



CITY COUNCIL AGENDA REPORT



DEPARTMENT: Community Services

MEETING DATE: February 13, 2001

PREPARED BY: April L. Soash
Director of Community Services

AGENDA LOCATION: D-1

TITLE: Amendment to Fee Schedule Relating to the Application Review of Cable Television, Open Video Systems, and Registration for Other Video System Providers, Resolution No. 2001-06.

OBJECTIVE: To adopt Resolution No. 2001-06 to establish fees for Telecommunication companies doing business in Monrovia, i.e. cable television, open video systems.

BACKGROUND: The City Council adopted the Telecommunication Regulatory Ordinance in May of 1999. The Ordinance establishes the City's regulation of cable television operators, open video system operators, and other video and telecommunications service providers. The Ordinance makes reference to fees related to telecommunication companies doing business in Monrovia. This report will outline the recommended fees to be adopted by Resolution No. 2001-6

FINDINGS:

Franchise Applications and Renewal (Section 5.48.120 of the Monrovia Municipal Code). This fee must be submitted with a cable company's application to operate a cable TV system in Monrovia. The fee is designed to cover the City's actual costs in reviewing and processing the application including: cost of administrative review; financial legal and technical evaluation of the applicant; consultants; notice and publication requirements; and document preparation expenses. If the costs exceed the application fee the cable company is required to reimburse the City for the difference or if the entire fee is not used in the process the company would be entitled to a refund.

Staff recommends setting the application fee at \$20,000. A survey of other cities ranges from \$0 to \$25,000, (see attachments A and B for summarized fee amounts and fee survey).

Filing Fee for the Operation of an Open Video System (Chapter 5.48.210.A.12 Application Required).

An open video system provides video programming services and is similar to a cable TV system. The open video system concept was created by the Federal Telecommunications Act of 1996, in anticipation of telephone companies entering the cable TV market. Although the

laws and regulations governing operation of open video systems differ from those affecting cable TV companies, the City's role in sanctioning and regulating their operations is very similar. As outlined in the Ordinance, open video systems are required to have a written agreement with the City setting forth the terms and conditions under which the operation of the proposed open video system will be authorized by the City. Here again, if the fees exceed the application fee the company is required to reimburse the City for the difference or if the entire fee is not used the company would be entitled to a refund.

Staff recommends the filing fee for operation of an open video system be set at the same amount as the cable TV system application fee of \$20,000 because the work to be executed for this filing is similar to that of the cable TV franchise.

Registration Fee for Other Video System Providers (Chapter 5.48.310.B.4)

The Ordinance requires all other video programming providers (other than cable TV and open video system providers that are required to enter into a franchise, license or lease with the City) to register with the City. The registration provides the City with information on the service offered locally, the company's customer service commitments and complaint handling procedures. The recommended fee is designed to cover the reasonable costs incurred by the City in reviewing and processing a company's registration form. Direct broadcast satellite providers are exempt from the registration fee under federal regulations, (i.e., Direct TV). As stated previously if the costs exceed the fee the company is required to reimburse the City for the difference or if the entire fee is not used the company would be entitled to a refund.

Staff recommends the registration fee be set at \$100.00 to cover the administrative costs.

FISCAL IMPACT: There is no fiscal impact. The fees are set to recover the City's costs associated with telecommunications company franchise applications, licensing and registration activities.

OPTIONS:

1. To accept the fees as outlined in the staff report.
2. Ask staff to review the proposed fees again and present other options.

RECOMMENDATION: To adopt Resolution No. 2001-06 to set the fees;

- Franchise applications and renewal fee: \$20,000
- Filing fee for open video system operations: \$20,000
- Registration fee for other video system providers: \$100

COUNCIL ACTION REQUIRED: Adopt Resolution No. 2001-06 to set the fees; cable TV franchise applications at \$20,000, filing fee for open video system providers at \$20,000, and registration fee for other video providers at \$100.

