



Executive Finance Committee Meeting

August 21, 2024, at 7:00 pm

Location: Virtual Only

DRAFT MINUTES

7:10pm- Call to Order: Jeff Tilton called the meeting to order and took roll call.

Committee Members Attending

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

P/V	Representative
P	Jeff Tilton, Chair
A	Andrew Ross, Vice Chair
A	Jane Campbell
P	Stephen Friedman
P	Paul Warden
P	Michael Rooney
P	Lisa Birmingham, Exec. Dir. (ex officio)
P	Colette Jurnak, Treasurer (ex officio)
A	Mark Schilling, Assistant Treasurer (ex officio)

Other Lamoille FiberNet attendees: None

Public/Guests: None

7:11 pm- Agenda Changes: Jeff recommended changing the order of the Agenda as follows: Move Phase 1 and Phase 2 Updates to after Minute approval, followed by Annual Planning, then Financial Update with the remaining items as listed to facilitate a better flow. Stephen so moved. Paul seconded. Motion passed unanimously.

7:11pm- Public Comment: None

7:12pm- Chair's Update:

Board Roster Change Elmore Select Board is appointing Trevor Braun to be Elmore Representative to Governing Board. The resolution should be received before next week's Governing Board Meeting.

7:14pm Approval of Prior Minutes: Paul moved to approve the July 17, 2024, meeting of the Executive and Finance Committee. Stephen seconded. Motion passed unanimously.

7:14pm- Phase 1 Construction Update: The P1 build continues to progress on time, apart from some addresses in the Morrisville wire center that are about 2 weeks behind schedule. Some addresses on the Stowe wire center have been released for service and we expect Johnson wire center will see the same next week.

CCI continues to clean up the address list to distinguish between previously unserved and incidental overbuild addresses.

Several landowners have been reaching out to inquire about construction on their property. Lisa will be forwarding those concerns to CCI.

Stephen's drop in Stowe was installed and expects Fidium service by the time the Governing Board meets on Wednesday.

CCI is trying to organize a ribbon cutting event some time in October. Details will be shared in the coming weeks.

7:22pm Phase 2 Construction Grant Update: VCBB has approved the P2 Grant Amendment on the conditions that: 1. Our reporting complies with new KPI requirements that they will be rolling out in the near future, and 2. Approval of our sustainability plan.

Lisa provided a high level overview of the sustainability plan for the VCBB Board meeting and took questions, but the Board decided not to take action until next month, since a few of the Board members did not have time to review the plan prior to the meeting. The reception was favorable and we expect approval at that next meeting.

The Board also asked that we engage with CCI to try to secure all of their annual funding money for 2027-2034 up front. Lisa, Jeff, Andy, and Stephen discussed the topic at the CCI meeting this week. We were able to secure the entire sum we applied for, including the remaining construction grant funds as well as the \$188k "gap funds" we requested. The \$188k will come from the "VCBB Broadband Financing Program", as the money is being used to leverage capitol from CCI towards the build. The VCBB Staff is able to appropriate this without requiring Board approval.

Once the VCBB approves next month, we will engage legal to amend the contracts with CCI as appropriate and work on payment schedule. Additionally, we will ask Arent Fox to codify an amendment reflecting the sustainability payments and work in our contract's succession language that both parties have already agreed to. This expense will be shared with the 2 other CUDs.

Because P2 approval means we will have achieved our USP, we will not be applying for BEAD, and will de-obligate the unused portion of the BEAD capacity grant.

7:33pm- Annual Planning and Reporting to Towns: Lisa pointed out that our early 2024 budget cuts were designed to fund us through 2026 while reserving as much of the pre-construction money to put towards construction as possible, since we could not fully plan on additional money being available. Since we have minimized the cost of P2 and received the \$188k gap funding, we are able to use the pre-construction funds we have already been awarded towards the expenses they were obligated for (planning, administration, compliance), instead of needing to convert them to construction funding (network, infrastructure, drops)—which may not have been a viable strategy anyway.

Lisa and Colette are working on updating the 2024 budget forecast through the end of the year. Some items are higher than planned, while others are running lower, such as insurance. We have been unable to reduce the costs associated with the number of Microsoft accounts to the target point.

Jeff noted that securing the gap funding will allow us to make more thoughtful and methodical decisions when it comes to transitioning to a long-term compliance strategy. Stephen added that he thought the previously approved budget through 2026 might have been uncomfortably lean to get us through the transition phase, and that we should consider retaining as much of the ARPA pre-construction as possible to pay for the expenses associated with the transition phase.

Jeff recapped Lisa and Colette’s progress on budgeting. For 2023 there were somewhere around 230 hours of work that were billed to the grant that were not paid out in 2023. There will likely be a lump sum expense to payroll to true-up the accounting, the raw number should be available by the Gov. board meeting next week. It should represent less than 2.5% of the planned payroll budget. Jeff recommended amending the personnel policy to prevent this moving forward, and that we have planned reviewing the policy document in January with regards to health care, so working on both at the same time makes sense.

Lisa reiterated that the most important part of the 25-26 budget and planning process is really identifying the dependencies and critical assumptions. Identifying what needs to be done with contracted support, etc. We are not going to be able to rely on CCI to take on any required compliance beyond their grant reporting. Administering the town ARPA money, for example will be our responsibility.

7:51pm- Financial Update and Preliminary Treasurer Report: Colette provided an overview of the financial documents and treasurer’s report. The grant reports were submitted on time. The audit process is playing out and seems to be on track. Colette has been ensuring the required documents are submitted once they are compiled into complete folders, instead of individually.

Colette left the meeting at 8:07pm.

Paul, Scott Johnson, and Jeff will be looking over the policy documents to make small edits for board approval—mostly clerical housekeeping items: replacing names with position, changing references to ED to “ED or District Clerk”, crosschecking stated policies with practice, etc.

8:04pm- Drop Task Force Update: The Task Force has made recommendations as to how to administer the town’s contributions. The communications committee will be putting together an article explaining the process as well as a web-based form to apply for drop-expense subsidy. Lisa added that LCPC would likely be a good source for assistance with administering this out.

8:11pm- Communications Update: No further updates.

8:11pm- Other Business: A team will be assembled to help put together the annual report narrative for the Towns. Lisa will work with Colette in putting together the required financials. A time should be scheduled for a group gathering to celebrate our progress, likely in November away from the holidays.

8:18pm- Adjourn: Michael moved to adjourn. Stephen seconded. Motion carried unanimously.

Respectfully submitted by Jeff

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