



Board of Directors Meeting

Davidson Town Hall
216 South Main Street
Davidson, NC 28036
Meeting Room

July 26, 2012

Minutes

Present: John Venzon, Brett Ellis (phone), Dawn Huston, Steve Miller (phone), Rodney Short(phone), Leamon Brice, Erskine Smith, Ken Essex (phone) and David Auger

Other Attendees: Gail Karish, Nick Miller, Sarah Muller, Alan Hall, and Nola Perkins

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

Mr. Venzon determined that a quorum was present and called the meeting to order at 6:34 pm.

- 2) Year End Results- David Auger/Brett Ellis

Mr. Auger presented FY2012 accomplishments, including: new operating agreement with BVU effective December 1, 2011; MIC became a member of the National Cable Television Cooperative; operating functions transitioned into Mooresville which resulted in 6.5 new employee hires; new marketing/promotional strategy implemented; first fiber to the home deployment in the Charlotte region marketplace installed in Jetton Cove; six-fold increase in internet capacity ; added a third internet backbone; increased internet upload speed to 4 Mbps from 2 Mbps; and offered the sports tier free of charge to all digital customers.

Mr. Auger reported a significant positive impact to financial results. Strong customer growth combined with a decrease in operating expenses contributed to strong EBIDA growth. Customer relationships grew by 495 with a net gain in revenue generating units (RGUs) of 2,325. FY2012 had the highest video, data, customer and RGU growth of any year since MI-Connection began its first full year of operations in FY2009. Finally, it was noted that the financial results were preliminary and unaudited, and thus subject to change.

Mr. Brice asked if FY2012 financial results were repeatable. Mr. Auger stated that the decline in cost of goods sold (COGS) would be difficult to repeat because they decreased in part due to a one-time adjustment as a result of the renegotiation of numerous programming contracts. He added that going forward programming costs will be difficult to contain, however, he anticipated that MIC will see very healthy run rates for EBIDA in FY2013.

Mr. Ellis was encouraged by the results and stressed the strong results and trends are in the right direction. Mr. Venzon said the results are more than a triple play, they were a home run and thanked the management team and MIC employees for great results.

3) Approval of the June 28, 2012 meeting minutes- Dawn Huston

Ms. Huston presented the meeting minutes to the Board for the open session on June 28. No comments or changes to minutes were requested. Mr. Brice moved that the minutes be approved. The motion was seconded by Mr. Smith. The motion to approve the minutes passed unanimously.

4) Roundtable Discussion- All

Revised Board Meeting Schedule- John Venzon

Mr. Venzon proposed going to a quarterly board meeting schedule and establishing informal working committees or groups to be available to assist the organization as needed. A quarterly board meeting would be held on the fourth Thursday of January, April, July, and October in order to receive a report on quarterly financial results. Mr. Venzon outlined a draft list of the proposed working groups that could meet from time to time between the quarterly board meetings, including suggestions for their respective members.

Mr. Venzon noted the inter-local agreement anticipated that board meetings could occur quarterly and that the board could always call special meetings if needed between quarterly meetings to conduct hearings, participate in deliberations, or vote upon or otherwise transact the public business of MIC.

Mr. Venzon made motion to revise the current monthly board meeting schedule to establish a quarterly meeting schedule beginning on the fourth Thursday of the month of October 2012. Ms. Huston seconded the motion. The motion to revise the board meeting schedule to establish a quarterly meeting schedule passed unanimously.

5) Adjournment

Having no other business, Mr. Auger made a motion to adjourn the open meeting which was seconded by Mr. Brice. The motion passed unanimously and the meeting ended at 7:15 pm.

*approved
10/25/12*