

AUTHORIZING A METRONET FRANCHISE AGREEMENT TERMINATION AND SETTLEMENT AGREEMENT

WHEREAS, the City of DeKalb (the "City") is a home rule unit of local government and may exercise any power and perform any function pertaining to its government and affairs pursuant to Article VII, Section 6, of the Illinois Constitution of 1970; and

WHEREAS, on April 9, 2018, the City's corporate authorities adopted Resolution 2018-045, which approved a cable television franchise agreement with CMN-RUS, Inc., d/b/a Metronet, for a 10-year term (the "Metronet Franchise Agreement"); and

WHEREAS, City staff and Metronet negotiated a settlement agreement to terminate the Metronet Franchise Agreement for Metronet's lump sum settlement payment of \$18,896.54 per the attached and incorporated Exhibit A (the "Metronet Settlement Agreement"); and

WHEREAS, the City's corporate authorities find that approving the Metronet Settlement Agreement is in the City's best interests for the protection of the public health, safety, and welfare; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DEKALB, ILLINOIS:

SECTION 1: The recitals to this resolution are true, material, adopted and incorporated as Section 1 to this resolution.

SECTION 2: The City's corporate authorities authorize and approve: (1) the Metronet Settlement Agreement, subject to such changes as the City Manager deems to be in the City's best interests; and (2) the City Manager to take all necessary acts to effectuate the Metronet Settlement Agreement.

SECTION 3: This resolution shall be the effective legislative act of a home rule municipality without regard to whether such resolution should (a) contain terms contrary to the provision of non-preemptive state law, or (b) legislate in a manner or regarding a matter not delegated to municipalities by state law. It is the intent of the City's corporate authorities that to the extent that the terms of this resolution should be inconsistent with any non-preemptive state law, that this resolution shall supersede state law in that regard within its jurisdiction.

SECTION 4: This resolution shall be in full force and effect from and after its passage and approval as provided by law.

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois at a regular meeting thereof held on the 27th day of January 2025 and approved by me as Mayor on the same day. Passed by a 7-0-1 roll call vote. Aye: Zasada, Larson, Perkins, Powell, Verbic, Walker, Barnes. Nay: None. Absent: Smith.




COHEN BARNES, Mayor

ATTEST:


Ruth A. Scott, Executive Assistant

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made this 27th day of January 2025, by the City of Dekalb, Illinois ("City") and CMN-RUS, Inc. (hereinafter "Metronet"). The City and Metronet shall sometimes be referred to herein individually as a "Party" or collectively as the "Parties."

RECITALS

1. The City granted a Non-Exclusive Cable Television Franchise Ordinance ("Franchise") to Metronet on April 9, 2018.
2. The Franchise term is set to expire on April 9, 2028 ("Expiration Date").
3. Metronet has notified the City that it does not intend to continue to offer cable television services in the City due to escalating costs and low customer adoption rates.
4. Metronet therefore desires to terminate the Franchise prior to the Expiration Date and the City is not opposed subject to terms of this Agreement.

NOW, THEREFORE, in consideration of the terms, conditions, covenants, considerations, and mutual promises contained herein and other good and valuable mutual consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, and intending to be legally bound, the Parties agree as follows:

AGREEMENT

1. **FRANCHISE TERMINATION DATE.** The Parties hereby agree to terminate the Franchise effective March 1, 2025 ("Termination Date").
2. **NOTICE TO CUSTOMERS.** Prior to the Termination Date, Metronet shall notify all customers in the City of its intention to cease offering cable television services and shall provide any assistance to the City to address any customer complaints or request for additional information related to Metronet's termination of cable services.
3. **CONTACT.** Metronet will provide a phone number and e-mail address for an employee who may be contacted for technical questions or customer services issues related to the termination of cable television services by Metronet.
4. **FEES AND COSTS.** Metronet shall, within thirty (30) days of the date of adoption of this Agreement, tender a one-time payment of eighteen thousand eight hundred and ninety-six dollars and fifty-four cents (\$18,896.54) to terminate this Agreement and fully reimburse the City for the City's reasonable costs and expenses, including attorney fees, in connection with the preparation and review of this Agreement.
5. **VOLUNTARY AGREEMENT.** This Agreement is freely and voluntarily executed by each Party, without any duress or coercion, and after each Party has consulted with its counsel. Each Party has carefully and completely read all the terms and provisions of this Agreement.

6. **BINDING EFFECT.** This Agreement will inure to the benefit of and be binding upon the Parties and respective successors and assigns. The Parties for themselves and their respective successors, assigns agree to join in or execute any instruments and to do any other act or thing necessary or proper to carry into effect this or any part of this Agreement.

7. **GOVERNING LAW.** This Agreement, and any controversies arising hereunder, shall be interpreted and adjudicated in accordance with the laws of the State of Illinois, whose courts shall have exclusive jurisdiction thereof.

