



P.O. Box 2569, Roanoke, VA 24010
Frank M. Smith, II, President & CEO
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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 Meeting

Friday, February 17, 2017 at 8:30 a.m.

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

AGENDA

1. Call to Order, Roll Call, Introductions 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 December 2, 2016 Minutes, pp. 2-7 Chairman Boggess

4. Treasurer’s Report Olivia Dooley, Treasurer & CFO
• Financial Reports Ending November 30, 2016, December 31, 2016, January 31, 2017

5. Adoption of Proposed FY 2018 Budget Frank Smith, President & CEO

6. Adoption of Management Authorities and Board of Directors Authorities, pp. 8-11 Frank Smith, President & CEO

7. Project Update Frank Smith, President & CEO

8. Review of Lease Agreement with the Western Virginia Water Authority Chairman Boggess

9. Other Business
• Next Meeting Date Friday, March 17, 2017 Chairman Boggess

10. Adjournment



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MINUTES

A Joint November-December meeting of the Roanoke Valley Broadband Authority was held on Friday, December 2, 2016 at 8:30 a.m. at the City of Roanoke's Emergency Operations Center (Conference Room), 215 Church 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. Chairman Boggess asked Matt Miller, Assistant Secretary to the Broadband Authority, to call the roll. Mr. Miller 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/GUESTS IN ATTENDANCE

Broadband Authority Staff: Frank Smith, President & CEO; Dave Armentrout, Vice President for Network Engineering and Operations; and Olivia Dooley, Treasurer and CFO.

Regional Commission Staff: Matt Miller, Assistant Secretary and Jackie Pace.

Guests: James Bandy, Citizen; Wayne Bowers, City of Roanoke Economic Development; Sam Darby, Glenn Feldmann Darby & Goodlatte; Jacob Demmitt, The Roanoke Times; Jennifer Eddy, Eddy Communications; Hunter Hartley, Roanoke Community EcoSystems; Brian Hunley, Hubbell Power Systems; Granger Macfarlane; Citizen; Brian McConnell, Roanoke Community EcoSystems; Eric Price, Thompson & Litton; Beth Sherman, Cox Business; Corbin Stone, CPA - Robinson, Farmer, Cox Associates; and Margaret-Hunter Wade, Cox Communications.

2. APPROVAL OF THE SEPTEMBER 16, 2016 MINUTES

The Minutes of the September 16, 2016 meeting of the Roanoke Valley Broadband Authority were distributed earlier.

ROANOKE VALLEY BROADBAND AUTHORITY ACTION:

Upon motion by Vice Chair McEvoy, seconded by Tom Gates and carried, the Minutes of the September 16, 2016 meeting of the Roanoke Valley Broadband Authority were approved, as distributed.

3. TREASURER’S REPORT

Chairman Boggess stated that the Financial Reports, ending September 30, 2016 and October 31, 2016, were provided earlier in the agenda mailing and would be filed, as presented.

4. ELECTION OF OFFICERS

Article VI, Section 6.2 of the Broadband Authority Bylaws states that officers of the Authority will be elected for two-year terms in even-numbered years by the Board. Chairman Boggess reported that the current officers of the Roanoke Valley Broadband Authority have expressed a willingness to continue serving in their respective offices if the Board so desires. (Current officers: Kevin Boggess, Chair; Mike McEvoy, Vice Chair; Wayne Strickland, Secretary; and Olivia Dooley, Treasurer.)

ROANOKE VALLEY BROADBAND AUTHORITY ACTION:

Hearing no objections, Mr. Morrill moved that the current officers of the Roanoke Valley Broadband Authority be re-elected for a two-year term ending June 30, 2018 --- Kevin Boggess, Chair; Mike McEvoy, Vice Chair; Wayne Strickland, Secretary; and Olivia Dooley, Treasurer, and that Matt Miller be reappointed to serve as the Assistant Secretary to the Broadband Authority. The motion was seconded by Mr. Gates and carried.

5. BOARD OF GOVERNANCE

Two documents were distributed to the Board at the meeting. Chairman Boggess stated that the intent of the items is to help define the roles of both the Board and the Management of the Broadband Authority (i.e., lay out the responsibilities and serve as an annual check list). Chairman Boggess stated that, if members are agreeable, the documents can be approved at the meeting or action can be taken at the next scheduled meeting.

