



601 S. Jefferson Street, SW, Suite 110, Roanoke, VA 24011
Frank M. Smith, II, President & CEO
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BOARD MEMBERS:
Kevin Boggess, City of Salem
Bob Cowell, City of Roanoke
Tom Gates, Roanoke County
Gary Larrowe, Botetourt County
Mike McEvoy, Citizen

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Roanoke Valley Broadband Authority Meeting

Friday, March 16, 2018 at 8:30 a.m.

Roanoke Valley Broadband Authority office, Suite 110 (Coulter Building)
601 S. Jefferson Street, SW, Roanoke, VA 24011

AGENDA

1. **Call to Order, Roll Call, Introductions** *Chairman Boggess*
2. **Approval of January 19, 2018 Minutes, pp. 2-4** *Chairman Boggess*
3. **Treasurer’s Report, pp. 5-6** *Olivia Dooley, Treasurer & CFO*
 - Acceptance of Financial Reports Ending 1/31/2018 and 2/28/2018
4. **Review and Approval of the 2018/2019 Budget** *Frank Smith, President & CEO*
5. **Project Update** *Frank Smith, President & CEO*
6. **Request for Closed Meeting**

Pursuant to §2.2-3711.A.33. of the Code of Virginia, 1950, as amended (The “Code”), providing that closed meetings are permitted to discuss confidential proprietary information and trade secrets developed by or for a local authority created in accordance with the Virginia Wireless Service Authorities Act to provide qualifying communications services as authorized by Article 5.1 of Chapter 15 of Title 56, where disclosure of such information would be harmful to the competitive position of the authority, as provided in subdivision 19 of §2.2-3705.6 of the Code.

End Closed Meeting and Reconvene Regular Meeting

7. **Adoption of Certification Resolution of Closed Meeting, p. 7** *Chairman Boggess*
8. **Other Business**
 - Cancellation of April & May 2018 RVBA Board Meetings *Chairman Boggess*
 - Next RVBA Board Meeting Date - June 15, 2018 *Chairman Boggess*
9. **Adjournment**



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MINUTES

The January Board Meeting of the Roanoke Valley Broadband Authority was held on Friday, January 19, 2018 at 8:30 a.m. at the Broadband Authority office, 601 S. Jefferson Street, Suite 110, Roanoke, VA.

1. CALL TO ORDER, WELCOME AND ROLL CALL

Chairman Boggess called the meeting to order at 8:35 a.m. and welcomed those in attendance. Wayne Strickland, Secretary to the Broadband Authority, called the roll and reported that a quorum was present.

Roanoke Valley Broadband Authority Board Members: Present: Kevin Boggess, City of Salem; **Bob Cowell, City of Roanoke; Tom Gates, Roanoke County; Gary Larrowe, Botetourt County; and Mike McEvoy, Citizen. ****Note:** Mr. Cowell was not present at the start of the Board meeting but arrived during discussion of Item #6 on the agenda.

OTHERS/GUESTS IN ATTENDANCE

Broadband Authority Staff: Olivia Dooley, Treasurer and CFO, and Frank Smith, President and CEO.

Roanoke Valley-Alleghany Regional Commission Staff: Wayne Strickland, Secretary to the Broadband Authority; Matt Miller, Assistant Secretary to the Broadband Authority; and Jackie Pace.

Guests: Sam Darby - Glenn Feldmann Darby & Goodlatte; Jennifer Eddy - Eddy Communications; Sam English, Roanoke Blacksburg Technology Council; Jill Loope - Roanoke County; Brian McConnell - Roanoke Community EcoSystems and Citizen; Beth Sherman - Cox Business; and Corbin Stone - Robinson, Farmer, Cox Associates.

2. APPROVAL OF THE NOVEMBER 17, 2017 MINUTES

The November 17, 2017 Minutes of the Roanoke Valley Broadband Authority Board Meeting were distributed earlier.

ROANOKE VALLEY BROADBAND AUTHORITY ACTION:

Vice Chairman McEvoy moved that the Minutes of the November 17, 2017 meeting of the Roanoke Valley Broadband Authority be approved, as presented. The motion was seconded by Mr. Larrowe and carried.

3. TREASURER'S REPORT

A. Acceptance of the Financial Reports

The Financial Reports, ending November 30, 2017 and December 31, 2017, were distributed earlier in the agenda packet.

Chairman Boggess referred members to the Service Revenue line item at 33% (p. 8, month ended 12/31/17, third item under Broadband Revenues). Chairman Boggess stated that Frank Smith expects that the Broadband Authority will be on target for the end of year annual billing goal for FY2018. Chairman Boggess reported that new customers are anticipated to come on board early this calendar year, and billing revenues are anticipated to increase based on new customers currently having RVBA services installed at their locations.

