



**LACEY CITY COUNCIL
WORKSESSION
THURSDAY, DECEMBER 8, 2022
6:00 P.M. – 8:30 P.M.
REMOTE AND IN PERSON**

The Lacey City Council Worksession will be conducted both remote and in person.

The public may attend the meeting in person in the Council Chambers at Lacey City Hall, 420 College Street SE, Lacey, Washington, or you may view or listen to the meeting by using one of the following platforms:

Live through Zoom: <https://us02web.zoom.us/j/89784464975>

Live or as a recording on YouTube: https://youtu.be/efl7-N_IUnw

Listen via telephone: (888) 788-0099 or (877) 853-5247 (Webinar ID 897 8446 4975)

The public may submit written public comments by email to publiccomment@ci.lacey.wa.us. Written comments will be provided to the City Council electronically prior to the meeting. Comments will not be addressed during the meeting; however, comments received will be added to the official record. The comment period will close at **4:00 p.m. on December 8, 2022.**

AGENDA

- 6:00 GREG CUOIO PARK PHASE 1A UPDATE**
JENNIFER BURBIDGE, PARKS, CULTURE & RECREATION DIRECTOR
JULIET VONG, HBB LANDSCAPE ARCHITECTS
(PRESENTATION)
- 6:30 FRANZ ANDERSON ROAD PERMANENT SUPPORTIVE HOUSING PROJECT**
RICK WALK, COMMUNITY & ECONOMIC DEVELOPMENT DIRECTOR
(BRIEFING)
- 7:00 OLYMPIC REGION CLEAN AIR AGENCY**
JEFF JOHNSTON, EXECUTIVE DIRECTOR, ORCAA
STEVE BROOKS, CHIEF, LACEY FIRE DISTRICT 3
(PRESENTATION)
- 7:30 RESERVE DESIGNATION DISCUSSION**
TROY WOO, FINANCE DIRECTOR
(STAFF REPORT)
- 8:00 TELEVISION PRODUCTION AND PROGRAMMING SERVICES**
SHANNON KELLEY-FONG, ASSISTANT CITY MANAGER
(STAFF REPORT)
- 8:30 ADJOURN**



LACEY CITY COUNCIL WORKSESSION December 8, 2022

SUBJECT: Reserve Designations Discussion

RECOMMENDATION: Review proposed committed reserve designations.

STAFF CONTACT: Scott Spence, City Manager ^{SS}
Troy Woo, Finance Director ^{TW}

ORIGINATED BY: Troy Woo, Finance Department

ATTACHMENTS: 1. [Ordinance No. 1609 \(current reserve designations\)](#)

FISCAL NOTE:

PRIOR REVIEW: Finance & Economic Development Committee on November 22, 2022

BACKGROUND:

The Governmental Accounting Standards Board (GASB) issued Statement No. 54 during February 2009. Since that time, the City Council has taken actions to commit certain fund balances in alignment with City's priorities and vision. Since the current designations were adopted: (1) there are additional fund balances available for the City Council to designate, (2) some designations have been expended as intended, and (3) new priorities have been identified. The most notable priority is the new Police Station. Reprioritizing certain committed reserves to fund the construction of the new Police Station was discussed during the October 6, 2022, Budget Workshop.

GASB Statement No. 54 provides the following classifications for fund balances:

- **Nonspendable**
 - This classification includes fund balances that are not in a spendable form, such as inventories, long-term receivables, and property held for resale. Fund balances that are legally or contractually required to remain intact, such as a corpus of a permanent fund, are also included in this classification.

- **Restricted**
 - Restricted fund balances include resources that are constrained for a specific purpose by external parties, constitutional provisions, and enabling legislation. Contractual agreements and bond covenants are examples of external parties that could require constraints that would be considered restricted fund balances.

- **Committed**
 - Committed fund balances include resources that are constrained by the highest level of decision-making authority of a government. For the City of Lacey, the highest level is the City Council.

- **Assigned**
 - Amounts that are intended to be used for a specific purpose would be considered assigned fund balance. The intent is expressed by the governing body, a subcommittee, or an official authorized by the governing body.

- **Unassigned**
 - Unassigned fund balances are available for any purpose. All remaining fund balances will automatically be classified as unassigned.

The fund balances that will be reported as nonspendable and restricted are classified automatically by the nature of the fund balance, so City Council action is not required to classify fund balances as nonspendable or restricted.

Authorization to classify fund balances as committed is limited to the City Council as the governing board. To classify fund balances as committed, the City Council must take formal action. The City Council has full discretion regarding the committed fund balances, but the action must meet specific purpose criteria standards. Committing fund balance to a specific project such as the replacement of a building meets the criteria, but a generic rainy day (stabilization) reserve does not meet the criteria. To meet the specific purpose criteria the formal action needs to identify and describe with sufficient detail the specific circumstances under which a need for restriction occurs. For example, a City Council formal action that constrains \$1 million for a rainy day fund to be used only in an emergency is not allowed to be reported as a committed fund balance. This action does not provide sufficient detail to determine what would constitute an emergency. In addition, the following rules apply to committed fund balances:

- A committed fund balance constraint imposed by the City Council can only be changed or removed by the same formal action.

- In order to be reported on the face of the annual financial statements, the constraints must be adopted prior to the end of the fiscal year to be reported.

- The adoption of the budget document does not qualify as formal action to constrain the resources, because the budget authorization is only for one year.

Assigned fund balances include amounts that are *intended* to be used for specific purposes. This intent can be expressed by the City Council, a City Council Committee, or an official authorized by the governing body such as the City Manager. The residual amounts in governmental funds other than the General Fund are considered assigned. Governmental funds include the General, special revenue, capital, debt service, and special assessment funds. For example, the residual fund balance in the Street Fund (special revenue) will be considered assigned for street and transportation purposes.

Historically, the City Council previously authorized the City Manager and City Finance Director to assign funds based on the intent expressed by the City Council. Staff recommends the same provision be included in the next ordinance.

