

RESOLUTION NO. 2016-102

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 2016-17, 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 2016-17 which contains the required information (“**EXHIBIT A**”), and;

WHEREAS, there is approximately \$120,000 fund balance in this PEG Fund 210 (28-291) 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 2016-17 (“Exhibit A”), and;
2. Authorize the Finance Director to make the necessary budgetary and accounting entries and appropriate payments to Access Monterey Peninsula

PASSED AND ADOPTED by the City of Marina City Council at a regular meeting duly held on the 6th day of July, 2016, 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

Bruce C. Delgado, Mayor

ATTEST:

Anita Sharp, Deputy City Clerk

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

Continuation of basic operational plan

1. Operate a 24-hour cable TV channel featuring 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).
 - AMP2 - 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.

Impact of DIVCA: The AMP budget reflects the effect of California's legislation enumerating funding requirements for Public, Educational and Government (PEG) access TV (DIVCA Act). AMP reserves use of DIVCA PEG funding from the City solely for capital purposes.

Capital and operating outlay budget request

For FY 2016-2017, 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 current year-to-date receipts (conservatively averaged), AMP estimates an income of \$100,000.00 for next fiscal year. The following table represents expected allocations by account, prorating Marina's contribution to the overall AMP PEG budget.

| Income | Capital | Operating | Total | Marina |
|---|-------------------|-------------------|-------------------|-------------------|
| Contributions/Donations | | 1,000.00 | 1,000.00 | |
| Local Govt Revenue: | | | | |
| <i>City of Monterey</i> <i>Franchise Fees</i> | | 147,000.00 | 147,000.00 | |
| <i>City of Monterey</i> <i>PEG Fees</i> | 180,000.00 | | 180,000.00 | |
| <i>City of Marina</i> <i>PEG Fees</i> | 100,000.00 | | 100,000.00 | 100,000.00 |
| <i>City of Seaside</i> <i>PEG Fees</i> | 53,000.00 | | 53,000.00 | |
| <i>City of Pacific Grove</i> <i>PEG Fees</i> | 57,000.00 | | 57,000.00 | |
| Memberships/Services | | 1,000.00 | 1,000.00 | |
| Production Fees | | 49,000.00 | 39,000.00 | |
| Total Income | 390,000.00 | 198,000.00 | 578,000.00 | 100,000.00 |

Expense

| | | | | |
|---------------------------------|------------|-------------------|-------------------|-------------------|
| Audit | | 11,000.00 | 11,000.00 | |
| Bank Service Charges | | 500.00 | 500.00 | |
| Building Maintenance | 5,000.00 | | 5,000.00 | 1,280.00 |
| Janitorial | 5,000.00 | | 5,000.00 | 1,280.00 |
| Security System | 500.00 | | 500.00 | 130.00 |
| Conference & Training Fees | | 2,000.00 | 2,000.00 | |
| Equipment: | | | | |
| <i>New Purchase</i> | 6,000.00 | | 6,000.00 | 1,540.00 |
| <i>Server Lease and Support</i> | 24,000.00 | | 24,000.00 | 6,150.00 |
| Equipment Parts & Maintenance | 4,000.00 | | 4,000.00 | 1,025.00 |
| Insurance | 7,000.00 | 4,000.00 | 11,000.00 | 1,025.00 |
| Miscellaneous | 500.00 | 500.00 | 1,000.00 | 125.00 |
| Personnel: | | | | |
| <i>Engineering</i> | 226,000.00 | | 226,000.00 | 58,720.00 |
| <i>Administrative</i> | | 149,000.00 | 149,000.00 | |
| Postage & Delivery | | 500.00 | 500.00 | |
| Printing and Reproduction | | 500.00 | 500.00 | |
| Professional Services | | 7,000.00 | 7,000.00 | |
| Satellite Leasing Fees | 700.00 | | 700.00 | 180.00 |
| Rent | 76,300.00 | | 76,300.00 | 19,565.00 |
| Subscriptions/Licenses | | 1,500.00 | 1,500.00 | |
| Supplies | 6,000.00 | 3,000.00 | 9,000.00 | 1,540.00 |
| Telecommunications Services: | 16,000.00 | | 16,000.00 | 4,100.00 |
| Travel | | 1,500.00 | 1,500.00 | |
| Utilities | 12,000.00 | | 12,000.00 | 3,085.00 |
| Vehicle Licensing & Operation | 1,000.00 | | 1,000.00 | 255.00 |
| Total Expense | | 390,000.00 | 191,000.00 | 571,000.00 |
| | | | | 100,000.00 |

The following summarizes AMP's proposed activities and workplan for FY 2016-17.**B. *Estimated number of hours of local original PEG access programming specific to the City.***

- 175 hours of government programming. (same as previous year)
- 200 hours of public access programming. (previous year the total was 198)

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

- Training and Outreach
Ongoing video production 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.

