



## LAMOILLE FIBERNET COMMUNICATIONS UNION DISTRICT

### Executive & Finance Committee Meeting

Sept. 13, 2023, at 7:00 pm

Location: Virtual Only

**Draft Minutes**

**7:02 pm Call to Order:** Jeff Tilton called the meeting to order and called the roll:

#### Committee Members Present

(V=Present and Voting, P=Present, A=Absent)

| Town                   | P/V | Representative             |
|------------------------|-----|----------------------------|
| Elmore                 | V   | Randy Tomlin               |
| Hyde Park              | A   | Michael Rooney             |
| Johnson                | V   | Paul Warden                |
| Morristown             | V   | Jane Campbell              |
| Stowe                  | V   | Stephen Friedman           |
| Waterville             | V   | Jeff Tilton (Chair)        |
| Wolcott                | V   | Andrew Ross (Vice Chair)   |
| Ex Officio, Non-Voting | P   | Mark Schilling (Treasurer) |
| Ex Officio, Non-Voting | P   | Lisa Birmingham            |

**Other Lamoille FiberNet attendees:** Carol Caldwell-Edmonds, John Meyer, Fabian Bourgeois.

**Public/Guests:** none

#### Agenda Changes & Public Comment

The Chair proposed two changes: (1) Discussion of Audit, after the Treasurer's Report, may require Executive Session, and (2) Discussion of Personnel matters also requiring Executive Session. Jane so moved, Stephen seconded; the motion passed unanimously.

#### Treasurer's Update

Mark referred the ECF to the report he emailed earlier today and reported that he had been requested to provide a "Budget vs. Actual" comparison, which is in process and should be completed this week. The auditor informed Mark that the audit would not be completed by our deadline, saying that delay in getting the requested files had forced Lamoille Fibernet



forced her delay. Mark stated that straightforward extensions for federal single audits are no longer granted, but there is a process. The Chair stated that he had consulted legal advice, which could be discussed in Executive Session. Jane asked if Mark had a recommendation of how to proceed; Mark said no but it could be discussed in Executive Session. Jeff requested that Treasurer's Reports be provided more in advance of meetings so there is time to review. Mark said he will send future reports by the Friday prior to the meeting. Jeff also commented that not all categories/amounts match up with the grant budget – Mark replied that is likely just a Quickbooks update function that he will complete this week. Lisa commented that getting the audit completed is a significant "To Do" item; we cannot draw down grant funds without a completed audit.

### **Contracts and Audit Preparation – Executive Session**

Stephen moved to go into Executive Session to discuss contract matters related to our accounting and bookkeeping, premature disclosure of which would be damaging to Lamoille FiberNet, and he also moved that the session should include Jeff Tilton, Andrew Ross, Jane Campbell, Randy Tomlin, Lisa Birmingham, Paul Warden, Carol Caldwell-Edmonds, John Meyer, Fabian Bourgeois, and himself, and any other board members who join the meeting during the Executive Session. Jane seconded; the motion carried unanimously.

No action was required as a result of Executive Session.

### **Executive Director Update**

Lisa noted that her primary focus has been getting LFCUD and CCI agreement on the letter to VCBB and presenting our case at the second VCBB meeting – this has been a heavy lift, but she warned the committee that there is much more to come. Next areas of focus include: (1) the contract with CCI (details and signatures, hope to have a draft next week, unlikely to be completed by Sept. GB meeting but certainly by Oct GB meeting, then need VCBB agreement and signature; (2) Audits (2021 and 2022 internal; then the Single Federal Audit (2022); and 2024 Budget, which includes the Annual Report to Towns (deadline 10/21), Public Meetings to receive comment (deadline 11/15), and 2024 budget approval (deadline 12/15).

Accounting – Our accountant has notified LFCUD that she will resign after the audits are complete, so we need to prepare an RFQ for accounting services.

Legal advised that it is time to re-issue a RFQ for legal services; we had a 1-year agreement and are now on our 3<sup>rd</sup> one year extension. Recommending a 3-year term.

Pre-purchased Fiber Reallocation – VCBB staff advised that full Board approval is not needed to execute the transfer – Lisa noted that she is urging VCBB staff to reconsider, she would be more comfortable with a VCBB Board vote. Jane strongly agreed with Lisa.



NEK Elmore/Hyde Park Funding – Lisa has contacted NEK about the original and revised miles for each and the need to reconcile funding based on build plans for each CUD; we estimate \$775 NEK loss/LFCUD gain. NEK to review; this will ultimately require a grant amendment by LFCUD.

VCBB: BEAD Funding – Lisa reported that VCBB drafted a 5-year plan and is taking comments. Jane asked if BEAD funds might be available for LFCUD for Phase 2; Lisa replied that it is unclear. BEAD funding is very different than VCBB had expected; very complex, political, and fully competitive. Generally regarded as constructed unfavorably for smaller organizations.

Lisa is participating in the VCBB accountability policy work and hopes to minimize burdens. Lisa reported that VCBB staff wants to have a press conference with Governor Scott to celebrate the grant awards (not just ours); would like to have it in Lamoille and is looking for suggested locations (ideally that typify the areas we are trying to reach; small town hall, rural farm, etc.).

VCUDA – Hired additional support; Andrew Tarley (financial background) to support Rob Vietzke as Program Coordinator and hired Denise Sullivan (accountant) to help CUDs with HR and financial matters (hourly billing).

### **Planning and Delegation – Chair**

Jeff reviewed the remaining 2023 deliverables per statutory requirements; Audits, 2024 Budget Annual Report, Public Meeting. Jeff suggested the Public Meeting coincide with GB meeting as in past. The Annual Report must be sent to the Towns by 10/21.

Sustainability Plan - Jeff stated that we need to begin working on the LFCUD Sustainability Plan to meet VCBB grant requirement – due within 12 months or prior to requesting more funds, whichever comes first. Jeff mentioned we can gain efficiencies by partnering with sister CUDs that also have partnered with CCI (OCCUD and SoVT CUD) and that he has opened conversation with Laura Black of OC CUD regarding then contributing the LFCUD expenses as they have benefitted from our staff and legal work (general agreement and she will discuss with their GB). We have funding for Administration through 2025 but need to begin looking for revenue opportunities for thereafter. Jeff spoke to Eric Hatch of SoVT CUD who mentioned the possibility of future state subsidies. Stephen mentioned that SoVT's grant was not predicted on a sustainability plan, while ours was – and that he thought the path to ongoing state funding of CUDs would be very difficult. Carol C-E noted VCUDA had discussed possible CUD mergers and asked if they had been successful getting legislation enacted. Lisa said it had not been passed; it was on VCUDA's agenda for the upcoming legislative session. Jeff clarified that he is reaching out to sister CUDs for mutual learning, discuss possibilities for shared expenses – not merger



discussions. Jane inquired about VCUDA and possible shared accounting expenses, Lisa said that Denise Sullivan (also Treasurer for NEK BB) has a contract with VCUDA to serve as a resource for CUDS and that project work is billable. VCUDA had retained another firm to help with financing and bond market issues. Lisa noted that three CUDs have now partnered with CCI, and we all have different approaches, so we should be able to learn from each other. Lisa said she views the Sustainability Plan as needing to have concrete funding for 5 years and ideas for funding for the remaining contract term.

Task Forces - Jeff stated that we needed a small group of volunteers to talk to other CUDS about shared services and another group to discuss revenue opportunities. Randy asked whether the draft budget needed for the Public Meeting was only for 2024? Lisa: Correct. Randy said he has strong opinions about how LFCUD should be structured after 2025 and would like to work on that but warned that his vision is very different than the current structure and budget. Stephen noted that the terms sheet set up the reporting mechanisms and that we should not have a staffed organization after the build. Lisa noted that the need is to manage future risk – if the GB must enforce the contract at any point, we need to make sure they have the wherewithal to do so.

Jane asked Jeff and Lisa whether they are looking for help with the RFQs for accounting and legal services; which they affirmed. Jeff asked Stephen if he would be willing to work on the Accounting RFQ; he offered. Lisa noted that we have RFQs from other CUDs as a starting point and noted that legal is the same issue – we need at least 2 proposals – but this can wait until Q4 or Q1 next year if needed. Jeff asked Lisa to work on the RFQ for Accounting and get it released and we will appoint a team to review at the next GB meeting.

Lisa noted that we will need a Task Force in late Fall to work on a system for use of local ARPA match funds and work with the communities to determine how will these funds be distributed.

Jane asked if we were still looking for shared office space, e.g., with LCPC. Lisa said yes and added that Demars is aware we may not renew (12 mo. lease). Randy noted that the Sustainability Plan should guide the office space issue in the longer term. Lisa agreed, saying rent is in the budget for now as protection.

Draft Budget - Jeff asked if there are any comments on the draft budget. Lisa noted that the GB had approved the 2024-2025 budgets in July for purposes of the grant application, but recommended that EFC endorse the 2024 budget for the specific purpose of presenting to the Governing Board, then the Towns this fall. Jane so moved, Stephen seconded, passed unanimously.



Minutes Approval - Jeff noted the next item was to approve the 8/9 meeting minutes; Jane so moved, Stephen seconded, passed unanimously. Jeff asked if we should have an in-person GB meeting in October and if so, where? General agreement that in-person would be good, no decision re location.

Fabian noted that he recently had the opportunity to view Fidium 1Gig service and said it was amazing, theater quality, really impressive. He also noted that he was at the Boy Scout Camp in Eden – who we will be serving with fiber – and it might be an ideal location for the possible VCBG/Gov. Scott press conference. Lisa asked members to send location ideas to her by Friday Close of business.

Governing Board Agenda - Contract Approval - Lisa mentioned that when we have the final CCI contract, it will need approval by LFCUD and asked whether that should be the GB or EFC. Carol C-E wondered if this was why she had been invited to the meeting, because in the past she has been an advocate for full GB approval of decisions. In this situation, Carol stated that if time is of the essence, she supports asking the GB to delegate that authority to the EFC. Jeff agreed with Carol and said another approach would be to schedule a special GB meeting. Paul asked about the timing – do we need the contract signed prior to GB meeting? Lisa said it depends, the timing issue would be to meet CCI's timeline for funds. Stephen weighed in that he thought it important symbolically that the full GB vote on the CCI contract – it is the biggest decision our CUD will make. After some discussion, there was general agreement that the full GB should vote on the contract.

### **Discussion of Personnel**

Stephen moved that we enter Executive Session to discuss matters of personnel and contracts, the premature disclosure of which would put the CUD at substantial disadvantage and that included should be Jeff Tilton, Andrew Ross, Jane Campbell, Randy Tomlin, Paul Warden, Carol Caldwell-Edmonds, John Meyer, and himself, and any other board members who join the meeting during the Executive Session. Paul seconded; the motion carried unanimously. Lisa, Fabian, and Mark left the meeting.

Following Executive Session, Paul moved that Lisa be named Executive Director (drop "Interim") and that her 2024 salary be raised from \$120,000 to \$135,000 per year, contingent upon legal approval to change title without a new posting of the ED position. Randy seconded. The motion passed unanimously. No other action was necessary from discussions in Executive Session.

### **Meeting Wrap and Adjournment.**

Members noted that the next EFC meeting is Oct. 11<sup>th</sup>. Randy moved to adjourn, Jane seconded, the motion passed unanimously.



**8:58 pm Adjourned.**

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