- (1) Roanoke Valley Broadband Authority “Board of Directors Authorities” (Drafted November 15, 2016). *The Board of Directors of the Roanoke Valley Broadband Authority (RVBA), or a designated committee of the Board, retains sole authority with respect to the matters as outlined. The list of authorities is neither comprehensive nor all-inclusive and may be amended from time-to-time. The Policies and Practices of the RVBA Board of Directors shall at all times be in compliance with the Wireless Services Authorities Act of Virginia, which was the enabling legislation to create the Broadband Authority.*
- (2) Roanoke Valley Broadband Authority “Management Authorities” (Drafted November 15, 2016). *The Chief Executive Officer of the Roanoke Valley Broadband Authority (RVBA) shall be responsible for the discharge of the duties that are not reserved to the Board of Directors, and shall have authority and control over all personnel of the RVBA. The list of authorities in this document is neither comprehensive nor all-inclusive and may be*

amended by the Board from time-to-time. The authorities of the CEO shall at all times be exercised in compliance with the Wireless Services Authorities Act of Virginia.

Chairman Boggess asked members if they had any comments concerning any of the authorities as outlined for the Board and/or Management.

- Morrill – Board Authorities, Policies & Practices Affecting Regular Operations, Bullet #5 -- Concerning laterals, make sure there is enough flexibility to be responsive and to meet customer needs.
- McEvoy – Board Authorities, Policies & Practices Affecting Governance, Bullet #2 – spell out expansion of membership should another locality or entity like to join the Authority.
- McEvoy – Board Authorities, Policies & Practices Affecting Governance --- Delete Bullet #6 “Admit or Expel Members of the Authority”.
- McEvoy – Add an item should the Authority, at some point and time, need to purchase land/property.

ROANOKE VALLEY BROADBAND AUTHORITY ACTION:

Members agreed that they needed more time to review the documents and action on the item would take place at the next scheduled meeting. In the meantime, Chairman Boggess directed members to contact him, or Frank Smith, with any further comments, changes or questions.

6. PRESENTATION OF THE FINANCIAL REPORT, YEAR ENDED JUNE 30, 2016

Corbin Stone, with the accounting firm of Robinson, Farmer, Cox Associates, reported there were no problems with the audit of the financial statements of the Roanoke Valley Broadband Authority for the year ended June 30, 2016. Mr. Stone noted that they did make three small adjustments and then summarized the items on the balance sheets (Assets, Liabilities, Operating Revenues, Operating Expenses, Nonoperating Revenues) on pages 7 and 8 in the Financial Report.

ROANOKE VALLEY BROADBAND AUTHORITY ACTION:

Vice Chairman McEvoy moved acceptance of the Financial Report, for the year ended June 30, 2016. The motion was seconded by Mr. Larowe and carried.

7. PROJECT UPDATES

Frank Smith reported on the following:

- Phase I of the network has been in production for six months, no network outages to report.
- The RVBA had added several business customers.
- Staff has developed a process to have quick turn-around times once leads are developed.

- Smith stated that lessons were learned through the first year of operations concerning which partners are needed to deliver a quality and resilient service and have made adjustments accordingly.
- Staff is also working with members of local economic development departments, and the Regional Partnership

8. REVIEW & APPROVAL OF PHASE II LOW BIDDER

Eric Price (Thompson & Litton) reported that a non-mandatory pre-bid conference was held on October 27, 2016 at 10 am at the Regional Commission office for the Fiber Optic Communications Network, Phase II (i.e., expansion into Roanoke County, advertised in early October 2016) for the Roanoke Valley Broadband Authority. Bids on the project were received until 4:00 p.m. on November 10, 2016, opened publicly, and read aloud at the Conference Room of the Roanoke Valley-Alleghany Regional Commission, 313 Luck Ave., SW, Roanoke, VA 24016. Thompson & Litton reviewed the bids to formulate an opinion of the contractors' responsiveness with respect to the scope of work advertised. Three bids were received and Thompson & Litton are suggesting the low bidder -- Utility Service Contractors (USC). Price stated that a mathematical error was found when adding the bid prices for the individual routes. The total base bid entered by USC on the Bid Form was \$1,993,402.80. The correct total is \$1,991,402.80. USC was made aware of the error with no objections. Price stated upon conducting a review and evaluation of the bids, it appears that the bid from Utility Service Contractors was responsive and consistent in all material aspects with the terms of the invitation. USC submitted the lowest base bid in the amount of \$1,991,402.80. Based on past experience with USC, it is the opinion of Thompson & Litton that they are responsible and have the necessary construction capability to satisfactorily construct the project within the respective contract time frames. In addition, USC has the required Active Gold Shovel Standard Certification.

