



**Office of the City Auditor**  
**Philip J. LaTessa**  
**City Auditor**

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City of Syracuse  
Cable Franchise Report

## **Introduction:**

On February 7, 2008, the Office of the City Auditor opened a formal review of the City of Syracuse's Franchise Agreement with Time Warner Cable Company (referred to as the Franchisee in the agreement). This included a review of the contract between the City of Syracuse and the cable franchisee, a review of the general operation of the system by the cable company and obtaining first-hand familiarity with the public access facilities/studio located within the limits of the City of Syracuse.

The audit of the cable franchise agreement was undertaken with the encouragement of several city common councilors who felt that it was an opportune time for a review to be undertaken. The agreement, approved by the Common Council in 1997, had recently expired and the City administration was negotiating a new agreement with representatives from Time Warner Communications (franchisee). Some individuals saw this as an opportunity to make improvements and changes to public access and local programming broadcasts by altering or expanding the partnership between the cable operator and the Syracuse City School District. In particular, they envisioned an opportunity to greatly enhance the participation of students with the creation of a technical high school situated in the heart of the downtown area and relatively close to the existing public access facilities maintained by the cable company, as required by the franchise agreement.

This review is authorized by Section 5-501(4) of the City of Syracuse Charter. The examination was administered in accordance with the *Government Auditing Standards*, issued by the Comptroller General of the United States and *Standards for the Professional Practice of Internal Auditing*, as circulated by the Institute of Internal Auditors.

These standards necessitate that the audit is planned and performed to attain a reasonable foundation for the judgments and conclusions regarding the function under examination. This review also included evaluations of applicable internal controls and compliance with requirements of law and regulations when necessary to satisfy audit objectives.

The management of the City of Syracuse, New York, is responsible for establishing, maintaining and complying with the internal control structure and for compliance with applicable laws, regulations and contracts.

This report is intended solely for the information of the Mayor, the Common Council and the involved departments of the City of Syracuse, New York, yet it is understood to be a matter of public record and its distribution is not limited. Further information regarding this audit is available at the City of Syracuse's Audit Department upon request. The Audit Department would like to thank the Office of the Corporation Counsel, the

Department of Finance, the other City departments, and the representatives from Time Warner Cable who assisted and cooperated with us during our audit.

## **Background Information:**

### **History of Franchise Approval:**

The history of the cable television franchise agreement in the City of Syracuse is long and rich in its commentary on the expectations placed on cable television and the related alarm system right from the days of its original conception in the 1970's.

On January 10, 1977, the Syracuse Common Council unanimously approved Ordinance #1 of 1977, which authorized the Director of the Syracuse Office of Electronic Communications to advertise and issue a Telecommunications System Request for Proposals for the private ownership of the Syracuse Telecommunications System. It is evident from reviewing this ordinance and the subsequent legislation that provided the basis for the eventual granting of a cable television franchise that councilors were committed to providing residents of the City with a system that met several critical criteria.

The Common Councilors who were on the council at that time wanted to establish an agreement with a cable provider that had the technical and financial ability necessary to construct, operate and maintain a system within the City. Key to getting City approval would be the ability of the cable system applicant to include diversified programming, multi-subscription options, and inexpensive fire alarm and security systems with prospects for full city-wide application.

Immediately following the adoption of the Ordinance that began the cable franchise process, one councilor requested that the President of the Common Council appoint a Special Subcommittee of the Council to aid in the development of the specifications for the Request For Proposals (RFP). Subsequently, at the time of that council meeting, three councilors and several other designees were in fact selected for the Subcommittee by the Common Council President.

With all these elements in place, it was clear that the council planned to stay fully involved as a legislative body. Section #2 of Ordinance #1 reinforced commitment to being engaged in establishing the standards that were expected from the company selected to deliver cable television and related services, stating: *“That the Syracuse Common Council evaluate and diligently investigate the legal, character, and financial qualifications of all the applicants submitting complete proposals within the time period established by the City of Syracuse for receipt of such proposals.”*

The process proceeded and on February 22, 1977, the council approved Ordinance #106 of 1977. This ordinance approved the Request For Proposal document as prepared by the Syracuse Office of Electronic Communications, and further authorized the Director of the Electronic Communications Office to solicit bids from private operators. Approximately nine full proposals were received and evaluated by the City and several public hearings were held in June and July, 1977. The council continued to monitor the City's progress, and three of the firms were included in negotiations with respect to their applications and responses to the city's request for proposals.

These actions led to the adoption of a resolution dated August 3, 1977, requesting the City's Corporation Counsel to commence negotiations with Syracuse Cablesystems, leading to a franchise agreement for the construction, operation and maintenance of a system.

