

Transition Plan

MI Connection Board Meeting

May 26, 2011

Background

- Original 2007 BVU Operating Agreement restructured by MI Connection Board and memorialized in a December 2010 MOU
 - All functions currently performed by BVU transition to MIC with the exception of:
 - Customer Service
 - Network Operating Center (NOC)
 - Billing
 - All North Carolina employees transition from BVU employees to MIC employees
 - The Management Fee paid by MIC to BVU is reduced

Operating Plan Summary

- Employee Transition
 - North Carolina employees become MI Connection Communications Services (the interlocal agency) employees
 - Benefit coverage to be provided by the Town of Mooresville
 - Retirement and 401K to be provided by the North Carolina Retirement System
- Many functional areas currently residing at BVU will move to North Carolina
 - Accounting & Finance
 - Engineering
 - Human Resources
 - Dispatch & Provisioning
 - Payroll
 - Safety
 - Purchasing
 - Programming
 - Security
 - IT

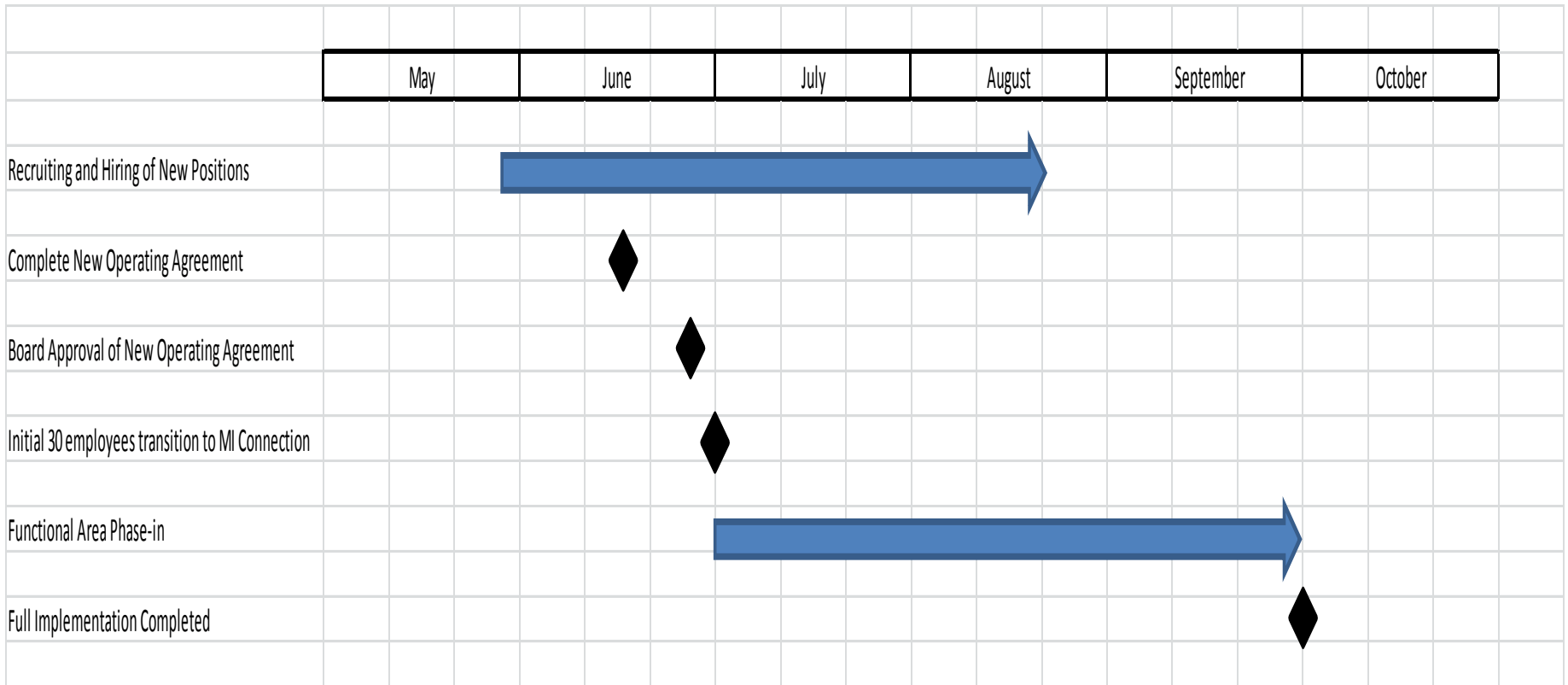
Operating Plan Detail

- Functional area changes
 - Accounting & Finance in-house
 - Engineering in-house
 - Human Resources Town of Mooresville
 - Dispatch & Provisioning in-house
 - Payroll Town of Mooresville
 - Safety Town of Mooresville
 - Purchasing in-house
 - Programming in-house
 - Security third party
 - IT in-house / TofM

The Transition Plan

- A phased-in approach over 90 days
- Most employees will become MCCS employees effective July 1, 2011
- Functional areas will be absorbed by MI Connection over the 90 day period
- BVU will continue to support MI Connection for the 90 day transition period
- BVU will support MI Connection after the 90 day period through a Transitional Service Agreement whereby they bill us for actual work performed

Transition Timeline



Summary

- Work moves from Bristol, VA to MI Connection
- **16 new jobs in Mooresville will be created**
- Recruiting and hiring begins immediately and will peak mid-summer
- The phase-in approach is necessary to ensure a seamless hand-over
- BVU continues to be a valued partner
- A strong customer driven focus will continue
- North Carolina based BVU employees are excited about the change