

Quilt Financial Focus Group

October 19, 2016



Agenda



- Buckle Up and hold on to you seat!
- Key Principles
- Revenue – Money! Money!
- Templates – Calculators!
- Examples
- How was the ride?



Key Principles

- Merit Permits and Owns fiber lateral
- Merit is responsible for all fiber maintenance, including pole, permitting, and right-a-way fees.
- Merit is responsible for all make-ready cost for others to attach
- Merit is responsible for all moves for municipality beautification projects or MI-Department of Transportation moves (including temporary)
- Updated contract to charge Member for tier-down/break-out if they disconnect.

Revenue – Money! Money!

- 2010 Cut annual fiber maintenance fee per mile from \$1,500 to \$750
- 2010 Added \$1,200 annual fee to support core/backbone infrastructure
- Both an Asset and a Liability!!
 - Minimize Risk.....

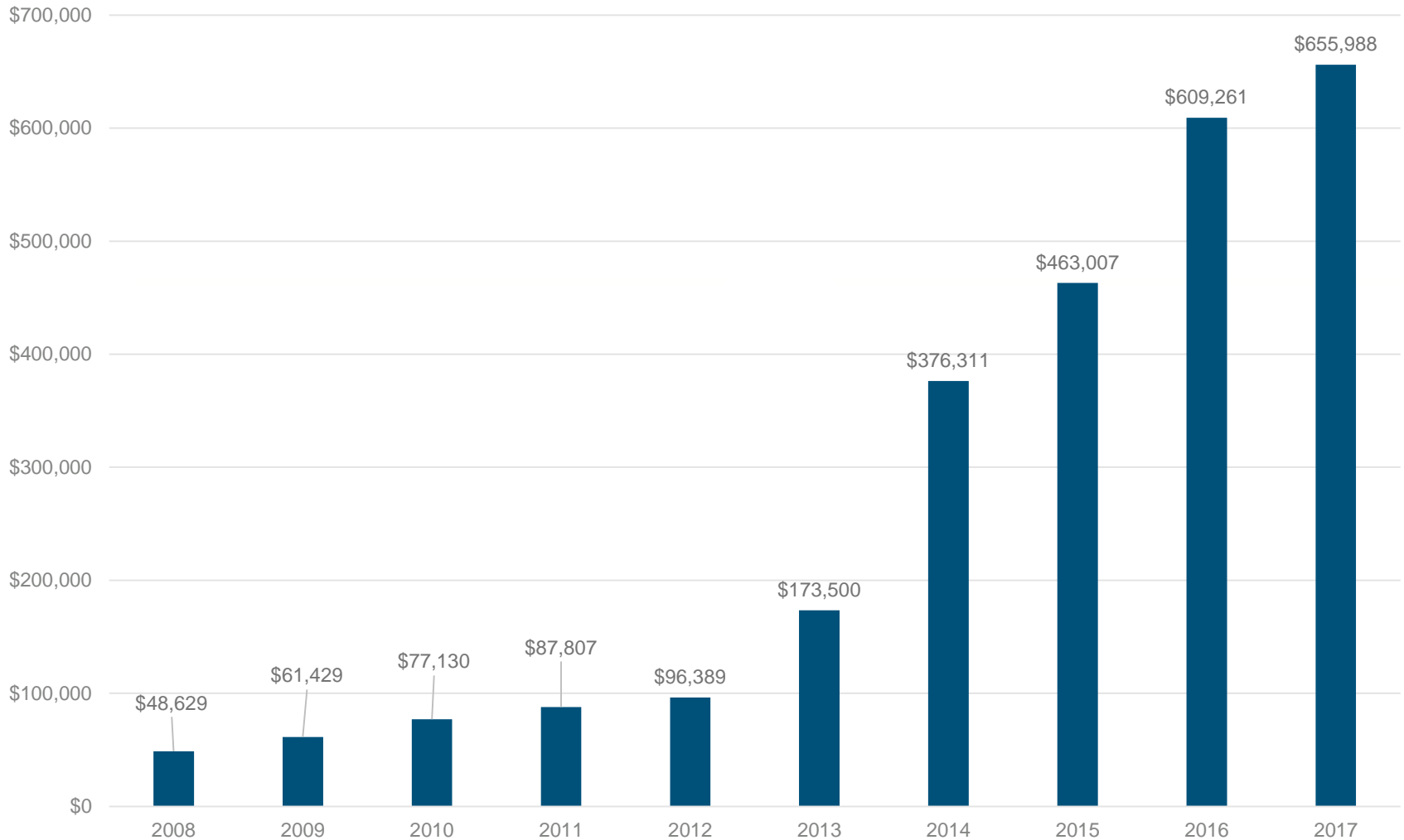


Revenue – Money! Money!

