

# Analysis of Alternative Public, Educational, and Governmental (PEG) Access/Outreach Methods

City Council Meeting – July 16, 2018

# Background

- On April 9, 2018 Council Members Lyn Semeta and Patrick Brenden introduced a Council Member Item to:

*Direct the City Manager to obtain information from PCTA and other programming providers to assess the current resources available to the City for broadcast of public interest programming and conduct a review of best practices of local government programming in order to ensure that the City is utilizing current technology most efficiently and effectively.*

# History of PCTA

- Almost thirty years ago on December 26, 1990, the Cities of Huntington Beach, Fountain Valley, Stanton, and Westminster entered into a Joint Powers Agreement to create the Public Cable Television Authority (PCTA).
- Created to plan, develop, finance, acquire, construct, manage, maintain or operate any community antenna television system or cable television system.
- PCTA is a public entity and is subject to all public meeting requirements.
- This JPA was revised in 2004 and is currently under review for an update.



# Governance

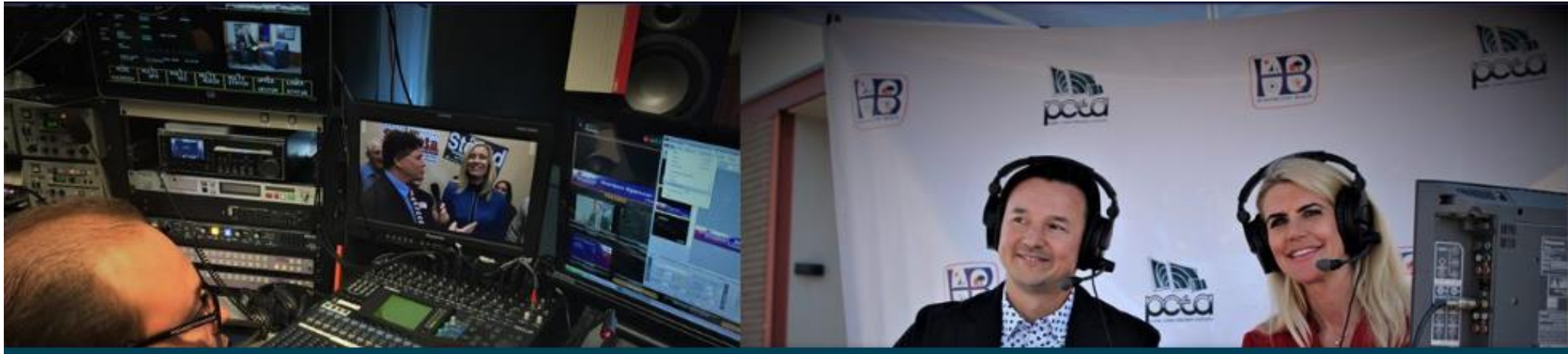
- PCTA is administered by a Board of Directors – two from each member City. Each Director serves at the pleasure of their Appointing City Council.
- The Board has responsibility for the general management of the affairs, property, and business of PCTA.
- Each Director has one vote.
- At the 1<sup>st</sup> meeting of each Fiscal Year, the Board elects a Chair, Vice Chair, Secretary, and Treasurer/Auditor

# Franchise and PEG Fees

- Franchise – PCTA collects and remits to the City franchise fees from Frontier and Spectrum, they withhold approximately \$151,165 annually to fund their Administrative Budget. **In 2017, the City received \$2.8 million in franchise fees that were deposited into the General Fund.**
- Public, Educational, and Governmental Access Channels (PEG) – AB 2987 (Nunez) aka the Digital Infrastructure and Video Competition Act of 2006 authorized local entities to establish a fee to support the costs of PEG Channel facilities in the amount of 1% of gross revenues. PCTA collects and keeps 100% of Huntington Beach subscriber paid PEG fees. In 2017, PCTA collected \$604,751.
- Based on the most recent audited financial statements (June 30, 2017), PCTA has a fund balance of \$3 million in a Local Agency Investment Fund (LAIF) account.
- The City funds 67.74% of PCTA operations. This is calculated based upon the amount of PEG and franchise fees collected by PCTA on behalf of the four cities from the video service providers.
- Were the City to not be part of this JPA, the City would keep 100% of the PEG and 100% of the franchise fees (roughly \$750,000 combined).

