

<p>LAUDERDALE CITY COUNCIL MEETING AGENDA 7:00 P.M. TUESDAY, FEBRUARY 10, 2026 LAUDERDALE CITY HALL, 1891 WALNUT STREET</p>
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The City Council is meeting as a legislative body to conduct the business of the City according to Robert's Rules of Order and the Standing Rules of Order and Business of the City Council. Unless so ordered by the Mayor, citizen participation is limited to the times indicated and always within the prescribed rules of conduct for public input at meetings.

1. CALL TO ORDER

2. ROLL CALL

3. APPROVALS

- a. Agenda
- b. Minutes of January 27, 2026, City Council Meeting
- c. Claims Totaling \$143,895.06

4. CONSENT

- a. January Financial Report
- b. Wastewater Collection System Operation and Maintenance Agreement with PeopleService

5. SPECIAL ORDER OF BUSINESS/RECOGNITIONS/PROCLAMATIONS

6. INFORMATIONAL PRESENTATIONS / REPORTS

- a. Broadband Franchising Conversation with Cable Commission Attorney Mike Bradley

7. PUBLIC HEARINGS

Public hearings are conducted so that the public affected by a proposal may have input into the decision. During hearings all affected residents will be given an opportunity to speak pursuant to the Robert's Rules of Order and the standing rules of order and business of the City Council.

8. DISCUSSION / ACTION ITEM

- a. Opportunity to Join the Cities for Safe and Stable Communities Coalition

9. ITEMS REMOVED FROM THE CONSENT AGENDA

10. ADDITIONAL ITEMS

11. SET AGENDA FOR NEXT MEETING

- a. Selection of Architect for Lauderdale Municipal Cannabis
- b. Revisions to Sewer Utility Ordinance
- c. Planned Unit Development Application for 2421 Larpentour Avenue West (March 10)

12. WORK SESSION

- a. Staff Project Updates

b. Opportunity for the Public to Address the City Council

Any member of the public may speak at this time on any item not on the agenda. In consideration for the public attending the meeting, this portion of the meeting will be limited to fifteen (15) minutes. Individuals are requested to limit their comments to three (3) minutes or less. If the majority of the Council determines that additional time on a specific issue is warranted, then discussion on that issue shall be continued at the end of the agenda. Before addressing the City Council, members of the public are asked to step up to the microphone, give their name, address, and state the subject to be discussed. All remarks shall be addressed to the Council as a whole and not to any member thereof. No person other than members of the Council and the person having the floor shall be permitted to enter any discussion without permission of the presiding officer.

Your participation, as prescribed by the Robert's Rules of Order and the standing rules of order and business of the City Council, is welcomed and your cooperation is greatly appreciated.

13. **ADJOURNMENT**

You are invited to a Zoom webinar!

When: Feb 10, 2026 07:00 PM Central Time (US and Canada)

Topic: February 10, 2026 Lauderdale City Council Webinar

Join from PC, Mac, iPad, or Android:

<https://us02web.zoom.us/j/82804409178?pwd=hxcGprTVPyZk2DH8lUdNDZuCC6w4L.1>

Webinar ID: 828 0440 9178

Passcode: 388521

Join via audio:

+1 301 715 8592 US (Washington DC)

+1 305 224 1968 US

+1 309 205 3325 US

+1 312 626 6799 US (Chicago)

+1 646 558 8656 US (New York)

+1 646 931 3860 US

+1 386 347 5053 US

+1 507 473 4847 US

+1 564 217 2000 US

+1 669 444 9171 US

+1 669 900 9128 US (San Jose)

+1 689 278 1000 US

+1 719 359 4580 US

+1 253 205 0468 US

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

+1 360 209 5623 US

International numbers available: <https://us02web.zoom.us/u/kecb0pqsAF>

LAUDERDALE CITY COUNCIL
MEETING MINUTES
Lauderdale City Hall
1891 Walnut Street
Lauderdale, MN 55113

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January 27, 2026

Call to Order

Mayor Gaasch called the Regular City Council meeting to order at 7:02 p.m.

Roll Call

Councilors present: Sharon Kelly, Evan Sayre, Duane Pulford, and Mayor Mary Gaasch.
Councilor absent: Jeff Dains.

Staff present: Heather Butkowski, City Administrator; and Miles Cline, Deputy City Clerk.

Approvals

Mayor Gaasch asked if there were any additions to the meeting agenda. Administrator Butkowski added the Minnesota Management and Budget Pay Equity Report to the Additional Items section of the agenda. Councilor Kelly moved and seconded by Councilor Sayre to approve the agenda as amended. Motion carried unanimously.

Mayor Gaasch asked if there were corrections to the minutes of the January 13, 2026, City Council meeting. There being none, Councilor Pulford moved and seconded by Councilor Kelly to approve the January 13, 2026, City Council meeting minutes. Motion carried unanimously.

Mayor Gaasch asked if there were any questions on the claims. Councilor Kelly asked about the cost of engineering expenses. Butkowski said the bill covered three months in addition to including costs for items that are paid by applicants through funds the City holds in escrow. Councilor Sayre moved and seconded by Councilor Pulford to approve the claims totaling \$46,202.07. Motion carried unanimously.

Councilor Dains joined the meeting at 7:07 p.m.

Consent

Councilor Sayre moved and seconded by Councilor Kelly to approve the Consent Agenda thereby acknowledging the December financial report and the fourth quarter investment report. Motion carried unanimously.

Informational Presentations/Reports

A. TH280 Project Update by MNDOT Area Engineer Chris Bower
Chris Bower, North Area Engineer for MNDOT, presented plans for reconstructing TH280 in 2026 and closing the Broadway Avenue intersection in 2028. Bower followed his presentation by answering questions from the Council and audience.

B. Environmental and Sustainability Commission Open House on Climate Action Plan –
February 11 from 5:00 – 7:00 p.m.

LAUDERDALE CITY COUNCIL
MEETING MINUTES
Lauderdale City Hall
1891 Walnut Street
Lauderdale, MN 55113

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January 27, 2026

Butkowski explained that the Environmental and Sustainability Commission is gathering data to draft a climate action plan. The Commissioners invite community members to stop by during their Open House scheduled for February 11 from 5:00-7:00 p.m. There will be light refreshments, and activities for children as well.

Discussion/Action Item

A. Update from City Attorney on Matters Related to Federal Agents

Katrina Joseph, prosecuting city attorney for Lauderdale, gave an update to the Council related to the federal agents in the Twin Cities area. She also explained the City's inclusion in an amicus brief filed by suburban cities, including Lauderdale, in support of the lawsuit filed by the State of Minnesota and the Cities of Minneapolis and St. Paul against the Department of Homeland Security. She answered questions from the Council after her presentation.

Councilor Pulford moved and seconded by Councilor Dains to approve the City joining the amicus brief in support of the lawsuit filed by the State of Minnesota and the Cities of Minneapolis and St. Paul against the Department of Homeland Security. Motion carried unanimously.

Mayor Gaasch opened the floor to those interested in addressing the Council.

Eric Raymond, 1763 Malvern Street, inquired about how many amicus cities outside of Minneapolis and St. Paul joined the lawsuit against the Department of Homeland Security. He continued to ask about what constitutes sensitive locations, what protections exist for local law enforcement, and finally, the rules upon entering private property. Joseph responded to each of his questions.

There being nobody else interested in speaking, Mayor Gaasch closed the floor.

Additional Items

A. Minnesota Management and Budget Pay Equity Report

Butkowski explained that every three years the City must document to Minnesota Management and Budget (MMB) that it is in compliance with the pay equity act. To demonstrate pay equity compliance, the City uses a points scale to compare traditionally male jobs with comparable female jobs. The wage scale is based on the job match system created during the class and compensation study in 2023.

Councilor Sayre made a motion authorizing staff to remit the pay equity data as presented to Minnesota Management and Budget. This was seconded by Councilor Kelly and carried unanimously.

LAUDERDALE CITY COUNCIL
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Lauderdale City Hall
1891 Walnut Street
Lauderdale, MN 55113

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January 27, 2026

Set Agenda for Next Meeting

Butkowski stated that the next meeting would include revisions to sewer utility ordinance, selection of an architect for Lauderdale Municipal Cannabis, and a broadband franchising conversation with cable commission attorney Mike Bradley.

Work Session

A. Staff Project Updates

Butkowski shared that the Ramsey County meeting regarding the corridor study for Larpeur Avenue is taking place on January 28. She continued to say that interviews for potential architects of the Lauderdale Municipal Cannabis store took place on January 26

C. Opportunity for the Public to Address the City Council

Mayor Gaasch opened the floor to those interested in addressing the Council. There being nobody interested in speaking, Mayor Gaasch closed the floor.

Closed Session

A. City Administrator Performance Review

Councilor Dains made a motion to move into a closed session to discuss the city administrator's performance review at 8:35 p.m. This was seconded by Councilor Kelly and carried unanimously.

Councilor Kelly moved and seconded by Councilor Pulford to come out of closed session at 9:25 p.m. Motion carried unanimously.

Adjournment

Councilor Sayre moved and seconded by Councilor Dains to adjourn the meeting at 9:26 p.m. Motion carried unanimously.

Respectfully submitted,



Miles Cline
Deputy City Clerk



CITY OF LAUDERDALE
LAUDERDALE CITY HALL
1891 WALNUT STREET
LAUDERDALE, MN 55113
651-792-7650

Request for Council Action

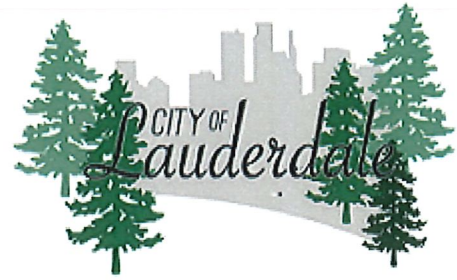
To: Mayor and City Council
From: City Administrator
Meeting Date: February 10, 2026
Subject: List of Claims

The claims totaling \$143,895.06 are provided for City Council review and approval that includes check numbers 29740 to 29757.