The following Spring, on April 27, 1978, a special meeting of the Common Council was held for the sole purpose of authorizing, with the approval of the Board of Estimate, a cable television/telecommunications franchise agreement between the City and Syracuse Cablesystems. The City's Corporation Counsel noted that a report on the proposed agreement, provided by an independent telecommunications firm, found that it was advantageous from both an operational and technical point of view, and a review commissioned by an independent law firm stated that the proposed agreement offered adequate protection for both the City of Syracuse and Syracuse Cablesystems.

The observations of several of the councilors, made in preparation for the voting (the vote was eight yes votes in favor of granting a cable television franchise, with one councilor absent) noted that the process had lasted for nearly five years, but that in spite of the lengthy period of planning and implementation, the City was ending the process with the "finest Cable Television system in the entire country and the most unique alarm system for any city of its size." Also reported was the intention to keep the Special Cable Television Committee participating in the ongoing implementation and operation of the system.

### **Recent History:**

The enthusiasm evident in the late 1970's gave way to far more modest and infrequent monitoring of the cable operations in recent years. Whether this is just the result of the passage of time or the changes in technology and the venues offering of cable, security and fire protection services, is hard to determine. It could also reflect the way local control has been replaced with decision making being shifted to either state or federal agencies, or resulting from legal decisions.

Whatever the cause, it is clear that a large portion of the excitement and pride in ownership of cable services that is very evident in reading the Common Council minutes from the 1970's and 1980's has eroded.

By application dated February 24, 1997, Adelphia Cable Communications, which at that time held the franchise agreement, requested that the Mayor and the Common Council approve the renewal of the Cable Television Franchise Agreement that was expiring, and that was a continuance of the original agreement renewed over time from the initial approval in April, 1978. On April 28, 1997, Ordinance #128 of 1997 was approved renewing the agreement. Again the wording in the approving legislation referenced the council's confidence in Adelphia stating it possessed "the technical ability, financial condition, and character necessary to continue to operate a cable television system within the City of Syracuse".

At the time of that renewal process, the Common Council was aware that negotiations were taking place that would likely result in the transfer of the cable franchise from Adelphia to Time Warner Entertainment Advance Newhouse Partnership (TWEAN). The administration and the council evaluated the transaction from the perspective that they wanted assurances that the new cable provider would continue to provide the technical ability, financial condition and character needed to operate the system as had been expected of Adelphia.

The renewal incorporated the continued requirement on the franchisee to have a public access studio within the City; and franchisee agreed to continue to meet the further commitment to local programming of \$125,000 annually for expenses pertaining to local origination and public, educational and governmental (PEG) access programming.

To clarify the meaning of these terms, the Office of the City Auditor referenced the franchise agreement, which provides the definition of "Local Origination Channel" as "any channel programmed by the franchisee, including automated program services."

The franchisee makes this channel space available for any individual who is a community resident and willing to accept responsibility for the material broadcast, whether it has been prepared locally or ultimately originates outside the area in a pre-packaged format by a national organization, a particular advocacy group, etc. Prepared materials are also received from various religious organizations and denominations, governmental sources and other interest groups. Materials are not pre-screened or censored by the cable provider; the material is assumed to be within the requirements of state and/or federal broadcast guidelines, and any violation of broadcast rules becomes the problem of the providers and originators of the materials, not the franchisee.

The franchise agreement, in Section 1.14, defines "Public Access Channel" as "any access channel available to the general public for access programming on a first-come, first-served non discriminatory non-commercial basis."

Section 1.15 defines "Education Access Channel" as "any access channel designated for use for access programming for local educational institutions, including all elementary and secondary public schools, non-profit school systems, and public and private colleges and universities in the City".

“Governmental Access Channel” is described in Section 1.16 as “any access channel designated for use for access programming for local governmental agencies, including the City”.

Based on information included in the annual reports submitted to the City’s Office of the Corporation Counsel, per Section 9.5 which requires an annual report and a certified financial statement be submitted, the larger categories of programmer profile are: religious (45%), comedy (14%) and government (11%). Other content includes children, education, music and sports among the remaining varied sources.

Ultimately, the City’s elected officials deemed that Time Warner could and would adequately fulfill the requirements of the franchise agreement and the Common Council approved the transfer on November 10, 1997. With this action, it was confirmed by Ordinance #491 of 1997, that Time Warner would be the City’s cable TV provider.

The Office of the City Auditor attempted to get a sense of the degree of spontaneous or genuine community involvement on the part of Time Warner versus the company merely trying to comply with the minimum requirements of the agreement. In the course of our discussions, we received from the representatives of Time Warner, a sample of the locally originated programs produced by Adelphia and later Time Warner for Central New York broadcast. This listing is included as Attachment A.

Since there was no contractual obligation that required the franchisee to produce and air these specific programs, we believe a case can be made that there has been a true effort made to provide the community with quality local programming that benefits certain segments of the viewer-ship.

