

NEK Community Broadband

Finance Committee Meeting Minutes

August 06, 2020

Attendees: Dave Snedeker (Treasurer, NVDA); Kristen Fountain (Albany); Bill Piper (Waterford); Evan Carlson (Sutton)

Dave Snedeker called the meeting to order at 4:01 p.m. Turned chair duties temporarily over to Kristen

Agenda Review

No changes made.

Updates

None

Approve of minutes

None. Bill made a motion to approve the minutes of the Finance Committee meeting from July 2. Dave seconded. **Vote: 4-0; Unanimous in favor**

Review and approve financial policies

We reviewed the prepared policies related to spending, accounting & audits, cash receipts and fraud. Suggestions for alterations were discussed and changes were made in the text. Bill made a motion to recommend these policies as amended to the Executive Committee for review. Mike seconds. **Vote: 4-0; Unanimous in favor.**

If approved by the Executive Committee, the following policies would be presented to the Governing Board as part of the Consent Agenda for the August 13 meeting:

- Temporary Spending Procedure
- Accounting, Auditing and Reporting Policy
- Cash Receipts, Petty Cash, Check Policy
- Fraud Prevention Policy

We discussed whether any additional financial policies are needed. Kristen and Dave believe a procurement policy will eventually be needed if federal grants are utilized directly by the organization. Bill suggests we ask whoever is hired as a consultant administrator that we ask him or her for recommendations on additional policies.

Review and approve spending authorizations

We reviewed the prepared recommendations related to authorizations for spending in August.

Mike makes the motion that we recommend reimbursement payments to Annie McLean and Jonathan Baker, as well as expenditure for purchasing a P.O. Box, for immediate dispersal, and that we recommend payments for consultants fees as soon as the recently acquired State grant contract is in hand. **Vote: 4-0, Unanimous approval.**

August - December Budget & 2021 Projections

We reviewed the budget as presented by Kristen that she and Evan developed. It describes spending on behalf of the CUD by NVDA, as well as projected future spending by both the CUD and NVDA. We made some changes, particularly related to salary levels of the administrator consultant, reducing it to reflect part-time nature.

We discussed any additional grants that might be forthcoming this year or in 2021. Kristen did not think there would be additional grants beyond those noted here: an additional \$65,000 through the state CARES Act funding and an additional \$30,000 from the Vermont Community Foundation.

We discussed additional potential grants to apply for in 2021. Dave suggested that NVDA would apply for a Rural Community Development Initiative grant to support the CUD. This is the same grant that funded CUD legal work through the Northern Forest Center. Mike suggested an additional USDA RBDG. Kristen through infrastructure grants, at least Northern Border Regional Commission would be likely.

Bill moved that we recommend this August-December 2020 budget to the Executive Committee for approval. Dave seconded. **Vote: unanimous approval.** If approved by Executive Committee, this budget would be presented to the Governing Board as a discussion item for their approval at the August 13 meeting.

Insurance Requirements & Recommendations

The Executive Committee requested that the Finance Committee investigate what insurance needs that the CUD and its officers might have.

Bill did some research around Directors & Officers insurance. He reports that municipal law indemnifies volunteer appointed directors and officers, so the CUD Governing Board members do not need Directors & Officers insurance. He recommends that we not get D&O insurance until it is needed either (a) when we have direct employees - consultants will have their own insurance or (b) when we decide to issue securities as another CUD (EC Fiber) has done. Kristen thinks we will need to get general liability insurance of a certain type to be eligible to receive the state funding.

For the Northern Enterprise board, we will have to find out what kind of insurance coverage is held prior to taking over board. We would expect to see general liability, property insurance specific to telecom assets and D & O.

Our recommendation to the EC will be to pursue general liability and get quotes on D&O for when that may be needed.

Action Item: Kristen will explore the cost of insurance with several recommended vendors.

Review Job Descriptions

We reviewed the job descriptions presented for: Project Manager/Treasurer and CUD Administrator and Clerk/Bookkeeper.

We anticipate hiring ASAP for a clerk/bookkeeper and project manager/treasurer. The latter would be a short-term contract and might be a good hire for the long-term CUD Administrator role.

Bill motions to recommend these job descriptions to the Executive Committee. They may decide to elaborate or amend. Michael seconds. **Vote: 4-0; Unanimous approval.**

Bill makes a motion to adjourn.; Mike seconds. **Vote, 4-0; Unanimous approval.**

Meeting adjourned at 5:03 p.m.