

**BUENA PARK CABLE FOUNDATION
MINUTES OF MEETING
April 12, 2016**

President Beth Swift called the Buena Park Cable Foundation Meeting of April 12, 2016 to order at 2:32 p.m. in the Council Chamber, 6650 Beach Boulevard, Buena Park, California.

PRESENT: Barnet, Bass, Berry, Brown, Harbert, Night, Smith, Swift and Vaughn
ABSENT: None

ALSO PRESENT:

Aaron France, Assistant to the City Manager, Adrian Garcia, Accounting Technician, Dennis Varela, Accountant, Myrna Holmquist, Communications and Marketing Manager and Marsha Cook, Executive Assistant.

PLEDGE OF ALLEGIANCE

Jim Bass led the Pledge of Allegiance to the flag.

PUBLIC COMMENTS (Agenda Items):

There were no public comments.

CONSENT CALENDAR:

MINUTES OF FEBRUARY 9, 2016

RESOLUTION APPROVING CLAIMS AND DEMANDS

MOTION: Night/Vaughn to APPROVE the Consent Calendar.
AYES: Barnet, Bass, Brown, Harbert, Night, Smith, Swift and Vaughn
NOES: None
ABSTAIN: Berry
ABSENT: None

UNFINISHED BUSINESS

There was no unfinished business.

NEW BUSINESS

BUDGET PREPARATION - SELECTION OF A SUB-COMMITTEE

In response to a request from Assistant to the City Manager Aaron France for 3 members to serve on the budget preparation sub-committee, the following members volunteered:

Director Grant Barnet
Director Steve Berry
Director Baron Night

Beth Swift volunteered to be an alternate if another member could not participate.

BUENA PARK CABLE FOUNDATION

April 12, 2016

PAGE 2

Aaron announced that the 2016-2017 Budget Presentation is scheduled for the Buena Park Cable Foundation meeting May 10th and adoption of the 2016-2017 Budget is scheduled for June 14th.

OVERVIEW OF CABLE SERVICE IN BUENA PARK AND PEG FEES

Aaron France referenced a memo contained in Foundation Members' agenda packets explaining the funding sources and structure of cable television, and overview of the local Franchise Agreements that no longer exist, as well as the State Franchise Agreements that exist currently and how franchise fees and PEG fees are derived. (A copy of the memo will be attached to these minutes.)

He encouraged members to notify him of any issues they had with Time Warner for resolution.

AWARD OF SCHOLARSHIPS

Myrna Holmquist reminded members that Director Brown, Director Vaughn and Director Swift were previously appointed to the Scholarship Selection Committee. She noted that 5 scholarship applications had been received and copies provided to the Selection Committee for review. She reported that a date was being coordinated for members to meet and interview the candidates. Additionally, because all 3 members are City Council Members, she cautioned that either one member would need to be replaced on the Committee or the interviews would have to be noticed as a Public Meeting.

It was the consensus of the members present to hold the interviews publicly and notice of the meeting posted.

CITY GOVERNMENT ACCESS REPORT

Myrna Holmquist reported that Emery School received one of ten (in the Nation) \$1,000 awards from the DEA for Red Ribbon Week and the presentation assembly was filmed for BPTV, also currently airing is the Relay for Life Golf Tournament, the Spring Edition of the Library Show, a new Adopt-a-Pet, the High School Art Show, Spring Eggstravaganza, a Fair Housing PSA, a new Crime Watch, the Good Friday service, Buena Park Today program, and an ad for the LOVE Buena Park event.

PUBLIC COMMENTS (Non-agenda Items):

There were no public comments.

ANNOUNCEMENTS

Pastor Don Harbert reminded everyone about the LOVE Buena Park event on April 30th and asked for volunteers and participation.

ADJOURNMENT

There being no further business, the meeting was adjourned at 2:58 p.m. The next meeting is scheduled for May 10, 2016 at 2:30 p.m.

BUENA PARK CABLE FOUNDATION

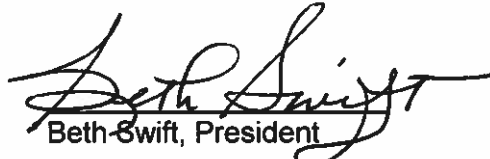
April 12, 2016

PAGE 3

ATTEST:



Marsha Cook, Exec. Asst.



Beth Swift, President

At the request of the Foundation Board, staff has prepared this memo to inform the Board of the funding sources and structure of cable television.

LOCAL FRANCHISE AGREEMENTS/STATE FRANCHISE AGREEMENTS

For years, cable television providers operated under a local franchise agreement between the cities and the video service provider. These were typically long-term agreements with the last signed between the City of Buena Park and Comcast. The Comcast agreement was signed in 1997 and had a 10-year term. Adelphia bought out the service rights from Comcast in 2000 and continued to carry out the obligations of the 1997 local franchise agreement. The agreement changed hands again in 2006 when Time Warner Cable bought out Adelphia. That same year, 2006, is when the Digital Infrastructure and Video Competition Act (DIVCA) was passed in the California Legislature. This new legislation restructured how video service providers competed in the marketplace. The legislation allowed the local franchise agreements to exist until they expired. However, when the local franchise agreement expired, the legislation directed video providers to obtain state franchise agreements with the California Public Utilities Commission (CPUC) – not local franchise agreements with cities. This opened up competition and allowed any service provider to offer service in any city, provided their video service infrastructure was set up in that area. The new legislation also released video providers of their staffing obligations to film council meetings or provide public access studios for the general public and shifted that responsibility to the cities. For Buena Park, the local franchise agreement that was in effect at that time was the original Comcast agreement signed in 1997 that was being held by Time Warner Cable. In December 2007, the local franchise agreement between Time Warner and the City of Buena Park expired. At that point, other video service providers were eligible to market their product in Buena Park as long as they obtained a state franchise agreement with the CPUC and the infrastructure to provide their video product to the consumer existed.

Given that almost all of Buena Park is within AT&T's service territory, the biggest competitor to Time Warner Cable and their video product is AT&T's UVerse product. Verizon Fios is available in a very small section at the west end of town. Directv and Dish are both satellite video service providers and both have always been eligible to compete for Buena Park customers.

FRANCHISE FEES/PUBLIC EDUCATION GOVERNMENT (PEG) FEES

The City receives both a franchise fee and a PEG fee from every AT&T UVerse and Time Warner Cable customer in Buena Park. These fees are detailed on each invoice.

A total of 6% in fees are collected by the video provider and distributed quarterly back to the City. Of that 6%, the 5% franchise fee is absorbed as revenue in the City's General Fund budget and the 1% PEG fee goes to the Buena Park Cable Foundation to provide programming, scholarships, etc. for the PEG channel broadcasted on both Time Warner Cable and UVerse. For FY 14-15, the City's General Fund collected approximately \$600,000 in franchise fees and the Buena Park Cable Foundation collected approximately \$120,000 in PEG fees. In terms of a breakdown of revenue to the City and Cable Foundation, roughly 60% of the funds were provided by Time Warner and 40% by AT&T. Satellite providers such as Directv and Dish do not collect franchise fees and PEG fees, and therefore do not distribute these fees back to the cities.