

## **MID-COAST TELEVISION, INC.**

525A Obispo Road  
P. O. Box 1750  
El Granada, California 94018

July 13, 2009

Supervisor Richard Gordon  
San Mateo County  
400 County Government Center  
Redwood City, California 94063

Mayor John Muller  
City of Half Moon Bay  
501 Main Street  
Half Moon Bay, California 94019

Re: Response of MCTV to the Civil Grand Jury Report

Dear Supervisor Gordon and Mayor Muller;

MCTV has recently learned that the Civil Grand Jury issued a report regarding MCTV. MCTV was never notified by the Grand Jury about the issuance of the report, but as a result of press inquiries, we have had the opportunity to review the report and wish to offer the following responses.

The report does contain several factual errors that we wish to correct.

MCTV serves approximately 4,000 subscribers, not 6,000, and Comcast's subscriber base is continually shrinking due to Comcast's failure to upgrade its network on the Coastside. This results in significantly reduced revenues for MCTV. In fact MCTV is now receiving the same amount of franchise funding it received in the late 1980's. In order to live within its budget, MCTV can no longer keep open office hours because we cannot afford a secretary.

MCTV does not routinely reject programming offered to it by community members as the Report implies. While a number of locally produced programs are offered to MCTV by community members, very few of them have contained technical problems which prohibit cablecasting the program. The vast majority of local programs offered to MCTV are cablecast.

The Report is in error when it states that no new revenue sources have been identified. MCTV has pursued other funding sources as it was requested to do by the City, and MCTV's fees for additional governmental programming services and webstreaming did provide 14% of MCTV's budget in the last fiscal year. Similar fees are charged by other access stations on the Peninsula and MCTV's fees are equal to or lower than what other stations charge. In addition, MCTV's Board and staff have spent hundreds of hours negotiating with cable operators to obtain additional equipment funding for the station. Without these efforts, MCTV would be using 20 year old equipment. However, MCTV readily agrees that even more additional funding is needed to

continue and improve MCTV's level of service.

The Report is in error when it states that MCTV changed its Bylaws without consulting its chartering organizations. Both San Mateo County and the City of Half Moon Bay were advised in advance by MCTV of the intended change in Bylaws. The Report references MCTV's advance communication with Supervisor Gordon. The City was informed of the proposed change through a conference call with the City Manager and City Council members. MCTV did not seek the approval of the two governmental bodies because MCTV is not a public entity but, rather, a private non-profit corporation.

The Report is in error when it states that MCTV reserves the right to restrict the use of public meeting programming. MCTV's policy, which has been clearly explained to the public and to members of the affected agencies, permits unrestricted use of MCTV meetings if proper attribution of the source of MCTV's video is provided and there is a disclaimer in the event the video is shown with editorial content. MCTV maintains its copyright on videos it produces but under the MCTV policy there is no restriction on use of the meeting videos.

The Report is in error in indicating that no archives of past governmental meetings exist. Most of the agencies that MCTV produces meetings for request a DVD copy of the meeting program and retain them in their public records. In addition, from April of 2008 on, MCTV retains public meeting programming that is webstreamed on its servers, which have the capacity to retain the programs for over a decade.

### **Oversight by the County of San Mateo and the City of Half Moon Bay**

The Grand Jury's Report addresses financial oversight of MCTV by the County and the City and concludes that the City does not provide sufficient fiscal oversight. MCTV is very pleased that the Report does not in any way suggest that MCTV has not responsibly and appropriately managed the funding that it receives from the City and the County from franchise fee revenues. MCTV is very proud of the fact that it provides a very extensive programming schedule with by far the smallest budget of any access operation in the County. The Report is silent on what the benefits of increased fiscal oversight by the City would bring. MCTV has necessarily had more contact with the County because only the County franchise with Comcast was renegotiated in recent years, and additional capital funding is available from the County, but not from the City, whose franchise has not yet expired. MCTV will continue to cooperate fully with both the City and County in managing franchise fee revenues and addressing financial issues.

