

RESOLUTION NO. 2015-88

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA APPROVING WORK PLAN AND BUDGET FOR ACCESS MONTEREY PENINSULA (AMP) FOR PUBLIC, EDUCATION AND GOVERNMENT (PEG) BROADCASTING SERVICES FOR FY 2015-16, AUTHORIZING FINANCE DIRECTOR TO MAKE THE NECESSARY BUDGETARY AND ACCOUNTING ENTRIES AND APPROPRIATE PAYMENTS TO AMP, AND PROVIDE STAFF WITH FURTHER DIRECTION IN THE MATTER

WHEREAS, at the regular meeting of September 21, 2010, the City Council adopted Resolution No. 2010-158 approving an Agreement between the City of Marina and Access Monterey Peninsula (AMP), and;

WHEREAS, pursuant to the Agreement, AMP operates three Public, Education and Government (PEG) broadcasting channels and provides related broadcasting services to the City of Marina. The channels feature content from the public, educational and government segments of the Marina community as well as on-screen listings of community events, and;

WHEREAS, currently, City Council and some City Commission meetings are presented live with repeat broadcasts over the Marina City channel, and;

WHEREAS, live Internet streaming of the Marina City channel is available as a parallel broadcast service with a Windows Media web stream generated from AMP's servers and on-demand playback of all meetings televised on the Marina City channel is available on the Internet as streaming video as well, and;

WHEREAS, at the regular meeting of October 19, 2010, the City Council adopted Ordinance No. 2010-05, adding Chapter 5.56 to the Marina Municipal Code, implementing provisions of the Digital Infrastructure and Video Competition Act (DIVCA) , and;

WHEREAS, as of December 31, 2006, the PEG Support Fees were the equivalent of 2.8% of the gross revenues of the incumbent cable operator in the city, and;

WHEREAS, effective with the expiration on October 20, 2012 of the existing franchise with the incumbent cable provider, currently Comcast, all state franchise holders operating within the City shall pay to the City a PEG Support Fee in the amount of 2.8% of gross revenues, and;

WHEREAS, the PEG Support Fee shall be used for PEG purposes, in a manner that is consistent with federal and state law, and;

WHEREAS, AMP has submitted its proposed Work Plan and Budget for FY 2015-16 which contains the required information (“**EXHIBIT A**”), and;

WHEREAS, there is approximately \$120,000 fund balance in this PEG Fund 28 that may be used in addition to the services outlined in the attached work plan, and;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Marina does hereby:

1. Approve the Work Plan and Budget for Access Monterey Peninsula (AMP) for public, education and government (PEG) broadcasting services for FY 2015-16 (**“EXHIBIT A”**), and;
2. Authorize the Finance Director to make the necessary budgetary and accounting entries and appropriate payments to AMP.

PASSED AND ADOPTED by the City of Marina City Council at a regular meeting duly held on the 21<sup>st</sup> day of July, 2015, by the following vote:

AYES: Council Members: Amadeo, Brown, Morton, O’Connell, Delgado

NOES: Council Members: None.

ABSENT: Council Members: None.

ABSTAIN: Council Members: None.

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Bruce C. Delgado, Mayor

ATTEST:

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Anita Flanagan, Deputy City Clerk

Access Monterey Peninsula Annual Plan and Budget FY 2015-2016

A. **Operational services plan and estimated operating expenditure budget by key line items descriptions and funding request.**

**Plan**

1. Operate a 24-hour cable TV channel featuring exclusive City of Marina content.
  - A. Provide live coverage and replays on the Cable TV Channel of official meetings of the City Council, Planning Commission and other City boards and commissions held in the Council Chambers.
  - B. Provide (on request) recorded coverage and replays on cable TV of other official City meetings and activities held at the Council Chambers or at other locations.
  - C. Broadcast text messaging on the Cable TV Channel announcing upcoming agendas of the City Council, at least two (2) hours per day.
  - D. On request and with City involvement, facilitate and present programming to promote commerce in Marina encouraging residents to shop and dine locally and to use Marina-based services.
  - E. On request and with City involvement, facilitate and present programming featuring community events, culture and heritage.
  
