

VERMONT CENTER FOR GEOGRAPHIC INFORMATION, INC.

BOARD OF DIRECTORS

Minutes of Meeting – 8:30 AM on September 16, 2014

Executive Director David Brotzman called the meeting to order at 8:35 a.m. The membership was represented as follows:

Richard Boes (Agency of Administration)	Absent
Aaron Worthley (Private Sector – GIS Community)	Present
Peter Fellows (Regional Planning Commissions)	Present
Thomas Hurd (Agency of Transportation)	Present
VACANT (Vermont House of Representatives)	Absent
Sen. Elders French (Vermont Senate)	Absent
Jarlath O’Neill-Dunne (Higher Education – UVM Spatial Analysis Lab)	Absent
Melissa Prindiville (Agency of Commerce & Community Development)	Present
Peter Telep (Agency of Natural Resources)	Present
Bruce Urie (VT Municipalities)	Present
Scott Roper (Higher Education – Castleton State)	Present
Beverly Wemple (Higher Education – University of Vermont)	Absent

Executive Director David Brotzman; Business Manager Eve Dubois; ACCD representative Lucy Leriche; and auditor Adam Dubuque, CPA were also present.

Report from Auditor

Adam Dubuque made a presentation to the Board regarding the FY2014 audit. He went over the audit team, upper level has remained the same team for three years. The firm issued two opinions: GAAP and A-133. Both opinions were unmodified/clean. Internal Control letter: no material weaknesses or deficiencies. Verified with David that Board Communication letter and Internal Control letter are available for Board’s review. Data Collection Form is delayed as in past years, and Form 990 is in process. Adam asked whether his firm, Johnson-Lambert & Company (JL&Co) would be preparing VCGI’s final 990. David Brotzman confirmed.

On page 5 of the presentation, there is new guidance but nothing that really impacted VCGI other than an added disclosure for the transition into state government, on which Adam worked together with David. There were no proposed or recorded audit adjustments. If VCGI is providing financial reports, and wants to include audited numbers, JL&Co needs to review. VCGI cannot provide a portion of the audit and must include a complete report. CPAs are required to be independent. Regarding subcontractor expense submissions, receipts were not consistently provided by a subcontractor. VCGI followed up to retrieve and review those receipts and to receive reimbursement for unallowable expenses. Going forward, JL&Co recommends making sure contractors are aware of unallowable expenses and the need for receipts.

The NTIA grant is the major one that requires an A-133 audit. There were minor exceptions and no formal findings. VCGI’s net loss for the year was about \$75,000. Revenues increased, but this was offset by primarily by increased direct expenses. Most of the increases were due to Orthophoto funding. There was a significant decrease in cash flows from operations. Overhead rate change was not as pronounced as the prior year. The Federal Data Collection Form underwent significant revisions last year and therefore the submission was delayed. It is delayed again this year—form ready in October—and will be submitted when ready. The auditor enters the information and certifies, the Executive Director certifies, and receipts are provided.

Melissa Prindiville – regarding contract with CPA firm, this is the last report. Do we need to create an

addendum to extend the contract? DB – State would want a final audit. He asked the BOD to approve. Adam indicated that it is not possible to do A-133 audit on a partial year and that cost of the audit would be lower cost if there was no A-133 audit. He also asked about timing since the busy season for his firm is in March and April. DB – At this point, VCGI has a planned March 30 end date.

Motion to accept the auditor's report was made by Bruce Urie and seconded by Thomas Hurd. The motion carried unanimously.

Review and Approval of Minutes of Prior Meeting

Minutes from June meeting. Motion to accept was made by MP and seconded by TH. The motion passed unanimously.

Financial Reports

Revenue Projections

DB—Revenue projections are a best guess. March 30 to June 30 is unclear, but we have enough funding to cover the organization through June 30. VCGI has a contract with DEM/HS. We expect they'll renew, and they are pressuring us to do more. VCGI is getting pressure from DPS to work with them. They want Ivan full time, but we can't let our Database Administrator go full time on project work. Emergency Management renewal is not due until the end of September, is generally late in renewing, and last year was not renewed until February. LL – What does the availability notation mean? DB – means we have commitment and amount available. On upper portion it's about the percentage that has been committed. MP – statewide LiDAR emails? Can you explain what's going on? DB – VCGI has contract to do LiDAR for \$800,000. All funds are going to USGS to acquire and process the data. VCGI has some overhead and should get paid something to store and maintain. We put in for it, but we have never gotten it into the contract. VCGI will still store and maintain, but it becomes a burden on us. PF – new contracts. How will they transfer to ACCD? DB – plan to transfer in. LL – legal staff will work with VCGI to make the transfer. AW – all partners understand transition and are aware? DB - towns are not aware, but many have relationships with ACCD already. DB – feeling good about coming year. A lot of factors, but at this point, we are good, although we'll be going into FY16 low on funds.

Proposed Budget

DB – project revenue came from estimate including subcontractor amounts (primarily NTIA). Software maintenance consists of an invoice from ESRI which has been paid already; it was due at the end of August. Outreach Roundtable expense reduced for coming year. DB has reviewed the Outreach budget with Leslie Pelch, and we don't anticipate an impact to Outreach as a result of the decreased funding. MP – conference call expenses can go through ACCD? LL – yes, may be able to do sooner.

