



MEMORANDUM

DATE: May 10, 2018

TO: Mayor and City Councilmembers

THROUGH: Darin Atteberry, City Manager
 Kelly DiMartino, Sr. Assistant City Manager *KD*

FROM: Amanda King, Communications Director
 Carson Hamlin, Video Production Manager

RE: Quarterly Cable Franchise and PEG Funding Update – Q1 2018

Background: The City has a non-exclusive franchise agreement with the local subsidiary of Comcast Corporation. During the franchise renewal process, Council made a request for increased tracking and reporting on compliance. Based on this request, quarterly reports will be shared and posted on the City’s franchise webpage: <http://www.fcgov.com/ftcv/franchise.php>.

Below is a summary of quarterly franchise and PEG fees, reported customer complaints and current service pricing:

2018	Quarter 1			2018 Projection			
	Q1 2018	Q1 2018	Difference	2018	2018	Proj Difference	Variance
	Budgeted	Actual	Over/(Under)	Budgeted	Projected	Over/(Under)	Over/(Under)
Franchise Fee - 413010	\$ 390,091	\$ 408,127	\$ 18,036	\$ 1,560,364	\$ 1,632,508	\$ 72,144	4.6%
PEG - 441070	\$ 58,316	\$ 60,343	\$ 2,027	\$ 233,262	\$ 241,200	\$ 7,938	3.4%

Revenue received –

- Both the franchise and PEG fees came in above budget in Q1.
 - Franchise fees are based off 5% of gross revenue.
 - PEG fees are \$0.75/cable subscriber.
 - A technical and financial audit are expected in 2018.

Complaints-

- Comcast reported zero complaints in Q1 2018.
- One complaint came to the Franchise Administrator directly in the first quarter.
 - A resident was unhappy with delay in installation. This issue is now resolved.
- **Comcast website check-**
 - Digital Economy Package is still \$39.95 without extra fees.
- **Comcast Customer Service Center check-**
 - Limited basic package signage was posted.

Other updates –

- The City’s Franchise Administrator was also notified via email of the following channel lineup change:
 - “Effective June 1, 2018 Comcast will drop CET (Channel 105) from the channel lineup serving your community. The channel position will be used for occasional local sports programming going forward.”