



# Executive Committee Meeting Minutes - DRAFT

Thursday, June 20, 2024

5:30 pm

## Attendees:

EC Members: Mary Metcalf, Mike Strait, Bill Piper, Nick Anzalone, Ray Lanier, Jonathan Baker and Sally Vallat.

Staff and Treasurer- Christa Shute, Denise Sullivan (Treasurer), Danielle Sukkaew, Tonya and Kitty Ufford Chase (Clerk)

Board Members: Rudy Chase and Mike Gaiss

Contractors- Deb Shannon

Guests: Connie Fellion and Jennifer Sullivan, from McSoley McCoy, our Auditors.

5:32 pm Meeting started with quorum.

## Agenda Review and Approval of Minutes

<b>Motioned: Mary Metcalf</b> <b>Seconded: Bill Piper</b>	<b>Passed with no objections</b> <b>Passed with objections</b> <b>Failed</b>
<b>Motion: to approve minutes from the 5/16/24 &amp; 6/6/24 meetings</b>	Passed with no objections

## Audit Review

<b>Motioned: Mary Metcalf</b> <b>Seconded: Bill Piper</b>	<b>Passed with no objections</b> <b>Passed with objections</b> <b>Failed</b>
<b>Motion: to accept the audit</b>	Passed with no objections

- **Discussion Summary:** Denise introduced Connie and Jennifer Sullivan from McSoley McCoy, our Auditors. They confirmed that they were independent throughout the process. They described the audit plan that was followed without changes. They did a full inventory observation as a new action. They will issue an unmodified (clean) opinion on the financial statements and the schedule of expenditures - the highest level of assurance. Two deficiencies were noted. These were known areas that management and the Treasurer have been working on to correct through more sophisticated

accounting software. The action plan that Denise wrote will be included in the report. Denise said that the Finance Committee met before this meeting and recommended the EC accept the audit.

### New Accounting Software System

**Discussion Summary:** A new accounting software is needed for better internal audit controls, inventory, work orders etc in order to address the large quantities of funding spread across multiple funding sources. The team has evaluated five different products receiving the last quote just the previous evening. The intent is to come back to the Finance Committee and the Executive Committee within the next 1-2 weeks for a proposed recommendation and approval after looking into hosting options and completing negotiations with the top companies. Approval is necessary because the software is likely to exceed the budget by 20%.

Jennifer and Connie left the meeting at 5:52pm.

### Accept Chair Resignation Letter

<b>Motioned: Mary Metcalf</b> <b>Seconded: Bill Piper</b>	<b>Passed with no objections</b> <b>Passed with objections</b> <b>Failed</b>
<b>Motion: to accept Paul's resignation letter as Chair</b>	Passed with no objection

### Appointment of new Board Member for Northern Enterprises (replace Kristen Fountain)

<b>Motioned: Mary Metcalf</b> <b>Seconded: Ray Lanier</b>	<b>Passed with no objections</b> <b>Passed with objections</b> <b>Failed</b>
<b>Motion: to appoint Tonya Ozone as a new Board member for Northern Enterprises</b>	Passed with no objections

- **Discussion Summary:** Northern Enterprises has 55 miles of fiber and was created many years ago. It is a non-profit with good standing that has the ability to become part of our digital equity program. The bylaws of Northern Enterprises call for 2 appointments to the board by NEK Broadband and 1 appointment by NVDA. Tonya has agreed to serve if approved. Her background is non-profits. She said she has already been out fundraising to help support our digital equity efforts.

### Discussion of June 22 Board Meeting Agenda

- **Discussion Summary:** During Saturday morning, Deb is going to lead a substantial discussion about the merger to give GB members another opportunity to engage the

topic. Metrics and digital equity are also topics that will be discussed. The first item of business will be electing a Chair and potentially a Vice-Chair of the Board. Anyone interested in the position is encouraged to contact Christa Shute at [director@nekbroadband.org](mailto:director@nekbroadband.org). Nicolas Anzalone, Vice-Chair and currently Acting-Chair has agreed to put his name up for nomination for Chair. Brian Machesney has agreed to put his name up for nomination for Vice Chair.

