



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
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DAVID E. JANSSEN
Chief Administrative Officer

July 25, 2006

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**IMPLEMENTATION OF COUNTY CHANNEL
(ALL DISTRICTS AFFECTED)
(3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve the County Channel Plan subject to subsequent approval of funding and organizational changes to be proposed via the Supplemental Resolution to the fiscal year (FY) 2006-07 budget.
2. Approve the addition of two positions to be funded by the Cable Television Franchise Fund and allocation of funding previously approved by your Board to provide for management and support staff for the proposed Cable and Telecommunications Division within the Chief Administrative Office and interim ordinance authority to fill such positions pursuant to County Code Section 6.06.020, pending allocation by the Classification/Compensation Division.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On May 17, 2005, your Board instructed this Office to secure consultant assistance to develop a proposal on how best to implement a County cable channel, including: addressing budget, technology, contract, and staffing issues; working with cable franchise providers; and establishing a video library. On November 1, 2005, this Office presented your Board with a plan consistent with your Board's desire to launch a County Channel that could reach the broadest possible audience in the most time-efficient manner. That plan detailed the specific strategies and overall implementation approach. An updated implementation approach is outlined below that builds and expands upon the existing assets and resources of the County, to achieve the goals of your Board with the greatest efficiency and effectiveness. In addition, a recommended organizational and management structure is proposed for the County Channel Plan.

Interim ordinance authority is requested under County Code Section 6.06.020 for a Special Services Assistant V and Management Secretary IV to support the recommended organization and management structure detailed under "Facts and Provisions/Legal Requirements."

Start-up costs for the County Channel Plan will include expenses for alterations and improvements to office space located in the fourth floor of the Kenneth Hahn Hall of Administration. Consultant assistance will be required to design and determine the cost of specialized office space to accommodate necessary facilities to operate the County Channel. Funding for the consultant will be provided from the Cable Television Franchise Fund (Cable Fund) and other funds previously approved by your Board. Per Board policy, any alterations and improvements for the County Channel Plan above \$100,000 will require your Board's approval.

Implementation of Strategic Plan Goals

The implementation of a County Channel will provide cable subscribers with access to quality and timely information on County government, including important services provided. Proposed organizational changes will ensure that the mutually-dependent cable regulatory function and channel operations and productions function are integrated within the same unit in the most cost-effective approach. Therefore, the proposed County Channel Plan is consistent with the County Strategic Plan Goals of Service Excellence, Organizational Effectiveness, and Fiscal Responsibility.

FISCAL IMPACT/FINANCING

On an ongoing basis, we estimate approximately \$2.0 million in additional cost (including salaries and employee benefits, services and supplies, and fixed assets) related to implementation of the County Channel. For FY 2006-07, assuming initiation of key activities in October, the added cost related to the County Channel is estimated not to exceed \$1.9 million; of this amount, \$316,000 will be for one-time expenses. Significant expenses related to the County Channel are already budgeted (estimated at \$2.2 million), including telecast of the Board meetings budgeted under the Executive Officer, Board of Supervisors, the cable franchising and regulation in the Department of Consumer Affairs (DCA) and the two staff persons and ancillary supplies and services from Internal Services Department (ISD), as well as current budget allocations for contractual services (e.g., Network Television Time, coverage of Ford Theatre events, the Arts Commission Holiday celebration, and telecast of the Board of Supervisors on KLCS-Channel 58). Incremental and total costs related to the County Channel are reflected on Attachment I.

Just as existing cable-related and Board meeting telecasting services are funded via the Cable Fund, from cable franchise fees paid to the County by cable companies,

we recommend that additional costs related to the County Channel be similarly funded. Cable companies pay the County approximately \$4.5 million in cable franchise fees annually; and currently 50 percent of those fees is directed to the Cable Fund and the other 50 percent is directed to the County General Fund. We anticipate the existing revenue stream and available fund balance of approximately \$6.0 million in the Cable Fund, as well as \$1.0 million from Provisional Financial Uses approved by your Board during Final Changes will cover first-year (FY 2006-07) operating and start-up costs, which will include alterations and improvements for office space previously mentioned.

