



CVFIBER FINANCE AND AUDIT COMMITTEE REGULAR MEETING MINUTES

Virtually on MS Teams

July 25, 2024

Minutes Short Summary

The Finance Committee unanimously approved the minutes for the June 24, 2024 meeting. Jennille Smith reported that the preliminary merger was approved by both CVFiber and NEK Broadband, and a public meeting was held. Christa Shute reported that they are currently trying to act as one, prior to the final merger approval on August 15, 2024, and she urged the Finance Committee also meet as a merged group. CVFiber and NEK Broadband unanimously approved and recommended to their Executive Committees to implement Innovations Solutions. The Finance Committee entered into Executive Session and exited with no action taken.

Present

Finance Committee Delegates: David Mannix (Chair, Alternate Marshfield), Ted Barnett (Williamstown), John Burke (Cabot), and Sybil Schlesinger (Alternate Moretown)

Absent: None

Others Present: Jennille Smith (Executive Director), Laurie Beth Putnam (Treasurer), Bonnie Batchelder (Finance Manager), John Kascenska (NEK Finance Committee, East Burke), Michael Strait (NEK Finance Committee and Executive Committee, Brighton), Danielle Sukkaew (NEK Treasurer), Marty Feltus (NEK Governing Board and Finance Committee, Lyndon), Denise Sullivan (NEK Treasurer), and Christa Shute (NEK Executive Director)

Call to order: David Mannix called the meeting to order at 1:02pm.

Additions to the agenda:

- None.

Public comment

- None.

Approve Meeting Minutes

- MOTION (John Burke, Second Sybil Schlesinger).
To approve the minutes of June 24, 2024 minutes as drafted.

Approved unanimously.

Update on Merger

- Jennille Smith reported that both CVFiber and NEK Broadband voted to proceed with the merger. The Public Meeting was held on July 16, 2024. We have asked our Governing Boards to hold August 15, 2024 for the final merger vote. If all goes as planned, the merger will be effective on August 16, 2024. We are working diligently to ensure the merger goes as smoothly as possible.
- Christa Shute reported that the organizations are trying to act as one going forward, so she encourages the Finance Committee to also act as one. The size of the Executive Committee will go from 16 to 11 as of the organizational meeting in November. NEK currently has four members of the Finance Committee, but one would like to retire. Christa Shute agrees for the need for CFO experience on the board and noted that there are qualified staff who could serve or we might want to recruit.
- David Mannix asked if Christa Shute had sent the Finance Committee the survey, and Christa Shute responded that this went to the Executive Committee.
- David Mannix recognized that there is a Finance Charter for the merged entity, but he has not shared it with the Committee. David Mannix will share what CVFiber does now, as well as the merged Finance Charter at the end of the meeting to all members. The new Finance Committee should be 3-5 members. David Mannix would like to resign. Sybil Schlesinger would also like to resign. A member of the NEK Finance Committee would also like to resign.
- David Mannix asked when NEK normally meets which is the third Monday of the month, but CVFiber chose the third Thursday. Members agreed to meet the third Thursday at 4:30pm.
- David Mannix noted that the Governing Board and Executive Committee meetings do not currently sync with the Finance Committee meetings to give timely financial reports. Christa Shute noted that NEK only provides quarterly reports. She also noted that when the Treasurer sends the report to the Finance Committee, she also sends it to the Executive Committee. Also, on the first Thursday of August, for example, a portion of the agenda would be for the Financial Report. She suggested that the Chair of the Finance Committee is on the Executive Committee and could deliver the report with the Treasurer. The quarterly meetings would be August 1, November 1, February 1, and May 1.
- Christa Shute also said that Staff Reports would be reviewed at the Executive Committee once/month rather than twice as is currently done by CVFiber.

Review of Proposed Financial Software

- Denise Sullivan reported that we are not yet ready to decide. Billings and customer functions will not be in this software program. Innovated Solutions is the software we are focused on. They will assist us with allocating staffs' salary to grants. Their system assists in ensuring we meet federal requirements. The software will also include data for both organizations with documentation. Invoices are scanned into the system to prevent human error, for example. The managed service agreement is important to us, and so far, Innovated Solutions has been very responsive. We can also add other CUDs at the same

price. Training is also exceptional as it operates with our own data. Implementation is currently November 1, 2024.