Accounts Payable

Checks by Date - Detail by Check Date

User: miles.cline
Printed: 2/5/2026 3:26 PM



Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
ACH	43	Public Employees Retirement Association	01/30/2026	
		PR Batch 50300.01.2026 PERA Coordinated	PR Batch 50300.01.2026 PER	1,381.12
		PR Batch 50300.01.2026 PERA Coordinated	PR Batch 50300.01.2026 PER	1,196.97
Total for this ACH Check for Vendor 43:				2,578.09
ACH	44	Minnesota Department of Revenue	01/30/2026	
		PR Batch 50300.01.2026 State Income Tax	PR Batch 50300.01.2026 Stat	873.12
Total for this ACH Check for Vendor 44:				873.12
ACH	45	ICMA Retirement Corporation	01/30/2026	
		PR Batch 50300.01.2026 Deferred Comp	PR Batch 50300.01.2026 Defi	1,160.95
Total for this ACH Check for Vendor 45:				1,160.95
ACH	46	Internal Revenue Service	01/30/2026	
		PR Batch 50300.01.2026 FICA Employer Portio	PR Batch 50300.01.2026 FIC.	1,257.89
		PR Batch 50300.01.2026 Federal Income Tax	PR Batch 50300.01.2026 Fed	2,220.15
		PR Batch 50300.01.2026 Medicare Employee Pc	PR Batch 50300.01.2026 Mec	294.19
		PR Batch 50300.01.2026 FICA Employee Portio	PR Batch 50300.01.2026 FIC.	1,257.89
		PR Batch 50300.01.2026 Medicare Employer Po	PR Batch 50300.01.2026 Mec	294.19
Total for this ACH Check for Vendor 46:				5,324.31
ACH	93	Minnesota Dept of Employment/Economic	01/30/2026	
		PR Batch 50300.01.2026 MN Paid Leave Emplo	PR Batch 50300.01.2026 MN	88.10
		PR Batch 50300.01.2026 Minnesota Paid Leave	PR Batch 50300.01.2026 Min	88.10
Total for this ACH Check for Vendor 93:				176.20
Total for 1/30/2026:				10,112.67
29740	383 S1 474681020126	Aspen Waste Systems of Minnesota Inc	02/10/2026	
		January Refuse Service		516.97
Total for Check Number 29740:				516.97
29741	29 4678 4678	City of St Anthony	02/10/2026	
		2026 Axon Body Cameras and Software		16,331.13
		January Police Services		82,287.96
Total for Check Number 29741:				98,619.09
29742	25 EMCOM-013133 EMCOM-013149	County of Ramsey	02/10/2026	
		January CAD Services		83.17
		January 911 Dispatch Services		553.67
Total for Check Number 29742:				636.84

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
29743	19 104718	Ehlers and Associates Inc 2025 Second Half TIF Payment Calculations	02/10/2026	73.75
		Total for Check Number 29743:		73.75
29744	61 6010540	Gopher State One Call January Locate Tickets	02/10/2026	60.80
		Total for Check Number 29744:		60.80
29745	355 810079	Hero Home Services Inc. 1844 Carl Street I/I Grant	02/10/2026	4,999.80
		Total for Check Number 29745:		4,999.80
29746	441 178176	Insty-Prints of St Paul, Inc. 1Q2026 Newsletter	02/10/2026	862.55
		Total for Check Number 29746:		862.55
29747	134 00164	Katrina Joseph January Legal Services	02/10/2026	925.00
		Total for Check Number 29747:		925.00
29748	387 3284 3284 3284	Metro-INET February IT/Phone February IT/Phone February IT/Phone	02/10/2026	2,118.55 356.27 706.18
		Total for Check Number 29748:		3,181.00
29749	24 0001199763	Metropolitan Council Environmental Serv March Wastewater Treatment	02/10/2026	15,091.18
		Total for Check Number 29749:		15,091.18
29750	84 022026	North Star Bank Cardmember Services Simplifile - Payment for Submitter eRecording I Amazon - Under Door Draft Stopper January Pioneer Press January Costco Fuel Amazon - HDMI Cables & Paper Staples - Printer Paper Amazon - General Supplies For Environmental I Amazon - General Supplies For Environmental I Amazon - Hand Sanitizer For Environmental Ev Amazon - Tablecloths For Environmental Event January Costco Fuel Amazon - Bathroom Soap MNGFOA - MC Annual Renewal January Costco Fuel MNGFOA - MC Event Simplifile - Payment for Submitter eRecording F Amazon - Bathroom Soap	02/10/2026	199.00 18.52 14.00 56.91 30.86 199.95 102.38 81.42 23.00 103.45 56.91 54.18 80.00 265.57 10.00 59.22 115.36
		Total for Check Number 29750:		1,470.73
29751	11 2026-540	North Suburban Communications Commiss 4Q25 Contribution	02/10/2026	985.23

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
Total for Check Number 29751:				985.23
29752	388 PS-INV109217	PeopleService Inc March Wastewater	02/10/2026	660.00
Total for Check Number 29752:				660.00
29753	5 619861-01-26	Premium Waters Inc January Water Service	02/10/2026	27.25
Total for Check Number 29753:				27.25
29754	81 022026 022026 022026	St Paul Regional Water Service 1891 Walnut St 1885 Fulham St 1915 Walnut St	02/10/2026	9.08 421.18 15.04
Total for Check Number 29754:				445.30
29755	4 SI016531 SI016531	The Neighborhood Recycling Company Inc January Multi-Family Recycling January Single Unit Dwelling	02/10/2026	631.21 4,338.57
Total for Check Number 29755:				4,969.78
29756	3 573406030	US National Equipment Finance Inc February Copier Lease	02/10/2026	155.00
Total for Check Number 29756:				155.00
29757	425 2500895385 2500895385 2500901211 2500901211	Vestis January Uniforms January Uniforms February Uniforms February Uniforms	02/10/2026	25.53 25.53 25.53 25.53
Total for Check Number 29757:				102.12
Total for 2/10/2026:				133,782.39
Report Total (23 checks):				143,895.06

LAUDERDALE COUNCIL ACTION FORM

Meeting Date	February 10, 2026	Agenda Item	Monthly Financial
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Action Requested

Consent	<input checked="" type="checkbox"/>	Public Hearing	<input type="checkbox"/>	Discussion	<input type="checkbox"/>
Action	<input type="checkbox"/>	Resolution	<input type="checkbox"/>	Work Session	<input type="checkbox"/>

DESCRIPTION OF ISSUE AND PAST COUNCIL ACTION:

Every month, staff provide the Council with an updated copy of the city's finances. Following are the revenue, expense, and cash balance reports for January 2026.

STAFF RECOMMENDATION:

By approving the consent agenda, the Council acknowledges the city's financial report for January 2026.

General Ledger

Cash Balances

User: heather.butkowski
 Printed: 2/3/2026 1:41:00 PM
 Period 01 - 01
 Fiscal Year 2026



Description	Account	Beg Bal	MTD Debit	MTD Credit	Current Balance
Cash	101-00000-000-10100	-2,840,259.82	204,505.80	123,879.84	-2,759,633.86
Change Fund	101-00000-000-10300	100.00	0.00	0.00	100.00
Cash	226-00000-000-10100	34,516.76	2,915.03	0.00	37,431.79
Cash	227-00000-000-10100	114,635.02	1,952.42	7,655.42	108,932.02
Cash	306-00000-000-10100	225,139.72	405.00	107,350.00	118,194.72
Cash	401-00000-000-10100	48,090.71	152.79	0.00	48,243.50
Cash	403-00000-000-10100	621,767.27	1,966.26	2,895.60	620,837.93
Cash	404-00000-000-10100	219,250.91	696.60	0.00	219,947.51
Cash	406-00000-000-10100	384,150.94	1,220.51	0.00	385,371.45
Cash	414-00000-000-10100	323,096.60	1,026.53	0.00	324,123.13
Cash	416-00000-000-10100	7,336.72	21.69	510.36	6,848.05
Cash	602-00000-000-10100	732,498.89	19,107.64	54,623.85	696,982.68
Cash	603-00000-000-10100	392,759.64	15,657.67	25,663.99	382,753.32
Current Assets		263,083.36	249,627.94	322,579.06	190,132.24
Petty Cash	101-00000-000-10200	300.00	0.00	0.00	300.00
Petty Cash		300.00	0.00	0.00	300.00
Investments - Fair Value Adj	101-00000-000-10410	3,509,118.14	11,196.83	175,000.00	3,345,314.97
Investments		3,509,118.14	11,196.83	175,000.00	3,345,314.97
Grand Total		<u>3,772,501.50</u>	<u>260,824.77</u>	<u>497,579.06</u>	<u>3,535,747.21</u>

General Ledger

Revenue vs Expense

User: heather.butkowski
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 Period 01 - 01
 Fiscal Year 2026



Account Number	Description	Budget	Current Period	YTD Balance	Variance	% Expend	Collect
101	General Fund						
	Revenue						
	Taxes	1,333,460.00	3,664.16	3,664.16	1,329,795.84		0.27
	Licenses and Permits	55,100.00	1,855.05	1,855.05	53,244.95		3.37
	Intergovernmental Revenues	500,158.00	0.00	0.00	500,158.00		0.00
	Charges for Services	14,000.00	1,590.03	1,590.03	12,409.97		11.36
	Fines and Forfeits	30,000.00	1,876.70	1,876.70	28,123.30		6.26
	Miscellaneous Revenue	38,000.00	1,870.12	1,870.12	36,129.88		4.92
	Other Financing Sources	0.00	0.00	0.00	0.00		0.00
	Revenue	1,970,718.00	10,856.06	10,856.06	1,959,861.94		0.55
	Expense						
	Personal Services	494,357.00	61,009.12	61,009.12	433,347.88		12.34
	Supplies	19,100.00	798.57	798.57	18,301.43		4.18
	Other Services and Charges	1,457,261.00	29,863.58	29,863.58	1,427,397.42		2.05
	Capital Outlay	0.00	0.00	0.00	0.00		0.00
	Other Uses	0.00	0.00	0.00	0.00		0.00
	Expense	1,970,718.00	91,671.27	91,671.27	1,879,046.73		4.65
101	General Fund	0.00	-80,815.21	-80,815.21	80,815.21		0.00

General Ledger

Revenue vs Expense

User: heather.butkowski
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 Period 01 - 01
 Fiscal Year 2026



Account Number	Description	Budget	Current Period	YTD Balance	Variance	% Expend/Collect
226	Communications					
	Revenue					
	Taxes	0.00	2,796.48	2,796.48	-2,796.48	0.00
	Intergovernmental Revenues	0.00	0.00	0.00	0.00	0.00
	Miscellaneous Revenue	0.00	118.55	118.55	-118.55	0.00
	Other Financing Sources	0.00	0.00	0.00	0.00	0.00
	Revenue	0.00	2,915.03	2,915.03	-2,915.03	0.00
	Expense					
	Personal Services	0.00	0.00	0.00	0.00	0.00
	Supplies	0.00	0.00	0.00	0.00	0.00
	Other Services and Charges	0.00	0.00	0.00	0.00	0.00
	Capital Outlay	0.00	0.00	0.00	0.00	0.00
	Expense	0.00	0.00	0.00	0.00	0.00
	Communications	0.00	2,915.03	2,915.03	-2,915.03	0.00

General Ledger

Revenue vs Expense

User: heather.butkowski
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 Period 01 - 01
 Fiscal Year 2026



Account Number	Description	Budget	Current Period	YTD Balance	Variance	% Expend/Collect
227	Recycling Revenue					
	Intergovernmental Revenues	7,998.00	0.00	0.00	7,998.00	0.00
	Miscellaneous Revenue	80,108.00	1,952.42	1,952.42	78,155.58	2.44
	Revenue	88,106.00	1,952.42	1,952.42	86,153.58	2.22
	Expense					
	Personal Services	24,127.00	2,685.64	2,685.64	21,441.36	11.13
	Supplies	0.00	0.00	0.00	0.00	0.00
	Other Services and Charges	56,985.00	4,969.78	4,969.78	52,015.22	8.72
	Capital Outlay	350.00	0.00	0.00	350.00	0.00
	Expense	81,462.00	7,655.42	7,655.42	73,806.58	9.40
227	Recycling	6,644.00	-5,703.00	-5,703.00	12,347.00	-85.84

General Ledger

Revenue vs Expense

User: heather.butkowski
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 Period 01 - 01
 Fiscal Year 2026



Account Number	Description	Budget	Current Period	YTD Balance	Variance	% Expend/Collect
228	Fund					
	Revenue					
	Intergovernmental Revenues	0.00	0.00	0.00	0.00	0.00
	Miscellaneous Revenue	0.00	0.00	0.00	0.00	0.00
	Revenue	0.00	0.00	0.00	0.00	0.00
	Expense					
	Capital Outlay	0.00	0.00	0.00	0.00	0.00
	Other Uses	0.00	0.00	0.00	0.00	0.00
	Expense	0.00	0.00	0.00	0.00	0.00
	Fund	0.00	0.00	0.00	0.00	0.00
228						

