

NEK Community Broadband

Finance Committee Meeting Minutes

September 24, 2020, 4-5 p.m.

Attendees: David Snedeker (Treasurer, chair); Kristen Fountain (Albany rep), Bill Piper (Waterford rep), Michael Strait (Brighton rep), Christine Hallquist (project manager)

D. Snedeker called the meeting to order at 4:03 p.m. He turned chairing duties to Kristen.

Agenda Review

No changes.

Minutes Approval

Michael (Brighton) made a motion to approve draft minutes from September 3, 2020. Bill seconds; unanimous approval.

Treasurer/Bookkeeper Duties Review

Christine said setting priorities is important because there is more to be done than there is time to do it. Jami Jones, our Bookkeeper/Clerk now under contract, will work 10 hours/week, starting either this week or next. Christine will check in to see if she has booked any hours this week.

We reviewed the Treasurer duties previously approved and bookkeeper duties and priorities provided by Christine. There were no additional suggestions. We discussed how the Clerk should be supervised. Bill does not think that there is anything in the statute that keeps the Administrator from also being the supervisor of the Clerk, as well as the Bookkeeper, particularly as they will be the same person.

Christine recommended that we ensure that going forward there be separation between bookkeeping and check writing. Currently the check-writing and spending is held by members of the Executive Committee under the interim spending procedures approved by the Governing Board.

We discussed the logistics of moving spending authority to the Administrator, who will begin work on October 1. The finance committee will task the Administrator with developing two policies for its review: spending and procurement. The Finance Committee will hold the time for the meeting on Oct. 1 at 4 p.m. in order to review and forward any policy that might be available at that time. We can also meet directly prior to the Executive Committee meeting, Oct. 2 p.m.

Bill Piper (Waterford) moved that the finance committee will recommend to the executive committee that the Bookkeeper/Clerk report to the Administrator/Treasurer. Michael Strait (Brighton) seconds. Unanimous approval. Motion carried.

Chart of Accounts

We agreed that the Administrator and Bookkeeper should work together to cull a smaller chart of accounts from the EC Fiber Chart of Accounts sample.

Report & Annual Budget

We reviewed the draft Annual Report to towns. There was an acknowledgement that this is just a starting point and is likely to change after other members of the Executive Committee weigh in. That said, brevity is important when printing in the Town Reports.

Motion to approve a working draft of the Annual Report to the Executive Committee, Michael. Bill seconded. Unanimous approval.

We reviewed the 2021 budget proposal . We discussed how to budget for capital expenditures, given that we are not sure how much funding will be available. We believe that \$4 million is the maximum available through VEDA, which would require a 10% match of \$400,000. The access to low interest loans will depend on the book value of the assets we are able to acquire. Kristen will forward to Christine her information about Northern Enterprise's Northlink. Christine will try to find out the book value of state assets.

We talked about limiting the budget to a bare organizational one, with footnotes related to likelihood of new capital funding and asset transfers, as well as the potential need for a reserve fund.

Bill Piper made a motion to recommend this high-level budget to the Executive Committee for review; Michael Strait seconds. Unanimous approval. Motion carries.

We discussed how we would work through approval of these large budgetary changes when they occur. Bill argued that the Executive Committee should be empowered to make those changes as it will be difficult to seek approval from the Governing Board for every decision. We agreed that allowing for deviation from the approved budget of 10-15% without GB approval seems appropriate, as well as emergency spending. We also discussed getting blanket approval for the Administrator to apply for grant funding reporting on

activities to the Executive Committee. Dave S. said this is how NVDA functions. However, he said that large acquisitions with liabilities would need to be approved by the Governing Board. We agreed that this will be an important discussion to have with the Executive Committee and the Governing Board as a whole.

Kristen noted that this will likely be Dave Snedeker's last meeting as Treasurer. The committee thanked him for his service to the CUD.

Michael Strait made a motion to adjourn. Bill seconds. Unanimous approval. Motion carried. Meeting adjourned at 4:48 p.m.

Action Items

- Kristen will email the Executive Committee with this information for its review prior to meeting next Friday.
- Christine will check on book value of state asset