

FINANCES

2019 Connexion Budget to Actual

	BUDGET	ACTUAL	BETTER / (WORSE)
Operating Revenues*	\$387,600	\$11,352	(\$376,248)
Operating Expense	\$3,878,768	\$2,201,262	\$1,677,506
Net Operations	(\$3,491,168)	(\$2,189,910)	\$1,301,258
Investment Income	\$0	\$3,636,523	\$3,636,523
Net Total	(\$3,491,168)	\$1,446,613	\$4,937,781
	BUDGET	PROJECT TO DATE	REMAINING
Capital Expenses	\$118,174,680	\$32,775,943	\$85,398,737

*Excludes investment earnings on bond proceeds



The Connexion Budget included an aggressive launch schedule. However, the Connexion team intentionally used a controlled release approach for launch to ensure processes and procedures were in place before full ramp up. Additionally, there were some delays with the back-office system delivery (Open Smart Flex billing solution) and with a historically difficult winter for Fort Collins, we had a slower start up.

- Slower start up is reflected in the lower operating revenues and operating expenses compared to budget.
- Overall cashflow was \$4.9M positive driven primarily by investment income from unspent bond proceeds.
- \$1.3 M of positive operating cash flow compared to budget excluding investment income.
- We're approximately 28% spent on Capital which is on target.
- We have confidence we can complete the build within the capital budget estimated in the business plan.

GENERAL UPDATE

Network Operations Center

Connexion's Network Operations Center (NOC) is fully staffed and provides 24/7 customer technical support!

This growing group of local, highly trained, friendly professionals monitors and maintains client networks 24/7. Customers can call and speak to a live, local representative 24 hours a day, 7 days a week including weekends and holidays. This network team will continue to grow and is committed to providing excellent customer service residents are accustomed to receiving from the City of Fort Collins.

Phone number and email are listed online at fconnexion.com/support.

Customer Care Team

The City of Fort Collins Customer Service department has new, expanded hours. Representatives are available to assist with sales, billing and bill payments Monday – Friday, 7 a.m. – 7 p.m. and Saturday from 8 a.m. – noon. Information including hours, phone number and email are listed online at fconnexion.com/support.

Open Smart Flex Billing System

Back office systems and processes are largely complete. Standing up the billing system to support Utilities and the new Connexion business has taken longer and been more challenging than anticipated. Expect full Connexion capability available by May.

Digital Equity

A Digital Equity offer has been developed which provides a \$40 discount on 1 gigabit speed internet service to customers who currently qualify for Utility income-qualified rates.

Critical Infrastructure

Government work, including Connexion Service is critical infrastructure and is considered essential under the Colorado Department of Public Health & Environment Public Health Order 20-24 (PHO 20-24) and the Department of Homeland Security's Cybersecurity & Infrastructure Security Agency (CISA).

