

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

**DATE:** November 14, 2007  
4 p.m.

**PLACE:** Champaign City Council Chambers  
102 N. Neil Street, Champaign, IL

<b>MEMBERS PRESENT:</b>	<b>CHAMPAIGN</b> Rick Atterberry Ken Pirok Karen Walker	<b>URBANA</b> Barbara Gladney Durl Kruse
	<b>PARKLAND</b> Tom McDonnell	<b>U of I</b>

**MEMBERS ABSENT:** Giraldo Rosales, Peter Resnick, Danielle Chynoweth, Stan Yagi,

**STAFF PRESENT:** Jeff Hamilton – City of Champaign  
Bill DeJarnette – City of Urbana

**OTHERS PRESENT:** Brian Grogan – Moss & Barnett (via telephone)  
Dennis Roberts – Urbana Council member

**CALL TO ORDER**

Chair Atterberry called the meeting to order at 4:03 p.m.

**CABLE FRANCHISE RENEWAL NEEDS ASSESSMENT REPORT &  
RECOMMENDATIONS**

Chair Atterberry introduced the topic for this special meeting and turned the floor over to Brian Grogan, leader of the consulting team who did the Community Needs Assessment.

**I. TECHNICAL AUDIT**

Mr. Grogan summarized the results of the technical audit, reporting that the consulting team found the Champaign-Urbana cable system to be in very good shape. The only problem found pertains to residential cable grounding. He explained that cable drops have to be grounded in accordance with the National Electric Code (NEC). He stated that some of the problems the consultants found may be grandfathered in because those cable drops may not have been revisited since the original installation. In spot inspections, the consultants found 3 of 11 residences in Urbana and 9 of 12 in Champaign failed to meet NEC requirements. He

recommended that these identified problems be corrected and that the Cities seek a plan from the operator on how to correct grounding problems communitywide.

Commissioner Walker asked how homeowners can check their own cable grounding.

Mr. Grogan replied that generally homeowners should look at the outside cable connection box on their home and look for a grounding wire leading to a metal rod pounded into the ground.

Jeff Hamilton stated that Champaign staff meets with Insight staff next week to address the problem.

## **II. FCC'S SECOND ORDER ON LOCAL FRANCHISING**

Mr. Grogan stated that the Federal Communications Commission (FCC) issued a new Order regarding new cable entrants earlier this year. On 10/31/07, the FCC issued a second Order which requires that the new rules in Order one also now apply to the incumbent cable operator, with a couple of exceptions.

Mr. Grogan stated there is some gray area on these new rulings, and that it doesn't really impact Champaign because they don't collect a PEG fee. But Urbana does collect a PEG fee, and the FCC ruling seemingly requires that the PEG fee be used only for capital and not operating expenses.

Commissioner Gladney asked if Illinois' state legislation preempts the FCC order.

Mr. Grogan replied that in the first FCC Order, states with statewide franchising laws were exempted from the Order. However the FCC's second Order applies to all communities and could negatively impact all state franchising laws.

## **III. COMMUNITY NEEDS ASSESSMENT**

### **A. Channel Capacity Requirements**

Mr. Grogan stated that the Cities currently have 4 PEG Channels (CGTV, UPTV, PCTV and UI-7). He reported that three of the PEG channels are heavily used, but that UI-7 is not used to its full potential. He recommends the Cities discuss the channel's use with the University of Illinois to see that it gets used properly for PEG. He reported that a survey of subscribers showed a large audience share for the PEG channels, with nearly 70% of subscribers saying they watch PEG on a regular monthly basis. He reported that a significant number of subscribers reported they are willing to fund the PEG channels. He reported that the survey also shows that a 5<sup>th</sup> PEG channel, dedicated to public access, is needed by the community. Ultimately the Cable Commission and the City Councils will have to decide what is actually needed in the next cable franchise.

### **B. Capital Funding**

Mr. Grogan stated that each city needs \$400,000 in capital PEG funding - \$200,000 for each city channel and \$200,000 from each city for a joint public access studio. He said the cities could choose either a 50:50 or 2/3:1/3 split of the costs of this facility, or seek funding from other local

communities. Ultimately the Cities will have to work together to develop a funding strategy that has the support of the elected officials.

He reported that funding is also needed to operate a joint public access channel. He suggested that these operating fees need to be funded jointly by Champaign and Urbana, possibly using existing franchise fees, or raising the franchise fee. He recommends a Public Access Steering Committee be formed to create and foster the creation of the new public access channel. He recommends that for the time being, UPTV staff should continue to operate the channel.

Commissioner Pirok asked how it was determined a 5<sup>th</sup> PEG Channel was needed. He said that the subscriber survey shows the public overwhelmingly does not want a public access channel.

Mr. Grogan stated the survey is one element of the assessment process, but the recommendations are also based on focus groups and interviews with community leaders.

Commissioner Kruse reviewed the survey result and said the survey shows 32.6% of subscribers say they do want a public access channel. He said this means that 10,000-11,000 subscribers in Champaign-Urbana do feel this is important. He said the public may not have understood the question's meaning of "public access." He stated that a positive 32% response is actually very good.

