

AGENDA ITEM SUMMARY

City Council



STAFF

Chad Crager, Connexion Executive Director
Jeff Rochford, Connexion FP&A Manager

SUBJECT

Second Reading of Ordinance No. 048, 2026, Appropriating Prior Year Reserves for the Broadband Infrastructure Buildout Project and Related Art in Public Places.

EXECUTIVE SUMMARY

This Ordinance, unanimously adopted on First Reading on May 5, 2026, appropriates 2025 prior year reserves received in 2025 as unanticipated revenue to the non-lapsing Broadband Infrastructure Buildout project. Aspects of the project include buildout to Multi-Dwelling Units, customer installations, asset management, and related art in public places.

In August 2025, Connexion received \$2,917,016 in proceeds related to the Open International utility billing software judgment which were assigned as revenue in the Other Non-Operating account. When netted with the balance of Connexion's revenue, Connexion revenue exceeded budgeted revenue by \$2,216,181.

Therefore, this appropriation is for the total excess fund revenue budget of \$2,216,181 to Broadband Infrastructure Buildout capital project to support anticipated growth in 2026 and beyond.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on Second Reading.

FIRST READING BACKGROUND / DISCUSSION

Determining the amount:

The table below illustrates how the amount of \$2,216,181 was determined by showing contribution to Connexion's 2025 total budgeted revenue.

Open Settlement	\$2,917,016
All Other Revenue	-\$700,835
Total:	\$2,216,181

Purpose for appropriation:

Connexion continues to grow rapidly as market share exceeds 40% of premises where service is available. Connexion staff expect moderate growth to continue for the next several years while maintaining a high level of service and customer support.

The 2025 prior year reserves would be appropriated to support the Connexion Infrastructure Buildout capital project, which includes the following main components:

- Additional installations resulting from increased customer sign-ups.
- Additional premises and multi-dwelling units infrastructure
- Network infrastructure
- Customer premises equipment
- GIS capital software

Art in Public Places

This appropriation is subject to Art in Public Places program (“APP Program”) contained City Code Section 23-204, which requires one percent of the appropriation to be transferred to the Cultural Services and Facilities Fund for a contribution to the APP Program. A total project cost of \$1,739,181 has been used to calculate the contribution to the APP program, subtracting the cost of a GIS software upgrade (\$477,000) not subject to the APP Program. The amount to be contributed in this Ordinance will be \$17,392.

Reason for the prior year reserves:

Following a multi-year court proceeding, the City was awarded over \$19,000,000 in damages, an amount that increased to approximately \$21,000,000 with interest, from Open International. Of that amount, \$2,917,000 was identified to be attributable to Connexion and was received by Connexion in August 2025.

Without the proceeds from the judgment, Connexion would have under-performed the revenue budget by \$701,000 or 2.8%. This under-performance was due to the inherent challenge of forecasting rapid growth. Customer revenue was within 1.8% of budget implying the budget was accurate in nature.

CITY FINANCIAL IMPACTS

This item has no financial impact to the City as it appropriates existing 2025 prior year reserves from the Broadband fund to Broadband capital accounts.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

None.

PUBLIC OUTREACH

None.

ATTACHMENTS

First Reading attachments available in May 5, 2026, agenda materials at the following link: <https://fortcollins-co.municodemeetings.com/>.

1. Ordinance No. 048, 2026