ROANOKE VALLEY BROADBAND AUTHORITY ACTION:

Vice Chairman McEvoy moved acceptance of the Financial Reports, ending November 30, 2017 and December 31, 2017, as presented. The motion was seconded by Mr. Gates and carried.

4. ACCEPTANCE OF THE RVBA AUDIT REPORT ENDING 6/30/17

Corbin Stone, with the accounting firm of Robinson, Farmer, Cox Associates, reviewed the Roanoke Valley Broadband Authority's Audit Report, for the year ended 6/30/2017. Highlights of page 6 of the "Statement of Net Position (aka balance sheet) showed \$10,390,408 in Total Assets. Next heading "Deferred Outflows of Resources" refer to the Broadband Authority's staff pension plan through the Western Virginia Water Authority in the Virginia Retirement System. Page 7, contributions by participants is shown under "Nonoperating revenues (Expenses)". Net position at the beginning of the year was \$515,378 and Net position at the end of year was \$1,039,150. Mr. Stone stated that once the Authority is established and up and running, at the 4-5 year mark his firm will run a trend analysis on revenues and expenditures to give the Authority an idea as to how things are increasing and/or decreasing. Mr. Stone stated that the financial statements of the Roanoke Valley Broadband Authority conformed to generally accepted accounting principles applicable to governmental units promulgated by the Governmental Accounting Standards Board.

ROANOKE VALLEY BROADBAND AUTHORITY ACTION:

Vice Chairman McEvoy moved acceptance of the Broadband Authority's Audit Report (for the year ended June 30, 2017), as presented. The motion was seconded by Mr. Larowe and carried.

5. APPROVAL OF THE RVBA EMPLOYEE HANDBOOK

A draft Employee Handbook for the RVBA staff was distributed to board members at their November 17, 2017 meeting. At that time, members were asked to review the handbook prior to action to be undertaken at the January 2018 board meeting. Frank Smith stated no comments were received during the period and he asked that the board consider a motion to approve the RVBA Employee Handbook so that it can be put in place.

ROANOKE VALLEY BROADBAND AUTHORITY ACTION:

Vice Chairman McEvoy moved approval of the Roanoke Valley Broadband Authority Employee Handbook, as presented, effective January 19, 2018. The motion was seconded by Mr. Larrowe and carried.

6. PROJECT UPDATES

- During the next several months the RVBA will be expanding its service footprint in the region.
- The RVBA is continuing its efforts to look for opportunities to partner with local providers. Several partnership opportunities are being investigated and reviewed by the RVBA.
- The RVBA is developing the FY2019 Budget that will be submitted for review at the March RVBA Board meeting.
- The RVBA recently surveyed Botetourt County businesses, and the RVBA anticipates presenting survey results at a future meeting.
- An apprenticeship program and internships for the summer are currently being reviewed by the RVBA. The RVBA attended recent job fairs and is reviewing resumes at this time.
- The RVBA met with local delegates and senators at the General Assembly to discuss their continued support of broadband and also to gauge if there is any proposed legislation that may be put forth during the upcoming General Assembly Session.

7. OTHER BUSINESS

- Board members unanimously agreed to cancel the February 16, 2018 Broadband Authority board meeting, and stated that Friday, March 16, 2018 at 8:30 a.m. would be the next scheduled board meeting date/time.

Submitted by:

Wayne Strickland, Secretary
Roanoke Valley Broadband Authority

Roanoke Valley Broadband Authority
FY 2018 Operations Statement
For the Month Ended January 31, 2018

