

COMMITTEE ON ADMINISTRATION AND FINANCE

February 14, 1994

Committee Members Present:

Michael Pollock (Chairman), James Hayes, Esther Patt, Marya Ryan, Clifford Singer, John Taylor, Joseph Whelan

Committee Members Absent:

None

Staff Members Present:

Bruce Walden, Tom Lindsey, Bill Gray, April Getchius, Reed Berger, Bill Schlieter, Bruce Stoffel, Charles Gordon, Mayor Satterthwaite, Phyllis Clark

Others Present:

Scott Lathrop, Marie Early-DiBello, Paul Mueth, Pam Ryan, Peggy Shaw, Connie Wise, Bernadine Evans Stake, Jerry Landay, Robert Naiman, Gregory Smith, Phil Rowell, Don Roberts, John Peterson, Barbara Gladney, Members of the News Media

Meeting Location:

City Council Chambers

There being a quorum, the meeting was called to order at 7:32 p.m. by Chairman Pollock.

Additions to the Agenda and Staff Report

Mr. Singer moved to add to the agenda Loan Agreement Between Cunningham Township and City of Urbana. The motion was seconded by Ms. Ryan and carried by a voice vote.

Mr. Pollock stated that Loan Agreement Between Cunningham Township and the City of Urbana would be the last item of business following 1994-95 Budget Timetable.

Chief Administrative Officer Bruce Walden reported that the resignation of Police Chief

Willard Schlieter has been accepted effective February 23, 1994. Charles Gordon will be Acting Chief of Police effective upon Mr. Schlieter's departure.

Minutes of Previous Meetings

Mr. Hayes moved to approve the minutes of January 10, 1994. The motion was seconded by Mr. Taylor and carried by a voice vote.

Public Participation

Scott Lathrop, National Center for Super Computing Applications, University of Illinois, addressed the Committee regarding the pending Cable Franchise agreement. He noted that the Champaign County Chamber of Commerce has implemented an Info-structure Committee and two sub-committees to research the possibility and need for an electronic super highway to capture the resources of the community. He said in the development of pilot projects he has worked with Time Warner, Inc. and Cablevision, using cable facilities as a means of connecting community organizations to the data highway. He said adoption of the proposed Cable Franchise Ordinance would provide info-structure necessary to provide full two-way communications.

Marie Early-DiBello, Chairman of the Applications Sub-committee of the Champaign Chamber of Commerce and Director of the Champaign Urbana Convention and Visitors Bureau (CUCVB) stated that the CUCVB is one of the sites established for public use of Prairienet and will be a pilot site of CCNet. She said Time Warner, Inc. and Cablevision have been very supportive of efforts to progress in the project.

Paul Mueth, 207 West Illinois Street, suggested that the Council consider language in the Cable Franchise Ordinance that would insure high volume commercial users carry a fair portion of the costs and urged the Committee to support PEG channels.

Pam Ryan, President of the Community Media Coalition, stated that she believes the proposed ordinance is workable with a few minor changes and with the proviso that the Council implements the maximum level of support for PEG channels. She suggested that the ordinance be amended to allow the cable operator to recapture PEG time. To insure no gap in service, she suggested that the ordinance contain language stating that service would be provided until September 1, 1995 or until such date as comparable facilities are established for public use. She encouraged the Committee to implement a 2% PEG assessment as soon as possible.

Mr. Whelan raised the question of whether bias in programming exists.

Peggy Shaw, representing the Education and TV Consortium, explained the organization's responsibilities which were determined in the original cable franchise ordinance and

reviewed the group's involvement in educational access since that time. She said the Consortium prepared a proposal for the new cable franchise at the request of the C-U CATV Commission. She urged the Committee to support a 2% PEG assessment.

Connie Wise, Community Media Coalition, said the public access portion of cable programming supports the first amendment rights to freedom of speech and that anyone from the community may produce public access programming as long as they have been through the training program. She said if programming is unacceptable to anyone, they may counteract by producing programming supporting an opposing view.

Bernadine Evans Stake, 304 West Iowa Street, suggested that the Council consider shortening the length of the cable franchise agreement and that the cable company provide equipment and staff for public meeting programming and the technical aspects. She also said she would like to see the cable company provide customers the capability to block out specific channels free of charge. She suggested that a channel be devoted to elections which would provide equal access for political candidates.

Jerry Landay, 203 West Vermont Avenue, founding member of People for Better Television, stated that the community needs to work cooperatively to plan the cable services it provides and then hire a qualified program coordinator. He said that programming content and how it will be produced should be the principal concern rather than technology. He suggested that the problem of getting children to watch educational television could be addressed by media literacy education.

