



AGENDA MEMORANDUM

First Reading Ordinance for the City Council Meeting of December 11, 2012
Second Reading Ordinance for the City Council Meeting of December 18, 2012

DATE: November 26, 2012
TO: Ronald L. Olson, City Manager
FROM: Kim Womack, Public Communications Director
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Repeal and amend cable franchise ordinances as a result of state issued cable franchise.

CAPTION:

Ordinance repealing Divisions 1 through 15 of Article XVIII Cable Communications Services of Chapter 55 and amending Chapter 2, Division 17, regarding municipal cable franchises; amending Division 16 regarding public access channels rules and procedures; providing for effective date, penalties, severance and publication.

PURPOSE:

To repeal and update ordinances to reflect change in status of municipal cable franchisee to a state issued franchisee leaving no local cable franchise.

BACKGROUND AND FINDINGS:

In June of 2012, the Federal 5th Circuit Court of Appeals ruled existing municipal cable franchise holders could no longer be held to an existing municipal cable franchise. The City was one of four remaining cities ruled by an existing local franchise held by Time Warner Cable. Time Warner Cable applied for and was granted a state issued cable franchise with the Public Utilities Commission on June 20, 2012 leaving no local cable franchise. The City currently has three state issued cable providers including: Time Warner Cable, Grande Communications and AT&T.

The City continues to work through the cable franchise transition with Time Warner Cable. The primary outcomes of the transition from municipal issued franchise to state issued franchise include:

- Franchise fees – Remain stable with 5% gross revenues cited in both local and state franchises. Additional 1% fee dedicated to PEG (Public, Education & Government) facilities and equipment.
- Customer service standards – Shift to the Texas Public Utility Commission.

- PEG channels – Existing channels grandfathered which includes 2 public access, 1 education and 1 government channel.
- PEG signal origination – Shifts to City to broadcast to each cable provider.
- Public access programming – Shifts to City to schedule and rebroadcast.
- Ordinance revisions – Repeal municipal cable franchise to be consistent with state issued franchise and update rules and procedures for public access programming.

The final transition of signal origination and public access programming to the City is pending Time Warner Cable notification.

ALTERNATIVES:

Repeal of ordinances could be delayed based on final transition of signal and public access programming.

OTHER CONSIDERATIONS:

Not applicable

CONFORMITY TO CITY POLICY:

State law overrides existing local franchise. Conforms to City policy.

EMERGENCY / NON-EMERGENCY:

Non-Emergency with two readings required.

DEPARTMENTAL CLEARANCES:

Cable Communications Commission
Legal Department

FINANCIAL IMPACT:

Operating Revenue Capital X Not applicable

Fiscal Year: 2012-2013	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget	0	0	0	0
Encumbered / Expended Amount	0	0	0	0
This item	0	0	0	0
BALANCE	0	0	0	0

Fund(s):

Comments: Ordinance changes result in no financial implications.

RECOMMENDATION:

Staff recommends repealing ordinances to reflect granted state cable franchise resulting in no local cable franchise and minor revisions to the ordinance pertaining to public access rules and procedures.

LIST OF SUPPORTING DOCUMENTS:

Time Warner Cable State Franchise Approval
Cable Communication Commission Minutes
Ordinance Revisions