



## CVFIBER FINANCE AND AUDIT COMMITTEE MEETING MINUTES

Virtually on MS Teams

November 2, 2023

### **Minutes Short Summary**

The Finance Committee approved the meeting minutes for August 3, August 29, September 7, and October 5, 2023. Ray Pelletier reviewed assets and expenses for October as well as from January through October based on the preliminary financial statement. Ray Pelletier reported that on December 12th, the plan is that the Board will adopt the budget after the public hearing on November 14<sup>th</sup>. Olivia Kantyka reviewed the 2024 Construction Financing presentation, which included the CVFiber core value that all should have access to high speed Internet. David Mannix reported from the working group to determine the roles of the Finance Committee, Treasurer, Finance Manager and Accountant for CVFiber. The Finance Committee unanimously approved the Finance Manager position job description, recommended the Executive Committee authorize the publication of the position announcement and recommended the Governing Board approve the creation of the position.

### **Present**

**Finance Committee Delegates:** Ray Pelletier (Chair, Northfield), David Mannix (Marshfield, Vice-Chair), Tom Fisher (East Montpelier), Ted Barnett (Williamstown), Linda Gravell (Waterbury),

**Absent:** Jerry Diamantides (Berlin), and Philip Cecchini (Community Volunteer)

**Others Present:** Jennille Smith (Executive Director), Laurie Beth Putnam (Treasurer), Olivia Kantyka (Community Relations Manager), and Bonnie Batchelder (Accountant)

**Call to order:** Ray Pelletier called the meeting to order at 5:01pm.

### **Additions to the agenda:**

- None

### **Public comment**

- None

### **Prior Meeting Minutes**

- MOTION (Ray Pelletier, Second Linda Gravell)

*To approve the meeting minutes for August 3, August 29, September 7, and October 5, 2023.*  
Passed unanimously.

### **Preliminary October Financial Statement**

- Discussion: Ray Pelletier reported Total in the bank of \$6,514, 153.92; Total assets of \$10,150,266.25; and complete assets of \$12, 961, 576.38. Total Expenses for October \$777,460.26. Liabilities total \$6,374, 927.71. Total Expenses by vendor from January 1 through November 2, 2023 are \$9,676,751.99.

### **Budget Update**

- Ray Pelletier reported that on December 12th, the plan is that the Board will adopt the budget after the public hearing on November 14<sup>th</sup>. Between now and December 12<sup>th</sup>, the Finance Committee needs to update the budget due to changes in expenses and other items such as construction not completed when we expected which will now be expenses in 2024 instead of 2023. We expect a special meeting on November 28<sup>th</sup> to update the budget before final approval.
- We needed to provide PFM with information, which included CVFiber's story for banks and other underwriters for a construction loan of \$7.5 million. This went out at the end of October, and responses are due November 13<sup>th</sup>. Some banks have indicated we are too small or not their line of business. There have been some positive responses.

### **2024 Construction Financing Presentation**

- Olivia Kantyka reviewed the presentation, which included the CVFiber core value that all should have access to high speed Internet. CVFiber has 20 community partners, and is part of a statewide initiative. We have 16 underserved communities in our district. Olivia Kantyka reviewed the four residential packages being offered. CVFiber customers are taking higher speed packages than predicted, and this is in line with a national trend. The presentation included the planned construction for towns for 2024 and the planned construction expenses. The presentation also included the plans for 2025, as well as a three-year plan.
- Ray Pelletier pointed out that the eventual BEAD funding requires a 25% match, but due to political pressure, the match situation has changed so that what counts is more favorable.

### **Organization Roles—FinCom, Treasurer, Finance Manager, Accountant Report**

- David Mannix reported from the working group to determine the roles of the Finance Committee, Treasurer, Finance Manager and Accountant for CVFiber. We talked to our partners about what revenue reports they will be providing as well. The treasurer should be more of an oversight position. We will continue to outsource the accounting piece, as it is today. We will ensure we have a separation between approval of expenses and the payment. The new function is the Finance Manager role. There is a lot of work to prepare the budget and then provide analysis of the actual costs compared to the budget, as well as help with forecasting and grant funding. Finally, there is a lot of preparation for the annual audit. We determined that Accounting is .78, Treasurer is .34 and the new Finance Manager would be .25. There has to be a close collaborative effort between

Operations and Finance. David Mannix included a timeline in order to hire a Finance Manager by the beginning of January.

- David Mannix continued that the working group is also asking the Finance Committee to consider seven recommendations: first, to create a Monthly Finance calendar for 2024. Second, as the books are closed by the 15<sup>th</sup> of each month, we would like the Finance Committee to meet after, on the third Thursday of each month. The third is to give greater visibility of these reports to this Committee, including the grant reports after close each month. Fourth is an index of all contracts including expiration dates and the ability to monitor renewal status monthly. Fifth is to use balance sheet reserves for warehouse lost and aged accounts payable. Sixth is begin invoice payment by ACH; however, Jennille Smith said that further discussion led to the decision to stay with computerized checks. Laurie Beth Putnam explained in more detail why the audit requirements advantages computerized checks over ACH. Finally, to evaluate and update the accounting services contract.
- The working group also recommended that in Q1 a new work group be assembled to review and update CVFiber's financial controls policy for Executive Committee approval.

### **Finance Manager Position**

- Ray Pelletier, David Mannix, and Jennille Smith have worked on a position description. Jennille Smith determined 10 hours/week for .25 but it could be 10-20 hours/week. This person will work closely with Jennille Smith, Laurie Beth Putnam, Bonnie Batchelder, and the Finance Committee. The salary range will depend on experience.
- Tom Fisher asked if a second job description might be needed for a contractor through a financial firm. David Mannix said that the working group has also looked at providing a Scope of Work rather than a job description. Jennille Smith said that VCUDA is working on a shared resource and best practices in Finance. CVFiber might be able to share some of these resources with VCUDA. The decision is to first post the position and then if we don't find suitable candidates, to change to Scope of Work targeting companies rather than individuals.
- Bonnie Batchelder indicated her interest in applying for this position.
- MOTION (Ray Pelletier, Second Tom Fisher)

*Move that the Finance Committee approve the Finance Manager position job description, recommend the Executive Committee authorize the publication of the position announcement and recommend the Governing Board approve the creation of the position.*

Passed unanimously.

### **Other Business**

- None.

### **Adjourned at 6:01pm**

Respectfully submitted,  
Jeremy Matt, Clerk