

**MI-Connection
Board of Directors Meeting
Public Hearing Regarding Budget and Open Session
May 27, 2010**

On May 27, 2010, the Board of Directors of MI-Connection held a Public Hearing regarding the MIC budget and a regular Board meeting at the MI-Connection Board Room, 420 S. Academy Street, Mooresville, NC.

Present were Board members, John Kasberger, Rick Howard, and Dawn Huston. Attending by telephone were Board members, John Venzon, and Steve Miller. Also present by telephone were MIC's counsel, Nick Miller and Gail Karish. Present in person were Mooresville Finance Director, Mia Setzer, and Davidson Town Manager, Leamon Brice; and Eric Hardy from Mooresville. Present from MIC were Alan Hall, Kyle Hollifield, and Nola Perkins; present were representatives of the press, David Boraks and Justin Vick; and present were members of the public, Andrew Stevens and D. Lynn Burris.

John Kasberger called the Public Hearing portion of the meeting to order at 7:30 am and invited members of the public to make comments.

D. Lynn Burris of Davidson expressed his concern about the amount of additional capital that Davidson may have to contribute to MIC. He believes that citizens of Davidson are being told that if MI-Connection does not achieve success, then the failure will be the fault of each citizen who does not subscribe. He feels that is unfair.

Andrew Stevens of Troutman stated that the manner in which the budget is being presented does not make it possible to make an informed decision. He does not believe the numbers add up, and he doesn't think there is enough information in the budget to give confidence to the public.

David Boraks of Davidson (a reporter who has closely followed MIC from its formative stages) was the last speaker. He mentioned comments that he has heard in response to his columns and internet posts. Many members of the public do not believe that 19.9% growth is realistic. Most of the comments he has received indicate a deep concern about what will happen in the event the projections in the budget are not met and a concern about how much additional money will be needed for the next year. Also the fact that the debt structure cannot be renegotiated is a huge concern. Finally, he commented that there still are many citizens who do not know much, if anything, about MIC, and it is important that marketing efforts be increased and that more information about MIC be disseminated.

There being no other members of the public wishing to speak, Mr. Kasberger ended the Public Hearing portion of the meeting and then called the regular Board meeting to order at 8:15 am.

Mr. Kasberger opened the meeting with a discussion of the fiscal year 2011 budget, and he reminded the members of the Board that the budget cannot be approved until both of the towns of Davidson and Mooresville give approval. Both a "recommended budget" and a more aggressive "community budget" were discussed. Alan Hall pointed out that both towns need to adopt the same budget. Mr. Kasberger suggested that both the "recommended budget" and the "community budget" be submitted to the Towns for their consideration. However, he also suggested that the Board make a recommendation to the Towns that the "recommended budget" be approved. The Board agreed to submit both versions of the budgets to the Towns and to add a recommendation that the "recommended budget" be approved.

Mr. Hall then presented the operations report to the Board. He stated that there was a 10.7 % growth of RGU's showing a gain of 2,377 RGU's for the month.

Mr. Hall presented a final restated budget for FY 2010 showing that the Operating Parties will contribute \$576,604 to MI-Connection to cover the deficit projected in January 2010 (\$176,604 attributed to cash flow deficit, and \$400,000 attributed to the sales tax refund not received). The budget assumes the contribution will be allocated as follows: \$394,415 coming from the Town of Mooresville and the balance of \$180,189 from the Town of Davidson. After a brief discussion, a motion was made by John Kasberger to approve the final amended and restated budget for FY 2010, and it was seconded by John Venzon. The motion passed unanimously.

An update on the status of the sales tax refund was given by John Kasberger. A refund may be received in September. If it is received, it will provide a positive boost to the budget numbers.

Mr. Kasberger asked if there were any additional issues that needed to be discussed in open session, and no such issues were raised. A motion was made to move into closed session for the purpose of discussing privileged matters, including receiving legal advice from counsel, and the motion passed.

After returning to open session, the meeting was adjourned.