

**CLARK COUNTY
STAFF REPORT**

DEPARTMENT: City/County Cable Television Office

DATE: December 17, 2013

REQUEST: ESTABLISH CABLE EQUIPMENT REPLACEMENT AND REPAIR PROGRAM WITH PEG CAPITAL SUPPORT FUNDS

CHECK ONE: Consent Routine

BACKGROUND: One new provision in the cable franchise agreement, approved by the Board of Commissioners on June 4, 2013, allows Public, Education & Government (PEG) capital funds to be used for repair or replacement of capital equipment that was originally purchased with PEG funds. Previously, PEG funds could only be used for purchase of new equipment through a competitive grant process. On December 4, 2013, the Telecommunications Commission approved a recommendation to the City Council and Board of Commissioners for management of the equipment repair & replacement fund.

The Commission recommends that 5% of the combined City/County PEG capital fund, approximately \$25,000 per year, be available to Designated Access Providers for repair or replacement of equipment originally purchased with PEG funds. Any funds not expended by the end of the calendar year would be added to the amount available for PEG grants, which are approved annually in December. Requests for equipment repair of less than \$2,500 or replacement of up to \$1,000 would be approved through the PEG fund administrator. Equipment repair requests of more than \$2,500 would be approved by the PEG Sub-Committee of the Telecommunications Commission.

Funding for equipment replacement would be capped at \$1,000 per request. To meet the City's "capital" requirement for PEG grants, equipment must cost a minimum of \$1,000 which makes it difficult to submit PEG grants for replacement of less expensive equipment because it wouldn't qualify as a "capital" expense. For replacement of items costing more than \$1,000, Access Providers would still submit an application through the annual PEG grant process

ACTION REQUESTED: On December 17, 2013, adopt a resolution under the terms of the interlocal agreement between Clark County and the City of Vancouver, allowing the establishment and administration of an equipment repair and replacement program for designated Public, Education and Government Access Providers funded by PEG capital funds. (Note: Under the terms of the Interlocal agreement between the County and the City, both the Board and Council must approve the establishment of this program.)



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POLICY/BUDGET IMPLICATIONS: Monies have been appropriated in the PEG Capital Support Fund, administered by the city, to fund this equipment repair and replacement program.

COMMUNITY OUTREACH: The City/County Telecommunications Commission held a public hearing, on December 4, 2013 regarding the establishment and administration of this equipment replacement and repair program.

Attachments: Board Resolution plus attachments

DISTRIBUTION:

Christine Cook, Prosecuting Attorney's Office

Jeanette Bader
Program & Policy Development Manager

Approved

**CLARK COUNTY BOARD OF
COMMISSIONERS**

Dec 17, 2013 SR 263-13

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12-17-13

RESOLUTION NO. 2013 - 12-18

A RESOLUTION relating to the use of PEG Capital Support Funds for the establishment and administration of an equipment repair and replacement program available to designated Public, Education and Government Access providers.

WHEREAS; in June 2013, franchise agreements between the City of Vancouver (“City”), Clark County (“County”) and Comcast of Washington V LLC (“Comcast”), were approved that included continuation of a fund to support Public, Educational and Governmental (“PEG”) Access capital costs; and

WHEREAS, as stated in Section 9.9 “Support for Access Capital Costs” of the franchise, “During the term of this Agreement, Grantee (Comcast) shall provide for a maximum of one dollar (\$1.00) per month, per Residential Subscriber (the “Capital Contribution”) for Public, Educational and Governmental (“PEG”) Access facilities and equipment (and repair of such equipment)”; and

WHEREAS, The City/County Telecommunications Commission (“Commission”) is authorized under Section 5.19.300 of the Vancouver Municipal Code and under Clark County Code 36.12.160 to administer Ordinances and any Franchise granted pursuant to the implementation of Franchise compliance procedures; and

WHEREAS, the Commission’s authorized duties, pursuant to the codes mentioned in this Resolution, include “To have primary responsibility for advising the

1 City and County regarding public, educational and governmental access programming
2 including the development of processes for the selection of designated access providers,
3 and for evaluating their performance, for assigning and designating access channels, for
4 allocating access funds and for making written reports and recommendations to the City
5 Council [or Board of County Commissioners] thereon.”; and

6 WHEREAS, on December 4, 2013 the Commission adopted recommendations for
7 the establishment and administration an equipment repair and replacement program,
8 funded by the PEG Capital Support Fund, available to designated Public, Education and
9 Government Access providers.

