



Item # 32

**Telecommunications & Regulatory Affairs
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA DATE: 4/6/2006
ITEM NO:**

Subject: Authorize expenditure in an amount not to exceed \$150,000 to Time Warner for the purchase of automated playback equipment and video archiving equipment for the City's public access channels.

Amount and Source of Funding: Funding in the amount of \$150,000 is available in the Fiscal Year 2005-2006 Approved Operating Budget of FASD - Communications and Technology Management.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

Requesting Department: TARA

For More Information: Rondella Hawkins: (512) 974-2422

Prior Council Action:

Boards and Commission Action: (Related to item #31)

Purchasing Language:

MBE/WBE:

The City of Austin's cable franchise agreements require operational and annual capital funding for access television video production equipment as well as the responsibility to provide playback services for the public, educational and government access channels. Performing playback services requires staffing, administration and control of manual and automated systems which stream prerecorded audio/video programming to each public access television channel at precise schedules.

With the recent passage of Texas Senate Bill 5, Grande Communications, elected to terminate its municipal franchise. Under its state-issued franchise, Grande was relieved of its responsibility to provide playback services, which they have been providing at no cost to the City since 2000. The City's public access studio is currently not capable of providing playback services due to a lack of suitable capital equipment. In order to provide this continued service, the City and Grande have reached agreement that Grande will continue to provide these services at a monthly cost of \$14,110 per month until new playback equipment can be purchased and installed. Once in place, the City's public access television contractor, Public Access Community Television (PACT), will assume responsibility for playback services from Grande Communications. PACT will not require additional contract funds or staffing with the type of automated playback system that has been identified for purchase.

The purchase price for the needed equipment is \$300,000 which exceeds the annual amount to be contributed by Time Warner for 2006. The City has been working with Time Warner to come up with a way to purchase this equipment. The City and Time Warner have reached agreement that Time Warner will pay an additional \$150,000 in 2006 under its franchise obligation to provide funding for video production equipment to enable the purchase of a playback system for the public access channels. The City will contribute the remaining \$150,000 towards the purchase; however, TWC will reimburse the city up to \$150,000 for this expense in FY 2007-08. This

reimbursement will be counted as a required PEG contribution under Section 4.8 (PEG capital equipment funding) of Time Warner's cable franchise. On behalf of Time Warner, PACT will seek bids and Time Warner will order and issue payment for the equipment.