2. Operate 24-hour Internet streaming services featuring City of Marina content.
  - A. Provide a streaming Internet channel simulcast of the Cable TV Channel.
  - B. Provide Internet on-demand delivery of all new City meetings shown on the Cable TV Channel,
  - C. Provide support for streaming services to as broad an audience as possible; i.e. serving multiple Internet devices and browsers.
  
3. Operate two (2) additional community access services and channels via cable TV and Internet streaming :
  - AMP1 - Public and Educational Access services (outreach, training, equipment lending and broadcast of content from non-profit organizations, educational agencies and schools, as well as the general public).
  - AMP 2 - An AMP curated channel available to Marina residents for non-commercial messaging and other community-based programming.

The City of Marina’s role in PEG access services provided by AMP. This program of work requires AMP to operate a centralized media center and broadcast facilities, thereby necessitating annual expenditures for equipment, maintenance and operational costs. These costs are incorporated in AMP’s total budget to which the City of Marina adds support. In effect, there exists an informal consortium of four cities, including the cities of Marina, Monterey, Seaside and Pacific Grove.

**As reported in the previous Annual Plan and Report (FY 2014-15), the dedicated broadcast system located at the Marina City Hall is in urgent need of upgrade.** AMP requests that this upgrade be accomplished as soon as possible, utilizing funds from the escrow PEG account accrued in previous years.

Impact of DIVCA: The AMP budget reflects the effect of California’s legislative change in funding requirements for Public, Educational and Government (PEG) access TV, known as DIVCA. AMP reserves use of DIVCA PEG funding from the City for these capital purposes.

**Capital and operating outlay budget request**

For FY 2015-2016, AMP requests a 100% pass-through of PEG funds accrued during the fiscal year, with the understanding that all funds received by the City are restricted to capital costs. Based on receipts during the current fiscal year to date from the City of Marina, AMP will receive approximately \$120,000 next fiscal year. With this assumption, the following table represents the expected allocations by account, prorating Marina’s contribution to the overall AMP PEG budget.

<b>Income</b>	<b>Capital</b>	<b>Operating</b>	<b>Total</b>	<b>Marina</b>
Class Fees		500.00	500.00	
Contributions/Donations		1,200.00	1,200.00	
Local Govt Revenue:				
<i>City of Monterey</i>	<i>Franchise Fees</i>	150,600.00	150,600.00	