Unassigned fund balances include all the remaining fund balances. Unassigned fund balances can be used for any purpose and typically are only reported in the General Fund.

Staff will present suggested committed fund balance designations to the City Council on December 8, 2022, and will receive any direction for changes before the full City Council considers an updated committed reserve ordinance on December 15, 2022. To provide timely guidance for the City's 2022 annual financial report, it is necessary for the City Council to adopt a new reserve designation ordinance prior to December 31, 2022.

ADVANTAGES:

1. Review and adoption of the ordinance will help ensure the City's financial reporting remains compliant with GASB Standards and Generally Accepted Accounting Principles (GAAP).
2. The City's Annual Comprehensive Financial Report (ACFR) will more accurately reflect the City Council's vision and intent.
3. Periodic reviews by the City Council will better align fund balances with the annual priorities included and long-term goal and vision of the City and will ensure the City Council's commitments are still valid.

DISADVANTAGES:

1. None identified.

ORDINANCE NO. 1609

CITY OF LACEY

AN ORDINANCE ESTABLISHING FUND BALANCE DESIGNATIONS AS PROVIDED BY GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NO. 54 AND APPROVING A SUMMARY FOR PUBLICATION.

WHEREAS, the Governmental Accounting Standards Board ("GASB") Statement No. 54 establishes the standard for governmental fund balance reporting and governmental fund balance type definitions, and

WHEREAS, fund balance measures the net financial resources that are available for future expenditures, and

WHEREAS, the City Council finds it beneficial to designate certain fund balances as Committed for specific purposes or projects and that the City Manager or Finance Director be authorized to designate certain other fund balances as Assigned for a specific purpose,

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, as follows:

Section 1. Ordinance No. 1575, an ordinance of the City of Lacey, Washington, establishing fund balance designations as provided by Governmental Accounting Standards Board Statement No. 54, is hereby rescinded.

Section 2. The fund balances of the City of Lacey designated in this Ordinance are committed for the specific purpose indicated. Amendments or modifications of the committed fund balances set forth herein shall require formal action by the City Council.

Section 3. The City Council authorizes the City Manager or City Finance Director to categorize other fund balances as assigned in order to carry out the intent of the City Council.

Section 4. The following portions of its December 31, 2021 governmental fund balances are considered committed:

Fund 001 (Current Expense):

- \$ 3,000,000 is committed for Budget Policy
- \$ 8,000,000 is committed for Gateway Project
- \$ 2,800,000 is committed for Strategic Investment
- \$ 300,000 is committed for College Street Pedestrian Crossing
- \$ 423,537 is committed for Mental Health & Social Services Outreach Team
- \$ 700,000 is committed for Mental Health&Drug Addiction Services Partnership
- \$ 650,000 is committed for Oxford House Model
- \$ 1,100,000 is committed for Police Station Facility

- \$ 1,601,000 is committed for Succession Planning (Police)
- \$ 200,000 is committed for Security Cameras
- \$ 600,000 is committed for Police Body Worn Cameras
- \$ 125,000 is committed for Police Staffing
- \$ 475,000 is committed for LERMS Records Management System Upgrade
- \$ 500,000 is committed for 5700 Pacific Property Improvements
- \$ 250,000 is committed for Trail System (Bike/Pedestrian Plan)
- \$ 1,300,000 is committed for Parks & Recreation Comprehensive Plan Priorities
- \$ 600,000 is committed for Regional Athletic Complex Operations & Maint.
- \$ 200,000 is committed for Insurance Deductibles
- \$ 1,000,000 is committed for City Hall Facility
- \$ 100,000 is committed for City Council Virtual Meeting Upgrades
- \$ 250,000 is committed for Workspace/Remote Work/Virtual Tech. Upgrades
- \$ 500,000 is committed for Capital Equipment Replacement
- \$ 260,000 is committed for Energy Conservation Projects (CR2 Plan)

Fund 003 (Criminal Justice):

- \$ 1,600,000 is committed for Future Police Station Improvements
- \$ 400,000 is committed for Police Labor

Fund 005 (Community Buildings):

- \$ 67,500 is committed for Furniture and Equipment Replacement
- \$ 500,000 is committed for Community Buildings Repairs

Fund 007 (Regional Athletic Complex M&O):

- \$ 500,000 is committed for Regional Athletic Complex Field Replacement

Fund 101 (City Streets):

- \$ 350,000 is committed for Street Buildings Repair/Replacement
- \$ 400,000 is committed for Transportation Equipment and Improvements
- \$ 500,000 is committed for College Street Pedestrian Crossing
- \$ 1,000,000 is committed for Transportation Facility Improvements/Expansion

Fund 302 (Capital Equipment):

- \$ 500,000 is committed for Capital Equipment Replacement
- \$ 385,000 is committed for Park Facilities Repair/Replacement
- \$ 695,000 is committed for Regional Athletic Complex Field Replacement
- \$ 805,000 is committed for Regional Athletic Complex Parking Lot
- \$ 150,000 is committed for Park Security Cameras
- \$ 500,000 is committed for IMS Communications Repair/Replace/Extension

Fund 301 (Building Improvement):

- \$ 250,936 is committed for Public Art
- \$ 1,137,500 is committed for City Facility Repair/Replacement
- \$ 300,000 is committed for Parks & Recreation Comprehensive Plan Priorities
- \$ 1,500,000 is committed for Capital Facilities Plan Projects
- \$ 350,000 is committed for Senior Center Repairs/Replacement

Fund 303 (Parks and Open Space):

\$ 45,635 is committed for Parks & Recreation Comprehensive Plan Priorities

Fund 307 (Regional Athletic Complex Capital):

\$ 500,000 is committed for Regional Athletic Complex Lifecycle Replacements

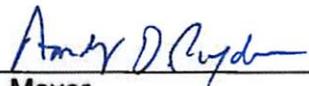
\$ 1,500,000 is committed for Regional Athletic Complex Parking Lot

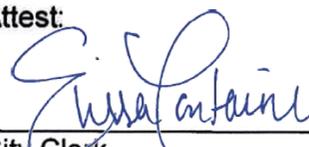
Section 5. Corrections. The City Clerk and the codifiers of this ordinance are authorized to make necessary corrections to this ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

Section 6. The summary attached hereto is hereby approved for publication.

