

ROANOKE VALLEY BROADBAND AUTHORITY

P.O. Box 2569, Roanoke, VA 24010
www.highspeedroanoke.net

MEMBERS:

Kevin Boggess, City of Salem
Kathleen Guzi, Botetourt County
Mike McEvoy, Citizen
Chris Morrill, City of Roanoke
Daniel O'Donnell, Roanoke County

Roanoke Valley Broadband Authority Meeting

Friday, January 16, 2015 at 8:30 a.m.

Roanoke Valley-Alleghany Regional Commission office (Upstairs Conference Room)
313 Luck Avenue, SW, Roanoke, VA 24016

AGENDA

1. **Call to Order, Introductions & Roll Call** *Chairman Boggess*
2. **Approval of the November 21, 2014 Minutes, pp. 2-6** *Chairman Boggess*
3. **Treasurer's Report, pp. 7-9** *Olivia Dooley, Treasurer*
 - Financial Reports for the Period July 1, 2014 - December 31, 2014
 - Adoption of "Resolution and Agreement for Deposit Account" and Authorization of Designated Representatives for Signature Card with BB&T
4. **Approval of a Six-Month Contract Extension with the Blue Ridge Advisory Services Group** *Chairman Boggess*
5. **Updates**
 - VRA Loan Application *Mike McEvoy*
 - Network Operations RFP *Matt Miller*
 - Design & Engineering Work *Thompson & Litton*
6. **Other Business**
 - Construction RFP *Matt Miller*
 - Set New Meeting Date/Time for Monthly Broadband Meetings *Chairman Boggess*
7. **Adjournment**

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MINUTES

The November meeting of the Roanoke Valley Broadband Authority was held on Thursday, November 21, 2014 at 8:30 a.m. at the Roanoke Valley-Alleghany Regional Commission office located at 313 Luck Avenue, SW, Roanoke, VA.

1. CALL TO ORDER, WELCOME AND ROLL CALL

Chairman Boggess called the meeting to order at 8:30 a.m. and welcomed those in attendance. Recording Secretary, Jackie Pace, called the roll and reported that a quorum was present.

Roanoke Valley Broadband Authority: *Present:* Kevin Boggess, City of Salem; Mike McEvoy, Citizen; Chris Morrill, City of Roanoke; and Dan O'Donnell, Roanoke County. *Absent:* Kathleen Guzi, Botetourt County.

OTHERS IN ATTENDANCE

Regional Commission Staff: Olivia Dooley, Treasurer; Matt Miller; and Jackie Pace.

Guests: Wayne Bowers, Roanoke City Economic Development and Broadband Advisory Committee member; Steve Cronemeyer, Verizon; Paul Combs, ComCast; Sam English, Roanoke Blacksburg Technology Council and Broadband Advisory Committee member; James Funkhouser, Shentel; Jim Garrett, Kinex Telecom; Jud Hofmann, Citizen; Meredith Hundley, Virginia Tech; Stacie Vest, Cox; Rob Ledger, Roanoke City Economic Development; Ariel Levi, Co-lab; Granger Macfarlane, Citizen; Roy Mentkow, City of Roanoke; Jack Murphy, Thompson & Litton; Bob Picchi, Blue Ridge Advisory Services Group; and Eric Price, Thompson & Litton.

2. APPROVAL OF THE OCTOBER 16, 2014 MINUTES

The Minutes of the October 16, 2014 meeting of the Roanoke Valley Broadband Authority were distributed earlier.

Roanoke Valley Broadband Authority Action:

Upon motion by Mr. O'Donnell, seconded by Mr. McEvoy and carried, the Minutes of the October 16, 2014 meeting of the Roanoke Valley Broadband Authority were approved, as distributed.

3. TREASURER'S REPORT

A. Financial Report (July 1, 2014-October 31, 2014)

For Informational Purposes. The Financial Report, for the period July 1, 2014 through October 31, 2014, was previously distributed. Chairman Boggess stated that the report included in the agenda mailing ended with September 30, 2014 figures. Members were presented at the meeting with an updated report with figures ending October 31, 2014.