Tom Gates asked about the process that was used to determine if the bidders were qualified. Price stated that they look to see if they are licensed, their track history, did they respond to the invitation to bids effectively, the equipment they have, and if needed they can reach out to other entities they have worked with. Price noted that mainly it relates to the responsiveness to the bid itself. Frank Smith stated that the bar was raised this time in regards to compliance and safety (digging), noting that the "Gold Shovel Standard Certification" was added into the specs. Gates asked if the team was sure that this was the best contractor and price for this next phase. Frank Smith responded yes, he was confident USC could do the job.

Chairman Boggess asked for approval from the Board to accept the low bid for Phase II from USC and proceed with negotiations to issue a notice of intent to award.

ROANOKE VALLEY BROADBAND AUTHORITY ACTION:

Motion was made by Mr. Gates, seconded by Vice Chairman McEvoy and carried, that the Broadband Authority Board accept the low bid from USC for the Fiber Optic Construction Network, Phase II and proceed to issue a notice of intent to award.

9. 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 pursuant to Section 2.2-3711 A.34. of the Code of Virginia, 1950, as amended, for a discussion or consideration of confidential proprietary information, and specifically its pricing structure. The motion was adopted and carried by a vote of 5 to 0. The Roanoke Valley Broadband Authority went into a closed meeting at 9:18 a.m.

10. 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 5 to 0. The Roanoke Valley Broadband Authority ended the closed meeting and returned to its regular meeting at 9:31 a.m.

11. RESOLUTION OF CERTIFICATION OF CLOSED MEETING

Motion was made by Vice Chairman McEvoy, seconded by Mr. Larrowe 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

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

- **Resolution Authorizing the Advertisement of Proposed Service Pricing Rates and Scheduling of a Public Meeting on February 17, 2017**

(A service pricing rates structure was discussed for consideration during the closed meeting at the December 2, 2016 meeting.)

Frank Smith presented a resolution to the Board asking for authorization to advertise the proposed rates and to schedule a public hearing on February 17, 2017 (during the regularly-scheduled February Broadband Authority Board Meeting). The resolution asks for the preliminary proposed rates structure to be placed into effect as of February 17, 2017, which date may be extended by the Executive Director for up to sixty days; and in accordance with Virginia Code §15.2-5431.25 schedule a public advertisement and a public hearing for the purpose of informing the public and the governing bodies of all localities in which the Authority's system or any part thereof is located as to such proposed rates. The public hearing will take place at the office of the Authority, located in the Roanoke Valley-Alleghany Regional Commission building (Top Floor Conference Room), 313 Luck Avenue, SW, Roanoke, VA 24016 at 8:30 a.m. on Friday, February 17, 2017 for the purpose of giving all citizens the opportunity to state their views.

ROANOKE VALLEY BROADBAND AUTHORITY ACTION:

Upon motion by Vice Chairman McEvoy, seconded by Mr. Gates and carried, the resolution authorizing the advertisement of the proposed rates and scheduling a public meeting on February 17, 2017 to give all citizens the opportunity to state their views, was adopted, as presented.

13. OTHER BUSINESS

- The next scheduled Broadband Board meeting will be held on Friday, January 20, 2017 at 8:30 a.m. at the Roanoke Valley-Alleghany Regional Commission office.
- A letter was received from Senator Warner's office congratulating the Broadband Authority and the City of Roanoke on their receipt of the 2016 Governor's Technology Award in the Cross-Boundary Collaboration category.
- Granger Macfarlane brought it to the attention of Board members that incumbent providers would most likely be submitting State legislation (during the upcoming General Assembly Session) to restrict public broadband networks.

The meeting was adjourned at 9:40 a.m.

Submitted by:

Matt Miller, Assistant Secretary
Roanoke Valley Broadband Authority



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Roanoke Valley Broadband Authority Board of Directors Authorities

The Board of Directors of Roanoke Valley Broadband Authority (RVBA or Authority), or a designated committee of the Board, retains sole authority with respect to the following matters. This list of authorities is neither comprehensive nor all-inclusive and may be amended from time-to-time. The Policies and Practices of RVBA Board of Directors shall at all times be in compliance with the Wireless Services Authorities Act of Virginia (the Act), which was the enabling legislation to create the Authority.