10 NOW, THEREFORE,

11 BE IT ORDERED AND RESOLVED BY THE BOARD OF COUNTY
12 COMMISSIONERS OF CLARK COUNTY, STATE OF WASHINGTON, AS
13 FOLLOWS:

14 Section 1. As recommended in SR ___ and in the City/County
15 Telecommunications Commission Resolution 2013-09, attached hereto as Exhibit “A”,
16 the establishment of an equipment repair and replacement program using Public,
17 Educational and Government (PEG) Capital Support Funds is hereby established.

18 Section 2. Use of funds described in Section 1 is conditioned upon:

19 (a) Equipment repair and replacement funds are only available to designated
20 Public, Education and Government Access Providers.

21 (b) 5% of the combined City/County PEG capital fund will be allocated on an
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1 annual basis for repair and replacement of only equipment that was originally purchased
2 with PEG capital funds.

3 (c) Equipment repair/replacement funds not expended by the end of the
4 calendar year will be included in the funds available for the annual PEG grants.

5 (d) Cable Office staff are authorized to approve repair expenditures up to
6 \$2,500. Approval of repair expenditures of over \$2,500 requires the approval of the PEG
7 Subcommittee.

8 (e) Cost of equipment replacement will be capped at \$1,000 per request.
9 Cable Office staff are authorized to approve these repairs.

10 (f) The Cable Office will provide an annual report on the repair and
11 replacement of equipment to the PEG Subcommittee.

12 ADOPTED on this 17th day of December, 2013.

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Attest:

BOARD OF CLARK COUNTY
COMMISSIONERS

Jana Redline
Clerk to the Board
Deputy

By: 
Steve Stuart, Chair

Approved as to form only
Anthony F. Golik
Prosecuting Attorney:

By: _____
Tom Mielke, Commissioner

Christine Cook
Christine Cook
Deputy Prosecuting Attorney

By: _____
David Madore, Commissioner

Attachments:

Exhibit "A" – Telecommunications Commission Resolution 2013-09

City/County Telecommunications Commission

RESOLUTION 2013-09

A Resolution Forwarding the Recommendations of the Telecommunications Commission for Use of PEG Capital Support Funds for Equipment Repair and Replacement

Section 1. Recitals

- 1.1 In June 2013, franchise agreements between the City of Vancouver (“City”), Clark County (“County”) and Comcast of Washington V LLC (“Comcast”), were approved that included continuation of a fund to support Public, Educational and Governmental (“PEG”) Access capital costs.
- 1.2 As stated in Section 9.9 “Support for Access Capital Costs” of the franchise, “During the term of this Agreement, Grantee (Comcast) shall provide for a maximum of one dollar (\$1.00) per month, per Residential Subscriber (the “Capital Contribution”) for Public, Educational and Governmental (“PEG”) Access facilities and equipment (and repair of such equipment)”. Use of PEG funds for repair of equipment is a new provision in the 2013 franchise agreement and the agreement does not address a process for approving the expenditures of PEG funds for repair.
- 1.3 The City/County Telecommunications Commission (“Commission”) is authorized under Section 5.19.300 of the Vancouver Municipal Code and under Clark County Code 36.12.160 to administer Ordinances and any Franchise granted pursuant to the implementation of Franchise compliance procedures.
- 1.4 The Commission’s authorized duties, pursuant to the codes mentioned in Section 1.3 of this Resolution, include “To have primary responsibility for advising the City and County regarding public, educational and governmental access programming including the development of processes for the selection of designated access providers, and for evaluating their performance, for assigning and designating access channels, for allocating access funds and for making written reports and recommendations to the City Council [or Board of County Commissioners] thereon.”
- 1.5 Telecommunications Commission staff, working with representatives of the designated PEG Access providers, developed recommendations for making a portion of PEG funds available for equipment repair and replacement. (Exhibit A)
- 1.6 The existing process for public access providers to apply for PEG grants will continue in the future.



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Serving the Citizens of Vancouver and Clark County Since 1982

December 4, 2013

TO: Telecommunications Commission

FR: Jeanette (Jan) Bader
Program & Policy Development Manager

RE: Recommendations for Use of PEG Funds for Equipment Repair & Replacement

Cc: Bronson Potter, Chief Assistant City Attorney

Background

The new cable franchise agreement with Comcast was approved by the City Council on June 3, 2013 and by the Board of County Commissioners on June 4, 2013. The new franchise continues assessing a fee of \$1.00 per month per Residential Subscriber for the Public, Education and Government (PEG) capital fund. One new provision in the franchise is that PEG capital funds may be used for repair of capital equipment that was purchased with PEG funds. Previously, PEG funds could only be used for purchase of equipment. The franchise does not address the process for approving the expenditure of PEG funds for repair.