At the same time, we were less convinced by the argument made that the broadcasting of the local news programming (News 10 Now) and coverage of local sport events (Time Warner Sports or TWS) are further confirmations of how the company is giving preferred customer programming. This may be partially true, but based on both of these channels carrying paid advertising; there are equal benefits to both customers and the provider.

The agreement between the City and TWEAN expired on September 5, 2007; a six month extension was granted while the City’s administration continued its negotiations with the representatives from Time Warner. A second extension has been put in place, extending the provisions of the expired contract through September 5, 2008, and it has been stated to the Auditor for the City of Syracuse that negotiations are currently underway.

Based on the negotiations currently taking place, coinciding with the initiation of Phase One of the Joint Schools Construction Program, some interest has been expressed in trying to take advantage of this opportunity to potentially coordinate the school renovations with cable-related options under consideration at the same time. The addition of a new high school identified as the Institute of Technology, at the site of the former

Central Tech High School, is seen as presenting some opportunity for a partnership between the school district and the cable company.

In response to questions and suggestions brought to the attention of the Office of the City Auditor, and the possibilities noted above, this report has been compiled for distribution.

**Scope:**

The review was performance in nature and was executed to provide an independent assessment of the following:

- A review of the Franchise Agreement was undertaken with attention being given to the following:
  - A. Becoming familiar with contract development and history,
  - B. Reviewing the agreement provisions, with particular attention given to the Cable TV Franchise Tax, and the Local Origination, Public, Educational, Governmental Access Programming annual financial commitment,
  - C. Reviewing the Franchise Agreement in relation to its obligations to make payments under Gross Utilities Tax provisions.
- Public Access Studio - The facility was visited and support staff for public access training and development was interviewed. An assessment was attempted to determine if the studio met the requirements of the agreement, and the cost of a facilities upgrade was sought.
- We sought to obtain a history of the local origination and public access programming over a number of years as provided under the agreement. Also, a comparison of current local programming to other cable franchises' programming was deemed as desirable in trying to determine the potential for implementing enhancements to local and/or public programming under the franchise agreement.

**Methodology:**

To reach this assessment, the Office of the City Auditor held discussions with a number of individuals from City of Syracuse departments and from Time Warner Cable Company to get a better understanding of the history of Time Warner's stewardship of the City of Syracuse cable system. These interviews also assisted the Office of the City Auditor in assessing the roles of various departments relative to monitoring the receipt of Cable TV Franchise Tax revenue; complaints received about cable service and/or billing, and compliance matters as specified by the Franchise Agreement.

The Office of the City Auditor reviewed the operation of the public access studio maintained by Time Warner Cable Company, which is the original studio.

The franchise agreement, in Section 16 – LOCAL ORIGINATION, ACCESS PROGRAMMING, AND EMERGENCY ALERT, states in Section 16.1, “The

Franchisee shall maintain a studio in the City of Syracuse suitable for live videotape production in formats normally found acceptable in the industry. The Franchisee shall staff the studio appropriately to provide advice and technical assistance to users of the access studio, and facilities. The Franchisee shall provide and maintain hardware generally used and widely accepted in the cable television industry. A list of equipment and facilities currently maintained by the Franchisee for access programming is attached to this Agreement as Exhibit 1." Exhibit 1 is attached to this report under the heading of **Access Equipment Inventory 1996.**

Time Warner has offices located outside of the city limits and has the News 10 Now and cable facilities located at 815 Erie Blvd. East within the city. As these locations were developed, and when office space was relocated from the 500 Building, the studio facilities that were originally constructed in the 500 Building remained the studio maintained by the franchisee. This was done intentionally by the franchisee to continue to be in compliance with the franchise agreement. The studio spaces were retained in a modified lease, even though the regular public use of the studio has continued to decline over time.

It is worth noting that while participation in local public access has diminished, the customer base for the City's Time Warner cable services has continued to stay within the normal range for a city the size of Syracuse. As of March 2008 the number of basic cable customers has grown to 33,556 subscribers, including Syracuse University and Lemoyne College students. This is roughly two thirds of the potential customers in the franchise area. Time Warner has responded to our questions about subscription levels by reporting that the norm in urban areas is to have a customer base that represents 66% of the total potential saturation of market. In rural areas, such as in the north-country region of New York State, the saturation level tends to trend closer to 90%.

Given the size of the revenue stream and the significant size of the subscription base in the City, it seems reasonable to expect that City government, both the administration and the Common Council, would want to stay involved in the management of this community-wide enterprise.

The Office of the City Auditor inquired about the collection and tracking of demographic data by the franchisee in the City's cable system, and the Audit staff was told that Time Warner did not have any demographic information that it could share.

