



## CV FIBER FINANCE AND AUDIT COMMITTEE MEETING MINUTES

Zoom (virtual meeting only)

April 27, 2021

### **Members Present:**

Jeremy Matt (Plainfield), Siobhan Perricone (Orange), Jeremy Hansen (Berlin), Ray Pelletier (Northfield), Allen Gilbert (Worcester), Tom Fisher (East Montpelier), Jerry Diamantides (Treasurer, non-voting member)

### **Others Present:**

Phil Cecchini (Barre)

**Called to order:** 6:32PM by Ray Pelletier via GoToMeeting

### **Public Comment:**

- None

### **Additions to the Agenda:**

- None

### **Approval of the March 2, 2021 meeting minutes:**

- MOTION (Jeremy Matt second Siobhan Perricone) Motion to approve the March 2, 2021 minutes with edits. Passed unanimously. Discussion of items that need to be fixed:
  - Tom Fisher was present and should be included under “others present”.
  - Meeting was via Zoom, not GoToMeeting.
  - Strike the 1<sup>st</sup> bullet under appointment of Community Volunteers.

### **Treasurer’s Report:**

- Jerry Diamantides shared a treasurer’s report via email and discussed the details of the report. In particular, Jerry discussed some of the CARES funding that was not spent; we will need to be very careful not to spend that money in case it gets clawed back. He also noted that there needs to be very careful accounting to make sure that we are spending our grant money on approved items. There followed additional detailed discussion of the grants CVFiber has received. Phil Cecchini offered to review the books with Jerry Diamantides.

### **CVFiber Administrative Budget Recommendation:**

- Ray Pelletier shared the projected FY2021 CVFiber Administrative Budget. There followed additional detailed discussion of the FY2021 administrative budget. Tom Fisher asked about the details of the single audit line item. Jerry Diamantides said that this is a specific type of audit required if an organization receives more than \$750,000 in Federal funding. This is not required for FY2021 as we did not receive more than \$750,000 in grants last year. Phil Cecchini noted that this is separate from the procedural audit required by State statute. Jeremy Hansen noted that we also need to do a financial audit of the type required of municipalities, although his understanding is that this audit is not required if we are not operational (IE not serving customers).
- MOTION (Ray Pelletier second Jeremy Hansen) To recommend to the Board that the Board adopt FY2021 Administrative Budget subject to revision by a working group to be formed by Ray Pelletier that will address the items below (as amended). Passed unanimously. Discussion:
  - Jeremy Hansen said that there should not be a line item for “miscellaneous”. The line items need to be descriptive. Tom Fisher asked about the contingency line item. Jeremy Hansen said that it would be better to just increase the uncertain line items, such as the cost of admin support from CVRPC.
  - Jeremy Hansen noted that he thinks that the website costs should be less as Codewryter will only be maintaining the website for the most part.
  - Jeremy Hansen noted that the insurance costs will likely be much higher as we are expecting to have assets by the end of the year.
  - Tom Fisher asked why we need this, as he thought that we already had an approved budget. Ray Pelletier noted the reason for this is that the Board has approved all these items individually but has not passed off responsibility for paying these bills and managing these expenses to the Executive Committee. This budget is intended to streamline the process of managing administrative expenses.
  - Ray Pelletier suggested that a subcommittee be formed to tinker with the numbers slightly (accepted as a friendly amendment)

#### **Administrative Budget Process Recommendation:**

- MOTION (Ray Pelletier second Jeremy Matt) The Finance Committee recommends that the Board authorize the Executive Committee to approve invoices and authorize payments from the Administration Budget, and that the Treasurer report monthly to the Board on the status of the Administrative Budget, its ability to meet future obligations, and bills paid for the previous month. Passed unanimously. No Discussion.

#### **Grants & Loans Status:**

- Jeremy Hansen reported that the Senate Finance Committee was discussing the broadband funding bills again today and that predicting what will come out of the committee is kind of like trying to predict the weather. He expects that H360 will stay somewhat the same with some elements of S118 added in. He thinks that it is likely that the Committee will vote on this in the next couple of days. Ray Pelletier noted that the rules for these funding streams are still being written by the Federal finance people and that he thinks it is unlikely that we will see this money before the fourth quarter of 2021. There followed additional discussion of the status of grants and loans and the details of how this grant money

might flow through the Vermont Broadband Authority to CUDs. There followed discussion of how the agreements between CVFiber and WEC might work in terms of leasing fiber.

**Insurance Costs Update:**

- Tabled until a later meeting.

**Rate-Making:**

- Tom Fisher reported on a ratemaking course he took through the University of Michigan. A lot of it was not relevant to CVFiber as telecom is not regulated in the same way as say a water utility. However, there were some details that were useful. His main takeaway is that there is a LOT he does not know and that we will need an expert to help us with this. There followed discussion of the details of what sorts of items might go into our rates and when we need to get our rates set.

**Other Business:**

- None

**Roundtable:**

- None

**Meeting Adjourned at 8:00PM**

Respectfully submitted,  
Jeremy Matt, Clerk

**Task Summary:**

Ray Pelletier:

- Form a working group to review/tweak the FY2021 administrative budget.

Phil Cecchini & Jerry Diamantides:

- Review CVFiber's bookkeeping.