

CARSON CITY BOARD OF SUPERVISORS
Minutes of the Special September 15, 2004, Meeting
Page 1

A special meeting of the Carson City Board of Supervisors was held on Wednesday, September 15, 2005, at the Community Center Sierra Room, 851 East William Street, Carson City, Nevada, beginning at 8:30 a.m.

PRESENT:	Pete Livermore	Mayor Pro-Tem
	Robin Williamson	Supervisor, Ward 1
	Shelly Aldean	Supervisor, Ward 2
	Richard S. Staub	Supervisor, Ward 4

STAFF PRESENT:	Linda Ritter	City Manager
	Melanie Bruketta	Deputy District Attorney
	Katherine McLaughlin	Recording Secretary
	(S.B.O.S. 9/15/05 Tape 1-0011)	

NOTE: Unless otherwise indicated, each item was introduced by staff's reading/outlining/clarifying the Board Action Request and/or supporting documentation. Staff members present for each Department are listed under that Department's heading. Any other individuals who spoke are listed immediately following the item heading. A tape recording of these proceedings is on file in the Clerk-Recorder's office. This tape is available for review and inspection during normal business hours.

CALL TO ORDER, ROLL CALL AND PLEDGE OF ALLEGIANCE - Mayor Pro-Tem Livermore convened the meeting at 8:30 a.m. Roll call was taken. A quorum was present although Mayor Masayko was absent. Mayor Pro-Tem Livermore led the Pledge of Allegiance.

CITIZEN COMMENTS (1-0031) - None.

CITY MANAGER - Linda Ritter - PRESENTATION OF THE CABLE FRANCHISE RENEWAL PROCESS TO BE UNDERTAKEN IN CARSON CITY (1-0035) - Consultants Sue Buske, Fred Christ, and Rika Welsh; Dave Morgan - Ms. Ritter's introduction included introducing Consultant Buske. Ms. Buske thanked the Board for the opportunity to make the presentation. She highlighted the slide presentation. She noted that nonexclusive cable franchises are an exception to the norm. The need to update the franchise during the renewal process was indicated. The franchise fee is capped at five percent by Federal regulations. Industry changes were noted and included reducing the term of the franchise from 20 years to eight to ten years. Public involvement in the renewal process is now required. Her comments stressed the need to negotiate the renewal from a strong point in order to obtain services and amenities needed/desired by the community. Examples of these services/amenities were provided. Federal regulations including restrictions on what the City could do were noted. Justification for refusing to extend the franchise were listed. If the community does its "homework", the denial will be upheld due to the company's inability to meet the community needs as established through the performance review and public involvement process. Discussion indicated that if the Board wished, the current contract could be extended. Charter Communications is operating under that contract without a signed document. A new contract cannot be made retroactive to the expiration date of that contract. Ms Buske counseled against "hammering out an interim agreement" at this time. She recommended extending the existing contract for a specified period of time or continuing to operate as is without a signed agreement. The franchise requires this continuity unless Charter Communications is sold to another firm or it is operated by some other firm. Discussion indicated that it may be possible through the RFP process to require transmission service, however, the terminology will require a parallel service to

CARSON CITY BOARD OF SUPERVISORS
Minutes of the Special September 15, 2004, Meeting
Page 2

it without mentioning optical service. Ms. Buske also opined that cable service will remain viable for the life of any franchise agreement now being offered. This opinion is based on the current financial projections which indicate that it is only one tier in their revenue future.

Mayor Pro-Tem Livermore pointed out that the PEG channel is now going into Lyon County. Cable services and communication services are being combined. He felt certain that cable services are not leaving the area. Ms. Buske concurred and pointed out that they are receiving a lot of revenue from the area. Its nationwide revenue and subscription were explained to illustrate that it is a healthy industry with many new projects and more options. The amount of services that can be provided on one wire is an attraction for some customers. Her service provides the community with an ability to negotiate from an understanding of their business sense.

