

**MINUTES OF THE CITY COUNCIL
OF THE CITY OF LOS ALAMITOS**

SPECIAL MEETING – March 21, 2011

1. CALL TO ORDER

The City Council met in Special Session at 5:03 p.m., Monday, March 21, 2011, in the Council Chambers, 3191 Katella Avenue, Mayor Stephens presiding.

2. ROLL CALL

Present: Council Members: Graham-Mejia, Kusumoto, Poe
Mayor Pro Tem Edgar, Mayor Stephens

Absent: Council Members: None

Present: Staff: Jeffrey L. Stewart, City Manager
Scott Porter, Acting City Attorney
Angie Avery, Community Services Director
Adria M. Jimenez, City Clerk
Todd Mattern, Police Chief
Steven Mendoza, Community Development Dir.

3. ORAL COMMUNICATIONS

At 5:04 p.m., Mayor Stephens opened Oral Communications

Lina Lumme, Youth Center, thanked the City for supporting renovations of the LATV3 Studio and for providing valuable local television. She also spoke in support of Mr. John Underwood.

Steffen Hammond, resident, stated adult training needs to be reinstated; commented on the finances of LATV and Mr. Larry Strawther; and, requested the Commission be reinstated.

Althea Miller, resident, provided history on LATV and how she became involved in program production and stated it has been a great experience and hopes LATV stays in business.

Ray Hill, resident, stated he currently serves on the CSMP board and feels there is a lot of discussion on the negative interaction between the various groups involved in LATV; what everyone wants is a station that is going to be an asset to the community and use it as a source of information.

Mayor Stephens closed Oral Communications

4. SPECIAL ORDERS OF THE DAY

A. Discussion and Potential Direction to Staff Regarding the Future Structure and Governance of LATV

During the regular City Council meeting of February 22, 2011, the Council considered an item regarding the future direction of LATV. During discussion of the issue, the Council voted to conduct a workshop to examine options in more detail. The item before the City Council this meeting is intended to seek direction for staff in implementing the future structure and governance of LATV.

City Manager Stewart summarized the staff report and stated staff is seeking direction on three items tonight: the governance of LATV; the operations of LATV; and, the budget for LATV. Mr. Stewart advised there is approximately \$44,000 in revenues annually; \$95,000 in reserves to meet equipment needs. He stated to date the City has contributed a significant amount of money for equipment and construction of the studio. Mr. Stewart advised staff is available to answer questions from Council.

Council Member Poe reviewed her past involvement and history with LATV; spoke about franchise fees received from LATV; stated the Cable Commission should be reinstated as it worked well in the past and it should set bylaws, policies, and procedures for LATV and provide input on programming; stated additional producers are needed and the training programs should be reinstated; stated it is going to take innovation and forward thinking on moving LATV forward because the previous financing is no longer available. Ms. Poe stated she is open and anxious to hear other ideas.

Mayor Pro Tem Edgar stated Mr. Strawther provided him with his perspective and addressed five points the Council should take into consideration when discussing this issue. Mr. Edgar stated he also had an opportunity to get Mr. Underwood's perspective. He stated he is sensitive to the fact LATV has been assigned to a Council ad-hoc committee and that a significant amount of staff and Council time has been focused on this issue. Mr. Edgar shared the following information which Mr. Strawther believes are misconceptions about LATV and CSMP: 1) CSMP was originally 100% funded by Los Alamitos; 2) CSMP is receiving a significant sum of money to provide coverage for community events; 3) CSMP's proposal to manage the studio constitutes a land-grab; 4) the City is losing leverage over CSMP - from the beginning City revenues were always significantly less than 100% of the funding and the real misconception is some Council Members do not view CSMP as a vendor; and, 5) role of the Commission/non-profit - Mr. Strawther does want the Commission to try and work with them, but they would operate however necessary to accomplish their objective.

Mr. Edgar noted a couple of observations: 1) Mr. Strawther is requesting the City Council view this as a vendor relationship, not an extension of the City; and, 2) Two people have tried to provide the responsibility of providing services for LATV and there are problems with the operations. He stated the situation set-up does not seem sustainable; there is a diffusion of responsibility and City staff does not

have time to focus on this issue. The Council needs to be able to figure out the best way to manage. Mayor Pro Tem Edgar stated there are two issues that need to be decided tonight: 1) consider the ongoing relationship with CSMP; and, 2) if we decide that we are not going to contract with this vendor, we need to have an alternative plan.

