

# AGENDA ITEM SUMMARY

City Council



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## STAFF

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

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## SUBJECT

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

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## EXECUTIVE SUMMARY

The purpose of this item is to appropriate 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.

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## STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

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## 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**

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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**

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None.

**PUBLIC OUTREACH**

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None.

**ATTACHMENTS**

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1. Ordinance No. 048, 2026