DB – Labor related to Imagery costs may be lower, won't see what we saw last year due to no buy-ups. Under general operating expenses, accounting fees relate to the auditors, JLCo. Consulting fees relate to work done by NumberWorks, LLC/Eve Dubois. Although the budget indicates a net loss, it's important to keep in mind we have \$180K in the bank. PF – what happens to money when transferred to ACCD? LL – absorbed into ACCD but earmarked to be used for the purposes of this organization. BU – What about your office lease; will you stay where you are? DB – move before or by end of June. LL – budgeting to rework space and bring staff into ACCD offices.

DB – use of DII, latency issue so there are some things we keep on VCGI servers. TH – DII providing services going forward? DB – depends on move to ACCD and whether latency is an issue.

PF moved to approve the proposed budget. SR seconded. Budget was approved unanimously.

Income Statement

This report is based on the summer months, so lots of vacation time was used in July and August. YTD loss is \$9500, while the budgeted loss is \$35,000. We are running better than budget. This report also does not show the \$180,000 we have in the bank.

Balance Sheet

We were over the FDIC limit, so we opened a CD at NSB. LL – when does the CD mature? It's a no-penalty, withdraw anytime CD, opened in August. Any questions? There were no questions.

Projects/Grants/Core Activities – Operational Overview – Management Report

DB – many have been around for a long time, e.g. VTrans. VTrans has put out RFP for someone to perform ROI. It's been selected but not awarded yet. Everything that's been done in the state with parcels is good. Ongoing relationship with VEM/DPS for 15 years. GIS is in the building and doing good stuff. PF - marketing a position at DEM? DB – on hold at this time due to funding problems within the state. LL – approached about a partnership. They don't want to give up VCGI. Want to kick in for a partial FTE to continue work with VCGI. ACCD is working on an interdepartmental arrangement. DB – add public safety into mix. They lost their database manager and have money and space.

E911 - good relationship but no funding. Working on standardization with them.

VAAF – current SLA, GIS person is staying after all.

VSJF – solar data work by Mike Brouillette.

NBRC – asked for extension, which was granted, until end of December 2015. They extended to March 30, 2016. We have more than enough time. Working with towns can take longer, so this is good. This is a really good project. Eligible towns have taken it on and are doing good work. Almost all local contractors are doing the work. VCGI has contracts with almost all towns. Berkshire and Waterford are working on signing their contracts and have already started work on their own. BU – contractors doing multiple towns? DB – yes, and there's also a new contractor who is doing at least two towns. PF – admin funding? DB – yes, less than 1%, but money should go to towns.

NTIA – October 1 will be the final delivery. Flurry of work is getting that done. After the October 1 delivery, work will diminish but not go away. DB contacted NTIA to use money to fund state work to support taking over. Connectivity is a potential resource. MP – final product? DB – statewide broadband coverage by type and provider with the information is provided by providers. There are some plusses and minuses to that. We pay DPS to act as a direct liaison with providers. DPS has contacted VCGI to take over some of this work, and they will fund at a low level. Still working on dynamics of what it's going to be after January 2015. Foolish for state to abandon, but VCGI cannot maintain on its own. Website will be mothballed, but we will do the best we can. We are losing major funding support for the organization. It's been a good contract for VCGI and the State. We will support the transition for the State as best we can.

The staff is hanging in there. Keep in mind it's been two years. Everyone is getting more comfortable over time with ACCD and vice versa.

Imagery data – 2014 acquisition was done in the spring. First QC expected in early October. Preliminary imagery looks good. 2015 acquisition will be Windham and Bennington. Want to go to legislature re: end of

cycle and future plans (have talked with Orthophoto group to get a better resolution, 30 cm is more of a standard). Can probably get 30 cm for about same price as half meter cost on previous contract. Will check with community. AW – cycle would start immediately? Last rotation was a number of years. DB – Yes, 2010 delayed by weather. 2003 not funded. Legislature understands value now, and funding is less of a problem. AW – infrared data is helpful, e.g. forest typing. DB – glad to have that feedback.

EGC continues to move forward. PT – recently started discussing organizational plan. Objectives and implementation strategies. Need to know more about how VCGI is fitting into ACCD. Debating about roles and scope. Good first meeting. Given how GIS has matured and developed, it's a good discussion to be having.

LiDAR - \$880,000 reduced amount of money for project, not sure where change came from. CCRPC funds Chittenden County. PF – what will remain after \$880,000 is spent? DB – about 40% of state remaining. Federal government has released priority areas for all 50 states. BAA funding will likely be to support collection of Windham, which is a priority area. LL – which counties will be left? DB – Done by watersheds, so boundaries are not clean. Will be flown in fall but it takes a long time to process. Last fall they did part of Lake Champlain watershed in Rutland area.

MP – how is it distributed? DB – VCGI has the data and makes it available on request. Some available through on-line viewer but download volume would bring system down.