Robert Naiman, #1 Buena Vista Court, Program Director of the University YMCA, stated that it is his perception that the advocates of PEG were not represented in the negotiations that brought about the franchise. He said PEG concerns are better considered in the existing franchise agreement than the newly negotiated one, that the proposed 2% PEG assessment is not sufficient to maintain the existing cable services. He encouraged the Council to pass the 2% PEG assessment and look at the unmet needs for equipment, studio and staff in the future.

Greg Smith, former Program Director at Cablevision, stated that the proposed franchise agreement and 2% PEG assessment will provide only enough funding to stay at approximately the same level of on-going year to year support that existed nine to ten years ago. He urged the Council to approve the 2% PEG assessment as soon as possible. He suggested that to address controversial programming, regulations be created requiring 25% of the content of every program must be locally produced and that an access manager actively seek alternative views on controversial issues.

Phil Rowell, Community Media Coalition, addressed the Committee pointing out that producing a single program requires many hours of devotion.

Don Roberts, 803 East California Avenue, compared the increase in property taxes and cable television fees to increases in the cost of garbage hauling services which have risen far less.

Cable Franchise Ordinance Review

Assistant City Attorney Tom Lindsey reviewed a memorandum regarding the cable franchise dated February 10, 1994 (copy attached) and answered questions from Committee members. He also reviewed a communication from Cablevision dated February 14, 1994 (copy attached) providing clarification to questions that have been raised regarding PEG issues.

Mr. Lindsey noted that three ordinances are presented for consideration the first of which approves a regulatory framework for inclusion in the City Code. If any company other than Cablevision were to apply for a franchise, the ordinance would serve as a guide. The second ordinance authorizes the Mayor to execute the specific franchise with Time Warner Entertainment Company, L.P.; the third authorizes the Mayor to request a 2% PEG assessment from Time Warner Entertainment Company, L.P.

Regarding length of term, Mr. Lindsey pointed out that in the past electric, gas, water and telephone franchise agreements were approved for thirty and fifty years. He noted that PEG issues were discussed during negotiations and the proposed agreement provides more for PEG services than Cable Consultant Carl Pilnick thought would be possible.

Regarding changes to the negotiated agreement, Mr. Lindsey stated that re-negotiation would be required and that he feels the proposed agreement is the best that can be obtained. He added that the City of Champaign has expressed approval of the agreement which would place Urbana in a position of re-negotiating as a smaller single unit.

Mr. Lindsey continued stating that the proposed agreement provides for four PEG channels as are currently in existence, but with the ability to expand to eight channels or more based on usage. More than \$2 million dollars would be raised over the life of the franchise agreement for PEG access if both cities implement a 2% PEG assessment which far exceeds the funding provided in the current agreement and would be sufficient to provide studio facilities.

John Peterson, Chairman of the CATV Commission and Barbara Gladney, Urbana representative of the CATV Commission, confirmed that PEG concerns were seriously considered in the negotiation process. Mr. Peterson added that the negotiation process for PEG channels was made difficult due to uncertainty as to whether the cities would be supportive of PEG access based on past actions. He said that the technology proposed in the agreement is as good as any other City in the United States has acquired. He stated his support for passage of the cable franchise ordinance and the PEG assessment. Ms. Gladney encouraged the Council to pass the proposed

PEG assessment.

Ms. Ryan moved to table the ordinance and direct staff to look into the outstanding issues. The motion was seconded by Mr. Hayes and carried by a voice vote.

Mr. Lindsey stated that he does not believe any further progress could be made in negotiations with the cable company and that not approving the agreement could considerably delay installation of an upgraded system.

Mr. Taylor moved to reconsider tabling the cable ordinance. The motion was seconded by Mr. Pollock.

Mr. Singer questioned if the motion to table is debatable. There were no objections to a recess in order to allow Mr. Singer and Mr. Taylor to determine if the motion is debatable.

The Committee recessed at 10:17 p.m. and reconvened at 10:19 p.m. with all Members previously in attendance still present except Ms. Ryan.

Mr. Taylor withdrew his motion to reconsider. Mr. Pollock ruled that debate on the motion to reconsider is not debatable.

Mr. Singer moved to suspend the rules to offer free discussion. The motion was seconded by Mr. Taylor and carried by a voice vote.

Ms. Ryan returned at 10:22 p.m.