B. Adoption of the Proposed FY 2015 Budget

The proposed budget was presented earlier in the agenda packet. Chairman Boggess also reported that both the Cities of Roanoke and Salem have now each allocated \$100,000 toward the contract work by Thompson & Litton for the design engineering and permitting work of the 42-mile broadband network. Those amounts are reflected in the proposed budget.

Roanoke Valley Broadband Authority Action:

Mr. McEvoy moved approval of the proposed FY 2015 Budget, as presented. The motion was seconded by Mr. O'Donnell and carried.

C. Audit Services RFP Update

A Request for Proposals to perform Auditing Services for the Roanoke Valley Broadband Authority was advertised in October, 2014. Chairman Boggess reported that only one proposal was received --- Robinson, Farmer, Cox Associates. Chairman Boggess stated that he has reviewed the proposal and finds it acceptable.

Roanoke Valley Broadband Authority Action:

Mr. McEvoy moved to accept the proposal from Robinson, Farmer, Cox Associates and asked that the firm be awarded the contract to perform Auditing Services for the Roanoke Valley Broadband Authority for the period January 1, 2014 through June 30, 2015. The motion was seconded by Mr. Morrill and carried.

D. Discussion of Draft Financial Operations Manual

Members were presented with a copy of the (Draft) Financial Operations Manual and asked to review the document and be prepared to take action at the next scheduled meeting. The Financial Operations Manual serves as a framework document for the initial startup of the Authority and provides detailed information on the financial management, conduct of business and the account and administration of funds. The manual will assist not only the Broadband Authority members, but its auditors as well. It will be updated as necessary to include all current fiscal policies and standards developed by the Broadband Authority it the Authority evolves.

4. CONTRACT APPROVAL OF THOMPSON & LITTON FOR DESIGN ENGINEERING AND PERMITTING WORK

At the October Broadband meeting, the Board agreed to move forward with contract negotiations with Thompson & Litton for the design engineering and permitting work for the smaller 42-mile network, contingent upon approval of the FY 2015 budget at the November meeting. Staff from Thompson & Litton stated that they are prepared to move forward at this time.

Roanoke Valley Broadband Authority Action:

Mr. Morrill moved to award the contract to Thompson & Litton for the design, engineering and permitting work for the smaller 42-mile broadband network. The motion was seconded by Mr. McEvoy and carried.

5. DISCUSSION OF NETWORK OPERATIONS RFP

A draft Network Operations RFP was previously distributed to Authority Board members for their comment. Matt Miller reported that he is still developing and working on the language for the Network Operations RFP. Mr. Miller envisions a month to prepare and issue the RFP and another month to receive and review proposals.

Roanoke Valley Broadband Authority Action:

Board members unanimously authorized Chairman Boggess to work with the Commission staff to refine the language in the RFP and set the date of December 8, 2014 as the deadline for members to submit any additional comments/changes concerning the draft RFP. Staff was then directed to release the RFP to the media within 30 days and to widely advertise.

6. PRESENTATION BY SHENTEL

A short video of the history of Shentel was presented by James Funkhouser, Business Development Manager – Fiber Sales. Shentel started out as a supplier of telephone service for hard-to-reach customers in rural areas. It has expanded into an array of new technologies such as broadband, wireless and fiber optic services. They now provide: (1) high speed Internet services, (2) Metro Ethernet ultra-high speed data connections from 5Mbps to 100Bpps, (3) traditional telecommunications facilities from DS1 to OC-192, (4) Cell Tower Colocation, and (5) Cell Tower Backhaul. Shentel is the last of two Sprint wireless affiliates. Mr. Funkhouser stated that Shentel is the Internet provider for Craig County Schools and is also the carrier for Franklin County Schools (i.e., wide area network and Internet access). Concerning Franklin County Schools, Mr. McEvoy asked if Shentel uses their own network or Mid-Atlantic’s Broadband to provide service. Mr. Funkhouser said they use their own services where available and then use Mid-Atlantic. Use fiber swaps to make relationships work with other carriers. Mr. Funkhouser concluded that Shentel is interested in the Broadband Authority’s project and would be glad to discuss further how any of their services can fit into the project.