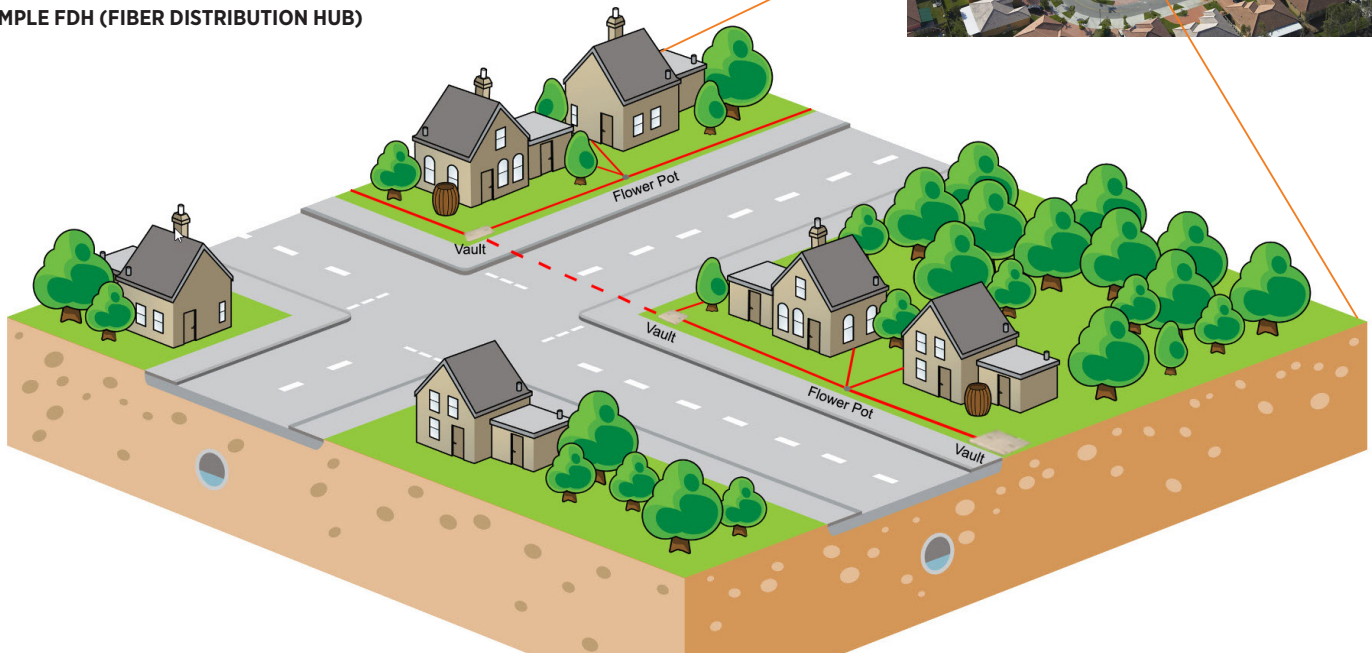
This includes, but is not limited to:

- Construction
- Utilities
- Public works
- Internet/telecommunication support

Construction Update

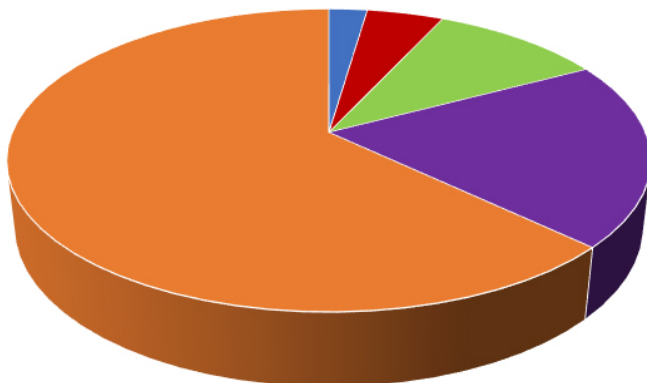
Fort Collins Connexion is designing the neighborhood networks by FDH (Fiber Distribution Hubs). An FDH is where the network enters a neighborhood and is distributed through vaults and flowerpots.

EXAMPLE FDH (FIBER DISTRIBUTION HUB)



- An FDH is a neighborhood consisting of approximately 225+ homes.
- Within an FDH, the Connexion fiber optic network is distributed underground connected by vaults and flowerpots to serve multiple homes and businesses.
- A flowerpot is a type of vault that serves two homes. When a customer signs up for Connexion service, the fiber will be run from the flowerpot to the side of the house.

**FDH Status
February 2020
348 Total**



■ FDH in Quality Control (8) ■ FDH Service Available (16) ■ FDH Ready for Permits (36)
■ FDH In Construction (69) ■ FDH In Design (219)

Construction Update (continued)

- Huts and electronics successfully installed, with system launch August 2019.
- Installed 112.6 miles of fiber, over 1,700 vaults and 2,900 flowerpots as of 3/20/20.
- Difficult winter delayed construction progress. In the process of ramping up more crews for both fiber construction and home/business connection by the end of April to increase daily production.
- Anticipate continuing fiber network construction and drops to the home/business during the “shelter in place” order subject to crew availability. Connexion’s number one priority is always the health, safety and well-being of our employees, subcontractor partners and our customers that we are privileged to serve daily.
- Based on recommendations from the Centers for Disease Control and Prevention and other Public Health organizations for safety and social distancing, Connexion in partnership with our vendors has established policies and procedures to safely operate during these extraordinary circumstances and minimize risk both to staff and the public.