General Ledger

Revenue vs Expense

User: heather.butkowski
 Printed: 2/3/2026 1:41:42 PM
 Period 01 - 01
 Fiscal Year 2026



Account Number	Description	Budget	Current Period	YTD Balance	Variance	% Expend/Collect
305	GO TIF Revenue Bonds 2018A					
	Revenue					
	Miscellaneous Revenue	0.00	0.00	0.00	0.00	0.00
	Other Financing Sources	0.00	0.00	0.00	0.00	0.00
	Revenue	0.00	0.00	0.00	0.00	0.00
	Expense					
	Other Services and Charges	0.00	0.00	0.00	0.00	0.00
	Debt Service	0.00	0.00	0.00	0.00	0.00
	Expense	0.00	0.00	0.00	0.00	0.00
305	GO TIF Revenue Bonds 2018A	0.00	0.00	0.00	0.00	0.00

General Ledger

Revenue vs Expense

User: heather.butkowski
 Printed: 2/3/2026 1:41:42 PM
 Period 01 - 01
 Fiscal Year 2026



Account Number	Description	Budget	Current Period	YTD Balance	Variance	% Expend/Collect
306	2019A Improvement Bonds					
	Revenue					
	Miscellaneous Revenue	6,000.00	374.34	374.34	5,625.66	6.24
	Other Financing Sources	117,601.00	30.66	30.66	117,570.34	0.03
	Revenue	123,601.00	405.00	405.00	123,196.00	0.33
	Expense					
	Other Services and Charges	4,000.00	475.00	475.00	3,525.00	11.88
	Debt Service	112,875.00	106,875.00	106,875.00	6,000.00	94.68
	Expense	116,875.00	107,350.00	107,350.00	9,525.00	91.85
306	2019A Improvement Bonds	6,726.00	-106,945.00	-106,945.00	113,671.00	-1,590.02

General Ledger Revenue vs Expense

User: heather.butkowski
Printed: 2/3/2026 1:41:42 PM
Period 01 - 01
Fiscal Year 2026



Account Number	Description	Budget	Current Period	YTD Balance	Variance	% Expend/Collect
401	General Capital Projects					
	Revenue					
	Intergovernmental Revenues	0.00	0.00	0.00	0.00	0.00
	Miscellaneous Revenue	3,200.00	152.79	152.79	3,047.21	4.77
	Other Financing Sources	0.00	0.00	0.00	0.00	0.00
	Revenue	3,200.00	152.79	152.79	3,047.21	4.77
	Expense					
	Other Services and Charges	0.00	0.00	0.00	0.00	0.00
	Capital Outlay	105,000.00	0.00	0.00	105,000.00	0.00
	Other Uses	0.00	0.00	0.00	0.00	0.00
	Expense	105,000.00	0.00	0.00	105,000.00	0.00
401	General Capital Projects	-101,800.00	152.79	152.79	-101,952.79	-0.15

General Ledger

Revenue vs Expense

User: heather.butkowski
 Printed: 2/3/2026 1:41:42 PM
 Period 01 - 01
 Fiscal Year 2026



Account Number	Description	Budget	Current Period	YTD Balance	Variance	% Expend/Collect
403	Street Capital Projects					
	Revenue					
	Intergovernmental Revenues	30,133.00	0.00	0.00	30,133.00	0.00
	Miscellaneous Revenue	20,000.00	1,966.26	1,966.26	18,033.74	9.83
	Other Financing Sources	0.00	0.00	0.00	0.00	0.00
	Revenue	50,133.00	1,966.26	1,966.26	48,166.74	3.92
	Expense					
	Other Services and Charges	0.00	0.00	0.00	0.00	0.00
	Capital Outlay	5,000.00	2,895.60	2,895.60	2,104.40	57.91
	Debt Service	0.00	0.00	0.00	0.00	0.00
	Other Uses	0.00	0.00	0.00	0.00	0.00
	Expense	5,000.00	2,895.60	2,895.60	2,104.40	57.91
403	Street Capital Projects	45,133.00	-929.34	-929.34	46,062.34	-2.06

General Ledger

Revenue vs Expense

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 Fiscal Year 2026



Account Number	Description	Budget	Current Period	YTD Balance	Variance	% Expend/Collect
404	Park Capital Projects					
	Revenue					
	Intergovernmental Revenues	0.00	0.00	0.00	0.00	0.00
	Miscellaneous Revenue	9,000.00	696.60	696.60	8,303.40	7.74
	Other Financing Sources	0.00	0.00	0.00	0.00	0.00
	Revenue	9,000.00	696.60	696.60	8,303.40	7.74
	Expense					
	Supplies	0.00	0.00	0.00	0.00	0.00
	Capital Outlay	10,000.00	0.00	0.00	10,000.00	0.00
	Other Uses	0.00	0.00	0.00	0.00	0.00
	Expense	10,000.00	0.00	0.00	10,000.00	0.00
404	Park Capital Projects	-1,000.00	696.60	696.60	-1,696.60	-69.66

General Ledger

Revenue vs Expense

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 Fiscal Year 2026



Account Number	Description	Budget	Current Period	YTD Balance	Variance	% Expend/Collect
406	Park Dedication Revenue	14,000.00	1,220.51	1,220.51	12,779.49	8.72
	Miscellaneous Revenue					
	Revenue	14,000.00	1,220.51	1,220.51	12,779.49	8.72
406	Park Dedication	14,000.00	1,220.51	1,220.51	12,779.49	8.72

General Ledger

Revenue vs Expense

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 Period 01 - 01
 Fiscal Year 2026



Account Number	Description	Budget	Current Period	YTD Balance	Variance	% Expend/Collect
414	Development					
	Revenue					
	Miscellaneous Revenue	15,000.00	1,026.53	1,026.53	13,973.47	6.84
	Other Financing Sources	0.00	0.00	0.00	0.00	0.00
	Revenue	15,000.00	1,026.53	1,026.53	13,973.47	6.84
	Expense					
	Other Services and Charges	0.00	0.00	0.00	0.00	0.00
	Other Uses	67,102.00	0.00	0.00	67,102.00	0.00
	Expense	67,102.00	0.00	0.00	67,102.00	0.00
414	Development	-52,102.00	1,026.53	1,026.53	-53,128.53	-1.97

General Ledger

Revenue vs Expense

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Account Number	Description	Budget	Current Period	YTD Balance	Variance	% Expend/Collect
415	Housing Redevelopment					
	Revenue					
	Miscellaneous Revenue	0.00	0.00	0.00	0.00	0.00
	Other Financing Sources	0.00	0.00	0.00	0.00	0.00
	Revenue	0.00	0.00	0.00	0.00	0.00
	Expense					
	Other Services and Charges	0.00	0.00	0.00	0.00	0.00
	Capital Outlay	0.00	0.00	0.00	0.00	0.00
	Expense	0.00	0.00	0.00	0.00	0.00
	Housing Redevelopment	0.00	0.00	0.00	0.00	0.00
415						

General Ledger

Revenue vs Expense

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Account Number	Description	Budget	Current Period	YTD Balance	Variance	% Expend/Collect
416	TIF District No. 1-2					
	Revenue					
	Taxes	35,000.00	0.00	0.00	35,000.00	0.00
	Miscellaneous Revenue	50.00	21.69	21.69	28.31	43.38
	Other Financing Sources	0.00	0.00	0.00	0.00	0.00
	Revenue	35,050.00	21.69	21.69	35,028.31	0.06
	Expense					
	Other Services and Charges	2,000.00	510.36	510.36	1,489.64	25.52
	Capital Outlay	0.00	0.00	0.00	0.00	0.00
	Debt Service	31,000.00	0.00	0.00	31,000.00	0.00
	Other Uses	0.00	0.00	0.00	0.00	0.00
	Expense	33,000.00	510.36	510.36	32,489.64	1.55
416	TIF District No. 1-2	2,050.00	-488.67	-488.67	2,538.67	-23.84

General Ledger

Revenue vs Expense

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Account Number	Description	Budget	Current Period	YTD Balance	Variance	% Expend/Collect
602	Sanitary Sewer					
	Revenue					
	Intergovernmental Revenues	0.00	0.00	0.00	0.00	0.00
	Charges for Services	343,200.00	17,021.16	17,021.16	326,178.84	4.96
	Miscellaneous Revenue	30,000.00	2,207.42	2,207.42	27,792.58	7.36
	Other Financing Sources	0.00	0.00	0.00	0.00	0.00
	Revenue	373,200.00	19,228.58	19,228.58	353,971.42	5.15
	Expense					
	Personal Services	89,509.00	9,908.92	9,908.92	79,600.08	11.07
	Supplies	850.00	93.80	93.80	756.20	11.04
	Other Services and Charges	244,894.00	44,742.07	44,742.07	200,151.93	18.27
	Capital Outlay	0.00	0.00	0.00	0.00	0.00
	Other Uses	0.00	0.00	0.00	0.00	0.00
	Expense	335,253.00	54,744.79	54,744.79	280,508.21	16.33
602	Sanitary Sewer	37,947.00	-35,516.21	-35,516.21	73,463.21	-93.59

General Ledger

Revenue vs Expense

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Account Number	Description	Budget	Current Period	YTD Balance	Variance	% Expend/Collect
603	Storm Water					
	Revenue					
	Intergovernmental Revenues	0.00	9,715.03	9,715.03	-9,715.03	0.00
	Charges for Services	165,000.00	4,751.76	4,751.76	160,248.24	2.88
	Miscellaneous Revenue	13,000.00	1,212.22	1,212.22	11,787.78	9.32
	Other Financing Sources	0.00	0.00	0.00	0.00	0.00
	Revenue	178,000.00	15,679.01	15,679.01	162,320.99	8.81
	Expense					
	Personal Services	72,032.00	7,910.10	7,910.10	64,121.90	10.98
	Supplies	850.00	93.80	93.80	756.20	11.04
	Other Services and Charges	44,800.00	17,681.43	17,681.43	27,118.57	39.47
	Capital Outlay	50,000.00	0.00	0.00	50,000.00	0.00
	Other Uses	0.00	0.00	0.00	0.00	0.00
	Expense	167,682.00	25,685.33	25,685.33	141,996.67	15.32
603	Storm Water	10,318.00	-10,006.32	-10,006.32	20,324.32	-96.98

General Ledger

Revenue vs Expense

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Account Number	Description	Budget	Current Period	YTD Balance	Variance	% Expend/Collect
999	Fund					
	Revenue					
	Taxes	0.00	0.00	0.00	0.00	0.00
	Miscellaneous Revenue	0.00	0.00	0.00	0.00	0.00
	Other Financing Sources	0.00	0.00	0.00	0.00	0.00
	Revenue	0.00	0.00	0.00	0.00	0.00
	Expense					
	Personal Services	0.00	0.00	0.00	0.00	0.00
	Other Services and Charges	0.00	0.00	0.00	0.00	0.00
	Capital Outlay	0.00	0.00	0.00	0.00	0.00
	Debt Service	0.00	0.00	0.00	0.00	0.00
	Other Uses	0.00	0.00	0.00	0.00	0.00
	Expense	0.00	0.00	0.00	0.00	0.00
999	Fund	0.00	0.00	0.00	0.00	0.00

General Ledger

Revenue vs Expense

User: heather.butkowski
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 Period 01 - 01
 Fiscal Year 2026



Account Number	Description	Budget	Current Period	YTD Balance	Variance	% Expend/Collect
Revenue Total		2,860,008.00	56,120.48	56,120.48	2,803,887.52	0.0196
Expense Total		2,892,092.00	290,512.77	290,512.77	2,601,579.23	0.1005
Grand Total		-32,084.00	-234,392.29	-234,392.29	202,308.29	7.3056

LAUDERDALE COUNCIL ACTION FORM

Meeting Date	February 10, 2026	Agenda Item	People Service
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Action Requested

Consent	<input checked="" type="checkbox"/>	Public Hearing	<input type="checkbox"/>	Discussion	<input type="checkbox"/>
Action	<input type="checkbox"/>	Resolution	<input type="checkbox"/>	Work Session	<input type="checkbox"/>

DESCRIPTION OF ISSUE AND PAST COUNCIL ACTION:

Prior to 2023, the City paid one of the two public works staff to be on-call each day. Sharing 365 days of on-call between two people was difficult as employees had obligations outside of work. In 2022, staff reached out to PeopleService to discuss options for them overseeing the City's sanitary sewer operations and providing on-call for sewer related emergencies. Having them provide this service allowed the City to change from 24/7 paid on-call to a call-back system. With the call-back system, employees only receive pay if called into work outside of their normal hours. The cost of the service was significantly less than the cost of paying employees to be on-call daily.

