

AGENDA

PUBLIC HEARING

August 11, 2025 - 7:01 PM
Village Hall - Board Room
300 Plaza Circle, Mundelein, IL 60060

- I. CALL TO ORDER
- II. ATTENDANCE
- III. PUBLIC COMMENTARY
- IV. NEW BUSINESS
 - A. Comcast Franchise Ordinance Public Hearing
- V. ADJOURNMENT

The Village of Mundelein, in compliance with the Americans with Disabilities Act, requests that persons with disabilities who require certain accommodations to allow them to observe and/or participate in this meeting, or who have questions about the accessibility of the meeting or facilities, to contact the ADA Coordinator at 847-949-3200 to allow the Village to arrange accommodations for those persons.

To: Mayor and Board of Trustees
From: Lynne Monroe, Assistant Village Administrator
For: Public Hearing of August 11, 2025
Subject: Comcast Franchise Ordinance Public Hearing

Financial Impact:

{Replace with Department Name} Department

Committee Report

Attachments:

1. Exhibit A to Ordinance Comcast Renewal 2025

Background:

The Village cable television franchise agreement with Comcast, Inc. will expire on September 30, 2025. A public hearing will be held on August 11, 2025. This memo is to provide you with some additional information in preparation for the public hearing. Attached is a draft of the proposed agreement. Ari Egan, the Government & Regulatory Affairs for Comcast will be in attendance to answer questions.

Introduction

Cable Television service is provided by Comcast and AT&T U-Verse. Comcast operates under a local franchise agreement, while AT&T operates under a State Franchise. The Village Franchise Agreement with Comcast which was adopted in 1997, expires September 30, 2015. The AT&T state franchise expires July 1, 2017. There have been a lot of changes in the telecommunications industry since 1997. One of the major changes was passage of the Illinois Cable and Video Competition Act of 2007 which gave AT&T entrée into the cable television market and standardized many of the issues that used to be negotiated with cable providers.

Purpose of the Public Hearing

The public hearing is an opportunity to obtain input from the public regarding the proposed franchise agreement. Notice of the hearing was sent to School Districts 75, 76, and 120, Fremont Public Library, and the Mundelein Park District (for staff use only). Under the current franchise schools, the park district and the library district are classified as qualifying educational facilities or municipal

locations that are eligible to receive free monthly basic cable service, and are eligible to broadcast on the Public/Educational/Governmental (PEG) channel, if one is created.

The cable television issues for public and educational units are minimal these days. The widespread impact of the internet, digital television, and alternate broadcasting options like Hulu, Netflix, Amazon, etc. have reduced the importance of cable. The PEG channel option remains in the proposed agreement as does the option of one free cable drop for each qualifying facility. Staff does not expect much public comment.

Proposed Agreement

The major components of the proposed agreement are summarized below:

- Grant of Authority: the agreement provides Comcast a nonexclusive franchise to construct and operate in the public ways
- Term: 5 years
- Renewal: governed by the Cable Act of 2007
- Competitive Equality: additional franchises can be approved, but must comply with the Illinois Level Playing Field Statute
- Construction and Maintenance must comply with Village Codes
- Underground construction is provided for under specific circumstances
- Cable Service must be provided to all residential customers in the franchise area
- Expansion: service must be extended when a minimum density of 30 units per mile is reached
- Technical Standards as established by the FCC must be maintained
- Programming: broad categories of service are provided, but federal law grants the franchisee all programming decisions
- Service to Schools and governmental facilities is provided.
- Emergency Alerts are addressed and must be consistent with State and Federal standards
- Customer Service Obligations must follow the Illinois Video and Customer Protection Law
- Franchise Fees: Village receives 5% of annual gross revenues (FYE 2016 projected revenue from Comcast is \$320,000; AT&T projected revenue is \$165,000)
- Franchise Fees are subject to audit.
- Transfer of Cable System requires prior written consent of the Village
- PEG access: 1 access channel is guaranteed; 1 additional channel will be provided if it is justified
- PEG capital support: the Village can charge each customer up to \$.35 per month for cable expenses to operate the PEG channel

Playback Options and PEG

Perhaps the biggest decision for the Village Board is whether or not to operate a PEG channel. Comcast has advised the Village that the playback facility in Libertyville that plays the Board Meeting videos will cease operation at the end of the year. There is no option in the Agreement to keep the facility open. The alternative is for the Village to operate its own PEG channel and play the board videos on its own station. Equipment and setup to provide a PEG channel is estimated at \$15,000. The PEG capital support fee can be raised from Comcast customers to pay for capital equipment purchase and maintenance. PEG capital support cannot be used to develop programming

or pay for personal expenses. Currently, board meetings are not available to AT&T or satellite customers. A PEG channel could make board videos available to both Comcast and AT&T customers.

The Board does not need to decide on a PEG channel at this time. The PEG provisions are provided for in the agreement and can be invoked at any time. The expanded availability of internet and cellular options reduce the need for a cable playback option.