### **Conclusions:**

After reviewing the contract and becoming familiar with current practices and operational aspects of the cable system under the management of Time Warner, the first question we looked to answer was "Were there any contractual obligations required of the franchisee that were not met?"

It is the opinion of the Office of the City Auditor that the franchisee is in compliance with the contractual requirements as detailed in the Cable Franchise Agreement. This is due in

part to the broad, general requirements placed on the franchisee relative to performance and compliance. A good example of this is the requirement to annually expend a minimum amount to support local origination and public, educational and governmental access programming. By combining these various types of programming together, the required annual minimum expense of \$125,000 per the cable agreement is more readily met by the franchisee. Being able to combine the coverage of multiple cost centers lowers the bar for the franchisee. A summary of public access expenses for the period from 2000 through 2007 is included in this report on Attachment B.

In addition, the Office of the City Auditor concluded from interviewing Time Warner staff that sincere efforts have been made over the years not to just fulfill their obligation but to provide quality and informative local access programming alternatives. As previously noted, the product provided by the franchisee exceeded the standards set forth by the agreement.

It was further determined that the franchisee made timely quarterly payments of the franchise tax or fee in keeping with Section 12 of the agreement. The franchise fee receipts are recognized in the City's General Fund Budget as General Fund Revenue. Attachment C provides a history of the annual CATV Franchise Tax Revenues for the last ten years. (Note: the City's fiscal year starts on July 1<sup>st</sup> and ends on June 30<sup>th</sup>, and therefore adjustments are needed to reconcile information to the calendar year summaries generated by the franchisee.)

The fee is specified in Section 12.1, which notes that the franchisee shall pay the City an annual amount equal to five (5%) percent of the franchisee's gross subscriber revenues and non-subscriber revenues derived from cable television operations in the Syracuse community (advertising, home shopping, political advertising, etc.). Payments are made quarterly for the preceding three month period, with each payment due and payable no later than 37 days after the end of the quarter, and accompanied by a financial report. The ends of the quarters are: March 31, June 30, September 30 and December 31. To the best of our knowledge, the payments are accurate and in compliance with current applicable laws. However, the Office of the City Auditor recognize that there are frequent court rulings and governmental revisions to the law that could alter existing agreements and in the case of the City's franchise agreement, could conceivably impact the franchise fee calculations.

For the years 2006 and 2007, the franchise fee worksheets were reviewed that detail by month and by revenue source the dollars received by the operator and the calculation of the City's fee. The reports focused on were the ones received with the quarterly payments due on February 7<sup>th</sup> since they provided the full twelve month detail for each year. The two worksheets are provided as Attachment D (2007) and Attachment E (2006).

In the 2007 worksheet there was an extremely large adjustment in December for advertising revenues. Instead of showing a positive number (the December 2006 advertising revenues were approximately \$154,770) there was a negative amount of approximately \$445,780. While there was a letter attached to the worksheet that

attempted to explain the adjustment, it was not fully clear what the reason was for such a large variance. Our questioning of City staff soon made it evident that no one was conversant with the adjustment nor was anyone assigned the responsibility of reviewing the documentation being provided by the franchisee and asking for clarifications or further information when required.

The seemingly total disengagement of City government at all levels to reviewing and monitoring City cable activities and operations is a major concern of the City Auditor. As has been observed in the course of other performance audits of City activities, when a void in ownership over a program or operation develops, an increased number of problems or impediments to effective management are identified.

A good example of the changes that have taken place over time is reflected in the disclosure that the Common Council kept the Cable TV Committee on its list of standing committees until 1985 when it was eliminated. As noted, the level of interest on the part of the council has diminished in recent years. The City Auditor would encourage councilors to revisit this situation and discuss among themselves the benefits to the community that might result from re-instituting a standing Cable TV Committee.

The Office of the City Auditor would also recommend that the administration consider undertaking an external audit of the franchise agreement and the amounts of the franchise fee paid over the last several years, as is allowed under Section 12.5 of the franchise agreement. The help of an expert in the field of cable agreements could be the missing component needed to upgrade the cable's potential. The City would be obligated to pay for this auditing process, unless the audit determines that additional monies are due the City in excess of the 5% of the quarterly payment currently being paid; then and in that event the franchisee shall reimburse the City for the cost of that audit, per Section 12.

The number of recent changes in state and federal regulations, etc. makes it conceivable that there might be more than a few provisions of the franchise agreement that might reasonably need to be reassessed or modified as part of the contract renegotiation process. The audit could provide this opportunity as well as provide a logical juncture for revised management and monitoring of the cable contract going forward. A more proactive management style is strongly encouraged.

The Office of the City Auditor sought out information on the quality of the local origination and the public, educational, governmental access programming and how the product aired on the City's cable system compared with other communities' programs. The Office of the City Auditor heard from individuals that were interviewed that it was likely that other areas could be experiencing greater support from volunteer residents who were involved in public access and local origination programs.

