



CITY OF FAIRMONT – 100 Downtown Plaza – Fairmont, MN 56031
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NOTICE OF PUBLIC HEARING ORDINANCE NO. 2026-04: CABLE TELEVISION FRANCHISE ORDINANCE

NOTICE IS HEREBY GIVEN that the Fairmont City Council will hold a public hearing on **Monday, November 23, 2026, at 5:30 p.m.**, in the Fairmont City Hall Council Chambers, located at 100 Downtown Plaza, Fairmont, Minnesota to receive public comments regarding proposed Ordinance No. 2026-04, granting a cable television franchise to Midcontinent Communications (Midco) for a period of ten (10) years.

The proposed ordinance establishes the terms and conditions of the franchise, including the operation and maintenance of the cable system, public, educational, and governmental (PEG) access channels, and a franchise fee of four percent (4%) of applicable cable service gross revenues.

A complete copy of proposed Ordinance No. 2026-04 is available for public review on the City of Fairmont's website at <https://fairmont.org/public-notices/> or at the Fairmont City Clerk's Office, 100 Downtown Plaza, Fairmont, Minnesota, during regular business hours.

All interested persons are invited to attend the public hearing and will be given an opportunity to be heard.

BY ORDER OF THE FAIRMONT CITY COUNCIL

Betsy Steuber
City Clerk

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ORDINANCE# 2026-04

AN ORDINANCE GRANTING TO MIDCONTINENT COMMUNICATIONS, A SOUTH DAKOTA GENERAL PARTNERSHIP, TO MAINTAIN A CABLE COMMUNICATIONS SYSTEM IN THE CITY OF FAIRMONT, MINNESOTA; SETTING FORTH CONDITIONS ACCOMPANYING THE GRANT OF THE FRANCHISE; PROVIDING FOR REGULATION AND USE OF THE SYSTEM; PRESCRIBING PENALTIES FOR THE VIOLATION OF ITS PROVISIONS; AND REGULATING THE SAME, AND PROVIDING FOR COMPENSATION TO THE CITY FOR A PERIOD OF TEN (10) YEARS.

BE IT ORDAINED by the City Council of the City of Fairmont, Minnesota ("Franchising Authority") that the City of Fairmont Ordinances be modified to read as follows,

SECTION I - TITLE

This Ordinance shall be known and may be cited as the "Midcontinent Cable Television Ordinance," and is sometimes referred to as the "Franchise."

SECTION II - DEFINITIONS

For the purpose of this Ordinance, the following terms, phrases, words, and their derivations shall have the meaning given herein, when not inconsistent with the context, words used in the present tense include the future, words in the plural number include the singular number, and words in the singular include the plural number, The word "shall" is always mandatory and not merely directory,

1. "Basic Cable Service" means the service tier which includes the retransmission of local television broadcast signals, and any public, educational, and governmental access programming required by the Franchise to be carried on the basic tier. Basic Cable Service as defined herein shall not be inconsistent with 47 U.S.C. §543(b)(7).
2. "Cable Programming Service" means any Video Programming provided over a Cable System, regardless of service tier, including installation or rental of equipment use for the receipt of such Video Programming, other than:
 - a. Video Programming carried on the Basic Service Tier;
 - b. Video Programming offered on a pay-per-channel or pay-per-program basis;
or
 - c. A combination of multiple channels of pay-per-channel or pay-per-program

Video Programming offered on a multiplexed or time-shifted basis so long as the combined service:

- i. consists of commonly-identified Video Programming; and
- ii. is not bundled with any regulated tier of service.

Cable Programming Service is as defined herein shall not be inconsistent with the definition as set forth in 47 U.S.C. §543(l)(2) and 47 C.F.R. 76.901(b) (1993).

3. "Cable Service" means the one-way transmission to Subscribers of Video Programming, or other programming service, and Subscriber interaction, if any, which is required for the selection of such Video Programming or other programming service.
4. "Cable System" or "System" means a facility, consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is designed to provide Cable Service which includes Video Programming and which is provided to multiple Subscribers within a community, but such term does not include:
 - a. a facility that serves only to retransmit the television signals of one or more television broadcast stations;
 - b. a facility that services Subscribers without using any public right-of-way;
 - c. a facility of a common carrier which is subject, in whole or in part, to the provisions of 47 U.S.C. §§ 201 et seq., except that such facility shall be considered a Cable System (other than for purposes of 47 U.S.C. § 541(c) to the extent such facility is used in the transmission of Video Programming directly to Subscribers, unless the extent of such use is solely to provide interactive on-demand services;
 - d. an open video system that complies with 47 U.S.C. § 653; or
 - e. any facilities of any electric utility used solely for operating in its electric utility systems.
5. "Cable Television Reception Service" means the delivery by the Grantee to television receivers or any other suitable type of electronic terminal or receiver of the electronic signals and other communications services carried over said system including VDSL services.
6. "Cable Television System" or "Cable System" is a system utilizing certain electronic and other components which deliver to subscribing members of the public various video or communications services.

