

Agenda Report

TO: CITY COUNCIL

FROM: CITY MANAGER

SUBJECT: RECOGNIZE \$95,713.00 IN UNANTICIPATED REVENUE FROM CHARTER COMMUNICATIONS SATISFYING RECENT AUDIT REQUIREMENTS

RECOMMENDATION

It is recommended that the City Council recognize \$95,713.00 in unanticipated revenues from Charter Communications as a result of a recently completed audit and approve a journal voucher appropriating these funds to the Computing & Communications Fund (Acct #501).

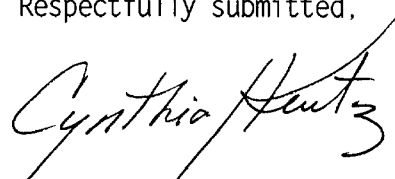
BACKGROUND

In 1999, City staff initiated an audit of franchise fees due to the City from Charter Communications, the City's cable television franchisee. As a result of the audit it was found that Charter Communications owed the City \$287,139. Two thirds of that amount was based on a recently decided court case that allowed cities to collect what is known as the "fee on fee" amount. When presented to City Council in closed session, it was decided not to subject subscribers to that past due amount (Charter would have passed this amount on to its customers). Instead, staff pursued a strategy to collect the remaining third, \$95,713, and in return for waiving the balance asked Charter Communications to establish a fund in the amount of \$95,713 which the City could use for cable-modem connections at the City's remote sites. In accordance with Council direction this fund amount is not to be passed on to Charter's customers.

FISCAL IMPACT

This action will increase revenues in the Computing & Communications Fund by \$95,713.00 and will create a City credit of \$95,713 for cable modem installations and services.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Cynthia Kurtz". The signature is fluid and cursive, with a long, sweeping tail on the final letter.

CYNTHIA J. KURTZ
City Manager

Prepared & Approved by:

A handwritten signature in black ink, appearing to read "R. K. Person". The signature is cursive and somewhat stylized, with a large initial "R".

ROBERT K. PERSON
Assistant to the City Manager