PASSED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, at a regularly called meeting thereof, held this 16th day of December, 2021.

CITY COUNCIL

BY: 
Mayor

Attest:
 for
City Clerk

Approved as to form:

City Attorney

Published: December 20, 2021

SUMMARY FOR PUBLICATION

ORDINANCE NO. 1609

CITY OF LACEY

The City Council of the City of Lacey, Washington, passed on December 16, 2021, Ordinance No. 1609 entitled **"AN ORDINANCE ESTABLISHING FUND BALANCE DESIGNATIONS AS PROVIDED BY GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NO. 54 AND APPROVING A SUMMARY FOR PUBLICATION."**

The main points of the Ordinance are described as follows:

1. The Ordinance rescinds Ordinance No. 1575.
2. The Ordinance restricts amendments or modifications of committed fund balances to formal action by the City Council.
3. The Ordinance authorizes the City Manager and Finance Director to categorize fund balances as assigned.
4. The Ordinance commits portions of governmental fund balances.
5. The Ordinance approves this Summary for Publication.

A copy of the full text of this ordinance will be mailed without charge to any person requesting the same from the City of Lacey.

Published: December 20, 2021



LACEY CITY COUNCIL WORKSESSION
December 8, 2022

SUBJECT: Television Production and Programming Services

RECOMMENDATION: Proceed with a one-year contract for Government and Education Services and 500 Production Support Hours with TCMedia. Continue to evaluate in-house options for Government services in 2023 for 2024.

ALTERNATIVE: Explore a one-year extension to the existing contract with TCMedia for 2023. Continue to evaluate in-house options for Government services in 2023 for 2024.

STAFF CONTACT: Scott Spence, City Manager *SS*
Shannon Kelley-Fong, Assistant City Manager *SKF*

ORIGINATED BY: City Manager’s Department

ATTACHMENTS: None

FISCAL NOTE: Depending on direction, \$75,000 to \$270,000. Recommendation would total between \$75,00 to \$101,000 in 2023.

WORK PLAN GOAL AND STRATEGY: AN ENGAGED COMMUNITY

COMM. PLAN: Goal 2

PRIOR REVIEW: City Council Regular Meeting – 09.08.2022

BACKGROUND:

This fall, the cities of Lacey, Olympia, and Tumwater, with Thurston County (“Jurisdictions”) collaboratively solicited, through a Request for Proposal (RFP) process, for proposals for a Designated Service Provider for Public, Education, and Government (PEG) television production and programming services for each respective jurisdiction.

The joint RFP was issued in mid-September and closed in mid-October. The RFP was designed in a “à la carte” style asking potential Designated Service Providers to identify what PEG-related services they were interested in providing and their associated costs. The RFP outlined that potential Designated Service Providers do not need to provide all elements of PEG services to be considered. The Jurisdictions would then individually determine what services best fit their respective organization. The RFP also emphasized that the Jurisdictions were “interested in innovative and sustainable ways to provide production, programming, and other PEG services to their communities.” Notably, as part of the RFP process, each jurisdiction reserved the right to select its own contractor through this process, as well as the right to not enter into an agreement through this process. In addition to the RFP, the City of Lacey (“City”) also evaluated in-house options for providing government television services.

In response to the RFP, there was one proposal submitted by TCMedia. The proposal is described in more detail below.

CABLE FRANCHISE AGREEMENTS: Each of the Jurisdictions have 10-year franchise agreement with Comcast Cable Communications, LLC (“Comcast”) to provide cable television services to residents. The current franchise agreements expire in 2031. These cable franchises are non-exclusive, and as such, the Jurisdictions may enter into additional cable franchise agreements in the future with other cable providers.

The Cable Communications Policy Act of 1984, the Cable Television Consumer Protection and Competition Act of 1992, and the Telecommunications Act of 1996 authorize cable franchising authorities, like the Jurisdictions, to establish franchise requirements for facilities and equipment, and to require channel capacities for public, educational, and governmental (PEG) use from franchised cable companies. Lacey’s existing franchise agreement with Comcast outlines the provision of these types of services in Section 9, Access. Pursuant to Section 9.5 of the Comcast franchise agreement, Comcast provides the City with “thirty cents (\$0.30) per month per Residential Subscriber (the “PEG Contribution”) to be used solely for capital costs related to Public, Educational and Governmental Access, or as may be permitted by Applicable Law.”

PUBLIC, EDUCATIONAL AND GOVERNMENTAL ACCESS (PEG): PEG is described by the Federal Communication Commission (FCC)¹ as the following:

“Pursuant to Section 611 of the Communications Act, local franchising authorities may require cable operators to set aside channels for public, educational, or governmental (“PEG”) use.

Public access channels are available for use by the general public. They are usually administered either by the cable operator or by a third party designated by the franchising authority.

Educational access channels are used by educational institutions for educational programming. Time on these channels is typically allocated among local schools, colleges and universities by either the franchising authority or the cable operator.

Governmental access channels are used for programming by local governments. In most jurisdictions, the local governments directly controls these channels.

¹ [Public, Educational, and Governmental Access Channels \(“PEG Channels”\) | Federal Communications Commission \(fcc.gov\)](https://www.fcc.gov/record/public-educational-and-governmental-access-channels-peg-channels)

PEG channels are not mandated by federal law, rather they are a right given to the franchising authority, which it may choose to exercise. The decision whether to require the cable operator to carry PEG channels is up to the local franchising authority. If the franchise authority does require PEG channels, that requirement will be set out in the franchise agreement between the franchising authority and the cable operator.

Franchising authorities may also require cable operators to set aside channels for educational or governmental use on institutional networks, i.e., channels that are generally available only to institutions such as schools, libraries, or government offices.