Allocation of funds and personnel will be detailed in the Supplemental Resolution to the FY 2006-07 budget, which will include:

- Salaries and Employee Benefits, Services and Supplies, and Fixed Assets for the proposed Cable and Telecommunications Division within the CAO, including the Special Services Assistant V, and Management Secretary IV items.
- Transferring two Electronic Audio Specialist positions and ancillary services and supplies from ISD; and
- Transferring six Cable TV Franchise Services staff and related expenses from DCA.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Recommended County Channel Plan

Alternative approaches for a County Channel were considered before the recommended approach became self-evident with unparalleled benefits for the County and its constituents. The approach which our expert consultant has recommended simultaneously gives the County control and flexibility. The County Channel would be under the control and management of the County and would build upon existing expertise and resources with streamlined staffing consisting primarily of contractors for maximum flexibility. The benefit to constituents who are cable subscribers is a County Channel that is available countywide and capable of offering programming "on demand" (Video on Demand or VOD) so that each cable subscriber may select the programming of his/her choice. These are significant, landmark opportunities available uniquely at this time because of the recent agreement reached with Time Warner Cable.

Updated Implementation Approach to the Cable Channel Plan

On November 1, 2005, this Office provided your Board with a proposed timetable for implementation of the County Channel. Since that time, the timetable has changed slightly due to prolonged negotiations with cable companies and unanticipated events.

On March 7, 2006, your Board approved the transfer of ownership of all County cable franchises held by Adelphia and Comcast to Time Warner. The corporate transactions that will effectuate these transfers are anticipated to occur in late 2006. Attachment II provides an updated timetable for the County Channel and incorporates these developments. In summary, the proposed implementation is as follows:

60 – 180 Days

- Pursue the innovative use of Video on Demand (VOD) to deliver a County Channel via pilots in Canyon Country, North Torrance, and Stevenson Ranch with Time Warner Cable (11,000 subscribers).
- Launch an analog version of the County Channel in Santa Monica, which is available now allowing the County to test this initial implementation on a manageable scale (24,000 subscribers).

180 + Days

- Expand Time Warner VOD pilot to other Time Warner owned and controlled systems (100,000 subscribers + 330,000 subscribers post-transfer).
- For the City of Los Angeles subscribers, consider interconnection, as appropriate, to the VOD system launched by Time Warner or via the Santa Monica gateway to the “LA City Interconnect” (615,000 subscribers).

One Year

- Expand to all remaining cities and unincorporated areas, via VOD or analog based on capability and willingness of cable companies (322,000 subscribers).

In total, over 1.4 million cable subscribers countywide will be able to view County programming. The Plan assumes, however, that the County will continue to carry Board of Supervisors’ meetings on KLCS – broadcast Channel 58 and Webcast those meetings on the County Web site for those viewers who do not subscribe to cable.

Proposed Organization

The proposed organizational and management structure is to create a new division entitled “Cable and Telecommunications” (“CAT”) within this Office. This unit will be headed by a Special Services Assistant V with direct access to the Chief Deputy Administrative Officer and Chief Administrative Officer. As illustrated in Attachment III, the organizational structure would consist of this Manager overseeing two distinct, but inextricably linked units: 1) **Policy, Planning, and Regulation**, and 2) **Operations and Production**. In the interim, Susan Herman, our consultant who is currently directing this effort will head and

direct this operation, reporting through an existing senior Chief Administrative Office (CAO) manager. A full-time County employee will be recruited for the new organization on an ongoing basis.

Policy, Planning, and Regulation: The existing Cable Television Franchise unit of DCA would be integrated into the new CAT Division as the Policy, Planning, and Regulation unit; this would involve the transfer of six existing budgeted positions from DCA to the CAO.