The Cable Office developed the following recommendations for the set up and administration of the equipment repair fund. Representatives from the Designated Access Providers assisted with the development of these recommendations to ensure that they were workable from both the Cable Office and user perspective.

Recommendations

Through an interlocal agreement, the City manages the PEG capital funds for both the city and county. Under the terms of VMC 5.19.320, approval to spend PEG funds requires a recommendation from the Telecommunications Commission and then approval by the Vancouver City Council and the Clark County Board of Commissioners.

Funding

5% of the combined City/County PEG capital fund, approximately \$25,000 per year, will be available to Access Providers for repair and/or replacement of equipment originally purchased with PEG funds. Any funds not expended by the end of the calendar year will be added to the amount available for PEG grants, which are approved annually in December.

Qualified Equipment

It is recommended that to be eligible to be repaired or replaced using PEG funding, equipment must have been originally purchased with PEG capital grant funds and must no longer be under warranty. Since the original equipment purchase was approved by the Telecommunications Commission, City Council and Board of County Commissioners, the equipment being requested for repair/replacement should meet the criteria of the PEG capital grant fund.

Repair- Funding can be used for equipment repair including shipping & handling. The PEG Grant Administrator is authorized to approve repair expenditures up to \$2,500. Expenditures above \$2,500 require approval of the PEG Subcommittee. The combined City/County PEG account maintains a reserve fund of approximately \$85,000 that can be accessed, with approval by the Telecommunications Commission, in the event of a significant equipment breakdown that would prevent the Access Provider from broadcasting.

Replacement- Funding can be used for equipment purchase plus shipping & handling. Cost of replacement items must be under \$1,000.

To meet the City's "capital" requirement for PEG grants, equipment must cost a minimum of \$1,000. This makes it difficult to submit PEG grants for replacement of less expensive equipment because it typically won't qualify as a "capital" expense. For replacement of items costing over \$1,000, Access Providers should submit an application through the annual PEG grant process.

Reporting

Prior to the annual award of PEG grants, the PEG Grant Administrator will report the number and type of equipment repair and replacement requests and the funds expended to the PEG Subcommittee.

Process

Step #1- Representative of the designated access provider contacts the PEG grant administrator in writing (via e-mail or letter) requesting approval for repair/replacement.

- For Repair- Provider includes a quote for repair of the equipment and a quote for purchase of new equipment to demonstrate that it more cost effective to repair the equipment rather than wait for the next cycle of PEG grants to replace it.
- For Replacement- Provider submits a brief statement explaining the need for the replacement and a quote for purchase of the equipment.

Step #2

(a) – For repair requests under \$2,500 or replacement requests under \$1,000, PEG grant administrator approves or denies the request via e-mail.

Or

(b) For repair requests over \$2,500, the PEG Subcommittee would meet to review and approve or deny requests.

In either situation, provider must receive authorization prior to purchasing the equipment.

Step #3 -Access Provider submits receipts for reimbursement (repair and replacement funds are available on a reimbursable basis only).

Action Requested

Adopt a resolution approving the recommendations described in this report for the establishment and administration of PEG funded equipment repair & replacement program and forward recommendation to City Council and Board of Commissioners for approval.

NOW, THEREFORE BE IT RESOLVED:

Section 2.

- 2.1 The Commission recommends that the Council and Board approve procedures for expending Public, Educational and Governmental ("PEG") Capital Support Funds on equipment repair and replacement to include the following:
- a. 5% of the combined City/County PEG capital fund will be allocated on an annual basis for repair and replacement of equipment that was originally purchased with PEG capital funds.
 - b. Equipment repair/replacement funds not expended by the end of the calendar year will be included in the funds available for the annual PEG grants.
 - c. Cable Office staff are authorized to approve repair expenditures up to \$2,500. Approval of repair expenditures of over \$2,500 requires the approval of the PEG Subcommittee.
 - d. Cost of equipment replacement will be capped at \$1,000 per request. Cable Office staff are authorized to approve these repairs.
 - e. The Cable Office will provide an annual report on the repair and replacement of equipment using PEG funds to the PEG Subcommittee.
- 2.2 The Commission directs staff to forward this Resolution and Exhibit A to the Vancouver City Council and the Clark County Board of Commissioner for approval.

Approved (Date): December 4, 2013



Fred Bateman, Chair, City/County Telecommunications Commission

Exhibit A: Recommendations for Use of PEG Funds for Equipment Repair & Replacement