



P.O. Box 2569, Roanoke, VA 24010
Frank M. Smith, II, President & CEO
fsmith@highspeedroanoke.net Ph: 540.904.1073

BOARD MEMBERS:
Kevin Boggess, City of Salem
Tom Gates, Roanoke County
Gary Larrowe, Botetourt County
Mike McEvoy, Citizen
Chris Morrill, City of Roanoke

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Roanoke Valley Broadband Authority Board Meeting

Friday, August 19, 2016 at 8:30 a.m.

**Roanoke Valley-Alleghany Regional Commission Office (Top Floor Conference Room),
313 Luck Avenue, SW, Roanoke, VA 24016**

AGENDA

1. **Call to Order, Roll Call, Introductions** *Chairman Boggess*
2. **Approval of the July 15, 2016 Minutes, pp. 2-7** *Chairman Boggess*
3. **Treasurer's Report, pp. 8-10** *Olivia Dooley, Treasurer*
 - Financial Report Ending July 31, 2016
4. **Project Update** *Frank Smith, President & CEO*
5. **Request for Closed Meeting Pursuant to Section 2.2-3711 A.1.** *Chairman Boggess*
of the Code of Virginia, 1950, As Amended

Recess into Closed Meeting to discuss personnel matters.
6. **End Closed Meeting and Reconvene Regular Meeting** *Chairman Boggess*
7. **Adoption of Certification Resolution of Closed Meeting, p. 11** *Chairman Boggess*
8. **Action by the Authority as a Result of the Closed Meeting** *Chairman Boggess*
9. **Other Business** *Chairman Boggess*
 - Next Scheduled Meeting Date – Friday, September 16, 2016 at 8:30 a.m.
10. **Adjournment**



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MINUTES

The July meeting of the Roanoke Valley Broadband Authority was held on Friday, July 15, 2016 at 8:30 a.m. at the Roanoke Valley-Alleghany Regional Commission office, 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.

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; Tom Gates, Roanoke County; Gary Larrowe, Botetourt County; Mike McEvoy, Citizen and Chris Morrill, City of Roanoke.

OTHERS IN ATTENDANCE

Broadband Authority Staff: Frank Smith, President & CEO.

Regional Commission Staff: Olivia Dooley, Treasurer; Wayne Strickland, Secretary; and Jackie Pace.

Guests: Wayne Bowers, City of Roanoke; Sam Darby, Glenn Feldmann Darby & Goodlatte; Jennifer Eddy, Eddy Communications; Jennifer Eversole; Management Stack, LLC; Bill Hunter, Roanoke County; Rob Ledger, City of Roanoke; Jill Loope, Roanoke County; Brian McConnell, Citizen; and Eric Price, Thompson & Litton.

2. APPROVAL OF THE JUNE 10, 2016 MINUTES

The Minutes of the June 10, 2016 meeting of the Roanoke Valley Broadband Authority were distributed earlier.

ROANOKE VALLEY BROADBAND AUTHORITY ACTION:

Upon motion by Vice Chairman McEvoy, seconded by Mr. Morrill and carried, the Minutes of the June 10, 2016 meeting of the Roanoke Valley Broadband Authority were approved, as distributed.

3. TREASURER'S REPORT

The Financial Report, ending June 30, 2016, was provided earlier in the agenda mailing. Frank Smith noted that the Broadband Authority's finances are currently on track and under budget. Chairman Boggess stated that the Financial Report, ending June 30, 2016, would be filed, as presented.

4. PROJECT UPDATES

Frank Smith reported on the following project updates:

- Close to sign off on final completion of Phase I. Currently completing cement restoration in Roanoke City, and various landscaping, patching and paving as required by municipalities.
- Carrier grade network is now up and running and being monitored 24/7.
- Phase II work in Roanoke County is now underway. The network routes are being reviewed with internal stakeholders in Roanoke County. Most of the fiber will be underground but there will be limited aerial usage.

Jennifer Eddy, Eddy Communications, reported her PR firm is continuing to circulate news and successes of the Broadband Authority. She noted that articles on the Broadband Authority have been cited as far as Boston. A story on the Broadband Authority will appear in the August issue of the Virginia Municipal League (VML) quarterly publication. Additionally, an application for VML's "Innovation Award" has been submitted for review and consideration by Eddy Communications. Eddy Communications continues to work on a new website which will be user friendly (customer and citizen portals) to match the Broadband Authority's new branding efforts.

5. BRIEFING FROM MANAGEMENT STACK, LLC

Jennifer Eversole, CPA, Co-Founder, Partner-CFO of Management Stack, LLC addressed the Board about the advisory services of her agency. Management Stack helps to uncover problems and preempts adversity to make sure that the management team within a business understands how to handle risks. Ms. Eversole stated that businesses are now hiring CROs (Chief Risk Officers). They also offer consulting services to help businesses find solutions to specific challenges, as well as provide assurance services, which help businesses design organizational strategies that will assist in mitigating risk by strengthening their control environment.

