

c/o P.O. Box 2569, Roanoke, VA 24010  
[fsmith@highspeedroanoke.net](mailto:fsmith@highspeedroanoke.net), Ph: 540.904-1073  
**HIGHSPEEDROANOKE.NET**

**MEMBERS:**

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

## **Roanoke Valley Broadband Authority Meeting**

**Friday, March 18, 2016 at 8:30 a.m.**

**Roanoke Valley-Alleghany Regional Commission, 313 Luck Ave, SW, Roanoke, VA 24016**

### **AGENDA**

1. **Call to Order, Introductions & Roll Call** ..... *Chairman Boggess*

2. **PUBLIC HEARING** on the Service Offering Rate Structure

Background ..... *Chairman Boggess*

**Sign-Up Requested – 3-Minute Limit Per Speaker – Written Comments Also Received**

**Open Public Hearing – Comment Period – Close Public Hearing** ..... *Chairman Boggess*

3. **Approval of February 26, 2015 Minutes, pp. 2-7** ..... *Chairman Boggess*

4. **Treasurer's Report** ..... *Olivia Dooley, Treasurer*

- Financial Report Ending February 29, 2016, pp. 8-9

5. **Project Update** ..... *Frank Smith, Executive Director*

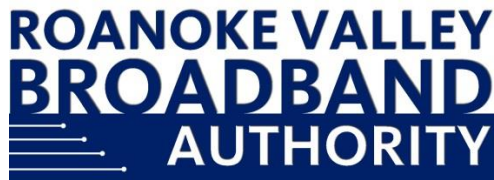
6. **Adoption of Revised FY 2015-16 Budget, p. 10** ..... *Frank Smith, Executive Director*

7. **Adoption of Proposed FY 2016-17 Budget, p. 11** ..... *Frank Smith, Executive Director*

8. **Other Business**

- Next Meeting Date Friday, April 15, 2016 ..... *Chairman Boggess*

9. **Adjournment**



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## **MINUTES**

The February meeting of the Roanoke Valley Broadband Authority was held on Friday, February 26, 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 8:35 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: *Present:* Kevin Boggess, City of Salem; Tom Gates, Roanoke County; **\*\*Gary Larrowe, Botetourt County; Mike McEvoy, Citizen; and Chris Morrill, City of Roanoke. **\*\*Note:** Mr. Larrowe was not present at the start of the Board meeting, but arrived after the start of the Closed Session which began at 9:00 a.m.**

### **OTHERS IN ATTENDANCE**

Regional Broadband Staff: Frank Smith, Executive Director.

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

Guests: Wayne Bowers, City of Roanoke and Broadband Advisory Committee member; Paul Comes, ComCast; Sam Darby, Glenn Feldmann Darby & Goodlatte; Paul Davis, Eddy Communications; Jennifer Eddy, Eddy Communications; Sam English, Roanoke Blacksburg Technology Council and Broadband Advisory Committee member; Jessica Gearing, Eddy Communications; Michael Gana, DuraLine; Meredith Hundley, Virginia Tech; Bill Hunter, Roanoke County; Tom Kraemer, Eddy Communications; Rob Ledger, City of Roanoke; Jill Loope, Roanoke County; Brian McConnell, Citizen; Jeff Merritt, Cox Communications; Beth Sherman, Cox Communications; Shawn Spencer, Eddy Communications; and Kari Walls, City of Salem.

## **2. APPROVAL OF MINUTES**

The Minutes of the December 21, 2015 meeting of the Roanoke Valley Broadband Authority were distributed earlier.

### **ROANOKE VALLEY BROADBAND AUTHORITY ACTION:**

Upon motion by Mr. Gates, seconded by Vice Chairman McEvoy and carried, the Minutes of the December 21, 2015 meeting of the Roanoke Valley Broadband Authority were approved, as distributed.

## **3. TREASURER'S REPORT**

The Financial Reports, ending December 31, 2015 and January 31, 2016, were provided earlier in the agenda mailing. Chairman Boggess reported that the Financial Reports, ending December 31, 2015 and January 31, 2016, would be filed, as presented.