7. ADOPTION OF A RESOLUTION CONCERNING “OFFICIAL INTENT TO REIMBURSE EXPENDITURES WITH PROCEEDS OF A BORROWING”

Mike McEvoy presented a resolution entitled “Official Intent to Reimburse Expenditures with Proceeds of a Borrowing” for consideration. Should the Broadband Authority receive a Virginia Resources Authority (VRA) loan at a later date, initial investments of the Broadband Authority can be reimbursed with VRA funds if the proposed resolution is adopted.

The resolution outlined the intents of the Authority as follows:

- (1) To utilize the proceeds of tax-exempt bonds or the Authority’s bond given in connection therewith or to incur other debt, to pay some or all of the costs of the project in an amount not currently expected to exceed \$8,200,000.
- (2) That the proceeds of the Bonds be used to reimburse the Authority for Expenditures with respect to the project made on or after the date that is no more than 60 days prior to the date

of the resolution. The Authority reasonably expects on the date hereof that it will reimburse the Expenditures with the proceeds of the Bonds or other debt.

- (3) Each Expenditure was or will be, unless otherwise approved by bond counsel, either (a) of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of the Expenditure), (b) a cost of issuance with respect to the Bonds, (c) a nonrecurring item that is not customarily payable from current revenues, (d) a grant to a party that is not related to or an agent of the Authority so long as such grant does not impose any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the Authority.
- (4) The Authority intends to make a reimbursement allocation, which is a written allocation by the Authority that evidences the Authority's use of proceeds of the Bonds to reimburse an Expenditure, no later than 18 months after the later of the date on which the Expenditure is paid or the Project is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid. Periodic requisitions of funds will constitute the Authority's written allocation. The Authority recognizes that exceptions are available for certain "preliminary expenditures", costs of issuance, certain de minimis amounts, expenditures by "small issuers" (based on the year of issuance and not the year of expenditure) and expenditures for construction of at least five years.
- (5) The Authority intends that the adoption of the resolution confirms the "official intent" within the meaning of Treasury Regulations Section 1.150-2 promulgated under the Internal Revenue Code of 1986, As Amended.

Roanoke Valley Broadband Authority Action:

Mr. McEvoy moved for adoption of the resolution entitled "Official Intent to Reimburse Expenditures with Proceeds of a Borrowing". The motion was seconded by Mr. Morrill and carried.

8. DISCUSSION CONCERNING ENGAGING LEGAL COUNSEL

At the October Board meeting, Mr. Picchi stated that the Authority is at the point in the broadband process where legal counsel should be considered. Mr. McEvoy stated he would look into the use of a local legal firm and report back at the November meeting. Mr. McEvoy distributed at the meeting a revised letter from Mr. Harwell Darby, Jr. to Authority members concerning the engagement of Glenn, Feldmann, Darby & Goodlatte to serve as legal counsel for the Roanoke Valley Broadband Authority. Mr. McEvoy stated that the firm can help the Authority members and staff, as well as consultants, with title examinations and easement acquisitions, permitting and site acquisitions, recording of easements, conflict of interest rules, etc.

Roanoke Valley Broadband Authority Action:

Mr. McEvoy moved that the Broadband Authority authorize engaging Glenn, Feldmann, Darby & Goodlatte to serve as legal counsel for the Roanoke Valley Broadband Authority, per the terms outlined in the revised letter from Mr. Harwell Darby, Jr. The motion was seconded by Mr. O'Donnell and carried.

9. OTHER BUSINESS

Chairman Boggess reported that if there were no objections, the December meeting of the Roanoke Valley Broadband Authority would be cancelled. The next meeting is scheduled for

Friday, January 16, 2015 at 8:30 a.m. at the Regional Commission office. Chairman Boggess reported that beginning in February of 2015, he would need to attend a meeting in Richmond on the Broadband's regularly-scheduled meeting date (i.e., the third Friday of the month) and that a new meeting date for the Broadband Authority would need to be discussed at the January meeting.

