AGENDA
NELSON COUNTY BROADBAND AUTHORITY
July 14, 2015

THE MEETING CONVENES AT 1:00 P.M. IN THE
GENERAL DISTRICT COURTROOM, OF THE COURTHOUSE, LOVINGSTON

I. Call to Order

II. Public Comments

III. Consent Agenda

A. Resolution – R2015-04 Minutes for Approval

IV. New/Unfinished Business

A. Network Operator Report - Blue Ridge Internetworks
B. Treasurer's Report
C. FY15-16 Broadband Authority Budget **(R2015-05)**

V. Other Business (As May Be Presented)

VI. Adjournment

RESOLUTION R2015-04
NELSON COUNTY BROADBAND AUTHORITY
APPROVAL OF MEETING MINUTES
(April 14, 2015)

RESOLVED, by the Nelson County Broadband Authority that the minutes of said Authority's meetings conducted on **April 14, 2015** be and hereby are approved and authorized for entry into the official record of the Broadband Authority's meetings.

Approved: July 14, 2015

Attest:_____, Secretary
Nelson County Broadband Authority

April 14, 2015

Virginia:

AT A REGULAR MEETING of the Nelson County Broadband Authority Board at 1:00 p.m. in the General District Courtroom located on the third floor of the Nelson County Courthouse, Lovingston Virginia.

Present: Thomas H. Bruguiere, Jr. West District
Thomas D. Harvey, North District
Allen M. Hale, East District
Alan Patrick, Central District – Vice Chair
Larry D. Saunders, South District – Chair
Stephen A. Carter, County Administrator
Candice W. McGarry, Secretary
Debra K. McCann, Treasurer
Susan Rorrer, Director of Information Systems
Carrie Slaughter, Network Operator – BRI

Absent: None

I. Call to Order

Mr. Saunders called the meeting to order at 1:00 pm with four members present to establish a quorum and Mr. Bruguiere subsequently joining the meeting.

II. Public Comments

1. Joe Lee McClellan, Nelson Cable

Mr. McClellan distributed and read aloud the following comments:

Since becoming an Internet Provider on the NCBA Network, we have contacted numerous businesses and signed up two. In addition, we have submitted one (1) more business and one (1) home for an installation cost to be quoted. However, after their drop had been installed and we attempted to connect them to the Internet Service, we learned that we needed a router for the NCBA Lovingston shelter, which has now been ordered. It would be helpful if the NCBA would defer billing until the Circuit was activated and working. Even with our matching the NCBA Installation Discount, the cost of installation is a deterrent for some. I would like to suggest that the NCBA allow the property owner to dig, install and cover their own ditch. The System Operator would still furnish and splice the fiber cable. In our cable and satellite Internet operation, we have many customers who chose to bury their own “drop” cable to save on installation costs. Finally, I will tell you again that BRI and I will be able to connect more subscribers going to Piney River, rather than down through Nellysford.

2. Clay Stewart, SCS Broadband

Mr. Stewart announced he would not be running for the South District seat on the Board of Supervisors and noted his decision to expand his business took precedence. He noted he was also concerned about losing

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the opportunity to independently provide advice and support to the NCBA and that he would spend his time to provide more services for the County. Mr. Stewart then noted that he had been meeting with several other counties and he currently served seven (7) and was looking at an additional five (5). He added that he had moved forward with public-private partnerships that he hoped to share with NCBA in the future. Mr. Stewart then reported that his company had reorganized and he was now the CTO (Chief Technical Officer) and this was part of growth into other areas. He added he would be breaking his contract on the Martin's Store Tower because it was not economically feasible for him to use the tower. He noted he would try to make a go of it on the Massie's Mill tower and he was doing wireless analysis for some other counties. He noted that they all had the same thread and had reached the same point. Mr. Stewart then noted that the State and Feds were helping fiber providers and the wireless providers were ignored while providing service. He added that counties were starting to realize what could and could not be done with fiber and they were turning to wireless for service. He noted that 70%-80% of Nelson County would need wireless coverage and he would like to be a part of this in some way and offer his advice and recommendations going forward.

