



Overview of Evanston Community Media Center (ECMC) Funding

**City Council Budget Workshop
January 9, 2010**



Agenda

- I. Review Cable Franchise Fees
- II. Review PEG (Public, Educational, Government) Fees
- III. ECMC Services to City
- IV. Review How Other Municipalities Fund Public Access



What is a Franchise Agreement?

- The City grants Comcast (the “Grantee”) a Franchise so that it can operate and provide a cable system and can use streets and public ways to install, maintain, etc. property for the system.



What is a Franchise Fee?

- Utilities pay franchise fees to a City to compensate for its use of the City streets & public ways.
- **Franchise fees are general fund revenues** that are allocated during the annual budget process for any purpose determined by the City Council.



City Utility Annual Franchise Fees

- Comcast: \$846,777
- AT&T Video (State Franchise): \$6,786
- NICOR Gas: \$95,000



Current Cable Franchise Agreements & Franchise Fees

- Current cable franchise agreement with Comcast expires November 26, 2011.
- In 2007, AT&T received a statewide franchise from the Illinois Commerce Commission to provide video services.
- Both franchise agreements require the cable/video utilities pay a franchise fee of 5% of their gross revenues back to the City.
- Comcast and AT&T franchise fees generated a total of \$853,563 in revenues to the City in FY 08-09.
- FY 2009/10 City Budget allocated \$353,000 or 40% of the total budgeted cable franchise fee revenue (\$890,000) to fund ECMC operations.



Franchise Fees per the Franchise Agreement

- Section 11.1 states “The grantee [Comcast] shall pay to the City an amount equal to **five (5) percent of the gross revenues** derived from the operation of its cable system in the City...”
- The franchise agreement **does not mandate** the City to allocate any portion of the franchise fee revenue for PEG Channel support



ECMC Service Agreement on Franchise Fees

- Section 17A. states “The City will provide ECMC funding for PEG Access. The funding will be provided as follows: (1) Annually from the Franchise Fee Fund an amount not to exceed that specified in annual city budget; (2) Annually from the PEG Fee Fund an amount not to exceed the total annual PEG fee payments received by the City from Cable System Provider; and (3) Any other payments that the City of Evanston may deem necessary. (Section 17:A)



PEG Fee Allocation for Capital Expenditures Per Franchise Agreement

- “The Grantee [Comcast] shall add an external charge of **thirty-five cents (\$0.35) per month on each direct pay subscriber’s bill** for basic service for additional PEG access capital pursuant to 47 U.S.C. 542(g)(2)(C) of the Cable Act...”
- “ The **capital payments shall be expended for PEG facilities and equipment** to be utilized to develop PEG programming for subscriber.”
- PEG fee allocation is **mandated by federal law**



PEG Fees cont.

- \$0.35 per monthly fee paid by all Evanston Comcast Subscribers – Total \$81,652 in FY 08-09
- AT&T pays the City an additional 1% PEG fee of their gross revenues from Evanston subscribers per the state franchise – Total \$1,357 in FY 08-09
- Generated Total Revenue: \$83,009
- **Funds earmarked by federal law for PEG Channel capital (facilities/equipment) purchases ONLY**
- **Paid annually to ECMC as a pass through** from City because they operate Evanston's PEG channels



ECMC Funding from City

- Franchise Fee and PEG Fee Allocations to ECMC from FY 07-08 to the present

ECMC	FY 07-08	FY 08-09	FY 09-10	FY 10-11 Proposed
Franchise Fee (Budgeted amounts)	\$338,000	\$353,000	\$353,000	\$153,000
PEG Fee (approx. pass thru)	\$80,000	\$80,000	\$80,000	\$80,000
TOTAL	\$418,000	\$433,000	\$433,000	\$233,000



Evanston Community Media Center (ECMC)

- Established in 1987 as a separate non-profit agency for Public Access originally. Then reorganized in 1997 as the Evanston Community Media Center.
- Current annual budget of approximately \$500,000
 - City Allocation: \$433,000
 - District 65: \$33,500
 - Rental Income: \$14,575
- Operates & maintains 3 Evanston PEG Channels
 - Channel 6: Public Access (Citizens)
 - Channel 16: Government Access (City)
 - Channel 19: Educational Access (Dist. 65)
- Provides electronic media training opportunities to community (ECMC does charge a fee for some sessions)



ECMC Services Provided to City

- Cablecast live, tape and rebroadcast public meetings
 - City Council, A&PW, P&D, HS
 - Special Meetings, Budget workshops
 - General fee of \$200 per meetings other than City Council
 - Community Budget Live Call-In Show
- Maintain & update Community Calendar (character generator) on Channel 16: events, program updates, snow alerts, emergency alerts



How Other Municipalities Fund Public Access

Municipality	Franchisee Agreement Company	Total Annual Revenue	Public Access Channel Funded	Public Access Channel Operation Method
Arlington Heights	Comcast Wide Open West AT&T	Approx. \$900,000	No	Third-Party (Comcast Regional Public Access)
Oak Park	Comcast AT&T	Approx. \$734,000	No	Third Party (Comcast Regional Public Access)



How Other Municipalities Fund Public Access

Municipality	Franchisee Agreement Company	Total Annual Revenue	Public Access Channel Funded	Public Access Channel Operation Method
Schaumburg	Comcast Wide Open West AT&T	Approx. \$1,014,310	No	Third Party (Comcast Regional Public Access)
Skokie	Comcast RCN	Approx. \$628,283	No	Third Party (Comcast Regional Public Access)
Wilmette	Comcast	Approx. \$385,000	No	Third Party (Comcast Regional Public Access)



QUESTIONS