Policies and Practices Affecting Customers:

- Establish pricing policies for products and services and approval of pricing recommended by management, and review pricing policy annually
- Set dues, fix fees, and establish rates

Policies and Practices Affecting Governance:

- Amend the *Bylaws* and recommend amendments to the *Articles of Incorporation*
- Approve any reorganization, entry into new lines of business, establishment of new organizations, subsidiaries, or partnerships
- Elect Board Officers
- Establish Board Committees
- Selection of RVBA's audit firm to conduct the annual audit
- Approval of RVBA's outside-counsel law firm
- Evaluation of risk assessments prepared by management and approval of any risk-mitigation strategies and contingency plans proposed by management

Policies and Practices Affecting Regular Operations

- Approval of the Company's strategic plan, planning guidelines, and guidance for financing activities
- Approval of the annual O&M budget and capital budget with the identification of specific capital expenditure amounts committed to specific capital projects
- Approval of changes to the O&M and capital budgets with the re-allocation of money among approved projects
- Approval of any contracts or agreements entered into by RVBA, including construction contracts, equipment and property leases, IRUs, and capacity swaps that are not included in the RVBA's Small Purchase Policy
- Approval of any network expansion of the existing network greater than \$100,000
- Approval of new products and services as recommended by the President and CEO

- Approval of the Authority's annual performance goals
- Approval of any financing activities including acceptance of grants, incurring debt, and retirement of debt at any dollar value
- Approval of any indebtedness excluding vendor payables
- Establish and amend RVBA's investment policy
- Approval of the dissolution of any line of business or the sale or disposal of any assets

Policies and Practices Affecting Employees, Officers, Board Directors:

- Establish the Approved Personnel Inventory (API), and the number of authorized positions
- Select, hire, and dismiss (terminate) the President and CEO
- Evaluate the performance of the President and CEO
- Establish the President and CEO compensation and employment agreement terms and conditions
- Approval of the total employee compensation as part of the O&M budget
- Approval of the human resources policy
- Approval of employee benefits package
- Set Board Member and Officer compensation, if any

February 17, 2017

Wayne Strickland
Secretary

Approved:

Kevin Boggess
Chairman of the Board of Directors



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Roanoke Valley Broadband Authority Management Authorities

The President and CEO of the Roanoke Valley Broadband Authority (RVBA or Authority) shall be responsible for the discharge of the duties that are not reserved to the Board of Directors, and shall have authority and control over all personnel of the RVBA. This list of authorities as presented in this document is neither comprehensive nor all-inclusive and may be amended by the Board of Directors from time-to-time. The authorities of the President and CEO shall at all times be exercised in compliance with the Wireless Services Authorities Act of Virginia.

Practices Affecting Customers:

- Recommend pricing for products and services to the Board of Directors
- Develop new products and services for the Board of Directors to consider
- Develop interconnections with other networks and carriers that expand the reach of RVBA
- Develop service level agreements for customers
- Manage customer relationships in a fashion to engender high levels of customer satisfaction
- Expand awareness of the RVBA in the region and within the telecommunications industry
- Develop and maintain RVBA's web site, marketing and collateral materials, and image bank

Policies and Practices Affecting Governance:

- Identification of emerging issues or changing marketplace or regulatory matters that could present risk to the Authority
- Develop contingency plans or risk mitigation strategies for the Board of Directors to consider
- Prepare and distribute board packages with sufficient lead time to allow for materials to be reviewed

Practices Affecting Regular Operations

- Preparation of the RVBA's annual strategic plan
- Preparation of a one-year revenue forecast, O&M budget, and capital budget with the identification of specific dollar amounts committed to specific capital projects
- In concert with the preparation of the one-year budget, develop a four-year forecast of revenue, O&M, and capital spending, resulting in an overall five-year plan
- Develop a one-year performance plan with time-specific and measurable performance objectives to present to the Board for approval
- Develop a staffing plan and organizational chart to support the five-year plan. Present the organization chart to the Board for approval, resulting in an Approved Personnel Inventory (API)
- Develop and maintain a policy manual for the Authority containing all RVBA policies adopted and approved by the Board of Directors.

- Develop and maintain a Key Performance Indicators (KPI) dashboard for the Board of Directors, to report on financial and operating performance.

Policies and Practices Affecting Employees, Officers, Board Directors:

- Implement the Approved Personnel Inventory (API) as approved by the Board of Directors
- Select, hire, and manage all employees of the RVBA until such time as there are additional managers at the RVBA and these responsibilities can be partially delegated
- Evaluate employee performance
- Establish the compensation and benefits plans for all employees within the framework of the approved O&M budget

February 17, 2017

Wayne Strickland
Secretary

Approved:

Kevin Boggess
Chairman of the Board of Directors