Mr. Grogan stated that the survey questions were fair and neutral, to determine the actual needs of the community. He explained that when combined with the focus group information, the consultants found that there is a strong need for a dedicated public access channel.

Commissioner Pirok stated he thinks it is very unlikely the Champaign City Council will support a public access channel. He said that the survey says 70% of Champaign subscribers don't want it and feels it is unlikely the Council will authorize the expense, especially if the split is 2/3:1/3.

Mr. Hamilton informed the Commission that Mr. Grogan will present his report to the Urbana City Council on December 10<sup>th</sup> and the Champaign City Council on December 11<sup>th</sup>.

Chair Atterberry said the cities have only one chance every 10-15 years to get another PEG channel, and it could be obtained even in the absence of city funding. He said that negotiating for the channel and funding it should be considered as two separate issues.

Commissioner Gladney stated that Urbana is very supportive of public access and feels the channel is still needed even if Champaign doesn't want to fund it.

Commissioner Pirok said if it's possible to get the channel without tying it to funding; he'd like to hear more about that option at the December Council meeting.

Commissioner Kruse said that he hopes that the people can learn about all the options and benefits before the idea is shot down. He asked when, how, and where our community can engage in a dialogue about the benefits of public access before it is turned down.

Mr. Grogan stated that the elected officials are in charge and lay out policy decisions and dictate how we will proceed during negotiations. He hopes that the credibility and experience of the

consulting team will be considered. The cities should follow the process that is best for them. In his experience, the Councils do read the reports and ask good questions. Ultimately, he will use the City Council's marching orders when proceeding into negotiations.

Commissioner Kruse said that historically UI-7 was supposed to offer educational and public access, each city was to offer government access, and Parkland was to provide educational access. He stated that UI-7 failed to provide public access so Urbana took over that responsibility. Commissioner Kruse asked why the Public Access Steering Committee contains representatives from government and educational institutions, but not members of the public. He stated that public participation is needed on the Steering Committee.

Mr. Grogan responded that the Steering Committee can be as large as we desire, but that his team had recommended members that had the best working knowledge of the community and would have some buy-in regarding the process. He stated that he is not opposed to including public membership on the Steering Committee.

Commissioner Pirok said he's not opposed to pursuing a 5<sup>th</sup> channel if he could be convinced it would be used. He stated that he would likely oppose it if it were funded by cable subscribers. He suggested that outside fundraising and donations would be preferable. He said that an entity free of city funding could be a viable option.

Commissioner Gladney stated that Champaign residents also use UPTV, which is funded solely by Urbana. She welcomes engaging in a dialogue to move this along.

#### **IV. CUSTOMER SERVICE**

Mr. Grogan reported that Illinois' new cable franchising legislation has strong customer service standards and could easily be adopted by both cities. Therefore, customer service issues weren't heavily focused on during the needs assessment.

Mr. Grogan stated that information about each city's PEG origination sites is in the report and that they did not find a need to require more origination sites in the new franchise.

#### **V. NEXT STEP IN RENEWAL PROCESS**

Mr. Grogan stated that the Comcast-Insight transfer will likely happen around January 2, 2008. He stated that the FCC is considering new regulations that could impact Comcast, but he doesn't believe it will affect the Insight-Comcast transfer. This means we will likely be negotiating the new franchise with Comcast. After both Councils approve some version of the Community Needs Assessment report, recommended franchise language will be developed and then we will enter into informal negotiations. He reported that Comcast has said they will not pursue a state franchise and intend to negotiate with Champaign and Urbana; however, they can change their minds at any time. If the negotiations do not progress well, the cities may consider engaging in a formal process, which the Cities are already positioned for.

Commissioner Gladney said that Illinois' state franchising requirements are pretty good, and asked what we would be losing if Comcast decided to take a state franchise.

Mr. Grogan agreed that Illinois' law is really good for municipalities and permits the 5% franchise fee and 1% PEG fee. He stated that if Comcast took a state franchise, they'd automatically have to pay Urbana 5 + 2. He expects to negotiate with Comcast because the state franchise isn't slanted heavily in favor of the cable operator, like in other states.

## **VI. COMMISSION DISCUSSION**

Commissioner Gladney asked what happens when the consultant makes his recommendation at the Champaign Council meeting. Is a vote taken at a later meeting?

Commissioner Pirok answered that a poll will be taken at the Study Session meeting and that if the Council votes no, then the issue is dead. He stated that if the poll passes, then the issue moves onto a regular meeting agenda for formal adoption. He stated that public participation will be welcome at both meetings

Jeff Hamilton stated that the Community Needs Assessment reports are posted on Champaign's website for the public to review. He explained that at the December 11<sup>th</sup> Council meeting, staff will ask Council to approve some form of the Community Needs Assessment report and to provide their feedback on issues to negotiate for in the next franchise. He stated that the negotiations will be a give and take between each City and Comcast, and that both sides will have to make concessions during negotiations.

