

601 S. Jefferson Street, SW, Suite 110, Roanoke, VA 24011
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
Sherman Stovall, City of Roanoke

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Roanoke Valley Broadband Authority Meeting

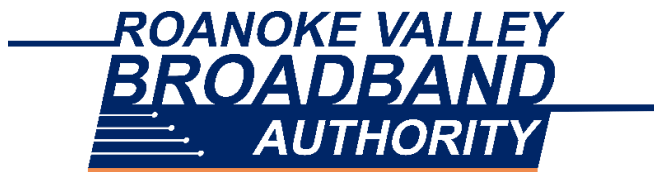
Friday, July 21, 2017 at 8:30 a.m.

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 the May 19, 2017 Minutes, pp. 2-4** *Chairman Boggess*
3. **Treasurer's Report, pp. 5-6** *Olivia Dooley, Treasurer*
 - Financial Reports Ending May 31, 2017 and June 30, 2017
4. **Project Update** *Frank Smith, President & CEO*
5. **Request for Closed Meeting Pursuant to VA. CODE 2.2-3711 A.1.** *Chairman Boggess*

Recess for 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. 7** *Chairman Boggess*
8. **Action by the Authority as a Result of the Closed Meeting**
9. **Other Business**
 - Next Meeting Date Friday, August 18, 2017 *Chairman Boggess*
10. **Adjournment**



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MINUTES

The May Board Meeting of the Roanoke Valley Broadband Authority was held on Friday, May 19, 2017 at 8:30 a.m. at the Roanoke Valley Broadband Authority office located at 601 S. Jefferson Street, Suite 110, Roanoke, VA.

1. CALL TO ORDER, WELCOME AND ROLL CALL

Chairman Boggess called the meeting to order at 8:30 a.m. 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; and Mike McEvoy, Citizen. *Absent:* Vacancy, City of Roanoke.

OTHERS/GUESTS IN ATTENDANCE

Broadband Authority Staff: Dave Armentrout, VP for Networking Engineering and Operations; Jim Bandy, Director of Solutions Engineering; Olivia Dooley, Treasurer and CFO; and Frank Smith, President and CEO.

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

Guests: Richard Caywood; Roanoke County; Sam Darby, Glenn Feldmann Darby & Goodlatte; Jennifer Eddy, Eddy Communications; Sam English, Roanoke Blacksburg Technology Council; Bill Hunter, Roanoke County; Rob Ledger, City of Roanoke; Jill Loope, Roanoke County; Granger Macfarlane, Citizen; Roy Mentkow, City of Roanoke; Beth Sherman, Cox Business; Sherman Stovall, City of Roanoke; Leanna Stultz, Western Virginia Water Authority; and Margaret Hunter Wade, Cox Communications.

2. APPROVAL OF THE MARCH 17, 2017 MINUTES

The March 17, 2017 Minutes of the Roanoke Valley Broadband Authority Board Meeting were distributed earlier. It was noted that the Minutes should be reflected to show that Wayne Bowers was not in attendance at the March meeting.

ROANOKE VALLEY BROADBAND AUTHORITY ACTION:

Vice Chairman McEvoy moved approval of the March 17, 2017 Minutes of the Roanoke Valley Broadband Authority, as amended. The motion was seconded by Mr. Gates and carried.

3. DISTRIBUTION OF FINANCIAL REPORT (ENDING APRIL 30, 2017)

The Financial Report, ending April 30, 2017, was distributed at the May meeting.

ROANOKE VALLEY BROADBAND AUTHORITY ACTION:

Mr. Gates moved acceptance of the Financial Report, ending April 30, 2017, as distributed. The motion was seconded by Mr. Larrowe and carried.

4. PROJECT UPDATE

- Broke ground on Phase 2 on February 13, 2017, and work is ahead of plan.
- 91,000 (of the total 119,000) linear feet of conduit has been installed.
- 4,400 linear feet of rock have been bored, and 100 hand holds installed.

5. CONSIDERATION OF A RESOLUTION REGARDING THE AMENDMENT OF THE AUTHORITY'S FINANCIAL OPERATIONS MANUAL

A supporting resolution was presented for consideration. Frank Smith advised members that it would be in the Authority's best interest to revise its Financial Operations Manual (Chapter VI, Section H – Property & Equipment) to increase the cost of items to be capitalized by the Authority from \$1,500 to \$5,000, effective July 1, 2016.