The initial contract term was 2023-2025 and is up for renewal. The revised contract is included in the packet. It covers years 2026-2028. Any request the City makes of PeopleService to provide additional services is done on a time and materials basis. PeopleService also carry the necessary licensure for the operation of the system. While we currently also have that in-house, it will allow for less rigidity during future hiring processes.

STAFF RECOMMENDATION:

By approving the consent agenda, the Council approves the Waterwater Collection System Operation and Maintenance Agreement with PeopleService as presented.

WASTEWATER COLLECTION SYSTEM OPERATION AND MAINTENANCE AGREEMENT

This agreement is entered into this _____ day of _____ 2026, by and between PeopleService, Inc., a Nebraska corporation, it's successors and assigns ("PeopleService" or "Operator"), and hereinafter referred to as Contractor, and city of Lauderdale, Minnesota, ("Owner").

WHEREAS, the Owner wishes to contract for professional services to provide for oversight of the operations and maintenance of Owner's wastewater collection system; and

WHEREAS, Contractor wishes to enter into a contract with the Owner, as an independent contractor to provide its service, labor and expertise to the Owner as a wastewater collection systems operator; and

NOW, THEREFORE, in consideration of mutual covenants and agreements set forth herein, the parties agree as follows:

1. PeopleService shall:

- A. Provide assistance to the Owner for the operation of the Owner's wastewater collection system by overseeing and directing the Owner's staff in the operation and maintenance of the system and will also assist the city in developing a sewer backup emergency response plan. Such visits shall occur once per month during normal business hours (no visits will be made on weekends or observed holidays).
- B. Provide operational oversight and direction to the Owner's staff in the completion of the basic preventive maintenance and minor repairs required for proper functioning of the collection system.
- C. Assist the Owner with the development of a sewer cleaning program to be performed by an outside contractor. The sewer cleaning program should attempt to clean at a minimum 25% of the collection system annually. The costs of the cleaning program remain the responsibility of the Owner.
- D. Within the limits of available security devices, PeopleService will secure and protect facilities and equipment for which it is responsible.
- E. Provide a telephone number for afterhours emergencies and will respond within an hour and a half as needed to ensure the emergency is resolved. Emergency responses will be billed at the hourly rates listed below.

2. Owner shall:

- A. Provide PeopleService with access and use of the wastewater collection system.
- B. Pay all costs associated with the operation of the wastewater collection system, including all utility costs, capital outlay expenditures, minor/major repairs or

breakdowns, cleaning, etc.

C. Complete facility operation and maintenance activities as directed by contract operator.

3. In consideration of the services provided by PeopleService, Owner agrees to pay to PeopleService compensation in the following amount, in advance on the first day of each month

From January 1, 2026 to December 31, 2026; \$685 per month

From January 1, 2027 to December 31, 2027; \$715 per month

From January 1, 2028 to December 31, 2028; \$745 per month

Any additional professional services provided by PeopleService in addition to the services stated above (such as but not limited to responding to emergency call outs, meeting with regulatory agencies or their personnel, etc.), will be billed at the rate of \$80 per hour during normal business hours (8:00 a.m. to 5:00 p.m. Monday through Friday) and \$120 per hour at all other times. A minimum of two (2) hours, including travel time, shall be billed for each occurrence. For any parts, supplies, or services purchased by PeopleService on behalf of the Owner, PeopleService shall have the right to add an Administrative Fee of up to fifteen percent (15%) of the invoice price.

Owner agrees to pay PeopleService the compensation outlined in this Agreement. Any amounts due under this Agreement or invoice amount not disputed within thirty (30) days after submission by PeopleService to Owner shall be deemed accurate. After that thirty (30) day period, Owner waives any right to contest any amounts due under this Agreement and invoice amounts. Any amounts past due thirty (30) calendar days will be charged a finance charge of 16% per year on unpaid balances. Owner agrees to pay any and all finance charges and attorneys fees for the cost of collection.

4. PeopleService is an independent contractor and not an employee of the Owner. The Owner shall not be responsible for and shall not carry worker's compensation insurance, or unemployment compensation insurance, nor shall it incur other typical employee expenditures for the benefit of Contractor. The Owner shall not withhold monies for payment of federal or state income taxes, or social security benefits, or other employee related benefits, for Contractor since Contractor is not an employee of the Owner and since Contractor will be responsible for its own filing and quarterly estimates, if any. The Owner shall not provide any benefits or any sort typically the responsibility of an employer to an employee, including by way of illustration, but not necessarily limited to, paid vacations, sick days, holiday and overtime, since Contractor is an independent contractor.
5. The Contractor will obtain at its own expense all Workman's Compensation Insurance required by law. Owner shall indemnify and hold PeopleService, its officers, employees and agents, harmless under this Agreement for any and all claims, damages, costs or expenses caused by malfunction or failure of the Facilities or any components thereof or other liability or loss including injury, death, or damages to any

person or property related in any way to the performance of this Agreement to the extent such claims, damages, costs, expenses, liability or loss are caused by the negligent acts, errors or omissions of Owner. Additionally, Owner shall indemnify PeopleService, its officers, employees and agents harmless for any and all fines, penalties, attorney's fees and damages resulting from Owner's failure to comply with permitting, reporting or other statutory or regulatory requirements which are the responsibility of the Owner. This provision shall survive the termination of this Agreement.

6. The Contractor will obtain and maintain any necessary Operator's License as required by Federal or Minnesota regulatory agencies that have jurisdiction over the operations.
7. The Contractor will obtain and maintain liability insurance with a minimum of \$1 million per claim and \$2 million aggregate. Contractor shall obtain said insurance before the commencement of work on this contract and shall provide the Owner with proof of insurance. PeopleService shall indemnify and hold Owner, its employees and agents, harmless under this Agreement for all claims, damages, costs or expenses caused by malfunction or failure of the Facilities or any components thereof or other liability or loss including injury, death, or damages to any person or property related in any way to the performance of this Agreement to the extent such claims, damages, costs, expenses, liability or loss are caused by the negligent acts, errors or omission of PeopleService. This provision shall survive the termination of this Agreement.
8. The Contractor shall obtain and maintain automobile insurance (minimum \$500,000 each occurrence) for each vehicle used in the course of performing this contract. Contractor shall obtain and maintain said insurance before the commencement of work on this contract shall provide the Owner with proof of insurance.
9. This Agreement shall become effective and services shall commence on January 1, 2026 and shall continue until December 31, 2028.
10. Upon the Effective Date of this Agreement, that certain Wastewater Collection System Operation and Maintenance Agreement effective January 1, 2023 between the Owner and PeopleService shall automatically terminate and shall be superseded by this Agreement.
11. In accordance with Minnesota Statutes, section 13.05, subd. 11, all data created, collected, received, stored, used, maintained, or disseminated by PeopleService in performing services under this contract is subject to the requirements of the Minnesota Government Data Practices Act and PeopleService must comply with the requirements of the Act as if it were a government entity.
12. This Agreement may be terminated by either party upon giving ninety (90) days written notice. Written notice shall be considered effective if sent by certified mail to the following addresses:

PEOPLESERVICE, INC.
209 S. 19th Street, Suite 555
Omaha, NE 68102

City of Lauderdale
1891 Walnut Street
Lauderdale, MN 55113

IN WITNESS WHEREOF, the parties above named have executed this Agreement on
this _____ day of _____, 2026.

CITY OF LAUDERDALE, MINNESOTA

By: _____
Mayor

Date: _____

Attest:

Secretary

PEOPLESERVICE, INC.

By: _____
President

Date: 1/16/26

Attest:

_____
Secretary

LAUDERDALE COUNCIL ACTION FORM

Meeting Date February 10, 2026

Agenda Item

Broadband Franchise

Action Requested

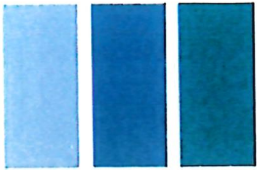
Consent	<input type="checkbox"/>	Public Hearing	<input type="checkbox"/>	Discussion	<input type="checkbox"/>
Action	<input type="checkbox"/>	Resolution	<input type="checkbox"/>	Work Session	<input checked="" type="checkbox"/>

DESCRIPTION OF ISSUE AND PAST COUNCIL ACTION:

Recently, Woodbury was the first city in Minnesota to franchise a broadband company. The franchise was negotiated by Michael Bradley who is also the attorney for North Suburban Communications Commission, of which the City is a member. The franchise became possible after a recent US Court of Appeals decision that held that broadband was not a telecommunications service. This issue is very “in the weeds” which we can discuss during the meeting. With the change, however, cities in Minnesota are discussing whether to franchise broadband providers in the same way that cable providers have been franchised. The purpose of franchising is multi-fold but centers around ensuring broadband providers build out in all areas of cities instead of just to households with the means to purchase their services (equity). It also allows cities to more easily control utilities in the rights-of-way as cities are responsible for regulating the orderly use of that space.

Michael Bradley will attend the meeting virtually. He will provide more detailed information and answer council questions on whether to pursue franchising of broadband providers and how the franchises would be negotiated.

STAFF RECOMMENDATION:



Bradley Werner
Attorneys at Law

MEMORANDUM

To: North Suburban Communications Commission
From: Michael R. Bradley
Re: Broadband Franchising
Date: October 29, 2025

Franchise Basics

In simple terms, a franchise is an authorization from a local government entity to a company to use the public rights-of-way to provide services to area residents.

Benefits of Franchising

There are many proven benefits of franchising, such as build-out requirements, customer service standards, compliance with the City's right-of-way standards, the payment of franchise fees, and the provision of other public benefits.

Franchising Authority in this Area

The North Suburban Communications Commission has been delegated the authority to negotiate and manage the cable communications systems on behalf of its member cities. The Commission has administered the franchises for the area for 40+ years.

Broadband is Not a Telecommunications Service

Earlier this year, the U.S. Court of Appeals in a Hobbs Act review of an FCC Order held that broadband is not a telecommunications service. *Ohio Telecom Ass'n v. FCC (In re MCP No. 185)*, 124 F.4th 993 (6th Cir. 2025). This decision has caused cities in Minnesota to reevaluate where broadband-only providers fall under state law. Since broadband is not a telecommunications service under federal law, it is similarly not likely to be under state law. Instead, it is more likely that a broadband system is a "cable communications system." A "cable communications system" is a system that provides "*data, or communications content service*." See Minn. Stat. § 238.02, Subd. 3 and 31. This definition is much broader than a cable television system or "cable system" as that term is defined in federal law. See, e.g. *WH Link, LLC v. City of Otsego*, 664 N.W.2d 390 (Minn. Ct. App. 2003) (OVS provider using internet protocol is a cable communications system). If the City determines that a permit applicant is constructing a cable communications system, it could instruct the applicant to obtain a franchise from the Commission as a prerequisite to issuing permits.

