

City of Santa Rosa



Legislation Details

File #:	16-1203	Version:	1	Name:	CMedia contract termination
Type:	CC- Report	Status:		Status:	Agenda Ready
File created:	11/21/2016	In control:		In control:	City Council
On agenda:	12/6/2016	Final action:		Final action:	
Title:	REPORT - TERMINATION OF CMEDIA CONTRACT F000682				

BACKGROUND: On January 14, 2014, The City entered into an Agreement with CMedia to provide for the operation of PEG ("Public Education and Government") access channels and the management of a community media center by CMedia in exchange for funding by the City. As such, CMedia became party to this agreement that is scheduled to expire on March 31, 2017. CMedia is required to provide for such fiscal control and accounting procedures as are necessary to assure proper disbursement and accounting for funds received from the City. The unlawful use of funds shall be cause for the City to deduct such funds from any payments owed to CMedia and the immediate termination of this Agreement.

The agreement requires CMedia to submit to the City an annual proposed budget of capital equipment requirements for the upcoming year for the City's review and consideration. At the City's sole discretion, the PEG capital funding is to be provided to CMedia up to a maximum amount of \$150,000 per year for the purchase of capital equipment by CMedia.

In addition to PEG capital funding, the Agreement calls for the City to provide operating funds to CMedia in the amounts of:

- o First Year of Agreement: \$360,000
- o Second Year of Agreement: \$275,000
- o Subsequent Years through the Term of Agreement: \$200,000

On October 31, 2016 CMedia notified City staff of a complete layoff of all its staff, including its Executive Director, stating financial and internal control issues.

Following the notification of staff layoffs, on November 9, 2016 the City initiated an internal performance audit of CMedia to determine whether CMedia complied with the accounting, reporting and usage of PEG capital funds; to evaluate CMedia's ability to sustain its operations through March 31, 2017; to determine CMedia's current payroll liability and its ability to pay its employees; and to determine the amount of PEG funds advanced to CMedia.

RECOMMENDATION: It is recommended by the Information Technology Department that the Council, by resolution, terminate the January 14, 2014 agreement between the Santa Rosa Community Media Access Center (dba CMEDIA") and the City to provide for the operation of PEG ("Public Education and Government") access channels and the management of a community media center.

Sponsors:

Indexes: Not a Project

Code sections:

Attachments: 1. Staff Report, 2. Attachment 1, 3. Attachment 2, 4. Resolution, 5. Presentation

Date	Ver.	Action By	Action	Result
12/6/2016	1	City Council		