



*Where Life is Sweet*

Mayor and Members of the City Council  
**STAFF REPORT**  
For the Meeting of November 14, 2022

### **Title/Subject**

Resolution #2245- Franchise Agreement Renewal for CenturyTel of Eastern Oregon, Inc. d/b/a CenturyLink.

### **Summary and Background**

Centurylink provides telephone and internet service in Hermiston, and uses the City's public Rights of Way (ROW) to run most of their infrastructure necessary to provide those services to our residents. In exchange for utilizing the public's ROW, the City charges them a franchise fee based on a percentage of their gross revenues earned within the City.

Centurylink has a long history of operating within the City ROW, and this proposed renewal does not include significant substantive changes from the existing agreement. Approval of this franchise would renew the terms for 5 more years.

### **Tie-In to Council Goals**

### **Fiscal Information**

Centurylink's annual franchise fee payments to the City have steadily dropped by 150% from June, 2015 to June, 2020, to approximately \$10,000. There was a simultaneously strong percentage jump in franchise fee revenue paid by Charter Cable coinciding with the COVID-19 Pandemic. I anticipate Centurylink's franchise fee payments to continue to decline in to the future as high speed internet becomes more and more necessary.

### **Alternatives and Recommendation**

#### **Alternatives**

- Approve Resolution 2245
- Reject Resolution 2245
- Table Resolution 2245 and request changes

Recommended Action/Motion

Approve Resolution 2245 as presented.

**Submitted By:**

Mark Morgan