



# Layton City Council Presentation

January 21, 2016



# Original '5 Year Plan' Objectives

- Started July, 2011 with UIA Bonding
- New bonding will generate sufficient revenues to:
  - Cover new debt obligations
  - Reach operational break-even
- Deploy as much infrastructure as resources allow
- Contribute to debt relief (pledge payments)



# Original '5 Year Plan' Strategies

- Asset deployment based on best ROI
  - Calculate Payback based on:
    - Estimated Construction Costs
    - Anticipated Revenue
  - Rank by quickest payback
- Increase addressable market
- Leverage stimulus build
- Maximize operational efficiency



# Original '5 Year Plan' Performance



- Covered all new debt payments without hitting city backstops
- Increased addressable market
- Built out Centerville
- Completed stimulus build-out
- Completed Sweet Spot construction build
- Added over 6,000 UIA subscribers since July 2011



# Original '5 Year Plan' Performance (Continued)

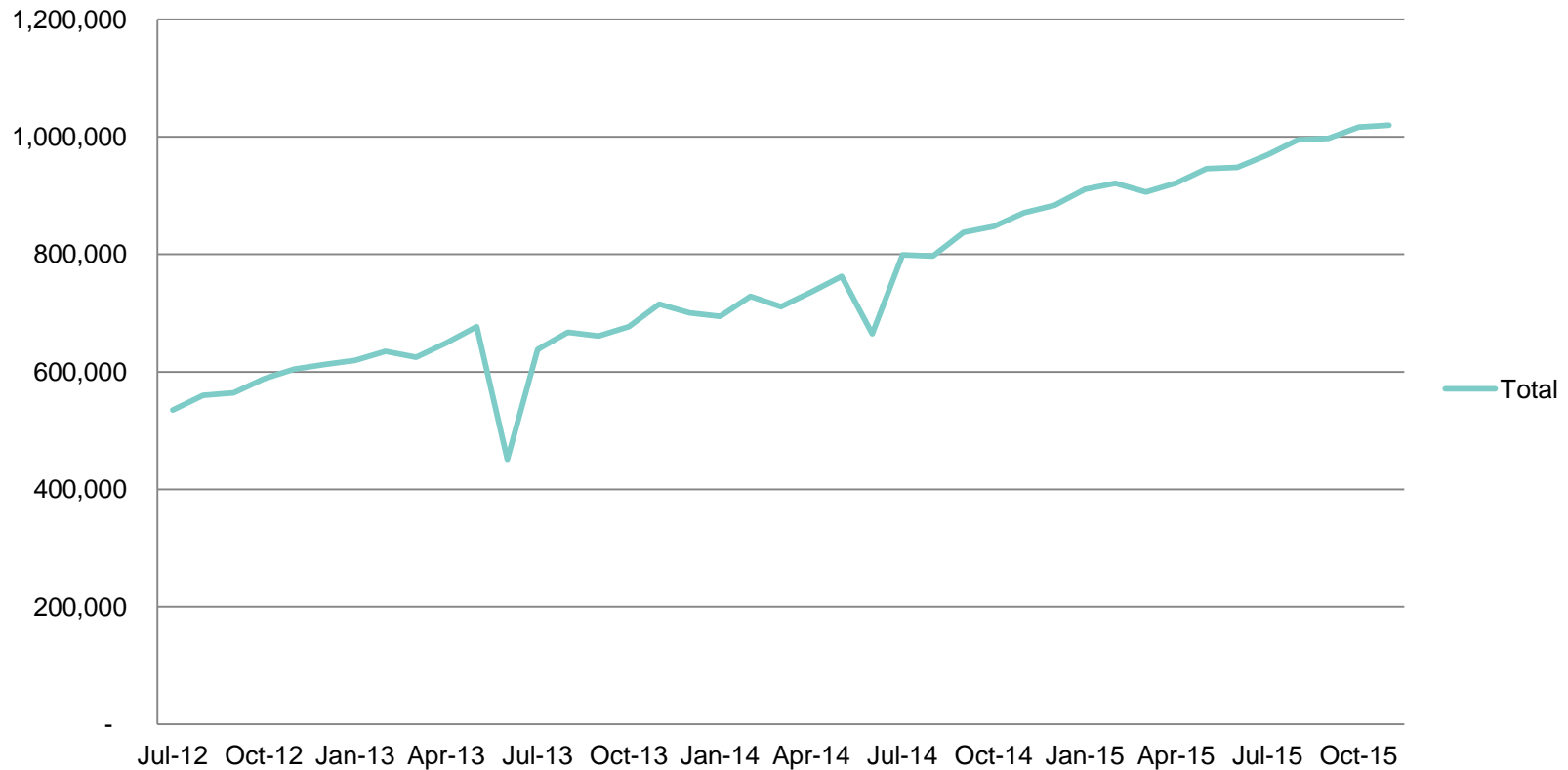
- UIA recurring revenues grown to over \$625,000 per month
- Combined Network Recurring Revenues over \$1,000,000
  - Continues to grow at \$10,000 – \$15,000 per month
    - FY15 average growth \$14,000



