

CABLE COMMISSION
City of McMinnville
Tuesday, February 17, 1998
AGENDA

TCI CABLEVISION OFFICE - 4025 NIMBUS LOOP

7:00 p.m.

- I. CALL TO ORDER
- II. Approval of minutes - December 18, 1997
- III. NEW BUSINESS
 - A. Presentation of Digital Cable
- IV. OLD BUSINESS
 - A. Discussion of revised time line for franchise renewal negotiations
 - 1. Current status of documentation, audit, survey, results and other negotiation points
 - 2. Identify short term needs for equipment and facilities
 - 3. Identify short term needs regarding management
 - 4. Identify city funding for capital studio improvements
 - a. Current support ratio vs. past support
 - b. Current TCI franchise payments vs. possible future payments
 - 5. Discussion regarding plan to heighten community involvement in public access, including current interest level, and how to increase citizen awareness and involvement
 - a. Capture and direct existing public energy to focus community interest in local access.

Cable Commission Minutes
December 18, 1997
Community Center, Room 203

Members Present: Wayne Aylward, Dan Cochran, Lloyd Lowry, Curtis Menken,
Robert Payne, Clif Ross, Mark Schoenbein, Craig Singletary

Absent: Annette Albert

Others Present: Ruben Contreras, Katherine (Mac) McEneaney, Frank Nelson, Jim
Wixson

Chairman Menken called meeting to order at 7:15 p.m..

No minutes of the last meeting were available. Chairman Menken noted we would approve two sets of minutes at the next meeting.

Report on the City Council / Water & Light / School District meeting was given by Commissioner Lowry. He reported that the boards and elected officials from all three organizations were very positive about going forward with a cooperative effort. The representatives of each group had directed staff from each entity to meet to work out specifics. Commissioner Lowry reported that staff had met twice. At the first meeting, there was general agreement about creating an intergovernmental agreement. A very crude estimate of \$1 million was given by the School District's consultant for the entire project. At a second meeting, Water & Light's attorney, Dave Haugeberg, raised some legal questions about providing service to private entities. He cited some legal challenges that the Central Lincoln PUD was getting from other service providers about the installation of telecommunications systems without obtaining permits from the Oregon Public Utilities Commission. Based on the higher risk involved, the parties agreed to limit the initial project to public entities only. This effectively would mean eliminating Linfield College from the proposed fiber backbone system. Commissioner Cochran stated he would provide additional documentation from the public hearing. Commissioner Lowry stated that he was not sure how the development of this system related to the cable franchise negotiations directly; Chairman Menken responded that a summary of what is happening needs to be communicated to Steve Jolin.

A report on franchise negotiation was made by City Attorney Ross. Mr. Ross stated he and Commissioner Cochran had attended a meeting with the Newberg Cable Commission. Mr. Ross noted that the Newberg Commission was being "augmented" by the inclusion of representatives from Dundee and Lafayette. The City's consultant, Steve Jolin, PhD., gave a report at this meeting and noted that two studies of TCI are to be completed by mid-February. One study will provide a financial audit and review of TCI's budget. The other is a technical / engineering audit of TCI's systems. Commissioner Schoenbein asked what was being looked at in the technical review? TCI General

Manager McEneaney responded that they would review all aspects of TCI's services, including reliability and capability.

City Attorney Ross reported that one of the products Dr. Jolin would deliver to Newberg and McMinnville was a set of basic ground rules for vendors who wanted to provide telecommunications services to either entity. Mr. Ross also noted that the intent was to see what Metropolitan Area Cable Commission (MACC) in Washington County did and use their document as a beginning point and make changes to fit the City's needs as appropriate. He stated that the plan is to bring this document to City Council at end of March or the beginning of April. This will prepare us for proceeding in negotiations.

Commissioner Cochran noted that Dr. Jolin needs more input from the community. Mr. Cochran thought the Commission could receive testimony even beyond January 1998. He thought we might still look into a Water & Light mailing. Chairman Menken asked about the typical return of such mailing? Mr. Ross advised that a 4% return is typical. Chairman Menken asked if we had received any of the initial surveys back. Commissioner Cochran said he hadn't checked with Rose - is she sending these onto Dr. Jolin? Mr. Ross said he thought so.

Chairman Menken recommended that the Commission "privatize" responsibility to each member, assigning each the responsibility of finding 5-6 people and get them to fill out surveys. He said he would get together with Ruben Contreras about Channel 9 advertising. Mr. Contreras said it would be interesting to have a discussion of where we're at - a summary of what we're doing. He volunteered to help in any way.

Chairman Menken summarized the negotiation process and asked for any additional questions. Commissioner Schoenbein asked what checkpoints will be built in to insure accountability will be in place regarding the negotiations. Mr. Ross indicated this would be part of the final franchise agreement.

Chairman Menken asked for a brief report from Ruben Contreras on the public access station and programming..

