

PRESCOTT CITY COUNCIL
WORKSHOP
PRESCOTT, ARIZONA
FEBRUARY 3, 2009

A WORKSHOP OF THE PRESCOTT CITY COUNCIL WAS HELD ON TUESDAY, FEBRUARY 3, 2009, in the Prescott Municipal Building, 201 S. Cortez Street, Prescott, Arizona.

◆ CALL TO ORDER

Mayor Wilson called the Workshop to order at 2:00 p.m.

◆ ROLL CALL

PRESENT:

Mayor Wilson
Councilman Bell
Councilman Lamerson
Councilwoman Lopas
Councilman Luzius
Councilman Roecker
Councilwoman Suttles

ABSENT:

None

1. Discussion of Prescott Community Access Channel 13.

Councilwoman Suttles said that they cannot seem to come to an end on the agreement. She said that he was told recently that someone went to Access 13 to purchase a copy of a tape and was told he could not do that because PCAC produced and owned all of their tapes. He was told he would have to contact the organization that produced it.

Monika Bishop said that part of that was correct. They do not own most of the programming; most community producers come in and get the training and produce their own tapes so they own the rights to that program. They can indicate whether PCAC has permission to sell and if they indicate they can, they will sell. Otherwise, they would have to contact the organization directly.

Councilwoman Suttles asked who trains the people. Ms. Bishop said that their staff and volunteers train the people that come in. Councilwoman Suttles said that this gentleman's comment (that had tried to buy the tape) was that the franchise fees from CableOne come to the City and he should be able to purchase it. Ms. Bishop said that it is not their property. She said that it is no different than someone wanting to copy Lion King.

Councilwoman Suttles asked how many employees PCAC has. Ms. Bishop replied that they have 3.5 employees and 2 volunteers, not including the Board of Directors (8). She said that not all of the seats on the Board are filled; they have 12 seats total.

Councilwoman Suttles asked Ms. Bishop what they pay for their offices at the Grace Sparks Building. Ms. Bishop said that they pay \$1 a year; electric is included and they pay their own phone and water delivery as there is no plumbing upstairs.

Councilwoman Suttles asked Ms. Bishop how long she had been with Access 13. Ms. Bishop replied nine years. Councilwoman Suttles asked if they have thought of moving from their present location. Ms. Bishop said that they have looked at other locations, but they do not have the necessary funding.

Councilwoman Suttles said that the proposed contract is for \$82,000 annually, paid in 12 payments, in addition to \$5,000 for equipment once a year. She said that last month they were told by Mr. Cooper that they have not been receiving the \$5,000. Ms. Bishop said that they have not received it since 2004.

Councilwoman Suttles said that she got on the web page and there were quite a few shows that come on. In a week, she asked how much time the City of Prescott's programming aired. Ms. Bishop said that it is one-third of the total programming, there is one-third education and one-third for the public.

Ms. Bishop then gave a brief PowerPoint presentation which addressed the following topics:

- ▶ Background
- ▶ Prescott City Code
- ▶ Today
- ▶ Past Funding
- ▶ Benefits to the City
- ▶ Benefits to the City of Prescott – Current Services

Councilman Roecker said that the public does not have to worry that anything they do with this will affect continuation of the channel; it was scare tactics and was all nonsense.

He said that when they first got the contract he was asking how much it costs for the part that the City of Prescott does, with the meetings that are covered, and he

receive a number much less than \$82,000; it was more around \$48,000. He said that with the economy the way it is, he was asking about what the other money was going to, and whether they could put the rest of the money into the General Fund. He said that he is still unclear as to why they cannot do that. He said that he has seen no spreadsheet. He does not see where the money is going above what it would cost to produce the shows.

Councilman Roecker asked if it was true that it costs \$48,000 to put on the City's programming. Ms. Bishop said that historically they have been contracted to provide the citizens programming. Councilman Roecker said that it seems skewed that the public is paying more money than they have to for what the City is obligated to provide.

PCAC Board Member Dick Cooper said that they have been through this before. The \$48,000 was a "back of an envelope" calculation by employees of the City. They never agreed that was the right cost. When they looked at it, they found it costs a lot more. He said that if that was all that the City was willing to pay, they would be out of business.

Councilman Roecker said that he has not seen any spreadsheet. Mr. Cooper said that they provide the City a budget every year. Councilman Roecker said that he would like to see a profit/loss statement, and spreadsheet identifying normal expenses. Mr. Cooper said that is all included in the budget provided.

Mr. Norwood said that they have submitted a budget. There has not been a business plan or anything other than showing what expenses are.

Mayor Wilson said that they talked extensively with them, and he was looking at it from a cost accounting. The City is paying the majority of everything and that is what they are committed to. If they want to change that fine, but otherwise they are obligated to do that.