D. *Other access activities planned by AMP.*

The dedicated broadcast system located at the Marina City Hall is in urgent need of upgrade. AMP has been and will continue to work with City staff to develop a plan for this upgrade utilizing funds from the escrow PEG account accrued in previous years, beginning with an assessment of current available technologies and options.

E. Capital outlay plan.

1. Support and maintain all existing 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 in AMP's central facility; support and maintain fiber and other interconnections to cable TV and Internet broadcast systems.

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).

Year reported is FY2014 - 2015

AMP received \$107,432.71 in capital funding. There was no fund balance carried forward.

| | Capitol | Operating | Total | Marina |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|
| Income | | | | |
| Contributions Income | | 1,382.00 | 1,382.00 | |
| Interest Income | | 26.05 | 26.05 | |
| Monterey Franchise Fees | | 150,655.87 | 150,655.87 | |
| PEG Capital Funding | 256,528.62 | | 256,528.62 | 107,432.71 |
| PEG Other Income | | 18,885.00 | 18,885.00 | |
| Program Fees | | 64,808.54 | 64,808.54 | |
| Total Income | 256,528.62 | 235,757.46 | 492,286.08 | 107,432.71 |
| | | | 492,286.08 | |
| Expense | | | | |
| Bank Service Charges | | 461.76 | 461.76 | |
| Conference & Training Fees | | 150.00 | 150.00 | |
| Equipment | 7,554.88 | | 7,554.88 | 3,109.90 |
| Equipment Parts & Maintenance | 1,396.58 | | 1,396.58 | 574.89 |
| Insurance | 5,304.00 | 4,623.00 | 9,927.00 | 2,183.34 |
| Licenses and Permits | | 75.00 | 75.00 | |
| Member Services | | 330.00 | 330.00 | |
| Miscellaneous | | 1,508.41 | 1,508.41 | |
| Payroll Expenses | 131,312.80 | 196,969.19 | 328,281.99 | 54,053.74 |
| Postage & Delivery | | 490.37 | 490.37 | |
| Professional Services | | 11,000.00 | 11,000.00 | |
| Programming Fees | 689.00 | | 689.00 | 283.62 |
| Rent | 76,110.12 | | 76,110.12 | 31,330.05 |
| Security System | 495.00 | | 495.00 | 203.76 |
| Subscriptions & Dues | | 25.00 | 25.00 | |
| Supplies | 7,318.99 | 2,119.90 | 9,438.89 | 3,012.80 |
| Telecommunications Services | 19,690.22 | | 19,690.22 | 8,105.30 |
| Travel | | 555.30 | 555.30 | |
| Utilities | 11,114.77 | | 11,114.77 | 4,575.30 |
| Vehicle Licensing & Operation | | | 26.00 | |
| Total Expense | 260,986.36 | 218,307.93 | 479,320.29 | 107,432.71 |

April 5, 2016

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

Honorable Mayor and Members
of the Marina City Council

City Council Meeting
of June 21, 2016

**CITY COUNCIL CONSIDER ADOPTING RESOLUTION NO. 2016-,
APPROVING WORK PLAN AND BUDGET FOR ACCESS MONTEREY
PENINSULA (AMP) FOR PUBLIC, EDUCATION AND GOVERNMENT (PEG)
BROADCASTING SERVICES FOR FY 2016-17, 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. 2016-, approving work plan and budget for Access Monterey Peninsula (AMP) for public, education and government (PEG) broadcasting services for FY 2016-17, and;
2. Authorizing the Finance Director to make the necessary budgetary and accounting entries and appropriate payments to Access Monterey Peninsula

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.

ANALYSIS:

AMP submitted its proposed Work Plan and Budget for FY 2016-17 (“**EXHIBIT A**”) which should contain 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 2016-17 (“**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 210 (28-291) 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 2016-17 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,

Layne P. Long
City Manager
City of Marina