3. John Hollman, Nelson Cable

Mr. Hollman reported that Nelson Cable had connected the Wintergreen Police community office building and the Fire Dept. to their tiered fiber service. He added that they were working with Wintergreen Property Owners Association (WPOA) to run fiber to the tower on Devil's Knob. He added that they were networking all three on the same network to make it work better and faster.

III. Consent Agenda

Mr. Hale noted a correction to the January 13th minutes on page 5; noting it should refer to Nelson Cable satellite Internet rather than TV. Ms. McGarry acknowledged the correction and Mr. Hale moved to approve the consent agenda and Mr. Harvey seconded the motion. There being no further discussion, Members voted unanimously (4-0) by roll call vote to approve the motion and the following resolution was adopted:

A. Resolution – R2015-04 Minutes for Approval

RESOLUTION R2015-04
NELSON COUNTY BROADBAND AUTHORITY
APPROVAL OF MEETING MINUTES
(January 13, 2015 and February 10, 2015)

RESOLVED, by the Nelson County Broadband Authority that the minutes of said Authority's meetings conducted on **January 13, 2015 and February 10, 2015** be and hereby are approved and authorized for entry into the official record of the Broadband Authority's meetings.

IV. New/Unfinished Business

A. Network Operator Report - Blue Ridge Internetworks

Carrie Slaughter of Blue Ridge Internetworks noted that Quarter 1 brought in 3 connections with 102 active circuits and one pending construction. She noted there were no network outages and the network had normal operations. She added that they were excited for expansion of the network, they have brought on an additional salesperson, and would be meeting with businesses and homeowners associations.

She then reviewed the following reports:

I. Operational

Q1 Installations:

Jan	0
Feb	2
March	1

Active Circuits:

Blue Ridge	95
Shentel	3
Nelson Social Services	1
Nelson County Cable	3
TOTAL	102
Pending Installations	1

II. Financial

Nelson County Broadband Authority
A/R Aging Summary
As of April 14, 2015

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
BRI	4,274.64	0.00	0.00	0.00	0.00	4,274.64
Lumos	437.50	437.50	0.00	0.00	0.00	875.00
MBC	1,000.95	600.00	0.00	0.00	0.00	1,600.95
NCC	1,450.00	3,299.75	0.00	0.00	0.00	4,749.76
Shentel	4,368.00	4,368.00	0.00	0.00	0.00	8,736.00
Social Services	0.00	250.00	0.00	0.00	0.00	250.00
Stewart Computer Services	1,600.00	0.00	0.00	0.00	199.17	1,799.17
TOTAL	13,131.09	8,955.26	0.00	0.00	199.17	22,285.52

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Nelson County Broadband Authority
Income Statement by Item
Accrual Basis January through March 2015

	Oct 14	Nov 14	Dec 14	TOTAL
Service				
Collo 2RU (Collocation: 2 Rack Units, 20A)	225.00	225.00	225.00	675.00
Collo Full Rack (Collocation: 19" Rack, incl 20A DC)	350.00	350.00	350.00	1,050.00
Collo Power $250 (Collo Power Fee)	250.00	250.00	250.00	750.00
Collo Power 10A (Collocation: Additional Power, 10A)	437.50	437.50	437.50	1,312.50
Dark Fiber (Dark Fiber Lease)	1,000.95	0.00	0.00	1,000.95
Tier 1 25x5 (Tier 1 25x5 Access Circuit)	1,975.00	1,996.42	2,063.33	6,034.75
Tier 1 50x10 (Tier 1 50x10 Access Circuit)	300.00	300.00	300.00	900.00
Tier 2 25x25 (Tier 2 25x25 Access Circuit)	150.00	171.43	225.00	546.43
Tier 2 Gig (Tier 2 Gigabit)	1,000.00	1,000.00	1,000.00	3,000.00
Tier 3 1G (Tier 3 Private WAN 1 Gbps)	4,368.00	4,368.00	4,368.00	13,104.00
Tier 3 25M (Tier 3 P2P WAN 25 Mbps)	250.00	250.00	250.00	750.00
Tower Lease (Tower Lease Income)	1,525.00	1,525.00	33,625.00	36,675.00
Xconn (Colocation Cross Connect Fee)	250.00	250.00	250.00	750.00
Total Service	12,081.45	11,123.35	43,343.83	66,548.63
Other Charges				
CF Amort (Construction Fee Amortized Pmt)	1,577.24	1,673.75	1,692.53	4,943.52
CF Std (Construction Fee One-Time Pmt)	0.00	2,899.57	0.00	2,899.57
Total Other Charges	1,577.24	4,573.32	1,692.53	7,843.09
TOTAL	**13,658.69**	**15,696.67**	**45,036.36**	**74,391.72**