Sally entered 6:03pm

### VEDA Resolution \$4M and \$1.8M

<b>Motioned: Mary Metcalf</b> <b>Seconded: Sally Vallat</b>	<b>Passed with no objections</b> <b>Passed with objections</b> <b>Failed</b>
<b>Motion: to accept the resolutions as articulated in the two documents outlining a \$4M loan and a \$1.8M loan from the Vermont Economic Development Authority that will serve as the needed match for our ReConnect 4 Grant.</b>	Passed with no objections

- Discussion Summary:** These are two resolutions that are about the loan to borrow 5.8 million as a match for the ReConnect 4 grant. The first loan is the maximum amount allowed under the Broadband Expansion Loan Program which includes terms of three years without principal or interest payments. The second loan is for the remaining amount that is required. We are securing this note with a lien on the assets that will be created from the VCBB Construction Grant.

### Increase Base Speed from 50/50 to 100/100 Mbps for same price of \$79.95

<b>Motioned: Sally Vallat</b> <b>Seconded: Mary Metcalf</b>	<b>Passed with no objections</b> <b>Passed with objections</b> <b>Failed</b>
<b>Motion: to increase our base speed from 50/50 Mbps to 100/100 Mbps for \$79.95</b>	Passed with no objections

- Discussion Summary:** In 2021, when we first offered service we had originally identified 5 speeds, but we started with only two - 50/50 Mbps at \$79.95 and 250/250 at \$102.95 because at that time we had some limited capacity. When we expanded to 1G and 500 Mbps symmetrical, we did not add on the 100/100 Mbps because we thought the 100/100Mbps would cannibalize the 250/250 Mbps subscribers and those at 50/50 would not necessarily increase to 100/100. .Since 2021, the broadband definition is now 100/100 Mbps. To offer less than that means that we are setting our most affordable package at a speed below the current broadband definition - creating a digital equity issue. We would like to keep our lowest price but double the speed to 100/100 Mbps. ECFiber does offer 300/300 for the price we offer 250/250 Mbps for, so we could increase that to 300/300 as we go from 50/50 to 100/100. In terms of potentially bring

CVFiber and our pricing more in-line, that will probably be talked about in October as we prepare to apply for BEAD funding.

### Increase Speed from 250/250 to 300/300 Mbps for same price of \$102.95

<b>Motioned: Mike Strait</b> <b>Seconded: Mary Metcalf</b>	<b>Passed with no objections</b> <b>Passed with objections</b> <b>Failed</b>
<b>Motion: to increase our speed from 250/250 to 300/300 Mbps for \$102.95</b>	Passed with no objections

- Discussion Summary** - if we use data to make this decision perhaps we should wait until October when we will probably make more changes. But changing both speeds now is not harder than just changing one. There is a conception that more is better although it's not changing how people actually use the internet. This is really a marketing issue - raising the 250 tier to 300 makes it easier for people to see the value in the more expensive tier. NEK Broadband is competing with cable companies advertising 300 Mbps downloads - so changing the speed from 250 Mbps to 300 Mbps will help us in those competitive areas.

Denise left at 6:20pm

### Merger Threshold Issues

<b>Motioned: Mike Strait</b> <b>Seconded: Mary Metcalf</b>	<b>Passed with no objections</b> <b>Passed with objections</b> <b>Failed</b>
<b>Motion: Voted to go into Executive Session under the provisions of 1 VSA §313 with staff, consultants, and board members in order to discuss Merger with CVFiber, finding that premature disclosure of the negotiations could substantially disadvantage the CUD if it were to be made public at this time.</b>	Passed with no objections

Executive session was entered at 6:33pm and ended at 7pm. No action was taken.

### Adjourn

<b>Motioned: Ray Lanier</b> <b>Seconded by Mary Metcalf</b>	<b>Passed with no objections</b> <b>Passed with objections</b> <b>Failed</b>
<b>Motion: To adjourn at 7pm.</b>	Passed with no objections

*Drafted by Kitty Ufford-Chase, Clerk*