Operations and Production: This unit will handle ongoing production, operations and VOD encoding responsibilities associated with the County Channel. At the outset, expert contract staff will be utilized to fulfill these roles. Based on experience, a few of these positions may eventually be filled with permanent County employees who will manage the technical experts which will continue to be hired on an as-needed basis. This will depend upon allocation of appropriate County classifications and recruitment of qualified personnel. This approach will provide the County flexibility to refine and expand staffing and operations based on the actual content and scope of the Channel.

In addition, two technicians from ISD currently providing technical/audio services and support for the Board and related public meetings will be needed for this unit. The responsibilities of these two incumbent ISD staff are complementary to the County Channel operations. Integration and cross-training of these two positions will achieve streamlined efficiencies and avoid duplicative efforts and costs. These positions will continue to provide all support and services currently provided to the Board of Supervisors, CAO Public Information Officer, and at the Kenneth Hahn Hall of Administration

Existing Board Telecast Contract With NTT: The existing contract with NTT for telecasting and Webcasting Board meetings comprises a key foundation for the new County Channel and, it is our intent to build upon the expertise, background and experience of this long-term County contractor as an integral part of the Channel. Indeed, as the content and production strategy for the Channel develops, NTT may be requested to provide expanded services in this regard. Given the inextricable linkage between the Board telecast operations and the wider content of the proposed County Channel, the NTT contract will be transferred to the CAO and managed under the new CAT.

Public Information Officer: The CAO's Public Information Officer (PIO) serves a critical role in coordinating delivery of the County's message to the wider community. We believe that the County Channel will enhance the PIO's ability to meet this objective and we will work to ensure that the continuing and expanded needs of the PIO in this regard are met through a close, cooperative working relationship with the County Channel.

Channel Advisory Board: To ensure coordination, guidance, and appropriate input from those within the County who have a unique role and interest in the County Channel, creation of a "Channel Advisory Board" (CAB) is proposed. The CAB would be composed of press deputies from each of the five Board offices, the CAO's PIO, and the head of the new CAT Division. The leadership of the CAB would routinely rotate among its members. Their ongoing guidance and advice will assist in establishing the County Channel, its productions, and help ensure its continued success.

PROW Advisory Committee: Additionally, to ensure coordination among the County entities that have policy, regulatory, and/or planning responsibilities related to County's public rights-of-way (PROWs), a PROW Advisory Committee is also proposed. Members may include representatives from entities such as: CAT, County Counsel, Public Works, CAO (pipelines, real estate), Internal Services, Regional Planning, Beaches and Harbors, and Parks and Recreation, among others.

In summary, the purpose of the proposed CAT organization within the CAO and the two advisory boards (CAB and PROW) is to:

- Ensure a coordinated approach;
- Protect and preserve public benefits, revenues and County authority;
- Reduce costly duplication or overlap of responsibilities;
- Focus expertise and synergistically leverage County resources; and
- Retain a "lean and mean" operation, to remain agile and responsive to ever-changing demands and technical advances.

Existing County Resources

All County departments were recently surveyed regarding any programming or Public Service Announcements they currently have that may possibly be aired on the County Channel. In addition, the survey requested information on any resources departments currently possess that may assist the County Channel, such as equipment, facilities, production staff, and funding.

A majority of departments indicated they have and/or were interested in producing programming to be aired on the County Channel, while only a few departments indicated they had equipment, facilities, production staff, and/or funding that may be partially available for limited use by the County Channel. These resources include the Department of Public Social Services (DPSS) multimedia personnel and studio facility in El Monte, which is pending equipment upgrades and additional provisioning, as well as equipment and personnel dedicated for media services at the Sheriff's Department, Child Support Services (CSSD), and Fire Department. Because these resources are dedicated primarily to fulfill the respective mandates of these departments, they cannot be considered fully

