

**CITY OF LA PRAIRIE  
COUNTY OF ITASCA  
STATE OF MINNESOTA  
NOTICE OF PUBLIC HEARING ON PEG FEE INCREASE  
AUGUST 21, 2017 AT 6:00 PM  
15 PARK DRIVE, LA PRAIRIE, MN 55744**

**SUMMARY:** *The topic before the public hearing is a request from the Grand Rapids Area Cable Commission (GRACC) to have the council direct Mediacom and Paul Bunyan Communications to increase the current PEG fee on cable television subscribers by \$.25 bringing the total fee to \$1.25 per customer per month. A favorable motion will require notification of Paul Bunyan and Mediacom in writing prior to Nov. 1, 2017.*

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**HISTORY:** The request is from the Grand Rapids Area Cable Commission (GRACC) to increase PEG fees from cable television subscribers by \$.25 per month as allowed by the franchising authority with Mediacom and Paul Bunyan Communications.

In 2006, all four communities operating the GRACC as a joint powers board agreed to request of their citizens a \$.75 per month PEG fee to be collected and provided by their television providers as allowed under the franchise agreement and line agreements with Paul Bunyan Communications and Mediacom.

The operating agreement GRACC signed with the non-profit ICTV directed all PEG fees to ICTV. Federal law dictates that PEG fees collected be spent on capital and/or equipment needs.

The collection and payment of such fees began in 2007. Requesting an increase in PEG fees became possible after three years, or in 2011. All four GRACC communities approved a \$.25 per subscriber increase payable beginning in 2012.

As five years have passed, it is within the scope of the Franchise Agreement to again increase this fee. GRACC voted earlier in February 2017 to request the communities consider a \$.25 increase and, thereby, hold the required public hearings. Public hearings must be held and the companies notified by Nov. 1, 2017, in order for the increase to be effective in 2018.

In 2016, all four communities in the Joint Powers Agreement (Grand Rapids, LaPrairie, Cohasset and Harris Township) contributed \$52,535 in PEG fees. An increase of \$.25 per subscriber per month would generate up to an additional \$13,000 a year from all four communities in a given year.

**LaPrairie's** contribution (4<sup>th</sup> quarter 2015 through third quarter 2016) was \$1,648. **LaPrairie** subscribers would contribute \$3 more per household annually for a total of about \$2,060 per year.

Arlana Hess  
City Clerk