Marketing

With construction ramping up and back office systems in place, anticipate more aggressive marketing and community engagement now that we're confident we can deliver a highly reliable product with a quality customer experience.

Reminder

Fort Collins Connexion Broadband was expected to be a 5-year project and we are in year 2. While we are working to shorten the construction timeline, the nature of a multi-year construction project means some residents will see service early in the process and others will be at the end of the process. We thank you for your patience and understanding as we build out our fiber network over multiple years.

PRODUCTS AND PRICING

Residential Internet

1 Gbps - \$59.95 a month

- Installation – FREE!
- Symmetrical Upload/Download speeds
- One (1) Email Address
- Security Software License
- No tax on internet service

10 Gbps - \$299.95 a month

- Installation – FREE!
- Symmetrical Upload/Download speeds
- One (1) Email Address
- Security Software License
- No tax on internet service



To sign up to be notified as soon as service is available to order, visit fconnexion.com/residential

Phone

BASIC - \$19.95 a month

- Unlimited Local Calling
- e911

PREFERRED - \$24.95 a month

- Unlimited Local Calling
- Standard Feature Set: voicemail, call waiting and more
- e911

PREMIER - \$29.95 a month

- Unlimited local & long-distance calling
- Standard Feature Set: voicemail, call waiting and more!
- e911

Keep your current phone number. No additional cost.

Small Business

High-speed Internet – 3 speeds available

250 Mbps - \$99.95 a month

- Symmetrical Upload/Download speeds
- No data caps
- One (1) Email Address
- Security Software License
- 24/7 local technical support
- No tax on internet service

500 Mbps - \$199.95 a month

- Symmetrical Upload/Download speeds
- No data caps
- One (1) Email Address
- Security Software License
- 24/7 local technical support
- No tax on internet service

1 Gbps - \$399.95 a month

- Symmetrical Upload/Download speeds
- No data caps
- One (1) Email Address
- Security Software License
- 24/7 local technical support
- No tax on internet service

For all other business services, please call 970-207-7872 to speak with a dedicated Connexion business representative.



TV Service – Coming soon!

- **Bronze – \$29.95/mo.**
- **Silver – \$59.95/mo.**
- **Gold – \$79.95/mo.**
- Premium channels, sports and Spanish language packages available
- 100 hrs. Cloud DVR storage included (option to upgrade)
- Use a streaming device or optional set top box rental
- 5 simultaneous streams included (option to upgrade)

STAFFING/HIRING

Fort Collins Connexion staff consists of a wide variety of skill sets and job functions – from network engineering to fiber technicians and in-home installers. Connexion is also engaging numerous vendors including OnTrac for installations and Atlantic Engineering Group for the fiber construction. As the network grows, we will continue to add new roles.

CUSTOMER EXPERIENCE

Customer Feedback

"Thank you to Pedro and the OnTrac contractors for the friendly and on time service in installing FC Connexion Service in my home yesterday. You were right on time for the appointment and worked with me to find the best location in my home to allow for the best level of service...Thanks to you I am now running at Gig speed!"

"Just wanted to send a note about the wonderful customer service my technician offered me today... He was extremely courteous and patient; answered all of my questions and helped me understand what to expect from this service. Was on time, went straight to work, worked quickly, used his boot covers and I was comfortable letting him into my home. 5-star review. Thank you!"

"Just wanted to say that I'm emailing you all via my new 1G broadband CONNEXION!"

"Kris, the installer, just left. 1:20 door to door of world class customer service. He was great and the internet speed is ridiculous. I'm thrilled."

"I am very impressed by the individual level of service I've received from everyone at Connexion. All my questions were answered very thorough."

"Extremely professional. They had the pre work completed before the appointment. They came prepared and were professional. They didn't leave until they were certain that I was satisfied. Top notch experience."

"Our experience was amazing! The two installers were fantastic!!! Very helpful, knowledgeable, and personable! They went above & beyond to make sure I understood everything! We will recommend Connexion to everyone we know!"

"Chris was awesome. Very courteous and professional. World Class Customer Service for sure!"