The Report makes the recommendation that the City and County coordinate any agreements with MCTV in order to speak with one voice. As explained above, due to the existence of two separate franchise agreements with Comcast, this is not possible in all areas. However, in one area, coordination is essential. The City and County have both individually designated MCTV as the Public Education and Governmental (PEG) access provider for the community television channel on the Coastside. The County's agreement provides for periodic review and renewal of the PEG operator contract, and the City may terminate the existing agreement upon reasonable notice. MCTV's only comment is that the County and City must continue to select the same entity to be the PEG access provider. There is only one television channel dedicated to PEG access on the Coastside, and barely enough funding for a station to survive if the franchise fees from both the

City and County are combined. It would not be possible for the City and County to designate two separate PEG providers. Neither the station's finances nor operations could be split into two pieces. MCTV therefore agrees that the City and County should consult with each other and coordinate on decisions related to the designation of the PEG access provider.

### **Additional Locally Produced Programming**

The Report appears to believe that more locally produced video programming is needed on MCTV. This has always been a goal of MCTV. MCTV actively solicits local programming, and produces its own local programming. What the Grand Jury does not appear to understand is that video production is extremely time consuming, and in the case of a video that requires any editing, extremely expensive and resource intensive. Larger communities can tap a greater number of potential producers of videos than MCTV has available. Having said that, MCTV is both proud and grateful for the community members who do produce local programming and bring it to MCTV. MCTV routinely receives programming from the Portuguese community for its Contacto program, as well as Half Moon Bay High School Football games, and programs from youth organizations such as the Young Actors' Workshop. In addition, MCTV shows public service announcements produced by local organizations such as Sonrista, Rotocare, local emergency response agencies, local water agencies, and the Boy Scouts, to name only a few. The programming that MCTV receives from other local access stations is also valuable. We receive many positive comments about The Better Part, a program produced by seniors for seniors from Cupertino. Making maximum use of other access stations' programming is a positive, not a negative as the Report implies. In addition, MCTV has recruited interns this summer to assist in producing and editing additional local programming, and we will continue to create as much local programming as we can. Since 1985 MCTV has provided free message channel time for local non-profit agencies. MCTV considered charging for these messages, but we surveyed the non-profits and concluded that too many of them would lose the chance to communicate with the public in this way. As far as we know, MCTV is the only access station that offers this service to the community for free.

In spite of all these efforts, the Report seems to imply that it would be a simple matter for MCTV to obtain much more locally produced programming. It is not so simple. Without sufficient funding to have a paid production and editing staff, MCTV has to rely on community members and volunteers for local productions, and in the current economic climate, many folks are focused on making a living, not producing videos for a hobby.

### **Public Meeting Programming**

The one area where at least a small group of individuals has shown interest in producing local programming is in the area of public meeting videos. However, such proposals appear designed to compete for the funding that MCTV receives for taping public meetings. If third parties took over taping public meetings, MCTV would lose a significant portion of its revenue and the public would not receive any additional programming. The only difference is that the same public meeting programming would be produced by an entity that has no contract or agreement with the City or the County and would be subject to even less oversight than MCTV. As a result,

MCTV continues to believe that as part of its responsibility as the PEG access provider designated by the City and the County, it alone should provide public meeting programming.

### **The Value of a Viewer Survey**

The Report recommends the use of a community survey to guide future programming for MCTV. MCTV welcomes the use of a community survey. Such a survey is both expensive and resource intensive, however, and MCTV is not in a position to fund or staff a statistically valid survey. MCTV did perform such a survey in the late 1980s, as the Grand Jury was told by MCTV. However, this survey was made possible by the generous donation of time and computer time by a local businessman who conducted marketing surveys professionally. The data was gathered by 15 students from Cornell University who came to the Coastside as part of a class project arranged by MCTV's President, Connie Malach, a Cornell graduate. It has not been possible for MCTV to arrange for a similar no-cost survey in recent years. As a result, while MCTV would welcome the opportunity to conduct such a survey, additional resources would have to be obtained for the survey to take place. MCTV is frankly doubtful that the City and County would consider such a project a high funding priority given the current state of local governmental finances.

### **Community Input**

MCTV has always welcomed community input, and will continue to do so in the future. The fact that MCTV does not have memberships any longer does not alter its willingness to receive public input or to be responsive to its viewers. In fact, MCTV has always received most of its input in the form of telephone calls to the station and emails from viewers. MCTV's staff is very responsive to these viewer calls, frequently rescheduling programming so that individual members of the community can view programs that they missed. MCTV is entirely willing to actively solicit additional viewer input and to provide additional information about MCTV and how it operates to help educate the community. If such efforts encourage more individuals to consider producing their own local programming, MCTV would be extremely gratified by such a result.