ROANOKE VALLEY BROADBAND AUTHORITY ACTION:

Vice Chairman McEvoy moved for adoption of the resolution to amend Chapter VI, Section H. of the Broadband Authority's Financial Operations Manual, effective July 1, 2016, as follows:

H. Property & Equipment – The Authority will maintain property and equipment in good operating order and maintain satisfactory records pertaining to the cost, use, location, and disposal of property and equipment. Any purchase over **five thousand dollars (\$5,000)** shall be capitalized.

The motion was seconded by Mr. Larrowe and carried.

6. CONSIDERATION OF A RESOLUTION REGARDING DARK FIBER ALLOCATION POLICY FOR PARTICIPATING LOCALITIES

Chairman Boggess stated that a supporting resolution was presented for consideration concerning the establishment of a policy for the allocation of dark fiber to and use of fiber to member localities.

Chairman Boggess noted that Schedule H of the Local Bond Sale/Financial Agreement between the Virginia Resources Authority (VRA) and the Broadband Authority provides that, as to Special Use Arrangements, "the local government has reserved 5% of the system capacity for service that may be provided without charge to Roanoke, Salem and other locality members of the Local Government for their own use or for Economic Development purposes."

The resolution stated that allocation of dark fiber to member localities shall be made subject to adherence to the following four requirements:

- 1) Two (2) fibers per contributing locality.
- 2) Localities must pay the fiber maintenance fee of five dollars (\$5.00) per strand mile per month.
- 3) No commercial use or resale per the terms of the VRA Bond Fund Agreement.
- 4) Additional fibers, beyond the 2-fiber allocation, may be leased by the localities of the RVBA at the approved Non-Profit Dark Fiber Lease Rates.

NOTE: Locality fibers are subject to the terms and conditions of the Dark Fiber Use License for Localities, a copy of which was attached to the Resolution as Exhibit A.

ROANOKE VALLEY BROADBAND AUTHORITY ACTION:

Vice Chairman McEvoy moved for adoption of the resolution to establish a "Member Locality Dark Fiber Use Policy" for the allocation of dark fiber to and use of fiber by member localities as outlined. The motion was seconded by Mr. Gates and carried.

7. CREATION OF AN INDUSTRY ADVISORY GROUP

Chairman Boggess suggested that an industry advisory group be created to work with the Broadband Authority, noting it would be a good opportunity to hear from local government staff that are using the network, mapping, installation of fiber, etc. The composition of the group will be local government IT leaders. Chairman Boggess stated he, along with Frank Smith, would make appointments to the advisory group. It is anticipated that a meeting of the group would convene within the next 30 days.

ROANOKE VALLEY BROADBAND AUTHORITY ACTION:

Mr. Gates moved for the creation of an Industry Advisory Group for the Roanoke Valley Broadband Authority. The motion was seconded by Mr. Larowe and carried.

8. OTHER BUSINESS

- Jim Bandy was introduced as the new Director of Solutions Engineering for the Broadband Authority.
- The next scheduled meeting date is Friday, June 16, 2017. Staff will advise if the June meeting will need to be cancelled or if the date will need to be changed to accommodate board members' schedules.

The meeting was adjourned at 9:02 a.m.

Wayne Strickland
Secretary to the Roanoke Valley Broadband Authority

Roanoke Valley Broadband Authority
FY 2017 Operations Statement
For the Month Ended June 30, 2017

