

March 21, 2017

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

Absent: Allen M. Hale, East District

Note: The regular meeting was rescheduled from March 14, 2017 due to inclement weather.

I. Call to Order

Mr. Harvey called the meeting to order at 1:08 PM with three (3) members present to establish a quorum and Mr. Hale being absent and Mr. Bruguire joining the meeting thereafter.

II. Public Comments

1. Joe Lee McClellan, Nelson Cablevision Nellysford

Mr. McClellan encouraged the Authority Board to have a workshop session to discuss the needs of the Authority in a different setting.

III. Consent Agenda

A. Resolution – R2017-03 Minutes for Approval

Mr. Strong moved to approve the consent agenda and Mr. Saunders seconded the motion. There being no further discussion, Members voted unanimously (3-0) by roll call vote to approve the motion and the following resolution was adopted:

**RESOLUTION R2017-03
NELSON COUNTY BROADBAND AUTHORITY
APPROVAL OF MEETING MINUTES
(January 10, 2017 1pm and 6pm & February 14, 2017)**

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RESOLVED, by the Nelson County Broadband Authority that the minutes of said Board meetings conducted on **January 10, 2017 1pm and 6pm & February 14, 2017** be and hereby are approved and authorized for entry into the official record of the Broadband Authority meetings.

IV. New/Unfinished Business

A. Network Operator's Report

Ms. Susan Rorrer presented the report as follows:

I. Operational

Total Number of Connections on 12/31/16:	276
Installations for January and February:	39
<u>Total Number of Connections on 2/28/17:</u>	<u>315</u>
Pending Installations:	120
Total Customers on 2/28/17:	435

II. Administrative

Currently working with three neighborhoods that would add an estimated 60 customers on the initial neighborhood build. Ms. Rorrer noted that the pending installations were probably three to fourths months out from being connected and the number was based on signed contracts. She noted this number has likely increased since the report was written.

III. Financial

Attached

B. Treasurer's Report

Ms. McCann reported the following:

BROADBAND FUND @ 2/28/2017

<u>OPERATIONS</u>	
Beginning Balance 7/1/2016	\$ 406,277.36
July-August 2016 Expenditures	\$ (60,401.45)
July-August 2016 Revenues	\$ 42,493.00
September – October 2016 Expenditures	\$ (86,536.59)
September – October 2016 Revenues	\$ 58,085.84

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November-December 2016 Expenditures	\$ (131,699.99)
November-December 2016 Revenues	\$ 45,729.33
January-February 2017 Expenditures	\$ (143,425.15)
January – February 2017 Revenues	\$ 30,715.07
Subtotal	\$ 161,680.86
General Fund Transfer	\$ <u>100,000.00</u>
Ending Balance 2/28/2017	\$ 261,680.86
Current Year Revenue Exceeds Expenses by	\$ 145,039.94

EXPANSION PROJECT

Beginning Balance 7/1/2016	\$ (4,730.14)
July-August 2016 Expenditures	\$ (18,244.75)
July-August 2016 Revenues	\$ 30,436.94
September – October 2016 Expenditures	\$ (5,073.00)
September – October 2016 Revenues	\$ 12,406.43
November-December 2016 Expenditures	\$ (66,772.05)
November-December 2016 Revenues	\$ -
Ending Balance 12/31/2016	\$ (51,976.57)
Pending CDBG grant funds	\$ 7,579.07
Fund Balance applied to Project Change Orders	\$ <u>44,397.50</u>
	\$ -

SUMMARY OF FUND BALANCE

Project Funds	\$ -
Amortized Installation Fund	\$ (76,019.16)
Operational Funds	\$ <u>291,302.52</u>
Available Bank Balance @ 12/31/2016	\$ 215,283.36

Ms. McCann noted that the original \$250,000 amortized installation fund amount had been exceeded and they were now using operational funds to cover these costs.

Ms. McCann also provided a report that showed the following regarding the Broadband Network Operating Fund:

The Broadband Network Operations report showed year-to-date expenditures (July – February) of \$422,063.18 for Network Operations, with there being an unencumbered balance of -\$1,359.18 and a Contingency Reserve remaining of \$69,524.00 The Revenue Summary for Network Operations showed year-to-date revenues of \$177,023.24 and a balance of \$112,171.76. The report also showed the revenues transferred in from the General Fund of \$100,000.00 and a transfer in from the CDBG fund of \$48,422.44 and a balance of \$1,999.56. The Year Ending Balance was shown at a balance of \$100,611.00.

C. County Administrator's Report

Mr. Carter reported the Following:

Cash Flow:

Mr. Carter noted his concern regarding cash flow; however he thought that once the new Network Operator came on board and the billing process straightened out; they would see more consistent flow of the amortization funds coming back in. He noted that the combination of the discount and amortization adversely affected cash flow even though getting more customers was a good thing.

Mr. Strong asked what they could expect in terms of inflow and outflow as growth happened if the County developed a prospective cash flow budget. He added that they could not make good decisions until they could see how those things would go. Mr. Carter advised that they may need a work session on this as it was hard to predict the customer base; however that could be projected to see the impact on cash flow. He noted that they had seen a significant increase in connections in the Rockfish Valley and it was possible those connections would slow down. He added that they needed to look to where to expand next and how to do it. Mr. Strong noted he was suggesting having worst case and best case scenarios developed. He added that they had a good idea about the short term but not for six to twelve months out. He noted that staff should be able to do a reasonable bracketing job and Mr. Carter agreed he thought this could easily be done.

It was noted that Mr. Harvey was helping to secure new customers in Afton by networking with neighbors to become sparkplugs for people wanting to connect.

Final Broadband Planning Report:

Mr. Carter then reported distributing the Final Broadband report by Design Nine for the Authority's review and discussion over the next few meetings. He added that it was a comprehensive document with more condensed pro forma financials.

Broadband Budget:

Mr. Carter noted that staff would bring the FY18 budget back for the Authority's review between May and July. He added that staff was more focused on the County's budget right now as it was significantly larger.

Mr. Harvey inquired as to where the funding would come from for the 130 new connections and Mr. Carter advised it would come from the \$215,000 fund balance and that was the concern. He reiterated that the combination of the discount and amortization meant that the cash outflow was outpacing the payback of those funds. He noted that it was for the Board of Supervisors to decide; however staff had included another \$100,000 to be transferred over to that fund in the FY18 budget.

Mr. Harvey noted that there were more potential connections and people were working on it. He noted that he thought Lumos fiber went from Route 250 up power poles up the Turnpike and had gone up to Stagecoach Road over to Waynesboro. Mr. Carter noted he could ask Lumos about it. He added that it went to the post office and anything above that was Dominion power and below it was CVEC.

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Mr. Bruguere noted it would be nice to know who was doing what in the County so services were not duplicated. Mr. Harvey noted that much of that was in Albemarle or Augusta Counties and Mr. Harvey suggested that staff check with Lumos to see if they could get people connected there.

V. Other Business (As May Be Presented)

There was no other business; however it was noted that during public comments Mr. McClellan spoke of having a work session and Members and Staff supposed this could be set up some time after work on the budget had concluded. It was noted that the ISPs could always send them recommendations etc. and copy everyone involved.

VI. Adjournment

At 1:20 pm, Mr. Saunders moved to adjourn and Mr. Strong seconded the motion. There being no further discussion, Members voted unanimously by voice vote to approve the motion and the meeting adjourned.