Franchising authorities may require cable operators to provide services, facilities, or equipment for the use of PEG channels.

In accordance with applicable franchise agreements, local franchising authorities or cable operators may adopt on their own, non-content-based rules governing the use of PEG channels. For example:

- Rules may be adopted for allocating time among competing applicants on a reasonable basis other than the content of their programming.
- Minimum production standards may be required.
- Users may be required to undergo training.

Federal law permitted a cable operator to prohibit the use of a PEG channel for programming that contains obscene material, sexually explicit conduct, indecency, nudity, or material soliciting or promoting unlawful conduct. However, the U.S. Supreme Court determined that this law was unconstitutional. Therefore, cable operators may not control the content of programming on public access channels with the exception that the cable operator may refuse to transmit a public access program, or a portion of the program, which the cable operator reasonably believes contains obscenity.

PEG channel capacity that is not in use for its designated purpose may, with the franchising authority's permission, be used by the cable operator to provide other cable services. Franchising authorities are directed by federal law to prescribe rules governing when this use is permitted.”

(Emphasis added by City staff)

Figure 1 and Table A provide a preliminary scan from readily available data on PEG services offered by different municipalities in Washington State.²

² Preliminary Staff research including websites, municipal codes, readily available franchise agreements, and [List of public-access TV stations in the United States \(Utah–Wyoming\) - EverybodyWiki Bios & Wiki](#)

