu of providing a local origination studio with equipment as was required in the franchise agreement. The first installment of \$30,000 went to the General Fund and a portion of the remaining funds was used to purchase equipment to enhance the broadcast quality of Board meetings.

Some of that equipment is beginning to perform poorly due to age. For example, one of the cameras has a synchronization problem that can produce distortion on older television sets. Since the camera manufacturer no longer supports this product, repairs may be difficult. The microphones currently in use are better suited for an entertainer who would hold the microphone close. In summary, the system in its present condition needs upgrades to broadcast a more professional image and sound and to protect the town's investment.

In 2000, Aldermen Dorosin and Spalt volunteered to serve as a subcommittee to prepare a recommendation for microphone and lighting upgrades. Alderman Spalt and several members of town staff visited the Town of Cary Council Chamber to look at Cary's audio equipment. Because the upgrades would be expensive, only the lighting and the color of the walls were changed.

Over the last several years, there have been complaints about the sound quality. In the past, repairs to the audio-visual equipment have been made as needed. However, a convergence of circumstances - age of the equipment, requested enhancements (improved sound system, meeting rebroadcasts), and a need for bulletin board functionality – provides an opportunity to look at the audio-visual system in a comprehensive manner.

Staff issued an RFP to local audio-visual firms to seek proposals from experienced engineers and system integrators who could evaluate how the various components of this complex system fit together. The Town received two proposals (Attachment B) for the Boardroom audio-visual equipment upgrades. The

potential improvements fall under six categories: audio system, video system, replay capability, system projection, storage, and government bulletin board.

FISCAL IMPACT:

The fiscal impact will depend on the extent to which the Board would like to upgrade the equipment. The estimated cost to implement a complete upgrade could approach \$80,000. There is no funding in the budget for equipment enhancements. One possible source of funding is the PEG (Public, Education, Government) Capital Charge which is authorized under Section 13 of the Cable Television Franchise - *Support for "PEG" Facilities and Equipment Capital Costs* (Attachment C). This provision allows the Town to give Time Warner Cable sixty (60) days written notice to begin billing and collecting the PEG Capital Charge. Time Warner would begin billing Basic Service Subscribers within ninety (90) days. With sixty (60) days notice to Time Warner Cable, the Town may elect to decrease or eliminate the amount of the PEG Capital Charge. Time Warner Cable would remit these funds on a quarterly basis.

The amount of the monthly PEG Capital Charge to be directly billed per Basic Service Subscriber is 18¢ for years 1-5 and 21¢ for years 6-10 of the Franchise. There are approximately 5,000 subscribers. Thus for

the next two years (We are in the second year of the Franchise), this charge would yield approximately \$900 per month or \$10,800 annually and then approximately \$12,600 assuming the number of subscribers remains constant. If the Town were to purchase equipment through installment purchase financing, an annual revenue stream of \$10,800 would allow the Town to acquire approximately \$31,500 worth of equipment under a three-year lease; \$41,300 under a four-year lease; or \$51,000 for five years.

The Cable Television Committee met on July 23, 2003. The Committee discussed the possibility of implementing the PEG Capital Charge as a funding source to pay for the equipment upgrades. Although a vote was not taken, the Committee expressed a willingness to implement the fee provided that an explanation is placed on customers' bills stating that the proceeds will be used exclusively for capital equipment upgrades.

RECOMMENDATION

The Administration recommends that the Board 1) decides what upgrades it wishes to make and according to what priority; 2) acquire such enhancements as can be purchased initially using three-year lease-purchase financing; 3) implement the PEG Capital Charge to fund the lease-purchase payments; and 4) designate one or more Aldermen to work with staff and the selected firm to make decisions on the equipment choices.