

July 10, 2018

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

Absent: None

**I. Call to Order**

Mr. Bruguire called the meeting to order at 1:10 PM with all Members present to establish a quorum.

**II. Public Comments & Presentations**

**A. Public Comments**

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

**III. Consent Agenda**

Mr. Rutherford noted a typo on page 2 of the draft May 8<sup>th</sup> minutes as acknowledged by Ms. McGarry. Mr. Rutherford then moved to approve the consent agenda with the amendment to the May 8, 2018 minutes and Mr. Harvey seconded the motion. There being no further discussion, Members voted unanimously (3-0-2) by roll call vote to approve the motion, with Mr. Saunders and Mr. Strong abstaining and the following resolution was adopted:

**A. Resolution – R2018-06 Minutes for Approval**

**RESOLUTION R2018-06  
NELSON COUNTY BROADBAND AUTHORITY  
APPROVAL OF MEETING MINUTES  
(May 8, 2018 and May 10, 2018)**

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**RESOLVED**, by the Nelson County Broadband Authority that the minutes of said Authority meeting conducted on **May 8, 2018 and May 10, 2018** be and hereby are approved and authorized for entry into the official record of the Broadband Authority meetings.

**IV. New/Unfinished Business**

A. Network Operations Report

Ms. Susan Rorrer presented the report as follows:

**I. Operational**

Total Number of Connections on 4/30/2018:	532
Installations for May and June:	39
Total Number of Connections on 6/30/2018:	571
Pending Installations:	79
Total Customers on 6/30/2018:	650

**II. Administrative**

- County staff continues to work with CVEC to complete as-built network documentation. A second meeting will be scheduled in July to review documentation with CVEC’s network design team and identify any gaps in the data. The data will be loaded into CVEC’s fiber management program for use in planning and designing the network.
- Work continues to reconcile all Broadband billing data. Wide Open hopes to have everything corrected in the system this month.
- Installation for the following neighborhoods will begin in the June - July timeframe:
  - o Sunrise Drive - 15
  - o Blundell Hollow - 18
  - o Crawford’s View – 17

Ms. Rorrer added that Sunrise Drive was in process and the other two not started yet. Mr. Harvey inquired as to the final count on Tanbark Drive and Ms. Rorrer noted she thought it was 84. Mr. Harvey then added that there may be 3 or 4 more new connections on Sunrise Drive due to a new home and other home purchases which would bring that total up to around 20.

B. Treasurer’s Report

Mr. Bruguere asked if the billing was now up to date and if everyone was caught up on payments. Ms. Rorrer noted she thought so except where there were questions related to billing errors. Ms. McCann noted

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she did not have the most recent outstanding invoices; however she had taken care of invoicing questions with ISPs. Mr. Carter clarified that the outstanding receipt of funds was not anything outstanding by the County.

Ms. McCann then reported the following:

**BROADBAND FUND @ 6/30/2018**

**OPERATIONS**

Beginning Balance 7/1/2017	\$103,653.40
July 2017-June 2018 Expenditures	\$ (500,638.02)
July 2017-June 2018 Revenues	<u>\$ 389,651.18</u>
Subtotal	\$ (7,333.44)
General Fund Transfer 7/1/2017	\$200,000.00
<b>Available Bank Balance @ 6/30/2018</b>	<b>\$192,666.56</b>

C. County Administrator’s Report

Mr. Carter reported the following:

Mr. Carter noted that staff was continuing to work with CVEC on the possible network transfer and had been waiting for weeks for NTIA to comment on a draft letter that was sent to them. He noted that when their input was received, staff could better report on next steps. He added that while staff was waiting on NTIA, they were working with CVEC to give them information on the County network and the next thing to consider was the budget approval for next year.

Mr. Bruguiere inquired if CVEC was starting construction that fall and Mr. Carter noted he had not spoken to CVEC staff; however he thought they were still in process with moving forward with Appomattox County. He noted they had said they hoped to move forward with the second step in Nelson with the Martin’s Store location after the start of 2019.

D. Proposed FY 2019 Budget Approval

Ms. McCann reviewed the following Broadband Fund information:

<b>BROADBAND FUND</b>					
<b>EXPENDITURE SYNOPSIS -PROPOSED</b>					
	FY17-18	FY 18-19			
Expenditure by Dept.	Amended Budget	Proposed Budget	Increase/Decrease		% Change
Network Operations					

