



## Legislation Details (With Text)

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**On agenda:** 7/15/2019      **Final action:** 7/15/2019

**Title:** Adopt Resolution No. 2019-47 Approving the Withdrawal of the City from the Public Cable Television Authority

**Attachments:** 1. Att #1 - Resolution No. 2019-47

Date	Ver.	Action By	Action	Result
7/15/2019	1	City Council/Public Financing Authority	approved	Pass

## REQUEST FOR CITY COUNCIL ACTION

**SUBMITTED TO:** Honorable Mayor and City Council Members

**SUBMITTED BY:** Dave Kiff, Interim City Manager

**PREPARED BY:** Antonia Graham, Assistant to the City Manager

**Subject:**

**Adopt Resolution No. 2019-47 Approving the Withdrawal of the City from the Public Cable Television Authority**

**Statement of Issue:**

On January 22, 2019, the City Council voted to authorize the City Manager to issue a six (6) month Notice of Intent to Terminate Huntington Beach's membership in the Public Cable Television Authority (PCTA) Joint Powers Authority (JPA) pursuant to Section 4 of the JPA Agreement. This Council Action will formalize the City's Intent to Withdraw by adopting a Resolution Approving the Withdrawal of the City from the PCTA.

**Financial Impact:**

The City currently finances 67% of PCTA's annual operating and Public, Educational, Governmental (PEG) Access budgets. Additionally, the City also comprises at least 67% of PCTA's fund balances and reserves based on similar historical contributions. Upon withdrawal, the City will begin to collect 100% of the franchise and PEG fees generated from Huntington Beach cable subscribers directly from the cable providers. This amount is approximately \$605,000 annually. These funds will be deposited into a restricted fund which the City will oversee to fund our own cable channel operations and programming.

**Recommended Action:**

Adopt Resolution No. 2019-47, "A Resolution of the City Council of the City of Huntington Beach Approving the Withdrawal of the City from the Public Cable Television Authority."

**Alternative Action(s):**

Do not approve the Resolution and direct staff accordingly.

**Analysis:**

Beginning in April 2018, the City Council directed staff to analyze PEG access/outreach methods and the operations of the PCTA. Staff subsequently presented City Council with information related to the best practices of local government programming. This Study Session included the history of PCTA, an overview of their governance structure and finances, and a look at what the current trends are in TV - specifically PEG Channels. Following that Study Session, staff once again came back to Council in July 2018 and presented further findings about the existing operations of PCTA, reported back on PEG operations in neighboring jurisdictions, and provided an overview of the National Association of Telecommunications Officers and Advisors (NATOA) conference where staff learned about best practices and trends in the cable marketplace.

What was gleaned from this deep dive was clear - the operations of the PCTA JPA had not kept pace with the emerging trends in the marketplace and were somewhat out of date. More and more people are “cutting the cord” or have never subscribed to cable TV in the first place and are using alternative means to view desired products (e.g. streaming services like Amazon Prime, Netflix and Hulu).

On December 17, 2018, staff presented an exit and transition plan to the City Council. Following that meeting, the City Council on January 22, 2019 directed the City Manager to issue a Notice of Intent to Terminate from PCTA effective July 22, 2019. Since January, staff has implemented the PCTA Exit and Transition Plan and has held weekly “Red Team” meetings comprised of staff from the City Manager’s Office, City Attorney’s Office, Information Services, Office of Business Development, and Finance to ensure a seamless transition. This Council Action is the culmination of six months of preparation to assume the functions of managing and running a public access channel.

**Environmental Status:**

Not Applicable

**Strategic Plan Goal:**

Enhance and maintain high quality City services

**Attachment(s):**

1. Resolution No. 2019-47, “A Resolution of the City Council of the City of Huntington Beach Approving the Withdrawal of the City from the Public Cable Television Authority.”