7. "City" is the City of Fairmont, Minnesota.
8. "Council" or "City Council" is the City Council of the City of Fairmont, Minnesota.
9. "Drop" means the cable that connects the ground block on the Subscriber's residence to the nearest feeder cable of the System.
10. "FCC" shall mean Federal Communications Commission.
11. "Franchise" means an initial authorization, or renewal thereof (including a renewal of an authorization which has been granted subject to 47 U.S.C. § 546) issued by a franchising authority, whether such authorization is designated as a franchise, permit, license, resolution, contract, certificate, agreement, or otherwise, which authorizes the construction or operation of a Cable System.
12. "Franchise Area" means the area within the legal boundaries of the City and any area annexed thereto during the term of this Ordinance.
13. "Grantee" is Midcontinent Communications ("Midcontinent") or anyone who succeeds Midcontinent in accordance with the revisions of this Ordinance.
14. "Grantor" is the City of Fairmont, Minnesota.
15. "Gross Revenue" means all Cable Service revenue derived from the Grantee from the operation of the Cable System in the Franchise Area to provide Cable Services, calculated in accordance with generally accepted accounting principles. Cable Service revenue includes, but is not limited to, monthly basic, premium, pay-per-view, and other video fees, installation fees, and equipment rentals. Gross Revenue shall not include refundable deposits, bad debt, late fees, investment income, programming launch support programs, advertising sales commissions, nor any taxes, fees, franchise fees or assessments imposed or assessed by any governmental authority.
16. "Installation" means the connection of the System from feeder cable to the point of connection, including Standard Installations and custom installations.
17. "Lockout Device" means an optional mechanical or electrical accessory to a Subscriber's terminal which inhibits the viewing of any certain program, certain channel, or certain channels provided by way of Cable System.
18. "Multichannel Video Program Distributor" or "MVPD" means a Person such as, but not limited to, a cable operator, a multichannel multipoint distribution service, a direct broadcast satellite service, an Open Video Services provider, or a television receive-only satellite program distributor, who makes available for

purchase, by Subscribers or customers, multiple channels of video programming.

19. "Open Video Services" or "OVS" means any video programming services provided to any person by a Franchisee certified by the FCC to operate an Open Video System pursuant to 47 U.S.C. § 573, as may be amended, regardless of the facilities used.
20. "Person" is any person, firm, partnership, association, corporation or organization of any kind and any other legally recognized entity.
21. "Pay Television" means the delivery over the System of pay-per-channel or pay-per-program audio-visual signals to Subscribers for a fee or charge, in addition to the charge for Basic Cable Service or Cable Programming Services.
22. "Standard Installation" means any residential installation which can be completed using a Drop of two hundred (200) feet or less.
23. "Street" means the surface of, and the space above and below, any public street, road, highway, freeway, lane, alley, path, court, sidewalk, parkway, or drive, or any easement or right-of-way now or hereafter held by Franchising Authority.
24. "Subscribers" are those persons to receive cable television reception services furnished under this Ordinance by Grantee.
25. "Video Programming" means programming provided by, or generally considered comparable to programming provided by, a television broadcast station.

SECTION III - GRANT OF NON-EXCLUSIVE AUTHORITY

1. It shall be unlawful for any Person to construct, operate, or maintain a Cable System or to provide Cable Service or MVPD services, including OVS, in the City without a Franchise in the form of a Franchise Agreement authorizing the same, unless applicable federal or state law prohibits the Grantor's enforcement of such a requirement.
2. This Franchise is granted pursuant to the terms and conditions contained herein.
3. There is hereby granted by the City to the Grantee, and to its successors, assigns or designees, the non-exclusive right to erect, maintain and operate in, under, over, along, across and upon the present and future streets, lanes, avenues, sidewalks, alleys, bridges, highways, easements dedicated for compatible uses and other public places in the City, and subsequent additions thereto; towers, poles, lines, cables, wires, manholes, and all other fixtures and equipment necessary for the maintenance and operation in the City of a Cable Television System for a period of ten (10) years, commencing from and after the effective date of this Ordinance.

