

## Council Agenda Report

Date: March 14, 2016

Submitted by: Sandra Tripp-Jones, City Manager

Prepared by: Ginger Heatwole, Finance Director

SUBJECT: Comcast Rate Increase

**RECOMMENDATION:** That Council approve a Comcast Cable Television rate increase of 1% effective July 1, 2016 and another 1% effective July 1, 2017 and instruct the City Manager to give notice of said changes to Comcast by April, 1, 2016.

**Discussion:** The City renewed the cable television franchise agreement with Comcast in Fiscal year 2015. The agreement set the franchise rate at 3% with the option to increase it by another 2%. If the City exercises that option, it must give notice 90 days in advance to become effective. Currently, the Comcast franchise generates \$80,000/year. If approved, each 1% rate increase will generate another approximately \$26,000 in General Fund revenues. The rate increase will be passed on to subscribers. The rate increase per month to a limited cable customer would be approximately \$.21/month and to a customer with premium channels around \$.70/month.

**Fiscal impact:** A 1% increase Comcast franchise fees would mean increased revenue of \$26,000 a year.