B. Treasurer's Report

Ms. McCann reported the following regarding the Broadband Fund:

BROADBAND FUND @ 3/31/2015

Beginning Balance 7/1/2014	$ 360,971.37
July-September 2014 Expenditures	$ (102,340.15)
Oct-December 2014 Expenditures	$ (49,919.54)
Jan-March 2015 Expenditures	$ (41,003.38)
July-September 2014 Revenues	$ 31,451.82
Oct-December 2014 Revenues**	$ 86,295.07
Jan-March 2015 Revenues	$ 71,388.58
Subtotal	$ 356,843.77
General Fund Transfer	$ 100,000.00

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Ending Balance 3/31/2015	$ 456,843.77
Revenues Exceed Expenditures FYTD by	$ 95,872.40
Remaining Balance Amortized Installation Fund	$ 134,231.45
Remaining Balance Operational Funds	$ 322,612.32
Available Bank Balance @ 3/31/2015	$ 456,843.77

She noted that the Authority was operating off of operational receipts and used general fund monies of $5,000.

She also reported the following regarding the Broadband Network Operating Fund:

The Broadband Project Fund report showed year-to-date expenditures (July – March) of $193,263.07 for Network Operations, with there being an unencumbered balance of $253,045.93 and a Contingency Reserve remaining of $50,950.00. The Revenue Summary for the fund showed year-to-date revenues of $289,135.47 and a balance of $208,123.53 for the remainder of the year. Ms. McCann Noted that $100,000 was a contribution from the General fund and revenue less this was noted to be $189,135.47.

Ms. McCann then reported that the $193,634 year ending balance shown on the revenue report was the amount set aside for amortized installations and upfront costs.

C. Definition of Broadband **(R2015-03)**

Mr. Patrick noted that he would like the Authority to clarify what was meant by the term Broadband. He added that the Feds were defining it and he thought the Authority should consider defining it as they did. He noted that there were misunderstandings on what was meant by the term and defining it did not mean that service providers could not provide less than this level of service.

Mr. Hale then asked if the speeds varied and Mr. Patrick noted that it was the minimum that the ISP would provide.

Ms. Carrie Slaughter of BRI noted that 25Mbps down and 5Mbps up was what was expected to be provided in terms of speed by the ISPs. Mr. Hale then noted the varying speeds with satellite and Ms. Slaughter noted that they were likely offering up to a certain speed and the consumer would not always get that speed; rather it was a maximum. She added that this can be controlled with fiber and that wireless or satellite services could not guarantee consistent bandwidth.

Mr. Clay Stewart of SCS Broadband was invited to comment on the guarantees of speeds – he noted that no one could guarantee speeds even fiber. He noted that BRI's fiber was not loaded up and that they offered different packages with the same speeds. He added once loaded up, it would not be consistent.

Mr. Stewart then questioned why the Authority would do this and noted that he thought this would be a deterrent to providers.

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Mr. Patrick reiterated that the goal in doing this was to provide clarification on what was meant by Broadband.

Ms. Slaughter noted that this definition had come from the FCC; however the real reason they did 25Mbps down and 3Mbps up was in preparation to put them under Title II. She added that they had to define it and they still gave grants for 4Mbps down and 1Mbps up as well as 10 Mbps down and 1 Mbps up. She reiterated that in discussing this with WISPA, this was in preparation to get them in Title II. It was noted that the fastest speeds were in South Korea which were 24.6 Mbps down so the FCC chose 25/5 for political reasons. Mr. Stewart noted that his wireless service could deliver 100 Mbps or 1GB down to a business. He added that it was not his argument and that lower speeds were considered Broadband to the general population.

John Hollman of Nelson Cable noted that they did provide "up to" service but did not oversubscribe services. He noted that they could offer dedicated services; however it cost more because FCC paperwork was required.