4. This Franchise shall be nonexclusive, and the City reserves the right to grant a similar use of said streets, lanes, avenues, sidewalks, alleys, bridges, highways, easements dedicated for compatible uses and other public places in the City to any MVPD at any time during the period of this Ordinance. For purposes of this section, an MVPD is not an entity that provides direct broadcast satellite services.
5. Upon acceptance by Grantee as required by Section XXIV herein, this Franchise shall supersede and replace any previous Ordinance or agreement granting a Franchise to Grantee to own, operate, and maintain a Cable System within the Franchise Area.

SECTION IV - COMPLIANCE WITH APPLICABLE LAWS AND ORDINANCES

The Grantee shall, during the term hereof, except in those areas which have been preempted by the acts, laws, and regulations of the government of the United States, be subject to all lawful exercise of the regulating and police powers of the City.

SECTION V - TERRITORIAL AREA INVOLVED

1. This Ordinance relates to the Franchise Area.
2. Grantee may, but shall not be required to, serve areas or individual homes adjoining, but outside the City limits and that may be served from its existing facilities. Grantee may negotiate directly with such customers the amount to be charged for the bringing of the service to the customer.
3. Services provided by the Grantee under this Franchise shall be made available to all points within the Franchise Area during the term of this Franchise under the following conditions:
 - a. Whenever the Grantee shall receive a request for service from at least 25 residences within 1,320 cable-bearing strand feet (one-quarter mile) of its trunk or distribution cable, it shall extend the Cable System to such Subscribers at no cost to said Subscribers for the extension, other than the usual connection fees for all Subscribers, provided that such Cable System extension is technically feasible and provided such an extension will not adversely affect the operation, financial condition, or market development of the Cable System or as provided for under subsection B, below.
 - b. No Subscriber shall be refused service arbitrarily. However, for unusual circumstances, such as a Subscriber's request to locate their cable drop underground in an area where other installations are done in an aerial manner or a distance of greater than 200 feet from the distribution cable to the connection of service to Subscriber, or a density of less than 25 residences per 1,320 cable-bearing strand feet (one-quarter mile) of trunk or distribution cable, service may be made available on the basis of a

capital contribution in aid of construction, including cost of materials, labor, and access to easements. For the purpose of determining the amount of capital contribution in aid of construction to be borne by the Grantee and Subscribers in an area in which service may be expanded, the Grantee will contribute an amount equal to the construction and other costs per mile, multiplied by a fraction whose numerator equals the actual number of residences per 1,320 cable-bearing strand feet of its hunks or distribution cable, and whose denominator equals 25 residences.

- c. Subscribers who request service hereunder may bear the remainder of the construction and other cost on a pro rata basis. The Grantee may require that the payment of the capital contribution in aid of construction to be borne by such potential Subscribers be paid in advance.

SECTION VI – TECHNICAL AND CONSTRUCTION STANDARDS

1. Grantee shall be governed by technical standards established by the FCC.
2. Grantee shall obtain all required permits from the City before commencing any construction upgrade or extension of the System, including the opening or disturbance of any street, lanes, avenues, sidewalks, alleys, bridges, highways, or easements, or private or public property within the Franchise Area.
3. No street shall be used by Grantee if City, in its sole opinion, determines that such use is inconsistent with the terms, conditions, or provisions by which such street was created or dedicated, or with the present use of the street.
4. The City shall have the right to inspect all construction or installation work performed pursuant to the provisions of this Ordinance and to make such tests at its own expense as it shall find necessary to ensure compliance with the terms of this Ordinance and applicable provisions of local, state, and federal law.

SECTION VII - OPERATION AND MAINTENANCE OF SYSTEM

1. Grantee shall render efficient service, make repairs promptly and interrupt service only for good cause and for the shortest possible time. Such interruption, insofar as possible, shall be preceded by notice and shall occur during minimal use of the System.
2. Grantee shall have a publicly listed toll-free telephone number which will be operated so as to receive Subscriber service requests and complaints on a twenty-four (24) hours a day, seven (7) days a week basis. All service requests and complaints should generally be responded to within twenty-four (24) hours of receipt.