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Network Operator	\$70,000.00	\$70,000.00	\$0.00	0.00%
Director Fees & Mileage	\$3,215.00	\$2,865.00	-\$350.00	-10.89%
Repair & Maintenance	\$7,400.00	\$7,400.00	\$0.00	0.00%
Professional Services	\$15,000.00	\$15,000.00	\$0.00	0.00%
Advertising	\$0.00	\$0.00	\$0.00	0.00%
Office Supplies	\$300.00	\$300.00	\$0.00	0.00%
Insurance	\$2,500.00	\$2,600.00	\$100.00	4.00%
Utilities including locates	\$67,140.00	\$45,000.00	-\$22,140.00	-32.98%
Equipment	\$75,000.00	\$75,000.00	\$0.00	0.00%
Installations	\$200,000.00	\$315,000.00	\$115,000.00	57.50%
Service Contracts	\$10,000.00	\$7,500.00	-\$2,500.00	-25.00%
Permit Fees	\$750.00	\$750.00	\$0.00	0.00%
Tower Lease	\$9,530.00	\$9,530.00	\$0.00	0.00%
Contingency	\$65,530.00	\$25,000.00	-\$40,530.00	-61.85%
<b>Total</b>	<b>\$526,365.00</b>	<b>\$575,945.00</b>	<b>\$49,580.00</b>	<b>9.42%</b>

**REVENUE SYNOPSIS -PROPOSED**

	FY17-18	FY 18-19		
Revenues	Amended Budget	Proposed Budget	Increase/Decrease	% change
Network Operations				
Transfer from General Fund	\$200,000.00	\$100,000.00	-\$100,000.00	-50.00%
Network Access Charges	\$160,844.00	\$203,000.00	\$42,156.00	26.21%
Fiber Leases	\$4,000.00	\$4,004.00	\$4.00	0.00%
Tower Leases	\$88,521.00	\$83,121.00	-\$5,400.00	-6.10%
Installation Reimbursement	\$73,000.00	\$109,000.00	\$36,000.00	49.32%
Year Ending Balance	\$0.00	\$76,820.00	\$76,820.00	100.00%
<b>Total</b>	<b>\$526,365.00</b>	<b>\$575,945.00</b>	<b>\$49,580.00</b>	<b>9.42%</b>

**Detail for FY19 Broadband Budget**

**Revenue Detail**

Fiber leases	Used \$4,004 same as current yr.
Tower leases	SCS 13,000 AT&T 38,121 RVFD Verizon <u>32,000</u> estimate Martins Store 83,121
Network Access Charges	Used FY18 estimate of \$180,000 plus assumed 30 new \$25 circuits incrementally added during year.
Other Network Charges	Used 3 yr. average of \$17,000
Upfront Installation	used 2,000 same as current yr. and matched this amount on associated expenditure line
Amortized Installation	Used the current year estimate of \$84,000
Transfer from General Fund	Reduced to \$100,000

**Expenditure Detail**

NCBA Stipend	Assumed 7 mtgs. 5 members @ \$75 per meeting
Network Operator	Projected for FY18 to be \$70,000. Budgeted same amount for FY19
Professional Service-legal	1 FY18 projected to be 10,000, but included \$15,000 for FY19 assuming transfer of network will incur cost
Repair & Maintenance	Budgeted \$7,400 same as current year
Insurance	Increased by \$100 about 4% increase estimated
Utilities including locates	Based on CCTS as locator, lowered \$22,140 from current budget amount.
Installation-Discounts	Estimated \$112,500 for FY19. This year anticipated to be \$145,000-\$150,000. May be less due to discount moratorium.
Installation- Upfront	Equalized expense with revenue amount
Installation-Amortization	Assumed 30 new installs @\$1,250 plus current estimated receipts of \$140,000
Service contracts	Calix-current year cost is \$5,908. FY19 budget set at \$7,500

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Permit Fees	Occasional VDOT permit fees
Office Supplies	\$300-same as current yr. budget
Mileage (NCBA members)	Mileage for non-Supervisor member(Supv. already paid mileage to BOS mtg)
Equipment	Calix gear budgeted at \$75,000, same as current yr. budget.
Tower lease (25% to RVFD)	Estimated the same as current yr. 25% of AT&T lease on RVFD tower

Ms. McCann noted that the estimated budget was status quo since it was unsure as to when a network transfer may happen but the budget was increased by \$50,000 for FY19. Ms. McCann noted a significant decrease (\$22,000) in the utilities line, due to using CCTS to do locates next fiscal year and they were considerably cheaper. She noted that installation costs has increased by \$115,000 as there were an estimated 32 new connections and she noted that could be higher. Ms. McCann then noted that the contingency was about \$40,000 less than the current fiscal year.

Ms. McCann then noted that on the revenue side, the General Fund Transfer went from \$200,000 to \$100,000; however Network Access charges and installation reimbursements were increasing by about \$42,000 because of new customers coming online.

Mr. Strong then asked if the discontinuance of the discount and amortization as of June 1st affected the budget and Ms. McCann noted there would still be installation expenditures and it was a matter of how much would be received in return. She added that the revenues could be less if the Board did the moratorium on the discounts. Mr. Harvey noted that the pending installations were all contracted prior to the June 1, 2018 cutoff for the discounts and amortization.

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

#### **V. Other Business (As May Be Presented)**

There was no other business considered by the Authority Board.

#### **VI. Adjournment**

At 1:10 PM, Mr. Saunders moved to adjourn and Mr. Harvey seconded the motion. There being no further discussion, Members voted unanimously by voice vote to approve the motion and the meeting adjourned.