



CVFIBER FINANCE AND AUDIT COMMITTEE REGULAR MEETING MINUTES

Virtually on MS Teams

January 18, 2024

Minutes Short Summary

The Finance Committee unanimously approved the minutes for the November 2, and December 4 and 7, 2023 minutes. The Finance Committee unanimously moved to recommend to the Executive Committee approval of Sybil Schlesinger's membership on the Finance Committee. David Mannix reported that he plans to share monthly all the projects and progress before the Finance Committee, and he reviewed what reports he expects to be included. Jennille Smith reported that the inventory count has started so Finale will be trued up by the end of January, which then triggers the start of the audit. Jennille Smith reported that Denise Sullivan was hired by VCUDA to put together a detailed spreadsheet to show what each CUD needs (without naming them) to locate places to share resources, including the BEAD application process. Jennille Smith reported that there have been two responses to CVFiber's RFP.

Present

Finance Committee Delegates: David Mannix (Chair, Marshfield), Jerry Diamantides (Berlin), and Linda Gravell (Waterbury)

Absent: Ted Barnett (Williamstown)

Others Present: Jennille Smith (Executive Director), Laurie Beth Putnam (Treasurer), Tom Fisher (East Montpelier), David Healy (Calais), Siobhan Perricone (Orange), Trevor Billings (Guest), John Burke (Guest) and Denise Sullivan (VCUDA)

Call to order: David Mannix called the meeting to order at 6:01pm.

Additions to the agenda:

- None.

Public comment

- Jerry Diamantides noted that it would be appropriate to do a financial analysis of the expense of installations that are over 400 feet to see if CVFiber could make this part of the costs of amortization instead of charging the subscriber.
- Jennille Smith would like to go over the grant amendment for VCCB.

- Linda Gravell asked about discussing ARPU; David Mannix said this is on the project list.
- Denise Sullivan said that the capitalization of drops is not impacted by customer payments because the asset would be entirely owned by CVFiber, the asset would be capitalized and depreciated in full, and any customer payment would count as revenue.

Approve Meeting Minutes

- MOTION (Linda Gravell, Second Jerry Diamantides).
To approve the minutes of the November 2, and December 4 and 7, 2023 minutes as drafted.
Approved unanimously.

Committee Membership

- David Mannix reported that Sybil Schlesinger has offered to join the Finance Committee. David Mannix and Linda Gravell endorsed the membership.
- David Mannix asked if any of the guests present were interested in joining the committee.
- Linda Gravell agreed to continue as both a member and as Vice Chair of the Finance Committee.

MOTION (Linda Gravell, Second Jerry Diamantides)

Move to recommend Sybil Schlesinger's membership in the Finance Committee pending approval by the Governing Board.

December and FY 23 Financial Report

- Laurie Beth Putnam does not have the final figures for 2023; the books for 2023 have not yet been closed.
- David Mannix noted that this delay is because it's an end of the year report but at future Finance Committee meetings, the report should be ready in time.
- Jennille Smith also noted that some vendors are still truing up their 2023 invoices.
- David Mannix noted that all future Finance Committee dates have been posted.
- David Mannix reported that he plans to share monthly all the projects and progress before the Finance Committee. The 2024 budget report, the month-end financial reports in QuickBooks, and grant report are all in place. There is a new Key Measures report. Jerry Diamantides asked above about covering installation costs; Linda Gravell asked about a profitability analysis; David Mannix and Jennille Smith are working on a 2025 forecast; Jerry Diamantides, Jennille Smith and David Mannix are working on a quarterly that trues up the towns' ARPA funds. Another project is contract reviews; we should index all of our contracts and conduct a quarterly review with all renewals completed in a timely manner. The last is a financial controls process to have a balance sheet reserves for lost inventory and cycle counts.
- Jerry Diamantides noted that some of these projects will involve the Finance Manager, and this person attend these meetings. Jennille Smith agreed that the Finance Manager will attend future meetings.

Review 2024 Budget

- David Mannix asked how to formally enter an Executive Session.
- Siobhan Perricone and Jennille Smith explained the procedure.

- Linda Gravell noted that if there are guests, the Executive Session is moved to the end of the meeting. David Mannix agreed to move the Executive Session to the end of tonight's meeting.

Update on CVFiber Financial Audit

- Jennille Smith reported that the inventory count has started so Finale will be trued up by the end of January, which then triggers the start of the audit. She does not anticipate problems.
- David Healy asked if the audit includes capital investment to date and Jennille Smith agreed.

VCUDA Update – BEAD and Shared Resources

- Jennille Smith reported that Denise Sullivan was hired by VCUDA to put together a detailed spreadsheet that shows what each CUD needs without naming them to locate places to share resources. VCUDA has also hired Jon Wilkins to assist with the BEAD grants. NRTC might also be involved in a scope of work, and we can use the scope we set up with them for ReConnect, which we did not pursue.
- David Mannix said the application is expected to be as complicated as ReConnect, and Jennille Smith said it is expected to be more involved.
- David Healy asked if all the CUDs would have a common chart of accounts. Denise Sullivan said that is a hope. VCUDA has also hired an expert specializing in telecom in financials and audit. She will deliver a best practices chart of accounts. VCUDA will review each CUD and look for commonalities.
- David Mannix asked if the chart of accounts would include revenues; Denise said absolutely.
- Denise Sullivan said that some CUDs have found better ways to use QuickBooks to make reporting easier. She added that human resources could be shared, for example, construction crews and expertise.

PFM Financing Update

- Jennille Smith reported that there have been two responses to our RFP. We met with MacMountain and MCM and bond counsel to discuss terms for an agreement, and we noted that time is of the essence, and we want to be prudent with funds and only borrow what is needed.
- Denise Sullivan added that CVFiber is prominently featured for Legislation Day on January 31st, and the presentation looks great, and should be a real celebration for CVFiber. Jennille Smith added that we intend to highlight both our accomplishments and what is still needed.
- Siobhan Perricone asked if equity would be on the table, as this has been removed from the federal level. Our customers must be informed, and we are considering ways that the State could fill this gap.
- David Healy asked if the budget adjustment act for \$20 million has been passed to return the funds to broadband. Jennille Smith said this has not yet gone through.
- Linda Gravell said she has heard that this has a lot of support and is expected to pass.

Return to Review 2024 Budget

- David Mannix shared the posted 2024 budget.

MOTION (David Mannix, Second Linda Gravell)

Move that we enter Executive Session pursuant to 1 VSA Section 313 (a) (1) that premature knowledge of our discussions would put CVFiber at a competitive, and in accordance with 1 VSA Section 313 (b), we include members of the Finance Committee and the Governing Board, as well as Jennille Smith, Laurie Beth Putnam and Denise Sullivan.

Passed unanimously.

Enter Executive Session: 6:33pm

Exit Executive Session at 7:25pm

Adjourned at 7:26pm

Respectfully submitted,
Jeremy Matt, Clerk