3. In the event a Subscriber establishes or terminates service and receives less than a full month's service, Grantee shall prorate the monthly rate on the basis of the number of days in the period for which service was rendered to the number of days in the billing.
4. Upon the request of a Subscriber, Grantee shall provide by sale or lease a Lockout Device, which may be accomplished via software or firmware.

SECTION VIII - SAFETY REQUIREMENTS

The Grantee shall, at all times, employ ordinary care and shall use and maintain commonly accepted methods and devices for preventing failures and accidents which are likely to cause damages, injuries, or nuisances to the public.

SECTION IX - BUILD-OUT - NEW DEVELOPMENTS

The City and the Grantee may agree to amend this Franchise, upon application of the Grantee, when necessary to enable the Grantee to take advantage of any developments in the field of transmission of television and radio signals which will afford it an opportunity to more effectively, efficiently, or economically serve its customers. Provided, however, that this Section shall not be construed to require the City to make any amendment or to prohibit it from unilaterally changing its policy stated herein.

With regards to build-outs for new developments:

1. Subject to the line extension provisions of Section V, Grantee shall extend cable service to all areas of the City with a density of 25 homes per mile at no cost for cable system extension other than the standard installation fees charged to all Subscribers, and in accordance with its franchise and consistent with the rules and guidelines of the FCC.
2. In cases of new construction or property development where utilities are to be placed underground, the developer or property owner shall give all Grantees at least ten (10) business days' written notice of the construction or development, and of the particular date on which open trenching will be available for Grantee's installation of conduit and/or cable. Grantee shall provide specifications as needed for trenching.
3. Should the Grantee determine that line extension is economically unfeasible, the Grantee and the developer agree to negotiate in good faith toward an equitable agreement. If the Grantee and the developer arrive at impasse, disputes over the extension shall be mediated by the City Council thirty (30) days after receipt of written request by either party.

SECTION X - LIMITATIONS ON RIGHTS GRANTED

1. All transmission and distribution structures, lines, and equipment erected by the Grantee within the City shall be so located as to cause minimum interference with the proper use of streets, alleys and other public ways and places, and to cause minimum interference with the rights and reasonable convenience of property owners who adjoin any of the said streets, alleys or other public ways and places, and said poles or towers shall be removed by Grantee whenever the City reasonably finds that the same restricts or obstructs the operation or location of any future streets or public places in the City.
2. All transmission and distribution structures, lines and equipment erected by the Grantee within the City shall be located, erected, and maintained so as not to endanger or interfere with the lives of persons, or to interfere with any installations of the City or of a public utility serving the City, or to interfere with new improvements the City may deem proper to make, or to interfere with other uses of the streets.
3. In the maintenance and operation of their television transmission and distribution system in the streets, alleys, and other public places, and in the course of any new construction or addition to their facilities, Grantee shall proceed so as to cause the least possible inconvenience to the general public. Any opening or obstruction in the streets or other public places made by Grantee in the course of its operations shall be guarded and protected at all times by the placement of adequate barriers, fences, or boardings, the bounds of which, during periods of dusk and darkness, shall be clearly designated by warning indicators.
4. All work in any way necessitated by the business of Grantee which may involve the opening, breaking up or tearing up of a portion of a street, sidewalk, or other part of any City-owned or City-controlled property shall at the option of the City be done by the City at the expense of Grantee. In the event the City does not exercise its option, in case of disturbance of any City-owned or City-controlled property, including but not limited to streets, sidewalks, alleys, public ways, or paved areas, the Grantee shall at its own expense and in a manner approved by the City, replace and restore such property to as good of condition as before the work involving such disturbance was done. Grantee shall not be required to pay a fee for street openings.
5. Grantee shall at its own expense replace and restore any private property disturbed as a result of its work to as good of condition as before the work involving such disturbance was done.
6. If at any time during the period of this Ordinance the City shall lawfully elect to alter or change the grade of any street, sidewalk, alley, or other public way, the Grantee, upon reasonable notice by the City, shall remove, relay, and relocate its poles, wires, cables, underground conduits, manholes and other fixtures at its own expense.