6. REQUEST FOR CLOSED MEETING PURSUANT TO VIRGINIA CODE §2.2-3711

Motion was made by Vice Chairman McEvoy and seconded by Mr. Morrill to convene a closed meeting for the purpose of considering modifications to certain existing contracts as they apply to the extensions of these contracts (pursuant to Section 2.2-3711 A.29. of the Code of Virginia, 1950, As Amended, for discussion of the award of a public contract involving the expenditure of public funds, including interview of bidders or offerors, and a discussion of the terms and scope of such contract, where discussion in open session would adversely affect the bargaining position or negotiating strategy of the public body [Authority]). The motion was adopted and carried by a vote of 5 to 0. The Roanoke Valley Broadband Authority went into a closed meeting at 8:58 a.m.

7. END CLOSED MEETING AND RECONVENE REGULAR MEETING

Motion was made by Vice Chairman McEvoy and seconded by Mr. Morrill that the Broadband Authority end the closed meeting and return to its regular meeting. The motion was adopted and carried by a vote of 5 to 0. The Roanoke Valley Broadband Authority ended the closed meeting and returned to its regular meeting at 9:20 a.m.

8. RESOLUTION OF CERTIFICATION OF CLOSED MEETING

Motion was made by Vice Chairman McEvoy, seconded by Mr. Gates and carried, to adopt the following certification resolution:

CERTIFICATION OF CLOSED MEETING

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 motion was adopted by a Roll Call vote of 5 to 0 as follows:

Member & Vote

Mr. Boggess – Yes

Mr. Gates – Yes

Mr. Larrowe – Yes

Mr. McEvoy – Yes
Mr. Morrill – Yes

9. ACTION BY THE BOARD AS A RESULT OF THE CLOSED MEETING

Consideration of a Resolution Approving Contracts with (a) Thompson and Litton for Design and Contract Management Services, (b) Eddy Communications for Marketing, Communication and Branding Services, and (c) Walker and Associates, Inc. for Network Electronics, Software and Professional Services

Background: On June 10, 2016, the Authority Board adopted a resolution approving (in the event the President and CEO (Frank Smith) determined that such would be in the best interest of the Authority), the modification of or change orders to the contracts to provide for the continuation of the design, contract management, marketing, communication and branding services and network electronics, software and professional services for the Phase II - Roanoke County Extension. Mr. Smith determined and recommended to the Board that it would be in the best interest of the Authority to modify or enter into change orders to the contracts to provide for the continuation of the design, contract management, marketing, communication and branding services and network electronics, software and professional services for the Phase II - Roanoke County Extension. The Board authorized Mr. Smith to negotiate the modification of or change orders to the Contracts and required that he present them to the Board for approval in such form as he may recommend, such modification or change orders to be approved by formal action of the Board before they are executed and delivered by Mr. Smith.

At the July 15, 2016 Board meeting, Frank Smith presented the following modification of or change orders to the Contracts --

- (A) The contract price for the modification of or change order to the contract with Thompson and Litton would not exceed \$300,000.
- (B) The contract price for the modification of or change order to the contract with Eddy Communications would not exceed \$100,000.
- (C) The contract price for the modification of or change order to the contract with Walker and Associates would not exceed \$1,200,000, with \$600,000 being applied or allocated to electrical and related equipment components to be installed in the Phase II - Roanoke County Extension and an amount not to exceed \$600,000 for software telecommunication construction materials.

Board members authorized and directed Frank Smith to negotiate, execute and deliver the modifications or change orders to the Contracts, as presented at the meeting; and to take all such further action as may be necessary or desirable in connection with and that are in conformity with the purposes and intent of the resolution.

ROANOKE VALLEY BROADBAND AUTHORITY ACTION:

Upon motion by Vice Chairman McEvoy, seconded by Mr. Larowe and carried, the resolution approving the contracts for design/engineering and contract maintenance services; marketing, branding and communication services; and network electronics, software and professional services, per the modification of or change orders as presented by Mr. Smith,

was adopted, subject to review by legal counsel to ensure that all public procurement rules have been adhered to in support of the RVBA's commitment to excellence in all areas. Mr. Darby will inform Mr. Smith if there was any additional review required in the matter before executing the vendor agreements.

10. REQUEST FOR CLOSED MEETING PURSUANT TO VIRGINIA CODE §2.2-3711

Motion was made by Vice Chairman McEvoy and seconded by Mr. Morrill to convene a closed meeting on the subject of the Broadband Authority's President & CEO's annual review and employment contract (pursuant to Section 2.2-3711 A.1. of the Code of Virginia, 1950, As Amended, to discuss personnel matters). The motion was adopted and carried by a vote of 5 to 0. The Roanoke Valley Broadband Authority went into a closed meeting at 9:24 a.m.