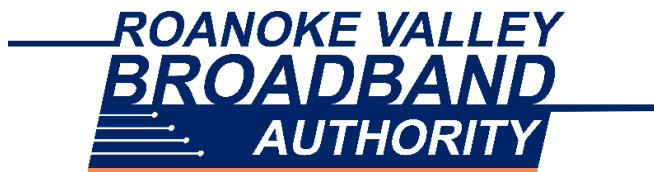
	<u>FY 2017 Budget</u>	<u>June 2017</u>	<u>FY 16/17 Year to Date</u>	<u>Percent Budget</u>
Broadband Revenues				
Contributed Capital	\$ 981,594	\$ -	\$ 981,594	100%
Service Revenue	<u>140,000</u>	<u>14,721</u>	<u>127,939</u>	<u>91%</u>
Total Broadband Operating Revenues	\$ 1,121,594	\$ 14,721	\$ 1,109,533	99%
Broadband Operation & Maintenance Expenses				
Personnel Costs	\$ 401,264	\$ 97,167	\$ 372,822	93%
Network Operations	288,882	25,499	238,176	82%
Brand Management	52,000	-	55,000	106%
Legal Fees	30,000	832	16,241	54%
Office Expenses	80,718	12,495	96,460	120%
Richmond Message Management	-	-	67,500	*
Travel	<u>15,500</u>	<u>304</u>	<u>19,184</u>	<u>124%</u>
Total Broadband Operation & Maintenance Expenses	\$ 868,364	\$ 136,297	\$ 865,383	100%
Income from Operations	\$ 253,230	\$ (121,576)	\$ 244,150	96%
Non-Operating Revenues				
Contributed Capital - Debt Service	\$ 718,380	\$ -	\$ 718,380	100%
Interest Income	-	47	136	0%
Installations	-	-	32,700	0%
Liquidated Damages	-	-	22,884	0%
Other Income	-	-	1,320	0%
Subtotal Non-Operating Revenues	<u>\$ 718,380</u>	<u>\$ 47</u>	<u>\$ 775,420</u>	<u>108%</u>
Non-Operating Expenses				
Interest Expense	<u>\$ (193,380)</u>	<u>\$ -</u>	<u>\$ (193,362)</u>	<u>100%</u>
Subtotal Non-Operating Expenses	<u>\$ (193,380)</u>	<u>\$ -</u>	<u>\$ (193,362)</u>	<u>100%</u>
Total Non-Operating Revenues & Expenses	<u>525,000</u>	<u>47</u>	<u>582,058</u>	<u>111%</u>
Net Income (Loss) from Operations	\$ 778,230	\$ (121,529)	\$ 826,208	106%
Principal Payment on Long-Term Debt	\$ 525,000	\$ -	\$ 525,000	100%
Capital Projects	253,230	37,722	235,105	
Reserves	<u>-</u>	<u>-</u>	<u>-</u>	
Net Income (Loss)	<u>\$ -</u>	<u>\$ (159,251)</u>	<u>\$ 66,103</u>	

*A reduction in unrestricted balance will be used to offset these expenses

Roanoke Valley Broadband Authority
FY 2017 Operations Statement
For the Month Ended May 31, 2017

	<u>FY 2017 Budget</u>	<u>May 2017</u>	<u>FY 16/17 Year to Date</u>	<u>Percent Budget</u>
Broadband Revenues				
Contributed Capital	\$ 981,594	\$ -	\$ 981,594	100%
Service Revenue	<u>140,000</u>	<u>14,721</u>	<u>113,218</u>	<u>81%</u>
Total Broadband Operating Revenues	\$ 1,121,594	\$ 14,721	\$ 1,094,812	98%
Broadband Operation & Maintenance Expenses				
Personnel Costs	\$ 401,264	\$ 27,246	\$ 275,654	69%
Network Operations	288,882	26,281	206,510	71%
Brand Management	52,000	5,000	55,000	106%
Legal Fees	30,000	936	14,473	48%
Office Expenses	80,718	4,113	83,669	104%
Richmond Message Management	-	-	67,500	*
Travel	<u>15,500</u>	<u>2,712</u>	<u>18,881</u>	<u>122%</u>
Total Broadband Operation & Maintenance Expenses	\$ 868,364	\$ 66,288	\$ 721,687	83%
Income from Operations	\$ 253,230	\$ (51,567)	\$ 373,125	147%
Non-Operating Revenues				
Contributed Capital - Debt Service	\$ 718,380	\$ -	\$ 718,380	100%
Interest Income	-	20	89	0%
Installations	-	\$ 8,500	32,700	0%
Liquidated Damages	-	-	22,884	0%
Other Income	-	<u>1,320</u>	<u>1,320</u>	<u>0%</u>
Subtotal Non-Operating Revenues	<u>\$ 718,380</u>	<u>\$ 9,840</u>	<u>\$ 775,373</u>	<u>108%</u>
Non-Operating Expenses				
Interest Expense	<u>\$ (193,380)</u>	<u>\$ -</u>	<u>\$ (193,362)</u>	<u>100%</u>
Subtotal Non-Operating Expenses	<u>\$ (193,380)</u>	<u>\$ -</u>	<u>\$ (193,362)</u>	<u>100%</u>
Total Non-Operating Revenues & Expenses	<u>525,000</u>	<u>9,840</u>	<u>582,011</u>	111%
Net Income (Loss) from Operations	\$ 778,230	\$ (41,727)	\$ 955,136	123%
Principal Payment on Long-Term Debt	\$ 525,000	\$ -	\$ 525,000	100%
Capital Projects	253,230	37,550	163,669	
Reserves	<u>-</u>	<u>-</u>	<u>-</u>	
Net Income (Loss)	<u>\$ -</u>	<u>\$ (79,277)</u>	<u>\$ 266,467</u>	

*A reduction in unrestricted balance will be used to offset these expenses



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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 21st day of July, 2017