Mr. Contreras commented that the station and its programming were visibly growing. The location on Third Street gives a presence that is leading to additional programming. Chairman Menken noted that the input he had received was that things were improving, but the space was still not adequate. He asked Mr. Contreras for his thoughts on improving this, and had other locations been considered?

Mr. Contreras said that they were doing what they could with what they had and that he felt good about that. He also said that this was an area that allowed for a wide range of opinion, and that as an employee of TCI, it may not be appropriate for him to make comments at this time. He added that was what Steve Jolin and others were looking at. He also said that they were doing good work, including public service announcements for the Salvation Army and the Kiwanis "cheese drive".

Chairman Menken asked if there were continued complaints about small quarters and any talk of changes? Mr. Contreras replied that they were in a waiting mode until the negotiations were finalized. He stated he did think the new equipment had made an noticeable improvement, and that while such equipment wouldn't be the basis for a new studio, but it could still be used.

Chairman Menken thanked Mr. Contreras, and asked for other comments from members of the Commission.

Commissioner Schoenbein said that the high school has made some productions at Channel 9 and everyone was looking forward to seeing these. Mr. Contreras said he was excited by this, and that he wanted to build a good relationship with the high school. He said they would accommodate any editing needs the high school had.

Chairman Menken then asked for any public testimony from our visitors.

Frank Nelson introduced himself as someone who has a public access program, called Frankly Speaking. He said he had just completed taping a program, and while the visibility was good at the studio, noise from passers-by was a real problem, and was clearly audible on the taped program. He would like to look toward having two places to edit and record at same time. This would allow more programming to be done and provide flexibility in scheduling programs. Ms. McEneaney said she was happy that we have two people wanting to do programs at same time. Commissioner Cochran noted that the City had offered a space in the Community Center, as large as the room we were meeting, in the past. He did not know if it was still an option, as this would be part of the franchise negotiations.

Commissioner Schoenbein said we had two places, one for edit and one for programming, back in 1985.

Chairman Menken said some months ago, we talked about using Mac Theatre or Gallery Players as a satellite location or interim "fix" for scheduling conflicts. Ms. McEneaney said that facility had always been available for use. Mr. Contreras noted that the equipment, not the available space, was the issue. He said that TCI would need to spend another \$16 - \$18,000 for equipment to provide backup to what is now available. Ms. McEneaney asked if today's conflict could have been handled by better scheduling? She also noted that TCI has provided sufficient equipment for quality programming, but that Mr. Contreras was right in that it is all up to the negotiations. She said that the public access studio has been available most of the time, and the main issue was one of scheduling.

Chairman Menken asked about a mobile van to allow remotes. Mr. Contreras answered that he did not want to move equipment around. He added that unless someone was willing to write a check, we would just have to do the best we could for now. He said he

was confident that the money would come when an agreement is signed, and that he had seen similar sized systems get sizable amounts for public access in other jurisdictions, such as Oregon City.

Commissioner Aylward said that the program scheduling conflicts seemed to be an operational problem. He asked Frank Nelson if there was anything that could be done to modify the space the City has at the present time. Mr. Nelson said that reducing the street noise would be helpful, but his main concern was planning for more space in the future.

Mr. Contreras said we could help situation in the short term by purchasing another SVHS recorder for around \$3500, which would allow editing and programming at same time. Chairman Menken asked Ms. McEneaney if TCI could accomplish this now and also asked about moving Mr. Contreras' office upstairs, above the studio, in order to allow more space for production. Mr. Contreras didn't know how feasible this was. Chairman Menken asked Ms. McEneaney to look into feasibility of purchasing recording equipment as well as perhaps two or three monitors. There was some additional discussion about various options for adding equipment to improve the ability to do editing and program production at the same time.

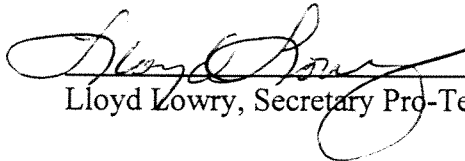
Mrs. McEneaney expressed some concern about doing this now while the issue of public access was in negotiation, but said that she would put it into her budget preparation. Chairman Menken advised he thought it would be worthwhile to work on this. Commissioner Cochran asked whether TCI was interested in public access in these other jurisdictions that had been mentioned? Ms. McEneaney answered that TCI is interested in community access, but would like the community to run it and to limit TCI's investment regarding capital purchases. She said that West Linn decided to do what TCI wanted, and was going ahead as a non-profit organization.