Minnesota's First Broadband Franchise

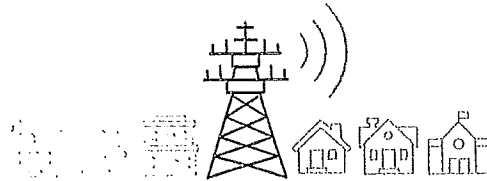
A similar commission just negotiated and executed the first broadband franchise in the state for the City of Woodbury area. Additional information and links can be found [here](#). More information on the benefits of local franchising can be found [here](#). We would be happy to review this further with any of the Commission's Member Cities and their respective city attorneys.

Bradley Werner, LLC

2145 Woodlane Drive | Suite 106 | Woodbury, MN 55125 | (651) 379-0900 | BradleyWerner.com

This is the Way: Equal Access to Broadband Through Municipal Franchising

MICHAEL R. BRADLEY, *Partner, Bradley Werner, LLC, Minneapolis, Minnesota*



The goal of equal access to broadband is not controversial or partisan. Most agree that citizens should have equal access to the same quality of service to broadband; that broadband networks should be built out to serve all citizens over a reasonable time; that there should be reasonable customer service and consumer privacy protections; and price protections.¹ The importance of ensuring equal access to broadband is particularly relevant today as federal and state governments are making historic public grants to improve broadband networks throughout the country.²

Surprisingly, despite historically high public investments, there remain no long-term guardrails to ensure residents receive equal access to the same quality of service, pricing, and consumer protections. While the FCC enacted digital discrimination regulations,³ the FCC likely lacks express authority to implement additional broadband rules.⁴ In an effort to presumptively assert additional regulatory authority over broadband, the FCC reclassified broadband earlier this year.⁵ While this reclassification would have arguably allowed the FCC to develop additional broadband rules, the Sixth Circuit stayed the reclassification, which forecasts the reclassification will likely fail.

Regardless of the outcome of the appeal, local governments are in the best position to ensure equal access to broadband through franchising. If available, local governments must use their existing home rule or statutory authority to franchise broadband.⁶ If necessary, state laws must be amended to clarify municipal authority to

franchise. Broadband is the future of municipal franchising. Local franchising is the way to ensure equal access to broadband.

A Valuable Special Privilege

Generally, a city has the sovereign power delegated by state law to grant a franchise to convey a highly valuable special privilege to corporations to use the scarce public right-of-way to deliver services to a city's residents.⁷ A franchise is a special privilege that allows a franchisee to profit from the use of the public right-of-way in a manner not generally available to the public as a common right.⁸ Without question, broadband providers must have this privilege in order to access the public right-of-way to cost effectively (and profitably) deliver services. Franchisees, in return for this valuable special privilege, pay franchise fees, which is essentially the rent for the use and occupation of the public property.⁹ While organizations like the Free State Foundation suggest that fees are the only policy benefit of franchising,¹⁰

they ignore the value of the privilege to use public rights-of-way¹¹ or how local governments require franchisees to comply with requirements benefiting citizens, as discussed in detail below.

Source of Municipal Franchise Authority

The source of local franchising authority arises from a number of sources including, but not limited to, state law,¹² state constitutions,¹³ municipal charters,¹⁴ and state common law, including state statutory and common law recognition of local authority to manage the public rights-of-way. Local franchising is a sovereign power that resides in the states and is not derived from federal law, including the Communications Act.¹⁵ To the extent the Communications Act does not lawfully restrict or address a particular service, a local government may regulate the service as state law provides.¹⁶ To that end, courts recognize that the Communications Act creates a dual federal-state regulatory structure.¹⁷ Today, broadband is classified under federal law as a Title I information service.¹⁸ Title I does not preempt local franchising of broadband,¹⁹ just as it did not preempt local franchising of cable service when cable service was an information service prior to the passage of the federal Cable Act.²⁰

Earlier in the year, when attempting to reclassify broadband, the FCC once again recognized the dual federal-state regulatory system over communications networks and made it clear that

it would not preempt franchising even if broadband was reclassified to a Title II telecommunications service.²¹ The order states:

We decline requests to categorically preempt all state or local regulation affecting [broadband internet access service] in the absence of any specific determination that such regulation interferes with our exercise of federal regulatory authority. The [Communications] Act establishes a dual federal-state regulatory system in which the federal government and the states may exercise concurrent regulatory authority over communications networks.²²

Additionally, the FCC affirmed other roles typically included in franchises by local governments regardless of the federal reclassification of broadband, such as:²³

- “[G]enerally policing such matters as fraud, taxation, and general commercial dealings.”
- “[P]rotecting consumers from fraud, enforcing fair business practices, for example, in advertising and billing, and generally responding to consumer inquiries and complaints.”
- State Consumer Protection Laws, such as the California Internet Consumer Protection and Network Neutrality Act of 2018.
- Promoting Broadband Affordability Programs.²⁴

Municipal Franchising Success Story

Cities have a long history of protecting citizens through franchising. Through cable franchising, for example, cities have ensured that their residents are served by the cable system over a reasonable period of time with the same quality of service and pricing.²⁵ When necessary, municipal franchising authorities have required cable system upgrades, which resulted in superior broadband offerings compared to phone companies.²⁶ Cable franchises

also have customer service protections and provided for public benefits such as public, educational, and governmental (PEG) access channels. Local cable franchising has undeniably been effective in ensuring universal access, universal pricing, area-wide buildout, and upgrades.²⁷ As local governments explained to the FCC recently:²⁸

For decades, local governments have protected the public interest through franchises and other rights-of-way management tools.²⁹ In the cable franchise context, local governments have required every cable operator to construct its cable system to serve everyone in the municipality, and, later, required system upgrades to ensure the cable system provided an appropriate level of service.³⁰ Local governments have, as required in the 1984 Cable Act, prohibited cable operators from redlining lower income communities.³¹ They have also included important public benefits, such as public, educational and government (PEG) access programming in local franchises to ensure access to local news, information, public meetings, high school sports and events, and more.³²

National and regional organizations agree that municipalities should be a part of the solution to ensuring equal access to broadband. As the League of Minnesota Cities explained in its Digital Discrimination Comments:

Local governments are in the best position to recognize and respond to the needs of their residents. It is simply not possible for the federal government to create a “one size fits all” plan that will ensure efficient access to broadband across the entire country or to prevent or eliminate digital discrimination.³³

The National League of Cities echoed those comments stating, “Local government, as the level of government

closest to the consumer, is in the best position to identify potential or actual digital discrimination and should take a leading role in preventing and addressing it.”³⁴

The effectiveness of franchising authority has been supported by the FCC in two recent orders. In its Digital Discrimination Order, the FCC adopted the recommendations of the Communications Equity and Diversity Council (“CEDC”), which acknowledged the importance of local franchising.³⁵ The CEDC Recommendations and Best Practices recognized the long-standing efforts of local governments to promote nondiscriminatory access to communications services through franchises and rights-of-way management.³⁶

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governments on a wide variety of telecommunications and franchising issues. Mike successfully defended the right of cities to receive cable franchise fees in Oklahoma and also litigated in federal court whether revenues from the provision of internet service should be included in cable franchise fees. He is one of a handful of attorneys in the country that has represented local government clients in the formal cable franchise renewal process. Mike and his firm represented municipal clients in all three FCC Section 621 cable franchising proceedings from 2006 to present, including the recent litigation before the Sixth Circuit. He has also filed in the FCC Digital Discrimination and Cable Pricing dockets. He has drafted and testified on communications legislation in multiple jurisdictions, including the Minnesota Equal Access to Broadband Act in 2024, and is a long-time officer, including past Chair, of the Minnesota State Bar Association's Communications Law Section. Early in his career, he assisted the City of St. Paul in obtaining public funding for a new hockey arena and bringing the NHL back to the State of Hockey. Mike is a graduate of Hamline University School of Law (J.D.) and the University of Minnesota (B.A.) and is admitted to practice before multiple state and federal courts, including the United States Supreme Court.

Broadband Franchising Results in Equal Access to Broadband

Plain and simple, local franchising has a history of success and should be used to ensure equal access to broadband. The following is a sampling of the issues that franchising can address.

Long-Term Protection.

Updating state laws to clearly authorize broadband franchising is particularly important now, as states across the country are about to distribute over \$42 billion in federal grants to broadband companies over the next two years.³⁷ Additionally, the broadband industry is seeking additional public benefits, such as sales tax exemptions for purchasing broadband facilities and government subsidies to serve low-income families.³⁸ Current federal and state programs do not address the long-term interests of residents, which is somewhat shocking considering the hundreds of millions of public dollars being given to the broadband industry. Franchising provides long-term protection.

Equitable Buildout.

Broadband franchising will allow local governments to require reasonable build-out schedules to ensure all residents are served with the same quality of services. The effectiveness of local cable franchising buildout is undeniable. Compare the availability of a standard quality of service throughout the country and it will consistently show the local cable system outperforms the local telephone company. Local governments have required every cable operator to construct its cable system to serve everyone in the municipality, and, later, required system upgrades to ensure the cable system provided an appropriate level of service.³⁹ Additionally, local governments have, as required in the 1984 Cable Act, prohibited cable operators from redlining lower income communities.⁴⁰

Minnesota cities saw this firsthand when granting cable franchises to the local ILEC (incumbent local exchange carrier) phone company. According to the ILEC, to provide cable service to a household, the ILEC needed to be capable of providing a certain minimum broadband download speed. In reviewing build-out data from the ILEC, it became immediately apparent that, unlike the traditional franchised cable operator, the ILEC had an inconsistent, non-universal, quality of broadband service when compared to the cable system. Since local franchising of phone companies was prohibited by state law in Minnesota, local governments were never allowed to require the ILEC to provide universal service across its service territory. When franchising the ILEC's cable service, it was the first time the phone company was required to equitably build out its network with significant investment throughout a city.⁴¹ These provisions resulted in deployment of fiber optic facilities and the availability of cable service and high speed broadband services in all areas of cities, including areas with low income households and historically underrepresented populations.⁴² Franchising ensures broadband systems will be built in a way that serves all residents equally.

Customer Service.

When it comes to broadband service, residents want a local person they can call with service issues and questions about their bills. Cities do that today with cable providers, but not with other broadband providers. There are instances when a broadband provider's service is down, but the customer and the city have no way of communicating with the provider. For example, in one Minnesota city recently, an elderly resident was without service for over six weeks. In another instance, an administrative law judge found that customers of state's largest phone provider, "experienced multiple services outages or disruptions caused

by deficient outside plant or equipment over an approximately four-and-a-half-year period."⁴³ With broadband franchising, customers will have someone advocating for them, there will be standards for response to customers, and there will be consequences for failing to comply.

Through franchising, local governments protect their residents by negotiating and enforcing customer service requirements in cable franchise agreements.⁴⁴ These customer service provisions include call response times, installation response times, late fee restrictions, access channels, electronic programming guide provisions, anti-redlining, and anti-discrimination requirements.⁴⁵ Local governments have supported, and the state of Maine recently adopted, customer service requirements relating to access television and refunds.⁴⁶ Contrast these efforts to the broadband customer in Wisconsin who was told that she could not terminate her service just because she called on a weekend. Franchising will protect these customers with reasonable customer service protections.