Council Member Graham-Mejia stated she agreed with Mayor Pro Tem Edgar's comment that the City is not good at managing the TV station, which is why the City got out of it in the beginning. She recollected when she was first on the Council there was an ugly situation with LATV that was fueled by one of the two parties vying for the station now. She commented on the ad-hoc subcommittee meetings with she and Mayor Stephens and stated she is offended Mayor Pro Tem Edgar feels they did not do a good job. She further stated the ad-hoc subcommittee has been trying to work with both Mr. Underwood and Mr. Strawther to give them the best they can get for the City. She stated through her own observations Larry has been the one who has carried the line-share of LATV. She stated Mr. Underwood initially said he would do the work for free, and then at the next meeting it was going to be \$10,000 and it kept increasing. She stated her experience with Mr. Underwood is he is a great producer, but he has not been able to meet the requirements and does not believe he is qualified to do the job

Council Member Graham-Mejia commented on production classes, and stated she agrees it would be wonderful if the City had the money to provide classes. Perhaps the Council can figure out a way to do that because she believes the station is better served if there are more people from the community who have a vested interest and are producing shows, but are asking for support from community members to obtain funding to keep that station thriving.

Council Member Graham-Mejia commented on AB 2987 and the change in funding from previous years. She noted after the funding changes, there were no finances and the board started arguing amongst themselves, and then a lawsuit ensued, which was very costly for the City. She stated the thing that scares her the most is that she sees some of those same players sitting in this room saying they are interested in LATV and it makes her uncomfortable thinking we might find ourselves putting the City at risk, which is why we decided to separate ourselves from this. She stated the only way we can avoid lawsuits would be to turn over the station to Time Warner, which she does not want to see happen.

Council Member Graham-Mejia asked Mr. Strawther what is the current make-up of the current CSMP Board, as far as residents from Rossmoor versus residents from Los Alamitos, stating the reason she asked is because there were concerns that this is a Los Alamitos entity. She stated she would look out for Los Alamitos before she would look out for anyone else.

Mr. Strawther advised Council Member Graham-Mejia that the CSMP board is made-up of five Los Alamitos residents and three Rossmoor residents.

She commented on the requirements the City asked Larry to fulfill: a balanced board; create parameters for the board; stay within budget; and, raise money to make the board neutral for the City. She stated he was doing all those things and yet she is hearing those are the concerns. It seems the Council has changed its mind and she is not sure why. She stated she understands there were concerns during the election when she asked Mr. Strawther if he had students who were interested in filming some of the candidates; she apologized and stated her intent was to give the students an opportunity to be part of the process and that has really come back to be a negative for Mr. Strawther.

Council Member Graham-Mejia stated she does not remember the Commission managing the 501(c)3 and asked the City Manager for clarification.

Mr. Stewart advised the 501(c)3 was a corporation set up with an independent board appointed by the City Council. At some point the City Council dissolved the 501(c)3 and appointed four members of the Council to the Commission. Prior to 2007 there was a Commission that governed the board. He stated he only reviewed information as far back as the dissolution of the Commission, but it predated the Council-configured Commission. He reviewed past years budgets which were fairly significant.

Council Member Graham-Mejia expressed her concern that some of the programming is old, but stated the Council asked Mr. Strawther to place programming on LATV so people would become interested in the things that are on and start watching it more, and as we produce more shows, there would be new productions. Ms. Graham-Mejia stated she liked the idea of informing and educating adults on how to use the equipment, but now it is a funding issue.

Council Member Graham-Mejia commented on the amount and type of programming on LATV. She stated the ad-hoc subcommittee of Mayor Stephens and herself has tried to be innovative and come up with things that would improve the station to make sure there is more viewership. She stated she believes Mr. Strawther shows more of an ability to build the structure, the parameters under which LATV would form, and has the ability to go out into the community and find financial support, which is needed in order to be able to have more productions. She stated in the many hours the Mayor and herself have spent talking this over, she thinks it is a shame this had to come to a subcommittee or to a special meeting, when the subcommittee dealt with it well. She recommended the City stay with CSMP because they have a board, and it is good support and have proven them both financially and with product. In regards to Mr. Underwood, as discussed in ad-hoc subcommittee meetings, the City has set aside a certain amount of money for him to do programming and in addition to that the City has set aside additional monies that the Commission would be allowed to use for either Mr. Underwood or Mr. Strawther for grants or productions. Directing her comments toward Mr. Underwood, Council Member Graham-Mejia stated she believes this is more of the same of what happened last time, and it is not very professional and it is not very becoming.