Councilman Roecker said that there was nothing in the contract that ties it to CableOne, so it would stand on its own if CableOne cut off programming. He asked if there was any way to deal with that. Mr. Kidd said that they would have to write an additional clause, subject to appropriations and receipt of funds from CableOne.

Discussion was held on issues associated with revenues being reduced from CableOne. Councilwoman Suttles asked what would happen if CableOne were to sell. Mr. Norwood said that they would assign it to whoever came in.

Councilman Roecker said that in Section 21 of the contract it referred to ten days' written notice and he did not think that was fair at all to PCAC. He believed that should be at least 30, and preferably, 60 days' notice.

Councilman Lamerson asked Mr. Kidd if they could assign PCAC the right to sell any of the City's programming. Mr. Kidd said that could be a term of the contract.

Councilman Lamerson asked how many hours they operate. Ms. Bishop said that they operate 24/7. Councilman Lamerson said that his concern was not the value for the money. They hammered out a proposal that was good and he is baffled to think that 13 combined with 15 is not a value for the money.

Councilman Luzius asked why the \$5,000 a year has not been paid to PCAC for the last few years. Mr. Fenech said that the City had programming they were putting together, Prescott Today, and they had camera needs so the City used that to buy new equipment. Mr. Norwood said that PCAC benefited from the new equipment as well. Mr. Fenech said they were paid in 2008. Councilman Luzius said that they should have a cost accounting of where the \$5,000 went.

Councilman Luzius asked what the receipts were for last year, from the franchise fee. Mr. Woodfill said that in 2008 PCAC received about \$70,000, so the total revenue was around \$280,000. He said that for this year they are projecting \$77,000 for PCAC.

Councilman Luzius asked if they have figured out a way to charge the dish people. Mr. Woodfill said that they are not utilizing the City's rights-of-way. Councilman Luzius asked if PCAC was happy with the \$82,000. Mr. Cooper said that they had a meeting with the Mayor and Mr. Norwood and worked out the agreement. They ended up where they are and they are happy with it.

Councilman Luzius said that if they are happy, he is happy. He said that the only reason he has cable is to watch Channel 13. It is a valuable tool and an incentive for them to have funds to operate.

Councilman Luzius said that at the last meeting they found out at the last minute that they had two different contracts. It was a disservice to have them sit there and wait to the end of the meeting to tell them that.

Councilman Bell asked if PCAC was happy with the change recommended by Councilman Roecker, to tie the amount to receipts and extending the length of time. Mr. Cooper said that the number of days was fine. At the meeting with the Mayor and City Manager, they broke away from tying it to the revenues. The proposed contract is a flat amount to be carried out for five years; they purposely did not tie it into the franchise fees.

Mayor Wilson said that the fixed amount was the best effort at containing costs. Councilman Bell said that it has to be fair on both sides. If fair is holding to a solid amount over the life of the contract, that is what they should do.

Councilwoman Suttles asked how they know when the contract is up for renewal. Mr. Kidd said that normally the department involved tracks it. He and the City Clerk have talked about developing a contract tracking program, and that should be considered at some point when funds are available. Councilwoman Suttles said that they need to be able to see this at the end of the five years and go on from there. Mr. Kidd said that they have thousands of contracts; it is a citywide issue.

Councilwoman Lopas said that her concern is that when the economy is bad people eliminate cable. She asked what they would do if the franchise fee does not cover the amount. She suggested doing something like 25% up to the \$82,000. She was concerned the City was tying their hands, and tying PCAC's hands. She said that she was also concerned with the length of the contract.

Councilman Roecker said that the City has a renegotiation coming up with CableOne and asked if they should delay the contract and look at that when the renegotiation comes up. Mr. Norwood said that was an option. They will start negotiations in the next month or two. He said that it is a 15 year old agreement. Most of the franchise agreements are going for a ten year period now. Many have increased from 4-5%, but they may come back and say they are going to lower. He doubts that but the cable lobbyists are pretty strong.

Mayor Wilson asked PCAC what their posture was if they delayed it. Mr. Cooper said that they have been working on it for 11 months and they would like to get it finished. It leaves them hanging in mid-air because every time they come up for approval, it has been delayed or ended up with workshops; it is going on and on. Mayor Wilson said that he thinks they should get it settled. He negotiated given the direction of Council. He has no problem making minor adjustments, but to carry it on continually does not sit well with him.

Council discussed the changes they would like to see. It was agreed that two different versions would be prepared. Both would change paragraph 21 to have a 60 day termination period. One version would have a fixed amount of \$82,000; the other version would be a percentage up to \$82,000.

It was agreed that the changes would be made and it would be brought back to a voting session.

2. Adjournment.

There being no further business to be discussed, the Prescott City Council Workshop of February 3, 2009, adjourned at 2:53 p.m.

JACK D. WILSON, Mayor

ATTEST:

ELIZABETH A. BURKE, City Clerk