In addition to negotiating and enforcing cable franchise customer service provisions, local governments are relied upon by the FCC to participate in consumer protection dockets. Just in the past year, local governments from across the country have supported consumer protection rules at the FCC, and they have also supported digital discrimination rules at the FCC.⁴⁷ Local government Comments and reply Comments were cited favorably by the FCC numerous times in its final Report and Order that adopted digital discrimination rules.⁴⁸

Local government franchising authorities supported All-In Cable Pricing rules to require the disclosure of all cable fees, including some referred to as junk fees.⁴⁹ These fees include extra fees to receive local broadcast channels, sports programming, and even high-definition television service. Once again, local government Com-

ments and Reply Comments were cited throughout the FCC's final Report and Order.⁵⁰ Municipalities have also participated in the development of state Digital Equity Plans.⁵¹ These efforts show that municipalities will protect all residential consumers through broadband franchising. Municipalities have an undeniably successful record of using its franchising authority to protect consumers.

Public benefits.

Receipt of public benefits is another valuable function of franchising. Broadband franchising will allow cities to continue to fund access television and to address other digital adoption and equity programs.⁵² The CEDC recognized this principle, finding that "the privilege of using public assets comes with an obligation to provide a benefit to the public, which includes ensuring that all members of the community have equal access to broadband..."⁵³

For cable franchises, important services, such as public, educational and government (PEG) access programming in local franchises to ensure access to local news, information, public meetings, high school sports and events, and more.⁵⁴ Local broadband franchising will allow local governments to negotiate public benefits to help promote equal access to broadband and to eliminate digital discrimination. Some examples of these public benefits could include computer centers, training on the use of digital services, the next generation of access television, and consumer protections.

The Minnesota Equal Access to Broadband Act

In 2024, the state of Minnesota began exploring the role that franchising can play in ensuring equal access to broadband for all Minnesotans. The Minnesota Equal Access to Broadband Act, HF 4182⁵⁵/SF 4262,⁵⁶ was introduced in the 2024 legislative session. The bill authorized cities to franchise broadband providers, which would ensure

that all their residents will receive the same broadband. It would also allow cities to receive other public benefits such as access TV and promote digital equity. Through an amendment during committee hearings, the bill capped fees to mirror cable fees.

While the bill did not pass this year, it generated significant legislative support. The bill was heard multiple times in the House of Representatives and ultimately added to the House Commerce Policy Omnibus Bill,⁵⁷ which passed out of committee to the House floor where it received its Second Reading on April 4, 2024. The bill was also heard by the State and Local Government Committee in the House and laid over for possible inclusion in the State and Local Government Omnibus Bill.

The Equal Access to Broadband Act enjoyed widespread support from the League of Minnesota Cities, MACTA, NATOA, ACM, the League of Women's Voters, and others, but was opposed by the cable and phone associations and the state Chamber of Commerce. While the Minnesota Equal Access to Broadband Act is fairly technical and Minnesota-centric, it could be a starting point for drafting model broadband franchising legislation for use throughout the country.

Challenges to Municipal Broadband Franchising

The broadband industry raised several challenges to the Minnesota Equal Access to Broadband Act, most of which were self-serving with no factual or legal basis.

Franchise Fees.

Rather than recognizing the valuable special privilege of enjoying access to the public rights-of-way to conduct their business, the broadband industry opposed the Minnesota Equal Access to Broadband Act claiming franchise fees were taxes amounting to a "slush fund" for cities. As shown above, fran-

chise fees are the consideration for the special privilege to use the public right-of-way for private profit.⁵⁸ It is a very valuable privilege that few companies enjoy. Without this privilege, communications companies could not operate their businesses in a cost-effective way. The franchise fees allowed by the Minnesota legislation mirrored the fees currently paid by cable operators. As the Texas Court of Appeals recently recognized, public property – the right-of-way – should not be given away below its fair market value.⁵⁹ No government should give away public property for nominal or no consideration and it is fundamentally fair to require all users to pay franchise fees, not just some.

Stacking.

Opponents to the Equal Access to Broadband Act claimed fees on franchisees would be unfairly "stacked" on providers. One claim was that multiple governmental entities could require a broadband franchise, thus forcing a provider to obtain multiple franchises for the same area. No reasonable reading of the Equal Access to Broadband Act could support that argument. Nevertheless, the bill was amended to clarify that there is one local franchise authority in each city, so there would be no so-called stacking.

Secondly, opponents claimed that fees would be stacked on multiple services provided by individual providers, such as cable and broadband. This stacking argument fails to recognize the valuable privilege of using the public right-of-way.⁶⁰ In rejecting a similar stacking argument, the Texas Court of Appeals held such an argument "would do violence to the concept of consideration, and we are directed to no authority that would compel such an anomalous result."⁶¹

Impact on Low Income Residents.

The broadband industry presented no solutions to lowering rates for low-income persons, even though the industry

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would be receiving \$750 million in federal and state broadband grant funding and was requesting additional public benefits for the industry. Instead, the industry claimed that franchise fees will impact low-income residents with higher broadband costs. No credible information was submitted in support of this claim. On the other hand, local governments testified in support of the Equal Access to Broadband Act that local franchising authorities stood up for subscribers in terms of digital discrimination and fair pricing.

Impact on Buildout.

The broadband industry testified that allowing franchising will slow down the build out of broadband and that they would not build to cities that chose to require a franchise. Given the pending billions of dollars of state and federal funding at stake, the argument lacked veracity. The expenditure of \$42 billion of taxpayer dollars would be irresponsible without protecting the long-term interests of residents. Local franchising will encourage and promote more equitable broadband deployment - not less. Only local governments through cable franchising have been able to demand buildout maps and ensure full build out to every neighborhood, home and apartment. In other words, franchising promotes equal access to broadband.

Preemption.

Industry opponents claimed that federal law would preempt the proposed Minnesota Equal Access to Broadband Act. First, the industry claimed the bill would be preempted by the Internet Tax Freedom Act ("ITFA").⁶² The ITFA allows fees for the conveyance of privileges. A franchise grants the privilege of use of the public right-of-way. There is no preemption. Next, industry claimed the bill would be preempted by the FCC's Small Cell Order.⁶³ Since the bill excluded small cell wireless facilities, the Small Cell Order would have no preemptive effect on the bill. Finally,

industry opponents claimed preemption by the FCC's Mixed-Use Rule.⁶⁴ The Mixed-Use Rule has a somewhat tortured history. The original order preempted local governments from regulating noncable services over a cable system.⁶⁵ The legal reasoning behind the Mixed-Use Rule was largely rejected on appeal and the court ruled that regulation of non-cable services of a cable operator is allowed if it is consistent with the federal cable act.⁶⁶ This was also addressed in the bill amendments.

Conclusion

The goal of equal access to broadband is not controversial. The way to obtain the goal is through franchising broadband service providers. Municipal franchising is the best path forward to ensure buildout, quality of service, customer service, privacy protections, fair pricing, and public benefits to address digital adoption and education, all of which residents want and expect. Municipalities have a successful franchising history. Local governments without current statutory or home rule authority should seek legislative change to allow municipal broadband franchising or risk their communities being less competitive and underserved. Franchising is the future and the way to equal access to broadband.

Editor's Note: On January 2, 2025, the Sixth Circuit released *Ohio Telecom Ass'n v. FCC*, 2025 WL 16388, ___ F.4th ___ (6th Cir. 2025), setting aside the FCC's 2024 Safeguarding and Securing the Open Internet Order that reclassified broadband internet access service as a Title II telecommunications service subject to FCC common carrier regulations and net-neutrality restrictions. Citing *Loper-Bright* and the demise of agency deference, the court held that the FCC's reclassification order exceeded its statutory authority and that based on a plain reading of the statute broadband internet access service is a Title I information service. The Court similarly rejected the FCC's reclassification of mobile

broadband. This development makes state initiatives regarding equal access and broadband franchising, neither of which are preempted by the Act or by the Sixth Circuit decision, even more significant.

Notes

1. *See, e.g.*, City of Minneapolis Digital Opportunity Plan Comments and Qualitative Data to the Minnesota Office of Broadband Development (June 30, 2023).
2. *See* Broadband Equity Access and Deployment Program – Overview, <https://broadbandusa.ntia.gov/funding-programs/broadband-equity-access-and-deployment-bead-program> (last visited Oct. 30, 2024) ("The Broadband Equity, Access, and Deployment (BEAD) Program, provides \$42.45 billion to expand high-speed internet access by funding planning, infrastructure deployment and adoption programs in all 50 states, Washington D.C., Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands").
3. *See* In re Implementing the Infrastructure Investment and Jobs Act: Prevention and Elimination of Digital Discrimination, Report and Order, 89 Fed. Reg. 4128, GN Docket No. 22-69, 2023 WL 8614401 (rel. Nov. 20, 2023), appeal docketed, *Minn. Telecom. Alliance v. FCC*, No. 24-1179 (8th Cir. 2024) (the "Digital Discrimination Order").
4. *See* *Mozilla Corp. v. FCC*, 940 F.3d 1, 80-81 (D.C. Cir. 2019) (*per curiam*) ("Not only is the Commission lacking in its own statutory authority to preempt, but its effort to kick the States out of intrastate broadband regulation also overlooks the Communications Act's vision of dual federal-state authority and cooperation in this area specifically;" *Ohio Telecom Ass'n v. FCC*, Case No. 247000, Document: 51-2 (6th Cir. 2024) (FCC's 2024 Title II broadband reclassification order

stayed, unlikely to succeed on the merits).

5. See *In re Safeguarding and Securing the Open Internet*, Declaratory Ruling, Order, Report and Order, and Order On Reconsideration, FCC 24-52, 89 Fed. Reg. 45404 (Pub. May 22, 2024), appeal docketed, *Ohio Telecom Ass'n v. FCC*, Case No. 247000, Document: 51-2 (6th Cir. 2024) (Title II reclassification stayed, unlikely to succeed on this merits) ("2024 Open Internet Order").

6. See, e.g., *Lincoln Mun. Code Ch. 5.12* (2021).

7. See *Bank of Augusta v. Earle*, 38 U.S. 519, 595, 10 L. Ed. 274, 1839 WL 4294 (1839); *State of California v. Central Pac. R. Co.*, 127 U.S. 1, 41, 8 S. Ct. 1073, 32 L. Ed. 150 (1888); see also *Village of Blaine v. Ind. Sch. Dist. No. 12*, 265 Minn. 9, 121 N.W.2d 183 (1963); *Northern States Power Co. v. City of Granite Falls*, 186 Minn. 209, 242 N.W. 714 (1932); *City of Saint Paul v. Northern States Power Co.*, 462 N.W.2d 379 (Minn. 1990); *Burns*, 164 P.3d at 483; 12 *McQuillin Mun. Corp.* § 34:2 (3d ed.).

8. See, e.g., *Burns*, 164 P.3d at 483; 12 *McQuillin Mun. Corp.* § 34:2 (3d ed.).

9. See *City of St. Louis v. Western Union Tel. Co.*, 149 U.S. 465, 13 S. Ct. 990, 37 L. Ed. 810 (1893); *Burns*, 164 P.3d at 483; 12 *McQuillin Mun. Corp.* § 34:53 (3d ed.).

10. See, e.g., Daniel A. Lyons, *Municipal Broadband Fees Are Bad Law and Bad Policy*, 19 *Free State Foundation*, No. 39 (Oct. 18, 2024).

