



City of Killeen

Legislation Text

File #: RS-23-045, **Version:** 1

Consider a memorandum/resolution approving a settlement agreement with Spectrum Gulf Coast, LLC, regarding payment of franchise fees.

DATE: February 28, 2023

TO: Kent Cagle, City Manager

FROM: Holli Clements, City Attorney

SUBJECT: Spectrum Settlement Agreement regarding payment of franchise fees

BACKGROUND AND FINDINGS:

Spectrum, as a cable service provider, is required to make state-law specific franchise payments to each city where it provides services, based on gross revenue it collects in that city. Through analysis of franchise payment records, it was determined that Spectrum excluded several categories of revenue from gross revenues resulting in lower franchise payments to cities.

On June 12, 2018, City Council authorized litigation against Spectrum to recover underpayment of cable services franchise fees. On April 15, 2019, the City and twenty-five other Texas cities filed a lawsuit against Spectrum.

A settlement agreement has been negotiated between all parties.

THE ALTERNATIVES CONSIDERED:

The alternatives are:

1. Do not approve the settlement agreement with Spectrum; or
2. Approve the settlement agreement with Spectrum.

Which alternative is recommended? Why?

Alternative 2 is recommended to approve the settlement agreement with Spectrum.

CONFORMITY TO CITY POLICY:

The proposed action conforms with city policy.

FINANCIAL IMPACT:

What is the amount of the expenditure in the current fiscal year? For future years?

N/A

Is this a one-time or recurring expenditure?

N/A

Is this expenditure budgeted?

N/A

If not, where will the money come from?

N/A

Is there a sufficient amount in the budgeted line-item for this expenditure?

N/A

RECOMMENDATION:

Recommend that City Council approve the settlement agreement with Spectrum and expressly authorize the City Manager or designee to execute said agreement.

DEPARTMENTAL CLEARANCES:

Legal

ATTACHED SUPPORTING DOCUMENTS:

Click or tap here to enter text.