



11.1

DEPARTMENT OF
ADMINISTRATIVE SERVICES

BUDGET AND POLICY REVIEW
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CITY OF SACRAMENTO
CALIFORNIA

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~~APPROVED~~
BY THE CITY COUNCIL

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August 25, 1998

AUG 25 1998

*Staff to report
back by mid Oct.*

City Council
Sacramento, California

OFFICE OF THE
CITY CLERK

Honorable Members in Session:

**SUBJECT: DESIGNATION OF EXCESS DISTRIBUTIONS FROM THE SACRAMENTO
METROPOLITAN CABLE TELEVISION COMMISSION**

LOCATION AND COUNCIL DISTRICT: Citywide

RECOMMENDATION:

It is recommended that Council take action on the attached Resolution which establishes that current and future annual distributions from the Sacramento Metropolitan Cable Television Commission (SMCTC) in excess of guaranteed minimums be targeted for youth oriented programs on a one-time basis.

CONTACT PERSONS: Mark Griffin, Senior Management Analyst, 264-8788
Betty Masuoka, Deputy City Manager, 264-5738

FOR CITY COUNCIL MEETING OF: August 25, 1998

SUMMARY:

At the Council meeting of March 24, 1998, Councilmember Steinberg asked for a report back on alternative uses of reserve, or excess, distributions from the SMCTC and suggested that a Youth Development Fund for capital projects would be an appropriate use. This report responds to that request by identifying criteria that can be used to develop such a program.

BACKGROUND:

The City will receive cable revenue in excess of both guaranteed minimums and approved revenue budget expectations for fiscal 1998-99. Total receipts will be \$496,470, which is \$296,470 in excess of the approved budget expectation of \$200,000. This excess distribution presents an opportunity to fund special projects. Such projects could include equipment or capital costs for Boy's & Girl's Clubs, teen centers and other facilities serving youth.

There is a need throughout the city for youth services including several planned capital projects that are not funded. Large-scale capital projects that are planned but not funded include at least two Boys & Girls Clubs - one on Lemon Hill Avenue and one in Gardenland.

In addition, there are recognized shortages of bantam soccer fields (four to seven year olds) as well as little league and softball fields. Other youth oriented needs include skateboard and roller hockey parks, teen centers and other projects serving teens. Many existing community center youth rooms are also in need rehabilitation and expansion.

Staff has developed a process and policies for the allocation of excess distributions from the SMCTC for youth development projects such as those listed above. The proposed policy guidelines and review process attempt to address what is the "one time", or uncertain, nature of this resource as well as Council policy priorities for public/private partnerships, neighborhood revitalization, economic development and youth oriented initiatives. Accordingly, the following funding criteria and review process are recommended:

Funding Criteria:

- Funding will be for one-time general seed money or for equipment, capital improvements or start-up operating costs.
- Leveraging of the funds will be encouraged whether in the form of revenues, grants, donations or in-kind support.
- Match funding or in-kind support must be readily available.
- Public/Private partnerships will be preferred.
- The general program area will be youth development.

Review Process:

The Citizen's Advisory Committee (CAC) and Youth Commission will review funding requests with staff assistance from Recreation programming staff. For this fiscal year only, proposals would be submitted by September 16 to the CAC for consideration at its meeting of October 1. In future years, the process could be advanced by two months to coincide with the SMCTC budget process.

City Council

Designation of Excess Distributions from the Sacramento Metropolitan Cable Television Commission

August 25, 1998

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As further background, cable revenues received by the City are derived entirely from distributions by the SMCTC. The Commission receives fees from cable companies which are then allocated by the Commission to public access television grantees, to the Commission's "parental entities", and for administrative expenses of the Commission.

Commission membership is allocated to parental entities in approximate proportion to population. Representation and members are: County - Supervisors Collin, Cox, Dickenson and Nottoli; Sacramento - Councilmembers Yee, Kerth and Waters; Citrus Heights - Councilmember Shelby; and Galt/Folsom - Councilmember Gora (of Galt).

For fiscal 1998-99, the Commission is budgeted to receive \$3 million in cable fees and to distribute \$1.25 million to grantees as well as \$1.46 million to parental entities. Distributions to parental entities are made in proportion to population estimates. The City of Sacramento will receive 34% of all such distributions.

Parental entity distributions include a "guaranteed minimum" from the SMCTC. This is an entity's share of 20% of all revenue received by the Commission. The City's guaranteed minimum is \$200,000 for fiscal 1998-99. This is a General fund revenue and the City's budget for all receipts from the SMCTC. With adoption of the recommendations in this report, the minimum for any year will continue to be used for general purposes.

Distributions also include "unallocated fund balances". Amounts received by the City from this component are unpredictable. For fiscal 1998-99, this additional distribution will be \$296,470.