Ms. Buske then reviewed the due diligence requirements and services her firm will provide including the development of the federally mandated master plan and community assessment plan. Supervisor Williamson suggested that the City's Master Plan update process and its survey(s) include the community assessment questions. Ms. Buske limned the Newport Beach and Humboldt County processes as illustrations of how the community assessment plan could be used to develop a contract. Although there is a linkage between the assessment plan and the community's master plan, it should not change the master plan process nor their focus groups. Ms. Buske also indicated a need to analyze the PEG resources and equipment to develop the plan for bridging to its future operation and service level. Access operations are no longer considered PEG access television. It is now called community media centers due to the tools of technology. Justification for this change and the new services that are being offered were limned. The need to negotiate for these tools was stressed. Ms. Buske then introduced her team members who were present to indicate that there will be a group of specialists working for the community. She also reviewed the projected timeline and Pages 3 and 4 of the outcomes of recent cable franchise renewals including reasons for comparing the City with Gilroy-Hollister-San Jan Bautista and Monterey, California. Discussion indicated that the cable service treats the PEG support as an expense, however, communities without the PEG access channel(s) are charged the same fees as communities with it. Mayor Pro-Tem Livermore explained his reasons for feeling that cable services need to reach more of the residents in the community. Ms. Buske then explained her reasons for entering the field and how PEG services came into existence. She felt that access operations are almost impossible to support unless there is a substantial amount of resources for them to operate included in the franchise document. She believed that it should be a community partnership as Carson City has done; however, the cable company is no longer holding up its end of the partnership as it met the one obligation spelled out in the expired franchise agreement. The norm is to have 85 percent of the PEG access service revenue provided by either the cable franchise provider or the local government who uses a portion of the franchise fees for its support. Grants are not a general funding source, however, there are some partnerships with county libraries which support and provide historical information on the community. Discussion also noted that competition between cable companies may lower the service rates. The Concord and Walnut Creek areas have, however, been overbuilt. It is not possible to force this competition for clientele by lowering the bar to entice another company to locate in the area. Competition occurs when the market determines it to be profitable. SBC and Verizon were cited as examples of outside competitors who are now entering the cable market in some California locations. Ms. Buske reiterated her belief that now may be the last time the City will be able to negotiate a franchise for these services due to the change in Federal regulations which allows phone, cable, and other communication services to be combined. Discussion indicated that community media centers, school districts and colleges are coordinating their activities and the advantages of such partnerships. Ms. Buske indicated that she would look for such opportunities in Carson City. Discussion pointed out that the

CARSON CITY BOARD OF SUPERVISORS
Minutes of the Special September 15, 2004, Meeting
Page 3

process will take until December 2005 to complete. Supervisor Williamson explained her support of having Ms. Buske and her organization negotiate for the City. She hoped that it would provide additional revenue for a stronger PEG channel in Carson City.

Public comments were solicited. Mr. Morgan encouraged the Board to utilize Ms. Buske and her organization's expertise in this rapidly changing field. The need to expand the present PEG service was stressed. He felt that to continue with the current service level would miss major opportunities in the future. Douglas County's cable rates and PEG service were explained to illustrate and justify franchise negotiations from a strong knowledgeable angle such as that being provided by Ms. Buske and her organization. He stressed the importance of widening the present service area to include all of the City.

Mayor Pro-Tem Livermore explained his personal use of Channel 26 which he felt provided a beneficial service to the community. Supervisor Aldean disclosed that Mr. Morgan is a Carson Access Television Board member. Board comments explained Mr. Morgan's personal service to community and efforts to provide knowledgeable and up-to-the minute reports on the community.

Discussion between the Board and Ms. Buske indicated that the Board could require additional capacity and flexibility in services through the franchise terms. The terms could require the company to provide service at no charge for the infrastructure if there are 20 homes per mile and other wire services in an area. If less than 20 homes per mile are in an area, a service charge for the infrastructure could be allowed or a cost sharing formula established to pay for those improvements. Supervisor Staub thanked her for the presentation which was informative. He looked forward to the additional reports. He explained that he would feel more comfortable with having a formalized contract with Charter as it is a safe method of proceeding. Ms. Buske agreed to look at it. She also indicated that either she or Mr. Christ would be back with a report after the first of the year. A lot of work will be accomplished during that period which included establishment of volunteer task forces for the focus groups. Mayor Pro-Tem Livermore thanked her and her staff on the presentation. He looked forward to having a new franchise agreement. No formal action was taken or required.

There being no other matters for consideration, Supervisor Aldean moved to adjourn. Supervisor Williamson seconded the motion. Motion carried 4-0. Mayor Pro-Tem Livermore adjourned the meeting at 9:52 a.m.

The Minutes of the Special September 15, 2004, Carson City Board of Supervisors meeting

ATTEST:

ARE SO APPROVED ON March 17, 2005.

/s/
Alan Glover, Clerk-Recorder

/s/
Marv Teixeira, Mayor