## **4. PROJECT UPDATES**

Frank Smith, Executive Director, reported on the following project updates:

- The network is approximately 92% complete.
- March 15, 2016 is the commitment date with the contractor (Utility Services Corporation) on the network.
- April 1, 2016 is another significant date. Once outside plan is completed, integrated test and turn-up of the five switching centers will then begin.
- Announced that Blue Ridge Public TV has asked, as part of their partnering relationship, to hold a ribbon cutting ceremony at their site on April 26, 2016 at 10:00 a.m. (speakers, events, tours of facility, etc.). NOTE: Time is tentative.
- The network's first major customer is the Western Virginia Water Authority. Also have other customers under NDA (Non-Disclosure Agreement).
- Also have local, regional and national carriers who are committed to obtain dark fiber leases and other facilities as part of the network.
- Selection of Eddy Communications as the Branding and Marcom partner.
- Presented a diagram depicting the logical network map (physical connections – how they are connected and logical – how things work together) with five points of presence (i.e., East Park, Mid-Atlantic Broadband, Roanoke Higher Education Center, Salem Data Center, Blue Ridge PBS). Next, a diagram of the meshed network layer that illustrates the ability of the network to be quickly restored and maintain resiliency which provides for greater service reliability for network customers.

## 5. **BUDGET PRESENTATIONS**

- **Revisions to FY'15-16 Budget**

Frank Smith reported on revisions to the remainder of the FY'15-16 fiscal year budget. Members were provided with a copy of the revised budget. Mr. Smith reported on some of the revisions as follows:

- 1) Addition of VA811 Locates - \$10,000. The amount is expected to pay for number of locates the network expects to have since it became active on January 11, 2016 in the VA 811 system. He noted that the Broadband Authority joined VA 811 which is the statewide organization that coordinates all utility locate activities.
- 2) Under the Small Purchase Act, authorized by the Broadband Board, staff put out an informal solicitation for resources for branding and marketing communications. The firm of Eddy Communications was selected and the amount of \$25,000 is reflected in the FY'15-16 budget which ends June 30, 2016.

Chairman Boggess stated that action on the revised FY'15-16 budget would take place at the next Board meeting.

- **Draft FY'16-17 Budget**

Mr. Smith reported on the draft proposed operating budget for FY'16-17 and noted that the Board will also be asked to take action on the budget at the next meeting.

**Revenues** include contributions from the Cities of Roanoke and Salem for operating and debt service. Based on letters of intent, staff estimates \$60,000 to come in for purchase of Dark Fiber Leases. Service revenue of \$80,000 is for transport and related IP services. These revenues should help to start reducing amounts from municipalities and support the RVBA Pro Forma.

**Expenses.** Mr. Smith reported on the following higher amount line items.

- Carrier Services - \$96,000. This item is part of the network connecting to and providing transport services and IP services in and out of the area, which requires the Broadband Authority to partner with other major area and national carriers (agreements, fixed charges, etc.).
- Contract (Network Engineer) - \$75,000. – To have a quality network engineer consultant on-board (part-time basis).
- Network Expansion - \$75,000. May have to add a point of presence at switching centers, and also hope to bring on an Outsourced Network Operations Center, which would be 24/7, to provide quality service when someone calls with a problem.

- Repair & Restoration - \$36,000. Contracts for repairs on a timely basis for fiber cuts, service outages, etc., (normal hours and out of hours), as well as repair/replacement for equipment stored at Blue Ridge PBS.
- Travel - \$10,000. Chairman Boggess noted that part of the performance agreement with the Executive Director is that he attends trade shows.

#### 6. **APPROVAL OF RESOLUTION REGARDING TRANSPOSITION ERROR IN THE ROANOKE TIMES**

A draft resolution was presented for consideration to resolve any issues about the transposition error made by The Roanoke Times in the publication of the Authority's Notice of Public Hearing on Rates and Fees (published January 8 and 15, 2016). The transposition was between the column headings "protected" and "unprotected" in the pricing insert in the Notice.

Chairman Boggess stated that legal counsel has reviewed the matter and found it to be "De Minimus". Mr. Darby stated that the resolution shows that counsel has looked at the issue and made a legislative finding that it is not subject to collateral damage. Noting that no one was misled and there is no reason to re-advertise.

Based on review of the forms of the Notice as published and as corrected, Board members determined that the transposition of the column headings in the Notice was of minimal effect and has not caused confusion on the part of affected persons nor has it been detrimental to the interests of any affected person. The members of the Board further determined that the Notice as published was an effective notice of the rates as required by the referenced code section and that the Notice was effective for all purposes.

#### **ROANOKE VALLEY BROADBAND AUTHORITY ACTION:**

Upon motion by Vice Chairman McEvoy, seconded by Mr. Morrill and carried, finding as a matter of fact, the resolution was adopted making a legislative determination that there was no problem with the Notice as advertised on January 8 and 15, 2016 in the Roanoke Times.

