

Memorandum

TO: City Council
FROM: Renee Eisenbeisz , Assistant City Manager
DATE: October 20, 2025
SUBJECT: Resolution 25-79 increasing Comcast PEG fees
ITEM NUMBER: 10.c
SECTION: GENERAL BUSINESS

REQUESTED MOTION

To approve resolution 25-79 increasing the PEG fees collected as part of the franchise agreement with Comcast of Minnesota, Inc. effective January 1, 2026.

INTRODUCTION

The city council is being asked to approve resolution 25-79 increasing the PEG fees collected as part of the franchise agreement with Comcast.

DISCUSSION

In 2014, the city withdrew from the North Suburban Cable Commission. The city has been operating under a franchise agreement with Comcast since 2015, which was extended earlier this year through 2030. Since the city withdrew from the cable commission, staff needed to transition to maintaining and updating our own equipment to record and broadcast city council and planning commission meetings and other programming. In addition, the city needs to have a cable technician to run the equipment during the meetings.

In order to fund these costs, the franchise agreement includes a 5% franchise fee and PEG fee. Both of these fees are paid for by Comcast's cable subscribers. The city also transfers a portion of the revenue to the general fund to finance communication efforts.

The agreement allows the city to raise the PEG fee up to two times. The city council approved the first increase from \$1.70/subscriber/month to \$2/subscriber/month in late 2023. This increase started January 1, 2024.

Over the last several years, subscribers and revenue to the cable fund have been decreasing substantially. As of June 2025, there are 2,975 Comcast cable subscribers in Shoreview, which is a 20% decrease in two years. Staff are now estimating that we are losing 10% of our subscribers every year and will have around 1,750 subscribers by the end of 2030. Unfortunately, the city cannot charge franchise fees for broadband so we have limited revenue options for the cable fund.

To account for this decrease in revenue, staff are proposing the following changes to the cable fund effective January 1, 2026.

- Revenue

- Increase the PEG fees to \$2.25/subscriber/month effective January 1, 2026.
- Expenditures
 - Reduce staff allocations - 25% of the IT manager's salary is currently being allocated to the cable fund. Staff recommend reducing this to 15% and reallocating it to the general fund.
 - Reduce contractual fees - staff recommend moving the subscription cost for Peak Agenda (\$8,300 in 2026) to the general fund
- Transfers
 - Reduce the transfers by \$5,000 each year starting January 1, 2026.

The preliminary levy that was approved on September 15 included the expenditure and transfer adjustments above. Staff believe these adjustments, along with the PEG fee increase, will help the city extend the longevity of the cable fund by a few years. Attached are two estimates of the cable fund through 2030 and below is a summary of each option. Per our five-year operating plan, our goal is to have three to six months of operating coverage.

	Includes	2030 ending balance	Months of operating coverage at end of 2030
Option 1	Revenue, expenditure, and transfer adjustments listed above	\$177,820	7.9
Option 2	Expenditure and transfer adjustments listed above	\$144,848	6.4

RECOMMENDATION

Based on the foregoing information, it is recommended that the city council approve resolution no. 25-79 increasing the PEG fees collected as part of the franchise agreement with Comcast of Minnesota, Inc. effective January 1, 2026.

ATTACHMENTS

[Resolution 25-79](#)
[Cable fund estimates](#)