Commissioner Gladney agreed that it is important to have everything we want on the negotiating list, and then let the process evolve from there.

Mr. Grogan stated that just because something is in the community needs assessment, and even if it is adopted by the City Council, doesn't mean we will get successfully obtain it in the final agreement.

Commissioner Kruse asked if the Commission can address Council on this issue during the study session meeting. He stated that the Commission has some critical information which needs to be shared with the Champaign City Council in particular.

Commissioner Pirok responded that in the past, whenever a Commission has made a recommendation to Council, Commission representatives have been able to participate in the meeting. He said this would be at the discretion of the Mayor.

Mr. Hamilton explained that today's Special Meeting had been scheduled in order to provide the Cable Commission with an opportunity to provide written feedback regarding the report to Council. Mr. Hamilton said he thought that a Commission representative would likely be able to present at the Council Study Session.

Commissioner Walker asked if this complex issue could be addressed over two study session meetings. She fears Council won't have time to fully digest all the information before taking action on something we could be stuck with for 15 years.

Mr. Hamilton replied that it would be unlikely that Council will hold multiple study sessions on this issue.

Commissioner Pirok said that the Council won't hold two study sessions on this issue. He asked Mr. Hamilton if the reports could be sent to Council well in advance of the study session meeting, to give Council more time to read the information.

Mr. Hamilton informed the Commission that the reports are being sent to the Champaign Council in two days, which will give Council about a month to review them.

Commissioner Gladney suggested placing copies of the reports in the public libraries.

Mr. Hamilton said he hasn't had luck getting Commission documents into the library's collection in the past, but that the reports are available on the City's website.

Commissioner Walker suggested issuing a press release to tell the public about the availability of the report.

Chair Atterberry said he would consider issuing a press release.

Commissioner McDonnell stated that the report recommends remuneration be collected from Parkland for use of the PEG channel, but that he needs to check with Parkland's administration. He would like Parkland's position on this issue to be presented to the Councils if possible.

### **C. AUDIENCE PARTICIPATION**

Dennis Roberts, Urbana City Councilman, stated that when Urbana has community projects like this, the Urbana Council sets some time aside between the study session and regular meetings. He asked if Champaign would have time to hold a public hearing on this issue.

Chair Atterberry replied that a public hearing was already held in both cities, with abysmal attendance.

Mr. Roberts stated that now that the reports are out, a public hearing might generate more interest with the public.

Chair Atterberry stated that the Commission could consider conducting a public hearing.

Mr. Roberts said that Council meetings in early December may be too soon for such an important project like this. He recommended delaying those meetings to January.

Commissioner Pirok said the Council meetings are about a month away and he feels there is enough time for the public and Council to review the report. He wouldn't be opposed to a Commission public hearing after the Council Study Sessions but before it comes back to Council for final action.

Commissioner Gladney said that the public hearing might be needed before the Council meeting, because if the Council votes "no" the issue is over.

Commissioner Pirok stated what the Council poll will be is unknown, but he'd like a poll on the 5<sup>th</sup> PEG Channel. He thinks the Champaign Council might approve negotiating for a 5<sup>th</sup> channel, but won't fund it.

Commissioner Gladney asked Mr. Grogan what type of action he needed on the report.

Mr. Grogan stated that he needs a Council-adopted report that will give him his marching orders. He stated that the report could be modified to meet the Council's requirements. This is not uncommon. He stated that just because something is recommended in the report, doesn't mean it has to be adopted into policy by Council.

Commissioner Gladney asked if the Commission should schedule a tentative public hearing now.

Chair Atterberry suggested they wait and digest this information. He stated he wants to consult with the Commissioners who are absent today.

Commissioner Kruse asked if the Commission will be heard at the study session meeting.

Chair Atterberry said he would formally make this request of both cities.

Chair Atterberry said the Commission has three choices regarding the report: adopt it as presented, adopt it with certain reservations, or do nothing.

Commissioner Gladney pointed out that the Commission unanimously adopted the Public Access Study Committee report, which included various possible funding models.

Commissioner Gladney moved to endorse the report as presented. Commissioner McDonnell seconded the motion.

Commissioner Kruse stated he will not vote to endorse the report. He thinks the recommendations are sound but that more funding options need to be presented. He fears endorsing the report as presented would tell the Councils that this is the only way to fund the PEG studio, which isn't true. He wants the Councils to know there are many other funding options.

Commissioner Kruse moved to approve the report as presented with the Commission expressing the need to explore more diversity of funding options for a PEG studio.

Commissioner Gladney withdrew her motion.

Commissioner Walker seconded Commissioner Kruse's motion.

Commissioner Pirok spoke in favor of the motion and suggested that alternative financing options need to be presented to Council in December.

Motion passed unanimously.

## **D. ADJOURNMENT**

The meeting was adjourned at 5:39 p.m.

Respectfully Submitted,

Jeff Hamilton  
Telecommunications/AV Technician  
City of Champaign

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