Mr. Bruguiere noted that he thought that this would be just defining a speed and he did not see this as a deterrent as it did not mean that providers could not offer less.

Mr. Patrick noted that the Authority's charter was to provide broadband service to the community and he just wanted to know if the Authority wanted to consider this. Mr. Hale noted that there seemed to be some contradiction between 25/5 being offered and the resolution for consideration that had a definition of 25/3. Mr. Patrick noted that 25/3 was the Federal definition.

Mr. Joe Lee McClellan then spoke and noted that when the County got the first grant for Broadband, there was a minimum to be provided to be considered Broadband and he thought that was what should be used.

Mr. Carter noted that the fiber network was capable of providing speeds much faster and Mr. Patrick added that he thought that they should go by the standard of today; while acknowledging that it was constantly changing and it should be re-evaluated as it did.

Mr. Bruguiere reiterated that defining higher speeds as Broadband would not limit ISPs since they could provide something slower and cheaper depending on the needs of their customers. Mr. Hale added that they would just not be able to call these slower services Broadband and it would have minimal impact; to which Mr. Bruguiere agreed.

Mr. Harvey then noted that he was unsure that this was relevant and he thought that the Authority should be trying to get service to as many people as they could. He added that they were concentrating on fiber expansion and to reach most of the County, wireless would be needed and Citizens would not care what it was called.

Mr. Patrick noted that customers would love the service if they have never had it and then would evolve to want to do other things with it. He added that if was not reasonable to consider now, it was fine with him; however he thought it was reasonable and that people should know what the NCBA was doing.

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Mr. Saunders noted that this was just trying to say that some services could not be called broadband and that the Authority could get sued over it. Mr. Harvey disagreed noting that this would not be the case if they did not have a definition. He added that the Authority needed to get services into other parts of the County.

Mr. Patrick indicated that it was fine with him to table this; however he would like to bring this back up at another time.

Following discussion, Members agreed by Consensus to table the matter and no action was taken.

D. Correspondence – Horizons Village Property Owners Association

The following letter was discussed by the Authority:

April 7, 2015

Nelson County Broadband Authority
P.O. Box 336
Lovingston, VA 22949

The Horizons Village Property Owners Association and the residents of Horizons Village are very interested in the county's 2015 broadband project to extend the fiber network along the Route 151 corridor from Martin's Store to the Route 664 intersection.

Once installed, the fiber network will pass directly in front of the entrance to our neighborhood, Horizons Village, which is an established subdivision across the street from Bold Rock Cidery.

Current options for high-speed internet in Horizons Village are, for the most part, nonexistent. Therefore, property owners are very interested in tapping into the county's fiber backbone to bring high-speed internet to the neighborhood.

Demand for high-speed internet service in Horizons Village has never been higher. A recent poll of property owners revealed that the vast majority are interested in fiber internet service.

Many Horizons Village residents plan to use this service to work from home. Additionally, several high-earning property owners are planning to permanently relocate to Nelson County and telework full-time when high-speed internet becomes available in Horizons Village. The potential benefits to the county's tax base and local businesses are significant.

As fiber installation begins in our area, please let us know what steps Horizons Village needs to take to bring high-speed internet into the neighborhood.

Thank you for your continued work to provide reliable and affordable high-speed internet access to the residents of Nelson County. We look forward to working with the Broadband Authority in the coming months.

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Mr. Patrick noted the he had spoken to someone about this and there may be forty (40) homes there. Mr. Harvey noted that the problem there was they were large lots and were not close together so installation may be more expensive. Mr. Carter noted that may be the case; however it was still an opportunity.

Mr. Patrick added that he was contacted by the person that took over BB&T bank. He noted that they owned property in Spruce Creek and would like a connection. Mr. Carter then noted that for the DHCD application, staff did analysis of those potential connections that were within 1000 ft. and he noted the potential for expansion once the fiber was installed down there.

Mr. Harvey noted he thought there were better expansion opportunities on the current fiber.

V. Other Business (As May Be Presented)

Introduced: General Discussion Regarding Expansion of the Network

Mr. Harvey inquired as to what could be done to help wireless services take off in the County. Mr. Patrick agreed it was a concern and noted that fiber had not really taken off either and that he thought it was important to get information out that it was available. He added that he had looked at the RANA website in Rockbridge as an example and noted that it was important to actively market the network. He suggested using the Nelson County Times to market it.