7. All installations of equipment shall be in accordance with good engineering practices, and of sufficient height to comply with all existing City regulations, ordinances and state laws so as not to interfere in any manner with the right of the public or individual property owner, and any equipment in a public way or public place shall not interfere with the usual travel on such public way or usual use of such public place by the public and, during the construction, repair or removal thereof, shall not unduly obstruct or impede traffic.
8. The Grantee shall, on the request of any person holding a building moving permit issued by the City or any person who wishes to remove trees or structures from their property, temporarily raise or lower its wires to permit the moving of buildings or tree removal. The expense of such temporary raising or lowering of wires shall be paid by the person requesting the same, and the Grantee shall have the authority to require such payment in advance. The Grantee shall be given not less than ten (10) business days advance notice to arrange for such temporary wire changes.
9. The Grantee shall have the authority to trim trees that are overhanging the streets, alleys, sidewalks and public ways and places of the City so as to prevent the branches of such trees from coming in contact with the wires and cables of the Grantee, except that at the option of the City, such trimming may be done by it or under its supervision and direction at the expense of the Grantee, provided that Grantee has been first notified to perform such trimming and has refused to do so. Trimming shall be done in accordance with any city requirements regarding such trimming.
10. In all sections of the City where all other utility lines are placed underground, Grantee shall construct and install its cables, wires, and other facilities underground.
11. In all sections of the City where one or more public utilities are aerial, Grantee may construct and install its cables, wires, and other facilities from the same pole with the consent of the owner of the pole.
12. In all sections of the City where the City designates an area where all presently above ground services are to be placed underground, the Grantee shall place its wires underground on the same time schedule and on the same conditions that are applicable to the providers of other above ground services in the designated areas.
13. The Grantee shall not allow its cable or other operations to interfere with television receptions of persons not served by the Grantee.
14. Grantee shall, at its expense, protect, support, temporarily disconnect, relocate on the same street, alley or public place, or remove from the street, alley or public place, any property of Grantee when required by the City by reason of traffic

conditions, public safety, street vacation, freeway and street construction, change or establishment of the street grade, installation of sewers, drains, water pipes, power lines, signal lines, and tracks or any other types of structures or improvements by governmental agencies when acting in a governmental or proprietary capacity, or other structure of public improvement; provided, however, that City, upon such terms as City may impose, may give Grantee written permission to abandon, without removing, any property of Grantee in place as hereinafter provided.

15. In the event that the use of any part of the System is discontinued for any reason for a continuous period of twelve (12) months, or in the event such System or property has been installed in any street or public place without complying with the requirements of this Ordinance, or the rights granted hereunder have been terminated, canceled or have expired, Grantee shall, subject to the rights of the City to acquire or transfer the System promptly remove all above ground facilities, wires, etc. from the streets and public places other than any which the City may permit to be abandoned in place. In the event of such removal, Grantee shall promptly restore the street or other area from which said property has been removed to a condition satisfactory to the City.
16. Any property of Grantee to be abandoned in place shall be abandoned in such a manner as the City may prescribe. Upon permanent abandonment of the property of Grantee in place, it shall submit to the City an instrument to be approved by the City, transferring to the City the ownership of such property.

SECTION XI – REVOCATION, ABANDONMENT, AND SALE OR TRANSFER

1. In addition to all other rights which the City has pursuant to law or equity, the City reserves the right to revoke, terminate, or cancel this Franchise, and all rights and privileges pertaining thereto, if after strictly following the procedures required by this Section, it is determined that Grantee has violated any material provision of this Franchise and has failed to substantially cure said violation.
2. Procedures for revocation:
 - a. The City shall provide Grantee with written notice of a cause for revocation and the intent to revoke and shall allow Grantee sixty (60) days subsequent to receipt of the notice in which to substantially cure the violation or to provide adequate assurance of performance. Together with the notice required herein, the City shall provide Grantee with written findings of fact which are the basis of the revocation.
 - b. Grantee shall be provided the right to a public hearing affording due process before the City Council prior to revocation, which public hearing shall follow the sixty (60) day notice provided in subsection A. The City shall provide Grantee with written notice of its decision together with

written findings of fact supplementing said decision.

- c. After the public hearing, and upon written determination by the City to revoke the Franchise, Grantee may appeal said decision with an appropriate state or federal court or agency.
 - d. During the appeal period, the Franchise shall remain in full force and effect unless the term thereof sooner expires.
 - e. Upon satisfactory correction by Grantee of the violation upon which said notice was given, the initial notice shall become void.
3. No sale or transfer of this Franchise shall take place without the prior written approval of the City, which approval shall not be unreasonably withheld.
 4. The Grantee shall not assign rights obtained under this Ordinance to another Person without the prior written approval of the City Council, which approval shall not be unreasonably withheld. This provision shall not apply to assignment of rights to a parent, subsidiary, or affiliate of the Grantee.
 5. All of the rights, privileges, obligations, duties, and liabilities created by this Franchise shall pass to and be binding upon the successor or assign of Grantee.
 6. Upon receipt of an application for approval of an assignment of this Franchise, the City shall have the non-exclusive right to purchase the Grantee's Cable Television System.

