

AGENDA ITEM SUMMARY

City Council



STAFF

Tyler Marr, Deputy City Manager
Chad Crager, Connexion Executive Director
Jeff Rochford, Connexion FP&A Manager

SUBJECT

First Reading of Ordinance No. 058, 2025, Authorizing Transfers of Appropriations from Broadband Operating Funds to Capital Project Accounts.

EXECUTIVE SUMMARY

The purpose of this item is to transfer monies that were previously appropriated by City Council as 2025 Broadband operating fund expenses to Broadband capital projects. The previously authorized operating expenditures are not expected to be spent in 2025 because:

- Connexion video product sales have slowed and related appropriated costs will not be fully expended in 2025.
- Marketing budget, after review, has sufficient underspend expected in 2025.
- Other operating efficiencies exist resulting in additional expected underspend in 2025.

Staff recommends transfer of the total unencumbered and unspent budget appropriations to Broadband capital projects for the purpose of funding additional installations resulting from increased customer sign-ups.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

BACKGROUND / DISCUSSION

Purpose for fund transfer to capital accounts:

Transferred funds would be utilized for the purpose of funding projected installations for single-family homes and multi-dwelling units from the following Connexion sources:

Content (Cost of Goods Sold)	\$800,000
Marketing	\$400,000
Operational Efficiencies	\$200,000
Total:	\$1,400,000

Reason for operating funds availability:

Due to slowing video product sales, Connexion’s costs of goods are projected to be significantly under budget in 2025. Therefore, \$800,000 is recommended to be transferred, leaving the remaining budget which will allow for any unexpected increase in sales. Additionally, when the 2025/2026 budget was approved, Connexion had consolidated two different Marketing budgets previously existing in two separate business units. Although the expected Marketing expenditures are anticipated to grow year over year, there exists \$400,000 of projected underspend and after thorough review, \$200,000 of additional operational efficiencies resulting in underspend were identified. This has resulted in a total of \$1,400,000 eligible to transfer to Broadband capital expenses.

CITY FINANCIAL IMPACTS

This item has no financial impact to the City as it only transfers existing 2025 appropriations from the Broadband fund to Broadband capital accounts.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

None.

PUBLIC OUTREACH

None.

ATTACHMENTS

1. Ordinance for Consideration