More than once it was suggested that where such grass roots enthusiasm and participation was the most apparent, there was a correlation to a portion of the franchise fee being collected from the franchisee and invested back into the community's PEG programming.

Anecdotally, the Audit staff was told that in Lockport, New York, all the franchise fees were used to fund public access. Further discussion suggested that a recent decision was made to increase the franchise fee from 3% to 3.5% in Baldwinsville/Lysander/Van Buren cable system area and dedicate the entire increased revenue toward local access in that system.

Another suggestion that was conveyed to the Audit staff conducting the interviews was that the enthusiasm that once existed for local origination and PEG programming has diminished due to the aging of the equipment made available by the franchisee. It was also suggested that the useful life of the equipment in the studio had expired and that the equipment was no longer "acceptable in the industry". The Office of the City Auditor does not have the means to determine the adequacy of the equipment; however, the Auditor does recommend that a competent, impartial third party, such as the external auditing firm previously mentioned, review the facilities to make such a determination. The Office of the City Auditor recommends that any audit undertaken include an evaluation of studio equipment as a part of the scope. Additionally, the scope of the audit should require preparation of a replacement schedule going into the future, ensuring the requirements of the agreement are met.

The Office of the City Auditor did request from the franchisee an estimate of the cost to update the existing studio equipment with digital equipment that would withstand the wear and tear of community use. The Office of the City Auditor was advised that the cost of such an upgrade would be approximately \$250,000. This would include a new video switcher, studio cameras, and audio and portable acquisition equipment with editing stations.

There were sufficient comments made by representatives from Time Warner to confirm the assertions made from other interviewees that the studio is currently under-utilized for local programming. The Office of the City Auditor concludes that it is in nobody's interest to require the continuation of an under-accessed facility. Either the requirement placed on the franchisee should be re-negotiated so that more proactive local access programming results, or the requirement for a City-located studio should be terminated. And while it would be convenient if the renovation of the Institute of Technology at Central Tech did progress at a speed that allowed for a cable/school district partnership to develop, it seems that the timelines for re-negotiating the franchise agreement and renovating the Central Tech site are not progressing at a mutually compatible rate.

Lastly, the Office of the City Auditor was provided with information confirming that the franchisee has been making gross utilities tax payments for the utilities-related component of their business.

## **Findings And Recommendations:**

### **Finding #I: Lack of City Involvement in Monitoring Cable Activities and Revenues:**

**In the process of gathering information, the Office of the City Auditor observed multiple examples of minimal to no monitoring of cable-related activities, reports and revenues submitted. Likewise, there was minimal participation on the part of the Common Council in keeping abreast of current developments affecting the City's relationship with the franchisee cable company.**

Recommendation: The City administration needs to develop a strategy for continued monitoring of and interaction with Time Warner. The lack of City Involvement seen in the past diminishes the City's ability to maximize the benefits that can be gained by regular interaction between parties. A renewed sense of ownership of the franchise is greatly encouraged.

As noted, the level of interest on the part of the council has also diminished in recent years. The Office of the City Auditor would encourage councilors to address this situation. The City Auditor recommends that the Council re-instate the practice of keeping a standing Cable TV Committee as a part of the legislative organization. Certainly, it would be a further incentive to the City's administration to stay more involved if there were the prospect of ongoing monitoring by the Common Council.

### **Finding #II: Cable Television Studio Under-Utilized:**

**All discussion about the local access studio, editing stations, etc. pointed to the minimal usage of the facilities that has evolved in recent years. The potential that could be provided by an active local access consortium seems to have stagnated, leaving a void where there could have been a venue for creativity and information to be shared with the community.**

Recommendation: The City and Time Warner must work together to address the problem of under-utilized cable TV facilities or develop an alternative approach to providing the outlets that local access and public, educational and governmental programming have enjoyed in the past via the cable system. This could potentially free resources that the franchisee has committed to maintaining an ineffective studio infrastructure for more relevant use. For example, recent news coverage of the image campaign launched by students from the City's high schools to change the negative and stereotypical perceptions of the school district have reported that these efforts were made through Clear Channel Radio stations, online and with posters. The inclusion of cable TV outlets could have gone a long way toward extending the campaign into the consciousness of a far broader audience and would have certainly been of greater value to the City overall than an under-used video studio.