# Combined Revenue Growth



**Recurring Revenue  
Combined (UTOPIA and UIA)**



# Original '5 Year Plan' Performance



- Operational Break Even achieved prior to December 2015
  - Achieved break even status prior to realizing benefits of final \$24M Bond
- City Assessments
  - Do not anticipate sending assessments in FY16
  - Some cities still have outstanding balance on prior assessments



# Original '5 Year Plan' Performance (Continued)

- Operating expenses
  - FY15 below budget
  - FY16 to date, also below budget
- Staffing
  - Some additions will be required (Exec Dir., Exec Admin, etc.)
  - Even with projected staff increases, we should be able to maintain break even going forward





# Current Available Funding



- \$10.0 M RUS Settlement Funds
  - UTOPIA Funds
- \$24.3 M Bond
  - UIA Funding
- So what are we doing with those funds?



# Sources and Uses of Funds



RUS Settlement	10,000,000
Phase III Bond	<u>26,144,600</u>
Total	36,144,600
Construction	20,690,000
Installs	5,490,600
Marketing	1,450,000
Electronics Upgrades	7,255,000
Bond Issuance Costs	404,000
Cap Interest *	463,000
Other	<u>392,000</u>
Total	36,144,600



# Continue to follow original '5 Year Plan' Strategies



- Asset deployment based on best ROI (with a bias towards parity)
  - Calculate Payback based on:
    - Construction Costs
    - Anticipated Revenue
  - Rank by quickest payback
- Stimulus and Open Trench Opportunities push some projects to top of list
- Also continued focus on:
  - Business
  - “Green” Addresses”



# Percent of Addresses Passed



UTOPIA/ UIA CITY	% Build Out
CENTERVILLE	99%
TREMONTON	96%
BRIGHAM CITY	94%
LINDON	93%
MURRAY	67%
MIDVALE	55%
OREM	48%
PAYSON	42%
WEST VALLEY CITY	24%
LAYTON	31%
PERRY	0%
<b>Grand Total</b>	<b>41%</b>



# Continue to follow original '5 Year Plan' Strategies



- Asset deployment based on best ROI *(with a bias towards parity)*
  - LA020
  - LA021 *(partial build)*
  - LA016 *(partial build)*
  - LA020A
  - LA023
  - Potentially others
- PE001
- WV001, WV002, WV007, and others
- Complete footprints in Orem, Midvale, Tremonton



# New Customer Growth - 2015



City	Sales
Brigham City	88
Centerville	140
Layton	374
Lindon	130
Midvale	72
Murray	240
Orem	262
Payson	73
Tremonton	127
West Valley City	94
<b>TOTAL</b>	<b>1,600</b>



# Layton City Status



Footprint	Total Addresses	Total Connected	Take Rate
LA020 West*	521	88	16.90%
LA020 East*	350	39	11.14%
LA021*	431	69	16.00%
LA016*	620	93	15.00%
LA009	2185	436	20%

\* Opened footprint in 2015



# 2016 Marketing Focus



- Targeting available Residential addresses
  - New installations (new and existing footprints)
  - Disconnects
- Green Fields and New Build opportunities
  - Opportunities based on ROI
  - Place (or have placed) conduit wherever possible
- Continue to focus on Business connections





# Current Marketing Efforts



- Available Addresses
  - UTOPIA campaign underway in all cities
    - City specific mailers, digital ads, and social media
    - Continue our focus on business
- New Footprints
  - Promotions, events, and utilizing UTOPIA advocates
- Increased ISP Involvement
- City Involvement



# Layton Marketing



# THE WAIT IS OVER!

The future of connectivity is finally in Layton.



Connect NOW at [UTOPIAnet.org/Layton](http://UTOPIAnet.org/Layton)  
Or call 800.984.2830



# Layton Marketing



## CONNECT WITH UTOPIA TODAY!

Great news—your household is eligible for UTOPIA right now! With UTOPIA, you'll have exclusive bandwidth and the world's fastest Internet connection, all without the interruptions of a less reliable service. Plus, you pick the provider that best fits your needs.

Now you can game, stream, upload and download faster and smoother than ever before.



Connect NOW at [UTOPIAnet.org/Layton](http://UTOPIAnet.org/Layton)  
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