#### 7. **REQUEST FOR CLOSED SESSION PURSUANT TO VIRGINIA CODE §2.2-3711**

A motion was made by Vice Chairman McEvoy and seconded by Mr. Morrill to convene a closed session on the subject of the Authority's Messaging Strategy, to discuss the award of a public contract involving the expenditure of public funds, including interviews of bidders and offerors, and discussion of the terms of scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the Authority pursuant to Section 2.2-3711 (A)(29) of the Code of Virginia, 1950, as amended.

The motion was adopted and carried by a vote of 4 to 0 (Ayes: Boggess, Gates, McEvoy, Morrill. Absent: Larowe). The Roanoke Valley Broadband Authority went into a closed session at 9:00 a.m. (**\*\*Note:** Mr. Larowe was not present for the vote to convene a closed session, but was present for the vote to end the closed session and reconvene the regular meeting and to adopt the certification resolution.)

**8. END CLOSED SESSION AND RECONVENE MEETING OF THE BROADBAND AUTHORITY**

A motion was made by Vice Chairman McEvoy and seconded by Mr. Morrill that the Broadband Authority end the closed session and reconvene the regular meeting of the Roanoke Valley Broadband Authority.

The motion was adopted and carried by a vote of 5 to 0 (Ayes – Boggess, Gates, Larrowe, McEvoy and Morrill). The Roanoke Valley Broadband Authority ended the closed session and returned to its regular meeting at 9:30 a.m.

**9. CERTIFICATION RESOLUTION OF CLOSED SESSION**

A motion was made by Vice Chairman McEvoy and seconded by Mr. Morrill to adopt the following certification resolution.

**CERTIFICATION RESOLUTION**

**Whereas**, the Roanoke Valley Broadband Authority has convened a closed session 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 session 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 session which this certification resolution applies, and (2) only such public business matters as were identified in the motion convening the closed session 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:

**Members & Vote:**

Mr. Boggess - Yes  
Mr. Gates - Yes  
Mr. Larrowe - Yes  
Mr. McEvoy - Yes  
Mr. Morrill - Yes

**10. DISCUSSION/ACTION FROM THE CLOSED SESSION**

Chairman Boggess stated that no actions were taken.

**11. OTHER BUSINESS**

Chairman Boggess reported that the date of the next regularly-scheduled Broadband Authority meeting is Friday, March 18, 2016 at 8:30 a.m. at the Regional Commission office. He reminded members that the Public Hearing for comments on the Service Offering Rate Structure would be held during the first part of the March Board meeting.

The meeting was adjourned at 9:38 a.m.

Submitted by:

Wayne Strickland  
Secretary to the Roanoke Valley Broadband Authority

**ROANOKE VALLEY BROADBAND AUTHORITY**  
**Financial Report**  
**July 1 - February 29, 2016**

DATE		FOR		BALANCE
01/01/2016		Beginning Balance		229,878.51
01/01/2016		Bank fees	22.00	229,856.51
01/04/2016	Check 197	Verizon	84.35	229,772.16
01/04/2017	Check 198	Bowman-Griffin Contractors	17,763.00	212,009.16
01/05/2016	Check 199	BB&T	424.01	211,585.15
01/06/2016	Check 200	RVARC	6,037.50	205,547.65
01/11/2016	Check 201	Void		205,547.65
01/13/2016	Check 202	Glenn Feldman Darby & Goodlatte	3,693.57	201,854.08
01/13/2016	Check 203	WVWA	17,264.02	184,590.06
01/14/2016	Check 204	Thompson & Litton #77880	6,352.00	178,238.06
01/19/2016	Check 205	Blue Ridge PBS	450.00	177,788.06
01/25/2016	Check 206	Bowman-Griffin Contractors	19,557.00	158,231.06
01/26/2016	Check 207	AECOM	2,000.00	156,231.06
01/26/2016	Check 208	Utility Service Contractors #5	537,904.51	-381,673.45
01/29/2016	Check 209	Walker & Assoc Inc	50,993.10	-432,666.55
01/29/2016	Check 210	Walker & Assoc Inc	605.00	-433,271.55
01/29/2016	Transfer	Va Resource Authority	615,847.69	182,576.14