**Recommendation #I: City Should Have Cable Operations Audited by An Independent Firm:**

**It is the recommendation of the City Auditor that the cable operations be audited by an independent auditor who is knowledgeable in the cable industry and able to review the revenues received by the City over the last several years, as well as the meaning of recent court rulings, regulation rulings and changes and anticipated changes in the cable industry. The scope of the work being done in this proposed contract should include a review of the studio equipment and related dedicated spaces with attention being given to projecting what would be required (both in terms of cost and projecting when upgrades would be needed) to sustain a viable studio into the future, if it is determined that the studio should be retained as a component of the franchise agreement.**

**Auditor's Notes:**

The City Auditor recognizes that the negotiations between the City and Time Warner have been in progress for a considerable period of time and consequently some of the recommendations in this report can not be currently implemented. However, the City Auditor encourages serious consideration of the ideas put forward in this report for future implementation. In the meantime, the Auditor again stresses the importance of fuller City participation in monitoring and managing the cable TV franchise agreement on behalf of City taxpayers and subscribers.

Philip J. LaTessa  
Syracuse City Auditor  
City of Syracuse  
May 12, 2008



**ADELPHIA**  
CABLE COMMUNICATIONS

**Access Equipment Inventory 1996**

<b>Quantity</b>	<b>Equipment</b>
1	Complete production studio, including 3 Hitachi cameras, lighting grid, video switcher, Tascam cassette player, Technics CD player, and a Ramco audio mixer.
1	Sony Edit Controller
1	Cross Valley Switcher
3	Panasonic S-VHS Player
3	Panasonic S-VHS Recorder
2	Panasonic B&W Monitors
1	Tektronix Waveform Monitor
1	Leader Vectorscope
2	Panasonic Color Monitors
1	NEC Color Monitor
8	Various Microphones
2	Stereo Headphones
7	Wilk Video Distribution Amplifiers
1	Sigma Electronics Color Sync Generator
1	Laird Character Generator
1	Realistic Amplifier
2	Realistic Speakers
1	Teac Compact Disk Cassette Combo
1	Ramsu Audio Mixer
6	SKB Portable Equipment Racks
1	Panasonic CCD Color Camera
1	Panasonic S-VHS Dockable player/recorder
1	Miller Tripod
1	JVC Color Monitor
1	Strand Light Kit
1	Bogen 4 Input microphone mixer

**Miscellaneous**

audio & video cables, extension cord, and 6 outlet power strip.

In addition to extensive coverage of local sports dating back to 1983 -- we did that even before we created our "Time Warner Sports" network in 2004 -- the following represents a sample of the locally originated programs produced by Adelphia Cable (in the City prior to 1998) and Time Warner Cable, for carriage on our own local channels:

**Ask the BBB**  
**The Super Connection (issues show with City Schools Superintendent)**  
**Haggart Live**  
**Reporters' Roundtable**  
**Open House**  
**County Connection (with Marty Farrell)**  
**Syracuse Weed & Seed**  
**In Performance**  
**Sound Check**  
**SUPerSports**  
**The Jack Morse Show**  
**A Certain Age**  
**Straight to the Source**  
**Spirit of the Law**  
**Medically Speaking**  
**various State of the City / State of the County addresses (now covered by News 10 Now)**  
**Point 'n' Click (computer show)**  
**Garden Journeys (with Terry Etlinger)**  
**Women's Voices**  
**Positively Pets**  
**The Melting Pot (cooking show)**  
**Polkberry Mountain (children's show)**  
**A Tapestry Christmas (holiday show)**

ATTACHMENT B

**SUMMARY OF PUBLIC ACCESS EXPENSES - SUPPLIED BY TIME WARNER CABLE COMPANY**

<u>YEAR</u>	<u>RENTAL EXPENSE</u>	<u>UTILITIES EXPENSE</u>	<u>PERSONNEL*</u>	<u>TOTAL COST</u>
2007	\$ 41,099	\$ 38,260	\$ 114,385	\$ 191,744
2006	\$ 39,901	\$ 30,000	\$ 111,434	\$ 182,235
2005	\$ 38,739	\$ 26,294	\$ 107,874	\$ 172,907
2004	\$ 37,610	\$ 24,979	\$ 104,146	\$ 166,735
2003	\$ 37,607	\$ 23,730	\$ 103,298	\$ 164,635
2002	\$ 37,607	\$ 22,544	\$ 94,153	\$ 154,304
2001	\$ 37,607	\$ 21,417	\$ 89,277	\$ 148,301
2000	\$ 37,607	\$ 20,346	\$ 82,609	\$ 140,562

\* PERSONNEL EXPENSES INCLUDE SALARIES IN COMBINED FORMAT; TOTAL COST IS FOR THREE INDIVIDUALS WHOSE TIME IS PARTIALLY (ONE HALF) ATTRIBUTED TO PUBLIC ACCESS ACTIVITIES PLUS ONE FULL TIME EMPLOYEE WHO IS DIRECTLY INVOLVED IN TRAINING MADE AVAILABLE THROUGH THE TIME WARNER STUDIO FACILITIES. DUE TO THE CONFIDENTIAL NATURE OF THE DETAILS FOR EACH OF THE INVOLVED EMPLOYEES, THE PERSONNEL INFORMATION SUPPLIED IN THIS REPORT IS IN AGGREGATE FORM RATHER THAN DETAILED BY INDIVIDUAL EMPLOYEE.