# Mission of PCTA

- The Mission of PCTA is to inform, educate, and entertain residents by producing exclusive television programming for member cities; assist consumers in resolving issues with video providers; and manage the day-to-day operations of each city's government access channel.



# Current Production

- PCTA films and broadcasts
  - City Council Meetings (live), Planning Commission Meetings (live); NEW – City Council promos
  - Annual 4<sup>th</sup> of July Parade
  - Selected Summer Concerts in the Park
  - Annual Miss Huntington Beach Scholarship Pageant
  - Annual Downtown Tree Lighting
  - Selected meetings and events: other holiday shows, Town Hall meetings, dedications, ceremonies, etc.
  - Ongoing programming such as “Reflections of Former Mayors,” “Young at Heart,” “The O Scene,” “Wow! That’s in OC,” “Surf City Highlights,” and “Orange Slices.”
  - During election years, candidate statements and election night coverage
  - Occasional documentaries such as “50 Years: Golden West College” and “HB Junior Lifeguards Program”
  - New programming, such as an upcoming Chamber of Commerce show for Huntington Beach
  - Covers events/council meetings/programming for Stanton, Westminster and Fountain Valley
  - Receives and handles complaint calls from the community on cable providers

# Current Trends in TV

- More and more people are cutting the cord from cable television.
- Apps:
  - Apple TV, Roku, Amazon Fire (Fire Stick)



## How to Cut the Cable Cord with Amazon Fire TV



CHARLES AQUINO

June 14, 2018

Cutting the cable cord can save a lot of money. It can also cause you to pull out your hair as you figure out how to watch the shows you love. Our tech expert shows how to use Amazon Fire TV to help your cause.

### Cut the Cable Cord

with





TV UPFRONTS

# Nielsen Will Now Measure YouTube TV Viewership on a Local Level

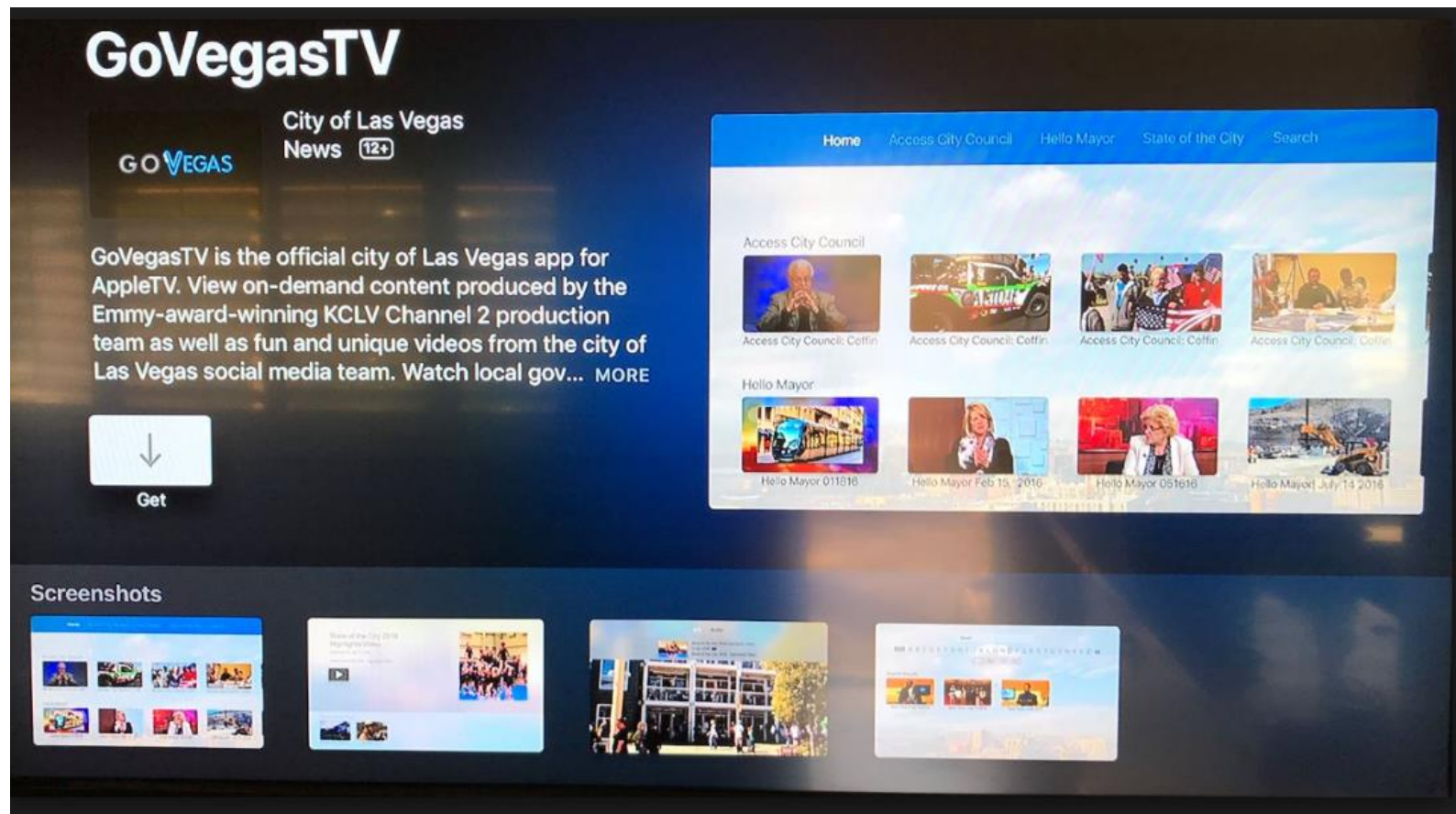
Which is good news for media buyers and sellers

