



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 15, 2014

TO: Mayor and Councilmembers

FROM: Accounting Divisions, 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 \$295,000, plus an amount for public, educational and government access (PEG) capital expenditures equal to 50% of the actual PEG fees received by the City for Fiscal Year 2015, in an amount not to exceed \$150,208.

DISCUSSION:

Since January 1, 2003, upon its formation, the South Coast Community Media Access Center, doing business as TV Santa Barbara (TVSB), 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 TVSB since that time.

The Fiscal Year 2015 adopted budget includes \$295,000 in base funding for management of the public and educational access television channels in the Community Promotions program. In accordance with the adopted Fiscal Year 2015 budget, the operational funding for TVSB provided in this agreement includes a 2% increase in funding as compared to the Fiscal Year 2014 agreement. The adopted Community Promotions budget also includes an additional amount not to exceed \$150,208 for PEG capital expenditures generated from PEG fees levied on Cox Communications.

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

1. Term: July 1, 2014 – June 30, 2015
2. Base Funding: The City will grant TVSB quarterly advance payments of \$70,000 for public and educational access support for a total of \$280,000. Additionally, the City will grant \$15,000 to be paid in January 2015, dedicated for support of educational access. The total annual base funding of \$295,000 represents a 2% increase in funding as compared to the Fiscal Year 2014 agreement.
3. PEG Capital Funding: Under the current state video franchising law, PEG fees may be levied on video service providers and are restricted to PEG-related capital expenditures. The City will grant TVSB an additional amount not to exceed \$138,000 from PEG fees received by the City for Fiscal Year 2015 to be used solely for capital to cover the second year of capital expenditures contained in its Five Year Capital Improvement Plan.

Resolution No. 13-049, adopted on June 18, 2013, includes a PEG fee of 1.0% of which 0.5% percent is designed to provide for capital funding to TVSB. The PEG capital funding will be paid quarterly, based on actual PEG fee collections during the previous quarter. The PEG capital funding of \$138,000 is an increase from the current \$126,000 contained in the Fiscal Year 2014 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.

In addition to the PEG capital funding of \$138,000 for Fiscal Year 2015, the City will grant TVSB an amount equal to \$12,208, representing 50% of additional actual PEG fees received by the City for Fiscal Year 2014, to be used solely for capital expenditures.

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 TVSB 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 TVSB.

The TVSB Board reviewed and accepted the agreement at its June 26, 2014, Board meeting. Staff recommends Council authorize the Finance Director to execute the agreement.

The contract is available for review in the City Clerk's Office at City Hall at 735 Anacapa Street.

PREPARED BY: Julie Nemes, Accounting Manager

SUBMITTED BY: Robert Samario, Finance Director

APPROVED BY: City Administrator's Office