



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** July 3, 2012

**TO:** Mayor and Councilmembers

**FROM:** Administration Division, Finance Department

**SUBJECT:** Grant Agreement With South Coast Community Media Access Center

### RECOMMENDATION:

That Council authorize the Finance Director to execute a grant agreement, in a form acceptable to the City Attorney, with the South Coast Community Media Access Center for management of the public and educational access television channels in an amount of \$288,800 plus an amount not to exceed \$32,659 for capital equipment, covering the period from July 1, 2012 to June 30, 2013.

### DISCUSSION:

Since its formation in January 2003, the South Coast Community Media Access Center (CMAC) has been designated by the County of Santa Barbara under its cable franchise with Cox Communications as the nonprofit entity to manage the public and educational access channels in the Santa Barbara South Coast region. The City has also maintained annual grant agreements with CMAC for the support of public and educational access since that time. Both the City and the County manage their own government access channels.

The Fiscal Year 2013 adopted budget includes \$288,800 in base funding for management of the public and educational access television channels in the Community Promotions program. The adopted Community Promotions budget also includes an additional amount for CMAC not to exceed \$32,659 for capital equipment purposes generated from public, educational and government (PEG) capital fees levied on Cox Communications. The funding for CMAC provided in this agreement is the same level of funding provided by the City in the Fiscal Year 2012 agreement.

The following is a summary of the major provisions of the proposed grant agreement with CMAC for fiscal year 2013:

1. Term: July 1, 2012 – June 30, 2013.
2. Base Funding: The City will grant CMAC quarterly advance payments of \$68,450 for public and educational access support. Additionally, the City will grant an

\$15,000 to be paid in January 2013, dedicated for support of educational access. The total annual base funding of \$288,800 is the same amount as contained in the Fiscal Year 2012 agreement.

3. PEG Capital Equipment Funding: Under the current state video franchising law (DIVCA), PEG fees may be levied on video service providers and are limited exclusively for PEG capital purposes. The City will grant CMAC an additional amount not to exceed \$32,659 to be used solely for capital equipment replacement, based on the actual PEG fees received by the City from the video provider, Cox Communications. The adopted fee resolution for Fiscal Year 2013 includes a PEG fee of 0.4 percent levied on video service providers, of which 0.15% is designed to provide for the capital equipment funding for CMAC. The PEG capital funding will also be paid quarterly, based on actual PEG fee collections during the previous quarter. The PEG capital funding of \$32,659 is the same amount contained in the Fiscal Year 2012 agreement.
4. Indemnification: The City will be indemnified against any and all claims and actions arising from the performance of services under the agreement. Indemnification is a standard provision in all City grant agreements, including human services and community promotions grants. All nonprofit entities receiving City grant funds are required to defend and indemnify the City from any and all claims which may arise as a result of the actions of the grantee.
5. Insurance: The insurance provisions are standard insurance requirements for City grant recipients with the exception of the liability policy requirements. Because of the specialized nature of services provided under the agreement, this agreement requires a media and broadcaster's liability policy. This is the same type of policy required of Cox Communications under the City's prior franchise agreement.
6. Compliance with Laws and Regulations: The agreement states that CMAC will comply with all applicable state and federal laws and regulations with specific reference to the Ralph M. Brown Act and the Public Records Act. This language is consistent with the County of Santa Barbara's legal compliance provisions in its operating agreement with CMAC and the previous City agreements with CMAC.

The CMAC board-elect is expected to review and accept the agreement at its June 28, 2012 board meeting. Staff recommends that Council authorize the Finance Director to execute the agreement.

**PREPARED BY:** Jill Taura, Treasury Manager

**SUBMITTED BY:** Bob Samario, Finance Director

**APPROVED BY:** City Administrator's Office