02/01/2016		Beginning Balance		182,576.14
02/03/2016			0.00	182,576.14
02/03/2016	Check 211	Verizon	84.44	182,491.70
02/03/2016	Check 212	BB&T	297.87	182,193.83
02/03/2016	Check 213	Roanoke Higher Ed Center	1,000.00	181,193.83
02/04/2016	Check 214	EDDY Communications	12,500.00	168,693.83
02/05/2016	Check 215	Blue Ridge PBS	450.00	168,243.83
02/08/2016	Check 216	Thompson & Litton #77880	4,600.00	163,643.83
02/09/2014	Check 206	VOID Bowman-Griffin Contractors	19,557.00	183,200.83
02/09/2016	Check 217	Bowman-Griffin Contractors	17,556.00	165,644.83
02/10/2016	Check 218	Roanoke Times	2,496.96	163,147.87
02/19/2016	Check 219	Thompson & Litton #78229	17,272.00	145,875.87
02/19/2016	Check 220	Walker & Assoc Inc	298,759.70	-152,883.83
02/23/2016	Check 221	Walker & Assoc Inc	6,288.20	-159,172.03
02/23/2016	Check 222	WVWA	16,193.24	-175,365.27
02/25/2016	Check 223	Utility Service Contractors #6	350,155.67	-525,520.94
02/26/2016	Deposit	City of Salem	36,624.90	-488,896.04
02/29/2016	Transfer	Va Resource Authority	698,529.17	209,633.13



**Roanoke Valley Broadband Authority**  
**Period 02/01/16 to 02/29/16**

**OPERATING BUDGET**

	Budget	Prior Years	Current Month	YTD	Project to Date	Under/Over
<b>Revenues</b>						
Cities of Roanoke/Salem	135,512.14	340,837.00	36,624.90	98,887.24	439,724.24	-304,212.10
Counties of Bot/Roanoke	0.00	0.00	0.00	0.00	0.00	0.00
P/Y Carryover	307,717.00	18,280.04	0.00	0.00	18,280.04	289,436.96
<b>Total Revenue</b>	<b>443,229.14</b>	<b>359,117.04</b>	<b>36,624.90</b>	<b>98,887.24</b>	<b>458,004.28</b>	<b>344,341.90</b>
<b>Expenses</b>						
Accounting Package	400.00	224.95	0.00	299.95	524.90	-124.90
Advertising	3,500.00	399.24	2,496.96	2,993.96	3,393.20	106.80
Audit	5,000.00	0.00	0.00	5,000.00	5,000.00	0.00
Bank Fees	200.00	0.00	0.00	62.00	62.00	138.00
Computer Fees	300.00	83.88	205.99	276.95	360.83	-60.83
Contract (BRASG)	10,200.00	37,502.42	0.00	10,121.51	47,623.93	-37,423.93
Contract (RVARC)	30,000.00	0.00	0.00	12,450.00	12,450.00	17,550.00
Contract (WVWA)	152,000.00	0.00	12,295.64	71,690.05	71,690.05	80,309.95
Debt Service Payments	135,512.14	0.00	0.00	62,262.34	62,262.34	73,249.80
Insurance	8,000.00	1,052.00	0.00	1,052.00	2,104.00	5,896.00
Legal Fees	20,000.00	11,532.39	0.00	11,845.35	23,377.74	-3,377.74
Marketing	25,000.00	0.00	12,500.00	12,500.00	12,500.00	12,500.00
Postage	500.00	0.00	0.00	66.44	66.44	433.56
Rents	8,700.00	0.00	1,450.00	1,900.00	1,900.00	6,800.00
Supplies	3,500.00	373.77	0.00	2,833.39	3,207.16	292.84
Telephone	2,000.00	0.00	146.32	1,145.22	1,145.22	854.78
Travel	3,000.00	0.00	30.00	303.40	303.40	2,696.60
Training	500.00	400.00	0.00	0.00	400.00	100.00
Operating Expenses for Future	34,917.00	0.00	0.00	0.00	0.00	34,917.00
<b>Total Expenses</b>	<b>443,229.14</b>	<b>51,568.65</b>	<b>29,124.91</b>	<b>196,802.56</b>	<b>248,371.21</b>	<b>194,857.93</b>
<b>Total</b>	<b>0.00</b>	<b>307,548.39</b>	<b>7,499.99</b>	<b>-97,915.32</b>	<b>209,633.07</b>	<b>149,483.97</b>