SECTION XII - DURATION AND RENEWAL OF ORDINANCE

1. The rights granted to the Grantee herein shall, except as provided in this Section, terminate ten (10) years from the Effective Date of this Ordinance which Ordinance shall be subject to renewal pursuant to the provisions of the Cable Communications Policy Act of 1984, as amended, applicable to new ordinances that are in the nature of a franchise.
2. If this Ordinance is not renewed, or if it is revoked for cause by the City, the transfer of Grantee's system shall be governed by Section 627 of the Cable Communications Policy Act of 1984, as amended.
3. Any renewal of this Ordinance shall be done in accordance with applicable federal, state, and local laws and regulations. Federal law supersedes any Ordinance requirement.

SECTION XIII - ERECTION, REMOVAL AND COMMON USE OF POLES

1. There is hereby granted to the extent that the City is authorized to so do, the right

and authority to Grantee to lease, rent, or in any other manner obtain the use of towers, poles, lines, cables, and other equipment and facilities from the City and all other holders of public licenses and franchises within the corporate limits of the City, to use such towers, poles, lines, cables and other equipment and facilities, subject to all existing and future ordinances and regulations of the City. Grantee shall obtain the appropriate permits prior to attaching any wire or other equipment to the City's towers, poles, lines, cables, or other equipment and facilities. The annual rental for the use of City poles shall be set by the Council by resolution and separate agreement, but shall not be less than \$3.50 per pole.

2. No poles or other wire-holding structures shall be erected by the Grantee without prior approval of the City with regard to location, height, type or any other pertinent aspect. However, no locations of any pole or wire-holding structure of the Grantee shall be a vested interest and such poles or structures shall be removed or modified by the Grantee at its own expense whenever the City Council or its designated representative determines that the public convenience would be enhanced thereby.
3. Grantee shall grant to the City, free of expense, joint use of any and all poles owned by it for any proper municipal purpose acceptable to Grantee, insofar as it may be done without interfering with the free use and enjoyment of Grantee's own wires and fixtures, and the City shall hold Grantee harmless from any and all actions, causes of actions and damages caused by the placing of the City's wires or appurtenances upon the poles of the Grantee. Proper regard shall be given to all existing safety rules covering construction and maintenance in effect at the time of construction. If, in accommodating the City's joint use of their poles, Grantee is required to change or replace poles or install new poles, the City shall compensate for such additional expense.
4. Where a public utility serving the City desired to make use of poles or other wire-holding structures of the Grantee but agreement therefore with the Grantee cannot be reached, the Council may require the Grantee to permit such use for such consideration as is just and reasonable and upon such terms as the Council determines the use would enhance the public convenience and would not unduly interfere with the Grantee's operations.

SECTION XIV - RATES

1. During the term hereof, and if required by the FCC, Grantee shall comply with the rate regulations of the Federal Communications Commission.
2. The Grantee shall not discriminate in rates between customers of the same category except to the extent permitted by the Cable Communications Policy Act of 1984, as amended, if applicable and Federal Communications Commission regulations.

3. The City reserves the right to regulate rates for Basic Cable Service and any other services offered over the Cable System, to the extent not prohibited by applicable law.

SECTION XV - PAYMENT TO THE CITY

1. Grantee will pay Franchising Authority a monthly franchise fee in the amount of a minimum of four percent (4%) of Grantee's annual Gross Revenue.
2. The franchise fee shall be payable monthly. The payment shall be made within thirty (30) days of the end of each month, together with a brief report showing the basis for the computation.
3. The City reserves the right, upon ninety (90) days written notice to the Grantee, to raise the franchise fee to a maximum of five percent (5%). Pursuant to federal and state regulations and laws, the City Council shall consider the franchise fee increase at a public hearing after which it shall take a vote on the issue of the franchise fee increase.

