



LAMOILLE FIBERNET COMMUNICATIONS UNION DISTRICT

EXECUTIVE AND FINANCE COMMITTEE MEETING

September 1, 2022 at 7:00 pm

Approved Minutes

Online Virtual Meeting Only

7:00 pm Call to Order: Jane Campbell called the meeting to order. Committee members attending included Jane Campbell, Stephen Friedman, and Paul Warden, which constituted a quorum of the five-member committee. Also attending: Mark Schilling (Treasurer), Val Davis (Executive Director), and Lisa Birmingham (staff) were in attendance.

7:01 pm Agenda Changes: None.

7:01 pm Public Comment: None.

7:02 pm Approval of August 18 Minutes – Paul Warden moved the approval of the August 18 minutes; Stephen Friedman seconded. All in favor; none opposed; none abstained.

7:02 pm Jeff Tilton joined.

7:04 pm Executive Director Update – The Chair asked Val to supplement the written report with any updates. Val reported that he had met again with NRTC to review updated numbers. Three Board members attended, including Carol Caldwell-Edmonds, Randy Tomlin, and Stephen Friedman.

NRTC had developed calculations to assess whether constructing a network to serve roughly 5,100 eligible addresses with incidental additional passings was viable. Stephen explained that under the revised model, we would have a small operating margin and be able to service the debt, whereas the Google Fiber model projected ongoing and increasing losses after debt service. Stephen noted the model needed refinements and policy changes, but NRTC's preliminary work provided a workable theory upon which to develop an approved business plan. NRTC will be presenting to the Partnership Task Force meeting on September 8.

The committee also discussed the timetable and factors that would lead to applying for a construction grant and what activities were covered by the construction grants. While there is no application deadline this year for the construction grant, Val explained that the 2023 budget anticipated drawing down on construction grant dollars and beginning construction in early 2023. NRTC would be putting together the RFP for construction contractors.



7:14 pm Letter to Communities – Val reviewed the draft letter updating member communities on the status of the Google Fiber deal and path forward. Members discussed the media coverage and provided feedback on the letter. Paul Warden agreed to work with Val to finalize.

7:26 pm Draft 2023 Budget - Noting the draft budget in the packet, Val addressed a handful of questions ranging from budgeting for indirect expenses, pole study and make ready costs.

7:31 pm Jeff Tilton left the meeting.

7:35 pm Lucy Rogers joined.

Val reviewed the underlying assumptions for several line items – such as construction, which included design, engineering, and project and construction management. Jane asked why there were no network operations costs. Val explained that until the business plan was finalized, we could not finalize the operating expenses. There were currently three options 1) contract with third party to operate and maintain the network provide ISP services; 2) contract with a third party to operate and maintain the network and ISP services under LFCUD’s name (white label) and 3) design and operate as an ISP.

Val also discussed estimates for advertising, professional development, and professional services, including retainers for bookkeeping and auditors. Val noted that a federal Single Audit would likely be required for 2022, and certainly 2023.

Stephen Friedman offered a comment regarding the potential need for financing in 2023 and updated the group on a VCUDA meeting he attended. He shared VCUDA’s progress in retaining a municipal advisor for bond financing and noted that individual CUDs would have access to financial services at varying cost, which in turn would need to be budgeted. For example, financial consulting could be \$25,000 compared with a \$75,000 for preparing bond financing.

Committee members asked questions about budget approval process. Val reviewed the schedule for Governing Board approval of a draft budget, a public forum and final approval following the public forum meeting.

The Chair summarized the recommendations, as follows that the Executive Finance Committee recommend that the Governing Board give preliminary approval to this draft budget with the following adjustments: increases in professional services, advertising, rent and utilities, personnel development, and health insurance and the addition of prior year and year to date comparisons. Paul Warden so moved; Stephen Friedman seconded. All in favor, none opposed, none abstained.



7:49 pm Other Business: The Chair informed members that she had surveyed committee members and that beginning in October, the committee would meet on Wednesdays, not Thursdays. The schedule and advance notice for the various governing board and public meeting was also discussed. She asked Val to oversee the calendar changes and asked committee members to share ideas for agenda items either with Val or in the SharePoint meeting folders.

7:53 Wrap Up and Adjournment: Hearing no other business, the Chair thanked everyone for their time and requested a motion to adjourn. Stephen Friedman so moved; Paul Warden seconded. All in favor; none opposed; none abstained.

7:54 pm Adjourned.

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