



CVFIBER FINANCE AND AUDIT COMMITTEE REGULAR MEETING MINUTES

Virtually on MS Teams

February 22, 2024

Minutes Short Summary

The Finance Committee unanimously approved the minutes for the January 18 and February 6, 2024 meetings. Sybil Schlesinger is officially a member of the Finance Committee and John Burke's nomination will go before the Governing Board in March. Jennille Smith reported that the audit has been finished but the data needs to be trued up in Finale. The Committee worked to establish next steps to handle the multiple questions that have come up concerning drop costs. The Committee entered Executive Session and exited with no action taken.

Present

Finance Committee Delegates: David Mannix (Chair, Marshfield), Ted Barnett (Williamstown), Jerry Diamantides (Berlin), Linda Gravell (Waterbury), Sybil Schlesinger (Moretown Alternate)

Others Present: Jennille Smith (Executive Director), Laurie Beth Putnam (Treasurer), Bonnie Batchelder (Finance Manager), Tom Fisher (East Montpelier), David Healy (Calais), Siobhan Perricone (Orange), and John Burke (Guest)

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

Additions to the agenda:

- None.

Public comment

- None count.

Approve Meeting Minutes

- MOTION (Linda Gravell, Second Ted Barnett).

To approve the minutes of January 18, 2024 and February 6, 2024 minutes as drafted.
Approved unanimously.

Committee Membership

- David Mannix welcomed Sybil Schlesinger to the Finance and Audit Committee. John Burke introduced himself as a semi-resident of Vermont in Cabot, he works in Southern New Hampshire as a CEO with 30 years of experience, mostly in construction, insurance and retail. He is interested in this project, particularly for personal use. He believes CVFiber will be a big asset for Central Vermont. David Mannix would like to add John Burke to the committee.
- MOTION (Linda Gravell, Second Jerry Diamantides)
To approve John Burke as a member of the Finance and Audit Committee.
Passed Unanimously.

Update on Financial Audit

- Jennille Smith reported that the audit has been finished but the data needs to be trued up in Finale. Lucas Stubbs is reviewing to ensure that the warehouse audit matches what has been entered in Finale. The first step is to ensure accurate prices in Finale. Bonnie Batchelder spoke with the auditors last week to come up with a plan. She will take the numbers from the warehouse and true these with the numbers in Finale to reassure the auditors. We should have \$3.5million. We built out 50% of the inventory so we should have 50% remaining.
- David Mannix asked if there are risks of which the committee should be aware. Bonnie Batchelder said she doesn't see risk. What happened is the auditors had to go to the warehouse twice and could not get good numbers, so she is working to reassure them.
- David Mannix asked what the next steps are for the audit, which has officially started for 2023. Once Bonnie Batchelder has good numbers for the inventory, she can give all the necessary papers to the auditors for 2023.
- John Burke asked for the steps to true up the inventory. Bonnie Batchelder noted that contractors are handling the inventory in the warehouse. Jennille Smith noted that the discrepancy was between what is on hand and what is in Finale. For example, a spacer was entered in Finale with the incorrect price.
- Linda Gravell asked if what is on the trucks is included, and Jennille Smith said only what is in the warehouse. Only a minimal amount is taken out of the warehouse at a time.
- Ted Barnett asked how large the variance is. Bonnie Batchelder noted that the discrepancies were small, but there should not be any discrepancies.

Project List Prioritization

- David Mannix reported that Jerry Diamantides and he wanted to look at the drops policy issue and discussed three possible methods to gather the data. Siobhan Perricone said there are several questions; how many people are involved, what are the actual costs, and what information are we giving our subscribers. David Healy is speaking to Waitsfield about design, the number of people involved, and the best way to present this to potential customers. David Healy feels this is an Operations Committee issue.
- Jerry Diamantides wants to make sure we know what Waitsfield is telling subscribers they have to pay. Tom Fisher said his neighbor got CVFiber, and he is five homes from the MST. Jerry Diamantides said we should know what this person paid. Getting the information from Waitsfield is crucial.