11. See *City of McAllen v. Texas*, ___ S.W.3d ___, 2024 WL 4799325, *5 (Tex. Ct. App. Nov. 15, 2024) (for a wireless node, "no case holds that a \$250 statutory fee constitutes sufficient consideration under the gift clause for a good potentially worth \$2,500 if acquired in an arm's-length transaction").

12. See, e.g., *Minn. Stat.* § 222.37; *Minn. Stat. Ch. 238*.

13. See, e.g., *Okl. Const. art. XV*, § 5(a).

14. See, e.g., *Philadelphia Home Rule Charter*, available at https://codelibrary.amlegal.com/codes/philadelphia/latest/philadelphia_pa/0-0-0-262986; *Minneapolis, Minnesota, Charter*, available at https://library.municode.com/mn/minneapolis/codes/code_of_ordinances?nodeId=CH.

15. See 12 *McQuillin Mun. Corp.* § 34:10 (3d ed.); *Burns*, 164 P.3d at 483.

16. See note 4 *supra*.

17. See, e.g., *Mozilla*, 940 F.3d at 81 (noting "the Communications Act's vision of dual federal-state authority and cooperation" on broadband regulation); *ACA Connects America's Commc'ns Ass'n v. Bonta*, 24 F.4th 1233 (9th Cir. 2022); *City of Eugene v. FCC*, 998 F.3d 701, 711 (6th Cir. 2021) (noting that "Congress went out of its way not to suggest that federal law is the fountainhead of all franchisor regulatory authority"); *City of Dallas v. FCC*, 165 F.3d 341, 345 (5th Cir. 1999) (stating that the 1984 Act "preserve[d] the role of municipalities in cable regulation"); *Sprint Telephony Pcs, L.P. v. County of San Diego*, 543 F.3d 571, 576 (9th Cir. 2008) (cert. den'd, *Sprint Telephony PCS, L.P. v. San Diego Cnty.*, 557 U.S. 935 (2009)) (noting that "Section 332(c)(7)(A) preserves the authority of local governments over zoning decisions regarding the placement and construction of wireless service facilities..."); *CNSP, Inc. v. City of Santa Fe*, (10th Cir. 2019) (after the Telecommunications Act of 1996, "local governments retain the authority 'to manage the public rights-of-way'").

18. *Nat'l Cable & Telecomms. Ass'n v. Brand X Internet Servs.*, 545 U.S. 967, 993-96 (2005) (cable internet service is a Title I information service); *In re Inquiry Concerning High-Speed Access to the Internet Over Cable & Other Facilities*, 17

FCC Rcd. 4798, 4824 ¶ 41 (2002) (cable internet service classified as Title I information service); *In re Promoting the Open Internet*, Report and Order On Remand, Declaratory Ruling, and Order, 30 FCC Rcd. 5601 (2015) (broadband reclassified as a Title II telecommunications service); *In re Restoring Internet Freedom*, 33 FCC Rcd. 311 (2018) (broadband reclassified as Title I information service); *Mozilla Corp. v. FCC*, 940 F.3d 1, 18-21 (D.C. Cir. 2019) (per curiam) (Title I reclassification upheld); 2024 Open Internet Order (order reclassified broadband as Title II telecommunication service, stayed on review).

19. See *Mozilla*, 940 F.3d at 75-6 (D.C. Cir. 2019) (per curiam) (FCC local preemption directive vacated); *N.Y. State Telecomms. Ass'n v. James*, 101 F.4th 135, 140-41 (2nd Cir. 2024).

20. See 47 U.S.C. § 152(a); *CATV and Community Antenna Systems*, 2 F.C.C.2d 725, 6 R.R.2d 1717 (1966).

21. 2024 Open Internet Order, at ¶¶ 265-275.

22. *Id.*, at ¶ 268.

23. 2024 Open Internet Order, at ¶¶ 268-275.

24. *Id.*, at ¶ 275 ("We also clarify that the mere existence of a state affordability program is not rate regulation").

25. See, e.g., H.R. Rep. No. 98-934 at 94, reprinted in 1984 U.S.C.C.A.N. 4655, 4731 (From the 1984 Cable Act House Report, "A state may, for instance, exercise authority over the whole range of cable activities, such as negotiation with cable operators; consumer protection; construction requirements; rate regulation or deregulation; the assessment of financial qualifications; the provision of technical assistance with respect to cable; and other franchise related issues—as long as the exercise of that authority is consistent with Title VI."); see also Frederick E. Continued on page 12

Ellrod III & Nicholas P. Miller, *Property Rights, Federalism, and the Public Rights of Way*, 26 SEATTLE U. L. REV. 475 (2003).

26. *See, e.g.*, Comments of the City of Philadelphia, et al., at 7, In re Implementing the Infrastructure Investment and Jobs Act: Prevention and Elimination of Digital Discrimination, GN Docket No. 22-69, <https://www.fcc.gov/ecfs/document/1022165457449/1> (Feb. 21, 2023) ("City of Philadelphia Digital Discrimination Comments").

27. *See e.g.*, City of Philadelphia Digital Discrimination Comments at 7; Comments of the League of Minnesota Cities, at 2; In re Implementing the Infrastructure Investment and Jobs Act: Prevention and Elimination of Digital Discrimination, GN Docket No. 22-69, at 2, <https://www.fcc.gov/ecfs/document/10222116501122/1> (Feb. 21, 2023) ("League of Minnesota Cities Digital Discrimination Comments").

28. *Id.*

29. *See, e.g.*, City of St. Louis v. Western Union Tel. Co., 148 U.S. 92 (1893) (upholding regulations of telegraph company's use of rights-of-way); Comments of the City of Philadelphia, et al., In re Implementation of Section 621(a) (1) of the Cable Communications Policy Act of 1984, as amended by the Cable Television Consumer Protection and Competition Act of 1992, MB Docket No. 05-311, at 9-12, <https://www.fcc.gov/ecfs/document/11141552701020/1> (November 14, 2018). ("City of Philadelphia 621 Comments").

30. *See, e.g.*, 47 U.S.C. § 546(b)(2); Northwest Suburbs Cable Communications Commission Cable Franchise Ordinance with King Videocable Company - Minnesota, Section 5.4 (Upgrade of Home Subscriber Network) (November 20, 1997).

31. *See* 47 U.S.C. § 541(a)(3) ("In awarding a franchise or franchises, a franchising authority shall assure that access to cable service is not denied to any group of potential residential cable

subscribers because of the income of the residents of the local area in which such group resides.")

32. *See, e.g.*, City of Philadelphia 621 Comments, at 9; National Association of Telecommunications Officers and Advisors, et al. Comments, In re Implementation of Section 621(a)(1) of the Cable Communications Policy Act of 1984, as amended by the Cable Television Consumer Protection and Competition Act of 1992, MB Docket No. 05-311, at 10 (Nov. 14, 2018) ("NATOA 621 Comments").

33. League of Minnesota Cities Digital Discrimination Comments, at 2.

34. National League of Cities Digital Discrimination Comments, In re Implementing the Infrastructure Investment and Jobs Act: Prevention and Elimination of Digital Discrimination, GN Docket No. 22-69, at 1 (Feb. 21, 2023).

35. *See* Digital Discrimination Order, at ¶¶ 175-178.

36. Recommendations and Best Practices to Prevent Digital Discrimination and Promote Digital Equity Submitted to the Federal Communications Commission by the Working Groups of the Communications Equity and Diversity Council, at 31, <https://www.fcc.gov/sites/default/files/cedc-digital-discrimination-report-110722.pdf> (Nov. 7, 2022).

37. *See* note 2 *supra*.

38. *See e.g.*, Joe Supan, *Could the Election Revive the Affordable Connectivity Program?*, CNET, <https://www.cnet.com/home/internet/could-the-election-revive-the-affordable-connectivity-program/> (last visited October 30, 2024).

39. *See, e.g.*, 47 U.S.C. § 546(b)(2); Northwest Suburbs Cable Communications Commission Cable Franchise Ordinance with King Videocable Company - Minnesota, Section 5.4 (Upgrade of Home Subscriber Network) (November 20, 1997).

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access to cable service is not denied to any group of potential residential cable subscribers because of the income of the residents of the local area in which such group resides.")

41. An example of the equitable buildout language stated in part:

The Parties agree that the following is a reasonable build-out schedule taking into consideration Grantee's market success and the requirements of Minnesota state law.

(i) Complete Equitable Build-Out. Grantee aspires to provide cable service to *all households* within the City by the end of the initial term of this Franchise. In addition, *Grantee commits that a significant portion of its investment will be targeted to areas below the median income in the City.*

(ii) Initial Minimum Build-Out Commitment. Grantee agrees to be capable of serving a minimum of fifteen percent (15%) of the City's households with cable service during the first two (2) years of the initial Franchise term, provided, however that Grantee will make its best efforts to complete such deployment within a shorter period of time. *This initial minimum build-out commitment shall include deployment to households in every Ward in the City and to a significant number of households below the medium income in the City.* Nothing in this Franchise shall restrict Grantee from serving additional households in the City with cable service; ...

See A Cable Television Franchise Agreement Between City of Minneapolis, Minnesota and Qwest Broadband Services, Inc., D/B/A CenturyLink, City of Minneapolis Code of Ordinances, Appendix H, Chapter 2, Section 1.2 (2014) (emphasis added).

42. *See* City of Philadelphia Digital Discrimination Comments, at 8-9 (City of Minneapolis, the Northwest

Suburban Cable Communications Commission, North Metro Telecommunications Commission, and South Washington Telecommunications Commission all approved franchises with similar equitable buildout provisions with similar results).

43. *See* In re Formal Complaint Regarding the Services Provided by the Qwest Corporation d/b/a CenturyLink in Minnesota, on Behalf of the Communications Workers of America, MN-PUC Docket No. C-20-432, at 23 (Mar. 13, 2024).

44. *See, e.g.*, NSCC Digital Discrimination Reply Comments, at 2.

45. City of Philadelphia Digital Discrimination Comments, at 7, NSCC Digital Discrimination Reply Comments of the NSCC, at 2.

46. *See* An Act to Ensure Nondiscriminatory Treatment of Public, Educational and Governmental Access Channels by Cable System Operators, 2019 Me. Laws 469 (codified at Me. Stat. tit. 30-A, §§ 3008(5), (7), 3010(5A), (5B), (5C)); *NCTA v. Frey*, 7 F.4th 1 (1st Cir. 2021) (Maine law upheld).

47. *See, e.g.*, City of Philadelphia Digital Discrimination Comments, at 20-21.

48. *See* Digital Discrimination Order.

49. *See, e.g.*, City of Oklahoma City et al. Comments, at 4-6, In re All-In Pricing for Cable and Satellite Television Service, FCC 24-29, MB Docket No. 23-203, <https://www.fcc.gov/ecfs/document/107312541918310/1> (July 31, 2023); City of Oklahoma City et al. Reply Comments, at 3-5, <https://www.fcc.gov/ecfs/document/108291549807734/1> (Aug. 29, 2023).

50. *See* In re All-In Pricing for Cable and Satellite Television Service, FCC 24-29, MB Docket No. 23-203 (Rel. March 19, 2024).

51. *See, e.g.*, City of Minneapolis Digital Opportunity Plan Comments to the Minnesota Office of Broadband Development (June 30, 2023).

52. *See* City of Philadelphia Digital

Discrimination Comments, at 7, NSCC Digital Discrimination Reply Comments, at 3.

53. Recommendations and Best Practices to Prevent Digital Discrimination and Promote Digital Equity Submitted to the Federal Communications Commission by the Working Groups of the Communications Equity and Diversity Council November 7, 2022, at 35 (<https://www.fcc.gov/sites/default/files/cedc-digital-discrimination-report-110722.pdf>).