FIGURE 1: PEG Services by Washington State Municipalities initial scan

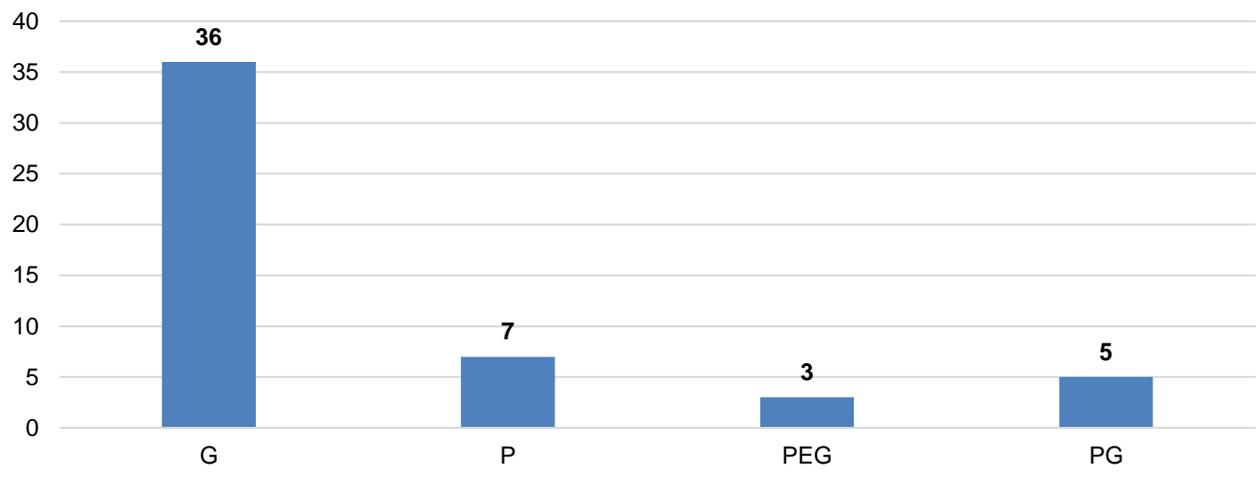


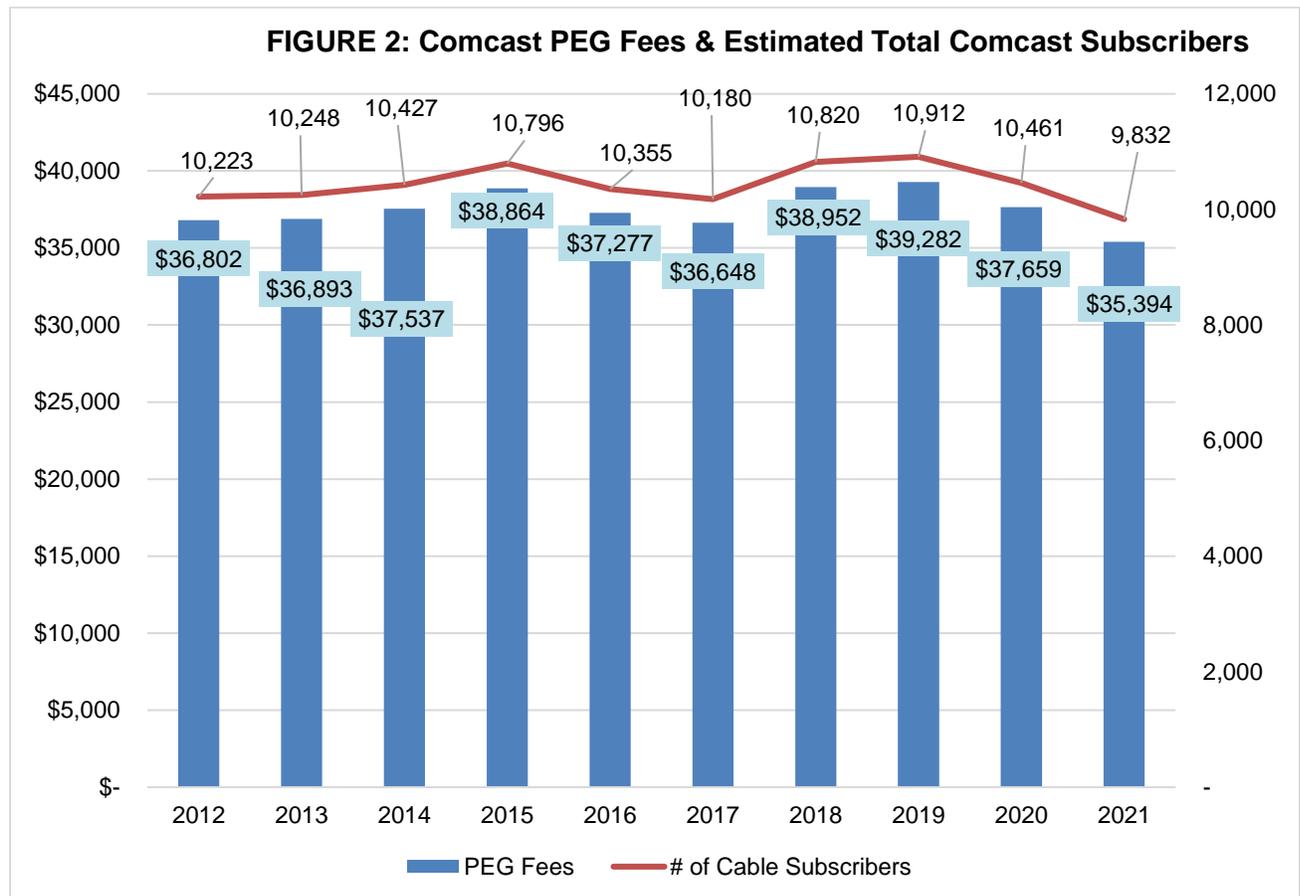
TABLE A					
PEG Services, Franchise Fees and Utility Taxes in Peer Municipalities in Washington State (initial scan)					
Municipality	Population	PEG* ³ P = Public E = Education G =Government N = None U= Unknown	Franchise Fee ⁴ U= Unknown	Utility Tax ⁵	Utility Tax Rate N = None
Yakima	98,200	PG	Y	Y	1%
Bellingham	93,910	PG	Y	Y	6%
Kirkland	93,570	G	Y	Y	6%
Auburn (all)	88,750	G	Y	Y	6%
Kennewick	85,320	U	U	Y	7%
Pasco	80,180	G	Y	Y	8.5%
Redmond	75,270	G	Y	Y	6%
Marysville	72,380	G	Y	N	N
Sammamish	68,150	G	Y	N	N
Lakewood	63,800	N	Y	Y	6%
Richland	62,220	EG	Y	Y	7.5%
Shoreline	60,320	EG	Y	Y	6%
Lacey	58,180	PEG	Y	N	N
Olympia	56,370	PEG	Y	Y	6%
Burien	52,490	G	Y	Y	6%
Bothell (all)	48,940	G	Y	Y	8%
Bremerton	45,220	PG	Y	Y	6%
Puyallup	43,260	G	Y	Y	2.2%
Edmonds	42,980	G	Y	Y	6%
Issaquah	40,950	G	Y	Y	3%

³ Preliminary Staff research including websites, municipal codes, readily available franchise agreements, and [List of public-access TV stations in the United States \(Utah–Wyoming\) - EverybodyWiki Bios & Wiki](#)

⁴ Cable television franchise agreements are governed by federal law rather than state law and are negotiated with the cable company. Cable TV franchise fees may be levied at a rate up to 5% of gross revenues from the franchise area every year ([47 U.S.C. §542\(a\)](#) and (b)).

⁵ Utility taxes are levied on the gross operating revenues that public and private utilities earn from operations within the boundaries of a jurisdiction. This applies to electric, natural gas, water, sewer, surface water, solid waste, telephone, and cable TV utilities. Legislation passed in 1982 limits the tax rate on electric, gas, steam, and telephone utilities to six percent. The Cable Communication Policy Act of 1984 states that cable tax rates should not be higher than tax rates on other utilities (Tax rate may not be “unduly discriminatory” see [47 U.S.C. §542\(g\)\(2\)\(A\)](#)).

Based on PEG fee data in Lacey, the total estimated number of Comcast subscribers declined from a ten-year high of approximately 10,912 subscribers in 2019 to approximately 10,461 subscribers in 2020 and 9,832 subscribers in 2021, see **Figure 2**. This equates to cable subscription declines of 4.1% and 6% for 2020 and 2021, respectively.



DESIGNATED SERVICE PROVIDER HISTORY: TCMedia has served as the Designated Service Provider since 1986. Under the current agreement (2020-2022), TCMedia operates a public access facility, Thurston Community Television (TCTV), and provides television production services for the City (e.g., helps support the filming of Lacey City Council meetings and large City events, like the Lighted Parade). This agreement expires on December 31, 2022. **Figure 3** depicts the annual cost for TCMedia services from 2011 to 2021.

As part of this agreement, the City contracts for 700 television production hours. These hours are predominately used for City Council meetings. Between 2016 and 2019 (pre-pandemic), the City averaged using 543 hours annually, leaving 157 unused hours, see **Table C**. The category “Other Events” averaged around 113 hours and includes City events but also Saint Martin University’s Les Bailey lecture series.