11. END CLOSED MEETING AND RECONVENE REGULAR MEETING

Motion was made by Vice Chairman McEvoy and seconded by Mr. Gates that the Broadband Authority end the closed meeting and return to its regular meeting. The motion was adopted and carried by a vote of 4 to 0* The Roanoke Valley Broadband Authority ended the closed meeting and returned to its regular meeting at 10:10 a.m.

*(*NOTE: Mr. Morrill left the meeting prior to the end of the Closed Meeting.)*

12. RESOLUTION OF CERTIFICATION OF CLOSED MEETING

Motion was made by Vice Chairman McEvoy, seconded by Mr. Gates and carried, to adopt the following certification resolution:

CERTIFICATION OF CLOSED MEETING

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 motion was adopted by a Roll Call vote of 4 to 0 as follows:

Member & Vote

Mr. Boggess – Yes
Mr. Gates – Yes
Mr. Larrowe – Yes
Mr. McEvoy – Yes
Mr. Morrill – Absent

13. ACTION BY THE BOARD AS A RESULT OF THE PREVIOUS CLOSED MEETING

Discussion in the prior Closed Meeting focused on the annual review and employment contract with Frank Smith, President & CEO of the Roanoke Valley Broadband Authority.

ROANOKE VALLEY BROADBAND AUTHORITY ACTION:

Vice Chairman McEvoy moved that the Board, at this time, extend Mr. Smith's employment contract as President and CEO of the Roanoke Valley Broadband Authority through August 31, 2016. The motion was seconded by Mr. Gates and carried.

14. OTHER BUSINESS

August Meeting Date – Chairman Boggess stated that the next regularly-scheduled meeting date of the Broadband Authority is Friday, August 19, 2016 at 8:30 a.m. at the Regional Commission office.

The meeting was adjourned at 10:15 a.m.

Submitted by:

Wayne Strickland, Secretary
Roanoke Valley Broadband Authority

Roanoke Valley Broadband Authority
Balance Sheet
As of July 31, 2016

	Jul 31, 16
ASSETS	
Current Assets	
Checking/Savings	
BB&T	590,793.21
Total Checking/Savings	590,793.21
Accounts Receivable	
Accounts Receivable	471,787.45
Total Accounts Receivable	471,787.45
Other Current Assets	
Prepaid Insurance	2,992.00
Total Other Current Assets	2,992.00
Total Current Assets	1,065,572.66
Fixed Assets	
Capital Assets Rke City/Salem	
Accumulated Depreciation	-55,954.74
Infrastructure	5,481,814.16
Purchased Easements	73,893.19
Total Capital Assets Rke City/Salem	5,499,752.61
Restricted Cash & Eq Rke/Salem	
Escrow Account BB&T	10,001.96
Restricted Cash & Eq Rke/Salem - Other	670,044.62
Total Restricted Cash & Eq Rke/Salem	680,046.58
Total Fixed Assets	6,179,799.19
Other Assets	
Prepaid Expenses	10,213.36
Total Other Assets	10,213.36
TOTAL ASSETS	7,255,585.21
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Accrued Interest	37,032.00
Retainage Payable	293,557.00
Total Other Current Liabilities	330,589.00
Total Current Liabilities	330,589.00
Long Term Liabilities	
Note Payable	5,000.00
Revenue Bond Payable Rke/Salem	5,780,000.00
Total Long Term Liabilities	5,785,000.00
Total Liabilities	6,115,589.00
Equity	
Retained Earnings	321,538.12
Unrestricted	193,839.59
Net Income	624,618.50
Total Equity	1,139,996.21
TOTAL LIABILITIES & EQUITY	7,255,585.21

9:48 AM

08/04/16

Accrual Basis

Roanoke Valley Broadband Authority **Profit & Loss by Class** **July 2016**

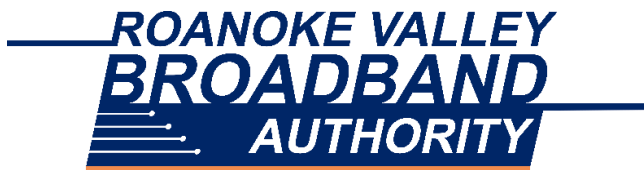
	CONSTRUCTION Salem-Roanoke Ci	OPERATIONS	TOTAL
Ordinary Income/Expense			
Income			
Governmental Support Operations	0.00	0.00	0.00
Interest Income	0.00	0.42	0.42
Roanoke/Salem Operations	0.00	654,396.00	654,396.00
Service Revenue	7,583.00	0.00	7,583.00
Total Income	7,583.00	654,396.42	661,979.42
Expense			
Bank Service Charges	0.00	22.00	22.00
Carrier Services	0.00	6,531.72	6,531.72
Depreciation Expense	18,775.74	0.00	18,775.74
Electronics	0.00	0.00	0.00
Fringe Benefits	0.00	41.67	41.67
Insurance Expense	0.00	230.33	230.33
Marketing	0.00	10,000.00	10,000.00
Monitoring	0.00	127.80	127.80
Rent Expense	0.00	1,450.00	1,450.00
Telephone Expense	0.00	51.00	51.00
Utilities	0.00	130.66	130.66
Total Expense	18,775.74	18,585.18	37,360.92
Net Ordinary Income	-11,192.74	635,811.24	624,618.50
Net Income	-11,192.74	635,811.24	624,618.50