Mr. Patrick then noted that the Authority had discussed moving forward with a strategic plan and they needed to be proactive about it. He related that he has had people come by the store and ask about the orange things by the road and once he told them, they got service.

Mr. Hale noted that people in his area lost broadband services when broadband over power lines went away and they had no other alternatives. He added that satellite may be the only answer in his area and that the Faber area had a lot of interest; however no towers were going up.

Mr. Patrick then noted that it was important to remember that when the towers were originally designed, the goal was for ISPs to provide services in those areas and then build out themselves to reach people. He noted that Mr. Stewart had done this somewhat; however all of the towers were not supposed to be the be all end all for the county.

Mr. Hale noted he thought the County needed to work towards additional tower locations and Mr. Bruguiere noted that the ones the County had should be fully utilized first. Mr. Hale cited the Martin's Store tower as an example; noting that AT&T was still not on there. Mr. Carter noted that they were paying for the space and Ms. Rorrer added that they have had scheduling issues with installing their equipment there.

Mr. Patrick noted he would like to see this; however if current towers were not being utilized, he did not see the point.

Mr. Bruguiere suggested that these be advertised some and they would see if there was interest.

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Mr. Harvey questioned whether or not this was the job of the Network Operator and Mr. Carter noted that all Service Providers should be doing this. Mr. Harvey added that he thought that Blue Ridge Internetworks (BRI) needed to get into neighborhoods to get business.

Ms. Slaughter of BRI noted that BRI did not believe it was their job to market the network, rather it was the NCBA's asset and they needed to have a marketing fund dedicated to informing the public about the network. She added that as a Service Provider, BRI could market themselves as could the others. She added that it would go a long way to establish a website like the one established in Rockbridge County by the RANA Authority.

Mr. Harvey reiterated that there needed to be someone that could go out and knock on doors etc. to drum up users with the provider being whoever they chose. Mr. Patrick added that there could be multiple providers in that area potentially because the County would own the fiber.

Ms. Rorrer noted that a spearhead was needed to do what Mr. Harvey was suggesting in neighborhoods. She added that the RANA Authority had a person on staff that worked with communities to self-organize and then the cost of installation was spread over the users. She added that this would require a coordination and communication effort that the NCBA could take on. Mr. Patrick reiterated that RANA had an Authority staff member that did that coordination.

Mr. Hale noted that perhaps staff could be requested to come back with a marketing proposal and Mr. Bruguiere suggested the County may need to have a separate County website for Broadband and suggested that they needed to figure out how to knock the cost of installation down so people could connect. Mr. Harvey noted that someone to explain the discounts etc. to potential customers was needed.

Mr. Hale then inquired as to whether or not subscribers could dig their own ditch and Ms. Rorrer noted that the concern with customers providing their own facilities was that it would not save them much if any money and there was concern about the quality of work and levels of expertise, like splicing, that would take coordination. She added that there was not much money to be saved and there was the potential to degrade the network and cause coordination headaches.

Mr. Carter noted that the last mile costs in rural localities was a big problem everywhere. Ms. Rorrer noted that as to Mr. McClellan's question, she would have to check on that; however she foresaw it not being worthwhile for the County to send out someone to complete the splice and it changed the game a little bit.

Mr. Carter noted that staff was working on the grant to extend the fiber and was trying to get the state to allow the County to use CCTS without re-doing the procurement process, because when they were procured, the RFQ was sent to ten (10) companies with one response.

Mr. Saunders agreed that quality was an issue.

Ms. Rorrer noted that in terms of marketing, Maureen Kelley was asked to look into the cost of a website dedicated to Broadband. She noted that the RANA website was the interface with a customer interested in service and they could make a quote request, their information was then sent to all ISPs so they could be contacted by anyone to provide service.

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Members then asked if the NCBA could piggyback on their website and Ms. Rorrer noted she was not sure and would look at both options. Mr. Bruguiere added he thought the website could be established in thirty days.

Mr. Patrick then asked Ms. Rorrer about contacting someone about doing a strategic plan and Ms. Rorrer noted that she had been provided the names of a couple of companies that could do this and this was on her list to be done.

