

CITY OF OAKLAND

AGENDA REPORT

OFFICE OF THE CITY CLERK

2007 MAR -1 PM 2:06

TO: Office of the City Administrator
ATTN: Deborah A. Edgerly
FROM: Cultural Arts & Marketing Division
DATE: March 13, 2007

RE: A Report and Resolution to Authorize the City Administrator to Transfer Eight Hundred Sixty-Three Thousand Three Hundred Sixty-One Dollars (\$863,361) in Funds from the General Purpose Fund (1010) from an AT&T Settlement Agreement (P219410) to the Telecommunications Fund (1760) to Support, Extend and Enhance the Ability of KTOP-TV to Provide Legislative Coverage, Television Services and for Upgrade and Maintenance of the City Council Chambers and Hearing Rooms

SUMMARY

In 2002, the City reached a settlement with AT&T (the cable provider at that time) for non-compliance issues related to Universal Service and reporting requirements. The settlement totaled \$1 million and was deposited in the General Purpose Fund (1010), Cable Non-Compliance Settlement Project (P219410). The funds were specifically intended for technology upgrades.

In fiscal year 2005-2006, in anticipation that a franchise agreement between Comcast and the City of Oakland was imminent, KTOP-TV, the City of Oakland's government channel, was authorized to expend \$863,361 for capital improvements. These funds were appropriated in FY 2005-06 as a part of the Adopted FY 2005-10 Capital Improvement Program (CIP) within the Telecommunications Fund (1760).

Subsequent to the budget adoption, Comcast withdrew from the proposed franchise agreement, which eliminated a funding source for KTOP-TV services technology enhancements as adopted in the FY 2005-10 CIP. These include: recording of legislative meetings, public service announcements in support of agency and department programs and services and upgrading and maintaining the City Council Chamber and hearing room audio-visual capabilities. The Division's operating budget (\$54,000) does not provide sufficient funding for technology upgrades.

Approval to use \$863,361 of the AT&T settlement funds is consistent with the technology upgrades stipulated in the settlement agreement. These funds will allow KTOP-TV to renovate the Council Chamber audio and video system; rebuild audio visual facility in Hearing Room 2, purchase new and supplemental production equipment, and upgrade KTOP-TV's television studio to better serve City departmental needs and Mayoral and Council goals and initiatives.

Item: _____
Finance and Management Committee
March 13, 2007

FISCAL IMPACT

Approval of this resolution will transfer \$863,361 from the General Purpose Fund (1010) to the Telecommunications Fund (1760) to cover past expenditures (\$268,053) and support current appropriations approved during the FY 2005-10 CIP to allow KTOP-TV to upgrade, maintain and make best use of its existing technological investment. The source for this transfer is the \$1 million received from an AT&T Cable Non-Compliance Settlement Project (P219410), deposited into the GPF, but never appropriated or spent, and therefore available within fund balance. At present there are no other funds available for the purchase and maintenance of KTOP-TV production equipment nor are there funds for upgrade, replacement and maintenance of outdated or inoperable equipment in the Council Chamber and hearing rooms.

Of the total \$863,361 appropriated, \$268,053 was spent during FY 2005-06 before the funding was frozen as a result of Comcast not signing the proposed agreement. The balance of funding (\$595,308) is proposed to be spent as follows (these amounts are already appropriated within Fund 1760):

Project	Funding Source	Project No.	Amounts
Legislative Equipment HR 1,2 Council Chambers Upgrades	AT&T settlement currently in 1010	C274610	\$265,536
Production Equipment Replacement, warranties, training	AT&T settlement currently in 1010	C274620	\$250,703
Studio Equipment – Upgrades, replacement, warranties	AT&T settlement currently in 1010	C274630	\$79,069

TOTAL: \$595,308

Maintenance contracts will be purchased wherever possible with the new/upgraded equipment to support hardware/software needs, in order to reduce failure and increase the life expectancy of the equipment.

BACKGROUND

Historically, the General Purpose Fund (1010) and Telecommunications Fund (1760) provided the source of funds for KTOP-TV staff and operations. Technology grants from TCI, then AT&T, and now Comcast, have been the source for financing any KTOP-TV upgrades and equipment purchases. Typically, replacement and upgrades are necessary approximately every five years in the professional broadcast environment. As of FY 2005-07, KTOP-TV's operations and maintenance budget is drawn exclusively from the Telecommunications Fund (1760).