SECTION XVI - SERVICE TO CITY

The Grantee shall, subject to the line extension provisions of Section V, provide without charge, one (1) cable drop and one (1) cable drop outlet, or one (1) wireless customer premises equipment (CPE), in lieu of a cable drop and outlet, and Basic Cable Service to all sets connected within the below City-owned buildings to the terminal junction.

122174601	City of Fairmont City Hall
122245701	Fairmont Water Department
122284301	City of Fairmont Fire Hall
122583601	Fairmont Police Department
141204701	City of Fairmont Line Dept./Warehouse

No redistribution of the free Basic Cable Service provided pursuant to this Section shall be allowed. Additional drops and/or outlets in any of the locations will be provided by Grantee at the cost of Grantee's time and material. Alternatively, at the institution's request, said institution may add outlets at its own expense, as long as such installation meets Grantee's standards and provided that any fees for Cable Services are paid.

To the extent permitted by applicable law, including 47 U.S.C. § 542 and applicable FCC guidance, Grantee reserves the right to offset or otherwise recover the incremental or marginal cost of providing Complimentary Service from Franchise Fees or other payments otherwise due to the Cities, upon reasonable supporting documentation that such costs, if determined to fall with the definition of franchise fee under 47 U.S.C. § 542, together with the Franchise Fee, exceed five percent (5%) of Grantee's Gross Revenues, unless otherwise authorized by applicable law.

SECTION XVII - PUBLIC, EDUCATIONAL AND GOVERNMENTAL ACCESS

CHANNELS

Grantee shall allocate three (3) channels to the City as a public, educational, and governmental ("PEG") access channel. Upon written request of the City, the Grantee shall operate and make readily available for the public equipment to record programs. Additional PEG access channel(s) shall be made available in a manner consistent with applicable law; provided, however, that Grantee shall determine the channel location of any additional PEG access channel(s).

Grantee shall provide, at no charge, a data connection with bandwidth up to 100 Mbps solely for purposes of satisfying the PEG requirements of this Franchise and Basic Cable Service. Any bandwidth or service level in excess of 100 Mbps requested or utilized in excess of the PEG purposes shall be provided at Grantee's then-existing rates and paid for by Gemini Studios. The in-kind PEG services and Basic Cable Service shall be delivered at Gemini Studios, 205 Downtown Plaza, Fairmont, Minnesota 56031 (currently associated with account number 122520601). The City may, upon not less than thirty (30) days' prior written notice to Grantee, designate an alternative location for the PEG channel equipment, subject to Grantee's ability to reasonably provision service at such location. This provision will be effective March 15, 2026.

SECTION XVIII - EMERGENCY USE OF FACILITIES

In the case of any emergency or disaster, the Grantee shall, upon request of the Council or its designated representative, make available its facilities to the City for emergency use during the emergency or disaster.

SECTION XIX - MISCELLANEOUS

1. Grantee's legal, financial, technical, and other qualifications, and the adequacy and feasibility of its construction arrangements, if any, have been approved by the Council after consideration in a full public proceeding affording due process to all interested parties.
2. Grantee shall comply with the terms of 47 U.S.C. § 551 relating to the protection of Subscriber privacy.

SECTION XX - MODIFICATION OF OBLIGATIONS

1. In addition to any other remedies provided by law or regulation, Grantee's obligations under this Ordinance may be modified, at its request, in accordance with Section 625 of Cable Communications Policy Act of 1984 as it now exists, or as hereafter amended, replaced, or superseded by other Act of Congress.
2. Grantee and the City may agree, from time to time, to amend this Ordinance. Such written amendments may be made at any time if the City and Grantee agree that such an amendment will be in the public interest or if such an amendment is

required due to changes in federal, state, or local law. The City and the Grantee shall act pursuant to local law pertaining to the ordinance amendment process.

SECTION XXI - LIABILITY AND INDEMNIFICATION

Grantee shall, at all times, keep in effect the following types of insurance coverage:

