

**CHAMPAIGN-URBANA CABLE TELEVISION AND
TELECOMMUNICATIONS COMMISSION
SPECIAL MEETING MINUTES**

DATE: August 18, 2010
2:00 PM

PLACE: Champaign City Building
Lower Level Conference Room 01
102 N. Neil Street
Champaign, Illinois

MEMBERS PRESENT: **CHAMPAIGN** **URBANA**
Rick Atterberry Barbara Gladney
Karen Walker

UNIVERSITY of ILLINOIS
Kate Brickman

PARKLAND COLLEGE
Chris Foster

MEMBERS ABSENT: Kyle Harrison, Peter Folk, Giraldo Rosales, David Gehrig

STAFF PRESENT: Jeff Hamilton, Fred Halenar – City of Champaign
Jake Schumacher, Jason Liggett – City of Urbana

REVIEW OF CHAMPAIGN’S PROPOSED CABLE FRANCHISE AGREEMENT

Chair Atterberry called the meeting to order at 2:04 p.m. Jeff Hamilton reported that the proposed Cable Franchise Agreement will be presented to the Champaign City Council during a Study Session meeting on August 24, 2010, and possibly up for a formal vote on September 7. Mr. Hamilton provided the Commission with a brief recap of the negotiations to date. He said there are actually two documents to be reviewed - a Cable Franchise Agreement and a Memorandum of Understanding (MOU).

Mr. Hamilton reported on the key points of the franchise agreement and MOU. He reported it is a 10-year, non-exclusive agreement and retains a 5% Franchise Fee payable to the City. The City will retain 4 PEG channels with an option for a fifth. Comcast would only agree to maintain a local office through December 2014, but did note that they had no plans of closing the local office. Comcast will adhere to City’s Right of Way regulations and has committed to interrupt programming for tornado warnings and emergency alerts. Champaign will receive \$210,000 for PEG capital. This will be charged back to customers at a rate of \$0.35 per month. Champaign will also receive \$118,000 for consultant reimbursement. Comcast will continue to provide complimentary Basic cable service to all municipal, library, and public school buildings.

Champaign received an extra \$10,000 for equipment to send television programming via the Internet as opposed to dedicated Comcast return lines.

Mr. Hamilton reported on key aspects the City did not receive in the franchise agreement, including the requirement for a local Comcast office thru the contract term. The City tried to negotiate discounted rates for senior citizens, free cable service for more local government entities and private schools, and maintaining all PEG channels in the analog format. The City channels will remain in analog format, however, PCTV and UI-7 can be moved to a digital format at Comcast's discretion.

Commissioner Brickman reported that University of Illinois staff is not pleased with this because they feel like they are being treated differently than the Cities PEG channels and it will be harder for viewers to find them. She submitted a letter noting the University's displeasure. Chair Atterberry clarified that all the PEG channels will still be available through the basic package, but UI-7 and PCTV may be digital. The City channels are required to remain on analog as long as analog exists, but eventually they will be digital-only as well.

Mr. Hamilton stated the new Franchise Agreement requires all four PEG channels to be within reasonably close location to other channels. Chair Atterberry stated that the agreement to give Comcast the option to move UI-7 and PCTV to digital was the one thing that made the fifth channel possible.

Mr. Hamilton reported the City of Urbana is close to an agreement in principle, but wants to revamp their right-of-way ordinance first.

Mr. Hamilton added that a customer can receive a digital box free of charge for one year should UI-7 and PCTV go digital-only.

Commissioner Foster reported Parkland College is also disappointed they will be treated differently than the Cities channels, but has not drafted a formal letter at this time.

Chair Atterberry explained the agreement requires Comcast to maintain a local office for customers, but not a local call center or local telephone number.

Mr. Hamilton asked the Cable Commission to consider recommending that the Champaign Council approval the Franchise Agreement and MOU.

Chair Atterberry stated the flat \$0.35 per customer PEG fee rather than a percentage fee was also a tough negotiating point.

Mr. Hamilton confirmed at any time Comcast could have gotten a state franchise and can still go with the state franchise even after the agreement is signed. He added that the state franchise requires Comcast to pay up to a 1% PEG fee but they wouldn't be required to have a local office.

Commissioner Gladney suggested that Commissioner Brickman send her letter to the City of Urbana staff and officials as well.

Chair Atterberry stated that both a staff and Cable Commission recommendation will be sent to the Champaign Council.

Commissioner Foster will take the discussion of the meeting back to Parkland and they might send a letter to the Council as well.

Commissioner Walker suggested the Commission send a recommendation of approval to the Council with the provision that the Commission does not want UI-7 and PCTV to be treated differently and moved to digital at a different time than the Cities channels.

Fred Halenar asked if Parkland College and the University of Illinois would be willing to financially contribute to legal fees should Champaign have to renegotiate with Comcast.

Commissioner Gladney moved to write a letter of gratitude to our negotiators with the recommendation for acceptance of the draft franchise. The motioned died due to lack of a second. Chair Atterberry asked for an alternate motion.

Commissioner Foster moved to write a letter of recommendation of approval to the City Council with reservations about PCTV and UI-7 being moved to the digital tier before the other two PEG channels. Commissioner Gladney seconded the motion. The motion was approved by the Commission with a 5-0 vote.

Commissioner Gladney wanted to know how the two different City agreements would affect each other. Chair Atterberry mentioned the last franchise agreements were similar other than the PEG fee.

The meeting was adjourned 3:44 PM.