Item: _____
Finance and Management Committee
March 13, 2007

In addition to its core mission of recording and telecasting legislative meetings and functions, KTOP-TV is responsible for audio/visual (AV) operations in the Council Chamber and hearing rooms. Costs related to these responsibilities have never been funded. With the anticipated installation of the Granicus television streaming system to provide on-demand video services, KTOP-TV will assume additional technical support responsibilities with no source of funding currently identified.

Aware of these challenges, the FY 2005-06 budget included \$863,361 in funds for KTOP-TV with the anticipation that Comcast would provide a technology grant as a part of the finalized franchise agreement. Of the \$863,361 advanced, \$268,053 was expended before Comcast withdrew from the proposed agreement, and authorization to continue to spend these funds was frozen. As the status of the franchise agreement is uncertain, KTOP-TV must secure other funds to continue necessary purchases and upgrades that were in progress and cannot be completed without additional funding. The requested expenditures are technological in nature and therefore fall within the intended use of the AT&T settlement agreement from 2002.

KEY ISSUES AND IMPACTS

There is a limited productive life for professional video equipment, which is five years on average. Targeted hardware has been in service for seven years or more. Much of the production equipment marked for replacement is crucial to the management and recording of events in the legislative hearing rooms and the Council Chamber, and has exceeded the limits of operational reliability. Failure of this equipment could occur at any moment. Problems with the audio system, monitors, Power Point interface, and "request to speak" functions at the dais in the Council Chamber are the result of outdated equipment. Most of the sound and video equipment in Hearing Room 2 is original and close to failure due to age. The lighting system is so old replacement components are no longer manufactured.

With the approval of CIP funding in FY 2005-06, KTOP-TV began replacing equipment for both the station production studio and the legislative hearing rooms before funding was frozen as a result of the franchise agreement not being signed. There are projects left incomplete. It is prudent that KTOP-TV continue to replace outdated equipment, and put in place and support maintenance schedules before catastrophic failures occur, such as during live telecast of legislative meetings.

In the highly complex and technical environment in which the City of Oakland functions it is imperative that KTOP-TV stay technologically current. As the City's most readily accessible "real time" source of legislative information, KTOP-TV upgrades will ensure that the City does not languish or fall into the "digital divide."

PROJECT DESCRIPTION

The project plan is to replace equipment incrementally rather than reach a crisis point and replace at failure. By transferring the technology settlement funds now deposited in the General Purpose Fund (1010) to the Telecommunications Fund (1760), KTOP-TV will resume Capital Improvement Project in two concurrent phases.

1. Replace critically impaired and aging broadcast equipment over a two to five year period, in accordance with requests for replacement funds made as part of the 2007-12 CIP request. As new equipment is upgraded or replaced, extended maintenance and technical contracts will be purchased to provide appropriate and cost effective support of hardware, software and staff training.
2. Upgrade and improve outdated AV systems in the legislative hearing rooms over a two year period. Finish capital improvements in Hearing Room 1 and the Council Chamber. Initiate a complete rebuild of Hearing Room 2 to broadcast-compliant specifications. And wherever possible, purchase preventive and on-going maintenance plans for these systems.

SUSTAINABLE OPPORTUNITIES

Economic: By increasing awareness of City programs, KTOP-TV will encourage businesses and the community to participate in the economic life of Oakland.

Environmental: Broadcast of legislative and informational programming helps to reduce consumption of paper and recording media. Upgrades of equipment ensure the use of the most energy efficient technology.

Social Equity: Availability of legislative and community information television and webcasts provides equal access to services and information to citizens who may not be able to attend meetings or do not subscribe to cable television.

DISABILITY AND SENIOR CITIZEN ACCESS

The continued ability to provide seniors and persons with disabilities remote access to legislative meetings is crucial and supports the City Council's directive "to ensure equal opportunity and equal access for people with disabilities and senior citizens to all City programs, services and activities....". Telecast of these proceedings enables those who are without safe and reliable transportation are hearing impaired, or who have other physical considerations that prevent them from traveling to City Hall, to participate in the civic process.