| | <u>FY 2018 Budget</u> | <u>January 2018</u> | <u>FY 17/18 Year to Date</u> | <u>Percent Budget</u> |
|--|---------------------------|-------------------------|----------------------------------|---------------------------|
| Broadband Revenues | | | | |
| Contributed Capital | \$986,594 | \$82,216 | \$575,513 | 58% |
| Other Revenue | 40,000 | 0 | 40,000 | 0% |
| Service Revenue | <u>310,000</u> | <u>17,770</u> | <u>119,118</u> | <u>38%</u> |
| Total Broadband Operating Revenues | \$1,336,594 | \$99,986 | \$734,631 | 55% |
| Broadband Operation & Maintenance Expenses | | | | |
| Personnel Costs | \$458,500 | \$39,571 | \$230,780 | 50% |
| Network Operations | 336,455 | 24,595 | 184,394 | 55% |
| Brand Management | 60,000 | 5,000 | 30,708 | 51% |
| Legal Fees | 20,000 | 581 | 5,697 | 28% |
| Marketing Survey | 45,000 | 0 | 45,000 | 100% |
| Office Expenses | 108,946 | 10,030 | 73,311 | 67% |
| Richmond Message Management | 30,000 | 3,000 | 16,000 | 53% |
| Travel | <u>18,000</u> | <u>1,029</u> | <u>5,911</u> | <u>33%</u> |
| Total BB Operation & Maintenance Expenses | \$1,076,901 | \$83,806 | \$591,801 | |
| Income from Operations | \$259,693 | \$16,180 | \$142,830 | |
| Non-Operating Revenues | | | | |
| Interest Income | 2,350 | 13 | 2,230 | 95% |
| Installations | 92,225 | 73,213 | 164,297 | 178% |
| Other Non-Operating Revenue | 1,200 | 0 | 1,196 | 100% |
| Subtotal Non-Operating Revenues | <u>\$95,775</u> | <u>\$73,226</u> | <u>\$167,723</u> | <u>175%</u> |
| Total Non-Operating Revenues | 95,775 | 73,226 | 167,723 | 175% |
| Net Income (Loss) from Operations | \$355,468 | \$89,406 | \$310,553 | 87% |
| Capital Projects | 305,468 | 92,783 | 166,326 | |
| Reserves | <u>50,000</u> | <u>-</u> | <u>-</u> | |
| Net Income (Loss) | <u>\$0</u> | <u>-\$3,377</u> | <u>\$144,227</u> | |

Roanoke Valley Broadband Authority
FY 2018 Operations Statement
For the Month Ended February 28, 2018

| | <u>FY 2018 Budget</u> | <u>February 2018</u> | <u>FY 17/18 Year to Date</u> | <u>Percent Budget</u> |
|---|---------------------------|--------------------------|----------------------------------|---------------------------|
| Broadband Revenues | | | | |
| Contributed Capital | \$986,594 | \$82,216 | \$657,728 | 67% |
| Other Revenue | 40,000 | 0 | 40,000 | 0% |
| Service Revenue | 310,000 | 20,270 | 139,388 | 45% |
| Total Broadband Operating Revenues | \$1,336,594 | \$102,486 | \$837,116 | 63% |
| Broadband Operation & Maintenance Expenses | | | | |
| Personnel Costs | \$458,500 | \$31,601 | \$262,381 | 57% |
| Network Operations | 332,955 | 21,650 | 206,045 | 62% |
| Brand Management | 60,000 | 0 | 30,708 | 51% |
| Legal Fees | 20,000 | 2,275 | 7,973 | 40% |
| Marketing Survey | 45,000 | 0 | 45,000 | 100% |
| Office Expenses | 110,946 | 6,906 | 80,218 | 72% |
| Richmond Message Management | 25,000 | 3,000 | 19,000 | 76% |
| Travel | 18,000 | 4,708 | 10,619 | 59% |
| Total BB Operation & Maintenance Expenses | \$1,070,401 | \$70,140 | \$661,944 | |
| Income from Operations | \$266,193 | \$32,346 | \$175,172 | |
| Non-Operating Revenues | | | | |
| Interest Income | 2,350 | 22 | 2,252 | 96% |
| Installations | 92,225 | 15,163 | 179,460 | 195% |
| Other Non-Operating Revenue | 1,200 | 0 | 1,196 | 100% |
| Subtotal Non-Operating Revenues | \$95,775 | \$15,185 | \$182,908 | 191% |
| Total Non-Operating Revenues | 95,775 | 15,185 | 182,908 | 191% |
| Net Income (Loss) from Operations | \$361,968 | \$47,531 | \$358,080 | 99% |
| Capital Projects Reserves | 311,968 | 7,114 | 181,084 | |
| | 50,000 | - | - | |
| Net Income (Loss) | \$0 | \$40,417 | \$176,996 | |



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CERTIFICATION RESOLUTION

RESOLUTION CERTIFYING CLOSED MEETING WAS HELD IN CONFORMITY WITH THE CODE OF VIRGINIA

WHEREAS, the Roanoke Valley Broadband Authority has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by the Roanoke Valley Broadband Authority that such closed meeting was conducted in conformity with Virginia law.

NOW, THEREFORE, BE IT RESOLVED, that the Roanoke Valley Broadband Authority hereby certifies that, to the best of each member's knowledge:

1. Only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting which this certification resolution applies; and
2. Only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Roanoke Valley Broadband Authority.

The 16th day of March 2018