

MINUTES (OPEN SESSION)

MI-Connection Board of Directors Meeting

Date: Thursday, April 28, 2011, 6:30 pm

Location: Davidson Town Hall

Board Members present: John Venzon, Dawn Huston, Leamon Brice, Erskine Smith, and Rodney Short (non-voting) Steve Miller (via phone)

Others present: Nola Perkins, Alan Hall, David Auger, Eric Hardy, Meagan Davis, Rick Howard (phone), Nick Miller (phone), and Gail Karish (phone), members of the press.

Mr. Venzon opened the meeting at 6:35 pm

1) Confirmation of officers: John Venzon

Mr. Venzon indicated that he had been advised by legal counsel that notice of the prior meeting may not have been properly made, and that for the avoidance of doubt he wished to call again for the election of officers by the board. Nominations were called for the following positions:

a. Chairman of the Board: Mr. Venzon was nominated by Ms. Huston; no additional nominations; motion carried and approved unanimously.

b. Treasurer: Mr. Brett Ellis was nominated by Mr. Brice; no additional nominations; motion carried and approved unanimously.

a. Secretary: Mr. Venzon nominated Ms. Huston; no additional nominations; motion carried and approved unanimously.

2) Approval of prior meeting(s) minutes: Ken Essex/Dawn Huston

a. In Mr. Essex's absence, Ms. Perkins advised the board that 4 sets of minutes had yet to be approved for the board meetings held in January, February, March, and the special April meeting. Ms. Huston, indicated she would follow-up with Mr. Essex to ensure all minutes are available at May board meeting for approval. In addition, Ms. Huston suggested that all future board meeting minutes once approved by the board be posted on the following websites: MI-Connection, Town of Davidson, and Town of Mooresville.- Mr. Brice indicated that he would coordinate the posting on the Town of Davidson's website. Mooresville is currently posting the minutes.

3) New Board Orientation- John Venzon/Alan Hall/Nick Miller

Mr. Hall began by indicating that he planned to arrange orientation sessions and strategic input meetings on the budget for small groups of board members in May at MI-Connection Headquarters. The meetings will include: facility tour, history, and strategic budget review. Mr. Hall said he will send out tentative meeting dates to board members on Friday, April 29, 2011.

Next, Gail Karish provided a brief orientation to the Board members addressing the topics in a handout provided the board titled "Handout of MI-Connection Board Meeting April 28, 2011 Board Orientation Short Session." Ms. Karish and Mr. Miller strongly recommended that all MI-Connection Board Members have a separate email address (supplied by MI-Connection) for

board business. Ms. Perkins was asked to follow-up to get Mr. Brice and Mr. Smith MI-Connection email addresses. Ms. Huston requested all board members review the Board Code of Conduct prior to the next board meeting and bring back any requested changes to the Code of Conduct as an agenda item at the next board meeting. Mr. Venzon asked that he be advised of any issues so he could determine whether the item needed to be added to the agenda.

4) Consider YMCA Marketing Opportunity- Rick Howard

Mr. Venzon stated that marketing proposals and spending are normally operating decisions made by the MI-Connection management team, but due to the monetary size of the proposal by the YMCA, he decided it should be presented and considered by the board. Mr. Howard presented and discussed the YMCA proposal which was a request for MI-Connection to be the primary sponsor for community events for the two local YMCAs- Lowes and Lake Norman. The sponsorship would involve a cash payment of \$47,500 for the one year term. He indicated that the YMCA's current membership is 8000 families (not individuals). He expressed the belief that partnering with the YMCA will bring branding exposure and an opportunity to bring additional subscribers.

The Board noted that this opportunity for increased brand exposure through community activities was similar to what the MI-Connection team currently does with other local organizations. Mr. Hall commented that MI-Connection typically gives media sponsorships to these types of community events reducing the cash investment required. Mr. Auger said his experience was also to give in-kind media and cash, typically 50/50. The Board did not take any action on the proposal, but requested Mr. Hall to consider proposing an alternative financial arrangement and to give an update at the May board meeting on the status of the YMCA proposal.

5) 3rd Quarter Financial Report- Alan Hall

Mr. Hall discussed the month end summary report for March 2011. He reported that there was a 3rd quarter reduction in customer relationships due to moves and non-pays. On a positive note, he reported an increase in bundle subscriptions which improves the retention rate since these customers are less likely to disconnect and/or change to competing service providers. In addition, he reported MI-Connection had lost 6 apartment complexes over the past year- two major ones represent 300 relationships alone, but the good news was that a new apartment complex would be coming on board in May that will drive 171 new customer relationships.

Concerning tech support, he reported the goal is 1:15 to answer calls, but that MI-Connection was currently at 2:09. For customer service, the goal is 1:00, and currently at 1:22. Improvement was being seen but he was still working through turnover, training of new hires, and new billing system.

Next, the board discussed the proposed FY 2012 Budget schedule. Mr. Brice requested that the preliminary budget be sent to the towns as early as possible as and earlier than the May 26 board meeting in order to meet the town's budgeting timeline for their budget approval. Mr. Hall noted that the 2012 budget will be based upon BVU cost structure until the final transition contract and timing of transition is known and can be incorporated into the budget assumptions.

- 6) New Business Mr. Venzon asked if there were any additional issues that needed to be discussed in open session, and the following items were discussed.
- a. Mr. Auger presented a brief transition plan update.
 - b. Ms. Huston requested a Connect My Blank campaign update for the next board meeting
 - c. Mr. Venzon requested board members to take a leadership role in community and be advocates for MI-Connection. Ms. Perkins was directed to provide board members with MI-Connection business cards to assist with this effort.

7) Closed Session.

A motion by Mr. Venzon to go into closed session to discuss a personnel matter (N.C.G.S. 143-318.11(a)(6)) was unanimously approved.

8) Following the closed session, the board returned to open session.

A motion was made to adjourn and the motion passed unanimously. The meeting was adjourned at 9:20 pm.