Item: _____
Finance and Management Committee
March 13, 2007

RECOMMENDATION(S) AND RATIONALE

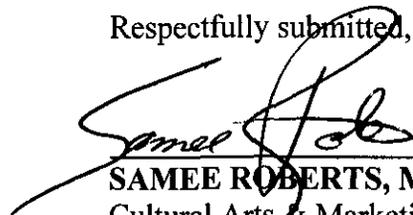
Staff recommends that the City Council approve this request to transfer \$863,361 in funds from the General Purpose Fund (1010) from an AT&T Settlement Agreement (P219410) to the Telecommunications Fund (1760) to support, extend and enhance ability of KTOP-TV to provide legislative coverage, television services and upgrade and maintenance of the City Council Chamber and hearing rooms.

KTOP-TV's current O&M budget of \$54,000 will not support the necessary work. Failure to complete these upgrades and replacements will most certainly result in equipment failures and an inability to continue to provide these services.

ACTION REQUESTED OF THE CITY COUNCIL

Staff requests that the City Council adopt the resolution to transfer \$863,361 in funds from the General Purpose Fund (1010) from an AT&T Settlement Agreement (P219410) to the Telecommunications Fund (1760) to support, extend and enhance ability of KTOP-TV to provide legislative coverage, television services and upgrade and maintenance of the City Council Chamber and hearing rooms.

Respectfully submitted,



SAMEE ROBERTS, MANAGER
Cultural Arts & Marketing Division
Office of the City Administrator

Prepared by:
Ashley James, Station Manager
KTOP-TV Channel 10

APPROVED AND FORWARDED TO THE
FINANCE AND MANAGEMENT COMMITTEE:



Office of the City Administrator

Item: _____
Finance and Management Committee
March 13, 2007

OAKLAND CITY COUNCIL

OFFICE OF THE CITY CLERK
CITY OF OAKLAND

J. Jackson
City Attorney
for I. Jackson

RESOLUTION No. _____ C.M.S.

2007 MAR -1 PM 2:06

Introduced by Councilmember _____

RESOLUTION TO AUTHORIZE THE CITY ADMINISTRATOR TO TRANSFER EIGHT HUNDRED SIXTY-THREE THOUSAND THREE HUNDRED SIXTY-ONE DOLLARS (\$863,361) IN FUNDS FROM THE GENERAL PURPOSE FUND (1010) FROM AN AT&T SETTLEMENT AGREEMENT (P219410) TO THE TELECOMMUNICATIONS FUND (1760) TO SUPPORT, EXTEND AND ENHANCE THE ABILITY OF KTOP-TV TO PROVIDE LEGISLATIVE COVERAGE, TELEVISION SERVICES AND UPGRADE AND MAINTENANCE OF THE CITY COUNCIL CHAMBERS AND HEARING ROOMS

WHEREAS, KTOP-TV is the City of Oakland's government television station charged with the responsibility to provide gavel-to-gavel coverage of legislative meetings and telecasting community-oriented programming; and

WHEREAS, up-to-date and current technology is necessary for KTOP-TV to fulfill its responsibilities of providing television coverage; and

WHEREAS, funding in the amount of \$863,361 is currently available in the General Purpose Fund (1010) from an AT&T settlement agreement (P219410); and

WHEREAS, these funds are specifically earmarked for technology upgrades; and

WHEREAS, the City Council finds that expenditure of these funds will best enable KTOP-TV to fulfill its legislative responsibilities and best support the Council's goals; now, therefore, be it

RESOLVED: That the Oakland City Council hereby authorizes the City Administrator to transfer \$863,361 in funds from the General Purpose Fund (1010) to the Telecommunications Fund (1760); and be it

FURTHER RESOLVED: That KTOP-TV shall expend these funds to support projects already appropriated within the Telecommunications Fund (1760), Capital Improvement Project City Administrator Organization (94020), and KTOP-TV Equipment Projects (C274610-30), to extend and enhance the ability of KTOP-TV to provide legislative and television services, and upgrade and maintenance of the City Council Chambers and hearing rooms.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20_____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT DE LA FUENTE

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California