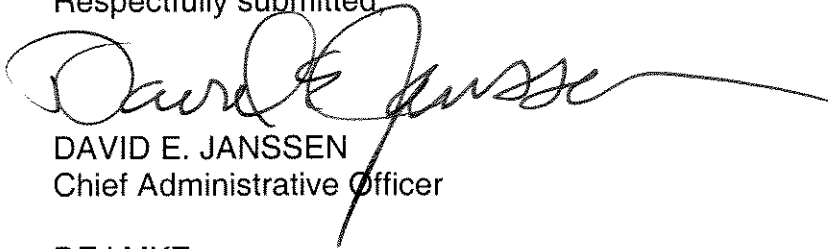
Honorable Board of Supervisors
July 25, 2006
Page 7

available to a County Channel operation. These resources may supplement – but cannot supplant – those needed for the County Channel. The Sheriff, DPSS, CSSD, and Fire, however, will be able to use their resources to produce programming to air on the County Channel, so that the complimentary resources of the County Channel can be focused on productions for your Board and the many other County departments and commissions.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The approval of the County Channel Plan and its subsequent implementation will benefit County residents significantly by offering them dynamic and powerful access to County government. The public will be afforded access to live Board meeting coverage, timely public information, and informative programming on services and public benefits offered by County government.

Respectfully submitted

A handwritten signature in black ink, appearing to read "David E. Janssen", with a long horizontal flourish extending to the right.

DAVID E. JANSSEN
Chief Administrative Officer

DEJ:MKZ
DS:JR:ib

Attachments (3)