The meeting was adjourned at 9:15 a.m.

Submitted by:

Wayne Strickland
Secretary to the Roanoke Valley Broadband Authority

ROANOKE VALLEY BROADBAND AUTHORITY
Financial Report
July 1 - December 31, 2014

DATE		FOR			BALANCE
7/01/2014		Beginning Balance			17443.04
7/18/2014	Check 097	BRASG Inv #585	10,213.01		7,230.03
8/13/2014	Check 098	BRASG Inv #587	3,499.16		3,730.87
8/14/2014	Deposit	City of Salem		418.50	4,149.37
8/14/2014	Deposit	City of Roanoke		418.50	4,567.87
9/10/2014	Check 0100	Roanoke Times (RFP Cons Ad)	215.73		4,352.14
9/26/2014	Deposit	City of Salem		20,000.00	24,352.14
10/15/2014	Deposit	City of Roanoke		20,000.00	44,352.14
10/16/2014	Check 2002	Roanoke Times (RFP Audit Ad)	183.51		44,168.63
10/17/2014	Check 099	BRASG Inv #590	5,365.74		38,802.89
10/18/2014	Check 2001	BRASG Inv #594	5,342.18		33,460.71
11/21/2014	Check 2003	BRASG Inv #598	5327.59		28,133.12
11/21/2014	Check 2004	Va Tech CE (VRA Training)	400.00		27,733.12
12/5/2014	Check 101	Appalachian Power (Pole Attach)	500.00		27,233.12
12/8/2014	Check 102	BRASG Inv #604	5560.69		21,672.43
12/19/2014	Deposit	City of Roanoke		100,000.00	121,672.43

Roanoke Valley Broadband Authority

Balance Sheet

01/07/15

As of December 31, 2014

Accrual Basis

	<u>Dec 31, 14</u>
ASSETS	
Current Assets	
Checking/Savings	
BB&T	121,672.43
Total Checking/Savings	<u>121,672.43</u>
Total Current Assets	<u>121,672.43</u>
TOTAL ASSETS	<u><u>121,672.43</u></u>
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
LOAN FROM RVARC	5,000.00
Total Long Term Liabilities	<u>5,000.00</u>
Total Liabilities	5,000.00
Equity	
Net Income	116,672.43
Total Equity	<u>116,672.43</u>
TOTAL LIABILITIES & EQUITY	<u><u>121,672.43</u></u>

Roanoke Valley Broadband Authority
Period 07/01/14 to 12/31/14

Revenues	Budget	Current Month	YTD	Under/Over
Cities of Roanoke/Salem	237,100.00	100,000.00	140,837.00	96,263.00
Counties of Bot/Roanoke	0.00	0.00	0.00	0.00
P/Y Carryover	0.00	0.00	18,280.04	-18,280.04
Total Revenue	237,100.00	100,000.00	159,117.04	77,982.96
Expenses				
Salaries	0.00	0.00	0.00	0.00
Fringe Benefits	0.00	0.00	0.00	0.00
Accounting Package	400.00	0.00	0.00	400.00
Advertising	600.00	0.00	399.24	200.76
Audit	5,000.00	0.00	0.00	5,000.00
Consultants	131,580.00	0.00	0.00	131,580.00
Consultants (BRASG)	30,000.00	5,560.69	35,308.37	-5,308.37
Permitting Fees	68,420.00	500.00	500.00	67,920.00
Insurance	850.00	0.00	837.00	13.00
Supplies	250.00	0.00	0.00	250.00
Training	0.00	0.00	400.00	-400.00
Travel	0.00	0.00	0.00	0.00
Indirect Costs	0.00	0.00	0.00	0.00
Total Expenses	237,100.00	6,060.69	37,444.61	199,655.39
Total	0.00	93,939.31	121,672.43	-121,672.43