FIGURE 3: TCMedia Contract Cost 2011-2021

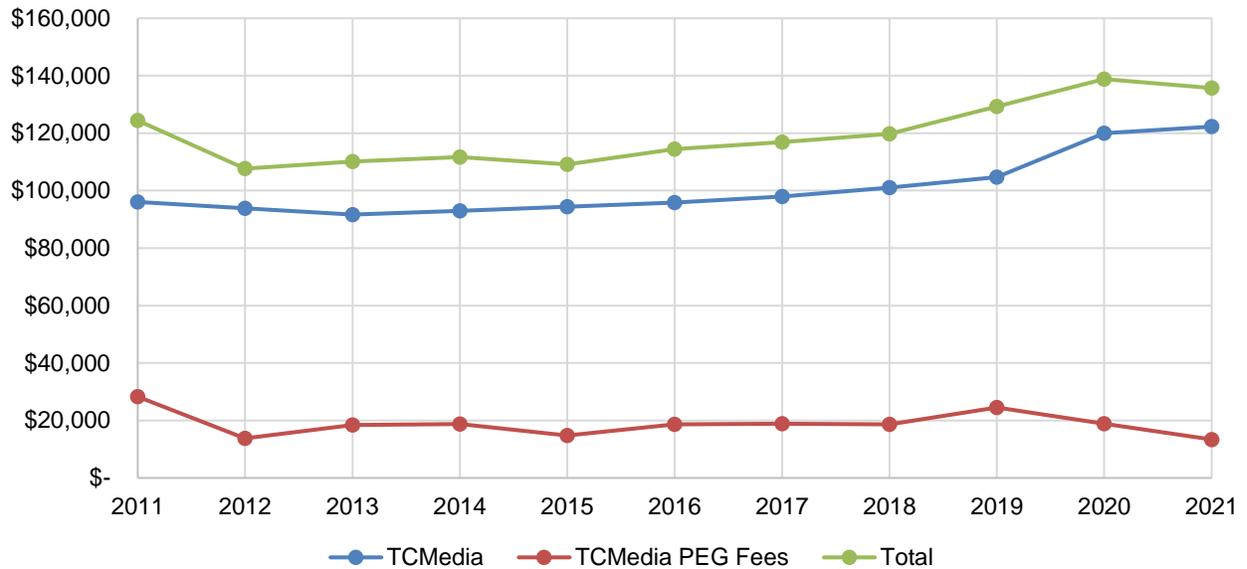


Figure 3: TCMedia Contract Cost 2011-2021

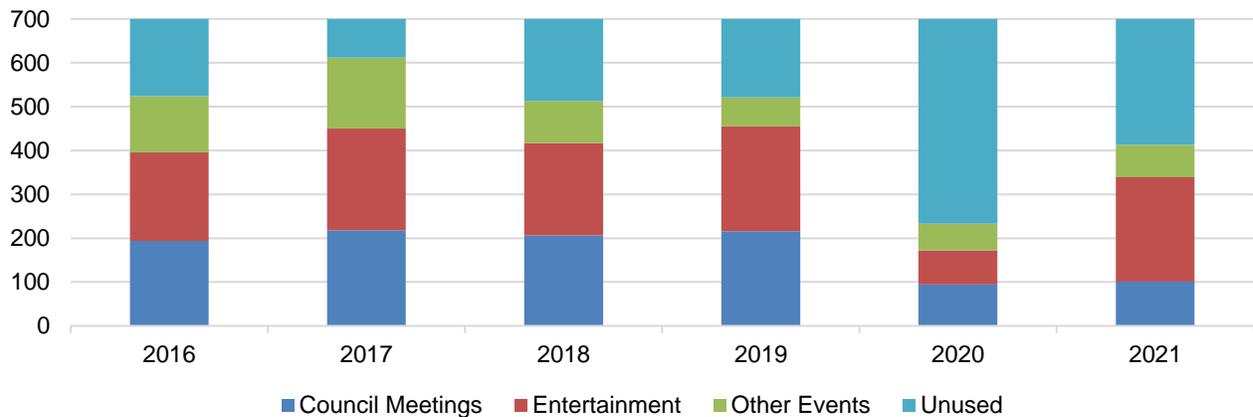


TABLE C

Television Production Hours by Type

Year	Hours Available	Council Meetings	Entertainment	Other Events	Total Used	Unused	Percent Unused
2016	700	193.75	202	128.25	524	176	25%
2017	700	217.8	232.3	161.8	611.8	88	13%
2018	700	206.5	210.2	96.4	513.1	187	27%
2019	700	215.6	239.3	66.6	521.5	179	26%
2020	700	94.8	77.2	61.4	233.4	467	67%
2021	700	100.7	238.4	73.9	413.0	287	41%
Average (16-19)	700	208.4	220.9	113.3	542.6	157.4	22%

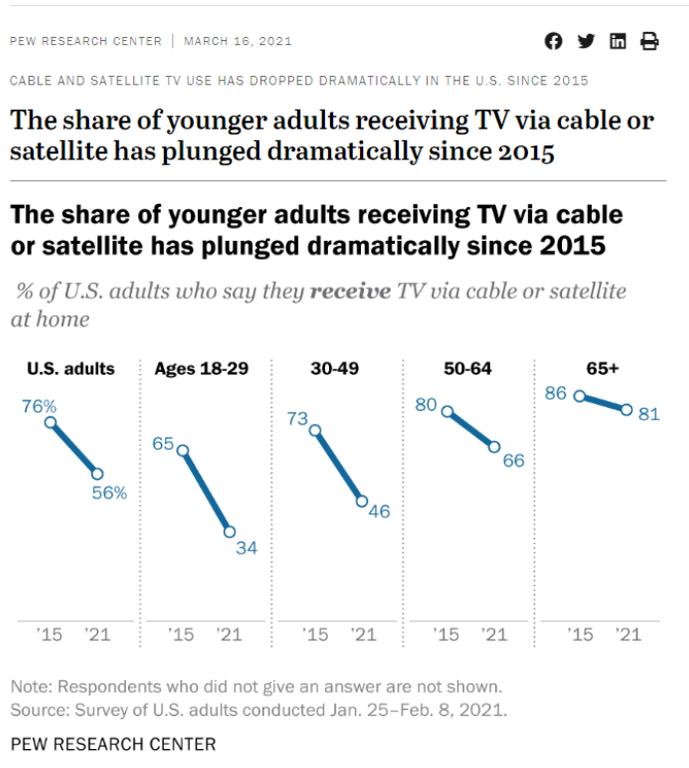
CHANGES TO CABLE TELEVISION: Over the past decade plus, cable and community access television has rapidly changed with the advent of smartphones and other accessible video technologies, as well as the proliferation of social media platforms for communication. At the same time, cable subscribers have declined as more and more consumers are going “cordless” with subscriptions to streaming services.