<i>City of Monterey</i>	<i>PEG Fees</i>	100,000.00	74,000.00	174,000.00	
<i>City of Marina</i>	<i>PEG Fees</i>	120,000.00		120,000.00	<b>120,000.00</b>
<i>City of Seaside</i>	<i>PEG Fees</i>	50,000.00		50,000.00	
<i>City of Pacific Grove</i>	<i>PEG Fees</i>	52,000.00		52,000.00	
Memberships			500.00	500.00	
Production Fees:					
<i>FORA</i>			5,000.00	5,000.00	
<i>Marina Coast Water District</i>			6,600.00	6,600.00	
<i>Mon Pen Reg Water Authority</i>			5,000.00	5,000.00	
<i>Mon Pen Water District</i>			1,700.00	1,700.00	
<i>Transp Agcy for Mon County</i>			14,000.00	14,000.00	
<i>Misc</i>			16,665.00	16,665.00	
<b>Total Income</b>		<b>237,380.00</b>	<b>273,970.00</b>	<b>511,350.00</b>	<b>120,000.00</b>
<b>Expense</b>					
Advertising/Announcements			500.00	500.00	
Audit			14,000.00	14,000.00	
Bank Service Charges			500.00	500.00	
Conference & Training Fees			2,000.00	2,000.00	
Equipment:					
<i>New Purchase</i>	11,000.00			11,000.00	<b>3,800.00</b>
<i>Server Lease and Support</i>	24,000.00			24,000.00	<b>8,200.00</b>
Equipment Parts & Maintenance	4,500.00			4,500.00	<b>1,500.00</b>
Insurance	3,500.00	6,500.00		10,000.00	<b>1,200.00</b>
Miscellaneous		1,600.00		1,600.00	
Payroll Expenses	210,000.00	140,000.00		350,000.00	<b>73,500.00</b>
Postage & Delivery		500.00		500.00	
Printing and Reproduction		500.00		500.00	
Satellite Programming Fees		700.00		700.00	
Rent	76,110.00			76,110.00	<b>26,500.00</b>
Security System		500.00		500.00	
Subscriptions & Dues		800.00		800.00	
Supplies					
<i>Office</i>		3,500.00		3,500.00	
<i>Production</i>	5,500.00			5,500.00	<b>1,800.00</b>
Telecommunications Services:					
<i>City of Monterey INET</i>		2,800.00		2,800.00	
<i>Comcast: Telephone, Cable, WiFi</i>		2,400.00		2,400.00	
<i>Microsoft Web</i>		920.00		920.00	
<i>Razzolink (Channel19.4)</i>		3,300.00		3,300.00	
<i>TelVue Bandwidth</i>		3,000.00		3,000.00	
<i>T-Mobile Wireless</i>		3,580.00		3,580.00	
Travel		1,500.00		1,500.00	
Utilities	10,900.00			10,900.00	<b>3,500.00</b>
Vehicle Licensing & Operation	500.00			500.00	
<b>Total Expense</b>	<b>249,583.00</b>	<b>237,007.00</b>	<b>486,590.00</b>	<b>120,000.00</b>	

The following summarizes AMP's proposed activities and workplan.

**B. *Estimated number of hours of local original PEG access programming specific to the City.***

- 180 hours of government and related programming. Current year, the total is 188.
- 100 hours of public access programming. Numbers have reduced to about 50 in the current year.

**C. *Training classes and outreach to be offered for City residents.***

- Training and Outreach  
Ongoing weekly classes are open to all County residents. Marina residents are given preferential treatment as they represent a sponsoring city that provides 100% PEG financial support for AMP. Announcements of classes and opportunities for participation are posted to AMP's web site. Announcements are made regularly on the City of Marina government and public access channels.

**D. *Other access activities planned by AMP.***

- Increase outreach and participation by Marina residents in public access programming, as the current year shows an overall decrease.
- AMP has an ongoing commitment to work with the City for a campaign to promote and involve local businesses in the City Channel and will implement when and if directed by City staff.

**E. *Capital outlay plan and estimated expenditure by key line items descriptions and capital equipment budget, including all sources for revenues detailed by source and funding request for capital outlay plan.***

**Plan**

1. Support and maintain all equipment systems at Marina City Council Chambers required for City of Marina programming including cameras, camera controls, recording and fiber transport systems.
2. Support, maintain and replace (as needed) all cable TV and Internet broadcast equipment; support and maintain fiber and other interconnections to cable TV and Internet broadcast systems.
3. Develop and implement a plan for replacement of City-owned equipment required to enable live and replay of broadcasts of Marina government and public access content.

**F. *Summary of prior year actual data: actual beginning operating balance and capital balance (carry-over balances); actual revenue(s); actual expenditure(s) and actual ending operating balance and capital balance (carry-over balances).***

**Prior year is FY2013 - 2014**

AMP received \$85,531.24 in capital funding during the year. As in previous years, there was no fund balance carried forward, as all funds were expended to support Marina capital expenditures as budgeted.

The amounts received from Marina were approximately 15% of all revenues and covered ~ 18.3% of expenses for AMP during the year. The Marina Channel is one of five operated by AMP (20% of total broadcasting). Marina is one of four communities receiving PEG services (25%). Marina is also the sole city partner of AMP that televises virtually all public meetings. As such, Marina receives a very favorable return on its PEG 'investment'.

Following is a summary of annual income vs. expenditures and Marina contribution.