Council Member Kusumoto stated Mayor Pro Tem Edgar characterized this issue in the way of an organizational construct – two forces not working together in concert with each other - and that seems to be the root cause of why things are not functioning correctly. Mr. Kusumoto stated he does not know much about the vendor issue and would have to look to the other Council Members for information.

He further stated he does not think the Council is ready to make a decision on this and he would like time to conduct independent research. He commented on the organizational construct of LATV, asking what the mission is and who is in charge. He advised he understands content providers and recalled a conversation where Mr. Strawther explained programming. He asked about the programming schedule, stated he believes there is a void; and, stated he hopes to get more time to conduct additional research.

Mayor Stephens stated he and Council Member Graham-Mejia have gone through quite a few ad-hoc subcommittee meetings and the idea was to come up with something that would best benefit the community, was best for all involved with LATV, meaning the two partners Mr. Underwood and Mr. Strawther, and be the best balance of programming. He stated between those three items, it was a heavyweight task to be able to determine who is providing what service and how to pay for it. With the limited amount of money there is not much wiggle room and there is zero room for error. Mayor Stephens stated he is leaning towards having a Commission with oversight from the City, citing his concerns about the make-up of the Commission. He expressed his concerns about distributing the monies fairly and correctly for the type of programming conducted. Mayor Stephens asked the City Manager for clarification on Mr. Strawther's vendor status with the City and how it relates to LATV.

Mr. Stewart stated the City views Mr. Strawther as a vendor who provides a specific service and is paid accordingly. He stated he had no interaction with Mr. Strawther's board.

Mayor Stephens confirmed this is the same association with Mr. Underwood; he is going to provide local programming as a producer for LATV.

Mr. Stewart advised the recommendation is for a fixed amount of money for Mr. Underwood to be responsible to produce and prepare five community programs ready to film and deliver to the City, including staff and crew. He stated over and above that, Mr. Underwood wanted to take on a role as a steward of public access television which he believes he should be compensated for. He stated he believes, and previously recommended that the Commission should oversee a fixed amount, \$9,000, to pay people to come in and provide public access programming based on the merits of the program. As an independent producer, Mr. Underwood can request to the Commission to provide whatever programming he would like. Mr. Stewart commented on the belief that the City has an obligation to stock the files for public access television and the misconception that there is a large community interest for adult training.

Council Member Graham-Mejia stated: she thinks the first year has been a struggle and the Council is trying to reinstitute a new process for LATV; as part of the innovation, the studio was upgraded so there would be an actual studio and the City would not have to pay for the use of a building; and, she believes Mr. Underwood and Mr. Strawther are producers, and it is inappropriate to put the Commission in a place where they are going to have to be handling the situations that will arise between the two vendors. She stated she agreed with Mayor Pro Tem Edgar's comment that he did not think the Commission overseeing the vendors is a good idea; it can be very tense between them because they are very passionate about what they do.

Council Member Graham-Mejia stated she believes the Council needs to approve a trial period of six months to a year with one of these two people who is passionate about LATV and who has met the goals the Council has set. She stated Mr. Strawther has fulfilled the goals and has a board behind him. She stated she knows there are concerns about finances, but Mr. Strawther has never once said he would not show the Council the statements from his board. She provided her thoughts on what the Commission's role would be. She stated she and Mayor Stephens have worked very hard on the ad-hoc subcommittee and both supported the recommendation at the last meeting. She stated she believes the City should contract with Mr. Strawther for six months to a year; and, the Council should set clear goals for him through the ad-hoc subcommittee and decide whether or not he has met those goals. She commented further on Mr. Strawther's qualifications. She stated she believes Mr. Underwood by himself cannot do the entire job, but he would still have the opportunity to produce, use the equipment, and come in and use the LATV studio.

Council Member Poe commented on the costs of renovating the studio and asked why the renovation costs kept rising.

The City Manager stated increased costs were mainly driven by the condition of the building itself and the equipment the City needed to purchase.

Council Member Poe stated she knows the ad-hoc subcommittee spent an enormous amount of time on LATV, and knows it was a difficult task. She reviewed the history of LATV and its timeline from when it was a 501(c)3 to when the Commission was temporarily disbanded to clear up tax issues. She stated the City needed to move forward and needed to put LATV back to a good working position and believes the ad-hoc subcommittee tried their best.