Per the Pew Research Center in 2021:

“The share of Americans who say they watch television via cable or satellite has plunged from 76% in 2015 to 56% this year, according to a new Pew Research Center survey of U.S. adults. Some 71% of those who do not use cable or satellite services say it’s because they can access the content they want online, while 69% say the cost of cable and satellite services is too high and 45% say they do not often watch TV.”⁶

The Pew Research Center found that young adults have the lowest rate of cable use, see **Figure 2**.

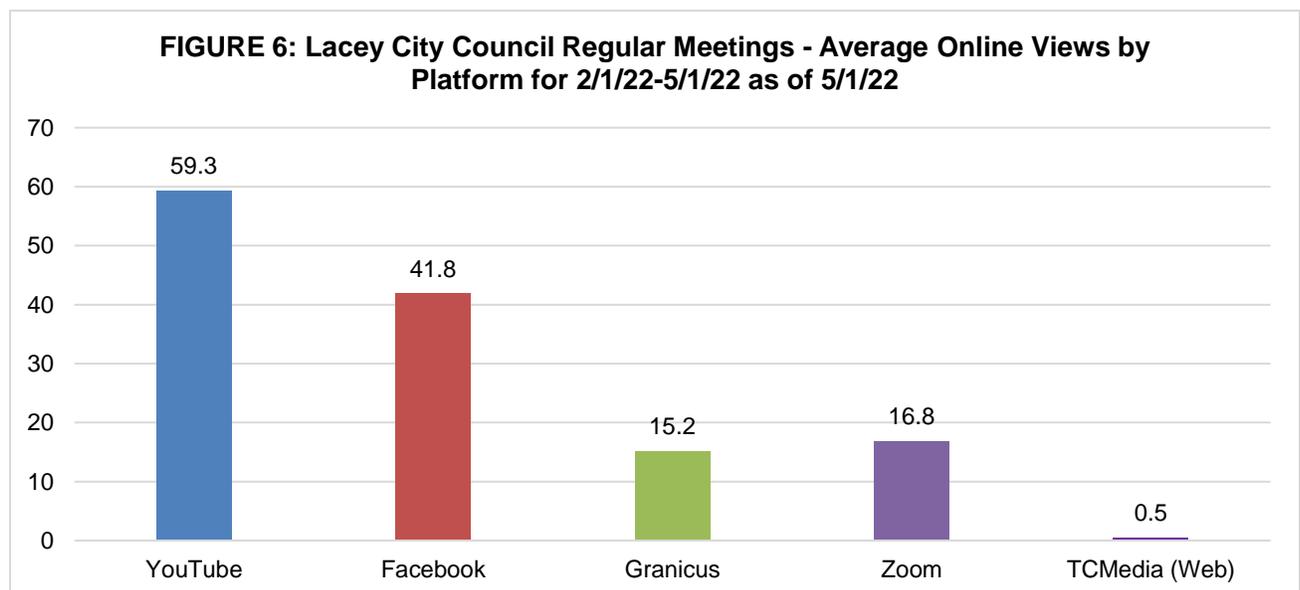
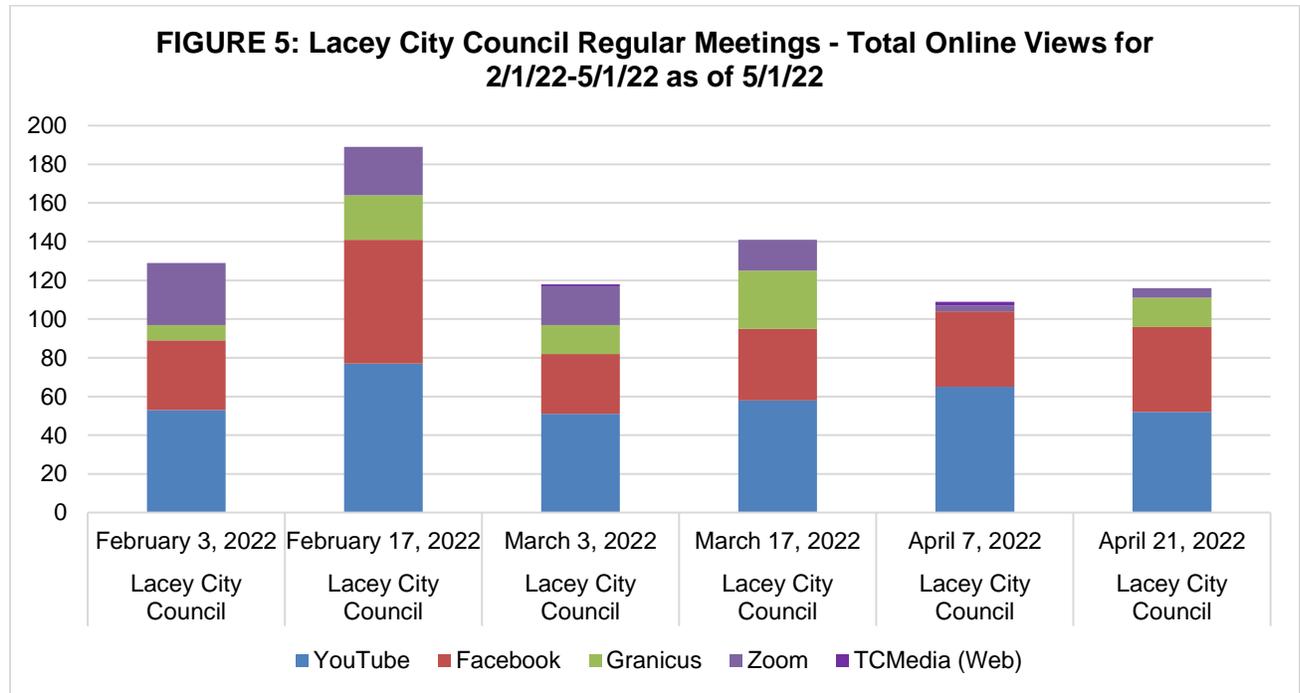
FIGURE 4: Pew Research Center Graph on Cable Users



Unfortunately, there is no readily available information or way to determine local viewership rates of cable television channels, like TCMedia’s PEG channels.

