

PLEASE NOTE -



The Cable Committee disavows the Township memo dated August 22, 2002 that says "From: Cablevision Committee:" None of us on the Committee know where that came from or who wrote it. It appears to have been written by a Township official or an attorney. Nevertheless, we find the document to be unclear and not completely accurate in its interpretation of either the spirit and intent of the current cable contract or the written word in Ordinance No. 86.

MEMO

BEDFORD TOWNSHIP

Date: August 22, 2002

From: Cablevision Committee

To: Board Members - 9/3/02 Meeting - Staff Reports

Subject: Franchise Fees/Cable Communications Regulation Ordinance Nos. 79 and 86

MESSAGE:

At the meeting of the Board on August 20, 2002, there was discussion of the continuance of the Cable Franchise Agreement (Ordinance 79) which commenced with PCI One, Inc. and has gone through several service providers, including the current provider, Buckeye Cablevision, Inc. Buckeye Cablevision, Inc. is also operating under the newer Ordinance No. 86. The new Ordinance No. 86 was necessary since Buckeye was competing against the franchisee under Ordinance No. 79.

In franchise agreement which served the as the basis for Ordinance No. 79, (currently assumed by Buckeye) there is a provision which specifically addresses funding for the annual operation of the Township's local origination broadcasting studio which was to be located in either the school's or Township's property. Set forth below is the relevant provision:

E. Funding. It is contemplated that the Township, the Bedford Public Schools, and the grantee will all contribute towards the annual operating budget of the Township's local origination broadcasting studio, which will be located at either the school's or the Township's property. **The company shall contribute to such funding an amount equal to 50 percent of the total amount contributed by the Township and school. (In no event not to exceed 1/3 of the total funding.)** The amount of the total budget shall not exceed \$30,000.00 per year adjusted for annual C.P.I. increases. In the event that the Township and school fail to contribute to the fund in any year, the grantee shall not be required to contribute such year, as well. The company shall contribute its required share of matching funds within 30 days of receipt of written notice from the Township Clerk of the payment of funding by the school and/or Township, and the amount thereof. The Township Treasurer shall act as custodian of such operating funds, to be administered at the direction of a local programming advisory committee comprised of a representative of the contributing parties, and shall deliver an annual report of the fund's income and expenditures to the contributors. The Township may from time to time by resolution, promulgate and adopt such rules, regulations, bylaws and procedures as may be necessary to establish and/or further set forth the administration and operation of said local origination broadcast station, and may enter into an operating agreement with the company, Bedford Public Schools and any other educational, public or private entity wishing to contribute and participate for the public benefit. (Bold type - emphasis added)

As you can observe, it was contemplated that a local origination station or stations would be developed and the franchise holder, the Township and the school would equally fund the costs thereof, within limits. Township Counsel advised that if the school provides financing, the franchisee would be required to pay one-half of the amount provided by the school. If the Township provides financing, the franchisee would be required to pay one-half of the amount provided by the Township. In any event, the franchisee would not be required to contribute more than \$10,000 annually, adjusted by the change in CPI.

Therefore, Township Counsel conclude if the school provides financing for the local origination station, the Township would be required to provide, from the Buckeye franchise payments, one-half of the amount contributed by the school for so long as the Comcast Franchise (Ordinance No. 79) is in place. If the Township provides financing from the general fund, the Township must also provide additional funds from the franchise payments made by Buckeye under Ordinance No. 86 equal to one-half of the financing provided by the Township.

For example:

School Payment:	\$10,000	Township Payment:	\$10,000**
Franchisee Payment	\$ 5,000*		\$ 5,000*

School Payment	\$10,000	Township Payment:	\$ 5,000**
Franchisee Payment	\$ 5,000*		\$ 2,500*

School Payment	\$10,000	Township Payment:	0
Franchisee Payment	\$ 5,000*		0

School Payment	\$ 0	Township Payment	0
Franchisee Payment	0		0

(** Funds appropriated in the Township General Fund Budget - * Funds derived from the franchise fees paid under the Buckeye Franchise)

If there are any questions, do not hesitate to let the Cablevision Committee know.

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