Council Member Poe stated she does not believe CSMP met the expectations she had. She stated both Mr. Underwood and Mr. Strawther did great filming and LATV has had more programming on, more quantity than quality. She stated: she does not believe it is a good idea to put either vendor in control, which is why she feels establishing a Commission is necessary; the City can use the two as vendors; and, we do need to have a station manager or a studio production coordinator. She referred to a proposal given to her by Mr. Underwood. Council Member Poe stated she believes the City needs to be in control of LATV and that the Commission can provide policy and procedures and

it would be the best opportunity the City has to put LATV moving forward. She stated she believes it would take approximately six months to establish a Commission of five residents and until it is established the City can continue to contract with Mr. Strawther and Mr. Underwood. She stated Mr. Underwood, through his proposal, has expressed an interest in becoming the studio production coordinator for the facility, and would facilitate the checking-in and checking-out of equipment for 10 hours a week. She requested each of the Council Members receive a copy of Mr. Underwood's proposal so they have an opportunity to review it.

Council Member Kusumoto asked: the City Manager for information on Mr. Underwood's vendor status; what is the business model for LATV; what direction or policy does the Commission follow in order to prevent what happened before from happening again; and, what guidelines need to be established before a Commission is created. Mr. Kusumoto also asked what does 520 hours a year of contract services provide the City and what does it cost. Mr. Kusumoto asked the City Manager if there would be a need for a City staff member to work with the Commission and attend meetings of the Commission and who would that be. He also stated he is not sure what the mission of the Commission would be.

The City Manager advised that Mr. Underwood is an independent contractor and the staff member who would work with the Commission would be himself. The day-to-day tasks of the Commission would be to allocate money that would be spent for public access and then make recommendations to the Council on the best operations of community programming in Los Alamitos. In regards to costs, he estimated \$10,400 a year; \$5,200 if the City does a six-month trial.

Mayor Pro Tem Edgar questioned whether Mr. Underwood was getting paid to work the studio, operation work, and asked for additional information.

Mr. Stewart advised the original proposal with CSMP was to include the operations and uploading of programming, maintenance of the station itself and maintenance of the studio and equipment. He stated Mr. Underwood believes someone has to actively nurture public access programming in Los Alamitos and he would like that role, in addition to being responsible for scheduling the studio and making sure the producers are there. He noted there are some questions such as: if the equipment breaks it is not clear who is actually going to fix it; and, who operates the equipment when it is there. He stated what the City is doing investing in Mr. Underwood as a studio program coordinator is investing in the nurturing of public access programming, which is a philosophical decision the Council needs to make.

Mayor Pro Tem Edgar stated with CSMP the City pays the fee and does not have to worry about managing the station; but, with Mr. Underwood, because he is an independent contractor, the City will have to do a little more hands-on work.

Mayor Pro Tem Edgar asked Mr. Strawther the following questions: what are two or three bullet points of your responsibilities at CSMP; what events do you receive compensation for and who pays you to be a producer for those events; and, if he received a W-4 or W-2 at the end of last year from CSMP for services to that organization and, if not, is his time dedicated with no pay.

Mr. Strawther asked the Council to consider that the station broadcast every day. He stated the majority of funds that are paid do not go into production, it goes into making sure the server works and maintained, and is loaded with the programs received. He noted scheduling is also part of that process. He advised production of some events are funded from overages of other events. His goal was trying to get programming established.

In regards to Los Al TV, Mr. Strawther stated he made a promise to the Council that he would not use any City funds for programming so he could get the operations off the ground. Once operations were started, he would try other programming, such as Friday Night Lights and basketball. He stated he would take a little bit of profit off those programs and apply it to other events that could not pay for themselves and that is how he was able to get more programming on the air. Mr. Strawther stated he was not paid and did not receive any income.

Mayor Pro Tem Edgar stated if the Council holds Mr. Underwood to the standard that he is being unreasonable to request compensation he believes everyone should be held to the same standard.

Mr. Edgar requested additional information on Mr. Strawther's involvement with the Los Alamitos Unified School District's ROP program. He asked if he receives a salary for teaching, if he utilizes City equipment for the program and if there are any requirements that he bring tools or equipment to the program. He further asked: if LATV receives assistance from ROP program students for productions; are the people who work for CSMP employees, independent contractors, or volunteers; and, how services are provided. He asked if Kirk Stephens is his only employee. He asked Mr. Strawther if there are any other activities he does in association with TV production in the Los Alamitos area.

Mr. Strawther stated he was hired as a teacher two years ago and teaches two periods a day. He noted there is very little City equipment used; one day a week for approximately five to six weeks in a row, he utilizes the truck for students to familiarize themselves with the operations of putting together the cameras/tripods and also conducts a couple of runs with the tri-caster. Mr. Strawther stated all of their help is not students; there are adults, but there are very few. He stated he was advised by Kirk Stephens that in the past two to three years they have almost no volunteers and classes are difficult to conduct. He also stated the reason there have not been any classes is because the studio is not set up to conduct classes. However, training the community has always been in the plan.