⁶ [Cord cutting has grown since 2015 | Pew Research Center](#)

GOVERNMENT TRANSPARENCY: The City has served as a regional leader in expanding public access to the City’s meetings using online platforms. The City currently provides access to all of its public meetings on its YouTube channel, as well as streaming City Council meetings and other prominent meetings on Facebook live and having all regular City Council meeting videos available on the City’s legislative platform, Granicus. These resources are available live, as well as on-demand, for the general public to watch or re-watch. Unlike cable television, data tracking for online platforms is readily accessible. **Figure 5** and **Figure 6** provide a snapshot of how individuals viewed Regular City Council meetings from February to April 2022.



2023 TC MEDIA PROPOSAL: Through the RFP process, the Jurisdictions received one proposal from TC Media. A committee of representatives from each jurisdiction reviewed the proposal. The committee found that there was limited consideration of “innovative and sustainable ways to provide production, programming, and other PEG services” in the TC Media proposal. While the proposal does allow for the “à la carte” selection of PEG and production support services, the costs for all services in the proposal are significantly higher than those in the previous contract for the same, or in some cases less, services, see **Table D**.

TABLE D

Estimated Contract Costs Per 2023 TCMedia Proposal for PEG and Television Production Services

	Cost per TCMedia Service per Proposal	Lacey	Olympia	Tumwater	Thurston County
Population		58,180	56,370	26,360	284,670
Percent		20%	20%	9%	51%
Government & Education Production & TV Production					
Four (4) Channels (per channel \$55,250)	\$221,000	\$55,250	\$55,250	\$55,250	\$55,250
Production Support (250 @ \$90 per hour)	\$22,500				
Production Support (500 @ \$90 per hour)	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000
Production Support (750 @ \$90 per hour)	\$67,500				
Production Support (1000 @ \$90 per hour)	\$90,000				
Public Access					
Public Access (including Training for Adults & Youth)	\$353,600	\$72,268	\$70,019	\$32,743	\$178,570
Additional Features					
Closed Captioning (per 1000 hours)	\$122,240	\$30,560	\$30,560	\$30,560	\$30,560
ROKU (per channel)	\$12,200	\$3,050	\$3,050	\$3,050	\$3,050
Apple TV (per channel)	\$12,200	\$3,050	\$3,050	\$3,050	\$3,050
Totals					
Government & Education Production & TV Production Only	\$401,000	\$100,250	\$100,250	\$100,250	\$100,250
Government & Education Production & TV Production & Public Access & Classes	\$754,600	\$172,518	\$170,269	\$132,993	\$278,820
All Services	\$901,240	\$209,178	\$206,929	\$169,653	\$315,480

INTERNTAL OPTION: As part of this process, the City evaluated performing EG and television production services internally. In the future, this could be a cost-effective solution that would allow the City to provide G and television production services, in addition to also enhancing the City's communications bandwidth, see **Table C** and **Table D**. However, this option would require some technology upgrades, as well as the hiring of new staff, neither of which would not occur before January 1, 2023.

TABLE C	
Alternative Option – 1 FTE added	
FTE	2000 hours
G services	260 hours (5 per week)
TV Production	500 hours (9.6 per week)
Other Support / Projects	1240 hours

TABLE C						
Alternative Option - Internal Services						
	2023	2024	2025	2026	2027	2028
Expenditures						
One-time						
Video Playback server	\$30,000					
Video switch	\$2,000					
Monitors	\$3,000					
Signal Processing	\$3,000					
Fiber transmission	\$20,000					
Other City equipment	\$7,000					
Phase 2				\$55,000		
Minor purchases	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Phase 3 - Updates						\$75,000
Total One-time	\$70,000	\$5,000	\$5,000	\$60,000	\$5,000	\$80,000
On-going						
Staff (Salary, wage, benefits)	\$114,000	\$119,700	\$125,685	\$131,969	\$138,568	\$145,496
Contract Costs	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
M&O related	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Total On-going costs	\$124,000	\$129,700	\$135,685	\$141,969	\$148,568	\$155,496
Total Expenditures	\$194,000	\$134,700	\$140,685	\$201,969	\$153,568	\$235,496
Revenues						
General Fund	\$124,000	\$129,700	\$135,685	\$141,969	\$148,568	\$155,496
Reserves	\$36,000					
PEG	\$34,000	\$5,000	\$5,000	\$60,000	\$5,000	\$80,000
Total Revenues	\$194,000	\$134,700	\$140,685	\$201,969	\$153,568	\$235,496
Total Expenditures	\$194,000	\$134,700	\$140,685	\$201,969	\$153,568	\$235,496
Total Revenues	\$194,000	\$134,700	\$140,685	\$201,969	\$153,568	\$235,496
Net	\$0	\$0	\$0	\$0	\$0	\$0
PEG Revenues	\$34,000	\$34,000	\$34,000	\$34,000	\$34,000	\$34,000
PEG Expenditures	\$34,000	\$5,000	\$5,000	\$60,000	\$5,000	\$80,000
PEG Reserve	\$0	\$29,000	\$58,000	\$32,000	\$61,000	\$15,000

RECOMMENDATION: It is recommended that the City proceed with a one-year contract for Government and Education Services only and 500 television production support hours with TCMedia for 2023.

During 2023, the Public Affairs Department will perform a more in-depth analysis on existing and future communication needs, to include a more detailed analysis on the in-house option for Government services.

ALTERNATIVE: The City could also explore the interest of TCMedia in a one-year extension to the existing contract for 2023. The City would continue to evaluate in-house options for Government services in 2023 for 2024.

ADVANTAGES:

1. The City will continue to receive Education and Government services in 2023.
2. The City will receive 500 television production service hours in 2023.
3. Allows the City more time to evaluate and, pending direction, implement a long-term option for providing Government or Education and Government services in 2024 and beyond.

DISADVANTAGES:

1. None identified at this time.