By A.J. Katz | May 22, 2018



# Las Vegas

- Las Vegas – KCLV streams to Apple TV, Roku, and Hulu.
- Their IT Department utilizes Phunware.



# Other Examples of App Usage for Local Gov.

Arkansas – State and Local Gov Gov2Go  
– Apple TV



Urbana, IL – Roku and Apple TV

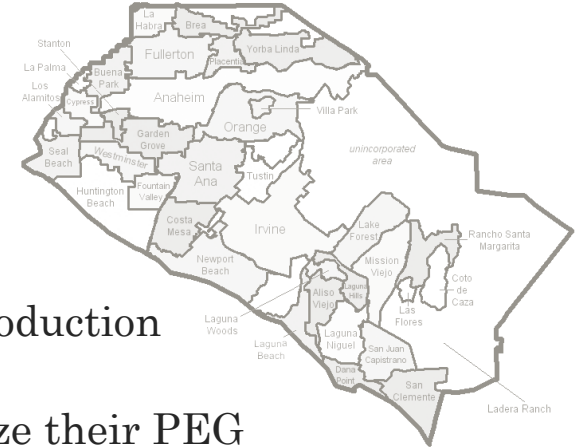


Phoenix, AZ – YouTube



# What are other Orange County cities doing?

- PCTA is the only cable television JPA in Orange County
- Staff surveyed 30 Orange County cities and found that:
  - 23 cities contract out their cable channel operations to a 3<sup>rd</sup> party production company and utilize their PEG funding.
  - Seven cities have part time staff that run the cable channel and utilize their PEG funding.
  - These costs range from \$75,000 per year (Seal Beach) to \$224,000 (Mission Viejo) all paid for using PEG.
  - **Production Costs (Staffing):**
    - Santa Ana – Contract \$65,000 per year
    - Fullerton – Utilizes a Contractor (In FY 2017/18 \$39,712 was budgeted for 39 events/meetings)
    - Mission Viejo – Contract \$111,877 per year



# What can PEG be used for?

- PEG funds are restricted and can only be used for the following:
  - Cable Access Programming
  - Video Production and Editing
  - Staffing – limited to video production and editing
  - Fiber/Broadband – Connecting of City facilities
  - Streaming Services – Granicus, web streaming, app development and streaming to the app.
  - Capital Expenditures
  - Information Technology – Website, IT services related to programming/production, etc.
  - Licensing and Programs
- PEG could be used to offset eligible General Fund expenditures

Questions?