Mr. Patrick then encouraged staff to look at a marketing plan and website development.

VI. Adjournment

At 1:50 pm, Mr. Harvey moved to adjourn and Mr. Hale seconded the motion. There being no further discussion, Members voted unanimously by voice vote to approve the motion and the meeting adjourned.

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IV B

BROADBAND FUND @6/30/2015

		YTD
Beginning Balance 7/1/2014	$ 360,971.37	
July-September 2014 Expenditures	$ (102,340.15)	
Oct-December 2014 Expenditures	$ (49,919.54)	
Jan-March 2015 Expenditures	$ (41,003.38)	Expenditures
April-June 2015 Expenditures	$ (57,095.45)	$ 250,358.52
July-September 2014 Revenues	$ 31,451.82	
Oct-December 2014 Revenues	$ 86,295.07	Operational
Jan-March 2015 Revenues	$ 71,388.58	Revenues
April-June 2015 Expenditures	$ 45,486.04	$ 234,621.51
Subtotal	$ 345,234.36	
General Fund Transfer	$ 100,000.00	
Ending Balance 6/30/2015	$ 445,234.36	
Overall Revenues Exceed Expenditures FYTD by	$ 84,262.99	
Remaining Balance Amortized Installation Fund	$ 126,749.69	
Remaining Balance Operational Funds	$ 318,484.67	
Available Bank Balance @6/30/2015	$ 445,234.36	

FUND #-114 ***Revenues-Broadband Network***

-D E T A I L-

REVENUE SUMMARY

7/01/2014 - 6/30/2015

TIME 13:45

-D E T A I L-

MAJOR ACCT#	DESCRIPTION	BUDGET AMOUNT	APPR. AMOUNT	CURRENT AMOUNT	Y-T-D AMOUNT	BALANCE	% REMAIN.
999	***Revenues-Broadband Network***						
1502	***Revenue from Use of Property***						
0020	Fiber Leases	4,000.00	4,000.00	.00	4,003.80	3.80-	.09-
0030	Tower Leases	83,625.00	83,625.00	3,050.00	86,886.99	3,261.99-	3.90-
	Revenue from Use of Property	87,625.00	87,625.00	3,050.00	90,890.79	3,265.79-	3.72-
1620	***Charges for Services***						
0001	Network Access Charges	56,650.00	56,650.00	6,905.50	92,709.09	36,059.09-	63.65-
0100	Other Network Charges	13,350.00	13,350.00	1,337.50	14,651.57	1,301.57-	9.74-
	Charges for Services	70,000.00	70,000.00	8,243.00	107,360.66	37,360.66-	53.37-
1899	***Installation Reimbursements***						
0110	Installation Upfront Payments	40,000.00	40,000.00	3,676.00	19,986.38	20,013.62	50.03
0115	Installation Amortized Payments	6,000.00	6,000.00	1,692.53	16,383.68	10,383.68-	173.06-
	Installation Reimbursements	46,000.00	46,000.00	5,368.53	36,370.06	9,629.94	20.93
	Revenue from Use of Property	203,625.00	203,625.00	16,661.53	234,621.51	30,996.51-	15.22-
3201	***Grants & Transfers***						
4101	***Non-Revenue Receipts***						
4105	***Transfers***						
0100	Transfer from General Fund	100,000.00	100,000.00	.00	100,000.00	.00	.00
	Transfers	100,000.00	100,000.00	.00	100,000.00	.00	.00
	Non-Revenue Receipts	100,000.00	100,000.00	.00	100,000.00	.00	.00
9999	***Year Ending Balance***						
0001	Year Ending Balance	193,634.00	193,634.00	.00	.00	193,634.00	100.00
	Year Ending Balance	193,634.00	193,634.00	.00	.00	193,634.00	100.00
	Year Ending Balance	193,634.00	193,634.00	.00	.00	193,634.00	100.00
	--FUND TOTAL--	497,259.00	497,259.00	16,661.53	334,621.51	162,637.49	32.70