- Linda Gravell said we have the data of how many people have signed up and had their surveys done.
- Jerry Diamantides said a second issue is how much installations actually cost. We are paying Waitsfield \$1,500/installation. We need to work with Waitsfield to determine what these costs should be.
- Jennille Smith noted that Waitsfield has been covering the costs of long drops. This is about 10%, and they are okay with covering these costs. We are meeting with Waitsfield next week, and Linda Gravell will attend for Finance; the others are for Operations.
- Siobhan Perricone said we have the distance and the costs, but do we know what Waitsfield is telling customers? Jennille Smith said they are discussing how to communicate with customers.
- David Mannix asked if Olivia Kantyka would be involved in changing the website. Jennille Smith said that she has already removed some of the language.
- David Mannix reviewed the two separate issues, and who is working on which problems.
- Linda Gravell noted that Jennille Smith and Olivia Kantyka have been working with Waitsfield to determine who will communicate with subscribers. Olivia Kantyka volunteered to communicate. Jennille Smith said although this was the original plan, it seems Waitsfield is better to communicate and to have a process. They are leaning towards a letter for customers who need a long drop. A door hanger says you need conduit and your drop is longer than 400 feet. The letter will provide more specific information.
- Jerry Diamantides recommends a specific meeting with Waitsfield around costs for long drops. Jennille Smith said that David Healy has looked at the GIS mapping to determine the number of drops that are over 400 feet. NRTC, Waitsfield and David Healy have the data and they are meeting to determine the costs. Waitsfield has also determined that \$1/foot is not sufficient.
- Jerry Diamantides also said we need to determine how much of the costs will be on the subscriber and how much CVFiber will cover. Jennille Smith and Linda Gravell also noted that BEAD funds require CVFiber to cover some of these costs.
- Ted Barnett thought there should be information about the actual costs and then how much we are paying Waitsfield.
- David Mannix asked that once Jennille Smith has the numbers to determine what the customers are paying and what the actual costs are, what are the next steps? Jennille Smith said that a Finance Committee member should be part of the drops policy working group.
- David Mannix noted that town ARPA support is being updated, and how to record the matches when they come in. Should the Finance Committee work on this or is there an easy fix? Jennille Smith said we expect the match to be coming in shortly. So far this is \$144,000 in install fees, and we expect that amount matched. Bonne Batchelder said there is a grant for each town separately.
- Jerry Diamantides said that Roxbury and Northfield gave us ARPA funds, but TDS is moving to give them service. Jennille Smith noted that if TDS is charging an amount to the customers, we could use the ARPA funds to cover these costs. She will talk with TDS about this. Jerry Diamantides asked if the VCBB is in the loop, and Jennille said she wanted to check TDS's interest first.

- Linda Gravell asked if the report includes how each town requires their funds be spent. Jerry Diamantides said this is a good point although most towns wanted the funds spent on installations. Linda Gravell noted that Waterbury wanted control over which residences benefitted. Jennille Smith noted she would ensure that outlier towns are handled correctly.
- Jerry Diamantides thought this process should be socialized to give towns an appropriate level of comfort. Jennille Smith noted that David Healy is already reporting back to Calais. We can ask other town delegates to do the same when their towns are connected. Olivia Kantyka produced a document for delegates. Jennille Smith will ask David Healy and Olivia Kantyka for a process to communicate with towns.

Review January Financial Reports

- David Mannix would like to enter Executive Session to review the Financial Report. MOTION (Linda Gravell, second Ted Barnett)
Move that the committee enter executive session under 1 VSA 313(a)(1) to discuss contracts as premature general public knowledge would clearly place CVFiber at a substantial disadvantage, and invite staff and others present whose information is needed under 1 VSA 313(b): Bonnie Batchelder, Jennille Smith, John Burke and Laurie Beth Putnam.

Enter Executive Session: 6:54pm

Exit Executive Session: 7:43pm

Other Business

- None

Adjourned at 7:44pm

Respectfully submitted,
Jeremy Matt, Clerk