

April 13, 2021

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: Jesse N. Rutherford, East District – Chair
Gary W. Strong, Central District – Vice Chair
Thomas D. Harvey – North District
Larry D. Saunders – South District
Thomas H. Bruguere, Jr. – West District
Stephen A. Carter, County Administrator
Grace Mawyer, Secretary
Candice W. McGarry, Treasurer
Susan Rorrer, Director of Information Systems

Absent: None

I. Call to Order

Mr. Rutherford called the meeting to order at 1:01 PM with five (5) Members present to establish a quorum.

II. Public Comments

There were no persons wishing to be recognized for public comments.

III. Consent Agenda

A. Resolution – R2021-02 Minutes for Approval

Mr. Harvey moved to approve resolution **R2021-02** Minutes for Approval and Mr. Strong seconded the motion. There being no further discussion, Members voted unanimously (5-0) by roll call vote to approve the motion and the following resolution was adopted:

**RESOLUTION R2021-02
NELSON COUNTY BROADBAND AUTHORITY
APPROVAL OF MEETING MINUTES
(January 12, 2021)**

RESOLVED, by the Nelson County Broadband Authority that the minutes of said Authority meeting conducted on **January 12, 2021** be and hereby are approved and authorized for entry into the official record of the Broadband Authority meetings.

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IV. New/Unfinished Business
A. Proposed FY 2022 Budget Approval

Ms. McGarry reviewed the following Broadband Fund information:

BROADBAND FUND 4/5/2021

BROADBAND FUND				
EXPENDITURE SYNOPSIS -PROPOSED				
	FY 20-21	FY 21-22		
Expenditure by Dept.	Amended Budget	Proposed Budget	Increase/Decrease	% Change
Network Operations				
Network Operator	\$9,600.00	\$3,600.00	-\$6,000.00	-62.50%
Director Fees & Mileage	\$1,650.00	\$1,700.00	\$50.00	3.03%
Repair & Maintenance	\$4,000.00	\$4,000.00	\$0.00	0.00%
Professional Services	\$5,000.00	\$1,500.00	-\$3,500.00	-70.00%
Advertising	\$0.00	\$0.00	\$0.00	0.00%
Office Supplies	\$200.00	\$0.00	-\$200.00	-100.00%
Insurance	\$1,000.00	\$1,000.00	\$0.00	0.00%
Utilities including locates	\$4,000.00	\$4,000.00	\$0.00	0.00%
Equipment	\$7,500.00	\$7,500.00	\$0.00	0.00%
Installations	\$0.00	\$0.00	\$0.00	0.00%
Service Contracts	\$7,500.00	\$0.00	-\$7,500.00	-100.00%
Contribution to Industry-CVSI	\$0.00	\$1,250,000.00	\$1,250,000.00	100.00%
Permit Fees	\$0.00	\$0.00	\$0.00	0.00%
Tower Lease	\$10,674.00	\$10,674.00	\$0.00	0.00%
Contingency	\$933,317.00	\$106,070.00	-\$827,247.00	-88.64%
Total	\$984,441.00	\$1,390,044.00	\$405,603.00	41.20%
REVENUE SYNOPSIS -PROPOSED				
	FY 20-21	FY 21-22		
Revenues	Amended Budget	Proposed Budget	Increase/Decrease	% Change
Network Operations				
Transfer from General Fund	\$0.00	\$0.00	\$0.00	0.00%
Network Access Charges	\$28,000.00	\$27,000.00	-\$1,000.00	-3.57%
Fiber Leases	\$4,004.00	\$12,119.00	\$8,115.00	202.67%
Tower Leases	\$142,212.00	\$100,925.00	-\$41,287.00	-29.03%
Installation Reimbursement	\$95,000.00	\$0.00	-\$95,000.00	-100.00%
Year Ending Balance	\$715,225.00	\$1,250,000.00	\$534,775.00	100.00%
Total	\$984,441.00	\$1,390,044.00	\$405,603.00	41.20%



The FY22 Broadband Fund budget is balanced at \$1,390,044; an increase of 41.20% from FY21; largely attributed to \$1,250,000 in fund balance being used as a contribution to industry (CVSI) for fiber expansion projects in the County that will contribute to 100% broadband coverage county-wide.