MAJOR ACCT#	DESCRIPTION	BUDGET AMOUNT	APPR. AMOUNT	CURRENT AMOUNT	Y-T-D AMOUNT	ENCUMBRANCE AMOUNT	UNENCUMBERED BALANCE	% REMAIN.
94100	***Broadband Network***							
94200	***Network Operations***							
1011	Remuneration-Broadband Authority	.00	.00	.00	375.00	.00	375.00-	100.00-
3002	Professional Services (NetOp)	81,600.00	81,600.00	6,540.00	81,260.00	.00	340.00	.41
3003	Professional Services	10,000.00	10,000.00	1,960.00	8,248.69	.00	1,751.31	17.51
3004	Repair & Maintenance	7,400.00	7,400.00	.00	300.00	.00	7,100.00	95.94
3005	Insurance	2,500.00	2,500.00	.00	2,286.00	.00	214.00	8.56
3006	Utilities Including Locates	34,000.00	34,000.00	3,472.42	26,129.43	.00	7,870.57	23.14
3009	Installation Expense (Discount)	22,500.00	22,500.00	2,250.00	26,492.19	.00	3,992.19-	17.74-
3010	Installation Expense	40,000.00	40,000.00	.00	7,490.00	.00	32,510.00	81.27
3011	Installation Expense (Amortized)	193,634.00	193,634.00	2,803.38	62,048.46	.00	131,585.54	67.95
3012	Service Contracts	10,000.00	10,000.00	.00	4,250.00	.00	5,750.00	57.50
5401	Office Supplies	300.00	300.00	.00	88.59	.00	211.41	70.47
7007	Equipment	35,000.00	35,000.00	.00	31,026.16	.00	3,973.84	11.35
8112	Tower Leases	9,375.00	9,375.00	.00	.00	.00	9,375.00	100.00
	Network Operations	446,309.00	446,309.00	17,025.80	249,994.52	.00	196,314.48	43.98
94500	***CDBG EXPANSION 2015***							
3170	Permit Fees & Misc.	.00	.00	364.00	364.00	.00	364.00-	100.00-
	CDBG EXPANSION 2015	.00	.00	364.00	364.00	.00	364.00-	100.00-
	Broadband Network	446,309.00	446,309.00	17,389.80	250,358.52	.00	195,950.48	43.90
999000	***Contingency***							
9901	Contingency Reserve	50,950.00	50,950.00	.00	.00	.00	50,950.00	100.00
	Contingency	50,950.00	50,950.00	.00	.00	.00	50,950.00	100.00
	Contingency	50,950.00	50,950.00	.00	.00	.00	50,950.00	100.00
	--FUND TOTAL--	497,259.00	497,259.00	17,389.80	250,358.52	.00	246,900.48	49.65

FY16 NCBA Proposed Budget

The overall budget proposed in FY16 reflects an increase of $339,298 which is primarily due to the proposed network expansion project ($338,957).

Highlights of FY16 proposed expenditures:

1) The proposed budget includes $338,957 for the proposed network expansion. This is funded primarily with Community Development Block Grant (CDBG) funds including the required local match. Additionally, the Broadband Fund is contributing $38,957 to cover the full project cost.
2) The proposed budget includes an addition of Director stipends and mileage at a cost of $2025.
3) Utility expense reflects a budgetary decrease of $4,000. Utility expense includes locating services, electric, and VUPS (Miss Utility) costs. The expense in FY15 was less than anticipated and we expect a similar trend in FY16.
4) Equipment expense is anticipated to increase by $10,000 attributed to the purchase of equipment for expected customer base resulting from expansion
5) Installation expense includes $10,000 for installations that will be paid upfront, $146,550 for amortized installations (6/30 balance in the fund plus anticipated FY16 receipts of $19,800), and $37,500 for the discounted expense for which the Authority receives no reimbursement (50 installs at $750 discount per end user). The installation expense reflects a reduction from FY15 of $62,084 primarily due to reduction in the remaining funds allocated for amortized connections.
6) Tower Lease expense reflects an increase of $155 in contract payments to RVFD reflective of increased tower receipts.
7) New for FY16, the budget includes $50,000 for development of a network strategic plan.
8) The budget includes a contingency of $55,195.

