

SPECIAL SESSION

July 28, 2021

The Council of the City of Chardon met in Special Session on Wednesday, July 28, 2021 at 6:30 P.M. in Council Chambers of the Chardon Municipal Center.

Daniel Meleski, President of Council presiding.

The meeting opened with the pledge of allegiance and roll call.

Members of Council Present: Andrew Blackley, Deborah Chuha, Nancy McArthur, Heather Means, Daniel Meleski,

Members of Council absent: Chris Grau, Jeffrey Smock.

Others present: City Manager Randal Sharpe, Law Director Benjamin Chojnacki, Finance Director Mate Rogonjic, Clerk of Council Amy Day, David Jevnikar, Amy Patterson, Brian Doering, Bill Jackson.

Regarding the funding allocation for G-TV, City Manager Randy Sharpe reviewed a chronology of meetings held to discuss the funding.

Mr. Blackley asked if the City had considered what it would do with the proposed 33% share of the franchise fee as recommended by the City Manager.

Mr. Sharpe stated that there has not been a designation for how the approximately \$20,000 per year in funds would be used.

Finance Director, Mate Rogonjic, provided an overview of the funding by community and the programming for the City in relation to the funding.

Law Director, Ben Chojnacki, reviewed the status of the contract between the City and G-TV. He stated that there is no contract between the City and G-TV at the current time. A contract was drafted and terms were acceptable to G-TV with the exception of the allocation of franchise fees. As mentioned by the Finance Director, there are no restrictions in the O.R.C. about how the franchise fees need to be allocated, so upon guidance from Council on the franchise fees, staff would expect to finalize the terms of the contract for approval by Council.

Ms. Means asked if the City has ever put out a Request for Proposals (RFP) for the services G-TV provides.

Members of staff and Council expressed that an RFP has never been done for these services.

Mr. Blackley stated that not having done an RFP makes it difficult for Council to determine what is a reasonable amount of money that the City should be compensating G-TV for the services they provide.

Mayor Meleski spoke in support of the services G-TV provides and spoke about how their services serve not only City residents but the greater good of the entire community.

Ms. Means asked if there is any accountability or metrics by G-TV to the City.

Mr. Jevnikar stated that the G-TV website has a directory of all recorded programs since it began in 1996.

Mr. Sharpe stated that there are no metrics provided by G-TV, but the contract now provides for an annual meeting between the City and G-TV, and the City is to have a representative serve on their board.

Mr. Jevnikar provided a history of G-TV and the communities it serves.

Mrs. McArthur asked what G-TV plans to do to make up for lost revenue due to online streaming services.

Mr. Jevnikar stated that the communities will need to consider subsidizing G-TV from their General Fund.

Mrs. McArthur spoke in support of offering the service to the community for the greater good. She added that she is disappointed though, that the amount the City contributes to G-TV does not correlate to the amount of residents it serves when being compared to some of the other communities.

Mr. Jevnikar stated that the franchise fee correlates to the number of subscribers in a community.

Ms. Means stated that she does not question Mr. Jevnikar's commitment to the City, however, it seems that G-TV is treated differently than other entities. She stated that when Mr. Jevnikar has stated that G-TV will go out of business if the City cuts his funding by 1/3, it puts an unfair burden on the City, because the City can't be responsible for other communities.

Ms. Means asked Mr. Jevnikar what his fixed costs are.

Mr. Jevnikar stated that some of his fixed costs are employees, rent, software, utilities, and insurance.

Ms. Means asked if independent contractors can reduce costs.

Mr. Jevnikar stated that independent contractors cost more.

Ms. Means inquired about the costs needed to run G-TV.

Mr. Jevnikar stated that the amount of work they do correlates to their costs. As they do more, it costs more. They program for as much money as they receive.

Ms. Means stated that these are unknowns which make it challenging for Council. She asked if there are other sources of funding for G-TV.

Mr. Jevnikar stated that there is nothing of a sustaining nature.

Ms. Means asked how long until G-TV would be out of business if the City reduced its funding.