Respectfully submitted,



April L. Soash

Director of Community Services

CNCL001-01

Attachment - A

Cable Franchise Application/ OVS Application Fee

<u>Staff Time</u>	<u>Rate</u>	<u>Hours</u>	<u>Total</u>
Dir. Of CS	65.00	80	5,200
Analyst II	33.00	80	2,640
Consulting	125.00	60	7,500
Attorney	135.00	60	8,100
TOTALS	358.00	280	23,440

Registration Fee Payable By Video Providers

<u>Staff time</u>	<u>Rate</u>	<u>Hours</u>	<u>Total</u>
Dir. Of CS	65.00	1.00	65.00
Analyst II	33.00	3.00	66.00
TOTALS	98.00	4.00	135.00

ATTACHMENT B

Survey of Application Fees

City of Alameda	\$3,000
City of Beverly Hills	In process of adopting fees
City of Burbank	None
City of Danville	None, but right to recover actual costs
City of Garden Grove	None
City of Glendale	None
City of Hawthorne	None
City of Los Angeles	\$3,000
City of Oxnard	recovers all fees
City of Pasadena	\$15,000
City of Riverside	None
County of Riverside	\$750
City of San Marino	in process of adopting \$20,000
County of San Bernardino	sliding scale up to \$6,500
City of Santa Ana	Sliding scale up to \$5,000
City of Santa Clarita	None-in process of writing ordinance
City of Torrance	None
City of West Hollywood	\$20,000

RESOLUTION NO. 2001-06

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONROVIA
ESTABLISHING FEES FOR TRANSACTIONS INVOLVING CABLE TELEVISION
AND OPEN VIDEO SYSTEM FRANCHISES, AND REGISTRATION FEES FOR
OTHER VIDEO PROVIDERS**

THE CITY COUNCIL OF THE CITY OF MONROVIA DOES here by resolve as follows:

Section 1. The following fees apply to applications submitted to the City that are related to transactions involving cable television franchises and open video system franchises, as referenced in Chapter 5.48 of the Monrovia Municipal code:

A. TRANSACTIONS RELATED TO CABLE TELEVISION FRANCHISES

1. Application fee deposit payable by any person requesting an initial franchise for a cable television system: \$20,000.

This fee is for expenses related to the franchise review process any portion of the fee that is not used will be refunded to any person requesting an initial franchise or any amount above the \$20,000 deposit will be charged to the person requesting the initial franchise.

B. TRANSACTIONS RELATED TO OPEN VIDEO SYSTEM FRANCHISES

1. Application fee deposit payable by any person requesting an initial agreement or franchise to construct and operate an open video system: \$20,000.

This fee is for expenses related to the initial agreement or franchise review process any portion of the fee that is not used will be refunded to any person requesting an initial agreement or franchise to construct or operate an open video system or any amount above the \$20,000 deposit will be charged to the person requesting the initial agreement or franchise to construct or operate an open video system.

Section 2. The following fees apply to the filing with the City of a registration form by a video provider, as required under the Monrovia Municipal Code:

A. REGISTRATION FEE PAYABLE BY VIDEO PROVIDERS

Registration fee to cover the reasonable costs incurred by the City in reviewing and processing the registration form required of all video providers under Chapter 5.48 of the Municipal Code: \$100.00.

This fee is for expenses related to review and processing of the registration form required of all video providers any portion of the fee that is not used will be refunded to any person completing the registration form required of all video providers.

Section 3. The City Council finds and determines that the new fees established by this resolution are in an amount that is reasonably necessary to recover the costs and expenses to be incurred by the City in reviewing and processing the documents for which those fees are imposed or are authorized to be imposed.

Section 4. The City Clerk is directed to certify to the passage and adoption of this resolution.

PASSED, APPROVED AND ADOPTED this 13th day of February, 2001, by the following vote:

**AYES:
NOES:
ABSTAIN:
EXCUSED:**

BY:

**Robert T. Bartlett, Mayor
City of Monrovia, California**

ATTEST:

**Linda B. Proctor, CMC/AAE, City Clerk
City of Monrovia, California**

APPROVED AS TO FORM:

**Michael G. Colantuono, City Attorney
City of Monrovia, California**

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)§
CITY OF MONROVIA)

I, LINDA B. PROCTOR, CMC/AE, City Clerk of the City of Monrovia, California, do hereby certify that the foregoing Resolution No. 99-33, relating to the passage of Senate Bill 3 establishing the California Library Construction and Renovation Bond Act of 2000, was duly adopted and passed at a regular meeting of the City Council on the 13 day of July, 1999, by the following vote:

AYES:

NOES:

ABSTAIN:

EXCUSED:

ATTEST:

Linda B. Proctor, CMC/AE, City Clerk
City of Monrovia, California