In regards to CSMP employees, Mr. Strawther noted that there is a combination of employees, independent contractors and volunteers. Mr. Strawther provided an example of adult volunteers and student trainers assisting with filming the basketball program. Mr. Strawther stated Kirk Stephens makes enough money to qualify as an employee; however, most are independent contractors.

In terms of employment with the ROP program, Mr. Strawther stated he is a W-2 employee of the Orange County Department of Education; he is not required to bring any tools or equipment and utilizes his own equipment from home. ROP has purchased video and audio equipment for use in the program.

Mr. Strawther advised ROP is only about 5% of Los Al TV, the majority of it is teaching students how to operate equipment, and are doing programs for their own schools.

Mayor Pro Tem Edgar reviewed the framework of LATV. He asked Mr. Strawther to provide two or three examples of items that the CSMP board has had to deal with to provide leadership or direction.

Mr. Strawther advised some of the biggest issues the board has had to deal with is marketing, advertising, fundraising, and contracts. Mr. Strawther commented on the type of programming currently on LATV and noted there has been a lot of discussion on whether there were too many old programs. He stated he made the decision that it is better to have old programming that is good than to have, for example, coyote warnings for 24-hours. In regards to fundraising, Mr. Strawther stated there have been ideas of a mixer at the station, and a telethon with Ric Papp of Seal Beach. In regards to contracts, Mr. Strawther stated when the City contract came up, there was a discussion on whether or not the CSMP Board is committing to it and one of the final decisions by the board was to take a leap of faith, in hopes the City is acting in good faith.

Mr. Strawther stated a lot of the items coming up now are items the CSMP Board were concerned about, such as the bifurcated structure. He stated both he and Mr. Underwood have come to realize the issues between them are not as deep as they thought, and they have a lot in common. He went on to state, that they both agree that they are confused as to what the Council's direction is and neither of them can answer that question; they are receiving mixed messages.

Mayor Pro Tem Edgar spoke about: issue escalation processes as a vendor; communication concerns from the ad-hoc subcommittee and the lack of progress updates; management issues between CSMP and the City; editing guidelines and the quality of programming; production direction and policies; governance on production direction and the policy associated with scheduling; and, board leadership direction to Mr. Strawther.

Mayor Pro Tem Edgar also commented on: accountability of assets; auditing LATV funds; and, Commission formation. He stated he is not ready to make a decision tonight on reinstating the Commission; however, he is open to having a body, whether permanent as a Commission or a intermediary, that comes in to

get the heavy lifting done, but he would like to be able to come back and discuss what that would be. He stated he does not believe the role of the Commission would be to adjudicate \$9,000 worth of grants, because there are so many bigger problems to address. He further stated he believes the Council needs to make a decision on whether the City stays with the vendor strategy in place now.

Mr. Stewart advised there is an accounting of LATV assets and the audit does not include an audit of LATV, but it can be included.

Mayor Stephens thanked Mr. Strawther and Mr. Underwood for working together, stating it sounds like they have made a lot of progress over the last few months. He stated he is hoping the Council, along with the City Manager, will come up with something. He advised the recommendations that have been brought up tonight are to continue for another six months and establish or research what make-up the Commission should have and identify the responsibilities of the Commission.

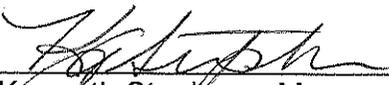
Mr. Stewart stated he believes he received enough information from the comments to provide a recommendation at the next meeting, at least through the next six months.

Council Member Graham-Mejia asked if CSMP is also interested in putting forth a proposal similar to Mr. Underwood's regarding their interest in the governance of the station. She requested clarification on the oversight of the studio.

The City Manager stated Mr. Strawther has submitted a proposal and he will include it in the next agenda item. He answered Council Member Graham-Mejia's questions regarding oversight of the studio.

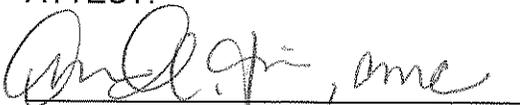
5. ADJOURNMENT

Mayor Stephens adjourned the Special Meeting at 6:47 p.m.



Kenneth Stephens, Mayor

ATTEST:



Adria M. Jimenez, CMC
City Clerk