c: All Department Heads
Susan Herman, Consultant

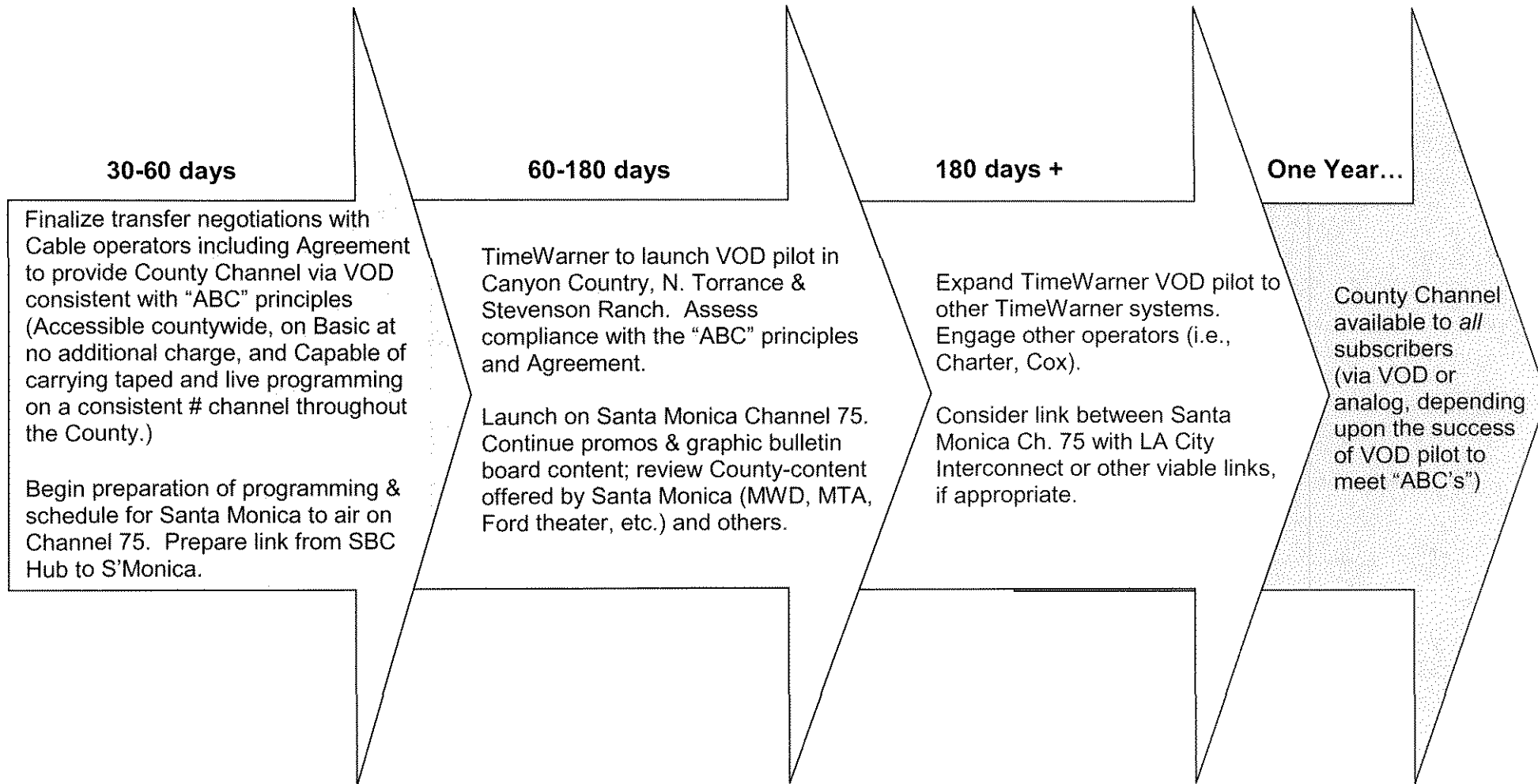
**LOS ANGELES COUNTY CHANNEL
FY 2006-07 START-UP AND ANNUAL ON-GOING COSTS**

	START-UP YEAR (FY 2006-07)				ANNUAL ON-GOING		
	EXISTING	EXPENSES		TOTAL	EXISTING	NEW	TOTAL
		ON-GOING	ONE-TIME				
Cable & Telecommunications Division							
Management & Support Staff (2 Pos)		208,000		208,000		277,000	277,000
Services & Supplies		23,000		23,000		30,000	30,000
Policy, Planning, & Regulation Unit							
Management and Staff (6 pos)	416,000			416,000	554,000		554,000
Audit of Cable Companies	85,000			85,000	85,000		85,000
Expert Legal Counsel	90,000			90,000	90,000		90,000
Misc Services & Supplies	23,000			23,000	30,000		30,000
Channel Operations Unit							
Electronics Audio Specialists (2 pos)	146,000			146,000	194,000		194,000
Contract Services		476,000		476,000		635,000	635,000
NTT - BoS Meeting Coverage (Contract)	300,000			300,000	400,000		400,000
Technical Consultant	38,000			38,000	50,000		50,000
Production		649,000		649,000		865,000	865,000
LAUSD - Telecast Meeting	165,000			165,000	220,000		220,000
5th District - Pasadena Community Access/Altadena Council	10,000			10,000	10,000		10,000
Arts Commission Holiday Celebration	332,000			332,000	332,000		332,000
Ford Theater	40,000			40,000	40,000		40,000
Misc Services & Supplies		23,000		23,000		30,000	30,000
Audio/Video Equipment			314,000	314,000			
Other (i.e. lighting, telephone utilities, maintenance)	110,000	158,000	2,000	270,000	147,000	211,000	358,000
TOTAL	\$ 1,755,000	\$ 1,537,000	\$ 316,000	\$ 3,608,000	\$ 2,152,000	\$ 2,048,000	\$ 4,200,000
			\$1,853,000				

*NOTE: Because anticipated start date is October 2006, start-up year expenses reflect only 9 months.

Timetable for County Channel

ATTACHMENT II



VOD Pilot - 3 Areas + 11,000 subs

Santa Monica + 24,000 subs

Other TW cities in County (excl. LA) + 100,000 subs

LA City interconnect, incl. TW & others + 615,000 subs

Post transfer add'l TW systems in County + 330,000 subs

Charter, Cox & others (all unincorp & cities) + 322,000 subs

New organization & consolidation:

