



Governing Board Meeting
March 29, 2023 at 7:00 p.m.
Location: Online Virtual meeting
Draft Minutes

7:00 pm Call to Order: Chair Jane Campbell called the meeting to order.

7:00 pm Roll Call:

Town Representatives and Alternates Attending
 (V=Present and Voting, P=Present, A=Absent)

Town	P/V	Representative	P/V	Alternate	P/V	Second Alternate
Belvidere	V	Carol Caldwell-Edmonds				
Cambridge	V	Sam Lotto (joined 7:18 pm)	A	Teelah Hall		
Eden	V	Carey Earle				
Elmore	V	Randy Tomlin				
Hyde Park	V	Michael Rooney	P	Carol Fano	A	Jack Wool
Johnson	V	Charlotte Reber	P	Paul Warden		
Morristown	V	Jane Campbell	P	John Meyer		
Stowe	V	Stephen Friedman				
Waterville	V	Jeff Tilton				
Wolcott	V	Andrew Ross				

Other Lamoille FiberNet attendees: Mark Schilling, Lisa Birmingham, Fabian Bourgeois
Public/Guests: none

7:02 pm Agenda Changes & Public Comment. No public comment. No agenda changes. Paul Warden thanked Charlotte Reber for her service and explained that she would not be seeking reappointment.

7:05 pm Treasurer's Report and Update. Mark outlined the documents contained in the Treasurer's Report and noted that the auditor agreement was moving forward in anticipation of the September 2023 deadline for the single federal audit. In anticipation of a 2023 construction grant and substantially larger amounts of cash moving in and out of the Union Bank account

which is only insured up to the FDIC limit of \$250,000, Mark recommended the Board authorize establishing a cash sweep account to protect the CUD's deposits. He explained the difference between a letter of collateral and sweep accounts, and recommended the sweep account because of the flexibility. Stephen Friedman moved to approve the establishment of a sweep account, Randy Tomlin seconded. During discussion, Mark answered questions regarding limitations on withdrawals and fees. The Chair called the question; and the vote was unanimous in favor, with no opposition or abstentions.

7:15 pm Executive Director Update. Lisa offered two updates to her written report. First, VCUDA was meeting to discuss VCBB's April 10 consideration of additional accountability measures for construction grant recipients. New conditions would be prospective and would impact CUDs (including LFCUD) who would be applying for construction grants. Second, the grant allocation, including the \$73k fiber construction advance issue outlined in the written update, would be discussed in conjunction with the proposed 2023 budget.

7:15 pm RFP Update, Executive Session. Because the PTF Chair was unavailable, the Chair tabled the RFP update and moved to the Consent Agenda and Reappointment Reminders.

7:18 pm Consent Agenda. Carol Caldwell-Edmonds moved the consent agenda; Jeff Tilton seconded. All in favor; none opposed; none abstained.

The Chair reminded everyone of the April 28 deadline for reappointment and LFCUD's Annual Organizational Meeting on May 2. She asked members to seek alternatives for their towns, and to notify Lisa of their interests in particular committees or leadership roles. Jane reminded folks that she was stepping down in May. There was a brief discussion regarding whether to combine the April 26 meeting with the May 2nd meeting. There was consensus to leave the meetings as scheduled and decide in early April whether a change was necessary.

7:23 pm Sam Lotto, PTF Chair, joined the meeting.

7:24 pm RFP Update, Executive Session. Stephen Friedman moved that the Board enter executive session to discuss contractual matters relating to negotiations with Vendor A, and that session include the board members present, specifically: Randy Tomlin, John Meyer, Sam Lotto, Carol Fano, Carol Caldwell-Edmonds, Michael Rooney, Jane Campbell, Andrew Ross, Paul Warden, Charlotte Reber, Carey Earle and Stephen Friedman, Fabian Bourgeois and Lisa Birmingham, and any other board members who may join the meeting late, may also be included. Approval was unanimous, no abstentions.

8:01 pm Executive session ended. The Chair noted no action was necessary as a result of executive session.

8:02 pm Revised Mission Statement. The Chair requested a motion and discussion on the proposed Mission Statement changes. Carol Caldwell Edmonds moved to approve the Mission Statement as proposed in the meeting materials, Sam Lotto seconded. The Chair called for discussion. Members discussed the proposed changes, the definition of universal service, the additive value of specifying e-911 addresses, and the difference between affordability and cost-

effective. Michael Rooney expressed his opposition to limiting the mission to just unserved and underserved addresses. His goal is to bring cost-effective service to all addresses. Lisa noted the replacement of “local control” language with a broader commitment to focus leverage resources on partnerships to address community connectivity needs. Several members noted the importance to their communities of explicitly prioritizing unserved and underserved. Andrew Ross asked, and members discussed, the meaning and value of “Serving Community, not profit.” Carol Caldwell-Edmonds then moved to amend her motion to remove the reference to e-911, Sam Lotto supported and seconded the change. The Chair called the question; all but one member voted in favor. Accordingly, the Chair recorded the roll as follows:

Town	Vote
Belvidere	Yes
Cambridge	Yes
Eden	Yes
Elmore	Yes
Hyde Park	No
Johnson	Yes
Morristown	Yes
Stowe	Yes
Waterville	Yes
Wolcott	Yes

The motion carried.

8:23 pm Proposed 2023 Budget. Lisa explained the major assumptions that informed the proposed changes, first outlining the grant allocations, which were comprised of three buckets: preconstruction, construction and pre-purchase materials.

She noted the \$21 million budget approved in December 2022 was based on potential future funding including BEAD, which had not yet been approved for CUDs. Thus, VCBB funding was limited to ARPA grants, of which \$15.2 million remained allocated, but not awarded or paid, to LFCUD. Second, based on the current timetables, LFCUD was likely to ramp its construction funding late in 2023. Accordingly, the original capital budget of \$13.7 could be substantially reduced. Preconstruction funds of \$1.7 million were available to support operations, including design, make ready, and professional fees.

Lisa further noted \$281,652 had been allocated and awarded for pre-purchase of fiber. In 2021, LFCUD pre-purchased \$428,000 or 135 miles, which required two construction advances totaling \$146,521. The first construction advance was completed in December; the second construction advance is pending with VCBB. In discussing the second construction advance with the VCBB, VCBB pointed out that if LFCUD’s construction plans are further delayed, LFCUD might consider returning the fiber to VCUDA to sell to another CUD. The VCBB thought that

grants would prohibit LFCUD from selling the fiber, so suggested LFCUD explore withdrawal its construction advance. Lisa said she would verify the grant restrictions, but wanted the Board to authorize next steps given the value of the fiber and the potential impact on construction. Lisa emphasized that she was asking to address only the pending \$73k construction advance, not the first advance which had already been processed and purchased. Members asked how the the negotiations would impact the construction schedule and fiber needs.

8:32 pm The chair recommended executive session to discuss the impact of vendor negotiations on the need for fiber. Stephen Friedman moved that the Board enter executive session to discuss contractual matters the premature disclosure of which could harm the CUD, and that session include the board members present, specifically: Randy Tomlin, John Meyer, Sam Lotto, Carol Fano, Carol Caldwell-Edmonds, Michael Rooney, Jane Campbell, Andrew Ross, Paul Warden, Charlotte Reber, Carey Earle and Stephen Friedman, Fabian Bourgeois and Lisa Birmingham. Jeff Tilton seconded. All in favor; none opposed; none abstained.

8:40 pm Executive Session ended. Sam Lotto moved to authorize Lisa Birmingham to cure the premature payment of \$73,000 to VCUDA and withdrawal our construction advance request. Jeff Tilton seconded. All in favor; none opposed; none abstained.

Lisa then walked the Board through a high-level comparison of 2022 Actual versus 2023 Approved and 2023 Proposed Budgets, as represented in the materials, and then a side-by-side of 2022 actual versus 2023 proposed, by line item. Total estimated revenue proposed for 2023 is \$7.8 million, down from \$21 million, and total expense is \$7.5 million, down from \$13.7 million. The most significant change, due to expected timing, was the updated construction budget of \$6.9 million, roughly 50% of NRTC's recommended year 1 budget. Lisa noted that LFCUD would apply for the full construction grant of \$15 million, but draw down only \$6.0 million in 2023. Jeff Tilton moved to approve the 2023 proposed budget; Sam Lotto seconded. All in favor none opposed; none abstained.

8:46 pm Wrap Up and Adjournment. The Chair called for any further comments. Andy Ross informed the Board that Bradley Horseman was recently approved by the Wolcott Selectboard to serve as an alternate for Wolcott. Andy shared that Bradley is a web designer and would add value to several committees and of course the Board. The Chair asked for a motion to approve the addition of Bradley Horsemen as Wolcott alternate. Andy Ross so moved; Carol Caldwell-Edmonds seconded. All in favor; none opposed; none abstained. The Chair volunteered to send a welcome email and asked Carol Fano to set up his LFCUD email.

The Chair then thanked Johnson member Charlotte Reber for her service; everyone wished her the best. Hearing no further requests, Charlotte Reber moved to adjourn; Jeff Tilton seconded. The Chair declared the meeting adjourned.

8:34 pm Meeting Adjourned.

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