



MONROE CITY COUNCIL

Agenda Bill No. 20-135

SUBJECT:	Resolution 015/2020, Suspending Collection of Capital Contributions from Comcast (PEG Fees)
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DATE:	DEPT:	CONTACT:	PRESENTER:	ITEM:
08/25/2020	Public Works	Brad Feilberg	Brad Feilberg	New Business #3

Discussion: 08/25/2020
Attachments: 1. Proposed Resolution No. 015/2020
 2. Proposed Notification Letter

REQUESTED ACTION: Move to adopt Resolution No. 015/2020 suspending the collection of Capital Contributions by Comcast, more commonly known as PEG fees.

POLICY CONSIDERATIONS

Should the City stop collecting Capital Contributions (PEG fees) from Comcast?

DESCRIPTION/BACKGROUND

Currently, the City receives a Capital Contribution of \$0.25 per subscriber per month from Comcast. These funds can only be used for capital investments to the public, educational and governmental access (PEG) channels.

Over the years, the city has accumulated over \$50,000 in these contributions. National FCC rules limit our options on how these fees can be spent.

Channel 21 is the local governmental access channel and is operated by the City of Lake Stevens in a consortium with other local cities, including Monroe. The City of Monroe has a limited presence on this channel and all equipment (eligible for Capital Contributions expenditures) is owned, operated, and maintained by the City of Lake Stevens.

The present time the City of Monroe does not need to collect the Capital Contributions from Comcast. Suspending the collection at this time does not precluded the collection in the future if there is a need.

FISCAL IMPACT:

\$0.25 per month potential savings to Comcast customers. The City collects approximately \$7,350 per year in PEG fees; however, these fees are held in a restricted reserve and cannot be used for operations.

TIME CONSTRAINTS:

None.

ALTERNATIVES:

1. Continue to collect Capital Contributions and determine how to spend the funds consistent with governing rules and regulations.

**CITY OF MONROE
RESOLUTION NO. 015/2020**

A RESOLUTION OF THE CITY OF MONROE, WASHINGTON
TO CEASE COLLECTION OF SUBSCRIBER CAPITAL
CONTRIBUTIONS FROM COMCAST CABLE
COMMUNICATIONS MANAGEMENT, LLC.

WHEREAS, on March 24, 2009, the City of Monroe ("City") approved Ordinance No. 042/2008, which granted a Cable Franchise to Comcast of Washington III, Inc. ("Comcast Franchise"), and

WHEREAS, in December 2012, Comcast of Washington III, Inc. changed its name to Comcast of Washington I, Inc.,

WHEREAS, on June 4, 2014, Comcast of Washington I, Inc. changed its name and reorganized its internal ownership structure, becoming Comcast Cable Communications Management, LLC ("Comcast"), and

WHEREAS, Section 9.5 of the Comcast Franchise requires Comcast to collect and remit a \$0.25 per subscriber per month capital contribution ("Capital Contribution") to the City on a quarterly basis in order to fund capital expenses associated with a Government Access Channel, and

WHEREAS, the City intends to cease collecting the Capital Contribution as of September 1, 2020,

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MONROE HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Written Request to Cease Collection of Capital Contribution. This resolution shall act as written notice of the City's intention to request that Comcast cease collection of the Capital Contribution from subscribers as of September 1, 2020.

SECTION 2. Effective Date. This resolution shall take effect and be in full force immediately upon passage by the City Council.

ADOPTED by the City Council of the City of Monroe, this 25th day of August, 2020, and APPROVED by the Mayor this 25th day of August, 2020.

Approved: August 25, 2020
Effective: August 25, 2020

CITY OF MONROE, WASHINGTON

(SEAL)

Geoffrey Thomas, Mayor

ATTEST:

APPROVED AS TO FORM:

Rabecca Hasart,, Interim City Clerk

J. Zachary Lell, City Attorney



August 25, 2020

VIA EMAIL: Vincent_Buys@comcast.com

Vincent Buys
Manager, Government and Regulatory Affairs
Comcast | Washington Region
400 Sequoia Dr., Suite 100
Bellingham, WA 98226

Re: City of Monroe Capital Contribution

Dear Mr. Buys:

Currently, the City of Monroe collects a Capital Contribution of \$0.25 per subscriber per month from Comcast. On August 25, 2020, the Monroe City Council adopted Resolution 015/2020 suspending the collection of the Capital Contribution pursuant to their authority under Section 9.5 of Comcast's cable franchise.

This letter notifies you of such action and requests that Comcast cease collecting the Capital Contribution. This suspension will remain in effect until we notify you otherwise.

Sincerely,

Geoffrey Thomas
City of Monroe Mayor

Attachment: Resolution 015/2020

City of Monroe
806 West Main Street, Monroe, WA 98272
Phone (360) 794-7400 Fax (360) 794-4007
www.monroewa.gov