



## MAYOR & COUNCIL COMMUNICATION

**DATE:** March 03, 2015

**CONSENT**

**ITEM #** 3

**Resolution No. 2015-12**

**AGENDA ITEM:** Support for Ramsey/Washington Suburban Cable Commission review of PEG fees.

**SUBMITTED BY:** Adam Bell, City Clerk

**THROUGH:** Mike Pearson, Mayor

**REVIEWED BY:** Beckie Gumatz, Deputy Clerk

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### **SUGGESTED ORDER OF BUSINESS:**

- Introduction of Item .....Staff
- Report/Presentation.....Staff
- Questions from Council to Staff..... Mayor Facilitates
- Call for Motion ..... Mayor & City Council
- Discussion ..... Mayor & City Council
- Action on Motion..... Mayor Facilitates

**POLICY RECOMMENDER:** Mayor Pearson.

**FISCAL IMPACT:** Any adjustment to the current PEG fee would have an indirect impact on the franchise fee receipts as the Commission would be forced to use more of the franchise fees to fund their operations and provision of community channels. However, part of the proposal is to look at the services currently provided and determine if they are all needed at the current level.

### **SUMMARY AND ACTION REQUESTED:**

The City Council is respectfully requested to approve Resolution No. 2015-12, A Resolution Supporting the Ramsey/Washington Suburban Cable Commission's Review of Peg Fee Structure by taking the following action:

***“Move to approve Resolution No. 2015-14, A Resolution Supporting the Ramsey/Washington Suburban Cable Commission's Review of Peg Fee Structure.”***

### **LEGISLATIVE HISTORY / BACKGROUND INFORMATION:**

The City of Lake Elmo is a member of the Ramsey/Washington Counties Suburban Cable Communications Commission (R/WSCC) under a Joint Cooperative Agreement for the Administration of Cable Communications Franchises. (R/WSCC) has been established pursuant to Minnesota Statutes § 471.59 for the purpose of monitoring the operation and activities of cable communications and in particular, the Cable Communications System of the Members to provide

coordination of administration enforcement, and renewal of the franchises of Members for their respective System; to promote, coordinate, administer and develop community cable television programming and to conduct such other activities authorized herein as may be necessary to insure equitable and reasonable rates and service levels for the citizens of the Members.

The current franchise agreement with Comcast includes the provision of a number of Public, Educational and Government Access channels (PEG Channels). These community television channels, including the studio facilities and the technical support operations, are funded by an operating grant paid by Comcast to the Cable Commission. Comcast recoups these funds through a PEG fee charged to Comcast subscribers as part of their monthly service, currently set at \$4.29 per month.

Mayor Pearson, as well as staff and former council members have been in contact with several other communities and commissions and have determined that this PEG fee rate is one of the highest in the Twin Cities metro area, a fact R/WSCC acknowledges.

The extent of use of the PEG channels is at question. The government access channel is the most widely viewed PEG channel, yet viewership rate is still extremely low in relation to the number of viewers who access the media via another medium, web viewing being the highest. Staff has recently conducted a survey of residents on this topic. The survey results are still being compiled, but initial data affirms that cable television is tied for last place along with newspapers for how the public prefers to receive City information. One significant factor that contributes to this is that only about one-third of the city is able to purchase cable service. Two-thirds of the city is required to use satellite television services, where the PEG channels are not offered.

Another factor impacting the lower viewership of PEG channels is the advancement of web-viewing technology. The majority of council meetings watched are viewed on the web. It has also become easier and more cost-effective for both the public and governments to utilize such services as YouTube and video blogs to disseminate information. This also impacts the need for the provision of studio facilities and the technical support operations.

If the number of channels and/or resources provided was reduced, while finding a way to provide the same services in a more effective and efficient manner, a lower PEG fee would be justified. This lower PEG fee would result in an indirect tax savings for Lake Elmo Comcast subscribers. Mayor Pearson is requesting that the Council pass a resolution that would simply initiate the conversation at the Commission to review the PEG fee structure to determine if there is any way to lower the fee for Comcast subscribers.

**RECOMMENDATION:**

Based on the aforementioned, staff recommends the City Council approve Resolution No. 2015-12, A Resolution Supporting the Ramsey/Washington Suburban Cable Commission's Review of Peg Fee Structure with the following motion:

***“Move to approve Resolution No. 2015-14, A Resolution Supporting the Ramsey/Washington Suburban Cable Commission's Review of PEG Fee Structure.”***

**ATTACHMENTS:**

- 1) Resolution No. 2015-12, A Resolution Supporting the Ramsey/Washington Suburban Cable Commission's Review of Peg Fee Structure.