- John Kascenska noted that the cost/benefit analysis has been done and this system is effective. He suggested extending the contract for more years to reduce the implementation costs. Denise Sullivan said that they have tried several times to reduce the costs and did not think they could negotiate a lower price.
- John Kascenska asked for a breakdown of the monthly fees. Denise Sullivan noted that this is still pre-implementation, and we continue to ask questions. We need to nail down these before we implement. If this is not the right solution, we will not implement it.
- John Kascenska asked if there would be one general ledger/one chart of accounts. Christa Shute said the chart of accounts for each will be merged to the same chart when we move to Innovation Solutions.
- Ted Barnett said he assumed that it would still be possible to separate information for NEK/CVFiber. Christa Shute noted that it is possible to track construction costs for DAs. For grant purposes, there will be separate reporting. The grants will drive what we track. The eventual goal, once we have BEAD funding, is to merge the construction grants so NEK can use their funds in CVFiber territory.
- Ted Barnett asked how Innovations Solutions would solve issues brought up by the Audit. Denise Sullivan said it eliminates possibilities for human errors. Christa Shute added that one of the reasons that QuickBooks doesn't work is because it does not have different levels of permission, and second, QuickBooks allows changes, except there is no record of these changes, which again creates an audit risk.
- John Kascenska emphasized that Innovations Solutions is importing all of our data, which adds significant value.
- Christa Shute added that, first, NIST would not implement until August, and we want a municipal perspective. She added that NEK Broadband hired JSI, who built the finance model for our joint entity, and they have several experts on Innovation Solutions who recommend it highly.
- Christa Shute asked what the Finance Committee wants to see, so we meet your needs. We should be clear and intentional, so we ensure that we develop what we need. Please send this information to Denise Sullivan or Bonnie Batchelder.
- Christa Shute noted that when a report is developed, it looks like Excel but it is not actually an Excel product. Every month we need to report against our budget, but it is far more reasonable to produce this quarterly. The time to figure out what we need is now.
- John Kascenska noted that the last two financial systems used were Sequel based and they have add-ons to do internal reporting. He found Sequel to be easy to use and a good system.
- A big part of the monthly cost is hosting the data, Christa Shute noted. It is the hosting cost that we are hoping to share with other CUDs, but this is only useful if the other CUDs get more than one grant.
- John Kascenska asked if usage is scalable. Denise Sullivan noted that the price is fixed for up to five CUDs. John Kascenska asked if storage is limited, and Denise Sullivan will make sure that this is in the contract. Christa Shute noted that if we include customer billing, this takes up a lot more server space, so at that point, we might find that data is not unlimited. She is not willing to risk hosting.

- Jennille Smith noted that CRM will be discussed at the regular Tuesday meeting, as well as Waitsfield.
- David Mannix asked what the next steps for implementation are. Christa Shute asked for a vote for a recommendation to take to the Executive Committee this evening. The budgets will be approved on August 15th by the Governing Boards.

MOTION (David Mannix, Second Ted Barnett)

Move that the CVFiber Finance Committee approves and recommends that NEK move forward with the implementation of Innovation Solutions.

Passed unanimously.

MOTION (Marty Feltus, Second John Kascenska)

Move that the NEK Broadband Finance Committee approves and recommends that NEK move forward with the implementation of Innovation Solutions.

Passed unanimously.

Review of June Financial Reports

- David Mannix would like to enter Executive Session to review the Financial Report.

MOTION (Sybil Schlesinger, Second John Burke)

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.

Passed unanimously.

MOTION (Sybil Schlesinger, Second David Mannix)

Move to invite committee members and staff and others present whose information is needed under 1 VSA 313(b): Jennille Smith, Laurie Beth Putnam, Bonnie Batchelder, and members of the NEK Finance Committee, Executive Committee and staff.

Passed unanimously.

Enter Executive Session: 2:05pm

Exit Executive Session: 2:27pm

No action taken.

Other Business

- Christa Shute appreciated the members of the NEK Broadband Finance Committee attending with short notice.

Adjourned at 2:27pm

Respectfully submitted,
Jeremy Matt, Clerk