### **MCTV's Corporate Structure**

The Report makes a recommendation that MCTV should initiate a process of improvement based on community surveys and public input. This somewhat vague recommendation also suggests that MCTV's bylaws should be adjusted to codify these reforms. Frankly, MCTV cannot tell what the Grand Jury had in mind with this recommendation. As explained above, MCTV continues to be receptive to community input, and would welcome the benefit of viewer survey results if the resources for a survey were available. MCTV sees no need to modify its Bylaws to conform to viewer survey results.

The Bylaws amendment recently passed overwhelmingly by over two-thirds of the MCTV membership was actually a vote of confidence in MCTV's management, and a frank repudiation of

the small group of individuals who have criticized MCTV and sought to substitute their judgment for that of MCTV and its Board. MCTV is unlikely to change its view that this group does not understand community access television sufficiently to offer any constructive views. Their proposals, including the suggestion that MCTV reject County and City funding and attempt to fund its operations entirely from increased membership dues, would result in the catastrophic failure of community access on the Coastside. MCTV will make every effort to prevent such a result. To that end, the recent Bylaws amendment ensures that MCTV's tiny band of critics cannot waste the station's resources on unproductive battles for control of the non-profit corporation. Thus, MCTV disagrees with the Grand Jury report that there is any need for modification of its governance documents.

### **The Grand Jury's Failure to Appreciate the Challenges Facing MCTV**

MCTV is a unique and successful example of a community access station. With the smallest funding base and population of any access station of which we are aware, MCTV has lived within its extremely limited financial means and continued to provide a high level of programming and service continually since 1985. Neither the Grand Jury nor MCTV's critics acknowledge the intense effort and long hours required to provide the public meeting programming offered by MCTV, and to enable the meetings to be available via webstreaming and through video on demand, a service that many access stations on the Peninsula do not provide their viewers. MCTV's Station Manager is a part time employee, not a full time employee, as the Report mistakenly indicates. The Station Manager works the equivalent of full time plus overtime, however, she is not compensated for all of that extra time, and is paid substantially less than other access station managers, a fact which MCTV documented for the Grand Jury, but which the Grand Jury did not see fit to mention in its report. MCTV has only one other part time staff member and no MCTV employees receive any benefits whatsoever. MCTV's staff and volunteer camera operators are extremely dedicated to the task of making the public meetings available to a viewing public that is eager to see them. However, the long evening hours, night after night, week after week, for people who hold other jobs during the daytime, means that realistically MCTV does not have sufficient staff resources to take on greatly increased video production work.

To put it bluntly, MCTV is not KQED. In fact, it's not even Millbrae Community Television or Pen TV. Any of the Report's vague suggestions for improvement or more local programming have to be reconciled with what is possible within the limited staff and financial resources of the station at the present time. Comcast's franchise fee revenue is shrinking, and MCTV will continue to have to do the same amount of work with less money. That cannot continue indefinitely. At the same time, Comcast and other video providers such as AT&T are attempting to further reduce funding of community access stations and deliver a lower quality of transmission for access channel programming. MCTV's Station Manager has worked in cooperation with other access channels to lobby local and federal authorities to preserve community access. Community access stations throughout California and the rest of the nation face a real challenge for survival, and the Grand Jury report appears to be completely oblivious to this fact in making simplistic recommendations that MCTV increase its funding and produce much more local programming.

A more constructive suggestion would have been to explore where this additional funding

could come from. MCTV suspects that the County Supervisors and City Council members are already have their hands full struggling to balance their respective budgets without a request for more money for MCTV. Coastside businesses and individual residents alike are facing significant financial challenges of their own under current economic conditions. In light of all these challenges, perhaps MCTV deserved some small measure of thanks for accomplishing all that it does with very limited resources, instead of pie in the sky suggestions to improve the quality and relevance of its service without any hint of where the necessary funding and staff resources will come from. As with so many of the notions of the individual who initiated the Civil Grand Jury inquiry process, this appears to have been a fairly significant waste of time for everyone involved, including the members of the Civil Grand Jury and MCTV and its staff.

Very truly yours,

*/S/ Constance J. Malach*

Constance J. Malach  
President, MCTV

CC: Michael Murphy, San Mateo County Counsel  
Ann Stillman, Public Works  
Andrew Berthelsen, Advisor to Supervisor Gordon  
San Mateo County Civil Grand Jury