## ATTACHMENT C

### “CATV Franchise Tax History”

2006/07 -	\$1,432,034
2005/06 -	\$1,354,227
2004/05 -	\$1,302,415
2003/04 -	\$1,245,567
2002/03 -	\$1,240,303
2001/02 -	\$1,304,597
2000/01 -	\$1,200,000
1999/00 -	\$1,148,809
1998/99 -	\$1,027,591
1997/98 -	\$944,952



# TIME WARNER CABLE

Syracuse Division

## 2007 Franchise Fee Worksheet

0110-110 City of Syracuse, NY

Accountant: djwinfie  
Due Date: 02/07/2008

FINANCE DEPT  
104 CITY HALL

SYRACUSE NY 132021178

Attachment D

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	
Basic	\$316,795.26	\$317,957.22	\$321,949.35	\$325,595.79	\$326,501.46	\$320,784.20	\$310,097.12	\$307,316.89	\$317,863.76	\$318,686.64	\$322,417.22	\$321,14
Standard	\$1,089,308.22	\$1,098,080.94	\$1,117,048.94	\$1,139,659.13	\$1,138,507.74	\$1,106,428.51	\$1,065,385.42	\$1,041,165.29	\$1,077,229.95	\$1,080,708.69	\$1,095,160.84	\$1,089,78
Digital	\$232,873.91	\$239,779.66	\$249,103.70	\$256,624.44	\$257,159.60	\$249,267.48	\$240,585.41	\$235,926.95	\$255,262.36	\$256,547.92	\$262,427.96	\$261,93
Premium	\$223,337.98	\$225,288.67	\$231,922.31	\$237,345.52	\$235,047.31	\$225,441.98	\$216,279.00	\$208,826.23	\$222,004.95	\$217,535.20	\$219,336.39	\$217,53
Pay Per View	\$98,172.27	\$117,518.35	\$90,456.53	\$119,021.17	\$129,889.42	\$109,298.00	\$83,569.38	\$88,230.70	\$97,289.62	\$81,279.64	\$104,271.53	\$138,16
Install	\$20,290.86	\$22,207.57	\$20,967.81	\$19,466.94	\$18,121.30	\$17,494.14	\$15,787.19	\$19,720.37	\$26,348.37	\$26,605.04	\$26,858.89	\$19,85
Equipment	\$230,918.52	\$235,772.35	\$244,851.78	\$246,256.82	\$242,639.71	\$236,395.57	\$229,688.10	\$226,613.30	\$247,644.99	\$247,210.01	\$251,988.88	\$252,73
Late Fee	\$17,389.75	\$12,804.50	\$16,231.01	\$12,414.25	\$16,865.00	\$18,160.00	\$20,894.25	\$17,539.75	\$17,470.00	\$16,870.00	\$16,570.00	\$19,34
Bad Debt	(\$29,474.87)	\$73,002.02	(\$74,097.76)	(\$38,237.47)	\$12,235.84	(\$164,743.21)	\$78,508.97	\$77,713.90	(\$192,185.73)	(\$120,257.21)	(\$71,152.39)	(\$71,14
Advertising	\$138,159.29	\$177,163.88	\$214,291.64	\$217,613.32	\$232,358.99	\$227,022.11	\$192,727.10	\$198,820.55	\$212,459.19	\$236,244.25	\$237,331.72	(\$445,78
Home Shopping	\$19,920.80	\$18,368.49	\$19,902.47	\$19,447.12	\$19,340.45	\$19,328.42	\$17,724.73	\$18,464.33	\$18,429.46	\$19,784.41	\$22,677.06	\$21,51
<b>Total Revenue</b>	<b>\$2,357,691.99</b>	<b>\$2,537,943.65</b>	<b>\$2,452,627.78</b>	<b>\$2,555,207.03</b>	<b>\$2,628,666.82</b>	<b>\$2,364,877.20</b>	<b>\$2,471,246.67</b>	<b>\$2,440,338.26</b>	<b>\$2,299,816.92</b>	<b>\$2,381,214.59</b>	<b>\$2,487,888.10</b>	<b>\$1,825,08</b>
Rate	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%
Subscribers	33454	33798	34123	34110	33817	33582	32787	32076	32796	32904	33123	3305
Franchise Fee	\$117,884.59	\$126,897.18	\$122,631.38	\$127,760.35	\$131,433.34	\$118,243.86	\$123,562.33	\$122,016.91	\$114,990.84	\$119,060.72	\$124,394.40	\$91,25
<b>Total Fee</b>	<b>\$117,884.59</b>	<b>\$126,897.18</b>	<b>\$122,631.38</b>	<b>\$127,760.35</b>	<b>\$131,433.34</b>	<b>\$118,243.86</b>	<b>\$123,562.33</b>	<b>\$122,016.91</b>	<b>\$114,990.84</b>	<b>\$119,060.72</b>	<b>\$124,394.40</b>	<b>\$91,25</b>