1. Worker's Compensation upon its employees engaged in any manner in the installation or servicing of its plant and equipment within the City.
2. Grantee shall maintain in full force and effect at its sole expense, a comprehensive general liability insurance policy, including contractual liability coverage, that shall protect Grantee, the City and their officials, officers, directors, employees and agents from any and all claims which may arise from operations under this Franchise, whether such operations be by the Grantee, its officials, officers, directors, employees and agents or any subcontractors of Grantee. This liability insurance shall include, but shall not be limited to, protection against claims arising from bodily and personal injury and damage to property, resulting from Company's vehicles, products and operations. The amount of insurance for single limit coverage applying to bodily and personal injury and property damage shall not be less than Two Million and No/100 Dollars (\$2,000,000.00), which may be met by use of an umbrella policy. The minimum amounts shall be increased to meet any amendments to the City's minimum tort liability under Minn. Stat. § 466.04.
 - a. The policy shall be written on a per "occurrence" basis.
 - b. Grantee shall obtain insurance policies from insurance companies having an "AM BEST" rating of A- (minus); Financial Size Category (FSC) VII or better, and authorized to do business in the State of Minnesota.
 - c. An endorsement stating that the policy shall not be canceled without thirty (30) days' notice of such cancellation given to the City.
 - d. The policies shall be primary insurance and noncontributory to any other valid and collectible insurance available to City with respect to any claim arising out of this Franchise.
 - e. The City shall be named as an additional insured on all policies required under this Franchise.
 - f. Grantee shall submit to the City a certificate of insurance signed by the insurance agent.
3. The Grantee shall indemnify, save, and hold harmless, and defend the City, its officers, boards, committees, commissioners, elected officials, agents, and

employees, from and against all lawsuits, claims, liability, damages, penalties, and expenses, including, but not limited to, reasonable attorney's fees and costs, which they may legally be required to pay, as a result of the breach by Grantee of its obligations under this Franchise, the activities of the Grantee, its subcontractors, employees and agents, and/or the exercise of the Franchise.

4. City does not, and shall not, waive any rights against Grantee which it may have by reason of the indemnification provided for in this Franchise, because of the acceptance by City of any of the insurance policies described in this Franchise.
5. The indemnification of City by Grantee provided for in this Franchise shall apply to all damages and claims for damages of any kind suffered by reason of any of the Grantee's operations referred to in this Franchise, regardless of whether or not such insurance policies shall have been determined to be applicable to any such damages or claims for damages.

These damages or penalties shall include, but shall not be limited to, damages arising out of copyright, infringements, and all other damages arising out of the installation, operation, or maintenance of the Cable Television System authorized herein, whether or not any act or omission complained of is authorized, allowed, or prohibited by this ordinance.

SECTION XXII – WRITTEN NOTICE

All notices, reports or demands required to be given in writing under this Franchise shall be deemed to be given when delivered personally to any officer of Grantee or the City Administrator, or forty-eight (48) hours after it is deposited in the United States mail in a sealed envelope, with registered or certified mail postage prepaid thereon, addressed to the party to whom notice is being given, as follows:

If to Grantor: City of Fairmont
 100 Downtown Plaza
 Fairmont, MN 56031
 Attn: City Administrator

If to Grantee: Midcontinent Communications
 4020 W Cayman Street
 Sioux Falls, SD 57107
 Attn: Legal

SECTION XXIII – SEVERABILITY

If any Section, subsection, sentence, clause, phrase, or portion of this Ordinance is, for any reason, held invalid or unconstitutional by any court of competent jurisdiction, or is superseded or preempted by FCC regulation, such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the

remaining portions thereof.

SECTION XXIV – PUBLICATION, EFFECTIVE DATE, AND ACCEPTANCE

1. If applicable, this Franchise shall be published in accordance with law. The effective date of this Franchise shall be January 1, 2027.
2. Grantee shall accept this Franchise by executing the same. Such acceptance by the Grantee shall be deemed the grant of this Franchise for all purposes. With its acceptance, Grantee shall also deliver any insurance certificates required herein that have not been previously delivered.
3. Upon acceptance of this Franchise, Grantee shall be bound by all the terms and conditions contained herein and deliver any insurance certificates required herein that have not been previously delivered.

Passed by the City Council of the City of Fairmont, Minnesota, this ____ day of _____ 2026.

Mayor

ATTEST:

City Clerk

First Reading: October 26, 2026

Motion by: Councilmember Lubenow

Seconded by: Councilmember Kotewa

All in Favor: Councilmembers Hasek, Kotewa, Lubenow, and Maynard

Opposed: Councilmember Kawecki

Abstained: None

Absent: None

Public Hearing: November 23, 2026

Second Reading: December 14, 2026

Motion by:

Seconded by:

All in Favor:

Opposed:

Abstained:

Absent:

MIDCONTINENT COMMUNICATIONS

By: _____

Its: _____

Midcontinent Communications Investor, LLC

Managing Partner of Midcontinent Communications

Date: _____