**CONSTRUCTION BUDGET**

	Budget	Prior Years	Current Month	YTD	Project to Date	Under/Over
<b>Revenues</b>						
Va Resource Authority	5,689,961.35	233,047.27	698,529.17	3,203,892.09	3,436,939.36	2,486,069.26
Interest income	0.00	0.00	0.00	0.00	0.00	0.00
Estimated Earnings	3,726.41	0.00	0.00	0.00	0.00	3,726.41
<b>Total Revenue</b>	<b>5,693,687.76</b>	<b>233,047.27</b>	<b>698,529.17</b>	<b>3,203,892.09</b>	<b>3,436,939.36</b>	<b>2,489,795.67</b>
<b>Expenses</b>						
Construction	3,811,414.09	666.07	393,481.27	2,627,493.77	2,628,159.84	1,183,254.25
Engineering/Const Admin	264,451.08	238,232.23	0.00	65,050.00	303,282.23	-38,831.15
Permitting/Easement Acquisitio	151,216.30	37,449.94	0.00	14,093.08	51,543.02	99,673.28
Electronics (System lighting & Data Stor	715,534.56	0.00	305,047.90	361,914.69	361,914.69	353,619.87
Local Debt Service Res Fund	670,039.01	670,039.01	0.00	0.00	670,039.01	0.00
Local Cost of Issuance	20,000.00	19,603.86	0.00	7,235.00	26,838.86	-6,838.86
Additional Proceeds/Contingenc	61,032.72	0.00	0.00	0.00	0.00	61,032.72
<b>Total Expenses</b>	<b>5,693,687.76</b>	<b>965,991.11</b>	<b>698,529.17</b>	<b>3,075,786.54</b>	<b>4,041,777.65</b>	<b>1,651,910.11</b>
<b>Total</b>	<b>0.00</b>	<b>-732,943.84</b>	<b>0.00</b>	<b>128,105.55</b>	<b>-604,838.29</b>	<b>837,885.56</b>

Roanoke Valley Broadband Authority  
2015/2016 Budget Revision  
February 16, 2016

	Initial	Revised	Change
Cities of Roanoke/Salem	135,512.14	135,512.14	0.00
Counties of Bot/Roanoke	0.00	0.00	0.00
P/Y Carryover	307,717.00	307,717.00	0.00
 Total Revenue	 443,229.14	 443,229.14	 0.00
 Accounting Package	 400.00	 400.00	 0.00
Advertising	1,000.00	3,500.00	2,500.00
Audit	5,000.00	5,000.00	0.00
Bank Fees	0.00	200.00	200.00
Carrier Services	0.00	12,000.00	12,000.00
Computer Fees	100.00	300.00	200.00
Contract (BRASG)	30,000.00	10,200.00	-19,800.00
Contract (RVARC)	30,000.00	30,000.00	0.00
Contract (WVWA)	152,000.00	152,000.00	0.00
Debt Service Payments	135,512.14	135,512.14	0.00
Insurance	1,100.00	8,000.00	6,900.00
Legal Fees	60,000.00	20,000.00	-40,000.00
VA811 Locates	0.00	10,000.00	10,000.00
Maintenance	0.00	6,000.00	6,000.00
Marketing	0.00	25,000.00	25,000.00
NOC Services	0.00	12,000.00	12,000.00
Postage	0.00	500.00	500.00
Rent	0.00	8,700.00	8,700.00
Supplies	400.00	3,500.00	3,100.00
Telephone	0.00	2,000.00	2,000.00
Travel	0.00	3,000.00	3,000.00
Training	0.00	500.00	500.00
 Operating Expenses for Future	 27,717.00	 4,984.00	 -22,733.00
 Total Expenses	 443,229.14	 453,296.14	 10,067.00

**Roanoke Valley Broadband Authority**  
**2016/2017 Operating Budget**

Draft 2/24/2016

<b>Revenues</b>	<b>Budget</b>	
Cities of Roanoke/Salem	654,396.00	Operations
Cities of Roanoke/Salem	669,140.00	Debt Service
Dark Fiber Leases	60,000.00	
Service Revenue	80,000.00	
P/Y Carryover	4,000.00	
 Total Revenue	 1,467,536.00	

<b>Expenses</b>	
Salaries	27,000.00
Fringe Benefits	6,696.00
Accounting Package	2,000.00
Audit	7,000.00
Bank Fees	300.00
Brand Management	50,000.00
Carrier Services	96,000.00
Computer Fees	1,200.00
Contract (NW Engineer)	75,000.00
Contract (RVARC)	30,000.00
Contract (T&L)	10,000.00
Contract (WVWA)	189,000.00
Debt Service Payments	669,140.00
Insurance	20,000.00
Legal Fees	30,000.00
Maintenance	36,000.00
Network Expansion	75,000.00
NOC Services	36,000.00
Postage	1,500.00
Rents	17,400.00
Repair & Restoration	36,000.00
Supplies	2,000.00
Telephone	3,600.00
Travel	10,000.00
Training	5,000.00
Utilities at Valley View	1,700.00
VA811 Ticket Locates	30,000.00
 Total Expenses	 1,467,536.00

**Total** 0.00