Highlights of FY16 revenue projections:

1) The budget incorporates a transfer from the CDBG Fund which includes $200,000 of grant funding and $100,000 required matching funds.
2) The Transfer from the General fund includes $100,000 for operations and $50,000 allocated to the network strategic plan.
3) Network access charges are expected to increase by $29,000. This is based on current customer base and projects 50 new end user customer circuits.
4) Tower Leases are expected to decrease by $6,075 based on projected removal of equipment from certain towers.
5) Installation reimbursement is expected to decrease from the FY15 budget amount by $5,700. The FY16 projected is based on FY15 actual receipt of $36,370 and assumes an increase of about $4,000 attributed to new connections from the expansion.
6) Typically year ending balance represents the anticipated balance of the amortized connection funding. The balance of the fund as of June 30, 2015 is $126,750. Additional fund balance of $38,957 is also utilized to offset the network expansion costs that exceed the grant/match funding.

BROADBAND FUND

EXPENDITURE SYNOPSIS -Proposed

Expenditure by Dept.	FY 14-15 Amended Budget	FY 15-16 Proposed Budget	Increase/Decrease	% Change
Broadband Project				
Professional Services	$0.00	$0.00	$0.00	0.00%
Design Drawings	$0.00	$25,580.00	$25,580.00	0.00%
Construction	$0.00	$308,377.00	$308,377.00	0.00%
Project Inspection	$0.00	$0.00	$0.00	0.00%
Permit Fees	$0.00	$5,000.00	$5,000.00	0.00%
Land, Right-of-way, etc.	$0.00	$0.00	$0.00	0.00%
Contingency	$0.00	$0.00	$0.00	0.00%
Network Operations				
Network Operator	$81,600.00	$81,600.00	$0.00	0.00%
Director Fees & Mileage	$0.00	$2,025.00	$2,025.00	
Repair & Maintenance	$7,400.00	$7,400.00	$0.00	0.00%
Professional Services	$10,000.00	$10,000.00	$0.00	0.00%
Office Supplies	$300.00	$300.00	$0.00	0.00%
Insurance	$2,500.00	$2,500.00	$0.00	0.00%
Utilities including locates	$34,000.00	$30,000.00	-$4,000.00	-11.76%
Equipment	$35,000.00	$45,000.00	$10,000.00	28.57%
Installations	$256,134.00	$194,050.00	-$62,084.00	-24.24%
Service Contracts	$10,000.00	$10,000.00	$0.00	0.00%
Tower Lease	$9,375.00	$9,530.00	$155.00	1.65%
Network Strategic Plan	$0.00	$50,000.00	$50,000.00	100.00%
Contingency	$50,950.00	$55,195.00	$4,245.00	8.33%
Total	**$497,259.00**	**$836,557.00**	**$339,298.00**	**68.23%**

REVENUE SYNOPSIS -Proposed

Revenues	FY 14-15 Amended Budget	FY 15-16 Proposed Budget	Increase/Decrease	% Change
Broadband Project				
BTOP Award (NTIA)	$0.00	$0.00	$0.00	0.00%
CDBG Fund Transfer	$0.00	$300,000.00	$300,000.00	0.00%
General Fund Transfer	$0.00	$0.00	$0.00	0.00%
Year Ending Balance	$0.00	$0.00	$0.00	0.00%
Network Operations				
Transfer from General Fund	$100,000.00	$150,000.00	$50,000.00	50.00%
Network Access Charges	$70,000.00	$99,000.00	$29,000.00	41.43%
Fiber Leases	$4,000.00	$4,000.00	$0.00	-100.00%
Tower Leases	$83,625.00	$77,550.00	-$6,075.00	-7.26%
Installation Reimbursement	$46,000.00	$40,300.00	-$5,700.00	-12.39%
Year Ending Balance	$193,634.00	$165,707.00	-$27,927.00	-100.00%
Total	**$497,259.00**	**$836,557.00**	**$339,298.00**	**68.23%**

RESOLUTION R2015-05
NELSON COUNTY BROADBAND AUTHORITY
APPROVAL OF FY15-16 BUDGET

RESOLVED, by the Nelson County Broadband Authority that the FY15-16 Budget is hereby approved as amended, as applicable, at the July 14, 2015 Broadband Authority meeting.

Approved: _____, 2015

Attest:_____, Secretary
Nelson County Broadband Authority