Jim Wixon introduced himself and apologized for missing part of the discussion about the joint fiber optic project between Water & Light, the School District, and the City. He was interested in TCI's reaction if W & L put in cable to individual houses. Chairman Menken said this might be possible, but he didn't know how realistic it would be. Mr. Wixon said that many cities and towns were doing this, and the Cable Commission should look into it. He was curious if TCI would use city-owned cables, or pull out if the city went this way, or whether they would operate in parallel. Chairman Menken said he wished Mr. Wixon could have had input to meetings with Steve Jolin and invited him to a January meeting to give input. Mr. Wixon said he would do this, and asked if the Commission had considered making this a negotiation item to be put into the model franchise agreement. Commissioner Aylward said that based on his experience in the cable industry, it's not practical to build parallel systems and he would hate to see city do this. Mr. Wixon responded that he knew of cities where this is happening right now. He also stated that TCI might be willing to purchase space on a city-owned cable system. He quoted the general manager of Water and Light, John Harshman, as saying that the cost to make home drops was very low. Mr. Wixon closed by saying that he just wanted to make sure the Commission asked about this option.

Chairman Menken thanked everyone for coming and for their comments. The next meeting date was set to be January 13th. He recommended that from now on, we meet on the 2nd Tuesday of each month at 7:00 at the Community Center, unless otherwise specified.

Ms. McEneaney had a final comment that the Disney Channel was on "expanded basic programming" as of tomorrow. She added that digital compression is up and running, and could be viewed at the TCI office or the Community Access studio. It offers 32 channels - 9 pay per view, 18 special interest channels. The Navigator features are very nice - it can schedule reminders, see program descriptions, etc.

Chairman Menken called the meeting to adjournment and wished a Merry Christmas to all at 8:25 p.m.



Lloyd Lowry, Secretary Pro-Tem

The McMinnville City Council, McMinnville Water and Light Board, and the School District Board of Directors met in joint work session at 7:00 p.m. in the School District office at 1500 NE Baker, McMinnville, Oregon.

School District Board Chairperson Marsha Mackie called the meeting to order. Roll call indicated the following:

WATER AND LIGHT

Mr. O.C. Yokum
Mr. Gene Zinda
Mr. Tom Tankersley

CITY COUNCIL

Mr. Tino Aleman
Mr. Ernie Kirchner
Mr. Dick Windle
Mrs. Mary Massey

SCHOOL BOARD

Mrs. Marsha Mackie, Chair
Mr. Jay Lilly
Mr. Stan Primozich
Mr. Clifton Ross
Dr. Francis Charbonnier
Mrs. Margie Taylor
Mr. Jim VanArsdel

ADMINISTRATION:

Mr. John Harshman, City Water and Light
Mr. Kent Taylor, City of McMinnville
Mrs. Betty Heckman, Secy

AUDIENCE:

D Stites, C Cameron, V Just, J Harteson, L Simmons, A Grapoli, S Jolin, S Haugeberg, D Beck and others

Mrs. Marsha Mackie opened the work session. She announced the joint work session had been called because within the community several events were taking place simultaneously that offered a chance for public entities to work together. The City is re-negotiating its franchise agreement with TCI Cablevision, the School District has received voter approval to upgrade telecommunications and related infrastructure, and City Water and Light has indicated there might be support to construct a publicly-owned electronic infrastructure.

City: City Manager, Kent Taylor, reported the meeting came out of discussions between the public bodies as an opportunity to work together and avoid duplication of efforts. He reviewed the plans and activities of the City. The City currently has in place a fiberoptics network between city buildings. The Cities of McMinnville and Newberg have hired Steve Jolin as a consultant working on the cablevision franchise renewal agreement. Mr. Jolin talked about working within the framework of federal guidelines to develop a system and services for the term of the franchise. Public education and governmental agencies have a right to access under the franchise process. He also reported that other communities have built systems that allow them to market telecommunications. Mr. Taylor brought with him a map highlighting the public entities within the area.

Water and Light: John Harshman indicated City Water and Light would consider development of a fiberoptics infrastructure provided there could be benefits (revenues) derived, citing his responsibility to rate payers. City Water and Light does not serve the community of Lafayette. Water and Light would consider providing the opportunity for cabling on their equipment and/or would consider construction of an infrastructure for the community.

School District: Dale Stites and Colin Cameron reviewed school district technology activities and plans. The School District has in place a small telephone-driven network for administrative services, with plans to connect all school district buildings with voice, data and video capabilities. Crucial to a cooperative effort is the school district's timeline. The consulting firm hired to assist the district in developing the infrastructure displayed a map of school district facilities and connecting cable, and the information they have gathered in preparation for development of specs. The District currently hopes to bid the infrastructure in spring, 1998. The timeline could be modified if a cooperative agreement could be reached that would benefit the entire community. Mr. Ross summed up the situation by stating "We are at a critical juncture. There are several elements coming together at one time that could benefit our entire community provided we have foresight and vision."

Summary: A consensus was reached to pursue a joint venture to build a city-wide infrastructure. The cooperative effort is seen as a benefit to the entire community by providing needed services in an economical way. The administrative staffs of each of the three groups will meet together to develop guidelines and needs assessment with a targeted date of March 1 to make recommendations to the three groups. The school district will facilitate the meeting.

The meeting was adjourned at 8:30 p.m.