



**CVFIBER FINANCE AND AUDIT COMMITTEE
DRAFT MEETING MINUTES**

Virtual Meeting via Teams

June 28, 2022

Members Present: Ray Pelletier (Northfield, Committee Chair); Allen Gilbert (Worcester), Christopher Shenk (Waterbury); Linda Gravel (Waterbury)

Others Present: Laurie Beth Putnam (Treasurer), Jennille Smith (Executive Director), David Mannix, Phil Cecchini (Past Treasurer), Ted Barnett

Called to Order: 6:31 pm by Ray Pelletier via Teams.

Additions or Changes to the Agenda:

None.

Public Comment:

None.

Approval of Minutes (April 26, May 5, May 24)

MOTION (Ray Pelletier, seconded Allen Gilbert): to approve the minutes. Motion carried.

Treasurer's Report

Phil Cecchini reported he shared information with the Committee prior to the meeting which he provided an overview of. Payables were approved at the recent Executive Committee meeting. Ray Pelletier reported that this is Phil's last report as Laurie Beth Putnam is the new Treasurer and will provide next month's report.

Grants Status; Construction Status:

Jennille Smith provided an update on the construction grant application for \$12 million being considered by the VCBB. The presentation of the grant application is scheduled for July 1st and on July 11th there will be a follow-up meeting with VCBB.

She also provided an update on materials and warehousing. Ordering of materials will occur through KGP. Options are being considered for warehousing and the fence has been completed around previously delivered fiber at WEC's storage yard. A construction RFP has been distributed and four intents to bid have been received to date.

Discussion ensued regarding financial controls, procurement, and documenting appropriately for audit. Jennille shared the link to VCBB's website with the Committee for the upcoming meeting information.

Public Finance Documents

Ray Pelletier reported on finance reports to be posted online in response to public requests for information. Significant discussion ensued on whether, what, and how often financial reports should be posted online.

MOTION: (Ray Pelletier, seconded Allen Gilbert): Whereas CVFiber is a municipal nonprofit tasked with constructing and operating a broadband network within its 21 community members, and

Whereas CVFiber will be expending approximately \$30 million of public grant funds, approximately \$25 million in municipal bond funds, and annually operating the CVFiber Community Network with funds from subscribers, and

Whereas the public's trust in CVFiber in its use and accounting of such funds is vital, and

Whereas transparency into CVFiber's use and accounting of such funds is essential to that trust, and

Whereas in furtherance of this transparency and trust, by law CVFiber is required to annual provide the results of audits to its community members,

It is moved the Finance Committee recommends that the Executive Committee take such action as is necessary to publish the CVFiber Compilation Report 2018-2021, and the following reports on a monthly basis: Statement of Net Position (Balance Sheet), Profit & Loss Comparison, Statement of Revenues & Expenses, as well as the results of its Annual Audit.

Discussion: The level of detail in the reports to be posted and confirmation if they would be online. Linda Gravel suggested a friendly amendment to post quarterly vs. monthly to which there was no objection. Also discussed was whether the audit would be posted annually or quarterly. Phil Cecchini shared his screen and further discussion ensued regarding the Statement of Revenues and Expenses Report and the level of detail to share. Ray Pelletier suggested amending the motion to add language regarding quarterly and aggregate posting, to which there was no objection.

AMENDED MOTION: Whereas CVFiber is a municipal nonprofit tasked with constructing and operating a broadband network within its 21 community members, and

Whereas CVFiber will be expending approximately \$30 million of public grant funds, approximately \$25 million in municipal bond funds, and annually operating the CVFiber Community Network with funds from subscribers, and

Whereas the public's trust in CVFiber in its use and accounting of such funds is vital, and

Whereas transparency into CVFiber's use and accounting of such funds is essential to that trust, and

Whereas in furtherance of this transparency and trust, by law CVFiber is required to annual provide the results of audits to its community members,

It is moved that the Finance Committee recommends the Executive Committee take such action as necessary to publish online the CVFiber Compilation Report 2018 – 2021, and the following reports on a quarterly and

aggregate basis, the Statement of Net Position, the Profit and Loss Report, and the Statement of Revenue and Expenses, as well as the results of its Annual Audit.

Motion carried unanimously.

2023 Budget; 24-25 Forecast Process

Ray Pelletier reported in detail on the process for budget development and discussion ensued. Ray noted that the Board will "adopt" the 2023 Budget at its meeting on December 13th; will hold a public hearing at its November 8th meeting; and will "approve" a 2023 Budget at its October 11th meeting, following which it will be sent by the Treasurer to each of the CVFiber community members for its review and feedback.

Subscription Rate Development

Ray Pelletier reported on needing the correct ARPU (average revenue per user) to pay for operating expenses and what may be involved to obtain this information and how the business plan and financial plan may inform this process. No subscription rates have been set to date and pre-subscriptions may begin by early fall, so tiers will need to be established by that time. Discussion ensued related to take rates and subscription rates, as well as potential assistance for low-income subscribers.

Other Business

None.

Adjourn:

- Meeting adjourned at 7:35

Respectfully submitted,
Nancy Chartrand, Central Vermont Regional Planning Commission