

City of Denton

City Hall 215 E. McKinney Street Denton, Texas www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: City Attorney's Office

CM/ DCM/ ACM: Mack Reinwand, City Attorney

AGENDA DATE: July 15, 2025

SUBJECT

Consider adoption of an ordinance of the City of Denton approving a Settlement Agreement and Release of Claims and Pole Attachment License Agreement between Frontier Southwest, Inc. and the City of Denton, and directing the City Manager and the City's attorneys to effectuate as necessary and appropriate the terms of a Settlement Agreement and Release to effectuate this approval; providing for the expenditure of funds; and declaring an effective date.

BACKGROUND

This matter involves a bankruptcy case filed by Frontier in 2020, in which the City of Denton filed two Proof of Claims. The first claim consisted of \$977,445.95 (related to pole attachment fees from 2006-2016) and the second claim consisted of \$472,049.57 (related to pole attachment fees from 2016-2023 and amended as the settlement negotiations continued to include all outstanding fees). The cumulative total of both claims being \$1,449,495.52.

The bankruptcy court excluded a significant number of debtors, including the City of Denton, to allow them to pass through the case and negotiate with Frontier directly to settle the claims outside the bankruptcy trustee process. Through this process and with help from our outside counsel, Haynes and Boone, the parties have agreed to a settlement of all claims and debt from Verizon for \$931,459.74, which equates to about 60% of the total amount of unpaid invoices from 2006-2023 and full payment of the 2024 invoice.

In addition to settling the outstanding claims, the settlement agreement included negotiation and execution of an updated Pole Attachment License Agreement. This agreement sets out the relationship between the parties going forward.

OPTIONS

Settlement of this matter within previously delegated settlement authority, and the option is to formally ratify and approve the settlement.

Approve the attached Pole Attachment License Agreement as part of the settlement agreement.

RECOMMENDATION

Proceed with formal approval of both the Settlement Agreement and Pole Attachment License Agreement.

EXHIBITS

Exhibit 1 – AIS Exhibit 2 – Ordinance, Settlement Agreement and Release of Claims, and Pole Attachment License Agreement

Respectfully submitted:

/s/ Marcella Lunn Senior Deputy City Attorney

Prepared by: Amy Hoffee, Paralegal

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