Recommendation:

EXHIBIT A

CABLE TELEVISION FRANCHISE AGREEMENT

BY AND BETWEEN THE

VILLAGE OF MUNDELEIN, ILLINOIS

AND

COMCAST OF ILLINOIS XIII, L.P.

THIS FRANCHISE AGREEMENT (hereinafter, the "Agreement" or "Franchise Agreement") is made between the Village of Mundelein, Illinois (hereinafter, the "Village"), an Illinois municipal corporation and Comcast of Illinois, XIII, L.P. (hereinafter, "Grantee"), this ____ day of _____, 2025 (the "Effective Date").

The Village, having determined that the financial, legal and technical abilities of the Grantee are reasonably sufficient to provide the services, facilities, and equipment necessary to meet the future cable-related needs of the Village, desires to enter into this Franchise Agreement with the Grantee for the construction, operation and maintenance of a Cable System on the terms and conditions set forth herein.

This Agreement is entered into by and between the parties under the authority and shall be governed by the Cable Communications Policy Act of 1984, as amended from time to time, 47 U.S.C. Sections 521 *et seq*, and the Illinois Municipal Code, as amended from time to time; provided that any provisions of the Illinois Municipal Code that are inconsistent with Cable Act shall be deemed to be preempted and superseded.

Article I – Franchise Hereby Granted

a. The Village hereby agrees to permit the Grantee to construct, operate and maintain a cable system in the Village subject to the terms and provisions of the Village's generally applicable ordinances governing the streets and rights of way of the Village.

b. The Village hereby agrees that, provided the Grantee is in compliance with all generally applicable Village codes and ordinances, this Franchise Agreement shall be effective for a period of five (5) years from and after the Effective Date.

Article II – Operations within the Village's Rights of Way

a. The Grantee hereby agrees to occupy the rights of way in accordance with the terms and provisions of Illinois State law and the Village's generally applicable ordinances governing the streets and rights of way of the Village including, but not limited to, the provisions of Chapter 14.43 of the Mundelein Village Code governing Construction of Utility Facilities in the Rights of Way, as currently in effect and as may be subsequently amended.

b. The Grantee shall at all times maintain insurance and shall provide the Village with certificates of insurance in accordance with the provisions of Chapter 14.43 of the

EXHIBIT A

Mundelein Village Code governing Construction of Utility Facilities in the Rights of Way, as currently in effect and as may be subsequently amended. Said certificates of insurance shall name the Village and its elected and appointed officers, officials, agents and employees as an additional insured.

Article III – Franchise Fee

a. The Grantee shall pay a franchise fee to the Village for the privilege of operating in the Village's rights of way in a manner consistent with the provisions of the Cable Communications Policy Act of 1984, as now in effect and as may be subsequently amended from time to time. The franchise fee shall be in an amount equal to five percent (5%) of annual Gross Revenues received from the operation of the cable system to provide cable service in the Village, and shall be made on a quarterly basis, and shall be due forty-five (45) days after the close of each calendar quarter. If mailed, the Franchise Fee shall be considered paid on the date it is postmarked. The Village hereby agrees that the total franchise fee, as interpreted under the Cable Communications Policy Act of 1984, shall not exceed the greater of the percentage of fees any other video service provider, under state authorization or otherwise, providing service in the Franchise Area pays to the Village.

b. As used in this agreement, gross revenue means the cable service revenue derived by the Grantee from the operation of the cable system in the Village's Rights of Way to provide cable services, calculated in accordance with generally accepted accounting principles. Gross revenues shall also include such revenue sources from the provision of cable service as may now exist or hereafter develop from or in connection with the operation of the cable system within the Village, provided that such revenues, fees, receipts, or charges may lawfully be included in the gross revenue base for purposes of computing the Village's permissible franchise fee under the Cable Communications Policy Act of 1984, as may be amended from time to time.

c. The Village and Grantee acknowledge that the audit standards are set forth in the Illinois Municipal Code at 65 ILCS 5/11-42-11.05 (Municipal Franchise Fee Review; Requests For Information). Any audit shall be conducted in accordance with generally applicable auditing standards.

d. In accordance with 65 ILCS 5/11-42-11.05 (k), the Village shall provide on an annual basis, a complete list of addresses within the corporate limits of the Village. If an address is not included in the list or if no list is provided, the Grantee shall be held harmless for any franchise fee underpayments (including penalty and interest) from siting errors.

Article IV – Cable Communications Policy Act of 1984

Nothing in this Agreement shall be construed to limit, in any way, the Grantee's rights or responsibilities under the Cable Communication Policy Act of 1984, as amended and the renewal of this Agreement shall be governed by that Act.

EXHIBIT A

IN WITNESS WHEREOF, this Franchise Agreement has been executed by the duly authorized representatives of the parties as set forth below, as of the date set forth below:

For the Village of Mundelein, Illinois:

For Comcast of Illinois XIII, L.P.

By _____

By: _____

Name: _____

Name: _____

Title _____

Title: _____

Date: _____

Date: _____