



CITY OF LONG BEACH

R-19

DEPARTMENT OF TECHNOLOGY SERVICES

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May 1, 2012

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to allocate Public, Education, and Government (PEG) fee revenue equally among the three categories of cable access providers, each receiving one-third of the total available; and increase appropriations in the General Services Fund (IS 385) and the Department of Technology Services (TS) by \$874,960. (Citywide)

DISCUSSION

The enactment of the Digital Infrastructure and Video Competition Act of 2006 (DIVCA) marked a major change in the regulation of video service providers in California. Essentially, DIVCA replaced the local franchising process with a State process under the authority of the California Public Utilities Commission. DIVCA changes included the enabling of the PEG fee and the elimination of the requirement that a local cable operator provide Public Access facilities and support.

In September 2007, the City Council adopted an ordinance setting the City's PEG fee at 1.04 percent of the cable providers' gross revenue. Per DIVCA, the fee is to support PEG channel facilities and is restricted to capital uses. It cannot be used for operational expenses such as staffing. If it is used for any activity other than capital, the local cable/video providers can deduct that amount from franchise fee payments to the City.

PEG Fee Revenue Allocation

In May 2011, the City Council approved equal distribution of 2010 PEG revenue to all three cable access categories: Public ("P"); Education ("E", California State University Long Beach, Long Beach City College, and Long Beach Unified School District); and Government ("G", City access channel, LBTV). The City has received reports from the recipients on how the funds were spent and has deemed they were consistent with the legal intent. The funds allocated to the City enabled LBTV to replace video equipment that had exceeded its useful life.

Consistent with last year's allocation, staff recommends 2011 PEG fee revenue be distributed equally across all three access categories. The total PEG revenue collected in 2011 is \$874,960, which equates to \$291,653 for the "P", "E", and "G" access providers.

Public Access Television Update

In October 2011, the City Council authorized an agreement with the Long Beach Community Action Partnership (LBCAP) to operate Public Access television. Since that time, LBCAP has worked tirelessly to lay the foundation from which to build a modern Public Access Television operation. Utilizing previously allocated PEG funds, LBCAP has been able to purchase a state-of-the-art video playback and digital storage system, and are currently evaluating studio equipment such as video cameras, audio equipment, and lighting systems. The operator has also convened an Advisory Board, met with producers to discuss video requirements, and evaluated best practices for access operations (such as policies, training, etc.).

This matter was reviewed by Deputy City Attorney Gary J. Anderson and by Budget Management Officer Victoria Bell on April 4, 2012.

TIMING CONSIDERATIONS

City Council action is requested on May 1, 2012 to ensure a timely disbursement of PEG funds to the access television providers.

FISCAL IMPACT

The City received a total of \$874,960 in PEG funds during calendar year 2011. These funds are reserved in the General Services Fund (IS 386) in the Technology Services Department. This request recommends distributing the 2011 PEG funds equally across all three-cable access providers. The City is not providing any other financial support. Because these funds are currently unbudgeted, an appropriation increase is necessary in the General Services Fund (IS 385) in the Department of Technology Services (TS). Costs will be offset by reserved revenue from PEG fees. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CURTIS TANI
DIRECTOR OF TECHNOLOGY SERVICES

APPROVED:



PATRICK H. WEST
CITY MANAGER