

Telecommunications Fund

Fiscal Year 2026 Operating Budget

Fund Overview

ADOPTED BUDGET		PROPOSED BUDGET
	FY2025	FY2026
Revenues		
Revenue-Use Money/Property	\$8,620	\$13,700
Charges for Services	\$744,180	\$853,270
REVENUES TOTAL	\$752,800	\$866,970
Operating Expenses		
Administration Services	\$3,554	\$4,440
Operations - Main	\$462,414	\$516,190
Regular Capital Maintenance	\$100,000	\$149,780
OPERATING EXPENSES TOTAL	\$565,968	\$670,410
Other		
Source of Supply	\$70,000	\$70,000
Depreciation	\$440,540	\$445,170
OTHER TOTAL	\$510,540	\$515,170
Total Operating Expense	\$1,076,508	\$1,185,580
Contribution to General Fund	\$81,000	\$81,000
Total Expenditures	\$1,157,508	\$1,266,580
Add - Depreciation	\$440,540	\$445,170
Total Expenditures (less depreciation)	\$716,968	\$821,410
Revenue in excess of Operating Expense	\$35,832	\$45,560
Revenues Over (Under) Expenses	\$35,832	\$45,560

Major Revenue Sources

REVENUE – USE OF MONEY/PROPERTY: This revenue category includes: Interest on Investments - All of the City's funds are invested in secured accounts in an attempt to earn the highest possible return. Investment earnings are a function of the money marketplace and swings in the revenues reflect higher or lower interest rates. Rental Income that is offset by vehicle and equipment charges to the division for monthly usage.

SALE-SALVAGE AND SURPLUS PROPERTY: This revenue represents the sale of surplus vehicles and equipment and funds received from the sale of scrap metal.

CHARGES FOR SERVICES: This revenue category include consumer fees for services. Other revenues in this category include infrastructure charges to other divisions and departments of the City, charges for telephone services to City schools and transport services to the County school systems reimbursed by the federal e-rate program. Other revenues in this category include penalties for non-payment.

MISCELLANEOUS REVENUE: This revenue represents contribution in aid received from the Virginia Department of Transportation.

ACTUAL		ADOPTED BUDGET	PROPOSED BUDGET		
	FY2023	FY2024	FY2025	FY2026	Increase/ (Decrease)
Revenues					
Revenue-Use Money/Property	\$16,261	\$27,276	\$8,620	\$13,700	\$5,080
Charges for Services	\$859,843	\$884,895	\$744,180	\$853,270	\$109,090
Miscellaneous Revenue	–	\$13,690	–	–	\$0
Other Revenue	(\$8,246)	\$9,067	–	–	\$0
REVENUES TOTAL	\$867,857	\$934,928	\$752,800	\$866,970	\$114,170

Telecommunication Administration

Description

The mission of the Telecommunications Fund is to provide premium network services at affordable costs. The Telecommunications Fund is an e-rate service provider to Pittsylvania County Schools and maintains and operates nDanville, a high-tech fiber optic network. nDanville is currently connected 100 government buildings, over 200 businesses, and over 700 residential customers. The City serves its own needs, but is not a commercial telecommunications service provider. nDanville is open to any internet or telecommunications provider. The City and public school districts use nDanville to improve communications and data transmission, support shared use of computer applications and data files enable distance conferencing and learning, expand internet access, monitor and control equipment, and improve the reliability of utility systems.

Expenditures

ACTUAL		ADOPTED BUDGET		PROPOSED BUDGET	
	FY2023	FY2024	FY2025	FY2026	Increase/(Decrease)
Expenses					
Personnel Services	\$154,783	\$163,085	\$172,715	\$182,700	\$9,985
Employee Benefits	\$17,909	\$20,190	\$22,790	\$25,670	\$2,880
Purchased Services	\$97,029	\$132,108	\$117,894	\$146,380	\$28,486
Internal Service	\$19,732	\$20,653	\$22,320	\$23,090	\$770
Other Operating Expense	\$16,395	\$13,211	\$34,640	\$37,990	\$3,350
Source of Supply	\$74,028	\$65,870	\$70,000	\$70,000	\$0
Cost Allocation	\$123,928	\$81,740	\$94,610	\$104,800	\$10,190
Capital Expenses	—	—	\$1,000	\$0	(\$1,000)
Depreciation	\$439,023	\$442,850	\$440,540	\$445,170	\$4,630
Labor Expense Cross	\$132	\$46	—	—	\$0
Transfer Out	\$81,000	\$81,000	\$81,000	\$81,000	\$0
EXPENSES TOTAL	\$1,023,959	\$1,020,754	\$1,057,508	\$1,116,800	\$59,292

Personnel

Position Title	FY2023	FY2024	FY2025	FY2026
FTEs				
BROADBAND NETWORK ENGNRNG TECH	1	1	1	1
DIVSN DIR OF TELECOMMUNICATION	1	1	1	1
FTEs	2	2	2	2

Telecommunication Capital

Description

This project includes the expansion of fiber optics into residential communities. To date, nDanville has helped attract economic prospects to Southside Virginia and has passed over 2,000 homes. All industrial parks are nDanville fiber ready. The deployment will continue the residential expansion of nDanville. Revenue accumulated from residential and commercial connections will be reinvested into future neighborhood deployments pending City Council's approval. This project will act as an investment towards the future of our community that is driven by information and technology. The change in revenue from FY18 to FY19 is from the loss of the Danville Public Schools e-rate contract. The loss of revenue from FY19-FY20 is from the updated proposed rates from the biennial rate study that will allow services to be closer to market.

The capital project, nDanville, includes a loan from the Gas Fund in the amount of \$1,250,000. However, this is not reflected in the budget above as this is handled as an administrative entry and does not require a budget entry.

Expenditures

ACTUAL		ADOPTED BUDGET		PROPOSED BUDGET	
	FY2023	FY2024	FY2025	FY2026	Increase/(Decrease)
Expenses					
Purchased Services	\$56,908	\$87,964	\$100,000	\$134,780	\$34,780
Other Operating Expense	\$18,733	\$27,756	\$0	\$15,000	\$15,000
Capital Expenses	–	–	\$0	\$0	\$0
Capital Projects	–	–	\$0	\$0	\$0
EXPENSES TOTAL	\$75,641	\$115,720	\$100,000	\$149,780	\$49,780

Personnel

There are no employees exclusively or specifically assigned to telecommunication capital projects. Installations are performed by contractors.