Expenditures:

FY22 Expenditures are proposed to be \$1,390,044 with a Contingency Reserve of \$106,070. The primary expenditure being a contribution to industry (CVSI) of \$1,250,000. Not including the Contribution to Industry or the \$106,070 in Contingency, operational expenditures are anticipated to be \$33,974.

The Contingency Reserve of \$106,070 is the amount of anticipated FY22 Revenues > FY22 Expenditures.

Revenues:

FY22 Revenues are proposed to be \$1,390,044, utilizing a Year-Ending Balance of \$1,250,000. This is comprised of Broadband fund balance committed to be utilized as a Contribution to Industry on the expenditure side.

Network Access charges for fiber are anticipated to decrease by (\$1,000) or -3.57%. Fiber lease revenue is expected to increase by \$8,115 or 202.67% from the budgeted amount of \$4,004; which is projected to be \$6,659 more than budgeted in FY21. Tower Leases (including colocation charges) are expected to decrease by (\$41,287) or -29.03% primarily due to a reduction in tower lease revenue from SCS Broadband. Not including the Year-Ending Balance, FY22 operational revenues are anticipated to be \$140,044.

Mr. Bruguere asked if CVEC has drawn down their money, yet, and Ms. McGarry stated they have not. She noted that Staff has not heard when CVEC might start utilizing those funds, adding that hopefully, it will be after July 1st. Mr. Rutherford asked that Staff pose this question to CVSI and get a report from Mr. Wood. He also asked for Staff to get an update from CVSI on the fiber buildout.

Mr. Bruguere then moved to approve the proposed FY22 Broadband Budget as presented and Mr. Harvey seconded the motion. There being no further discussion, Members voted unanimously (5-0) by roll call vote to approve the motion.

B. Treasurer’s Report

Ms. McGarry reported the following:

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Broadband Operations @ 3/31/2021

Beginning Balance 7/1/20	\$ 1,157,367.28
July -March 2021 Expenditures	\$ (44,669.53)
July-March 2021 Revenues	<u>\$ 192,013.46</u>
Subtotal	\$ 1,304,711.21
General Fund Transfer 7/1/2020	<u>\$ -</u>
<u>Available Bank Balance at March 31, 2021</u>	<u>\$ 1,304,711.21</u>

Accounts Receivable Aging Summary as of April 2, 2021

Current	\$ 4,788.45	
1-30 days	\$ 850.00	<u>\$ 5,638.45</u>
31-60 days	\$ -	
61-90 days	\$ -	
> 90 days	\$ -	<u>\$ -</u>
Total	\$ 5,638.45	\$ 5,638.45

Note: \$5,638.45 is Current to 30 days and \$0 is >90 days

Revenues & Expenditures

On a preliminary Cash Basis, through March 31, 2021 Revenues, excluding amortized installation payments exceeded expenditures by \$75,689. Including amortized installation payments, revenues exceeded expenditures by \$147,343 YTD. On March 1st, the Authority received the annual tower lease payment from ATT for Martin's Store for \$34,479.

C. County Administrator's Report

Mr. Carter provided the following update:

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Mr. Carter noted that County Staff is monitoring the American Rescue Plan, and the County is going to receive just under \$2.9 million. He added that Staff is waiting on Department of the Treasury guidance on how the funds can be expended. He noted that if there are opportunities for the Authority to somehow continue to partner with CVSI or other entities to apply for any grant funding or other available funding, Staff would apprise the Board of that.

Mr. Rutherford noted that there could potentially be an opportunity to swap the Authority's expense of \$1.125 million and utilize the American Rescue Plan funds. Mr. Carter noted that the minutes state that the funds have already been allocated, however, the budget as presented shows it as contingency funding, adding that this is a possibility. He added that then, the Authority could give the County back \$900,000.

V. Other Business (As May Be Presented)

Mr. Rutherford reiterated that he would like to get a report from Mr. Wood of CVSI to see the status of the fiber buildout as well as when he is looking to do some drawdowns on the allocated money. Mr. Carter advised that the last time he spoke with Mr. Wood, CVSI was not overly concerned about drawing the money down, and they would get to it.

VI. Adjournment

At 1:14 PM, Mr. Saunders moved to adjourn and Mr. Strong seconded the motion. There being no further discussion, Members voted unanimously (5-0) by roll call vote to approve the motion and the meeting adjourned.