	<u>Capital</u>	<u>Operating</u>	<u>Total</u>	<u>Marina</u>
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
Contributions Income	0.00	1,796.67	1,796.67	
Monterey Franchise Fees	0.00	146,510.70	146,510.70	
PEG Capital Funding	156,481.11	50,811.91	207,293.02	85,531.24
Per Capita Operating	0.00	101,054.99	101,054.99	
PEG Other Income	0.00	24,160.00	24,160.00	
Interest Income	0.00	77.17	77.17	
Program Fees	0.00	43,067.50	43,067.50	
Rent Income - Cash	0.00	14,860.00	14,860.00	
Income from Related Activities	1,280.25	35,322.82	36,603.07	
<b>Total Income</b>	<u>157,761.36</u>	<u>417,661.76</u>	<u>575,423.12</u>	<u>85,531.24</u>
				<i>Marina % of total AMP revenues:</i> <b>14.86%</b>
<b>Expense</b>				
Bank Service Charges	0.00	1,040.30	1,040.30	
Building Maintenance	8,706.13	0.00	8,706.13	3,100.00
Conference & Training Fees	0.00	525.00	525.00	
Equipment	12,234.66	0.00	12,234.66	4,300.00
Equipment Parts & Maintenance	4,136.15	0.00	4,136.15	1,500.00
Insurance	2,520.00	11,028.00	13,548.00	900.00
Licenses and Permits	0.00	95.00	95.00	
Miscellaneous	0.00	462.93	462.93	
Moving Expenses	2,851.09	1,763.50	4,614.59	1.24
Payroll Expenses	117,270.13	168,463.00	285,733.13	41,500.00
Postage & Delivery	0.00	433.01	433.01	
Printing and Reproduction	0.00	1,364.18	1,364.18	
Professional Services	0.00	17,600.00	17,600.00	
Programming Fees	0.00	871.15	871.15	
Rent	61,369.55	0.00	61,369.55	21,500.00
Security System	815.88	0.00	815.88	350.00
Subscriptions & Dues	0.00	619.93	619.93	
Supplies	5,683.04	2,997.28	8,680.32	1,980.00
Telecommunications Services	2,250.00	12,346.26	14,596.26	800.00
Travel	0.00	233.10	233.10	
Utilities	26,920.50	0.00	26,920.50	9,600.00
Vehicle Licensing & Operation	0.00	675.90	675.90	
<b>Total Expense</b>	<u>244,757.13</u>	<u>220,518.54</u>	<u>465,275.67</u>	<u>85,531.24</u>
				<i>Marina % of total AMP expenses:</i> <b>18.38%</b>

July 16, 2015

Item No: **8f(1)**

Honorable Mayor and Members  
of the Marina City Council

City Council Meeting  
of July 21, 2015

**CITY COUNCIL CONSIDER ADOPTING RESOLUTION NO. 2015-,  
APPROVING WORK PLAN AND BUDGET FOR ACCESS MONTEREY  
PENINSULA (AMP) FOR PUBLIC, EDUCATION AND GOVERNMENT (PEG)  
BROADCASTING SERVICES FOR FY 2015-16, AUTHORIZING FINANCE  
DIRECTOR TO MAKE THE NECESSARY BUDGETARY AND ACCOUNTING  
ENTRIES AND APPROPRIATE PAYMENTS TO AMP, AND PROVIDE STAFF  
WITH FURTHER DIRECTION IN THE MATTER**

**REQUEST:**

It is requested that the City Council consider:

1. Adopting Resolution No. 2015-, approving work plan and budget for Access Monterey Peninsula (AMP) for public, education and government (PEG) broadcasting services for FY 2015-16, and;
2. Authorizing the Finance Director to make the necessary budgetary and accounting entries and appropriate payments to AMP, and;
3. Provide staff with further direction in the matter.

**BACKGROUND:**

At the regular meeting of September 21, 2010, the City Council adopted Resolution No. 2010-158 approving an Agreement between the City of Marina and Access Monterey Peninsula (AMP).

