

City of Springfield  
Work Session Meeting

MINUTES OF THE WORK SESSION MEETING OF  
THE SPRINGFIELD CITY COUNCIL HELD  
MONDAY, JUNE 11, 2007

The City of Springfield Council met in a work session in the Jesse Maine Meeting Room, 225 Fifth Street, Springfield, Oregon, on Monday, June 11, 2007 at 6:22 p.m., with Mayor Leiken presiding.

ATTENDANCE

Present were Mayor Leiken and Councilors Lundberg, Wylie, Ballew, Ralston, and Woodrow. Also present were City Manager Gino Grimaldi, City Attorneys Joe Leahy and Matt Cox, City Recorder Amy Sowa and members of the staff.

Councilor Pishioneri was absent (excused).

1. Telecommunications Ordinance Update.

Assistant Public Works Director Len Goodwin presented the staff report on this item. The City's current telecommunications ordinance, which reverted to its 1997 form when the Utility Tax was repealed, is in need of updating. In addition, it is appropriate to modify the ordinance to account for the recent decision of the Federal Communications Commission on franchising of competitive cable television providers.

It is timely to make housekeeping revisions to the City's telecommunications ordinance to assure that it continues to comply with recent interpretations of Section 253 of the Telecommunications Act of 1996. In addition, it is timely to modify the ordinance to accommodate the actions of the Federal Communications Commission (FCC) in providing alternative cable television providers an accelerated path to access to public rights of way to provide their services. Staff will review the draft ordinance and respond to questions from the Council.

Mr. Goodwin explained some of the items that needed to be updated within the ordinance. He discussed the appeals in the courts regarding sections in the current ordinance. He said there were a couple of other issues the City was dealing with. He explained. This ordinance treats all utilities the same, but this was not the Utility Tax. This only dealt with those companies that had physical things in the right-of-way. He said the changes in the ordinance were to get away from the franchise model. He explained how the change was made in the ordinance and how it protected the City. The proposed ordinance did not deal with certain issues related to cable TV, specifically obligations to serve the entire community rather than limit service to specific sections of the City, and any obligation to provide public, educational, and governmental ("PEG") channels for use of the public. He explained further. To address this issue, he suggested adding those provisions to the ordinance. That could be done now in the ordinance he would bring forward for a public hearing, or after the FCC ruling in October or November. He felt it made more sense to add that language in now, but it was Council's choice.

Mr. Goodwin recognized Mr. Robert Schroeter from Comcast who was in the audience. He discussed an issue currently between Comcast and the City regarding digital voice, a form of

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telephone service. The City was telling Comcast that under their franchise, they didn't have the right to provide telephone service. He explained why that was the City's position. He said he told Comcast they needed to get a franchise for that service. The ordinance would not make any difference in regard to that issue. Mr. Goodwin reminded Council that this was not the Utility Tax. Mr. Goodwin had talked with the Chief Petitioner that had opposed the Utility Tax to explain these changes. The Chief Petitioner understood what the City was doing.

Councilor Woodrow asked if the phone service provided by Comcast was through the same cable as the internet. Yes.

Mayor Leiken said he was comfortable with the recommended action. He said franchises are decreasing and Senator Wyden was pushing it that way. He said this presented an opportunity. As technology continued to expand, the idea of hard wires in the ground would soon disappear. The City needed to continue to look for opportunities for revenue stream. He asked if there was a possibility of creating a zone, similar to Enterprise Zones, with in lieu of instead of fees for companies that do business in Springfield. He said he was disappointed with the National League of Cities because they were not looking at what cities could do to work on this issue in the future, but just to protect what had been in place for years. He acknowledged that Mr. Goodwin was one of the top experts in the State. He asked for Mr. Goodwin's thoughts on how cities could approach this.

Mr. Goodwin said the reason telephone, broadband or cable companies succeeded was because citizens had gathered together in a government, a city, a small location where it was economically viable for them to make a success. Universal service funds were still in place to deal with the costs of extended service in these areas. The cities charge to these companies ought to relate to the fact that the companies could only prosper because we combined enough citizens together in a small space. It was important to understand the relationship between the density of population with profits of the companies that were selling these communication services.

Mayor Leiken said the smart corporations would work closely with the local government so the relationship would be a positive one. He appreciated all that Comcast and our other corporate sponsors gave to the community, but in order for communities to provide quality service, those businesses needed to be willing partners to pay in the City fund. He said he was not sure how to get there, but encouraged working with the companies to find a way. He noted that Springfield did a nice job of reaching out and partnering. Springfield had the opportunity to be a leader in this area. Using the talents of Mr. Goodwin and other staff to negotiate some long-range opportunities with these companies made sense. He appreciated Mr. Goodwin's feedback.

Councilor Ballew said if it got to a point where physical things were no longer put in the ground and the City may need to go to a straight business tax. She asked if the City owned air space.

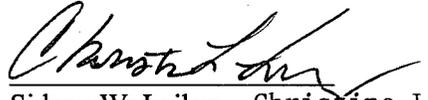
Mr. Goodwin said we did not.

Council asked that Mr. Goodwin put it all in one package as recommended and bring it back to Council.

ADJOURNMENT

The meeting was adjourned at 6:40 pm.

Minutes Recorder – Amy Sowa



~~Sidney W. Leiken~~ Christine Lundberg  
Mayor Council President

Attest:



~~Amy Sowa~~  
City Recorder