

RESOLUTION NO. 2017-46

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 2017-18, 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 2017-18 which contains the required information (“**EXHIBIT A**”), and;

WHEREAS, there is approximately \$111,908.00 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 2017-18 (“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 16th day of May, 2017, by the following vote:

AYES: COUNCIL MEMBERS: Amadeo, Morton, O’Connell, Brown, Delgado

NOES: COUNCIL MEMBERS: None

ABSENT: COUNCIL MEMBERS: None

ABSTAIN: COUNCIL MEMBERS: None

Bruce C. Delgado, Mayor

ATTEST:

Anita Sharp, Deputy City Clerk

Access Monterey Peninsula Annual Report, Plan and Budget FY 2017 - 2018

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 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.

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 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 receipts during the previous fiscal year to date from the City of Marina, AMP will receive approximately \$103,000 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.

Income		Capital	Operating	Total	Marina
Contributions/Donations/Grants			10,000.00	10,000.00	
Local Govt Revenue:					
City of Monterey	Franchise Fees		147,000.00	147,000.00	
City of Monterey	PEG Fees	137,000.00	43,000.00	180,000.00	
City of Marina	PEG Fees	103,000.00		103,000.00	103,000.00
City of Seaside	PEG Fees	50,000.00		50,000.00	
City of Pacific Grove	PEG Fees	56,500.00		56,500.00	
Memberships			2,500.00	2,500.00	
Production Fees:			29,000.00	29,000.00	
Totals		346,500.00	231,500.00	578,000.00	103,000.00

Expense

Advertising/Announcements		1,000.00	1,000.00	
Audit/Other Professional Fees		18,000.00	18,000.00	
Bank Service Charges		500.00	500.00	
Conference & Training Fees		2,000.00	2,000.00	
Equipment:	30,000.00		30,000.00	10,000.00
Equipment Parts & Maintenance	4,000.00		4,000.00	1,400.00
Insurance	4,000.00	7,000.00	11,000.00	1,400.00
Payroll Expenses	210,000.00	182,000.00	392,000.00	60,000.00
Postage & Delivery		500.00	500.00	
Printing and Reproduction		1,000.00	1,000.00	
Satellite Programming Fees		700.00	700.00	
Rent	80,000.00		80,000.00	24,000.00
Security System		500.00	500.00	
Subscriptions & Dues		1,300.00	1,300.00	
Supplies				
Office		3,500.00	3,500.00	
Production	5,500.00		5,500.00	1,800.00
Telecommunications Services:		12,000.00	12,000.00	
Travel		1,500.00	1,500.00	
Utilities	12,000.00		12,000.00	4,000.00
Vehicle Licensing & Operation	1,000.00		1,000.00	400.00
Totals	346,500.00	231,500.00	578,000.00	103,000.00

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.
- 100 hours of public access programming.

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.

- Work with the City to create a campaign to promote and involve local businesses using the City Channel.

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.

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 completed year is FY2015 - 2016

AMP received \$102,925.00 (to nearest \$5.00) in funding from the City during the year. As in previous years, there was no capital fund balance carried forward. However, there was an operating fund balance of \$77,975.00, which will serve as a reserve fund for AMP as a whole and to meet cash flow requirements.

The amounts received from Marina were approximately 17% of all revenues and covered 19% of all 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>
Income				
Contributions Income	0	4,090.00	4,090.00	
Monterey Franchise Fees	0	153,370.00	153,370.00	
PEG Operating (Monterey)	0	59,400.00	59,400.00	
PEG Capital Funding	341,260.00	0.00	341,260.00	102,925.00
Program Fees	0	58,770.00	58,770.00	
Total Income	<u>341,260.00</u>	<u>275,630.00</u>	<u>616,890.00</u>	<u>102,925.00</u>
Expense				
Advertising/Announcements	0.00	1,745.00	1,745.00	
Bank Service Charges	0	150.00	150.00	
Conference & Training Fees	0	2885	2,585.00	
Equipment	34,820.00	0	34,420.00	10450
Equipment Parts & Maintenance	3,360.00	0	3,360.00	1010
Insurance	2,500.00	7,580.00	10,080.00	750
Licenses and Permits	0	145	145.00	
Miscellaneous	0	1655	1,655.00	
Payroll Expenses	203,565.00	148,250.00	351,815.00	61605
Postage & Delivery	0	100	100.00	
Printing and Reproduction	0	680.00	680.00	
Professional Services	0	14,000.00	14,000.00	
Programming Fees	0	830	830.00	
Rent	76,680.00	0	76,680.00	23005
Security System	540	0	540.00	160
Subscriptions & Dues	0	800	800.00	
Supplies	5,695.00	3,025.00	8,720.00	1710
Telecommunications Services	2,710.00	13,600.00	16,310.00	815
Travel	0	2210	2,210.00	
Utilities	11,225.00	0	11,225.00	3370
Vehicle Licensing & Operation	165		165.00	50
Total Expense	<u>341,260.00</u>	<u>197,655.00</u>	<u>538,215.00</u>	<u>102,925.00</u>

May 1, 2017

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

Honorable Mayor and Members
of the Marina City Council

City Council Meeting
of June 21, 2017

**CITY COUNCIL CONSIDER ADOPTING RESOLUTION NO. 2017-,
APPROVING WORK PLAN AND BUDGET FOR ACCESS MONTEREY
PENINSULA (AMP) FOR PUBLIC, EDUCATION AND GOVERNMENT (PEG)
BROADCASTING SERVICES FOR FY 2017-18, 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. 2017-, approving work plan and budget for Access Monterey Peninsula (AMP) for public, education and government (PEG) broadcasting services for FY 2017-18, 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 2017-18 (“**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

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 180 hours of government programming and 50 hours of public access programming, as it did in FY 2016-17.

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 2017-18 (“**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 \$111,908.00 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 2017-18 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