54. *See, e.g.*, City of Philadelphia 621 Comments at 9; NATOA 621 Comments at 10.

55. Minn. H.F. No. 4182 (2024), <https://www.revisor.mn.gov/bills/bill.php?b=house&f=H-F4182&ssn=0&y=2024>.

56. Minn. S.F. No. 4262 (2024), <https://www.revisor.mn.gov/bills/bill.php?f=S-F4262&y=2024&ssn=0&b=senate>

57. Minn. H.F. No. 4077 (2024) (Article 4, Sections 1-11), https://www.revisor.mn.gov/bills/text.php?number=HF4077&type=--bill&version=1&session=ls93&session_year=2024&session_number=0&format=pdf.

58. *See* notes 9 and 11 *supra*.

59. *See* City of McAllen, at ___, 2024 WL 4799325, *5 (Tex. Ct. App. Nov. 15, 2024) (consideration must be sufficient).

60. *See* notes 9 and 11 *supra*.

61. *See* City of McAllen, at ___, 2024 WL 4799325, *8 (Tex. Ct. App. Nov. 15, 2024).

62. *See* 47 U.S.C. § 151, note. The “taxes” prohibited in the ITFA “do[] not include any franchise fee or similar fee imposed by a State or local franchising authority, pursuant to [the Cable Act], or any other fee related to obligations or telecommunications carriers under the Communications Act of 1934[,]” nor do “taxes” include “fee[s] imposed for a specific privilege, service, or benefit conferred” by a governmental entity, such as the privilege of using local

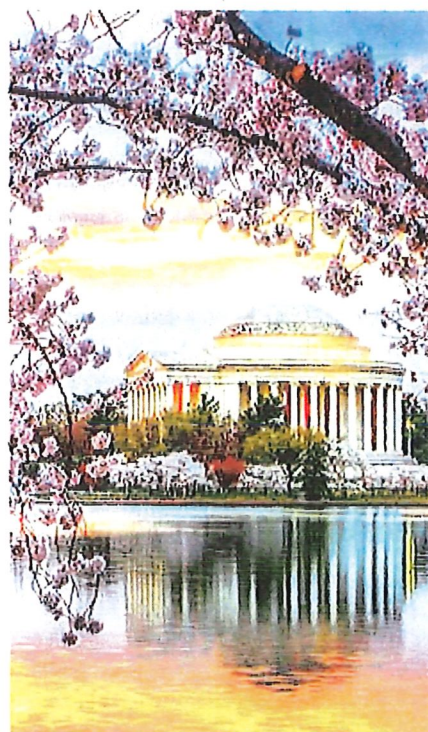
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63. *See* Accelerating Wireless Broadband Deployment by Removing Barriers to Infrastructure Deployment, Declaratory Ruling and Report and Order, 33 FCC Rcd. 9088 (2018).

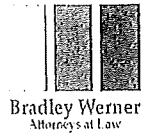
64. *See* In re: Section 621(A)(1) of the Cable Communications Policy Act of 1984 as Amended by the Cable Television Consumer Protection and Competition Act of 1992, 34 FCC Rcd. 6844 (2019); 47 CFR § 76.43 (Mixed-Use rule).

65. *Id.*

66. *City of Eugene v. FCC*, 998 F.3d 701, 710 (6th Cir. 2021).



2025 MID-YEAR
SEMINAR APRIL 25 –
APRIL 28, 2025
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First Broadband Franchise Ushers in a New Era in Franchising

Sep 29, 2025 — by Michael Bradley in Broadband, Municipal

Summary

The South Washington County Telecommunications Commission adopted the first broadband franchise in Minnesota. A broadband franchise is vastly superior to mere permitting. A broadband franchise, unlike a permit, addresses multiple issues that benefit residents and consumers, such as buildout standards, customer service standards, senior and disabled person discounts, system performance standards, consideration for use of public property, and many other public benefits.

The South Washington County Telecommunications Commission (SWCTC) has adopted the first local broadband franchise agreement in Minnesota. The agreement with Intrepid Fiber Networks was approved at the SWCTC meeting on September 25, 2025. This is the future of franchising and communications. It secures future-proof digital infrastructure for the City of Woodbury area.

The franchise grants Intrepid the privilege to construct an open access Fiber-to-the-Home (FTTH) cable communications system in the City of Woodbury. This franchise marks a new era in franchising for local governments in Minnesota. SWCTC showed how local governments can protect the public rights-of-way, while securing important protections for its residents.

I. Franchising Superior to Permitting

Franchising is fundamentally different from standard right-of-way permitting. While permitting generally dictates how a construction project is executed (e.g., pavement repair, traffic control), franchising provides a formal, binding contract that guarantees specific public benefits in exchange for the use of public real estate.

The SWCTC's track record of protecting area residents, spanning four decades, is proof of the effectiveness of local franchising. The SWCTC's long-time attorney, Mike Bradley of Bradley Werner, LLC, detailed the Commission's history of success:

"For over 40 years this commission has franchised cable communication systems on behalf of its member cities and their residents."

The first franchise granted by the SWCTC was in 1983. Bradley then summarized the overwhelming success of this approach:

"Through franchising, the Commission oversaw a company with initially no presence in the public right of way and no customers, and we saw that company start up and ultimately become the most robust cable communication system in the area."

Franchising by the SWCTC has also resulted in many tangible benefits benefiting residents. The success of local franchising should come as no surprise. It was a predicted outcome when the legislature decided cable communications systems should be regulated at the local level, moving away from state regulation of legacy phone systems. Bradley explained, that through local franchising:

"This Commission has made certain of many things that benefit residents, including having all residents having service, having buildout obligations, making sure all residents were covered, making sure the communication system was upgraded to meet community needs, enforcing customer service standards... and, we shouldn't forget, also developing a robust community media center in what is now TrueLens Community Media."

In short, franchising ensures that local governments retain the authority to hold providers accountable for key community objectives. This power is lost under mere permitting.

II. Summary of the SWCTC Broadband Franchise

The franchise granted to Intrepid Fiber Networks is a modern model for local governments authorizing open-access fiber optic cable communications systems in their jurisdictions. Key provisions secured by the SWCTC on behalf of its member city include:

Not Exclusive. The SWCTC is allowed to franchise other broadband providers serving its member cities.

Equal Access to Broadband. The franchise mandates that Intrepid provide equal access to broadband to all residents. This ensures the same quality of service to all homes and businesses in the franchise area.

Open Access System. Intrepid will build the network as a wholesale provider. Other franchised retail service providers will operate on this single, robust network, fostering competition in services and pricing for residents.

Authorization for Open Access Service Providers. All open access service providers using the Intrepid system will be allowed to sign on to this master franchise by signing a Joinder Agreement. This will allow users of the system to sign the Joinder Agreement and start providing service immediately.

Buildout Obligation. Intrepid must essentially complete construction of the entire city over a 5-year period. They must also ensure access across the entire jurisdiction.

Financial Consideration. Intrepid has agreed to pay a 5% gross revenue fee. This payment is for the privilege to use the public rights-of-way. It secures a long-term revenue source for the community.

Public Benefits & Protections. The agreement secures commitments for free or discounted broadband services for government facilities. It ensures the provision of dark fiber under certain conditions. It also includes a provision for a discount of no less than 10% for seniors and disabled persons.

III. Prompt Action by the Commission

Crucially, the SWCTC demonstrated that local franchising is an expeditious process. The SWCTC moved rapidly to review the franchise application, hold a public hearing, and negotiate and approve the agreement. When an applicant is serious about serving a community, local franchising does not create any unnecessary delay.

The Commission acted to approve the franchise just 59 days from the date they received Intrepid's application. Franchise negotiations themselves were completed in less than three weeks. Bradley addressed critics of local regulation directly, stating:

"Any suggestion that local government is a barrier to entry is not based in reality. This commission acted, and acted very timely."

The SWCTC's successful and prompt process ensures that a local body of government will be "looking out for our interests." It protects residents' rights and ensures all residents have equal access to broadband.

LAUDERDALE COUNCIL ACTION FORM

Meeting Date

February 10, 2026

Agenda Item

CSSC

Action Requested

Consent	<input type="checkbox"/>	Public Hearing	<input type="checkbox"/>	Discussion	<input checked="" type="checkbox"/>
Action	<input checked="" type="checkbox"/>	Resolution	<input type="checkbox"/>	Work Session	<input type="checkbox"/>

DESCRIPTION OF ISSUE AND PAST COUNCIL ACTION:

This week, a coalition of west metro mayors formed Cities for Safe and Stable Communities. It is a growing coalition of cities organizing in response to the effects of the large federal immigration presence in Minnesota.

The coalition exists to:

- Coordinate city responses and communications
- Share timely, actionable information
- Reduce duplicative and uncoordinated requests to city staff
- Present a clear, consistent local government perspective when appropriate

Currently, cities have been working independently to address issues arising from immigration enforcement. Together, cities could be more effective both with boots on the ground and publicly representing the challenges cities face.

Twelve cities launched the coalition, but they are open to more members. The coalition hired administrative support for this effort that members will share the cost of. As the group grows, the costs shrink. It is estimated to be roughly \$500 / month over the next five months.

STAFF RECOMMENDATION:

Motion to join the Cities for Safe and Stable Communities coalition.

FOR IMMEDIATE RELEASE

Contact: Kayla Drake
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314-448-8064

Minnesota Mayors Launch Coalition: Safety over Partisanship

A coalition of mayors announces the formation of **Cities for Safe and Stable Communities** (MN). We are a grassroots, local government-led coalition dedicated to restoring stability and trust in government. While our cities have faced challenges for some time, Operation Metro Surge has created an urgent need for a unified local voice.

As mayors, we know the names and faces in our cities. We are held accountable for the wellbeing of our schools, hospitals, and local businesses, and for upholding the rule of law for our residents. Current enforcement tactics are violating constitutional protections and actively harming the families we swore to serve.

This surge is not just a "Minneapolis issue;" the fallout is felt across the state. This operation strains city resources, disrupts local economies, and tears at community cohesion. This is unsustainable, especially in light of the economic uncertainty of the past year. From small business closures and workforce instability to housing insecurity, the damage weakens Minnesota's entire economic engine.

The toll on our families and children has been heavy. Students as young as five years old have been detained, leaving their friends and teachers to cope and advocate for their return.

This approach undermines true public safety. The surge forces cities to absorb unsustainable costs. The costs are not just financial; we are seeing a dangerous erosion of trust between residents and local law enforcement that could take years to earn back. When residents are too afraid to call 911 or access city services, everyone is less safe. Residents should be able to interact with our cities without fear. We need a return to order that stops pulling officers away from essential needs, to focus on their true mission: protecting our neighborhoods.

Our coalition is asking federal and state elected officials for immediate de-escalation and acknowledgement of economic harms, including potential 2026 relief funds to cities. As more communities join, we will assess the damages done and determine how we restore Minnesota institutions in the wake of these unprecedented setbacks.

We believe in Minnesota's resilience. While federal agencies must answer for this damage, we know Minnesotans are the ones who will build back. We invite leaders – from the suburbs to Greater Minnesota – to join us. Together, we can chart a path that values safety, honors constitutional rights, and restores the peace our communities deserve. A future where cities can do their jobs and Minnesotans can feel secure in their communities.

Undersigned Cities:

- Bloomington
- Brooklyn Center
- Brooklyn Park
- Columbia Heights
- Eden Prairie
- Edina
- Golden Valley
- Hopkins
- Maplewood
- Minnetonka
- Richfield
- St. Louis Park

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