8. **ENTIRE AGREEMENT.** This Agreement represents the entire understanding and agreement between the parties as to the subject matter hereof and may be modified or waived only by a separate writing.

9. **HEADINGS.** All headings are herein provided for the convenience of reference only and do not affect the meaning or interpretation of this Agreement.

10. **COUNTERPARTS.** This Agreement may be executed in counterparts, each of which is an original and all of which together constitute one and the same document.


11. **COPIES.** PDF copies of the executed Agreement may be treated as original documents.

IN WITNESS WHEREOF, the parties have executed this Agreement as their free and voluntary acts and deeds, effective as of the date first above written.

CITY OF DEKALB, IL

By: _____

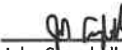
Its: _____


City Manager

CMN-RUS, INC.

By: _____

Its: _____


John Campbell (Jan 29, 2025 11:18 MST)
Executive VP & General Counsel

\$

1.01 Note: Franchise payments will continue as normal through shutdown.

Year	2025	2026	2027	2028	Total
Estimated Franchise fee value (post shutdown)	\$ 9,685.22	\$ 6,720.02	\$ 4,662.63	\$ 1,009.57	\$ 22,077.45
			Discount Rate		0.07
			NPV		\$19,497.43

Estimated Franchise Fee	Churn Rate	Month	Annual \$
\$	949.04	-3%	1/1/2025
\$	920.57	-3%	2/1/2025
\$	892.95	-3%	3/1/2025
\$	866.17	-3%	4/1/2025
\$	840.18	-3%	5/1/2025
\$	814.98	-3%	6/1/2025
\$	790.53	-3%	7/1/2025
\$	766.81	-3%	8/1/2025
\$	743.81	-3%	9/1/2025
\$	721.49	-3%	10/1/2025
\$	699.85	-3%	11/1/2025
\$	678.85	-3%	12/1/2025
\$	658.49	-3%	1/1/2026
\$	638.73	-3%	2/1/2026
\$	619.57	-3%	3/1/2026
\$	600.98	-3%	4/1/2026
\$	582.95	-3%	5/1/2026
\$	565.46	-3%	6/1/2026
\$	548.50	-3%	7/1/2026
\$	532.05	-3%	8/1/2026
\$	516.08	-3%	9/1/2026
\$	500.60	-3%	10/1/2026
\$	485.58	-3%	11/1/2026
\$	471.02	-3%	12/1/2026
\$	456.89	-3%	1/1/2027
\$	443.18	-3%	2/1/2027
\$	429.88	-3%	3/1/2027
\$	416.99	-3%	4/1/2027
\$	404.48	-3%	5/1/2027
\$	392.34	-3%	6/1/2027
\$	380.57	-3%	7/1/2027
\$	369.16	-3%	8/1/2027
\$	358.08	-3%	9/1/2027
\$	347.34	-3%	10/1/2027
\$	336.92	-3%	11/1/2027
\$	326.81	-3%	12/1/2027
\$	317.01	-3%	1/1/2028
\$	307.50	-3%	2/1/2028
\$	298.27	-3%	3/1/2028
\$	86.80	-3%	4/1/2028 Expires 4/9/28
\$	-		5/1/2028
\$	-		6/1/2028
\$	-		7/1/2028
\$	-		8/1/2028
\$	-		9/1/2028
\$	-		10/1/2028
\$	-		11/1/2028
\$	-		12/1/2028
\$			\$
			22,077.45 Total

Franchise Fee	2021	Type	Franchise Fee	2022	Type
\$ 6,669.33	Q1	Actual	\$ 6,710.07	Q1	Actual
\$ 6,681.73	Q2	Actual	\$ 6,393.16	Q2	Actual
\$ 6,893.26	Q3	Actual	\$ 5,940.81	Q3	Actual
\$ 6,639.47	Q4	Actual	\$ 5,643.08	Q4	Actual
\$ 26,883.79	2021 Total		\$ 24,687.12	2022 Total	

2021 \$ 26,883.79

2022 \$ 24,687.12

2023 \$ 18,936.67

2024 \$ 13,643.62

2025 \$ 9,685.22 Estimate

2026 \$ 6,720.02 Estimate

2027 \$ 4,662.63 Estimate

2028 \$ 1,009.57 Expires 4/9/28

Franchise Fee	2023	Type
\$ 5,228.99	Q1	Actual
\$ 4,914.09	Q2	Actual
\$ 4,543.80	Q3	Actual
\$ 4,249.79	Q4	Actual
\$ 18,936.67	2023 Total	

Franchise Fee	2024	Type
\$ 3,639.91	Q1	Actual
\$ 3,638.85	Q2	Actual
\$ 3,337.96	Q3	Actual
\$ 3,026.90	Q4	Estimate
\$ 13,643.62	2024 Total	