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
Dedicated Merit Owned Fiber	\$21,506	\$25,757	\$15,772	\$10,519	\$12,039	\$63,695	\$193,213	\$248,572	\$376,101	\$414,207	
Fiber Maintenance Fee	\$27,124	\$35,672	\$61,359	\$77,287	\$84,351	\$109,805	\$183,099	\$214,435	\$233,160	\$241,782	
Sub-Total	\$48,629	\$61,429	\$77,130	\$87,807	\$96,389	\$173,500	\$376,311	\$463,007	\$609,261	\$655,988	
Increase in Operating Revenue											
Per year		\$12,800	\$15,701	\$10,676	\$8,583	\$77,111	\$202,811	\$86,696	\$146,254	\$46,727	
Fiber Administration Fee	\$5,674	\$10,431	\$21,776	\$26,732	\$29,961	\$25,486	\$25,118	\$14,818	\$11,078	\$3,147	\$174,220
Leased Fiber Construction	\$60,456	\$121,407	\$254,941	\$264,524	\$313,253	\$310,118	\$270,253	\$161,570	\$111,659	\$26,055	
Sub-Total	\$66,130	\$131,837	\$276,717	\$291,257	\$343,213	\$335,603	\$295,371	\$176,388	\$122,736	\$29,202	
Total	\$114,759	\$193,266	\$353,848	\$379,063	\$439,603	\$509,103	\$671,682	\$639,396	\$731,997	\$685,190	

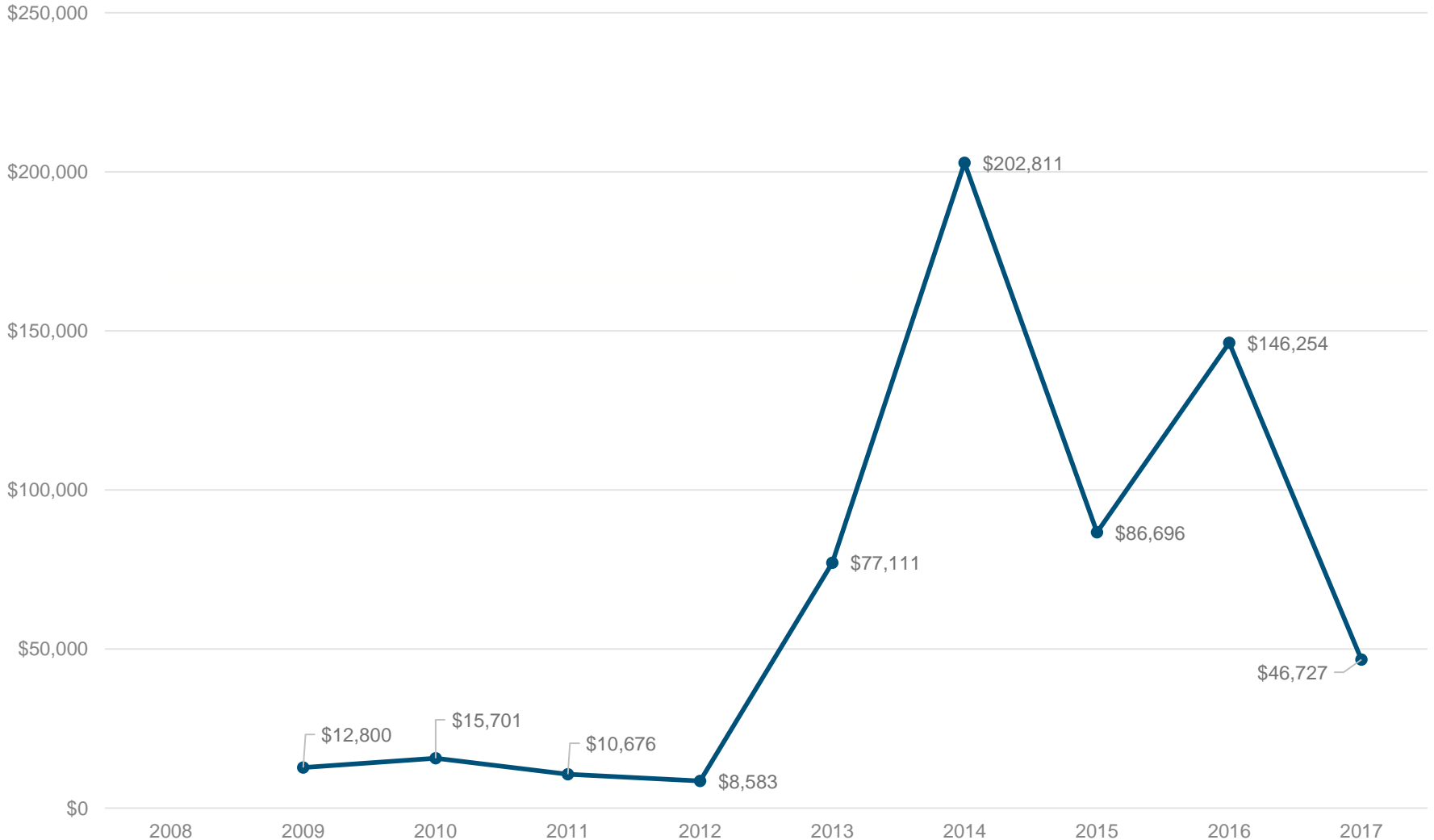
Revenue – Money! Money!

Growth in Infrastructure Operating Revenue



Revenue – Money! Money!

Increase in Operating Revenue Per Year



Templates and Examples

Template Time!

Then

Examples!!

How was the ride?

Questions?

Input?

What da'ya think?

