

**MI-Connection  
Board of Directors Meeting  
Open Session  
February 24, 2011**

On February 24, 2011 the Board of Directors of MI-Connection (MIC) held a meeting beginning at 7:30 am in the MI-Connection Board Room, 420 S. Academy Street, Mooresville, NC.

Present were Board members, John Kasberger, John Venzon, and Rick Howard. Attending by telephone were Board Members, Ken Essex, Steve Miller, and Dawn Huston, and MIC's counsel, Nick Miller and Gail Karish. Also, present in person from the Town of Mooresville were Commissioner, Miles Atkins, and IT Director, Jeff Brotherton. Attending for the town of Davidson were Town Manager Leamon Brice, and Mayor Pro Tem Laurie Venzon, and Communications Director Megan Pillow-Davis. Also present were Alan Hall, Nola Perkins, Debbie Jackson, and members of the press. Attending by means of videoconferencing were Kyle Hollifield and Stacey Pomrenke (BVU).

The meeting was called to order by John Kasberger.

Mr. Hall presented the operations report for January 2011. He pointed out there was an adjustment in subscriber information resulting from the conversion to the new billing system. He advised the Board that, along with the announcement of the MIC rate increase, MIC will announce the addition of several HD Channels to the expanded basic tier at no additional cost to the subscriber. The channels are expected to become active in early April, and the exact timing will depend upon the requirements of the programmers.

Mr. Kasberger asked if a capital expense was associated with the addition of the channels, and Mr. Hall stated that there would be a \$75,000 cost which was approved at the January Board meeting. He stated that there will be no programming costs involved. MIC is making a one-time capital expenditure which will add to the value of MIC's service to its subscribers.

Mr. Hall discussed a process that has been ongoing inside MIC to clean up the database after the billing conversion. He explained that when the billing conversion took place in August of 2010, there were some anomalies in the old database. MIC has been working to address those anomalies, but the clean-up will result in a restatement of the number of customers, however, the revised figures will have no effect on reported revenues. Mr. Hall proposed, and the Board agreed, that the restatement should cover the fiscal year beginning in July 2010.

Mooresville Commissioner, Miles Atkins, was invited to address the Board, and Mr. Atkins advised that both of the town boards of Mooreseville and Davidson approved a modification of the Interlocal Agreement that would expand the MIC Board by two members, bringing the total number of voting members to seven. The two additional members will be the town's managers. The Town of Cornelius will continue to provide one non-voting member. Mr. Atkins also noted that the towns had agreed to do away with geographical representation and instead would jointly select five "at-large" members, permitting board members to be chosen from a wider base of candidates.

Mr. Kasberger stated that MIC had received a letter from the Local Government Commission (LGC) dated February 4, 2011. After a review of the MIC audited financial statements for 2009-2010, the LGC expressed some concerns about MIC's finances, and the letter requested additional information. The LGC requested a response within 30 days, and requested that the response include by a copy of MIC's estimated 12-month cash flow and the debt payment schedule. The LGC also requested a projection for the next 3 years. The Board discussed an appropriate response. John Venzon offered to draft the response, and the Board agreed that Mr. Venzon should present the draft to the Board for comment at a special telephone conference to be held on Wednesday, March 2, 2011.

Mr. Kasberger asked if there were any additional issues that required discussion in open session, and no issues were raised. A motion was made to move into closed session for the purpose of consulting with the Board's legal counsel regarding potential litigation and other matters properly considered in closed session under the provisions of NCGS 143-318.11. The motion passed.

After returning to open session, the meeting was adjourned.