Mr. Jevnikar stated that he does not know because it would depend on what the other communities would do.

Mr. Blackley suggested that G-TV track its fixed and variable costs and run it like a business.

Mr. Jevnikar stated that they do not have the administrative staff to do this and he has not had communities ask for it before now.

Discussion occurred regarding using some of the franchise fee

to upgrade equipment in the Municipal Center.

Mr. Sharpe noted that he envisioned also using the franchise fee for all types of communication with the public including the City's digital sign board, emergency call back system, and website.

Mr. Jevnikar expressed his desire to make improvements to the Council Chambers cameras with funds he has received from the City and reviewed discussions he has had with the City Manager regarding this. He expressed his desire for G-TV to receive full funding so that all communities are the same, and if there are expenses for equipment, the City would issue a purchase order and G-TV would send funds back to the City. He stated that they would do this for any community.

Mr. Sharpe stated that the idea to pay money back to the City was subsequent to G-TV's request to be paid for the full amount of the contract in 2020.

Ms. Means stated that G-TV returning money back to the City for equipment instead of reducing the franchise fee amount the City pays, is a way to keep the other communities from reducing their funding. However, it creates an unnecessary, extra step.

Mr. Jevnikar stated that there are years where all the funding would be for programming, since it is not every year that equipment would be needed.

Mayor Meleski asked if the equipment funding could be included in the contract.

Mr. Chojnacki stated that it could be included, but noted that if there were to be a disagreement between the parties over if the expense is the proper use of the funds, it could be difficult to define or difficult to enforce.

Mr. Jevnikar suggested that the equipment be specified as an addendum in the contract.

Mrs. McArthur asked how the franchise funds are disbursed.

Mr. Rogonjic stated that the funds are sent directly to the City on a quarterly basis and the City distributes the funds to G-TV.

Mrs. Chuha inquired about other contributors to G-TV and asked if Mr. Jevnikar has polled the other communities to inquire about what they would do if the City were to cut funding.

Mr. Jevnikar stated that he was waiting to see what the City did first.

Mr. Blackley asked if the City Manager has looked at what other communities do for these types of services.

Mr. Sharpe stated that it varies depending on the size of the community, which is why the consortium was most likely formed. He noted that many communities focus on broadcasting their community's meetings and events.

Discussion occurred regarding the cost for the City to duplicate the efforts of G-TV.

Ms. Means stated that she sees the importance of G-TV, but she is not convinced that if the City decides to reduce the franchise fee amount, this will be the demise of G-TV.

Mr. Jevnikar stated that it will be the start of the demise.

Mr. Blackley moved and Mrs. Chuha seconded to provide for an annual contract with G-TV for the year 2022, that would provide funding at 100%, however, G-TV would agree to replace equipment in the year 2022 to the value of \$20,000 and the equipment would be owned and specified by the City. In addition, a Board of Trustees would be established with a member of Council or their appointee to serve on the Board. G-TV would then, through that individual, provide at least a quarterly report of profit and loss showing acceptable accounting methods in order to demonstrate the cost of service based on the hours of broadcast.

Discussion occurred regarding the process of getting the money back from G-TV for equipment upgrades and the City's ownership of the equipment.

Mr. Sharpe stated that the ownership of the equipment in Council Chambers is the City's.

Ms. Means clarified that the equipment the City would like to purchase does not need the approval of G-TV and may be equipment G-TV does not use.

Mr. Jevnikar stated that he hoped the City would consult him on what equipment would work best.

Upon roll call vote the motion passed unanimously.

ANY OTHER BUSINESS

Mayor Meleski spoke to dispel rumors that the proposed Redwood Apartments on Seventh Avenue are Section 8 housing.

ADJOURN

Mrs. McArthur moved and Mrs. Chuha seconded to adjourn. Upon voice vote the motion passed unanimously.

The meeting adjourned at 8:14 P.M.

DANIEL MELESKI, Mayor
President of Council

Attest:

AMY DAY
Clerk of Council