Mayor Satterthwaite stated that cable issues have been discussed and negotiated for months and to hold up an agreement which is greatly improved and recommended by staff and the CATV Commission for a few minor points would not be constructive.

Mr. Pollock reviewed the goals established by the public, CATV Commission, staffs and Councils of both cities prior to negotiations. He went on to say that a change in the federal law allows the cable provider to pass through PEG assessments and it is up to the City to determine PEG capabilities. He also reviewed amendments made to the agreement that were suggested by the CATV Commission since negotiations ended.

Mr. Whelan moved to reconsider, the motion died for lack of a second.

Mr. Whelan again moved to reconsider, the motion died for lack of a second.

Mr. Taylor inquired if a Council Member could change their vote on the motion to table.

Mr. Pollock ruled that without a motion to reconsider, the subject cannot be discussed. Mr. Taylor asked Chairman Pollock if he could change his vote on the motion to table in order to second the motion to reconsider. Mr. Pollock refused to allow it noting that the Committee has the ability to direct itself and has done so.

Boneyard Agreement - CCDC Grant

Director of Public Works Bill Gray stated that the proposed agreement would allow the City to take advantage of funds being offered from the Boneyard Creek Commission to be used for beautification of the Boneyard Creek between Race Street and Broadway Avenue.

Mr. Hayes moved to send the agreement to Council for approval. The motion was seconded by Ms. Ryan and carried by a voice vote.

Enterprise Zone Amendment - American Software

Chief Administrative Officer Bruce Walden stated that an amendment to the enterprise zone is proposed to allow potential expansion of American Software.

Ms. Patt moved to send an ordinance to Council extending the Enterprise Zone to include American Software. The motion was seconded by Mr. Hayes and carried by a voice vote.

An Ordinance Authorizing The Mayor To Execute Amendment No. 1 To License Agreement Between The City Of Urbana, Illinois And The Board Of Trustees Of The University of Illinois

Mr. Gray stated that the University of Illinois has requested an extension to a License Agreement that would allow construction of electric feed from the intersection of Goodwin Avenue and Oregon Street to Nevada Street. He noted that the license agreement provides for construction in the block north of the area recently completed under the original agreement.

Mr. Singer requested that consideration be given to requesting repaving of streets in connection with such agreements in the future.

Mr. Singer moved to send to Council An Ordinance Authorizing the Mayor To Execute amendment No. 1 To License Agreement Between The City Of Urbana, Illinois And the Board Of Trustees Of The University Of Illinois. The motion was seconded by Mr. Taylor and carried by a voice vote.

1994-95 Budget Timetable

Mr. Pollock solicited the Committee's opinion on whether to re-schedule presentations

by the Champaign-Urbana Convention and Visitors Bureau and the Greater Urbana-Champaign Economic Development Corporation for the same meeting as suggested by Mr. Singer. There was no support for changing the schedule to accommodate the request; therefore, Mr. Pollock stated that the schedule would remain in its original form.

Loan Agreement Between the City of Urbana and Cunningham Township

Mr. Pollock directed the Committee's attention to discussion on whether the City should pursue providing a short-term loan to Cunningham Township in order to cover expenses of issuing tax warrants for budget shortfalls.

Mr. Singer moved that staff draw up the necessary documents to authorize a loan to Cunningham Township up to \$20,000 until the township receives its next tax payment and that the city be authorized to require up to 9% or the maximum legally payable. The motion was seconded by Ms. Patt.

Mr. Taylor offered a friendly amendment that staff be directed to prepare a short memorandum outlining any legal and budgetary implications of loaning funds to Cunningham Township. The motion was seconded by Mr. Hayes and accepted by Mr. Singer and Ms. Patt as a friendly amendment.

The motion that staff prepare documentation and an advisory memorandum regarding a loan of up to \$20,000 to Cunningham Township for the February 21, 1994 Council meeting carried by a voice vote.

Cable Franchise (Continued)

Mr. Whelan moved to reconsider the Cable Franchise Ordinance. The motion died for lack of a second.

Mr. Singer moved to extend informal discussion until 11:00 p.m. The motion was seconded by Mr. Taylor and carried by a voice vote.

Mr. Whelan moved to remove from the table, discussion of the Cable Franchise Ordinance. The motion was seconded by Mr. Taylor and carried by a voice vote.

Several Committee Members expressed their views on why the ordinance should or should not be approved at this time.

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Adjournment

There being no further business to come before the Committee, Chairman Pollock declared the meeting adjourned at 11:00 p.m.

Respectfully Submitted,

Sharon Menges, Secretary

**This meeting was broadcast on cable television