



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 16, 2013

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 \$126,000 for public, educational and government access (PEG) capital expenditures, covering the period from July 1, 2013 to June 30, 2014.

DISCUSSION:

Since January 1, 2003, upon its formation, 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 maintained annual grant agreements with CMAC since that time.

The following is a summary of the major provisions of the proposed grant agreement with CMAC for fiscal year 2014:

1. **Term:** July 1, 2013 – June 30, 2014.
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 additional \$15,000 to be paid in January 2014, dedicated for support of educational access. The total annual base funding of \$288,800 is the same amount as contained in the fiscal year 2013 agreement.

3. PEG Capital Funding: Under the current state video franchising law (DIVCA), PEG fees may be levied on video service providers and are limited exclusively for PEG-related capital expenditures. The City will grant CMAC an additional amount not to exceed \$126,000 to be used solely for capital to cover the first year of capital expenditures contained in its Five Year Capital Improvement Plan.

The City's adopted fee resolution for fiscal year 2014 includes a PEG fee of 1.0% of which 0.5% percent is designed to provide for capital funding to CMAC. The PEG capital funding will be paid quarterly, based on actual PEG fee collections during the previous quarter. The PEG capital funding of \$126,000 is an increase from the current \$32,659 contained in the fiscal year 2013 agreement. The increased capital funding will be paid by the additional PEG fees levied on Cox and, while not required to do so, Cox may elect to pass through the PEG fee increase to its subscribers on their cable bills.

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 their operating agreement with CMAC and the previous City agreements with CMAC.

The CMAC board reviewed and accepted the agreement at its June 27, 2013 board meeting. Staff recommends Council authorize the Finance Director to execute the agreement.

BUDGET AND FINANCIAL INFORMATION:

The fiscal year 2014 adopted budget includes \$288,800 in base funding for management of the public and educational access television channels in the Community Promotions program. The operational funding for CMAC provided in this agreement is the same level of funding provided by the City in the fiscal year 2013 agreement. The adopted Community Promotions budget also includes an additional amount not to exceed \$126,000 for PEG capital expenditures generated from PEG fees levied on Cox Communications.

PREPARED BY: Julie Nemes, Accounting Manager

SUBMITTED BY: Bob Samario, Finance Director

APPROVED BY: City Administrator's Office