



## Board of Directors Meeting

Davidson Town Hall  
216 South Main St  
Davidson, NC 28036  
Main meeting room

October 27, 2011

### Minutes

Present: John Venzon, Brett Ellis, Dawn Huston, Leamon Brice, Ken Essex, Steve Miller, Rodney Short

Absent: Erskine Smith

Other Attendees: Alan Hall, Stacey Pomrenke, Nick Miller, Gail Karish, David Auger, Nola Perkins, Aprille Bell and Heather Marron (Dixon Hughes)

- 1) Call to Order/Quorum – John Venzon.

Mr. Venzon determined that a quorum was present and called the meeting to order at 6:30 pm.

- 2) Closed Session (6:35).

A motion was made by Mr. Ellis and seconded by Mr. Miller to go into closed session to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege per G.S. 143-318.11. The motion was unanimously adopted.

Following the closed session, the board returned to open session (7:20).

- 3) Approval of prior meeting minutes: Ms. Huston

Ms. Huston presented the open session board meeting minutes from the September 22, 2011 meeting. No comments or changes to minutes were requested. Mr. Brice moved that the minutes be approved. The motion was seconded by Mr. Ellis. The motion to approve the minutes was unanimously adopted.

- 4) Audit Report – Aprille Bell and Heather Marron from Dixon Hughes

A handwritten signature in blue ink, appearing to be "J. Venzon", is located in the bottom right corner of the page. Below the signature is the number "1".

Ms. Bell and Ms. Marron were invited by the Chairman to discuss the audit procedures and review the Audit Committee Letter, Management Letter, and Financial Statements. They reported the October 31, 2011 deadline to complete the audit and submit the results will be met. They reported that no significant deficiencies were noted. The Board briefly discussed inventory valuation and requested that an aging analysis to be conducted to maintain aging inventory valuation based upon current market value. Mr. Ellis noted this will not impact cash flow as it is strictly an accounting entry.

Mr. Venzon recognized BVU for having achieved a clean audit.

5) Quarterly Financial Report - Brett Ellis

Mr. Ellis reported that Q1 gains in data and video subscriptions were higher than in the full 12 months of the prior year. Mr. Hall stated this was the best quarter compared to the prior 8 quarters. EBIDA was reported to be \$124,000 better than in Q4, 2010. Mr. Ellis noted that financial results lag operating results which is standard for industry because the promotion costs are booked in the first month of the customers' subscriptions. He also stated that retention will be critical to maintain revenue when the promotions end. Mr. Venzon expressed his confidence that MI-Connection was now on right track for growth.

6) Transition Update— David Auger

Mr. Auger reported that contract negotiations with one outstanding vendor should be formally resolved in November. In preparation for the transition, he anticipated that the new operating agreement with BVU would be finalized to take to the board for approval by the next board meeting.

7) Banking Resolution, BB&T CORPORATION- John Venzon

Mr. Venzon advised that to support the new operating structure, Mi-Connection would need to establish its own bank accounts. The Chairman presented a draft motion and asked the board to consider granting him authority to take what steps would be necessary to establish local bank accounts. A motion to adopt the banking resolution was made by Mr. Brice and seconded by Mr. Ellis. The motion read as follows:

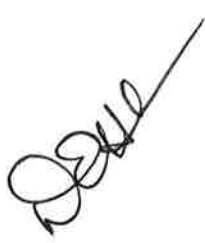
**RESOLUTION AUTHORIZING CHAIRMAN TO OPEN**

**CHECKING ACCOUNT AT BB&T CORPORATION** WHEREAS, the Board of Directors has determined it to be in the best interest of MI-Connection to establish a banking relationship with BB&T Corporation,

**NOW THEREFORE BE IT:**

**RESOLVED** by the Board of Directors that the Chairman is authorized to open a checking account in MI-Connection's name at a Mooresville branch of the financial institution, BB&T Corporation, and to execute any documentation necessary for that purpose.

The motion to adopt the banking resolution passed unanimously.



8) Roundtable- Mr. Venzon

Ms. Huston advised that she will be establishing a Marketing Committee in November and which will report to the board quarterly. Mr. Miller volunteered to be a member of the committee.

9) Adjournment

Having no other business, Ms. Huston made a motion to adjourn the meeting and it was seconded by Mr. Brice. The motion passed unanimously and the meeting ended at 8:13 pm.

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approved

12/15/2011