### Payment History

Date	Check Number	Description	Amount
05/09/2007	1749864	Payment	\$367,413.15
08/09/2007	1873358	Payment	\$377,437.55
10/31/2007	1981753	Payment	\$360,570.08

### Year To Date Summary

Total Revenue	\$28,802,60
Franchise Fee	\$1,440,13
<b>TOTAL FEE</b>	<b>\$1,440,13</b>
Less Payments	\$1,105,42
<b>TOTAL DUE</b>	<b>\$334,70</b>

Attachment E

City of Syracuse, NY  
 6110-110  
 2006 Franchise Fee Worksheet

	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec
Basic	395,496.48	400,824.84	402,458.81	368,266.44	309,744.20	295,220.93	288,247.08	285,347.01	310,981.81	318,392.21	314,124.07	318,474.77
Standard (previously reported under basic)	997,816.10	1,019,525.14	1,033,804.00	1,101,702.21	1,146,073.73	1,114,475.61	1,077,985.86	1,058,594.68	1,091,480.09	1,096,967.01	1,100,324.34	1,100,648.72
Digital (previously reported as Mini-Pay, now includes Guide)	192,832.99	203,027.32	212,411.03	216,436.83	218,524.22	212,105.48	204,898.34	205,978.85	218,940.73	221,833.70	227,044.85	231,505.00
Premium (previously reported as Pay)	223,482.51	230,190.14	237,294.34	242,062.92	243,213.42	231,232.47	219,486.92	212,915.00	224,838.99	222,819.89	223,180.27	224,793.81
Pay Per View (previously reported as PPV)	100,270.44	98,217.18	95,588.94	131,575.18	90,724.09	123,776.81	85,421.76	88,587.61	94,278.13	84,752.85	99,271.57	110,121.79
Install	14,543.18	22,243.37	34,858.90	20,276.05	22,508.77	19,383.71	17,551.70	22,550.76	37,151.70	28,865.83	21,907.74	19,011.86
Equipment	193,229.40	203,128.70	213,869.82	218,283.71	215,780.74	207,017.38	200,891.29	199,505.78	215,131.83	218,794.43	224,874.53	228,757.44
Late Fee	20,329.50	15,293.75	12,815.09	14,825.00	16,979.00	15,731.01	19,459.50	18,814.56	14,899.75	16,134.25	15,879.75	13,284.75
Bad Debt	105,483.73	(186,519.88)	(58,102.85)	(51,933.54)	(83,672.28)	(111,584.16)	(36,276.41)	(16,990.63)	(300,828.86)	14,431.06	(53,880.86)	(122,486.50)
Advertising	68,991.82	129,158.81	148,989.18	172,258.81	176,431.88	170,820.50	147,825.50	140,920.44	161,043.87	195,630.04	207,250.17	154,767.83
Home Shopping	15,819.42	11,536.16	31,686.22	20,616.82	29,348.85	20,429.00	36,087.23	20,482.00	19,689.57	31,588.52	24,952.09	22,358.03
<b>Total Revenue</b>	<b>2,327,995.57</b>	<b>2,186,805.43</b>	<b>2,359,249.19</b>	<b>2,452,350.83</b>	<b>2,369,737.72</b>	<b>2,298,668.54</b>	<b>2,260,275.75</b>	<b>2,233,685.97</b>	<b>2,089,489.21</b>	<b>2,452,029.89</b>	<b>2,408,728.54</b>	<b>2,301,468.50</b>
Rate	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Franchise Fee	116,399.79	108,330.27	117,962.46	122,617.54	118,486.89	114,833.43	113,013.79	111,684.30	104,474.46	122,801.48	120,336.43	115,073.68
<b>Quarterly Revenues</b>			<b>6,853,858.19</b>			<b>7,128,757.09</b>		<b>6,543,458.93</b>				<b>7,168,227.79</b>
<b>Quarterly Payment</b>			<b>342,632.51</b>			<b>356,897.85</b>		<b>329,172.65</b>				<b>358,811.39</b>
<b>Subscribers</b>	<b>33,609</b>	<b>34,211</b>	<b>34,922</b>	<b>34,758</b>	<b>34,406</b>	<b>33,758</b>	<b>32,982</b>	<b>32,348</b>	<b>33,088</b>	<b>33,257</b>	<b>33,349</b>	<b>33,357</b>