Pursuant to the Agreement, AMP operates three Public, Education and Government (PEG) broadcasting channels and provides related broadcasting services to the City of Marina. The channels feature content from the public, educational and government segments of the Marina community as well as on-screen listings of community events.

Currently, City Council and some City Commission meetings are presented live with repeat broadcasts over the Marina City channel. In addition, live Internet streaming of the Marina City channel is available as a parallel broadcast service with a Windows Media web stream generated from AMP's servers. On-demand playback of all meetings televised on the Marina City channel is available on the Internet as streaming video as well.

At the regular meeting of October 19, 2010, the City Council adopted Ordinance No. 2010--05, adding Chapter 5.56 to the Marina Municipal Code, implementing provisions of the Digital Infrastructure and Video Competition Act (DIVCA).

As of December 31, 2006, the PEG Support Fees were the equivalent of 2.8% of the gross revenues of the incumbent cable operator in the city. Effective with the expiration on October 20, 2012 of the existing franchise with the incumbent cable provider, currently Comcast, all state franchise holders operating within the City shall pay to the City a PEG Support Fee in the amount of 2.8% of gross revenues. The PEG Support Fee shall be used for PEG purposes, in a manner that is consistent with federal and state law

Pursuant to the Agreement, on or before April 30 of each year, AMP is required to provide to the City, for City Council consideration and approval, an Annual Plan and Budget outlining activities and programs planned for the next fiscal year. The FY15/16 report was provided to the City on June 25, 2015.

**ANALYSIS:**

AMP submitted its proposed Work Plan and Budget for FY 2015-16 (“**EXHIBIT A**”) which should contains the required information, as follows:

- a. An operational services plan and estimated operating expenditure budget by key line items descriptions and funding request for operational services plan;
- b. A statement of the estimated number of hours of local original PEG access programming specific to the City;
- c. A statement of training classes and outreach to be offered for City residents;
- d. A statement of other access activities planned by AMP;
- e. A capital outlay plan and estimated expenditure by key line items descriptions and capital equipment budget and funding request for capital outlay plan;
- f. Summary of prior year actual data including actual beginning operating balance and capital balance, revenues, expenditures and ending operating and capital balances; and
- g. Estimated ending operating balance and capital balance.

Under the Work Plan, AMP proposes to continue the current services. AMP will provide live coverage and replays on cable TV systems operating in Marina of all official meetings of the City Council, Planning Commission and other boards and commissions held in the Council Chambers. AMP will also continue to provide a streaming internet channel simulcast of the cable TV channel as well as on-demand delivery of replays of televised meetings.

AMP estimates that it will provide 188 hours of government programming and 50 hours of public access programming, as it did in FY 2014-15.

However, following the expiration of the Comcast franchise PEG fees may only be used for capital expenditures pursuant to federal law, City PEG fees will not be used for operations. Instead, City PEG fees will be used by AMP solely for capital uses with operations relating to the City services paid from unrestricted funds, as explained in the Work Plan and Budget.

More details of the operating service plan are found in the Work Plan and Budget for FY 2015-16 (“**EXHIBIT A**”)

Once the City Council considers and approves the proposed Plan and Budget, the necessary funds will be provided to AMP on a quarterly basis (schedule coincides with PEG fee payments paid by the cable companies and received by the City).

Further, there is approximately \$120,000 fund balance in this PEG Fund 28 that may be used in addition to the services outlined in the attached work plan.

**FISCAL IMPACT:**

Should the City Council approve this request, the City will continue to receive PEG fees which must be used for to facilitate PEG access to the cable system. The adopted FY 2015-16 budget for PEG revenues and expenditures will be consistent with the approved Work Plan and Budget.

Based upon the AMP Work Plan and Budget, AMP will be using City PEG fees solely for capital expenditures.

**CONCLUSION:**

This request is submitted for City Council consideration and possible action.

Respectfully submitted,

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Lauren Lai, CPA  
Finance Director  
City of Marina

**REVIEWED/CONCUR:**

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Layne P. Long  
City Manager  
City of Marina