

# SPECIAL MEETING CITY COUNCIL SACRAMENTO

OCTOBER 30, 1980

THURSDAY

7:00 P.M.

I HEREBY CALL a Special Meeting of the Sacramento City Council to be held at the hour of 7:00 P.M., Thursday, October 30, 1980, in the City Council Chamber, City Hall, 915 "I" Street, Sacramento, California, for the purpose of a two hour Work-Study Session on CATV - Cable Television. As the meeting is a Work-Study Session, no public testimony will be received.

ISSUED: This 24th day of October, 1980.

*Philip L. Isenberg*  
PHILLIP L. ISENBERG  
MAYOR

ATTEST:

*Lorraine Magana*  
LORRAINE MAGANA  
CITY CLERK

SACRAMENTO CITY COUNCIL

AGENDA

WORK STUDY SESSION ON CABLE TELEVISION

OCTOBER 30, 1980

- I. Overview
- II. Type and Amount of Facilities, Programming and Services
- III. Single Vs. Multiple Franchises
  - A. Interconnection
  - B. Institutional and Government Networks
- IV. Construction Schedule
  - A. Even Geographical and Demographic Development
- V. Cost of Providing Services - "Free" Services
- VI. Local Ownership Affiliations
- VII. Rate Regulation

CABLE TELEVISION  
OVERVIEW SUMMARY  
OCTOBER 1980

I. INTRODUCTION

A. What is Cable Television

1. Cable Television is a misnomer. It is a means of transmitting signals which includes:
  - a. Entertainment
  - b. Data
  - c. Information
2. At this point entertainment programming via satellite makes the system economically feasible.
3. Data transmission is the future source of increased revenue for the cable operator. It includes such uses as:
  - a. Alarm systems
  - b. Bank or shop at home
  - c. Home computer services
  - d. Meter readings
4. Information involves community usage including:
  - a. Government
  - b. Education
  - c. Community groups

B. Local Government is included because of their responsibility for allowing the use of public streets and easements for installing the cable. From that act flows the other regulatory aspects of local government over the cable operator. (It should be noted that the general trend is to reduce the regulatory control of local government.)

C. Our goal should be to develop a community-wide system that meets present needs yet is flexible enough to take advantage of future developments.

II. APPROACH

A. System Design

1. Set minimum requirements and let operators design a proposed system.
  - a. They have more capability
  - b. Let them offer so we have a contractual franchise not a unilateral franchise which may be hard to enforce.
2. The alternative is to design a system that we feel is best.

II. APPROACH continued.

B. Community Access

1. We will retain control of all dedicated channels.
2. Funding for programming production will come from 5% franchise fee.
3. The alternative is to let the operator manage and control access.

III. PROCESS

A. As defined by CTIC the phases are:

1. Organization
2. Study
3. Legislation
4. Selection
5. Administration

B. Organization

1. Alternative approaches were presented in report to the Board of Supervisors and all five City Councils dated February 5, 1980.
2. The present organizational approach is:
  - a. The County is the lead agency.
  - b. The Board of Supervisors and the Sacramento City Council will jointly participate in policy decisions.
  - c. The Cities of Folsom, Isleton, and Galt will participate as they determine what is in the best interest of their citizens.

C. Study

1. The study phase has been somewhat concurrent with organization phase.
2. The study phase has included:
  - a. Various staff reports
  - b. Study sessions by the Board and the Sacramento City Council with the consultant.
  - c. Two initial policy discussion sessions by the Board with the consultant.
  - d. Preparation of an initial draft ordinance and Request for Proposals.
  - e. Preparation of a cable television policy issues paper.
  - f. Preparation of a workbook for Members of the Board and the Sacramento City Council which includes:
    - 1) Issue summary papers
    - 2) Written community input
    - 3) The draft ordinance and RFP
    - 4) Written community/operator comments on the drafts

III. PROCESS continued.

C. Study

3. To complete the study phase we propose to:
  - a. Prepare a new draft ordinance that reflects staff recommendations.
  - b. To be accompanied by a report which identifies major policy issues and alternative approaches to the staff recommendations including community input.
  - c. Based on the public hearings and the final ordinance, an RFP will be prepared.

D. Legislation

1. The regulatory ordinance will represent the basic legislation governing the process of awarding and administering a franchise.
2. Essentially the ordinance will:
  - a. Define the franchising process.
  - b. Establish operating standards for the franchisee.
  - c. Provide for administration of the franchise.
3. The intent is to have each jurisdiction adopt the ordinance prior to the release of the RFP or at least by the time of proposal submissions.

E. Selection

1. Starts with the development of an RFP which needs to be approved by all the jurisdictions. Still open is the question of multiple proposals for a community-wide system or a single city and a single unincorporated area franchise.
2. The consultant will evaluate each proposal and prepare a preliminary report and based on written comments from applicants, a final report will be submitted by the consultant.
3. The general concept is for Board to select a final operator and the City Council will accept or reject the Board's selection. A more precise process will need to be developed.
4. Each of the other cities will then decide whether to award a franchise to the selected operator.

F. Administration

1. Generally accepted that a single administrative body is best.
2. Franchise administration involves:
  - a. Construction
  - b. Operation
  - c. Rate regulation
3. Community access involves:
  - a. Production cost
  - b. Channel allocations
  - c. Use of franchise fee