In previous years, minimum and excess portions of the distributions and their use have been as follows:

<u>Fiscal Year</u>	<u>Minimum</u>	<u>Received</u>	<u>Excess</u>	<u>Use of Excess</u>
1997-98	171,000	407,000	236,000	general purposes/fund balance
1996-97	185,000	370,000	185,000	general purposes/fund balance
1995-96	180,000	890,000	710,000	START Program and other specific uses
1994-95	178,000	178,000	0	-
1993-94	121,000	121,000	0	-

The \$496,470 distribution for 1998-99 will include all reserves. In future years, amounts in excess of minimums are more likely because of reduced operating expenses. According to Richard Esposito, Executive Director of the SMCTC, a 4% to 8% annual increase in the minimum and excess portions can be reasonably anticipated.

COMMITTEE/COMMISSION ACTION:

The budget of the SMCTC has been adopted for Fiscal 1998-99. The distributions discussed in this report are an integral part of that budget.

FINANCIAL CONSIDERATIONS:

The \$296,470 in excess distribution is available for any general purpose. Future excess distributions will be dependent on future Commission actions. Any excess distributions should therefore be viewed as one-time and used only for one-time purposes.

ENVIRONMENTAL CONSIDERATIONS:

This activity does not constitute a project and therefore is exempt from the California Environmental Quality Act (CEQA).

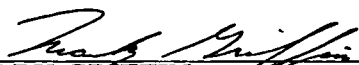
POLICY CONSIDERATIONS

Cable fees are general revenues of the City. Designation of the excess portion of these fees will remove the excess portion from other general uses. However, program funding in accordance with the funding criteria outlined above would be consistent with high priority areas for the City Council: a focus on youth initiatives, partnerships in the provision of services, neighborhood revitalization and economic development.

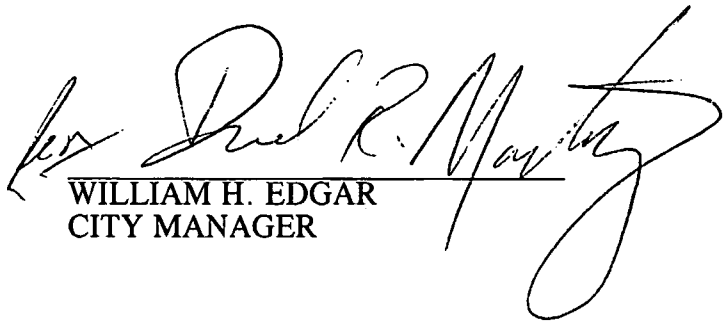
MBE/WBE

Not applicable as no goods or services are being purchased at this time.

Respectfully Submitted,



MARK GRIFFIN,
Senior Management Analyst



WILLIAM H. EDGAR
CITY MANAGER

~~APPROVED~~
BY THE CITY COUNCIL
AUG 25 1998
OFFICE OF THE
CITY CLERK

RESOLUTION NO. ~~98-443~~

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**RESOLUTION DESIGNATING EXCESS DISTRIBUTIONS
FROM THE SACRAMENTO METROPOLITAN CABLE
TELEVISION COMMISSION**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:

Current and future annual distributions from the Sacramento Metropolitan Cable Television Commission (SMCTC) in excess of guaranteed minimums are hereby targeted for programs that conform to the following criteria and process:

- Funding will be for one-time general seed money or for equipment; capital improvements or start-up operating costs.
- Leveraging of the funds will be encouraged whether in the form of revenues, grants, donations or in-kind support.
- Match funding or in-kind support must be readily available.
- Public/Private partnerships will be preferred.
- The general program area will be youth development.
- Funding requests will be reviewed by the Citizens Advisory Committee and the Youth Commission prior to consideration by the City Council.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____



11.1

NEIGHBORHOOD SERVICES
DEPARTMENT

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CALIFORNIA

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The Need for Youth Related Capital Projects (Partial List)

New Boys & Girls Clubs

Gardenland
Lemon Hill Avenue
Other Areas as Identified

Community Center
Teen Room Expansions

Evelyn Moore
George Sim
Hagginwood
Oak Park
Robertson
Woodlake

Examples of Existing Community
Buildings Expansion/Remodel
(In Addition to Other
Needs Throughout the City)

Washington Neighborhood Center
Police Athletic League
YMCA
Salvation Army

Other Needs

Skateboard Park
In-Line Skate Park

Projected Sports Field
Needs by the Year 2000
(as Outlined in "The Youth
Sports Field Study, 1993")

Sports Complexes Containing a
Minimum of:
7 90' Diamonds
12 60' Diamonds
4 Regulation Soccer Fields

Bantam Soccer Fields
Throughout the City