Should be able to provide a statewide conserved lands database. Kudos to them for providing a common data standard. LL – map as well as database? DB – yes PF – yes, can load into interactive map viewer. AW – annually updated? DB – continually updated. Don't know schedule that's been committed to, but VCGI recommends at least annual updates. NTIA – any questions? AW – broadband coverage information is provider-provided? How does Pericle driving around mapping fit into that? DB – grant from NTIA provided money for collection and verification. Pericle fits into verification side. Verification is also done by CRS, calling around the state and asking if people have broadband. Found that info providers are giving is pretty good. When we started, they didn't have good information, but they've gotten better at it, and the data has improved. Now 90+% verification—pretty good. AW – looking at two different data sets—what's been given and what's been verified? DB – The data is what's been provided. The verification information is statistical, although Pericle does provide coverage maps.

ACCD Transition Discussion

DB – Regular meetings. Blessing not to do July 1 transfer. We're making the move. LL – can answer questions. Setting up meeting with new commissioner of HR, Mary Beth Spellman, to talk about positions and work into budget submission for the year. 2016 looks tight/hard. Budget documents from Agency of Administration asking to submit two scenarios, level funding and 5% decrease in funding. AW – rough spots, friction points? DB – resolution of positions, salaries, benefits, etc. Employees are hanging, wondering when/how it will be resolved.

LL – true, they really are hanging out there. All we can do is make pitch to Reardon and Agency of Administration. Union issues around classification out of ACCD's control. ACCD is doing everything they can. Budget due by October 10, but confidential until administration makes decision. Will ask but may have to keep confidential. Allowed four positions plus two from pool. Over time, some positions are given up or no longer needed, and those go into a pool. Very few positions currently in pool. State hospital newly on-line. May need positions to staff hospital so the State is keeping positions in the pool for now. TH – If recruiting, and a position is not filled within 6 months, that position can be swept into the pool. AW – Do we know which

four positions are moving? DB – We don't know. LL – currently operating with six positions plus contracted services for bookkeeping and administrative services. ACCD is currently operating with four finance people for the entire agency. ACCD is at capacity with financial staff for the entire agency. It's not going to be possible to absorb those services into the existing structure.

DB - BOD needs to review staff salaries, COLA, etc. The discussion was tabled at the last meeting. LL – had conversation with Commissioner Reardon. He strenuously recommended a freeze on any additional spending through this fiscal year. As we compare positions at VCGI and ACCD at the same level of experience and training, VCGI pays more than ACCD, so we're trying to figure out how to resolve this. A salary increase would complicate the situation. If a hiccup happens, VCGI may need to continue beyond March 30, so it would be wise to reserve funding for this contingency. AW – Is discrepancy only in ACCD or in entire state government? LL – Since ACCD is aligned with state government, I assume the same discrepancy throughout, but I don't know for sure.

DB – Does the Board want to discuss salary increases and/or bonuses? AW – Were raises included in the budget? DB – No, we specifically did not include them this year due to current circumstances, and staff was aware and expecting that pay increases were unlikely. AW – What is management's recommendation? DB – It's been brutal. Staff is deserving of bonuses, but this will be a burden on ACCD. TH – VTrans has also received similar direction. AW – Staff has had to live with unusual amount of stress and uncertainty over the past year. PF – I am more worried about the two pool positions than about the lack of increases/bonuses. Looking at how the organization functions, VCGI is currently using six plus people to do good work. We hope that can continue. State hospital needs to resolve first, but we hope ACCD will move quickly. MP – Can the Board send a letter to Reardon regarding the two positions? I would not support a bonus at this time. DB – Regarding a letter from the Board, someone would have to take that up. What would you like me to do? I could tell the chair it was brought up and let the chair manage that. MP – Let's open it to discussion, does the BOD want to do that? PF & AW – would like to do that. TH – There are also other dynamics, such as ACCD reaching out to the State to find out what responsibilities are needed and how VCGI will provide. LL – survey out right now, also need to understand financial impact of positions. DB – time frame when HR will finish? LL – scheduling is in process now. Hopefully will happen within couple of weeks. Need to complete budget submission by October 10. DB – Will pool positions be determined in October or not until June? LL - budget submission by Oct. 10. Will talk through upward pressures with Finance and Management. They'll look at all factors and make decisions about recommendations. Timing of that part is uncertain. Legislature comes back in January. Governor gives budget presentation to the Legislature a few weeks in. Hopefully may have information before January but may have to keep confidential. DB – When would VCGI employees become employees of ACCD? LL – At this point, March 30. TH – Sweep of positions into the pool happens in January.

DB – What is the Board's decision regarding salary increases and/or bonuses?

PF – made a motion that Board works with the Executive Director and ACCD to keep as many full positions as we can (with VEM and DPS wanting more work from Ivan). We recognize all the good work staff has done and their patience, but we just can't look at bonuses and salary increases now given the current situation. AW seconded the motion and asked whether the four plus two positions are all full-time. DB – yes, all are full-time. Motion passed unanimously.

Closing

Next meeting is December 9, same time and place. If you need anything or want to add something to the agenda, please let me know.

Meeting adjourned at 10:04 a.m.