Roanoke Valley Broadband Authority

Profit & Loss Budget vs. Actual

July 2016

	Jul 16	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Dark Fiber Leases	0.00	60,000.00	-60,000.00	0.0%
Estimated Earnings	0.00	0.00	0.00	0.0%
Governmental Support Operations	0.00	0.00	0.00	0.0%
Interest Income	0.42			
PY CARRYOVER	0.00	4,000.00	-4,000.00	0.0%
Roanoke County Debt Service	0.00	0.00	0.00	0.0%
Roanoke/Salem Debt Service	0.00	669,140.00	-669,140.00	0.0%
Roanoke/Salem Operations	654,396.00	654,396.00	0.00	100.0%
Service Revenue	7,583.00	80,000.00	-72,417.00	9.5%
Va Resource Authority	0.00	0.00	0.00	0.0%
Total Income	661,979.42	1,467,536.00	-805,556.58	45.1%
Expense				
811 Locates	0.00	30,000.00	-30,000.00	0.0%
Accounting Package	0.00	2,000.00	-2,000.00	0.0%
Advertising and Promotion	0.00	0.00	0.00	0.0%
Audit Fees	0.00	7,000.00	-7,000.00	0.0%
Bank Service Charges	22.00	300.00	-278.00	7.3%
Brand Management	0.00	50,000.00	-50,000.00	0.0%
Carrier Services	6,531.72	96,000.00	-89,468.28	6.8%
Computer Fees	0.00	1,200.00	-1,200.00	0.0%
Construction	0.00	0.00	0.00	0.0%
Contingency	0.00	0.00	0.00	0.0%
CONTRACT BRASG	0.00	0.00	0.00	0.0%
Contract RVARC	0.00	30,000.00	-30,000.00	0.0%
CONTRACT THOMPSON LITTON	0.00	10,000.00	-10,000.00	0.0%
Contract WVWA	0.00	189,000.00	-189,000.00	0.0%
Debt Service Payments	0.00	669,140.00	-669,140.00	0.0%
Depreciation Expense	18,775.74	0.00	18,775.74	100.0%
Electronics	0.00	0.00	0.00	0.0%
Engineering	0.00	0.00	0.00	0.0%
Fringe Benefits	41.67	6,696.00	-6,654.33	0.6%
Insurance Expense	230.33	20,000.00	-19,769.67	1.2%
Legal Fees	0.00	30,000.00	-30,000.00	0.0%
Local Cost of Issuance	0.00	0.00	0.00	0.0%
Local Debt Reserve	0.00	0.00	0.00	0.0%
Maintenance	0.00	36,000.00	-36,000.00	0.0%
Marketing	10,000.00	0.00	10,000.00	100.0%
Monitoring	127.80			
Network Engineer Services	0.00	75,000.00	-75,000.00	0.0%
Network Expansion	0.00	75,000.00	-75,000.00	0.0%
NOC Services	0.00	36,000.00	-36,000.00	0.0%
Office Supplies	0.00	0.00	0.00	0.0%
Operating Reserve	0.00	0.00	0.00	0.0%
Permitting Fees	0.00	0.00	0.00	0.0%
Postage	0.00	1,500.00	-1,500.00	0.0%
Rent Expense	1,450.00	17,400.00	-15,950.00	8.3%
Repair & Restoration	0.00	36,000.00	-36,000.00	0.0%
Salaries	0.00	27,000.00	-27,000.00	0.0%
Supplies	0.00	2,000.00	-2,000.00	0.0%
Telephone Expense	51.00	3,600.00	-3,549.00	1.4%
Training	0.00	5,000.00	-5,000.00	0.0%
Travel Expense	0.00	10,000.00	-10,000.00	0.0%
Utilities	130.66	1,700.00	-1,569.34	7.7%
Total Expense	37,360.92	1,467,536.00	-1,430,175.08	2.5%
Net Ordinary Income	624,618.50	0.00	624,618.50	100.0%
Net Income	624,618.50	0.00	624,618.50	100.0%



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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 19th day of August, 2016